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**THE FUTURE OF NATIONAL DEFENSE  
AND THE U.S. MILITARY TEN YEARS  
AFTER 9/11: PERSPECTIVES FROM  
OUTSIDE EXPERTS**

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COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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HEARING HELD  
SEPTEMBER 13, 2011



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**THE FUTURE OF NATIONAL DEFENSE AND THE U.S.  
MILITARY TEN YEARS AFTER 9/11: PERSPECTIVES  
FROM OUTSIDE EXPERTS**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC, Tuesday, September 13, 2011.*

The committee met, pursuant to call, at 10:00 a.m. in room 2118, Rayburn House Office Building, Hon. Howard P. “Buck” McKeon (chairman of the committee) presiding.

**OPENING STATEMENT OF HON. HOWARD P. “BUCK” MCKEON,  
A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COM-  
MITTEE ON ARMED SERVICES**

The CHAIRMAN. Good morning. The committee will come to order. I know some are caught in traffic, but we will go ahead and get started, and I think we will be fine.

The House Armed Services Committee meets this morning to receive testimony on “The Future of National Defense and the U.S. Military 10 Years After 9/11: Perspectives from Outside Experts.”

As our Nation marked the 10-year anniversary of the attacks on our Nation this past Sunday, we remember and commemorate the lives lost on that day. We also honor the sacrifices made every day since then by our military and their families as our Armed Forces continue to fight for our Nation’s safety.

This hearing is the second in our series of hearings to evaluate lessons learned since 9/11 and to apply those lessons to decisions we will soon be making about the future of our force. Last Thursday, we heard from former chairmen and a vice chairman of the Joint Chiefs of Staff. Today, we will hear from outside experts representing several well-known and highly respected organizations to whom our committee regularly turns for accurate and reliable research and analysis. While we will continue to solicit the expertise of former and current senior military and civilian leaders within the Department of Defense, it is important to gain perspective from professionals such as these who make their living conducting the type of forward-looking strategic assessments that we seek.

I remain concerned that our Nation is slipping back into the false confidence of a September 10th mindset—believing our Nation to be secure because the homeland has not been successfully attacked; believing that we can maintain a solid defense that is driven by budget choices, not strategic ones.

As members of the Armed Services Committee, we must avoid the cart-before-the-horse cliché. First, we must decide what we want our military to do, and only then evaluate savings within the Department. To date, that hasn’t happened. Over half a trillion dol-

lars has been cut from the DOD [Department of Defense] already. Nevertheless, if the Joint Select Committee does not succeed in developing and passing a cohesive deficit reduction plan, an additional half a trillion dollars could be cut from our military automatically. On top of that looming concern, it remains to be seen whether or not additional cuts may be proposed by the Administration even if the super committee is successful.

As chairman of the Armed Services Committee, I have two principal concerns that stem from recent military atrophy. The first is a security issue. In a networked and globalized world, the Atlantic and Pacific Ocean are no longer adequate to keep America safe. September 11th taught us that.

The second is an economic concern. While it is true that our military power is derived from our economic power, we must realize that this relationship is symbiotic. Cuts to our Nation's defense, either by eliminating programs or laying off soldiers, comes with an economic cost. The U.S. military is the modern era's greatest champion of life, liberty, and the pursuit of happiness. It is time we focus our fiscal restraint on the driver of our debt instead of the protector of our prosperity.

With that in mind, I look forward to a frank discussion today.

Representative Smith.

[The prepared statement of Mr. McKeon can be found in the Appendix on page 47.]

**STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES**

Mr. SMITH. Thank you, Mr. Chairman.

And I want to thank the chairman for holding not just this hearing but this series of hearings. I think it is one of the most important challenges that we face on the Armed Services Committee and certainly in our national security Department of Defense strategy, to figure out how we deal with the budget deficit we face pending cuts. But, also, I think our experts agree today, and everyone on the panel would agree, that even if we weren't facing these budget cuts and deficit challenges, there is a need to review the strategy at DOD.

A lot has changed in recent years. We are beginning to draw down in Iraq and Afghanistan. We have the emergence of all kinds of new weapons systems, potential challenges. Certainly, a lot has changed since we had the fairly dependable Cold War strategy of being able to fight two major regional contingencies at the same time. So, no matter our budget picture, it would be appropriate to have a strategic review.

And it is important to point out that the executive branch, the President, is going through that strategic review right now, going back, looking at where we spend our money in the Department of Defense and saying, Where can we find savings? Where should we spend it? What should our strategy be? I think that is one of the most important things that we are going to have to do on this committee, so I think it is great to hear from outside experts and, frankly, from any experts that we can get our hands on. It is going to be necessary.

And it is important to point out that the size of some of the cuts that have been talked about on the Department of Defense budget would be devastating. I did not support the debt ceiling deal, despite the fact that I felt we should raise the debt ceiling, in large part because all of the cuts were dumped on to the nonentitlement portion of the spending, unless, of course, the super committee manages to do what we have been completely unable to do for the last 10 or 12 years and comes up with savings elsewhere. So it is all dumped onto the nonentitlement portion of the budget, and defense is over half of that nonentitlement spending. National security spending will be devastated if this plan goes forward, and we seriously need to come up with some alternatives to that.

That said, we can clearly find savings in our national security spending; we can clearly find savings in the Department of Defense. Anybody who takes a passing look at the last 10 years can clearly find places where we need to spend money better, more effectively. And we could actually save money and be stronger. You know, it doesn't necessarily have to work in the opposite direction.

And the other point I would like to make is, resources are part of a strategy. I am sure absolutely everybody who has ever had to look at something where they want to spend money would like to say, let's imagine that money is not a factor. What do we want? I mean, that is the standard operating procedure for any program you can imagine. It is also completely unrealistic. You have to live within the resources that are available to you, and you have to figure out what your strategy should be.

But the one thing that I absolutely believe is whatever we decide in terms of our strategy, we have to make sure we fund it. The one thing this committee, this Congress, the President, the Department of Defense cannot do is come up with a strategy and ask the men and women in our Armed Forces to carry it out and then not give them the resources to carry it out. So my personal opinion is you've got to look at the resources in determining that strategy. Don't set a strategy imagining more resources than you are actually going to have.

And the last point that I think is critical: We have to make choices here. And this committee can do a great job, and has done a great job, of pointing out where, if you cut this, here is the implication. I think it is very important that we do that, that we make it clear the impact that these cuts will have on our ability to protect this Nation. We need to make that argument.

But if we feel very, very strongly that those proposed cuts are going to do irreparable harm to our national security strategy, that they should not be made, then we also have an obligation to come up with the money so that we don't make them. And whether that is finding cuts in other programs or finding more revenue, that is a critical piece of this.

And, again, everybody who is looking to spend money would like to say, "Well, this is my little piece. I can't worry about where it is coming from; that is your job. I just got to tell you that I have to have this." Well, if you have that focus, you are going to look up and not have that money if you are in the nonentitlement portion of the budget, because the revenue is the revenue, the entitlements are the entitlements, they are what they are. It takes an act

of Congress every year and the President to sign it to fund the Department of Defense.

So if you don't deal with those other issues, as I have said repeatedly, you wind up being the person last in line at a buffet where the food is running out. Not a good situation. So we have to talk also about what our revenue should be and what other programs we should cut.

I look forward to this discussion. I think it is the most important thing we are doing right now because it will form our national security policy in the years and decades to follow.

I thank the chairman for having this hearing and look forward to the witnesses' testimony.

[The prepared statement of Mr. Smith can be found in the Appendix on page 49.]

The CHAIRMAN. Thank you very much.

Now, as I mentioned before, we have special witnesses that have outside expertise, and I am looking forward to hearing their testimonies.

First we will hear from Mr. Jim Thomas, Vice President and Director of studies at the Center for Strategic and Budgetary Assessments.

Dr. O'Hanlon is still caught in traffic. We will move him to the end.

We will hear next from Mr. Thomas Donnelly, Resident Fellow and Director, Center for Defense Studies at the American Enterprise Institute; and Mr. Max Boot, the Jeane Kirkpatrick Senior Fellow for national security studies at the Council on Foreign Relations; and then Dr. Michael O'Hanlon, Director of research and Senior Fellow at the Brookings Institution.

Thank you, gentlemen, for being here today. We all look forward to hearing your testimony.

Mr. Thomas.

**STATEMENT OF JIM THOMAS, VICE PRESIDENT AND DIRECTOR OF STUDIES, CENTER FOR STRATEGIC AND BUDGETARY ASSESSMENTS**

Mr. THOMAS. Chairman McKeon, Ranking Member Smith, and members of the committee, thank you for inviting me to testify today.

And, Mr. Chairman, Ranking Member, I just want to underscore the importance of your opening comments this morning, that truly our national and economic security are intertwined, and it is not a question of one or the other but it is a question of how we are going to manage both in the years ahead. And the second that I think you both stressed was that the cuts that would be anticipated by the sequestration trigger truly would be devastating. And this, obviously, is in the backs of all of our minds this morning.

Ten years on from the 9/11 attacks, America finds its military forces still engaged in Iraq, Afghanistan, and conducting combat and noncombat operations around the world. But the United States does not have the luxury to focus only on the threat posed by Islamic extremists. Three challenges, in particular, will require greater attention over the next several decades: The rise of China, new regional nuclear powers, and the growing lethality and em-



powerment of other transnational non-state actors besides Al Qaeda.

The security challenges we face in the decade ahead are greater than they have been at any time since the Cold War, while the resources to deal with them are tightening by the day. There is a need to revise our defense strategy in light of our changing security and fiscal circumstances. We have to make choices. Even if we didn't face a grim fiscal outlook, we would still need to make choices to address the range of security challenges this Nation faces to maintain U.S. military staying power.

A new strategy might call on allies and partners to do more for their own defense, with the United States serving as a global enabler rather than a first responder for every regional crisis that comes along. It might place greater emphasis on particular elements of the U.S. military to foster deterrence. Just as President Eisenhower's "New Look" strategy in the 1950s emphasized nuclear weapons to deter aggression, the United States today might emphasize Special Operations Forces and global strike capabilities, including cyber capabilities, conventional and nuclear, to deter aggression and coercion.

The United States, and DOD in particular, should also consider revising the force planning construct that directs how we size and shape our military forces, moving away from the preparations for conducting concurrent large-scale land combat campaigns focused specifically on conducting or repelling invasions. Instead, it might consider a wider range of contingencies, placing a particular emphasis on one of the most stressing challenges our military faces, which might be the elimination of a hostile power's WMD [weapon of mass destruction] capabilities.

As we look ahead, we should assume that the United States will conduct no more than one large-scale land combat campaign at any given time. To deal with opportunistic aggression by a third party if the United States is engaged in war—the threat that the concurrency principle in our force planning construct historically has intended to address—the United States should maintain sufficient global strike capabilities, including a deep magazine of precision-guided weapons, to halt invading forces and conduct heavy punitive attacks over extended periods of time against any second mover.

The United States should also consider revising its military roles and missions. It should reduce duplication across the Services, including in combat aircraft, unmanned air vehicles, armored forces, and cyber capabilities.

Beyond changes in its strategy and the design of forces, we should also look for greater savings and efficiencies in the institutional functions of the Department, including reductions in headquarters staffs. We must also act to arrest personnel growth, cost growth, lest DOD follow the path of large American corporations that have run into trouble in recent years as their health care and pension costs have spiraled out of control, leaving them less competitive.

We must also safeguard key elements of our defense industrial base as a source of strategic advantage. And today, the Center for Strategic and Budgetary Assessments is releasing in advance to

members of this committee copies of our new report on the defense industrial base.

And, finally, the Department of Defense should develop new operational concepts, which serve a vital function as the connective tissue between our strategic objectives and the types of forces and capability investments that will be needed in the future.

In closing, let me say that I believe, despite the conventional wisdom that America is in decline, the United States continues to enjoy unrivaled strategic advantages and the most favorable position relative to all the other great powers of the day. With ample political will and shared sacrifice, I am confident the United States can get its economic house back in order while continuing to safeguard the country from those who would harm us.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Thomas can be found in the Appendix on page 51.]

The CHAIRMAN. Thank you.

Mr. Donnelly.

**STATEMENT OF THOMAS DONNELLY, RESIDENT FELLOW AND DIRECTOR, CENTER FOR DEFENSE STUDIES, AMERICAN ENTERPRISE INSTITUTE**

Mr. DONNELLY. Thanks to you, Mr. Chairman, to the ranking member, and the committee. I only lament that this hearing isn't being conducted in front of the "super committee" [Joint Select Committee on Deficit Reduction] itself, the folks who really have the fate of the U.S. Armed Forces in their hands. So I hope you will make this result available to them and urge them to confront the issue directly themselves.

I understand we are a last minute substitute for the former Secretaries of Defense. That gives me an opportunity to frame what I want to talk about and what I talk about in my written testimony. So I am going to try to channel what I imagine Secretary Perry, William Perry, might have said. I had the good fortune to help him out, and the other members of the Quadrennial Defense Review Independent Panel, very much a creation of this committee.

So what I would like to do is try to address the strategic issues that you and the ranking member have raised and use the construct that we came up with in the panel as a way to think about what the consequences of these cuts, the ones that are already in prospect, and the ones that, as Jim suggested, sequestration or a similar negotiated outcome would produce out of the super committee.

The CHAIRMAN. Without objection, your written testimonies will be included in the record. Thank you.

Mr. DONNELLY. Thank you, Mr. Chairman.

And there were four—I mean, in the panel, we very quickly came to a dead end once the members realized that the strategy enunciated in the QDR [Quadrennial Defense Review] itself was really an empty vessel, not really a guide to planning for the Department. And that was an observation that applied not only to the 2010 QDR but increasingly to the QDR process since it had been initiated.

The result was that members really kind of had to go back or thrust back on their own resources and their own experience. Fortunately, the 20 members were among the most intelligent and experienced public servants and former military officers that had ever served this country. And what we decided to do was, essentially, to deduce from the behavior of the United States, from what we have actually done in the world since the end of World War II, what our *de facto* strategy is.

And the members of the panel very much came to the conclusion that we are not beginning with a blank sheet of paper, that there is no giant risk meter in the sky where we can perfectly calibrate the dangers and threats that Americans and American interests face in the world. And the best way to think about what we need to prepare for is to ask what outcome, what result, the United States would like to see, what kind of world would we like to live in? And we very quickly came to these four conclusions.

The number one priority for American strategy has been, remains, and, certainly, 10 years after 9/11, we are reminded that defense of the American homeland is the number one priority. We have made a lot of investments and been very lucky and people have worked extraordinarily hard to ensure that those 9/11 attacks were not repeated. Certainly all of us who work in Washington, one of the questions we asked ourselves on 9/11, even before the day was out, was, when is the next attack going to be? That is a normal response, and the fact that we have avoided that is a result of good luck but a lot of effort and a lot of effort on the part of the Department of Defense. It is obviously a multiagency task, but DOD has contributed a lot to the fact that we believe ourselves to be safer today.

The second enduring premise of American strategy is access to what is normally called "the commons," the international commons. That is a term that was derived mostly in regard to naval and maritime power. That remains true in a world, a globalized world that depends on international trade. Not only the United States but the rest of the world and the most rapidly modernizing parts of the world depend upon the ability to ship goods easily, freely, and cheaply. But, obviously, the oceans and the seas are an incredible and essential part of American power projection around the world, of our posture across the world and, in fact, our entire global position.

The atmosphere, the air, the skies, is also, like the seas in being both an avenue for commerce but an essential component of American military power. Indeed, American airpower has been the signature form of American military power now really since the end of World War II. And even our naval forces are largely defined by their ability to employ airpower, to be mobile platforms for strike aircraft or strike systems.

But what is true on the seas and in the skies is also true in space, near-Earth space, and also in cyberspace now. And particularly when you come to cyberspace, we are spending a lot of money trying to figure out what cybersecurity really entails and means, and it is still a process of discovery.

But it is also the case, reasoning backwards, that the failure to provide a secure environment for international commerce, which is

more and more conducted across the Internet, and international communications and all the elements of modern life that the Internet is intertwined with, if that is not a safe and secure realm for commerce and for military affairs, then there will be geopolitical implications.

Imagine what a genuinely insecure or contested cyber realm would look like and what international politics would be like. People would, of course, turn first to the United States to say, Where is the answer? Why isn't it safe for us to conduct our business? But then, if we were unable to provide such guarantees, again, I can't imagine in detail. I would defer to experts in this field. But it is certainly something worth thinking about and asking ourselves, as we prepare to cut and as the newest investments may well be the first ones to fall off the plate, what the consequences of that would be.

Two other elements of our strategy are long-enduring, and I think, as we look forward, we have to ask ourselves, are we going to continue to conduct our business in this way or shape our strategy?

The first is the balance of power across the Eurasian landmass, not to be too pedantic about it: In Europe, in the greater Middle East, and in East Asia. We have been in Europe for almost a century. The creation of a stable and peaceful Europe, which is a punctuation mark on 400 years of struggle and conflict, is the result of the American victory in World War II and in the Cold War. It is a human historic achievement.

It costs us pennies compared to what it used to. The idea that we could somehow reap savings by withdrawing our garrisons in Europe I think is just, actuarially or as an accounting matter, not the case. But it is also the case that these positions are really useful lily pads for the projection of power elsewhere. There is not an operation we have conducted in the Middle East over the past two decades that hasn't relied on either stopping for gas or, for example, returning casualties quickly to very high-end medical facilities in Germany.

If we walk away from those commitments, it is not likely to immediately put the peace of Europe at risk, but it is certainly going to make our job more difficult elsewhere. We could not have conducted the operation in Libya, even as compromised as it was, absent access to European facilities and without our European allies.

The same is true even more so in East Asia. Jim referred in his testimony to the challenges that we face in that region. We have been withdrawing from East Asia for the last generation, particularly in Southeast Asia. And, not surprisingly, that is the region where the Chinese have become more provocative and more aggressive in recent years.

And, finally, in the Middle East, we are all weary of the wars in Afghanistan and Iraq, and for good reasons, although our sacrifices at home are nothing compared to the sacrifices of those who are actually fighting the war, who are a very small proportion of our population. But, again, if we step back from the headlines and look at the experience of the past 30 years, if I had been an investor in a penny stock called U.S. Central Command in 1979, I could have retired many times over, because the number of Americans in all

Services and all capacities who are serving in that region has mushroomed, and we have been remarkably successful—again, if you step back from the attacks of the day—in terms of creating a region that is more peaceful, more stable, and now, surprise, in the throes of its own democratic revolution.

And, finally, there is the component of American strategy that should not be undersold, and that is providing for the public good, the international common public good, whether it is humanitarian relief, even up to the more directly related to our national interest tasks of nation- and state-building, and army-building in particular, in states that are new allies of ours and who we wish to be our strategic partners for the future.

Again, I am simply trying to observe how we have acted. Presidents of both parties, often who come into office saying, “I will never do that again; I will control our appetite, and I will lift the burden and save money on war and on military expenses,” to a man, they have reversed course and found that the need for energetic engagement across the world remains the core of American strategy.

So, as we contemplate these cuts, I think the benchmark ought to be what our past behavior has been. And you need to ask the super committee, and before we collectively as a Nation make these decisions, ask which of these missions we are going to shortchange. The people who conduct them have been running at full speed for quite a while. And as we take away resources from them, their ability to succeed is going to be put at risk and so will their lives.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Donnelly can be found in the Appendix on page 64.]

The CHAIRMAN. Thank you.

Mr. Boot.

**STATEMENT OF MAX BOOT, JEANE J. KIRKPATRICK SENIOR  
FELLOW FOR NATIONAL SECURITY STUDIES, COUNCIL ON  
FOREIGN RELATIONS**

Mr. BOOT. Thank you, Mr. Chairman. Thank you, Congressman Smith. Thank you, members of the committee. Thank you for convening this very important series of hearings. Thank you for inviting us to testify. And thank you, above all, for all you are doing to sound the clarion call about the devastating damage that will be done to our Nation’s defense and to our standing as a country if the full range of budget cuts currently contemplated in Washington were actually to be enacted.

Jim’s colleague Todd Harrison at CSBA [Center for Strategic and Budgetary Assessments] has calculated that if you add in the cuts that have already been made and the cuts that are being contemplated—which, let us remember, is not only a devastating possibility of sequestration but also the loss of the overseas contingency funding as we wind down in Iraq and Afghanistan—if you put all that together, according to Todd Harrison of the Center for Strategic and Budgetary Assessments, the defense budget could decline by 31 percent over the next decade. That compares with cuts of 53 percent after the Korean war, 26 percent after the Vietnam war, and 34 percent after the end of the Cold War.

Now, some will say, "Good. It is a historical norm that we should wind down our military activities and spend the peace dividend when wars are over." In the first place, I would observe that it is more than curious that we are in a rush to spend a peace dividend when there is no peace, when our soldiers every day are still walking outside the wire in Iraq and Afghanistan, facing deadly danger, confronting our Nation's enemies. They are not at peace, our Nation is not at peace, and yet we are rushing to wind down our military activities.

Beyond that, however, I would put on my hat as not only a policy analyst but, first and foremost, as a historian and look at what has happened in the past when we have engaged in this activity of cutting defense after what we believe to be the end of hostilities, when we suddenly imagine that peace is dawning and we can afford to let down our guard. If there is one iron law of American history, it is that those cuts have made future wars more likely, and when those wars have come, they have made it much more likely that we would lose the first battles of those wars, at great cost in blood and treasure to our Nation.

Let me just review that history very briefly with you, noting, to begin with, that after the American Revolution our Armed Forces shrank from 35,000 men to just 10,000, which left us completely unprepared to deal with the Whiskey Rebellion, the quasi-war with France, the Barbary wars, the War of 1812, all the conflicts of the early 19th century. After the Civil War, our Armed Forces shrank from more than a million men to just 50,000, which made it impossible to deal with the threat posed by the Ku Klux Klan and other violent terrorist groups seeking to subvert the aims of Reconstruction.

After World War I, our Armed Forces shrank from 2.9 million men to 250,000 in 1928. That made World War II much more likely by emboldening aggressors in both Japan and Germany.

After World War II, our Armed Forces shrank from 12 million men in 1945 to 1.4 million in 1950. The Army saw truly steep cuts, from 8.3 million soldiers to 593,000. And those that were remained were ill-trained, ill-equipped. We paid the cost in 1950 when North Korean tanks rumbled across the DMZ [Demilitarized Zone] and the very first American force to confront them, Task Force Smith, was decimated because they had neither the training nor even the ammunition to stop this onslaught.

After the Korean war, our Armed Forces once again declined, from 3.6 million men in 1952 to 2.5 million in 1959. The Army lost almost half its Active Duty strength in those years. Instead, President Eisenhower thought he could rely on the "New Look," on nuclear deterrence, to prevent aggression in the future. That strategy was not vindicated in the case of Vietnam, where we confronted an enemy who could not be stopped by a handheld Davy Crockett nuclear launcher.

After the Vietnam war, our Armed Forces shrank from 3.5 million personnel in 1969 to 2 million in 1979. This was the era, as you all remember I am sure, the era of the "hollow Army," when we had inadequate equipment, discipline, training, and morale, all of which emboldened our enemies to aggression, whether it was anti-American revolutions in Nicaragua and Iran or the Soviet in-

vasion of Afghanistan. We are still paying the price, by the way, in that the anti-American regime in Iran remains very firmly entrenched in power.

And then, after the end of the Cold War and the Persian Gulf war, our Armed Forces shrank from 2.1 million personnel in 1989 to 1.3 million in 1999. We are still suffering the consequences of that post-Cold War drawdown, which left us with inadequate force numbers to deal with contingencies such as the wars in Iraq and Afghanistan. As we know, our Armed Forces have been tremendously stressed over the last decade. And it is not only the Army; it is the Navy, it is the Air Force, all of which are running their equipment ragged, running their personnel ragged by maintaining an unsupportable operations tempo.

This is the point when we should be recapitalizing our Force, as called for by the Hadley-Perry Commission. This is when we should be building up to make up for the decline in overall American—for the lost procurement decade of the 1990s, for the declining stocks of weapons systems and the aging of our tanks, aircraft, Navy ships, and others.

It is certainly a time when, as has been pointed out by Tom just a minute ago, we are facing numerous threats around the world, which would certainly necessitate, if we were looking at things from a strategic perspective, a buildup, not a drawdown. When you look, certainly, at the fact that China is undergoing double-digit increases in its defense spending every year, that suggests the need for enhancing the American deterrent in the Pacific, not drawing it down.

And yet, what are we already engaging in? We are already seeing the Department of Defense cut back program after program, whether it is the F-22 or the Future Combat System, the Expeditionary Fighting Vehicle—so many, over the last several years, which have been canceled or cut back. So it is not as if the Department of Defense has been exempt from the budget-cutting ax. We are already cutting into what I believe to be the muscle of our military defense. The danger now, of course, is that, if sequestration occurs, we will start chopping off entire limbs. Either way, our Nation's defense will not remain whole if this budget-cutting imperative is allowed to run willy-nilly out of control.

Now, in conclusion, I would note that, all that being said, if it were truly the case that the defense spending that we currently have were bankrupting the country, if the defense spending were truly responsible for the grievous state of our public finances, at that point I might very well join the budget cutters and say we should cut back, because, in fact, our Nation's economic wellbeing is the ultimate line of defense and the ultimate guarantor of American strength.

But, as all of you know, that is not the case. Even now, even with defense spending having doubled in absolute terms over the last decade, we are still spending less than 5 percent of our gross domestic product on defense. It is still consuming less than 20 percent of the Federal budget. These are both relatively low figures by historic standards, and it is impossible to argue with a straight face that defense is bankrupting our country. Clearly, as Congressman Smith mentioned, it is the entitlement problem that we have

to grapple with. And even if we eliminated the defense budget tomorrow, we would still be left with a dire fiscal situation.

But instead of dealing with our true fiscal woes, I fear we are being distracted by them, again, as Congresswoman Smith noted, by the fact that it is relatively easy to go after defense and much harder to go after entitlements. And what this raises for me is the prospect of a dangerous world that I hope that I will not live to see, that I hope that none of us will live to see, which is a world in which America is no longer number one, a world in which our primacy is actively challenged, a world of competing power blocks, a Hobbesian world where the rule of law becomes a laughingstock, where our power is not respected.

That will be a much dangerous world. And if history is any guide, we will pay a very high price if we allow the waning of our military power and we live to see a world such as that. And yet I fear that will be the inevitable consequence if sequestration occurs, and perhaps even if not.

Thank you.

[The prepared statement of Mr. Boot can be found in the Appendix on page 74.]

The CHAIRMAN. Thank you.

Dr. O'Hanlon, I already introduced you as Director of Research, Senior Fellow at the Brookings Institution. Sorry you were held up in traffic. We will now hear from you.

**STATEMENT OF DR. MICHAEL E. O'HANLON, DIRECTOR OF RESEARCH AND SENIOR FELLOW, BROOKINGS INSTITUTION**

Dr. O'HANLON. Thank you, Mr. Chairman. I apologize, and I will be brief. I was with a group of Army generals talking about a similar topic out in Fairfax, and that is a long ways with D.C. traffic. But my apologies and my appreciation for the opportunity.

I will just make a couple of brief points. I know some of what has already been said, having reviewed some of their writings.

I think there are ways to do \$350 billion to \$400 billion or so in 10-year defense cuts but not trillion-dollar cuts. And that is the bottom line for me.

And I say this based on an ongoing research project that I have been conducting where I try to begin with five or six what I consider irreducible requirements for American national security policy. And I think, for example, just to give you a highlight, we don't want to be in a position where we have to choose between protecting the western Pacific as China rises in a promising but challenging way and protecting the Persian Gulf. We don't want to ask the Navy to make that choice. I think it would be fundamentally unwise. We don't want to ask the Army to choose between a potential capability to protect Korea, because as unlikely as war may be there it is not impossible, and being able to conduct its ongoing stability efforts in the broader Middle Eastern region. We don't want to have to ask the defense industrial base to make a choice between keeping top-of-the-line excellence in certain technology areas like stealth, but not maintaining that excellence in other areas like submarines. And yet these are the kinds of choices I believe we are forced into if we make trillion-dollar, 10-year cuts.



If we make half-trillion-dollar, 10-year cuts, it is still hard, it is still uncomfortable, but just to give you a quick sampling of the kinds of ideas that I think we can consider and that are difficult and risky but still, I think, worth looking into at this kind of a moment in our Nation's fiscal peril, I think we can consider a range of ideas that still allow us to maintain these core requirements but that, frankly, are going to be tough. For example, consider a "nuclear dyad" instead of a triad. I am open to that.

Another idea that I think we should be open to, recognizing that unmanned drones now allow us to cut back the F-35 procurement buy from 2,500 to perhaps something that is only half to two-thirds as much, using drones and precision strike munitions instead of the number of manned tactical fighters that we previously anticipated.

Another example of where I think we can be a little bit provocative—and we should be—is to ask the Navy to start considering rotating crews overseas by airplane and leaving the ships forward-deployed for a longer period of time. The Navy has done this with mine sweepers, and it has a variant on this for its ballistic missile submarines, but it does not do it with its surface combatants, even though I believe it could and even though they have done experiments that show that it is doable. Now, you still have to have a ship back home for training, but when you go through the math, you can actually get 35, 40 percent more utility per ship, at least in peacetime. This doesn't account for the need for a warfighting attrition reserve, but in peacetime you can probably do better.

That is the kind of uncomfortable idea I think the Navy has to consider. And I think the Army and Marine Corps are going to have to go back to Clinton-era, 1990s-era levels in terms of size and overall manpower strength as the war winds down in Afghanistan. So I am open to these sorts of things.

But even if you do these—and these are pretty aggressive, and they are going to make a lot of people uncomfortable and add some risk to our national security portfolio—I think you can get to \$350 billion, \$400 billion in 10-year cuts; you can't get anywhere close to a trillion. And if you go for a trillion, you are playing Russian roulette: Which interests do I take a risk on? Which capabilities do I forgo?

And I will leave it at that, Mr. Chairman.

[The prepared statement of Dr. O'Hanlon can be found in the Appendix on page 83.]

The CHAIRMAN. Thank you very much.

And I am glad you brought that up. In the Deficit Reduction Act, we have \$350 billion, and that is what everybody is focused on. But it is actually, if you look at the numbers, if you go back to the Secretary when he went to the chiefs and asked them to cut \$100 billion, find efficiencies and you will be able to keep that for more important things, when he went back to them, he said, "Actually, you will get to keep \$74 billion, and the \$26 billion will be used for must-pay things you will have to continue with, so you won't keep the whole \$100 billion."

And then when he presented that to us, he said, "And when we were going through that, we found another \$78 billion in cuts that we will institute at this point," which went against everything he

had been saying for the last several years, that we needed to have a 1 percent increase going forward just to maintain stability. And with the \$78 billion, it reduced end strength by 47,000 in the year 2015 out of the Army and the Marines, but he said we could go no further than that without significant cuts in end strength.

Then the President gave a speech and said we want to cut another \$400 billion out of defense. All of this has happened in the last year.

And so the Joint Chiefs—I met with Admiral Mullen last week—are working on \$465 billion in cuts that have not been put into place yet, not the \$350 billion that we are looking at. And if the joint committee is not successful in their operation, then we are looking at another half-trillion dollars, which brings us up to the trillion that you just said is devastating.

I thank you, each of you, for your comments and for giving us some ideas of things. I think all of us here understand that we had to make cuts, but I want to make sure that we understand that we are looking at \$465 billion in cuts in the last year going forward for the next 10 years, which the chiefs have not yet given us what that really means. All we are looking at this point are numbers on a chalkboard. When we see how that translates down to program reduction, end strength reduction, we are going to have to deal with that.

But that has already passed, and we are already grappling with that, without getting any further into these cuts. You have provided us a lot of thought-provoking material, and I am sure that these are things that we will have to look at as we go forward.

Could you please, each of you, comment on the likelihood that the United States would be able to reduce our military's commitments? In other words, all of these cuts have been thrown at us without any change in strategy. It has been, just pick a number. I think we are going to have to look at what the commitment is, what do we expect our military to do.

In light of the expected roles and missions of the military, please provide an assessment of the additional risk we assume in fulfilling these missions with a substantially reduced force, reductions to operation and maintenance budgets, and cuts to procurement.

Mr. Thomas.

Mr. THOMAS. Well, I think, as we look ahead, for as bad as our fiscal predicament may be, the predicaments that face many of our allies are perhaps as bad or even worse.

I think it would be perilous if the United States were to reduce its security commitments around the world. We have maintained close ties with allies in Europe and in Northeast Asia for decades, and this really has been a source of peace across, as Tom was saying earlier, the Eurasian landmass. And that is not something we would want to walk away from.

The real question is going to be how we reshape our commitments as we look ahead. How do we change the division of labor and the bargains that we struck in the post-war world, after World War II, and renovate and update them, bring them up to speed for the 21st century?

For the longest time, our allies have been more or less protectorates of the United States. We have extended our nuclear umbrella

and the cloak and shield of our conventional capabilities to protect those allies so that they could flourish as industrialized nations and prosper in reconstructing after World War II. But as we look ahead, we are going to have to re-craft those bargains and expect more of our allies, especially in terms of their own defense.

And here, I think, we can actually learn from some of the moves that some of our competitors have been making. If you look at what China has been doing over the past 15 years in terms of building up a robust anti-access/area-denial battle network that is really focused on preventing and constraining the power-projection options of others, it is possible that our allies could emulate China to some extent, especially in the Indo-Pacific region, where they can build up their own capabilities to hold at bay those who would do harm to them. They can better defend their own sovereignty more effectively than relying on the United States to project power into the theater to protect their sovereignty for them.

So I think this is one of the things that we will have to look at in the years ahead.

Dr. O'HANLON. Just to make one specific point, Mr. Chairman—and this is both an indication of where I think we can take a little more risk but where we also have to be careful not to go too far.

As this committee well knows, for 20 years we have been thinking about two major regional conflicts at a time as our planning metric. And, in fact, for the last 10 years, we have been fighting two at a time as our reality. That raises the question of, what should the planning framework be for the future? And, as you know, the 2010 QDR essentially reaffirms the two as the number, and then it adds on other missions. In the old days, other missions used to be thought of as lesser-included cases, to some extent, which was probably a misnomer.

But I think, at this point, we don't necessarily need to have the capability for two all out, simultaneous wars. And that, by itself, is a pretty risky proposition, to go from two to one. But I think we can consider that, with Saddam gone and with our other threats, our fiscal and debt threats.

But if you are going to go to one, you don't cut the Force in half. You have to be able to sustain ongoing stabilization efforts in places, in the broader Middle East in particular, that may remain dangerous for quite some time. I am not suggesting another big regime-change operation, but if we even wind up putting one or two brigades in a future Yemen contingency or, Heaven forbid, Libya or Syria—who knows where these things are headed? Or Afghanistan for a longer period of time than some of us would now like, and you add those things to a one-war capability, you still wind up with a need for probably 450,000 Active Duty soldiers and 160,000 Active Duty marines.

So even if you are prepared to be somewhat radical like that and go from two to one as your major regional war planning metric, it doesn't mean that you can do a trillion dollars in 10-year cuts or that you can slash the Force. If you are trying to be at all prudent, it means something much more modest than that.

Mr. DONNELLY. It is always worse as far as, you go down the line, there are more comments you want to make. I will try to limit mine to three quickies.

First of all, a matter of some facts. We have left the two-war force-planning construct two QDRs ago. The late Bush QDR had that one-four-two-one, whatever that added up to, but it was a one-major-war planning construct. And the 2010 QDR had no force-planning construct whatsoever. Secretary Gates said as much. And all the service chiefs complained loudly and long about that fact because they had no yardstick to measure their programs against.

The other thing I would emphasize—actually, two things—is that it is better for us to think of our global strategy as in a holistic way, not as a pile, an aggregated pile, of commitments that we have picked up. It really is a system. The balance of power in the Middle East is critically important to the direction that East Asia will take because East Asia depends critically on those natural resources, and particularly energy resources, that come out of the Persian Gulf and the region around there. And the world is just—a globalized world is a globalized world.

Finally, Jim's point about changing the nature of our alliances is worth exploring in detail, particularly emphasizing new partners and new allies, the ones that we have won in Iraq and Afghanistan—it would be, I think, a strategic myopia to turn our backs on those people—but also trying to enlist new partners like the Indians or revitalizing our East Asian alliances, where there has been broad peace and stability that has allowed prosperity for the last generation but which is now much more strategically up in the air than it has been at any time.

And what that means for us and our programs is that we need to be able to really integrate this idea of building partnership capacity from the start. We should never, or only under extreme circumstances, build systems in the future that we can't share with our partners and our allies. And a program like F-35, for example, that was structured for exactly that purpose, is now one of the strongest reasons for maintaining and recouping that investment is to be able to proliferate it among these new partnerships and alliances that we are trying to revitalize.

Mr. BOOT. Well, Mr. Chairman, I think you raise a very important issue about what is the American strategy going forward. And what concerns me and I am sure concerns all of you is the lack of strategic thinking going along with the budget-cutting process. I see very little desire on the part of the Administration or the American people in general to give up any of the major roles that our Armed Forces perform around the world. Instead, we are constantly having new missions thrown their way—for example, deposing Qadhafi in Libya, just to name one of many, or providing disaster relief after a tsunami in Japan. It is hard to imagine that we would forgo those kinds of missions in the future.

Instead, I think the far more likely scenario would be that we would still be trying to undertake pretty much all of the missions that we are currently doing but we would just be doing them on a shoestring. We would be hollowing out the Force in order to keep this aura of American power but losing the reality of American power underneath.

You know, some of the ideas which are actually presented for dramatically redefining the American posture around the world I don't think stand up to much scrutiny. I mean, for example, I know

just going out and talking to various audiences about budget cuts, you often hear questions raised about, well, why do we still have 80,000 personnel in Europe? I mean, what is the point of defending the Germans or the Italians? Why can't they defend themselves? But, in fact, as I think we all know, the primary role of those forces is not anymore defending the Germans or Italians; it is simply a way that we can be forward-deployed in the areas where our troops are most likely to see combat in the future.

And the fact that we were able to shape events in Libya in recent months was due in no small part to the fact that we had those bases in Europe, that we can project power into the Middle East, into the Central Asia, into areas of—into the zones of conflict in the future. And, oh, by the way, it is not necessarily cheaper to bring troops home from Europe and to keep them at home, because the Europeans contribute to their maintenance in Europe in a way they would not do if they were based in Texas.

So some of these ideas that might be thrown around out there for how we can safely contract our missions around the world I don't think stand up to much scrutiny. And then you get into the really difficult tradeoffs, the kind that Mike alluded to, about, are we going to keep the Persian Gulf open or are we going to deter China? I mean, those are truly nightmare choices that I couldn't imagine any administration really making and saying, "Oh, we are going to give up the Middle East," or, "We are going to give up the Western Pacific."

Of course we are going to try to keep a hand everywhere, but the question is, will we have a credible capacity to back up those commitments? And, unfortunately, I think if, as Mike suggested, if we face a trillion dollars in cuts, if we face the loss of 30 percent of our defense budget over the next decade, we are not going to have the capacity to back up our commitments. And then they will be exposed as hollow, and our power will become a shadow of itself.

The CHAIRMAN. Thank you.

Ranking Member Smith.

Mr. SMITH. Thank you, Mr. Chairman.

In the interest of getting some other Members in here, I just have a couple quick comments. I am not going to ask a question. I think all of your comments have been very helpful to the panel, certainly to me. And I appreciate some of the insights.

I just want to focus a little bit on the budget issue, because Mr. Boot pointed out defense is 20 percent of the budget and went through the list of arguments as to why defense isn't the problem. Let me tell you, everywhere in the budget, every little piece of it, the people who advocate for that piece of it have an outstanding argument for why their piece of it isn't the problem. But it all adds up.

So I take a very simple, straightforward approach to this. It is a math problem. It is a very simple math problem. If you are 20 percent of a budget that is 40 percent out of whack, you are part of the problem, by definition. If you are 5 percent of a budget that is 40 percent out of whack, you are part of the problem.

Certainly, the entitlements add up to 55 percent, so they get the largest share of it, but it depends on how you break those down. You know, Social Security is 12 percent, Medicare is 18 percent,

and you can go through it. But I think what we have done collectively here is, you know, we defend our little corner of it. But the whole thing adds up to a big, huge problem.

And I do appreciate Mr. Boot's phrase that it is hard to imagine that we would make some of the choices that you laid out, and it is. But the thing that everyone has got to start to come to grips with is, we are going to have to do a whole series of things that are unimaginable right now and have been unimaginable. That is what the numbers are in front of us. And instead, we spend all this time arguing about how, well, we can't possibly do this because it is unimaginable. We are 40 percent out of whack. We are going to have to do something that is unimaginable. Now, I don't want it to be too much in the defense area, but it has got to be part of the conversation.

I would correct one thing Mr. Boot said. He said that I stated that the problem was entitlements. That wasn't actually what I said. I said that it is all there. What I said was, right now, the only portion of the budget that is being targeted for cuts is the non-entitlement portion of the budget.

And when you take 38 percent of the budget—38 percent of a budget that is 40 percent out of whack—and you leave the other 62 percent out of the conversation and, I believe just as importantly, you leave revenue out of the conversation, revenue that has gone down as a percentage of GDP [gross domestic product] by almost 30 percent over the course of the last decade—and just to sort of close here with the unimaginable, if you take the overall position, primarily of the majority party, that defense cuts are going to be a big problem—and we have heard that, and I agree with that—raising revenue is completely off the table. If you do that, you have to cut everything else in the budget by almost 50 percent to get to balance.

Now, keep in mind, a chunk of entitlements is retirement pay for the military, people who retire from the military.

I don't think this committee would be too anxious about going after that. So once you take that off the table, you are over 50 percent.

If you accept that we have to get to balance—and I think, again, I think the majority party and I accept that we have to get the balance. So when we are talking “unimaginable” here, it is all unimaginable. We have to start making people aware of that and then make those choices.

Now, I agree with the assessment here; I think defense can take a hit. And Dr. O'Hanlon, I think, laid it out fairly well. Right now it is taking too big a hit, and we ought to bring some of these other folks on to the table. But let's not imagine that defense isn't part of the problem. It is 20 percent of a budget that is 40 percent out of whack.

With that, I will yield back and look forward to the other questions.

The CHAIRMAN. Thank you.

I would like to point out to Members that, in addition to Mr. Thomas' testimony, CSBA has provided us with copies of their new report, “Sustaining Critical Sectors of the U.S. Defense Industrial Base.” We have copies for every Member. But, in particular, this

is a report I hope our new Panel on the defense industry, headed by Representative Shuster and Representative Larsen, will dig into.

Thank you for providing this information to the committee.

[The information referred to is retained in the committee files and can be viewed upon request.]

The CHAIRMAN. Now we will turn to the committee for questions. I will be enforcing the 5-minute rule so as we can get all of the Members to have an opportunity to ask their questions.

Mr. Bartlett.

Mr. BARTLETT. Thank you.

Our deficit is several hundred billion dollars more than all the money we vote to spend. Roughly every 6 hours we have another billion-dollar debt, and roughly every 12 hours we have another billion-dollar trade deficit, thanks to our moving to this service-based economy.

We were asking for cuts to be equal with spending, but these cuts are over a 10-year period, so the cuts are one-tenth of the deficit. The Ryan budget, which is a very tough budget, doesn't balance for 25 years, during which time the debt essentially doubles. And it balances then only if you make what I think are unrealistic assumptions about economic growth, 2.6 percent average. I think that will be very difficult. We are up against a ceiling of 84 million barrels of oil a day, which hasn't budged for 5 years now.

So it is going to be very difficult to take defense off the table, and yet it is unthinkable that we would cut defense to the point that we are really affecting our national security.

But we really cannot know what the sufficient support level is for defense until we have answered a number of questions. Are we going to continue to fight these discretionary wars? Hugely expensive, the most asymmetric wars in the history of the world. Some say that we are following Osama bin Laden's playbook, who wanted to engage us in endless, hugely asymmetric wars which eventually bankrupt us. At the end of the day, will the benefit really justify the cost of these wars?

We still have troops in more than a hundred countries around the world. Do they really need to be there? After half a century now, we still have very large numbers of troops in South Korea and Germany. A number of people ask, Why are we there?

We have a huge decision to make relative to R&D [research and development] and procurement. If we continue with all of our procurement items now, it will just suck all of the oxygen out of the budget, and R&D is really going to be cut. How much R&D are we really going to need to protect ourselves in the future?

We really need to answer a number of questions about the future military environment. The deep-strike heavy bomber: Will our stealth capabilities really run faster than detection and defenses? Are we developing a bomber that is not going to be survivable 20, 30 years from now? Should it be manned or unmanned?

Carriers versus missiles: Clearly, a missile is very expensive compared to one of our precision weapons, but the care and keeping of a carrier task force is just hugely costly. There is no place on Earth more than a half hour away from an intercontinental ballistic missile. There are a lot of places on Earth more than a half-

hour away from our planes on our carriers. What will be that balance? What should we do?

Access denial and the Expeditionary Fighting Vehicle or its follow-on: Will we really have the luxury of getting that close to shores in the future that we could use a vehicle like this? Should we really be developing a follow-on?

How big should our Pentagon be? Dr. Parkinson noted that the smaller the British Navy got, the larger their Admiralty got, which is their equivalent of our Pentagon. Does it really need to be that big?

We have 187 F-22s and B-2 bombers. Are they adequate to take out air defenses? Do we really need the F-35 and the numbers that we are going to be procuring at?

How do we get an answer to these questions so that we really can determine the real needs of our military?

Mr. DONNELLY. I am happy to go first, if that was a question.

Mr. Bartlett, you ask, you know, really a fraction of the questions that need to be and should be asked and answered. Unfortunately, the time is short. As everybody on the panel has observed, we have found ourselves unable to address these fundamental strategic and operational, budgetary, and programmatic questions in a durable and lasting way since the end of the Cold War. The idea that we don't need to have a force-planning construct is a recipe for further chaos.

And, finally, we also can reason backward from just the experience that we have had over the past 20 years and particularly since 9/11. My summary analysis of that would be that the military that we went to war with after 9/11 was not particularly well-prepared for the mission it got, yet it has adapted and performed quite remarkably. I wish the rest of our Government were as adaptive and as mentally agile as people in uniform had been.

And, finally, I would say—

The CHAIRMAN. I am going to ask if you could please respond to that for the record. Thank you very much.

[The information referred to can be found in the Appendix on page 97.]

The CHAIRMAN. Mr. Andrews.

Mr. ANDREWS. Thank you, Mr. Chairman.

Mr. Thomas, on page 6 of your testimony, you note that the defense budget, including war costs, has gone from a little less than \$400 billion in FY [fiscal year] '01 to around \$700 billion in FY '11 in constant dollars. You say that the buildup is markedly different from other defense buildups in the past because we didn't change end strength by very much, so it is not like you can let a lot of people go. And then you note that recapitalization and modernization plans for large parts of the forces are largely deferred. So the buildup didn't come from a lot of extra end strength, and it didn't come from a lot of modernization and recapitalization.

Since 2001, if you take us out to 2011, the defense budget is 76 percent higher than it was in 2001. And if you take away the OCO [Overseas Contingency Operations], if you take away the Iraq and Afghanistan spending, and you assume all that is gone, which I know you can't assume, but you take all that away, the core de-



fense budget in constant dollars is 39 percent higher than it was in 2001.

If we didn't spend it on end strength and we didn't spend it on modernization, where is the money? Anybody have any ideas on that?

Mr. THOMAS. The buildup that we have seen over the past decade really departs from military buildups we have seen in the past, in the sense that it really has been, in many ways, a ghost buildup. We have not seen increases and large numbers of forces in our active component of the military. We have not seen something like the Reagan buildup, where we went out and procured all kinds of new systems. With some notable exceptions like the MRAP [Mine Resistant Ambush Protected], which has been deployed in Iraq and Afghanistan, where has the money gone?

In particular, one of the main leaders in terms of cost growth in the Department has been personnel costs—

Mr. ANDREWS. Now, with all due respect, let's talk about that. Personnel costs went up by \$39 billion—went up by 39 percent. So they account for \$39 billion of this increase. So, yes, they have gone up, but, frankly, had they—that is \$39 billion of an increase that is \$311 billion. So that accounts for a little bit more than 10 percent of it. Where is the rest?

Dr. O'HANLON. I think that is a great question and a great way to phrase it and frame it. I think about \$50 billion or \$60 billion is in what I would call ending the procurement holiday. As you know, Congressman, we didn't spend much in the 1990s on buying equipment. We didn't need to, at that point. But we have had to get back to spending roughly a quarter of the defense budget on—

Mr. ANDREWS. Actually, it is actually \$27 billion of the \$311 billion.

Dr. O'HANLON. Well, I think that in—I think it is a little more. I think in the 1990s we were averaging in the range of \$45 billion to \$50 billion a year on procurement, and we are now over \$100 billion.

Mr. ANDREWS. No, procurement was \$77 billion in 2001. It is \$104 billion.

Dr. O'HANLON. Well, throughout—

Mr. ANDREWS. So that is \$27 billion.

Dr. O'HANLON. Seventy-seven in 2001?

Mr. ANDREWS. Yep. It went from 77 to 101. So it is \$27 billion out of the \$311 billion increase.

Dr. O'HANLON. Well, you have the advantage of a book in front of you that—the overall 1990s average on procurement was \$45 billion to \$50 billion. And I am quite confident of that. We needed to get that number up by about \$60 billion.

And so I am not really trying to disagree with you. I actually like this framing, because I think it does point to where we need to look. Because the other point that I was going to get to, where I am hopeful that we would be more in agreement, is that there have been a number of inefficiencies introduced. There have been some sloppy ways of spending money. And I think this builds on Jim's point as well. Some of these things, frankly, have been part of the

politics of a nation at war with an All-Volunteer Force. I think we have put too much money into retirement benefits—

Mr. ANDREWS. I wanted ask Mr. Boot a question. He talks about the 90,000-some troops in Europe and says that their mission really is not to defend the Europeans; it is to be forward-deployed to achieve other defense objectives.

What defense objectives could not be achieved if that force were based on the continental United States instead of Europe? Tell me what specific objectives we could not achieve if we moved that force here.

Mr. BOOT. Well, it would be very difficult to carry out operations, for example, as we recently did in Libya, if we were flying out of the continental United States, unless you were flying a B-2 from Missouri, which you can certainly do, but you are not going to be flying F-16s, F-15s, A-10s, and so forth. You are not going to be operating naval ships to blockade Libya out of Norfolk. You have to be forward-deployed to do that.

Mr. ANDREWS. So what if you got rid of all the bases that didn't have air capacity and then just kept the ones that have air capacity?

Mr. BOOT. Well, you also have to have a point for Army troops. For example, troops deploying to the Middle East often go through Germany. And troops that are evacuated—badly wounded troops who are evacuated from Iraq and Afghanistan often go to a medical center in Germany, which is much closer to the theater of operations than would be if they were coming back to the United States.

So there are huge benefits that we gain from having forward-deployed bases.

Mr. ANDREWS. Mr. Chairman, I know my time—

The CHAIRMAN. Again—

Mr. ANDREWS [continuing]. Is up. I would be happy if the record could be supplemented by any of the witnesses.

The CHAIRMAN. I would appreciate that.

Mr. ANDREWS. Thank you.

[The information referred to can be found in the Appendix on page 97.]

The CHAIRMAN. Mr. Forbes.

Mr. FORBES. Thank you, Mr. Chairman.

I want to thank each of you for your expertise and being willing to come and share with us today.

I have enormous respect for each of you and for the members of this committee, but the ranking member said something that just took me back. He said that we had to make some unimaginable choices. And I agree with him on that. But I can't agree that passing an \$800 billion stimulus package that didn't work was unimaginable if we hadn't have done that. I can't agree that it was unimaginable to not pass a health care agenda that is hurting our businesses and hurting our economy enormously. What is unimaginable is for us not to defend the United States of America. And, fortunately, that is what the business of this committee is about, regardless of everything else.

And sometimes I feel like, when we do that, we are in this rhetorical war of apples and oranges, and the public doesn't see what

we are doing. Because it is like being on a computer where I digitally zoom in to something with specificity and I kind of miss the bigger picture.

And if we could zoom out for just a moment, Mr. Donnelly, you mentioned four components that the Independent Panel had looked at: Defending the homeland; access to our seas, air, and cyberspace; favorable balance of power across Eurasia; and also the common good.

Tell me, if you would, all four of you, how do we take away one of those components and not have a serious impact on the others? Because I hear a lot of that in the rhetoric: Let's just don't do anything in Asia, let's just don't do anything in Europe, let's forget dominating the seas and air superiority. How do those interconnect if we zoom back and look at that bigger picture?

Mr. DONNELLY. That is a very fine question, and it would require more time and more analysis. Figuring out, for example, how China's rise will be affected by its ability to get resources from not only the Middle East, but Africa, but other parts outside of East Asia—

Mr. FORBES. Then let me ask you to do this.

Mr. DONNELLY [continuing]. Is an important question.

Mr. FORBES. Take that for the record, but let's—

Mr. DONNELLY. Will do.

Mr. FORBES [continuing]. Drill in on China.

Mr. DONNELLY. Okay.

Mr. FORBES. Mr. Thomas, I know this is where you have been an expert.

We are looking an air-sea battle concept that we have spent months trying to see and develop. Do we have the resources to do that now, forgetting all the cuts? And if not, what are these cuts going to look like, in terms of us creating any kind of air-sea battle concept that we can deal with? And what are the implications to the defense of the country for that?

Mr. THOMAS. Thank you, Congressman, for your question. I think it really is terrific because I think there is oftentimes a view that everything we talk about—and the reality we face is that, in the international security environment, we are constantly going to be confronted with new challenges, with new threats that are out there, but we are not necessarily going to have additive resources to address all of them. So we are going to have to make some trades.

What we have seen with China building up over the last 15 years in terms of its anti-access and area-denial capabilities, its submarines, its ballistic and cruise missiles and other forms of precision weaponry, are only the first manifestation of what we are going to see in other places around the world—in the Persian Gulf and even with non-state actors, like Hezbollah, as they acquire some of these systems in the future.

Across the board, whether you are talking about the Western Pacific or the Persian Gulf or other areas around the world, the operating environments in which our forces are going to fight are going to be far less permissive in the future than they have been in the past.

And this is really what concepts like air-sea battle are driving at: How do we maintain our ability to project power transoceanically as a superpower to these areas where we have vital strategic interests, to defend allies, to ensure the free flow of critical resources to and from those areas? That is the real challenge at hand. But the concepts, I think, are really critical, providing the intellectual guidance that helps us connect the resources with those objectives. How are we going to accomplish these things?

And, in particular, in a world which is going to become increasingly less permissive, how do we think about rebalancing? Some of our forces that we have today, some of the capabilities we have today really depend on very benign assumptions about the environments in which they are going to fight. They assume that we will be able to use forward bases and operate from them. They assume that our satellite communications will not be attacked or that our cyber networks will not be attacked. These are very fragile assumptions on which to base—

Mr. FORBES. What is the implications, any of you, in the 50 seconds I have left, on us not getting that right just with the Pacific alone?

Mr. BOOT. I would just remind committee members that 3 years ago, in 2008, RAND was already projecting that by 2020 we would not necessarily be able to prevail in a conflict with China over the Taiwan Strait. And that was before the unveiling of the J-20 stealth fighter; that was before China put a new aircraft carrier into the water. The balance is tilting very rapidly against us already in the Pacific, even without these major cuts. And that trend will be exacerbated with the cuts.

And you have to think about, what does that mean for our allies? People talk about allies doing more. Well, if we have allies like Taiwan, South Korea, and Japan doing more, they may well decide that they need their own nuclear arms. They may well set off a nuclear arms race with China because they can no longer count on American protection. That is a much more dangerous world.

Mr. FORBES. Thank you.

The CHAIRMAN. Thank you very much.

Mrs. Davis.

Mrs. DAVIS. Thank you.

And thank you, gentlemen, for being here today and engaging in this discussion.

Last week, when General Pace was here, along with a panel, he testified that we really don't have a cohesive national security strategy. And he suggested we need something akin to an inter-agency Goldwater-Nichols Act in order to have a coherent national strategy—national security apparatus which combines all elements of national power.

I know, Mr. Donnelly, you mentioned that the military became very adaptive but the rest of Government has not.

I wonder if you all could comment, beginning with Dr. O'Hanlon, perhaps, but others, what importance do you place on this issue in terms of our defense overall and in terms of the budget constraints that we are facing today?

Dr. O'HANLON. Well, thanks, Congresswoman. A big question. I will just maybe make one specific comment.

On the issue of interagency collaboration, I am sympathetic to the idea, but I am not sure that is really the crux of it, because I think that the crux of it really is deciding where we have irreducible requirements overseas that we have to be prepared to help defend militarily.

The State Department and other agencies are very important, but their costs are so much less, as an order of magnitude, and their missions are fundamentally different, that I think if we are thinking about first principles on defense spending, this is an important conversation, but I would begin with key interests and threats. That is why I start with Korea, the Western Pacific, the Persian Gulf. And I don't want to go into detail on each one. I would also add South Asia and possible Indo-Pakistani problems.

But let me just say one word on Korea because it has come up a couple of times. I don't think the North Koreans are going to wake up tomorrow and decide, "Let's give it a shot. Let's try to reunify the peninsula again." That is not the way the war is going to begin. That is not the scenario we have to worry about.

What they might do, like they did last year, is some other kind of unprovoked, cold-blooded aggression in which they killed 46 South Korean sailors out of the blue. They might also intensify their uranium enrichment program. They might start talking about selling fissile material to overseas groups. By the way, they have done some of that before, at least in terms of the technology, the underlying technology, if not the fissile material. They might, in other words, provoke crises in one way or another.

What do we do in response? I am not saying we dust off the pre-emption doctrine and go after them, but I am suggesting that firmness and a demonstrated capability to handle any kind of a conflagration are important. And, also, looking at niche technological capabilities where we need to get better, not just hold the line, but get better: Missile defense, precision strike against their long-range artillery.

And we also need to be able, if there is, Heaven forbid, a war, to get some number of American ground forces there fast, because the South Koreans are going to need help in securing the perimeter of the country so the existing nuclear arsenal doesn't escape before we can prevent that from happening. The South Koreans can handle the longer-term occupation, assuming that reunification is the destination we would be headed toward in this kind of a conflict, but they are going to need help at first to make sure those fissile materials don't get loose.

And so a future Korean contingency, I think, needs to be part of our planning framework. And that is just one example of how I don't see an easy ability to discard certain interests or threats. I just think we have to be a lot more creative in protecting some of these more economically and innovatively. But I don't think there are too many that we can actually discard.

Mrs. DAVIS. Uh-huh.

Mr. BOOT, did you want to comment?

Mr. BOOT. Well, I just wanted to add, on the subject of interagency cooperation, which I am very much in favor of, I am very much in favor of enhancing the State Department and other civilian capacity to take on some of these tasks which have been given

to the military, but we have to be realistic about it and understand that their capacities are, as Mike suggested, an order of magnitude lower than those of the Department of Defense, and they could not possibly fill the gap of what the Department of Defense does.

We are actually going to see a test of that, by the way, in Iraq, where currently there are about 46,000 troops. At the end of the year, their task is going to be performed by maybe 3,000 troops and 1,000 State Department personnel. I am very concerned about that happening. But if you can imagine that writ-large across the rest of the world, I don't think there is any way that the civilian branches of government can make up for what the U.S. military does, and not only in terms of fighting and deterring wars, but even in the engagement mission and the kind of military exercises, the kind of engagement that foreign area officers and others undertake, which are such a vital part of our diplomatic effort overall.

Mr. DONNELLY. If I could be very quick, I would really worry that, in this budget environment, that a lot of the progress that has been made over the past 10 years is likely to be lost. The State Department has not resolved, but I think has taken seriously, the question of its larger development role, its role in, kind of, state-building, if you will, just to use the shorthand terms.

And, also, I would worry about losing the close integration that we have achieved between the intelligence community and the military, best epitomized by the raid that killed Osama bin Laden. As Jim kind of suggested in his initial statement, those kinds of capabilities are likely to be things that we will want to have in other situations in a very different environment in the future. And I think the temptation and, sort of, the bureaucratic impulse will be for the departments to protect their core missions.

Mrs. DAVIS. How would you want to see those issues framed, though, so that that doesn't happen? Because, you know, it is one thing for the Defense Department to say, "Yeah, sure, we want the State Department funded," but it is another thing to find out ways in which they can economize in order to do that.

Mr. DONNELLY. Well, as I said, this has not really been resolved over the past 10 years. A lot of the progress that has been made and has been paid for, kind of, in a year-by-year supplementally funded kind of way, there—you know, AID [U.S. Agency for International Development], for example, has not been really refashioned into an appropriate or, really, powerful agency.

The CHAIRMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And thank you all for being here today.

I also want to thank our colleagues on the other side. This really has been, again, a bipartisan hearing. In fact, I had to ask Congressman Forbes who had been invited by which party. And so, that is the way it should be, because, indeed, the primary function of the national government is national defense.

And, Mr. Donnelly, I appreciate very much your citing victory in the Cold War. Truly, people seem to have forgotten how successful the American military was with our allies: the greatest spread of democracy and freedom in the history of the world. Whether it be from Lithuania to Thailand, South Korea to Bulgaria, there are

dozens of countries today free that have been under authoritarian and totalitarian regimes, and the people are blossoming, which is good for them and us, and it fulfills the dreams of President Reagan of peace through strength.

With that, briefly, if possible—and it has been touched on—but for each one of you, beginning with Mr. Thomas over, what do you see as the biggest threats facing the U.S. today? What should the U.S. military role be in deterring the threat? And how is our level of preparedness?

Mr. THOMAS. I think, unlike the period after the Second World War, where the United States faced one major threat, in terms of the Soviet Union and the expansion of Stalinist communism around the world, today we face a panoply of threats. But I would really pick on three.

The first is the continued rise of China and particularly the growth of its military capabilities that are of concern. China is not necessarily an enemy, but we have to be mindful of the capabilities that it is developing, as those can challenge our own military and strategic position.

The second is the rise of new nuclear powers—countries like North Korea, as Michael discussed, Iran, and others that are emerging. If we think about land combat operations in the future, the greatest challenge we would face is conducting them in WMD environments.

And the last, really, is, we have seen with Al Qaeda and we have learned our lesson since 9/11 in terms of dealing with a non-state actor that can use great forms of violence almost like a state. We may face others in the future along these lines, and we need to be mindful. And I think this places a lot of emphasis on the need for a preventive aspect in our strategy, of trying to prevent these small groups from emerging, working with others in the world and building partner capacity so that countries can police themselves effectively within their borders and not permit them to become sanctuaries to groups like Al Qaeda.

Thanks.

Dr. O'HANLON. Congressman, thank you for the question. I will just add a brief word on Iran.

And it is an interesting question and a reasonable question: What kind of a threat does Iran really pose? What would it want to do if it had more power and saw us doing less, you know, if it saw us retrenching? And, of course, this is a difficult question to answer, but I think we can look at a couple of things about Iran's recent behavior and speculate usefully.

One, it would up the pressure on Israel even more through Hezbollah and Hamas.

Two, it would try to create weak states to its west, as it has tried in Iraq for many years. And, of course, it had a war with Iraq, which may have left a legacy of mistrust there, but even when Iraq was being run by a Shia-majority government after the overthrow of Saddam, Iran was more interested in keeping Iraq weak. And even after it saw that whatever George Bush's early preemption doctrine might have implied and might have made some Iranians worry that they could be next, by '05, '06, it was obvious that they were not going to be next. This country was not about to embark

on another preemptive campaign, and yet Iran kept up the arming of the Shia militias and even Sunni extremist forces to cause us casualties and to keep Iraq weak.

So I think Iran would welcome a Middle East that is dominated by trying to push Israel, at a minimum, out of the West Bank area but maybe even out of existence and weakening as many Sunni-majority and even Shia-majority Arab states as it could. And that would be its preferred Middle East and the kind of threat we need to worry about.

Mr. WILSON. Thank you.

Mr. DONNELLY. I would just agree with what both Mike and Jim have said but draw a little bit of a line underneath the question about China's future.

The rise of a great power within the context of a global system is a somewhat unprecedented historical situation. We tend to think of China really as an East Asia power. It is already a global actor. And even if there is not a direct confrontation with China, I can imagine that there will be, essentially, proxy competitions, if not conflicts, in other theaters.

Mr. BOOT. I don't think I have time to comment, but I basically agree with my colleagues.

Mr. WILSON. Okay. I thank all of you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Dr. O'Hanlon, you were sort of in the middle of your answer to Mr. Andrews a while ago, talking about the ghost buildup. And you talked about the sloppiness factor, in terms of where some of the money went. I am not sure if you had a chance to finish your thought, and I wanted to just give you an opportunity to revisit that.

Dr. O'HANLON. That is kind of you, Congressman. And maybe I used the word "sloppy" in a little bit of a too quick of a way, because maybe the better word is just "undisciplined."

I think there were areas of military compensation, for example, where we said, "Listen, we are a Nation at war, we have an All-Volunteer Force that we are asking to do really unreasonable things on behalf of the rest of us, and we are going to err on the side of providing more money than we may need in certain areas." I am not talking about deployed troops and their families or survivors or the injured. I am talking about, you know—and I don't want to beat on them too much, but sort of the mid-career retiree who goes on and maybe winds up, you know, in a job at Brookings or runs for Congress or has some other nice income, and they are not asked to pay even a basic, normal health-care premium, for example.

Or a retirement system that, as much as we do understand there is deferred compensation in the military, why do we feel that it is okay to ask a young person, an enlisted person, to work for 5 or 10 years and serve the Nation and go in harm's way, leave the military with no retirement whatsoever, but then give a very generous package to a retiring major or colonel? And there are ways to reform that system and also save some money in the process.



These are the kinds of ideas that I think perhaps Congressman Andrews and I might agree, in philosophy, that there are some needs to relook at some of the decisions we've made in the last 10 to 20 years. And sometimes I think the politics of defense spending in a time of war lead us to do things that are not as efficient as they should be. That is the spirit of what I was trying to say. And I think several tens of billions a year in annual spending are involved in these kinds of things.

Mr. COURTNEY. I mean, obviously, another piece of the sloppiness factor is in procurement. And there has been another spate of stories just in the last couple of months about, you know, embarrassing overpayments by the Army and others for parts that off the shelf, you know, would have been a fraction of what—I mean, is that just something that is just like the weather, we have to live with it.

I mean, you know, if we are looking at ways to save money, it just seems like, you know, waste, fraud, and abuse, which is kind of a nice phrase and easy for everybody, but, I mean, is it hopeless for us to ever sort of expect to have a system that actually, really, you know, the taxpayer would feel total confidence is really working to get the best price?

Mr. BOOT. If I could just jump in on that, I think you are right to talk about the waste, fraud, and abuse and about the runaway procurement. We all know it is out there. What I don't know and I don't think anybody has a great solution for is how do you reform that so you can suddenly get more bang for your buck.

Now, I think there are things you can certainly do at the margin, but I think it is unrealistic to expect that we can suddenly wave this magic wand and all of the sudden we cut defense spending by one-third but still produce the same defense capacity that we were producing before.

At the end of the day, we all decry the huge cost of weapons systems and the rising cost, but we don't know how to create that cutting-edge capacity at a much lower cost. And I don't think that is going to change in the next 6 months; it is not going to change in the next year. All that is going to change is we are going to cut back on the top line, and the systems will get cancelled. They are not suddenly going to start to be produced for a lot less.

Mr. DONNELLY. One last shameless commercial for the QDR Independent Panel, which addressed this subject directly.

I was convinced, in listening to that discussion, that the single most important thing we could do is procure things in a timely fashion. What has really been a killer over the last decade has been this protracted development period where the original technologies get overtaken by new technologies, and so bells and whistles are added and added and added and requirements added and added and added.

And things like the F-22 or the Future Combat Systems are perfect examples of those, whereas the previous generation, with the F-16 being the perfect example of something that was bought as a simple daylight fighter in large numbers and has been revised and modified to do a range of missions that was never anticipated, is a much better model.

So a lot of the money that has gone down the rat hole has gone to changing our minds, deferring development, with the result that we get 187 F-22s for what we originally planned to get 750 aircraft for essentially the same amount of money.

Mr. COURTNEY. Thank you.

Really quick, Dr. O'Hanlon, your recommendation about eliminating one leg of the triad—I mean, we have heard a lot of testimony about rising nuclear states. I mean, how does that sort of dovetail?

And thank you.

Dr. O'HANLON. No, it is a very good question. I think, Congressman, what I would do, in terms of nuclear capability, I would not reduce our forces any faster than Russia reduces its. I would make sure that in this period of transition we stay well ahead of China, not so much because I anticipate a nuclear exchange, but I just don't want to give China the wrong kind of encouragement or wrong ideas about, you know, being able to catch up and all of a sudden act the part. And I would make sure that our nuclear weapons are safe and reliable.

That leads to a number of recommendations, but I think you can do that and still take, potentially, one leg out of the triad or at least cut back systematically across a couple.

Mr. BARTLETT. [Presiding.] Thank you.

I would like to ask members of the panel if you could also watch the countdown clock. And when it reaches zero, try to conclude your answer as quickly as possible so that we don't have to rudely use the gavel here. Thank you very much.

Mr. Runyan.

Mr. RUNYAN. Thank you, Mr. Chairman.

And, gentlemen, thank you for coming today.

We have brought up the word "adaptive" many times. I have a few questions. I think they pertain more to our Guard and Reserve Component, which I think is very adaptive. And from speaking to the generals that I deal with in the Guard and Reserve, they tend to run a lot more efficiently and cheaper than our traditional forces.

What do you see—and I probably won't get to each of you—but what do you see for the future of the Guard and Reserve as we move forward, and how we are implementing them in our fights as of now? And also, from the components' ability, from an equipment perspective, pre-9/11 to now also?

So, Mr. Donnelly, do you want to start?

Mr. DONNELLY. Yeah, I will try to be quick.

Really, the adaptability of the Guard and Reserve has surprised everybody who would have pretended to be an expert on 9/11. They have deployed more frequently, performed more competently, had non-deployment rates that are far below what anybody would have anticipated. That said—and they have become essentially an operational reserve. The distinction between the Active Force and the deploying Guard and Reserve force is much less than it used to be.

That said, there is still a marginal cost associated with a mobilized—when you use them, that is when the cost, you know, arises. It is, again, much less than anybody imagined it would be. These guys have adapted and performed and have been deployed over and

over again and done yeoman work. And I think we still are trying to understand what that may mean for future strategy-making. It also means that they are not a genuinely strategic reserve; they are just on the conveyor belt at a slightly slower pace than the Active Force is.

Mr. THOMAS. If I could just add, I think, as we look ahead, there may be some real changes that we can make, and real opportunities, as we think about broader changes in our roles and missions across the military in terms of how we would use the Reserve Component.

New missions that are out there—missions like cyber warfare and thinking about operating unmanned air vehicles and other unmanned systems in the future—these may actually be very well-suited for the use of Guard and Reserve forces in the future, especially given the synergies with some of their civilian occupations.

Dr. O'HANLON. Just a brief note. I think it is always worth re-looking, but I think that, at a time when you are doing sustained operations, the economics of it are more or less a wash between the Guard and the Active Forces. If you are doing—if you are preparing for the one biggie that may or may not ever happen, then I think there is a little bit more of a shift toward the Guard being preferential, in some ways, or advantageous.

But I think, on balance, I feel pretty comfortable with the current mix. But just to back up, I think, Congressman, some of what you were driving at, that is a mix that now supports the Guard and Reserve more than we used to. And as we draw down from these conflicts, I think we have to remember that it took some effort to get them to where they are today, and we probably want to keep them there, in terms of capability.

Mr. RUNYAN. Mr. Boot? No?

Thank you all very much.

I yield back, Mr. Chairman.

Mr. BARTLETT. Mr. Cooper.

Mr. COOPER. Thank you, Mr. Chairman.

I wanted to give Mr. Boot, in particular, one more chance to come up with constructive suggestions for defense cuts that could be made without endangering American strength. You may dismiss some of these ideas as marginal, but I think it is very important that every sector of our Government make a good faith effort to root out waste, fraud, and abuse.

Mr. BOOT. Well, Congressman, I think that the Defense Department actually has made a good faith effort, and, as we saw in the last 2 years, Secretary Gates either cancelled or reduced numerous acquisition programs. I mean, when you look at the—as well as closing headquarters, like the U.S. Joint Forces Command, eliminating general officer slots, eliminating the Future Combat System, eliminating the Expeditionary Fighting Vehicle, the VH-71 helicopter, the CG(X) cruiser, ending the buy of the F-22 and the C-17, ending the Airborne Laser, delaying the aircraft carrier, the F-35, littoral combat ships, reducing—vowing to—announcing a reduction in Army and Marine end strength by 47,000 personnel, I don't think anybody can argue that the Defense Department has been exempt from cuts.

In fact, the way I look at it, the Defense Department—

Mr. COOPER. I didn't argue that, sir.

Mr. BOOT [continuing]. Has already taken——

Mr. COOPER. I didn't say that they had been exempt from cuts. I was asking you for constructive suggestions of what could be done, going forward, to trim waste from the defense budget without endangering American strength.

Mr. BOOT. I think it would be very difficult to do, as I was trying to suggest. I think that the cuts——

Mr. COOPER. So you would have no suggestions?

Mr. BOOT. I don't. Because I think we have already cut defense considerably. We have already——

Mr. COOPER. So the military budget is currently perfect?

Mr. BOOT. No. Nobody argues that the defense budget is currently perfect, but the world is——

Mr. COOPER. Well, show me how it is imperfect.

Mr. BOOT. The world is highly imperfect. There are a range of contingencies, Congressman, that we have to be prepared for, and I don't think that there are easy cuts to be made. My colleagues, Jim Thomas and Mike O'Hanlon, have——

Mr. COOPER. I didn't ask for easy cuts, I asked for any cuts. Is there any waste in the Pentagon budget? And if so, where is it? You are a defense expert, you——

Mr. BOOT. I think that Secretary Gates went about as far as one could possibly go in responsibly cutting back defense programs over the last couple of years. I would not be comfortable advocating more defense program cuts, which I believe would imperil the security of the United States.

Mr. COOPER. So any cut at all in the defense budget would imperil the security of the United States?

Mr. BOOT. I suppose if you had a \$5 cut in the Defense budget it would not imperil the security of the United States.

Mr. COOPER. Can you help us identify any of those \$5 cuts?

Mr. BOOT. Well, we already——Congressman, I don't know why it is necessary to identify cuts when we are already cutting a record——

Mr. COOPER. You are a defense——

Mr. BOOT [continuing]. This year alone, as the chairman noted, we are already this year cutting \$465 billion from the defense budget. I don't know why there is a need for more defense cuts. I certainly don't see it from a budgetary perspective, and I definitely don't see it from a strategic perspective.

Mr. COOPER. Mr. Boot, you are a defense expert, and you know that the GAO [Government Accountability Office] has identified the Pentagon budget for almost two decades now as one of the highest-risk areas of all of Federal spending, due largely to its inauditability, its untraceability. The Bowles-Simpson Commission, when they asked Secretary Gates whether they had 1 million defense contractors or privatized outsourcers or 10 million, they couldn't tell the difference.

Mr. BOOT. Well——

Mr. COOPER. The Defense audit agency itself was found guilty of not adhering to generally accepted accounting standards. So, lots of times, we literally don't know where the money is going. Is that defensible?

Mr. BOOT. Congressman, you will find waste, fraud, and abuse across all sectors of government. But, as was pointed out here before, I think that the Defense Department is actually the most important department of our Government because it is the one that provides for the common defense. And I don't know any way that we can simply take out a line item for waste, fraud, and abuse and leave our military capacity intact.

There are differences and, certainly, arguments that occur on the Hill all the time in terms of what is actually wasteful and abuse. And we see many instances, when the Pentagon tries to eliminate programs, they all have their champions on the Hill, all of them arguing that these are not, in fact, pork barrel spending but, in fact, vital programs. So I don't think there is any consensus about what constitutes the wasteful programs.

Mr. COOPER. With your expertise, surely you could help advise us on locating areas of, at least, lower-priority spending.

Mr. BOOT. What I am—

Mr. COOPER. Surely you could help us clean up the procurement process. Surely you could use your experience and wisdom to trim some of the excess.

Mr. BOOT. Congressman, as I said before, I don't know how to usefully reform the procurement process to save money. Many of the procurement reforms we have had in the past have actually wound up adding costs rather than subtracting them. I don't think we have any consensus in this town about how to reform procurement so we can do more with less. And that is not going to—

Mr. COOPER. So you are giving up?

Mr. BOOT. We are not going to have a magical way to do that in the next year that will—

Mr. COOPER. You are giving up?

Mr. BOOT [continuing]. Allow us to cut the defense budget without losing vital military capacity, something that Bob Gates, Leon Panetta, and other leaders have warned about.

Mr. COOPER. Uh-huh.

I see that my time has expired, Mr. Chairman. I am disappointed that someone with such noted defense expertise would give up such an important task.

Mr. BARTLETT. Thank you.

Mr. Gibson.

Mr. GIBSON. Well, thanks, Mr. Chairman.

And I thank the panelists for being here. I certainly have enjoyed reading your materials and research in the past. And I think, without a doubt, everyone on the committee here wants to make sure that we protect our cherished way of life. I think that we diverge when we start to look at the specifics of that.

And I guess I would challenge in the main direction of the testimony this morning. I really think it comes down to an *a priori* question of what our role should be in protecting our cherished way of life *vis-à-vis* other countries in the world—Iran, North Korea, China, Venezuela—the list—we could go on, certainly of concern, but the question is, what would a vibrant republic do in response to that?

From my vantage point, from my experience and my research, if we continue on this path of assumptions, there isn't going to be any

amount of increase that is successfully going to get it done. We are just not. We can find threats until the end of the earth, and we are not going to be able to address it. I think there is a fundamental question—I mean, look, what would be the point of having a military with the force projection and capability of the Roman legions if Rome no longer existed?

So I think what we really need to do is have an *a priori* discussion about what it means to protect our cherished way of life in a manner consistent for a republic and then do a QDR based on those assumptions. And I would maintain that where we would go first is looking at how we can better neutralize the extremist threat.

I think that if you look at the intel [intelligence] community, we have had a threefold increase in our intelligence agencies and funding. And, in my view, while we have incredible professionals in the intel community, we have a system that really confuses and really disappoints. And there are many examples; the Christmas Day bomber of 2009 is just one illustration.

And then streamlining the intelligence community and infusing it with operations in a manner that I saw tactically and, to some degree, operationally as the G3 of Multinational Division-North during the surge—highly effective, an integrated joint special operations task force working with conventional forces and local forces to neutralize the leadership of Al Qaeda. I don't see, sort of, a same global reach in response when I look at us neutralizing the Al Qaeda threat.

And then, beyond that, taking a look at the way we command and control forces, the way we lay down forces, the way we arrange our national security.

So I am concerned, as somebody who looks at this broadly across the full spectrum of American life and looking at the priorities that we have, that if we continue on this line of thinking, we are just going to basically move until we burn out, until we don't have the funds to get done what we need to get done and as we crumble as a republic.

So I guess, you know, challenging the direction of most of the testimony this morning, with all due respect to your incredible research and certainly your publications that stand behind, I would be curious to your response to that.

Dr. O'HANLON. Congressman, very eloquent and provocative and useful. Let me just say one thing—well, actually, two.

First, missions that I would not say we need to be ready for: You mentioned Venezuela. I don't see any need to provoke a fight there. Russia: Russia is still prickly and problematic, but I don't think it should be. I think the Bush administration handled the 2008 Georgia crisis more or less correctly, which was not to brandish our sword. I think we have to be willing to say that there are certain parts of the world where the risks are too high for the stakes, and we have to use the threat of economic sanctions or some other means of trying to defend our values and interests.

And then, finally, let me say just one brief word about where I think the strategy is working. Because you implied that—and I think you are right—there is a danger that the price tag could keep

going up. I think the strategy is basically working at current spending levels in regard to China. Now, Jim is right, others are right on the panel to say that we have to worry about Chinese capabilities. But the overall strategy, I think, is working. China is becoming an incredibly impressive superpower without using force, at least so far, to try to assert itself, and partly because we have been so firm and resolute in the Western Pacific and so capable in working with our allies, which is a huge strength of our broader national security policy.

So I think that is not a situation where the price has to keep going up, but I think we'd better be careful about cutting the price and the capability too much.

Mr. DONNELLY. If I may very quickly, I just don't see it as being an unsustainable system. If you look at it as a slice of proportion of GDP, of American wealth, the cost of American military power has diminished and diminished and diminished, but the extent of its effect has been absolutely global. We get an immense bargain. And even if you include the war costs, it is less than 5 percent of GDP.

The numbers used by Mr. Andrews mostly reflect the expanded size of the American economy. We are wealthier, even allowing for the difficulties of the last couple years. We can certainly afford to do what we have been doing for the foreseeable future if we choose to.

Mr. GIBSON. Okay, Mr. Chairman. Well, I appreciate their responses, and I guess we will have to continue the dialogue going forward. Thank you very much. I yield back.

Mr. BARTLETT. Thank you.

Ms. Hanabusa.

Ms. HANABUSA. Thank you, Mr. Chairman.

Mr. Donnelly, can we kind of continue where you were? And I am very curious, first of all, this statement that you make in your second paragraph in your testimony where you basically do not concur with Admiral Mullen's views that our deficits and debts are the greatest security challenges that we face, and you said you are worried about our future prosperity depending first and foremost on our future security.

So it is kind of an open-ended question, but what exactly are you saying with that statement?

Mr. DONNELLY. I am saying that the global trading system, which is the source of our economic growth but also the source of economic growth around the world, rests on a system of safety and security that is essentially provided by the United States—there are others who help—and that the costs of trade and the profits and the economic growth that accrue from trade would be put at risk if the seas, the Internet, the skies, all those common areas, and the international politics were more contentious, more ridden with conflict, and that our prosperity would suffer from international political competition and the prospect of war.

Ms. HANABUSA. I am also very interested in the fact that your expertise is in China. And I represent Hawaii, and, of course, China is—the Pacific is very important to me.

I happen to believe that when you speak about the stability in the Pacific, I know one view of it is that the United States is pro-

viding the stability in the Pacific. The other view is that, because the United States is providing a certain amount of stability in the Pacific, it permits China to do its economic growth, which is really—and being the number-one trading partner. And that is something that we are not able to really compete in.

So, in that light, when you say about the United States' future prosperity—and we are doing this stability or we are providing something that permits China to now do the economic stability and trade—do you see that at some point we are going to have to change our focus in the Pacific and become more active in one of those areas?

Mr. DONNELLY. You make a critical point, and I think actually both are true. China's economic rise, its prosperity, would be unimaginable but for the stability and security of the regional trading system that is based on American military power. That has been a great thing for China; it is a great thing for humanity. Hundreds of millions of people who were in abject poverty are now prosperous, and it has been a benefit to the United States and, indeed, to the world.

However, the direction, as Jim and others have pointed out, the direction of China's military modernization is solely in a direction that would tend to upset or overthrow the security system now in place. And those are two paths—you know, that is a collision course, and I don't think that—that is why I would say that the direction that China is taking is the most worrisome aspect that I see in the future.

Ms. HANABUSA. Thank you.

Dr. O'Hanlon, you said something very early in passing. And when you came in, you mentioned something that I am very curious about. And you said something about 35 to 40 percent more utility on our Navy. And I assume what you were getting at was sort of like keeping our—or utilizing our forces sort of like a float. That is the way I refer to it. And if I am mistaken, can you please explain what you meant when you said 35 percent more efficiency with the Navy, especially in the Pacific?

Thank you.

Dr. O'HANLON. Thank you, Congresswoman.

The basic idea here is that, I think as you appreciate, especially serving from where you do, whenever we send ships from harbor off to a distant region, we lose the time in transit, but on top of that we also—the Navy enforces a very appropriate policy of no more than 6 months away from home station for any sailor, unless it is an extreme circumstance. And when you go through the math on all of that, plus allow the Navy to then shift crews from one station to another, you know, after a 2- or 3-year billet, and then allow for ship repair, you wind up with a situation where the Navy needs about, on average, five ships to maintain one steady forward deployment in an overseas theater. If we homeport more in places like Guam or even Hawaii, we will improve the ratio somewhat. But, largely, this is because of the tyranny of distance.

Whereas if you leave the ship overseas and you have adequate local maintenance capability in a port, Singapore or someplace else, you can actually leave the ship maybe for 12 to 18 months and then you can rotate the crew by airplane. That means the crews



have to share ships, both on the deployed end and on the training end. And it gets complicated. The Navy doesn't like it for that reason, that there are idiosyncrasies to any ship; they would rather have one crew stay with the ship all the time. I think there are also, frankly, parochial, budgetary reasons why the Navy prefers not to do this.

But that is what it boils down to. And if you do the rotation by sealift—or, excuse me, by airplane, you can actually get 35 percent more capability, more days on station for a given number of ships in the fleet.

Ms. HANABUSA. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Ms. Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman.

I would like to hear your thoughts about missile defense. I just had an opportunity a couple weeks ago to travel to Israel. And while we were there, Hamas, from the Gaza Strip, was lobbing rockets in there, and it was encouraging to see their "Iron Dome" being successful in addressing that.

And according to a 2010 edition of the annual report of the Director of national security on "Acquisition of Technology Relating to Weapons of Mass Destruction," it says, Iran continues, quote, "developing space launch vehicles which incorporate technology directly applicable to longer-range missile systems." And it also said North Korea "continues to pursue the development, production, and deployment of ballistic missiles with increasing range and sophistication and continues to develop a mobile IRBM [intermediate-range ballistic missile] as well as a mobile solid propellant ballistic missile."

So, in view of the risk that growing ballistic missile threats pose to the United States homeland, do you have concerns about budget cuts to missile defense, especially as it relates to the United States?

Mr. THOMAS. I think for all of the reasons you just mentioned, ballistic missile defense, as well as defense against even shorter-range guided rockets and even artillery systems, as you talk about the Israeli case, these capabilities are only going to become more important as we look out ahead.

One of the key challenges is thinking about how we change the cost-exchange ratio between those sorts of systems and the sorts of defenses that we will develop and deploy in the future. One of the promising areas that we would want to protect among many R&D programs as we look ahead, no matter how austere our budget cuts, is going to be looking at directed energy weapons systems. This is potentially a game-changer that is out there, not only for missile defense but for countering swarming naval activity on the part of the Iranians and in a host of other fields.

Mr. BOOT. I would just add that this is not cheap. I mean, this is, as you rightly point out, this is a major threat that we face. I think the American people expect us to defend ourselves and our allies against the threat of missile attacks, certainly the threat of WMD attack, but this is on top of all of the other expenses that we bear for defending numerous other vulnerabilities. This is just another vulnerability that we absolutely have to address.

And dealing with some of the threats that Jim points out are absolutely accurate: the anti-access threats, the cyber-weapons threat, threats to our satellite capabilities, threats to our homeland from ballistic missile attacks as well as from terrorist attacks. All of these are very real, and they are not going away. And what that suggests to me is the impossibility of massive cuts if we are going to deal with all of these threats, real or possible, that we face in the next few years.

Mrs. HARTZLER. Mr. Donnelly.

Mr. DONNELLY. Yeah, I would agree with both Max and Jim, particularly on the technology of directed energy. One of the unfortunate cuts of recent years was to the Airborne Laser program, which was not a perfect system in many ways but I think was a critical program for exploring what direct energy would mean, not just in the missile defense role but in the other roles that Jim suggests.

I just think this problem is metastasizing in ways that we will find very difficult to catch up to simply by looking at it as an intercept question. You have to look, I think, at what would happen before launch and try to identify where the launches are likely to come from and, particularly when you are talking about China or other larger scenarios, what a war, a longer war, after an exchange hopefully not of nuclear warheads but of a big conventional barrage, would mean. Would we be able to recover and to make sure that that was not a knockout blow, so to speak, that would take us out of the war?

Mrs. HARTZLER. Do you want to comment?

Dr. O'HANLON. Go ahead. I mostly agree.

Mrs. HARTZLER. Okay. Well, we just have 30 seconds. But, even without cuts, how do you view our ability to defend ourselves in missile defense? Like, from a 1-to-10 scale, how—if 10 being that we are ready, we are able to protect and defend ourselves, where are we at today?

Dr. O'HANLON. I will start with a 5. I think we are pretty good against—I shouldn't say we are pretty good—we are getting better against low-technology, small-numbers-of-attack threats. We are not very good—and I am not sure, frankly, that we would be all that good even if we increased the budget in the short term—against decoys and other such sophisticated threats.

Mr. THOMAS. If I could just quickly second the 5. I think that some of the key areas where we are going to have trouble as we look ahead are going to be in the shorter-range systems that our deployed forces are going to face in the field and many of our allies are going to face, as well as in terms of the intercontinental capabilities and longer-range capabilities where we are going to see salvo attacks, which are going to place far greater premiums on our ability to do battle management and command and control to orchestrate our defenses.

Mrs. HARTZLER. Okay. Thank you very much.

Mr. BARTLETT. Thank you.

Ms. Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman.

And I wanted to thank all of our witnesses today.

I am from Guam, representing Guam, and I am following up on Representative Hanabusa's questions. And they are for you, Dr. O'Hanlon.

In your remarks, you mentioned the dangers of drawing back our range of influence and power around the world. You phrased it as "coming home from the world."

Now, can you highlight some areas in the Pacific—and I will throw in Asia, as well—theater where we could be more cost-effective in upholding our treaties and our alliances while maintaining our ability to project power?

And, along with that, do you think we presently have enough of a presence in the Pacific theater to prepare us for what our long-range national interests will likely be in the region?

Dr. O'HANLON. Thanks, Congresswoman.

A couple of things. On the latter question, I think the numbers are basically pretty good, but I think the capabilities have to keep getting better. And one area we have to worry about—and, again, Jim and others have been alluding to this throughout the hearing and in their writings—is the threat to airfields from an increasingly precise capability with the Chinese missile force, whether ballistic or cruise.

And that is not just confined to China; that is a trend in technology. So I think we have to worry about more hardened shelters for airplanes. We have to worry about buying aircraft like the F-35. Even though I would limit the buy, I would make sure we do purchase a number that are capable of operating off of degraded or short airfields. And I would make sure we have plenty of equipment to repair airfields as they are struck. And there are a lot of other things that need to be done, as well.

To your first question, capabilities where we could be more efficient, I think one area is putting more attack submarines homeported in Guam. I think to the extent the good people of Guam are willing to host even more attack submarines—and I realize Guam is already getting a little full with a lot of military capability, but I think it would be, actually, a very good tradeoff, because if one goes through the mathematics on that—and CBO [Congressional Budget Office] has done some very nice work here—you see that being that close to some of the theaters that we want to watch—because, after all, attack submarines are often used in the surveillance mode—but that is actually hugely beneficial if you are carrying it out from a forward location like Guam rather than having to waste all the time going back and forth to the good States of California and the like back on the continental 48.

Ms. BORDALLO. Well, I don't know what you meant when you said Guam is getting full, but I do know we are not going to sink.

I have one other question that I would like you to answer. Currently, one of the big parts of the budget is the military buildup ongoing in Guam. How do you feel about cutting anything from that?

Dr. O'HANLON. I support the buildup on Guam because I think it generally is playing to our strengths of focusing on a key theater that is important, taking advantage of American territory that is more or less in a forward-deployed location but also a little bit removed from the immediate environs where China's short-term ca-

pabilities are becoming more threatening. And it also spreads, sort of, our capabilities around in a wider array of places, which reduces our vulnerability to a surprise attack, which is an area I think we have to worry more and more about in general.

And so, for all these reasons, I support expansion of airfields, also hardening of airfields, improvement of aircraft shelters, putting things underground like fuel capability so they are safer from attack, using airplanes that are capable of using degraded runways, putting more attack submarines on Guam, and, if the Japanese, if our good friends in Tokyo can work this out, actually completing the deal on moving some of the Marines to Okinawa, as well.

Ms. BORDALLO. Good.

Does anybody else have any comments on that buildup?

Mr. DONNELLY. Very briefly, I would support it. I am worried about putting all our eggs in few baskets. In addition to creating—

Ms. BORDALLO. Putting—what did you say?

Mr. DONNELLY. Putting all our eggs in relatively few baskets in the theater, you know, just to be frank.

Ms. BORDALLO. But Guam is ours, too.

Mr. DONNELLY. Yes, but it will be a target. It is a target. And it is easier for the Chinese to make the missile go farther than it is for us.

I think we need to consider a more dispersed posture, a kind of week-two or second-day posture, throughout the region, for which Guam would be critical but not exactly in the same way that it is being considered now. I would like to be in more places.

Ms. BORDALLO. Anybody else?

Mr. BOOT. Well, I think Tom makes an important point, which is that—

Ms. BORDALLO. I just have 28 seconds left.

Mr. BOOT. Okay. Well, an important point, which is that we talk about duplication and streamlining the Department of Defense, and there may be budgetary reasons for doing that, but in terms of strategic reasons, you actually want to have some duplication, you want to have redundancy, so that if, God forbid, the balloon goes up and war breaks out and you lose certain assets, you have others in place. And so what may seem wasteful in peacetime is actually absolutely necessary when the hostilities actually start.

Ms. BORDALLO. Thank you very much.

Thank you, Mr. Chairman.

Mr. BARTLETT. Thank you.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Gentlemen, thank you for your testimony. I apologize that I had come in later. We had Director Clapper and Director Petraeus before us in the Intelligence Committee, and I had to attend that meeting first. But, in any event, I want to thank you for what you have had to say today. And some of the things I may ask may already be covered.

But I have noticed that, obviously, since the—over the last 10 years, post-9/11, in addition to our greater reliance on Special Operations Forces, we also have a greater reliance and dependence

now on cybersecurity, which is an area that I have spent a great deal of time on.

So my question is, are we properly resourced in that area? And, as we go forward and we look over the next decade, what areas in cyber do we need to be focused more on? Where should we be devoting our resources in that area so we are properly resourced?

I give President Obama high marks on the way he is handling cyber. I am not satisfied that we are where we need to be on the broader picture. I think there need to be greater authorities in the role of the cybersecurity coordinator—that should be a director's position—and strengths in that area.

But where should we be most focused in cyber?

Mr. THOMAS. Last year, the United Kingdom conducted an exhaustive review of its defense programs, and it made substantial cuts across the board. What I think is instructive, however, is that there was really one area where they actually were increasing spending, and that was in the area of cyber, both in terms of cybersecurity as well as thinking about how do you use non-kinetic systems as an adjunct or as a complement to kinetic forms of warfare as we look ahead.

One of the real challenges is how we think about this problem. In our war games over the past couple years, everyone emphasizes cyber as a growth area where you want to make increased investments. The challenge is actually determining where and what sorts of investments you want to make. Do you focus more on a strategic capability, both in terms of a strategic defense capability for a critical infrastructure in the United States or potentially as a strategic offensive system weapon that you could use against your adversaries? Do you think of it as an adjunct or as a means of suppressing enemy air defenses and going after other networks in the future? All of these things are going to have to be thought through.

I would say that cyber will be incredibly attractive, especially as an offensive weapon, for all of the great powers and non-state actors as well. And we would only not make investments in this area at our own peril.

I think the second point that is really critical to keep in mind is the intricate relationship between offensive and defensive cyber warfare. It will be very difficult to be good defensively if we do not think offensively as well, and vice versa.

Mr. BOOT. I would just reiterate a point that I made in reply to the question that Mrs. Hartzler had earlier about missile defense and that—totally legitimate and appropriate to worry about ballistic missiles, totally legitimate and appropriate to worry about cyber attack. These are all areas where, unfortunately, our capabilities are deficient right now and we need more spending. But we can't just—it is hard, as we have been discussing, to see other areas of the budget, of the defense budget, where we can painlessly cut and give up other capabilities so that we can enhance these, and it is a zero-sum game right now. And it is hard to make the case for ignoring the looming threat on cyber or ballistic or other looming threats.

Mr. LANGEVIN. Yeah. I would also point out to you that, obviously, under President Obama's administration, we have created the new Cyber Command, headed by General Alexander, which I

think is an important coordination model for bringing the best of all the Services together and properly using all the talents that we have among the various Services, again, bringing them into a more coordinated model.

Let me, as time is expiring—you know, typically—and this does relate to cyber, I think, directly but more broadly, additionally. Typically, when faced with budgetary pressures or downward trends in top-line spending, research and development programs are often among the first areas to experience reductions.

From your perspective, what impacts, both short- and long-term, would a reduction in the current RDT&E [Research, Development, Test, and Evaluation] accounts, particularly basic research, have on military capability?

Mr. DONNELLY. Very quickly, I would just say that I would adjudge that our problem over the past couple of decades has been that we have not been able to actually produce what we have invented, and the distinction between what is R&D and procurement is a very fine line. We need to be able to produce things in quantities so that they are militarily important.

And so, what I would be concerned about is the balance both of basic science and defense research and development and the ability to produce large numbers of systems and capabilities in ways that will be important in the real world.

Mr. LANGEVIN. Okay.

I thank the panel. I appreciate your time today and your patience and your thoughtful answers to our questions.

Thank you, Mr. Chairman. I yield back.

Mr. BARTLETT. Thank you, Mr. Langevin.

And, members of the panel, thank you very much for your testimony.

The committee stands in adjournment.

[Whereupon, at 12:10 p.m., the committee was adjourned.]

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**A P P E N D I X**

SEPTEMBER 13, 2011

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

SEPTEMBER 13, 2011

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**Statement of Hon. Howard P. “Buck” McKeon**  
**Chairman, House Committee on Armed Services**  
**Hearing on**  
**The Future of National Defense and the U.S.**  
**Military Ten Years After 9/11: Perspectives from**  
**Former Chairmen of the Joint Chiefs of Staff**  
**September 8, 2011**

Good morning. The House Armed Services Committee meets this morning to receive testimony on The Future of National Defense and the U.S. Military Ten Years After 9/11: Perspectives from Outside Experts.

As our Nation marked the ten-year anniversary of the attacks on our Nation this past Sunday, we remember and commemorate the lives lost on that day. We also honor the sacrifices made every day since then by our military and their families, as our Armed Forces continue to fight for our Nation’s safety. This hearing is the second in our series of hearings to evaluate lessons learned since 9/11 and to apply those lessons to decisions we will soon be making about the future of our force. Last Thursday, we heard from former Chairmen and a Vice-Chairman of the Joint Chiefs of Staff. Today, we will hear from outside experts, representing several well-known and highly respected organizations, to whom our Committee regularly turns for accurate and reliable research and analysis. While we will continue to solicit the expertise of former and current senior military and civilian leaders within the Department of Defense, it is important to gain perspective from professionals such as these who make their living conducting the type of forward-looking, strategic assessments we seek.

I remain concerned that our Nation is slipping back into the false confidence of a September 10th mindset, believing our Nation to be secure because the homeland has not been successfully attacked—believing that we can maintain a solid defense that is driven by budget choices, not strategic ones. As members of the Armed Services Committee, we must avoid the cart-before-the-horse cliché. First we must decide what do we want our military to do, and only *then* evaluate savings within the Department.

To date, that hasn’t happened—over half a trillion dollars has been cut from DOD already. Nevertheless, if the Joint Select Committee does not succeed in developing and passing a cohesive deficit reduction plan, an additional half a trillion dollars could be cut from our military automatically. On top of that looming concern, it

remains to be seen whether or not additional cuts may be proposed by the Administration, even if the Super Committee is successful.

As Chairman of the Armed Services Committee, I have two principal concerns that stem from recent military atrophy. The first is a security issue. In a networked and globalized world, the Atlantic and Pacific Oceans are no longer adequate to keep America safe. September 11th taught us that. The second is an economic concern. While it is true that our military power is derived from our economic power, we must recognize that this relationship is symbiotic. Cuts to our Nation's defense, either by eliminating programs or laying off soldiers, comes with an economic cost.

The U.S. military is the modern era's greatest champion of life, liberty, and the pursuit of happiness. It is time we focus our fiscal restraint on the driver of the debt, instead of the protector of our prosperity.

With that in mind, I look forward to a frank discussion.

Now please let me welcome our witnesses this morning. We have:

- **Mr. Jim Thomas**, Vice President and Director of Studies at the Center for Strategic and Budgetary Assessments;
- **Dr. Michael E. O'Hanlon**, Director of Research and Senior Fellow at the Brookings Institution;
- **Mr. Thomas Donnelly**, Resident Fellow and Director, Center for Defense Studies at the American Enterprise Institute; and
- **Mr. Max Boot**, the Jeane J. Kirkpatrick Senior Fellow for National Security Studies at the Council on Foreign Relations.

Thank you gentlemen for being here today and we look forward to your testimony.

**Statement of Hon. Adam Smith**  
**Ranking Member, House Committee on Armed Services**  
**Hearing on**  
**The Future of National Defense and the U.S.**  
**Military Ten Years After 9/11: Perspectives from**  
**Former Chairmen of the Joint Chiefs of Staff**  
**September 8, 2011**

I would like to thank the witnesses for appearing here today. As we head into this period of budget uncertainty, we appreciate your willingness to help us think through our options.

Our Nation is faced with a long-term, systemic budget dilemma—revenues and expenditures are simply misaligned. We don't collect enough revenue to cover our expenditures. Going forward, it is my belief that we are going to have to fix this problem from both ends—spending will have to come down, and we're going to have to fix the revenue problem.

However, what we need you to help us think through today are the implications of a reduction in the defense budget. Defense spending makes up about 20 percent of all Federal spending and about half of all nonentitlement. Since 9/11, defense spending has risen, in real terms, somewhere over 40 percent without counting the costs of the wars in Iraq and Afghanistan. Like many, if not most, of our members here, I share the view that large, immediate cuts to the defense budget would have substantially negative impacts to the ability of the U.S. military to carry out those missions we assign them, and this is why I opposed the recent agreement to raise the debt ceiling. But, I do believe that we can rationally evaluate our national security strategy, our defense expenditures, and the current set of missions we ask the military to undertake and come up with a strategy that requires less funding. We can, I believe, spend smarter and not just more.

It is this belief that causes me to congratulate the Administration for undertaking a zero-based review of our defense strategy. Undertaking a strategic review at this moment is a rational and responsible choice, and I hope Congress will consider its results seriously as we go forward. We on this committee like to say that strategy should not be driven by arbitrary budget numbers, but by the same token not considering the available resources when developing a strategy is irresponsible and leads inevitably to asking our military to do too much with too little.

I have two hopes for this hearing today and for this entire series of hearings. First, I hope the witnesses here today and at future hearings can help us think through our national security strategy and potential changes. How can we put together a sustainable national defense strategy? If our witnesses were asked, what would they tell those undertaking the comprehensive review? What can we as a country, we as a Congress, and those who run the Department of Defense do smarter?

Secondly, it is my hope that these hearings will help illustrate to my colleagues and the Nation at large that we have to make some serious choices here. Our budget problems must be looked at in a comprehensive manner. If we are serious about not cutting large amounts of funding from the defense budget, something else has to give. I share with my colleagues on the other side of the aisle the concern that large, immediate, across-the-board cuts to the defense budget may well do damage to our national security. But I hope that on their part, they will come to share the reality that we can't just wish our problems away, and that if we want to avoid large cuts to the defense budget, we're going to have to address our budget problems comprehensively, through smarter defense spending, reformed entitlements, and yes, new sources of revenue.

Thank you again, Mr. Chairman, for holding this hearing.

SEPTEMBER 13, 2011

## STATEMENT BEFORE THE HOUSE ARMED SERVICES COMMITTEE

By Jim Thomas

Vice President for Studies, Center for Strategic and Budgetary Assessments

Chairman McKeon, Ranking Member Smith, and Members of the Committee, thank you for inviting me to testify today. On September 11, 2001, I was working in the Pentagon as part of a small team drafting the 2001 Quadrennial Defense Review. The 9/11 attacks were a watershed event for me personally and for the Department of Defense. The attacks immediately reduced the peacetime bureaucratic processes of the day, including the QDR, to trivialities, as the Department – and the Nation – unified in their intent to vanquish the Islamist terrorists who perpetrated the attacks and to prevent future attacks on the United States.

This week, it is appropriate that we remember those who were murdered by al Qaeda on that sunny Tuesday morning in New York, Washington, and Pennsylvania. We also remember those who serve in our intelligence and military services, and their families, and have made such extraordinary sacrifices in Iraq, Afghanistan, and other operations around the world. We honor especially the more than six thousand American Service Members who have died and more than 45,000 who have been wounded while fighting since 9/11. While we are thankful that in a decade's time al Qaeda has never succeeded in conducting another major terrorist attack on American soil, we also remember that America is not alone in facing al Qaeda and its affiliates' indiscriminate acts of terror. Allies and friends around the world -- nowhere more so than in the Muslim world -- have also lost countless lives to al Qaeda's acts of barbarity.

In my testimony today, I will outline some of the pertinent lessons to be drawn from the past decade, the security and fiscal challenges we face looking ahead, and how we might reconcile them in the years ahead.

### Lessons Learned Since 9/11

Looking ahead, it is important to draw the right lessons from our experiences over the past decade:

First, we criticized ourselves in the aftermath of the 9/11 attacks for "failing to connect the dots." Although we have made significant improvements in our intelligence enterprise to prevent future attacks, we should not kid ourselves: Despite our best efforts to anticipate and prevent strategic surprises, we must also be prepared for future shocks and inevitable surprises. We must develop the resiliency to minimize them and the agility to adapt rapidly

and respond appropriately. We should avoid the mistake of the 1990s, where we over-optimized U.S. general purpose forces for the wars we preferred to fight that resembled OPERATION DESERT STORM. Instead, we must ensure our future forces organize, train, and equip themselves to fight in ways that defy our preferences: when our satellite communications are jammed; regional airfields are bombarded with rockets and missiles; ports are mined so that transport ships cannot enter their harbors; and anti-ship missiles force naval and amphibious forces to operate from greater distances.

Second, over the past decade the U.S. military has come to embrace a modern version of what B.H. Liddell Hart called the strategy of the indirect approach. By enabling and working with and through allies and partner security forces in Iraq, Afghanistan, and elsewhere in the world, the United States has been far more effective in defeating al Qaeda and other irregular forces than if we had fought them unilaterally. As we look ahead, the United States should continue to employ indirect approaches that leverage the advantages of others with whom we share common security interests. Especially in an age of austerity, we will need to encourage and enable our allies and friends around the world to do more for their own defense, while the United States maintains principal responsibility for securing the Global Commons of the high seas, the skies above, space, and cyberspace.

Third, we have seen the enormous costs that a non-state adversary with limited means has been able to impose on the United States. For less than a million dollars, al Qaeda organized and executed the 9/11 attacks. Conservative estimates reckon the financial impact of the attacks and America's response to be more than \$1 trillion. As we enter an age of austerity we must not only think about how we can save money and where we can take risk; we must also think more about how we adopt cost-imposing strategies to turn the tables on those who would pose threats to our security. Especially when resources are limited, we must think harder about increasing our competitors' costs while minimizing our own.

At the same time, we must avoid drawing the wrong lessons from the past decade. While it would be a mistake for the United States to turn its back on irregular warfare and all that we have re-learned about counter-insurgency in the past decade, future wars may look very different. For example, we have seen the incredible impact that unmanned aerial vehicles have had in locating and targeting terrorists and insurgents and we have greatly expanded our fleets of non-stealthy Predator, Reaper, Shadow, FireScout, and Global Hawk UAVs. Future adversaries, however, may possess air defenses that limit the use of high-signature aircraft. Simply acquiring future capabilities based on their effectiveness in the past decade could leave U.S. forces less prepared and more vulnerable as they encounter more capable adversaries.

### **Principal Security Challenges Ahead**

Ten years on from the 9/11 attacks, America finds its military forces still engaged in Iraq, Afghanistan, and conducting other combat and non-combat operations around the world. While al Qaeda has been greatly weakened over the decade and the United States has been successful in hunting down its leadership and keeping it on the run, it remains determined to visit violence on the United States, its friends, and allies. Consequently, the United States must remain vigilant.



At the same time, the United States simply does not have the luxury to focus only on the clear and present danger posed by al Qaeda. As a global power, and indeed as the free world's security partner of choice, the United States faces a range of foreign threats. Even while we have checked the evil of al Qaeda, other dangers are growing. Three challenges in particular will require greater attention over the next several decades, and preparing for them represents the most prudent course of action to ensure the appropriate portfolio of military forces and capabilities to confer the flexibility and fungibility needed to deal with the widest range of inevitable surprises and unforeseen contingencies:

The Rise of China. It is instructive that the United States planned for war with Great Britain up to the eve of World War II. The United States did not see Great Britain as the most likely threat, but the potential danger posed by the Royal Navy to hemispheric defense was the most consequential. Similarly, China today has the greatest potential to compete with the United States militarily. China is not an enemy, but the course that it will chart in the next several decades is far from clear. China's spectacular economic growth over the past several decades has contributed positively to the global economy. Its thirst for overseas commodities and unsettled maritime claims, however, are cause for concern. Even more worrisome has been its sustained military build-up, including the development and fielding of so-called anti-access and area-denial capabilities that appear intended to take on the American military's traditional approaches to transoceanic power projection and forward presence in distant geographic theaters. China's A2/AD network includes growing inventories of medium- and intermediate-range missiles; state-of-the-art integrated air defenses; submarine forces; anti-satellite systems; and computer network attack capabilities.

Regional Nuclear Powers. Nuclear threats are not new; the United States has lived with the threat of nuclear weapons in the hands of hostile powers since the Soviet Union tested its first nuclear weapon in 1949. New nuclear powers, however, are emerging and threatening regional military balances. North Korea has not only tested its own nuclear weapon, but has proliferated nuclear and missile technology. It has brandished its nuclear capabilities vis-à-vis South Korea and Japan, and in the event of an internal power struggle following the death of Kim Jong Il, its nuclear capabilities could be up for grabs. The most likely nuclear exchange scenario, however, may involve Pakistan and India. Should Islamist terrorists repeat a Mumbai-like attack against India, or if tensions should escalate resulting in the conventionally superior Indian Army making incursions into Pakistan, Pakistan could resort to the use of nuclear weapons. Increasing instability in Pakistan, moreover, holds the possibility of the army losing control over its dozens of distributed nuclear weapons and specter of them falling into the hands of Islamist terrorists. Finally, and perhaps most consequentially for the United States and its friends in the Middle East, Iran is continuing efforts to acquire nuclear weapons. Should Iran acquire nuclear weapons, instability would characterize the strategic balance between Iran and Israel, with both sides potentially having incentives to pre-emptively attack the other. Iran's possession of nuclear weapons would also likely compel other regional states, including Saudi Arabia, Egypt and Turkey, to acquire their own nuclear capabilities, further destabilizing an already unstable critical region of the world.

Transnational Non-State Actors. Even after the killing of Osama Bin Laden by U.S. SEALs, al Qaeda and other non-state groups may continue to threaten U.S. security interests. While al Qaeda has weakened over the past several decades, affiliated groups have emerged in Europe, Africa, the Middle East and Southeast Asia. Other non-state actors including insurgent, terrorist, and criminal groups are continuing their attempts to destabilize fragile strategic states around the world. The lethality of violent extremist groups would increase dramatically should they acquire nuclear or biological weapons. Within our own hemisphere, narco-cartels continue to threaten the stability of key partners such as Mexico and Colombia. In the future, transnational non-state actors may grow in importance. The threats they pose will increase as great powers arm them with more sophisticated weaponry and employ them as proxies in peripheral contests to impose costs on their state rivals and bleed them, rather than opposing other great powers more directly.

Cumulatively, these challenges suggest a more dangerous world – one in which traditional forms of American power projection will become prohibitively costly; nuclear dangers will become more common in distant theaters and as threats at home; and irregular warfare will remain an enduring feature of the security environment.

The geographic nexus of these challenges is the Indo-Pacific region, stretching from the Persian Gulf to the Strait of Malacca and up to the Sea of Japan. Although the U.S. military does not have the luxury of focusing on a single theater, the greatest tests our armed forces will face in the coming decades are likely to emanate from this region. Just as military planners focused their attention upon Europe and Northeast Asia as principal theaters during the Cold War, it is the Indo-Pacific region that will dominate the attention of planners over the next several decades as they wrestle with these challenges.

In confronting these security challenges, the United States is also likely to face multi-dimensional access and operational problems. Future adversaries may:

- Deny the United States the ability to generate sorties from theater bases and aircraft carriers within range of their missiles, necessitating both carrier- and land-based air operations from far greater ranges;
- Possess more sophisticated air defense than recent adversaries in Libya, Iraq and Kosovo with mobile passive target acquisition radars that are more difficult to locate and longer-range surface-to-air missiles, resulting in the increased vulnerability of non-stealthy manned and unmanned aircraft;
- Employ systems to jam GPS signals and deny communications links to U.S. aircraft, requiring the United States to develop alternatives to GPS for positioning, navigation and timing, as well as local communications schemes such as airborne line-of-sight relays if satellite communications are unavailable;
- Develop their own fifth generation fighter aircraft, challenging U.S. localized air superiority;

- Employ over-the-horizon maritime ISR, long-range anti-ship missiles, supercavitating torpedoes, and mines to hold off U.S. naval surface and amphibious ships;
- Threaten regional air and sea ports of debarkation with conventional, chemical, biological, or nuclear attacks to impede the insertion and staging of large ground forces in neighboring countries;
- Attack U.S. ISR, communications, or GPS satellites using radio-frequency interference, direct ascent anti-satellite missiles, co-orbital anti-satellite weapons, or directed energy systems;
- Attack U.S. and allied military computer networks used for command and control, logistics and mission control, or civilian networks related to critical infrastructure;
- Target civilian populations in the United States or allied cities; and
- Exploit civilian populations to provide sanctuary from attacks.

Overcoming these problems will require forces and capabilities that can respond to threats on a global basis rapidly; operate from range; carry sufficient payloads; evade detection, penetrate into denied areas and persist to strike elusive targets; operate in small, highly distributed formations autonomously; and survive and operate effectively in extreme WMD environments.

### **America's Fiscal Predicament**

Compounding these dangers, Admiral Michael Mullin, the Chairman of the Joint Chiefs of Staff, has justifiably characterized America's fiscal predicament as a national security threat. Unlike previous periods in our history when the United States ran large deficits and increased its debt, it is unlikely simply to "grow" its way out of debt this time around. The rate of increase in the national debt is projected to exceed by a wide margin even the most optimistic estimates of U.S. economic growth rates.

Given this reality, Congress faces difficult choices about raising taxes, curbing growth in entitlement programs, and/or cutting discretionary Federal spending, including National Defense. Should the Joint Committee fail to reach agreement on a deficit reduction plan as directed by the Budget Control Act, the sequestration trigger could result in an additional \$500 billion reduction in defense spending beyond the \$350 billion already envisaged over the next ten years. Such draconian cuts, especially if level-loaded across the ten-year period, would compel Defense programmers and budgeteers to identify "quick cuts" rather than "smart cuts," thereby stretching procurement programs and reducing operations and maintenance spending to generate immediate savings.

Some believe that it would be relatively easy and painless to cut \$500-800 billion from defense over the next decade. Many cite the defense build-up since 9/11 and suggest that

with the drawdowns of forces from Iraq and Afghanistan, we can reduce defense spending as we have after other major buildups in history. It is true that defense spending, including war costs, increased from slightly less than \$400 billion in FY01 to around \$700 billion in FY11 (in constant FY12 dollars). This build-up, however, is markedly different from defense build-ups of the past. In the aftermath of previous build-ups, budget cutters could count on reducing end-strength and paring back procurement. In the post-9/11 build-up, though, end-strength changed very little; Active Component end-strength has hovered around one-and-a-half million, while recapitalization and modernization plans for large parts of the forces were largely deferred, continuing the so-called “procurement holiday” of the previous decade.

America cannot afford to balance the budget on the back of defense. Reductions beyond the \$350 billion in cuts over ten years already anticipated will be difficult for the Department of Defense to make, especially while U.S. forces are still engaged in wars overseas. If the sequestration trigger were pulled, it could result in even more drastic reductions placing the United States at great peril. At the same time, it is increasingly unlikely that Defense will be spared from some reductions in the years ahead. The challenge will be in making adjustments to DoD to develop and maintain those forces and capabilities that are most relevant to the security challenges ahead and capable of operating in non-permissive conditions, while finding efficiencies and reducing those forces and capabilities that are least relevant and most dependent on relatively benign operating conditions.

### **Making Changes to Meet Security Challenges in an Age of Austerity**

The security challenges we face in the decade ahead are greater than they have been at any time since the Cold War, while the resources to deal with them are becoming more constrained. Together, the dual imperatives of preparing for new security challenges and reducing defense spending are likely to drive changes in the military over the coming decade. Ideally, DoD should revise the Defense Strategy to explain how it will reconcile the changing security environment with reductions in defense spending.

Akin to the Nixon Doctrine in 1969, a revised Defense Strategy might call on allies and partners to do more in their own defense, with the United States serving as a global enabler rather than a “first responder” for regional crises. As part of a new bargain with its allies and close partners around the world, the United States might redouble its efforts to police the Global Commons – the high seas, air, space and cyberspace -- beyond the sovereign control of other states for the benefit of all, while expecting its allies to do more at home. Just as the United States may find it more difficult to project power in the future, it might once again serve as an “Arsenal of Democracy” to arm allies and friendly states with their own anti-access and area-denial capabilities to defend their own sovereignty from regional hegemonic aspirants.

Emulating President Eisenhower’s New Look strategy, a revised strategy might place emphasis on particular elements of the U.S. military to foster deterrence. Just as the New Look emphasized nuclear weapons to deter aggression, the United States today might emphasize special operations forces and global strike capabilities – including cyber, conventional and nuclear – to deter aggression or coercion. In its divisions of labor with allies and friendly states around the world, special operations, and global surveillance

and strike capabilities represent unique American military advantages that are beyond the means of most states and are thus complementary rather than duplicative. Special operations and global surveillance and strike capabilities, moreover, are among the most fungible capabilities in the U.S. arsenal as they can be applied across a range of theaters in a variety of military operations. Such capabilities may also be among the least vulnerable to anti-access/area denial threats.

DoD should revise its force planning construct to move away from preparing to conduct concurrent large-scale land combat campaigns focused on conducting or repelling invasions. It should consider a wider range of contingencies, including the elimination of a hostile power's WMD capabilities. At the same time, it should assume that the United States would conduct no more than one large-scale land combat campaign at any given time. To deal with opportunistic aggression by a third party if the United States is engaged in war, the United States should maintain sufficient global strike capabilities, including a deep magazine of precision-guided weapons, to halt invading forces and conduct heavy punitive attacks over extended periods of time.

DoD should also reconsider military roles and missions. It should reduce duplication across the services, including in combat aircraft, armored forces, and cyber capabilities. Rather than having all Services equally prepared for all contingencies across the spectrum of conflict, it should explore greater differentiation between the Services. For example:

- The Marine Corps might reinvigorate its role providing forward presence and optimize itself as the Nation's premiere on-call crisis response force on a day-to-day basis. In a state of general war, the Marine Corps might perform two main roles: first, small teams of highly distributed / highly mobile Marines could conduct low-signature amphibious landings and designate targets ashore for bombers and submarines as a vanguard force in the early stages of a blinding campaign; and second, Marines could play an instrumental role seizing key bases and maritime chokepoints, particularly in peripheral theaters, to enable follow-on operations of the joint force.
- The Army might focus on security force assistance to foreign security forces steady-state. In a general state of war, it should be prepared with a Corps-sized capability to conduct a large-scale WMD elimination campaign as its most stressing case.
- As the Army and Marine Corps expand their capacity for security force assistance and foreign internal defense in semi-permissive environments, special operations forces could shift their emphasis toward unconventional warfare, foreign internal defense, counterterrorism, special reconnaissance, direct action, and special WMD elimination in denied environments.
- The Air Force and Navy might reduce their forward presence while focusing more on delivering globally available capabilities to penetrate enemy anti-access/area-denial networks, providing persistent broad area surveillance and attack as

well as mutually assured air and sea denial in contested zones, while maintaining control of the Global Commons.

Beyond changes in the strategy and design of forces, we should explore ways to gain efficiencies in the institutional functions of the Department and reduce headquarters staffs. Over the past several decades almost all headquarters units in the Department have grown significantly while operating forces have remained level or declined. Large headquarters staffs, including the staff in the Office of the Secretary of Defense, do not improve military effectiveness and, arguably, reduce the Department's agility to deal with lean adversaries such as al Qaeda. Congress might consider reducing legislative reporting requirements to facilitate staff reductions.

We must also act to arrest personnel cost growth lest DoD follow the path of large American corporations that have run into trouble in recent years as their healthcare and pension costs have made them less competitive. U.S. military pay raises—in excess of the employment cost index (ECI)—and added or expanded benefits have increased the cost of military personnel on a per person basis by 46 percent in real terms since 9/11. Military healthcare is another significant contributor to the growth in personnel costs, having risen by 85 percent in real terms over the past decade. Congress should consider an overhaul of military compensation, healthcare, and retirement pensions to bring them more in line with private sector best practices.

DoD should develop new operational concepts such as AirSea Battle that address the types of security challenges outlined earlier. Such concepts serve a vital function as the connective tissue between strategic objectives and the types of forces and capability investments that are needed. DoD should evaluate its R&D and procurement programs and prioritize them in light of its operational concepts. Capabilities that are fungible across theaters and combine multiple attributes described earlier – global responsiveness and range; payload; survivability; endurance; autonomy; and counter-WMD – should receive high priority. Those that lack such attributes or make only niche contributions should be accorded lower priority.

Finally, DoD should draw a lesson from the past. Between the First and Second World Wars, the War and Navy Departments faced far graver budgetary austerity than anything currently being contemplated. Their forces were dramatically reduced following demobilization after World War I. Field-grade officers such as Dwight Eisenhower had trouble making ends meet and considered leaving the Service. But despite terrible funding conditions, the Army, Navy and Marine Corps protected their intellectual capital. They used their limited resources to experiment with new capabilities like the airplane, aircraft carrier, and the tank. They conducted a series of wargames, developed a wide range of Color Plans, and they developed operational concepts like Amphibious Warfare that would prove so crucial in the Second World War. Likewise, it would be prudent to protect DoD's intellectual capital in the current environment.

**Conclusion**

Despite the conventional wisdom that America is in decline, the United States continues to enjoy unrivalled strategic advantages. We are blessed with insular geography and friendly neighbors. America is rich in natural resources and fertile land. It enjoys deep and enduring alliances and access to a global portfolio of bases. It has a culture of assimilating immigrants and promoting innovation. The United States enjoys the most favorable position relative to all of the other great powers. With ample political will and shared sacrifice, I am confident the United States can get its economic house back in order, while safeguarding the country from those who would harm us.

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**About the Center for Strategic and Budgetary Assessments**

The Center for Strategic and Budgetary Assessments (CSBA) is an independent, nonpartisan policy research institute established to promote innovative thinking and debate about national security strategy and investment options. CSBA's goal is to enable policymakers to make informed decisions on matters of strategy, security policy and resource allocation.

CSBA provides timely, impartial and insightful analyses to senior decision makers in the executive and legislative branches, as well as to the media and the broader national security community. CSBA encourages thoughtful participation in the development of national security strategy and policy, and in the allocation of scarce human and capital resources. CSBA's analysis and outreach focus on key questions related to existing and emerging threats to US national security. Meeting these challenges will require transforming the national security establishment, and we are devoted to helping achieve this end.

**Jim Thomas**  
**Vice President and Director of Studies**  
**Center for Strategic and Budgetary Assessments**



Jim Thomas is Vice President and Director of Studies at the Center for Strategic and Budgetary Assessments. He oversees CSBA's research programs and directs the Strategic and Budgetary Studies staff.

Prior to joining CSBA, he was Vice President of Applied Minds, Inc., a private research and development company specializing in rapid, interdisciplinary technology prototyping. Before that, Jim served for thirteen years in a variety of policy, planning and resource analysis posts in the Department of Defense, culminating in his dual appointment as Deputy Assistant Secretary of Defense for Resources and Plans and Acting Deputy Assistant Secretary of Defense for Strategy. In these capacities, he was responsible for the development of the Defense Strategy, conventional force planning, resource assessment, and the oversight of war plans. He spearheaded the 2005-2006 Quadrennial Defense Review (QDR), and was the principal author of the QDR Report to Congress.

Jim began his career in national security at Los Alamos National Laboratory, analyzing foreign technological lessons learned from the first Gulf War. After serving as research assistant to Ambassador Paul H. Nitze, Jim joined the Department of Defense as a Presidential Management Intern in 1993 and undertook developmental management assignments across the Department of Defense over the next two years. From 1995 to 1998, he managed a NATO counter-proliferation initiative and wrote three reports endorsed by Allied Foreign and Defense Ministers to integrate countering-WMD as a mission area into NATO post-Cold War force planning. From 1998 to 1999, he was seconded to the International Institute of Strategic Studies (IISS) in London, where he wrote Adelphi Paper 333, *The Military Challenges of Transatlantic Coalitions* (Oxford: Oxford University Press, 2000). From 1999 to 2001, Jim worked in the Secretary's Strategy Office, playing a lead role developing the Department's Defense Strategy and force planning construct for the 2001 QDR. From 2001 to 2003, he served as Special Assistant to the Deputy Secretary of Defense. He was promoted to the Senior Executive Service in 2003.

Jim received the Department of Defense Medal for Exceptional Civilian Service in 1997 for his work at NATO, and the Department of Defense Medal for Distinguished Public Service, the Department's highest civilian award, in 2006 for his strategy work.

Jim is a member of the Council on Foreign Relations and the International Institute for Strategic Studies. He holds a B.A. degree with high honors from the College of William and Mary, an M.A. degree from the University of Virginia, and an M.A. degree from the Johns Hopkins University School of Advanced International Studies.

A former Reserve Naval officer, Jim attained the rank of Lieutenant Commander.



**DISCLOSURE FORM FOR WITNESSES  
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION**

**INSTRUCTION TO WITNESSES:** Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111<sup>th</sup> Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

**Witness name: James P. Thomas, Vice President, Center for Strategic and Budgetary Assessments**

**Capacity in which appearing: Representative**

**If appearing in a representative capacity, name of the company, association or other entity being represented: Center for Strategic and Budgetary Assessments (CSBA)**

**FISCAL YEAR 2011**

federal grant(s)/ contracts	federal agency	dollar value	subject(s) of contract or grant
WHS	DoD/ONA	\$1,360,000	Assessments/analysis, wargames, and briefings on international security environment, strategic challenges, future warfare, and portfolio rebalancing.
DARPA/Strategic Assessments	DARPA	\$95,000	Crisis simulation exercise in national security decision making environment
DLA Acquisition Directorate	National Defense University	\$75,000	Secretary of Defense Corporate Fellows Program Orientation

## FISCAL YEAR 2010

federal grant(s)/ contracts	federal agency	dollar value	subject(s) of contract or grant
WHS	DoD/ONA	\$3,000,000	Assessments/analysis, wargames, and briefings on international security environment, strategic challenges, future warfare, and portfolio rebalancing.
Department of the Interior	DARPA	\$815,000	Real Time Sensor Simulation: IR Sensor Modeling in Real Time Simulations Study
DLA Acquisition Directorate	National Defense University	\$75,000	Secretary of Defense Corporate Fellows Program Orientation

## FISCAL YEAR 2009

federal grant(s)/ contracts	federal agency	dollar value	subject(s) of contract or grant
WHS	DoD/ONA	\$3,000,000	Assessments/analysis, wargames, and briefings on international security environment, strategic challenges, future warfare, and portfolio rebalancing, QDR 10
USAF	DoD	\$250,000	Red Teaming, Analytical and Facilitation support to AF/A8X
CCE	DoD/Office of Force Transformation	\$245,000	Transformation Roadmap Irregular Warfare
US Marine Corps	DoD	\$65,000	External review of Vision and Strategy and other strategy documents

**Federal Contract Information:** If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2011): 3 \_\_\_\_\_;  
 Fiscal year 2010: 3 \_\_\_\_\_;  
 Fiscal year 2009: 4 \_\_\_\_\_.

Federal agencies with which federal contracts are held:

Current fiscal year (2011):\_ 3 \_\_\_\_\_;  
Fiscal year 2010: \_\_\_\_\_ 3 \_\_\_\_\_;  
Fiscal year 2009: \_\_\_\_\_ 1 \_\_\_\_\_.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2011): Research and Analysis  
Fiscal year 2010: Research and Analysis  
Fiscal year 2009: Research and Analysis.

Aggregate dollar value of federal contracts held:

Current fiscal year (2011): \$1,530,000  
Fiscal year 2010: \$3,900,000  
Fiscal year 2009: \$3,560,000

**Federal Grant Information:**

**CSBA has no grants with the federal Government in 2011, 2010, 2009**

*Thomas Donnelly*  
*Director, Center for Defense Studies*  
*American Enterprise Institute*

**TESTIMONY**  
*House Armed Services Committee*  
*13 September 2011*

Thank you, Mr. Chairman and Mr. Smith, for the opportunity to testify today. I know we “outside experts” are an imperfect substitute for the former secretaries of defense who you had planned to hear from today, but given the gravity of the moment – I believe that the future health of the U.S. armed forces and the security of the United States may well be in the hands of the members of the “Super Committee” and, generally, in the consideration of our government’s finances.

That is not to say that I concur with Admiral Mike Mullen’s view that our deficits and debts are the greatest security challenge we face. Quite the opposite: I am worried that our future prosperity depends first and foremost on our future security. I cannot imagine that today’s global economy, itself a manifestation of American power and international leadership, will be nearly so fruitful absent the guarantees we provide. The fiscal problems of the federal government are neither the result of military spending, nor can they be cured by cutting military spending. And, of course, as a percentage of American wealth and federal spending, Pentagon budgets have been constantly cut since the 1980s. And during this administration, the Department of Defense has been the bill-payer of first and almost only choice, coughing up hundreds of billions of dollars while other agencies have been fed a diet rich in “stimulus.”

But rather than focus on the finances or even the programmatic consequences of the cuts in prospect – which are severe and, should Super-Committee “sequestration” or the equivalent come to pass, debilitating to our armed forces – I would like to talk a bit about the likely strategic consequences. It has become fashionable to talk about American “decline” in the abstract, or to describe “strategic risk” in an anodyne fashion. And so I will take a quick tour of the strategic horizon, looking at particular global and regional balances of power that can only become more volatile with the diminished presence of American forces or the diminished capabilities that they may bring to bear.

I derive the framework of this tour from the work of the Quadrennial Defense Review Independent Panel, the bipartisan – nay, “nonpartisan” – effort that was essentially the creation of this committee. The panel quickly discovered that the formal process of defense strategy-making in the QDR had become bankrupt, and thus was thrown back upon its own long experience and knowledge about the persistent patterns and habits of U.S. security strategy; that is, not what we have said we would do, but what we actually have done in the course of the post-World War II decades, during the time where America has come to its position of global leadership. This I offer also as the most

reliable benchmark about what would be different about the world to come, the world without American leadership.

The panel deduced four consistent U.S. national security interests:

- The defense of the American homeland;
- Assured access to the “commons” on the seas, in the air, in space and in “cyberspace;”
- The preservation of a favorable balance of power across Eurasia that prevents authoritarian domination of that region; and
- Providing for the global “common good” through such acts as humanitarian aid, development assistance, and disaster relief.

Carrying out the missions associated with securing these four fundamental interests have been the *raison d’être* of U.S. military forces under presidents of both parties in times of conflict, of Cold-War competition, and in moments relative stability and peace. Taken together, they define America’s role in the world. I will consider how each might be affected by a loss of American military power.

### ***Defense of the American Homeland***

The tenth anniversary of the September 11 attacks, if nothing else, provided a reminder of the primacy of the mission of defending the American homeland. That there has been no repeat of those terrifying attacks is both a surprise – certainly I anticipated that there might be more to come – and a testament to the efforts made. The al Qaeda organization which conducted those attacks has been badly punished and our defenses vastly improved, indeed to the point where complacency, not “overreaction,” is as big a concern. The role of the Department of Defense has often been a supporting and secondary element in the immediate defense of the United States proper, but it nonetheless has brought immense capabilities to bear in that support; the military’s intelligence-gathering contributions amount to tens of billions of dollars annually.

Second, the distinction between homeland defense and foreign operations is very slim in the case of international terrorist groups. Homeland defense must not begin at the borders, and, if it is to continue to be effective, must be tactically and operationally offensive, preventing and disrupting attacks, not merely responding to them. September 11 shattered our belief in “strategic depth,” that physical distance was sufficient to protect us against otherwise weak enemies.

Lastly, we should not forget the full meaning of America’s “homeland.” The term traditionally is meant to incorporate all North America and the Caribbean Basin; it is something we share with our neighbors. Over the past decade, our neighborhood has become more dangerous, particularly to the south, where criminal gangs and criminal regimes are increasingly enveloped in a kind of syndicate – one that can include terrorist groups – that preys upon fragile democracies and which makes for violent acts even within the United States.

One measure of the consequences of defense cuts is likely to be that the Defense Department's "homeland commands" – Northern and Southern commands – are prime targets for reductions, consolidation, even elimination under various "reform" proposals that treat these headquarters, which are truly combatant commands, as "overhead." But NORTHCOM is still in its infancy while SOUTHCOM has constantly been a neglected child and a source of "savings" in the post-Cold-War years. Yet these two commands reflect our oldest and most critical security interests.

Access to the 'Commons'

Describing the maritime, air, space and cyberspace "realms" as "international commons" is an imprecise term – there are, for example, sovereign waters and air space – but nonetheless these domains are critical components of international security and also commerce. And assured access, and in terms of war, dominance and supremacy, to these realms is a critical element of U.S. national security strategy.

To observe that Americans are seafaring people or to describe the United States as a "maritime power" is hardly a controversial point. Even the most isolationist elements of the domestic political spectrum will support the power-projection posture of the U.S. Navy, despite its British imperial overtones. And the importance of secure sea lines of communication – particularly the shipping route that stretches from the Persian Gulf through the Red Sea, Indian Ocean to the Malacca Straits and South China Sea to Northeast Asia, which carries an immense and growing volume of the world's trade – remains critical to international security. But a smaller Navy, even one with more-capable ships but fewer overseas bases, is less frequently present in places such as the South China Sea, where who "rules the waves" is open to doubt and a matter of potential conflict. Likewise, new technologies are allowing China and others to develop a range of "anti-access" and "area-denial" capabilities that are shifting the naval balance. The U.S. Navy is as small as it has been since World War I; force reductions would both encourage adversaries and discourage allies or would-be strategic partners.

But the cardinal virtue of U.S. military power – and, in the age of the aircraft carrier, even of naval power – has been the quality of American air power. Two decades ago, in the aftermath of the first Gulf War, U.S. air supremacy reached its zenith, fabled not only for its firepower but its unprecedented precision; war from the air was a uniquely American way of war. At the core of this mystique was the ability to mass and synchronize large swarms of tactical aircraft. This method of operations built a mountain of effects out of a molehill of airplanes, relying on access to bases in the theater of operations. The same technologies that threaten surface ships now hold these air bases at risk – but also, the swarms of "fourth generation" F-15s, F-16s and F/A-18s are aging and their numbers are shrinking. The cuts in view could result in a fighter force half the size of the "Desert Storm"-era armada. And the generation-long failure to modernize is felt most directly in the tactical air forces: the F-22 program was stopped at 187 Raptors when 750 were once planned, and the F-35 would certainly be the prime target of future cuts.

Access to space – which has long been “militarized” much to the advantage of the United States – is no longer a sure thing. And even where access might be retained, military dominance and supremacy are uncertain. This is a critical vulnerability for U.S. forces, whose weapons, operations, communications and more depend on it. As observed above, intelligence satellites are essential in even the smallest, most irregular operations against the tiniest terrorist groups, but the loss of larger networks in a conflict against a more sophisticated foe – and China is at the forefront in developing and recently testing anti-satellite systems – would be catastrophic.

Strategic and operational thinking about “cyberspace” is still being developed, but the best analogies and precedents are to be found in regarding this realm as similar to the maritime domain. The Internet is indeed much more a venue for commerce and civilian communication than a military asset, though it is that; sharing information has been a key to the process of “transformation.” It has already been a domain for private “pirates” and used, notably by Russia, as a battlefield. No one is quite sure what it means to “secure” cyberspace, but suffice it to observe that the failure to do so in a significant way would be a critical test of international politics and an easily imaginable provocation to war.

In sum, even as the “common” realms where commerce, communication and security intersect are expanding and the burdens of “securing the commons” or “assuring free access” to them appear to be growing, the U.S. military is already at full stretch. A fading of American power would inevitably result in a contest to control these commons.

### *Continental Balances*

The corollary of the commonplace observation that America is a “maritime power” is that U.S. strategic posture has been – and should return to – that of an “offshore balancer,” intervening only in conflicts across the Eurasian landmass to prevent a “hostile hegemon” from dominating Europe or the Middle East or East Asia. But, as quickly became clear to the members of the QDR Independent Panel, close attention to these continental balances has been the core of American strategy-making for decades.

The most obvious example and most obvious success is to be found in Europe – a continent that has been intertwined with the American security since the discovery of the “New World.” The pursuit of a “Europe whole and free” was the central goal of the Cold War, but even that was a recognition that World War II left the situation across the continent dangerous and unstable. Conversely, the end of the Cold War appears to have put a punctuation mark on centuries of conflict; it is hard to imagine a large-scale war in Europe, and that is a direct result not only of American “offshore balancing” but American presence and alliance-building since 1945. U.S. military presence in Europe is a shadow of its former self, though it remains critical as a “lily pad” for deployments elsewhere – Libya is the most recent example but all the recent operations in the Middle East were enabled by Europe-based forces. And the unprecedented peace of Europe is itself a great blessing that comes at low cost.

Likewise, the American commitment to the “Middle East” – a very loose term – has grown even as we have been able to draw down in Europe. In 1979, U.S. Central Command did not even exist; the Carter Administration cobbled together a “Rapid Deployment Joint Task Force” in the aftermath of the Soviet invasion of Afghanistan that could neither deploy very rapidly or bring much force to bear. Every president since then has found reason to take a larger hand in a very volatile but important region, from the 1987 reflagging of oil tankers to Iraq, Afghanistan and Libya. In particular, we have come to see the region as many theaters in one. The focus of most efforts of the last generation has been on the Arab world, but it is increasingly clear that South Asia is a problem unto itself; we walk away from Pakistan only at extreme peril.

Finally, our engagement in East Asia, north and south, on Pacific islands and ashore, is as long-lasting and, over time, as large as that in Europe. But no event is of greater geopolitical import than the rise of China; how we respond to that – and the course of China itself – is the salient issue of the moment and for the future. We have treaty allies in Japan, South Korea and elsewhere, whose safety, prosperity and – perhaps surprisingly but assuredly – democracy depend upon our regional posture and our military power. What is not surprising is that China is lately making the most mischief in the South China Sea and Southeast Asia, where we were once constantly present and supremely powerful. Ironically, the one nation to resist U.S. force, Vietnam, is leading the call for American to return to the scene.

#### The Global Good

One of the supreme reasons why the American exercise of military power attracts even former adversaries is that, at least in contrast to others, we can and do use our forces not only to deter, punish and defeat but to relieve, aid and develop. Be it a response to a humanitarian crisis – a tsunami, a nuclear meltdown or a combination of the two – or an uncertain and open-ended attempt to replace what John Quincy Adams called “derelict” states with legitimate government, contributing to a common good beyond the strict national interest has been and ought to remain an important mission for the U.S. military.

To protest that, especially in tough times, we must conserve our strength only for those occasions that demand “warfighting” capabilities or the kind of sophisticated operations and high technologies only possessed by our armed forces is, if experience counts for anything, to expect too much – or too little. Given the character of our political principles and the extent of our power, the kind of hard-nosed “realism” of the international relations professoriat is a theory that American strategic practice is unlikely to fulfill. It is not realistic to expect the United States to be like Bismark’s Prussia.

Moreover, the failure to act in pursuit of a global and common good would make the practice of harder power more difficult. The rest of the world sees how we behave – indeed, they spend most of their own strategy-making energy in first trying to figure out what we will do – and behaves accordingly. If the United States falters in its attempts at making the world a better place, if we think we can “lead from behind,” we will find it harder to make it a very safe place.



Thank you, Mr. Chairman. I look forward to the committee's questions.

**Thomas Donnelly**  
**Resident Fellow and Director, Center for Defense Studies**  
**American Enterprise Institute**



Thomas Donnelly, a defense and security policy analyst, is the director of the Center for Defense Studies. He is the coauthor with Frederick W. Kagan of *Lessons for a Long War: How America Can Win on New Battlefields* (2010). Among his recent books are *Ground Truth: The Future of U.S. Land Power* (2008), coauthored with Frederick W. Kagan; *Of Men and Materiel: The Crisis in Military Resources* (2007), coedited with Gary J. Schmitt; *The Military We Need* (2005); and *Operation Iraqi Freedom: A Strategic Assessment* (2004). From 1995 to 1999, he was policy group director and a professional staff member for the House Committee on Armed Services. Mr. Donnelly also served as a member of the U.S.-China Economic and Security Review Commission. He is a former editor of *Armed Forces Journal*, *Army Times*, and *Defense News*.

*Experience*

Member, U.S.-China Economic and Security Review Commission, 2005-2006  
 Editor, *Armed Forces Journal*, 2005-2006  
 Director, Strategic Communications and Initiatives, Lockheed Martin Corporation, 2002  
 Deputy Executive Director, Project for the New American Century, 1999-2002  
 Director, Policy Group, 1996-99; Professional Staff Member, 1995, Committee on Armed Services, U.S. House of Representatives  
 Executive Editor, *The National Interest*, 1994-95  
 Editor, *Army Times*, 1987-93  
 Deputy Editor, *Defense News*, 1984-87

*Education*

M.I.P.P., School of Advanced International Studies, Johns Hopkins University  
 B.A., Ithaca College

**DISCLOSURE FORM FOR WITNESSES  
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION**

**INSTRUCTION TO WITNESSES:** Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 112<sup>th</sup> Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

**Witness name:** Thomas Melvin Donnelly

**Capacity in which appearing:** (check one)

Individual

Representative

**If appearing in a representative capacity, name of the company, association or other entity being represented:** \_\_\_\_\_

**FISCAL YEAR 2011**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
None			

**FISCAL YEAR 2010**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
Quadriennial Defense Review Independent Panel	US Institute of Peace	\$50,000	Strategic analysis

FISCAL YEAR 2009			
Federal grant(s)/ contracts	federal agency	dollar value	subject(s) of contract or grant
None			

**Federal Contract Information:** If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2011): \_\_\_\_\_ 0 ;  
 Fiscal year 2010: \_\_\_\_\_ 1 ;  
 Fiscal year 2009: \_\_\_\_\_ 0 .

Federal agencies with which federal contracts are held:

Current fiscal year (2011): \_\_\_\_\_ None ;  
 Fiscal year 2010: \_\_\_\_\_ US Institute for Peace ;  
 Fiscal year 2009: \_\_\_\_\_ None .

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2011): \_\_\_\_\_ None ;  
 Fiscal year 2010: \_\_\_\_\_ Strategic Analysis ;  
 Fiscal year 2009: \_\_\_\_\_ None .

Aggregate dollar value of federal contracts held:

Current fiscal year (2011): \_\_\_\_\_ None ;  
 Fiscal year 2010: \_\_\_\_\_ \$50,000 ;  
 Fiscal year 2009: \_\_\_\_\_ None .

**Federal Grant Information:** If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2011): \_\_\_\_\_ 0 ;  
 Fiscal year 2010: \_\_\_\_\_ 0 ;  
 Fiscal year 2009: \_\_\_\_\_ 0 ;

Federal agencies with which federal grants are held:

Current fiscal year (2011): \_\_\_\_\_ 0 ;  
 Fiscal year 2010: \_\_\_\_\_ 0 ;  
 Fiscal year 2009: \_\_\_\_\_ 0 ;

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2011): \_\_\_\_\_ 0 ;  
 Fiscal year 2010: \_\_\_\_\_ 0 ;  
 Fiscal year 2009: \_\_\_\_\_ 0 ;

Aggregate dollar value of federal grants held:

Current fiscal year (2011): \_\_\_\_\_ 0 ;  
 Fiscal year 2010: \_\_\_\_\_ 0 ;  
 Fiscal year 2009: \_\_\_\_\_ 0 ;

## Indefensible Budget Cuts

Prepared statement by

**Max Boot**

*Jeane J. Kirkpatrick Senior Fellow in National Security Studies  
Council on Foreign Relations*

Before the

House Armed Services Committee

*United States House of Representatives  
First Session, 112th Congress*

### Hearing on the Future of National Defense and the U.S. Military Ten Years After 9/11: Perspectives from Outside Experts

Chairman McKeon, Congressman Smith, members of the Committee:

Thank you for inviting me here to talk about the future of the American armed services. That future is very much in doubt at the moment. The armed forces face the most formidable enemies they have encountered in decades. These enemies do not carry guns and they do not plant IEDs. Rather they wear green eyeshades and wield complex spreadsheets. But make no mistake: the impact of budget cuts has the potential to devastate our armed forces. It will, in fact, do more damage to their fighting capacity than the Taliban, Al Qaeda, or any other external foe could possibly inflict.

Already this year the budget has been cut by approximately \$478 billion—\$78 billion in cuts announced in January by the administration, and another \$400 billion under the Budget Control Act this summer. Now we face the prospect of sequestration this fall—which could mean another \$600 billion in cuts, or more, over the next decade. Hundreds of billions more will be lost assuming the disappearance of funding for Overseas Contingency Operations as we wind down operations in Iraq and Afghanistan. Todd Harrison of the Center for Strategic and Budgetary Assessments estimates that in all the defense budget could decline by 31 percent over the next decade. That compares with cuts of 53 percent after the Korean War, 26 percent after the Vietnam War, and 34 percent after the end of the Cold War.

Some might argue that there is nothing wrong with this—that we always downsize our military after the conclusion of hostilities. Leave aside the fact that hostilities have not yet ended—our troops are still in combat every day in Afghanistan and they still face the constant prospect of attack in Iraq. Moreover they continue to conduct military operations against Somali pirates and Al Qaeda terrorists which put them in harm's way on a regular basis. It is beyond bizarre that we are rushing to spend the peace divided at a time when we are not actually at peace. But, again, leave that aside for a moment, and simply consider the consequences of past drawdowns (as I laid out in the Washington Post last year).

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After the American Revolution, our armed forces shrank from 35,000 men in 1778 (plus tens of thousands of militiamen) to just 10,000 by 1800. The result was that we were ill-prepared to fight the Whiskey Rebellion, the quasi-war with France, the Barbary wars and the War of 1812 -- all of which might have been averted if the new republic had had an army and a navy that commanded the respect of prospective enemies, foreign and domestic.

After the Civil War, our armed forces shrank from more than a million men in 1865 to just 50,000 in 1870. This made the failure of Reconstruction inevitable -- there were simply too few federal troops left to enforce the rule of law in the South and to overcome the ruthless terrorist campaign waged by the Ku Klux Klan and other white supremacist groups. Segregation would remain a blot on U.S. history for another century.

After World War I, our armed forces shrank from 2.9 million men in 1918 to 250,000 in 1928. The result? World War II became more likely and its early battles more costly. Imagine how Hitler might have acted in 1939 had several hundred thousand American troops been stationed in France and Poland. Under such circumstances, it is doubtful he would ever have launched his blitzkrieg. Likewise, Japanese leaders might have thought twice about attacking Pearl Harbor if their homeland had been in imminent danger of being pulverized by thousands of American bombers and their fleet sunk by dozens of American aircraft carriers.

After World War II, our armed forces shrank from 12 million men in 1945 to 1.4 million in 1950. (The Army went from 8.3 million soldiers to 593,000.) The result was that ill-trained, ill-armed draftees were almost pushed off the Korean Peninsula by the North Korean invasion. The very first American ground force to encounter the invaders—Task Force Smith—was routed and decimated because it did not have enough ammunition to stop North Korean tanks. Kim Il Sung was probably emboldened to aggression in the first place by the rapid dissolution of America's wartime strength and indications from parsimonious policymakers that South Korea was outside our "defense perimeter."

After the Korean War, our armed forces as a whole underwent a smaller decline -- from 3.6 million men in 1952 to 2.5 million in 1959 -- but the Army lost almost half its active-duty strength in those years. President Dwight Eisenhower's New Look relied on relatively inexpensive nuclear weapons to deter the Soviet Union and its allies, rather than a large, costly standing army. As a result the Army that was sent to Vietnam was not prepared to fight guerrillas -- an enemy that could not be defeated with a hand-held Davy Crockett nuclear launcher.

After the Vietnam War, our armed forces shrank from 3.5 million personnel in 1969 to 2 million in 1979. This was the era of the "hollow army," notorious for its inadequate equipment, discipline, training and morale. Our enemies were emboldened to aggression, ranging from the anti-American revolutions in Nicaragua and Iran to the Soviet invasion of Afghanistan. We are still paying a heavy price for the Iranian Revolution, with Iran on the verge of going nuclear.

After the end of the Cold War and the Persian Gulf War, our armed forces shrank from 2.1 million personnel in 1989 to 1.3 million in 1999; the Army went from 769,000 soldiers to 479,000. The result: an Army desperately overstretched by its subsequent deployments. Part of the reason too few troops were sent to stabilize Iraq in 2003 was that senior officials thought there simply weren't enough to go round.

We are still suffering the consequences of the post-Cold War drawdown. The Navy, down from 546 ships in 1990 to 284 today (the lowest level since 1930), is finding it hard to fight Somali pirates, police the Persian Gulf and deter Chinese expansionism in the Western Pacific. The Army and Marine Corps are forced to maintain a punishing operational tempo that drives out too many bright young officers and NCOs. The Air

Force, which has been reduced from 82 fighter squadrons in 1990 to 39 today, has to fly decades-old aircraft until they are falling apart. The average age of our tanker aircraft is 47 years, of strategic bombers 34 years, and some older fighter aircraft are literally falling out of the sky.

The bipartisan Quadrennial Defense Review Independent Panel led by Stephen Hadley and William Perry found last year “a growing gap between our interests and our military capability to protect those interests in the face of a complex and challenging security environment.” The panel further noted:

“There is increased operational tempo for a force that is much smaller than it was during the years of the Cold War. In addition, the age of major military systems has increased within all the services, and that age has been magnified by wear and tear through intensified use.... The Department of Defense now faces the urgent need to recapitalize large parts of the force. Although this is a long-standing problem, we believe the Department needs to come to grips with this requirement. The general trend has been to replace more with fewer more-capable systems. We are concerned that, beyond a certain point, quality cannot substitute for quantity.”

The Hadley-Perry commission recommended that “as the force modernizes, we will need to replace inventory on at least a one-for-one basis, with an upward adjustment in the number of naval vessels and certain air and space assets.” It also recommended maintaining the size of our current ground forces because “the increased capability of our ground forces has not reduced the need for boots on the ground in combat zones.”

Both of those recommendations are absolutely right. And both are increasingly difficult to carry out given the magnitude of defense cuts already agreed upon. They will become an utterly impossibility if sequestration occurs. You have heard the services say that they can deal with the current level of cuts but that’s only because they’re being good soldiers. In reality even the current cutbacks are already cutting into muscle; sequestration, if it were to occur, would be akin to lopping off entire limbs. In either case American power will not survive in its present form.

Those who argue in favor of cuts point out that defense spending has doubled in real terms since 9/11. That’s true but much of the spending has gone to current operations, personnel costs, ballooning health care costs, and other necessities—it has not been used to recapitalize our aging inventory of weapons systems or to substantially expand a ground force that was cut by a third since the Cold War.

Instead, even as we continue to fight in Afghanistan and Iraq, the Defense Department has been eliminating or reducing one system or another. Defense Secretary Bob Gates closed headquarters, eliminated general-officer slots, and even shut down the whole U.S. Joint Forces Command. He cancelled or capped 30 procurement programs that, if taken to completion, would have cost more than \$300 billion. The cancellations included the Army’s Future Combat System, the Marines’ Expeditionary Fighting Vehicle, the VH-71 presidential helicopter, the Navy’s CG(X) next-generation cruiser, the Air Force’s F-22 fighter and C-17 cargo plane, and the Airborne Laser. Other programs, such as the Navy’s new aircraft carrier, were delayed, while the planned buy of F-35 fighters, Littoral Combat Ships, and other systems was reduced.

And it’s not just weapons systems, we’re losing—it’s personnel. Before leaving office, Gates announced that he was whittling down Army and Marine end-strength by 47,000 personnel, reversing the increase in the size of the ground force that he had pushed through to deal with the wars in Afghanistan and Iraq. Further cuts in end-strength are undoubtedly coming as a result of greater budget cuts, thus throwing out of work—at a time of already high unemployment—tens of thousands of men and women who have signed up to serve their country.



That may make sense if you assume we will have no need of large numbers of ground combat forces in the future, but as Gates himself said earlier this year: "When it comes to predicting the nature and location of our next military engagements, since Vietnam, our record has been perfect. We have never once gotten it right, from the Mayaguez to Grenada, Panama, Somalia, the Balkans, Haiti, Kuwait, Iraq, and more – we had no idea a year before any of these missions that we would be so engaged." That's absolutely correct, and because the world is such an uncertain, dangerous place we need the deterrence and flexibility provided by a large ground force. But maintaining soldiers in an all-volunteer force is expensive, and you can bet that they will be sacrificed to achieve arbitrary budget targets.

This points to a larger issue: What strategy are we following here? Is there any strategy at all? None is apparent from the outside—or, from what my friends in the Pentagon tell me, from the inside either. It has been said this is a budget in search of a strategy, but we will be hard-put to achieve all, or even most, of our strategic objectives with a third-less money. The Hadley-Perry commission identified four enduring security interests for the United States: "The defense of the American homeland; assured access to the sea, air, space, and cyberspace; the preservation of a favorable balance of power across Eurasia that prevents authoritarian domination of that region; providing for the global common good through such actions as humanitarian aid, development assistance, and disaster relief." None of those interests will change no matter what budget decisions are made in Washington; all that will change will be our ability to defend those interests.

Certainly there has not been—nor is there likely to be—a decreased demand for the armed forces. They are constantly having new missions thrown their way, from defending our nation's computer networks to deposing a dictator in Libya and providing relief to Japanese tsunami survivors. Those who call for austerity in our defense budget do not suggest which missions, which specific operations, they will willingly forego. And when they do the suggestions are usually insufficient to achieve serious savings. For instance I have heard it suggested that we could save a lot of money by pulling our forces (currently 80,000 strong) out of Europe. But in fact, as Secretary of Defense Donald Rumsfeld discovered when he moved tens of thousands of troops home, that is simply a prescription for incurring higher short-term costs because we have to recreate in the United States the base infrastructure that already exists in Europe. Our European allies contribute to the maintenance of our troops there; for instance, according to U.S. European Command, Germany pays 66 percent of the design, procurement, and construction management costs for building U.S. military infrastructure and 25 percent of the costs of rent on privately owned land, labor, utilities, vicinity improvement, and so forth for German based-U.S. forces. Italy, for its part, provides free security to U.S. bases and a free base operations staff as well as significant investment in infrastructure worth 200 million euros around the Aviano Air Base alone. If we bring our troops home, we will have to pay 100 percent of the cost of maintenance ourselves. And of course troops based in the U.S. will be farther away from where they are likely to deploy: the Middle East, Africa, and Central Asia. By not having them forward-deployed, we will lose significant strategic flexibility, political influence, and deterrence capacity.

Don't get me wrong. It is impossible to deny that there is waste, fraud and abuse in the defense budget. The problem is that, as you know, there is no line item for waste, fraud, and abuse, and hence no way to pare only wasteful spending. Indeed it is hard to agree about what constitutes wasteful spending since every defense program has its passionate defenders, especially here on the Hill, and it is possible to make compelling arguments in favor of them all. We all know that the procurement process is bloated, but I have never anyone suggest in a compelling or realistic way how to reform the procurement process so that we can buy substantially more with less. Indeed as we pare back our programs we increase unit costs and only heighten complaints about runaway acquisitions programs. At the end of the day, less money results in less capability.

And less capability is something we cannot afford at a time when we face so many actual or potential threats: threats from a rising China, a nuclear North Korea, an Iran on the verge of going nuclear, a Pakistan that is threatened as never before by jihadists, and by numerous terrorist groups, ranging from the Afghan and Pakistani Taliban to the Shabab in Somalia and Al Qaeda in the Arabian Peninsula, all of whom continue

to pose a significant threat despite Osama bin Laden's demise. These groups threaten not only vital U.S. interests abroad but also increasingly the American homeland itself, as seen from AQAP's attempt to mail parcel bombs to the U.S. and from the Pakistani Taliban's sponsorship of an attempt to set off a car bomb in Times Square. Both of those attempts are recent—they occurred last year. As the more recent frenzy over a possible terrorist attack on the 10<sup>th</sup> anniversary of 9/11 makes clear, such threats are not going away, despite all of the counter-terrorism success we have enjoyed.

China presents a particularly worrisome long-threat: It is in the midst of a rapid defense buildup which has allowed it to field a stealth fighter, an aircraft carrier, diesel submarines, cyberweapons, "carrier-killer" and satellite-killer ballistic missiles and numerous other missiles. Even as things stand China is increasingly able to contest the US Navy's freedom of movement in the Western Pacific. As long ago as 2008, Rand predicted that by 2020 the U.S. would not be able to defend Taiwan from a Chinese attack, and that was before the surprise unveiling of China's J-20 Stealth fighter or its new aircraft carrier; the timeline for American dominance being threatened is only accelerating. The safety of U.S. bases in Okinawa, Guam, and elsewhere in the region can no longer be assured, creating the potential for a 21<sup>st</sup> century Pearl Harbor. That trend will be exacerbated—leading to a potentially dangerous shift in the balance of power—unless we build up our shrinking fleet. But given the budget cuts being discussed here we will have trouble maintaining the current size of our fleet much less expanding it.

We have already cancelled the F-22 and cut back the procurement of the F-35. Is the F-35 to be cancelled altogether or cut back to such an extent that we will have no answer to the fifth-generation fighters emanating from Russia and China? If that were to come to pass, it would signal the death knell for American power in the Pacific. If our power wanes, our allies will have to do what they need to do to ensure their own security. It's easy to imagine, under such a scenario, states such as Japan, South Korea, and Taiwan acquiring their own nuclear weapons, thus setting off a dangerous and destabilizing nuclear arms race with China.

Even given the dire consequences, it might still make sense to cut the defense budget — if it were bankrupting us and undermining our economic well-being which, we would all agree, is the foundation of our national security. But that's not the case. Defense spending, including supplemental appropriations, is less than 5 percent of gross domestic product and less than 20 percent of the federal budget. Both figures are much lower than the historic norm. That means our armed forces are much less costly in relative terms than they were throughout much of the 20th century. Even at roughly \$550 billion, our core defense budget is eminently affordable. It is, in fact, a bargain considering the historic consequences of letting our guard down.

The United States armed forces have been the greatest force for good the world has seen during the past century. They defeated Nazism and Japanese imperialism, deterred and defeated Communism, and stopped numerous lesser evils—from Slobodan Milosevic's ethnic cleansing to the oppression perpetrated by Saddam Hussein in Iraq and the Taliban in Afghanistan. I cannot imagine a world in which America is not the leading military power. It would be a brutal, Hobbesian place in which aggressors rule and the rule of law is trampled on. And yet Congress will be helping to usher in such a New World Disorder if it continues to slash defense spending at the currently contemplated rate.

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### Max Boot

Max Boot is one of America's leading military historians and foreign policy analysts. The Jeane J. Kirkpatrick senior fellow in national security studies at the Council on Foreign Relations (CFR) in New York, he is also a contributing editor to *The Weekly Standard* and the *Los Angeles Times*, and a regular contributor to *The New York Times*, *The Wall Street Journal*, *Commentary*, and other publications. (His articles are at [www.maxboot.net](http://www.maxboot.net).)

More than 100,000 copies of his books are in print. He is now writing *Invisible Armies*, a history of guerrilla warfare and terrorism. His last book, *War Made New: Technology, Warfare, and the Course of History, 1500 to Today* (Gotham Books, 2006), has been hailed as a "magisterial survey of technology and war" by the *New York Times* and "brilliantly crafted history" by *The Wall Street Journal*.

His previous book, *The Savage Wars of Peace: Small Wars and the Rise of American Power* (Basic Books) was selected as one of the best books of 2002 by numerous newspapers, won the 2003 General Wallace M. Greene Jr. Award from the Marine Corps Heritage Foundation as the best nonfiction book pertaining to Marine Corps history, and has been placed on Army, Air Force, Marine Corps and Navy professional reading lists.

Boot is a frequent public speaker and guest on radio and television news programs, both at home and abroad. He has lectured on behalf of the U.S. State Department and at many military institutions, including the Army, Navy, and Air War Colleges, the Australian Defense College, the John F. Kennedy Special Warfare School, and West Point.

He is an adviser to U.S. commanders in Iraq and Afghanistan and was a senior foreign policy adviser to Senator John McCain's presidential campaign in 2007 and 2008.

In 2004, he was named by the World Affairs Councils of America as one of "the 500 most influential people in the United States in the field of foreign policy." In 2007, he won the Eric Breindel Award for Excellence in Opinion Journalism, given annually to a writer who exhibits "love of country and its democratic institutions" and "bears witness to the evils of totalitarianism."

Before joining the Council in 2002, Boot spent eight years as a writer and editor at *The Wall Street Journal*, the last five years as op-ed editor. From 1992 to 1994 he was an editor and writer at *The Christian Science Monitor*.

Boot holds a Bachelor's degree in history, with high honors, from the University of California, Berkeley (1991), and a Master's degree in history from Yale University (1992). He was born in Russia, grew up in Los Angeles, and now lives with his family in the New York area.

**DISCLOSURE FORM FOR WITNESSES  
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION**

**INSTRUCTION TO WITNESSES:** Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 112<sup>th</sup> Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

**Witness name:** Max Boot

**Capacity in which appearing:** (check one)

Individual

Representative

**If appearing in a representative capacity, name of the company, association or other entity being represented:** \_\_\_\_\_

**FISCAL YEAR 2011**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
N/A			

**FISCAL YEAR 2010**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
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TESTIMONY FOR THE HOUSE ARMED SERVICES COMMITTEE, SEPTEMBER  
13, 2011

Michael O'Hanlon, Senior Fellow, Brookings, author of "Defense Budgets and American Power" and the forthcoming book, *The Wounded Giant: America's Armed Forces in an Age of Austerity*

In a stunning change in American policy and politics, it now appears possible that the military budget may be cut by up to a trillion dollars over a decade. This would be far more than the \$400 billion in 12-year savings that President Obama had proposed in his April 13, 2011 speech that signaled the White House's full engagement on the deficit issue. That is above and beyond savings that will result naturally, and indeed are already resulting, from troop drawdowns in Iraq and Afghanistan.

And these will be real cuts. The administration's earlier plan, as seen in President Obama's February 2011 budget proposal to Congress for Fiscal Year 2012, had already taken away most of the growth in the longer-term military budget, reducing it to around 1 percent a year in inflation-adjusted terms. But most military costs rise about 2 percent a year *above inflation*. That is a well-established historical tendency due to the fact that many areas of defense activity—health care, environmental restoration, weapons purchases, pay for troops and full-time civilians—do tend to rise in cost slightly faster than the inflation rate. So it will be necessary cut forces, weapons, and operations.

Defense cuts are appropriate, even above and beyond the \$150 billion or so in annual spending that will naturally go away as forces come home from Iraq and Afghanistan. Our nation is in economic crisis, exacerbated to a large degree by a huge budget deficit and unhealthy level of accumulated debt. This dilemma also constitutes a national security challenge for the United States; no great power can remain great if the economic underpinnings of its strength erode, as history and common sense both counsel us. And

to attack the deficit in a serious way, defense must be on the table—just as all other major elements of federal spending, as well as the tax code, must be.

But before we ask the Pentagon to provide a disproportionate share of spending reductions, as some would counsel, we need to sit back and think. Issues of war and peace are too fundamental to our nation's well-being to be guided by emotional reactions to an economic downturn that, however important, is nonetheless still a temporary phenomenon. We have spent decades building up the best military in the history of the planet and also helping establish an international system of alliances and other security relationships that has prevented another major power war for almost 70 years. Care is required in changing it. Yes the defense budget is huge—at nearly \$700 billion it is one-fifth of all government spending, and nearly the equal of all military spending by all other countries on Earth combined. But it is not particularly huge in historic terms as a percent of our economy; it clocks it at about 4.5 percent of gross domestic product, in contrast to levels of 6 percent under President Reagan and 8 to 10 percent under Johnson, Kennedy, and Eisenhower. Nor is America currently a militarized society that needs to reorient its economy or culture. Even if one counts the National Guard and Reserves, only 1 percent of the population is in uniform, compared with more like 2 percent in the latter decades of the Cold War and even higher figures before that. Modern America is more notable for the distance between the average citizen and its all-volunteer armed forces than by any overmilitarization of its society. And the defense budget is a bargain if the alternative is a higher risk of war.

Making national budgetary decisions with huge strategic impact cannot be done as an arithmetic exercise, or as part of a grand deficit bargain in which some parties trade away several chips' worth of defense spending in exchange for so many tax cuts or entitlement cuts like bargaining chips in a poker game. While it is reasonable, and right, to rethink defense spending in light of our economic straits, we must also ask what is our military for, and what role do we as Americans want to play in the world of the 21<sup>st</sup> century?



My bottom line is conditionally supportive of the idea of cutting \$350 billion over the next decade—as has already been agreed in the first round of the August, 2011 debt deal between President Obama and the Congress. Cumulative reductions of \$350 billion to perhaps \$500 billion over that ten-year window can probably be achieved. Some can be found by eliminating pure waste. Some can be found by steps like asking non-deployed military personnel and non-wounded veterans to pay health care insurance premiums more in line with what the rest of the country considers standard, and to accept a new retirement system. The bulk of it will, however, have to be found by cutting real military capability and as a result accepting real additional risk to the country's security. I detail my calculations in the long Brookings paper noted above (at [www.brookings.edu](http://www.brookings.edu)) and will develop the arguments further in a forthcoming book.

Some cuts are eminently reasonable, even on narrow national security grounds, given how much the deficit has become a risk to the nation's long-term economic and military strength. But to argue that cuts of this magnitude can be made risk-free, as some purport, is not consistent with the realities of the situation. And to cut more than half a trillion dollars, relative to the earlier plan laid out by the President in his February 2011 plan, would be unwise. Unfortunately, there are budget plans that would do so. Most worrisome is the default plan. As part of the August deficit and debt deal, the new Fiscal "Supercommittee" is due to present a plan before Thanksgiving for an up-or-down vote by Congress before Christmas. If such a plan is not approved, defense and national security will automatically suffer another \$500 billion or so in ten-year cuts, making for a grand total of about \$900 billion. Such draconian cuts would jeopardize irreducible requirements in American defense policy--winding down current wars responsibly, deterring Iran, hedging against a rising China, protecting global sea lanes vital for commerce, attacking terrorists and checking state sponsors of terror, and ensuring a strong all-volunteer military as well as a world-class defense scientific and industrial base.

Behind these specific recommendations is a broader premise. Not only the United States, but the world in general, benefits from the current international order in which America is the strongest power and helps lead a broader alliance system involving most of the

world's other major powers. World peace would not be served by U.S. disarmament or even a trend towards the emergence of multiple, comparable power centers. I do not mean Americans should want to dominate others. Nor should the United States do other countries' fighting for them. But if the United States were to stop playing a global leadership role, competition and conflict would be the likely result. In such a "multipolar" world, countries would often be less confident of their own security, and sometimes inclined to take matters into their own hands by engaging in arms races, building nuclear weapons, or even attacking their neighbors.

We Americans get lots of things wrong, but we usually get around to the right policy after trying all others as Churchill famously remarked. In the end most peaceful democratic states do not fear us and want to ally with us. As such our power is stabilizing, and desirable. Perhaps someday a world made up just of democracies will, as "democratic peace theory" would predict, be inherently stable on its own, without a strong leader.<sup>1</sup> But the world is not there yet.

Put differently, we have to be careful about cutting defense so much that we have to give up some current overseas missions and responsibilities. It would be nice if some parts of the world had become less important, some missions that were previously very important obsolescent, some allies that had previously been too weak to carry much of the burden of maintaining international stability much stronger and more inclined to use their power in productive ways. But the world does not offer many such easy options. One place might be Russia; despite Moscow's prickliness on many issues, it has become more security partner than adversary of the United States, and any threats it might pose to NATO are minimal. However, our force planning already downplays the possibility of scenarios involving Russia, as it should, so there are no big further savings to reap. Some might think that Korea would offer a more promising case where American security commitments could be reduced. And it is true that South Korea's military is stronger than before, North Korea's less strong. But the last time we tried to ignore the Korean

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<sup>1</sup> For a good discussion of democratic peace theory, see John M. Owen, *Liberal Peace, Liberal War* (Ithaca, N.Y.: Cornell University Press, 1997).

threat, back in 1949 when Secretary of State Dean Acheson infamously declared it beyond America's security perimeter of key overseas interests, what we got was an emboldened North Korea and a full-fledged war. Today, North Korea is ruled by the same fanatical regime as before, and while the conventional military balance on the peninsula now strongly favors the Republic of Korea and United States, North Korea now has nuclear weapons.

For reasons I develop further in the pages that follow, we would be unwise to draw back from the world or take a big gamble on simply deciding to forgo certain types of military responsibilities. To be sure, we may choose not to carry out the next "war of choice." But we may not always *have* a choice about when and where to fight; in a world with proliferating nuclear arsenals, transnational terrorists, and other threats that can reach out and touch us even from far away, what happens in other regions can affect Americans much more directly than we might prefer. In his retirement ceremony speech of August 31, 2011, the greatest general of his generation, David Petraeus, warned us that as a nation we do not always get to choose the wars we fight, and it was good advice. Rather than retrench, our primary focus in cutting the defense budget should be to look for ways to be more innovative, cost-effective, and brutally efficient in how we prepare for most possible contingencies and maintain existing obligations. It is not the time for America to come home from the world.

Military budget cuts should not be, and cannot be, our main means to reducing the deficit. Cutting \$350 billion over 10 years, or perhaps up to \$500 billion, would entail some risk to America's global interests. As such, it can only be justified on national security grounds if the nation's economy is strengthened substantially in the process. Nations with hollow economies cannot be secure indefinitely, so it is legitimate to view the debt as a national security threat, and economic renewal as a national security imperative. However, this idea only works if projected deficits are reduced enough to make a notable difference in America's economic prognosis. And that is only possible if broad-based deficit reduction occurs. As big as the defense budget is, moreover, it is only one of five big components of the federal budget of roughly comparable size—the others being

Social Security, Medicare, Medicaid, and the sum total of other domestic programs ranging from science research to infrastructure development to federal support for education. In short, big defense cuts are only sound policy if they are accompanied by entitlement revisions and tax reforms that reduces spending and increases revenue.

There is no exact point at which defense cuts become excessive and unwise. But make no mistake about it: we will have to cut into muscle, and not just fat or waste, to achieve even the \$350 billion to \$500 billion ten-year cuts that are now being taken as a given. Such reductions would constitute almost 10 percent of planned spending, above and beyond reductions that will occur as the wars end. This book attempts to develop a plan for accomplishing such reductions without jeopardizing the country's security interests. But I hope to show that even cuts of this size would be risky, and that deeper cuts would be too much. I reach this conclusion not as some superhawk or member of the "military-industrial complex" that Eisenhower warned us about, but as a Democrat, former Peace Corps volunteer, scientist by training, budget specialist by background, and independent scholar. And I agree with deficit hawks that we must look hard, in uncomfortable ways, for means of scaling back. But it is equally important not to be reckless in the effort. This book's argument is equally passionate about two points—that the military budget must play a major role in deficit reduction, but also that the process must not go too far and must be grounded in a sound national security strategy for the United States.

There will be pain enough in carrying out the defense cuts already now mandated. My estimates are that the following kinds of changes would be needed:

- a return of the size of the ground forces to Clinton-era levels
- further reductions in some parts of the Navy and Air Force force structure, winding up for example with a Navy of about 250 ships (but making greater use of crew rotations by airplane to keep ships on forward deployment longer and more efficiently)
- no large-scale replacement for the Army's Future Combat System and a reduction in the size of the planned F-35 program by at least 40 percent

- serious consideration of eliminating one leg of the nuclear triad and taking one nuclear weapons lab out of that business
- fundamental redesign of the military retirement system broadly in line with the recent suggestions of the Defense Business Board and perhaps an increase in Tricare premiums for middle-age retirees as well as serious consideration of the end of military commissaries and exchanges

Such changes will hurt. And they will pose certain strategic risks. They are in my judgment acceptable nonetheless given the nation's economic plight, if done as part of broader federal deficit reduction and tax reform. But deeper cuts would not be.

**Michael E. O'Hanlon**  
**Director of Research & Senior Fellow**  
**Brookings Institution**



Michael O'Hanlon is a senior fellow in Foreign Policy at the Brookings Institution, where he specializes in U.S. defense strategy, the use of military force, homeland security and American foreign policy. He is a visiting lecturer at Princeton University and adjunct professor at Johns Hopkins University, and a member of the International Institute for Strategic Studies.

O'Hanlon's latest books are *A Skeptic's Case for Nuclear Disarmament* (Brookings, 2010), *The Science of War* (Princeton University Press, 2009) as well as *Budgeting for Hard Power* (Brookings, 2009). He is working on books on Afghanistan and the future of nuclear weapons policy, while contributing to Brookings' Iraq, Pakistan, and Afghanistan indices, at present.

O'Hanlon's other recent books include *Hard Power: The New Politics of National Security* (with Kurt Campbell) and *A War Like No Other*, about the U.S.-China relationship and the Taiwan issue, with Richard Bush. His previous books include a multi-author volume, *Protecting the Homeland 2006/2007* (Brookings, 2006); *Defense Strategy for the Post-Saddam Era* (Brookings, 2005); *The Future of Arms Control* (Brookings, 2005), co-authored with Michael Levi; and a related book, *Neither Star Wars nor Sanctuary: Constraining the Military Uses of Space* (Brookings, 2004). Together with Mike Mochizuki, he wrote *Crisis on the Korean Peninsula* (McGraw-Hill) in 2003; he also wrote *Expanding Global Military Capacity for Humanitarian Intervention* (Brookings) that same year.

O'Hanlon has written several hundred opeds in newspapers including *The Washington Post*, *The New York Times*, *The Los Angeles Times*, *The Washington Times*, and *The Japan Times*. He has also contributed to *The Financial Times*, *The Wall Street Journal*, and many other papers. O'Hanlon has appeared on television or spoken on the radio about 2,000 times since September 11, 2001. He is also a commentator for Alhurra television.

O'Hanlon was an analyst at the Congressional Budget Office from 1989-1994. He also worked previously at the Institute for Defense Analyses. His Ph.D. from Princeton is in public and international affairs; his bachelor's and master's degrees, also from Princeton, are in the physical sciences. He served as a Peace Corps volunteer in Congo/Kinshasa (the former Zaire) from 1982-1984, where he taught college and high school physics in French.

**DISCLOSURE FORM FOR WITNESSES  
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**Witness name:** Michael O'Hanlon

**Capacity in which appearing:** (check one)

Individual

Representative

**If appearing in a representative capacity, name of the company, association or other entity being represented:** \_\_\_\_\_

**FISCAL YEAR 2011**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
Alhurra TV consultant	BBG/METN	\$60k	Appear on TV as requested to give independent viewpoints on matters of Mideast and global security

**FISCAL YEAR 2010**

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
Same as 2011			

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**FISCAL YEAR 2009**

Federal grant(s)/ contracts	federal agency	dollar value	subject(s) of contract or grant
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**WITNESS RESPONSES TO QUESTIONS ASKED DURING  
THE HEARING**

SEPTEMBER 13, 2011

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**RESPONSE TO QUESTION SUBMITTED BY MR. BARTLETT**

Mr. DONNELLY. [The information was not available at the time of printing.] [See page 20.]

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**RESPONSE TO QUESTION SUBMITTED BY MR. ANDREWS**

Mr. BOOT. [The information was not available at the time of printing.] [See page 22.]

