

# Separating Sequestration Facts from Fiction

## Sequestration and What It Would Do to U.S. Military Power, Asia, and the Flashpoint of Korea

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### PART I: The Sequestration Situation

In recent months, concerns over sequestration and its impact on the U.S. military have reached a fever pitch in Washington.

Sequestration “would destroy the military” and cause an “inability to defend the nation” argued Senator John McCain, ranking member of the Senate Armed Services committee.<sup>1</sup> “Cuts of this magnitude would be catastrophic to the military,” testified General Raymond Odierno, the Chief of Staff of the U.S. Army, to Congress. “From a pure national security perspective, the gap between the U.S. military and our closest rivals will collapse with sequestration,” wrote the *Washington Times*.<sup>2</sup> And it would create a U.S. military akin to a “paper tiger... unable to keep up with potential adversaries,” said Secretary of Defense Leon Panetta. “In effect, it invites aggression.”<sup>3</sup>

There is no doubt that sequestration would be a terrible mistake. If Congress is unable to reach a compromise on how to solve America’s debt dilemma, almost half a trillion dollars in mandatory cuts to the defense budget over the next decade would initiate in January (meaning roughly \$55 billion in the first year). It is un-strategic to hack away at the defense budget in a generalized manner, cutting the good and the bad by the same percentage, like a butcher with a piece of meat.

Unfortunately, in the effort to fight this scenario with hyperbole, we may be doing a different kind of disservice to U.S. security. While the screams of outrage over sequestration are directed at a domestic American audience, they resonate around the world. Words do matter, especially those said in the capital of the free world about how it sees its own ability to maintain that role. We do know that America’s allies are certainly listening to these statements. For example, at an August 2012 engagement with high level South Korean defense leaders and experts, organized by Brookings and KIDA, the Korean Institute for Defense Analysis, a senior Korean leader said “We hear these statements and have deep, deep concern about what it means for us.” In turn, we don’t know how such predictions of doom and gloom by American leaders are received in capitals like Pyongyang. But one can reasonably conclude that if you don’t want to “invite aggression” then the best tactic is not to go about screaming to the world that you expect to be weak and “toothless.”

So what we have today is the combination of high stakes, hysteria and the kind of complex issue that too often only policy wonks love to dive into. Indeed, the very word “sequestration” itself seems almost designed to make it hard to understand (it actually comes from an old Latin term meaning to seize the property of someone for the benefit of paying off their debtors or the state).

The following article is an attempt to demystify what sequestration might really mean for U.S. military spending and power. Instead of the typical Washington, DC discussion of sequestration, which has so far largely been focused on questions of jobs and elections, it tries to take the long view. First, we will look at the background of how we got here and the actual drivers behind the looming budget cuts. Then, we’ll place it all into context, looking at what sequestration might mean to U.S. military spending compared to the world in general. Then, we’ll

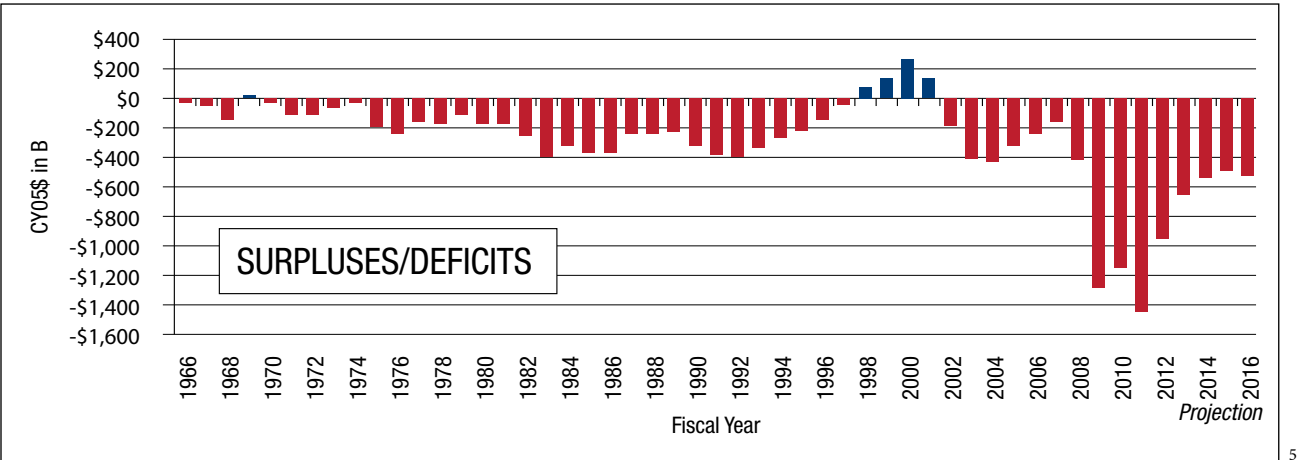
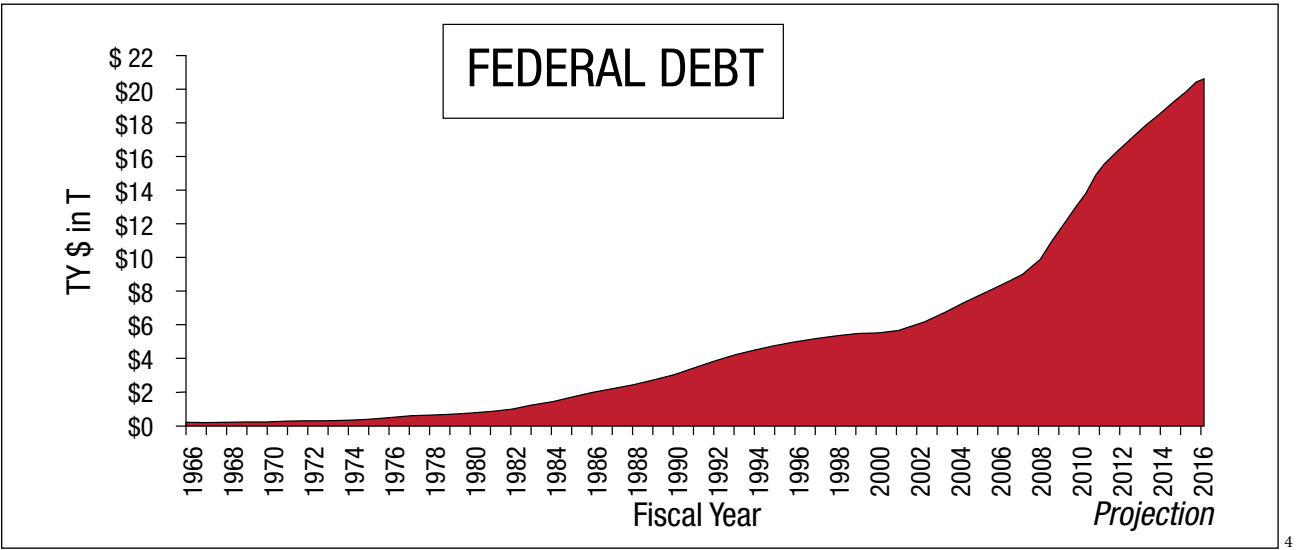
explore a bit deeper its potential impact on East Asian military spending levels, checking out what it means for one of the most important regions in the world and the new area of American military “pivot.” And finally, we’ll examine just how sequestration might play out in an area where there is perhaps the deepest concern about the impact of potential sequestration, the flashpoint of the Korean peninsula.

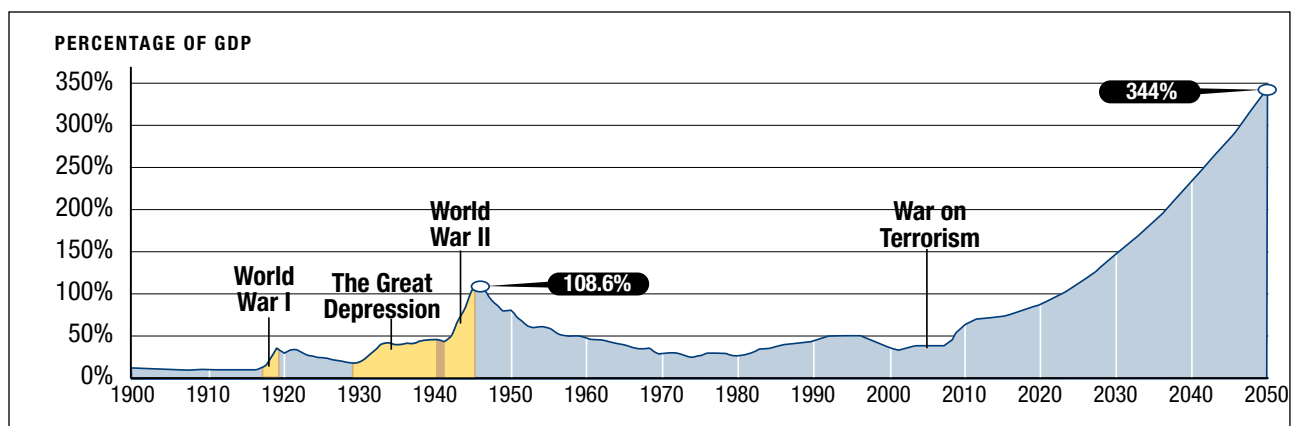
*Segye Choigang* is a common term in Korean used to describe the U.S. military. It means “second to none” or “best in the world.” Will that remain the case, if sequestration really were to occur?

**Trillion as in T: How We Got Here and What It Means for the Budget**

No discussion of sequestration can begin without first looking at the financial situation that got America into this predicament. In the words of leaders who range from the Chairman of the Joint Chiefs to the Secretary of State, the United States faces a “national security crisis” when it comes to our economic security situation. The U.S. debt presently stands at \$16 trillion and growing.

What makes the problem worse is the poor track record that both political parties have at shrinking this debt. Over the last 50 years, the U.S. has only run a budget surplus five total years.





This figure is all the more alarming given that the national debt now exceeds America's gross domestic product. If action is not taken to rein it in, the Congressional Budget Office (CBO) estimated that in 2050 the U.S. gross debt could reach over three times the size of our GDP, which means the U.S. balance sheet looks less like a superpower and more like Greece.

Sixteen TRILLION dollars. Sixteen million million. 16,000,000,000,000. The scale of such numbers dominate any budget discussion not only today, but for the next decade at least. Indeed, the numbers are so astronomical that they lose their meaning. A trillion might as well be a gazillion or a bodonkajillion. So, perhaps it is useful to imagine what could be bought if somehow the U.S. were to receive a \$16 trillion check in the mail. What could America roughly buy with the amount it now owes in debt?

#### America's Debt Now Could Buy:

- 16 Marshall Plans.
- 32 New Deals.
- NATO's military budget for 16 years.
- The rent for every American renter for 48 years.
- The mortgage for every American homeowner for 18 years, or
- 176 weeks of vacation for every American worker.

The good news of the recent political crisis over debt and sequestration is that America's political leaders are finally taking seriously the degree of this problem. For too long, the building mountain of American debt was put in the category of those many problems to deal with "in the long run," which meant we didn't deal with it. For prior generations, it was a problem for their grandchildren, then their children's problem, etc. Now that \$16 trillion of debt is our inheritance, we can pass it on no further.

The bad news is how politicians have dealt with this problem, almost exclusively focusing on budget cuts rather than the fundamental drivers of debt growth.

First came the self-inflicted wound of Congress delaying on extending the debt ceiling in Fall 2011, which prompted a downgrading of the U.S.'s bond rating. When they finally did extend it, the literally last minute deal came with conditions, what is known as the Budget Control Act of 2011, that created the current sequestration predicament. This law entailed a first wave of over \$400 billion in cuts to U.S. security spending and the creation of a "super-committee" of representatives from both parties in Congress that was tasked with finding a set of

reforms that would reverse the debt growth. If no agreement could be reached, the mandatory cuts of sequestration would then kick in at the start of 2013, lopping off \$1.2 trillion more in cuts, split between national security and domestic programs. The concept was that the threat of the mandatory cuts would force the two sides to find a way to compromise over the coming year and put together a package of both entitlement and tax reform that poll after poll has found the majority of the American people support.

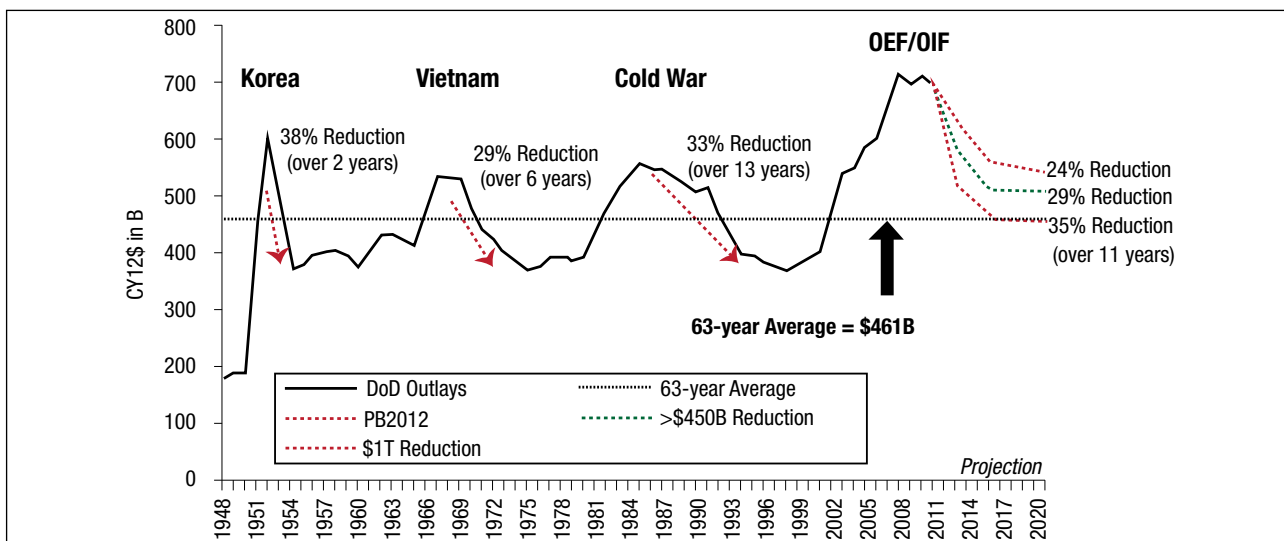
Unfortunately, the super-committee proved anything but and failed to come to any agreement. Thus, with the clock ticking away, the only thing standing between the budget and the swinging axe of sequestration is the slim chance that the rest of the Congress will show the maturity and ability to compromise that its designated representatives on the super-committee lacked.

The hyper-partisan climate, the diminished power of political party leaders over their constituencies, and the context of an election year make the challenge of Congress coming together all the more difficult. Hopefully, Congress will buck expectations and come to an agreement. Many believe that this will most likely occur during the “lame duck” session after the fall election. This is a dangerous gamble, as it sets a weighty decision for the last minute and puts the goal of reaching cooperation immediately in the wake of an uncertain election outcome. So, while sequestration is certainly not a positive outcome, it is a potential contingency whose impact should be evaluated.

What many commentators ignore, however, is that the potential scenarios for the future are not either sequestration or zero additional cuts. Indeed, it is highly possible and even probable that the hoped for compromise deal that averts sequestration still will have additional defense cuts of significant scale included in them. For instance, the proposed deals that the super-committee was debating, but unable to execute on, would likely be the starting point of any “lame duck” discussions. These negotiations had additional defense cuts contemplated in the \$200 to \$300 billion range.

The essential point here is that the U.S. defense budget is most likely headed for cuts of significant scale. This likelihood is not just a matter of sequestration, but again reflects the overall debt problem (indeed, sequestration will only reach a fraction of the debt reduction needed, another reason to avoid it, as it doesn’t solve the problem and instead would have to be returned to again and again). It also reflects the historic pattern U.S. defense budgets have followed for some 60 years.

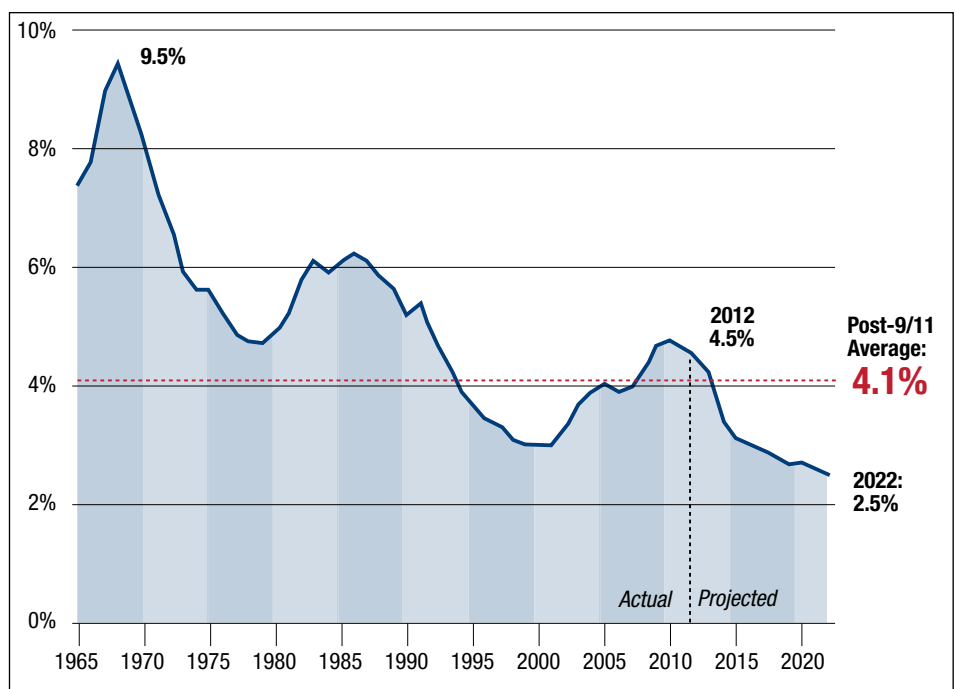
#### DEPARTMENT OF DEFENSE ANNUAL BUDGET AUTHORITY, FY 1948-2016 (MEASURES IN BILLIONS OF 2012 DOLLARS)



What is notable about looking at the historic defense budget is that it shows both the significance and novelty of defense cuts to the current generation, who have seen only growth for the last decade. But it also shows the limits of the various looming cuts scenarios, as compared to past post-war drawdowns. The reductions even under the worst case situation of sequestration would take U.S. defense spending not to the bottom of the historic trough but the rough average of overall spending.

Where these cuts become more significant perhaps, however, is putting them in comparison to the broader American economy. In the past context of both a Cold War and a smaller U.S. economy, a greater percentage of the GDP was spent on defense than now.

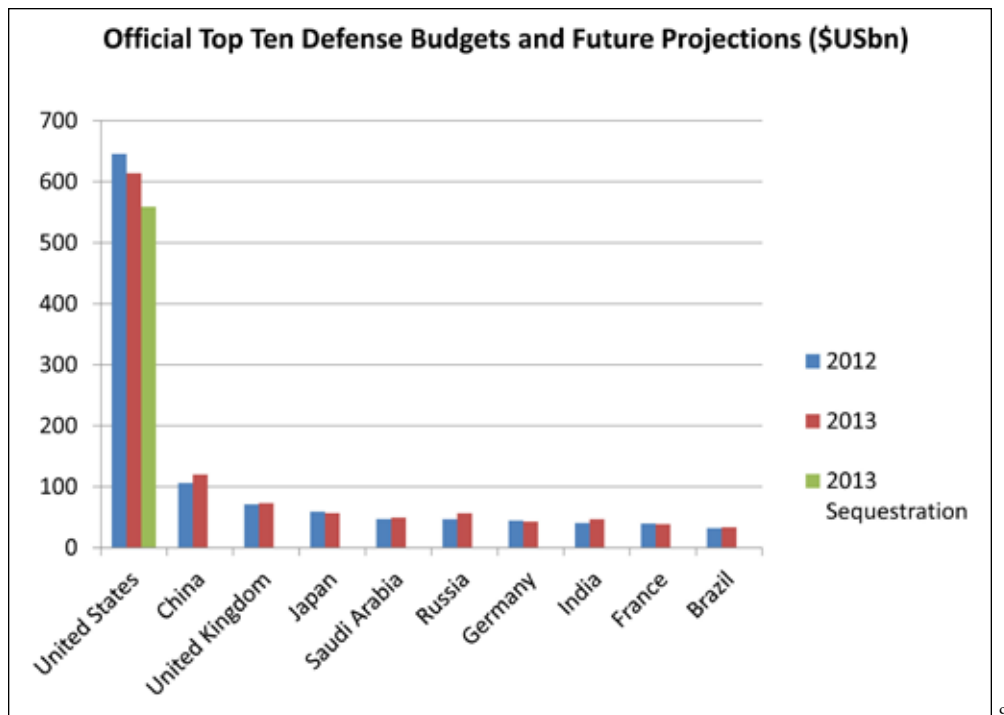
### U.S. NATIONAL DEFENSE HISTORICAL SPENDING AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT



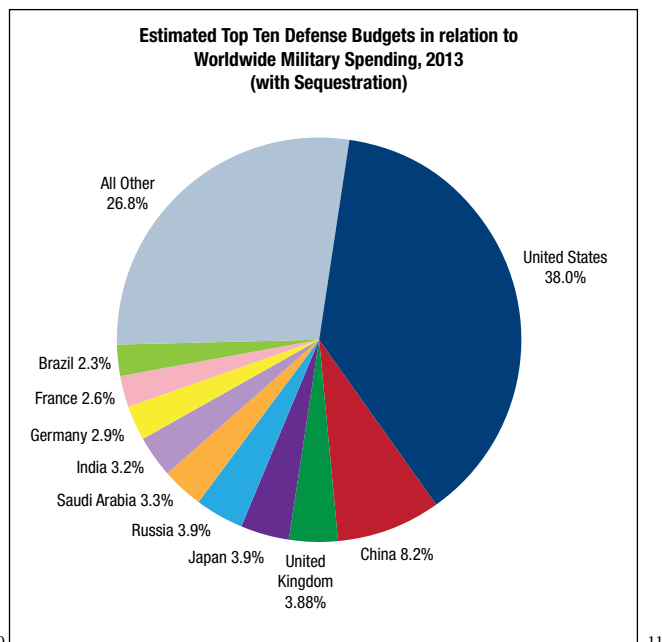
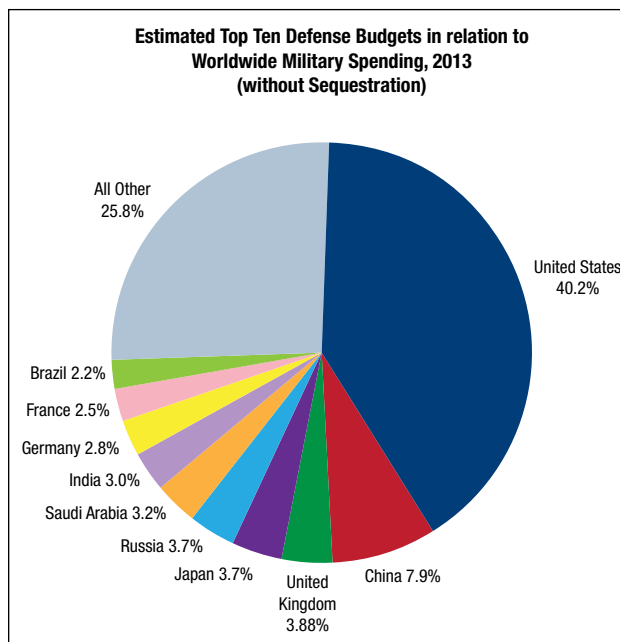
## PART II: Context Matters: Sequestration and America's Military Spending Compared to the World

In the last part, we saw how a massive and growing debt (as well as a dose of bad politics) has set America on a path towards sequestration, or, at the very least, the potential of serious levels of defense cuts. But to understand the actual impact that these cuts might have, including weighing the predictions that such a scenario would “destroy the U.S. military” or mean the U.S. would be “unable to keep up with potential adversaries,” it is useful to pull back and examine where the U.S. defense budget stands in relation to the rest of the world.

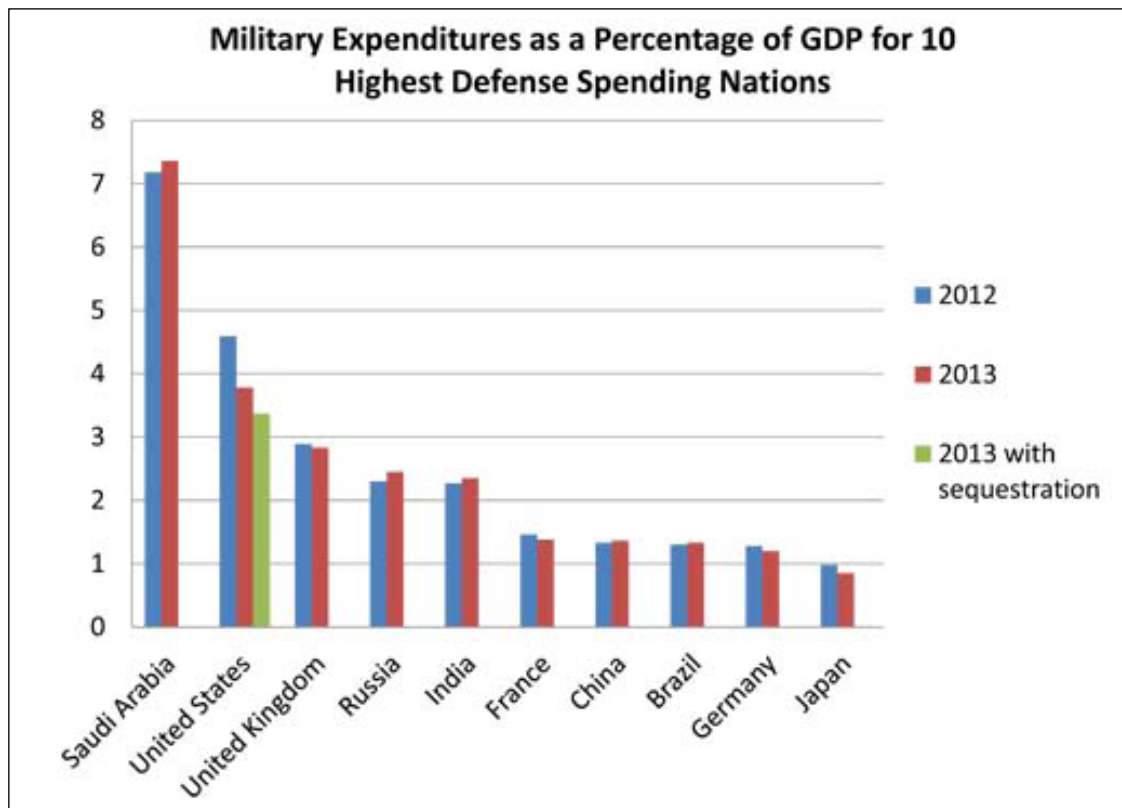
The U.S. is the only global superpower, with capabilities and responsibilities that dwarf any and every other state in the world. And, as the below charts show, the U.S. defense budget reflects that reality, outspending all other nations by a significant amount. What is notable about the scale of the U.S. budget is not just its relative size to other nations, but also how many other of the major players (albeit an order of magnitude smaller) are close U.S. allies, like the U.K. or Japan, or unlikely foes, like India or Brazil. Only two of the top ten, China and Russia could be put in the category of potential adversaries.



Another way to visualize this is to combine all the world's military spending together. At the height of the Iraq war, U.S. spending was above half of all the world's military spending, but is now down to slightly above 40% of all military spending. Sequestration would take it down by about 2% more of the pie, roughly 38% of all global military spending, excluding any likely contingency or war spending.



Indeed, it is only on percent of GDP where the U.S. is not ahead, in second place to Saudi Arabia. But here again, sequestration doesn't change the overall ranking.



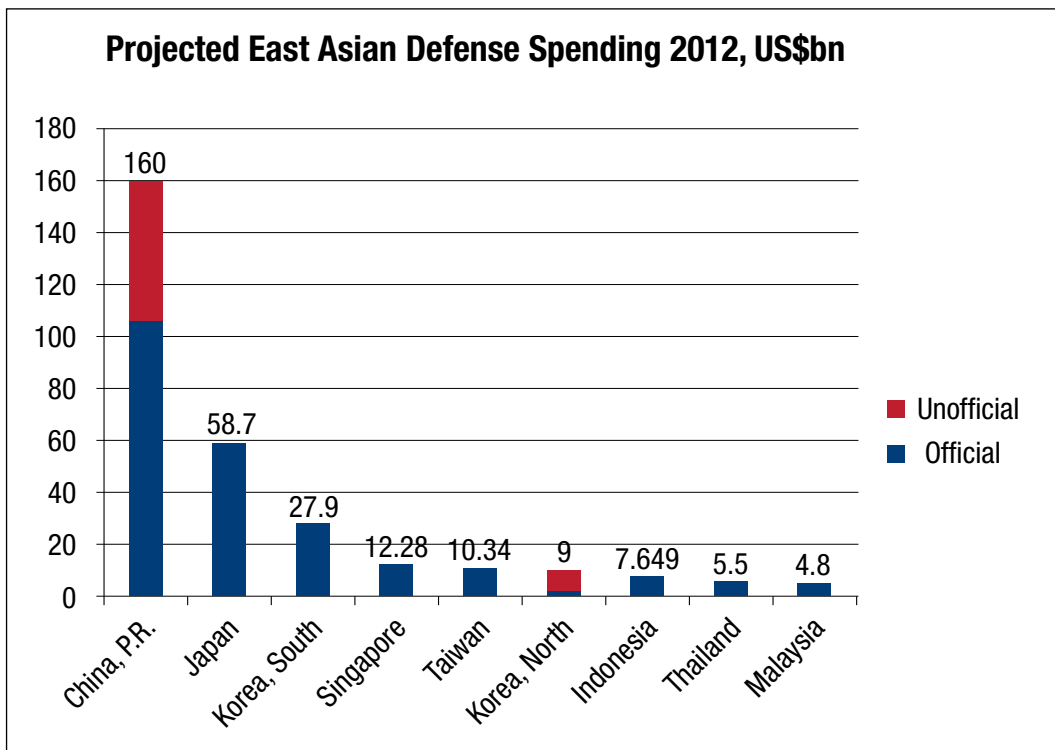
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As a side note, one of the fascinating disconnects in American politics today is between the above data and public perceptions of defense spending, which many unfortunately are quick to exploit in our “post truth” era of politics. Only 58% of voters are aware that the U.S. spends more on defense than any other country in the world. And just 33% recognize that America spends almost as much on defense as the rest of the world combined.<sup>13</sup>

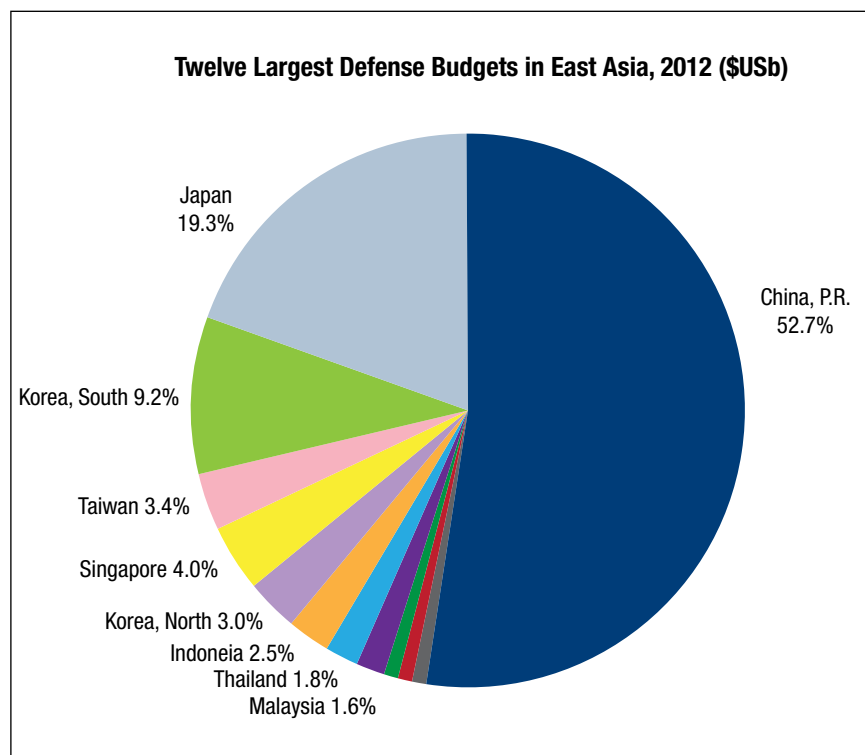
### PART III: The Sequestration Story in East Asia

The U.S. may have global power and responsibilities, but in recent years, a strategic shift has occurred. China’s military has risen in conjunction with its driving economy, which has prompted a refocus on Asia and a “pivot” or “rebalance” in American grand strategy. Thus, while we explored in previous sections the drivers of sequestration and what it might do to the U.S. defense budget in comparison to world military spending, that would miss a major part of the story. One should also put U.S. military spending not just in a global context but a regional one.

Within Asia, China is a dominant defense spender, both in its official budget and a more realistic unofficial budget. North Korea, which we’ll look at in more detail in the next part, equally has a disconnect between its official budget of \$1 billion and the more likely estimates of \$9 billion.<sup>14</sup>

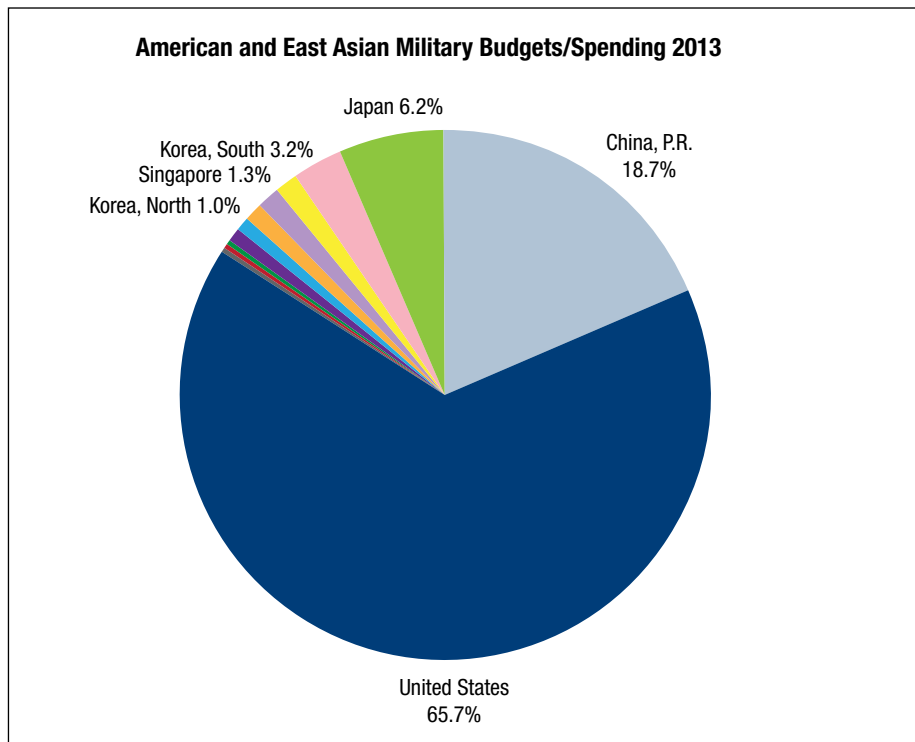


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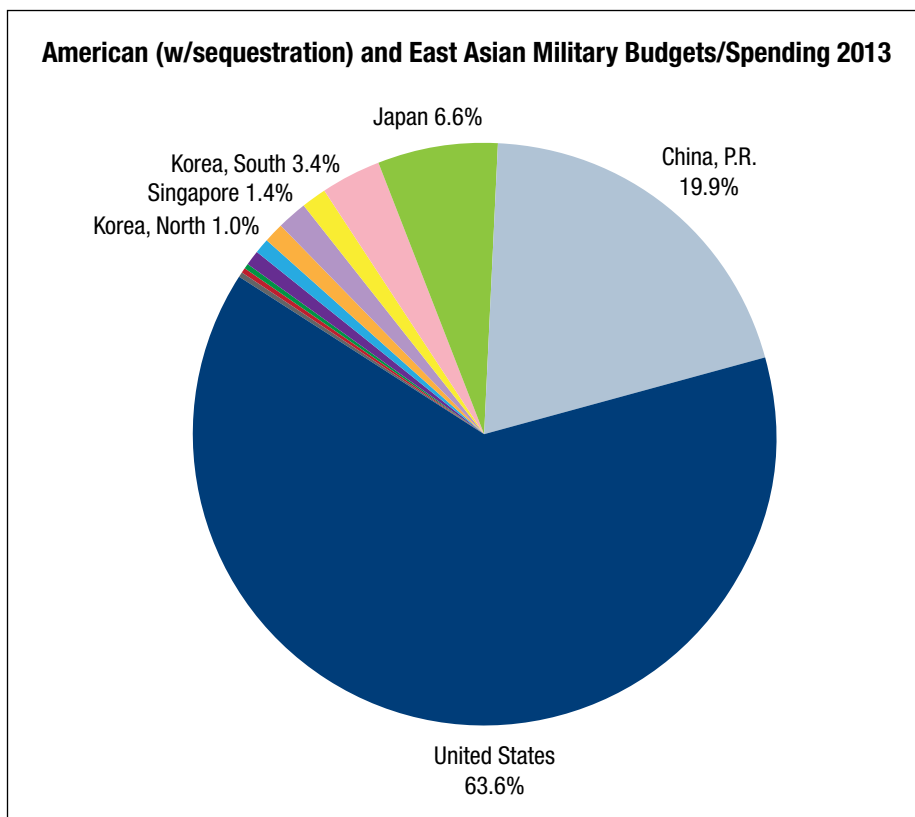
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However, here again, the numbers take on a far different interpretation when you include the true Asian super-power, the United States, in the context.



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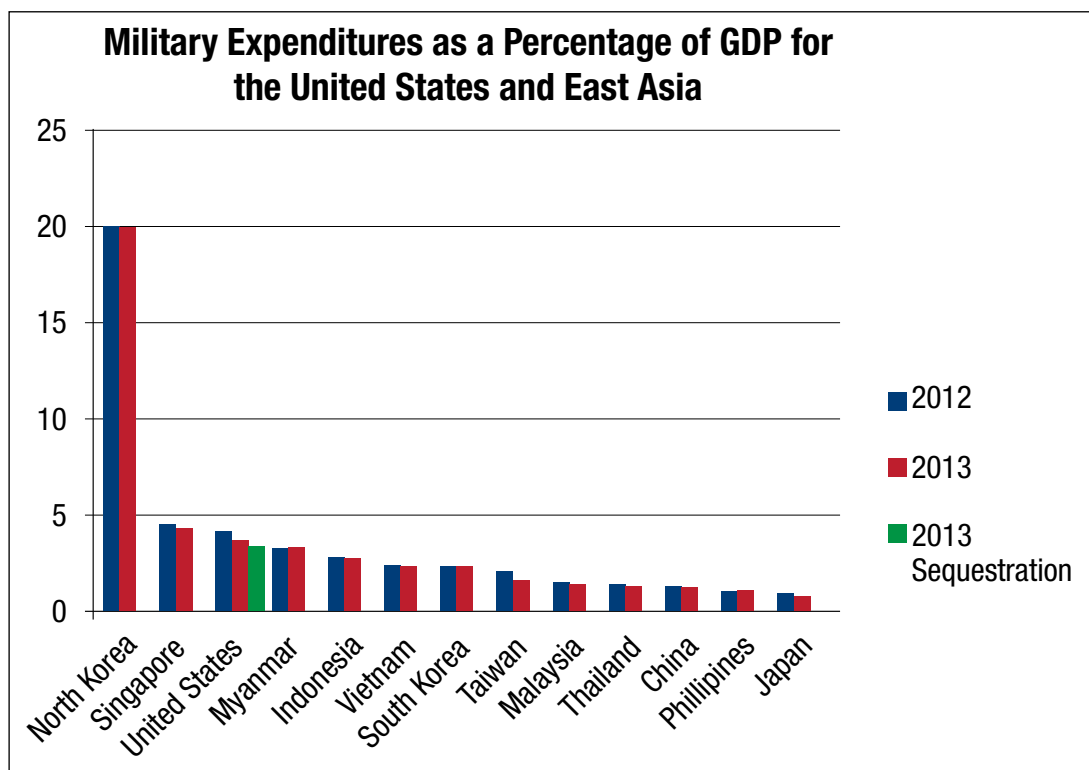
If sequestration were to occur, the U.S. slice of the pie gets smaller, but would still be a dominant slice, even more so if one includes its allies in the weighting.



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Of course, the U.S. has global responsibilities, and so these figures should not be taken as the end of the story. Akin to the German naval position versus the British prior to World War I, a rising regional power like China might present a larger threat than any straight comparison of their relative numbers. A global power like the British back then or the U.S. today can be spread too thin, while the regional power's resources are all focused (so the British during this period used variations on the "two power standard" as their guide to naval force size, ensuring a fleet larger than the two next powers combined). Of course, in turn, the global power can still bring these other resources to bear in regional scenarios whenever the situation grows important, and that local power is also counterbalanced by the other allies within the region, who see its growth as a threat.

Military spending as compared to GDP shows similar weights. Other than North Korea, which has the dark combination of being a garrison state with a withered economy, the U.S. percentages still rank high regardless of the scenario. Even in the worst scenario of sequestration, the U.S. is still at 3.45% of GDP, a full point higher than China at 2.36% of its smaller but rapidly growing economy.



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## Part IV: Sequestration and the Korea Peninsula

One can easily see how South Korean leaders might be concerned when they hear American leaders say that sequestration would be "catastrophic" for the U.S. military and that "the gap between the U.S. military and our closest rivals will collapse with sequestration." They share a border with North Korea, a rival that still considers itself to be in a state of war with the U.S., and in the past has reacted to what it perceived to be weakness with violent acts of aggression. Many, in fact, believe that the original Korean War back in 1950 was started when the North Koreans perceived U.S. weakness and withering alliance ties.

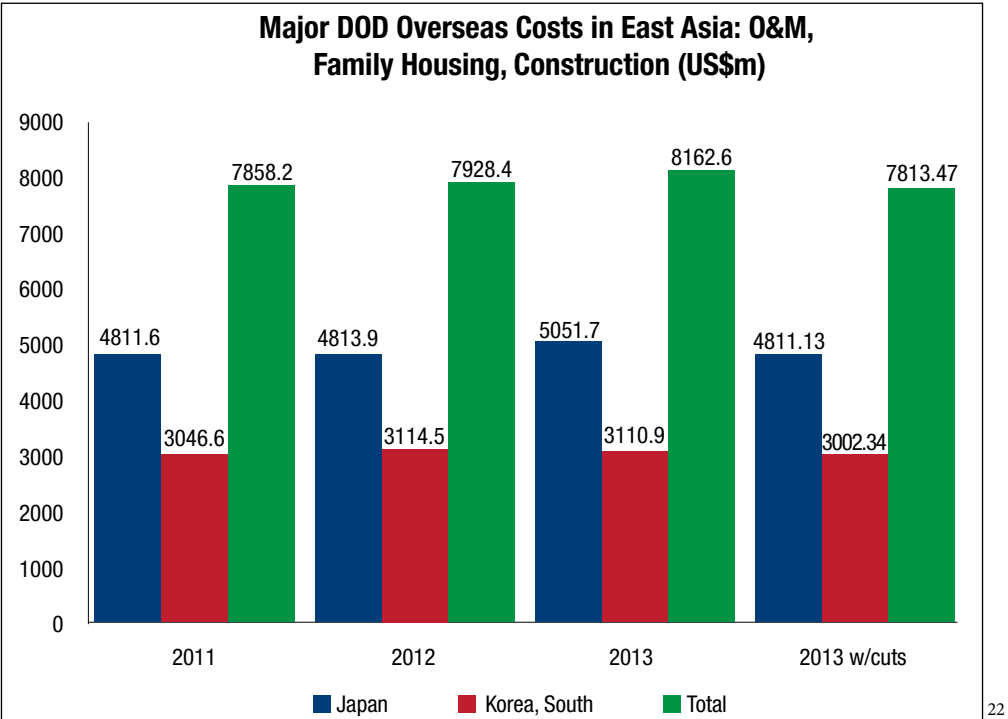
But as we saw from the prior sections, by any financial measure, the U.S. defense budget would be far from a “paper tiger” that is “unable to keep up” with an adversary like North Korea. Even under sequestration, the U.S. budget is not merely 60% larger than North Korea, but 60 times larger.

To only compare defense budget numbers, though, would be a mistake. These dollars only matter as far as they translate into the capabilities of the militaries.

The challenge of exploring sequestration’s impact on U.S. and allied capabilities in Korea is the huge amount of uncertainty that surrounds it. We don’t know yet if sequestration will even happen and, in turn, how it would be implemented if so. While the law calls for across the board cuts, there have been different signals as to what level of specificity these would enact at, and what buckets might be excluded. In September 2012, the White House signaled that its plan for sequestration would be 9.4% to 10% cuts on almost all programs, excluding areas like healthcare and military pay. This may not be the final way it is executed, both because Congress could legislate alternative approaches to soften the blow or the executive branch might interpret the finding more flexibly in execution (many believe that the White House thought that specifying its plans for sequestration now would muddy the waters for the hoped for compromise to avoid it). Already, leaders are discussing ways to give the Pentagon “wiggle room.”<sup>20</sup>

But if we’re going to weigh whether sequestration would really invite “aggression” or mean that the U.S. military “will no longer be a super power” as claimed by some, we should look at the worst case scenarios.<sup>21</sup>

The most immediate impact of sequestration in Asia would be lowered spending by the Pentagon on its activities there. If sequestration’s approximate 10% across the board cuts went into effect, direct American military spending in South Korea in 2013 would decline by roughly \$112 million, instead of going down by just \$4 million as currently planned. For all of East Asia, America’s military spending after sequestration would go down by \$115 million, instead of the planned increase of \$234 million.



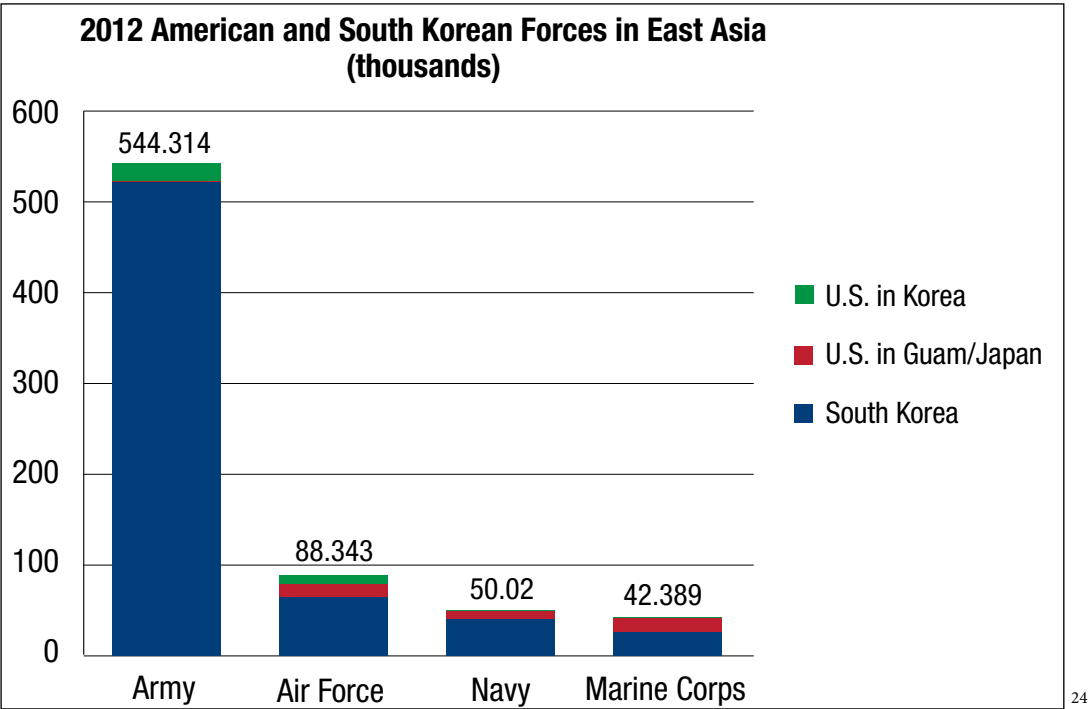
How this lowered spending would immediately translate in real terms would likely be various delays or stops to planned repairs, upgrades, and new construction at American bases and facilities. These planned upgrades might not only affect issues like quality of life (older barracks not being repaired or replaced), but even some areas of effectiveness (the delay of building a new cyberwarfare facility as an illustration). It might even lead to some of the major troop movements planned as part of America’s realignment in Asia being delayed or stopped. Much like sequestration’s cuts back home, this lowered spending then wouldn’t just impact the U.S. troops and families on those bases, but also have a knock-on effect to the local economy that surrounds these bases.

Of deeper concern, however, may be how the cuts affect various operations accounts, leading to reduced training time, wargames, and exercises. Senior American military officers worry that fewer exercises with allies in the region won’t just hamper their level of readiness, but also hinder confidence in each other.

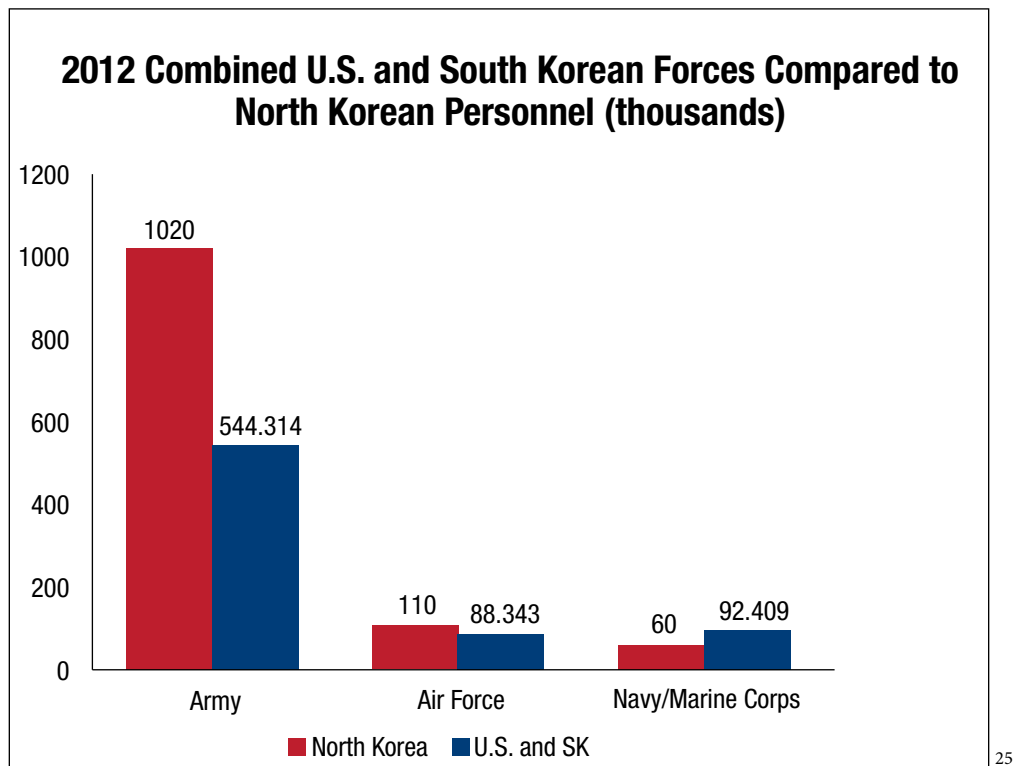
A more direct way to look at how the budget cuts might translate is through reduced capability. The caveat here is that most experts think it unlikely that sequestration will entail military personnel cuts. The White House has said military personnel will be exempt, but it does retain the ability to reassess.<sup>23</sup>

In either case, it is still useful to examine this scenario, not only as a potential contingency, but also as a proxy for what a generalized 10% loss in capability to U.S. forces in terms of personnel on hand in Korea for day one of any war might look like.

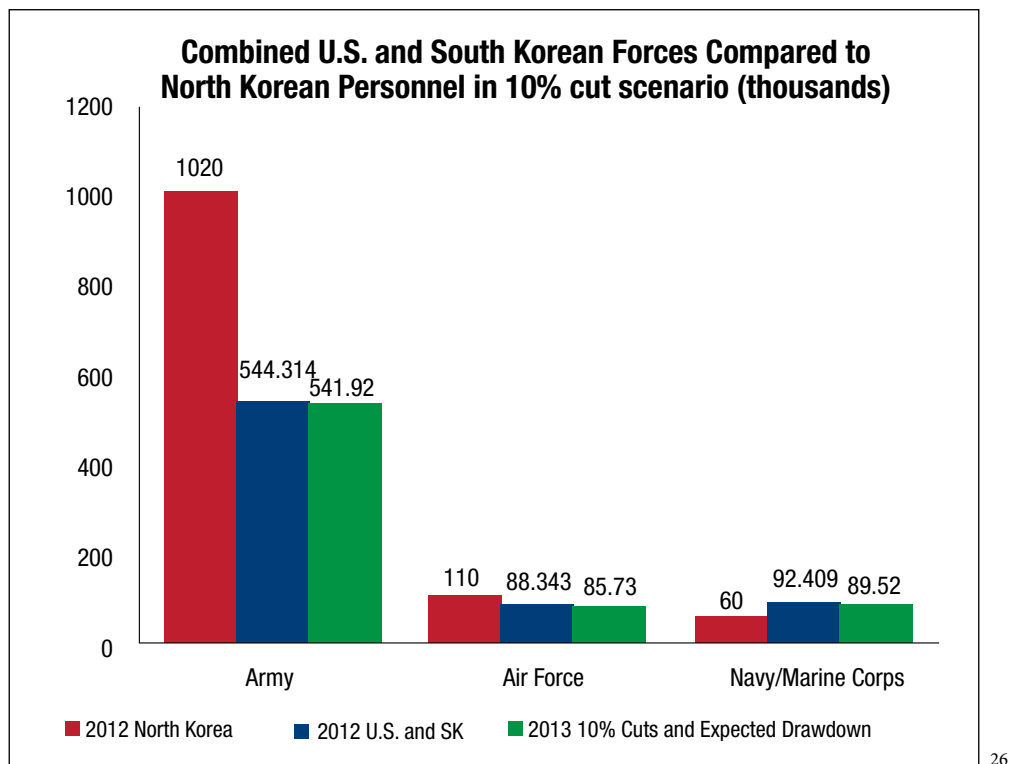
The below chart shows the combined numbers of U.S. forces in East Asia and their South Korean forces, broken down by services.



This is how these forces stand in comparison to the North Korean military:



If U.S. forces were to experience 10% cuts on top of the already expected cuts to service end-strengths, these are how the numbers change.



Of course, comparing raw numbers of personnel is not the only or even best measure of force capability. Another is to compare the weapons systems they utilize. Below are the primary American weapons systems based inside South Korea.

# American Military Resources in ROK

28,500 uniformed personnel

~ 18,000 Army

~ 8,400 Air Force

Army Assets



M2A3 Bradley IFV (66)



M1A2 Abrams (48)

Air Force Assets



U-2r (3)



A-10 (21)



F-16 (60)



M109 SP Howitzer (16)



Stryker (900)



AH-64 D Apache (24)

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To explore the impact of sequestration then on these forces, we looked at it in two different but harsh scenarios. The first is a scenario in which there are 10% across the board cuts in the systems that are available to U.S. forces in Korea. Of course, again, this is not how the cuts would likely be executed, but it provides a tough scenario to explore what deep cuts would translate into.

The other is a nightmare version of a more likely scenario. Many believe that if sequestration were to occur, instead of across the board cuts of 10%, a deal may be worked out whereby the DoD may still be given the flexibility to target more fungible areas within its overall budget, as long as it cuts the whole by 10%. That is, if we follow the pattern of what has happened in the past, deeper cuts would be made to operations, depot maintenance accounts, and civilian workers, in order to spare other less flexible or politically sensitive parts of the budget (i.e. military personnel, contingency operations in places like Afghanistan, and the first quarter of FY13). In this scenario, the budget may be cut by 10%, but the Bipartisan Policy Center, for instance, has projected the potential for this to translate into a 30% loss to force readiness from actual FY13 requests.<sup>28</sup>

It is difficult to project exactly how this might affect the actual forces available in Korea. The raw numbers of weapons in the field would roughly stay the same, but many fear this would create a type of “hollow military.” That is, in an echo back to the post-Vietnam military, because of delayed repairs and maintenance, a significant portion would not actually be ready for use. For this scenario, the 30% force readiness loss is explored. That is, if maintenance is cut by 30%, it is reasonable that a range of some 30% more systems might now be in disrepair or out of service in some way (the actual tables of how maintenance spending translates to readiness are deeply disputed; the goal here was to give a usable range).<sup>29</sup>

## Combined ROK and U.S. Military Assets

Platform	ROK Total	Total with Combined American Assets	Combined after 10% Sequestration Cut	Combined after “Hollowing Out”
Multirole Fighters:	400	686	657	600
Ground Attack and Bombers:	70	103	100	93
Attack Helicopters:	60	94	92	84
Main Battle Tank:	2,414	2,483	2,476	2,462
Armored Combat Vehicle:	220	1,163	1,069	880
Expeditionary/Fighting Vehicles:	2,850	2,912	2,906	2,893
Towed and Self-Propelled Artillery:	11,038	11,108	11,101	11,087

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As the above table illustrates, the irony is that cuts from more fungible accounts could potentially create a much worse outcome for allied forces. This is why senior U.S. officers tend to prefer a smaller, more capable force to a large hollow one.

It is important to add here that a key variable to keep an eye on in such force availability is the effect that sequestration might have on the U.S. aircraft carrier fleet. A significant part of the multirole air numbers come from carrier air groups bundled together on a ship. Currently, Carrier Strike Group Five in Japan and Carrier Strike Group Nine in the Western Pacific are those immediately available to support U.S. ground forces in Korea and supply a bulk of the strike aviation assets. Over time, sequestration could reduce the total number of carrier strike groups to as low as eight instead of the current 11. This might happen through sequestration leading to delayed construction, early retirement, and maintenance and refit delays (for example if funding for work on the USS Abraham Lincoln’s nuclear reactor gets slashed). Any lower overall numbers of carriers would hamper the Navy’s target of six carrier strike groups deployed or ready to deploy, as a smaller number of ships would be spread further apart. It is likely, however, that the Navy would mitigate this by focusing its smaller number of carriers on deployments in Asia to the detriment of other regions (the withdrawal of a carrier strike force from the Mediterranean is an example already).

Yet, while the numbers of forces available obviously are worse in either a scenario of 10% or even 30% cuts to the U.S. forces, it’s still hard to see any connection to the nightmarish visions being painted of a “destroyed” military that “invites aggression.” And, again, these numbers only reflect what is available in East Asia on the first day of a conflict with North Korea, not forces that might be flowed in from other regions or deployed into action from the continental U.S. (such as long range strike planes and fighter jets based in the U.S. that would flow in by the literal hundreds after a conflict began).

Another way to answer as to whether sequestration might invite aggression on the Korean peninsula is to look at how these numbers stand in comparison to North Korean assets. This is how a North Korea planner might evaluate the situation, conducting a net assessment of the balance of forces to see if there is a window of opportunity opened up by U.S. cuts.

## Combined U.S./ROK Assets vs. North Korea

Platform	North Korea	Total U.S./ROK	Total U.S./ROK with 10% Cuts	Total U.S./ROK after "Hollowing Out"
Multirole Fighters:	74	686	657	600
Ground Attack and Bombers:	162	103	100	93
Attack Helicopters:	20	94	91	84
Main Battle Tank:	3,500	2,483	2,476	2,462
Armored Combat Vehicle:	2,500	1,163	1,069	880
Expeditionary/Fighting Vehicles:	560	2,912	2,906	2,893
Towed and Self-Propelled Artillery:	21,000	11,108	11,101	11,087

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Here again, the forces available to the allies grow worse with each scenario, but not fundamentally so. North Korea certainly has not been the most logical country when it comes to its politics. But it's hard to see how Pyongyang's net assessment of its foes would draw a completely different conclusion when it has 612 fewer fighters versus just 526 fewer. Or, in turn, how North Korea would see itself gaining a gamechanging advantage as it goes from having 9,882 more artillery to 9,913 more.

To make a historic comparison, none of the scenarios are even close to the situation of 1950 that is perhaps the best modern case of American weakness "inviting aggression." The post-World War II U.S. had a drastically reduced force in Asia, which combined with diplomatic miscalculation, signaled an opportunity for North Korean aggression. To make matters worse, then the U.S. was only able initially to send the makeshift Task Force Smith to stem the invasion, at which it failed with tragic loss.

But dig any deeper and none of the parallels hold true. Task Force Smith was just 406 troops. Moreover, Task Force Smith was not just massively outnumbered, it was poorly trained and lightly armed, being made up of infantry facing off against North Korean tank units. Even worse, many of Task Force Smith's weapons were a generation behind its contemporary foes (the Americans' antitank rockets, for instance, could not penetrate the newer Soviet-provided tanks that the North Koreans used in 1950). None of this is even in the same range today.

This is not just the matter of comparing a makeshift unit of 400 troops with no tanks against a modern fighting force of tens of thousands, armed with everything from tanks to Apache helicopters. There is also the fact that when comparing allied versus adversary weapons today, numbers lie. One does not equal one. For instance, the most common fighter jet in the North Korean inventory today is the MiG-21. It was already becoming outdated by the time of the Vietnam War in the 1960s, and is certainly no comparison to the updated versions of the F-15K used in Korea. Such qualitative differences are important not just in comparing airpower but also how it affects other weapons comparisons. North Korea's edge in the number of tanks isn't just balanced by how much more capable the more modern allied forces' tanks are, but also by the fact that most of North Korea's wouldn't even make it close enough into the fight to engage in tank-on-tank battles. They would instead be taken out well behind the DMZ by allied air strikes (as in Iraq, where most enemy tanks were taken out not by ground fire, but air power).

Obviously, the long-term shrinking of U.S. spending on research and development would degrade these technologic advantages, but it is still important to remember that overall U.S. military R&D spending is not just bigger than any other nations' R&D spending in the world, but actually bigger than all but one nation's overall military spending.

## Part V: Conclusions: Sequestration would be Stupid, but the Sky is not Falling

There is an immense amount of concern over sequestration, not just inside DC, but also among our allies. Fortunately, for them and for U.S. security, the rhetoric does not match the reality.

By looking at the actual numbers in their context and even in a few worst case scenarios, we can see that the “gap between the U.S. military and our closest rivals” will not “collapse.”<sup>32</sup> The gap will close, which should worry us, but these rivals still have a long way to go. Nor will cuts “destroy” the U.S. military upon which our allies’ security also depends. As Micah Zenko of the Council on Foreign Relations captured so well, “It is implausible that the entire U.S. military would be unable to function with just under \$500 billion.”<sup>33</sup> Indeed, far from being in a situation of “utter failure,” the U.S. forces available globally as well as in East Asia might be lessened, but would still be quite potent. And finally, it is hard to square how sequestration would “invite aggression.” A weaker U.S. force would be available to deter and fight foes, but by no means fundamentally changed. Indeed, such a “paper tiger” would actually be supported by spending levels equivalent to the 2007 U.S. military budget.

But no one reading this should misinterpret it as support for this outcome. Sequestration would be a terribly stupid thing to do. It not only wouldn’t solve the core problems driving the U.S. debt crisis, but it would also cut the defense budget in an incredibly un-strategic manner, cutting both the good and the bad by the same portions with no planning. Ironically, what would play out would be a repeat of what happened during the 2011 debt ceiling crisis that led to the sequestration option becoming law in the first place. In that case, politicians’ inability to compromise led to a needless, self-inflicted wound that harmed the U.S. economy and lowered America’s bond rating. If sequestration is allowed to happen, it would similarly inflict a needless, self-inflicted wound to the U.S. Defense Department and the people and firms that support it. But just as what happened with the economy, harming is not the same as “destroying.” Shooting yourself in the foot is stupid, but doesn’t have to kill you.

The point here, instead, is that bad ideas should not be fought with bad analysis. Many believe that hype and hysteria are the only way to force action in the broken American political climate of today. The problem is this political tactic of brinksmanship carries a serious risk of backfire. On the domestic side, drawing false conclusions, stoking fears, and turning them into a partisan wedge has made the very compromise needed to avoid sequestration less likely in the end.

On the international side, the same hype intended for domestic ears is being taken seriously abroad. And, likewise, the danger is that it causes the very opposite of its intent. It is creating needless fear among our allies and even risks emboldening our foes, who might misinterpret domestic exaggerations of vulnerability as actual opportunity.

The intent of this deeper dive into sequestration is to dispel this confusion, especially within one of the most dangerous locales for miscalculation and aggression. Sequestration is an outcome that would be quite negative for the U.S., and hopefully Congress will show the maturity to avoid it. But, whether it happens or not, both America’s allies and potential adversaries, especially on the Korean peninsula, should rest assured that the core powers and capabilities of the U.S. military will still remain second to none.<sup>34</sup>

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