

Withdrawal savings not big

The Afghan drawdown plan could save as little as \$7 billion in fiscal 2012, analysts say.

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WASHINGTON - Any peace dividend from bringing U.S. troops home from Afghanistan likely will take years, not months, to make a dent in the federal budget, analysts said.

In his June 22 speech announcing the withdrawal of 33,000 U.S. troops from Afghanistan by September 2012, President Obama said, "It is time to focus on nation-building here at home."

His withdrawal plan could save as little as \$7 billion in fiscal 2012, said Travis Sharp, a fellow at the Center for a New American Security, a defense-oriented policy institute in Washington. Sharp said he based his analysis on data from the nonpartisan Congressional Budget Office.

That amounts to less than 1 percent of this year's projected federal budget deficit, which the CBO estimates will exceed \$1 trillion.

"The cost-savings benefits of withdrawing troops from Afghanistan have been majorly oversold by our political leaders," Sharp said. In the short term, he said, "the number of troops coming out are quite small. And the pace of operations for the troops remaining in Afghanistan will be quite high."

The president didn't detail estimated savings in his remarks, and White House press secretary Jay Carney said, "I don't have dollar figures." Obama also did not say how quickly he expected to withdraw the 68,000 U.S. troops who would remain in Afghanistan after next summer.

Kenneth Baer, a spokesman for the White House Office of Management and Budget, said the troop-withdrawal plan was "dictated by national-security considerations. It will produce savings, the extent of which we will assess after the full schedule for the drawdown is set."

House Appropriations Committee Democratic staff members estimate the troop reduction will save \$10 billion in fiscal 2012 and \$15 billion in fiscal 2013, said Ryan Nickel, a committee aide. Further troop cuts would result in greater savings. If the troop levels in Afghanistan and Iraq are reduced from the current 150,000 to a combined 45,000 by 2015, the CBO has estimated a savings of \$1 trillion through 2020.

In his televised address, Obama said: "Now we must invest in America's greatest resource, our people. We must unleash innovation that creates new jobs and industries while living within our means. We must rebuild our infrastructure and find new and clean sources of energy."

He did not mention any specific projects where savings from reduced war costs would be rerouted.

"Are we going to pave a new road, build a new high-speed rail from Los Angeles to Las Vegas? Probably not," said Christopher Preble, director of foreign-policy studies at the Cato Institute, a policy research center in Washington. "If you're doing that, you're still robbing Peter to pay Paul. We're still borrowing money."

Andrew F. Krepinevich, president of the Center for Strategic and Budgetary Assessments, a Washington policy-research institute that examines national-security issues, said that as much as the wars in Iraq and Afghanistan have cost - more than \$1 trillion over a decade - Medicare and Medicaid spending were projected to be bigger drivers of the debt.

Krepinevich said that in calling for domestic "nation-building," Obama was not being literal so much as promising to redirect war spending to deficit reduction.

"I think what the president means to say is, 'Look, we're spending \$100 billion a year in Afghanistan. I'd rather be in a position to put that \$100 billion to work for the American people, the American economy,' " Krepinevich said.

Though troop reductions after World War II, Korea, Vietnam, and the Cold War resulted in savings, Krepinevich said the post-Afghanistan experience could be different because of the changing nature of terrorist threats and war. "There are a number of emerging challenges that will likely frustrate efforts to reduce the size of our military and our defense budget as much as we would hope," he said. Officials have estimated the cost of the war in Afghanistan at roughly \$1 million per soldier per year.

Sharp said that did not translate to a saving of \$33 billion by the end of next summer, partly because the troops are not withdrawing immediately and because anything saved would be offset by the cost of transporting troops and equipment home and beefing up Afghan training.

He said the withdrawals the president announced could be a catalyst for bigger savings if they lead to long-term cuts in the size of the U.S. armed forces.

The Obama administration has set a goal of cutting \$400 billion in national-security spending through fiscal 2023.