



Statement before the House Armed Services Committee
On The FY16 Budget Request: A View from Outside Experts: *“Alternative Budgets
and Strategic Choices”*

Too small, not ready: Building the defense budget in the face of crises in military capacity and readiness

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February 11, 2015

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Thank you, Chairman Thornberry, Mr. Smith and to the committee for the opportunity to appear before you today. I am as proud as ever to have served on the committee staff and to have worked in the American's People's House.

I prefer to use my allotted time not to tell you how we at AEI used the fabulous tool developed by Todd Harrison and his team at CSBA to rearrange the deck chairs on the Titanic, but rather how it helped us chart a new course. In fact, there was very little difference in the think-tank teams' approach to how to cut defense spending: such a severe lack of resources imposes a similarly severe lack of choices.

However, I think there is a big difference that our experiment in imagining a defense budget increase does reveal. In sum, we at AEI believe the current crises in capacity and readiness are more strategically important than the real, but longer-term, problem of capability. As the day-to-day guarantor of international security and global stability, and with clear and present challenges in the major theaters and domains of warfare, the United States cannot afford a "strategic pause" or an "offset" strategy that banks on "innovations" to come in "20YY." After several decades of defense cuts and, most mendaciously, the chain-saw massacres of sequestration, the U.S. military is too small and not ready to respond to a world of crises from Eastern Europe to East Asia. The problem is now, not tomorrow.

We also tried to face today's problems as they are, not as we wished them to be. That is, we disciplined our budget exercises by sticking to the traditional measures of American strategy set out in almost all post-Cold War defense reviews and reaffirmed late last year by the National Defense Panel – the bipartisan and independent commission this committee did so much to sponsor. In particular, we took the NDP's definition of strategic success – a global system built upon defense of the American homeland, preserving a favorable balance of power across Eurasia, access to the "commons" of the seas, the skies, space and cyberspace and the preservation of a decent international order as defined by America's core political principles – as our guiding framework. In doing so, we explicitly rejected the approach laid out in the President's 2012 Defense Guidance, which cannot achieve the goals laid out by the NDP, by previous QDRs or the National Security Strategies of recent administrations of both parties.

We further refused to narrow the U.S. military's operational "aperture," to wish away either unpopular security interests, such as the balance of power in the greater Middle East, or unpleasant forms of conflict, such as prolonged stability operations. We thought it wrong to invent a new America or pretend that the nature of war was other than what it is. You may disagree with our recommendations, but you cannot deny our version of reality.

Indeed, geopolitical reality is worse than it was when we last did this defense budget exercise: the extent of Russia's war on Ukraine or ISIS' grip on western Iraq and eastern Syria is clearer now than in February of last year. The Chinese navy and air force have become increasingly aggressive, harassing and menacing not only our allies but U.S. Navy ships and U.S. Air Force aircraft. We did anticipate a need for a larger military presence in the Middle East, but did not fully appreciate the need to return American forces to Europe or to move them eastward on the continent as we do now.

So, if we were doing the budget game now, we would amend our force-planning construct. Where we defined a goal of increased forward-based and presence forces in the Middle East and East Asia – a “two-theater” standard – we would now see a “three-theater” standard, and we would define the demands of the Middle East more as the need to “roll back” ISIS and the growing power of the many al Qaeda affiliates; containment is insufficient and the current “status quo” is unacceptable. And we would stress the need to deter Russia in Europe as well as China in East Asia. But we would stand by the need to retain in the continental United States a ready force capable of decisive intervention and a second “strategic reserve” force that can be mobilized in a timely way. Thus, today we would substitute a “3-1-1” force-sizing construct for the “2-1-1” model we used last year. If nothing else, the last year has reinforced our basic observation that the longer we wait to rebuild our defenses, the costlier that rebuilding will be and the tougher the strategic task.

Nor would we change our basic approach to budget building, which we summarized last year as “keep what you've got, buy what you can.” Again, the force reductions and delayed modernization of the past generation have foreclosed the prospects for long-term planning. The world will not wait for us while we “transform” our forces. We cannot “offset” the immediate challenges posed by Russia, or ISIS, or Iran or China. And, as the president's budget anticipates further declines in research and development spending, hoping for “game-changing” innovations cannot be a sound basis for defense planning.

Lastly, let me conclude with what, to us, was the most surprising result of our “unconstrained” defense budget exercise: we couldn't spend enough money fast enough to reduce the strategic risk we face to what we thought was anything more than a “manageable” level, meaning that we remained very nervous about the U.S. military's ability to preserve the peace while fighting multiple wars. Although CSBA agreed to our basic premises, we were ourselves governed by the truth that our starved structures – both in the armed services and the defense industry – can only digest so much money so fast. So that, even while we wanted to increase defense budgets above the levels forecast by the Budget Control Act and sequestration by fully \$780 billion over the next decade, that increase did not return the Defense Department to its “pre-BCA” program, nor did it reach the level of 4 percent of gross domestic product often held out as an eternally affordable burden on the American economy.

We found this to be deeply disturbing. It reminded us of how deep a hole we've dug for ourselves – and the people in uniform who go into harm's way to keep us safe.

As a footnote, I'd like to thank my AEI colleagues and, in the budget game my partners, Mackenzie Eaglen and Phillip Lohaus. Again I thank the chairman, the ranking member and the committee for their indulgence and look forward to your questions.