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Military Restraint and Defense Savings

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Chairman Tierney, Congressman Flake, and members of the Committee, thank you for the opportunity to testify.

My testimony elaborates on the portion of the Sustainable Defense Task Force report that my colleague Christopher Preble and I wrote: "A Strategy of Restraint Would Allow Even Greater Savings."[1] I first discuss that strategy and then the defense spending cuts that it allows.

Before doing so, let me first say that I am agnostic as to whether our current defense spending is sustainable. Many foolish things are sustainable, at least for a while. What I do believe is that it would unwise to spend anything like the $549 billion ($580, including mandatory spending and other agency spending generally counted as defense) that the administration has requested for non-war defense spending in fiscal year 2011. There is no good reason to spend more on the non-war defense budget in real terms today than we did in any year during the Cold War.

Arguments about defense spending are arguments about defense strategy. What you spend depends on what you think we ought to do militarily, which depends in turn on theories about what causes security. My argument here is that a far more modest strategy would better serve our security and allow a far smaller defense budget. That strategy is called restraint because it starts with the assumption that power tempts the United States to participate in foreign troubles that we should avoid.[2] Restraint means fighting that temptation. It would husband American power rather than dissipate it by spreading promises and forces hither and yon, drawing us into conflicts that need not be ours.

Restraint does not require cuts in military force structure and spending. It allows them. A less busy military could be a smaller and cheaper one. But though you can have restraint without savings, you cannot save much without restraint.

Substantially reducing military spending requires reducing the ambitions it serves. Efforts to increase the Pentagon's efficiency—through acquisition reform, eliminating waste and duplication, or improving financial management—might save a bit, but these hardy

[1] *Debt, Deficits, and Defense: A Way Forward*, Report of the Sustainable Defense Task Force (June 11, 2010), http://www.comw.org/pda/.

[2] Eugene Gholz, Daryl G. Press, and Harvey M. Sapolsky, "Come Home**,** America: The Strategy of Restraint in the Face of Temptation," *International Security*, Vol. 21, No. 4 (Spring 1997): 5–48; Barry Posen, "The Case for Restraint," *The American Interest*, Vol. 3, No. 1 (November/December 2007): 7-17; Harvey M. Sapolsky, Benjamin H. Friedman, Eugene Gholz and Daryl G. Press, "Restraining Order: For Strategic Modesty," *World Affairs Journal*, Vol. 172, No. 2 (Fall 2009): 84-94. These ideas are radical today in Washington, but that is a new phenomenon. The restraint view is consistent with much realist thought, and until recently realists formed a large part of the American foreign policy community. George Kennan and Dwight Eisenhower would likely have agreed with much of what is proposed here. Kennan and other Cold War realists like Hans Morgenthau were themselves inheritors of a tradition of American foreign policy thought that runs back the nation's founders, who would recognize here a remnant of their belief that the duty of United States abroad is to be an example of liberal values, not their armed vindicator. From a broader intellectual and historical perspective, what is radical is the bipartisan belief that our military forces should serve a foreign policy built around the pretension that we are the world's indispensable nation, preventing all instability, protecting freedom everywhere, and guiding history.

perennials of defense reform have historically delivered few savings.[3] The near doubling in our military's cost in the last twelve years (adjusting for inflation and leaving out the wars) stems more from the proliferation of its objectives than from the way it is managed. We spend too much because we choose too little.

Rather than use efficiency gains to drive savings, we should cut spending to enhance efficiency. Market competition encourages private organizations to streamline their operations. No such pressure exists in government, but cutting the top line and forcing the military services to compete for their budgets can incentivize them to find efficiencies.[4]

That said, it would be a mistake to take up the force structure reductions recommended here without taking up their strategic rationale. That course would save money. But it would overburden the force without improving security.

Strategic Overreach

The truth is that United States does not have a defense budget. The adjective is wrong. Our military forces' size and composition lack a meaningful relationship to the requirements of protecting Americans. Unbalanced power and massive budgets limit the need to choose among priorities. We can confuse the necessary with the desirable.

Because it can evade choice, which is the essence of strategy, the Pentagon suffers from strategic incontinence. The U.S. military is supposed to be a tool to contain China; transform failed states so they resemble ours; chase terrorists; train various militaries to do so; protect sea lanes, keep oil cheap; democratize the Middle East; protect European, Asian, and Middle Eastern states from aggression and geopolitical competition that might require them to develop military power independent of ours; popularize the United States via humanitarian missions; respond to natural disasters at home and abroad; secure cyberspace, and more. The forces needed to accomplish this litany of aspirations can never be enough. Hence, neither can the defense budget.

Defining security so broadly is counterproductive. Our global military posture and activism drag us into others' conflicts, provoke animosity, prompt states to balance our power, and waste resources. Our military budget should instead be sized to defend us. That does not require $700 billion a year—or anything close. By capitalizing on our geopolitical fortune, we can safely spend far less.

Our principal enemy, al Qaeda, has no army, no air force and no navy. Some contend that we can be safe from al Qaeda and other jihadists only by occupying and transforming failed states where they seek haven. And so, countering terrorism is supposed to require

[3] Secretary Gates' welcome initiative to increase the portion of the defense spending going to force modernization (which would not cut the bottom line) aims to shift $101 billion over five years, with two thirds of those savings coming from cuts in support and overhead. Those cuts amount to an average of $13 billion a year, less than 2.5% of this year's total request. That may be an ambitious estimate of what efficiency gains can yield.

[4] Harvey M. Sapolsky, "The Inter-Service Competition Solution," *Breakthroughs*, Vol. 5, No. 1 (Spring 1996):1-3.

something approaching global counterinsurgency, a permanent war. That claim does not bear scrutiny. Few failed states have provided havens for anti-American terrorists.[5] Even in Afghanistan during the 1990s, the supposed leading example of this phenomenon, the trouble was that the government allied with al Qaeda, not that there was no government. We have learned the hard way that trying to reorder these nations with military occupations tends to fail, despite great cost in blood and treasure. Experience tells us, in fact, that occupations can cause terrorism aimed at occupiers rather than prevent it.[6]

Hunting terrorists is primarily an intelligence and policing task. Military forces are useful in destroying well-defended targets. Terrorists are mostly hidden and lightly armed. The trick is finding them, not killing or capturing them once they are found. The military assets most useful for counterterrorism are relatively cheap niche capabilities: surveillance and intercept technologies, special operations forces, and drones.

Neither can state rivals justify our current military spending. North Korea, Iran, and Syria collectively spend roughly one sixtieth of what we spend on defense. They are local trouble-makers but have little or no capacity to strike American territory. We deter them from doing so in any case.

As for our potential great power rivals—Russia and China—we have no good reason to fight a war with either in the foreseeable future. And even if we did, both remain far inferior to us in military capability. That would remain the case even if the cuts proposed here were adopted. For example, even with the 10 percent reduction in research and development funding proposed here, the U.S. military would spend on research and development alone almost as much as Russia spends on its entire military.

Another argument for high military spending is that U.S. military hegemony underlies global stability. Our forces and alliance commitments dampen conflict between potential rivals like China and Japan, we are told, preventing them from fighting wars that would disrupt trade and cost us more than the military spending that would have prevented war. The theoretical and empirical foundation for this claim is weak. It overestimates both the American military's contribution to international stability and the danger that instability abroad poses to Americans.

In Western Europe, U.S. forces now contribute little to peace, at best making the tiny odds of war among states there slightly more so.[7] Even in Asia, where there is more tension, the history of international relations suggests that without U.S. military deployments potential rivals, especially those separated by sea like Japan and China, will generally achieve a stable balance of power rather than fight. In other cases, as with our bases in Saudi Arabia between the Iraq wars, U.S. forces probably create more unrest

[5] Justin Logan and Christopher Preble, "Failed States and Flawed Logic: the Case against a Standing Nation-Building Office," Cato Institute Policy Analysis 560 (January 2006).
[6] Robert Pape, *Dying to Win: The Strategic Logic of Suicide Terrorism* (New York: Random House, 2005).
[7] Stephen Van Evera, "Primed for Peace: Europe After the Cold War," *International Security*, Vol.15, No. 3 (Winter 1990/91), pp. 7-57.

than they prevent. Our force deployments can also generate instability by prompting states to develop nuclear weapons.

Even when wars occur, their economic impact is likely to be limited here.[8] By linking markets, globalization provides supply alternatives for the goods we consume, including oil. If political upheaval disrupts supply in one location, suppliers elsewhere will take our orders. Prices may increase, but markets adjust. That makes American consumers less dependent on any particular supply source, undermining the claim that we need to use force to prevent unrest in supplier nations or secure trade routes.[9]

Part of the confusion about the value of hegemony comes from misunderstanding the Cold War. People tend to assume, falsely, that our activist foreign policy, with troops forward supporting allies, not only caused the Soviet Union's collapse but is obviously a good thing even without such a rival. Forgotten is the sensible notion that alliances are a necessary evil occasionally tolerated to balance a particularly threatening enemy. The main justification for creating our Cold War alliances was the fear that Communist nations could conquer or capture by insurrection the industrial centers in Western Europe and Japan and then harness enough of that wealth to threaten us—either directly or by forcing us to become a garrison state at ruinous cost. We kept troops in South Korea after 1953 for fear that the North would otherwise overrun it. But these alliances outlasted the conditions that caused them. During the Cold War, Japan, Western Europe and South Korea grew wealthy enough to defend themselves. We should let them. These alliances heighten our force requirements and threaten to drag us into wars, while providing no obvious benefit.

Another argument employed to justify our defense budget is that we must spend heavily on defense today to prepare for future rivals. But the best hedge against an uncertain future is a prosperous and innovative economy, unburdened by excessive debt and spending. Advocating substantial defense spending cuts does not require predicting that the current, historically-benign threat environment will never change.

Overview of Savings

Without an enemy like Nazi Germany or the Soviet Union—a great power rival with expansionist intent and capability—there is no justification for Cold War–level defense spending. We can save great sums and improve national security by adopting a defense budget worthy of the name. Our military superiority over all potential rivals is so substantial that even steeper spending cuts than those proposed here would not endanger it. As a rich state remote from trouble, we can take a wait-and-see approach to distant threats, letting our friends bear the cost of their defense. We should also stop confusing foreign disorder with foreign threats. We should retain the ability to participate in multilateral efforts to prevent humanitarian disasters, but we should not mistake this work for our defense.

[8] Eugene Gholz and Daryl G. Press, "The Effects of Wars on Neutral Countries: Why It Doesn't Pay to Preserve the Peace," *Security Studies*, Vol. 10, No. 4 (Summer 2001): 1-57.
[9] Sapolsky et al., "Restraining Order," pp. 88-89.

Restraint means pulling our troops from Japan, Korea, and Europe and dropping our commitment to defend those nations. It means not only removing conventional forces from Iraq and Afghanistan but swearing off massive state-building missions. By avoiding the occupation of failing states and shedding commitments to defend healthy ones, we could plan for fewer wars. By shedding missions we can cut force structure—reducing the number of U.S. military personnel and the weapons and vehicles we procure for them. By cutting force structure and bringing back forces from overseas, we can reduce operational costs. The resulting force would be more elite, less strained and far less expensive.

The following proposals reduce defense spending by more than $1.1 trillion over ten years.[10] These reductions are conservative in two ways. First, in several cases we likely erred on the side of under-counting savings. Second, a strategy of restraint could allow deeper cuts. We could likely eliminate more procurement programs, spend less on researching and developing new weapons, close more bases, build less military housing, and close the geographic combatant commands. The cuts we suggest are not meant to preclude consideration of more.

Summary (in billions)

Description	**Savings**
Nuclear arsenal (warheads)	$100
Reduce the size of the Army	$220
Reduce the size of the USMC	$67
Cut Pentagon civilian workforce	$105
Build/operate fewer CVNs	$43
Operate fewer SSBNs	$4
Build/operate fewer SSNs and SSGNs	$34
Build/operate fewer DDGs	$28
Build/operate fewer LCSs	$11
Reduce expeditionary strike groups	$9
Cancel the MPF(F)	$17
Build/operate fewer Air Force fighters	$89
Cancel EFV	$11
Terminate V-22	$15
Missile defense	$60
Military pay and health care	$115
Maintenance and supply	$13
RDT&E	$70
Command, support, and infrastructure	$100
Total	**$1,111**

[10] Justin Logan, Charles Zakaib, Jaren Kuchta, and Hans Lango of the Cato Institute provided invaluable analytical support in the development of these proposals.

We would cut the ground forces most. With few conventional enemies and a disinclination for large-scale occupations, the Marines and Army would have far less to do. The Marines are cut less than the Army because we envision a military that typically comes from the sea and stays for a short period.

We propose reducing the Navy to eight carrier battle groups and six expeditionary strike groups. We would terminate the LCS program after four vessels and buy a low-cost frigate or corvette in its place. We would eliminate the maritime prepositioning force. The Navy we would maintain is plenty given the dearth of current naval challengers and the strike power provided by modern carrier air wings. As Secretary of Defense Gates has noted, no enemy, or foreseeable combination of enemies, has the capability to challenge even the smaller Navy we propose, on the seas or under them.[11]

We would eliminate six Air Force fighter wing equivalents. There are three reasons for this cut. First, the Navy already provides considerable airpower from the sea. Second, the precision revolution has greatly increased the destructive power of each airframe. Third, the Air Force lacks enemies that challenge its air superiority. Because we want an offshore posture rather than a forward defense, we retain our current bomber and refueling tanker procurement plans. We also maintain the Air Force's spending on unmanned aerial vehicles, given their flexibility.

The nuclear arsenal has been cut considerably since the end of the Cold war with no diminution of American security. Further cuts are warranted. We propose drawing down the arsenal to as few as 500 active, deployed warheads and altering the nuclear weapons force structure and support infrastructure accordingly.[12] Four to five ballistic missile submarines (SSBNs) would suffice to deter any leader foolish enough to contemplate a strike on the United States.[13] To make doubly sure, we would retain 150 Minuteman III Intercontinental Ballistic Missicles in the continental United States. The triad should become a dyad, with bombers out of the nuclear business.[14]

We would cut research and development spending by ten percent. A smaller force requires less research and testing to support it. But because this spending helps keep our military far ahead of rivals, we cut it less, as a percentage, than spending on operational force structure.

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[11] Robert Gates, "Navy League Sea-Air-Space Exposition ," National Harbor, Maryland, May 3, 2010, http://www.defense.gov/speeches/speech.aspx?speechid=1460.

[12] A recent article published by the chief of the Air Force Strategic Plans and Policy Division and two Air Force War College professors concludes that as few as 311 nuclear warheads would constitute an effective deterrent. James Wood Forsyth Jr., Col. B. Chance Saltzman, and Gary Schaub Jr., "Remembrance of Things Past: The Enduring Value of Nuclear Weapons," *Strategic Studies Quarterly*, Vol. 4, No. 1 (Spring 2010): 74-89.

[13] As currently configured, each SSBN carries 96 thermonuclear warheads (24 missiles, each with four warheads). Current plans call for reducing the number of warheads per missile to three.

[14] This proposal finds support in a report published by the Air Force Association's Mitchell Institute for Airpower Studies. Dana J. Johnson, Christopher J. Bowie, and Robert P. Haffa, *Triad, Dyad, Monad? Shaping the US Nuclear Force for the Future, Mitchell Paper 5* (Arlington VA: Mitchell Institute Press, December 2009).

Additional savings come from making national missile defense into a research program, rather than continuing the rush to deploy it for no clear benefit, stopping production of the Littoral Combat Ship, Expeditionary Fighting Vehicle and V-22 Osprey and reforming the provision of military pay and benefits.

Reductions in personnel spending are inevitably controversial. It is important to note that we are not advocating reductions in pay but slowing pay increases. We suggest limiting health care benefits only in the sense of raising co-pays and premiums to control TRICARE's cost. Such changes are more reasonable under the restraint strategy because it would reduce the burden on service-members by relaxing the pace of deployments and keeping most troops stateside.

Spending Cuts

1. Cut the nuclear weapons arsenal to 500 deployed warheads**.**
This reduction in the nuclear weapons arsenal would save at least $100 billion from 2011-2020.[15] Savings come primarily from reductions associated with the development and maintenance of warheads, though we include reductions in the number and character of delivery vehicles, especially the elimination of the manned bomber portion of the nuclear triad.[16] Savings from reducing the number of SSBNs from the planned 14 to six are shown below.

2. Cut the active-duty Army to approximately 360,000 personnel.
A reduction in the number of active-duty Army personnel from current legislated end strength of 547,400 would save $220 billion from 2011-2020. Our estimate of these savings draws on a 2009 CBO calculation that reversing the "Grow the Army" initiative, which added 65,000 troops to the Army, would save $88.7 billion over the next ten years.[17] We assume that our savings over the same ten-year period would be at least two and a half times the CBO estimate.

[15] This is a conservative estimate that draws on a study by the Center for Strategic and Budgetary Assessments (CSBA). It is methodologically consistent with a proposal by the Sustainable Defense Task Force (SDTF). Actual savings are likely to exceed $10 billion per year. The CSBA study, which projected a nuclear arsenal of 1,050 warheads, calculates annual savings of $10.7 billion relative to the Bush administration's present and projected nuclear arsenal. Steven M. Kosiak, *Spending on US Strategic Nuclear Forces: Plans and Options for the 21st Century* (Washington DC: Center for Strategic and Budgetary Assessments, 2006). The SDTF report builds on this proposal, identifying additional savings of $650 million per year by including additional cuts in the Ohio-class submarine fleet; canceling the planned purchase of Trident II missiles and planned upgrades for nuclear cruise missiles; eliminating operations and maintenance costs for the bomber leg of the nuclear triad; and foregoing the costs to upgrade the F-35 Joint Strike Fighter to carry nuclear weapons. *Debts, Deficits, and Defense: A Way Forward*, pp. 14-15.
[16] Manned bombers, chiefly B-52s and B-2s, would be maintained for their long-range conventional strike capabilities.
[17] Congressional Budget Office, *Budget Options: Volume 2*, Pub. No. 3191, August 2009, p. 7. Our estimates of savings from Army and Marine Corps reductions are conservative. Given trends in the cost of compensation and health care, Defense Department projections of Total Obligational Authority for the Army and Marine Corps during 2011-2015 are unrealistic.

3. Cut the size of the Marine Corps to approximately 145,000.
This reduction in the size of the Marines would save $67 billion from 2011-2020. Personnel reductions would occur over a ten-year period, approximately 3.5 percent each year. We arrived at this estimate by modifying the CBO projections for the Army.

4. Reduce the number of Navy aircraft carriers to eight and reduce naval air wings to seven.
A reduction in the total number of carriers from twelve to eight would save $43 billion from 2011-2020. Current Navy plans call for 12 carriers by 2020.[18] The Navy would continue production of the new Ford Class CVN 78, which will be deployed in 2015.[19] Canceling procurement of CVN 79 and all future Ford Class CVNs would save $16 billion in planned procurement through 2020 (approximately $7 billion for CVN 79 and $9 billion for CVN 80). Decommissioning the Nimitz, Eisenhower, and Vinson (along with the Enterprise) would save at least $5 billion over 10 years in reduced operations and maintenance (O&M) costs, including associated air wings. A further $12 billion would be saved in foregone procurement of 60 F-35 Joint Strike Fighters, assuming a 50 percent replacement of F/A-18s with JSFs for each carrier eliminated. Associated reductions in personnel would save $10 billion.

5. Operate fewer ballistic missile submarines.
Continued reductions in the nuclear arsenal allow for commensurate reductions in delivery vehicles and platforms. Operating fewer ballistic missile submarines would save $4 billion from 2011-2020. The annual O&M cost for each SSBN is at least $60 million.[20] Cutting eight SSBNs would save $3 billion over ten years. The associated personnel savings would be $1 billion. The Pentagon is not planning to build new SSBNs in the next ten years. Therefore no additional savings come from procurement.

6. Build and operate fewer tactical submarines (SSNs/SSGNs).[21]
Reducing the number of tactical submarines would save $34 billion from 2011-2020. Current plans envision the number SSNs declining to 40 ships by 2028. The Navy can reach 40 in 2020 by slowing the rate of procurement from two to one ship per year. Thus, instead of spending $5.8 billion per year, we could spend $2.9 billion per year, saving $29 billion in procurement and $1.5 billion in O&M over 10 years. Eliminating the four active guided missile submarines would save a further $1.8 billion in O&M. The additional savings from reductions in personnel would be $1.5 billion.

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[18] U.S. Navy projections taken from Ronald O'Rourke, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, Congressional Research Service Report RL32665, December 22, 2009.
[19] Ronald O'Rourke, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, Congressional Research Service Report RS20643, December 22, 2009.
[20] Costs for O&M were derived from the U.S. Navy's 1996 Visibility and Management of Operating and Support Costs (VAMOSC) database, which were inflated using metrics from the National Defense Budget Estimates for FY 2011 (Green Book), published by the Department of Defense. Many thanks to Charles Knight for his work on these figures. All naval O&M figures were calculated by this method.
[21] Ronald O'Rourke, *Navy Attack Submarine Procurement: Background and Issues for Congress*, Congressional Research Service Report RL32418, December 22, 2009.

7. Build and operate fewer destroyers.[22]

We would save $28 billion from 2011-2020 by reducing the number of destroyers that the Navy builds and operates. This reduction is accomplished by maintaining the number of DDG-51s at the current level of 62 and canceling the DDG-1000 program. The Navy has proposed stopping production of the DDG-1000 at three and building 11 or 12 new DDG-51s, which cost about $1.85 billion each. The savings from avoiding production of 12 more DDG-51s are at least $22.2 billion, plus $3.3 billion in associated O&M costs, and $2.5 billion from personnel reductions.

8. Build and operate fewer Littoral Combat Ships.

The Navy should halt the Littoral Combat Ship (LCS) program and consider buying a less expensive class of frigates or corvettes. Besides the four LCSs already or almost completed, the Navy plans to build about 24 in the next 10 years, at an average cost of $550 million each. Forgoing these vessels would thus save $13.2 billion over the next 10 years, plus $3.1 billion in associated O&M costs. The Navy could instead refurbish 14 Perry class frigates by 2020, at a cost of roughly $100 million each.[23] After subtracting the costs of refurbishing and retaining the frigates and the additional personnel costs they require, net savings would be $11 billion over ten years.[24]

9. Reduce the number of Marine Corps expeditionary strike groups.

A reduction in the total number of Marine Corps expeditionary strike groups from ten to six would save $9 billion from 2011-2020. Reducing the number of strike groups to six would save $4.3 billion in O&M over ten years. These reductions are consistent with cuts to the Marine Corps end strength cited above. Associated naval personnel cuts would total $4.9 billion.

10. Cancel the Maritime Pre-positioning Force (Future).

According to the CBO, canceling the Maritime Pre-positioning Force (Future) program would save $17.3 billion over 10 years.[25] The Navy would maintain sufficient Marine supply ships overseas. If necessary it can lease ships, as it has in the past.

11. Build and operate fewer Air Force fighters.

The Air Force should eliminate six fighter air wing equivalents, saving $89 billion from 2011-2020. The drawdown would be accomplished by accelerating the retirement of aging airframes, especially F-15s and F-16s, and purchasing 301 fewer F-35s than

[22] For background on these programs, see Ronald O'Rourke, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, Congressional Research Service Report RL32109, December 23, 2009.

[23] Navy plans call for removing the 30 remaining Oliver Hazard Perry Class frigates by 2020. On the cost of refurbishment, see "News Release: Pakistan – Refurbishment of Oliver Hazard Perry Class Frigate," Defense Security Cooperation Agency, February 19, 2010, www.dsca.osd.mil/PressReleases/36-b/2010/Pakistan_09-28.pdf.

[24] The Perrys typically require 200 men. LCS is supposed to deploy with fewer than 100 sailors. Net savings from foregoing construction of the LCSs and the refurbishment of the frigates total $12.3 billion, minus $1.6 billion in additional personnel costs.

[25] *Budget Options: Volume 2*, p. 13.

currently programmed.[26] The estimated cost per new aircraft is $200 million, which translates into $60 billion in reduced procurement expenses, plus $29 billion in reduced personnel and O&M expenses.

12. Cancel the Expeditionary Fighting Vehicle.
Existing platforms, including the Assault Amphibious Vehicle 7A, are suitable in the highly unlikely event that the United States wished to deploy Marines via amphibious operations on a hostile shore. This option would save the approximately $11 billion needed to complete the program and purchase 573 units.[27]

13. Terminate the V-22 Osprey.
The Marine Corps should stop buying V-22 Ospreys, saving the $23 billion needed to finish procurement.[28] For troop and material transport, the Marines should instead rely on proven, rotary-wing aircraft with more lift, such as the MH-60 and the CH-53. Including the cost of replacement vehicles, total savings for the elimination of the V-22 Osprey program is $15 billion over the ten year period.

14. Make national missile defense a research program.
Our realignment of the missile defense program would save $60 billion from 2011-2020. The FY 2011 budget request includes $9.9 billion for missile defense. This change shifts missile defense programs away from procurement and towards research and development and cancels components with excessive cost overruns. Assuming that DoD plans to spend an average of $9 billion annually over the next ten years, reducing spending to $2 to $3 billion annually would save at least $60 billion over ten years.[29]

We support continued funding for the Patriot and Aegis missile defense systems, which are funded primarily by the Army and Navy, respectively.

15. Cut the Pentagon civilian workforce.
A smaller military requires fewer civilian support personnel. We propose reducing the Pentagon civilian workforce by nearly a third, saving $105 billion over ten years. Most of the cuts could be achieved through attrition. The Government Accountability Office estimated in 2009 that more than half of DoD's civilian workforce eligible to retire in the next few years.[30] The civilian workforce will total 789,000 in FY2011 at a cost of $77.07 billion. Reducing the civilian payroll by 30 percent over a ten-year period would save

[26] For current Air Force plans, see "2010 United States Air Force Posture Statement," Department of the Air Force, February 9, 2010, http://armed-services.senate.gov/statemnt/2010/03%20March/Donley-Schwartz%2003-04-10.pdf.
[27] Government Accountability Office, *Defense Acquisitions: Assessments of Selected Weapon Programs*, GAO-10-388SP, March 2010, p. 61.
[28] Ibid., p. 131.
[29] CBO has analyzed canceling programs including the Far-Term Sea-Based Terminal Defense, Sensor Development, Missile Defense Space Experimentation Center, and Special Programs *Budget Options, Volume 2*, p. 21. That reduction would save $11.25 billion over the next five years and $40.09 billion over the next ten.
[30] Government Accountability Office, *Human Capital: Opportunities Exist to Build on Recent Progress to Strengthen DOD's Civilian Human Capital Strategic Plan*, GAO-09-235, February 2009, p. 1.

approximately $105 billion. This estimate mirrors larger reductions in personnel made between 1991 and 2001, when civilian manpower was reduced by roughly 35 percent and civilian compensation declined by roughly 25 percent.

16. Reform the calculation of military compensation and restructure health care benefits.[31]

Elements of military compensation, including tax advantages and housing allowances, are not now included in the pay raise calculations pegged to changes in the civilian sector.[32] We propose changing this. Phasing in this change from 2011–2020 would save $55 billion.

Premiums for DoD's health care system, TRICARE, have not risen since the program's inception.[33] Lower premiums encourage many working-age military retirees to choose TRICARE instead of health coverage available through their employer. According to a June 2009 CBO report, reform of TRICARE could save more than $60 billion over the 2011–2020 period.[34]

17. Reform DoD Maintenance and Supply Systems.[35]

By reforming DoD maintenance and supply systems, the military could save $13 billion over 10 years. Reforms include consolidating DoD retailing, changing DoD's depot pricing structure for equipment repairs, and easing restrictions on depot maintenance contracting.

18. Reduce RDT&E (Research, Development, Test and Evaluation) expenditures by 10 percent.

Over the period FY 2011-2015, DoD plans to spend an average of $72.9 billion annually on RDT&E. The Pentagon should reduce total RDT&E spending by ten percent annually, generating at least $70 billion in savings over ten years. Given our weak rivals, the reduced spending levels far exceed what is required to maintain the U.S. military's qualitative superiority for the foreseeable future. Additional reductions in RDT&E are captured above in changes to, or cancellations of, specific programs.

19. Reduce expenditures on Command, Support, and Infrastructure.[36]

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[31] *Debts, Deficits, and Defense: A Way Forward*, p. 26. On other proposals for reforming military pay and benefits, see Cindy Williams, ed., *Filling the Ranks: Transforming the U.S. Military Personnel System*, (Cambridge, MA: The MIT Press, 2004).

[32] *Report of The Tenth Quadrennial Review of Military Compensation, Volumes I & II* (Washington DC: Department of Defense, Undersecretary of Defense for Personnel and Readiness, February 2008, July 2008).

[33] From 1995 to 2009, the TRICARE program saw no increases in co-pays. The Pentagon has regularly called for such increases, but Congress routinely rejects them. Tom Philpott, "Gates: Retiree TRICARE Fees Should Rise," Military.com, April 16, 2009, http://www.military.com/features/0,15240,189145,00.html.

[34] Congressional Budget Office, *The Effects of Proposals to Increase Cost Sharing in TRICARE*, Pub. No. 3201, June 2009. Note that here, some of DoD's savings are being shifted to the private sector.

[35] Taken from *Debts, Deficits, and Defense*, p. 27. See also *Budget Options, Volume 2*, pp. 28-33.

[36] Taken from *Debts, Deficits, and Defense*, p. 27.

If the cuts listed above are implemented, the portion of the DoD budget that funds headquarters, central support, infrastructure, and other defense-wide programs should also be reduced. Less force structure and personnel require less infrastructure and support. Assuming these reductions to be 2 percent of the non-war budget, approximately $10 billion per year, this would add to $100 billion in savings for the 2011–2020 period.