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## A Look At Defense Budget Priorities

Fred Ferreira

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On October 18, 2016, the Center for Strategic and Budgetary Assessments (CSBA) hosted an event to discuss its annual exercise of defense budget options. CSBA has developed a tool that allows its users to make choices regarding future defense strategies and their costs. The user picks options like increasing or shirking the quantity of aircraft carriers that the armed forces has, and the system calculates the fiscal impact of that decision for the next five fiscal years, as well as the following five years. It gives its users a picture of the financial implications of their preferred force construct. The force construct is a reflection of the way that the individuals believe that the United States ought to utilize its military forces.

There were five groups of individuals that presented the results of their decisions and the implementation of their grand strategy of choice. On one side of the spectrum was the group led by Thomas Donnelly from the American Enterprise Institute. This group built its strategy around the concept of being able to engage in two wars against peer-competitors, plus a conflict of smaller proportion. Donnelly explicitly stated that his group's goal was to reach the president's budget from FY12, which is the last budget done before the Budget Control Act, that imposed caps on defense spending. He stated that even though he tried to buy everything on the CSBA platform, he was unable to reach the budget level from FY12.

On the other side of the spectrum was Ben Friedman from the Cato Institute. His group was able to reduce the amount of resources dedicated to the Pentagon in the next decade by one trillion dollars. The savings were achieved by adopting a grand strategy of restraint, with a broad goal to defend the homeland and to take advantage of the inherent geographical superiorities of the United States. Additionally, under the plan allies were expected to pick up a larger share of the burden of counter balancing regional threats in Europe and Asia.

The other three groups fell in a spectrum of small increases to smaller increases. None reached the level of the group led by Donnelly and none reduced the defense budget topline. There were reductions of different specific programs within the defense budget, but the topline grew. The emphasis of these groups was on building a mix of high and low capabilities. The high side of

the spectrum focused on peer-competition whereas the low side focused on combating terrorism and operations of smaller scale.

The interesting takeaway from the CSBA exercise is that the defense budget is driven by the military strategy and posture that one believes will better serve the country's needs. The budget is just a reflection of these choices and represents the downstream implications of them. In this fashion, when our politicians are discussing the defense budget, the important element to focus on is on how these discussions reflect on the military's ability to fulfill its missions.