



Automatic Defense Cuts No Threat to National Security

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Unless Congress acts to undo the \$110 billion in automatic, across-the-board spending cuts scheduled to take effect early next year, most federal programs will be cut by about eight percent. These cuts are the unfortunate product of crisis budgeting and will have deleterious impacts on many Americans, but harm to national defense won't be one of them.

Ending a months-long congressional battle to increase the federal debt ceiling, the Budget Control Act of 2011 (BCA) was signed into law on Aug. 2, 2011. The legislation put in place a complex set of provisions designed to reduce the deficit by some \$2 trillion over the next ten years. It immediately reduced discretionary budget authority by \$840 billion (over ten years) and required the establishment of a bipartisan, joint select committee that was charged with creating legislation that would reduce the deficit by \$1.5 trillion. However, because this so-called Super Committee could not agree on a plan, a provision in the BCA has triggered automatic, across-the-board cuts ("sequestration") of \$984 billion starting on Jan. 2, 2013. Half of these cuts (\$492 billion) will be applied to national defense spending and the other half to non-defense spending. Spaced out evenly, the cuts to defense and non-defense spending will be \$54.7 billion per year over the next nine years.

Both sides of the aisle and the Obama administration have been raising alarms about the impact that sequestration will have on national defense. Defense Secretary Leon Panetta testified the cuts would be "devastating" and "hollow out the force and inflict serious damage to the national defense." In an opinion piece co-authored with Sen. John McCain (R-AZ), chairman of the House Armed Services Committee Buck McKeon (R-CA) wrote that the \$54.7 billion (7.5 percent) cut would "force the greatest Armed Forces in history to its knees." And Speaker of the House John Boehner (R-OH) believes the cuts will "hurt our Department of Defense, will hurt our ability to...provide security for the American people."

Defenders of the Department of Defense (DOD) argue that cutting \$492 billion (the sequester amount over the next 10 years) would, as Sen. Lindsey Graham (R-SC) described it, "shoot ourselves in the head." The chairman of the Joint Chiefs of Staff, Gen. Martin Dempsey, went so far as to suggest that the cuts would "increase the likelihood of conflict" because the United States would "go from being unquestionably powerful everywhere to being less visible globally and presenting less of an overmatch to our adversaries."

In reality, a \$55 billion reduction in defense spending in FY 2013 would return defense spending to levels seen just a few years ago in 2006, when the Pentagon had \$597 billion in discretionary budget authority. In 2001, the DOD discretionary budget authority was \$402 billion (in 2011 dollars). Ten years later, in 2011, that number had increased by 71 percent to \$687 billion. This growth has outpaced all other discretionary spending. In that same time period, the discretionary budget for the rest of the government increased by 21 percent, growing from \$442 billion (in 2011 dollars) to \$534 billion.

The United States spends about five times as much on defense as the next biggest spender, China, and about \$100 billion more than the next ten nations combined. A \$55 billion reduction in defense spending would mean that we would still outspend the next ten top defense spenders combined by \$45 billion.

Combined, the automatic cuts and the initial BCA spending caps would reduce defense spending by about \$1 trillion over 10 years. To put that into perspective, the DOD has spent \$1.3 trillion on the wars in Iraq and Afghanistan since 2001. In that same time, it saw its non-war expenditures increase from \$401 billion (in 2011 dollars) to \$527.9 billion and its share of the discretionary budget grow from 48 percent to over 50 percent.

Should the defense sequester occur, the U.S. would undoubtedly retain its preeminence as the world's military superpower. Defense spending would still be more than four times larger than our nearest military spending competitors. And when compared against recent historic growth in defense spending, sequestration can hardly be considered a significant constraint.

Regardless of the relative level of military spending, it remains unclear that cutting \$492 billion from the defense budget will materially affect the nation's military capabilities. A close study of the Pentagon's weapons acquisitions reveals that every dollar spent on defense procurement is not a dollar spent on increased security. Two government watchdog groups – the Project On Government Oversight (POGO) and Taxpayers for Common Sense (TCS) – examined the DOD's weapons acquisition spending and found that Congress and the Pentagon can reduce military expenditures without hurting national security. POGO-TCS identified \$700 billion (from FY 2013 to FY 2022) in wasteful or unnecessary national security spending, while the Center for American Progress (CAP) found \$600 billion in potential savings from reducing unneeded military resources.

CAP and POGO-TCS noted that both the V-22 airplane-helicopter hybrid and the ground-based missile defense system have significant operational limitations, calling into question their contributions to national defense. Cutting these two programs would save \$23 billion over the next 10 years (\$6 billion from missile

defense and \$17 billion from the V-22). All three groups also reported that the role of certain variants of the F-35, a next-generation fighter jet, could be executed just as effectively with the current fleet of F/A-18E/F Super Hornets and do it for a fraction of the price. The new F-35s are projected to cost \$200 million each, compared to the \$5.7 million acquisition cost of the F-18. Limiting acquisition of the F-35 could save \$54 billion over the next 10 years. POGO-TCS also point out that Congress is forcing the Pentagon to purchase more M1 tanks that it says it needs, needlessly appropriating \$272 million in FY 2012.

Defense cuts as a strategy for deficit reduction has bipartisan support. Sen. Tom Coburn (R-OK), an uncompromising deficit hawk, would like to see defense spending on the chopping block. According to Coburn, none of the military personnel that he's spoken to, which includes "four-star generals all the way down to privates," would agree that a 10 to 15 percent cut in DOD spending would affect military readiness or strength. The libertarian Cato Institute has proposed cutting \$1.2 trillion from the defense budget over the next 10 years, recognizing that not all military spending directly supports national defense.

The BCA is a bull-in-the-china shop approach to deficit reduction. The automatic, across-the-board cuts set to take place in a few months will have serious consequences for the economy, our public protections, and the social safety net. Cutting defense spending, on the other hand, will only impact the bottom line of defense contractors who spend millions lobbying Congress to keep their funding stream flowing.