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U.S. War Savings in Afghanistan Drawdown Puts 'Nation-Building' Years Away

By Margaret Talev and Mike Dorning - Jun 24, 2011 12:01 AM ET

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Any peace dividend from bringing U.S. troops home from [Afghanistan](#) is likely to 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 by September 2012, President [Barack Obama](#) said that "it is time to focus on nation-building here at home."

That withdrawal plan could save as little as \$7 billion in fiscal year 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 added, "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 did not detail estimated savings in his remarks, and White House press secretary [Jay Carney](#) said yesterday that "I don't have dollar figures." Obama also did not say how quickly he expects to withdraw the 68,000 U.S. troops that would remain in Afghanistan after next summer.

'National Security Considerations'

[Kenneth Baer](#), a spokesman for the White House Office of Management and Budget, said that the troop withdrawal plan is "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."

Representative Norm Dicks of Washington state, the top Democrat on the House Appropriations Committee, estimated that such a withdrawal schedule could save \$25 billion over two years, according to Aerospace Daily & Defense Report. Ryan Nickel, a spokesman for Dicks, confirmed that estimate.

Further troop drawdowns 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

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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."

No Specific Projects

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

"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 libertarian 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 Washington-based Center for Strategic and Budgetary Assessments, a 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 are projected to be bigger drivers of the debt.

Krepinevich said that in calling for domestic "nation- building," Obama isn't 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. "Deficit reduction contributes to a strong economic foundation here at home that provides for the economic growth that will benefit all Americans over the long run."

'Emerging Challenges'

While troop reductions after World War II, [Korea](#), [Vietnam](#) and the [Cold War](#) resulted in savings, Krepinevich said that post-Afghanistan 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 roughly estimated the cost of the war in Afghanistan at \$1 million per soldier per year.

Sharp said that doesn't translate to a savings of \$33 billion by the end of next summer, partly because the troops aren't withdrawing immediately and because anything saved is offset by costs of transporting troops and equipment out of theater and by increasing the training of Afghan security forces.

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.

Military's Future Role

"This decision will save money if it is the opening spark that leads to a much broader and more serious conversation about the role of the [United States](#) military in the world today," Sharp said.

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

Defense Secretary [Robert Gates](#), who retires next week, already included cuts in the military's headcount as part of the \$78 billion in budget reductions he proposed to help meet the administration's cost-cutting goals.

Gates has proposed reducing the force by as many as 47,000 troops starting in fiscal 2015, including 27,000 soldiers and between 15,000 and 20,000 Marines. That would save \$6 billion through 2016.

More money could be saved if the Defense Department either accelerated those reductions or sought larger cuts in the military headcount, Sharp said.

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