

REBUILDING THE
AMERICAN DEFENSE CONSENSUS



AMERICA → **NEXT**

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EXECUTIVE SUMMARY

After World War II, the leaders of the United States, on a bipartisan basis, made a deliberate decision to change America's approach to global affairs. The disasters of the 20th Century to that point, and especially the two World Wars, had made clear that the United States could no longer play a secondary role in the world. To protect America's homeland and her vital national interests, and to prevent a third World War, it was necessary for the United States to assume a global leadership role, and to build a national security architecture that allowed her to execute that role effectively. To that end, the United States built alliances and partnerships with like-minded nations, and developed and maintained robust standing tools of power, hard and soft, with a view towards anticipating and deterring the risk of aggression before it directly threatened America's vital interests.

That policy eventually bore fruit in the late 1980's, when the United States won the Cold War without firing a shot.

Since that time, however, American policy has drifted. An increasingly multipolar world has brought with it myriad new threats — global terrorist organizations, rogue states like Iran and North Korea seeking access to nuclear weapons, a resurgent Russia looking to re-establish a sphere of influence on its eastern and southern borders, and a Chinese regime expanding and modernizing its military at a rapid pace. Yet even as threats continue to multiply, the Obama Administration has repudiated the operating principles of the post-war strategy that kept America safe by allowing our alliances and power to atrophy and disengaging from a global leadership role.

But disengagement is not a prescription for American security, nor is it the basis for a successful American foreign policy. We cannot continue to pretend that the world will get safer, or that risk will go away, if we respond to threats with

rhetoric or attempt to ignore them entirely. The tumult of the last six years — and the last several months in particular — have demonstrated the failure of President Obama's attempts to "lead from behind." Instead, to preserve America's security, our leaders must explain that America must remain active in the world, that her strategic interests must be protected, and that the way to protect them isn't to deploy at every sign of trouble, but to maintain the robust tools of a great power, both hard and soft, both military and diplomatic, and use those tools thoughtfully to protect America and deter or contain conflict.

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Unfortunately, the past several years have witnessed a significant erosion in America's military capabilities. Three years ago, then-Defense Secretary Robert Gates, recognizing both the growing threats to our national security and the fragile state of our military force structure and readiness, proposed modest increases in the overall defense budget. In response, President Obama took the unprecedented step of disregarding the recommendations of his own Defense Secretary, implementing nearly \$1 trillion in cuts to the defense budget over the next decade. At a time when our armed forces were already stressed from frequent combat deployments, these additional cuts have further undermined a military in desperate need of repair.

Rebuilding our military begins with establishing a confident and workable foreign policy that Americans understand and support — a vision — and a sober understanding, that few good things

happen in the world today unless America helps shape them. The paradox of American military power is that there's less of a need to use it when it is feared and respected. Therein lies the great economy: peace through strength costs infinitely less in American blood and treasure than does war precipitated by weakness.

Therefore, rebuilding our defense consensus centers on rebuilding an increasingly hollowed-out military, based on the following premises:

- Congress, the President, and the Defense Department should immediately take steps to restore American military readiness. America's servicemen and women deserve nothing less than to have all the training and equipment they need to succeed in their missions.
- In the longer term, Congress and the President should establish a defense budget based on actual needs assessments in light of America's strategic interests — not arbitrary numbers with no connection to the threats the United States faces. The Defense Department should conduct a real review of its needs given America's strategic interests and vulnerabilities, and Congress and the President should fund the military accordingly. Pending the outcome of that review, Congress and the President should plan on returning to the budget baseline Secretary Gates proposed in 2011.
- Even as it re-evaluates the needs of the military services, the Defense Department should also ensure that taxpayers receive good value for money, by reforming the procurement process to prevent cost overruns. A streamlined acquisition process, shorter design and procurement windows,

and multi-year procurement contracts subject to competitive bidding will all work to bring down costs, reduce delays, and ensure predictability both for the Pentagon and the American taxpayer.

Our nation's defense should be the top priority of the federal government. Without a secure nation and economy, America cannot hope to overcome the other challenges which face us.

The postwar generation of leaders understood this principle — and the need for a robust military as a primary tool to deter threats before they grow. Having witnessed firsthand the effects of passivity in failing to protect the American people from attack, and the cost in men and material that our lack of preparation bred, politicians from both parties supported a strong national defense as a key way of deterring Soviet aggression, and protecting American interests.

While the specific threats have evolved, and in many cases multiplied, since the end of the Cold War, the principle that a strong defense will best protect the country remains valid. It is time for America's leaders to return to that principle, and commit to rebuilding a weakened military infrastructure. The American people will support that effort, and the United States is more than strong enough to make it a success. What is needed is leadership, on a bipartisan basis, committed to the idea that clarity, purpose, and power remain the keys to peace and security.



Governor Bobby Jindal
Honorary Chairman



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INTRODUCTION

The foundation of America's success throughout the Cold War was, first and foremost, a consensus about strategy: about the most fundamental ends of American foreign policy and the means necessary to achieve it. Our presidents, leaders from both political parties, and most Americans agreed on the need for a strong, engaged foreign policy, and the tools needed to execute it — including, but by no means limited to, robust military strength. To be sure, they disagreed often, and sometimes vociferously, about tactics, but they agreed on what America was defending, why she was defending it, and why a strong defense required an understanding both of the interests at stake and the capabilities that America had to sustain to protect those interests.

That consensus sustained American policy during the turbulent years of the Cold War. It provided continuity through administrations of both parties, and a momentum which allowed the strategy to survive the setbacks which inevitably occurred.

It would be a mistake to view that consensus as simply the product of jingoism. Instead, the strategy which the United States adopted was the product of thoughtful and deliberate debate and conscious decision-making in the decade following the Second World War about how best to protect the United States, her allies, her interests, and her values.

Before 1941, the United States played a relatively passive role in world affairs, at least outside the Western Hemisphere. For most of this period, America's geographic isolation protected her from direct attack, and America's leaders believed that the balance of power between the European empires, and especially the dominance of British naval power, created a framework which would protect the vital interests of the United States around the world.

Two World Wars shattered that belief. The United States had been unable to remain neutral during the wars, and came close to losing both. Victory had come at great cost: tens of millions dead,

European power destroyed, a totalitarian ideology in control of Eastern Europe and taking control of China, and a new age of nuclear weapons raising the stakes of conflict to an unthinkable degree.

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The old strategy had failed. It had prevented neither war nor aggression. It had contributed to the collapse of the old order under which America had prospered, and had resulted in the prospect of more war and aggression in the immediate future.

In response, America's postwar leaders — the greatest generation of American leaders since the Founding — changed America's basic approach to the world. They decided that the United States would take a leadership role in world affairs, with the purpose of defeating the risk of aggression at an early stage before it rose to the level of general war. To that end, they developed the institutions of a modern and heretofore unprecedented national security architecture. They created alliances and partnerships with like-minded nations, and they built the tools of power — the elements of national influence — so as to create options for presidents to prevent crises or defuse them when they occurred.

The contrast between the old and new strategies can be described this way. Before World War Two, the United States tended to ignore global risks outside the Western Hemisphere as long as possible, confident in the belief that if the risk of attack became likely, the United States would have the time to arm herself. But the impact of the two World Wars on Europe, and the increasing potential destructiveness of armed conflict,

showed that this strategy would no longer suffice. America had to shift from the goal of winning wars when they were forced upon her, to preventing or at least minimizing war and aggression in the first place. That new strategic goal required a much higher level of global leadership supported by extensive alliances and more robust standing tools of power than America had traditionally required.

Critics have charged that America has, at times, tried to become a dictator to the world, or the world's policeman. Those charges are not true. America became a kind of first among equals in the democratic world, with a view towards anticipating and defusing threats to its vital national interests at the lowest feasible level, the object always being to prevent or contain aggression through deterrence and cooperation with like-minded nations towards common goals.

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Neither the strategy, nor the architecture necessary to achieve it, were perfect, and they certainly were not without cost. But they succeeded in their chief operational goal — the defeat of the Soviet Union without a third general war. The credit for that goes to two generations of post-war leaders from both parties, culminating in the administration of Ronald Reagan, who perfected the strategy and won the Cold War, as Margaret Thatcher said afterwards, “without firing a shot.”

More than two decades have passed, however, since the fall of the Berlin Wall. Over most of the past two decades since then America's leaders have failed to adapt the strategy and our forces to the needs of the modern era. There have been successes during that period, but the arc of America policy has been reactive and fitful.

The Clinton and Bush Administrations can best be described as periods of strategic drift. In

the Obama Administration, that drift became a downward spiral and has now become a full-fledged strategic retreat. Put another way, Presidents Clinton and Bush never clarified why America's “risk management” strategy was important in the modern world, or what it entailed, whereas President Obama has effectively repudiated both that strategy and the architecture that was built to sustain it:

- President Obama is, at the least, not committed to the idea of “American exceptionalism:” the belief that the United States, because of its strength, visibility, and historical commitment to freedom and human dignity, has a unique and distinct leadership role to play in the world. The suggestion from within his Administration that the United States would “lead from behind” is telling in this regard: “leading from behind” really means, of course, not leading at all.
- The Obama Administration has neglected or abandoned old allies: as examples, the “special relationship” with Britain is gone, NATO is drifting, Eastern Europe is disaffected, and Israel has been positively alienated from the United States.
- The President either does not use vigorously, or does not use at all, the tools of “soft power.” The President had to be dragged into imposing sanctions on Iran for its nuclear program, has yet to use the full force of sanctions against Russia, and has not effectively used America's moral authority to challenge the human rights records of our adversaries — despite the fact that, given his global popularity at the beginning of his Administration, he was in an unprecedented position to do so.
- Worst of all is what is happening to America's military — the tools of hard power. Military strength should not be the primary means by which the United States executes its foreign policy. But it is the indispensable element that underpins the other tools. With it, America has the margin of safety to try

lesser options to protect itself. Without it, our allies will not trust our promises, and our adversaries will not believe our threats.

At the end of the Cold War, American military power was at its apex relative to global risk. Since then, the risk has been growing and our capabilities have been declining. Up until three years ago, the decline was gradual; but the defense cuts which were imposed at that time — foolishly and without regard for their impact on national security — are rapidly turning America's armed forces, once again, into a hollow force.

It is no accident that, as we detail below, the threats to America — to its homeland and its transcendent national interests — are growing everywhere in the world. They are growing because over the past five years specifically, the United States has stopped trying to control them, at least with the degree of purpose and power necessary for a foreign policy to succeed.

Americans should be confident in approaching the world. The United States has enormous latent strength; it is fully within our capabilities to protect ourselves, our allies, and our way of life. Moreover, most of the nations of the world are, if not potential allies, at least countries with whom we can coexist and occasionally partner in discrete efforts where we share common objectives.

But the United States has, and always will have, adversaries: nations whose interests are inconsistent with ours and who do not share our respect for peace and human rights. And we have enemies as well — rogue states, and subnational movements — which utterly despise the values

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America believes in, and whose fanatical and evil vision for the future is their boot in everyone else's face.

Our adversaries will keep pressuring us, in pursuit of their parochial interests, unless and until America acts effectively to deter them. Our enemies understand what we sometimes forget: that they cannot achieve the objectives to which they are fanatically devoted without destroying the influence of the United States. America can increase the number of its friends, defeat its enemies, and channel its adversaries into peaceful modes of competition, but only if our leaders relearn the lesson of history: that persistence, purpose, and power are the keys to peace with security and honor.

AMERICA'S ROLE IN THE WORLD

Political leaders often refer in broad terms to defending the United States, but they rarely define what they mean by that term. Unfortunately, no national security policy is possible without determining what that policy is designed to achieve. In other words, what is the package of interests and objectives that together give meaning to the term “American national security?”

That means — and this is crucial to recognize — that the United States is no longer protected from direct attack by its geographic isolation.

Like all nations, America has vital national interests. But unlike many other great powers throughout history, the United States defines its national interests primarily in defensive terms. The United States does not use its power to aggrandize through aggression the wealth or position of its people, but to allow them to exercise in peace the rights which ought to be secure for all people, and which we are freely willing to grant others in common with ourselves.

In that sense, the vital interests of the United States are as follows:

DEFENSE OF OUR HOMELAND FROM ATTACK

This most elemental of all interests has become increasingly vulnerable since World War Two, and especially in the last twenty years. The information revolution, which has done so much to advance prosperity and human welfare, has also created and spread the technology of “asymmetric weaponry” — weapons that have a destructive impact disproportionate to the wealth and power it takes to create them.

Biological and cyber technology are asymmetric in nature. While China and Russia are generally considered to be the only potential adversaries with the offensive cyber capabilities to cause us existential harm, any subnational movement with

the knowledge possessed by a college biology major can create and disperse biological weapons. That means — and this is crucial to recognize — that the United States is no longer protected from direct attack by its geographic isolation.¹

It would be useful for these purposes to think of the world less in terms of national boundaries, and more as a series of interlocking networks — financial, transportation, social — which are easy to attack and hard to defend, and on which Americans depend far more than many of our enemies. The attacks of September 11, 2001, were a vivid warning of this reality; they were existential attacks on the United States, not just because of the immediate and tragic casualties they caused, but because of the potential they posed to disrupt the systems which support our way of life.

As a practical matter, the increasing vulnerability of the homeland means that the United States must be cognizant of threats that, before the age of asymmetric warfare, it could properly have viewed as remote and unrelated to its security. Fifty years ago, for example, America could have ignored from a risk perspective the increasing chaos in parts of North Africa, but today that chaos — because it is exploited by terrorist groups, and because asymmetric weapons are so easy to build or buy — increases the risk of a potentially devastating attack on the homeland.

FREEDOM OF ACCESS TO THE “COMMON” AREAS OF THE WORLD: THE SEAS, AIR, SPACE, AND CYBERSPACE

The United States is and always has been a trading and traveling nation. Americans have a right to move safely and freely, on equal terms with other peoples, in the common areas of the world. That right is vital to our economy and the safety of our citizens and an integral aspect of America's standing as a sovereign nation. It is the reason why, for example, threats to close waterways like the Straits of Hormuz, or restrict air travel over the East China Sea, or the militarization of space, are such serious matters for the United States.

PRESERVATION OF STABILITY, AND ACCEPTABLE POLITICAL EQUILIBRIUMS, IN KEY AREAS OF THE WORLD

In key regions of the world — chiefly Europe, Asia, and the Middle East — the United States has an interest in preventing both unacceptable levels of conflict and domination of those regions by aggressive powers. Chaos or serious aggression in those areas could threaten either of the first two vital interests, or lead to a broader war from which America could not remain disengaged. Again, one of the reasons that ISIS is so dangerous is that it threatens to derange the equilibrium of the Middle East — to destabilize the region — and plunge it into war.

PROTECTION OF A NORM-BASED INTERNATIONAL ORDER

Through most of history, countries related to each other based largely on relative power; the larger and stronger nations insisted upon, and got, advantages proportionate to their strengths. As part of the national security architecture created after World War Two, the United States, with its allies, midwived a system of international agreements and regimes based on the idea that countries would resolve disputes peacefully and according to agreed-upon norms rather than by coercion.

Though the system has operated imperfectly to say the least, it comports with American values, has created an atmosphere conducive to American prosperity, and has minimized the frequency and risks of aggression to the other interests of the United States. The system is today at risk, as both China and Russia are attempting to create new spheres of influence in their regions where they would exercise hegemonic power.

Two points bear repeating:

First, all nations have vital interests. The difference between the United States, and other great powers throughout history, is that America defines its vital interests in a defensive and benign way. All America seeks is to live in peace, secure in its homeland, enjoying rights common to all nations, in a world where — to the extent feasible —

relations between nations are determined less by power and coercion than by agreed-upon rules and a commitment to resolve disputes peacefully.

Second, vital interests are by definition transcendent. If a vital interest is sufficiently threatened, it must be defended, regardless of the impulses, ideology, or preferences of the government in power at the time. We are witnessing that truth in action today. If ever a president wanted to play a hands-off role in the Middle East, it is Barack Obama. Yet the success of ISIS in Syria and Iraq has so raised the level of risk to America's homeland, to Americans travelling abroad, and to the equilibrium of the region, that even President Obama has been forced to respond, despite all his impulses and statements to the contrary. But the costs and risks of action now are much greater than they would have been had he acted sooner.

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For the last five years, America's political leadership, on both sides of the aisle, has been going through one of its episodes of tortured self-doubt. That episode has been characterized by a debate over whether the United States should somehow withdraw from the world.

The debate is futile and dangerous, because the choice it posits is false. The issue is not whether America has vital interests — it does — or whether threats to those interests will ever disappear — they won't — or whether America will, at some point along the continuum of risk, defend its interests — it must and will. Nor is it whether the American people have become so weary of world affairs that they will not support the measures necessary to protect their own way of life. As history has conclusively shown, and

as recent public opinion polls make clear again, the American people are more than willing to undertake the sacrifices necessary to defend themselves, once they understand what is at stake and have leaders they can trust.

The issue is whether our government will reassume responsibility for deterring and defeating threats to our vital interests at an early stage, before they spin out of control.

In recent months the Obama Administration has suggested that its policy is to “avoid doing stupid stuff.” Fair enough; not doing stupid things is an important, if elementary, principle of foreign policy. But the stupidest thing of all is to ignore reality — to pretend that the world is better than it is, that war and aggression are relics of the past, and that the United States can therefore allow its policy to drift and its power to decline without compromising its security.

In 2009, Congress created the first National Defense Panel, a bipartisan commission chaired by former Secretary of Defense Bill Perry and former National Security Advisor Stephen Hadley. The panel was as concerned as we are about the direction of America’s foreign policy, and it issued a warning which in light of subsequent events has proved prophetic:

As the last 20 years have shown, America does not have the option of abandoning a leadership role in support of its national interests. Those interests are vital to the security of the United States. Failure to anticipate and manage the conflicts that threaten those interests — to thoughtfully exploit the options we have set forth in support of a purposeful global strategy — will not make those conflicts go away or make America’s interests any less important. *It will simply lead to an increasingly unfriendly global climate and to conflicts America cannot ignore, which we must prosecute with limited choices under unfavorable circumstances — and with stakes that are higher than anyone would like.*²



THE THREATS AMERICA FACES

Identifying America's vital national interests and defining its proper role in the world are but one portion of an extended discussion. Against our national interests are an increasing variety of threats that it should be the object of American policy to defeat or at least contain.

In fact, in every region of the world, the threats to America's vital national security interests are demonstrably growing, while, as we discuss later, America's ability to respond to those threats is steadily declining.

IRAQ AND SYRIA

Islamic State insurgents control much of eastern and northern Syria, have routed Iraqi army divisions, and have in recent months swept across much of western Iraq. Increasingly accomplished fighters, they use mass executions, decapitations, even crucifixions, against both prisoners of war and civilians, to establish what they call their Islamic Caliphate, which they are using as a base for expansion across the region and well beyond the Middle East. As Secretary of Defense Hagel recently stated, over 100 of these fighters hold U.S. passports.³ British intelligence estimates that at least 500 British subjects alone are fighting today in Syria. The CIA now reports that 2,000 fighters holding Western passports are fighting in the region.⁴ They will export their bloody crusade. Knowing this, both the British and Australian prime ministers have recently increased their respective countries' terror threat level.

So the threat level to America's homeland, and to its allies, is increasing. But in addition, the success of ISIS and the ongoing Syrian civil war reflects and enhances the growing Sunni/Shia conflict in the region, has already created chaos in Iraq, and is threatening to destabilize Jordan and Lebanon. Alternatively, it could result in more pervasive Iranian influence, another potential setback for the United States.

Had the United States simply maintained a base in Iraq after 2011 — in other words, had President Obama actually listened to his military

commanders, and his then-Secretary of Defense — our presence likely would have short-circuited the whole chain of events leading to the current disaster.⁵ First, America would have been in a better position to prevent then-Prime Minister Maliki from the vindictive actions which alienated Sunnis and undermined democracy in Iraq. Second, though American troops would have served in a noncombat role, their very presence might well have prevented Iran and Russia from intervening in the Syrian civil war; had the civil war not dragged on, ISIS would not have established a foothold. Third, even if ISIS had gained a foothold, the Iraqi military would, with American support, have likely been able to seal off the border and prevent ISIS from establishing its Caliphate in the region. Kurdistan and Jordan would both be safe from aggression, if not from the flow of Syrian refugees.

Now, the United States must attempt to defeat an actual Islamic State under circumstances that are highly unfavorable, both politically and militarily. It's a classic example — and one that ought to be burned into the consciousness of America's leaders — of how ignoring risk in the name of non-intervention can lead to a metastasized threat that cannot be ignored and that must be addressed at much higher cost and with much greater risk of failure.

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IRAN

Iran's nuclear program has progressed to the point where it is only a few months short of a nuclear breakout — when it would possess sufficient weapons-grade uranium to build one or more nuclear bombs. Tehran has assembled over 16,000 centrifuges at its primary fuel enrichment facility

to enrich uranium to weapons-grade purity — an industrial capacity estimated to be sufficient to produce a minimum of 7 and, potentially, as many as 25 nuclear bombs per year. Based on International Atomic Energy Agency reporting, Iran intends to increase its enrichment capacity by adding an additional 10,000 centrifuges. In addition, Iran has nearly completed its plutonium enrichment facility and has an extensive ballistic missile program. Iran's missiles can now reach Eastern Europe, and within a few years, their long-range ballistic missile will be able to reach the east coast of the United States.⁶

While the Obama Administration made much of its interim agreement with Tehran last winter, nearly a year has passed with no further progress. The implications for American and allied security are profound. A nuclear Iran will be much more dangerous and will likely provoke a nuclear cascade in the region as other nations — no longer trusting America's leadership to deter Iranian aggression — will seek nuclear weapons themselves. If there is a nuclear cascade in a destabilized Middle East, the likelihood of a launch, perhaps accidental or impulsive, will substantially increase.

AFGHANISTAN

The fighting in Syria and Iraq may cause President Obama to rethink his plan not to leave an American base in Afghanistan. If it doesn't, the vacuum created by an American withdrawal is likely to result in ceding much of the country to warlords and Islamic insurgents, perhaps leading to a collapse of central authority, as has happened in Iraq. And a collapsed central authority, as is happening in Iraq, would create the opportunity once again for the re-establishment of sanctuaries and terrorist training camps.

UKRAINE AND EASTERN EUROPE

The Russian regime is attempting to re-establish a sphere of influence along its western and southern borders. It invaded Georgia in 2008 and never left, has now assimilated much of Crimea, and most recently has supported the Ukrainian insurrection and sent armored columns directly into Ukrainian territory. For these reasons the second National Defense Panel, in its Report earlier this year, said that Europe can no longer be considered a net security provider.⁷

Russia today is nowhere near as strong or as dangerous as the Soviet Union was. It may be possible to deter future Russian adventurism with a strong sanctions regime backed up by NATO ground and air forces based in Eastern Europe. But at present the United States Army — which is scheduled to shrink even further — is so small that those brigades will not be available. If this weakness, coupled with President Obama's tepid use of economic sanctions against Russia, leads to further Russian aggression, it will continue a pattern where failing to take moderate, low-risk deterrence measures early on resulted in greater risk and few good options later for the United States and its allies.

NORTH AFRICA

The Nigerian-based Boko Haram has graduated from gangland-style drive-by shootings to increasingly sophisticated attacks and mass kidnappings in only three years. They now control much of northeastern Nigeria and have routed government forces on several occasions. The growth of this group makes clear that in the absence of a stable, capable government, vast regions — sanctuaries — will open up to militant groups, whether they are jihadists or parochial in their objectives.

LIBYA

After supporting the overthrow of Qaddafi, the Obama Administration has done nothing since to influence the outcome of fighting between warring militias and the government. Egypt and the United Arab Emirates, sufficiently alarmed by both the hands-off U.S. policy and the fighting itself, have

Nowhere else is the decline in America's military more dangerous than in East Asia.

undertaken their own limited airstrikes against militia forces. As elsewhere, the failure to intervene or assist others further opens the door to the creation of ungoverned regions.

The first lesson from Afghanistan is that sanctuaries afford terrorist groups the opportunity to establish training camps, from which they will export their crusade. Boko Haram and the Islamic State in Iraq and Syria are only the latest examples of the threats such groups pose.

NORTH KOREA

North Korea has become increasingly provocative and unstable under Kim Jong Un. The chances are growing that the regime will collapse or — perhaps in response to internal chaos — launch an attack against the South. In either case, the fact that North Korea has nuclear weapons means that the United States would have to deploy, in concert with South Korea, substantial ground, air, and maritime forces. The Chinese would likely enter at the same time from the North. It is very difficult to predict what the environment will be, but there will almost certainly be hundreds of thousands of refugees and some level of fighting, at least against guerilla elements. The National Defense Panel called this contingency “plausible” and said that it would be one of the “most stressing” for America’s military.⁸

CHINA

In terms of traditional military power, the greatest challenge facing the United States is China. For the past nearly twenty years, China has engaged in a massive military buildup:

- China is rapidly building a modern capable Navy, which by 2020 will be substantially larger than the United States Navy. China can concentrate its forces in the Western Pacific; that fact, and its logistical advantages, means that China would have a substantial numerical advantage over the United States in the event of a confrontation. In addition, virtually every one of its vessels is armed with long-range, advanced, anti-ship cruise missiles and air-defense missiles.⁹
- China is substantially increasing the number of its nuclear warheads capable of striking the U.S. homeland.¹⁰

- China already has one of the world’s largest inventories of conventionally armed ballistic missiles as well as large numbers of long-range ground-, air-, and sea-based cruise missiles. They are expanding that inventory rapidly and already have the ability to threaten U.S. bases and operating areas throughout the region including U.S. installations on Guam.¹¹
- China has almost 2,000 capable fighter aircraft. They are investing heavily in stealth technology and will likely introduce two new fifth-generation fighters to their inventory by 2020.¹²
- They are significantly upgrading their intelligence, surveillance, and reconnaissance systems and improving their amphibious capabilities.¹³
- They have sophisticated cyber capabilities that, according to the Defense Science Board, can inflict existential damage on America’s critical infrastructure.¹⁴
- China is rapidly developing anti-satellite capabilities that will be able to destroy or severely disrupt America’s space assets, both military and civilian, in every orbital regime.¹⁵

|| The Chinese regime, for nationalistic, political, and economic reasons, is seeking a sphere of influence — a kind of hegemony — in the East and South China Seas, and wants the option of using coercion to achieve their ends.

The primary target of China’s military buildup is the United States. The Chinese regime, for nationalistic, political, and economic reasons, is seeking a sphere of influence — a kind of hegemony — in the East and South China Seas, and wants the option of using coercion to achieve their ends. For that reason, they are purposefully

and relentlessly developing the capabilities to exclude American forces from the region.

It would be wrong to view China as necessarily an enemy of the United States. China is a rising power with a proud history; it is natural that the Chinese would seek to dominate their region of the world. But it is increasingly clear that the form that dominance would take, and the means by which the Chinese will use to achieve it, are unacceptable to the United States and its allies. America is bound by treaty to defend Japan and the Philippines, and has guaranteed de facto the territorial integrity of Taiwan. As we have explained above, the United States has a vital interest in freedom of trade and travel for all nations in the East and South China Seas, and in the peaceful resolution of disputes among nations according to international norms.

Certainly, the Chinese understand that their national ambitions are bringing them into conflict with the United States; that is precisely why they are building up their power — and doing so at such a rapid pace.

The Obama Administration has been quicker to recognize the risk in Asia than in the Middle East. The Administration's "rebalance" initiative is at least the shell of a good policy; it includes building America's military presence and strengthening our partnerships in the Western Pacific.¹⁶

But the initiative is failing for lack of power. Nowhere else is the decline in America's military more dangerous than in East Asia. The United States simply does not have the forces to shift into the region, and our potential allies and partners are reluctant to align themselves given America's growing weakness. The balance of power in East Asia is changing; China will be, if it is not already, dominant in the region. If that happens, the "rebalance" policy may prove very dangerous — it effectively makes the United States the obstacle to China's ambitions without effectively deterring them, thereby creating an environment of rising tension and possible conflict.



OUR MILITARY — THE TOOLS OF HARD POWER

During the post-Vietnam era, many in the United States questioned the efficacy, and even the legitimacy, of American global leadership and power. Jimmy Carter represented that point of view in his presidency and in his defense policy. He reduced the size and strength of America's armed forces, and created shortfalls in modernization and training, all at a time when the services were struggling to convert to a volunteer force.

By the end of the Carter Administration, our military had become “hollow.” Like a house with a fresh coat of paint, but with no working plumbing or wiring, the armed forces looked good to the casual observer but were not adequately prepared to perform their missions. Training, recruitment, retention, and morale had suffered for years. A small turning point came following the Soviet invasion of Afghanistan. President Carter realized that American power had declined too far, and recommended an increased defense budget during his final year in office.

Then in 1980, Ronald Reagan was elected president. Of all America's presidents during the Cold War years, Reagan was the biggest believer in the principle of peace through strength. He pushed through double-digit increases in the defense budget during his first two years in office, and substantial increases in the years following.

The effect on America's global position was electric. The Pentagon was able to increase the size of the force, and recapitalize and modernize all of the services with information-age technologies. President Reagan also galvanized the tools of “soft power,” strengthening the “special relationship” with Great Britain, forming a de facto alliance with democracy movements in Eastern Europe, and using America's moral authority to challenge the Soviet Union. Eventually, the Soviet Union dissolved; and it was the Reagan-era military that achieved victory in Operation Desert Storm. What followed was an unprecedented expansion in freedom and democracy around the world, not

just in the former Soviet Union, but also in Eastern Europe, South Korea, and Taiwan.

But as memories of the Cold War faded, and efforts to reallocate the “peace dividend” brought with them shifting political priorities, America's military began once again to decline.

Following the end of the Cold War, the Bush Administration determined that a force reduction of approximately 25 percent from the Reagan build-up was a prudent step. The Bush Base Force plan called for 12 active-duty Army divisions, down from 18 divisions under Reagan. The Navy would ramp down from Secretary Lehman's 551-ship fleet and 15 carriers to 451 ships and 12 carriers. The Marine Corps would retain three active-duty divisions, albeit with personnel reductions, and the Air Force would drop from 28 active and reserve component fighter wings to 20 by 2000.¹⁷

Of all America's presidents during the Cold War years, Reagan was the biggest believer in the principle of peace through strength.

Determined to cut further, the incoming Clinton Administration in 1993 undertook what became known as the Bottom-Up Review (BUR), which called for a further force reduction of ten percent below the Bush Base Force. The active-duty Army, for example, was reduced to ten divisions and 495,000 personnel, and was then thinned further over the decade by another 10,000 personnel, yielding not a hollow force, but one that was decidedly undermanned. The Clinton review recommended a fleet of 346 ships, which shrank over the decade, eventually dropping to 316 ships by 2000.¹⁸

Then modernization budgets were cut as well, leading to what became known as the “procurement holiday.” For example, helicopter procurement was reduced by 90 percent during the

1990s in contrast to the 1980s. Ship procurement was reduced by two-thirds. Air Force fighter procurement was reduced by about eighty percent. By the late 1990s, the modernization accounts alone were underfunded by \$20 billion annually.¹⁹

Moreover, the operational tempo of the force — the number and duration of overseas deployments — increased dramatically in the 1990s. The ethnic, regional, and sectarian rivalries suppressed during the Cold War rose to the surface. The Clinton Administration used the military to deal with the consequences, and so the missions of the armed forces increased substantially even as its size declined and its equipment aged.²⁰

This combination of a smaller force operating at a higher tempo using older equipment inevitably degraded readiness. In 1998, General Hugh Shelton, Chairman of the Joint Chiefs of Staff, compared the decline in our military's readiness to a plane "in a nose dive that might cause irreparable damage to the great force we have created, a nose dive that will take years to pull out of."²¹

By the time Barack Obama took office — after almost twenty years of a growing mismatch between missions and resources — the military was in a highly fragile condition.

The incoming Bush Administration in 2001, understanding these stresses, pledged to modernize the armed forces consistent with what was called the Revolution in Military Affairs. Advocates of transformation, as it was sometimes called, subscribed to the belief that since the United States did not and would not face any would-be aggressor capable of posing an existential threat to the U.S. for the next decade, it would be possible to invest heavily in leap-ahead technologies, yielding a smaller, leaner, and more lethal force.

The planners were wrong again. An existential attack on the United States occurred on September 11, 2001. That halted the Bush plan to implement its

high-tech modernization programs with leap-ahead technologies. America found itself in exactly the kind of wars its best planners said would not occur: conflicts requiring large numbers of boots on the ground for long periods of time. Defense budgets increased substantially, but not to rebuild the military; the money was eaten up by war costs, the greater maintenance needs of an aging inventory, higher operating costs, and higher personnel costs.

By the time Barack Obama took office — after almost twenty years of a growing mismatch between missions and resources — the military was in a highly fragile condition. The Navy had fewer ships than at any time since before World War One; the Air Force inventory was smaller, and older, than at any time since the inception of the service.²² And while the size of the Army and the Marine Corps was increased in 2007 to support the surge in western Iraq, over most of the war both services lacked the personnel to conduct aggressive combat operations in both Iraq and Afghanistan. This in large part explains why so many units served multiple tours of duty in Iraq and Afghanistan. In addition to the human cost of the wars in Iraq and Afghanistan, the extent of which we do not yet fully understand, nearly all of the equipment used in theater must be rebuilt, replaced, or given or sold to regional allies to avoid the high cost of shipping it back to the U.S.

With military action winding down in Iraq and eroding support for military spending, Secretary Gates identified \$400 billion in cost reductions beginning in 2009 and an additional \$78 billion if realized, beginning in fiscal year 2012.²³ As a practical matter, these reductions meant cancelling many of the remaining modernization programs, including the C-17 transport and the F-22 fighter programs. Both terminations will have a negative impact on military readiness and capabilities for years to come. It's worth briefly discussing both to show how decisions made to save money in the short term can both cost more, and undermine American security, in the intermediate and longer term.

Today, the C-17 and the older C-5 Galaxy, which first flew in the mid-1960s, comprise America's strategic airlift fleet. Strategic lift is essential to

the capabilities of the military, especially since the United States has closed so many bases abroad. A smaller force, largely based in the United States, must have adequate lift to carry out its global missions. Yet the C-5 has a long-standing operational readiness rate — the percentage of times a piece of equipment is mission capable when needed — of just over 50 percent.²⁴ So instead of building additional C-17s, our aircrews will fly C-5s for decades longer, with much higher maintenance costs than new aircraft would experience.

The F-22 air-superiority fighter, while controversial due to its development and per-unit costs, represents the cutting edge of aerospace technology. Its termination will have a potentially devastating impact on the force and on the defense industrial base. With the program terminated, F-22 production ended at 187 aircraft, an entirely budget-driven number unsupported by any objective analysis of our fighter requirements. At the same time, both China and Russia are heavily investing in advanced technology fighters.²⁵ It will take the United States many years to develop a new aircraft and begin production.

In 2009, while Secretary Gates was engaged in his initial round of cuts, Congress created a National Defense Panel to review the plans of the Department of Defense and the condition of the military. The Panel was chaired by former Secretary of Defense Bill Perry and former National Security Advisor Stephen Hadley. It had 20 members appointed on a bipartisan basis. The Panel reviewed the history related above and issued a unanimous report in the spring of 2010 in which it recommended substantial additional funding for the military, primarily to increase the size of the Navy and recapitalize the inventories of all of the services.

The Panel thought that the fragile condition of the military at the time warranted an explicit and highly unusual warning:

The issues raised in the body of this Report are sufficiently serious that we believe an explicit warning is appropriate. The aging of the inventories and equipment used by the services, the decline in the size of the Navy, escalating personnel entitlements, overhead and procurement costs, and the growing



stress on the force means that a train wreck is coming in the areas of personnel, acquisition and force structure.²⁶

In the spring of 2011, Secretary Gates responded to the Panel's warning and recommendations by offering, on behalf of the administration, a ten-year proposed budget with modest increases in

All of this happened, and three years later is still happening, while the threats to the United States are growing everywhere, and while Americans are still fighting and dying on the field of battle in Afghanistan.

the then-current budget baseline. The proposed increases were not as large as the Perry/Hadley Panel had recommended, but they would have permitted the Department to begin increasing the size of the Navy and modernizing the inventories of the services.²⁷

What happened thereafter is unprecedented. Within two months after Secretary Gates made his recommendations, President Obama announced his intention to reduce the Gates-proposed budget — his own administration's defense budget — by approximately \$40 billion per year. The president essentially junked his own defense budget in a speech and pulled a new number for defense spending out of thin air; there was no analysis of the impact of the new funding levels on the armed forces or American national security.²⁸

The president's proposal was codified in the 2011 Budget Control Act. That was followed by the sequestration law, which had the effect of cutting another \$500 billion from the defense budget over the next ten years.²⁹

In the course of less than one year, the analytical process by which the Department of Defense had established its funding priorities, proposed by a highly respected secretary of defense, was jettisoned in favor of an ad hoc and entirely

politically driven budget reduction process. The net result is that planned defense spending has been reduced by approximately \$1 trillion over the next decade — again, all without the benefit of any analysis or threat assessment.

All of this happened, and three years later is still happening, while the threats to the United States are growing everywhere, and while Americans are still fighting and dying on the field of battle in Afghanistan.

Here are just a few of the devastating consequences for America's national security:

1. The Navy will shrink to between 240-260 ships.³⁰ At that size America will not have a global Navy, and will be almost 100 ships smaller than the Chinese navy.
2. The Army will shrink to about 420,000 troops or to pre-World War Two levels.³¹ In addition, most of the Army will not conduct field training in units above the company level.
3. The Air Force will shrink dramatically, and its inventory will continue to age. For example, the KC-135 tanker, which through midair refueling greatly extends the range and time on station of our Air Force and Navy aircraft, first joined the fleet in the second Eisenhower Administration. Under current procurement plans, many KC-135s, already over 50 years old, will continue flying into the 2030s, when they will be over 70 years old.³² No modern air force retains such a critical portion of its inventory for seven decades. It's not an isolated example. Our B-52 bombers, already 50 years old, will remain in the fleet at least into the 2020s.
4. The Marines are also suffering. Almost two-thirds of non-deployed units have shortfalls in equipment and have lost readiness to perform even core missions. More than a third of non-deployed units are short of personnel who were reassigned to units scheduled to deploy.³³



The upshot is that twenty years ago the armed forces were reduced to a size that was insufficient to deal even with the relatively peaceful environment that prevailed in the immediate aftermath of the Cold War. Over the next 15 years, and despite the attacks of 9-11 and the emergence of new and serious threats in North Korea, the Western Pacific, Eastern Europe, and the Middle East, the military was further reduced and the government failed to recapitalize its inventories with modern equipment. Three years ago, after almost a decade of hard fighting in Iraq and Afghanistan, Secretary Gates proposed a ten-year defense budget which would have allowed the armed forces to begin rebuilding their strength. At that point the government cut a trillion dollars from those proposed budgets, without any analysis whatsoever of the impact on national security.

That impact has been devastating, and will get much worse in the future, absent a fundamental change in the direction of defense budgeting and policies.

Last year, Congress authorized a second National Defense Panel and charged it with reviewing the current condition of the force and the future plans of the Pentagon. That Panel was co-chaired by former Secretary of Defense Bill Perry and former Centcom Commander General John Abizaid. In total, it was comprised of ten members appointed on a bipartisan basis. The Panel issued a unanimous Report in August of this year.³⁴

The Report was in form and fact a rebuke of the government's defense policy, especially over the last three years. We agree with the warning that the Panel issued:

As our report shows, the defense budget cuts mandated by the Budget Control Act of 2011, coupled with the additional cuts and constraints on defense management under the law's sequestration provisions which commenced in March 2013, have created significant investment shortfalls in military readiness and both present and future capabilities. Unless reversed, these shortfalls will lead to greater risk to our forces, posture and security in the near future. In fact, and this bears emphasis — we believe that unless recommendations of the kind we make in the Report are adopted, the Armed Forces of the United States will in the near future be at high risk of not being able to accomplish the National Defense Strategy.³⁵

That impact has been devastating, and will get much worse in the future, absent a fundamental change in the direction of defense budgeting and policies.

THE PATH FORWARD

In the last five years, Congress created two National Defense Panels to review the condition of the armed forces. Both Panels were bipartisan, and both Panel reports were unanimous. The first Report, in 2010, warned that the military was in a fragile condition and recommended a number of steps to strengthen it, including increasing the size of the Navy and investing substantial additional funding in the modernization programs of the services. The President and Congress not only ignored that warning, they went in the opposite direction, following the irresponsible course outlined above that has brought our armed forces to the brink of disaster.

Our servicemen and women are the finest in the world. But if they do not have the training they need, or if their equipment is not maintained, it means that they are at risk either of failing in their missions or succeeding only after taking unnecessary casualties.

The second Panel Report, issued in August, documented the declining condition of the military and outlined a path forward to restore America's military power. We believe that the admonitions of this second Panel, particularly its most important recommendations, should be quickly adopted:

1. The actions of the last three years have seriously degraded the "current readiness" of the force — the day-to-day ability of the armed forces to carry out their missions. This more than anything else shows the irresponsibility of recent policy. The last thing our military should have to sacrifice is readiness. Our servicemen and women are the finest in the world. But if they do not have the training they need, or if their equipment is not maintained, it means

that they are at risk either of failing in their missions or succeeding only after taking unnecessary casualties.

No American serviceman or woman should be put at such unnecessary risk. The President should direct the Pentagon to prepare a list of steps which must be taken to restore current readiness. Those steps should be funded on an emergency basis. The longer this action is postponed, the greater will be the cost when it is finally taken. Readiness is much more costly to recover than to maintain.

2. Three years ago, the current budget baseline was imposed on the Department of Defense with no analysis of the relationship between the amount of funding allowed and the actual needs of the armed forces. That is the opposite of the traditional, common-sense process of defense planning, according to which the Department analyzes threats, determines the capabilities it believes necessary to deter those threats, and then budgets as it believes necessary to deter those threats.

Of course, neither the President nor Congress should rubber stamp the Pentagon's plans, and cost must always be a consideration. But budgets should not be the primary driver where national security is concerned, and funding levels should certainly not be imposed without regard to their impact on the capabilities needed to defend the United States and her vital national interests.

The Department of Defense should be directed to conduct a real review of its needs going forward. As it does so, the rising power of China should be a priority consideration. Since China is becoming a peer military competitor of the United States, it should be considered the "pacing threat" that drives defense planning.

The primary objective of America's military is to deter aggression, and if required to fight, to defeat our enemies. For that reason, the Department should plan for a force that would be dominant in any plausible military scenario. America should never deliberately plan to have just enough strength to win. The way to prevent war is to make clear to any potential adversary that if they commit aggression against America or her vital national interests, they will lose decisively.

Pending the outcome of that review, the government should plan on returning to at least the baseline budget proposed by then-Secretary Gates in 2011. That was the last time the Department was allowed to engage in real planning, and since then the global threat environment has gotten much worse than the Department could have anticipated at the time. Among other things, China has increased its coercive actions against its neighbors, the threat level in Eastern Europe has gone up, and the United States has begun a war against ISIS insurgents. In addition, the readiness and preparedness of the force has declined considerably since the Gates budgets were proposed and in a way that he could not have contemplated when he proposed them. It is highly unlikely that any reasonable review could conclude that less funding is needed than Secretary Gates thought necessary three years ago. By any standard, funding defense at the Gates baseline, and without a tax increase, is fully affordable, given the following:

- The first priority of the federal government is the nation's defense, not only as a matter of prudence but constitutionally. In fact, defending the country is the only power which the Constitution requires the federal government to exercise. Article Four, Section 2 of the Constitution states that the "United States *shall* protect them (the States) from invasion..." The first constitutional responsibility of the government is always affordable, because it should be funded before anything else.
- The current baseline for defense amounts

to only 2.9% of the nation's GDP — the lowest percentage of the nation's wealth spent on defense since World War II. Even the Gates baseline budget would constitute only 3.5% of GDP — still a historically low figure.³⁶ Most Americans would be shocked to learn that at a time when the government is consuming more of the nation's total wealth than ever before during peacetime, it is using a smaller percentage of that wealth to defend the country than at any time in the last 70 years.

The first priority of the federal government is the nation's defense, not only as a matter of prudence but constitutionally.

- As the National Defense Panel noted, it always costs more to rebuild military readiness than it would have cost to sustain it in the first place. For example, the Army is now shedding trained personnel to meet the artificially low budget constraints under which it is operating. When the government eventually concedes, as it must, that force structure is being cut too much, the short term savings produced by the defense cuts will evaporate; the Pentagon spends more to recruit and retrain new personnel than it would have spent retaining the people it had.
- In 2009, the government spent \$830 billion — not including debt service costs — on the "stimulus" bill.³⁷ In 2010, it passed Obamacare, which by 2024 will spend \$235 billion per year on its coverage expansions alone.³⁸ If the government could afford these programs, it can afford the funding which is so manifestly necessary to protect the nation's security.
- The federal government has grown so large that it tries to do everything. This results in our exploding national debt, and

in failure to do those things which are absolutely necessary. We must abandon any sense of moral equivalence when it comes to our budget priorities. The simple fact is that military preparedness and defending our nation must be the top priorities of our federal government. If we fail to defend ourselves, all else is indeed lost. So the question is not — how much can we afford when it comes to ensuring our security and defending America? The question must be, how much will it require for us to do so.

- The United States is a wealthy nation with interests around the world on which its economy and way of life depend. Moreover, given the availability of asymmetric weaponry, Americans are now more vulnerable to a direct and devastating attack on their homeland — their families and communities — than at any time in recent history. As is explained in this paper, global risk is accumulating in part because America is too weak to effectively reduce it. If that risk should continue accumulating, it will result in unnecessary conflict, or reduced economic growth, and the costs of either would dwarf any savings the defense cuts will achieve. In that sense, the defense cuts are self-defeating; they will make it impossible to sustain the kind of stability on which American prosperity depends, and without prosperity we cannot hope to solve the budget challenges facing the government.

budget so that it can spend more on other programs; then when global risk accumulates, the government rushes to build up the military in response. The up and down nature of defense budgeting is not only dangerous but inefficient; it makes planning difficult and usually costs more than if a consistent funding level had been maintained in the first place.

For that reason, the government should adopt a guideline for defense budgeting at approximately 4% of GDP. The United States has urged the same principle on its NATO partners — that they peg their defense spending to a percentage of their GDP — and for the same reason: to keep those countries from reducing their defense budgets in the mistaken belief that the end of the Cold War meant the end of threats to which NATO should be capable of responding.

Such a guideline would not mean the military should always be funded at 4% of GDP regardless of need; the proper way to budget is to analyze threats, determine the capabilities that are needed to deter or defeat those threats, and then budget accordingly. But if Department of Defense (DOD) funding drops consistently below 4% of GDP, it should be taken as a warning that another cycle of inefficient, up and down budgeting is impending. How many times does our government have to make the same mistakes before it learns from them?

3. The Department of Defense needs to redouble its efforts to eliminate waste, both to provide extra funding and to increase efficiency. One promising area is reduction of the number of civilian personnel and contractors. As the National Defense Panel noted, the number of civilian employees in the DOD grew by 15% from 2001 to 2012, while the number of active duty military personnel grew by only 3.4%. The number of civilian contractors in the Department grew to 670,000 in the same period.³⁹

For that reason, the government should adopt a guideline for defense budgeting at approximately 4% of GDP.

The most recent defense cuts are the worst example of a trend regarding defense funding that should be corrected. In times when the world is relatively peaceful, the government tends to raid the defense

But the area where reform is most needed is acquisition. The DOD has been trying to reform how our nation procures its ships, planes and tanks for 60 years. Over 200 studies and reports have been written on acquisition reform. Yet the services continue to experience huge cost overruns in crucial programs. Two recent examples:

- The Army estimated that the Future Combat Systems (FCS) program would cost \$4 billion a year for three brigade sets of FCS equipment per year. The total program cost grew to an estimated \$160.9 billion for 14 brigade sets by 2008.⁴⁰ A year later the program was cancelled. No equipment had been produced nor fielded.
- The Navy's new DDG-1000 destroyer was supposed to cost \$1 billion per ship. The service planned to procure 32 of them, but when the per-ship cost grew to \$4.3 billion, the program was capped at three ships.⁴¹

Rebuilding the military will require that new weapons programs stay on schedule and within budget. This point is nonnegotiable.

The following steps should be taken:

First, the requirements process — the process by which each service determines the need and justification for new weapons and other equipment — should be streamlined. Today, over 100 meetings are required within the Pentagon bureaucracy before a major acquisition program can progress to the next milestone or stage in the development process. Program managers must be focused on their programs, not on briefing literally hundreds of Pentagon officials.

The chain of command within the acquisition process should be simplified and consolidated, with major programs overseen by the service Secretaries and Chiefs of Staff of each service, reporting to the Undersecretary for Acquisition, Logistics, and Technology, all ultimately responsible to the Secretary of Defense. At present, there are countless officials and agencies that possess, in effect, a veto authority over the progress of a major weapon development program. Authority and responsibility must be vested with the program manager and the immediate chain of command, not dissipated across the Pentagon's vast bureaucracy.



As the first National Defense Panel found in 2010,

The Panel believes that the fundamental reason for the continued underperformance in acquisition activities is fragmentation of authority and accountability for performance, or lack of clarity regarding such authority and accountability. Fragmented authority and accountability exist at all levels of the process, including identifying needs, defining alternative solutions to meeting the need, choosing and resourcing the solution, and delivering the defined capability with discipline on the agreed schedule and within the agreed cost. In the current system, the complex set of processes and authorities so diffuses the accountability for defining executable programs intended to provide the needed increment of capability that neither objective is achievable — either rapid response to the demands of today's wars or meeting tomorrow's challenges.⁴²

Second, the Department should commit to designing and procuring new programs in no more than a five to seven year window, and the new inventory should be engineered so that, after it is deployed, it can be upgraded with new technologies as they are developed. Shortening the design/build cycle will minimize changes in requirements, reduce delays, and control costs. The primary need now is for new equipment with reasonable capability in the field as soon as

possible. Technology older than seven years is likely to be obsolete upon delivery anyway.

This kind of “spiral development” was common during the Reagan buildup of the 1980s. As an example, the F-16 fighter aircraft was designed in the mid-1970s and first deployed in 1980. The aircraft was continually upgraded over time and will be operationally relevant for another decade. The Department has procured over 4,000 F-16s. In contrast, it took 14 years to design the F-22, the technology was obsolete by the time it was deployed, and the cost overruns were a factor in its cancellation after only 187 were procured.

Finally, programs should be competed whenever possible, not just in the design phase but also in production. The Department should make every effort to ensure that key parts of key programs are dual sourced, both to hold down costs and to ensure the vitality of the defense industrial base. The Department should make much greater use of multi-year procurement contracts. Members of Congress will resist that, because it diminishes their year-to-year control over programs, but buying in volume over time, when a program has a stable design, will produce savings for the Department and the American taxpayer.

The Department should make every effort to ensure that key parts of key programs are dual sourced, both to hold down costs and to ensure the vitality of the defense industrial base.

CONCLUSION

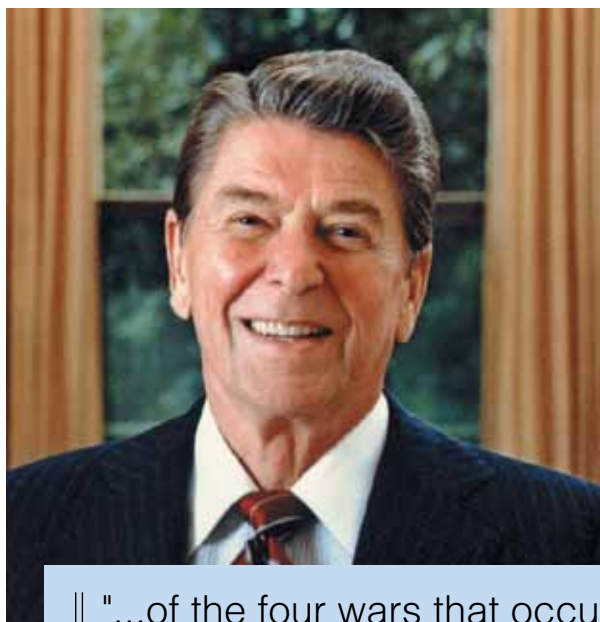
The United States maintains a robust military as part of a national security architecture by which, for the past 60 years, the United States has defended its homeland and interests, and in the process brought a significant measure of stability and freedom to a world which always has and always will contain enemies of both. It is no accident that the threats to America are now growing. They are growing because the Obama Administration has repudiated all the operating principles of an effective global strategy, by “leading from behind,” abandoning our long-time allies, failing to effectively use the tools of “soft power,” and cutting the size and capabilities of our armed forces.

This paper has focused on military readiness not because the armed forces are or should be the primary means by which America deals with the world, but because it is their strength that gives efficacy to the other tools at America’s disposal. The purpose of military power is not in the first instance to defeat aggressors, but to deter them while the United States and her allies use diplomatic and economic tools, and the power of their ideals, to protect themselves without war. For that reason, the stronger America is, the less likely it is that America will have to fight, or even threaten to use military force.

Nations can afford to walk softly when they carry a big stick.

That is the lesson of history. As Ronald Reagan was fond of saying, “of the four wars that occurred in my lifetime, none happened because America was too strong.” During his administration, the United States reached the apex of its strength, but actually deployed its military less than at any time before or since in the last 60 years.⁴³

At a fundamental level, defense policy is foreign policy. The best thing America could do now to reduce the level of global risk — the safest and the surest thing — would be to move decisively to rebuild the tools of power. Even the signal that America was prepared to do so would give pause to our enemies and adversaries and rally the forces of freedom around the world.



“...of the four wars that occurred in my lifetime, none happened because America was too strong.”

— Ronald Reagan

ENDNOTES

1. The Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terrorism, otherwise known as the Graham-Talent WMD Commission, found that an individual with the scientific knowledge of an undergraduate biology major could create and weaponize a biological weapon using equipment readily available on the internet for about \$10,000. Former Senator Talent served as Vice-Chairman of the Commission.
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9. U.S.-China Economic and Security Review Commission, 2013 Annual Report to Congress, November 20, 2013, pp. 213-220 (www.uscc.gov/sites/default/files/annual-reports).
10. "Military and Security Developments Involving the People's Republic of China, 2014," pp. 7-9. China will deploy its JIN-class nuclear ballistic missile submarine (SSBN) with the nuclear-armed JL-2 ICBM for the first time in 2014. China is expected to commence its own sea-based nuclear deterrent patrols in 2014, is expected to deploy 5 such JIN-class SSBNs, then transition to a newer Type 096 SSBN. The JL-2 is believed to have a range of 7,400 km, making it capable of striking the United States from the Western Pacific (www.defense.gov/pubs/2014_DoD_China_Report.pdf).
11. "Military and Security Developments Involving the People's Republic of China, 2014," pp. 5, 7.
12. "Military and Security Developments Involving the People's Republic of China, 2014," pp. 9, 31, 36.
13. The PLA AF has approximately 1,900 fighter aircraft. "The PLA AF is pursuing modernization on an unprecedented scale," and "...[will] likely become a 4th-generational [air] force within the next several years," in "Military and Security Developments Involving the People's Republic of China, 2014," pp. 9-10, 36, 67, 78.
14. "Military and Security Developments Involving the People's Republic of China, 2014," pp. 9, 65 regarding ISR programs.
15. "Resilient Military Systems and the Advanced Cyber Threat, January 2013," Defense Science Board, pp. 1-6 (www.acq.osd.mil/dsb/reports/2010s.htm).
16. The Obama Administration's rebalancing of forces to the Pacific is inadequate. For example, the Chief of Naval Operations plan through 2020 calls for the assignment of one to two additional ships to the Pacific region each year through 2020, increasing the size of the U.S. fleet from 51 vessels to about 65. In contrast, China's PLA Navy is increasing the size of its fleet by approximately 8-10 vessels each year. "Military and Security Developments Involving the People's Republic of China, 2014," pp. 30-31 regarding China's anti-satellite capabilities. See also "China's Military Space Strategy," Ashley J. Tellis, Survival, Autumn 2007, pp. 41-72.
17. Lorna S. Jaffa, "The Development of the Base Force, 1989-1992," Joint History Office, Office of the Chairman of the Joint Chiefs of Staff, July 1993 (www.dtic.mil/doctrine/doctrine/history/baseforc.pdf).
18. Secretary of Defense Les Aspin, "Report on the Bottom-Up Review," September 1993, p. 28, Figure 7 (www.dod.mil/pubs/foi/administration_and_Management.other/515.pdf).
19. Congressional Budget Office, "Budgeting for Defense: Maintaining Today's Forces," September 2000, p. 20, Table 4 (www.cbo.gov/publications/12630).
20. "America's Armed Forces: A Perspective," Gen. John M. Shalikashvili, USA, Chairman, Joint Chiefs of Staff, in a speech to the Council on Foreign Relations, Nov 7, 1996, "...we would have to increase procurement spending by approximately \$15 to \$20 billion annually." See also CBO, "Budgeting for Defense: Maintaining Today's Forces," September 2000, p. xii, which states that procurement funding was short by \$37 billion annually.
21. General Hugh Shelton, Chairman of the Joint Chiefs of Staff, in testimony before the Senate Committee on Armed Services, September 29, 1998.
22. General Mark A. Welsh, Chief of Staff of the Air Force, "Fiscal Year 2015 Air Force Posture Statement," Senate Armed Services Committee hearing on "Posture of the Department of the Air Force," April 10, 2014, "...Since 1990, the aircraft inventory has declined from 9,000 to 5,400 aircraft, and the average age has increased from 17 to 27 years." (www.armed-services.senate.gov/imo/media/doc/James-Welch_04-10-14.pdf).
23. Secretary of Defense Robert Gates, "Defense Budget Recommendation Statement," April 6, 2009, (www.defense.gov/Speeches/Speech.aspx?SpeechID=1342). See also Secretary of Defense Robert Gates, "Eisenhower Library Speech," May 8, 2010 (www.defense.gov/Speeches/Speech.aspx?SpeechID=1467); Secretary of Defense Robert Gates, "Statement on Department Efficiencies Initiative," August 9, 2010 (www.defense.gov/Speeches/Speech.aspx?SpeechID=1496) and Secretary of Defense Robert Gates, "Statement on Department Budget and Efficiencies," January 6, 2011 (www.defense.gov/Speeches/Speech.aspx?SpeechID=1527).
24. Government Accountability Office, "Defense Acquisitions: Strategic Airlift Gap Has Been Addressed, But Tactical Airlift Plans Are Evolving as Key Issues Have Not Been Resolved," GAO-NSIAD-10-67, November 12, 2009, p. 27, Figure 2 states that the C-5 fleet's peacetime mission capable rate averaged 52 percent over the previous several years. Several previous GAO reports dating to the mid-1990s depict the peacetime C-5 mission capable rate hovering just above and below 60 percent. (www.gao.gov/new.items/d1067.pdf).
25. "Military and Security Developments Involving the People's Republic of China, 2014," p. 9. China is developing its J-20 and J-31 stealth fighters. Russia continues to improve its T-50.
26. Perry and Hadley et al., "The QDR in Perspective," p. vi.
27. Secretary of Defense Robert Gates, "Statement on Department Budget and Efficiencies," United States Department of Defense, January 6, 2011, (www.defense.gov/speeches/speech.aspx?speechid=1527). See also the Secretary's commencement address at Notre Dame, May 22, 2011 (www.nd.edu/news/22018-robert-gates-commencement-address).
28. "Remarks by the President on Fiscal Policy," delivered at George Washington University, April 13, 2011 (www.whitehouse.gov/the-press-office/2011/04/13/remarks-president-fiscal-policy).
29. S. 365, the Budget Control Act of 2011, signed on August 2, 2011, Public Law 112-25.
30. Admiral Jonathan Greenert, Chief of Naval Operations, "Impact of Sequestration on the National Defense," before the Senate Committee on Armed Services, November 7, 2013. See also Admiral Greenert's "American Military Strategy in a Time of Declining Budgets," given September 5, 2013 at the American Enterprise Institute, Washington, D.C. (www.navy.mil/navydata/people/cno/Greenert/Interview/1309).

31. Secretary of Defense Chuck Hagel, "If sequestration-level cuts are reimposed in 2016, the active-duty Army will have to downsize to an end strength of 420,000," in "FY 15 Budget Preview," February 24, 2014 (www.defense.gov/Speeches/Speech.aspx?SpeechID=1831).
32. General Mark A. Welsh, "Fiscal Year 2015 Air Force Posture Statement," before Senate Committee on Armed Services, April 10, 2014, "The KC-46A will begin to replace our aging tanker fleet in 2016, but even then when the program is completed in 2028 we will have replaced less than half of the current tanker fleet and will still be flying over 200 KC-135s," which date to the Eisenhower era.
33. Perry and Abizaid et al., "Ensuring a Strong U.S. Defense for the Future," p. 36.
34. Former U.S. Senator Jim Talent served on both the 2010 and 2014 National Defense Panels.
35. Perry and Abizaid et al., "Ensuring a Strong U.S. Defense for the Future," p. 8.
36. The baseline defense budget proposed by Secretary Gates for fiscal year 2012 was \$554 billion. In relation to U.S. GDP for 2012, determined by the Bureau of Economic Analysis to be \$15.86 trillion, which would have resulted in a 3.4 percent of GDP allocation for defense. In contrast, the fiscal year 2014 baseline budget of \$496 billion requested by Secretary Hagel, in relation to the BEA's 2014-2Q GDP estimate of \$17.31T yields a 2.86 percent allocation of GDP for defense. See CBO report "Long-Term Implications of the 2012 Future Years Defense Program," June 30, 2011, p. 6, Table 1-3 (www.cbo.gov/sites/default/files/cbofiles/ftpdocs/122xx/doc12264/06-30-11_fydp.pdf) and (www.bea.gov/newreleases/national/gdp/gdpnewsreleases.htm).
37. Congressional Budget Office, "Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output in 2013," February 21, 2014, p. 1 (www.cbo.gov/sites/default/files/cbofiles/attachments/45122-ARRA.pdf).
38. Congressional Budget Office, "Insurance Coverage Provisions of the Affordable Care Act — April 2014 Baseline," April 14, 2014, Table 1 (www.cbo.gov/sites/default/files/cbofiles/attachments/43900-2014-04-ACATables2.pdf).
39. Perry and Abizaid et al., "Ensuring a Strong U.S. Defense for the Future," p. 35.
40. CBO report, "The Long-Term Implications of Current Defense Plans," January 2003, p. 50, (www.cbo.gov/sites/default/files/cbofiles/ftpdocs/40xx/doc4010/01-14-defensesstudy.pdf). See also GAO statement by Paul L. Francis in "Defense Acquisition, 2009 Review of FCS is Critical to Program's Direction," April 10, 2008, p. 10, GAO-08-638T (www.gao.gov/products/GAO-08-638T).
41. The Honorable Jim Talent and the Honorable Jon Kyl, "A Strong and Focused National Security Strategy," special report from The Heritage Foundation and the American Enterprise Institute, October 31, 2013, p. 19 (www.heritage.org/research/reports/2013/10/a-strong-and-focused-national-security-strategy).
42. Perry and Hadley et al., "The QDR in Perspective," p. 85.
43. CBO report, "Making Peace While Staying Ready for War: The Challenges of U.S. Military Participation in Peacekeeping Operations," December 1999, p. xi, Summary Figure 1 provides a stark graphic representation of the ramp-up in the number of personnel deployed annually during the Reagan years, through Bush administration, and across most of the Clinton years. (www.cbo.gov/publication/12060).



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