## Apples to Apples Comparison of National Defense Reduction Plans So Far Presented to the President's Commission on Fiscal Responsibility and Reform

## Budget Authority Savings Relative to the Obama/Gates "Base" National Defense Budget 2010-2020

## Billions of Dollars, All Dollars Are "Current" Dollars

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011- 2020
Obama/Gates "Base" National	554	574	592	607	624	643	659	677	696	715	735	6,522
Defense Budget												
(per CBO)												
Sustainable	554	553	537	534	537	532	536	542	545	567	586	5,469
Defense Task												
Force (Cong												
Frank-Paul Plan)												
SDTF	0	-21	-55	-73	-87	-111	-123	-135	-151	-148	-149	-1,053
Reductions												
Coburn	554	554	554	554	554	554	554	554	554	554	554	5,540
Freeze/Audit												
Plan		•	•			0.0	40=	100	4.40	4.54	101	000
Coburn	0	-20	-38	-53	-70	-89	-105	-123	-142	-161	-181	-982
Reductions											-0.4	
Bowles-Simpson	554	574	548	550	545	541	554	568	581	592	601	5,654
Co-Chairs												
Proposal*					=0	100	40=	400	44=	100	101	065
Bowles-Simpson	0	0	-44	-57	-79	-102	-105	-109	-115	-123	-134	-865
Reductions*	554	571	571	571	571	571	571	706	622	6.40	67.6	7.0.60
Domenici-Rivlin	554	571	571	571	571	571	571	596	622	648	676	5,968
BPC Plan (Base Budget Only)												
Domenici-Rivlin	0	-3	-21	-36	-53	-72	-88	-81	-74	-67	-59	-554
Reductions	U	-3	-21	-30	-55	-/2	-00	-01	-/4	-07	-39	-554
Actuctions												
Domenici-Rivlin w/	715	705	641	610	600	596	596	622	649	677	705	6,401
Troops Reduced to												
30,000 in 2013												

"President's Request per CBO" is provided by Hill budget sources. This is "base" budget only; does not include any "Overseas Contingency Operations" (OCO) spending for wars in Iraq and Afghanistan, or elsewhere. All numbers shown are for the 050 National Defense budget function that includes all DOD funding, DOE nuclear weapons, and miscellaneous national security related funding in other agencies such as the Selective Service and National Defense Stockpile.

The **Sustainable Defense Task Force** (also known as the Cong. Barney Frank (D-MA), Ron Paul (R-TX) et. al. study) calculated its savings in 2010 dollars in its report (a 2011-2020 savings of \$960 billion in 2010 dollars). Current dollars are shown here, using the inflation assumptions shown in the SDTF report. The current dollars savings are \$1,053 billion for the 2011-2020 period. These calculations do not include additional funding to support the wars in Iraq and Afghanistan or elsewhere in 2011-2020. This plan and its specific program reductions and policy assumptions (including financial management improvements) have been extensively reported in the press. Find the plan at <a href="http://www.comw.org/pda/fulltext/1006SDTFreport.pdf">http://www.comw.org/pda/fulltext/1006SDTFreport.pdf</a>.

The Coburn Freeze/Audit Plan is a "hard" freeze (no allowance for inflation) at the 2010 level for the entire 2011-2020 period. The plan would hold DOD spending at this level unless and until DOD passes a comprehensive, independent audit of all major acquisition programs, components, and contractors. Audited weapon programs, DOD components, and contractors provide the essential data and insights needed for further data based – program decisions to live within continuing budget restraints. (The current DOD plan is to be "audit ready" for some relatively simple elements of DOD appropriations by the year 2017. However, the DOD Comptroller has said DOD will need an extension, and even if the DOD deadline is met, it will not achieve the criteria established in the Coburn Plan.) The Coburn Plan would not control spending for the Afghanistan. original and Find the wars http://coburn.senate.gov/public/index.cfm?a=Files.Serve&File\_id=3ae23727-6bbe-4ce1-8516-2b82726911cc.

The "Bowles-Simpson Co-Chairs' Proposal" did not report a specific National Defense spending level except for an "illustrative" \$100 billion savings in 2015. However, the text of the plan appears to describe a 50-50 split in defense and non-defense savings in the total discretionary budget for 2012-2020, and staff working for Commission members have confirmed this description. (All discretionary cuts are shown on p. 16 of the plan, and a 50-50 split is depicted in the table above.) The plan's self-description for all discretionary funding describes rolling discretionary spending back to 2010 levels in 2012 and one percent cuts in discretionary BA from 2013 to 2015. Thereafter the plan indexes BA to inflation. It is not clear if this would precisely apply to DOD spending or even whether the implied 50-50 split would continue in that amount between defense and non-defense for the entire 2012 – 2020 period. Clearly, the plan requires clarification. The plan does not address spending for the wars and describes it as "outside [the] cap," which the plan would impose on other discretionary funding. It articulates various "illustrative" program and policy reductions and terminations (including financial management improvements) in a document titled "\$200 Billion in Illustrative Savings." Find the plan at http://www.fiscalcommission.gov/news/cochairs-proposal.

The **Domenici-Rivlin Plan** reports its National Defense savings at \$1.1 trillion; this, however, is from a baseline very different from the Obama/Gates National Defense "Base" Budget used in this analysis. The Domenici-Rivlin Plan compares itself, for defense, to a baseline that includes spending for the wars in Iraq and Afghanistan and more inflation than shown in the Obama/Gates National Defense "Base" Budget. Using

the latter as a basis for comparison, the Domenici-Rivlin Plan calculates to a significantly lower savings for 2011-2020 than any other plan: \$554 billion. The Domenici-Rivlin Plan describes a five year 2012-2016 "hard" freeze at the 2011 level (without inflation) for National Defense and growth at the rate of projected GDP growth for 2017-2020. The growth rate for this 2017-2020 period would allow real growth in the "base" budget in excess of the one percent real growth assumed in the Obama/Gates budget. Thus, the savings for Domenici-Rivlin are significantly more modest than, for example, the Coburn Plan that sets a "hard" freeze at the lower 2010 level for all ten years. (The Domenici-Rivlin Plan, as stated, also calculates its savings in outlays, not budget authority.) The Domenici-Rivlin Plan, as written, further assumes (and would cap) funding for the wars in Iraq and Afghanistan: "troop levels [are] reduced to 30,000 by 2013" and are held at 30,000 until 2020 (See pp.101-102). To make the plan comparable to the others assessed here (that do not address - or cap - spending for the wars in Iraq and Afghanistan), the spending identified for any troops in Iraq or Afghanistan are removed from the analysis here. Thus, the table above displays "base" budget BA levels used in the Domenici-Rivlin Plan's calculations and provided by Bipartisan Policy Center staff. As described by Bipartisan Policy Center staff, the freeze level for the "base" budget assumed in this plan is \$571 billion, which is the amount used here for all calculations; after 2016 this level grows with GDP growth – thereby permitting "real" growth in the DOD/National Defense budget for the years 2017-2020. The Domenici-Rivlin Plan with its projection for funding for troops overseas is shown at the bottom of the table in italics for information purposes. (The annual funding levels were not shown in the plan as published.) The plan's text does not address financial management reform either as a center piece, like the Coburn freeze/audit, or among a list of policy or program actions, like the SDTF and Bowles/Simpson plans. Find the plan at http://bipartisanpolicy.org/projects/debtinitiative/about.

Congresswoman Jan Schakowski has released a "Schakowski Deficit Reduction Plan". It only addresses the year 2015 and, thus, cannot be directly compared to the plans listed above for the 2011-2020 period. For defense, the Schakowski plan would effect \$110.7 billion in reductions with a list of "Options" shown for achieving them. The options do not address financial management. The amount and many of the "Options" coincide with most, but not all, of the SDTF recommendations. Find the plan at <a href="http://schakowsky.house.gov/images/stories/1118\_Schakowsky\_Deficit\_Reduction\_Plan.pdf">http://schakowsky.house.gov/images/stories/1118\_Schakowsky\_Deficit\_Reduction\_Plan.pdf</a>.

Compiled by Winslow Wheeler, November 2010.

<sup>\*</sup> Numbers do not add due to rounding.