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New Paper Argues for Immediate, Practical Cuts in Military Spending

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A new report published today by the Project on Defense Alternatives argues for $17-$20 billion in immediate savings to the Fiscal Year 2013 defense budget. I co-authored the report along with Benjamin Friedman of Cato, and PDA's Carl Conetta, Charles Knight, and Ethan Rosenkranz. Those savings come from 18 line items—personnel, weapons systems, and programs—that could be implemented quickly. Adjustments to U.S. national security strategy are not a prerequisite for these options, which are relatively low-hanging fruit.
The 2013 defense authorization bill will move to the House floor this week. Many members are expected to offer amendments, some allowing savings in the defense budget. During the debates that are about to ensue,, it is important to keep in mind just how large the defense budget has become. As our paper notes, the national defense base budget constitutes 52 percent of discretionary spending, separate from the war account. Since 2000, it has risen by 90 percent in nominal terms and 42 percent in real terms. If Washington is serious about addressing the nation's massive fiscal challenge, many programs will have to be cut or reformed. The Pentagon should not be expected to bear all of the costs;

other departments and agencies will also have to contribute. But there has not yet been a significant decline in the Pentagon's base budget, contrary to what some have claimed.

The Budget Control Act (BCA) of 2011 places an initial discretionary spending cap on National Defense for 2013 at $546 billion. Both President Obama's request, and the House Republican's budget exceed the BCA caps. In addition, the BCA requires $110 billion in spending cuts in January 2013 via sequestration, half of which need to come from DoD. Neither the White House nor Congress plans for that to occur; both sides hope to amend the law and achieve equal deficit reductions by other means. As it currently stands, though they disagree on how. Republicans want to cut other spending, Democrats to raise taxes. The options outlined in our paper could facilitate these negotiations, by revealing savings in the DoD budget that will not damage our national security.

The savings options in the report focus on reducing or curtailing:

—Assets and capabilities that mismatch or substantially exceed current and emerging military challenges;

—Assets and capabilities for which more cost-effective alternatives exist;

—Investments that are tied to the past, reflecting bureaucratic inertia or individual's service interests, rather than current collective defense needs;

—Acquisition programs that exhibit serious, persistent cost overruns, while failing to deliver promised capability; and

—Acquisition programs that are based on immature or unproven technologies.

Further savings are possible if we rethink our strategy, missions, and national security commitments. Ben Friedman and I have long argued this point. Until then, the options presented in “Defense Sense” are limited in scope in an effort to pave the way toward responsibly balancing national security ends, ways, and means.

Although I encourage everyone to look at the report, here are just five of the 18 cuts that policymakers should immediately consider:

- —**Military personnel in Europe**: Remove additional 10,000 military personnel by end of FY 2013; save $100 million in FY 2013 and $188 million per year once complete
- —**Active-component military personnel:** Reduce end-strength by an additional 10,000 personnel; save $400 million in FY 2013 and $860 million recurring annual savings once complete
- —**Missile Defense:** Focus on procurement and end-stage development on systems with proven, reliable, cost-effective capability (see report for details); save $2.5 billion in FY 2013
- —**F-35 Joint Strike Fighter**: Cancel USMC variant; buy equivalent numbers F/A-18 E/F; save $1.8 billion in FY 2013
- —**Littoral Combat Ship (LCS)**: End procurement at 10 and seek alternative; save $2 billion in FY 2013