

Toward a Sustainable US Defense Posture

AN OVERVIEW OF

DEBT, DEFICITS, AND DEFENSE: A WAY FORWARD

BY THE SUSTAINABLE DEFENSE TASK FORCE

In February 2010, President Barack Obama formed the National Commission on Fiscal Responsibility and Reform. The president tasked the commission to advise the administration and Congress on options for reducing the US national debt, which has risen to levels not seen since the Second World War. Complicating debt relief efforts are other pressing national priorities, including recovery from the recent financial crisis and recession – the worst in 70 years. In this light, it is

essential that all elements of the federal budget be subjected to careful scrutiny. The Pentagon budget should be no exception. As Defense Secretary Robert Gates said in a May 2010 speech (paraphrasing President Dwight D. Eisenhower): “The United States should spend as much as necessary on national defense, but not one penny more.”

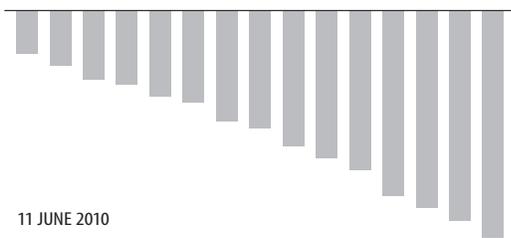
There is no doubt that defense expenditure has contributed significantly to our current fiscal burden. This is true even aside from war costs. Today, annual discretionary spending is \$583 billion above the level set in 2001. Overall, the rise in defense spending accounts for almost 65% of this increase. Non-war defense spending is responsible for 37%.

Taking a longer view, the rise in US defense spending since 1998 has no precedent in all the years since the Korean war. The DoD budget reached its post-Cold War ebb in 1998: \$361.5 billion (2011 USD). Since then it has surged to \$708 billion – a 96% increase. The portion of the 2011 budget request that is unrelated to contingency operations (the so-called “base budget”) is \$549 billion, which is 54% higher in inflation-adjusted terms than in 1998.

The report of the Sustainable Defense Task Force (SDTF) – *Debt, Deficits, and Defense: A Way Forward* – presents a series of options which could save up to \$960 billion in defense spending between 2011 and 2020. The proposals cover the full range of Pentagon expenditures – procurement, research and development, personnel, operations and maintenance, and infrastructure. Some involve changes in our military posture and force structure; others are more limited in scope, focusing on outdated, wasteful, and ineffective systems that have long been the subject of criticism

Debt, Deficits, and Defense

A WAY FORWARD



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REPORT OF THE
SUSTAINABLE DEFENSE TASK FORCE

Debt, Deficits, and Defense: A Way Forward

Sustainable Defense Task Force

<http://www.comw.org/pda/fulltext/1006SDTFreport.pdf>

by congressional research agencies and others. Taken together or implemented in part, they could make a significant contribution to any deficit reduction plan. Not all of the Task Force contributors endorse all the options, but all agree they offer genuine possibilities for resource savings and deserve serious consideration

A NEW APPROACH IS NEEDED

A pivotal conclusion of the Task Force’s report is that putting America’s defense policy on a more sustainable path, requires us to change how we produce military power and how we put it to use. It is possible to achieve significant savings without compromising our essential security. But doing so depends on our willingness to:

- *Rethink* our national security commitments and goals to ensure they focus clearly on what concerns us the most;
- *Reset* our national security strategy so that it reflects a cost-effective balance among the security instruments at our disposal and uses those instruments in cost-effective ways; and

- *Reform* our system of producing defense assets so it provides what we truly need at an affordable cost.

In line with these precepts, the Task Force reviewed America’s current military posture looking for safe ways to save. The task force focused especially on:

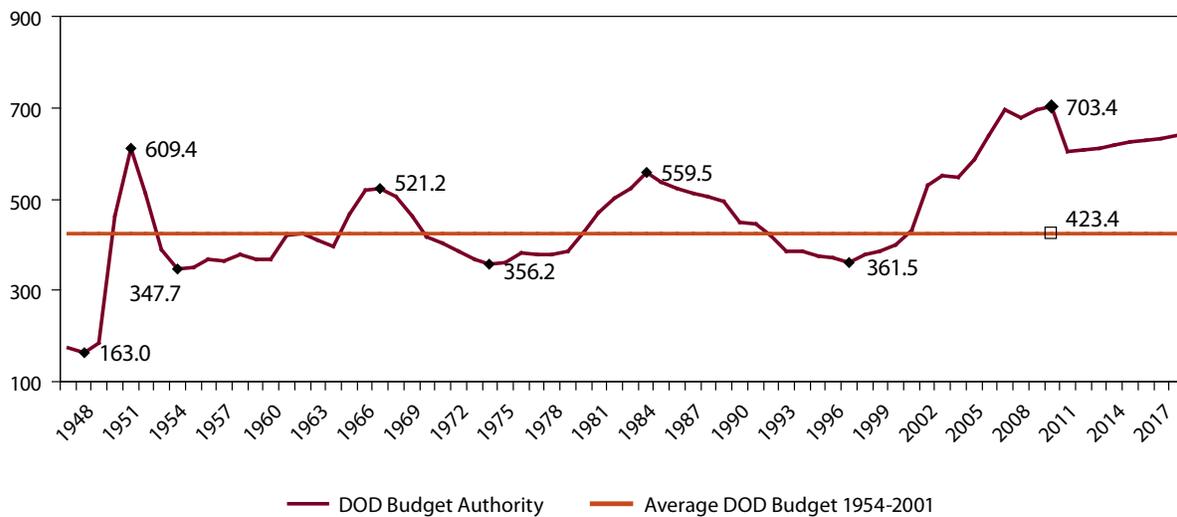
- Department of Defense programs that are based on unreliable or unproven technologies,
- Missions that exhibit a poor cost-benefit payoff and capabilities that fail the test of cost-effectiveness or that possess a very limited utility,
- Assets and capabilities that mismatch or substantially over-match current and emerging military challenges, and
- Opportunities for providing needed capabilities and assets at lower cost via management reforms.

The options developed by the Task Force are summarized in the table on page three.

Implementing this set of options in whole or part need not in any way risk our nation’s freedom, survival, or victory in the struggle against terrorism and weapons proliferation. Most of the Task Force recommendations involve the “base” portion of the Pentagon

DOD Budget Authority 1948-2019

(Billions of 2010 USD)



Sources: DoD & Office of Management and the Budget

Project on Defense Alternatives

Options for Savings in Defense

Strategic Capabilities

- | | |
|---|------------|
| 1. Reduce the US nuclear arsenal; adopt dyad; cancel Trident II | \$113.5 b. |
| • 1000 deployed warheads | |
| • 7 Ohio-class SSBNs | |
| • 160 Minuteman missiles | |
| 2. Limit modernization of nuclear weapons infrastructure and research | \$26 b. |
| 3. Selectively curtail missile defense & space spending | \$55 b. |

Conventional Forces

- | | |
|---|------------|
| 4. Reduce troops in Europe and Asia, cut end strength by 50,000 | \$80 b. |
| 5. Roll back Army & USMC growth as wars in Iraq and Afghanistan end | \$147 b. |
| 6. Reduce US Navy fleet to 230 ships | \$126.6 b. |
| 7. Only retire two Navy aircraft carriers and naval air wings | \$50 b. |
| 8. Retire two Air Force fighter wings, reduce F-35 buy | \$40.3 b. |

Procurement and R&D

- | | |
|---|-------------------|
| 9. Cancel USAF F-35, buy replacement | \$47.9 b. |
| 10. Cancel USN & USMC F-35, buy replacement | \$9.85 b. |
| 11. Cancel MV-22 Osprey, field alternatives | \$10 b. – \$12 b. |
| 12. Delay KC-X Tanker, interim upgrade of some KC-135s | \$9.9 b. |
| 13. Cancel Expeditionary Fighting Vehicle, field alternatives | \$8 b. – \$9 b. |
| 14. Reduce spending on research & development | \$50 b. |

Personnel Costs

- | | |
|--|---------|
| 15. Military compensation reform | \$55 b. |
| 16. Reform DoD's health care system | \$60 b. |
| 17. Reduce military recruiting expenditures as wars recede | \$5 b. |

Maintenance and Supply Systems

- | | |
|--|---------|
| 18. Improve the efficiency of military depots, commissaries, and exchanges | \$13 b. |
|--|---------|

Command, Support, and Infrastructure

- | | |
|--|----------|
| 19. Require commensurate savings in command, support, and infrastructure | \$100 b. |
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Effect of SDTF Options on FY 2011–2020 National Defense Plan

(050 Budget w/o war cost in billions USD)

Year	10	11	12	13	14	15	16	17	18	19	20
Obama Current Dollars	555	574	592	607	624	643	659	677	696	715	735
Obama 2010 USD	555	565	571	586	601	608	610	615	619	623	627
SDTF 2010 USD		544	518	516	517	503	496	492	485	494	500

Sources: US Department of Defense (DoD), National Defense Budget Estimates for FY 2010 (Washington DC: US DoD, June 2009); US Office of Management and Budget, Analytical Perspectives, Budget of the United States Government: Fiscal Year 2010 (Washington: GPO, May 2009).

budget, largely excluding expenditures that support operations overseas. Those options that would affect such operations are pegged to progress in concluding today's wars. And the report preserves those US military capabilities especially tailored for counter-terrorism and counter-proliferation activities.

THE SAVINGS OVER TEN YEARS

How would these savings effect the next decade's budgets? The administration's FY 2011 budget allocates 6.522 trillion "then year" dollars to National Defense over the period 2011–2020. This would be approximately \$6 billion in 2010 dollars and would reflect a real increase of 13% across the period. By contrast,

if fully implemented, the SDTF options would bring cumulative National Defense spending down to a little more than \$5 trillion in 2010 dollars. The resulting "base budget" in 2020 would be 10% below today's in real terms.

To put this prospective reduction into historical perspective: between 1985 and 1998, the baseline defense budget declined by 35% in real terms, due to the Cold War's end. It then rose by 54% between 1998 and 2011, *not counting funds added for war*. The SDTF options, if fully implemented, would roll the baseline budget back to only slightly below the average for the Reagan years – *which would still be almost 14% above the average for the Cold War period*, when the United States contended with a peer global competitor.

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THE SUSTAINABLE DEFENSE TASK FORCE

The Sustainable Defense Task Force was formed in March 2010 in response to a request from Representative Barney Frank (D-MA), working in cooperation with Representative Walter B. Jones (R-NC), Representative Ron Paul (R-TX), and Senator Ron Wyden (D-OR) to explore possible defense budget contributions to deficit reduction efforts that would not compromise the essential security of the United States.

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