U.S. Military Assessment and Fiscal Year 2019 Defense Spending

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Reception

- 2015: 90,000 unique visitors to website
- 2016: 320,000 unique visitors
- 2017: 495,000 unique visitors—generating nearly 1,000,000 page views

Referenced by Congress & Presidential Candidates

- Served as basis for Trump Administration’s plan to rebuild the military

Consensus among Congressional leaders, analysts, and senior military officials that US military is:

- Too small
- Rapidly aging
- Insufficiently ready … to deal with an increasingly troubling world
Introduction

• DOD still adapting to the change in U.S. defense strategy to focus on long term strategic competition with Russia and China while deterring and countering rogue regimes and defeating terrorist threats

• Americans have a difficult time reconciling two facts:
  1. The U.S. has the strongest military in the world
  2. America’s military is neither large nor ready enough to fully protect our vital national interests today, and especially looking to the future

The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function

F. Scott Fitzgerald
Balance of Forces

**US**
- Troops: 1.3 M (2.1)
- Tanks: 2300 (16 K)
- Ships: 171 (362)
- Fighters: 1290 (3 K)

**Russia**
- Troops: 176 K (500)
- Tanks: 300 (5 K)
- Ships: 21 (58)
- Fighters: 190 (450)

**China**
- Troops: 523 K
- Tanks: 1,500
- Ships: 136
- Fighters: 1590

**Iran**
- Troops: 2.2 M
- Tanks: 6,740
- Ships: 136
- Fighters: 1590

**Japan**
- Troops: 247 K
- Tanks: 690
- Ships: 66
- Fighters: 350

**North Korea**
- Troops: 1.2 M
- Tanks: 3,500
- Ships: 75
- Fighters: 460

**UK**
- Troops: 1.3 M
- Tanks: 2300
- Ships: 171
- Fighters: 1290

**France**
- Troops: 200 K
- Tanks: 200
- Ships: 34
- Fighters: 230

**Germany**
- Troops: 300 K
- Tanks: 300
- Ships: 300
- Fighters: 300

**Terror Groups**

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**Numbers**
- Troops: 2.1 M
- Tanks: 3,717
- Ships: 322
- Fighters: 2,260

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**Total**
- Troops: 5.2 M
- Tanks: 14,040
- Ships: 484
- Fighters: 3,640
North Korea Extends Maximum Missile Range

2014: 10,000 km
2017: 13,000 km

SOURCE: Media reports.
China Is Fastest-Growing Military Power

PERCENTAGE CHANGE IN DEFENSE SPENDING SINCE 1992

- China: +653%
- Rest of World: +125%
- Russia: +58%
- United States: +16%
- Rest of NATO: -6%
NATO Defense Spending

**Defense Spending as a Share of GDP, 2017**

- U.S.: 3.58%
- Greece: 2.32%
- Estonia: 2.14%
- U.K.: 2.14%
- Romania: 2.02%
- Poland: 2.01%
- France: 1.79%
- Lithuania: 1.77%
- Latvia: 1.70%
- Montenegro: 1.66%
- Norway: 1.59%
- Bulgaria: 1.57%
- Turkey: 1.52%
- Portugal: 1.32%
- Canada: 1.31%
- Croatia: 1.27%
- Germany: 1.22%
- Albania: 1.22%
- Slovak Rep.: 1.19%
- Denmark: 1.17%
- Netherlands: 1.17%
- Italy: 1.13%
- Czech Rep.: 1.07%
- Hungary: 1.05%
- Slovenia: 1.02%
- Spain: 0.92%
- Belgium: 0.91%
- Luxembourg: 0.44%

**Equipment as a Share of Defense Expenditures, 2017**

- Romania: 46.49%
- Luxembourg: 32.99%
- Lithuania: 31.09%
- Turkey: 30.40%
- Bulgaria: 29.54%
- U.S.: 28.55%
- Norway: 25.65%
- France: 24.17%
- Poland: 22.50%
- U.K.: 22.03%
- Italy: 20.94%
- Latvia: 20.29%
- Slovak Rep.: 20.16%
- Canada: 19.42%
- Spain: 19.31%
- Estonia: 19.27%
- Denmark: 19.25%
- Albania: 17.33%
- Netherlands: 16.80%
- Greece: 15.44%
- Germany: 14.08%
- Hungary: 13.29%
- Czech Rep.: 12.90%
- Portugal: 10.31%
- Croatia: 9.07%
- Montenegro: 8.20%
- Slovenia: 6.09%
- Belgium: 5.30%
Disparity Among NATO Allies

MAP 1
Threat Proximity Largely Dictates Military Spending

In Europe, NATO members closer to Russia and the Middle East spend, in general, more on defense than those further away.

NOTES: Figures are estimates for 2017. Iceland is not listed because it has no military. While Greece does spend 2 percent of GDP on defense, it is well below the 20 percent required by NATO for equipment as a share of defense expenditures.


heritage.org
Our Benchmark

2-War Capable Force

Army: 50 BCTs
Navy: 346 ships
624 strike aircraft
Air Force: 1200 fighter/attack aircraft
Marines: 36 battalions
Army Readiness: Brigade Combat Teams

In 2012, the Army fielded 45 active component Brigade Combat Teams (BCTs). Due to budget cuts, that number has been reduced to 31.

The U.S. Army currently can field a force of 31 BCTs.

Three BCTs can “FIGHT TONIGHT,” meaning they can deploy immediately to a conflict.

10 BCTs are considered “READY,” meaning they can fulfill most of their wartime missions.

The Heritage Foundation assesses the Army needs an additional 19 BCTs, for a total of 50, based on historical force requirements.
Air Force: Only Four of 32 Combat-Coded Fighter Squadrons Fully Mission Capable

<table>
<thead>
<tr>
<th>SORTS Score</th>
<th>Resource/Training Level</th>
<th>Mission Capability</th>
<th>Active Duty Units Meeting Capability Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>90%-100%</td>
<td>Can execute <strong>all</strong> wartime missions</td>
<td>4 of 32</td>
</tr>
<tr>
<td>C2</td>
<td>70%-89%</td>
<td>Can execute <strong>most</strong> wartime missions</td>
<td>Less than 18 of 32</td>
</tr>
<tr>
<td>C3</td>
<td>55%-69%</td>
<td>Can execute <strong>portions</strong> of wartime missions</td>
<td>Up to 32 of 32</td>
</tr>
<tr>
<td>C4</td>
<td>0%-54%</td>
<td><strong>Needs more resources</strong> before it can execute its mission</td>
<td>Up to 32 of 32</td>
</tr>
</tbody>
</table>

Military Operating Well Below Recommended Readiness Levels

**ARMY**
- BCTs
  - Current levels: 31
  - Ready to fight: 10
  - Can fight tonight: 3
  - Total: 50

**NAVY**
- Ships
  - Current levels: 276
  - Ready to fight: 89
  - Can fight tonight: 3
  - Total: 346

**AIR FORCE**
- Fighters
  - Current levels: 463
  - Ready to fight: 116
  - Can fight tonight: 7
  - Total: 1,200

**MARINES**
- Battalions
  - Current levels: 23
  - Ready to fight: 7
  - Can fight tonight: 3
  - Total: 36

**SOURCE:** Index of U.S. Military Strength.
Lack of Procurement Has Led to Aging Aircraft Fleets

The U.S. military currently maintains several fighter aircraft fleets that were last purchased decades ago. In 1990, the average age of a fighter aircraft was 11 years. Today, it is 24 years.
American Tank Loses Traction in Modernization

When it was first introduced in 1980, the M1A1 Abrams arguably became the world’s most formidable battle tank. However, since then several nations have introduced new or upgraded tanks, including Russia and China.

<table>
<thead>
<tr>
<th>Country</th>
<th>Tank</th>
<th>Year (Introduction)</th>
</tr>
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<tbody>
<tr>
<td>Russia</td>
<td>Armata T-14</td>
<td>2015</td>
</tr>
<tr>
<td>Israel</td>
<td>Merkava</td>
<td>1975</td>
</tr>
<tr>
<td>China</td>
<td>Type 99</td>
<td>1980</td>
</tr>
<tr>
<td></td>
<td>Type 99A</td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>Challenger II</td>
<td>1983</td>
</tr>
<tr>
<td>Russia</td>
<td>T-90</td>
<td>1980</td>
</tr>
<tr>
<td>France</td>
<td>Leclerc</td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>M1A1</td>
<td>1970</td>
</tr>
<tr>
<td></td>
<td>M1A2</td>
<td>1980</td>
</tr>
<tr>
<td>Germany</td>
<td>Leopard II</td>
<td>1975</td>
</tr>
<tr>
<td></td>
<td>Leopard II A7</td>
<td>2015</td>
</tr>
</tbody>
</table>

**Source:** Heritage Foundation research based on data from army-technology.com and nationalinterest.org.
Funding restrictions and high use of forces continued to stress all services

Army assessed as Weak
- Continued to trade modernization for current readiness – yet only 10 of 31 BCTs “ready,” only 3 BCTs able to deploy on short notice

Navy remained Marginal
- Readiness declined from “strong” to “marginal”
- Just able to meet current demands; little ability to surge for wartime demands
- Significant budget shortfalls in shipbuilding and shipyard maintenance make remedy unlikely anytime soon (projected into 2030s)
Air Force *Marginal*
- Short nearly 250 fighters, approximately 1000 pilots, and over 3000 maintainers
- Numbers eventually impact readiness

**Marine Corps** hampered by readiness
- Dramatic shortages in usable aircraft and trained pilots
- Roughly half of units with degraded readiness
- Under-strength relative to taskings

**Nuclear suite continues to struggle**
- Deficiencies in modernization, testing, talent pool, and physical infrastructure continue to be chief problems
- Competitors all actively modernizing their capabilities
National Defense as % of GDP

A steady decline since 1954

3.1%
FY2018 & 2019 Defense Budgets

• As a result of the Bipartisan Budget Act, the 2018 defense budget was higher than anyone predicted. 2019 levels, higher still

• Some impacts already being felt; particularly in Operations and Maintenance Accounts
  • Army Chief of Staff reports that around 50% of Active Army BCTs are considered ready, compared to 33% a year ago
  • Will take at least a year for the increases in procurement and RDTE accounts to become apparent

• March 23, 2018: President Trump after signing the 2018 omnibus spending bill “There are some things we should have in the bill. But I say to Congress, I will never sign another bill like this again.”

• Sets up likely fight on 2019 appropriations bill
FY2018 & 2019 Defense Budgets

FY 2011 Enacted with Inflation

FY 2018 Request
FY 2018 BBA
FY 2018 CR*

Original BCA Caps
Prior BCA Caps

FY 10-11-12 Actuals
Original BCA Caps
Prior BCA Caps

*FY 2018 CR ($529B) + $15B of OCO-for-base requirements
BCA = Budget Control Act
## DoD Discretionary Spending
### 2010-2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Budget</th>
<th>OCO/Other Budget</th>
<th>Missile Defense*</th>
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<tbody>
<tr>
<td>FY10</td>
<td>691</td>
<td>163</td>
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<tr>
<td>FY11</td>
<td>687</td>
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<tr>
<td>FY23</td>
<td>742</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

(Then Year Dollars in Billions)

*Numbers may not add due to rounding

**Base Budget**, **OCO/Other Budget**, **Missile Defense*
FY2020 Defense Budget Prognostication

- Starting in September some Washington DC conversations will shift to the 2020 budget outlook
- DOD only projecting inflationary increase from 2019 to 2020, $686B to $701B, ~2%
- Bipartisan Budget Act of 2018 only covers 2018-2019
- Budget Control Act returns for 2020 and 2021
- New Congress sworn-in January 2019; unlikely Congress will have already put a solution in place for 2020. Control of House and Senate will loom large
- A 2020 solution will probably be late, ugly and contentious
Success not preordained

Significant challenges to U.S. national security exist, projected to worsen

Structural U.S. budget challenges cry out for a comprehensive solution; unlikely in this era of polarizing politics

Congress lurches from one band-aid fix to the next

In the face of competing interests, it is important that focus must be maintained on the federal government’s primary responsibility: provide for the “common defense”