

# ISSUE BRIEF

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## Pentagon Strategic Choices and Management Review: Early Warning Two Years Too Late

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The Department of Defense (DOD) released its Strategic Choices and Management Review (SCMR), which proposes options for implementing defense cuts required by the Budget Control Act (BCA) of 2011.

Cuts, no matter how they are implemented, will dramatically reduce readiness and capabilities of the armed forces to the point U.S. national security will be in jeopardy. The SCMR presents no real or rational choices for preserving necessary U.S. military capabilities. It also comes two years too late from an Administration that knew full well it was putting national security risk under the structure of the BCA.

Congress and the Administration should act to avert a hollow force, but they should act in a fiscally responsible manner that reduces the burden of federal spending on the economy.

**No Choice at All.** The SCMR analyzed three potential budget scenarios:

1. President Obama's fiscal year (FY) 2014 budget, which incorporates a \$150 billion reduction in defense spending over the next 10 years;

2. The BCA sequestration-level caps, which would cut another \$52 billion from defense spending in FY 2014, with \$500 billion in reductions for the armed forces over the next 10 years; and

3. An "in-between" scenario, which reduces defense spending by about \$250 billion over the next 10 years.

Under none of the options can the U.S. maintain core military capabilities and readiness to protect America's vital interests around the world. Thus, the SCMR offers Congress no practical options. Further, unaccompanied by any real strategic assessment it reduces defense planning to a simplistic budget-driven exercise.

Moreover, the SCMR provides no value for the upcoming congressionally mandated Quadrennial Defense Review, which, by law, must be a strategy-driven assessment designed to guide U.S. strategic planning and procurement for the next two decades.

**Red Flags.** President Obama's long-term plan to reap a peace dividend from winding down military operations in Afghanistan and Iraq was bound to put the military on the path to a hollow force. It portrayed cuts in capabilities and readiness as "efficiencies." It did not adequately fund modernization. It did not address uncontrolled growth in manpower costs, the size of the DOD civilian workforce, or operating costs and acquisition. Accelerating reductions under the BCA only served to fast-track the negative impact of a plan that was already poorly thought through.

While the SCMR has little or no value as a strategic planning document, it does illustrate the

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dangerous state of defense planning under the Obama Administration:

- Even the most aggressive SCMR option for scaling back the armed forces, both in terms of size and capability, will fail to bring the defense budget into line with sequestration in the near term.
- Options include reducing military personnel levels, force structure, and modernization programs. The latter options include shrinking the active Army to as low as 380,000 persons and the active Marine Corps to as few as 150,000 persons. Today, the Army plans to retain 490,000 persons and Marine Corps's plan is to retain 182,000. Navy carrier groups would shrink from 11 to as low as eight. The modernization programs that could be scaled back include the Joint Strike Fighter, missile defense, and long-range strike capabilities. These reductions in the modernization program would come if the DOD decides to sacrifice advanced technological capabilities for preserving a greater portion of the present force.
- Even if the services were allowed to fully adopt and successfully implemented the Pentagon's proposed "choices" for savings and efficiencies, the armed forces could not reduce spending sufficiently in the short term to avoid cutting capabilities and dramatically reducing readiness.

The DOD's menu of options for reductions represents a false choice between modernization and force structure. Further, the military's near-term challenges may be even greater than the SCMR suggests. The report masks other negative impacts on end strength, readiness, and meeting all the worldwide missions assigned to the armed forces.

**Not the Military's Fault.** Finding efficiencies in defense is essential, because those resources are needed to sustain current capabilities and modernize the military. Further, the reality of federal spending is that the armed forces are not the primary driver of the current debt and deficit problems—entitlements and spending on domestic programs are out of control, resulting in a federal government that is too big and overbearing and increasing pressure to raise taxes further. The sooner the U.S. can address its domestic spending situation, the better for U.S. security and for U.S. military personnel.

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