



Center for Strategic and Budgetary Assessments

TESTIMONY

STATEMENT BEFORE THE SENATE ARMED SERVICES COMMITTEE ON THE U.S. DEFENSE BUDGET FOR FISCAL YEAR 2018

January 24, 2017

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Chairman McCain, Ranking Member Reed, and distinguished members of the Committee, thank you for your invitation to appear before you today to discuss the defense budget for Fiscal Year 2018.

At the outset, I would like to commend you for *Restoring American Power*, which is a thoughtful and much needed contribution to the debate over defense strategy and resources. CSBA's diagnosis of the situation and recommendations accord with those detailed in the paper in many respects.

The bottom line is that the United States requires more resources for defense if we are to continue to safeguard America's national interests in an increasingly competitive environment. Specifically, in my view we need increased investment in both readiness and modernization.

I had the pleasure of serving on the staff both of the Congressionally-mandated 2010 Quadrennial Defense Review Independent Panel and the 2014 National Defense Panel. Both achieved a bipartisan consensus that the Department of Defense required additional resources. Seven years on from the first and three from the second, today's situation is even more dire.

First, additional resources are needed to restore the readiness of the U.S. armed forces. I need not detail the path that has gotten us here. Nor do I need to detail the corrosive impact that sequestration has had on the readiness of the U.S. armed forces. The members are well aware of that. It is worth emphasizing, however, that all this has gone on while the United States has been at war – in Iraq, Afghanistan, and across the world – a situation that is historically unique, to put it mildly.

Second, there is a growing need to modernize U.S. conventional and nuclear forces. Eight years ago, when I last served in the Department of Defense, as the Deputy Assistant Secretary of Defense for Policy Planning, the risk calculus was that we could afford to take additional risk in preparing for a high-intensity war in order to focus on counterinsurgency. As Secretary of Defense Gates frequently put it, we needed to focus on the wars of the present rather than the possible wars of the future.

Eight years on, I believe that the risk calculation has fundamentally changed. Whereas we have spent the last fifteen years focused on counterinsurgency, we are now in a period characterized by the reality of great-power competition and the increasing possibility of great-power conflict. We see China and Russia acting aggressively both in their own regions as well as beyond them. China is busy remaking the geography of the Western Pacific, but is also increasingly active elsewhere. Russia not only has used force against Georgia and Ukraine and threatened other neighbors, but is also waging a high intensity military campaign in Syria. Moreover, both China and Russia have been investing in military capabilities that threaten America's long-standing dominance in high-end warfare.

In other words, the "wars of the future" may no longer lie that far in the future. Moreover, they are likely to differ considerably both from the great-power wars of the past as well as the campaigns that we have been waging since the turn of the millennium.

That is not to say that battling Radical Islamism will not continue to be a priority. However, it has been the focus of US investment over the last decade and a half. By contrast, we have neglected the capabilities needed to deter and if necessary wage high-end warfare.

That includes our nuclear deterrent. Historically, when the United States has drawn down its conventional forces, as it did in the 1950s and after the Vietnam War, it came to rely increasingly upon its nuclear deterrent. In recent years, by contrast, the United States has both drawn down both its conventional and nuclear forces. Now, both require modernization.

The tasks of improving readiness and modernizing the force will require additional resources beyond those permitted by the Budget Control Act.

In closing, as we seek to rebuild American military power, we need to keep a couple of things in mind.

First, the Defense Department's capacity to absorb an infusion of resources is limited. The Pentagon is like a person who has been slowly starving for years; there are limits to how effectively it can spend an infusion of cash.

Second, that which is available is not necessarily that which is necessary. Indeed, beyond an infusion of cash, the Defense Department requires a sustained increase in resources. To take but one example, achieving the 350-ship that President Trump has pledged to deliver – or the 355-ship fleet that the Navy now says it needs – or the 348-ship fleet that CSBA believes the nation needs – cannot be accomplished in four or eight years. Our analysis, using the Navy's own models, show that it is affordable, but making it a reality will require a sustained commitment on the part of the Executive and Legislative branches.

The capabilities that the United States needs to remain dominant on the land and in the air against great-power competitors will similarly take time to field. The modernization of the U.S. nuclear deterrent will require time years to accomplish as well. Maintaining U.S. military effectiveness over the long haul will thus require more than a quick (though much needed) infusion of cash in FY18; it will require sustained support for defense investment in the years that follow.

About the Center for Strategic and Budgetary Assessments

The Center for Strategic and Budgetary Assessments (CSBA) is an independent, nonpartisan policy research institute established to promote innovative thinking and debate about national security strategy and investment options. CSBA's analysis focuses on key questions related to existing and emerging threats to U.S. national security, and its goal is to enable policymakers to make informed decisions on matters of strategy, security policy, and resource allocation.