Statement of Michael O'Hanlon before the House Committee on the Budget

IRAQ AND BEYOND: DEFENSE IN A SECOND BUSH ADMINISTRATION

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What military will the United States need in the future, and how much will it cost? In an era of apocalyptic terror and other threats, there is little doubt that the country must do what it takes to protect itself. That said, at a time of $400 billion federal budget deficits, the country must also ask how to spend defense dollars wisely and efficiently.

The Bush administration's planned defense budget increases of some $20 billion a year into the future are indeed necessary. Half of those increases account for inflation, roughly speaking, and the other half represent real growth in the defense budget. In particular, the administration should increase the size of its ground forces by a total of roughly 40,000 additional active-duty troops for the foreseeable future. This is necessary in order to treat soldiers and Marines fairly and to ensure that the extraordinarily high pace of overseas operations does not drive people out of the military, thereby putting the health of the all-volunteer armed forces at risk.[1]

Given fiscal pressures, at the same time that it carries out this temporary increase in personnel, the military must look harder than ever for economies and efficiencies in other parts of the budget. That is most notably the case with weapons modernization accounts. Thankfully, the promise of modern high technology, and especially electronics and computers, can allow the United States to continue to innovate and improve its armed forces somewhat more economically than in the past. Once the Iraq mission ends or declines significantly in scope, the ground forces can be scaled back to their present size--or perhaps even slightly less--and it may become possible to hold real defense spending steady for a number of years. But not yet.

The Strategic Backdrop

For the foreseeable future, U.S. armed forces will likely remain engaged in Iraq and Afghanistan. They will also need to remain involved in deterrence missions in the Western Pacific, most notably in regard to Korea and the Taiwan Strait. The United States will wish to remain strongly engaged in European security as well, less because of threats to that region than because it is the continent where most of America’s main security partners are located. The strength, capabilities, and cohesion of the NATO alliance therefore have important implications for the United States globally.

But the United States does not know which if any major new wars it may have to wage in the coming years. It does not know if relations with the People's Republic of China will continue to improve or again worsen, even risking the possibility of war over Taiwan. It does not know if the current nuclear crisis with North Korea will be resolved peacefully. It cannot predict whether any other countries will allow their territories to be used by terrorist organizations bent on attacking the United States. It must contend with the remarkable degree of animosity towards the United States among most Muslim countries, particularly in the Arab world, which has worsened considerably in recent years (though it predated President Bush's administration). Additional military scenarios could be of immense importance to America as well. A nuclear-armed Pakistan could wind up in either civil conflict or war against nuclear-armed India. Iran could threaten Persian Gulf shipping or threaten Israel with the nuclear arsenal it seems bent on pursuing. Saudi Arabia's stability could be called into question.

Given this uncertainty, defense planning must be based on assumptions. The important thing is to postulate circumstances that are realistic but not imprudently optimistic. Taking this approach, even though the world and the future will remain uncertain, the range of plausible national security challenges and military responses can be bounded somewhat.

It is easy for defense planners to dwell on problems. But there is a great deal that is good in today's global security environment as well. The United States leads a remarkable and historic alliance system. Never before has a great power elicited such support from the world's other powers and provoked so little direct opposition. This conclusion is in some jeopardy after the Bush administration's internationally unpopular decision to go to war against Saddam Hussein in 2003, but on balance remains correct.

Even powers outside the western alliance system—Russia, China, India, Indonesia—generally choose to cooperate with the United States and its allies on many security issues. They are likely to continue doing so, provided that American military power remains credible, and that the U.S.-led alliance system continues to be founded (however imperfectly) on common values on which most countries agree. This conclusion can be jeopardized—by a United States that seems too unilateralist and too inclined to use force on multiple occasions, or by allies that seem to prefer free riding to doing their fair share in international security. But what is most impressive about the western alliance system is how strong and durable it has become. And what is most reassuring about the challenge faced by the American defense planner is how little worry, with the important exception of possible conflict against China in the Taiwan Strait, need be given to possible wars against any other major powers.

Some fear American military strength, and even many Americans think U.S. military spending at least to be excessive. But as Barry Posen convincingly argues, the United States is far from omnipotent. Past historical eras such as those during which the European colonial powers could easily conquer distant lands are gone.[2] In today's world, the United States can be understood in Posen's phrase to possess impressive command of the commons—air, oceans, and space—but to have a great deal of trouble contending with many conflicts on land, particularly against irregular resistance fighters.[3] The Iraq experience has reinforced this reality for those who may have begun to think of the Vietnam (and Lebanon and Somalia) experiences as aberrations or as ancient history. Moreover, America's high sensitivity to casualties limits its inclination to use military force. And its highly open and democratic political system suggests that it need not be feared to the extent many do.[4] Even on Iraq policy, while the legality of the invasion was admittedly shaky, the Bush administration acted only when it could point to more than a dozen U.N. Security Council resolutions that Iraq had violated. So American power is, even in these politically contentious times, generally a force for good in the world.

Maintaining global military capabilities, holding together this alliance network, and preserving stability in the global system offer great benefits to the United States and the world, but they also cost money. The United States presently accounts for almost half of all global military spending—to be specific, 41 percent in 2003 by the estimates of the Stockholm International Peace Research Institute. (Any specific estimate, however, is imprecise given uncertainty over true military spending by China and several other countries.)[5] But arguments for or against the current level of American military spending cannot be based on such a figure; they must more specifically consider the missions asked of the American armed forces.

U.S. Military Basics

U.S. troops and most types of military force structure have declined about one-third since the later cold war years. They now number 1.4 million active duty troops, plus about one million reservists, of whom some 150,000 to 200,000 have been activated at any time in recent years (see attached table).[6] That active-duty force is not particularly big--just over half the size of China's military, and not much larger than the armed forces of India or Russia or North Korea. But the United States has a larger military presence outside its borders than does any other country—some 400,000 troops as of early-mid 2004. It is also far more capable of projecting additional force beyond its own territory than any other country. And on a per person basis, the quality of its armed forces are rivaled by few and equaled by none.

Republicans and Democrats generally agree about the broad contours of American military planning and sizing. Secretary Donald Rumsfeld's 2001 Quadrennial Defense Review reaffirmed the active-duty troop levels of about 1.4 million maintained during the Clinton administration and also retained most of the Clinton agenda for weapons modernization while adding new initiatives in areas such as missile defense, advanced satellites, and unmanned vehicles. After September 11, 2001, the Bush administration sought and received a great deal more budget authority than President Clinton's defense plan called for. But a Democratic president would almost certainly also have boosted defense spending after the tragic attacks,

since the existing Pentagon plan was underfunded. Moreover, no major Democratic candidate for president in 2004 made a major issue out of the size of the U.S. defense budget.

That the Bush administration retained most Clinton era ideas and programs is relatively unsurprising. Although decisions to buy specific weapons can be debated, the military needs many new or refurbished planes, ships, and ground vehicles since much of the weaponry bought largely during the Reagan buildup is wearing out. America's technological edge in combat may not require every weapon now in development or production, but the advantages to maintaining a resounding superiority in weaponry are evidenced in the rapid victories and relatively low casualties (on all sides, America's and its enemies') in Bosnia, Kosovo, Afghanistan, and Iraq. Early talk of cutting back on ground forces during the early Rumsfeld tenure has stopped—at least for the foreseeable future—given the challenges posed by the Iraq stabilization mission.

The Two-War Framework. Since the cold war ended, U.S. armed forces have been designed to be able to fight and win two full-scale wars at once. The Bush administration modified the requirement in 2001 so that only one of the victories needed to be immediate and overwhelming. More broadly, the new force planning framework was dubbed "1-4-2-1."[7] That meant that American military capabilities would be designed to defend the homeland, maintain presence and deterrence in four theaters, fight up to two wars at a time, and be capable of winning one of them overwhelmingly including overthrowing the enemy government and occupying its territory.[8]

There is a good reason that, even as specifics are debated and modified, a two-war capability of some sort has been maintained by the United States. It permits the country to fight one war without letting down its guard everywhere else, which would undercut deterrence and perhaps increase the likelihood of a second conflict.

Given the strains on the U.S. military in Iraq and to a lesser extent Afghanistan, this purported two-war capability is somewhat shaky today. The United States would have a hard time conducting another major operation abroad now and for the foreseeable future. But in extreme circumstances, it would still have options. Most Air Force and Navy assets are available for possible crises. And in a true emergency, the Army and Marines would have several active-duty divisions available for deployment (as well as several more in the Army National Guard). These units would not be rested; they would have considerable amounts of equipment inoperable and in the maintenance depots; some of their ammunition stocks could be low. But they would still probably operate at anywhere from 50 to 80 percent of full effectiveness, constituting a substantial combat capability.

If any such second major war occurred, there would be little or no rotation base from which to sustain and ultimately substitute for forces sent to fight it. Any large war which actually required such a deployment, while the Iraq operation remained substantial in scale, would probably also immediately necessitate full activation of the National Guard--and perhaps even a consideration of extreme steps such as limited military conscription. But at present, this extreme option need not be considered, and the quality of America's overall deterrence posture need not be seriously doubted.

So the two-war logic is still sound, and U.S. forces are still capable of backing it up with the necessary capabilities. Still, with the Iraq invasion now over, 1-4-2-1 no longer seems quite the right framework for American force planning. In one sense, of course, it is still applicable, in that the last "1" is precisely the kind of operation that continues in Iraq today. But there is a need for greater flexibility in thinking about what the "2" might entail in the future. A major conflict against the PRC over Taiwan, with its likely naval and air predominance, would be much different than war in Korea; conflict against Iran focused on Persian Gulf waterways would be radically distinct from another land war against Iraq. There is a temptation to advocate, therefore, a slogan such as 1-4-1-1-1, with the latter three "1s" describing a major naval/air confrontation, another large land war, and a big stabilization mission like that now underway in Iraq. The last chapter of this book explores some of the other scenarios that could fall within these categories.

Current Deployments. Prior to September 11, 2001, the United States military had about 250,000 uniformed personnel stationed or deployed overseas at any given time. Just over half were in permanent bases; the others on temporary assignments away from their main bases and families. In broad terms, just under 100,000 U.S. troops were in East Asia, mostly in Japan and South Korea or on ships in the western Pacific. Just over 100,000 were in Europe--mostly in Germany, with other substantial totals in the United Kingdom and Italy. Some 25,000 were ashore or afloat in the Persian Gulf region.

Since that time, of course, deployments have increased enormously in the Central Command's theater of responsibility, encompassing as it does Afghanistan and environs as well as Iraq. In the last two years, there have been about 200,000 personnel in the CENTCOM zone. All together, these deployments made for a grand total of about 400,000 uniformed personnel overseas in one place or another (see table).[9]

The Department of Defense is planning major changes in its overseas basing.[10] Among the proposed changes are to reduce American forces in Korea and relocate many of those that remain south of the Han river and out of Seoul. In addition, the Pentagon would move large numbers of troops who have been garrisoned in Germany either back home to the United States or to smaller, less permanent bases in eastern Europe where they would be closer to potential combat zones.

The Pentagon Budget

America's defense budget is, at first blush at least, staggeringly high. Specifically, in 2005 national security funding for the United States is $424 billion, including Department of Energy nuclear weapons-related expenses but not counting the costs of Iraq and Afghanistan (or the Department of Homeland Security). For 2006, $442 billion has been requested.

Depending on how one estimates the spending of countries such as China and Russia, U.S. defense spending almost equals that of the rest of the world combined, as noted above. And, even after being adjusted for inflation, it exceeds typical Cold War levels, when the United

States faced a great-power or peer competitor with global ambitions and enormous capabilities deployed throughout much of Eurasia.

But in a broader sense, judging whether U.S. defense is spending high or low depends on the measure. Compared with other countries, it is obviously enormous (see table on international comparisons). Relative to the size of the American economy, by contrast, it remains moderate in scale by modern historical standards at just under 4 percent of GDP (less than Reagan or even Ford and Carter levels, and only half of typical cold war levels). And given the relatively modest size of the U.S. military--representing only about 8 percent of all military personnel in the world today--the budget is best understood as a means of fully and properly resourcing the country's limited number of men and women under arms. It does not reflect an American ambition to field an enormous fighting machine.

The reasons for a very large U.S. defense budget are not hard to understand. The United States has security alliances or close partnerships with more than 70 overseas countries (featuring all of the other 25 members of NATO, all of the Rio Pact countries in Latin America, several allies in the Western Pacific, and roughly a dozen countries in the Persian Gulf/Mideast region). It alone among the world's powers takes seriously the need to project substantial amounts of military power quickly over great distances for sustained periods. Indeed, the United States possesses by my estimates more than two-thirds of the world's collective power projection capability, and an even higher percentage if one focuses on high-quality units.[11] The United States alone undergirds a collective security system in the western world that helps many countries feel secure enough that they do not have to engage in arms races with neighbors, launch preemptive wars of their own, or develop nuclear weapons.

The era of increasing defense spending does not yet appear to be over. Expectations are for continued annual increases of about $20 billion a year—roughly twice what is needed to compensate for the effects of inflation (or to put it differently, real budgets are expected to keep rising at about $10 billion a year, as shown in the attached table).[12]

Indeed, in political terms, it may actually be easier to find some of those economies now--while the country is increasing defense budgets and increasing support for troops in the field--than to wait until a later moment of general budgetary austerity. Few could accuse any politician of being anti-defense if he or she is supporting $20 billion annual budget increases for the Department of Defense. So such individuals may be better placed to push for tough choices and economies currently than in the future.

Many trends continue to push real defense spending upward even when troop strength is not growing. Historically, weapons costs have increased at 2 percent to 3 percent per year in real, inflation-adjusted terms. A similar trend pertains in the operations and maintenance accounts. Rising health care, environmental cleanup, and other such activities affect the military as much as any other sector of the economy. For example, DoD's medical costs almost doubled in real terms between 1988 and 2003, to just under $30 billion.[13] In addition, while military compensation is now rather good for most troops (by comparison with civilian jobs requiring comparable experience and education), it is important that it stay that way. To attract top-notch people, military pay increases must keep up with civilian pay, which can require real growth of

at least 1 percent a year.[14] Further increases in pay for certain specific groups may be appropriate, such as highly-skilled technicians with much more remunerative job opportunities in the private sector, or those reservists called up to active duty for extended periods who sacrifice large amounts of income as a result.[15]

Potentially countering these broad trends are several opportunities to save money within the defense budget. In all probability, they will not save great deals of money quickly. In fact, they are best viewed not as means of saving money in the literal sense at all, but of reducing the rate of defense budget growth relative to what might otherwise naturally occur. But by this measure, they should be able to free up enough--$5 billion a year soon, perhaps two to three times as much by decade's end--to help fund the temporary increase in troop strength that seems necessary given the demands of the Iraq mission and the war on terror.

Emphasizing Advanced Electronics and Computers in Defense Modernization. One reason the Pentagon budget is slated to grow so much in coming years has to do with buying weaponry. Some of the upward pressure arises from high-profile issues such as missile defense. But most comes from the main combat systems of the military services, which are generally wearing out. Living off the fruits of the Reagan military buildup, the Clinton administration spent an average of $50 billion a year on equipment, only about 15 percent of the defense budget in contrast to a historical average of about 25 percent. This “procurement holiday” must end, and is ending.

But the Pentagon’s weapons-modernization plan is still excessive. Despite the cancellation of the Navy’s lower-altitude missile defense program, the Army’s Crusader howitzer, and the Army’s Comanche helicopter, as well as the administration's planned cutbacks in the 2006 budget request for weapons such as the F-22, more reductions would be appropriate. Although procurement budgets must continue rising, the rapid increases envisioned in current plans are not essential. Economies can almost certainly be found through expanded applications of modestly priced technologies, such as the precision weapons, unmanned vehicles, and communications systems used so effectively in Afghanistan and Iraq.

A more discriminating and economy-minded modernization strategy would equip only part—not most or all—of the armed forces with extremely sophisticated and expensive weaponry. That high-end component would hedge against new possibilities, such as an unexpectedly rapid modernizing of the Chinese armed forces. The rest of the U.S. military establishment would be equipped primarily with relatively inexpensive upgrades of existing weaponry, including better sensors, munitions, computers, and communications systems. This approach would also envision, over the longer term, greater use of unmanned platforms and other new concepts and capabilities, while being patient about when to deploy them. Such an approach would not keep the procurement budget in the current range of $70 billion to $75 billion. But it might hold it to $80 billion to $90 billion a year instead of $100 billion or more now projected.

Privatization and Reform. All defense planners endeavor to save money in the relatively low-profile parts of the Pentagon budget known as operations and maintenance. These accounts, which pay for a wide range of activities including training, overseas deployments, upkeep of

equipment, military base operations, and health care costs--in short, for near-term military readiness-- have been rising fast in recent years, and it will be hard to stop the upward trend.[16]

Some savings are already in the works. Congress has agreed to authorize another round of base closures in 2005.[17] Since the cold war ended, U.S. military forces have shrunk by more than one-third, yet domestic base capacity has fallen only 20 percent. That suggests that another reduction of 12 to 15 percent could be appropriate. The recent Bush administration decision to bring home about 70,000 troops from abroad might reduce the scale of the next BRAC round and imply a net reduction closer to 10 percent of existing domestic capacity. But after initial implementation costs that could reach $10 billion or somewhat more, retrenchment of base capacity will reportedly save about $7 billion annually (including some savings from abroad).[18]

Overhauling military health care services by merging the independent health plans of each military service and introducing a small copayment for military personnel and their families could save $2 billion per year.[19] Other savings in operations and maintenance are possible. For example, encouraging local base commanders to economize by letting them keep some of the savings for their base activities could save a billion dollars a year or more within a decade.[20]

All that said, the activities funded by these accounts are crucial to national security and have proved tough to cap or contain. Privatization is no panacea; it takes time, sometimes raises various complicated issues about deploying civilians to wartime environments, and generally saves much less than its warmest advocates attest.[21] Often it leads to increases in the size of civilian personnel payrolls funded out of the defense budget without reducing uniformed strength--potentially thereby increasing, not reducing, total costs.

Another broad approach is to improve the efficiency with which military forces are deployed and employed. That could lead to some cuts in personnel, at least over time. The Navy has some of the most interesting ideas in this light; they can be pursued further, perhaps allowing modest decreases in the size of the fleet (in addition to less strain on people and equipment). For example, more ships can be based near the regions where they are used, as with attack submarines on Guam. Crews can be airlifted from the United States to relieve other crews on ships deployed abroad, rather than sailing the ships all the way back to the United States so frequently. And the Navy's innovative concept for surging carriers in crises (or for exercises or other purposes), rather than slavishly maintaining a constant presence in key overseas theaters, also could offer at least modest benefits.[22]

Growing the Ground Forces

The case for increased expenditure in one part of the defense budget—the size and cost of ground forces—also needs to be made. Enormous strain is now being imposed on U.S. soldiers and Marines by the Iraq mission and other responsibilities. The Rumsfeld Pentagon has pursued a number of approaches to free up more soldiers and Marines for deployment out of those already in the armed forces. But those initiatives, while worthy and indeed bold, are not enough given the demands of the times.

The United States should promptly increase the number of soldiers and Marines under arms today--by at least 40,000 active-duty troops, above and beyond the increase of some 25,000 that the Bush administration has already carried out. Today's operations, which could last several more years, are too much for the all-volunteer force to be expected to sustain at its current size. Indeed, an increase is already 18 months overdue. Even though it could take two to three years to carry out fully, it must be begun--even if there is a chance that the Iraq operation will be terminated while the increase is being put into effect. The cost of modestly and temporarily increasing the size of the U.S. ground forces, while large, is not terribly onerous. By contrast, the consequences for the nation of continuing to overdeploy soldiers and Marines and thereby risking a rapidly intensifying personnel shortage would be enormous. It is not a necessary risk to run.

Over the longer term, even after the Iraq and Afghanistan missions are complete, the United States will still need substantial ground forces, in addition to major naval and air capabilities. In all likelihood, a force structure similar in size to today's will be needed then, though it may eventually be possible to reduce personnel rosters by 5 to 10 percent. But for now, the pressure of current operations is what must most concern American defense planners--and that pressure requires a temporary increase, not a decrease, in personnel.

Conclusion--Other National Security Requirements and Broader Fiscal Realities

Defense is not the only area requiring budgetary increases. Within homeland security, for example, a much more robust system for inspecting container shipments into the United States is needed, as a team of Brookings scholars argued in a 2003 book, *Protecting the American Homeland*. Most border security agencies within the Department of Homeland Security each require increased spending in the range of several hundred million dollars a year. More initiatives are needed in aircraft safety, such as greater screening for explosives carried on individuals and for cargo carried on passenger airlines. Rail and truck security demands new efforts, such as greater security where equipment is stored and more robust tracking of hazardous shipments. The surface to air missile threat may require attention at some point. Some private industries that are not yet protecting themselves well enough may need tax incentives to do so. And the United States may have to help some countries abroad, particularly less wealthy ones, with security measures that affect Americans directly, such as better use of digital technology and biometrics in passports as well as better airline security for flights head to the United States.

Similarly, some foreign assistance initiatives are needed if we are to prevent a second generation of al Qaeda to be formed to replace and succeed the first generation. Among other things, this could require a major educational reform initiative, with U.S. resources comparable to those devoted to the millenium challenge account and the HIV/AIDS initiative.

The overall message is that the nation's foreign policy and national security efforts will not permit budgetary savings in the years ahead. Even if we can find economies here and there, as in defense modernization, new initiatives are needed that will generally more than consume any savings.

In broad terms, these conclusions argue against President Bush's proposed tax cuts. Federal deficits, as noted already in excess of $400 billion a year, may or may not be cut in half by President Bush's latest plan. But even if that occurs, his intention to cut taxes, the likelihood of further growth in discretionary accounts and health care, and any costs of social security privatization could easily make deficits exceed $500 billion annually in the next decade. They would thus remain at the economically unhealthy level of nearly 4 percent of GDP, driving down national savings rates and increasing America's dependence on foreign investors to propel its economy. Longer-term fiscal trends are even worse, given the pending retirement of the baby boomers together with rising health care costs.[23] Such huge deficits are irresponsible, just as it would be irresponsible not to do what we must within the foreign policy and national security realm to win the war on terror.

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[1] Secretary Rumsfeld's Defense Science Board reached a similar conclusion. See Mark Mazzetti, "U.S. Military Is Stretched Too Thin, Defense Board Warns," *Los Angeles Times*, September 30, 2004.
[2] See Jared Diamond, *Guns, Germs, and Steel* (New York: W. W. Norton and Co., 1997).
[3] Barry Posen, "Command of the Commons: The Military Foundation of U.S. Hegemony," *International Security*, vol. 28, no. 1 (Summer 2003), pp. 5-46; for a related argument, see Michael O'Hanlon, *Technological Change and the Future of Warfare* (Washington, D.C.: Brookings, 2000), pp. 106-167.
[4] On the importance of America's transparent system, see G. John Ikenberry, "Institutions, Strategic Restraint, and the Persistence of American Postwar Order," *International Security*, vol. 23, no. 3 (Winter 1998/99), pp. 43-78.
[5] Matt Moore, "Worldwide Military Spending Up Sharply," *Philadelphia Inquirer*, June 10, 2004.
[6] Department of Defense News Release, "National Guard and Reserve Mobilized as of February 25, 2004," February 25, 2004, available at www.defenselink.mil/releases/2004/nr20040225-0366.html. At that time, mobilized Army reservists totaled approximately 155,000, Air Force 18,400, Marine Corps 5,400, Navy 2,300, and Coast Guard 1,600.
[7] See Posture Statement of General Richard B. Myers, Chairman of the Joint Chiefs of Staff, before the Senate Armed Services Committee, 108th Congress, February 3, 2004; and Secretary of Defense Donald H. Rumsfeld, *Quadrennial Defense Review Report* (Washington, D.C.: Department of Defense, September 30, 2001).
[8] General Richard Myers, *National Military Strategy of the United States, 2004* (Department of Defense, 2004), p. 18.
[9] Testimony of General John P. Abizaid, Commander, United States Central Command, before the Senate Committee on Armed Services, March 4, 2004, pp. 1, 7-8, available at www.senate.gov/~armed_services/testimony.cfm?wit_id=2312&id=1043.
[10] As General Richard Myers put it, "During the FY 2004 budget cycle, Congress voiced concern over the Department's overseas basing plans. Since then, our global posture strategy has matured. We are now in the process of detailed consultation with our allies and members of Congress." See Myers, Posture Statement, p. 33.
[11] Michael E. O'Hanlon, *Expanding Global Military Capacity for Humanitarian Intervention* (Washington, D.C.: Brookings, 2003), pp. 56-57.
[12] Adam Talaber, *The Long-Term Implications of Current Defense Plans: Summary Update for Fiscal Year 2004* (Washington, D.C.: Congressional Budget Office, July 2003), p. 2.
[13] Allison Percy, *Growth in Medical Spending by the Department of Defense* (Washington, D.C.: Congressional Budget Office, 2003), pp. 1-2.
[14] See Amy Belasco, *Paying for Military Readiness and Upkeep: Trends in Operation and Maintenance Spending* (Washington, D.C.: Congressional Budget Office, 1997), p. 5; and Lane Pierrot, *Budgeting for Defense: Maintaining Today's Forces* (Washington, D.C.: Congressional Budget Office, 2000), pp. 18-23.
[15] Tom Lantos, "Military Hardship Duty: Fill the 'Pay Gap' for National Guard and Reserves," *San Francisco Chronicle*, June 10, 2003, p. 23.

16. Gregory T. Kiley, The Effects of Aging on the Costs of Operating and Maintaining Military Equipment (Washington, Congressional Budget Office, 2001). Congressional Budget Office, Paying for Military Readiness and Upkeep: Trends in Operation and Maintenance Spending (U.S. Congress, 1997).
17. Some optimists tend to exaggerate the savings from possible base closings, however. Wayne Glass, Closing Military Bases: An Interim Assessment (Washington, Congressional Budget Office, 1996).
[18] Frances Lussier, *Options for Changing the Army's Overseas Basing* (Washington, D.C.: Congressional Budget Office, 2004), p. xiv.
19. See Ellen Breslin-Davidson, Restructuring Military Medical Care (Washington, Congressional Budget Office, 1995); Russell Beland, Accrual Budgeting for Military Retirees' Health Care (Washington, Congressional Budget Office, 2002).
20. Robert F. Hale, Promoting Efficiency in the Department of Defense: Keep Trying, but Be Realistic (Washington, Center for Strategic and Budgetary Assessments, 2002).
[21] P.W. Singer, *Corporate Warriors: The Rise of the Privatized Military Industry* (Ithaca, N.Y.: Cornell University Press, 2003).
[22] Dave Ahearn, "12 Carriers Needed Despite Efficiencies—Admiral," *Defense Today*, July 9, 2004, p. 1.
[23] Peter A. Diamond and Peter R. Orszag, *Saving Social Security: A Balanced Approach* (Washington, D.C.: Brookings, 2004), pp. 27-38.