Report of the Task Force on

A Unified Security Budget for the United States

FY 2010

BY FOREIGN POLICY IN FOCUS
OF THE INSTITUTE FOR POLICY STUDIES
NOVEMBER 2009

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This Report was produced with the generous support of the Arca, Educational Foundation of America, Ford, Rubin, and Connect US Foundations.

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I. Executive Summary

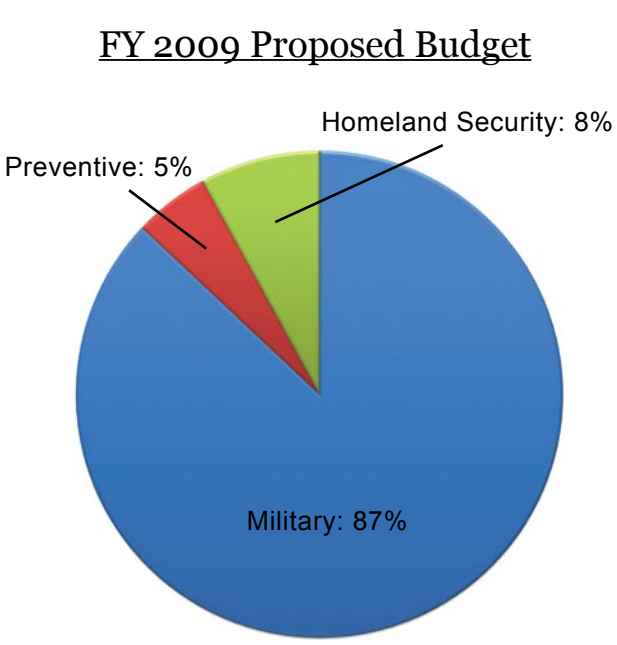
Since 2004 this task force has argued for a shift in emphasis in U.S. security policy toward a different, less militarized approach. In awarding the 2009 Peace Prize to President Barack Obama, the Nobel Committee credited him with initiating such a shift: for creating "a new climate in international politics" where "dialogue and negotiations are preferred as instruments for resolving even the most difficult international conflicts;" for engaging more constructively in the global challenge of climate change; and for creating new momentum toward a nuclear weapons-free world.

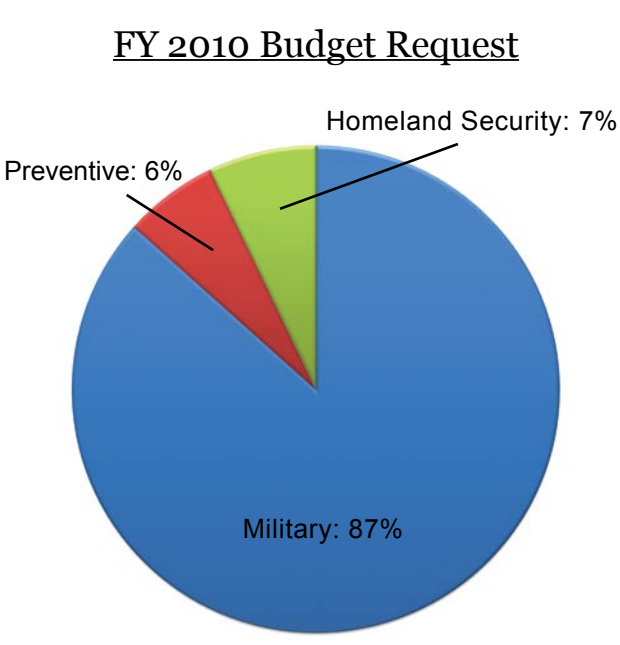
The Task Force on a Unified Security Budget exists in part, however, to evaluate such changes by the metric of dollars and cents. Here, the story isn't as good.

The Budget Balance

As the Obama administration prepared to take office, The New York Times reported that the designated Secretaries of Defense and State and the National Security Advisor had all "embraced a sweeping shift of priorities and resources in the national security arena… a rebalancing of America's security portfolio after a huge investment in new combat capabilities during the Bush years."

Security Balance, FY 2009 vs 2010 Request





The truth contained in their first budget made a down-payment on that promise, but hardly lived up to it. The needle tracking the overall balance of resources for offense (military forces), defense (homeland security) and prevention (non-military foreign engagement) stayed stubbornly in place:

- In the FY 2010 request, like the one before it, 87 percent of our security resources were allocated to the tools of military force. This is true even excluding the appropriations for the wars we are actually fighting.

Why hasn't the needle moved?

Offense

- The first Obama budget made a significant break from its predecessors by proposing cancellations or substantial cuts to nine weapons systems, totaling $9.6 billion.

This was the most ambitious set of cuts to well-entrenched weapons programs attempted by any administration since the early 90s. The administration also fought for these cuts by, among other things, threatening to veto military procurement legislation that did not sustain them.

At the same time, its budget added $21.3 billion in new military spending.[1] Overall, then, the Obama military budget is, in real terms, larger than any of its predecessors. It does slow down the rate of increase that has been sustained over the last decade.

- The administration targeted several of the systems this task force has recommended for cuts or cancellations. Its budget cut $7.5 billion from the USB's 2009 target list of $60.7 billion.

- But a few increases—primarily to the budget for the Joint Strike Fighter, but also smaller amounts for the Virginia Class Submarine and two other programs—add back $4.6 billion, for a net cut of $2.9 billion. The result is a modest beginning indeed on the reductions that this task force argues are possible with no sacrifice to U.S. security (see p. 11).

On the two largest items on the USB's list of proposed savings, though, the jury is, in a sense, still out. The first would come from reducing our nuclear arsenal to 600 warheads and 400 in reserve, and eliminating the Trident II nuclear missile. The administration is currently conducting a comprehensive Nuclear Posture Review, and START negotiations, which will determine how close to that goal they will get.

The other large outstanding item on the USB's hit list is Pentagon waste, a longer-term proposition to be addressed by instituting mandatory, verifiable reforms to the procurement system. The administration has committed itself to this course. The first attempt, the Weapons Systems Acquisition Reform Act, became law in such a weakened state that it can only be considered a small first step in the right direction (see pp. 12-14).

The task force recommends that the next stages of reform ensure that:

- Contracts are truly competitively awarded;

- DOD employs a well-trained, fully staffed acquisition workforce;
- Web sites providing public access to federal contracting data are expanded and updated;
- Risky contracting vehicles such as cost-reimbursement or time-and-materials contracts are severely limited;
- Movement of government employees in and out of the private sector is monitored and publicly disclosed;
- Government actually follows laws currently on the books, such as the "fly before you buy" statute.

If the administration pushes hard on both fronts of nuclear reductions and acquisition reform, it may be able to realize the kinds of much larger savings this task force recommends, and narrow the gap between spending on offense, defense, and prevention.

Defense

Funding for homeland security has stayed relatively constant. The Homeland Security Mission Area, as OMB defines it, has been allocated a nearly four percent increase. Each year the Task Force makes some adjustments to OMB's budget classifications, however, in order to more clearly differentiate military from non-military security spending (see Table 1, p. 9). The funding increases for the Homeland Security Mission Area are essentially wiped away when the military portions are recategorized as "offense."

The task force has recommended a smaller set of spending increases for homeland security than in previous years. This is because there is broad agreement in the policy community that our homeland security problems are as much a function of bureaucratic incoherence as inadequate funding.

The administration has taken a potentially constructive step toward addressing both by proceeding with the first Quadrennial Homeland Security Review. The task force is concerned, however, that the problem—of a sprawling, uncoordinated set of activities without clear priorities—will be perpetuated in the cure.

- The scope of the QHSR is overly broad and needs to focus on a few big-picture issues, including rationalizing the responsibilities of federal, state, local and private actors, improving risk management, harmonizing security priorities with other national interests such as privacy and commerce, and detailing how homeland security programs are to be financed and sustained over time.
- Meanwhile, the FY 2010 request does include some increases in such critical areas as hospital preparedness and funds to develop state and local public health capacity, building on extra funding for port, transit, and rail security in the Recovery Act.

Prevention

To the extent that the Obama administration has begun to follow through on its ambitions for security budget rebalancing, it has done so mostly by making substantial additions to the budget for non-military foreign engagement. The funding request for the Inter-

national Affairs budget was increased by nearly a third. Even when military security assistance contained in this category is moved to the "offense" side of the ledger, the increase is in excess of 25 percent.

A few highlights in this budget:

- U.S. arrears to the United Nations have been paid in full.
- Contributions to International Peacekeeping operations have been increased by 50 percent.
- The U.S. will spend more on Global Health and Child Survival in FY 2010, if this budget is fully funded, than on Foreign Military Financing; the increase in the account of the former is nearly three times as great as that of the latter.
- Beginning to fulfill its pledge to grow the Foreign Service by 25 percent, the budget for Diplomatic and Consular programs has increased by a third, allowing the hiring of 802 new diplomatic personnel.

These are some concrete indicators of an actual, as opposed to merely rhetorical, change in U.S. foreign engagement.

When the regular budgets are considered (excluding supplemental war appropriations):

- An 18:1 ratio of spending on offense, as opposed to prevention in the FY 2009 request, becomes a substantially narrower ratio of 14:1.

This gain is outweighed by the increased spending for Offense, however, which is why the needle stays stuck.

Budget Coordination

The task force recognizes that the obstacles to further narrowing the gap between spending on offense, on the one hand, and defense and prevention, on the other, are in part a function of the process by which these decisions are made. We propose a Unified Security Budget mostly to solve the problem of "stovepiped" decision-making that prevents the overall balance from being adequately considered.

We applaud the creation of new reviews of prevention (the Quadrennial Diplomacy and Development Review, or QDDR) and defense (the Quadrennial Homeland Security Review, or QHSR) as parallel processes to the Quadrennial Defense Review (QDR). While there has been some mention of coordination among them, the three processes appear in fact to be proceeding largely on parallel tracks. They are, in other words, mostly "stovepiped" from each other. That is why:

- The task force recommends the creation of a Quadrennial National Security Review that would examine the budgets for offense, defense and prevention together, so that the relative balance of resource allocations can be considered as an integrated whole.

In section III of this report, pp. 18-23, we also lay out several options for reform of the congressional budget process. They range from the incremental to

the potentially transformative. There is no progress to report on any of these fronts since last year.

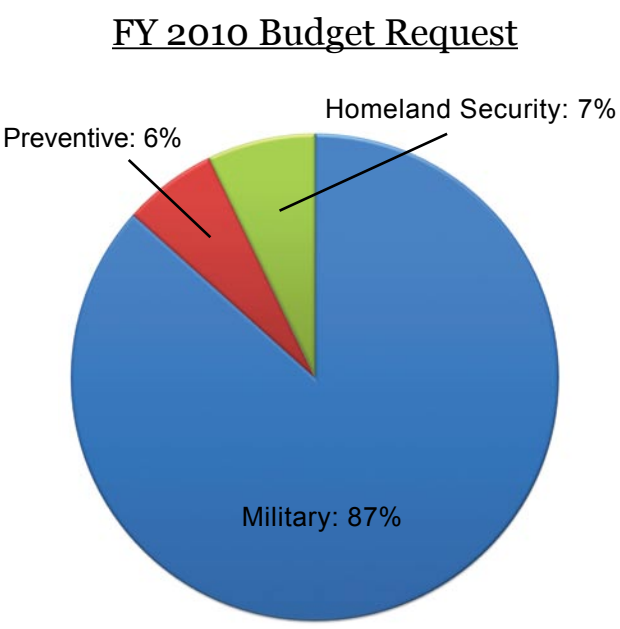
A Model for Rebalanced Security

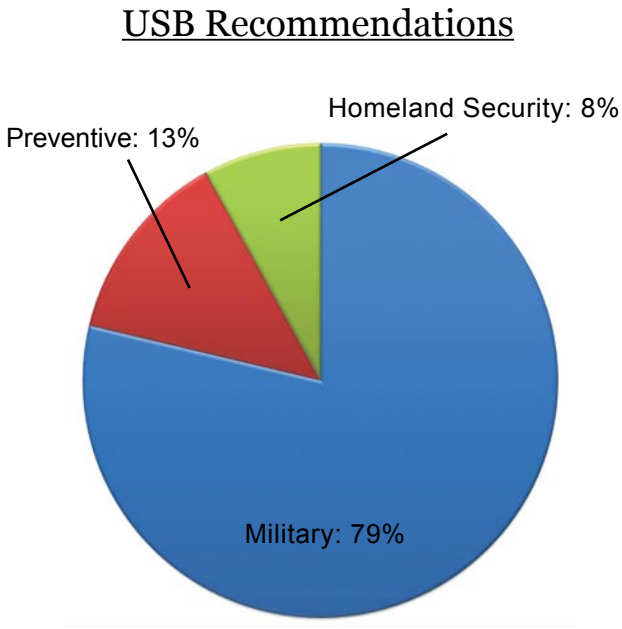
As in previous years, we outline in this document a set of specific shifts in our security budget. In earlier years the cuts have roughly equaled the additions; that is, our budget has been essentially revenue-neutral. This year, we honor the increases to the budget for prevention and recognize the massive deficit hole we face. Our recommendations for cuts exceed our additions by a modest $4.2 billion.

Implementing these shifts would solidify the major changes hailed by the Nobel Committee by underwriting them in the budget. The shift of $55.5 billion in the budget for offense (about 10 percent of the total) and $51.3 billion in additions to the budgets for defense and prevention would have a significant impact: They would change the balance between military and non-military security spending from the 6.4:1 ratio embodied in the FY 2010 request to a better balance of 3.7:1.

As Defense Secretary Gates said last year, "It has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long, relative to what we spend on the military." The good intentions of his Administration to fix this mostly remain to be realized.

Security Balance: FY 2010 Request vs. USB Recommendations





II. Introduction

"We are all Americans now." United States citizens felt the embrace of the rest of the world following the 9/11 attacks. That support drained away in the years that followed, as the U.S. government pursued a predominantly militarized response centered on an unnecessary war. The resulting antagonism has multiplied our security problems.

For the past five years, this task force has reported on progress, or the lack of it, toward a different kind of global engagement, anchored by a rebalanced security spending portfolio. This is our progress report for 2009.

First, the change of administrations has, all by itself, produced dramatic, measurable change in the U.S.' global standing. Polling conducted in May and June by the Pew Global Attitudes Project found that "the image of the United States has improved markedly in most parts of the world, reflecting global confidence in Barack Obama." (The exception was the Middle East, the site of that unnecessary war.)[2] This result is corroborated by the Project on International Public Attitudes, whose June poll in 20 nations, representing 62 percent of the world's population, found that Obama inspired "far more confidence than any other world political leader."[3] These perceptions were further confirmed by the Nobel Committee's decision to award the president the Nobel Peace Prize.

But personal popularity, good intentions and rhetorical skill only take you so far. A different kind of global engagement, we have argued, depends on a restructured security apparatus, grounded in a realignment of resources.

Administrative Changes

The administration has taken important, concrete steps to build into the structures of the executive branch its commitment to elevating the roles of defense (homeland security) and prevention (non-military foreign engagement) as bona-fide security tools. The Quadrennial Defense Review (QDR), the strategy planning process the Pentagon undertakes at the beginning of each presidential term, is this year being joined by parallel processes for defense (that is, homeland security) and prevention (non-military international affairs): a Quadrennial Homeland Security Review (QHSR) and a Quadrennial Diplomacy and Development Review (QDDR).

The first question is whether these exercises will be linked to budgets. Past QDRs have not been, and have laid out expansive and ambitious plans without regard to resource constraints. There are indicators that this year could be different. First, the "issue teams" working on the QDR include one on "cost drivers," headed by the Defense Department's Deputy Comptroller. And second, the QDR's policy review is to be followed by a review of "budget and execution." The question is whether the initial policy review is taking seriously the constraints to be imposed by the later budget review, or is being engineered to defeat them, and

whether the budget review will simply cost out requirements the policy planners say are needed, or in fact act to constrain them.

In announcing the creation of the Diplomacy and Development Review, the administration promised both an outline of the programs that would be needed and the budget line items required to pay for them. We will stay tuned.

The second question is whether these parallel processes will be linked together.

At the end of May, the White House announced the creation of a possible vehicle for doing so. The new Global Engagement Directorate would "drive comprehensive engagement policies that leverage diplomacy, communications, international development and assistance, and domestic engagement and outreach in pursuit of a host of national security objectives, including those related to homeland security." In addition, the White House promised 'the full integration of White House staff supporting national security and homeland security. The new "National Security Staff" will support all White House policymaking activities related to international, transnational, and homeland security matters.'[4]

While the new Global Engagement Directorate was created with coordination in mind, its initial unveiling did not mention coordinating with the White House's budget arm. As former OMB Associate Director for National Security and International Affairs Gordon Adams pointed out in a July 30 column, "both Defense and State's" (and, we would add, Homeland Security's) "reviews need to be linked to a broader National Security Council/Office of Management and Budget-led effort setting overall priorities and guidance for U.S. foreign policy and national security strategy. There's little public evidence that such a process is taking place in the White House," he says, but these reviews "will be flawed if there isn't some prioritization coming from the executive branch."

Adams also merits quoting on the proper limits of coordination: "The objective of the planning exercise shouldn't be to create a State Department that can work more closely with Defense. While a closer working relationship is desirable (witness the mess in Iraq and Afghanistan when the relationship didn't exist), State's planning shouldn't be driven by what the Joint Chiefs think are their most pressing concerns. The QDDR needs to set broad, civilian-oriented goals for US foreign policy and national security strategy, which military planning can support as needed, not the other way around."[5]

As is discussed in section III of this report, this task force also recommends in addition to this annual coordination a Quadrennial National Security Review. This is where the budgets for offense, defense and prevention would be examined together, so that the relative balance of resource allocations can be considered as an integrated whole.

It could also form the basis for the kind of fundamental reexamination of the role of our military forces, vis-à-vis other tools for securing the nation and engaging with the rest of the world, that previous quadrennial reviews have bypassed. The current structure of policy formation has the defense review proceeding separately from the others, and the attention to bud-

geting coming after the policy blueprint. This structure still carries the danger that new missions will largely be added on to existing ones, defeating the good intentions of cost containment.

Climate Security

One announced new feature of both the QDR and the QDDR deserves special note. Both have promised to make climate change a more prominent feature of strategic planning. These commitments bear witness to the consensus among diverse actors including the international community of climate scientists, assembled as the International Panel on Climate Change, and the U.S. military itself that unless we act decisively now to curb greenhouse gas emissions, we will create security problems that neither military forces, nor traditional tools of diplomacy or development, will be capable of solving.[6]

Recognizing this, the Unified Security Budget Task Force has recommended in recent years that approximately 20 percent of its security budget be allocated to investments in a clean energy transition. The question is whether the administration's quadrennial planning exercises will connect their strategic thinking on the threat of climate change to a program of reallocated resources to address it.

A new study from the Institute for Policy Studies finds that the Obama administration has narrowed the divide between spending on climate change prevention, through investments in greenhouse gas-reducing measures, and spending on a military cure.[7] In FY 2008 the U.S. spent $88 dollars on military forces for every dollar on climate change. The new administration has closed the gap dramatically, to 9:1. But most of the money for climate change prevention—87 percent—came from the American Recovery and Reinvestment Act; that is, from a one-time appropriation. The commitment to addressing climate change in both QDR and QDDR will need to be underwritten by a shift of resources in the regular budget.

The Resource Balance

Secretary Gates has been a leading proponent of the view that the current balance does not serve our security well. “It has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long, relative to what we spend on the military,” he said last year, “and more important, relative to the responsibilities and challenges our nation has around the world.”[8]

How much headway did the Obama administration’s first budget make toward closing this gap? Table 1 tells the story.

The simplest way to look at the security spending balance is to use the existing budget categories to compare the National Defense (050) account with the International Affairs (150) account and the Homeland Security Mission Area. The Unified Security Budget adds a dimension to the analysis by taking these budget categories and doing some reapportioning to more clearly differentiate military from non-military spending. For example, one of the largest accounts in the International Affairs budget is Foreign Military Financing—that is, military aid. And the largest non-military nonproliferation program, the Cooperative Threat Reduction

Table 1: Military and Nonmilitary Security Funding
(figures in billions)

	Administration's FY 2009 Request	FY 2010 Proposed	USB Recommendations
Military (Offense)			
National Defense (050 budget account)*	548.00	562.78	
Plus 152 International security assistance	8.63	12.77	
Less DoD and DoE nonproliferation	-1.66	-2.56	
Less homeland security overlap	-5.59	-0.54	
Military Total	**549.58**	**572.45**	**516.95**
Prevention (Non Military Foreign Engagement)			
International affairs (150 budget account)	38.44	50.68	
Less 152 international security assistance	-8.63	-12.77	
Plus DoD and DoE nonproliferation	1.66	2.56	
Energy efficiency & renewable energy	1.26	2.42	
Less homeland security overlap	2.47	-1.77	
Preventative Total	**30.27**	**41.12**	**87.03**
Homeland Security (Defense)			
Homeland security (mission area)	68.48	71.11	
Less national defense overlap	-16.56	-23.79	
Homeland Security Total	**51.91**	**47.32**	**52.71**
Nonmilitary Security Total	**82.18**	**88.44**	**139.74**
Ratio of Military to Nonmilitary Security Funding	6.7 to 1	6.4 to 1	3.7 to 1
Ratio of Offense to Prevention Spending	18 to 1	14 to 1	6 to 1
Ratio of Offense to Defense	11 to 1	12 to 1	10 to 1

Note: Figures do not include war supplemental appropriations. Including these appropriations, the military total for FY2010 is $702.45 billion.

program, is funded through the Defense Department. So we have moved items like these around to provide a more accurate (if still imperfect) accounting of the overall balance of military and non-military security spending.

The big picture: While the first Obama budget made a significant break from its predecessors by proposing cancellations or substantial cuts to nine weapons systems, totaling $9.6 billion, it also added $21.3 billion in new military spending.[9] Overall, then, the Obama military budget is, in real terms, larger than any of its predecessors. It does slow down the rate of increase that has been sustained over the last decade.

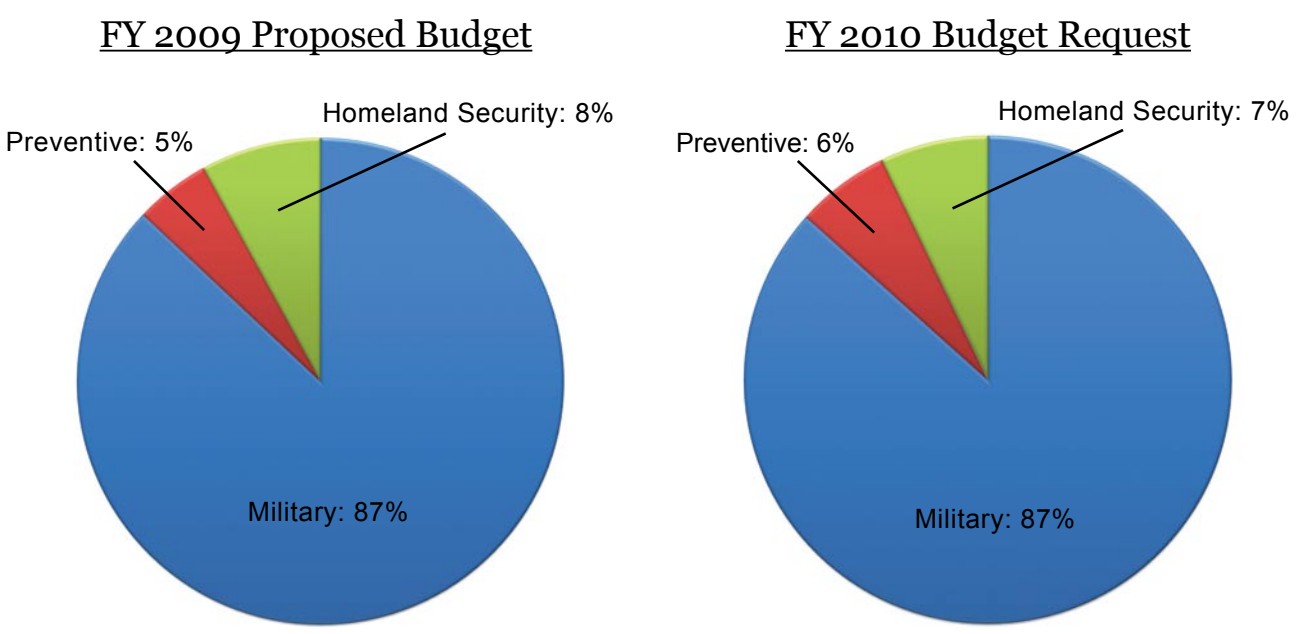
The best news is that the new administration has increased the request for International Affairs by nearly a third. Even when military security assistance contained in this category is moved to the "offense" side of the ledger, the increase is in excess of 25 percent.

Funding for homeland security has stayed relatively constant. A nearly four percent increase in what this task force calls "defense" is essentially wiped away when the military portions are recategorized as "offense."

The unfortunate bottom line is that the FY 2010 request leaves the overall balance between military and non-military security spending virtually unchanged. The military proportion remains what it was last year: at 87 percent of the total.

The proportions within the non-military parts of the security budget have changed slightly, however. The pie slice for Homeland Security has shrunk slightly, from 8 percent to 7 percent, and the prevention slice has grown, from 6 percent to 7 percent.

Figure 1: Security Balance, FY 2009 vs FY 2010



The increase in the International Affairs budget has narrowed the gap between spending on offense (excluding war spending) and prevention substantially: from 18:1 in FY 2009 to 14:1. The gap between offense and defense, however, has grown slightly, from 11:1 to 12:1.

Offense

Secretary Gates defined the challenge for himself: "It is one thing," he said, "to speak broadly about the need for budget discipline and acquisition reform. It is quite another to make tough choices about specific weapons systems and defense priorities based solely on national interests."[10]

He began to meet that challenge by proposing the most ambitious set of cuts to those Cold War-era systems since the early 1990s.

Many of them come from the list the Unified Security Budget has been targeting.

Table 2: USB Scorecard — Military Cuts
(figures in non-inflation adjusted billions of dollars and represent R&D plus procurement)

System	FY09 Administration's Request	FY 2009 USB	FY 2010 Administration's Request	Differential: FY 2010 Request and USB FY 2009	FY 2010 USB
Ballistic Missile Defense	10.5	-8.1	9.3	-1.2	-6.0
Virginia-Class Submarine	3.6	-2.5	4.2	+0.6	-4.2
DDG-1000	3.2	-3.2	1.6	-1.6	-1.6
V-22 Osprey (Navy and Air Force)	2.7	-3.0	2.9	+0.2	-2.9
Expeditionary Fighting Vehicle (EFV)	0.3	-0.3	0.3	-	-0.3
F-35 Joint Strike Fighter	6.7	-3.7	10.4	+3.7	-7.4
Offensive Space Weapons	1.5	-1.4	1.6	+0.1	-1.5
Future Combat Systems	3.6	-2.1	3.0	-0.6	-1.5
Research & Development	80.0	-5.0	79.0	-1.0	-5.0
Nuclear Forces	21.0	-15.6	21.0	-	-13.1
Force Structure	-	-5.0	-	-	-5.0
Waste in Procurement and Business Operations	-	-7.0	-	-	-7.0
Total		**-56.9**			**-55.5**

Sources: DOD, DOE, OMB, USB FY2009

The result is a down-payment on the reductions that this Task Force argues are possible with no sacrifice to U.S. security. The administration's budget cuts $7.5 billion from the USB's target list of $60.7 billion. But a few increases—primarily to the budget for the Joint Strike Fighter, but also smaller amounts for the Virginia Class Submarine and two other programs—add back $4.6 billion, for a net cut of $2.9 billion. Overall reductions, including some not on the USB list, such as the cancellation of two helicopter programs, total, again, $9.6 billion.[11]

The largest proposed savings on the USB's list would come from reducing our nuclear arsenal to 600 warheads and 400 in reserve, and eliminating the Trident II nuclear missile. The administration is currently conducting a comprehensive Nuclear Posture Review, and START negotiations, which will determine how close to that goal they will get. Internal disagreements are said to be intense, over these numbers as well as the number and composition of delivery vehicles, and whether new nuclear warhead designs should be pursued. The goal is to reach agreement on ceilings that reportedly "might be as low as 1,500 on each side,"[12] before December 5, 2009, when the current Strategic Arms Reduction Treaty expires. The Task Force argues this ceiling could be at least one-third lower, for substantial additional savings and no sacrifice in security.

Acquisition Reform

Another prime target on the USB's hit list—wringing waste and inefficiency out of the procurement system—is a longer-term proposition, one that the administration has committed itself to addressing.

In a speech to a joint session of Congress during his first week in office, Obama promised to "reform our defense budget so that we're not paying for Cold War-era weapons systems we don't use."

Criticism over the way we buy goods and services for our national defense is almost as old as our country itself. The post-9/11 wars in Iraq and Afghanistan brought an unprecedented number of contractors to the U.S. military theater, and the scandal and waste that followed many of them brought the obscure world of government contracting into mainstream political discourse. Senator John McCain decried the use of cost-plus contracts in last year's presidential debate, and Obama released a memorandum on reforming government contracting two months after his inauguration.

Because the Defense Department budget represents such a huge portion of the overall federal budget and relies so heavily on contractors, defense contracting policy frequently sets the template for the rest of the government. The annual defense authorization bill includes a section on acquisition policy that contains the bulk of each year's contracting-related legislation. Mismanagement of these contracts costs taxpayers dearly: In 2009, GAO estimated cumulative cost overruns on major weapons currently in the pipeline at $300 billion.[13]

The fissures in this broken acquisition system are well documented. The Obama administration memo identifies four of the biggest problems: use of risky contracting vehicles, such as cost-plus contracts; lack of competition, including abuse of sole-source contracting; insufficient acquisition workforce; and lack of clarity about what constitutes inherently governmental func-

tions, resulting in contractors doing work that should be performed by the government. To this list, we would add conflicts of interest exemplified by lawmakers' close relations with lobbyists, and the revolving door between the defense industry and government; dearth of federal expertise on complex technologies; lack of transparency in contract data; and the drive to push technologically immature programs into production only to change contract requirements mid-stream.

Congress and the Defense Department have attempted to attack these problems by convening a litany of blue-ribbon panels, commissions, and task forces stretching back for decades. However, the Weapons Systems Acquisition Reform Act, introduced in February 2009 by Senators McCain and Carl Levin, generated an uncommon amount of optimism. The bill aimed to "put some teeth" into the Defense Department's policy of canceling major weapons programs with a cost overrun of 25 percent or more—a policy weakened by DOD's repeated use of waivers claiming programs were necessary to national security. The bill also created a director of independent cost assessment, required competition over a program's lifecycle, and increased oversight of the program's technological evaluation process to prevent immature programs from moving forward.

But after several congressional hearings, another version of the legislation emerged that incorporated the input (read: complaints) of DOD and the defense industry. The new legislation limited the number of programs the cost assessment director could oversee; allowed DOD to invoke the vague "national security" waiver for competition requirements; and permitted the same companies building weapons to contract for technical evaluations. Despite these problems, the Weapons Systems Acquisition Reform Act became the principal congressional vehicle for procurement reform. The House report on the defense authorization bill, which contains the bulk of each year's procurement-related legislation, stated that the committee's recommendations reflected "the fact that significant reform of the acquisition of major weapons systems has already been enacted this year."

Yet McCain himself acknowledged that the reforms were a "modest step." The next one is reforming how we buy services, which have overtaken weapons as the primary target of procurement dollars, and constitute the vast majority of contracts in other agencies. Some 90 percent of the Department of Energy's budget—including the National Nuclear Security Agency—goes to contractors. Purchasing services is more complicated than goods, particularly when the government is buying complex technology services. The GAO points out that "the growing complexity of contracting for technically difficult and sophisticated services increases the challenges of setting appropriate requirements and effectively overseeing contractor performance." A House Armed Services Committee panel is currently looking at contracting for services and non-major weapons. Contingency, or wartime, contracting has also received attention from several advisory panels, though no major reforms have been implemented to date.

How much money will these reforms actually save? McCain and Levin believe their legislation will save billions. The Obama memo directs each agency to save 3.5 percent of baseline contract spending in FY 2010 and another 3.5 percent the following year: That's more than $22 billion from DOD right there. But the real savings will accrue from comprehensive reform pre-

venting future programs from snowballing and becoming politically entrenched.

Real reform will require ensuring that:

- Contracts are truly competitively awarded;
- DOD employs a well-trained, fully-staffed acquisition workforce;
- Web sites providing public access to federal contracting data are expanded and updated;
- Risky contracting vehicles such as cost-reimbursement or time-and-materials contracts are severely limited;
- Movement of government employees in and out of the private sector is monitored and publicly disclosed; and that,
- Government actually follows laws currently on the books, such as the "fly before you buy" statute.

Defense

The inauguration of the Quadrennial Homeland Security Review (QHSR) will fulfill one of the key recommendations of the 9/11 Commission. It is overdue and critically needed. The consensus judgment on the country's homeland security mission has been clear for several years: that this new, urgent priority, thrust upon the government and cobbled together in an atmosphere of post-9/11 anxiety, has become a sprawling, poorly coordinated set of tasks and bureaucracies in dire need of clear priorities and targeted funding increases.

In surveys of federal workers, DHS employees have consistently ranked near the bottom on job satisfaction and morale. In 2009, they ranked 28th out of 30 agencies. Coordination is further challenged by the structure of funding allocations, which are spread across multiple federal budget categories.

The task force is concerned that the problem of a sprawling, uncoordinated set of activities without clear priorities—will be perpetuated in the cure, however. The scope of the QHSR is overbroad, and needs instead to focus on a few big-picture issues, including rationalizing the responsibilities of federal, state, local and private actors, improving risk management, harmonizing security priorities with other national interests such as privacy and commerce, and detailing how homeland security programs are to be financed and sustained over time.

Doing even this targeted set of tasks will be hampered, though, by inadequate staffing and funding. The resource imbalance which is the preoccupation of this document is also visible in the way these quadrennial reviews are being implemented. While 240 people are laboring over the QDR, its homeland security counterpart has exactly six dedicated staffers, and a budget of only $1.65 million.

Within the FY 2010 budget for the homeland security mission, a few priorities identified by the USB Task Force gained ground, mostly in a departure from previous budgets, by not being cut. Since 2004, for example, the Bush administration had proposed deep reductions in the budget for first responders.

This money, needed to strengthen the capacity of state and local officials in identified high-risk areas

Table 3: Illustrative Military and Non-Military Trade-offs, FY 2010

$1.6 billion	Build one DDG-1000 Zumwalt Class Destroyer, which has no primary open ocean mission and is outdated and unproven.	or	Double the amount of money spent on nonproliferation, anti-terrorism, and demining, potentially saving thousands of lives.
$2.94 billion	Continue the V-22 Osprey program, which has resulted in 30 deaths and a price tag to date of $30 billion.	or	Nearly double U.S. support of migrants and refugees throughout the world.
$13.1 billion	Build the Trident II Nuclear missile and maintain the arsenal of over 5,000 nuclear warheads the US currently has.	or	Cover almost 50% of the UN-estimated U.S. share of climate adaptation costs ($29 billion of a worldwide total of $67 billion).
$1.45 billion	Continue research on offense-based Space Weapons.	or	Quadruple the Civilian Stabillization fund which would help stabilize countries such as Iraq and Afghanistan.
$7.4 billion	Accelerate production of F-35 Joint Strike Fighters.	or	Triple federal funding for renewable energy R&D.
$2.17 billion	Continue the "emergency" fund of C-17 aircraft.	or	Double overall contributions to International Institutions such as the WHO and the IAEA.
$4.2 billion	Build a 12th and 13th SSN-744 Virginia Class Submarine.	or	Double federal funding fund for DHS First Responder and CDC Disease Prevention programs.
$300 million	Carry out the EFV Program, which by now is largely obsolete.	or	Double funding for Non-Proliferation and Disarmament Fund, Export Control and Border Security Assistance, and Global Threat Reduction programs.
$1.5 billion	Continue the Future Combat System as planned.	or	Cut the cost of FCS in half and accelerate checked baggage security screening capabilities.
$5 billion	Maintain two air wings and one carrier battle group, which are largely unnecessary for US operations in Iraq and Afghanistan.	or	Spend the saved $5 billion annually on Disaster and Famine Assistance, helping victims of hurricanes such as Ike and Gustav.
$6 billion	Accelerate deployment of unproven missile defense systems.	or	Strengthen capacity of Coast Guard to close off far-more-likely route of nuclear weapons into the country.

to cope with major disasters, is one funding priority that can't wait for the completion of the QHSR. The Obama administration's request, which keeps funding essentially flat, is inadequate.

Another priority that can't wait is funding to strengthen public health infrastructure. Based on the assessments of public health preparedness by, for example, the Trust for America's Health,[14] the FY 2010 request for an extra $100 million is not sufficient to build up the capacity of the states to respond to "everything from a pandemic to a natural disaster to a terrorist attack."[15] The assessment identifies several shortfalls, including hospital surge capacity and biosurveillance systems.[16] The task force makes several specific funding recommendations to address these deficiencies.

The Obama administration used the American Recovery and Reinvestment Act to augment its budget request in several key areas of homeland security. Allotments of $700 million from the Recovery Act and $1.1 billion from the budget request will allow the Transportation Security Agency to accelerate the deployment of "optimal" systems to screen-checked airline baggage for explosive devices. Even this will still leave the timetable for fully installing these systems many years away. The Task Force recommends that Congress provide an additional billion dollars to push this program, identified by the 9/11 Commission as a top priority for aviation security, further ahead.

Prevention

A Quadrennial Diplomacy and Development Review is as necessary and as urgent a policy innovation as the Review of Homeland Security. The International Affairs budget funds more than 15 separate agencies and departments, in addition to at least 20 other federal departments with responsibilities overseas. No planning process has integrated the planning or resource management for this vast collection of bureaucracies.[17]

The foreign aid mission area is the most balkanized. The Obama administration announced in September the creation of an across-the-board review of this mission, under the heading of the Presidential Study Directive on Global Development Policy. Along with the QDDR, this process will occur in tandem with the effort, now underway in both houses of Congress, to rewrite the Foreign Assistance Act, which has not had an overhaul since 1961. The goals of streamlining, prioritizing and coordinating are central to all of these exercises. To meet these common goals, the parallel processes must, obviously, coordinate with each other.

As the process of rationalizing and prioritizing foreign assistance moves forward, the new administration has taken a first step toward fulfilling its goal of doubling U.S. funding by FY 2015, to underwrite the structural reforms. .The request of $53.9 billion for the overall International Affairs budget (excluding supplemental appropriations) represents a gain of nearly a third over the FY 2009 request. The foreign aid budget increased nearly a third over the original 2009 request, from $26.3 billion to $34.8 billion.

A few highlights:

- U.S. arrears to the United Nations have been paid in full;
- Contributions to International Peacekeeping operations have been increased by 50%;

- The U.S. will spend more on Global Health and Child Survival in FY 2010, if this budget is fully funded, than on Foreign Military Financing; the increase in the account of the former is nearly three times as great as that of the latter;
- Beginning to fulfill its pledge to grow the Foreign Service by 25 percent, the budget for Diplomatic and Consular programs has increased by a third, allowing the hiring of 802 new diplomatic personnel; and,
- International assistance on climate change will nearly double, providing $579 million for helping the developing world with adaptation to climate effects already underway, implementing sustainable forestry practices and making the transition to clean energy technologies.

These are some of the concrete indicators of an actual, as opposed to merely rhetorical, change in U.S foreign engagement.

In addition, the State Department's Civilian Stabilization Initiative, which has been languishing in unfunded or barely funded limbo for several years, was given a serious financial base of $323 million.

Results for the threat reduction and nonproliferation agenda are mixed. The president has underscored his commitment to lead "a new international effort to secure all vulnerable nuclear material around the world within four years".[18] But less money has actually been requested for threat reduction (securing or removing weapons-grade material at the source) than Congress appropriated last year. On the plus side, the Obama administration eliminated funding for the destabilizing Reliable Replacement Warhead program and increased funding for several key nonproliferation programs.

As in past years, Congress appears poised to cut back on the president's overall request for international affairs by about $3 billion, or more than 5 percent. As Defense Secretary Gates has noted, diplomacy "simply does not have the built-in, domestic constituency of defense programs." Neither, he might have added, do international economic development, nonproliferation, peacekeeping, or the United Nations.

But in addition to taking care of the parochial interests of their districts, legislators have a duty to attend to the national interest. These components of the prevention budget are the building blocks of renewed foreign engagement. It is in our national interest to be, and to show ourselves to be, engaged citizens of the world we inhabit.

III. Budget Process Reform

Here we examine the structural changes that are needed in both the executive and legislative branches to make a rebalancing of security resources possible. We will briefly review the progress that has been made within the executive branch toward this end, and then outline a range of options for congressional reform.

Changes in the Executive Office of the President

Mechanisms in the White House for top-down planning and resource allocation for security are in flux. Within the Executive Office of the President (EOP), three institutions hold much of the responsibility for security policy and budgets: the National Security Council (NSC) and the Homeland Security Council (HSC), which advise the president and coordinate on policy matters, and the Office of Management and Budget (OMB), which oversees budgets. This year, Obama reorganized the EOP so that the NSC now includes the HSC, and the Secretary of Homeland Security is a regular member of the NSC. Some of the tradeoffs considered in this report lie at the intersection of domestic and international security. Under the new arrangement, a single entity at the White House level is now in a position to consider them fully—a crucial step in unifying the nation's approach to security.

Additional work remains, however, to smooth a seam between the NSC, which considers policy, and the OMB, where costs are considered. No entity at the White House level currently has the capacity or the time to conduct integrated, long-term planning, risk assessment, and tradeoff studies, and to identify key long-term federal priorities constrained by realistic future fiscal guidance. Establishing across the NSC staff and OMB some small, new cohorts of specialists with the appropriate outlook and breadth of experience could allow the Executive Office of the President to consider the tradeoffs inherent in a unified security budget. The new teams could explore the tradeoffs involved in shifting resources as outlined here. They should be engaged in the executive budget process all the way along: from the stage at which early directives go to the individual agencies in the spring to the final recommendations to the president in December.

No official document currently links strategy and resources for U.S. security. The Executive Office of the President periodically prepares a national security strategy and a homeland security strategy that articulate policies at the top level, but those documents often list areas of effort with little regard to the resources involved. They also typically fall short in establishing priorities or in identifying tradeoffs among the various tools in the nation's security portfolio.

We hope that two newly instituted assessments that are currently underway, the Quadrennial Homeland Security Review and the Quadrennial Diplomacy and Development Review, will strengthen the links between strategies and budgets within the Department of Homeland Security and the international affairs com-

munity. Unfortunately, like the Quadrennial Defense Review that the Department of Defense has prepared every four years since 1997, those reviews will not get at issues that cut across the domestic-international or defense-nonmilitary international divides.

A Quadrennial National Security Review (QNSR) could strengthen the links between strategies and budgets for issues that lie at the nexus of defense, international affairs, and homeland security. A QNSR, conducted jointly by the NSC and OMB, would identify top-down security priorities within budgetary constraints. A QNSR would start with the administration's overarching strategy; articulate a prioritized list of critical missions; and identify the major federal programs, infrastructure, and budget plan needed to implement the strategy successfully.

The preparation of a biennial National Security Planning Guidance could facilitate the in-depth examination of the sorts of tradeoffs considered here. As recommended in the MIT Security Studies Program report, such guidance would be developed jointly by the NSC and OMB, and would provide detailed guidance for actions and programs within the multiple departments and agencies that contribute to U.S. security.[19]

Trying to conduct a single exhaustive examination of all federal security-related programs would be an extremely complex endeavor. Instead, each successive National Security Planning Guidance might focus on resource tradeoffs and constraints across a few important areas, for example, countering nuclear terrorism.

Budget Documentation

The federal budget organizes spending on the military (primarily the 050 budget, also called the budget for national defense, which includes spending for nuclear weapons activities in the Department of Energy as well as the activities of the Department of Defense), international affairs (primarily the 150 budget) and homeland security (currently distributed among several categories—see below) in separate budget functions. Both the Office of Management and Budget and the Congressional Budget Office have taken initial steps to provide consolidated security budget information.

We recommend that OMB add a "Unified Security Funding Analysis" to the "Analytical Perspectives" volume, bringing together military, homeland security and international affairs spending in one place to facilitate congressional consideration of overall security priorities among these categories.

The Congressional Budget Office should incorporate its own version of this analysis into its annual analysis of the president's budgetary proposals.

Changes in Congress

Narrowing the gap between resources for military and non-military security tools will require a Congressional budget process that allows the members to consider all forms of security spending, offensive, defensive and preventive, as a whole, putting the national interest before parochial interests, and to bring our efforts in these areas in to better balance with each other.

The changes in the executive branch outlined above will, by themselves, help to propel Congress in this direction. The congressional budget process is highly reflective of executive decision making.

Here are a range of possible routes that reform of this process could take.

The Budget Process

Appropriations for national defense are currently handled by three separate subcommittees of the Appropriations Committee in each chamber. The Appropriations Committee in each chamber now has a subcommittee aligned to the Department of Homeland Security, but no appropriations subcommittee holds jurisdiction for the full panoply of federal homeland security activities. Homeland security is even more balkanized when it comes to the authorizing committees. The Senate's Homeland Security and Governmental Affairs Committee and the House Committee on Homeland Security both hold jurisdiction for some aspects of homeland security, but scores of other committees and subcommittees retain responsibility for various activities within DHS and across the wider federal homeland security effort.

Priority setting among all the 12 subcommittees of the Appropriations Committee is supposed to be accomplished by a formal mechanism known as the 302(b) process. The committee chair recommends an allocation to the subcommittees and the full committee must consider and adopt that allocation. Unfortunately, subcommittee loyalty tends to trump thoughtful weighing of competing needs.

The Appropriations Committee needs to do more problem-based oversight and decision-making across subcommittee jurisdictions. With respect to security budgeting, this largely involves the Defense and Foreign Operations subcommittees. Too often they view each other as competitors rather than collaborators. But there is no reason that those problems can't be confronted and the issues resolved.

The Obama administration has announced one additional change that will have a good effect on the appropriations process. The Appropriations Committees have been able to exceed the limits to defense spending in particular that are theoretically imposed on them by the authorizers through the use of supplemental appropriations. In recent years these supplementals have constituted 20- 30 percent of the entire defense budget, and can theoretically be as large as the Appropriations Committee wants them to be, provided they can get the votes on the floor to pass them. The Obama administration's announced intent to avoid future supplementals where possible should help to solve this problem.

Overcoming congressional budgetary business as usual faces steep odds, however. Here, therefore, we offer a range of options for doing so that think outside existing structures.

In recent years, Congress has shown openness to shaking up, or at least reexamining, organizational structures that have more to do with traditional power bases and power struggles than logic. It has demonstrated willingness in other areas to set up temporary select committees to shed light, and propel action on key problems that merit extraordinary attention and cross traditional committee jurisdictions. The prime example

is the Select Committee on Energy Independence and Global Warming.

This kind of medicine could be applied to the task of devising a way for Congress to take a unified approach to budgeting for security. A Select Committee on National Security and International Affairs could examine our overall security needs, and the best balance of available tools to achieve them. And it could be tasked with recommending possible changes in the committee structure that could build this kind of examination into the budget process.

The Bush administration's Advisory Committee on Transformational Diplomacy recommended a version of the first of those two mandates: that the House and Senate Budget committees create a joint national security subcommittee whose purpose would be "to set spending targets across all major components of the U.S. national security establishment's budget: defense, intelligence, homeland security, and foreign affairs/development/public diplomacy."[20]

Select Committees, however, like the regular kind, are made up of members of Congress, all of whom are subjected to the pressures of special interest lobbyists. The most successful effort in recent memory to transcend those forces of parochialism in the service of a high-priority national purpose was the bipartisan 9/11 Commission, made up of a balance of members affiliated with both parties, but excluding current representatives and senators. In addition to producing an unusually eloquent report, its virtues included the willingness of many of its members to stay with the process to monitor and advocate for its implementation. Congress could authorize a Commission on Budgeting for National Security and International Affairs, made up of similarly committed members, to examine the current balkanized budget process, and recommend a restructuring that would enable decision-making on security that more effectively considers the overall balance of security tools, and puts the national interest over parochial interests.

One other successful model for the functioning of a commission deserves mention here. Congress authorized the Defense Base Closure and Realignment Commission (BRAC) in 1990 to manage the process of realigning and downsizing the structure of military bases for the post-Cold War environment. The concern was to devise a process that took politics and narrow economic interests out of the decision-making as much as possible. As with the 9/11 Commission, members have been chosen by Congress and the president to balance party affiliations, but exclude current senators and representatives. Members from time to time have recused themselves from decisions on bases in their home states. The commission operates according to certified data and explicit criteria, foremost among them "current and future mission capabilities and the impact on operational readiness of the total force."[21]

Unlike the 9/11 Commission and most others, it has been authorized to reexamine its decisions and make new ones periodically, and has done so successfully three times since its initial convening. This could be a useful additional feature of a Commission on Budgeting for National Security and International Affairs. It could be authorized to reconvene to evaluate how its recommendations for improvements to the budget process have been implemented, how the new processes are functioning in practice, and what further changes might be needed.

Of particular value in addressing the "constituency" problem that favors military over other kinds of security spending is a recommendation from the Straus Military Reform Project at the Center for Defense Information for an independent panel to review the procurement budget every year. Membership would exclude both current and retired military officers who have any financial ties to defense corporations or reserve the right to forge such ties in the future. Their deliberations would be guided by estimates from CBO for the costs of each system, past, present and future. Secretary Gates is said to be mulling the possibility of creating such a review panel.[22]

A former head of legislative affairs for the National Security Council, William Danvers, has offered another proposal for an ongoing structure that could help Congress work in a more unified way on overall priorities for security policy and budgeting. To alleviate the problem of "stovepiped" committees operating independently of each other, he recommended that each party set up its own national security council, analogous to the one serving the executive branch. It would be made up of the chairs or ranking members of the armed services, international affairs, intelligence, appropriations and homeland security committees, and coordinated by a party national security advisor. The two councils could also be brought together from time to time to coordinate their work.[23]

A 2007 report from the Stanley Foundation recommends that the foreign affairs authorizing and appropriations committees "reassert a role in the program and budget process," by holding joint hearings with their defense counterparts.[24] A Unified Security Funding Analysis incorporated into the Budget's Analytical Perspectives volume would greatly facilitate their work.

To ensure that the executive branch considers broad tradeoffs of the sort inherent in a unified security budget, Congress should mandate that the executive branch conduct the Quadrennial National Security Review referenced above, p. 16, and prepare a biannual National Security Planning Guidance, and that the report of the QNSR be made available to Congress and the public. Legislation along these lines is now circulating in Congress among members of key committees.

While the administration conducts the QNSR, CRS could be called upon to provide lawmakers with a report on the issues for congressional consideration likely to be raised by the QNSR report. CBO could be asked to assess the QNSR document after it is submitted to Congress. Joint hearings on the QNSR would help the Congress as it considers a unified security budget.

If nothing else, the previous paragraphs should make clear that rebalanced security spending will require initiative from not just one set of actors, but many. The goal itself has become near-conventional wisdom in Washington, and we are seeing first steps in the right direction. Removing the remaining—formidable—structural obstacles in the way of genuine reform will be harder.

A final congressional reform should be to increase the number of State Department employees working as fellows on Capitol Hill. The Pentagon plans to quadruple (to a total of 100) the number of military fellows serving in Congress by 2009, while the State Department only sends 10 to 12 Foreign Service Officers to Congress each year as part of its Pearson congres-

sional fellowship program. If it does not increase these numbers, the State Department risks being completely overshadowed by the Department of Defense. This might further diminish the State Department's ability to enlist support on Capitol Hill for its policy and budgetary priorities.[25]

IV. Rebalancing Security: Offense

Below, we outline about $56 billion in potential budget savings. They would be achieved primarily by eliminating weapons systems designed to deal with threats from a bygone era—weapons and programs that are not useful in defending our country from the threats we now face—or weapons systems that are experiencing cost and development overruns.

These savings would be made in the following categories:

- About $20 billion would be saved by reducing the nuclear arsenal to no more than 1,000 warheads, more than enough to maintain nuclear deterrence, keeping National Missile Defense in a research mode and stopping the weaponization of space;
- Another $24 billion would be saved by scaling back or stopping the research, development, and construction, of weapons that are use¬less to combat modern threats or are not ready to move into full production;
- About $5 billion would be saved by eliminat¬ing a small number of conventional forces, including two active Air Force wings and one carrier group, that are not needed in the cur¬rent geopolitical environment; and,
- About $7 billion would be saved if the giant Pentagon bureaucracy simply functioned in a more efficient manner, eliminated many of the nearly 3,000 earmarks in the defense budget and managed its programs more effectively.

If Congress and the president were to make these cuts, not only would they have more money to spend on other priorities, but they would also make our mili¬tary stronger, allowing our troops to focus on the weap¬ons, training, and tactics they need to do their jobs and defend our nation.

The FY 2010 Defense Budget Request

The Pentagon asked Congress for $538 billion for its regular budget, excluding war spending, for FY 2010, and would like to spend almost $3.8 trillion over the next five years. However, the $538 billion excludes about $25 billion sought for nuclear weapons programs and other defense programs managed by non-defense agencies. Thus, the total defense budget request of the Obama administration for FY 2010, excluding spending on the wars in Iraq and Afghanistan, is $562 billion. The FY 2010 budget request is about $20 billion, or 4 percent, more than was allocated in 2009, about $240 bil¬lion higher than the budget President George W. Bush inherited from President Bill Clinton, $20 billion more in constant dollars than at the peak of the Reagan buildup, and $10 billion more than the Bush adminis-

tration estimated that the Pentagon would need in the regular defense budget just a year ago.

In the 2010 regular budget, $136 billion (about 24 percent) will be spent on the pay and benefits (including health care) of 2.2 million active duty and reserve military personnel. (The pay of a reservist who is mobilized or called to active duty, as more than 500,000 have been since September 11, is funded in the supplemental appropriation.) The Pentagon will spend $186 billion, or 33 percent of its budget, on routine operating and maintenance costs for its 21 Army and Marine active and reserve ground divisions, 11 Navy carrier battle groups, and 31 Air Force, Navy and Marine air wings. Included in this Operations and Maintenance budget is the lion's share of healthcare costs for active duty and retired service personnel and their families, as well as pay and benefits for the approximately 700,000 civil¬ians and the more than 200,000 private contractors employed by the Department of Defense. (The operations and maintenance costs of the forces and contractors in Iraq and Afghanistan are also covered in the supplemental appropriation.)

Another $209 billion, or 37 percent of the budget, goes for new investment. In real dollars, this is 75 percent more than a decade ago. This is broken down into $107 billion for buying new planes and ships and tanks and $79 billion for doing research and developing and test¬ing new weapons. Another $23 billion will be spent for building the facilities for the troops and their equipment.

Table 4: USB Proposed Military Spending Cuts
(figures in billions)

Program	Administration's FY 2010 Request	Task Force's Proposed Change
Ballistic Missile Defense	9.3	-6
Virginia-Class Submarine	4.2	-4.2
DDG-1000	1.6	-1.6
V-22 Osprey	2.9	2.9
Expeditionary Fighting Vehicle	0.3	-0.3
F-35 Joint Strike Fighter	10.4	-7.4
Offensive Space Weapons	1.6	-1.5
Future Combat Systems	3	-1.5
Research and Development	79	-5
Nuclear Forces	21	-13.1
Force Structure	na	-5
Waste in Procurement and Business Ops	na	-7
Total		**-55.5**

The vast majority of the final 6 percent, or $34 billion, will be spent by the Department of Energy on maintaining and safeguarding the 10,000 nuclear weapons in our inventory, and cleanup of contamination and pollution from past production.

As indicated in Table 4 on page 25, this baseline or regular defense budget can be reduced by about $60 billion to $478 billion, or by 11 percent, without jeopardizing national security. In addition, we will show how to save another $10 billion by having the Pentagon ask Con¬gress for a rescission or a refund on money that has been appropriated but not spent on weapons systems that we are proposing to cancel.

Our proposed reductions would come primarily in four areas: nuclear forces; Cold War-era conventional or poorly performing weapons systems; small reductions in Air Force and Navy force structure; and eliminating some of the waste and inefficiency in the Pentagon. In making these rec¬ommendations, we are drawing on analysis done by the Congressional Budget Office, the Government Accountability Office, an analysis of the FY 2010 budget request done by the Center for Strategic and Budgetary Assessments, reports by the Center for Defense Information on the FY 2010 budget and the Center for American Progress on "Building a Military for the 21st Century."

NATIONAL MISSILE DEFENSE— Cease further Missile Defense development but retain a basic technology program to determine if any form of missile defense – whether aimed at short-, medium-, or long-range missiles – can be made to work under realistic conditions. Doing so would generate $6 billion in savings.

The Obama administration has made a small but welcome course correction on the missile defense program, cutting proposed spending by 14 percent (from $10.9 billion in FY2009 to $9.3 billion in FY2010), canceling or drastically scaling back costly and unworkable systems like the Airborne Laser (ABL) and the Kinetic Energy Interceptor (KEI), and reversing the Bush administration's decision to deploy missile defense components in Poland and the Czech Republic. But $9.3 billion per year is still far too much to spend on a program that has yet to yield a reliable defensive system that can operate under real-world conditions.

The Missile Defense Agency manages the Defense Department's antiballistic missile defense program. The Defense Department currently oversees the development and testing of four primary missile defense systems: Aegis ballistic missile defense (Aegis BMD), ground-based midcourse defense (GMD), Patriot Advanced Capability-3 missile (PAC-3), and the Terminal High Altitude Area Defense (THAAD). MDA also manages missile defense tracking and command-and-control systems.

Each of these systems is designed to intercept an incoming ballistic missile at different phases in flight. The KEI system is designed to knock out a missile during its boost phase, when the missile's rocket engine is still burning. Aegis BMD and GMD target the missile or its warhead in outer space after the missile has burned out, but before the warhead re-enters the atmosphere. Aegis BMD, PAC-3, and THAAD missiles target the warhead

during its re-entry phase. Of the five systems mentioned above, only Aegis BMD, GMD, and PAC-3 are currently fielded and operational. Eighteen Aegis ships—three cruises and 15 destroyers—have been modified to carry the SM-3 missile, and 24 of 30 planned GMD interceptors have been deployed in Alaska and California. PAC-3s are deployed with Army air defense units.

Questions remain about how effective and necessary MDA's systems are. Scientists argue that simple physics make boost-phase intercepts extraordinarily difficult—potential interceptors cannot reach target missiles fast enough to destroy them before they release their payloads. Mid-course defenses remain vulnerable to basic countermeasures and can be overwhelmed by simple numbers of targets. Terminal defenses are still plagued by the problem of "hitting a bullet with a bullet." On top of these technical questions, missile defense critics such as Philip E. Coyle, former director of test and evaluation in the Department of Defense, question the strategic rationale for missile defenses, arguing that they needlessly provoke Russia.

Independent investigators have also questioned the wisdom of MDA's deployment schedule. GAO reported in March 2008 that in MDA's latest block of testing, procurement, and deployment, "fewer assets were fielded than originally planned, the cost of the block increased, some flight tests were deferred, and the performance of fielded assets could not be fully evaluated." A congressionally mandated study of MDA's mission, roles, and structure further concluded that MDA should focus on ensuring that its systems work rather than deploying more of them. The future of missile defense is not clear under a national security strategy focusing on irregular conflict, and even murkier even under one focusing on conventional war.

Cancel unproven missile defense programs. Secretary Gates was correct to cancel missile defense programs such as the unproven Airborne Laser, and the Multiple Kill Vehicle. The Kinetic Energy Interceptor and Space Tracking and Surveillance System should also be canceled. Given the uncertainty over the effectiveness of existing, less technically challenging systems such as ground-based midcourse defense and THAAD, it is unwise to fund more advanced systems for missile defense while current ones are only partly successful. The Missile Defense Agency needs to prove that its existing systems work as advertised before plowing ahead as if these systems have been proven to be effective.

Halt deployment of the ground-based missile defense system until it has proven itself in realistic operational tests. Further deployment of the GMD system should be halted until it proves itself in realistic operational tests. Doing so also means halting construction of missile defense sites in Poland and the Czech Republic. The United States military would not field an aircraft that does not fly or a ship that does not float, and it should not deploy a missile defense system that has not been proven to work properly.

Continue work and testing on lower-risk missile defense systems. Lower-risk missile defense systems such as the Aegis ballistic missile defense, Patriot PAC-3, and THAAD should continue development. All of these systems protect American forces in the field from the more realistic threat of theater ballistic missiles, while Aegis BMD is also being developed

to protect against longer-range missiles. Each of these systems should continue to be developed and perfected to provide the most cost-effective means of missile defense available.

Cutting unproven systems and delaying further deployment of GMD will save $6 billion.

DDG-1000—Cancel the third DDG-1000 Zumwalt Class Destroyer for a savings of $1.6 billion.

This destroyer, conceived as the Soviet Union crum¬bled in 1991, is another mismanaged weapon ill-suited for today's threats. Cost growth and technical problems forced the Navy to slash the original projected procurement goal of 32 ships to just two. However, primarily for political reasons, the Pentagon decided to purchase a third. With no primary open-ocean mission that a DDG-51 Arleigh Burke class destroyer could not effectively perform, the justification for con¬tinuing the DDG-1000 rests on its unproven "preci¬sion" Long Range Land Attack Projectile and its use to validate concepts for inclusion in other programs, such as the next-generation cruiser and the Littoral Combat Ship, the latter a less costly alternative to DDG-1000 for anticipated close-in missions. With the first two ships expected to cost $5 billion each, the DDG-51 is a better alternative. And the FY 2010 budget does provide $2.2 billion to restart that program.

SSN-744 VIRGINIA CLASS SUBMARINE—Cancel twelfth vessel and advance procurement for a thirteenth boat, saving $4.2 billion and end the program altogether.

Perhaps even more than the DDG-1000, the Virginia class SSN-774 program is a weapon looking for an enemy. Some administration officials, citing the me¬thodical modernization of Beijing's military, are trying to build up the People's Republic of China as the new "superpower" that will challenge the United States. As yet there is no credible, consistent evidence supporting this view. This mission can be handled quite well and without challenge by the 11 Virginia Class submarines already built, along with the SSN-688 Los Angeles-class fleet. In fact, the House of Representatives has directed the Navy to conduct a study on extending by five years the life of the Los Angeles class in order to retain about 50 of these in the fleet.

Other missions that have been touted for the SSN-774 include the covert intelligence collection, the in¬sertion and recovery of special operations teams, and the launch of tactical Tomahawk missiles. They all can be better handled by the four SSBN Ohio-class sub¬marines converted to SSGN configuration or by other surface ships. Should operational requirements for these missions exceed the ability of the current SSGN fleet, as many as four additional SSBNs could be converted to SSGNs, leaving 10 Ohio-class boats as part of the strategic deterrent force, more than enough to provide the recommended 600 operational nuclear weapons.

V-22 OSPREY—Cancel the program and buy an equivalent number of H-92 and CH-53 aircraft, generating $2.9 billion in savings.

From its inception, the V-22 Osprey has been beset by safety, technical, and cost problems. It was grounded once again in February 2007. The Pentagon began development of the Osprey, which takes off and lands like a helicopter, and once airborne flies like a plane, in the mid-1980s. It was originally supposed to be a joint service program, but the Army dropped support for the program in the late 1980s. In 1991, Dick Cheney (then secretary of Defense) called the program a turkey and canceled it because of cost concerns and continuing technical problems.

Cheney's decision was overridden by Congress, with the support of Presidents Bill Clinton and George W. Bush, and now through President Obama the program has survived. But in the past 25 years development of the V-22 has resulted in 30 deaths, and despite the expenditure of about $30 billion, it is nearly 15 years behind schedule. Finally, the estimated cost of the program has risen from about $30 billion to over $50 billion.

Under current plans, the Pentagon intends to buy 458 of these aircraft at a cost of over $110 million for each helicopter. That's nearly three times more than the original estimate and assumes that the Pentagon can get costs under control and solve the technical problems. Even if this unlikely scenario comes to pass, the Osprey would be only marginally more capable than existing helicopters in terms of speed range and payload, yet cost at least five times as much. Halting production of the V-22, and buying an equivalent number of existing heli¬copters like the H-92 and CH-53, will save $2.4 billion in 2010 and $10 billion over the next five years and leave the Marines with more than 150 of the V-22 hybrids. And the Pentagon could save another $5 billion by ask¬ing for a rescission on the funds appropriated but not allocated for the Osprey.

EXPEDITIONARY FIGHTING VEHICLE—Cancel the Expeditionary Fighting Vehicle (EFV) program.

The Obama administration requested $294 million for the EFV in FY 2010. Originally conceived in 1995, the EFV was supposed to be a high-speed amphibious as¬sault vehicle. It was intended to speed Marines from ship to shore at 25 knots and then travel overland at 45 miles an hour. What has been produced so far is a vehicle that breaks down every eight hours on average, is unpredictable to steer in the water, and has more than doubled in price.

Events on the ground in Iraq and Afghanistan have overtaken the need for the EFV. The flat hull that en¬ables it to skim over the water also makes it extremely vulnerable to Improvised Explosive Devices (IEDs), one of the deadliest threats facing U.S. soldiers in Iraq. To meet this threat, the United States has rapidly built an impressive fleet of Mine Resistant Ambush Protected ve¬hicles (MRAPs) that are specifically designed to protect against IEDs. Indeed, MRAPs have proven themselves safer than not only the Humvee, but over twice as safe as the sturdy Abrams tank. With 14,000 vehicles worth $22 billion already on order that provide this superior level of force protection, MRAPs have

supplanted EFVs as the vehicle of choice for Marines operating in Iraq and Afghanistan.

With a price tag now topping $13.2 billion (up from $8.7 billion), and with the first deliveries delayed until 2015, this program should be cancelled.

F-35 JOINT STRIKE FIGHTER—Slow down the program, cutting procurement from $10.4 billion to $3 billion, saving $7.4 billion.

The F-35 Joint Strike Fighter (JSF) is an ambitious program to build three related but slightly different air¬craft for the Air Force, Navy, and Marine Corps. Cur¬rent plans call for building 2,443 planes at a total cost of $300 billion, or slightly more than $120 million per plane.

This aircraft should be built, especially since further production of the F/A 22 Raptor will stop at 187 planes. It is more cost-effective to produce the new Joint Strike Fighter platform than to upgrade older systems, which by 2010 will need to be replaced. Moreover, since all of these variants use common parts and are manufactured on a single and large-scale production line, it is more afford¬able than allowing each of the services to develop its own unique aircraft. Finally, since so many allied coun¬tries are willing to purchase the fighter, the joint strike fighter will improve the ability of the United States to use military power in conjunction with allied forces and will lower the unit cost of these fighter jets for the U.S. military.

The FY 2010 budget provides for a total of $10.4 billion for the program, a real increase of more than 52 percent from FY 2009 to purchase 30 more planes.

However, given the technological challenges of try¬ing to build three fairly different planes from one design, the program should not be rushed and the Pentagon should iron out all its technological problems before it goes into full-scale production. This country's over¬whelming numerical and qualitative advantage in tactical aircraft will not soon be challenged. Therefore, the Joint Strike Fighter program can afford to be slowed down and reduced from the requested $10.4 billion in FY 2010 to $3 billion.

OFFENSIVE SPACE-BASED WEAPONS—Cancel this unproven, controversial, and ineffective program to yield $1.5 billion in savings.

According to a national security directive promul¬gated on August 21, 2006 the development and deploy¬ment of space-based weaponry was a high priority for the Bush administration. Development of such weaponry significantly expands U.S. military su¬periority. Our conventional and nuclear weapons are already capable of destroying any of the ground targets that space-based weapons would and can do at a frac¬tion of the cost. Moreover, the development invites escalation of the global arms race to a new level. Offensive military space-based technology should remain in the research and development phase. The estimated $1.6 billion in funding suggested in FY 2010 should be pared to $100 million.

FUTURE COMBAT SYSTEM—Slow the program down and save $1.5 billion.

The Future Combat System (FCS) is an Army pro¬gram to originally build a family of 18 major systems including eight new types of armored vehicles, four classes of un¬manned aerial vehicles, three types of unmanned ground vehicles, and sensors that will be linked together into an inte-grated and very complex system. The Army wants to begin equipping its brigade combat teams with the future combat system in 2011, and eventually equip 15 of its 45 planned brigades by 2030 at a cost of at least $180 billion.

They FY 2010 budget includes about $3.0 billion for the FCS program, down from $3.6 billion in FY 2009. The reason for the decline is that Secretary Gates restructured the program by cancelling all eight of its manned ground vehicles.

The Future Combat System is necessary for the Army because it will make many of its units more de¬ployable, lethal and survivable. However, even with the changes made by Secretary Gates, its current schedule is far too ambitious given the complexity of the program. Of the network of 53 crucial technologies, 52 are unproven. Therefore the $3.0 billion requested for FY 2010 should be cut in half to $1.5 billion.

NUCLEAR FORCES—Reduce arsenal to 600 deployed warheads and 400 in reserve and stop spending on the Trident II missile generating $13.1 billion in savings.

The Department of Defense does not publish detailed figures on the costs of operating and maintaining the U.S. nuclear arsenal. But a very rough estimate suggests that the United States spends $20 billion per year operating and maintaining U.S. strategic and tactical nuclear forces. This figure includes operating, maintaining, and modernizing the bombers, submarines and missiles that carry the 2,700 operationally deployed warheads in the U.S. nuclear arsenal. Another $6.5 billion goes towards maintaining nuclear warheads, including not only the deployed warheads but also 2,500 reserve warheads, for a total U.S. nuclear stockpile of 5,200. Another 4,200 nuclear warheads are awaiting dismantlement, a cost which is also included in the $6.5 billion figure. And $1.1 billion is budgeted for Trident II long-range nuclear-armed missiles. A reduction of the U.S. nuclear stockpile from its current level of 5,200 warheads to a force of 1,000—600 deployed and 400 in reserve—could save approximately $12 billion. Eliminating funding for Trident submarines would save another $1.1 billion, for a total of $13.1 billion in savings.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION—Reduce RDT&E from $79 to $74 billion, saving $5 billion.

In today's dollars, the Pentagon spent $51 billion on research, development, test and evaluation (RDT&E) in the 2001 fiscal year. For FY 2010, this budget has jumped to $79 billion. In real terms, this is an increase of over 50 percent and is $17 billion more than the Depart¬ment of Defense spent on RDT&E in FY 1987, the peak of the Reagan buildup.

Such a large amount for developing sophisticated futuristic weapons is hard to justify for fighting the global war on terrorism. This amount can easily be reduced by $5 billion in FY 2010. This is in addition to the cuts in the specific systems listed above.

FORCE STRUCTURE—Cut two active component air wings and one carrier battle group and its associated air wing for an annual savings of $5 billion.

The so-called "war on terrorism" has been waged primarily by the ground forces of the Army and Marines, which have increased in size by over 100,000. The Air Force and Navy have played relatively minor roles in both the Afghanistan and Iraq wars. There are relatively few fixed targets in Afghanistan and the bombing campaign in Iraq lasted but three weeks.

At the present time, the Air Force, Navy and Marine Corps have more than 5,000 tactical combat planes and 1,800 armed helicopters, the same number it had in the Clinton administration. It's hard to imagine a scenario that would require such large numbers of aircraft. Therefore, two active Air Force wings, as well as one carrier battle group and its associated air wing, can be elimi¬nated without straining our forces. The annual costs of operating and maintaining the two wings and the carrier battle group amount to at least $5 billion.

WASTE, MISMANAGEMENT, AND INEFFICIENCY—Eliminate waste and duplication, saving $7 billion.

Former Secretary of Defense Rumsfeld estimated that more than $20 billion a year could be saved by fixing procurement and business operations. The Government Accountability Office and the Congressional Budget Office estimate that $1 billion a year could be saved by consolidating various activities. Senator John McCain (R-AZ) estimates that there is several billion dollars' worth of earmarks (a.k.a. pork) in the annual defense budget. In the FY 2009 budget alone, there were about 2,800 earmarks totaling $15 billion. The Defense Business Board estimated that between 2000 and 2007, the costs of the Department of Defense's 96 major acquisitions programs exceeded their projected costs by $400 billion. Our realistic Unified Security Budget would ask the Pentagon to save $7 billion a year by eliminating waste and duplication and improving management.

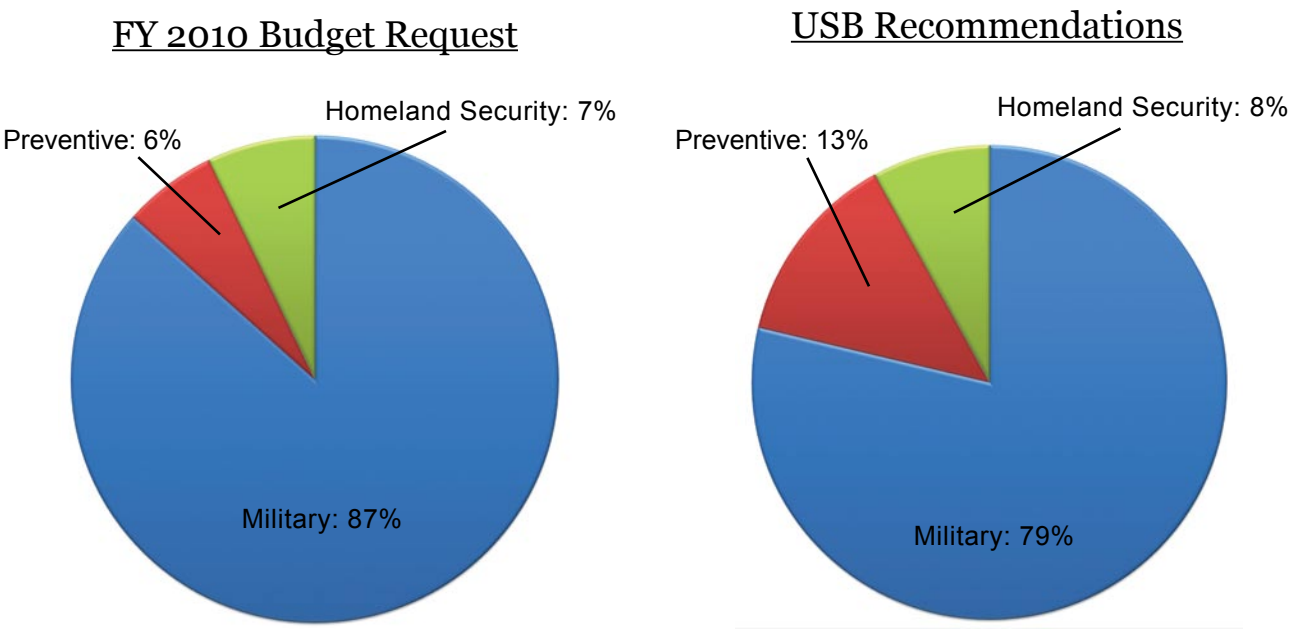
V. Rebalancing Security: Prevention

During the violent conflict that erupted in Kenya during its 2007 national elections, an American NGO called the State Department to consult with the appropriate people on the Kenya desk. They were told that these people were out of the office and not available. Asked when they would be available, the person on the phone replied that only two people covered Kenya, and both were on extended leave. In other words, nobody was home at the U.S. government, it appeared, to be "first diplomatic responders" to this crisis.[26]

The moral of this story is of course the severe personnel shortage in the diplomatic corps. In its first budget request, the Obama administration has taken steps to address it. It has also addressed other deficiencies in funding for non-military international engagement, such as paying our back dues to the UN and making sizeable increases in the Global Health and Child Survival and International Disaster Assistance programs. And it has modestly increased spending on homeland security, in such areas as hospital preparedness and funds to develop the state and local capacity of the Center for Disease Control, building on extra funding for port, transit and rail security in the Recovery Act.

This is one of the reasons that this edition of the Unified Security Budget departs from past practice by recommending a larger amount in cuts to unnecessary military spending than in additions for defense

Figure 2: Security Balance: FY 2010 Request vs. USB Recommendations



and prevention: Some of our recommendations for increased spending on non-military security tools have been fulfilled, or at least begun.

It's a beginning. In Table 5, we outline our recommendations for spending on tools of prevention, followed by defense. In total, our recommendations would rebalance the current security spending proportions as seen in Figure 2.

Diplomacy

The Obama administration framed its first budget request for International Affairs in terms that reflect this task force's central concern: The disproportion between the relative importance of our security tools of offense, defense, and prevention, and the resources devoted to them:

Table 5: USB Proposed Changes to Non-Military Security Accounts
(figures in billions)

	Administration's FY 2010 Request	Task Force's Proposed Change
Prevention		
Diplomacy	10.70	+ 0.10
Nonproliferation	2.13	+ 0.42
US Contributions to International Orgs	1.79	+ 0.21
US Contributions to Peacekeeping	2.26	+ 0.24
UN Peacebuilding	0.00	+ 0.15
UN Central Emergency Response Fund	0.50	+ 0.50
US Emergency Response Fund	0.32	+ 0.03
Stabilization and Reconstruction	0.32	+ 0.05
Civilian Reponse Corps Reserve Fund	0.00	+ 0.05
Climate Change Adaptation	0.20	+ 14.50
Economic Development	34.80	+ 19.42
Alternative Energy	10.61	+ 10.28
Defense		
DHS First Responder Grants	2.25	+ 1.75
HHS Public Health/Workforce Capacity	1.90	+ 2.10
CDC Infectious Disease Control/ Global Health	0.56	+ 0.44
In-Line Airport Checked Bag Screening	1.10	+ 1.00
Transportation Security Training	0.00	+ 0.10
Total		**+ 51.34**

Table 6: USB Scorecard—Non-Military Accounts
(figures in billions)

	FY 2009 USB Recommendations	FY 2010 Increases over FY 2009	Differential: FY 2010 Request and USB FY 2009 Recommendations
Diplomacy	6.11	10.70	4.59
Nonproliferation	1.82	2.13	0.31
US Contributions to International Orgs	2.63	1.79	- 0.84
US Contributions to Peacekeeping	3.90	2.26	-1.64
UN Peacebuilding	0.50	0.00	- 0.5
Stabilization and Reconstruction	0.35	0.32	- 0.03
Economic Development	51.30	34.80	- 16.5
Alternative Energy	18.57	10.61	- 7.96
Homeland Security Measures			
DHS First Responder Grants	5.00	2.25	- 2.75
HHS Public Health/ Workforce Capacity	6.04	1.90	- 4.14
CDC Infectious Disease Control/Global Health	1.00	0.56	- 0.44
In-Line Airport Checked Bag Screening	1.97	1.11	- 0.86
Transportation Security Training	5.00	0.10	- 4.9
Total			**- 35.66**

The FY 2010 request for International Affairs represents a fraction of what our government spends each year on national security. Yet today, diplomacy and development are ever more essential to safeguarding the security and prosperity of our people and our nation. While military force is an important part of our national security, so too are our diplomatic and foreign assistance efforts, which are often the central means by which America can promote stability in key countries and regions, confront security challenges, advance economic transformation, respond to humanitarian crises, and encourage better governance, policies, and institutions. Expenditures on diplomacy and development represent an investment which in the long run is less costly in terms of lives and dollars than defense spending that would otherwise be required.

The FY 2010 International Affairs request reflects the president's commitment to strengthen

the tools of diplomacy and foreign assistance to address current and future challenges that impact the security of the United States. The request significantly increases the core programming, policy, and management capabilities of the Department of State, the U.S. Agency for International Development, and related agencies to fulfill their robust diplomatic and foreign assistance mission.

In general, the USB Task Force believes that the administration's FY 2010 budget request represents a strong step in the right direction. If enacted, this budget would help to address many of the significant shortfalls in diplomacycaused by underfunding from the 1980s through the end of the last administration. It is worth noting that many of the recommendations contained in the USB Task Force's last report, on the FY 2009 budget, have been addressed fully or in part in the administration's request.

The overall International Affairs request for FY 2010 is about $4.4 billion more than the expected FY 2009 final budget ($53.9 billion vs. $49.5 billion, an increase of about 9 percent over an FY 2009 level which already includes significant supplementals). Within that figure, the largest item, Foreign Operations, is increased from about $32 billion to $34.8 billion, including an increase of almost 40 percent in the U.S. Agency for International Development's Operating Expenses, to reflect long overdue increases in staffing and capital investments.

Among Bilateral Economic Assistance programs, there are sizeable increases in Global Health and Child Survival programs, Development Assistance (over 30 percent), and International Disaster Assistance (IDA). In the case of IDA, this increase (from $750 million to $880 million) will cover, from the beginning of the fiscal year, many disaster response costs which to date have been funded each year by supplemental appropriations. This will allow for more deliberate planning and funding of mitigation and preparedness programs.

One critically important account which is reduced slightly in the FY 2010 proposal is Migration and Refugee Assistance (MRA), though the reduction is relative to an FY 2009 total which included large supplementals, mainly related to Iraq and Afghanistan. The request for FY 2010, $1.48 billion, is about $100 million less than the likely final figure for FY 2009. Partly offsetting this, though, is a significant increase in the Emergency Refugee and Migration Account (ERMA), from $40 million to $75 million. The task force believes that the likely requirement for additional funding in the course of the upcoming year should be recognized.

RECOMMENDATION: An additional $100 million should be added to the administration's request for MRA.

Significantly, the budget devoted to State Department operations is increased from $14.7 billion to $16.3 billion. Within this figure, the proposed budget for diplomatic and consular programs is increased by almost one third, from $6.7 billion to nearly $9 billion. This increase, which will fund new Foreign Service positions and other operational costs, is well over the $500 million increase the task force proposed last year for this account. According to the budget submission, part of this additional funding will provide for 802 additional positions. This would represent a major part of

the shortfall of 1,015 positions identified last year by the American Foreign Service Association (AFSA) and, if sustained in the future, is consistent with the recommendation of a Stimson Center study which called for about 4,700 additional positions over five years.[27] Given the time needed to recruit, train, and assign new Foreign Service personnel, the task force believes that the increases proposed in this budget are appropriate. The Administration's proposed budget for Embassy Security, Construction, and Maintenance is about 30 percent lower than in FY09, reflecting the fact that many planned security upgrades in critical posts have already been carried out.

The FY 2010 budget submission increases funding for Educational and Cultural Exchanges, from $538 million this year to $633 million. These programs are important tools by which Americans can knit themselves more closely into the world community.

Last year the Task Force recommended an increase of $50 million in these programs, and it applauds the significant increase proposed for FY 2010. Another program which substantially increases goodwill toward the U.S. and promotes cultural exchange is the Peace Corps. The administration's FY 2010 budget increases Peace Corps funding by about 10 percent, which will support increased volunteer numbers and entry into new countries.

Reconstruction and Stabilization

One of the most significant increases in the FY 2010 submission is for the Civilian Stabilization Initiative, which is designed to provide a coordinated capacity across the U.S. government to respond to reconstruction and stabilization crises. Last year, the USB Task Force proposed a $100 million increase in this account. As it turned out, these functions were funded in FY 2009 through a combination of Section 1207 authority (which allows for the transfer of funds from the Defense Department), and appropriated State Department funds totaling $45 million. The request for FY 2010 envisions an end to 1207 funding, and full funding of the activities of the Special Coordinator for Reconstruction and Stabilization (S/CRS) through appropriated funds, totaling $323 million.

These funds will support the maintenance and expansion of the Active and Standby components of the Civilian Response Corps. The CRC will provide the U.S. government with a pool of qualified, trained, and ready-to-deploy civilian professionals to support overseas reconstruction and stabilization operations. S/CRS's mission is to work through the CRC to ensure that troubled, post-conflict states will receive both practical and financial assistance to help them stabilize and set a course toward peace and prosperity. The funding will not be sufficient, however, to address the costs of the Reserve part of the CRC, which would consist of civilian experts who can be called up to perform key reconstruction tasks.

At this time there are indications that Congress may be reluctant to dramatically increase funding for S/CRS, until its operational capability has been demonstrated more thoroughly. This year, the task force believes that some additional funding should be added in order to begin funding the development of the CRC's Reserve component.

RECOMMENDATION: Add $50 million to the administration request.

Nonproliferation and Threat Reduction

In his historic Prague speech on nuclear weapons on April 5, 2009, President Obama noted that nuclear terrorism "is the most immediate and extreme threat to global security." Recognizing that the best way to combat this threat is by limiting access to vulnerable nuclear weapons-usable materials, Obama pledged that the United States would lead "a new international effort to secure all vulnerable nuclear material around the world within four years."

Despite this lofty goal, the president's FY 2010 budget request for threat reduction and non-proliferation is a mixed bag. The overall funding request for threat reduction is actually less than what Congress appropriated in FY 2009. While future budget requests are likely to better reflect the president's agenda, funding for FY 2010 is well below what is necessary to begin the difficult task of securing vulnerable nuclear weapons-usable materials around the world within four years.

To its credit, the president's budget greatly reduces funding for Bush administration programs that could significantly undermine U.S. nonproliferation objectives. The Obama administration eliminated funding for the Reliable Replacement Warhead (RRW) program, which would develop and deploy new, untested nuclear warheads into the U.S. stockpile, and significantly scaled back funding related to nuclear spent fuel reprocessing. At the same time, the budget increases funding for key nonproliferation programs.

Funding for Threat Reduction and Non-proliferation Programs

The Departments of Defense, Energy and State receive funding for non-proliferation and threat reduction programs.

The total requested amount for threat reduction and non-proliferation in the FY 2010 budget is:[28]

Table 7: FY 2010 Non-Proliferation and Threat Reduction Budget

Agency	FY2009 appropriations	FY2010 funding request
Department of Defense	$433.2 million	$404.1 million
Department of Energy	$1.39 billion	$1.44 billion
Department of State	$311 million	$291.6 million

Funding for Threat Reduction

The total threat reduction budget request that is specifically intended to secure or remove weapons-grade material at the source (not counting border control activities) is about $1.06 billion.

Great progress has been made in improving nuclear security throughout the world, particularly in Russia and states of the former Soviet Union. However, significant vulnerabilities remain. For example, as Harvard nuclear security expert Matthew Bunn notes, "Some 130 nuclear research reactors around the world still use highly enriched uranium (HEU) as their fuel, and many of these have only the most modest security measures in place—in some cases, no more than a night watchman and a chain-link fence."

To reduce the risk of nuclear terrorism with limited funds, the U.S. should prioritize programs to safeguard and eliminate dangerous materials at the source, above programs to detect the illicit trafficking of those materials. For example, about half of the budget request for the International Nuclear Materials Protection and Cooperation program ($552.3 million) is allocated to Second Line of Defense ($272.7 million), which deters and detects illicit trafficking in nuclear materials across international borders. This is a much larger percentage than in recent years, despite the fact that the Government Accountability Office has repeatedly criticized the limits of current nuclear detection capabilities. Thus, given the current state of technology, such activities have a lower chance of success than securing vulnerable material at the source, which remains our first and best line of defense against the risk of diversion by terrorists.

The FY 2010 request for threat reduction includes $354 million for the Global Threat Reduction Initiative (GTRI), an important program to reduce and protect vulnerable nuclear and radiological materials located at civilian sites worldwide. This is an increase of $134 million over last year's request but is $67 million below what Congress appropriated in FY 2009. GTRI provides for the conversion of research reactor cores using weapons-usable HEU to the use of non-weapons usable low-enriched uranium (LEU) fuel, for the return of U.S. and Russian-origin HEU, for radiological threat reduction, for safe and secure storage of plutonium in Kazakhstan, and for the identification of gap material (material not covered by other existing programs).

The request for the threat reduction activities (excluding Second Line of Defense funding for border monitoring) of the Energy Department's Office of International Nuclear Materials Protection and Cooperation, which aims to enhance the security of vulnerable stockpiles of nuclear weapons and weapons-usable nuclear material in Russia, is $279.6 million, an increase of about $63 million over last year's request and $54 million over the FY 2009 appropriation.

These two programs are especially critical to reducing the threat of nuclear terrorism. Terrorist groups such as al-Qaeda have been reported to be seeking nuclear weapons-usable material. According to the International Panel on Fissile Materials, a crude nuclear weapon with a simple design could be made using as little as 25 kg of HEU.

The administration has requested $24.5 million for the Department of Energy's Elimination of Weapons-Grade Plutonium Production program, which will enable Russia to cease operation of three remaining weapons-grade plutonium production reactors. This is a reduction of $116.8 million below what Congress appropriated in FY 2009 because this program is nearing completion, as two of the three reactors were shut down in mid-2008, more than six months early.

The request for the Department of Defense's Cooperative Threat Reduction (CTR) program, which enables the removal and shipment of nuclear warheads from former Soviet countries to Russia, buttresses security at Russian nuclear weapons storage sites, and assists in the dismantlement and destruction of Russian nuclear silos and delivery vehicles, is $404.1 million, $10 million below last year's funding request and about $29 million below the FY2009 appropriation.

The House and Senate defense authorization bills recommended significant increases for GTRI and the CTR program, however, reflecting continuing strong congressional support for threat reduction efforts.

Funding For Nonproliferation Programs

The total FY 2010 budget request for the Department of State for nonproliferation programs is $291.6 million, an increase of $81.4 million over last year's request, but a reduction of $19.4 million below FY 2009 appropriations. This includes funding for the Non-Proliferation and Disarmament Fund, Export Control and Border Security Assistance, Global Threat Reduction, voluntary contributions to the IAEA, contributions to the CTBT International Monitoring System, and Weapons of Mass Destruction Terrorism programs. These programs complement the Department of Energy's nonproliferation programs.

The nonproliferation programs at the Department of Energy include the Non-Proliferation and Verification Research and Development program, for which the FY 2010 funding request is about $297 million (about $67 million less than last year's appropriation), and the Non-Proliferation and International Security program, for which the request is $207.2 million (about $47 million above last year's appropriation). Within the Non-Proliferation and International Security program, the request increased funding to provide policy and technical support for the Next Generation Safeguards Initiative, which aims to strengthen the international safeguards system and revitalize the U.S. technical base and the human capital that supports it.

The State Department's budget request included modest increases for U.S. voluntary contributions to the IAEA and the CTBT International Monitoring System. The FY 2010 budget request for the IAEA is $65 million ($2.5 million above last year's appropriation) and the request for the CTBT International Monitoring System is $26 million ($1 million above last year's appropriation).

To support advancing U.S. disarmament commitments and nonproliferation objectives, the Obama administration also seeks to increase nuclear weapons dismantlement and disposition, which would permanently reduce the number of weapons in the U.S. arsenal. During the Bush administration, the warhead dismantlement rate fell to its lowest level since the 1950s. The budget request for these activities is $84.1 million, about $26.9 million above last year's appropriation. The FY 2010 Energy and Water Appropriations Conference Report recommended $12 million above the Obama administration's request to further increase the dismantlement rate. Increasing the Department of Energy's capability to dismantle nuclear warheads will enhance U.S. nuclear weapons reduction efforts.

Disarmament of North Korea Hits Roadblock

Funding to support the disablement, dismantlement, and verification of the North Korean nuclear program is included in the State Department's Non-Proliferation and Disarmament Fund and in the Department of Energy's Non-Proliferation and International Security program and Global Threat Reduction Initiative. The FY 2009 supplemental appropriations bill provided approximately $81.5 million for the denuclearization of North Korea. In its FY 2010 request, the Obama administration asked for an additional $80 million. However, in the wake of North Korea's second

nuclear explosive test in May 2009, numerous missile tests, and the subsequent collapse of the Six Party Talks, both the House and Senate have substantially cutback funding for denuclearization until North Korea returns to the negotiating table.

Obama's Budget Reduces Funding for Programs that Undermine U.S. Nonproliferation Objectives

In a welcome change from the Bush administration's budget requests, the Obama administration significantly reduces funding for programs that undermine or complicate nuclear nonproliferation efforts. The Obama administration eliminated funding for the Reliable Replacement Warhead (RRW) program, which would develop and deploy new, untested nuclear weapons into the U.S. stockpile. Also related to new nuclear warheads, the FY 2010 Energy and Water Appropriations Conference Report halved the $65 million requested by the Department of Energy for a study of a new modification of the B61 nuclear bomb. Plans for new nuclear warheads remain unnecessary and undermine nonproliferation efforts, since many countries see these modernization efforts as contrary to U.S. promises pursuant to the Nuclear Nonproliferation Treaty.

The Obama administration also cancelled part of the Bush administration's near-term plans related to the Global Nuclear Energy Partnership. Under GNEP, the Department of Energy proposed to extract plutonium (or material that could be readily converted to pure plutonium) by "reprocessing" commercial nuclear waste and reuse this plutonium in existing nuclear power plants and new fast reactors. In April 2009, the Department of Energy announced that it is "no longer pursuing near-term commercial demonstration projects," though it's continuing to fund some research and development of reprocessing and fast reactor technologies through the Fuel Cycle Research and Development program (previously called the Advanced Fuel Cycle Initiative). The FY 2010 request is $192 million for long-term fuel-cycle research and development, significantly below previous years' requests. The FY 2010 House Energy and Water Appropriations Conference Report recommend $136 million, approximating FY 2009 appropriations.

While supporters of reprocessing argue that it would help solve the nuclear waste problem, a U.S. reprocessing program could make it more difficult to discourage other countries from developing these technologies, which could be used to make nuclear weapons. Furthermore, reprocessing would result in additional stockpiles of nuclear weapons-usable material, raising the risk that terrorists might seek, or be able, to divert or steal this dangerous material.

Nonproliferation and Threat Reduction Still Requires more Funding and Attention

Given the ambitious threat reduction and nonproliferation goals Obama laid out during his campaign and in his Prague speech, his FY 2010 budget request is a disappointing first step. Administration officials have argued that they are still in the process of working out plans and strategies to meet the president's goals and that next year's budget request will better reflect these priorities.

Of course, simply increasing funding for threat reduction and nonproliferation is not a panacea. As Dr. Matthew Bunn and Andrew Newman note:

[I]n the case of preventing nuclear terrorism, policy is much more than budgets. Money is necessary but by no means sufficient. Most programs intended to reduce the risk of nuclear terrorism are constrained more by limited cooperation (resulting from secrecy, complacency about the threat, concerns over national sovereignty, and bureaucratic impediments) than they are by limited budgets. Sustained high-level leadership focused on overcoming the obstacles to cooperation would do more to increase the chances of success than larger budgets would.[29]

The U.S. cannot achieve its threat reduction and nonproliferation goals alone, but it must take the lead in reenergizing global threat reduction and non-proliferation efforts. The Obama administration has already taken many important steps to that end, including planning to host a Global Nuclear Security Summit in March 2010. It must ensure that future budget requests for threat reduction and non-proliferation programs are large enough to meet the high priority the President has placed on safeguarding and eliminating dangerous nuclear weapons-usable materials worldwide within four years.

Table 8: USB Recommended Increases for Non-Proliferation and Threat Reduction

(figures in millions)

Programs	FY 2010 Request	Recommended Increase
Department of Energy International Material Protection and Cooperation (excluding Second Line of Defense)	$279.6 million	+ $10-20 million[1]
Department of Energy Global Threat Reduction Initiative	$354 million	+ $150 million[2]
Department of Energy Non-Proliferation and Verification R&D and Non-Proliferation and International Security	$504.5 million	+ $100 million[3]
Department of State Non-Proliferation programs	$291.6 million	+ $50 million[4]
Nuclear Weapons Dismantlement	$84.1 million	+ $100 million[5]

1. These recommendations are based on Next Steps to Strengthen the National Nuclear Security Administration's Efforts to Prevent Nuclear Proliferation, Testimony by Dr. Matthew Bunn, before the Subcommittee on Energy and Water Appropriations, April 30, 2008; This increase in funding follows Dr. Bunn of Harvard University's recommendation, taking into account the increase in construction costs in Russia.
2. According to Dr. Bunn, this increase in funding could help speed up the conversion of 45 research reactors, facilitate building higher-density LEU fuel fabrication facility, accelerate the pace of removal of vulnerable materials, and secure additional radiological sources and research reactors worldwide. Additional funding and political prioritization could also help increase training, forge effective security standards, ensure sustainability of ongoing efforts and equipment for the long-term, and strengthen the security culture
3. This additional funding would strengthen nonproliferation efforts and cooperation, including increased money for the CTBTO for enhancing verification, and for increased safeguards and verification R&D at the national laboratories.
4. This additional funding would allow increased funding for the Non-Proliferation and Disarmament Fund, and additional contributions to the IAEA and the Comprehensive Test Ban International Monitoring System.
5. This additional funding could help speed up the pace of nuclear weapons dismantlement and facilitate further reductions in the U.S. nuclear arsenal.

Economic Development Assistance

The Obama administration has made progress toward its announced goal of doubling foreign assistance. At the same time the global recession, in combination with emerging threats presented by climate change, have dramatically increased the need. The World Bank projects that by the end of 2010, the recession will have pushed 89 million more people into extreme poverty.[30] In addition, resources devoted to addressing the needs of the poorest of the poor have been constrained by the concentration of funds toward Afghanistan and Pakistan.

The administration's request for foreign operations (the accounts considered to be directed to development assistance) for 2010 is $34.8 billion, a significant increase from the FY 2009 request of $26.3 billion. Total funding for FY 2009 in the end reached $32 billion, however, expanded by additional spending requests responding to the food price crisis and to the deteriorating situation in Afghanistan. These two funding streams are now built into the longer term budget request.

The 2010 budget includes $4.4 billion in non-military assistance to Afghanistan and Pakistan. While a focus on improving roads, schools and other elements of a comprehensive strategy to reduce poverty and inequality could play an critical role in reducing tensions, how those funds are used are as important as how much. NGOs working in Afghanistan have complained that military involvement in development programs, particularly when local communities are not adequately consulted about plans and follow up, waste resources on questionable projects and blur the distinctions between military and civilian roles. Confusion about whether development workers represent the military could jeopardize their safety, as well as their ability to build the trust needed to achieve lasting change.[31]

This points to a bigger issue: the lack of coordination and commitment among various U.S. government "development" initiatives to effectively address the root causes of global poverty. Current foreign assistance programs are administered by as many as 24 government agencies and 50 programs, many of which are duplicative or even contradictory. The Obama administration announced on September 8 announced a Presidential Study Directive on Global Development Policy, mandating an across-the-board review of these programs. The Modernizing Foreign Assistance Network, a consortium of NGOs and research institutes, has recommended that these programs be unified under a new Cabinet-level Department for Global Development. Such a position would have the political clout to ensure that foreign assistance is "part of a coherent vision for U.S. engagement with developing countries alongside other instruments of policy including trade, defense and diplomacy."[32]

While these processes could help to make decisions on development assistance more independent of short-term military or diplomatic goals, and improve the coordination of so many disparate programs, reforms should also address the underlying problem of aid effectiveness. ActionAid International estimates that some 86 percent of U.S. foreign assistance is "phantom" aid that is not genuinely available for poverty reduction in developing countries.[33] Phantom aid includes funds that are not targeted to poverty reduction, are double-

counted as debt relief, are spent on overpriced and ineffective technical assistance, are "tied" to purchases of U.S. goods and services, or are poorly coordinated, leading to high transaction and administrative costs. For example, Oxfam America reports that in Cambodia, "USAID-funded NGOs must award contracts overa minimum threshold to U.S. companies. In one case, this would have forced a local health care NGO to buy oral rehydration salts at four to five times the price of locally available sachets."[34] This type of foreign assistance is not unique to the United States—at least 61 percent of donor assistance from G8 countries is phantom aid—but it is particularly pronounced in this country. So the issue is not just the quantity but the quality of foreign assistance.

Both are crucial issues, especially in an era of global financial and climate crises. Poverty and hunger have skyrocketed in many countries as resources have dwindled. Given the increased need, the answer is clearly not to decrease spending, but to spend more wisely. Substantial foreign assistance reform is imperative to ensure that aid dollars are spent as effectively as possible. Spending more of those dollars on local goods and services would increase the spillover effects, generating even more local employment and income. In fact, Congress has begun deliberations on an overhaul of foreign aid programs. In July, Senators Kerry, Lugar, Menendez, Corker, Risch and Cardin (three Democrats and three Republicans) introduced the Foreign Assistance Revitalization and Accountability Act of 2009, which would reform the leadership structure and mandate ongoing reviews of the effectiveness of U.S. foreign assistance programs. Those deliberations are expected to intensify in late 2009 and early 2010.

In the meantime the food, climate and financial crises have constrained developing country budgets for health, education, food security and other social spending even beyond normal levels. Funds for HIV/AIDS, malaria, and tuberculosis treatment and prevention have increased substantially in recent years, but the need continues to expand exponentially. This FY2010 funding request includes $5 billion for President's Emergency Plan for AIDS Relief (PEPFAR), $900 million for the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, and $981 million for global basic education. The Global AIDS Alliance has called on the president to honor his campaign pledge to increase PEPFAR funding by $1 billion a year, to expand funding to the Global Fund to Fight AIDS, Tuberculosis and Malaria to $2.7 billion, and to commit at least $2 billion to a Global Fund for Education.[35]

More and better aid is also needed to address the root causes of hunger. Despite the commitment to the Millennium Development Goal to halve world hunger by 2015, the UN Food and Agriculture Organizations reports that the number of people living in hunger continues to increase, from 963 million in 2008, to over a billion in 2009. Spending on agricultural development has withered in recent decades, with remaining funding often supporting the development of export crops over national food security. The 2008 food price crisis highlighted the risks created when countries are told to buy food wherever it is cheapest rather than growing it themselves.

Obama has supported significant new efforts to reduce global hunger, pledging $3.5 billion over three years for food security at the recent G-8 meeting. While this would be a good start, much more is needed. The

Roadmap to End Global Hunger, a coalition of development organizations, recommends $6.3 billion in FY 2010 for agricultural development, maternal and child nutrition and emergency assistance, increasing to $13.3 billion by 2014.[36] The Roadmap proposal includes new funding food aid, as well as a shift from the provision of in-kind aid to proving funds for local and regional purchases of food aid. In 2007, the Government Accountability Office estimated that shipping and administrative costs absorbed 65 percent of US food aid dollars. In 2008, skyrocketing fuel and commodity prices drove those prices even higher, resulting in falling volumes of food aid just as it was needed most. As part of its overall proposal, the Roadmap groups call for small increases in traditional food aid programs, while increasing cash based programs from $800 million in FY 2010 to $2 billion by FY 2014. Funding for agricultural development would be directed to improving production levels and rural incomes, with a special focus on the needs and capacities of women and small-scale farmers.

Above and beyond the need for development assistance is the urgent imperative to combat the immediate effects of climate change. While there are multiple causes of the food crisis, there is little doubt that increased climate variability was a major factor in current food shortages. Persistent droughts in Australia dramatically reduced its wheat harvest, and increasing extremes of weather contributed to food shortages and price rises in various countries around the world. The Intergovernmental Panel on Climate Change projects that yields from rain-fed agriculture in some African countries could decline by as much as 50 percent by 2020.[37]

Climate change is a threat to development on a number of fronts. In addition to the impacts on food production caused by increases in droughts and flooding, greater climate variability leads to increases in diseases, decreases in access to water and, in some cases, a need to relocate entire communities. Women are especially vulnerable to these changes because they tend to be more dependent on threatened natural resources.[38]

Climate change is more than an environmental issue; it is an issue of international social and economic

Table 9: USB Recommended Increases for Economic Development
(figures in billions)

	FY2010 Request	USB Recommendation
PEPFAR	5.00	+ 6.00
Global Fund to Fight Aids, TB, and Malaria	0.00	+ 2.70
Global Fund for Education	1.00	+ 0.50
Agricultural Development	5.90	+ 5.10
Climate Change	0.20	+ 14.50
Emergency Food	1.69	+ 2.00
Total	**14.69**	**+ 30.80**

justice. Poor countries will suffer disproportionately from the impacts of climate change, which has been caused to great degree by rich country over-consumption and, consequently, much higher levels of greenhouse gas emissions. There is a growing international consensus on the need for rich countries, including the U.S., to provide compensatory funding to developing countries to help them adapt to the impacts of climate change. These funds must be additional to current development assistance.

Urgent reductions in emissions are also needed. The United States and other industrialized countries must dramatically reduce their own emissions by 25-40 percent below 1990 levels by 2020. As the country that has done the most to create the problem the rest of the world is now dealing with, the United States must also reduce its emissions by at least 80 percent below 1990 levels by 2050. Rich countries should also provide assistance to help poor countries to access clean technologies.[39]

The United Nations Framework Convention on Climate Change (UNFCCC) estimates that $67 billion a year is needed to for adaptation funding. Based on historic emissions levels and capacity to pay, ActionAid has estimated the U.S. share of that cost at $29 billion. Once again, it is important to consider the quality of those funds as well as the quantity. Any adaptation funds should be directed primarily through multilateral channels (especially the Adaptation Fund set up under the UNFCCC) and must meet basic principle of democratic governance, civil society participation, sustainable and compensatory funding levels, no economic policy conditionality and access for the most vulnerable.[40]

In addition to reprioritizing development assistance to address poverty and inequality rather than only supporting short-term U.S. foreign policy goals, priorities for increased funding in FY 2010 should include PEPFAR, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Global Fund for Education, emergency food assistance, maternal and child nutrition programs and agricultural development, and international climate change adaptation.

U.S. Contributions to International Organizations

The Contributions to International Organizations (CIO) Account pays the dues assessed to the United States by international organizations, including the World Health Organization, NATO, the International Atomic Energy Agency, the Organization for Economic Cooperation and Development, and the United Nations.

In 2008, there was a $167 million shortfall in U.S. contributions to international organizations. The FY 2009 request, despite a 13 percent increase, did not address previous ar¬rears. The United States finally paid the remaining $88 million in uncontested arrears at the beginning of 2009. The 2010 budget increased the request from 2009 for the CIO account to $1.79 billion, higher than the FY 2009 level of $1.53 billion.

The United States' full payment of its assessed contribution to the United Nations is a very important development. Nothing symbolizes the U.S. relationship to the rest of the world better than its commitment

to engage fully with this institution, and no professed commitment can be taken seriously while our failure to underwrite it financially says otherwise.

As U.S. Ambassador to the United Nations Susan Rice, has said, "In the past, our failure to pay all of our dues and to pay them on a timely basis has constrained the UN's performance and deprived us of the ability to use our influence most effectively to promote reform. [President] Obama believes the U.S. should pay our dues to the UN in full and on time." Now that the United States has paid all of its dues to the United Nations through the FY 2009 supplemental in full, it must begin to pay the dues on time. This begins with resynchronization.

Due to the United States fiscal cycle, the U.S. currently pays all of its dues to international organizations one calendar year late. These payments need to be resynchronized, so that assessments to the United Nations and other international organizations can be appropriated over a multiyear period, enabling the United States to resume paying its dues at the beginning of each calendar year. This would help ensure that the United Nations has sufficient funding throughout the year without having to engage in unsound budgetary practices.

Other international organizations funded through this account deserve special mention, and increased funding. The International Atomic Energy Agency (IAEA) is responsible for monitoring stockpiles of nuclear materials across the globe, with an annual budget of about $370 million. The World Health Organization takes the lead in preventing global pandemics like the H1N1 virus. These organizations, whose missions could not be more important to the safety of U.S. citizens, are underfunded.

RECOMMENDATION: Increase funding for the overall International Organizations account (CIO) to $2 billion and resynchronize U.S. payments to international institutions.

U.S. Contributions to United Nations Peacekeeping

As a permanent member of the United Nations Security Council, the United States approves all U.N. peacekeeping operations. According to the United Nations, its peacekeeping missions in June 2009 were deploying almost 100,000 troops in 19 peacekeeping missions and 11 political missions around the world—all with a total budget of about $7.75 billion. The General Accounting Office of the UN estimates that UN peacekeeping is eight times less expensive than a traditional U.S. military force. A RAND report from 2005 looked at eight missions being conducted by the UN, and eight by the U.S. Of the UN peacekeeping missions, seven remained at peace after the mission had ended, while only four of the U.S. operations could say the same.

Obama's $2.26 billion request for the Contributions for International Peacekeeping Account (CIPA) marks a large increase from the previous year and must set a precedent for U.S. contributions to peacekeeping efforts. In FY 2008, the United States allocated $2.06 billion to this account. In FY 2009, the United States allocated $1.66 billion initially and $836 million in the 2009 supplemental.

RECOMMENDATION: Permanently lifting the peacekeeping cap.

The United States is assessed 26 percent of UN peacekeeping costs. However, the U.S. government has placed a cap on what the U.S. will pay toward peacekeeping at 25 percent of U.N. peacekeeping costs. This 1 percent difference accumulates significant arrears for the United States and puts all United Nations peacekeeping missions at a disadvantage. For missions deemed to be crucial in protecting U.S. security interests, a lack of funding could inhibit the mission's success.

Not a single UN peacekeeping mission is undertaken without United States approval. With this approval, the UN has sent missions to Sudan, the Democratic Republic of the Congo, and Lebanon, among others. UN peacekeeping bolstered successful government transitions in Namibia, El Salvador, Nicaragua, and Guatemala.

U.S. Ambassador to the United States Susan Rice highlighted some of the many successes of UN peacekeeping: "I have seen first-hand how the UN delivers—in Haiti, where peacekeepers flushed out deadly gangs from the notorious Cité Soleil slum and now are training a reformed Haitian police force. I have seen it in Liberia, where the UN Development Program supports impressive efforts to teach literacy, computer skills, and trade skills to jobless ex-combatants. I have seen it in Congo, where the UN has made it possible to hold the first democratic elections in that country's history."

RECOMMENDATION: Increase funding to $2.5 billion to support United Nations peacekeeping. Also, permanently raise the cap on U.S. contributions to these missions to the assessed level.

UN Central Emergency Response Fund

In 2006, the UN established a Central Emergency Response Fund (CERF) to enhance its capability to provide a truly rapid response to life-threatening emergencies. CERF strives to provide predictable and equitable funding within 72 hours of when an emergency strikes. The CERF in turn disburses money to UN operating agencies as deemed necessary. In 2006, the United States contributed to the CERF, but has not contributed since. Fiscal years 2007 through 2009 did not include any requests for funding the CERF.

Table 10: USB Recommended Increases for Contributions to International Organizations

Organization	FY 2009 Enacted	FY 2010 Request	FY 2010 USB Recommendations
CIO	$1.6 billion	$1.78 billion	$2 billion
CIPA	$2.5 billion	$2.26 billion	$2.5 billion
UN CERF	0	0	$500 million
UN Peacebuilding Fund	0	0	$150 million

In just the few years it has existed, CERF has helped save countless lives in dozens of nations like Sri Lanka, Afghanistan, and Sudan. It provided money to UN operating agencies working in the horn of Africa after a severe drought in 2006. In August 2009, CERF provided $1.2 million for the care of 25,000 persons internally displaced by severe floods in Sa'ada, Yemen. In late July 2009, CERF allocated $5.2 million to care for those displaced by conflict in Mindanao, Philippines. After a warning in July 2008 from the World Food Program that 40 percent of North Koreans were in urgent need of food aid, CERF designated $2 million to go to North Korea.

The CERF fund currently contains up to $500 million. It depends upon voluntary contributions from governments and nongovernmental actors. The U.S. should support an organization that works to help millions recover from natural disasters and prevent further destabilization.

RECOMMENDATION: A regular contribution of $500 million to CERF.

UN Peacebuilding Commission

In 2005, the UN Peacebuilding Commission was established to coordinate for the first time all actors involved in the peace-building process in post-conflict situations. The Commission coordinates the work of bilateral donors, peacekeeping troop contributing countries, regional organizations, and international financial institutions in their efforts to bring stability to post-conflict situations.

The Peacebuilding Commission is supported by the standing United Nations Peacebuilding Fund. The goal of the fund is to supply financial resources during the early stages of the peace process, when the money is needed most. It has devoted almost $35 million to Burundi, in the form of special projects designed to promote justice and human rights and strengthen Burundi's security sector. The African nation of Liberia signed a Comprehensive Peace Agreement (CPA) in 2003. Since peace agreements rarely guarantee success, the Peacebuilding Fund has allocated $15 million to support the continual peacebuilding process there. In Côte D'Ivoire and the Central African Republic, the Fund supported political dialogue between two arguing parties.

In total, the fund has spent $115 million. The fund is supported by 45 country donors and one private donor; its goal is to spend $250 million annually.

As a permanent member of the United Nations Security Council, the United States serves on the Peacebuilding Organization Committee. However, the United States has never given money to the Peacebuilding Fund. No other country has such sway over the decision making process without making any financial contributions. We recommend that the United States begin making contributions of $150 million to the UN Peacebuilding Fund.

RECOMMENDATION: Begin making voluntary annual contributions to the U.N. Peacebuilding Commission of $150 million.

Renewable Energy

Climate change is now recognized by the U.S. military as a threat to destabilize economies, increase inter- and intra-country competition for resources force population shifts and spawn military actions that would require defensive responses. Military recognition of the climate threat raises the importance of avoiding these consequences by taking action. Increasing investments in controlling greenhouse gas emissions now can avoid direct military expenditures in the future.

Military recognition of climate change as a security threat, and the Obama administration's broad commitment to address the issue, are positive signs. But a review of the stimulus act and an early analysis of the new administration's proposed budget show that much remains to be done.

The federal government has three primary avenues to support renewable and other greenhouse gas neutral technology developments: R&D grants for basic research; cost share support for lab-created technology that offers a reasonable chance for successful commercial operation; and "public returns" for commercial deployment of greenhouse-gas-neutral projects. (Note: This analysis concentrates on renewable energy. Energy efficiency and other forms of carbon neutral technologies also can contribute to reducing the climate security threat.)

In order to effectively support the transition of the U.S. energy economy, funding support for each of the three categories must be adequate but in addition the support must be permanent. Past supports have been destructively fickle: R&D funds have dropped over time; commercialization programs were abandoned; and incentives for project developments were turned on and off regularly over the past 20 years. Unfortunately, the two- to three-year time horizon of the stimulus bill continues this problem.

The permanent basis for federal financial investments should rest on a recognition that these provide an important return to the public. Avoiding environmental and security external costs provides an external benefit. This benefit can be quantified (it is the "shadow" of the environmental cost) and used to support a permanent commitment to fund these investments.

While permanence is critical, a federal investment program should also look for a portfolio of supports to leverage the maximum total investment. Leverage comes in two forms: federal incentives and R&D commercialization programs. Federal incentives should be used to draw out private investment: For example, production tax credits are generally recognized as drawing two dollars of private investment for every dollar of federal incentives. R&D and commercialization programs leverage investment by driving down the cost of renewable and greenhouse-gas-neutral technologies, thereby opening larger and larger market shares for them.

Federal policy should set a target goal for renewable energy installations and create supports to realistically meet that goal. The Renewable Energy Policy Project has calculated that an annual installation of 18,500 megawatts (MW) from renewable sources would stabilize CO2 emissions from electricity generation and increase the security of our energy supplies.[41] This goal is consistent with a mandate requiring 20 per-

cent of electricity generation be from qualified renewable energy projects. This isn't a goal for 2050, but it is a goal that can realistically be achieved. In the course of moving towards this initial target, we should also look to leverage private investment and support security through domestic industry.

Several federal investments will be necessary to achieve that goal:

Research and Development

Research and development funding is appropriated through the Department of Energy's Energy Efficiency and Renewable Energy programs. The FY EERE Budget for 2009 was $1.722 billion, and for 2010 it was $2.31 billion. In order to assure that basic and applied science move forward to meet the challenge of transforming the energy sector, this budget instead needs to be increased by 25 percent, to $2.89 billion. At least 25 percent of the R&D should be tied to industry research and technology innovation agendas.

Commercialization

Commercialization of R&D efforts is extremely important because it is the primary way society is paid back for supporting basic R&D. It is also the way to drive lower prices of renewable energy over time.[42] The Energy Policy Act of 2005's Title XVII required DOE to select new technologies, not previously commercially deployed, and select projects to receive a loan guarantee for up to 80 percent of the total installed cost of the project. No loan guarantees were made under that program. The stimulus act moved to remedy that primarily by providing an appropriation of $6 billion to offset the "subsidy cost" of loan guarantees made to innovative technologies. It is assumed that the $6 billion will support $60 billion of loan guarantees, which in turn will support $75 billion in total investments in technology commercialization projects. (This assumes the projects are developed with 80 percent debt in loan guarantees and 20 percent equity.)

A reasonable target for a commercialization program would require supporting 1,850 MW per year of new technologies (10 percent of the target goal of

Table 11: USB Recommended Increases for Renewable Energy
(numbers in billions)

Program area	Budget required	Present budget	Net increase
Basic R&D	$2.89 billion	$2.31	$.58 billion
Commercialization	$3.7 billion plus existing loan guarantee of $6 billion	$6 billion (in ARRA budget for multiple years)	$3.7 billion
Deployment incentives	$12 billion	ARRA estimated tax credits through cash grants are $6 billion	$6 billion
Total	**$18.59 billion**		**$10.28 billion**

18,500 MW). If successful, this would turn over renewable technologies every 10 years. As discussed below, the average capital cost per MW of present renewable generation is between $2 and $4 million per MW. Since first-time installed costs are double that of fully commercialized technologies, a reasonable estimate of the capital expenditures for the 1,850 MW would be $7.4 and $14.8 billion per year. Conservatively, the Stimulus Loan Guarantee program can support five years of partial commercialization efforts.

The loan guarantee support in the stimulus bill should be made permanent at $1.2 billion per year. In addition, the loan guarantee should be married to the traditional cost share effort for commercializing innovative technologies. Under traditional commercialization practice, this initial capital expenditure would be shared 50/50 between the private and public parties. A budget outlay for this program would be $3.7 billion per year.

Tax Incentives

For renewable electric technologies already in the marketplace, federal energy policy has relied on investment and production tax credits to leverage private investment. For wind and photovoltaic technologies the tax credit leverages $2 for every dollar of credits. Using that 2:1 leverage ratio a stabilization wedge, which requires on average $37 billion per year of total investment, could be obtained with tax credits of $12 billion per year. These tax credits, or equivalent incentives, must be made a permanent part of our national energy policy. They provide a public return for technologies that add to energy security and address climate stabilization challenges.

Creating a Renewable Energy Industry

Renewable energy is manufactured energy. Any energy policy that adds substantial renewable energy projects will vastly increase the demand for all the component parts that make up the technologies. Even the stimulus bill has largely neglected domestic manufacturing. A renewable energy manufacturing initiative should be made a part of federal policy. The program should provide support for industrial retooling by offering clean renewable energy bonds for qualified manufacturing projects. To the extent possible critical strategic assets, such as submerged lands for offshore wind development, should be provided to state or regional efforts to link project installation with domestic manufacturing. Finally, the critical competitive advantage for domestic industry has to be its ability to capture rapid technology innovations. This will require feedback from industries to research institutions to commercialization programs back to the industries. (See R&D above.)

VI. Rebalancing Security: Defense

A Note on Accomplishments in 2008

During the final year of the Bush administration, much of the effort in homeland security involved responding to the requirements of the Implementing the 9/11 Commission Recommendations Act of 2007.[43] Among the major relevant developments were:

- Allocating additional resources for surface transportation, including hiring more security inspectors, completing threat and vulnerability assessments and developing new training, exercise and information sharing programs;
- Meeting the Act's mandate that 50 percent of all cargo transported on passenger aircraft be screened by February 2009;
- Making progress toward deployment of DHS's Secure Flight program for taking over from the airlines the prescreening process of comparing passenger information against terrorist watchlists; and
- Establishing the National Biosurveillance Integration Center (NBIC), which combines biosurveillance data with other information on biological incidents.[44]

Other homeland security-related accomplishments in 2008 included the establishment of a counterintelligence office within the DHS Office of Intelligence and Analysis; issuance of the "DHS Small Vessel Security Strategy" (SVSS) to counter the threat posed by terrorist attacks utilizing small maritime vessels, like those subsequently used in the attacks in Mumbai, India; and promulgation of final national standards for chemical facility security.[45]

In FY 2009, total federal homeland security spending (including supplemental and emergency appropriations) rose by 11 percent, to $72.2 billion. The non-defense component also increased by 11 percent, to $52.4 billion.[46] Congress funded $2.24 billion of the USB's proposed $16.35 billion in additions to the Bush homeland security request. (See Table 12.)

The FY 2010 Budget Request

The inauguration of Barack Obama represented the first time the management of homeland security had changed hands since the September 2001 attacks. As articulated by Secretary of Homeland Security Janet Napolitano, the new administration's priorities included improving DHS's relationships with state and local governments (including increasing information sharing), expanding science and technology research (including more capable screening equipment) and unifying DHS and its components (including the construction of a new DHS headquarters facility).[47]

The first major impact of the Obama administration on homeland security came via the February enactment of the American Recovery and Reinvestment

Table 12: FY2009 USB Homeland Security Recommendations vs. Final Appropriatons
(figures in billions)

	FY2008 (final)	FY2009 Admin	FY2009 USB	FY2009 Final[1]	Final vs.USB
DHS First Responder Grants	2.25	1.24	5.00	2.26	- 2.74
HHS public health infrastructure/ workforce capacity	1.79	1.03	6.03	1.81	- 4.22
HHS pandemic flu preparedness	0.30	0.82	1.20	0.82	- 0.38
CDC infectious disease control/global health	0.52	0.49	1.00	0.53	- 0.47
In-line airport checked bag screening	0.83	0.77	1.98	0.87	- 1.11
Coast Guard homeland security operations	1.95	2.59	2.99	2.46	- 0.53
Port security grants (FEMA)	0.40	0.21	0.40	0.40	0
Public transportation security grants (FEMA)	0.40	0.18	3.50	0.40	- 3.10
TSA surface transportation security inspectors, canine teams	0.02	0.01	0.05	0.02	- 0.03
Transportation security training (DHS)	na	na	0.10	na	- 0.10
Chemical site security (DHS)	0.05	0.06	1.50	0.07	- 1.43
Total	**8.51**	**7.40**	**23.75**	**9.64**	**- 14.11**

Sources: A Unified Security Budget for the United States, FY2009 (Washington, DC, September 2008); Office of Management and Budget, Budget of the United States Government Fiscal Year 2010: Appendix (Washington, DC, May 2009); Department of Health and Human Services, "FY2009 Budget In Brief," (Washington, DC, May 2009); Department of Homeland Security, "Budget-in-Brief Fiscal Year 2010," (Washington, DC, May 2009); Consolidated Security Disaster Assistance, and Continuing Appropriations Act, 2009, Division D (PL 110-329).

1. Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, (PL 110-329), Division D (Department of Homeland Security) and HR 1105, FY2009 Omnibus Appropriations Act, Division F – Labor, Health and Human Services, and Education and Related Agencies Appropriations, 2009.
2. Includes State Homeland Security Grant Program, Emergency Management Performance Grant Program, Metropolitan Medical Response System, Citizen Corps Program, Urban Area Security Initiative, Interoperable Communications Grants and Regional Catastrophic Preparedness Grants.
3. Includes CDC State and Local Capacity grants, HHS Hospital Preparedness grants and HRSA Health Professions programs.
4. Includes CDC Prevention, Detection and Control of Infectious Diseases program; Zoonotic, Vector-Borne and Enteric Diseases program; and Global Health program.
5. Includes EDS and ETD purchase, installation and maintenance for airport screening of checked bags and cargo on passenger aircraft
6. Each entry includes $250 million from Aviation Security Capital Fund.
7. Excludes $426 million in proposed passenger security fee increases.
8. Includes Coast Guard Port, Waterways and Coastal Security program, Defense Readiness program, and Other Law Enforcement Program.

Act of 2009 (PL 111-5), which included $1 billion for TSA procurement and installation of checkpoint and checked baggage explosives detection equipment, $520 million for customs and border protection (CBP) construction (including southern border fencing), $150 million for DHS transit and rail security grants, $150 million for DHS Port Security Grants, and $100 million for deployment of non-intrusive inspection (NII) systems by CBP.[48]

For FY 2010, Obama is proposing $71.1 billion for all homeland security activities, which is $2.3 billion (3.3 percent) above the enacted FY 2009 level, but $1.1 billion (1.5 percent) below total spending, including supplemental and emergency appropriations. For non-defense homeland security programs, the president's request is $51.8 billion, which is $2.4 billion (4.9 percent) above the enacted level and $600 million (1.1 percent) below the previous year's total.[49]

The Department of Homeland Security is to receive $55.1 billion in FY 2010, an amount that is $2.6 billion (4.9 percent) above the 2009 enacted level but $334 million (0.6 percent) below total FY 2009 funding.[50] Highlights of the president's request for DHS include: full funding for 70 state and local information and intelligence fusion centers; the hiring of an additional 109 bomb appraisal officers to improve detection of explosives at airports; funding for an additional 15 visible intermodal prevention and response (VIPR) teams for land transportation security; $420 million to increase the capabilities of local fire departments; and increased research on explosives detection, cybersecurity and radiation and nuclear materials detection.[51] (The enacted FY 2010 Homeland Security Appropriations legislation closely followed the administration request, cutting a total of $54 million from the president's submission.)[52]

Under the president's request, HHS programs for bioterrorism and emergency preparedness are to grow by $200 million (4.5 percent), to $4.61 billion. The largest proposed increases are for cybersecurity (+$41 million), hospital preparedness grants (+$32 million), advanced research and development (+$30 million), the Strategic National Stockpile (+$25 million), biodefense research (+$16 million) and CDC state and local capacity grants (+$15 million).[53]

2009-H1N1 Flu

A 2000 National Intelligence Estimate concluded "new and re-emerging infectious disease will pose a rising global health threat and will complicate U.S. and global security over the next 20 years."[54]

Underscoring the linkage between the infectious disease threat and homeland security, it was a serious outbreak of illness in April 2009 that presented the Obama administration with its first major homeland security challenge. The disease was identified as a new type of the H1N1 strain of influenza composed of a combination of pig, bird and human flu viruses.[55] [56] Though the disease—dubbed 2009-H1N1 flu by U.S. public health authorities—was first reported in Mexico, it spread rapidly to the United States and elsewhere, and on June 11, 2009, the World Health Organization (WHO) declared it the first pandemic of the 21st century.[57] As of July 6, WHO reported 94,512 cases worldwide (including 33,902 in the United States), with 429 deaths (170 in the U.S.).[58]

To address the 2009-H1N1 flu pandemic, the administration proposed $584 million in its FY 2010 budget request for general pandemic flu activities within HHS, and $1.5 billion in supplemental funding specifically for the federal response to the 2009-H1N1 outbreak.[59] Then in June, the president asked for authorization for up to $9 billion in additional funding for H1N1 preparedness.[60]

On June 18, Congress took final action on the administration request as part of HR 2346, the Supplemental Appropriations bill. As passed, the legislation included:

- $1.85 billion in supplemental funding for pandemic influenza preparedness and response, of which at least $200 million is to go to CDC for relevant activities and at least $350 million is to be used for upgrading State and local public health capacity.
- $5.8 billion in contingent emergency appropriations to provide "resources to effectively respond should an escalation of the H1N1 virus or another emergent influenza virus require a national vaccination program."[61]

Quadrennial Homeland Security Review

Among its many provisions, the Implementing Recommendations of the 9/11 Commission Act of 2007 (PL 110-53) required the Secretary of DHS to "conduct a review of the security of the Nation," and to report these findings to Congress by the end of 2009 and every four years thereafter. The Quadrennial Homeland Security Review (QHSR) is to define the strategy, set priorities, and determine organizational and budgetary requirements for the national homeland security program.[62]

Many homeland security analysts have looked to the QHSR as a key exercise in shaping future homeland security policy. According to CSIS, "Done well, the QHSR will set the agenda and define priorities for DHS through 2012…The QHSR report will likely include an in-depth discussion of the nation's homeland security strategy and articulate the new Administration's strategic priorities and their programmatic implications."[63]

The Heritage Foundation cited the promotion of strategic long-term thinking, the creation of a common DHS culture through identification of gaps in interagency coordination, better definition of the roles of federal and non-federal entities within the "broader homeland security enterprise," and the determination of actual security gains produced by government expenditures as among the chief potential benefits from the QHSR. Indeed, it opined, "The new Administration should not undertake major changes in homeland security policy until the QHSR process is complete, and should instead focus on ensuring seamless implementation of the review and its recommendations."[64]

A number of concerns have been voiced about the 2009 QHSR, including its timing (coming just as a new administration is taking over, with the inevitable delays in staffing key leadership positions in DHS and elsewhere in the federal government), its very broad scope as defined in the legislation, the resources to be made available for its conduct (with DHS calling for just $1.65 million and six full-time workers to be specifically allocated to the review), and the need to engage

and coordinate with multiple stakeholders, both within and outside the federal government.[65]

Homeland Security Recommendations

As has been the case since the creation of the Department of Homeland Security and the elaboration of the post-9/11 homeland security framework, serious questions have been raised about the actual security gains achieved by all of the increased funding and policy attention.

Cargo Screening

GAO has reported that problems in industry participation, technology development, inspection resources, screening exemptions and international coordination have impeded TSA's ability to meet the statutory deadline for 100 percent screening of cargo on passenger aircraft,and TSA has indicated it will be unable to meet the 2012 deadline for screening all inbound maritime cargo because of difficulties in reaching agreements with foreign trading partners. [66] [67]

Terrorist Watchlists

The Department of Justice Inspector General has continued to document significant problems in the FBI's terrorist watchlist, which serves as the basis for TSA's Secure Flight passenger prescreening program. The latest report noted, "The FBI has not consistently nominated known or suspected terrorists to the consolidated watchlist," and, equally troubling, that "Many of the records we tested were based on cases that had been closed years ago and should have been removed at that time."[68]

Checkpoint Screening

An August 2008 GAO study found TSA's covert testing program had "identified vulnerabilities in selected aspects of the commercial aviation security system at airports of all sizes." with failures caused by screener errors, equipment failures and inadequate screening procedures. The study also indicated TSA lacked a "systematic process" for assuring that its covert test findings are fully utilized in improving the screening process.[69] In addition, numerous media reports continue to document individual cases of security failures at airport checkpoints.[70]

Risk management. According to GAO, DHS has made improvements in its programmatic risk management activities, but its Integrated Strategy for High Risk Management and associated action plans lack sufficient detail, performance measures, and identified implementation resources to insure success.[71] GAO found TSA's efforts to be even more problematic: "TSA has taken some actions, but has not fully implemented a risk management approach to inform the allocation of resources across the transportation modes."[72]

WMD Detectors

The DHS program to deploy next-generation biological weapons detection systems in New York City was discontinued in May 2009 because of technical difficulties, leaving the country reliant on existing sensors, which are of limited usefulness because of the lengthy amount of time required to process the devices' findings.[73] Efforts to improve the performance of radiation detection equipment at U.S. ports have also encountered problems. The GAO reports that development of the new Advanced Spectroscopic Portal (ASP) monitors

Table 13: Summary of FY 2010 USB Homeland Security Recommendations (figures in billions)		
Program	Administration Request	Proposed Change
DHS First Responder Grants	2.252	+ 1.750
HHS Public Health Infrastructure/ Workforce Capacity	1.903	+ 2.100
CDC Infectious Disease Control/ Global Health	.561	+ .439
In-line Airport Checked Bag Screening	1.107	+ 1.000
Transportation Security Training	N.A.	+ .100
Total Proposed Additions		**+ 5.389**

is experiencing cost-overruns,and that test results indicate "the new portal monitors have a limited ability to detect certain nuclear materials at anything more than light shielding levels." [74] [75]

FEMA

Another GAO report acknowledged some post-Katrina improvements in FEMA's preparedness activities, but cited problems in the agency's planning and assessment efforts, including a failure to clarify the responsibilities of various federal and non-federal entities in responding to disasters.[76]

Beyond these detailed analyses of individual problem areas (which, it will be noted, have been primarily performed by a single organization, the Government Accountability Office), several more general evaluations of DHS and its components have been issued by a variety of organizations.

The Partnership for Public Service employs data from a survey of over 200,000 federal employees to determine "The Best Places to Work in the Federal Government," based on employee satisfaction and morale. Since the creation of DHS, it and its sub-components have regularly ranked near the bottom of the list, and the 2009 results are no different. Though DHS and most of its agencies did show some improvement, for the most part they are still very poorly rated, with DHS ranked 28 out of 30 federal departments. Among the 216 sub-components measured, the Coast Guard did best among the DHS entities (at 29), but the Office of Science and Technology (147), the Bureau of Customs and Border Protection (178) and the Transportation Security Administration (213) did not fare as well.[77]

In September 2008, DHS's Homeland Security Advisory Council identified "key challenges" facing the department in the areas of interagency coordination: congressional oversight, information sharing, employee training and education;, research, development, procurement and acquisition; disaster response, national resiliency, balancing security with privacy and commerce, risk management and communications, and long-term financial and political program sustainability.[78]

Finally, GAO reported in January 2009 that although "DHS has made progress in transforming into

a fully functioning department, this transformation remains high risk because DHS has not yet developed a comprehensive plan to address the transformation, integration, management and mission challenges GAO identified since 2003."[79]

As with DHS, independent evaluations have yielded mixed results on the performance by the Department of Health and Human Services of its homeland security responsibilities.

- A December 2008 report on public health preparedness by the Trust for America's Health (TFAH) indicates that, while "important progress" has been made in such areas as laboratory capacity, state preparedness planning and medicine stockpiles, "funding for essential programs has been cut, putting these improvements in jeopardy," and "a number of critical areas of preparedness still have significant gaps, including [hospital] surge capacity and biosurveillance systems."[80]
- GAO reported in February 2009 that national readiness for influenza pandemics is hampered by lack of clarity in federal leadership roles between HHS and DHS, inadequate targeting of international assistance to countries at greatest risk, gaps in pandemic planning, insufficient capacity in such areas as patient treatment space and medical countermeasures, and inadequate performance measurement.[81]

QHSR and Accountability

In spite of these many identified problems, the Unified Security Budget accepts the logic of the suggestion that the top priority for homeland security in FY 2010 ought to be the successful completion of the Quadrennial Homeland Security Review, with major changes in policy deferred until after then, except in cases such as the 2009-H1N1 flu pandemic where prompt attention is essential. Therefore, this year's USB will make fewer programmatic recommendations, and will focus only on those where the need is acute and will undoubtedly survive any changes in priorities and organization developed in the QHSR.

RECOMMENDATION: The Obama administration should quickly ascertain whether additional resources and/or time are needed to allow for the successful completion of the QHSR. If so, Congress should expeditiously approve such request. It is more important that this first-ever long-term look at homeland security be done right than done fast or on the cheap.

RECOMMENDATION: Concerns about an over-broad scope for the QHSR are well taken, and we recommend that the report focus on essential, big-picture issues, including clearly defining the roles and responsibilities of federal, state, local, and private stakeholders within the national homeland security program; addressing how federal risk management efforts will be improved; specifying how security will be integrated with other national priorities (including privacy and

commerce); and detailing how homeland security programs are to be financed and sustained over time.

RECOMMENDATION: To facilitate the review and to assist in evaluating it, both DHS and the Congress need to improve their oversight and measurement of security performance. For DHS, this means more resources for and greater attention to the Office of Inspector General (OIG).

Though the OIG received additional funds in the stimulus bill and the FY 2010 budget request includes funding for an additional 60 OIG auditors to assist in oversight of DHS programs, much of the focus continues to be in the areas of waste, fraud and abuse.[82] As important as such oversight is, we believe the DHS OIG must also be encouraged to expand its work on performance assessment, as reflected in its earlier evaluations of airport checkpoint screeners and more recently of surface transportation security inspectors.

RECOMMENDATION: To improve upon its ability to make homeland security policy, and to evaluate the results of the QHSR, we reiterate the recommendation made by the FY 2008 Unified Security Budget that "Congress should fulfill the 9/11 Commission's call for consolidation of oversight of homeland security programs into single authorizing committees in each chamber."[83] Furthermore, the Congress should provide GAO with the necessary resources and authority to expand its already highly useful analyses of homeland security programs. In particular, we recommend that GAO be tasked with a comprehensive evaluation of the performance measures employed in DHS's annual performance report, and how these compare to related findings made by GAO and other independent organizations.

DHS First Responder Programs

By proposing a funding level almost identical to the final FY 2009 appropriations amount for DHS first responder grants, the Obama administration's FY 2010 budget reversed the trend set by the Bush administration, which had requested deep cuts in these programs every year since 2004. (The final FY 2010 DHS appropriations measure largely tracks the administration request for these programs, with the major change being the addition of $25 million for Emergency Management Performance Grants.)[84]. Nonetheless, this request still falls far short of what the USB has recommended in prior years, and we remain of the belief that these funds, which are directed toward bolstering state and local capacities to cope with major disasters, ought to be made a higher priority.[85] A recent survey of counterterrorism officials across the country found "it is clear that much work remains to be done to ensure that the higher-risk states and localities possess the counter-terrorism capabilities highlighted in the [Targeted Capabilities List developed by DHS of critical prevention capabilities that states and localities should possess to deal with the threat from terrorists]."[86]

Granting our previously expressed view that most major changes in homeland security policy should await completion of the QHSR, we firmly believe state and local responders will remain the key first link in national homeland security preparedness and response

no matter what the outcome of the QHSR but this time are proposing only half as large an increase as in our previous budgets.

RECOMMENDATION: Increase the FY 2010 Administration request for DHS first responder programs (including State Homeland Security Grants, Citizen Corps, Urban Area Security Initiative, Emergency Management Performance Grants, and Metropolitan Medical Response System) by $1.75 billion, to $4 billion. It remains the case that improving the outcomes from these grants will require more than just additional funding. Therefore, we endorse the following proposals for program reform: 1) DHS should conduct a national capabilities assessment based on the Target Capabilities List (though the USB believes the TCL itself should first be reviewed and revised to focus on the more inclusive all-hazards – rather than just counterterrorism – approach that is supposed to be driving U.S. homeland security policy); and 2) eliminate state minimum and maximum allocations in order to focus all available funding based on risk assessment.[87]

HHS Public Health Infrastructure And Workforce Capacity

As with the DHS first responder grants, the Obama administration's FY 2010 budget reverses many years of proposed substantial cuts in these programs by the Bush administration, calling instead for a $100 million increase over the final FY 2009 appropriated level. But the current presidential request is still inadequate in fully redressing the large resource shortfalls for public health security documented by a number of groups. The December 2008 TFAH report on readiness for major health disasters found that "Congress has failed to deliver a sustained financial commitment towards preparedness—especially at the state and local level—where many of the essential preparedness and response activities occur" and "federal funding has fluctuated—limiting the ability of states to build the kind of response capacity that is needed to prepare for everything from a pandemic to a natural disaster to a terrorist attack."[88] Furthermore, that same report indicated the public health workforce is beset by a host of problems, including lack of competitive wages, shortages in key positions including epidemiology and bioterrorism/emergency preparedness, and a "graying" workforce, in which a large proportion of workers are at or near retirement age.[89]

The urgent need for an improved public health system can no longer be in any doubt, with a pandemic already declared by WHO for the 2009-H1N1 flu virus (which WHO expects to infect as much as one-third of the world's population in a first wave with subsequent outbreaks almost certain and possibly being even more

severe)and the H5N1 avian influenza still looming as a potential threat.[90] Therefore, the USB again calls for a substantial increase in funding for federal public health infrastructure and workforce capacity programs, but because of the funding already provided in the FY 2009 Supplemental Appropriations bill for state and local public health capacity, as well as the current budget crisis, we are also paring back somewhat the size of the proposed additions here.

RECOMMENDATION: Increase the administration request for CDC State and Local Capacity grants, HHS Hospital Preparedness Grants, and HRSA Health Professions programs, by $2.1 billion, to $4 billion. This level of appropriations should allow for full funding of TFAH's recommendations with respect to state public health emergency preparedness activities, hospital preparedness, surge capacity, and the public health workforce.[91]

Pandemic Preparedness

With the recent congressional action in providing up to $7.65 billion in pandemic flu preparedness, the FY 2010 USB is not calling for a further increase in such funding at this time. However, because the 2009-H1N1 flu virus is not the only potential infectious disease threat, we are suggesting a significant addition in resources for CDC's key programs for national and international infectious disease control.

RECOMMENDATION: Increase the administration request for CDC's Prevention, Detection and Control of Infectious Diseases; zoonotic, vector-borne and enteric diseases; and global health programs by $439 million, to $1 billion.

In-Line Airport Checked Bag Screening

ARRA provided $700 million for deployment of in-line checked baggage explosive detection screening systems (EDS), which allowed DHS "to accelerate our strategic plan for checked baggage security screening,"[92] For FY 2010, the Obama administration is proposing $1.1 billion (including $250 million from the mandatory Aviation Security Capital Fund) for EDS procurement and installation, which will allow TSA to finance all of the EDS deployment needs it has currently identified, based on priorities established in its 2006 EDS Strategic Plan for optimal screening solutions at the 250 commercial airports in the country.[93] (The enacted FY 2010 DHS Appropriations bill reduced the Administration request for this account by $78 million.)[94]

We would note, however, that the 2006 TSA strategic plan was not due for completion under then-projected funding levels until 2024, and even with the recent additions, that completion date is still many years away. Noting that the 9/11 Commission had made expediting the installation of advanced in-line systems one of its top priorities for aviation security, we stated in the FY 2008 Unified Security Budget, "waiting until 23 years after 9/11 is an unacceptable time-frame for deploying an 'optimal' baggage screening system."[95]

RECOMMENDATION: Increase the administration request for EDS procurement and installation by $1 billion, to $2.1 billion, to allow for further acceleration of the TSA

Strategic Plan for optimal, in-line screening system deployment. Even in advance of the QHSR, the multiple justifications for these deployments are known. GAO reported in 2006 these benefits include screening more bags per hour, with fewer personnel required; reducing on-the-job injuries; reducing airport lobby congestion; and improving security.[96]

Security Training For Transportation Workers

We have noted in previous USBs the growing list of congressionally mandated and funded security training programs for various parts of the transportation sector workforce (including commercial aviation flight crews, port workers, and public transit, railroad and bus operators), with very limited evaluation or accountability efforts for any of these activities.[97]

Little has been done to improve the situation over the past year, with the Democratic staff of the House Committee on Homeland Security reporting in September 2008 that DHS had missed all of the deadlines established for the mass transit, railroad, and bus security training programs in the Implementing the 9/11 Commission Recommendations Act of 2007, and "DHS has not issued notice of proposed rulemakings, interim final regulations, or final regulations for training of any of the transportation employees, as required by law."[98]

The thousands of transportation security workers already on the job at our nation's airports, seaports, and land transportation systems represent a vital, if thusfar underutilized, link in our homeland security defenses. They are, in fact, the most likely "first responders" in any terrorist attacks directed through our transportation systems. As a 2005 study by the Volpe National Transportation Systems Center put it, "probably the most significant factor in determining whether a transportation employee makes a helpful or harmful decision during an emergency is training. Trained and alert transportation professionals can make the difference between success and disaster."[99]

RECOMMENDATION: Consolidate security training for transportation workers, within either an independent office in DHS or in some form of public-private consortium, which would develop training standards, select (and fund) trainers, and evaluate training results. Provide first year funding for this office of $100 million.

VII. Conclusion

In 2004, the nucleus of this task force observed that the intense challenges to the Bush administration's security policy, "from the doctrine of preventive war the development of new designs for 'usable' nuclear weapons to the choice of war with Iraq as the centerpiece of its war on terrorism" had one major missing piece: the 50 percent increase in military spending since FY 2000 had gone virtually unchallenged. We assigned ourselves the task of comparing the rhetoric of the National Security Strategy promising a "comprehensive" approach to security with where the money was actually going.

Since then we have reported annually on the overall balance of resources devoted to offense (the military), defense (homeland security) and prevention (non-military foreign engagement). We have expanded the task force to bring more diverse expertise to the task of outlining a rebalanced security budget. And more recently, we have focused more on the institutional obstacles to getting this rebalancing done.

The year 2009 is pivotal for this project and its goals. Even before the Obama administration took office, its holdover Defense Secretary had begun going out of his way to lament the fact that "America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long, relative to what we spend on the military." The Unified Security Budget report had gained currency in policy circles, as a blueprint for fixing this problem.

The new administration has taken important steps in the direction of doing so. It has elevated the role of diplomacy and international cooperation as elements of U.S. foreign engagement, and has begun to underwrite such goals with funds to expand the diplomatic corps, for example, and to pay past dues to the UN. It has committed to the goal of doubling U.S. foreign assistance, of negotiating major reductions in its nuclear arsenal. It has increased spending on climate security.

It has also proposed, and legislatively sustained, the most ambitious set of cuts to unneeded weapons systems since the end of the cold war, while taking a first stab at reforming the procurement system to cut Pentagon waste. And it has created planning processes for defense (the QHSR) and prevention (the QDDR), underscoring and institutionalizing their roles in security policy formation, parallel to the QDR.

All that is vastly to its credit. But what it hasn't done is actually rebalance the security budget. Because its military budget is larger, in real terms, than any of its Bush administration predecessors, 87 percent of our overall security resources are still allocated to the tools of military force. And because of this, the increases in spending on defense and prevention, as important as they are, amount to deckchair arranging on the ship of security spending.

The goal of rebalanced security, as a budgetary matter, remains to be realized.

VIII. Endnotes

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