

Testimony of Thomas M. Donnelly

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There is, when viewed from a distance, an undeniable "Chicken Little" character to statements about sequestration coming out of the defense community. Even before the 2013 cuts took effect, former Defense Secretary Leon Panetta warned of "the most serious readiness crisis" in more than a decade. Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, predicted that the effects would "incur an unacceptable risk." And now Secretary of Defense Chuck Hagel has taken his turn on the chorus, arguing that unless the Congress accedes to the administration's 2014 budget request, that the Pentagon "would be required to make major changes" in its plans.³

Secretary Hagel's July 10 letter, however, does represent a crack in the administration façade – at least compared to last year, when the Defense Department was enjoined either from specifying the effects of sequestration or in formulating contingency budget plans. And, of course, as a result, the late-in-game enactment of the 2013 cuts much multiplied the amount of pain they are causing.

But sequestration is sequestration; that is, the mechanism will be basically the same regardless of what political process produces the cuts. This also includes cuts arrived at through a "normal" congressional budget process. It may be that sequestration is a mindless way to reduce spending – and delayed sequestration the most mindless – but what matters most are the numbers. Even if managed "rationally," a further reduction of 10 percent per year for the next decade, coming on top of the cuts already made in the past, will have, in my judgment, a crippling effect on the American military, on the United States' ability to shape a peaceful, prosperous and free world, and ultimately, on our national security. Secretary Hagel's letter is a useful yardstick to measure these effects.

Hagel begins by discussing the personnel effects; quite rightly, with a very small "all-volunteer force," with less than half of one percent of Americans serving on active duty, "people issues" are and must be front and center. But, as the secretary notes, the personnel system established over the last generation was designed for the purposes of stabilizing the force. Notably, President Obama chose to exempt military personnel accounts from sequestration in 2013, predictably exercising the authority in the law. Thus, Hagel observed, in a 2014 sequestration,

[m]ilitary personnel funding cuts would be disproportionately small (probably only a few percent of total military personnel funding) because reducing the size of the military yields relatively small savings in FY 2014. Even involuntary separations of military personnel save little in the year they occur because of added costs associated with separation payments....Achieving a proportional, 10 percent cut in military personnel funding in FY 2014 would require that DoD put in place an extremely severe package of

2013, http://projects.militarytimes.com/pdfs/hagel-letter-sequestration.pdf.

2

¹Elisabeth Bumiller, "Panetta Warns of Dire Consequences to Military From Budget Cuts," *The New York Times*, February 6, 2013, http://www.nytimes.com/2013/02/07/us/politics/panetta-warns-of-dire-consequences-to-military-from-cuts.html.

² US Senate Committee on Armed Services, Hearing to Receive Testimony on the Defense Authorization Request for Fiscal Year 2013 and the Future Years Defense Program, February 14, 2012, http://www.armed-services.senate.gov/Transcripts/2012/02%20February/12-02%20-%202-14-12.pdf.

Letter to Chairman Carl Levin and Ranking Member James Inhofe from Secretary Chuck Hagel, July 10,

military personnel actions including halting all accessions, ending all permanent-changeof-station moves, stopping discretionary bonuses, and freezing all promotions.

The only way to offset these problems of inflexibility in personnel spending would be to accelerate the overall force drawdown now underway in an attempt to forestall similar sequestration headaches in the future.

The most immediate effect of sequestration would be in operations and maintenance accounts, and particularly those elements of O&M that fund unit readiness. In his letter, Secretary Hagel reiterates the need to increase readiness funding in FY 2014 to make up for the problems created in FY 2013 – not reduce it further. Moreover, these budget accounts pay for civilian personnel, facilities maintenance and many health care benefits that are governed by laws, rules and regulations that constrain budget flexibility. This, in essence, places an even greater burden on true readiness accounts. Thus Hagel predicts that, under a 2014 sequestration,

military training and readiness would remain at currently degraded levels or, in some cases, would even continue to decline....[T]wo Navy air wings might not be able to achieve full flight hours and special operations units, which are key to counter terrorism activities, would experience declining readiness. The Army...has cancelled many of the culminating training events at its combat training centers, would have difficulty avoiding similar cutbacks in FY 2014. The Air Force.... has had to stop all flying at about one third of its combat-coded active squadrons....

But the longest-term effect of sequestration would be to further erode the technological edge U.S. military forces have long enjoyed, reflected in cuts to weapons procurement and research. These accounts have been profoundly underfunded since the end of the Cold War. Almost without exception, a whole generation of systems has been canceled, produced in severely limited quantities before termination or seen stretched schedules that have resulted in years of delay and multiplied costs. The Air Force bought only 21 B-2 bombers and 187 F-22 fighters. The Navy aborted submarine and destroyer projects as well as its first attempt to produce a stealthy carrier aircraft. The Army has not bought a single major new system of any sort.

The Real-World Effect

Yet none among this flurry of figures is a direct measure of how Americans view their national security: their physical safety, their political liberty, and their economic prosperity – securing "life, liberty and the pursuit of happiness," as the Declaration of Independence reckoned the proper business of legitimate government.

The smaller, less well-trained, less well-equipped force that will be the inevitable result of past cuts – the "baseline" cuts contained in the Budget Control Act and the Act's sequestration provision – will not be able to fulfill the missions long demanded of it by the nation. The Joint Chiefs have said that if they were forced to make deeper cuts they

would have to "adjust their strategy." Such a formulation makes it sound as though American strategy were endlessly adjustable and variable, as though all one had to do was dial back the "strategic rheostat" in relation to budget and force levels, and that the machine would keep humming along.

But what it means in the real world is that the world will have to get along without what has been the reassuring presence of U.S. military forces and without the deterrent certainty that, in a crisis, the United States would be the first to respond and be capable of applying decisive military power. There are some – most notably our adversaries – who view American military presence and power as a problem. On the other hand, there is a remarkable correlation between the energetic exercise of American global military power and the absence of direct great-power conflict since 1945. The world America has made has been, to my historically-inclined mind, exceptionally peaceful. Absent that presence, the world will certainly be different, and almost certainly more violent; we see this every day across the Middle East, where the American withdrawal has been most precipitate, but we also see it in the South China Sea, a region from which the United States drew back in the late 1980s.

Nor can we imagine that the unprecedented progress of democratic forms of government will continue at the pace it has since the end of the Cold War, or that the growth of prosperity that has come from accelerated and open global trade – a system that has lifted hundreds of millions of human beings out of what was millennia of abject poverty and misery – will continue as it has either. While liberty and prosperity are themselves complex phenomenon, they are linked to – indeed dependent upon – international security.

The peaceful, free and prosperous world that America has made, and that the U.S. military has secured, is a robust and fundamentally healthy thing. It is easy to assume that it can survive sequestration or another round of budget cuts. And, of course, no one can say with certainty which straw will break the camel's back. What is certain, however, is that no amount of defense spending cuts – not even eliminating the Department of Defense entirely – would do much to remedy the federal government's fiscal woes; neither balancing the annual budget nor much affecting the national debt. When former JCS Chairman Adm. Mike Mullen worried that the debt and deficit were his top national security priorities, what he meant was that it was these fiscal woes that were threatening U.S security, not that the cost of security was bankrupting the nation.

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⁴ General Martin Dempsey, House Committee on Armed Services, Hearing on the Recent Developments in the Middle East: The Security Situation in the Syrian Arab Republic, April 19, 2012, http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg74473/html/CHRG-112hhrg74473.htm.