A Moderate Plan for Additional Defense Budget Cuts

Michael O’Hanlon
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How much more should defense spending be cut, if at all, as part of further deficit reduction efforts in the United States? This is a central question as Congress and the President seek to avoid future fiscal calamities while finding a balanced, politically acceptable path towards deficit reduction.

The ten-year cuts already mandated from the 2011 Budget Control Act are often described as costing the armed forces $487 billion over ten years, relative to the plan that existed before that deal was passed. In fact, it is more accurate to describe those cuts as totaling $350 billion, since that is the total when the current defense plan is measured relative to a standard Congressional Budget Office baseline that assumes only adjustments for inflation into the future. Savings from reduced war spending are even larger, and additional to the $350 billion figure—though of course, that spending was never intended to be permanent and as such, should be analyzed separately.

Should it occur, sequestration, like the Simpson-Bowles and Rivlin-Domenici deficit reduction commissions of 2010, would cut roughly another $500 billion from defense spending levels over the next ten years.

The Obama administration’s current military plan now incorporates those assumed cuts from the first round of the Budget Control Act—the $350 billion noted above. It does not include cuts from possible sequestration. The current administration plan will scale down the military from about 1.5 million active-duty uniformed personnel to its pre-9/11 total of 1.4 million, or two-thirds the Cold War norm. It chips away at modernization programs but preserves most major ones, with one or two notable exceptions. It levels off various forms of military pay and benefits. But most troops will continue to be compensated better than private-sector cohorts of similar age, education, and technical skill. The Obama plan also holds out ambitious hopes for efficiencies from various vaguely specified reforms that would save $60 billion over a decade, and assumes, again optimistically, that weapons systems will be delivered at currently projected costs. Overall, the Obama plan amounts to a serious belt tightening, rather than fundamental strategic or military change.

Conceptually, the Obama approach is built on time-tested principles of American defense policy, modified only modestly in recent years. The Persian Gulf and Western Pacific remain the two principal theaters of overseas concern—though the administration is seeking to emphasize the broader Middle East/Gulf region somewhat less and, through its policy of “rebalancing,” the Pacific somewhat more. A two-war capability of sorts is retained, even if two full-scale simultaneous regional conflicts are assessed as less likely than before, and large-scale stabilization missions are also seen as less likely. Of course, these latter assumptions must be tempered by the fact that possible enemies get a say in our decisions, too. In the short term, force planning must also account for two specific matters of acute concern: the ongoing operation in Afghanistan, where 68,000 American troops remain, and possible operations in the coming year or two against Iran’s nuclear facilities. Surprises could lurk, too.

Against this backdrop, this paper argues that it is possible to imagine additional defense cuts in weapons, force structure and other expenses of up to $200 billion over a decade, above and beyond those now scheduled. These savings, however, would be considerably less than envisioned under sequestration or Simpson-Bowles.
Moreover, some of those savings might be counter-balanced by higher than expected costs within the Department of Defense. What that means is that net savings could be less than $200 billion, perhaps by tens of billions of dollars—an important reality to bear in mind in all discussions of future defense reforms. We therefore may need to cut more forces and weapons just to achieve the budget targets already assumed by existing law and policy.

My recommendations include the following:

- The size of the active-duty Army and Marine Corps could be reduced modestly below their 1990s levels (to say 450,000 soldiers and 160,000 Marines); current plans are to keep them slightly above those levels. Ten-year savings relative to the administration’s existing plans could reach about $80 billion.

- Rather than increase its fleet, the Navy could employ innovative approaches like “sea swap,” by which some crews are rotated via airplane while ships stay forward deployed longer. This idea and more forward homeporting of attack submarines at Guam could eventually allow the Navy to get by with 260 to 270 ships rather than 286. Ten-year savings could be $25 billion.

- The F-35 joint strike fighter, a good plane but an expensive one, could be scaled back by roughly half from its current intended buy of 2,500 airframes, at an eventual annual savings of more than $5 billion but with only modest cumulative savings of $10 billion to $20 billion over the coming decade (as some planes should be bought promptly).

- Rather than design a new submarine to carry ballistic missiles, the Navy might simply refurbish the existing Trident submarine or reopen that production line. That and other nuclear force economies, including the conversion of Lawrence Livermore National Laboratories away from the nuclear weapons design business, could yield $20 billion in ten-year savings in the national defense budget. Cancellation of a short-range missile defense program could save another $7 billion or so.

- Military compensation could be streamlined further as well, despite Congress’s recent reluctance to go along with the even the administration’s modest changes proposed in 2012. Stateside commissaries and exchanges might be closed, and military health care premiums increased even more than the administration proposed last year. Military pensions might be reformed too, with somewhat lower payments for working-age military retirees having 20 years or more of service, and introduction of a 401k-like plan for those who never reach 20 years (and currently receive nothing). This could be done in a way that would achieve modest net savings. The combined effects of all these changes could exceed $50 billion over ten years.

Another idea in this vein could save substantial sums too, though it would require help from U.S. allies and would have to be phased in over time. At present the United States relies almost exclusively on aircraft carriers, each carrying about 72 aircraft, to have short-range jets in position for possible conflict with Iran in particular. Over the past decade, land-based combat jets in Saudi Arabia, Kuwait, and Iraq have largely come home. While the United States occasionally rotates fighter jets through the small states of the Gulf Cooperation Council, and while it maintains command and control and support assets in states like Qatar and the United Arab Emirates, permanent ashore combat power is very limited. By seeking two or more places to station Air Force combat jets continuously in Gulf states, the United States could facilitate a reduction of one or two carrier battle groups in its fleet. (In theory, it could cut the aircraft carrier fleet even more this way, since the Navy currently needs about five carriers in the fleet to sustain one always on station, but the unpredictabilities of such foreign basing counsel
a more hedged approach—for example, if Gulf states refused permission, the United States might need to surge carriers temporarily even under this plan to conduct offensive operations against Iranian nuclear facilities.) Cutting two aircraft carrier battle groups and associated aircraft could save perhaps $50 billion over a decade, since this option would take time to implement even if regional allies quickly approve it.

Other more modest changes like scaling back purchases of the Littoral Combat Ship, curtailing production of the V-22 Osprey, carrying out another round of base closures, streamlining the acquisition workforce by reducing paperwork requirements, adopting best practices for weapons maintenance more widely, and constraining intelligence spending modestly could save perhaps $40 billion to $50 billion over a decade. Taking everything together, gross savings from these ideas could approach $250 billion, if it actually proved possible to implement them in the face of likely Congressional and allied skepticism about some. In fact, it would be quite ambitious to achieve up to $200 billion in reductions in military units and weapons programs and other costs, relative to what is now planned as of early 2013. And again, it should be underscored that the net savings in overall defense spending levels might not be quite that high. At present, DoD plans are probably optimistic in the savings they foresee from currently anticipated changes. That means some additional programmatic cuts could be needed just to comply with defense budget caps that are already in place under the initial provisions of the 2011 Budget Control Act. So it is best to view my recommendations as achieving somewhere between $100 billion and $200 billion in further ten-year defense budget savings, for purposes of deficit reduction, with the lower end of the scale more likely than the higher end.

Further defense cuts should be viewed in a tempered, moderate way. They are not inconceivable, even if the United States retains its current grand strategy and basic military policy. But they should not approach the deep levels foreseen by either sequestration or plans like that of the Simpson-Bowles Commission, which while hardly emasculating the country or its armed forces, would be too risky for the world in which we live.
**CHAPTER ONE: Army and Marine Corps Force Structure**

Today's U.S. Army is slightly larger than half a million soldiers strong, in the active force; the Marines are at 200,000. Both are headed downward, with the Iraq war over and the Afghanistan mission winding down, to current targets of about 490,000 and 182,000 respectively. How much smaller, if any, can they become? And what about the Army reserve component in particular—another half million soldiers in all?

Some historical perspective is in order. During the Vietnam War, the United States Army's active-duty forces were almost a million and a half soldiers strong. In World War II, the number had approached six million (not counting the Army Air Corps or other services). Under Ronald Reagan, the Army active-duty troop figure was more like 800,000. After reducing that strength when the Cold War ended to less than half a million, and after considering Donald Rumsfeld's ideas in early 2001 to cut even more, the nation built up its standing Army by almost 100,000 troops over the last decade, while increasing the size of the Marine Corps from about 170,000 to 200,000 active-duty Marines as well. The ground forces are now headed back to active-duty strengths that will leave them larger, but only slightly larger, than their 1990s levels.

The U.S. military today is the second largest military in the world, after China's. But it is only modestly larger than those of North Korea, India, and Russia. The size of its active-duty Army also only modestly surpasses those of South Korea and Turkey, among others.

It is important not to latch onto some strategic fad to justify radical cuts in the U.S. Army or Marine Corps. For two decades, since Operation Desert Storm, some have favored "stand-off" warfare, featuring long-range strike from planes and ships as the American military's main approach to future combat. But it is not possible to address many of the world's key security challenges that way—including scenarios in places like Korea and South Asia, discussed further below, that could in fact imperil American security. In the 1990s, advocates of military revolution often argued for such an approach to war, but the subsequent decade proved that for all the progress in sensors and munitions and other military capabilities, the United States still needed forces on the ground to deal with complex insurgencies and other threats.

A military emphasis on stand-off warfare is sometimes linked with a broader grand strategy of "offshore balancing" by which the distant United States would step in with limited amounts of power to shape overseas events, particularly in Eurasia, rather than getting involved directly with its own soldiers and Marines. But offshore balancing is too clever by half. In fact, overseas developments are not so easily nudged in favorable directions through modest outside interventions. One of the reasons is that offshore balancing can suggest, in the minds of friends.

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and foes alike, a lack of real American commitment. That can embolden adversaries. It can also worry allies to the point where, among other things, they may feel obliged to build up their own nuclear arsenals—as the likes of South Korea, Japan, Taiwan, Turkey, Egypt, and Saudi Arabia might well do absent strong security ties with America. Put bluntly, offshore balancing greatly exaggerates American power by assuming that belated and limited uses of U.S. force can swing overseas events in acceptable directions.

Today’s Army organizes its forces and measure its strength more commonly in terms of brigades than the old standard of divisions. There are now four brigades to a standard division. The brigades have been turned into units that are independently deployable and operable in the field. Today’s ground forces include 45 brigade combat teams in the active Army as well as 28 in the National Guard. The Army also has 13 combat aviation brigades in the active force and eight in the reserve component. The Marines, organized somewhat differently and using different terminology to describe their main formations, have 11 infantry regiments as well as four artillery regiments (of which nine and three are in the active force, respectively). Roughly speaking, a Marine Corps regiment is comparable in size and capability to an Army brigade.

Throughout the 1990s, U.S. ground forces were sized and shaped primarily to maintain a two-war capability. The wars were assumed to begin in fairly rapid succession (though not exactly simultaneously), and then overlap, lasting several months to perhaps a year or two. Three separate administrations—Bush 41, Clinton 42, and Bush 43, and a total of five defense secretaries—Cheney, Aspin, Perry, Cohen, Rumsfeld—endorsed some variant of it. They formalized the logic in the first Bush administration’s 1992 “Base Force” concept, the Clinton administration’s 1993 “Bottom-Up Review” followed four years later by the first Quadrennial Defense Review, and then Secretary Rumsfeld’s own 2001 and 2006 QDRs. These reviews all gave considerable attention to both Iraq and North Korea as plausible adversaries. More generally, though, they postulated that the United States could not predict all future enemies or conflicts, and that there was a strong deterrent logic in being able to handle more than one problem at a time. Otherwise, if engaged in a single war in one place, the United States could be vulnerable to opportunistic adversaries elsewhere. This approach clearly could not deter all conflicts; for one thing, military capability does not always demonstrate a willingness to use that capability. But in places where American resolve is most manifest, the rationale would seem to be reasonably compelling. While Saddam is gone, and Iraq now poses much less of a direct overland invasion threat to its neighbors and the region, much of this deterrent logic remains valid, though it can now be modified.

The Obama administration appears to agree; as its 2010 Quadrennial Defense Review states, after successfully concluding current wars: “In the mid- to long term, U.S. military forces must plan and prepare to prevail in a broad range of operations that may occur in multiple theaters in overlapping time frames. That includes maintaining the ability to prevail against two capable nation-state aggressors…” Still, Obama scaled back the presumed likelihood of two truly simultaneous large land wars. Indeed, his January 2012 Pentagon guidance places somewhat more limited demands upon U.S. forces, stating that: “Even when U.S. forces are committed to a large-scale operation in one region, they will be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region.” The same review also stated that planning for large-scale stabilization missions would no longer drive the size of U.S. ground forces.

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Although the feasibility of ruling out large-scale stabilization missions quite so categorically can be debated, I believe the two-war requirement can be scaled back somewhat further for purposes of force planning. A new ground-force planning paradigm might be termed “one war plus two missions” or “1 + 2.” Those missions might for example include residual efforts in Afghanistan, contribution to peacekeeping in a place like Congo, or perhaps contribution to a future multilateral stabilization force in Syria or Yemen (even if such missions seem unlikely and undesirable at present). This approach strikes the right balance. It is prudent because it provides some additional capability if and when the nation again engages in a major conflict, and because it provides a bit of a combat cushion should that war go less well than initially hoped. It is modest, and economical, however because it assumes only one such conflict at a time (despite the experience of the last decade) and because it does not envision major ground wars against the world’s major overseas powers on their territories.

If there ever were conflict pitting the United States against China, for example, it is reasonable to assume that the fighting would be in maritime and littoral regions. That is because the most plausible threat that China would pose is to Taiwan, or perhaps to neighboring states over disputed sea and seabed resources. Similarly, in regard to possible war against Iran, the most plausible conflict would focus on its nuclear program and waterways in and about the Persian Gulf. Neither of these scenarios would be likely to involve substantial numbers of American ground forces. It is therefore reasonable for the United States to have the capability for just one ground war at a time as long as it can respond in other ways to other possibly simultaneous and overlapping challenges abroad.

Moreover, the “1 + 2” concept provides some remaining capacity for a small initial response in a second conflict. The forces for the two presumed smaller and less lethal missions could, if necessary, provide the vanguard of a blocking or emergency response force for the very unlikely event of a second major conflict. And while my option would not increase the size of the Army National Guard, Army Reserve, or Marine Corps Reserve, it would not cut them either—meaning these forces would remain available not only to support active forces in immediate operations, but to provide the basis for a rapid increase in active-duty strength through more general mobilization should that be needed.

Admittedly, despite the hedge provided by the “1 + 2” concept, there is some risk associated with dialing back capabilities in this way. But it would not be radical or unprecedented. During the Cold War, American defense posture varied between periods of major ambition—as with the “2 ½ war” framework of the 1960s that envisioned simultaneous conflicts against the Soviet Union (probably in Europe), China in East Asia, and some smaller foe elsewhere—and somewhat more realistic approaches, as under Nixon, which dropped the requirement to 1 ½ wars. Nixon’s “1 war” would have been conflict in Europe against the Warsaw Pact, a threat that is now gone. His regional war capability, or his “1/2 war” posture, was therefore similar to what I am proposing here.6

This one-war combat capability needs to be responsive and highly effective to compensate for its modest size. That fact has implications in areas like strategic transport, which must not be reduced. It also has implications for the National Guard and Reserves. They remain indispensable parts of the total force. They have done well in Iraq and Afghanistan, and merit substantial support in the years ahead—better than they have often received in our nation’s past.7 But they are not able to carry out prompt deployments to crises or conflicts the way that current American security commitments and current deterrence strategy require. As such, we should not move

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to a “citizens army” that depends primarily on reservists for the nation’s defense.

What does the “1 + 2” framework mean for sizing the Army and Marine Corps? It should allow for roughly 15 percent cutbacks relative to recent peak levels. Army active-duty brigade combat teams might number about 38, with the National Guard adding 24 more. Combat aviation units might decline to 11 and 7 brigades in the active and National Guard forces, respectively.

The Marines would give up two major units, resulting in ten infantry and three artillery regiments respectively in their active forces, while keeping their three divisions and three associated Marine Expeditionary Forces.

This combined ground force would be enough to sustain about 20 combat brigades overseas indefinitely, and to surge 25 to 30 if need be.

This force-sizing math is based on the principle that active forces should have roughly twice as much time at home as on deployment and that reservists should have five times as much time at home as abroad. That would be enough for the main invasion phase of the kinds of wars assumed throughout 1990s defense planning and the invasion of Iraq actually carried out in 2003; force packages ranging from 15 to 20 brigades were generally assumed or used for these missions.8 So the smaller force could sustain an Iraq-like mission for months or even years while also doing smaller tasks elsewhere.

This capacity falls short of the 22 brigades deployed in 2007/2008 just to Iraq and Afghanistan. If long crises or conflicts occurred in the future, therefore, we would have to ratchet force strength back up. The Army and Marine Corps of the last ten years have, fortunately, already proved they can do this. They added that 15 percent in new capability within about half a decade without any reduction in the excellence of individual units.

Some might question whether we even still need a one-war capability. But it is not hard to imagine plausible scenarios. Even if each specific case is unlikely, a number of scenarios cannot be ruled out.9

Consider a possible contingency on the Korean peninsula. This would not necessarily result from the traditional scenario of an invasion of South Korea by the DPRK. It could be sparked, rather, by an internal coup or schism within North Korea that destabilized that country and put the security of its nuclear weapons at risk. It could result somewhat inadvertently, from an exchange of gunfire on land or sea that escalated into North Korean long-range artillery and missile attacks on South Korea’s close-by capital of Seoul. The North Korean aggressions of 2010, including the brazen sinking of the South Korean Navy ship Cheonan and subsequent attacks on a remote South Korean island that together killed about 50 South Koreans, are instructive here.10

Alternatively, if North Korea greatly accelerated its production of nuclear bombs, of which it is believed to now have about eight, or seemed on the verge of selling nuclear materials to a terrorist group, the United States and South Korea might decide to pre-empt with a limited strike against DPRK nuclear facilities. North Korea might then respond in dramatic fashion.

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The allies would surely defeat North Korea in any war and then quite probably occupy its country and change its government. North Korea’s weaponry is more obsolescent than ever, it faces major fuel and spare parts shortages in training and preparing its forces, and its personnel are undernourished and otherwise underprepared. Yet North Korea has a million-man army, as well as a very large reserve. All these soldiers can be assumed to have workable small arms. The nature of the terrain in Korea means that much of the battle would ultimately be infantry combat. North Korean soldiers are still indoctrinated with the notion that they must defend their homeland at all costs. North Korea has built up fortifications near the DMZ for half a century that could make the task of extricating its forces difficult and bloody. North Korea also has among the world’s largest artillery concentrations, and could conduct intense shelling of Seoul in any war without having to move most of its forces at all.

Even nuclear attacks by the North against South Korea, Japan, or American assets could not be dismissed. Attempts at outright annihilation of Seoul or Tokyo would make little sense, as allied forces could respond in kind, and would also surely track down the perpetrators of such a heinous crime eventually. Any North Korean nuclear attack on a major allied city would mean overthrow of the regime, and almost surely death (or at least lifetime imprisonment) for its leaders once they were found. But Pyongyang might try more limited actions. Perhaps it would try to use one nuclear bomb, out of its presumed arsenal of eight or so, against a remote airbase or troop concentration. This could weaken allied defenses in a key sector, while also signaling the North’s willingness to escalate further if necessary. It would be a hugely risky move, but not totally inconceivable given previous North Korean actions.

Possible Chinese intervention would have to be guarded against too. Beijing would probably not be eager to come to the military defense of the most fanatical military dictatorship left on Earth. But it also has treaty obligations with the North that may complicate its calculations. And it would be worried about any possibility of American encroachment into North Korean lands near its borders. It might seek to preempt that possibility by moving its own forces into northern North Korea to establish a buffer zone. For all these reasons, a Korean war could have broader regional implications. This requires that Washington and Seoul maintain close consultations with Beijing in any future crisis or conflict, and perhaps find ways to anticipate or even welcome a possible limited Chinese military role in such a scenario. But it also suggests that U.S. and South Korean forces would want to have the capability to win any war against the North quickly and decisively, before Seoul was destroyed or nuclear weapons used or nuclear materials smuggled out of the country, for example. Moving fast would also reduce the odds that China would decide to establish a buffer zone in an anarchic North Korea with its own forces in a way that could bring Chinese and allied soldiers into close and tense proximity again.

Chances are that none of the above will not happen, precisely because North Korea knows what the consequences would be. This is an argument for making cuts carefully and retaining American engagement in Korea. Deterrence is working. American strategy on balance is successful here and elsewhere in keeping the peace, and the United States must not lose sight of this key reality in its efforts to cut the deficit. Modest defense cuts may be sensible; radical changes should be considered with great skepticism given the ongoing threats of today’s international environment.

To sustain deterrence, U.S. forces available for Korea should remain quite substantial. They might focus largely on air and naval capabilities, given South Korea’s large and improved army. But they should also involve American ground forces, since a speedy victory would be of the essence, and since as noted the fighting could be quite difficult and manpower intensive. Some have argued that, given the

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mathematical requirements of a stabilization mission in a country of some 24 million, South Korea's army could in principle handle much of the stabilization task itself, since it could generate up to 400,000 soldiers. But that perspective overlooks the potential challenges of defeating North Korea's army militarily on such complex terrain in a serious fight, rather than a more benign stabilization mission. Deterrence also works better when leaders in Pyongyang cannot persuade themselves that South Korea could somehow be intimidated into some kind of coerced compromise if it was abandoned by erstwhile allies. For all these reasons, being able to bring several U.S. divisions to bear makes eminent military sense.

American ground forces would also be important because American mobile assets (such as the 101st air assault division and Marine amphibious forces) provide capabilities that South Korea does not itself possess in comparable numbers. They could, among other things, help seal North Korean borders so that nuclear materials could not be smuggled out. Perhaps 15 to 20 brigade-sized forces and 8 to 10 fighter wings, as well as 3 to 4 carrier battle groups, would be employed by the United States, as all previous defense reviews of the post-Cold-War era have rightly concluded. American forces might not be needed long in any occupation, given South Korea's large capabilities, but could be crucial for a few months.

Standing U.S. ground forces that were 15 percent smaller than today's could handle the above. They would also provide options for other remote, yet hardly inconceivable, scenarios. For example, they would retain the ability to overthrow a regime such as that in Teheran that carried out a heinous act of aggression or terror against American interests in the future. That type of operation is highly improbable, and would be extraordinarily difficult—but the capability to conduct it, in extremis, could help deter it. (Such a capability could also be useful against any other powerful extremist government with ties to terrorists and nuclear ambitions or capabilities.) Overthrowing Iran's government and leaving it in chaos would hardly be an ideal outcome. But it could nonetheless be a meaningful deterrent against Iranian extremism, as the United States could defeat and largely destroy the Revolutionary Guard and Qods forces that keep the current extremists in power if it ever became absolutely necessary. To the extent the international community as a whole then saw the reestablishment of order in Iran as important, it could if desired help provide ground forces in a subsequent coalition to stabilize the place—a job that could require half a million total troops. (Even today's American ground forces would in fact be inadequate to the job of stabilizing Iran, which with 80 million people is three times as populous as either Iraq or Afghanistan.) Other ground combat scenarios against Iran can be imagined too, if for example Iran retaliates against a U.S. or Israeli air strike by invading a neighbor—an unlikely but also hardly unthinkable contingency.

Another quite worrisome scenario could involve another Indo-Pakistani crisis leading to war between the two nuclear-armed states over Kashmir. This could result, for example, from a more extremist civilian or military leader coming to power in Pakistan. As my colleagues Bruce Riedel, Stephen Cohen, and Strobe Talbott have shown, it is quite feasible to see how such an extremist state could take South Asia to the brink of nuclear war by provoking conflict with India. Were that to happen, and perhaps a nuke or two even detonated above an airbase or other such military facility, the world could be faced with the specter of all-out nuclear war in the most densely populated part of the planet.

While hostilities continued, even if it would probably avoid taking sides on the ground, the United States might want the option to hold India protect itself.

from missile strikes by Pakistan. It is even possible that the United States might, depending on how the conflict began, consider trying to shoot down any missile launched from either side at the other, given the huge human and strategic perils associated with nuclear-armed missiles striking the great cities of South Asia.

It is also imaginable that, if such a war began and international negotiators were trying to figure out how to end it, an international force could be considered in order to help stabilize the situation for a number of years. India would be adamantly against this idea today, but things could change if war broke out and such a force seemed the only way to reverse the momentum towards all-out nuclear war in South Asia. American forces would quite likely need to play a key role, as others do not have the capacity or political confidence to handle the mission on their own.\(^\text{15}\)

With 48 brigade equivalents in its active Army and Marine Corps forces, and another 24 Army National Guard brigades, the United States could handle a combination of challenges reasonably well. Suppose for example that in the year 2015, it had two brigades in a stabilization mission in Yemen, and two brigades still in Afghanistan. Imagine then that another war in Korea broke out, requiring a peak of 20 U.S. combat brigades for the first three months, after which 15 were needed for another year or more. That would be within the capacity of the smaller force.

What has been the presumed role of U.S. allies in all of the above, and is it possible to encourage them to do more in the future? Some have understandably raised this question at a time when the United States outspends its allies on defense by a wide margin, not only in terms of actual dollars but in terms of the percentage of GDP devoted to the military.

The fact that America has so many allies is extremely important—it signals that most other major powers around the world are at least loosely aligned with America on major strategic matters. They may not choose to be with the United States on every mission, as the Iraq experience proves. But when America is directly threatened, as in 9/11, the western alliance system is rather extraordinary. This has been evidenced in Afghanistan where through thick and thin, even beyond the ten-year mark of the war, the coalition still includes combat forces from some 48 countries.

How much help do these allies tend to provide? Here the answer is, and will remain, more nuanced. The other 47 nations in Afghanistan, at the mission’s peak size in 2011, collectively provided less than one-third of all foreign forces; the United States by itself provided more than two-thirds. Still, a peak of more than 40,000 foreign forces from countries besides the United States is nothing to trivialize.

The allies took the lead in Libya in 2011. But this may be the exception that proves the rule—the mission that they led was a very limited air campaign in a nearby country. The French also helped depose a brutal dictator in Ivory Coast in 2011, and as of this writing are attempting militarily to influence events in Mali, though with uncertain prospects at present. These operations have on balance been courageous, and somewhat effective, but limited in scope and size. Some European and Asian allies as well as other nations continue to slog away in peace operations in places such as Congo and Lebanon. The Australians tend to be dependable partners, Canada did a great deal in Afghanistan and took heavy losses before finally pulling out its combat forces in 2011, and over in Asia, the Japanese are also showing some greater assertiveness as their concerns about China’s rise lead to more muscular naval operations by Tokyo.

Still, the allies are not stepping up their overall defense efforts and they almost surely will not. Any hope that the election of Barack Obama with his more inclusive and multilateral style of leadership would lead them to do so are proving generally unwarranted. NATO defense spending is slipping downward, from a starting point that was not very impressive to begin with. American allies were collectively more capable in the 1990s, when they

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contributed most of the ground troops that NATO deployed to the Balkans, than today.

The fraction of the NATO allies’ GDP spent on their armed forces has declined to about 1.7 percent as of 2009, well under half the U.S. figure. That is a reduction from NATO’s earlier average level of 2.2 percent in 2000 and about 2.5 percent in 1990. Secretary Gates accordingly warned of the possibility of a two-tier alliance before leaving office in 2011.

When allies feel directly threatened, as Japan and South Korea sometimes do now, they will contribute. South Korea in particular can be counted on to provide many air and naval forces, and most of the needed ground forces, for any major operation on the peninsula in the future. (South Korea is generally less enthusiastic about being pulled into an anti-China coalition, understandably.) Taiwan would surely do what it could to help fend off a possible Chinese attack, not leaving the whole job to the American military in the event that terrible scenario unfolded (though in terms of preparation, its $10 billion annual budget pales against China’s, and has dropped to just over 2 percent of GDP).

Many if not most NATO forces will be careful in drawing down troops from Afghanistan, making cuts roughly in proportion with those of the United States over the next two years.

In the Persian Gulf, both Saudi Arabia and the United Arab Emirates have impressive air forces, with at least 100 top-of-the line aircraft each. Both countries could certainly help provide patrols over their own airspace as defensive measures in a future conflict. If they had already been directly attacked by Iran, they might also be willing to carry out counter-strikes against Iranian land or sea targets. But again there are limits. If Iran had not actually attacked their territories, Saudi Arabia and the UAE might prefer to avoid striking Iran themselves first—since once the hostilities end, they would have to coexist in the same neighborhood again. For that and other reasons, it is not completely clear that the United States could count on regional allies to do more than the very important but still limited task of protecting their own airspace. Washington could hope for more, but should not count on it for force-planning purposes.

Britain can probably be counted on for a brigade or two—up to 10,000 troops, perhaps, as in Afghanistan—for most major operations that the United States might consider in the future. Some new NATO allies like Poland and Romania, and some aspirants like Georgia, will try to help where they can, largely to solidify ties to America that they consider crucial for their security. The allies also may have enough collective capacity, and political will, to share responsibility for humanitarian and peace operations in the future, though here frankly the record of the entire western world including the United States is patchy at best. Numerous countries will contribute modestly to limited and low-risk missions like the counterpiracy patrols off the coast of Somalia. If future naval operations are needed, perhaps to monitor or enforce future sanctions on Iran, Washington may get a few allies to participate. But that is about as far as it will go.

The United States need not, and should not, accept primary responsibility for future military operations of a peacekeeping or humanitarian character. But in terms of planning for major war, it will have to assume that its forces together with those of directly threatened allies will provide the preponderance of

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future capability. In specific cases, Washington can always hope for more help. But for planning purposes, it best not count on it. This fact is regrettable at one level. But America should be careful to avoid making the perfect the enemy of the good. The United States leads the greatest alliance system in history, and that fundamental reality is a huge strategic asset that Washington should not jeopardize with unrealistic demands on its security partners—or with the grand strategic gamble of unilateral retrenchment in the hope that such a pullback by America would produce desirable reactions in key overseas theaters.
CHAPTER TWO: Air Force and Navy Force Structure

With its rebalancing to Asia as well as the new defense guidance, issued by the Pentagon in early 2012, that envisions avoiding future large-scale stabilization missions, some of the center of gravity of U.S. defense planning is shifting to the Navy and Air Force.

This is evidenced above all in the new Air-Sea Battle concept being touted by those two services. It emphasizes maintaining access to the global commons, and defense of overseas allies and interests, in light of the spread of advanced technologies (like antiship missiles) as well as the challenges posed by Iran and by China’s rise. It seeks to make use of new technologies to counter these perceived trends, which American strategists often summarize as a growing “anti-access/area denial” (or A2AD) capability on the part of potential U.S. foes. In so doing, Air-Sea Battle emphasizes improved command and control, precision strike, advanced defenses, robotics, submarine operations, and the use of air and space domains.

Yet such innovations are occurring at a time when any shifts in budgetary resources towards the Air Force and Navy are modest at best. For example, the U.S. Navy is currently maintaining a robust global presence with only about 286 major warships. That is still a formidable force of generally high-technology and large vessels, including 11 large-deck aircraft carriers, 11 large amphibious ships with Marine Corps aerial capability themselves, and more than 50 state-of-the-art nuclear-powered attack submarines. But is a fleet only half the size of its peak under Ronald Reagan. Yet it is maintaining 15 percent more overseas deployment time than it did a decade ago, just before 9/11. The Navy needs to think about new responsibilities too, such as the increasingly ice-free and thus navigable Arctic. For these reasons, the Navy would prefer to expand the fleet. For example, towards the end of his tenure, former Chief of Naval Operations Admiral Gary Roughead advocated a fleet of 313 ships. The Navy has subsequently recognized that the fleet will not grow, given budget constraints. My own views, discussed further below, state that, in fact, modest further reductions in fleet size should be possible.

The Air Force also has assets that are part of America’s prompt global reach capabilities. Chief long-range strike assets feature the Air Force’s 180 bombers—65 B-1, 20 B-2, and 94 B-52 aircraft. These, as well as transport planes, tactical aircraft, and support aircraft for purposes such as intelligence, make use

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of roughly 60 KC-10 tankers as well as nearly 200 KC-135 tanker aircraft. More than 300 additional KC-135s are in the Air Reserves and Air National Guard.

These tankers, combined with America’s dispersed base network, also allow tactical combat aircraft to be deployed quickly assuming bases can be found for them in the region of operation. The United States Air Force has 1,700 such combat aircraft in its active-duty inventory alone. The planes can deploy within days if they have somewhere to operate once reaching their destination. The main Air Force combat force structure includes 6 air superiority wing-equivalents, 10 to 11 theater strike wing equivalents, and 8 intelligence/reconnaissance wing equivalents as well as 3 command and control wings. (The air superiority and strike wings have 72 primary planes each; the intelligence wings about 45 each.) The Air Force also seeks to have the capacity to sustain 65 unmanned aerial vehicles on orbit by 2015.26

Both the Navy and Air Force have been streamlining over the last decade, as the Army and Marine Corps have grown. But in fact, further economies are possible. Two main ideas are considered here. The first is a change in how the Navy operates. The second involves relying a bit more on the Air Force, and a bit less on the Navy, for daily vigilance in and around the Persian Gulf.

**SEA SWAPS AND FORWARD HOMEPORTS**

In the modern era, the U.S. Navy has wished to sustain major deployments continuously in the Mediterranean, Persian Gulf area, and Western Pacific. Since the Cold War ended, the Mediterranean has been deemphasized to a degree, but the Persian Gulf area has received even more attention than before, with no sign of that abating despite the overthrow of Saddam and the departure of most U.S. forces from Iraq.

In the first decade after the Cold War, the Navy undertook several innovations. It based some specialty ships like minesweepers overseas, rotating crews by airplane to allow sailors a break without having to waste time bringing the ships home. It also chose to tolerate gaps in naval presence in some theaters, “surging” forces at unpredictable times and places instead. Where some degree of steady presence was viewed as necessary, the Navy would sometimes provide that capability with smaller surface ships or large-deck amphibious vessels rather than aircraft carriers. Building on the practice of overseas homeporting of minesweepers, it also looked into bigger changes in how it deployed ships abroad, as with the so-called Horizon Concept.27

However, while crews are rotated with minesweepers, a handful of coastal patrol craft, and (as has long been the case) the ballistic missile submarine force, the practice has not been extended to other ships. Experiments have been done with larger vessels, but the Navy has not chosen to adopt the crew-rotation practice for them. This means that a typical surface combatant, like a cruiser or destroyer, spends about six months in home port training up for a deployment, then sails for a six-month mission abroad but consumes perhaps two of those months in transit, and then spends another period of at least six months back in home port for recovery and maintenance and other such activities. The net effect is four months on station out of every 18 to 24 month period, a very inefficient ratio.

There is an alternative. It would undoubtedly be challenging to adopt in some ways, but it is time to work through the challenges and make it happen. By keeping a given ship abroad for roughly two years and having two or three crews share that vessel...

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overseas as well as training ships at home, the Navy can do more with less. In fact, it can improve its deployment efficiency by up to 40 percent per ship, accomplishing with about 3.5 ships, on average, what previously might have required 5. Focusing on the Navy’s large surface combatants, cruisers and destroyers, this approach could theoretically allow roughly 54 ships to maintain the global presence that the Navy says it needs—about 21 of these ships deployed abroad at a time—rather than the target of 88 ships it currently is pursuing. In other words, the fleet could decline in size by slightly more than a third. This would permit a slowdown in the production of large surface combatants.

For reasons of practical logistics, and reasons of warfighting as discussed below, it would be too much to reduce the Navy by the full total of 34 ships implied by the above figures. But reductions of roughly half that magnitude should be feasible. Since the average construction cost of these ships is currently $1.5 billion to $2 billion each, and since operating savings are possible too, net savings could approach $2 billion a year.

This new system of crew rotation would take time to implement, however, and savings would therefore be less over the next ten years than one might estimate at first blush. New practices would have to be worked out, and access to overseas port facilities expanded for routine sustenance and maintenance functions. The Navy is already seeing higher maintenance deficits, due to strain on equipment, and cannot implement such a new approach to presence until it has facilities abroad that can keep its fleet shipshape. Perhaps small bridging teams would have to be kept on board any given ship as one crew departed and another arrived, as well. Undoubtedly, new patterns of communications would need to be established among the officers and top enlisted personnel who were responsible for the transition on a given ship, so that the inevitable glitches could be worked through.

An additional way to get more out of a smaller fleet is to homeport more ships near the theaters where they operate. That helps reduce time wasted in transit. Indeed, about a decade ago, the Navy started down this path in another important way, basing attack submarines on Guam. But the Navy can go well beyond the idea of stationing six submarines there; in fact there is room to add at least five more. The average number of mission days for a submarine stationed on Guam might be about 100 a year, roughly three times what a submarine stationed in the continental United States can muster. Adding five more submarines to Guam would allow a reduction of up to 10 attack submarines in the fleet in theory. In practice, to keep an attrition reserve, reducing by five submarines would be more prudent, with annual average savings of something approaching $1 billion.

THE PERSIAN GULF: LAND-BASED AIRCRAFT VERSUS NAVY PRESENCE

One other way to help move towards a smaller Navy, without requiring increases in the size of other parts of the U.S. military, concerns foreign basing of military assets in the Persian Gulf region. For years, all the movement has been in favor of reducing U.S. forces in the region. Also, the fact that it costs the Pentagon $1 million per troop per year to station forces in Afghanistan leads many to assume that basing American military personnel abroad, while strategically necessary at times, is generally a bad economy. This logic is flawed.

Labs, Crew Rotation in the Navy, pp. 7-14.
With the fleet response program, the Navy no longer insists on scrupulously maintaining an absolutely continuous presence in the Mediterranean, Persian Gulf, and Western Pacific regions. Now it is more inclined to make deployments unpredictable, sometimes using more and sometimes less assets than before.
In fact, there are times when basing American forces abroad saves huge amounts of money—not only because deterrence is cheaper than war, but also because accomplishing a given military task can often be done much more efficiently with forward-stationed units. A case in point today is our ability to maintain tactical combat airpower in the broader Persian Gulf region.

At present the United States relies almost exclusively on aircraft carriers, each carrying about 72 aircraft, to have short-range jets in position for possible conflict with Iran in particular. Over the past decade, several squadrons of land-based jets in Saudi Arabia, Kuwait, and Iraq have largely come home. While the United States occasionally rotates fighter jets through the small states of the Gulf Cooperation Council, and while it maintains command and control and support assets in states like Qatar and the United Arab Emirates, its permanent ashore combat power is very limited.

As a general rule, whenever the United States predictably needs continuous airpower capability in a given region, military logic advocates providing much of it with land-based Air Force (or Marine Corps) assets rather than with aircraft carriers. The reasoning begins with the fact that even a major, hardened land base costs perhaps one-tenth as much as a $12 billion aircraft carrier (not to mention accompanying support ships). But the arithmetic is even more heavily weighted against aircraft carriers in such situations, even if they are obviously still crucial for possible conflict in places where the United States cannot predict future needs. That is because of the above-noted fact that it can take five or six ships of a given type in the fleet to maintain one continuous overseas patrol.

The reason that the United States maintains one or two carriers near the Gulf at a time, rather than relying on land-based jets, has important historical and political roots. Over the years, the region’s governments have wanted to limit their visible association with the United States, and Washington has wanted to keep a distance from regimes seen as anti-Israeli or autocratic or otherwise unpalatable. But in light of Iran’s ongoing provocations, and its nuclear programs, this past tendency requires rethinking. This is a good example of where greater allied burdensharing of a certain type may be realistic, given that regional states see a clear threat from Iran themselves, a threat that has grown with time.

It would be a mistake to put all of our eggs in one basket in the Gulf. Given the political sensitivities and uncertainties noted above, it would make the most sense to seek two or even three land bases in different countries in the region, each of which could normally host around 50 American combat jets like the F-15, F-16 or even the stealthy F-22 fighter (and someday the F-35 joint strike fighter as well, once available in adequate numbers). Investment costs for underground fuel lines, hardened aircraft shelters, and the like would ideally be paid largely by the GCC governments.

It is true that land-based aircraft would require that Washington request permission from local governments before being employed in any preemptive strike that America might conduct (with or without Israeli participation) on Iran’s nuclear facilities. It is worth recalling in this vein that Saudi Arabia did not allow the United States to conduct aircraft sorties from its bases during the 2003 invasion of Iraq. Some would cite this fact to argue against land basing. But in fact, Washington could always surge a carrier or two to the region for a strike that occurred at a time of its choosing. The land-based jets would not need to be the vanguard of this operation. It is also worth bearing in mind that while the Saudis in particular were of two minds about the overthrow of Saddam, fearing the prospect of a Shia-majority government that would likely succeed him, they have little such ambivalence about the need to remain resolute in dealing with Iran.

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This option would take time to implement, so it would not be achievable before 2014 or 2015, when any immediate decisions on possibly striking Iran would have probably been made. So it need not dramatically change the course of current coercive diplomacy towards Iran over its nuclear program in any event.

With this idea, the U.S. aircraft carrier fleet might eventually be reduced from 11 ships to 9 with an estimated average savings in the defense budget of $10 billion a year. Indeed, given ship maintenance schedules, the Navy is already going to get practice in operating a fleet with only nine available carriers in the coming years, so this option is really simply about making a virtue out of necessity, at least in the short term. At a minimum, it is an idea to discuss intensively with key allied governments in the region.

On balance, the Navy does not need to add 10 percent more vessels to its force structure to carry out current practices and presence. Indeed, it can do well with 10 percent less, or about 260 major ships. The Air Force too can make due with a somewhat smaller force structure. Its current combined number of tactical combat wing equivalents, 17, is probably excessive in light of several trends. First, the quality of the F-22 and F-35 aircraft is extraordinary, as is the quality of the precision munitions that have come to dominate modern warfare. The genesis of the idea that roughly 10 tactical fighter wings were needed for a given regional conflict was 20 years ago, when the F-22 and F-35 were not a significant part of the force and when precision munitions typically represented 10 percent of the amount of ordnance dropped (in contrast to closer to 80-90 percent today). Precision-guided munitions have roughly tenfold greater effectiveness against most targets than do unguided weapons.

Second, Marine Corps combat aircraft have not been adequately considered in previous planning. These are admittedly designed more for use in support of ground forces. However, with the lower risk of simultaneous ground combat operations in the modern era, and with the greater jointness now typical of modern air operations, this assumption can be modified. Thus, even with this greater reliance on forward-deployed Air Force capability in the Persian Gulf, Air Force tactical combat capability can be reduced by roughly 10 percent as well, from 17 to 15 wing equivalents.

**TESTING THE SMALLER NAVY AGAINST PLAUSIBLE WARFIGHTING NEEDS**

So much for maintaining normal presence. How well would the smaller Navy and Air Force, and new operational and basing practices, work for wartime scenarios?

A difficult case against which to test the future Navy would be a protracted Chinese effort to blockade Taiwan. This is a very unlikely and undesirable scenario; yet it is still plausible, and as such important for deterrence.

Beijing’s idea in such a situation might be to use a combination of missile strikes against ports, cyberattacks, and ultimately submarines shooting torpedoes or antiship missiles at cargo ships to complicate the ability of any company or foreign entity to trade with Taiwan. By sinking just a single ship and introducing major danger into the voyages of others, China might effectively start to strangle the Taiwanese economy at relatively low risk to itself and at low cost in lives. China could even try to rescue seamen from the ships it attacked to limit the risk of international retribution. Such a scenario would be far more promising for Beijing than an all-out attack.

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and yet potentially almost as effective in cowing Tai-
pei. China might further hope that its antiship capa-
bilities would deter American involvement.

In previous work, I have estimated what the United
States might need to do in response, working with
Taiwan's military to protect sea and air lanes into
and out of Taiwan so that normal commerce could
resume. The United States might need a force of up
to four aircraft carrier battle groups, reinforced tac-
tical combat airpower on Okinawa and perhaps also
the Phillipines, and a range of other assets including
attack submarines and maritime patrol aircraft—the
latter especially important since China might start
attacking American satellites in low-Earth orbit in
this kind of engagement. Moreover, I estimated that
perhaps 10 to 25 percent of deployed American as-
sets could be lost in such a campaign. In addition,
the scenario could last long enough that a “rotation
base” would be needed to allow forces to go home
periodically for a rest and for equipment mainte-
nance, with fresh units being deployed as required.37

All told, in a worst case, this scenario could require
the entire recommended fleet of nine aircraft car-
rriers if it lasted long enough and led to damage or
attrition of one or two of them. That is a worst case
assessment, and if it happened, Washington could
probably find ways to get by without carriers in the
Persian Gulf through the use of more land-based
airpower. But it is the kind of consideration that
underscores the importance of not cutting existing
capabilities too deeply.

Scenario analysis is of course always dependent on
the specific conditions assumed, but a stress test of
the somewhat smaller force shows that it can indeed
handle most plausible peacetime, crisis, and combat
demands that would be placed upon it. Washing-
ton can find clever ways to sustain capabilities in the
Persian Gulf and western Pacific even with a smaller
military, if cuts are made carefully and new opera-
tional practices adopted.

Even after the cuts in planned weapons buys of recent years, it is still the case that we can rethink a number of weapons efforts. Some weapons are bought partly out of bureaucratic inertia as well as logrolling of the Congress. Some are simply unnecessary or, to be more precise, not worth the money even if they do provide certain attractive capabilities. Of course, there is no simple formula for determining when we have too much; both analysis and judgment are needed to reach that conclusion.

The so-called acquisition accounts—primarily research, development, testing and evaluation or RDT&E on the one hand, and procurement on the other—together cost the nation almost $200 billion a year in the core defense budget. This is more than China spends on its entire military including all accounts, and at least three times what China spends on military modernization itself (all other countries are even further behind). It is also true that, just in major weapons systems alone, the Pentagon has close to a trillion dollars of plans on the books for the years ahead, completing development and production of weapons it already has in the pipeline.

Yet these acquisition costs do not constitute the preponderance of the Department of Defense's budget. They represent less than 40 percent of the $550 billion or so in core defense spending. As such, we have to avoid the common mistake of thinking that the best way to cut the defense budget is always to cut acquisition programs. Moreover, for all the stories of expensive weapons, the flip side of the reality is that American military technology generally performs extremely well in combat. Examples include Operation Desert Storm, the overthrow of the Taliban in Afghanistan in 2001, the rapid invasion of Iraq and Thunder Run through Baghdad in 2003, the rapid deployment and sustained support of U.S. forces in the field during all these and other operations, the magnificent intelligence and command and control networks that facilitate rapid targeting of extremists on the battlefield and around the world, and the development of drone technology to complement earlier breakthroughs in areas like stealth and precision munitions. These are testaments to scientific and industrial excellence on the part of America's laboratories, weapons development teams, and manufacturers.

In the 1990s, reducing procurement budgets was much of the way in which defense budgets were slashed after the Cold War ended. Indeed, annual procurement budgets were reduced by two-thirds relative to earlier Reagan-era highs. But that was an unusual situation. The United States could take a “procurement holiday” of sorts since it had recently bought so much new equipment during that Reagan buildup, and since the reduction of the combat force structure allowed older equipment to be selectively retired first. There is no large inventory of new equipment today that can allow us such a budgetary reprieve in the coming decade. In particular, much of that Reagan-era equipment is still around, but

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now in need of replacement—not just to modernize
the force, but simply to keep it safe and reliable.

The defense industry faced major challenges during
does 1990s cutbacks, of course. Softening the pain
to an extent, however, was the fact that the 1980s
had been a fairly good decade for defense business.
In addition, even though the economy was mediocre
in the early part of the 1990s in the United States—and
even though defense cutbacks exacerbated the
difficulty in some cases—the situation rapidly
improved. As the 1990s progressed, the general con-
dition of the U.S. economy strengthened, creating
new jobs in other sectors.

Today, of course, the national economy is much
weaker. The defense sector is also smaller. The num-
ber of workers in aerospace and defense is down from
more than 1,000,000 in 1991 to just over 600,000
two decades later, exemplifying the tendency of the
U.S. manufacturing base to lose lots of jobs over that
period. There are now just five major contractors in
the defense business—Boeing, Raytheon, Northrop
Grumman, Lockheed Martin, and General Dynamics. Often the number capable of creating a given
type of weapon system is just one or two. As such,
the health of the industrial base needs to be kept in
mind, since budgets are not so large as to guarantee
a diverse and strong national security industrial base
absent considerable care and attentiveness. Certain
capabilities could simply be lost, and take years to
recreate. The ability to keep costs in check through
competition could also be lost.

The situation is complicated further by another
trend. Even though current acquisition budgets are
sizeable in real-dollar terms, the growing cost of
weaponry means that these budgets typically fund
fewer major programs than was the case before. That
reality is reinforced by the fact that more of today’s
acquisition budget is devoted to research and develop-
ment rather than production—perhaps a reasonable
approach at a time of rapid technology change,
but still a tendency that deprives procurement ac-
counts of the share of funds they used to receive.

When tackling defense modernization questions,
several core realities need to be kept in mind. Few
if any of today’s expensive systems can fairly be de-
scribed as “Cold War legacy weapons.” That makes it
sound as if the Pentagon has simply retained weap-
ons it should have eliminated 20 years ago out of
inertia. There is no weapon today being justified on
the grounds that it might be needed against a Sovi-

et-like threat. Rather, worries that adversaries could
employ advanced surface-to-air, air-to-air, antiship,
and ground attack missiles, quiet diesel submarines,
sophisticated mines, and other such assets drive the
Pentagon’s desires for stealth, speed, maneuverabili-
ty, survivability, and related characteristics in future
weaponry.

Another central fact about defense modernization
is that some state-of-the art weapons will always
cost more than originally foreseen. Cost growth is
inevitable during the invention process. Typical in-
creases are in the range of 25 to 50 percent, leaving
aside the effects of changed plans and delays and the
like. Another key dilemma: when the Pentagon
chooses to build fewer of a given type of weapon,
unit production costs usually go up by at least 10
percent and sometimes more because economies of
scale are lost. This dynamic consumes some of the
 savings that might have been initially expected. And
another sober reality: unless the combat units that
were to receive the new weaponry are simply elimi-
nated, the cancellation of the weaponry would not
in fact change the need to buy something serviceable
and safe and reliable to equip those units. As a rule,
weapons costing at least half as much as the canceled

systems will be needed.45 With today’s Air Force tactical aircraft averaging more than 20 years in age, as well as Navy and Marine Corps aircraft averaging more than 15, purchasing some types of new planes cannot be deferred.46 The same thing goes for other areas of technology.

Savings are nonetheless possible. Consider again tactical combat aircraft. Even as drones have become much more effective, even as precision-guided ordnance has become devastatingly accurate, even as real-time surveillance and information grids have evolved rapidly, plans for modernizing manned combat systems have remained essentially at previous levels.

All together, the Air Force, Navy, and Marine Corps still plan to buy nearly 2,500 F-35 combat jets at a total acquisition price of more than $300 billion in constant 2013 dollars. Production is just beginning at low rates, with the big ramp-up expected in the next few years. The Pentagon will spend about $15 billion annually on the plane starting in mid-decade. Three-fourths of the funds are yet to be spent. The Pentagon’s independent cost assessment office believes the average unit procurement price could be 15 to 20 percent higher than official estimates, exceeding $115 million per plane in 2013 dollars. And once purchased, the same office estimates that the F-35 will also cost a third more to operate in real terms than planes like the F-16 and F-18 that it is replacing.47

It is important to acknowledge some strengths of the F-35, though, and challenge some common criticisms as well. Some have opposed the Marine Corps variant of the plane, with its extra engine as needed for short or vertical take offs and landings. But in fact, that variant has value for an era in which airfields are increasingly vulnerable to precision ordnance of the types that countries such as Iran and China are fielding. The United States needs enough F-35Bs, as the Marine variant is known, to be able to populate bases nearest potential combat zones, such as the Gulf states (for scenarios involving Iran) and Okinawa (in regard to China). As Marine Corps Commandant General James Amos has noted, there are ten times as many 3,000 foot runways in the world adequate for such short-takeoff jets as there are 8,000 foot runways suitable for conventional aircraft—and the Marines can lay down an expeditionary 3,000 foot runway in a matter of days in other places.48

An alternative concept for F-35 production could be as follows. Purchase a total of 1,250 instead of 2,500. Leave the Marine Corps plan largely as is, scaling back only by 10 to 20 percent to account more fully for the proven capacity of unmanned aerial vehicles to carry out some missions previously handled by manned aircraft. Cancel the Navy variant, with its relatively limited range compared with likely needs—buying more F/A-18 E/F Super Hornets in the meantime while committing more firmly to development of a longer-range unmanned carrier-capable attack aircraft.49 The X-47B unmanned system, which completed demonstration tests on a carrier in 2013, is scheduled to conduct flight operations from an aircraft carrier in 2013, so this capability is progressing.50 Reduce Air Force numbers, currently expected to exceed 1,700 F-35 planes, by almost half.

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Of the 800 planes that the Air Force was counting on, but will not get under this approach, make up the difference in the following ways. First, cut back the need by 200 planes by eliminating two tactical fighter wings. Second, view the 200 large combat-capable UAVs currently owned by the Air Force, together with the 300 or more on the way, as viable replacements for some manned fighter planes. The Air Force is buying the equivalent of five wings of large UAVs; perhaps it could transform two manned combat wings into unmanned combat aircraft wings as a result.\footnote{See U.S. Air Force, Fact Sheet on MQ-9 Reaper, January 2012, available at http://www.af.mil/information/factsheets/factsheet.asp?id=6405; and Congressional Budget Office, Policy Options for Unmanned Aerial Systems (Washington, D.C., June 2011), pp. ix-x, available at www.cbo.gov [accessed August 13, 2011].} For the remaining planes, employ further purchases of F-16 jets and refurbishments of existing F-16s to make up the difference as needed.\footnote{These are ongoing; see Bill Carey, “F-35 Delay Forces $3 Billion Upgrade Request for U.S. Air Force F-16s” AINOnline, November 4, 2011, available at http://www.ainonline.com/aviation-news/ain-defense-perspective/2011-11-04/f-35-delay-forces-3-billion-upgrade-request-us-air-force-f-16s.} This approach will produce net savings of some $60 billion in aircraft purchase costs. The F-16 option is still available since the production line is currently making aircraft for Morocco and Oman among others, but it may not remain open for more than a couple years, so this option could have to be exercised fairly promptly to make economic sense.\footnote{Leithen Francis, “Mission Impossible,” Aviation Week and Space Technology, August 15, 2011, p. 27.} Additional savings in the Marine Corps and Navy will add up to another $20 billion to $25 billion.

Average annual savings from this alternative approach to F-35 production might be $5 billion. Over time up to another $2 billion a year or so in savings would be achievable in operating accounts from the sum total of all these changes in tactical aircraft. These savings will not kick in right away, since it is important to get the F-35 production line working efficiently to keep unit costs in check. More of the savings will accrue in the 2020s.

It should also be remembered that a fair amount of risk is inherent in this alternative plan, since entirely canceling the F-35C Navy version of the plane will leave the Navy with less stealthy aircraft over the next decade. This is a risk, and probably a tolerable one, but not a trivial one.\footnote{The Nunn-McCurdy Amendment to the 1982 Defense Authorization Act triggers reviews of weapons when their estimated program cost exceeds by 50 percent original estimates. See Department of Defense, “Selected Acquisition Report (SAR) Summary Tables,” Washington, D.C., April 2, 2010, p. 3, available at www.acq.osd.mil/ara/2009%20DEC%20SAR.pdf [accessed November 12, 2010].}

Following the logic of the discussion on aircraft, I would propose evaluating existing weapons modernization plans with an eye towards streamlining or canceling several of them. Weapons making maximum use of the computer and communications revolutions should be considered highest priority. These offer arguably the greatest benefit for the most reasonable price tag—the best bang for the buck. Current trends in precision munitions, in computer technology, and in related fields such as robotics offer tremendous opportunities.\footnote{For a good historical example of such a case, see Montgomery C. Meigs, Slide Rules and Submarines: American Scientists and Subsurface Warfare in World War II (Honolulu, Hawaii: University Press of the Pacific, 2002); on the more general challenge of promoting innovation within military bureaucracies, see for example Stephen Peter Rosen, Winning the Next War (Cornell University Press, 1991).} Weapons that appear redundant should be less protected.\footnote{On cost savings estimates, see Congressional Budget Office, Budget Options (Washington, D.C., 2009), pp. 5-21, available at www.cbo.gov/fpdocs/102xx/doc10294/08-06-BudgetOptions.pdf [accessed October 20, 2010]; Department of Defense, “Selected Acquisition Report (SAR) Summary Tables, December 31, 2009, pp. 21-23, available at www.acq.osd.mil/ara/2009%20DEC%20SAR.pdf [accessed October 20, 2010]; and Michael E. O’Hanlon, A Skeptic’s Case for Nuclear Disarmament (Washington, D.C.: Brookings, 2010), pp. 110-131.} Weapons that perform poorly, technically or financially, should, of course, be reassessed as well.\footnote{For a good historical example of such a case, see Montgomery C. Meigs, Slide Rules and Submarines: American Scientists and Subsurface Warfare in World War II (Honolulu, Hawaii: University Press of the Pacific, 2002); on the more general challenge of promoting innovation within military bureaucracies, see for example Stephen Peter Rosen, Winning the Next War (Cornell University Press, 1991).}

In this light, changes to several areas of defense modernization beyond the F-35 example discussed above should be seriously considered.\footnote{The chief of Naval Operations, while not abandoning support for the F-35C, has nonetheless voiced some doubts over the central role of stealth technology, and in related fields such as robotics offer tremendous opportunities.} To begin, even more dramatic change is possible in a program known as...
the Littoral Combat Ship, designed to replace the country’s frigates and some mine warfare ships. It was supposed to be an efficient, economical vessel with innovative concepts, but has gradually evolved into something more like a traditional frigate with a half-billion-dollar price tag per vessel, and questionable survivability according to the Pentagon’s director of operational test and evaluation.59 Rather than build more than 50, the Navy should adopt a new approach. The Navy should consider buying just 10 to 20 such vessels (either LCS or the Coast Guard’s National Security Cutter) to serve as “mother ships” for a new type of networked naval capability featuring other, cheaper vessels. Some could be low-draft high-speed ships like the Stiletto, which captures its own wake and thereby travels fast and efficiently along the lines of what the LCS was itself originally supposed to do. These other vessels could take advantage of new technology such as advanced mine countermeasures capabilities that can be deployed on numerous platforms besides the LCS.60 Someday soon, more unmanned vessels could contribute to operations in shallow waters too. Resulting savings would be at least $1 billion a year in acquisition and additional amounts in reduced longer-term operating costs.

The Marine Corps can also reduce planned purchases of the V-22 Osprey program. This tilt-rotor plane, which takes off and lands like a helicopter but flies like a propeller craft, is impressive, and many of the earlier problems with the technology have been worked out. But the added survivability it provides in battle is modest, for the simple reason that it will be exposed in the vertical parts of its flight like a helicopter. Moreover, the added cost is not worth it for routine missions, as reinforced by the fact that the Army is not buying Ospreys. Viewing the V-22 as a niche capability and instead buying existing-generation helicopters to replace aging lift capabilities would produce annual savings of nearly $1 billion for a number of years.

CHAPTER FOUR: Nuclear Weapons, Missile Defense, and Intelligence

There are also substantial sums to be saved in the broad domain of strategic capabilities and intelligence functions. The sums are not as large as they used to be, in the former case, and not as easy to scrutinize as the rest of the DoD budget in the latter case. But several billion dollars a year in possible savings are at stake.

Even though it has already come down dramatically since the end of the Cold War, spending on nuclear weapons can be further reduced. The United States does not need all of the more than 1,500 strategic warheads allowed by the treaty, plus several thousand additional tactical and surplus warheads that are entirely unconstrained by this or any other international agreement. Ideally a treaty could be struck between Washington and Moscow to reduce total warhead holdings on each side to 2,500.61

But even without such an accord, there are ways to save. The United States can scale back submarines and ICBMs. Remaining submarines could be loaded with their full complement of warheads, if that was truly considered necessary, to sustain numerical parity with Russia. For those who feel that any nuclear cuts must be at least partially reversible, moreover, the U.S. bomber fleet provides a hedge. Today most of it is focused on conventional military missions, but more aircraft could be returned to dual purposes. This change in approach would still keep us at nuclear parity with Russia. And it would save money—in the submarine and missile forces of the Department of Defense, and in the nuclear-related activities of the Department of Energy. Termination of the “D5” SLBM nuclear-tipped missile program would be possible. The current fleet of 14 nuclear-armed submarines could be reduced to 8. This would still allow a robust submarine-based leg of the triad but with more warheads per missile and more per submarine. The submarine leg of the triad is exceedingly survivable and as such more risk can be accepted in its size.

Moreover, when existing Trident submarines and D5 missiles require replacement, current technologies will likely be adequate, as they constitute highly survivable and reliable systems. There is no need for big R&D projects, no need for a better ballistic-missile submarine in the future. Current plans to start delivering a new class of submarine in the late 2020s and ultimately building a dozen at a total cost of up to $100 billion are unnecessary (even if most of the savings will accrue after the next ten years).

There are also ways to save in the land-based force. Half of the land-based Minuteman ICBM missiles could be retired. More of the U.S. treaty allowance of weapons could instead be attributed to the bomber force, as noted. Thankfully, the Air Force is already considering whether the Minuteman ICBM, now expected to endure to between 2020 and 2030, can be refurbished to last even longer, until 2050.62

The Department of Energy’s nuclear weapons assets could be scaled back as well. One of the country’s two main weapons laboratories, Lawrence Livermore in northern California, would gradually leave the nuclear weapons business for the most part, while keeping very active in other areas of modern science. No dedicated new facility to make the plutonium “pits” at the heart of most weapons would be needed either, since the existing small facility at Los Alamos could be used as the arsenal continued to shrink in the years ahead, and since the pits are holding up very well.63 In the shorter term, the $10 billion effort to refurbish the B61 bomb could be scaled back by half or more. That program seeks to modify a grand total of just over 300 warheads of several different variants—an inefficient way to sustain future arsenal reliability.64 Annual savings of all the above would total about $2.5 billion.65

What about the intelligence community and its budget? The budget of the American intelligence community is about $80 billion a year at present. It is found, or perhaps it is more accurate to say that it is hidden, within the 050 national defense budget—and principally within the budget of the Department of Defense.

There is no getting around the fact that the budget for U.S. intelligence is quite large—bigger in fact than any other country’s entire military budget with the exception of China’s. It has also more than doubled over the last dozen years or so, to the extent that occasional public disclosures of its aggregate size allow such comparisons to be made. The CIA added 50 percent more operations officers and analysts after 9/11.67 In the interest of secrecy, little additional information is commonly provided to understand how the budget breaks down among the intelligence community’s 16 organizations—from the CIA to the National Security Agency to the National Geospatial Agency to the Defense Intelligence Agency as well as the intelligence units of each military service and each unified command.68

The intelligence world has come under criticism in recent years, some of it deserved, for various failings. It did not synthesize and understand the warnings that a major attack was in the making prior to 9/11. Its incorrect view that Saddam had weapons of mass destruction, and its on-again/off-again warnings about Iran’s progress towards a possible nuclear weapons capability, have complicated American foreign policy and caused major fallout. But it is also important to recall that intelligence is an inherently difficult and uncertain business, as much of it concerns trying to read other people’s minds and to predict the future.69

In addition to its challenges in regard to terrorism, the intelligence community also has taken on new tasks in recent years like the huge growth in cybersecurity concerns. It also has to contend with the growing vulnerability of its space assets due to trends in technology. And at a time of uncertainty in the international environment due to the rise of many new powers, its overall activities remain at least as important as ever.

Yet some of the expansion of intelligence capabilities may have gone too far. The Defense Intelligence Agency more than doubled in size over the last decade. A multitude of new organizations were created. And far more contractors were hired to support these efforts. Total increases in personnel may have been in the range of 100,000 overall. So significant belt-tightening is indeed appropriate in the intelligence world.

Before leaving office, and before the intensity of deficit reduction efforts so dramatically picked up, Secretary of Defense Gates had already set a goal to reduce the contractor workforce by a total of 30 percent over three years—largely due to its growth in intelligence-related fields. That goal, already factored into previous defense budget reduction efforts, makes sense—and may be ambitious enough a savings target for now. It is possible that the intelligence community is pursuing too many big ticket items like expensive satellites but it is difficult to know that from the public record.

Carrying out the Gates reforms while saving at most a couple billion dollars more in annual satellite-related expenses from the broader intelligence community would seem an ambitious goal that we will do well to achieve. Intelligence probably should not be cut by quite as great a proportion as other elements of national security spending. The resulting yearly budget can be reduced by $3 billion to $5 billion, though some of this is likely underway already.

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Beyond cutting forces and weapons, are there ways to save money without directly reducing combat capability? Chuck Hagel has called the Pentagon “bloated,” and in some ways it surely is. But Pentagon Comptroller Bob Hale has noted that the concept of efficiencies within DoD is often hard to achieve in a classic economic sense; more often, when cuts are made, capabilities are lost, even if they are less important ones. In other words, the reform process is important and feasible and promising as a way to save money but there is no free lunch and there are few painless cuts. In that spirit, I begin below with an area of obviously considerable political sensitivity, military compensation.

MILITARY COMPENSATION

The United States is a democracy at war asking young men and women who volunteer for the job to defend the country and its security. Few would deny that the United States has a special debt to its troops.

The country also has the best military in history—and that is not an American birthright, as we know from other periods in history, like the immediate post-Vietnam days of the so-called “hollow force.” Rather, it is largely because of the unbelievable quality of men and women in uniform at present. The country must continue to make military service appealing enough that such individuals continue to join, and remain in, the force. A decade of war has, alas, produced some worrisome trends. This is evident not only in terms of the mental and physical health of those who have been at war, but in terms of somewhat weaker aptitude scores among typical Army recruits, since the Army has borne the brunt of the wars and as such has had some challenges in continuing to attract top-tier recruits. The trend has not been particularly severe. For example, by one measure, the percentage of new enlistees scoring above the median on the Armed Forces Qualification Test has dipped from 65 percent to 62 percent over the last decade. But it needs to be tracked carefully, and policymakers need to avoid such stark changes in compensation that they would risk the quality and morale of the all-volunteer force.

And while making greater use of simulators and the like where possible, the country must also continue to train military personnel under realistic conditions to the high standards that have characterized the post-Vietnam American military for a generation. Any discussion of compensation reform needs to begin with these principles clearly in mind.

The American military is good largely because it is an adaptive, learning organization. It has a tradition, going back to Vietnam, of training realistically and then carrying out “after action reviews” in which everyone is expected to be self critical. It does this in

wartime extremely well too. But this is only possible because resources are adequate to train realistically and because the military’s educational and compensation systems are good enough to attract many of our best and brightest into national service.

Several principles are key in deciding on future military compensation policy. First, deployed troops and wounded warriors as well as their families must be helped at all costs; we are doing better and better in this task but still not well enough. Specifically, the budget of the Veterans Administration needs to be fenced off from the kinds of analyses conducted here, as it concerns injured and disabled veterans and their families, and any reforms therein must be extremely carefully done. Indeed, some improvements in Veterans’ services are warranted, such as greater ability for individuals suffering from mental challenges to seek help in the private sector at government expense, as an added option to what currently exists (as suggested by retired General Jack Keane and others).

Second, the country needs to incentivize young, technically skilled, and highly motivated people to join and stay in the military. Third, while the nation cannot realistically make military service a lucrative career path per se, it needs to be sure to compensate volunteers risking their lives for their nation reasonably well.

Fortunately, there is no systematic military-civilian pay gap in the United States today. Private-sector wages, especially for middle-class and blue-collar jobs, have stagnated in recent decades in the United States while military compensation has continued to improve. Moreover, military jobs carry additional benefits above and beyond wages that further favor those in uniform. On average, for individuals of a given age and educational background, the American armed forces actually pay substantially better today than does the private sector. And military compensation per active-duty service member, according to a 2012 Congressional Budget Office study, increased to roughly $100,000 in 2012 from $70,000 in 2000.75 (These costs do not include the dramatically higher expenditures for Veterans’ Administration benefits that one would expect, and that the country should fully support, after a decade at war.)

But that is an average. Some problems exist. Technical experts in areas like computers may still make less in the military. Those who do twenty-year careers in the military get generous retirement packages and those doing less get nothing. Middle-aged retirees who go on to other jobs, with those generous retirement packages, also get deals on health care that the rest of the country can only dream about in this day and age. Many of these things can and should change. The United States can actually make military compensation more fair and at least moderately less expensive as a result.

To begin, the Department of Defense should increase military compensation more selectively in the future. General pay increases could be held to the rate of inflation, with bonuses of various types used to address specific shortfalls in the force structure. CBO puts annual savings at about $1.5 billion.76 One could make a case for an actual pay freeze for two to three years, in fact, with no inflation adjustment at all over that period of time. That could save another $5 billion a year, indefinitely into the future, at least. But in light of the other reforms I advocate below, my preference would be not to turn to this pay-freeze option now.

One of the reform ideas is to eliminate stateside military exchanges and commissaries. These kinds of on-base stores are popular with military families, but in the era of Walmart and Costco and Home Depot and Best Buy, they are less important than before and a less prudent use of taxpayers’ money. At least

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$1.5 billion a year can be saved in this way.\textsuperscript{77} (As a compromise, some could be retained in those few locations where large outlets are absent.)

Even bigger savings can be found by increasing cost sharing within the military health care program. The TRICARE system provides an extremely good deal to military families. While this has been understandable to a degree, it has arguably gone too far, not only far exceeding the generosity of plans in the civilian economy, but incentivizing excessive use of health care (due to the low costs).

One of the issues is that TRICARE is available to retirees and their families. Yet some retirees argue that they were promised free health care for life when joining the military. Well, if they were, it was in many cases a type of health care radically different—and radically cheaper, perhaps by 75 percent or more depending on their age—than what is available today. No one would begrudge wounded warriors the best of care; the issue here, rather, is the cost-sharing system of copayments and enrollment fees for the typical military family including retiree families. Reforms that retained a generous military health care system but with cost-sharing at a level less dissimilar from the that in the civilian economy could save $6 billion a year.\textsuperscript{78}

And finally, it is simply time to change the military retirement system, going back to ideas temporarily implemented under Ronald Reagan in the 1980s. The military retirement system is arguably too generous at 20 years of service and not generous enough for those leaving the armed forces sooner. Indeed, those leaving the military after one or two or three tours of duty get nothing—an unfairness to many of our combat veterans, among others. The generous benefits for those staying within DoD for 20 years continue despite the fact that second careers after the military have become much more common, and military pay relative to private sector pay much better than before. Providing a modest benefit, analogous to a 401K in the private sector, or eligibility for military personnel to participate in the Thrift Savings Plan available to civilian government employees (which involves matching government funds for those willing to save for retirement), would improve fairness. Higher amounts could be contributed by the government for those who have served in dangerous zones.

This new retirement system would also save money. The Perry/Hadley independent panel that assessed the Pentagon’s 2010 Quadrennial Defense Review made this general argument. A recent Defense Business Board study suggests savings that could approach $10 billion a year over the next 20 years. Even if a modified version of the plan only half as ambitious were instituted, and savings accumulated gradually, it is likely that $2 billion to $3 billion a year could be saved over the next decade.\textsuperscript{79}

**REFORMS AND EFFICIENCIES**

When trying to cut the budget, it is essential to search for waste, fraud and abuse. It is also good politics. Alas, this is challenging.\textsuperscript{80} It is not just that entrenched interests often oppose reform. It is also that the prospect of cost savings is often uncertain or even illusory, and that up-front expenses are needed to implement reforms (meaning that short-term savings can actually be negative).

A case in point is base closures. The first four rounds were a relative success—more expensive to implement than initially foreseen (with a combined up-front implementation cost of $25 billion), and

\textsuperscript{77} Congressional Budget Office, *Budget Options*, pp. 28-29.


slower to yield savings, but still a net benefit to the Department of Defense and the taxpayer. However, the 2005 round, originally expected to yield $35 billion in savings over 20 years, is now expected to yield just $10 billion, with most of those savings towards the end of the process. Initial implementation costs, originally projected at $21 billion, wound up closer to $35 billion.\textsuperscript{81} Some of these unfavorable revisions to original estimates may have been due to the fact that a fifth round of base closures had fewer obvious targets for major savings than the first four; some of it frankly could have been due to questionable analysis, planning, and implementation.

As such, the Department of Defense’s recent requests for additional base closure rounds were frowned upon by the Congress. They probably do remain a good idea. The 2005 round was unusual enough, with its focus on increasing jointness rather than efficiency, that future rounds could be expected to do better. They will likely yield eventual savings of $2 billion to $3 billion a year, like the first four rounds.\textsuperscript{82} That said, net savings over a decade would be very modest as those types of savings tend not to be realized for a half decade, and in the early years implementation costs can be significant. If one or two rounds of subsequent base closures save a net of $10 billion over the next ten years we will be doing well.\textsuperscript{83}

Savings from some possible reforms are even harder to gauge in advance than those for base closures. A number are being attempted, including the Better Buying Power Initiative of Frank Kendall, Under Secretary of Defense for Acquisition, Technology, and Logistics, which emphasizes development of a career-oriented professional acquisition workforce, among other goals.\textsuperscript{84} But knowing what will be saved is quite difficult. For example, in 2012 the Government Accountability office released two studies on two different defense reform concepts that underscored the uncertainties involved in predicting savings. One considered whether the Department of Defense could use “strategic sourcing” more frequently to buy supplies in bulk and at discount across the Department. But of course, many Pentagon purchases are of a much different nature than those of private corporations. As such, the GAO had difficulty predicting savings. At one point in its report, for admittedly illustrative purposes, it spoke of savings of up to $50 billion a year (for DoD and several other agencies combined) from this possible reform. At another point, once getting more specific and analytical, its estimate was closer to $5 billion or less (for just DoD in that case), and even that figure was highly notional. Moreover, that would be a medium-term goal, not an immediately attainable objective. This is not to criticize GAO, but to note the great imprecision involved in making such predictions.\textsuperscript{85}

As another example, GAO wrote about the possible advantages to entering into long-term maintenance contracts with private contractors for keeping weapons and other hardware in good shape, but also noted that it had cost nearly $20 billion in facilities and other investments to develop such contracts for a group of ten weapons systems. Any net savings in areas such as reform and further privatization of maintenance work would therefore take considerable time to be realized.\textsuperscript{86}

There is no reason to oppose possible reforms just because of such uncertainties, necessarily. But since


DoD is already counting on $60 billion in ten-year savings from reforms and efficiencies in its current budget plan, there should be considerable wariness about assuming even more savings from additional measures that might be undertaken. Savings in areas that have been untapped to date may range into the low billions of dollars a year—but only once implemented, over time. All that said, it is still necessary to make the effort, and keep at it.

One useful idea beyond another round of command closures is to close some commands and a war college too. Secretary Gates closed Joint Forces Command with possible annual savings in the low hundreds of millions of dollars. The process needs to continue further. Each military service has numerous commands within its own institution. The individual services do not need all the component commands they have in geographic theaters—the Army in Korea, the Navy in Europe—when many of these theaters have seen substantial U.S. military downsizing, and when unified joint commands are also present.

Each service has at least one war college in an era when jointness is supposed to be the watchword, and when the size of each service is at least one-third less than a quarter century ago. With a smaller military, at least one of the war colleges, in Alabama, Virginia, Pennsylvania and Rhode Island for the Air Force, Marines, Army and Navy respectively can be closed and its activities merged with the remaining colleges. Closing one would be roughly proportionate to the overall reductions in the size of the armed forces over the last twenty years. Indeed, there is a case to eliminate entirely the service-specific war colleges, retaining some but not all of the existing facilities for new joint institutions. More specialized institutions such as the Naval Postgraduate School should also be rethought. Corresponding changes might save up to $1 billion annually.

As noted, another round of base closures also makes sense. Since it is possible that future global developments may require at least a temporary increase in the size of the force at some future date, not all the closed facilities should be sold; the government should hold onto some extra land where it can add more basing on short notice if need be. But the annual costs of operating excess buildings and other facilities cannot be sustained and must be cut. Changes might be considered abroad too, in places such as Germany where despite downsizing in recent decades a large number of facilities remains. A round of comparable magnitude to previous efforts would, once changes are complete, save some $2 billion a year.

Another base-related matter concerns U.S. forces in the Western Pacific. The budgetary costs of current plans to relocate forces in Korea and Japan could range up to $50 billion over a number of years. Most would be associated with moving some 7,000 Marines from Okinawa, Japan to Guam—costs that would be likely borne in large measure by Tokyo, if it can sort out the Japanese domestic politics and get the basic concept approved in the first place. Opposition on Okinawa to one aspect of the plan that would entail building a new airfield on a different part of the island may sink the whole concept.

There are better ways to handle this situation with the Marine Corps and Okinawa. As Mike Mochizuki and I have argued, half the Marines could be brought to California instead of Guam, taking up space in barracks being evacuated by the downsizing of the Marine Corps. Japan could then be asked to help purchase enough maritime prepositioning ships

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and associated equipment for that same number of Marines, and to allow the military to homeport the ships in the main islands of Japan. In a future crisis, the ships could be sailed to where they were needed, and the California-based Marines could fly there to marry up with their weaponry. A modest-sized heliport rather than a full-fledged new airport could then be built on Okinawa to replace the Futenma Air Station’s still-needed functions, and Japan could add a runway at its main Naha Airport on Okinawa that could be used commercially in peacetime but remain available for military operations in crisis or war. These changes in total would likely save the United States some half billion dollars a year over the next decade.

There are also more mundane efficiencies to be pursued. As one example, the Pentagon should revamp military traditions and perquisites such as business jets for many top flag officers. Yes, commanders in the field need their own mobility, but officers running domestic commands do not. An anecdote from the recent past illustrates the situation. Both the Deputy Secretary of State and Deputy Secretary of Defense attended a given conference in Colorado. The former flew out, commercial class, by himself. The latter arrived in a military jet with entourage—which was the jet’s second trip to the site in as many weeks, since the week before an advance team had come to scout the place out. It is indeed important to protect our key public servants but the excesses of the deputy secretary’s trip were remarkable for a man not in the wartime chain of command and not an iconic or famous public figure. There are dozens of such planes that are superfluous, meaning that at least $200 million a year can be saved by eliminating them.

It is also time, with respect and admiration for their service, to scale back military bands. Yes, military morale is important and bands help. But today’s deployed military has, in most cases, direct TV and hot food and air conditioning—not to say that life is easy abroad, only that the nature of amenities and morale boosters has changed. And where troops in the field do not have such things because of their remote locations or dangerous circumstances, bands will have a hard time venturing in any case. Roughly $200 million a year can be saved in this way.

A final example of possible savings, championed by Senator Tom Coburn, is to close military schools in places where public schools—generally more cost-efficient—are available. Nearly 20,000 students could be involved; not huge numbers, but not budgetarily insignificant either. Several hundred million dollars in annual savings could eventually become possible.91

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Defense spending cuts should not be made for their own sake. In fact they are difficult, and risky. They make sense only as part of a broader national effort of deficit reduction and economic renewal. The suggestions here are motivated not by any anti-defense agenda but rather by the goal of minimizing aggregate national security risk. There is no logic to doing so if entitlement policy, tax policy, and other federal programs remain unchecked while the Pentagon is offered up as sacrificial lamb in an unbalanced deficit reduction effort. However, done as part of a general national agenda of shared sacrifice, cuts of significant magnitude in defense may be feasible without requiring strategic retrenchment.

Up to another $200 billion in aggregate ten-year military spending cuts in weapons, units, and other Pentagon expenses are reasonable. These cuts go beyond those already expected as part of a gradual reduction in the nation’s costs for waging war abroad. They may not translate into quite that much in actual reductions in the defense topline budget, however, because current plans are optimistic—they may cost more than expected. As such, some additional cuts in forces and weapons may be needed simply to comply with budgetary savings envisioned in the first tranche of the Budget Control Act (that is, the cuts sometimes reported as $487 billion over ten years, though more accurately understood as $350 billion relative to a CBO constant-dollar baseline). So the net additional savings resulting from my proposals, in terms of a reduction in the defense budget “topline” that would contribute to deficit reduction, is in fact somewhere between $100 billion and $200 billion, with the lower part of the range more realistic and likely.

Larger defense cuts that could approach another half trillion over ten years, as under sequestration or the Simpson-Bowles deficit reduction plan, would however be unwise. Yes, America’s armed forces today are expensive, but that is for a good reason—they are a stabilizing element in the current global environment. Most other countries welcome American military power, and choose to ally with it formally or informally, even as they sometimes complain about U.S. foreign policy. And if the military is expensive, that is also because you get what you pay for. While America’s armed forces are costly on a per-person basis—which is the right thing to do, since a democracy with an all-volunteer force owes it to men and women in uniform to take good care of them—they are not particularly large in size.

With reductions of up to $200 billion, the nation can avoid salary cuts for its troops or any hint of weakening resolve towards East Asia or the Persian Gulf. It can modernize forces enough that the most promising new technologies can be pursued in numbers adequate to equip those forces most likely to fight in key regions. It can retain ground forces large enough, even after the Afghanistan campaign winds down, to carry out another war if necessary (heaven forbid) without having to let down its guard simultaneously in every other part of the world, stealing forces from all other theaters to conduct the combat operation.

If instead the United States pursued another half trillion dollars in ten-year defense budget cuts, as under sequestration or the Simpson-Bowles plan, making for a cumulative total of nearly one trillion dollars or 15 to 20 percent, these would require more dramatic changes in America’s basic strategic
approach to the world and to how it maintains the world’s finest armed services. Such ideas are not unthinkable. They would not emasculate the country or deprive it of superpower status or immediately open the door to adventurism by aggressors abroad. I simply view them as excessive and ill-advised in light of the likely risks versus the expected benefits.

If such deep cuts happened anyway, three of the least debilitating ways to carry them out might be as follows. First, rather than being simply streamlined to sizes slightly below Clinton era levels, the active-duty Army and Marine Corps might be cut by 25 percent, going much further than the administration now plans. This would likely deprive the nation of the prompt capacity to conduct anything more than one large ground operation at a time, or perhaps one large operation plus a very modest additional one, even though recent history has demonstrated that multiple simultaneous missions are more than possible.

To make the math work, the active-duty Army might wind up with 400,000 active-duty soldiers under this approach, in contrast to more than half a million now and to some 475,000 in the Clinton and early Bush years. The Marine Corps might level off at 150,000 active-duty personnel. This would be enough for one major operation, like the unlikely but not unthinkable contingency of another war in Korea. It would also likely keep the Army large enough to retain its prestige as the world’s best ground combat force and to facilitate foreign engagement globally in peacetime. But it would not allow enough capability for that plus an ongoing mission similar to the one in Afghanistan today—or to a substantial role in a future Syria operation, for example—at the same time. It would effectively move ground force planning away from the two-war standard that has, however imperfectly and inexact-ly, undergirded American military strategy for decades. My fear is that it would weaken deterrence; since small to mid-sized missions in the future are likely, it would be regrettable that America’s capacity for quick response to a major regional war would be effectively called into doubt any time such operations were undertaken. Still, this approach could save $100 billion over a decade.

The second major change could be in military compensation. Military compensation, now more than $25,000 greater per person than at the start of the Bush administration, might be gradually returned towards 2001 levels. Since some $10 billion in savings were already proposed in the above pages concerning health care and pension reform among other things, up to $25 billion in annual savings would remain to be reaped in theory. But even a gradual move towards savings half that amount, or about $100 billion over ten years, would be radical, as it would encompass sustained real military pay cuts. While econometrically imaginable, in light of all the increases in compensation in recent years, it would also risk sending a very negative image to men and women in uniform and imperil the ability of the military to recruit and retain the best and brightest. It would amount to a multi-front cut to military compensation, across all major areas of current benefits, and could certainly jeopardize the integrity and quality of the all-volunteer force.

A third cut of comparable budgetary significance could be accomplished by cancellation of the F-35 joint strike fighter outright, and a decision to buy more F-15, F-16, and F-18 vintage aircraft as well as unmanned aerial vehicles instead. This would deprive the country of a stealthy main attack jet and place America’s hopes for an enduring technological edge in its small B-2 and F-22 aircraft fleets, together with improved precision-strike munitions and also future types of unmanned aircraft. But it would also amount to an invitation to China to close the technological gap with America much more quickly than might have been possible before. As such it does not make sense to me.

In the end, while such cuts as would be required under sequestration or similar plans are unwise, the United States can and should attempt to save additional dollars in the defense budget of more modest amounts. It should do so, however, only in the context of reestablishing national sacrifice and fiscal discipline across the government. America’s defense spending levels are not inherently dangerous and are not grossly wasteful. They can however be prudently trimmed beyond what is already planned.
Michael O’Hanlon is a senior fellow with the 21st Century Defense Initiative and director of research for the Foreign Policy program at the Brookings Institution, where he specializes in U.S. defense strategy, the use of military force, and American foreign policy. He is a visiting lecturer at Princeton University, an adjunct professor at Johns Hopkins University, teaches at Columbia University, and is a member of the International Institute for Strategic Studies. O’Hanlon is a member of the External Advisory Board at the Central Intelligence Agency. His most recent books are Bending History: Barack Obama’s Foreign Policy (co-authored with Martin S. Indyk and Kenneth Libetral, Brookings Press, 2012) and The Wounded Giant: America’s Armed Forces in an Age of Austerity (Penguin Press, 2011). O’Hanlon is currently completing a book based on this paper entitled, Healing the Wounded Giant, which will be released this spring.