

ISSUE BRIEF

No. 4210 | APRIL 30, 2014

Congress Should Not Cut Critical Defense Capabilities and Readiness

Diem Nguyen Salmon

A month after the fiscal year (FY) 2015 defense budget was submitted to Congress, the Department of Defense (DOD) released the report *Estimated Impacts of Sequestration-Level Funding*.¹ The report highlights areas where additional cuts will be made in order to comply with sequestration-level funding. While it dutifully tabulates the affects on procurement programs, services, and budget accounts, explanations of the implications of these decisions are lacking. Not clear in this report is that the sequestration level of funding will fundamentally alter U.S. military power and limit the options available to the U.S. government as an international actor.

The following five items are the important take-aways from this most recent budget document.

1. The Report Falsely Ties Domestic Spending to Defense. The report states that “any increase in defense discretionary caps should be matched by an equivalent increase in the non-defense caps.”² This is nonsensical. Budgets, whether domestic or defense, need to be justified by national priorities and requirements. The President’s FY 2015 budget was tied to the 2014 Quadrennial Defense Review specifically for this reason.

Thus, the express need to fund critical military capabilities can justify an increase in the defense discretionary caps. It has no bearing on the importance or need of domestic priorities. Neither the Administration, DOD, nor Congress should link the two, thereby creating the false impression that defense requirements should somehow be defined by domestic spending.

2. Proposed Spending at Sequestration Levels Assumes Unrealistic Savings in Compensation. The report assumes that DOD will save \$31.2 billion from compensation reform through the Future Years Defense Program (FYDP).³ This is equivalent to the entire military construction account over the FYDP or the amount DOD spends procuring and developing all combat systems (e.g. ships, aircraft, and vehicles) for one year.

If Congress does not approve DOD’s compensation proposals from both the FY 2014 and FY 2015 budget submissions, then cuts in the Operations and Maintenance (O&M), procurement, and research, development, testing, and evaluation accounts will have to be correspondingly deeper than those outlined in this report.

3. End Strength Will Reach Inadequate Levels. Under sequestration, the active Army force would be reduced to 420,000 soldiers, there will be 175,000 Marines by FY 2019, and the U.S. Navy will remain a 10-carrier force. The implications for this force structure level are severe.

A 420,000-soldier active force structure would leave the Army with 24 Brigade Combat Teams (BCTs). According to the Army, 28 active BCTs is the “smallest acceptable force to implement the defense strategy.”⁴ The Army argues that

This paper, in its entirety, can be found at <http://report.heritage.org/ib4210>

Produced by the Douglas and Sarah Allison Center for Foreign and National Security Policy

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

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an Army force structure of 24 [Active Component] and 22 RC [Reserve Component] BCTs lacks the capacity to conduct simultaneous major combat operations while defending the nation at home, sustaining minimal presence in critical regions, and retaining a Global Response Force (1 BCT) at the direction of the Commander-in-Chief.⁵

In other words, committing U.S. troops to a single major conflict runs the risk of leaving the country or allies undefended.

These types of consequences are true for all force structure reductions. The average number of carriers that are forward-deployed at any given time has increased to 3.5 in 2013, while the number of carriers has declined.⁶ This requires longer and more frequent deployments for carriers and the sailors aboard, which leads to noticeable wear and tear on ships and crews. If the Navy employs the new Optimized Fleet Response Plan guidance of eight-month deployments out of every 36 months, then the only option is to reduce the number of carriers that are forward-deployed.

4. The Procurement Account Bears 42 Percent of the Cuts. In order for the FY 2015 budget to meet the sequestration level of funding, the procurement account must be heavily cut. Because the force structure matches that proposed in the FY 2015 budget, the military personnel account stays relatively the same. The size of O&M is tied to the number of platforms the military operates and number of people it employs; thus, it is maintained at corresponding levels.

That leaves the modernization accounts (i.e., procurement and R&D). DOD limited reduction in R&D spending to avoid jeopardizing future military advancements, resulting in the procurement being

cut by \$48.3 billion over the FYDP. Very few major programs went untouched (except for the F-35B, the Marine Corps version of the Joint Strike Fighter). Cuts in the modernization budget make it very difficult to replace aging weapon systems.

5. Cuts in O&M Mean Reduction in Readiness. Even though DOD made every effort to preserve funding for O&M, due to its size, it gets the second-highest nominal cut. The effect will be most immediately seen in lower readiness levels. For example, the Army and Navy are cutting funding for depots; they will now be operating at 65 percent and 70 percent of their requirements, respectively.

This creates a backlog for equipment needing maintenance, which is further compounded by the lack of investment in modernizing or replacing old equipment. This only further increases the need for maintenance. The result is an increase in unusable equipment, evident by the six additional destroyers the Navy would have to put in “lay-up” while they await “mid-modernization and overhaul.”⁷

What Congress Should Do. Congress should not accept this level of spending as a given. Instead, it should:

- **Not cut critical defense capabilities and readiness.** The consequences of sequestration will drastically reduce capability—a condition that cannot be easily or quickly undone—and will force the military to incur a high level of risk. Congress should ensure that the military establishment as a whole has the means to effectively defend critical national security interests.
- **Balance the budget.** Congress should be striving to reduce federal debt. Any increase in discretionary spending for defense should be offset

1. U.S. Department of Defense, *Estimated Impact of Sequestration-Level Funding*, April 2014, http://www.defense.gov/pubs/2014_Estimated_Impacts_of_Sequestration-Level_Funding_April.pdf (accessed April 24, 2014).

2. *Ibid.*, p. 1-1.

3. *Ibid.*, p. 7-1.

4. Andrew Feickert, “Army Drawdown and Restructuring: Background and Issues for Congress,” Congressional Research Service *Report for Congress*, February 28, 2014, p. 12, <http://www.fas.org/sgp/crs/natsec/R42493.pdf> (accessed April 24, 2014).

5. *Ibid.*

6. Sydney Freedberg, “The Navy’s Carrier Crunch: Even Without Budget Cuts, Deployments Will Drop,” *Breaking Defense*, January 28, 2014, <http://breakingdefense.com/2014/01/the-navys-carrier-crunch-even-without-budget-cuts-deployments-will-drop/> (accessed April 24, 2014).

7. U.S. Department of Defense, *Estimated Impact of Sequestration-Level Funding*, p. 3-3.

elsewhere. Congress should cut wasteful domestic programs and reform entitlement programs.

- **Cut overhead in DOD.** Congress can reduce overhead by ensuring that the recommendations from the Defense Business Board are implemented. In addition, Congress should require DOD to fulfill commitments to reduce 20 percent of headquarter overhead.⁸
- **Support compensation adjustments.** Congress should be supportive of the compensation changes proposed by DOD. However, these adjustments do not make up for implementation of greater reforms needed in DOD.

Ensure National Security. The United States has not changed its commitment to the world, and threats to national interests continue to grow. Now more than ever, the U.S. needs a strong defense capability. However, the military envisioned by the FY 2015 budget and under sequestration levels of funding will be sorely pressed to meet those challenges. Congress should ensure that the defense budget is in line with the nation's national security needs.

—*Diem Nguyen Salmon is Senior Policy Analyst for Defense Budgeting in the Douglas and Sarah Allison Center for Foreign and National Security Policy, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.*

8. Steven P. Bucci and Emil Maine, "Thornberry Initiative for Effective Defense Acquisition Reform Appears Promising," Heritage Foundation *Issue Brief* No. 4106, December 12, 2013, <http://www.heritage.org/research/reports/2013/12/thornberry-initiative-to-reform-the-defense-acquisition-process>.