

**Statement of  
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**The U.S. Defense Budget**

**Before the  
Committee on the Budget  
United States Senate**

**February 23, 2010**

Mr. Chairman, Senator Gregg, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the nation's defense budget. The United States is privileged to have a military second to none, and our future national security demands that we provide it with adequate resources.

Excluding the costs of the wars in Iraq and Afghanistan, budget authority (BA) for national defense rose by about 50 percent (after adjusting for inflation) between the post-cold war low of FY 1998 and FY 2010.<sup>1</sup> This represents an average annual rise in real terms of about 3.5 percent. If the costs of the wars are included in the FY 2010 figure, the inflation-adjusted rise since the post-cold war low point is greater than 90 percent—an average real rise of about 5.5 percent a year for twelve years.

The budget the administration submitted to Congress earlier this month calls for continued increases, though at a more modest level. The proposed budget would raise non-war national defense spending by another 1.8 percent in real terms between FY 2010 and FY 2011, and an average of 1 percent annually from FY 2010 to FY 2015.

It seems to have become conventional wisdom that the defense budget must continue to rise annually in real terms, just to keep the armed forces sized, equipped, and trained about as they are today. Those who see increases as inevitable generally argue that the same factors that have pushed portions of the budget upwards in the past must be unavoidable in the future.

That is not the case. Rather, what seem like unavoidable increases often reflect specific decisions and pressures that do not have to be repeated.

This statement looks at past growth in three areas of DoD's budget: operation and maintenance, military health care, and equipment purchases attributed to the wars in Iraq and Afghanistan. In each area, it finds that past growth does not portend unavoidable growth in the future.

The statement begins with a brief overview of the administration's FY 2011 plan for national defense and a look at the composition of the Department of Defense budget. It continues with a look at the causes of rising budgets in the areas listed above, and ends with a brief conclusion.

### **Overview of the Administration's Budget for National Defense**

For FY 2011, the administration requested \$549 billion in non-war discretionary BA for the Department of Defense (DoD), compared with \$531 billion appropriated for FY 2010. Mandatory budget authority of \$4 billion, much of it to fund concurrent receipt payments for military retirees who also receive disability payments from the Department of Veterans Affairs, pushes the department's non-war budget to \$553 billion. The

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<sup>1</sup> The calculation uses the DoD deflator. The rise based on the GDP deflator is about 60 percent.

administration requested an additional \$159 billion in budget authority to fund the wars in Iraq and Afghanistan for FY 2011. The \$27 billion in discretionary BA requested for the nuclear weapons activities of the Department of Energy and defense activities in other departments brings the administration's total plan for budget function 050, national defense, to \$739 billion, as shown in Table 1.

<b>Table 1. National Defense Budget Budget Authority in Billions of Current Dollars</b>		
	FY 2010	FY 2011
051 Department of Defense		
Non-war		
Discretionary	531	549
Mandatory	4	4
Total non-war	534	553
Overseas Contingency Operations	163 <sup>a</sup>	159
Total Department of Defense	697	712
053 Department of Energy	18	19
054 Defense-Related Activities	7	8
<b>050 National Defense</b>	<b>722</b>	<b>739</b>
Source: Author's table based on DoD and OMB budget tables for FY 2011. Figures may not add to totals due to rounding.		
<sup>a</sup> Includes \$33 billion in February 2010 request for emergency supplemental appropriation		

National defense is of course not the only tool in the nation's security toolkit; homeland security and non-military international activities are also important. In addition to the 050 request, the administration's plan calls for \$53 billion in homeland security funding outside of DoD and \$65 billion for International Affairs (budget function 150). This brings the president's FY 2011 budget for the major elements of security and foreign affairs to \$857 billion in BA.<sup>2</sup>

As envisioned in the president's budget, total national defense spending in 2011 would account for 19.4 percent of federal outlays and 53 percent of discretionary outlays. National defense outlays in the president's plan come to 4.9 percent of the projected gross domestic product (GDP).

For the non-war, or base budget, the DoD's FY 2011 request for discretionary funds represents an increase in nominal terms of 3.5 percent over FY 2010 and a rise in real terms of 1.8 percent. The administration's request calls for a real rise of about 1 percent a year in DoD's discretionary base budget between FY 2010 and FY 2015 (see Table 2).

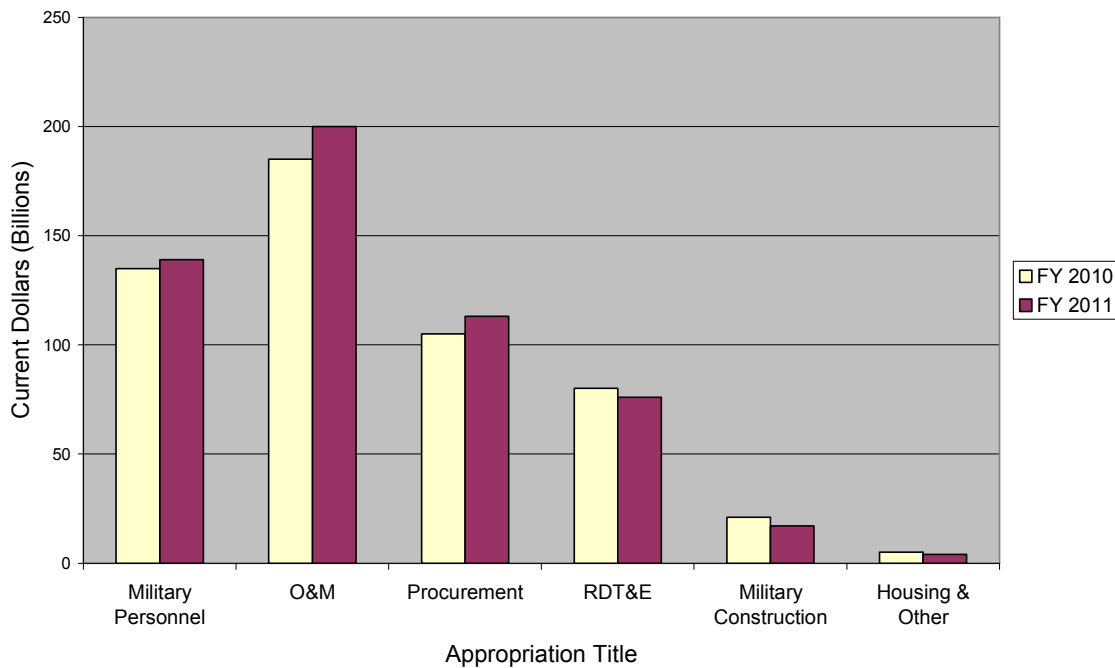
<sup>2</sup> Budgets and resource allocation processes for defense, homeland security, and international affairs are discussed in *Buying National Security: How America Plans and Pays for Its Global Role and Safety at Home* (Routledge 2010) by Gordon Adams and Cindy Williams.

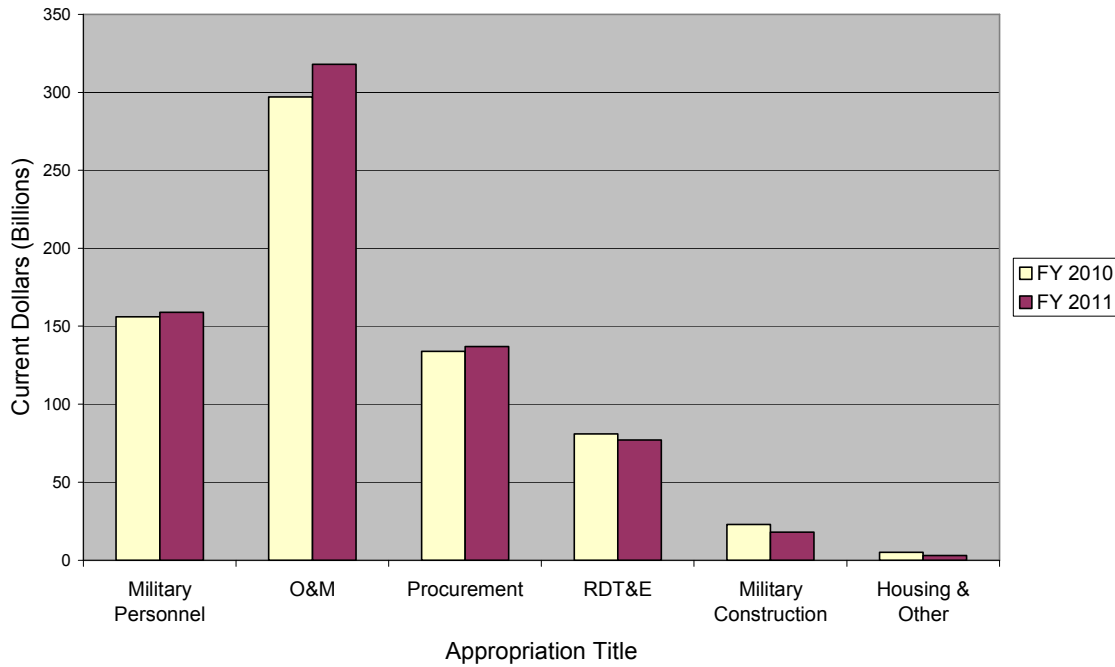
<b>Table 2. DoD Discretionary Base Budget Billions of Current Dollars</b>					
FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
531	549	566	582	598	616

### Composition of the Administration's Budget for DoD

Compared with the FY 2010 budget, the FY 2011 request for DoD is more heavily weighted toward military personnel, operation and maintenance (O&M), and procurement. It is less heavily weighted toward research, development, test and evaluation (RDT&E) and construction (see Figures 1 and 2). Much of the reduction in construction spending is related to the planned completion of base closure and realignment activities undertaken under the 2005 BRAC round.

**Figure 1. DoD Base Budgets FY 2010 and FY 2011**



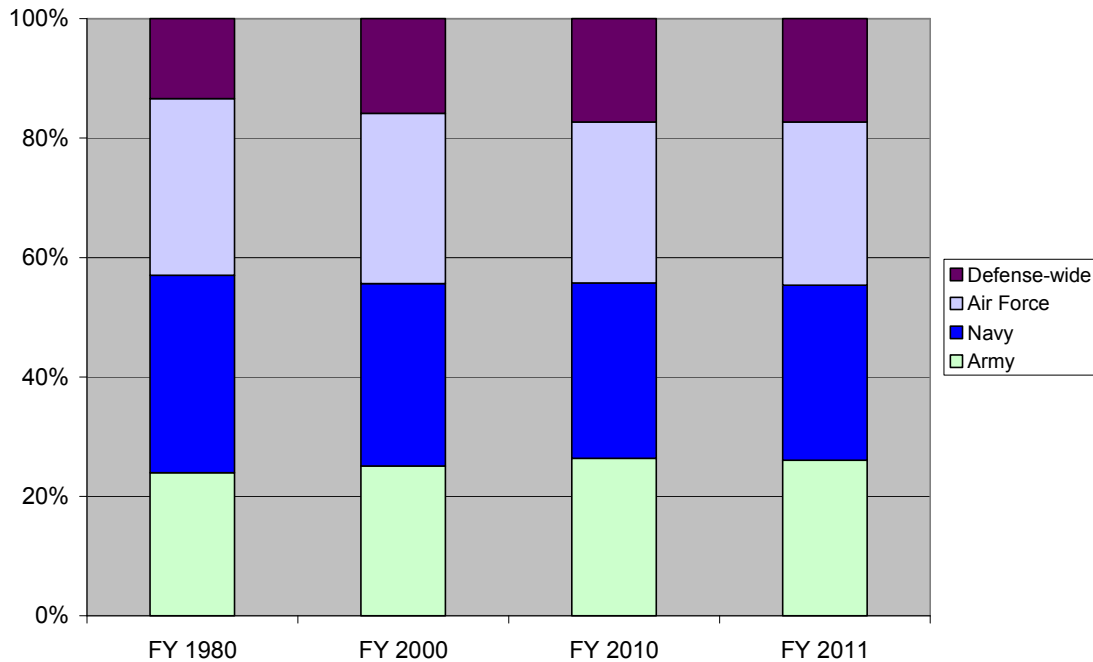
**Figure 2. DoD Total Budgets FY 2010 and FY 2011**

The DoD plans to devote 26 percent of its base budget to the Army, 29 percent to the Department of the Navy, 27 percent to the Air Force, and 17 percent to defense-wide activities that are not attributed to any of the services. Compared with 2010, the plan makes virtually no change in the composition of the DoD budget by service. In fact, as Figure 3 shows, the components' relative shares of the FY 2011 base budget are about the same as they were at the height of the cold war and before 9/11.

In the following three sections, I discuss factors that have pushed defense budgets up in recent years in three areas: operation and maintenance in the base budget, military health care in the base budget, and the procurement spending attributed to the wars in recent

years.

**Figure 3. Component Shares of DoD Base Budget**



### Factors in the Past Growth of O&M Budgets

Operation and maintenance budgets fund a wide variety of activities, including the upkeep of equipment and real estate; supplies and spare parts; transportation; fuel; and individual training and education as well as the training and operation of combat and support units. It funds the pay of most DoD civilian employees and a large network of support contractors, as well as much of the cost of health care for service members, retirees and their families. The O&M category is associated with both mission readiness and infrastructure.

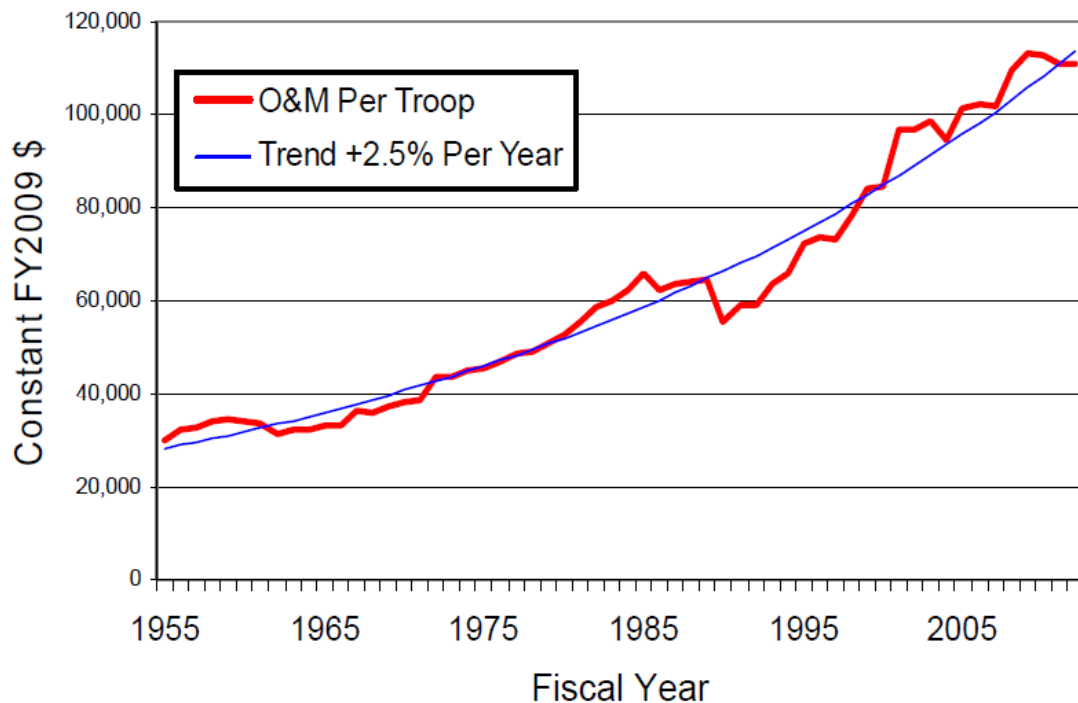
A look at the raw trends suggests that DoD's operation and maintenance budgets have no place to go but up. The Congressional Research Service estimates that O&M funding per active duty troop climbed an average of 2.5 percent a year since 1955 (see Figure 4).<sup>3</sup> There are reasons for past increases, however, and generally they do not portend unavoidable budget growth in the future.

#### *1955 to 1965*

<sup>3</sup> The figure includes the costs of the Vietnam War, but excludes costs for more recent military operations, beginning with the Gulf War in 1991. The figure is drawn from "The Sustainability of Current Defense Plans," written statement of Stephen Daggett, Congressional Research Service, before the Committee on the Budget, U.S. House of Representatives (February 4, 2009), p. 8.

For example, the period from 1955 to 1965 saw the expansion of family-friendly infrastructure on military bases as the United States adjusted to the presence of a large peacetime military. The number of family housing units on military bases in the United States and overseas nearly doubled during that period, from 200,000 to about 400,000.<sup>4</sup> The period also saw the creation of family-oriented health clinics and elementary schools run by the DoD.<sup>5</sup> Once built, that infrastructure added to support costs. Those costs persist today, though the ongoing shift to privatized housing on military bases is expected to bring at least the housing support costs down in the coming years.

**Figure 4: Operation and Maintenance Funding per Active Duty Troop, FY1955-FY2013**



**Source:** CRS based on Department of Defense budget data.

#### *1966 to Early 1970s*

From 1966 until the early 1970s, much of the rise in O&M spending can be explained by the Vietnam War, whose operating costs per troop are included in Figure 4. War spending in general is heavy on operations and support, and O&M spending per person generally accelerates in wartime.<sup>6</sup>

<sup>4</sup> "Military Family Housing in the United States" (Washington, DC: CBO, 1993), Figure 8, p. 33.

<sup>5</sup> Deborah Clay-Mendez, "Cash and In-Kind Compensation Policies for a Volunteer Force," in Curtis Gilroy and Cindy Williams, *Service to Country: Personnel Policy and the Transformation of Western Militaries* (Cambridge, MA: The MIT Press, 2006), p. 270.

<sup>6</sup> A similar rise in O&M spending per person is evident in today's wars. Between FY 2001 and FY 2008, total obligational authority for O&M per active-duty troop grew from \$105,000 to \$179,000 (FY 2010

### *Early 1970s to 1980*

As the Vietnam War ended, one might have expected O&M funding per troop to return to the 1965 level. That did not happen, in part because of the post-Vietnam downsizing of the military. As we saw later during the post-cold war downsizing, it is not easy to trim infrastructure as rapidly as forces are reduced. Another important factor was the shift from a conscript military to the all-volunteer force (AVF) in 1973. During the 1970s and into the early 1980s, DoD made substantial improvements in support to accommodate the all-volunteer force. O&M costs related to recruiting offices and training facilities rose. Family services like on-base child care were expanded. Housing for single personnel improved. The upkeep of office space and training facilities took on new importance as the services looked for ways to offset some of the negative features of military life.<sup>7</sup> By 1980, funding for base operating support and real property maintenance claimed 21 percent of the O&M budget.<sup>8</sup>

### *1980 to 1985*

During the military buildup of the late Carter and early Reagan years, O&M budgets grew rapidly, though not as quickly as procurement funding. Between 1980 and 1985, increases in funding for base operating support and real property maintenance accounted for a sizeable portion of the rise in O&M spending per troop.<sup>9</sup> During the same period, a definitional change that shifted the cost of certain spare parts out of the procurement budget and into O&M accounted for another significant portion of that rise.<sup>10</sup> Military medical costs rose significantly during the period, but in 1985 still accounted for less than five percent of the O&M budget.<sup>11</sup>

Funding for depot maintenance and other logistics also grew rapidly during the Carter-Reagan buildup, particularly for the Navy.<sup>12</sup> The reasons for that growth are not entirely clear. The number of ships in the force grew during the period as the Navy worked

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dollars). (The rise is not apparent in Figure 4, which excludes the incremental costs of the wars in Iraq and Afghanistan.)

<sup>7</sup> The AVF also led to changes in the composition of the force that pushed O&M costs higher. Between 1974 and 1977, the fraction of enlisted personnel who were married rose from 43 percent to 50 percent, thus increasing the demand for family-oriented services. See Office of the Under Secretary of Defense for Personnel and Readiness, "Population Representation in the Military Services," FY 2004, Figure 3.4. The shift also led to an increase in the fraction of enlisted personnel who serve long enough to qualify for retirement benefits, including the health care benefits whose costs have grown dramatically. The number of military retirees rose from 700,000 in 1969 to 1.7 million in 2003. Both of those fractions have held steady in recent years, however.

<sup>8</sup> Author's calculation based on Neil M. Singer, "Overview of Operation and Maintenance Accounts" (Washington, DC: CBO, March 1985), Table 1.

<sup>9</sup> Author's calculations based on Lane Pierrot, "Operation and Support Costs for the Department of Defense" (Washington, DC: CBO, July 1988), Table 1, p. 5.

<sup>10</sup> Author's calculations based on Lane Pierrot, "Operation and Support Costs for the Department of Defense" (Washington, DC: CBO, July 1988), Table 1, p. 5.

<sup>11</sup> For comparison, O&M funding for military health care now constitutes about 20 percent of the base budget for O&M.

<sup>12</sup> Author's calculation based on Neil M. Singer, "Overview of Operation and Maintenance Accounts" (Washington, DC: CBO, March 1985), Table 1.



toward its goal of 600 vessels. Ship steaming hours did not climb during the period, however, nor did Navy readiness grow appreciably.<sup>13</sup> One analyst posits that O&M spending for ships rose because the sea service retained a substantial number older vessels in its quest to build the planned 600-ship Navy.<sup>14</sup> That explanation does not seem entirely satisfactory, however, particularly because Navy ships continued to age during the following five-year period, and Navy depot maintenance spending fell.

Another theory is that the large increases in overall military budgets during the period simply reflect the fact that budgets generally were on the rise. O&M spending does seem to rise and fall in loose concert with total defense budgets—an indication that some of the seemingly avoidable rise in O&M spending is a consequence of budget largesse as much as a cause of it.

The consequences of the growing peacetime establishment on bases and the introduction of the AVF persist in today's O&M budgets. Their absolute costs may not be easy to reverse, but there is no reason to believe that the bursts of budget growth that they fueled will have to be repeated in the future.

#### *1989 to 1999*

Between 1985 and 1989, non-war O&M funding per active-duty troop fell, only to rise sharply again through the decade of the 1990s. Several factors put upward pressure on per capita O&M during this period. One was the failure to reduce infrastructure in concert with the downsizing of the operating forces. Between 1989 and 1996, mission-related spending for the services' forces fell by 31 percent, consistent with the drop in the number of troops. Budgets for the services' administrative activities fell by just 19 percent, and their training and recruiting activities shed just 24 percent.

One consequence of the downsizing was a shift of some infrastructure-related work previously done by uniformed service members to the private sector. Studies show that the shift generally saved the department money, at least in the early years. The shift to contractors meant that funding for such work transferred from the military personnel account to O&M, however, thus putting additional upward pressure on O&M.

Another factor was increased emphasis on mobilization forces, whose budgets rose significantly during the drawdown of the 1990s. Other areas whose per capita O&M costs rose during the period were intelligence, communications, and special operations.

This period also saw the introduction of several new missions to DoD, including environmental programs, drug interdiction, cooperative threat reduction, and treaty

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<sup>13</sup> Amy Belasco, "Paying for Military Readiness and Upkeep: Trends in Operation and Maintenance Spending" (Washington, DC: CBO, September 1997), p. 31.

<sup>14</sup> Gregory T. Kiley, "The Effects of Aging on the Costs of Operating and Maintaining Military Equipment" (Washington, DC: CBO, August 2001), p. 11.

verification.<sup>15</sup> Those missions added billions of dollars to O&M budgets even as sharp reductions took place in other areas, and they persist today. It stands to reason that if additional new missions fall to the department, O&M budgets will grow to accommodate them. That is no reason to suppose that rising O&M costs are unavoidable, however.

### *1999 to Today*

Since 1999, base defense budgets have climbed every year. O&M budgets rose with them, though at a significantly slower pace.<sup>16</sup>

The fastest growing element of O&M budgets during the recent period is health care. O&M health care costs per active duty troop shot up by a factor of two and one-half between 1999 and 2010. That rise accounts for more than one-half of the increased bill for O&M in the base budget. To some extent, DoD's rising medical costs reflect the rate of growth in health care costs in the underlying U.S. economy. In DoD's case, however, the rise was exacerbated by a broadening of benefits and a shift of health care costs from the civilian sector to the department, as the next section discusses.

Outside of health care, some of the added O&M expense is due to the changes the department made in response to 9/11 and the costs of the wars in Afghanistan and Iraq.<sup>17</sup> For example, a portion of the money added to base O&M budgets went into the expansion of terrorism-related activities, including installation security and force protection. Budgets for communications and intelligence also rose. In addition, to avoid expanding the military or civilian workforce, the department gave much of its added work to contractors, whose costs generally show up in O&M budgets. Rising fuel prices also contributed to higher O&M budgets during the past decade.

The repair of war-torn equipment is not a factor in rising base budgets for O&M; the costs of repairing equipment damaged or stressed in the wars in Iraq and Afghanistan have been borne in the war budgets.<sup>18</sup> It is not clear what role aging equipment has played in the recent O&M rise. Much of the services' major equipment has not yet exceeded its expected service life, though that picture will change quickly for some systems under current replacement plans.

Most of the increase in base budget O&M during the recent period was caused by the growth in health care costs or the expansion of terrorism-related activities. As discussed in the next section, DoD health care costs are rising faster than they otherwise would because of deliberate policy choices; putting the brakes on them would require political will, but they are not unstoppable. Now that they have been instituted, there is no reason

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<sup>15</sup> Amy Belasco, "Paying for Military Readiness and Upkeep: Trends in Operation and Maintenance Spending" (Washington, DC: CBO, September 1997), p. 31. O&M budgets for those four missions come to about \$7.3 billion in the FY 2010 budget.

<sup>16</sup> Annual O&M growth during the period was about 2.1 percent above inflation during the period, compared with 3.2 percent annual growth above inflation in the overall base budget.

<sup>17</sup> Trying to understand the rise in O&M budgets since those wars began is complicated by the choices the department made in assigning activities to base budgets versus supplemental appropriations.

<sup>18</sup> In fact, beginning in 2007, even equipment damaged during training at home was repaired using war funding.

to believe that the costs of installation security, force protection, and other antiterrorism measures will grow faster than inflation in the coming years.

Looking to the future, this leaves the cost of maintaining complex new equipment as well as aging equipment as the main important factors to watch. History shows that these costs are likely to rise. Because equipment upkeep costs generally constitute a relatively small share of O&M base budgets, however, expected growth in this area does not have to portend the inevitable multi-percentage point rise in O&M that too many observers take as a given.

One thing is certain: assuming that O&M costs face an unavoidable rise simply because they rose in the past is the surest way to make it so. Several past efforts to bring O&M costs under control have been successful. Assuming based on past trends that it cannot be done is an invitation to waste. The better strategy is to put O&M on a diet and challenge the services to bring the costs of operation and upkeep under control.

### **Growth in Budgets for Military Health Care**

The DoD's health care costs rose from about \$20 billion in 1998 to \$47 billion in 2010 (FY 2010 dollars)—an annual growth rate of 7.4 percent above inflation. Absent changes in policy, CBO projects they will at least double between now and 2028.<sup>19</sup>

With health care costs in the civilian sector rising as rapidly as they are, it is easy to assume that the rise in defense health care costs simply reflects the underlying cost pressure that all Americans face. Unfortunately, the picture for DoD is substantially worse, for two main reasons: the expansion of health care benefits since 2000 and an increase in the number of beneficiaries who choose to use the department's program rather than the civilian options available to them.

#### *Tricare for Life*

The department provides health care coverage and services for service members and their families. It also provides health care for military retirees and their beneficiaries and survivors. More than half of those eligible for DoD benefits are retirees or their family members.

Retirees and their family members who are eligible for Medicare (generally those who have reached the age of 65) are expected to use Medicare as their first choice for health coverage. In 2000, coverage for that population was greatly expanded through the Tricare for Life program. Tricare for Life works like a premium-free wrap-around policy, paying virtually all medical expenses that are not covered by Medicare. In DoD's budget, Tricare for Life is funded on an accrual basis that recognizes the expected future costs of the program that will be borne as today's service members and their families retire from the

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<sup>19</sup> "Long-Term Implications of the Fiscal Year 2010 Defense Budget" (Washington, DC: CBO, January 2010), p. 14.

military and reach Medicare age. Those costs added about \$11 billion to the department's health care bill between 2000 and today.

Unlike the non-health cost drivers that I discussed in the previous section, this one will not abate unless policies change. CBO projects that DoD's costs for Tricare for Life will more than double between 2010 and 2028.<sup>20</sup> That is not to say that its cost growth is unavoidable. Tricare for Life accrual costs could be reduced if the department adopted a deliberate policy to retain fewer service members until they become eligible to retire. Reducing the benefit itself is another policy choice.

#### *Tricare for Working-Age Retirees*

A second reason for defense's rising health costs is a shift of the burden of coverage for military retirees and their families away from civilian options and onto the DoD.

Retirees and their families who are not yet eligible for Medicare are eligible for the department's Tricare program. Premiums and copays for that program were set when it was established in 1995 and have not been adjusted since then. As a result, the covered individual's share of the costs shrank dramatically. During the same period, the cost to beneficiaries of civilian programs rose dramatically. Over time, Tricare became far less expensive for the individual or family than health coverage in the civilian world.

One result is that individual Tricare beneficiaries use significantly more health care than people with civilian insurance coverage. Another result is that increasing numbers of eligible beneficiaries who in previous years would have relied on health-care coverage provided by other employers have migrated into the military program.

Most working-age retirees have other health coverage options available. The vast majority of military retirees under age 65 are still in the workforce, and most of their civilian employers offer health benefits. More than half of all military spouses are employed in the workforce, where they may be eligible for individual and family coverage. CBO estimates that some 75 percent of working age military retirees are eligible for health insurance through their employer or that of their spouse.<sup>21</sup> But the \$460 annual premium for family coverage under Tricare makes the military plan a far more economical choice.

The result is increased costs to DoD since the mid-1990s. Like the increases due to Tricare for Life, these costs will not stop rising unless policies change. In budgets for FY 2006 through FY 2009, the department proposed an annual rise in Tricare fees that would bring them closer to those paid by individuals and families in the civilian sector.

That step would put the military's costs on a more equal footing with the health plans of civilian employers, potentially slowing the migration of eligible beneficiaries out of

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<sup>20</sup> "Long-Term Implications of the Fiscal Year 2010 Defense Budget" (Washington, DC: CBO, January 2010), p. 15.

<sup>21</sup> Carla Tighe Murray, "The Effects of Proposals to Increase Cost Sharing in Tricare" (Washington, DC: CBO, June 2009), p. 9.

civilian plans and into Tricare. In addition, increased deductibles and copayments could help to control the overuse of health care by the military's beneficiaries. Congress rejected the proposals. For FY 2011, the department did not propose raising those fees.

Another policy option might be to reverse the incentives for working-age military retirees, by paying them make other health care arrangements. Absent a fee increase or another policy change that shifts the incentive structure, DoD's costs for purchased care and pharmaceuticals—a major driver in the department's rising health care budget—will more than double between now and 2028.<sup>22</sup>

### **Equipment Reset Due to the Wars in Iraq and Afghanistan**

It seems to have become conventional wisdom that the Army and Marine Corps will require a major new investment in equipment during the coming decade, because so much equipment was damaged, destroyed, or “run into the ground” by operating in excess of its expected service life during the wars in Iraq and Afghanistan. In fact, the evidence points in the opposite direction: the services are better off in terms of equipment as a result of the wars than they would otherwise have been.

Including the administration's emergency supplemental request for FY 2010, procurement funding attributed to the wars since 2001 comes to more than \$230 billion of the trillion dollars attributed to the wars. Procurement designated as war funding accounted for more than 20 percent of the department's total procurement funding during the period. Funding for procurement in the war budgets grew sharply between 2004 and 2008, peaking at about \$65 billion in FY 2008—more than one-third of the department's total budget for the wars that year.

It would be easy to suppose that most of the procurement money in war budgets paid to replace equipment that was irreparably damaged in battle. Instead, a sizeable share of that money went to outfit the forces with entirely new equipment. In some cases, the services used it for upgrades and purchases of new equipment to fill shortfalls that existed well before the wars began.<sup>23</sup> The purchase of additional trucks for the Army and the procurement of modern equipment for the Army National Guard fall into that category. In another example, the Army purchased equipment to outfit newly formed units as it undertook the modularity restructuring it had planned to undertake regardless of the war.

Some of the money was used for upgrades and systems thought to be better suited to use in the wars as they unfolded—for example, up-armored HMMWVs and Mine-Resistant Ambush-Protected vehicles (MRAPs). Since 2007, some of that money has also gone to purchase new equipment to replace items lost in training within the United States. Rather

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<sup>22</sup> “Long-Term Implications of the Fiscal Year 2010 Defense Budget” (Washington, DC: CBO, January 2010), p. 15.

<sup>23</sup> Frances M. Lussier, “Replacing and Repairing Equipment Used in Iraq and Afghanistan: The Army's Reset Program” (Washington, DC: CBO, September 2007), p. ix.

than signaling the urgency of a fresh round of procurements to fix things that broke in the wars, these expenditures should put the services in a better position to face the future.

In actuality, the fraction of deployed equipment that has been destroyed in combat is quite small. There is also little reason to believe that equipment is being ground down at a rapid rate by being used heavily in the wars. For example, CBO found in 2007 that most of the Army's equipment in Iraq was operating well below sustainable rates.<sup>24</sup>

Moreover, toward the end of the previous administration, the department front-loaded its requests for funding to reset and reconstitute equipment lost or damaged during the wars.<sup>25</sup> That practice appears to have ended. Nevertheless, the substantial investment in reset and reconstitution in recent years may actually put the department's equipment in better shape as the wars end than before they began. As a result, future equipment costs should arguably be lower, rather than higher, as a result of the wars.

### **Concluding Remarks**

Defense budgets shot up dramatically during the past decade. The administration's budget request signals continued increases for the coming five years, though at a more modest pace. The proposed budget would raise non-war national defense spending by another 1.8 percent in real terms between FY 2010 and FY 2011, and an average of 1 percent annually from FY 2010 to FY 2015.

It has become conventional wisdom that the defense budget must continue to rise annually in real terms, just to keep the armed forces sized, equipped, and trained about as they are today. Those who see increases as inevitable generally argue that the same factors that have pushed portions of the budget upwards in the past must be unavoidable in the future.

A look at several areas of spending growth suggests that future increases are not in fact inevitable. Rather, what seem like unavoidable increases often reflect specific decisions and pressures that do not have to be repeated, or investments that should last into the future. Rising defense budgets should not be thought of as a new law of physics.

Mr. Chairman, that concludes my remarks.

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<sup>24</sup> Frances M. Lussier, "Replacing and Repairing Equipment Used in Iraq and Afghanistan: The Army's Reset Program" (Washington, DC: CBO, September 2007), p. ix.

<sup>25</sup> Amy Belasco, "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11" (Washington, DC: CRS, September 18, 2009), p. 27.