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CONGRESSIONAL TESTIMONY

**When Defense Becomes the Last
Priority**

**Testimony before
Senate Budget Committee**

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My name is Dr. James Jay Carafano. I am the Deputy Director of the Kathryn and Shelby Cullom Davis Institute for International Studies and Director of the Douglas and Sarah Allison Center for Foreign Policy Studies at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

Thank you for the opportunity to testify on the vitally important subject of providing our men and women in uniform with the resources they need to defend us. My assessment is that President Barack Obama's budget proposal for FY 2013 (in combination with automatic spending reductions required under the Budget Control Act of 2011) would reduce the capabilities of the armed forces to the point that they could no longer protect U.S. vital interests and keep U.S. security commitments around the world. This conclusion is based on an evaluation of global defense needs that The Heritage Foundation undertook just last year.¹ Our assessment quantified how current and projected capabilities align with legitimate defense requirements by describing the dangers that U.S. military forces will likely face and the capabilities needed to meet those dangers in five strategically important regions: Asia, the Middle East, Europe, the American homeland, and globally.

The capabilities and readiness posture that can be achieved under the President's vision fall far short of what is adequate.

In my testimony today, I would like to concentrate on what I see as the key issues that the Congress must consider in evaluating the President's FY 2013 defense budget request and its shortfalls: (1) How defense relates to addressing the nation's overall fiscal challenges, (2) how the President's proposal compares to strategic defense requirements, (3) the consequences of the President's proposal, (4) where real savings can be achieved, and (5) an alternative path forward for investing in defense.

A Legacy of Research and Service

I supervise all of The Heritage Foundation's research on public policy concerning foreign policy and national security. How government fulfills its fundamental obligation under the Constitution to "provide for the common defense" has long been a Heritage research priority. To meet the unique challenges of the post-9/11 world, the foundation has assembled over the past decade a robust, talented, and dedicated research team. I have the honor and privilege of leading that team.

Heritage analysts have studied and written authoritatively on virtually every aspect of defense affairs with particular emphasis on reforms and efficiencies, the reserve components, strategic arms and missile defense, homeland defense, the unified command plan, force structure, missions, regional security issues, science and technology, and the

¹ The Heritage Foundation, "A Strong National Defense: The Armed Forces America Needs and What They Will Cost" April 5, 2011, at <http://www.heritage.org/research/reports/2011/04/a-strong-national-defense-the-armed-forces-america-needs-and-what-they-will-cost>.

defense budget. The foundation was an early proponent for many initiatives and reforms including conceptualizing the Strategic Defense Initiative and establishing the U.S. Africa Command. The results of all our research are publicly available on the Heritage website at www.heritage.org.

We collaborate frequently with other institutions in the research community. In particular, we prize our collaborative efforts with the American Enterprise Institute and the Foreign Policy Initiative. Working together with these groups as part of the “Defending Defense” coalition, we have undertaken a concerted effort to raise awareness on the importance of maintaining the readiness and capabilities of the armed forces.

In addition, our analysts regularly interact with the War Colleges, federally funded research development centers, the armed services, and the Joint and Defense Department Staffs. Heritage analysts also serve on a variety of government advisory efforts including the National Academies Board on Army Science and Technology, the Department of the Army Historical Advisory Committee, and the Advisory Panel on Department of Defense Capabilities for Support of Civil Authorities, as well as institutions that support the armed forces such as the Marine Corps University Foundation.

Our research programs are nonpartisan, dedicated to developing policy proposals that will keep the nation safe, free, and prosperous. The concerns I express today rest on the foundation of that research.

The Road to Security and Prosperity

Cutting the capabilities of the armed forces and degrading readiness cannot be justified as a necessary austerity measure for reducing federal spending. It is an unrealistic strategy for achieving long-term savings.

First, there is little question that, even without the mandatory reductions in spending under the Budget Control Act of 2011, the Administration is cutting back on defense as its primary means for slowing the growth of federal spending. Defense, accounting for less than 20 percent of the federal budget, will absorb over 50 percent of the planned reductions in federal spending.

Under the Administration’s budget proposal defense would not return to FY 2010 spending levels for the entirety of the 10-year projection with reductions front-loaded in the first five years (FY 2011–FY 2014) and then growing slowly from the low point (in terms of current dollars).²

² U.S. Office of Management and Budget, supplemental materials for *Budget of the United States Government, Fiscal Year 2013: Analytical Perspectives* (Washington, D.C.: U.S. Government Printing Office, 2012), February 13, 2012, Table 32-1, at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/32_1.pdf (February 14, 2012). In calculating from President Obama’s second defense budget request for FY 2011, the administration lowered the defense budget baseline by about \$750 billion over 10 years. This then allowed the Administration to argue that it has not cut the defense budget, but only slowed the rate of growth. Further, the Administration blurred accountability through manipulating funding for overseas contingency

These reductions cannot be defended as being necessary to restore the nation's fiscal health and reining in government spending. The level of defense expenditures today is modest by historic standards. The United States spent on average about 7.5 percent of GDP on defense during the Cold War. Current levels of spending are about half that.

Further, even steep defense reductions will not stem the long-term growth of government. Social Security, Medicare, and Medicaid together already account for about 10 percent of GDP and 43 percent of federal spending. In a few decades, even if defense spending were to go to zero, the rising costs of sustaining these programs will consume all federal taxes. We are facing the consequences of generations of politicians from both political parties having promised millions of Americans certain services without regard to cost or how we will pay for them. The nation cannot be made safe or prosperous without addressing this core fiscal issue.

But it is not necessary to make Hobbesian choices. In 2011, The Heritage Foundation laid out a long-term budget proposal that would balance the budget in 10 years, significantly reduce the federal debt, leaves every class of Americans better off than they are now, does not raise taxes, and fully funds defense at adequate levels for decades.³ The Heritage plan achieves these goals by reducing the federal government so that it is closer to its proper size and focused on performing its core responsibilities; and transforming entitlement programs to better meet the needs of today's and tomorrow's seniors while making them affordable; and holding down taxes while reforming our needlessly complex, burdensome, and highly unfair tax system. Under this plan, called *Saving the American Dream*, this nation can return to prosperity and government can meet its obligation to provide for the common defense.

In contrast, all this budget can do is ensure that defense becomes the nation's last priority.

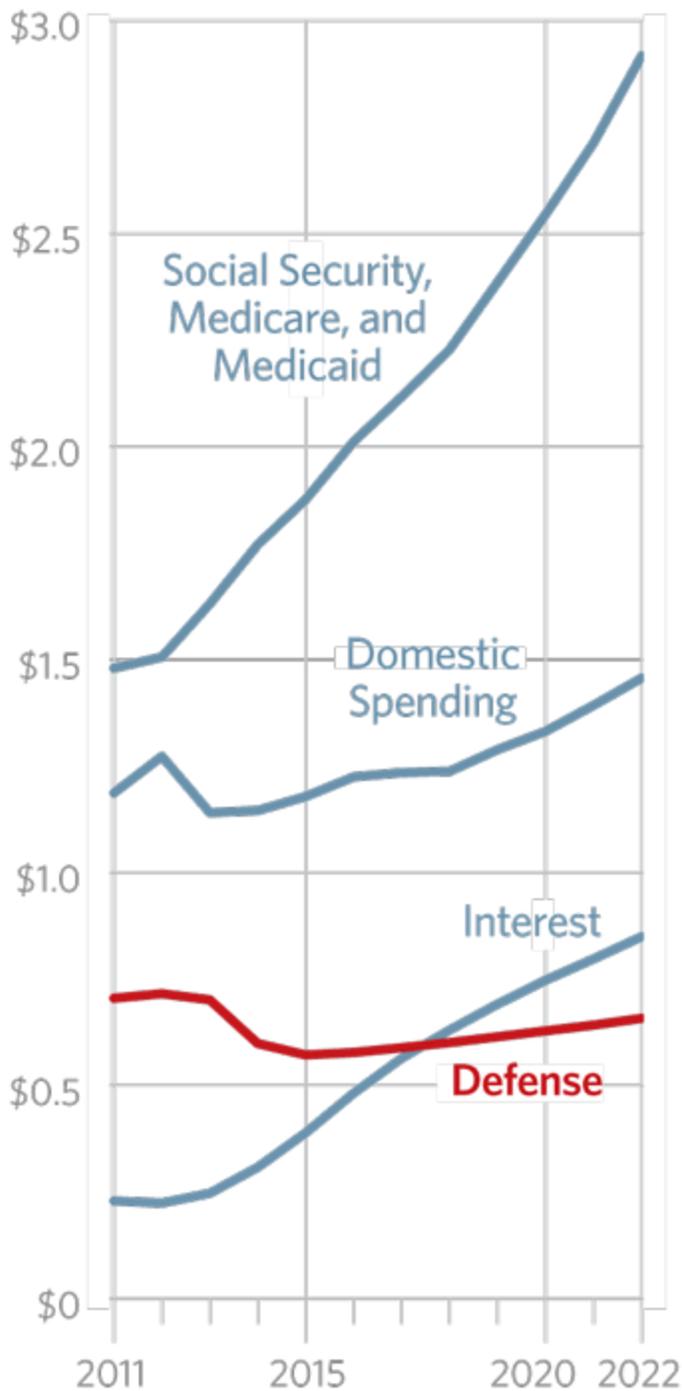
operations (OCO). Including OCO expenditures in any comparison is appropriate because existing historical descriptions of defense expenditures have included them.

³ Stuart M. Butler, Alison Acosta Fraser and William W. Beach, *Saving the American Dream: The Heritage Plan to Fix the Debt, Cut Spending, and Restore Prosperity*, The Heritage Foundation, 2011, at <http://www.heritage.org/research/reports/2011/05/saving-the-american-dream-the-heritage-plan-to-fix-the-debt-cut-spending-and-restore-prosperity>.

CHART 3

Obama Budget Would Make Defense the Lowest Budget Priority

OUTLAYS IN TRILLIONS OF DOLLARS



Source: Heritage Foundation calculations

Strategic Guidance and FY2013 Budget Proposals

The President's proposal was informed by the defense strategic guidance released to the public in January 2012.⁴ The guidance, however, is not a credible assessment of future U.S. defense needs.

In 2010, the Administration released its Quadrennial Defense Review (QDR) which called for substantially more capability than would be funded under the President's current proposal. Furthermore, the congressionally chartered bipartisan Independent Panel tasked to review the finding of the QDR concluded that the report underestimated defense requirements. In his opening statement at hearings reviewing the findings of the panel Senator Carl Levin, Chairman of the Senate Armed Services Committee, pointed out "[t]he panel goes on to warn us about what it calls the 'growing gap' between what the military is capable of doing and what they may be called upon to do in the future."⁵

Yet, now the White House has declared that we can get by with dramatically less capability. All of which begs the question: What does the White House know now that it did not know when it signed off on the 2010 QDR report? The answer is, not much.

Early on in his tenure in office, President Obama clearly expressed his intent to get U.S. combat troops out of Iraq by 2011, and out of Afghanistan by 2014. Yet, back in 2010, there was no signal that the forces used to fight those wars would be scrubbed from the Pentagon's ranks.

Furthermore, little else in the global security environment is dramatically different. For example, Iran is still an aggressive, destabilizing power that is a proven state sponsor of terrorism and is actively seeking to gain nuclear weapons. The only real change in the situation is that North Korea now has a new leader – a young, untested, and unpredictable neophyte with his finger on the country's nuclear trigger. Russia is as restive as ever. Despite White House claims of successfully "resetting" relations with Moscow, there have been no real foreign policy breakthroughs or closer alignment with the Kremlin. Nor can the Administration claim it has made great strides in managing strategic competition with China. In fact, the strategic guidance calls for a "pivot" towards Asia for one reason – to keep pace with Beijing's efforts to erect an expanding sphere of influence that crowds out the United States. And then there remain the bugbears of Iraq and Afghanistan, where there are deep concerns over whether the U.S. can continue to secure its interests. In Iraq, government officials admit there is a potential for a resurgence of violence. There are also concerns over Iraq's political stability in a post-Coalition environment. At the same time in Afghanistan, U.S. and NATO intelligence assessments alike cast doubt on whether enough has been done to prevent the resurgence of an armed, anti-American Taliban. And when the Taliban returns, so will al-Qaeda – seeking to

⁴ Department of Defense, "Sustaining U.S. Global Leadership: Priorities for 21st Century Defense," January 2012, at http://www.defense.gov/news/Defense_Strategic_Guidance.pdf.

⁵ "Opening Statement of Senator Carl Levin, Senate Armed Services Committee Hearing on the Report of the Quadrennial Defense Review Independent Panel," August 3, 2010, at <http://www.levin.senate.gov/newsroom/press/release/?id=b3442dde-da09-4b43-87ed-23464a2a8717>.

reestablish the operational base it had in the country before 2001. In other words, the world does not look all that different two years after the QDR. The White House, therefore, cannot argue that the Pentagon needs to change because the world has.

The Administration's strategic guidance is simply not a credible guide as a basis for the FY2013 defense budget.

Rhetoric-Reality Gap

Of additional concern is that several key initiatives proposed in the strategic guidance to mitigate security risks are not adequately addressed in the President's FY 2013 proposal.

- **Pivot to Nowhere.** The Administration's declaration to increase the U.S. capacity to defend its security interests in Asia is not reflected in budgetary commitments. Other than a promise for augmented rotational training of U.S. Marine and air forces in Australia, the Administration has not articulated any permanent increased military forces in Asia. U.S. officials privately comment that those forces will be "globally sourced" and not redeployed from existing forces in Okinawa. Rather than add capability, these new missions will only place greater strain on a smaller force. Further, new defense strategy could prevent the U.S. from fulfilling its existing treaty requirements. For example, the current war plan for responding to a North Korean invasion (OPLAN 5027) calls for the U.S. to deploy 690,000 ground troops, 160 destroyers, and 2,000 aircraft within 90 days. Doing so would require the entire U.S. Army and Marine Corps (after the planned reductions in these forces are complete).⁶ Under the current plan, the U.S. can only pivot to Asia as part of a global Ponzi scheme that creates risks elsewhere.
- **Increased Strategic Risk.** The guidance declared that this force posture established conditions for even greater reduction in the U.S. arsenal. There is no reflection of this in the President's budget proposal. There is no increase in conventional capability that could hold strategic targets (counter-force targets) at risk nor does the Administration envision robust investments in missile defense that would offset the need for offensive nuclear weapons that could hold an enemy's military forces at risk.⁷ A significant reduction in the U.S. arsenal and delivery systems will require U.S. targeting to shift to primarily "counter value" targets. This will shift U.S. nuclear policies to Cold War-style massive retaliation—a less credible and morally questionable approach to deterrence. Rather than reduce strategic risk, the Administration actions are increasing the dangers of nuclear confrontation.

⁶ Adapted from Bruce Klingner, "The Missing Asia Pivot in Obama's Defense Strategy," Heritage Foundation WebMemo No. 3443, January 6, 2012, at <http://www.heritage.org/research/reports/2012/01/the-missing-asia-pivot-in-obamas-defense-strategy>.

⁷ Baker Spring, "Congress Fails to Undo President Obama's Damage on Missile Defense," Heritage Foundation *Backgrounder* No. 2650, February 8, 2012, at <http://www.heritage.org/research/reports/2012/02/congress-fails-to-undo-president-obamas-damage-on-missile-defense>.

- **Trouble with Tricare.** The strategic guidance was unequivocal in expressing the Administration’s commitment to providing properly for the women and men in the nation’s armed forces. It is not clear that that commitment is fulfilled in the President’s plan when it comes to DOD’s proposal to limit future pay raises beginning in 2015 and increase fees and co-payments for health coverage. The Administration is wrong to move to limit future pay increases because overall military compensation is already weighted heavily in favor of benefits over cash compensation compared with civilian and private-sector compensation.⁸ If anything, military service members should receive more generous pay raises to restore balance in the overall compensation structure. On health care the Department of Defense has embraced a proposal of marginal change that would mean “less of the same” and “all pain and no gain” for current and future military retirees. Its proposal would impose higher fees and co-payments on retirees, without options that would allow service members and their dependents to explore alternatives that would better meet their needs. Rather than enhance recruiting, retention, and quality of life for the men and women of the armed forces, these marginal adjustments are likely to achieve the opposite.
- **The Reversibility Problem.** The strategic guidance also called for adding “reversibility” to the force. Reversibility was described as the capacity to reconstitute military capabilities to respond to unforeseen military requirements. Reversibility is provided by the “generating force.” The services already have substantial investments in the generating force, from a high of about half of the Navy to a low of a little less than 30 percent of the Army. Since the military is being further reduced under the President’s plan, additional increases in “reversibility” can only be achieved by further reducing the “operating” force. This will leave even less forces available for current missions than the Administration currently projects in its budget proposal. Reversibility under the President’s budget plan will drive risk up, not down because the military will be even less ready and capable to respond to near-term challenges or dissuade or deter adversaries for pursuing aggressive designs in the future.

In short, the “risk mitigation” measures trumpeted in the strategic guidance have not translated well into actual budget proposals.

Back to the Future

The consequences of the President’s 2013 budget proposal are that the U.S. could well, in short order, experience the “hollow” military concerns that the armed forces faced before the Korean War, after Vietnam, and in the waning years of the Clinton presidency. A military force goes hollow when it lacks sufficient capabilities to undertake three fundamental tasks: maintain trained and ready forces; fulfill current missions and operations; and prepare for the future. If the armed forces cannot do all three of these

⁸ Congressional Budget Office, “Evaluating Military Compensation,” June 2007, p. 32, at <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/82xx/doc8271/06-29-compensation.pdf> (February 23, 2012).

tasks it becomes a hollow force—one that may look adequate on paper, but in practice cannot fulfill the obligations to meet the nation’s national security needs.

The Congressional Research Service’s (CRS) recently prepared report, “A Historical Perspective on ‘Hollow Forces,’” offers an assessment of the criteria by which “hollowness” is measured. The CRS report points out that in several ways, the challenges the military faced in the post-Vietnam years differed from those the services confronted during the Clinton presidency. Similarly, the report notes that the issues confronting today’s military differ in key respects as well. The report concludes that, “given these conditions, it can be argued that the use of the term ‘hollow force’ is inappropriate under present circumstances.”

The CRS report, however, is cold comfort. What is critical to understand is that if a military can’t field trained and ready forces, conduct current missions, and prepare for future threats, it is inadequate. With the Pentagon facing a dramatic reduction in capability, it is irresponsible to suggest that this isn’t something worth worrying about.

While the President, Administration officials, and senior leaders in the Pentagon have assured the Congress that this won’t happen again, identical assurances were issued by political leaders (from both political parties) and senior military officials when the military went hollow in the past .

Further, as you well know, even the Administration’s budget proposals do not account for the additional cuts required under the Budget Control Act of 2011. The sequestration provision of the Budget Control Act could impose additional defense budget reductions of \$500 billion or more over the next nine years. Administration officials have asserted that Administration policy does not support the sequestration of the defense budget under the Budget Control Act. This is troubling. Even as Administration officials offer the most optimistic reassurances to justify the adequacy of their defense proposals—even they acknowledged that under automatic sequestration that support for the armed forces will be inadequate. Since the President’s defense cuts are front-loaded, combined with sequestration, in the short term there is potential significant degradation to military capabilities and readiness. As a result of the loss of human capital, disruptions to procurement, and deferred maintenance and training it could take the military many years and cost a great deal to recover. What is being championed as cost savings could in the end cost the nation a good deal.

Finding Real Defense Savings

The Administration has already claimed to have garnered significant savings in efficiencies. Indeed, even by the Secretary of Defense’s own admission three-quarters of the projected future cuts are reductions in capability, not cost-saving. The most effective cost-saving measures are not adequately reflected in the President’s defense budget—and as a first priority Congress should look to correcting this error.

- **Taking Care of the Force.** For starters, the President and the Pentagon should not be criticized for exploring options to address the rapidly growing cost of military health coverage and retirement under the defense budget. However, their proposals are simply and completely inadequate, serving only to preserve the existing top-down, one-size-fits-all, and overly socialized structures for military health coverage and retirement. What is needed are reforms that honor our commitments to our serving men and women; enhance recruiting and retention; promote “continuity of service” between the active and reserve forces; enhance the quality of life for service members, retirees, and their families; and are appropriate for a 21st century workforce. To that end, The Heritage Foundation has proposed comprehensive reforms for military service members, retirees, and their families that replaces existing defined-benefit plans with defined-contribution plans that maximize individual choice. This plan includes special transition measures to respect commitments made to those serving and who served the nation in the past. These reforms of the military health care and retirement systems could reasonably be expected to achieve at least \$39.4 billion in savings over five years.⁹
- **Performance-Based Logistics.** Performance-based logistics can increase the efficiency and lower the cost of the military’s logistical system through well-designed partnerships between government-run depots and private contractors, offering savings of up \$32 billion a year.¹⁰
- **Eliminating “Free Riders.”** Congress should purge from the defense budget spending on activities that may be supported by another federal agency and defense projects may not warrant spending by any federal agency at all. In the proposed FY 2012 budget The Heritage Foundation estimated significant potential savings.¹¹
- **Following Through.** Careful implementation of a “real” reform package as outlined in this testimony could save more than \$70 billion while improving the efficiency and effectiveness of the military and the Pentagon.¹²
- **Real Financial Management Reform.** The DOD should manage its finances according to best practices. A more discriminating approach would add to the DOD’s overall ability to meet the American people’s demand that the federal government provide for their defense. The funds saved as a result of improved

⁹ Baker Spring, “Saving the American Dream: Improving Health Care and Retirement for Military Service Members and Their Families,” Heritage Foundation *Backgrounder* No. 2621, November 17, 2011, at <http://www.heritage.org/research/reports/2011/11/saving-the-american-dream-improving-health-care-and-retirement-for-military-service-members>.

¹⁰ Baker Spring, “Performance-Based Logistics: Making the Military More Efficient,” Heritage Foundation *Backgrounder* No. 2411, May 10, 2010, at <http://www.heritage.org/research/reports/2010/05/performance-based-logistics-making-the-military-more-efficient>.

¹¹ Mackenzie Eaglen, “Taking a Scalpel to the Defense Budget,” Heritage Foundation *WebMemo* No. 3132, February 3, 2011, at <http://www.heritage.org/research/reports/2011/02/taking-a-scalpel-to-the-defense-budget>.

¹² Mackenzie Eaglen and Julia Pollak, “How to Save Money, Reform Processes, and Increase Efficiency in the Defense Department,” Heritage Foundation *Backgrounder* No. 2507, January 10, 2011, <http://www.heritage.org/research/reports/2011/01/how-to-save-money-reform-processes-and-increase-efficiency-in-the-defense-department>.

audits by the Defense Contract Auditing Agency, which resulted in \$2.4 billion in savings from audits conducted in 2007 alone, offer significant savings.¹³

These savings are urgently needed to free up resources to reinvest in our military. The military is still on its post-Cold War “procurement holiday.” Exacerbating the challenge of sustaining the force into the future is the wear and tear in the wake of decade of operations in Iraq and Afghanistan. Reconstituting the military is an urgent priority. Without these proposed reforms—even with a higher “top line” for defense—there won’t be sufficient resources to do the job.

A Different Course

An addition to garnering real saving that the President’s proposals do not, the nation needs a fundamentally different approach to defense planning. Rather than masking growing risks, we should be investing to mitigate real ones.

Failure to prepare for potential threats is the best way to ensure that they will become real threats. The world is a dangerous place. The U.S. military is already pressed to meet its commitments because of the long-term effects of the “peace dividend” taken after the collapse of the Soviet Union. The demands on the U.S. military will likely not lessen in the mid term. Further cuts in U.S. force structure will only increase the risks to U.S. forces. Maintaining a military below minimum commonsense levels would limit the U.S. to undertaking only one major military operation at a time. If faced with domestic crises like Hurricane Katrina or unexpected overseas contingencies, the U.S. would be forced to choose between ongoing tasks or simply not responding.

Vital national interests tend to remain constant, but dramatic changes, such as the collapse of the Soviet Union and 9/11, can change strategic requirements. Such events are not always predictable. While leaders should try to be sufficiently flexible to adapt to rapid change, these shifts cannot serve as the basis for defense planning any more than winning the lottery should be part of a plan to balance the family budget. Making radical changes in forces, such as sharply cutting the number of fighters or reducing ballistic missile defense (BMD) requirements, may save money in the short term; but in the long run, it will increase both the costs and the risks by disrupting the sustained investment needed to maintain core defense capabilities.

Since the end of the Cold War, America’s military has operated at a far higher operational tempo than it did during the Cold War. However, while the military has been busier than ever, its size and strength have declined. The Air Force is smaller and its inventory is older than at any time since its inception in 1947. The Navy has fewer ships than at any time since 1916. All three services are 30 percent to 40 percent smaller than they were during Desert Storm. As a result, the National Guard and Reserves have been

13 Baker Spring, “Enforce Financial Management Requirements at the Department of Defense,” Heritage Foundation *WebMemo* No. 3423, November 29, 2011, at <http://www.heritage.org/research/reports/2011/11/improve-financial-management-system-at-the-department-of-defense>.

constantly mobilized, and a number of Army units are on their fifth or sixth deployment in Iraq and Afghanistan.

America depends on its existing forces to respond to both anticipated and unanticipated events. It cannot rely on a “just-in-time” industrial base or mass mobilization plans to meet unexpected challenges.

The best way to mitigate threats going forward is to sustain and modernize the current force.

What to Do

Adopting a different defense budget, one that does not endorse divesting the nation of needed military capability, begins with taking a different approach to the FY2013 budget.¹⁴ The appropriate steps would include:

- **Deferring Sequestration of Defense Spending.** The most glaring threat to the nation’s defense posture is the sequestration process under the Budget Control Act.
- **Replacing the Budget Control Act** with a strong plan that actually tackles the biggest threat to the economy and budget, entitlement programs, as well as pares back spending in other areas. Deferring the sequestration process under the Budget Control Act is only an immediate step to prevent irreparable damage to the nation’s defense. Under the *Saving the American Dream* plan the nation would not only be able to maintain a strong defense, but also balance the budget in 10 years, while keeping taxes low and total federal spending within reasonable limits. While many approaches could be taken in order to translate the Heritage plan into law, it must first eclipse the Budget Control Act.
- **Maintaining the Size of the Military.** Future defense authorization and appropriations measures should seek to preserve the current force structure and personnel levels, including maintaining:
 - An active Army of 562,000 persons;
 - An active Marine Corps of 202,000 persons;
 - An Air Force of 510,900 persons;
 - 45 Army Brigade Combat Teams;
 - 60 Air Force tactical fighter squadrons and the training squadron that the Pentagon plans to jettison;
 - A fleet of 316 airlift aircraft by building new C-17s and C-27s as C-5As and C-130s are retired;
 - An interim strategic nuclear force of at least 420 ICBMs, 280 SLBMs, and 65 nuclear-coded strategic bombers;

14 This section is adapted from Baker Spring, “Obama’s Defense Budget Makes Protecting America its Lowest Priority,” Heritage Foundation Backgrounder No. 2658, March 1, 2012, at http://www.heritage.org/research/reports/2012/03/obamas-defense-budget-makes-protecting-america-its-lowest-priority#_ftn29.

- Rapidly achieve the Navy’s objective fleet of 313 ships, while maintaining a balanced mix of ships, and
- Increase the number of ground-based midcourse missile defense interceptors fielded on U.S. territory from 30 to 44 and the number of Standard Missile 3 (SM-3) missile defense interceptors deployed on ships to 341.
- **Increasing Modernization Funding.** The Administration’s military modernization funding request of \$178.2 billion for FY 2013 is simply inadequate. Congress should immediately preempt this proposed reduction. Specifically, Congress should propose an alternative that would restore budget authority for research and development (R&D) to \$80 billion, the level for FY 2010. Furthermore, FY 2013 budget authority should maintain roughly the 1.5 ratio between procurement and R&D in the Administration’s proposal. This ratio would permit procurement to be funded at levels that allow efficient absorption of the technologies generated by research and development. Given the proposed \$80 billion in R&D budget authority, procurement should be funded at \$120 billion. Beyond FY 2013, R&D funding should increase somewhat faster than inflation, and procurement should increase even faster until the procurement/R&D ratio is about 1.7 to build a larger force than what the Administration is proposing over the next five years and beyond.

The Defense America Needs

In my military career I served through the hollow forces of the 1970s and the 1990s. Having witnessed what was done to undermine military preparedness twice in my lifetime, I fear for my country and the men and women under arms who could go through a similar experience in the world we live in today. The burden this Congress faces in considering this budget are grave and the consequences of getting it wrong are significant. Thank you for the opportunity to discuss this vital issue and I stand ready to answer your questions.

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