

Background

No. 2375
February 22, 2010



Published by The Heritage Foundation

The 2011 Defense Budget: Inadequate and Full of Inconsistencies

Baker Spring

Abstract: *The Obama Administration has proposed an FY 2011 defense budget that is inconsistent with U.S. security commitments and the Administration's own Quadrennial Defense Review. Under the Administration's current budget outline, total defense spending would decline from \$722.1 billion (4.9 percent of GDP) in FY 2010 to \$698.2 billion (3.6 percent) in FY 2015. Inadequate funding will lead to shortfalls in manpower levels, modernization, operational capacity, strategy, and/or force structure, thereby exposing the American people and U.S. friends and allies to an unacceptable level of risk.*

On February 1, 2010, the Obama Administration released its defense budget proposal as part of its fiscal year (FY) 2011 budget request.¹ The defense budget proposal contains three components:

- A \$33 billion supplemental appropriation to support overseas contingency operations (OCO) during the current fiscal year;
- A detailed FY 2011 budget request for the core defense program and OCO funding; and
- An outline of defense spending levels for FY 2010 through FY 2015.

The Administration proposes spending \$738.7 billion on defense in FY 2011: \$159.3 billion on OCO and \$579.4 billion on the core defense program. The Administration's proposal lacks a detailed description of the spending projections for FY 2012 through FY 2015, except that it estimates annual OCO spending at \$50 billion annually.

Talking Points

- The Obama Administration's defense budget request for FY 2011 makes it clear that the Administration will not provide adequate resources to the military, particularly for the core defense program.
- Specifically, the Administration's defense budget request stays on the path toward reducing funding for the core defense program to roughly 3 percent of GDP by the end of this decade.
- The Administration's budget would create gaps in the overall U.S. defense posture, including some combination of inadequate manpower, lack of operational capacity, inadequate modernization of the force, a force structure that is too small, a hollow military strategy, and a weakening of U.S. security commitments.
- Spending 4 percent of GDP would provide enough resources to meet U.S. security commitments and would not risk bankrupting the U.S. government. Indeed, spending 4 percent on defense would be a humanitarian and financial bargain.

This paper, in its entirety, can be found at:
www.heritage.org/Research/NationalSecurity/bg2375.cfm

Produced by the Douglas and Sarah Allison
Center for Foreign Policy Studies
of the
Kathryn and Shelby Cullom Davis
Institute for International Studies

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The most important of the proposal's three components is the spending outline for FY 2010 through FY 2015 because it reveals the future trend of the overall defense budget. This trend line clearly shows that the resources provided to the military will not be sufficient to maintain America's long-standing security commitments to the American people and to U.S. allies and friends. These commitments include, for example, defending the American people against attack, preserving freedom of the high seas, and preventing a hostile power from dominating Europe.

Congress has a constitutional duty to use its power of the purse to fill the gaps that the Obama Administration's defense budget would otherwise expose.

A Delayed Draconian Cut

Under the Obama Administration's current budget outline, total defense spending is expected to decline from \$722.1 billion in FY 2010 to \$698.2 billion (in current dollars) in FY 2015. As a percentage of gross domestic product (GDP), total defense spending would fall from about 4.9 percent in FY 2010 to roughly 3.6 percent in FY 2015. (See Chart 1.)

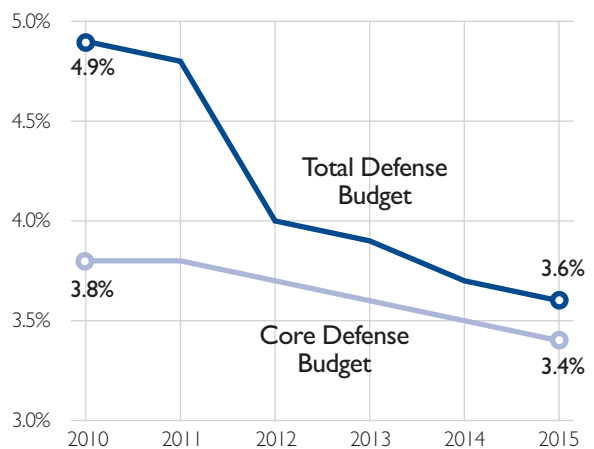
In 2009, the Obama Administration's budget outline had recommended a draconian cut in the FY 2011 defense budget. The good news is that the Administration has flinched, proposing a FY 2011 budget of \$738.7 billion—\$118 billion more that it had proposed in last year's budget. The bad news is that this merely delays the draconian cut. Under the budget outline in the FY 2011 budget, the FY 2012 defense budget would drop roughly \$92 billion below the proposed FY 2011 level. This cut is the most important factor contributing to the negative trend of defense spending declining as a percentage of GDP.

This planned cut directly affects the core defense program, which funds the military capabilities needed to uphold U.S. security commitments into

the future. The core defense program is slated to decline from 3.8 percent of GDP in FY 2010 to less than 3.4 percent in FY 2015. (See Chart 1.) According to the Administration's budget outline of a year ago, the core defense budget will continue declining after FY 2015, approaching 3 percent of GDP by FY 2019.²

Obama Defense Budget Will Shrink as a Share of the Economy

Projected Defense Spending as a Percentage of GDP



Sources: U.S. Office of Management and Budget, *Historical Tables, Budget of the U.S. Government, Fiscal Year 2011*, February 1, 2010, pp. 94 and 211, at <http://www.whitehouse.gov/omb/budget/fy2011/assets/hist.pdf> (February 18, 2010), and U.S. Department of Defense, "Fiscal Year 2011 Budget Request: Overview," February 1, 2010, pp. 6-5-6-10, at http://comptroller.defense.gov/defbudget/fy2011/fy2011_Budget_Request_Overview_Book.pdf (February 18, 2010).

Chart 1 • B 2375  heritage.org

The Administration's low estimates of OCO costs exacerbate the problem. If the Administration sticks to these estimates, large portions of OCO functions will be funded out of the core defense budget.

To sustain U.S. security commitments, the Obama Administration will need to increase the

1. U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2011* (Washington, D.C.: U.S. Government Printing Office, 2010), at <http://www.whitehouse.gov/omb/budget/Overview> (February 2, 2010).
2. Heritage calculations based on data provided in U.S. Office of Management and Budget, *A New Era of Responsibility: Renewing America's Promise* (Washington, D.C.: U.S. Government Printing Office, 2009), at <http://www.gpoaccess.gov/USbudget/fy10/pdf/fy10-newera.pdf> (February 2, 2010).

core defense budget toward 4 percent of GDP and provide OCO budgets that reflect the true marginal cost of these operations.

Inconsistencies in the Obama Defense Budget

The inadequate level of resources for defense underlies a number of important inconsistencies in the defense program. Broadly speaking, these inconsistencies occur at two levels.

First, the proposed core defense budget is inconsistent with the long-term defense program that the Administration presented in its Quadrennial Defense Review (QDR),³ which was released at the same time as the budget.

The Obama Administration's core defense budget is inconsistent with the defense program that is needed to sustain current U.S. security commitments.

Second, the Obama Administration's core defense budget is inconsistent with the defense program that is needed to sustain current U.S. security commitments.

These inconsistencies are evident in five areas: manpower levels, modernization, operational capacity, strategy, and force structure.

Manpower Levels. The Obama Administration is proposing to set military manpower levels, across the active and reserve components, at 2,252,200 persons by the end of FY 2011.⁴ Oddly, the QDR does not discuss recommended military manpower levels for the long term.

Assuming a core defense program that is internally balanced, the Obama core defense budget cannot afford to maintain military manpower at the

level proposed for FY 2011. This is particularly true if the Obama Administration is unwilling to reform the military compensation system to slow the projected per capita increases in military manpower costs, which it is apparently unwilling to do. Specifically, this budget will likely drive down manpower levels by 10 percent over 10 years, reducing U.S. military manpower to slightly more than 2 million persons by 2020.

Modernization. The Obama Administration seems to be focused particularly on reducing investments in new-generation technologies in its core defense program. Modernization funding is the combination of the research, development, test, and evaluation account and the procurement account. In the core defense budget, the Obama Administration is proposing to reduce research, development, test, and evaluation funding by 5 percent (\$4 billion in current dollars) from FY 2010 to FY 2011.⁵

While it increases procurement funding by 7.7 percent, sustaining procurement increases of this magnitude under the longer-term core defense budget will be virtually impossible.⁶ The President's budget calls for \$189 billion in modernization funding for FY 2011 under the core budget proposal, and the FY 2015 core defense budget could result in a similar level of modernization funding. This means that modernization accounts would lose ground to inflation over the five-year period.

The QDR suggests that the Obama Administration is heading in this direction. The Administration points to its decisions to end production of the F-22 fighter, downsize the Future Combat Systems program, stretch out procurement of the new class of aircraft carrier, and terminate development of the CG(X) cruiser.⁷ These decisions indicate that the military is facing another "procurement holiday."⁸

3. U.S. Department of Defense, *Quadrennial Defense Review Report*, February 2010, at <http://www.defense.gov/qdr/QDR%20as%20of%2029JAN10%201600.pdf> (February 2, 2010).

4. U.S. Department of Defense, "Fiscal Year 2011 Budget Request: Overview," February 1, 2010, pp. 3-1 and 4-7, at http://comptroller.defense.gov/defbudget/fy2011/FY2011_Budget_Request_Overview_Book.pdf (February 2, 2010).

5. U.S. Department of Defense, "Summary of the DOD Fiscal 2011 Budget Proposal," attached charts, p. 2, at <http://www.defense.gov/news/FINAL%20PRESS%20RELEASE%20v3%20%201.pdf> (February 12, 2010).

6. *Ibid.*

7. U.S. Department of Defense, *Quadrennial Defense Review Report*, p. 40.

Operational Capacity. The military's operational capacity derives from its size combined with the level of training and readiness. Training and readiness are funded primarily through the operations and maintenance account. Operations and maintenance funding in the core defense program is to increase from \$184.5 billion in FY 2010 to \$200.2 billion in FY 2011.⁹ An additional \$89.4 billion is proposed for operations and maintenance funding in the OCO budget for FY 2011.¹⁰

Whether the Obama Administration's core defense budget will maintain a foundational operational capacity consistent with U.S. security commitments over the longer term is difficult to determine. In part, this depends on whether operations and maintenance funding in the OCO requests—now and in the future—are covering all OCO costs. Overall operations and maintenance funding levels are high, but the Obama Administration is estimating that total OCO funding will fall by roughly \$109 billion from FY 2011 to FY 2012.

This leads to the almost unavoidable conclusion that this reduction will damage the military's operational capacity for years to come. Such a reduction will dramatically increase the likelihood that operation and maintenance funds for Iraq and particularly Afghanistan will be taken from the operations and maintenance account in the core defense budget.

Another long-term funding problem for training and readiness is that increasing military health care costs will take a significant share of the operations and maintenance account in the core defense budget. This means that training and readiness could end up directly competing with health care for operations and maintenance funding.

Strategy. Strategy is the primary driver that defines the construct used to size the U.S. military's force structure properly. The QDR is clear on this matter: "This force-sizing and force-shaping con-

struct is a key part of defense strategy that provides a yardstick by which to gauge the sufficiency of current and future forces."¹¹

Regrettably, the QDR is far clearer about the strategy that it rejects than it is about the strategy that it supports. It no longer relies on the two major regional conflicts strategy established in the 1990s for sizing the force. Rather, it states that it is relying on a strategy that asserts the military must be prepared to address a complex set of different requirements, which fails to provide the reliable yardstick that the QDR acknowledges is necessary. This obvious disconnect may reflect a calculated attempt to obfuscate the fact that the QDR was a budget-driven exercise.

Force Structure. The QDR recommends incremental reductions in force structure that may not be sufficient to execute the strategy, and it appears to have been driven by resource constraints. Specifically, it recommends shrinking the fleet to between 250 and 260 ships (excluding the strategic ballistic missile submarines); reducing the number of brigade combat teams in the active Army to 45; and reducing the number of Air Force tactical fighter wings to 17 while likely keeping the Marine Corps' active manpower level at 202,100.¹²

The problem is that the proposed core defense budget will likely drive the force structure numbers down an additional increment over the next five to 10 years. Ultimately, it becomes clear that a force structure this small cannot sustain existing U.S. security commitments.

Recommendations for Closing the Gaps

The Administration's defense budget proposal, particularly for the core defense program, is exposing gaps in the overall defense program. While to assert that broader fiscal considerations should not influence the size of the defense budget would be

8. Baker Spring, "The FY 2010 Defense Budget Request: Prelude to Another Procurement Holiday?" Heritage Foundation *Backgrounder* No. 2286, June 19, 2009, at <http://www.heritage.org/Research/NationalSecurity/bg2286.cfm>.

9. U.S. Department of Defense, "Summary of the DOD Fiscal 2011 Budget Proposal," attached charts, p. 2.

10. *Ibid.*, p. 4.

11. U.S. Department of Defense, *Quadrennial Defense Review Report*, p. 41.

12. *Ibid.*, pp. 45–47, and U.S. Department of Defense, "Fiscal Year 2011 Budget Request: Overview," p. 3-1.

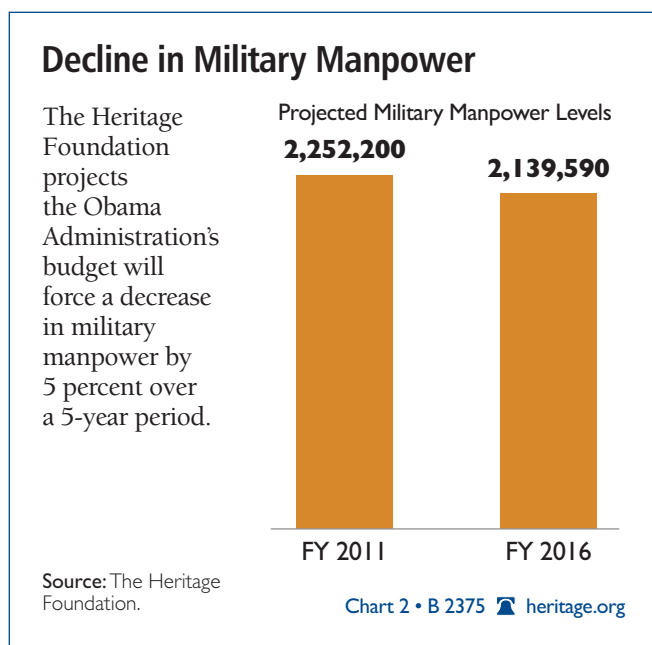
unwise, allowing these considerations to drive the defense budget is equally unwise. This is particularly relevant when the defense budget absorbs a relatively small portion of the overall economy. Nevertheless, the defense program has indisputably become budget-driven under the Obama Administration.

Both the Independent Panel established by Congress to review the QDR and Congress itself should close the gaps in the Administration's defense budget proposal that have resulted from this budget-driven approach. They should begin by reversing the order of the process: They should first prescribe a sufficient defense program and then cost out the program.

To close these gaps, the Independent Panel and Congress should take the following six steps:

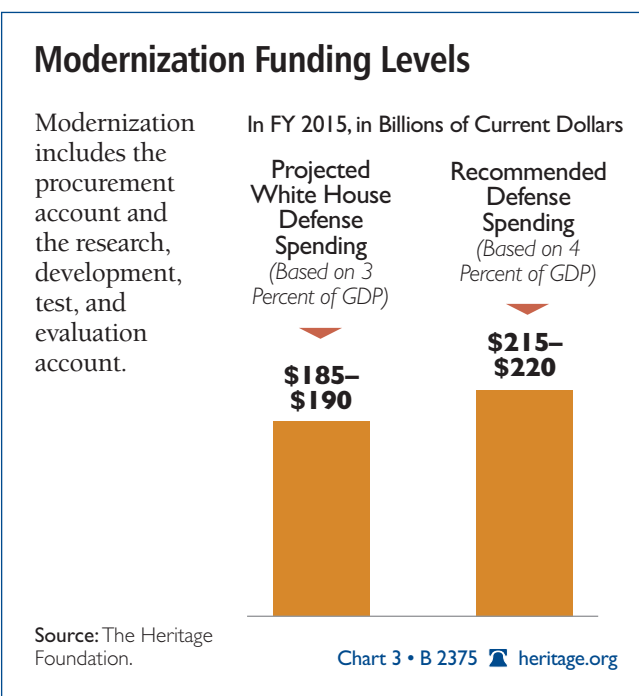
Step #1: Maintain military manpower at the levels proposed by the Administration for FY 2011.

A military program that can truly defend existing U.S. security commitments will require sustaining manpower levels at those proposed by the Obama Administration for FY 2011. (See Chart 2.) Even under higher long-term core defense budgets, Congress will need to reform the military compensation system to maintain an internally balanced core defense program.



Step #2: Increase modernization funding to \$220 billion in the core defense budget by FY 2015.

For the military to retain its embedded capability (which may be augmented with OCO funding under relevant circumstances) to perform the wide variety of missions required to sustain U.S. security commitments will require a much higher level of modernization funding in the core defense program than the Administration has proposed. In fact, a proper modernization effort will require roughly \$220 billion by FY 2015 and continuing significant real annual growth after FY 2015. (See Chart 3.)



Among other needs, the increased funding levels will permit the services to field effective missile defenses; modernize the nuclear force and its infrastructure (along with the National Nuclear Security Administration in the Department of Energy); increase the Navy's size and capabilities; reduce the age of the fighter aircraft inventory; and upgrade Marine Corps aviation.

Special attention should be paid to fielding technologies that will permit the military to conduct successful operations in an anti-access environment. The QDR calls for this capability, but it

appears to be vulnerable under the Administration’s core defense budget.¹³ Special attention should also be paid to increasing the number of attack submarines, fielding missile defense capabilities against anti-ship ballistic and cruise missiles, fielding large numbers of fifth-generation fighters, developing operationally responsive space systems and defensive and offensive counterspace capabilities, and advancing the still-nascent effort to address cyberspace threats.

Step #3: Commit to modest annual real growth in the core operations and maintenance account.

Current levels of operation and maintenance funding are relatively high for the size of the force recommended elsewhere in this paper. Significant annual real growth in this account should not be necessary as long as two conditions are met.

First, the operations and maintenance account in the OCO budget must truly cover the marginal costs of ongoing OCO operations.

Second, Congress must reform the military health care system to relieve the pressure from increasing health care costs on the core operations and maintenance account.

If both of these conditions are not met, significant annual real growth in the core operations and maintenance account will likely be necessary.

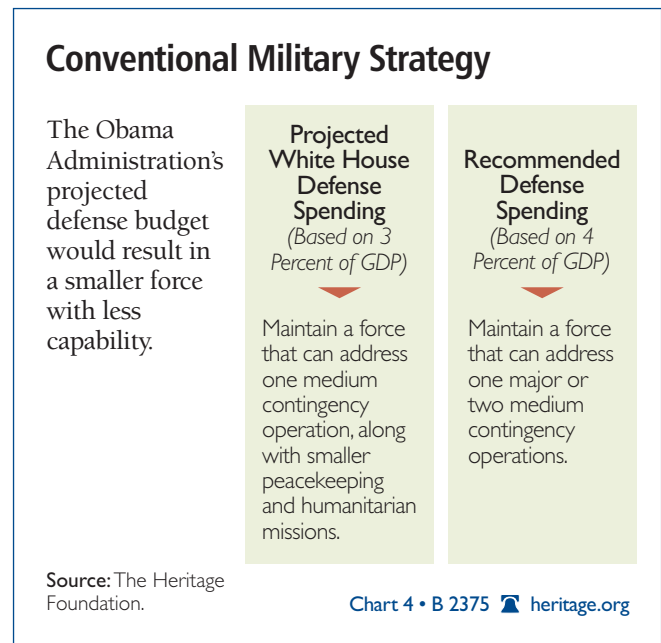
Step #4: Adopt a one major or two medium-size conflict strategy.

To uphold enduring U.S. security commitments, the military will need to retain sufficient general-purpose forces to execute either one major regional conflict or two overlapping medium-size regional conflicts, which may extend for long durations. The U.S. did not have a sufficiently large general-purpose force to handle two overlapping major regional conflicts even shortly after this objective was proposed in 1993.¹⁴ Thus, it is not surprising that the 2010 QDR rejects this strategy. What is disturbing is that it is almost impossible to determine

To uphold enduring U.S. security commitments, the military will need to retain sufficient general-purpose forces to execute either one major regional conflict or two overlapping medium-size regional conflicts.

whether the QDR strategy will be appropriate for upholding U.S. security commitments.

An effective yardstick for U.S. general-purpose forces is a strategy positing that these forces will need to be able to address either a major regional conflict or two medium-size regional conflicts in succession. (See Chart 4.) In either case, the force will need to be of sufficient size to include a rotation base for sustaining operations over an extended time.



Step #5: Increase force structure selectively.¹⁵

To meet the requirements of this strategy, U.S. general-purpose forces will need to be increased selectively. The active Army’s brigade combat teams

13. U.S. Department of Defense, *Quadrennial Defense Review Report*, pp. 31–34.

14. The Heritage Foundation proposed a general-purpose force structure to handle one major and one minor regional conflict shortly following the release of the Bottom-Up Review in 1993. See Lawrence T. DiRita, Baker Spring, and John Luddy, “Thumbs Down to the Bottom-Up Review,” Heritage Foundation *Backgrounder* No. 957, September 24, 1993, at <http://www.heritage.org/Research/NationalSecurity/BG957.cfm>.

and Marine Corps active manpower levels should be maintained at current levels. Air Force tactical fighter wings may need to be increased slightly, particularly if that increase permits rapid introduction of fifth-generation aircraft. The Navy needs more ships, including the 313 ships the Navy has recommended. Further, this larger fleet should be balanced among aircraft carriers, amphibious ships, attack submarines, large surface combatants, and small surface combatants.

Step #6: Increase the core defense budget to 4 percent of GDP.

Under a capabilities-based approach to meeting U.S. defense needs, the appropriate level of defense spending should be calculated only after taking the previous five steps. This approach reveals that building a force of the size and composition recommended in this paper will require increasing the core defense budget from the current 3.8 percent of GDP to 4 percent. This means that the FY 2015 core defense budget, the last year of the current budget projection, will be \$767.6 billion, compared to the Administration's recommendation of \$648.2 billion.

After FY 2015, the core defense budget may exceed or fall short of the 4 percent benchmark for limited periods. Nevertheless, devoting 4 percent of GDP to the core defense program is a sound target, both to meet the national security requirements of the nation and to address appropriate fiscal policy concerns. As OCO requirements demand, the total defense budget will exceed this target, as is the case today.

The Implications of Curtailed Security Commitments

By far the most important gap in national security that the Administration's core defense budget proposal will expose over the long term is between proposed resources and U.S. security commitments. Meeting these security commitments is, by any standard, the most important objective of national security policy. By releasing the QDR before releasing the National Security Strategy, the

Administration has indicated that it is not fully committed to fulfilling these commitments.

The National Security Strategy defines vital U.S. interests and describes the commitments needed to defend those interests. Therefore, a central purpose of the QDR is to establish the means for defending these commitments. Absent the National Security Strategy, the QDR is necessarily vague regarding this essential issue.

Based on the Administration's proposed defense budget and foreign policy preferences, it is reasonable to expect that gaps will emerge between resources and commitments in the following areas:

Area #1: An inadequate ability to protect the U.S. homeland against long-range missile attack.

In 2009, the Obama Administration scaled back forces in Alaska and California to intercept and destroy long-range missiles launched at U.S. territory. Further, it cancelled agreements with the Czech Republic and Poland to deploy systems in Europe to defend both the U.S. and European territories against such missiles. The Obama Administration's core defense budget is doing precious little to strengthen U.S. military capabilities to address this threat.

Area #2: An inability to prevent a hostile power from dominating Europe.

The U.S. has long-standing commitments to preventing the domination of East Asia, Europe, and the Persian Gulf by hostile powers. The Obama Administration's core defense budget proposal, particularly for the longer term, will force the U.S. to abandon one of these commitments, whether it admits this or not. The U.S. security commitment to Europe is grounded in Article V of the NATO Treaty, under which all parties to the treaty are bound to treat an attack on one as an attack on all. The U.S. military forces and capabilities standing behind Article V make NATO a true defense alliance and not a forum for diplomatic exchanges.

Under the Obama Administration's core defense budget, U.S. forces will not be available to defend

15. This recommendation does not address nuclear weapons force structure because release of the Nuclear Posture Review has been delayed. The proper size of the U.S. nuclear force is closely tied to the question of how that force will be modernized. Absent a clear description of these modernization steps, which should become available when the Nuclear Posture Review is released, it would be premature to make a recommendation on the size of the nuclear force.

Europe if they are heavily engaged in the Middle East and South Asia—as they are now—or in East Asia. Further, the Administration appears to see Europe as quiescent at this point. Accordingly, the Administration seems predisposed to abandoning the U.S. security commitment to Europe, at least in substance, and letting the European Union assume the central obligation for European security.

The Administration seems predisposed to abandoning the U.S. security commitment to Europe and letting the European Union assume the central obligation for European security.

How the EU would fill this vacuum, either politically or militarily, is far from clear. Politically, some voices in the EU are calling for a unified Europe to serve as a counterweight to the U.S. in global affairs. In this context, the EU could emerge as the dominant power in a Europe that is hostile to the United States.¹⁶ An EU hostile to the United States will pose a serious challenge even if its internal control of Europe is tenuous and its military capacity is limited.

Area #3: An inability to protect freedom of the high seas and international airspace.

Since the end of World War II, the Navy has been the preeminent guarantor of freedom and security on the high seas. For the past 65 years, this role has been an essential part of the security foundation that kept the world at peace, at least in terms of a global-scale conflict. It has also served as the chief facilitator of a global system of trade that has bolstered prosperity around the world.

As the size and capabilities of the Navy continue to shrink because of inadequate resources, it will become impossible for it to patrol the high seas on a global scale. Navy deployments will increasingly become a game of musical chairs in reverse. There

will be too many chairs where the Navy will be asked to take a seat and not enough capable ships to fill the available seats.

Area #4: An inability to guarantee access to space.

The U.S. is a space-faring nation. It worked mightily during the Cold War to ensure access to space for military, civil, and commercial purposes. As a result, the U.S. has become heavily dependent on space assets, particularly for military and commercial purposes. The military depends on space assets for communication, navigation, early warning, battle damage assessment, and intelligence purposes. The commercial sector uses space for broadcasting, conducting financial transactions, supporting transportation, and expanding communications.

The problem is that an increasing number of potentially hostile states are obtaining asymmetric space capabilities. These include the means to destroy or disrupt U.S. space-based assets. Therefore, the U.S. military needs to obtain operationally responsive space capabilities and offensive and defensive counterspace systems, both to protect its own advantageous position in space and to guard civil and commercial space assets.

Obtaining these space capabilities and systems will not be cheap. It is doubtful that the Administration's core military modernization budget could accommodate these kinds of expenditures. The

It borders on the delusional to believe that pieces of paper, in lieu of real military capabilities, will protect vital U.S. interests in space.

Administration may be recognizing this fact insofar as it plans to participate in negotiations at the United Nations Conference on Disarmament on a draft treaty that will purportedly protect U.S. mili-

16. On October 16, 2009, The Heritage Foundation conducted an exercise that demonstrated that EU policies for responding to a humanitarian crisis with military resources were calculated to reduce the availability of military resources to NATO missions. The exercise therefore exposed an attempt by the European Union to undermine U.S. interests by depriving the U.S. of access to a robust NATO institutional structure to protect these interests, most particularly the interest in maintaining security in Europe itself.

tary, civilian, and commercial space systems. Yet it borders on the delusional to believe that pieces of paper, in lieu of real military capabilities, will protect vital U.S. interests in space.

The Tangible Benefits of Upholding U.S. Security Commitments

Contrary to what many Members of Congress may think, upholding U.S. security commitments is not just an abstract concept without meaning in the real world of military planning and operations. A gap between the resources allocated to defense and what is really needed to meet America's security commitments, if allowed to emerge and endure, could have very severe consequences.

In regard to U.S. vulnerability to a long-range missile attack, Congress ought to consider that a single successful missile attack on Chicago with one 20-kiloton nuclear warhead would kill at least 55,000 people immediately and an additional 550,000 within a month after the attack.¹⁷ Beyond these human costs, the cost of replacing the infrastructure destroyed or damaged by such an attack is incalculable. The broader economic costs can only be astronomical.

With regard to the U.S. commitment to preventing a hostile power from dominating Europe, Congress ought to consider that roughly 60 million people died in World War II, the vast majority of them in the European theater. This horrific casualty level was in a conflict in which Nazi Germany and its Italian ally seized control of most of Europe.

U.S. military deaths in the European theater exceeded 135,000, and U.S. military expenditures at the height of World War II exceeded 40 percent of GDP. Assuming that roughly half of that investment went to the European theater, the U.S. spent more than 20 percent of its economic output to liberate Western Europe from the Nazis. Compared to the cost of freeing Europe again from another hos-

tile power at some point in the future, investing 4 percent of GDP now to avoid such a circumstance would be a humanitarian and financial bargain.

If the U.S. Navy becomes unable to guarantee the freedom of the high seas and associated airspace, the U.S. will incur a very high cost. In 2007, the U.S. exported \$300 billion of goods and services to the nations of the Asia-Pacific, excluding Canada and Mexico. If instability reduced this trade by half, the resulting loss in exports would likely exceed \$150 billion annually. The broader or second-tier economic losses resulting from such a disruption of trade are impossible to calculate.

Americans' level of dependence on space assets is also quite high. For example, according to Ed Morris, executive director of the Office of Space Commerce at the U.S. Department of Commerce, more than 105 million households rely on the daily weather and environmental forecasts provided by the National Oceanic and Atmospheric Administration (NOAA).¹⁸ NOAA, in turn, depends heavily on its satellite assets to provide these forecasts. According to Morris, these forecasts prevent \$3 billion in potential losses during a typical hurricane season. Yet this is only a small fraction of the total U.S. economic losses that would result if a broader array of satellite services was degraded.

Conclusion

The Obama Administration's QDR report contains an entire section describing the need to manage national security risks. Thus, the Administration is acknowledging that the United States will face a significant level of risk under the QDR's recommendations and will need to manage these risks.

To be fair, no defense program can eliminate risk, and a nation could easily go bankrupt pursuing such an unrealistic goal. However, there is a distinct difference between acknowledging a significant level of risk and creating a mismatch

17. These estimates were produced by Heritage analysts running a simulation on February 2, 2010, using the Consequence Assessment Toll Set (CATS) system.

18. Ed Morris, in U.S. Chamber of Commerce, Space Enterprise Council, and George C. Marshall Institute, "A Day Without Space: Economic and National Security Ramifications," October 16, 2008, at <http://www.marshall.org/pdf/materials/695.pdf> (February 3, 2010).

between national security commitments and the defense resources allocated to fulfill these commitments. Looking ahead, the Obama Administration's defense budget would create just such a mismatch.

Spending 4 percent of GDP on defense will not cause the U.S. to go bankrupt. On the other hand, the U.S. could suffer severe physical and financial losses if it abandoned key security commitments and allowed vital national interests to be undermined. The Obama Administration's defense budget will leave gaps that entail intolerable risks, both to the security of the American people and to those

abroad who have partnered with the United States in creating a more secure and prosperous world.

Congress has a constitutional duty to "provide for the common defence" and to use its power of the purse to fill the gaps that the Obama Administration's defense budget will otherwise expose.

—*Baker Spring is F. M. Kirby Research Fellow in National Security Policy in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.*