



KEY
NATIONAL SECURITY ISSUES
FOR CONGRESS

What Congress Should do with the 2020 Defense Budget

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KEY ISSUES

There is currently bipartisan agreement on the prioritization of strategic competition with China and Russia.

These priorities should drive a shift in resource allocation away from force size and toward investment in sustaining the U.S. military's technological advantage.

However, the 2020 defense budget request remains too focused on reducing risk in the near term at the expense of investment in the future.

SUMMARY

There are many things that the administration's 2020 defense budget request gets right. However, the proposal remains too focused on both the size of the joint force as opposed to its overall capability, and on reducing risk in the near term at the expense of investment in the future. Fortunately, Congress has the opportunity to rectify these shortcomings in its upcoming defense authorization and appropriations bills.

LINKING STRATEGY TO RESOURCES

The defense establishment is presently enjoying a moment of bipartisan agreement about the Department of Defense's strategic priorities, namely competition with China and Russia.¹ The Trump administration's 2018 *National Defense Strategy* (NDS) clearly articulated these priorities, continuing down the path set by the Obama administration in the Third Offset.²

In response to the direction set by the NDS, one would expect to see some critical shifts in how the department allocates its resources. Broadly, one would expect to see a shift away from investment in force size, or capacity, and toward the advanced capabilities required to sustain the U.S. military's technological advantage.³ In essence, this shift would reflect acceptance of more risk in the present in order to make the investments required to reduce greater risk in the future.

WHAT'S GOOD IN THE 2020 PRESIDENT'S DEFENSE BUDGET REQUEST?

The administration's 2020 defense budget request does make some progress in this direction. For example, the Army has chosen to slow its rate of growth in the number of soldiers, while increasing investment in next generation systems, setting a goal of achieving 50-50 split between investment in legacy and next generation systems by 2024, compared to a ratio 80-20 today.⁴ The Navy is shifting substantial resources into unmanned systems, accelerating development of both large unmanned surface vessels (USV) and extra-large unmanned undersea vessels (UUVs).⁵ The administration has finally settled on a reasonable way to organize for future wars that will extend into outer space, creating a new service (Space Force) within the Department of the Air Force.⁶

1. U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America: Sharpening the American Military's Competitive Edge*, (2018), 4 <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

2. U.S. Department of Defense, "Reagan Defense Forum: The Third Offset Strategy As Delivered by Deputy Secretary of Defense Bob Work," interview by Tom Shanker, (Reagan Presidential Library, Simi Valley, CA, November 7, 2015), <https://dod.defense.gov/News/Speeches/Speech-View/Article/628246/reagan-defense-forum-the-third-offset-strategy/>.

3. U.S. Secretary of Defense James N. Mattis, "Remarks by Secretary Mattis on National Defense Strategy," (Ronald Reagan Defense Forum, Simi Valley, CA, December 1, 2018), <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1702965/remarks-by-secretary-mattis-on-national-defense-strategy/>.

4. Army Undersecretary Ryan McCarthy and Army Lt. Gen Thomas Horlander, "Department of Defense Press Briefing on the President's Fiscal Year 2020 Defense Budget for the Army," (Washington, March 12, 2019), <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1784223/department-of-defense-press-briefing-on-the-presidents-fiscal-year-2020-defense/>.

5. Department of Navy, Office of Budget, *Highlights of the Department of the Navy FY 2020 Budget*, (March 12, 2019), 5-3, <https://www.secnv.navy.mil/fmc/fmb/Documents/20pres/Budget%20Highlights%20Book.pdf>.

6. White House, *Text of Space Policy Directive-4: Establishment of the United States Space Force*, (February 19, 2019), <https://www.whitehouse.gov/presidential-actions/text-space-policy-directive-4-establishment-united-states-space-force/>.



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WHAT COULD BE BETTER?

However, on the whole, the administration's defense budget request still falls short of the "masterpiece" Deputy Secretary of Defense Patrick Shanahan promised last year.⁷

For example, the department's total 2020 request for artificial intelligence (AI) is less than \$1 billion.⁸ This sum seems insufficient when considering that AI has more potential to change the way we fight wars than any other emerging technology. While it is true that the private sector is investing heavily in development of these technologies, the reluctance of some of these companies to work with the Department of Defense limits the military's access to them. No doubt, Chairman of the Joint Chiefs of Staff General Joe Dunford's remarks before the Senate Armed Services Committee condemning Google for declining to work with the U.S. Department of Defense, while at the same time working on projects that directly and indirectly benefit the Chinese military, were satisfying to those of us similarly frustrated with this state of affairs.⁹ However, they were not constructive in terms of developing and deepening the relationship between the Pentagon and America's premiere technology companies. A healthy and productive relationship will be essential to maintaining the U.S. military's technological advantage over China.

The budget request funds procurement of critical munitions, such as the joint direct attack munition (JDAM) and the long-range anti-ship missile (LRASM), at maximum production rates. This decision is a good one, however the fact that the department is procuring these munitions at maximum rates during peacetime is a red flag that industrial base capacity in this sector may not be sufficient should the United States find itself in a shooting war with a similarly armed adversary. Further, lack of funding for development of new advanced munitions is concerning. Specifically, Navy research, development, test, and evaluation (RDT&E) funding for munitions development decreases by about half between 2020 and 2024.¹⁰

The department's continued focus on numbers of platforms—355 ships in the Navy, 386 squadrons in the Air Force—is misguided. These numeric targets, arguably unachievable even with sustained topline in the neighborhood of \$750 billion, bias program decisions in favor of numbers of platforms at the expense of the kinds of things that make those platforms lethal—advanced munitions, electronic warfare capability, and training for the sailors and airmen that man them. The result can be a military that has more force structure than it can afford to keep modernized and ready, in other words, a hollow force. In order to engage in a meaningful discussion about force planning, both the department and Congress must forsake these easy quantitative metrics in favor of a deeper qualitative conversation about U.S. military advantages over key competitors.

7. U.S. Department of Defense, "Off-Camera, On-The-Record Media Availability with Deputy Secretary Shanahan," interview with Deputy Secretary of Defense Patrick M. Shanahan, U.S. Department of Defense, December 21, 2017, <https://dod.defense.gov/News/Transcripts/Transcript-View/Article/1402941/off-camera-on-the-record-media-availability-with-deputy-secretary-shanahan>.

8. Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, (March 2019), 1-9, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf.

9. General Joseph F. Dunford, Jr., USMC, Chairman of the Joint Chiefs of Staff, testimony to the Committee on Armed Services, U.S. Senate, March 14, 2019, 82, <https://www.armed-services.senate.gov/imo/media/doc/19-25-03-14-19.pdf>.

10. Govini, "FY20 President's Budget Analytic Review: Fighter Aircraft and Munitions Investment," (PowerPoint presentation, Washington, D.C., March 19, 2019), 2.

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A final, but major, shortcoming of this budget request is its structure. In an attempt to avoid negotiating with Congress about non-defense discretionary spending levels, the Trump administration has submitted a request that technically complies with existing budget caps, but that increases defense spending considerably by more than tripling overseas contingency operations (OCO) accounts, which are not subject to the caps.¹¹ This unrealistic opening gambit has wasted precious time needed to arrive at a new budget deal prior to the end of the fiscal year on September 30, or failing that, before sequestration takes effect in January 2020.

RECOMMENDATIONS

In considering the president's defense budget request and writing the defense authorization and appropriations bills, Congress should:

- » Reject the administration's abuse of OCO funding and instead pass a bipartisan deal to raise both defense and non-defense discretionary spending caps for fiscal years 2020 and 2021.
- » End focus on numbers of ships, aircraft, or soldiers as a means of measuring military capability or force sufficiency.
- » Support the administration's plan to establish a Space Force, settling the question of how to organize the department's space warfighting.
- » Increase investment in critical advanced technologies, such as artificial intelligence and uninhabited systems.

“A final, but major, shortcoming of this budget request is its structure.”

11. Office of the Under Secretary of Defense (Comptroller)/CFO, *Fiscal Year 2020 Budget Request Brief*, (March 2019), 16, https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request.pdf.