

POLITICO

CSBA to urge DoD to curb personnel costs - U.S., Japan agree to Okinawa plan - Negotiations with Iran resume - North Korea still moving missiles - OMB memo adds sequester details

By: Austin Wright & Tim Mak – April 5, 2013

HASC SCHEDULES DoD BUDGET HEARING — Defense Secretary Chuck Hagel and Chairman of the Joint Chiefs of Staff Gen. Martin Dempsey will defend their FY14 budget request before the House Armed Services Committee next Thursday — the day after the White House’s budget rollout.

This’ll put Hagel face-to-face with HASC Chairman Buck McKeon, who during the confirmation process urged President Barack Obama to ditch the former Nebraska senator for another nominee. This week, though, McKeon tried to make nice with the Pentagon chief in his response to Hagel’s speech at National Defense University. “The secretary rejected deep cuts and pledged to maintain America’s unique strategic purpose,” the California Republican said. “I look forward to joining him in his efforts to restore the resources needed to execute that mission.”

HAPPENING TODAY: CSBA’S HARRISON TO PRESENT FY14 BUDGET

OUTLOOK — In a presentation this morning, Todd Harrison of the Center for Strategic and Budgetary Assessments will urge the Pentagon to make tough, strategic decisions to bring down spending to the levels mandated by the Budget Control Act for FY14 (\$475 billion for base DoD spending, including sequestration). Harrison will call on DoD to put forward a plan to close bases, rethink pay and benefits for service members and downsize its civilian workforce — measures he says will be increasingly necessary in the coming years as growing personnel and maintenance costs crowd out spending on modernization.

Pentagon officials, of course, have said they will not factor sequestration into the FY14 budget request. “DoD should not expect Congress to make the tough decisions if it is not willing to make tough decisions itself,” Harrison writes in a background briefing set to be released by CSBA later this morning.

BREAKING: U.S., JAPAN AGREE TO OKINAWA PLAN — The two countries have reached a deal to close and consolidate bases across the island, Hagel announced this morning. “Once these plans are implemented, approximately 1,000 hectares will be returned to the people of Okinawa and Japan,” the Pentagon chief said in a statement. “The U.S. Defense Department and Japan’s Ministry of Defense will now work to implement the plan in concert with resolving the Futenma Replacement Facility, which will avoid the indefinite use of U.S. Marine Corps Air Station Futenma while maintaining Alliance capabilities.”

Here’s a copy of the plan: <http://1.usa.gov/12nBHQk>

HAPPY FRIDAY AND WELCOME TO MORNING DEFENSE, where we're looking forward to seeing many of our readers on Monday at the Navy League's Sea-Air-Space Expo. Send conference tips, along with pitches and feedback, to awright@politico.com and tmak@politico.com, and follow us on Twitter [@morningdefense](https://twitter.com/morningdefense), [@abwrig](https://twitter.com/abwrig), [@timkmak](https://twitter.com/timkmak) and [@POLITICOPro](https://twitter.com/POLITICOPro).

NEGOTIATIONS WITH IRAN RESUME, via Al Jazeera: "World powers seeking to resolve a decade-long dispute over Iran's nuclear programme have resumed talks with Iranian officials in the Kazakh city of Almaty. In what is the second such meeting this year, the six powers — the so-called P5+1, the five permanent UN Security Council members and Germany — hope Iran will accept their offer of modest relief from economic sanctions in return for curbs in its most sensitive nuclear work." <http://aje.me/Z4RSeH>

MEANWHILE ... NORTH KOREA STILL MOVING MISSILES, via South Korea's Yonhap News Agency: "North Korea has loaded two intermediate-range missiles onto mobile launchers and hidden them in an unidentified facility near the east coast, Seoul military sources said Friday, triggering speculation that the North is ready for an abrupt missile launch." <http://bit.ly/10DFnGW>

POLL DU JOUR: Fifty-five percent of Americans believe that the United States should use its military to defend South Korea if that country is attacked by North Korea, while 34 percent oppose this, according to a new poll from Gallup. Respondents were split over whether North Korea would take military action against South Korea, but 58 percent said that the Hermit Kingdom was unlikely to attack the United States.

POLL: <http://bit.ly/YzbOd4>

ON THE HOMEFRONT ... SERVICE SECRETARIES VOLUNTEER FOR PAY CUT OVER FURLOUGHS: The secretaries of the Army, Air Force and Navy — following the lead of the president and Hagel — plan to return part of their salaries as a gesture to civilian defense workers facing furloughs, Defense News reports. More here: <http://bit.ly/Yz9T8g>

DOD ACQUISITIONS CHIEF SEEKS INDUSTRY INPUT AHEAD OF INDIA TRIP: The Pentagon's top weapons buyer is asking the defense industry to submit ideas for partnering with India on research and development projects. Frank Kendall, undersecretary of Defense for acquisition, technology and logistics, has sent a letter to industry leaders seeking input on projects "you believe could provide win-win opportunities for your firm in cooperation with public or private Indian enterprises." Kendall also notes he's scheduled to visit India later this month, following up on a visit last year by then-Defense Secretary Leon Panetta and Deputy Defense Secretary Ash Carter. Here's the letter: <http://1.usa.gov/Z5e605>

TOP DOC: OMB MEMO ADDS DETAIL ON SEQUESTRATION: The Office of Management and Budget is out with a memo on how federal agencies should administer sequestration. OMB called for using "any available flexibility" by law to protect long-term funding goals, but it cautioned against taking steps that would "compromise" the ability to properly maintain facilities and equipment. Here's the memo: <http://1.usa.gov/Yzajvv>

INHOFE, HAGAN DEMAND TUITION ASSISTANCE ANSWERS: Two senators who were instrumental in passing legislation forcing the Pentagon to reinstate tuition

assistance for service members are requesting more information on when precisely the program will be restarted. Here's their letter to Hagel: <http://1.usa.gov/YzazdQ>

WHAT PROS ARE READING:

— **NEW CALLS FOR REFORM. OLD REFORM RECOMMENDATIONS?** The broad structural review ordered this week by Hagel in his first major policy address may yield many of the same recommendations that a Defense Business Board study on acquisition reform came to last year, writes POLITICO's Philip Ewing, going down the list of reform proposals. Here's the analysis, for Pros: <http://politico.pro/Yzbkn6>

— **FURLOUGH UNCERTAINTY CONTINUES:** Even as top government officials make symbolic gestures about sequestration, the effects of the across-the-board cuts remain ambiguous. POLITICO's Stephanie Gaskell takes a look at the enduring uncertainty here: <http://politico.pro/Yz9Aum>

— **DEFENSE INDUSTRY EYES FOREIGN SALES:** With U.S. defense spending on the decline, contractors are increasingly looking to shore up their profits with sales overseas. POLITICO's Leigh Munsil breaks it down: <http://politico.pro/14QfeMp>

NEW ON TWITTER: Zbigniew Brzezinski (@zbig), the father of @morningmika, or MSNBC's Mika Brzezinski. He was also involved in some national security issues during the Carter administration, as some might remember. Smartest take from @attackerman, who wrote: "Zbig Data! Ex-national security adviser Zbigniew Brzezinski is on Twitter as @zbig. Zbiggie Smalls for mayor."

NOTABLE LINKS:

— An Army major general with U.S. Africa Command has been relieved of his post in connection with alcohol and sexual misconduct charges, The Associated Press reports. <http://fxn.ws/YzaVkl>

— Sequestration has led to the cancellation of the annual Army Birthday Ball, reports The Washington Post. <http://wapo.st/YVtH5n>

— A soldier at Fort Knox has been charged with murder in this week's shooting of a civilian employee at the base, The Associated Press reports. <http://bit.ly/Z5vvFO>

WHO'S WHERE WHEN:

8 a.m.: Retired Gen. John Allen discusses Afghanistan at a conference at Harvard University held by the school's South Asia Institute. More info: <http://bit.ly/14GrDIH>

Noon: The Cato Institute hosts a forum in Washington titled, "The War in Afghanistan: What Went Wrong?" Speakers include Rajiv Chandrasekaran of The Washington Post, James Dobbins of the RAND Corporation, and Army Col. Gian Gentile, a visiting fellow at the Council on Foreign Relations.

1 p.m.: Gen. John Campbell, vice chief of staff of the Army, conducts installation visits at Fort Campbell and Knox, in Kentucky.

DESSERT: It's not just rare earth elements and strategic minerals anymore. Is China also hoarding the world's supply of fish? Foreign Policy's Elizabeth F. Ralph reports: <http://atfp.co/1ozQnXx>

THAT'S ALL FOR US. Have a great weekend.