



Center for Strategic and Budgetary Assessments

## TESTIMONY

### STATEMENT BEFORE THE HOUSE ARMED SERVICES COMMITTEE

#### The Department of Defense's Role in Long-Term Major State Competition

February 11, 2020

**Statement by the Dr. Thomas G. Mahnken  
President and Chief Executive Officer, Center for Strategic and Budgetary  
Assessments**

#### INTRODUCTION

Mr. Chairman, Ranking Member Thornberry, Members of the Committee, thank you for the opportunity to appear before you today to discuss the vital role of the Department of Defense competing over the long-term with China and Russia. As you know, the top priority accorded to this challenge was acknowledged in the 2018 National Defense Strategy (NDS). As a member of the independent National Defense Strategy Commission (NDSC), I studied the defense strategy in detail and worked with my colleagues to develop recommendations on how the United States can meet its defense objectives.

The NDSC emphasized the fact that the United States is in a long-term competition with Russia and China and acknowledged the fact that we also face an increased possibility of great-power war.<sup>1</sup> The United States also faces threats from aggressive regional challengers like North Korea and Iran as well as the long-term challenge of malign non-state actors. The Department of Defense will need to undertake considerable military modernization efforts and internal reforms in order to compete and win across the globe. Congress will play an important role in overseeing these reforms and providing the Department with adequate funding and resources to succeed in its mission.

#### THE PARAMATERS OF THE COMPETITION

One of the most immediate challenges facing the United States is the need to understand the multi-dimensional challenge posed by China and Russia, one that includes not only increasingly sophisticated military threats, but also the integrated use of political warfare

---

<sup>1</sup> *Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission.* (Washington, DC, 2018).

and economic statecraft. This is not a hypothetical future contingency, but one that exists today. China and Russia are competing with us every day, both around the globe and across the spectrum of functional domains. Their actions do not neatly adhere to our view of “peace” and “war”, nor do the challenges that they pose align neatly with our bureaucratic silos. In some domains, such as space and cyberspace, what they are doing goes far beyond our notion of “competition.” Most consequently, with the reality of competition with China and Russia comes the increasing possibility that we could face one or both of them in war. However unlikely in the absolute, that contingency is more likely today than it was five years ago.

The Department of Defense and United States government as a whole face a daunting challenge. They must take steps to help us counter China and Russia, including strengthening our military to bolster deterrence and, if deterrence fails, to win a war against a major adversary. Simultaneously, they must immediately address the use of gray zone tactics and improve our ability to respond to aggressive actions that fall short of war. Balancing short-term needs with the imperative of a long-term strategy will be a challenge.

Far from being confined to the Western Pacific and Europe, China and Russia are projecting power and reshaping norms in Africa, South America, the Middle East, and beyond. Both China and Russia are expanding weapons sales to rogue states and U.S. partners alike, building new military bases, equipping states and non-state actors with dangerous kinetic and non-kinetic capabilities, and training state and non-state armed forces. Finally, both are using economic and diplomatic tools to expand their influence and shape international norms in their own image. The United States will not be able to counter these threats without close cooperation with partners who share our priorities and values. As we develop innovative concepts of operations, it is imperative that we work closely with our allies and partners. Moreover, if we want our allies and partners to do more, we will need to ensure that they have access to the means necessary to implement new ways of war, including through arms exports.

## **MORE DETAILED PLANNING IS NEEDED**

The National Defense Strategy made important strides by bringing attention to long-term strategic competition with China and Russia and developing broad planning guidelines for how to engage in this competition. There is still much work to be done, however, in implementing the strategy.

In the course of its review, the NDSC found that the Department struggled to tie the objectives of the defense strategy to innovative joint operational concepts. This hinders the effective allocation of programs, resources, and personnel. Much of this challenge stems from inadequate analytical capabilities within the Department of Defense. Although outside analysis – like that conducted by the NDSC – can be helpful, the Department must strengthen its native analytic capabilities and build on the broad guidelines set out in the strategy. The Office of Cost Assessment and Program Evaluation (CAPE) and the Joint Staff, in cooperation with the Office of the Under Secretary of Defense for Policy, should rebuild their analytical capabilities to ensure the Department can make decisions based on sound analysis. Importantly, these offices must develop new analytic tools to assess readiness to engage in long-term gray-zone conflicts with rivals. As it stands, the United States does not have effective metrics to assess our performance in these relatively new aspects of warfare. The Department should also establish cross-functional teams, led by a civilian with a military deputy, to help integrate strategies and operational concepts.

The Department must rethink some of the assumptions underpinning the National Defense Strategy, or at the very least justify how it will account for alternative contingencies. The NDS is built around planning for one major war, thus abandoning the two-war construct that has guided the Department of Defense's planning for decades. It is unclear why the Department has adopted a one-war concept despite the threats posed by two major-power competitors and two rogue states with rapidly growing power projection capabilities. Further, the Department recommends only modest increases in force capacity. Again, this is predicated on planning for one major war rather than multiple contingencies. Should a large-scale conflict break out with Russia or China, the United States may not have sufficient resources to deter simultaneously other adversaries in one or more theaters. The Department suggests addressing potential multiple contingencies through deepened collaboration with allies, nuclear weapons, and reallocation of resources from the Middle East. If the Department intends to stick to its one-war planning concept, it should provide detailed plans for how it will deter or contain threats in multiple theaters.

## FORCE REQUIREMENTS

### TOWARD A BIGGER, MORE MODERN MILITARY

If the United States hopes to meet the challenges posed by China and Russia, it will need to overhaul dramatically many of its capabilities as quickly as possible. We have fallen behind in many areas because of our outsized focus on counterterrorism and counterinsurgency over the past two decades. The United States needs to address these weaknesses and develop a significantly more capable force in order to meet the National Defense Strategy's objectives. Even the Department of Defense's own projections for growth are insufficient to meet the task at hand.

Each military service confronts its own shortfalls and challenges. The Army will need to modernize and acquire more long-range fires and air-defense units to address Russian threats in Eastern Europe. It will also need to invest in new capabilities, such as land-based sea denial forces, to help deter Chinese aggression in the Western Pacific. The Navy will need a larger surface force with increasing lethality and reduced vulnerability as well as an expanded undersea warfare capability. It will also need to expand its military sealift forces and make sure they are suitable for a high-intensity conflict. The Marine Corps will need to transform itself to be able to carry out the concepts of Expeditionary Advanced Base Operations and Littoral Operations in a Contested Environment. The Air Force will need to increase dramatically its ability to operate in contested and highly contested environments and may see new roles in, for example, supporting maritime missions.

Space Force was not yet established when the NDSC released its 2018 report, but its creation is a welcome development that will help address many of the Commission's findings. Although the United States had an unparalleled edge in space for many years, China and Russia have been attempting to replicate U.S. space capabilities and develop counterspace capabilities to degrade our advantages. Therefore the United States needs a robust space strategy in line with the demands of major-power competition. Space Force will help address weaknesses in U.S. space capabilities and strategic planning. It must also help educate policymakers and the public about the importance of the space domain to long-term strategic competition. That having been said, we should not underestimate the costs that will be associated with standing up a new Service and combatant command.

Many elements of the U.S. nuclear arsenal are rapidly approaching the end of their service lives at a time when America's adversaries are modernizing and in some cases expanding their nuclear capabilities. The NDSC endorsed the defense strategy's emphasis on modernizing the U.S. nuclear deterrent, including the three legs of the nuclear triad — ballistic missile submarines, ICBMs, and bombers—and the nuclear command, control, and communication system. Nuclear deterrence will be a crucial component of competing with China and Russia and especially critical if the Department of Defense does not develop conventional plans for a multi-theater war.

The United States' ability to project power over vast distances is fundamental to the American way of war. Our success in deterring adversaries from the Western Pacific to Europe is dependent on a robust forward-deployed, defense-in-depth posture. To maintain this posture, the Department must strengthen its ability to support global operations, particularly in the case of a high-intensity conflict or multi-theater contingencies. We must ensure that we have the munitions, and industrial base, to meet the demands of 21<sup>st</sup> century warfare. The Department should also invest in a more resilient logistics and transportation infrastructure and more secure communications.

Gaining dominance in the electromagnetic spectrum (EMS) poses another challenge for the United States. Our competitors have invested heavily in electronic warfare and anti-access/area denial capabilities that could threaten the U.S. military's ability to operate in contested environments and weaken its command, control, and communications. The United States must therefore develop the concepts and capabilities to continue to use the electromagnetic spectrum and deny it to our adversaries.

In cyberspace, America faces daily threats from both state adversaries and non-state actors. It is critical to defend U.S. cyber networks and infrastructure while deterring and responding to attacks. Further, the United States must strive to resolve legal and jurisdictional debates that hamper its cyber posture. The United States should also lead efforts to establish and enforce international norms in cyberspace.

## THE IMPORTANCE OF INNOVATION

We have reached a point where doing more of the same is insufficient to the challenges we face. Rather, the Defense Department needs to invest boldly in new concepts of operations and the capabilities to carry them out. Promising approaches such as DARPA's Mosaic Warfare program, with its emphasis on gaining decision superiority over an adversary, deserve support, as do the low-cost, disaggregated forces that it envisions. The United States must invest more in developing artificial intelligence (AI), hypersonic delivery vehicles, autonomous systems, and other advanced technologies. It must also accept greater risk in long-term acquisition programs in order to spur innovation and encourage major leaps in technological capabilities rather than slow, incremental growth.

More broadly, developing new concepts and fielding new organizations to deter Chinese and Russian aggression should become the urgent focus of Defense Department investment. Some of these may require emerging technologies, while others may use existing systems in new ways. In an era of constrained resources, those concepts and capabilities that offer the greatest strategic and operational leverage should receive preferential funding over those that do not.

Examples of such innovative joint concepts include:

- A new concept of deterrence could involve U.S. and allied ISR networks composed of U.S. and allied unmanned systems such as the MQ-9 Reaper and RQ-4 Global Hawk. By gathering and sharing information broadly and in real-time, such networks would make it much more difficult for China or Russia to use force surreptitiously. If an aggressor were nonetheless to take action, the unmanned network would provide the predicate to collective action in response. Such an approach would be valuable as a way of contesting Chinese dominance of the South China Sea, and of responding to Chinese provocations in the East China Sea in a much more cost-effective manner than scrambling jets and dispatching warships or coast guard vessels.
- A new concept of conventional defense could involve the deployment of mobile land-based conventional anti-ship, anti-air, and land-attack missiles on U.S. and allied territory in the Western Pacific. Such a network would give the United States and its allies the ability to defend against Chinese aggression in the South China Sea, East China Sea, and against Taiwan. By confronting the Chinese leadership with the possibility that aggression would fail, such capabilities would also strengthen deterrence.
- The United States will need to maintain bases in the Western Pacific and Europe even as those bases are becoming increasingly vulnerable to Chinese and Russian missile attack. To maintain the credibility of the U.S. military posture, the U.S. should adopt a new concept of base defense featuring hardening as well as active defense. The latter could include new capabilities, such as rail-guns and directed energy weapons on unmanned air systems.

The development of new concepts and capabilities should not be ends in and of themselves. Too often in the past, such experiments have been side projects that create a façade of innovation without actually having any substantial impact. As a result, the forces and capabilities we have today—and are currently procuring—are out of alignment with the world of 2020 and beyond. The objective of concept development and experimentation must be to inform major shifts in investment and the size and shape of the U.S. armed forces toward the forces and capabilities that can give the U.S. military the ability to defend the national interest in the face of existing and emerging challenges at a sustainable level of funding.

## **FUNDING LONG-TERM STRATEGIC COMPETITION**

Our resources are not unlimited, and American taxpayers deserve to know that their dollars are being spent wisely. That having been said, history will judge our efforts by their ultimate effectiveness. Current funding levels and processes are not conducive to waging and winning a long-term strategic competition. The United States defense budget is not keeping pace with inflation or the challenges facing our country. The political environment is further exacerbating this problem by denying the Department of Defense the stable funding streams it needs to execute the National Defense Strategy.

Over the past decade, political dysfunction has led to disruptions in defense spending and weakened America's ability to compete. In particular, defense spending was slashed substantially by the Budget Control Act (BCA) of 2011, to the tune of \$539 billion between 2012 and 2019. This resulted in major detrimental effects on the size, modernization, and readiness of the military. Simultaneously, years of delayed appropriations and continuing resolutions in place of real budgets impeded long-term military planning and further reduced the preparedness of our forces. Every time the Department of Defense fails to receive funding on time, operations are restricted and contracting and acquisition processes

are put on hold. This encourages dysfunctional spending, delays acquisition and modernization programs, and exacerbates readiness problems.

BCA cuts led the Department of Defense to rely on overseas contingency operations (OCO) funding to pay for operations in the Middle East and elsewhere. As the United States considers rebalancing its Middle East commitments, OCO funding should be reabsorbed into the base Pentagon budget. This will ensure that the Department sustains funding levels and conduct department-wide planning without being forced to rely on temporary, unstable funding sources.

It will take years of increased funding to ensure that the U.S. military is prepared to compete with China and Russia. The slight increase in Department of Defense's FY2020 budget is helpful, but is still not enough to fund the U.S. defense strategy with minimal risk. Current funding levels cannot sustain a military capability adequate to defeat either China or Russia while simultaneously deterring other enemies.

The Commission recommended the elimination of the final year of BCA caps as well as a three to five percent annual increase to DOD's budget (in inflation-adjusted terms). This level of growth would help undo the damage inflicted by BCA cuts and sustain the U.S. military's ability to uphold its commitments and project power. Without these increases, the Department of Defense will continue facing budget shortfalls and may find itself unable to win a conflict while simultaneously deterring other adversaries.

To further insulate the department's spending from political disruptions, Congress should give DOD the authority to spend Operations and Maintenance funds across the current fiscal year and the subsequent one. It should also consider producing five-year budget agreements for defense in order to enable the department to safely conduct long-term planning.

Thank you, Chairman and Committee Members. I look forward to answering your questions.