

# WebMemo



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## House Spending Plans for Defense Would Harm the Military

*Mackenzie Eaglen*

There is little good news in the U.S. House of Representatives version of the continuing resolution (CR) spending bill for the Department of Defense (DoD) for fiscal year (FY) 2011.

The House-passed CR would freeze defense spending for 2011 at FY 2010 levels, allowing for no inflation adjustments. Clearly, this would prevent the DoD from keeping up with inflationary costs, even though requirements and the burdens on the military are growing. Additionally, the cost of doing business at the DoD predictably outpaces inflation historically. For all of these reasons, the House plan for defense spending in 2011 is grossly insufficient. The impact of the House freeze on defense would be felt immediately and cause the military to suffer negative effects in the current fiscal year and over the next several years.

The freeze on defense spending would be particularly harmful to current defense investment plans, not to mention future planned purchases. The Senate should reject the House defense freeze proposal for 2011 and demand an end to the rob-Peter-to-pay-Paul approach that only costs taxpayers more for less defense in the long run. The Senate should instead support a spending bill that properly resources those in uniform for FY 2011 and matches the minimum amount needed that was requested by the President. This is, after all, the primary job of government: to provide for the common defense and adequately fund the military.

**What Is Congress Thinking?** For several years, Secretary of Defense Robert Gates has been cutting

defense in order to save it—and to ensure a more solvent defense budget in the future. Unfortunately, his budget axe is not enough to satisfy some Members of the House who are slashing defense on their own and without any change in foreign policy commitments—many of which the military is primarily responsible for. The President requested cuts in nearly 50 major defense programs in FY 2010, and Congress approved them broadly.

Within the DoD, numerous important reform and efficiency efforts are already underway. In August 2010, Secretary Gates announced a series of efficiency initiatives that will generate an estimated \$101 billion in savings within the defense budget through FY 2015. Most of the plans are designed to improve effectiveness or to achieve the same capabilities with fewer people and fewer resources. The proposals include reducing the number of contractors and civilian personnel and consolidating duplicative infrastructure. Gates's stated goal is to grow funding for modernization by 2–3 percent in real terms annually for the next several years.

Yes, Congress should vigilantly pursue efforts to find greater efficiencies within the defense budget and help the Pentagon to operate more effectively,

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reform processes, and eliminate waste. But arbitrary budget freezes or cuts without any analysis of their lasting impact on the military are, as Secretary Gates has said regarding the President's national commission on fiscal responsibility and reform proposed defense cuts, simply "math, not strategy." Further, the House's proposed defense freeze would eliminate Gates's goal of seeing a nominal increase in the investment accounts next year.

If the House CR is enacted, it would have a detrimental impact on those in uniform that would not stop at the end of the next fiscal year. After the sweeping cuts in the FY 2010 defense spending bill and with the proposed inadequate levels in FY 2011, further defense cuts risk jeopardizing long-standing core capabilities.

**Congress Is Busy Legislating, Not Governing on Defense.** In its haste to get out of town and sweep up all of the unfinished business of governing, elected officials in the House have decided to let defense take a significant spending hit through a freeze—possibly in the hopes that few will notice given the flurry of activity in the 111th Congress's waning days.

By proposing a hard spending freeze for FY 2011 at FY 2010 levels, the Pentagon will be forced to take it out of hide as a result. The House bill would eliminate the DoD's proposed purchasing power growth of just 1.8 percent for 2011. This is essentially a double hit on defense spending, because the secondary impact means that the military would be able to buy even less defense for the out years than it plans on the books today. Congress should not simply arbitrarily freeze defense just because the clock is winding down.

Already, the defense budget arrives on Capitol Hill every year underfunding the Pentagon's own plans and programs. According to the Congressional

Budget Office (CBO), if the Pentagon were to simply complete its own proposed programs in its five-year budget plan, it would require "sustaining annual defense funding over the long term at higher real (inflation-adjusted) levels than those that occurred at the peak of the buildup in the mid-1980s."<sup>1</sup>

When taking unbudgeted costs into account, a recent CBO report estimated an even larger shortfall for defense spending. It calculated that carrying out DoD plans for 2010 and beyond could require an annual base budget of \$632 million (in 2010 dollars) through 2028—a figure 18 percent higher than *current* 2010 funding levels.<sup>2</sup> The House-passed CR would simply balloon the Pentagon's bills, causing them to rise further next year, which would only contribute to the cut-justification spiral when Members claim that costs have risen too high—even though in this case, policymakers would be largely to blame.

**Lasting Damage.** The actions taken by the House of Representatives to freeze defense spending are irresponsible and should be rejected by the U.S. Senate. Congress should support a spending bill that properly resources those in uniform for FY 2011 that matches the minimum amount needed that was requested by the President. Congress should not have to be reminded that it is irresponsible to give yesterday's equipment to tomorrow's soldiers, sailors, airmen, and Marines. The harm on defense priorities from the House CR would cut deep for not only 2011 but several years following. Congress should ensure it passes a responsible defense spending bill for FY 2011 that robustly meets the needs of those in uniform.

—*Mackenzie Eaglen is Research Fellow for National Security 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.*

1. J. Michael Gilmore, Congressional Budget Office, "The 2009 Future Years Defense Program: Implications and Alternatives," testimony before the Committee on the Budget, U.S. House of Representatives, February 4, 2009, at [http://www.cbo.gov/ftpdocs/99xx/doc9972/02-04-Long-Term\\_Defense\\_Testimony.pdf](http://www.cbo.gov/ftpdocs/99xx/doc9972/02-04-Long-Term_Defense_Testimony.pdf) (December 14, 2010).
2. U.S. Office of Management and Budget, *Historical Tables*, p. 94, Table 5.1; Congressional Budget Office, "Long-Term Implications of the Fiscal Year 2010 Defense Budget," January 2010, at <http://www.cbo.gov/ftpdocs/108xx/doc10852/01-25-FYDP.pdf> (December 14, 2010).