

# Policy Analysis

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## ***Empty Promises Why the Bush Administration's Half-Hearted Attempts at Defense Reform Have Failed***

**by David Isenberg and Ivan Eland**

### **Executive Summary**

The events of September 11 should have been a wake-up call for transforming U.S. defense planning. Unfortunately and paradoxically, despite the Bush administration's continuation of rhetoric about defense "transformation," those events likely drove the last nail into the coffin of reform.

During his campaign and early in his administration, President Bush pledged to create a transformed military, based less on size and more on swiftness, agility, and ease of deployment. To do that, he talked about modernizing existing weapons selectively, skipping a generation of technology, and investing the savings in cutting-edge technologies that would provide a quantum leap in future military capabilities. Such transformation implied cutting force structure, terminating some weapons currently in development, and investing the savings in technologies for the future.

Even before September 11, however, defense reform died at the hand of vested interests in the military bureaucracy and defense industry and their supporters in Congress. After September 11 and the war in Afghanistan, President Bush had the opportunity to use his prestige and high

public approval ratings, as well as renewed public interest in national security issues, to resuscitate his defense reform agenda. Instead, the president took the easy way out, asking for the largest increase in defense spending since the military buildup during the Reagan administration. Until recently, all talk of terminating unneeded or Cold War-era weapons or cutting or reforming force structure had ceased.

Merely throwing money at a bureaucracy whose efficiency even Secretary Rumsfeld compares to Soviet central planning effectively kills any chance of transforming the way the Pentagon will fight future wars. Many troublesome, unneeded, and Cold War-era weapons must be terminated; the balance of funding given to each of the military services must be altered; the forces of each service must be trimmed and restructured; and savings from such reforms must be reallocated to fund neglected areas and futuristic technologies. Those promises were included in Bush's agenda for defense transformation and became even more vital after September 11, but they will probably be left unfulfilled.

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**Between his inauguration in January 2001 and the September 11 attacks, Bush's defense transformation died a quiet death.**

## **Introduction**

Usually only a crisis can jar Washington—a city normally strangled by interests vested in the status quo—into efforts at reform. Even then, reforms may be snuffed out if the vested interests can turn the crisis to their advantage. That appears to be what happened with defense reform after September 11.

The terrorist attacks of September 11 were a cataclysmic wake-up call to implement the reforms of the American military that President Bush had promised during his campaign and early in his presidency. Even before September 11, candidate and then president Bush realized that the Cold War-oriented U.S. military had to be transformed to meet new threats. Those threats were then somewhat murky. In the wake of September 11, they are no longer so hazy. Between his inauguration in January 2001 and the September 11 attacks, Bush's defense transformation died a quiet death. The "iron triangle" of Congress, the defense industry, and the Pentagon bureaucracy effectively killed the initiative. And the prospects for transformation are no better after September 11. The Quadrennial Defense Review and the 2003 defense budget—both issued after the attacks—were decidedly "non-transformational."

President Bush, with immense prestige and popularity in the wake of the attacks and the subsequent war in Afghanistan, could have channeled renewed public interest in national security to revive transformation and attempt to enact it over the objections of the vested interests. Instead, the Bush administration chose to ask for the largest hike in the defense budget since the Reagan buildup during the Cold War—a whopping \$48 billion increase. And in the wake of the terrorist attacks and the current war on terrorism, the overwhelming sentiment in Washington is to give the administration whatever it wants. The administration's reflexive increase in the defense budget made the vested interests happy, but it will not enhance U.S. security. Indeed, it will do quite the opposite. Pouring money into the

Pentagon will bury any incentives for a slothful bureaucracy to transform the U.S. military to fight the potent enemy at the gates—catastrophic terrorism.

Recently, Secretary of Defense Donald Rumsfeld has again floated the idea that existing weapons programs—for example, the Crusader mobile artillery piece—could be cut to finance new "transformational technologies." The key test of Rumsfeld's true intentions will be whether another hefty funding hike is included in the administration's 2004 defense budget request or whether the administration begins altering its funding priorities. But if recent history is any guide, even a sincere plan by the administration for defense reform may be beaten back by vested interests.

## **Why the U.S. Military Needs Transformation**

After the Cold War the U.S. military was merely shrunk into a "Cold War Lite" force. A long-standing gentlemen's agreement among the armed services—designed to reduce inter-service competition for funds within the Department of Defense (DoD) and thus preserve each service's budget—led to relatively equal reductions of the three main branches. The Army was reduced by 44 percent (from 18 active divisions to 10), the Navy by 44 percent (from 566 battle force ships to 317), and the Air Force by 50 percent (from 25 active fighter wings to 12.5).<sup>1</sup> Even the "Cold War Lite" force was excessive and maladapted for the much lower and different threat environment in the wake of the collapse of the Soviet Union, a rival superpower with a goal of world domination. Yet after the demise of the Eastern Bloc, specific future threats were unclear.

According to a Congressional Budget Office report in 2000:

The U.S. military today has no peer. In number, certain Russian and Chinese conventional (mostly non-nuclear) weapons and forces may equal and, in and in a few cases,

exceed those of the United States. But the capabilities of the U.S. military far surpass those of other nations once such factors as training, readiness for combat, sophistication of weapons, and availability of linked communications and intelligence networks are taken into account.<sup>2</sup>

### **The Threat from “Rogue” States**

The threat from the small, poor “rogue” states (especially Iran, Iraq, and North Korea), which the military establishment during the Clinton and second Bush administrations embraced to slow and eventually reverse declines in military spending, seemed to be declining rather than increasing during that period. The U.S. national security community planned to fight two medium-sized wars during overlapping time periods—the most likely scenarios were thought to be in Korea and the Persian Gulf. But, according to a 1997 DoD report, “the prospect[s] of near-simultaneous conflicts in both theater[s] are declining.” The assessment also concluded that “in both cases, the threat is diminishing. It is even possible that the Korean threat will collapse.”<sup>3</sup>

As for the threat to the Persian Gulf, Anthony Cordesman, a noted authority on militaries in the Middle East, wrote, “Iran cannot win a naval-air battle against U.S. forces in the Gulf, and it has no prospect of doing so in the foreseeable future. It would have to rebuild and modernize both its regular navy and air force at levels of strength and capability it simply cannot hope to achieve in the next decade.”<sup>4</sup> He continued, “Iran has major near-term vulnerabilities in all scenarios, and Iran’s leaders seem to recognize this. It should be possible to use the limits of Iranian military capabilities to ride out the present hostility of Iran’s leaders and reach a stable *modus vivendi* without a major regional war.”<sup>5</sup>

In another book on Iraq’s military capabilities, Cordesman wrote, “Iraq has almost none of the assets necessary to win a naval-air battle against US forces in the Gulf, and it has no prospect of acquiring these assets in the fore-

seeable future. It would have to rebuild, modernize, and massively expand both its regular navy and air force at levels of strength and capability it simply cannot hope to achieve for the next half decade.”<sup>6</sup> Weakened financially by more than a decade of international economic sanctions, Iraq would be unlikely to obtain the capabilities to challenge the bone-crushing dominance of the U.S. military in the Persian Gulf—especially when the U.S. defense budget increases dwarf the entire defense budget of Iraq.

### **The Threat of Catastrophic Terrorism**

Even before the September 11 attacks, some analysts were warning of the increased threat of catastrophic terrorism. The Commission on National Security/21st Century (better known as the Hart-Rudmann Commission after its chairmen, former senators Gary Hart and Warren Rudmann) was tasked by Congress to undertake a sweeping review of national security strategy. Its first report, released in September 1999, sought to describe the world emerging in the first quarter of the 21st century. Prophetically, the commission predicted:

There will also be a greater probability of a far more insidious kind of violence in the next millennium; catastrophic terrorism . . . .

Future terrorists will probably be even less hierarchically organized and yet better networked, than they are today. Their diffuse nature will make them more anonymous, yet their ability to coordinate mass effects on a global basis will increase. Teamed with states in a regional contingency, they could become the “ultimate fifth column.” Terrorism will appeal to many weak states as an attractive asymmetric option to blunt the influence of major powers. Hence, state-sponsored terrorist attacks are at least as likely, if not more so, than attacks by independent, unaffiliated terrorist groups.

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Still there will be a greater incidence of ad hoc cells and individuals, often moved by religious zeal, seemingly irrational cultish beliefs, or seething resentment. Terrorists can now exploit technologies that were once the sole preserve of major states and pose attacks against large domestic population centers.

The growing resentment against Western culture and values in some parts of the world—as well as the fact that others often perceive the United States as exercising its power with arrogance and self-absorption—is breeding a backlash that can take many forms. Terrorism, however, appears to be the most potentially lethal of such forms. Therefore, the United States should assume that it will be a target of terrorist attacks against its homeland using weapons of mass destruction.<sup>7</sup>

Although the report probably overemphasizes the hatred of Western culture and values as a cause of terrorism directed against the United States and underemphasizes the exercise of U.S. power abroad (a recent Zogby poll of primarily Islamic nations found that people in those countries liked U.S. culture—including movies, television, and products—but not U.S. foreign policy in the Middle East),<sup>8</sup> its prediction of an increase in acts of mass terror seems prescient.

Even before the Hart-Rudmann report was issued, one author of this paper warned in 1998 of the threat of catastrophic terrorism, noting that “attacks by terrorist groups could now be catastrophic for the American homeland” and that “even the weakest terrorist group can cause massive destruction in the homeland of a superpower.”<sup>9</sup> In a ranking of threats to U.S. security in a paper written on February 8, 1999, he went even further, minimizing other threats facing the United States and its interests and labeling catastrophic terrorism as the most severe threat facing the country:

Since the first responsibility of any government is to protect its territory, citizens, and way of life, threats to the homeland need to be ranked at the top. With weak and friendly neighbors on its northern and southern borders and vast oceans on the east and west, the United States faces only a negligible threat from a conventional attack. Further, when the Cold War ended, the threat from a Russian nuclear strike declined dramatically. Thus, the threat of a terrorist attacking the U.S. homeland with a weapon of mass destruction is now the greatest single threat to U.S. security.<sup>10</sup>

After September 11, the murky threat facing the United States became a lot clearer to the American military, policymakers, and public. Although the U.S. military vastly outspends that of any other nation on earth (more details are provided later in this paper) and would likely crush any existing opponent’s conventional forces in battle (for example, the victories in Kosovo and Afghanistan), transformation would make the U.S. armed forces more efficient, agile, and better configured to fight future wars against small- and medium-sized nations—especially those that harbor or support terrorists. But Andy Marshall, head of the Pentagon’s internal think tank (the Office of Net Assessment), has argued that none of the military services is moving with sufficient speed to transform itself for the types of missions and threats expected in the future.<sup>11</sup>

## **Defense Transformation Died a Quiet Death Even Before September 11**

In his campaign, George W. Bush promised to “skip a generation” of weapons technology and reserve more money for research, development, and procurement that would “propel America generations ahead in military technology.”<sup>12</sup> That promise was the essence of his

goal to transform the way the U.S. military fights wars.

### **President Bush's Promises**

In a speech at The Citadel on September 23, 1999, candidate Bush laid out in detail his vision for military transformation:

As president, I will begin an immediate, comprehensive review of our military . . . I will give the Secretary a broad mandate—to challenge the status quo and envision a new architecture of American defense for decades to come. We will modernize some existing weapons and equipment, necessary for current tasks. But our relative peace allows us to do this selectively. The real goal is to move beyond marginal improvements—to replace existing programs with new technologies and strategies. To use this window of opportunity to skip a generation of technology.

Bush also noted:

We may not have months to transport massive divisions to waiting bases, or to build new infrastructure on site.

Our forces in the next century must be agile, lethal, readily deployable, and require a minimum of logistical support. We must be able to project our power over long distances, in days or weeks rather than months.

On land, our heavy forces must be lighter. Our light forces must be more lethal. All must be easier to deploy. And these forces must be organized in smaller, more agile formations, rather than cumbersome divisions.

On the seas, we need to pursue promising ideas like the arsenal ship—a stealthy ship packed with long-range missiles to destroy targets from great distances.

In the air, we must be able to strike from across the world with pinpoint accuracy—with long-range aircraft and perhaps with unmanned systems. In space, we must be able to protect our network of satellites, essential to the flow of our commerce and the defense of our country.<sup>13</sup>

Early in his presidency, on February 13, 2001, President Bush, in a similar speech at Norfolk Naval Air Station, kept expectations high for sweeping changes in the defense establishment. He reiterated the need to modernize weapons selectively and move beyond marginal improvements to radically new technologies and repeated his desire to make the military lighter, more deployable, and more capable of power projection.<sup>14</sup>

In a speech at the commencement of the U.S. Naval Academy in May 2001, Bush seemed to indicate a willingness to reduce the size of the military (that is, shrink force structure) and cut heavy weapons in order to develop technologies that would make a future force smaller, lighter, and more agile:

We must build forces that draw upon revolutionary advances in the technology of war that will allow us to keep the peace by redefining war on our terms. I'm committed to building a future force that is defined less by size and more by mobility and swiftness, one that is easier to deploy and sustain, one that relies more heavily on stealth, precision weaponry and information technologies.<sup>15</sup>

In sum, both before and after his election, Bush talked of selectively modernizing equipment and giving up marginal improvements in weapons to redirect resources to make major breakthroughs in futuristic weapons technology. He also spoke of making U.S. forces more agile and more capable of long-range power projection. This is the essence of the defense transformation that Bush promised.

**The words and actions of Donald Rumsfeld after he became secretary of defense seemed to indicate that he was much less enthusiastic about defense transformation.**

**DoD believes that its mission lies overseas, defending other countries.**

### **The Rest of Washington Was Not Interested in Transformation**

Unfortunately, there never seemed to be much interest on the part of the “iron triangle”—Congress; the defense industry; and the defense bureaucracy, including perhaps Secretary of Defense Donald Rumsfeld—in transforming the U.S. military. During the presidential campaign, the biggest advocate of defense transformation in the Bush camp seemed to be Richard Armitage. He became deputy secretary of state in the new administration, however, and thus has little influence on defense policy. The words and actions of Donald Rumsfeld—not a campaign adviser—after he became secretary of defense seemed to indicate that he was much less enthusiastic about defense transformation. He discouraged expectations of sweeping changes, saying that efforts to transform the military for 21st-century threats would be “annual and incremental” and would affect a “relatively modest fraction of the total force.”<sup>16</sup>

Rumsfeld’s behavior also leads to questions about his commitment to transformation. In the nation’s capital, historically, the most dramatic changes occur in the first year of any administration. Expert Washington players—and Rumsfeld was reputed to be one of the best during his tenure as Secretary of Defense during the Ford administration—realize that studying any initiative at length will effectively kill it. The White House allowed Rumsfeld to study defense transformation so long that vested interests defeated it before it was even formally proposed. Rumsfeld established more than 10 study groups to recommend how to reform the military for the 21st century.<sup>17</sup>

As a result of all the activity, there were numerous leaks to the media about what the various panels were thinking and recommending. In some cases, the panels appeared to offer Rumsfeld conflicting advice. And there was no apparent overall coordination of their advisory work.<sup>18</sup>

During the reviews, there were many leaks in the press about weapons systems likely to be cut, such as the F-22,<sup>19</sup> the Joint Strike

Fighter,<sup>20</sup> and the Crusader artillery system.<sup>21</sup> Even cutting back building large-deck aircraft carriers, normally the most sacred of the Pentagon’s sacred cows, was reported as a possibility.<sup>22</sup> But Congress, along with the military and its contractors, beat back most of those efforts to cut back unneeded weapons to free up resources to meet future needs. None of those groups has any natural incentive to support defense transformation.

Defense contractors make most of their profits at the production stage, especially by building more units of existing weapon systems on mature production lines. As more and more units are produced, production costs decline—thereby increasing profits. In contrast, research and development is risky and has lower profit margins than production. So Bush’s plan to selectively modernize weapons—with its implication that some existing weapons in the pipeline would be killed—and transfer money to research and develop cutting-edge technologies was not favored by contractors. Congress, which represents defense contractors residing in states and congressional districts, was not a natural constituency for reform either. Because fewer forces buy fewer weapons, Congress was also uninterested in cutting military force structure to free up money for R & D on futuristic weapons. After a trial balloon leaked from DoD about a proposal to cut two divisions from the Army’s force structure, many members of Congress signed a letter advising the Pentagon not to formally propose such a reduction.

Finally, the military services calculated that “a bird in the hand is worth two in the bush.” They did not think it wise to give up weapon systems that were in production, or close to it, for nebulous future R&D programs that might never come to fruition technologically or politically.

If reforms cannot be rammed through quickly in a new president’s term by overcoming vested interests with a resounding presidential electoral mandate (which Bush did not have), the constituencies must be wooed and compromises made. Yet Rumsfeld failed to include those interest groups in the review

process. As Rumsfeld's review progressed, many in the military leadership became disgruntled with him because they felt excluded from the process.<sup>23</sup> Members of Congress also complained about being kept in the dark.<sup>24</sup> Indeed, Rumsfeld's predecessor, William Cohen, said, "If you're going to have bold proposals, you have to bring Congress in early, rather than late."<sup>25</sup> Rumsfeld failed, until it was too late, to try to convince Congress and its allies in the defense bureaucracy and industry of the need to transform the military.

Consequently, long before September 11, all talk of terminating or scaling back existing major weapons programs to pay for new futuristic ones—such as killing or cutting back the F-22 or aircraft carriers and instead building a new bomber—had vanished. Secretary Rumsfeld then put the final nail in the coffin of defense transformation by turning over decisions concerning tradeoffs among military readiness (how ready the forces are to fight a war), force structure (number and size of units) and modernizing the forces (R & D and procurement of new weapons) to the military services. Without transformation directed from the top, the services would continue to conduct business as usual. The Army would buy heavy armored vehicles when it should be getting lighter, the Air Force would produce fighters instead of bombers (which were the stars of the war in Afghanistan), the Navy would retain too many carriers at the expense of other more important priorities, and the Marine Corps would plan to conduct large-scale amphibious assaults that have not been used since the Korean War. Essentially, defense transformation had died.

## **Transformation Unlikely to Be Resurrected after September 11**

President Bush and Secretary of Defense Rumsfeld now have a second chance to transform the U.S. military to fight the imminent and severe threat (the only real threat to U.S. security) that was so dramatically demonstrat-

ed on September 11. Unfortunately, based on the results of its QDR and the substantial hike in the defense budget in 2003, the Bush administration apparently decided against going down the road of military transformation. Although Rumsfeld now seems to be reviving the defense reform rhetoric well in advance of the administration's 2004 defense budget submission by telling the secretaries of the services that they need to make cuts in existing weapons programs—for example, the Crusader mobile gun—to finance new "transformational technologies," the history of defense transformation to date—that is, in truly important budget decisions—does not lead to much optimism that reform will ever come to fruition.

### **The QDR Was a Big Disappointment**

The congressionally mandated QDR—in which the Pentagon was supposed to delineate a national defense strategy and define the force structure, infrastructure, and defense budget and force modernization plans needed to successfully execute the strategy—was on Secretary Rumsfeld's desk for approval on September 11. Instead of rethinking the entire document in the wake of September 11, the Pentagon made minor changes and issued the report.

For starters, although the QDR did delineate a national defense strategy—albeit a flawed one—it did not address the other issues in its congressional mandate. The difficult decisions on the force structure, infrastructure and budget and force modernization plans that would be needed to carry out the strategy were not discussed. Even the senior military officers who helped produce the QDR say it is devoid of analysis and has avoided answering any of the questions asked by Congress.<sup>26</sup> Those significant omissions were not lost on a key member of Congress. Senator Carl Levin, chairman of the Senate Armed Services Committee, said at a hearing shortly after the QDR's release: "This QDR seems to me to be full of decisions deferred. Rather than the comprehensive roadmap to the force of the future envi-

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sioned by Congress, this review largely . . . provides a vision."<sup>27</sup>

Yet despite the watershed events of September 11, the QDR's "vision" is incremental instead of transformational. As with prior defense reviews, eight months of work produced standard rhetoric and marginal change.

In terms of force planning, the QDR laudably restored the defense of the United States as DoD's primary mission—at least in theory. The Pentagon is also required to fulfill three other core missions: (1) deter with forces based forward aggression and coercion in critical regions, (2) swiftly defeat aggression in overlapping major conflicts, while preserving for the president the option to call for a decisive victory in one of those conflicts, including the possibility of regime change or occupation, and (3) conduct a limited number of smaller-scale contingency operations.<sup>28</sup>

Of course, despite the name, the primary mission of the Department of Defense is still not seen by the Pentagon as defending the homeland. DoD believes that its mission lies overseas, defending other countries. It has been eager to scale back fighter patrols over U.S. cities and the presence of National Guardsmen at U.S. airports because those deployments take away from other (implicitly more important) missions. Although those missions should be scaled back or eliminated, the Pentagon's eagerness to downplay them indicates that homeland defense has never been a high priority at DoD. The truth is that DoD normally plays a subordinate role in homeland defense. Although DoD needs to pay more attention to many of its homeland defense missions, medical, intelligence, and local and national law enforcement properly play a much larger role in that area.

Deterring aggression and coercion in forward regions is a mission that could be largely eliminated. The technologically superior and world-dominant U.S. military, even when housed at bases and ports in the United States, is what really deters potential foreign adversaries, not the forward basing of only a small portion of it. U.S. forces deployed forward are largely symbols of the crushing power of the

entire arsenal of the U.S. military. In fact, sending forces to an area of conflict all the way from the United States is often a more potent indicator of U.S. resolve than using the forces already deployed in the theater. For example, during the crisis in the Taiwan Strait in 1996, bringing a second aircraft carrier from the United States was a more powerful symbol than relying solely on the one that is always in the Pacific theater (leaving aside the question of whether this action was prudent or desirable).

Some analysts would argue that having a forward military presence allows the United States to more swiftly defeat any enemy. Yet, if the enemy has any significant military capability at all, the United States will have to bring forces from the United States to supplement the symbolic forces stationed forward. Moreover, the U.S. military usually demands crushing dominance over any foe before beginning the fight. So even more forces would need to be brought from the United States.

In a post-Cold War world, when no superpower rival exists, it is questionable whether the United States needs to respond as swiftly to any threat as during that dangerous period. Yet after the Cold War and Persian Gulf War were over, in the 1992 defense guidance, the Pentagon and General Colin Powell (then chairman of the Joint Chiefs of Staff) established extraordinarily ambitious operational objectives. The guidance called for completion of one major war in 100 days and two in less than 180 days.<sup>29</sup> This goal was substantially faster than what was accomplished in the Gulf War and, among other things, created significant new requirements for investment in strategic transport.<sup>30</sup> Most importantly, that decision made the very substantial maneuver units in the U.S. reserve forces strategically irrelevant. Effectively, despite the demise of the main threat facing the United States, the rapid timeline for winning the two wars established the permanent requirement for the large active forces we have today.

And the brushfire wars that might be fought against state sponsors of terrorism will

probably not require a rapid response either. It is unlikely that rapid U.S. military strikes overseas against countries harboring terrorists will interrupt imminent terrorist attacks on U.S. targets. The military strikes might damage terrorist infrastructure, such as training camps, thus impairing future terrorist activities, but it will not root out terrorist “ sleeper ” cells already waiting in the United States and abroad for the optimal moment to attack U.S. targets.

In 1998, President Clinton justified the timing of his cruise missile strikes on training camps in Afghanistan and a chemical factory in Sudan as being needed to thwart imminent terrorist attacks. But hitting the selected targets would not have achieved that, thus indicating that the timing of the attacks probably had more to do with the president’s domestic political troubles. Besides, thwarting imminent terrorist attacks will probably fall under the responsibility of U.S. and friendly foreign intelligence and law enforcement, not the U.S. military.

### **Getting Rid of the Two-War Strategy (Sort Of)**

In 1993, DoD’s bottom-up review elucidated the requirement for the U.S. military to be able to fight two major regional wars nearly simultaneously.<sup>31</sup> Although the two scenarios chosen for the wars—a conflict against Iraq and one against North Korea—were only illustrative, the defense community astutely ascertained that those were the most likely conflagrations. Before the most recent QDR even started, however, the drumbeat for revising the two-war criterion for military planning had built to a crescendo.

Andrew Krepinevich, who was on the 1997 National Defense Panel (a congressionally mandated panel of senior military officers and defense experts and industrialists that recommended retiring the two-war criterion) testified to Congress:

This two-Major Theater War (2 MTW) posture that drives a good portion of U.S. readiness and force struc-

ture requirements is an increasingly poor metric by which to gauge the effectiveness of our defense strategy and program. Today’s Iraqi threat is far smaller in scale than that posed in 1991. As for Iran and North Korea, the threats they pose are centered more around embryonic anti-access/area-denial capabilities than on attempts to create their version of a large Republican Guard-like mechanized, heavy land force, or a poor man’s version of the U.S. Air Force. In short, the kind, or form, of the challenge presented by these rogue states is different from the threat posed by Iraq during the Gulf War.<sup>32</sup>

Another prominent defense analyst, Elliot Cohen, a professor at Johns Hopkins University and author of the *Gulf War Air Power Survey*, echoed Krepinevich’s comments: “More than money, an entirely new strategy is needed, one that does not cling to one obsolete scenario (an Iraqi invasion of Saudi Arabia) or to a threat that may collapse within a few years (North Korea). The United States needs a strategy that realistically addresses all of America’s challenges in the next decade and beyond.”<sup>33</sup>

The 2001 QDR changed the 2 MTW scenario to winning decisively (by going to the adversary’s capital city) in one theater war, repelling a second enemy in another theater war, and having enough forces left over to undertake several small-scale contingencies (SSCs), such as Kosovo, for example. Although the Pentagon would deny it, the new war-planning strategy bears similarities to the hypothetical “win-hold-win” option proposed by Les Aspin, former chairman of the House Armed Services Committee and a Clinton-era Secretary of Defense. Under win-hold-win, the U.S. military defeats the enemy in one theater, while U.S. forces hold attacking opposition forces at bay in the other theater. Under Aspin’s alternative, after defeating the enemy in the first theater, U.S. forces are then transferred to the second theater to win decisively there.

The problem with both the 2 MTW and

**SA quantum change in defense planning is needed to match the starkly different post-September 11 world.**

**The stars of the war in Afghanistan were unmanned aerial vehicles for reconnaissance and attack, bombers equipped with precision-guided munitions, and Special Operations Forces to guide the munitions to their targets.**

QDR (“win-and-repel”) strategies is that they still focus on fighting in two theaters at once. Even during the Cold War, the Soviet superpower rival did not orchestrate simultaneous conflicts in different parts of the world in an attempt spread U.S. forces too thin. Even more unlikely would be two poor, rogue states (perhaps state sponsors of terror) coordinating their efforts to do the same. Moreover, in reality, the conservative U.S. military would most likely be hesitant to fight in two places at once.

Thus, the win-and-repel strategy seems designed merely to be a better justification for the military’s current force structure than was the 2 MTW strategy, which had lost favor among the defense analytical community. Evidence for this contention lies in the fact that no changes are expected in force structure and numbers of military personnel needed to carry out an entirely different military policy. For example, it should be logical to conclude that to repel the enemy in one theater instead of to decisively win would increase the value of air power and decrease the value of ground forces. But the Bush administration is not planning to change the balance between air and ground forces. In fact, all talk of major cuts or changes in force structure has ceased within the administration.

In sum, what U.S. forces can accomplish under QDR is diminished, while the force structure stays the same and the defense budget balloons. So the U.S. taxpayer is getting less from DoD for the money spent. Thus, aside from altering a war-planning strategy that never comported well with the real world, and still fails to do so, the QDR effort—which was conceived by Congress to force the Pentagon to seriously grapple with a post-Cold War world—ended up leaving the status quo largely intact.

#### **2003 Defense Budget Was Not “Transformational” Either**

After the disappointment of the QDR, all eyes turned to the 2003 defense budget for the hard decisions that had to be made to transform the U.S. armed forces. Once again, those decisions were absent. The events of

September 11 and the subsequent small war in Afghanistan allowed DoD to ask for a hefty budget hike to fight the war on terrorism—despite the fact that DoD plays only a part in that war (local fire, medical, and law enforcement units play an important role, as do other federal agencies, such as the Federal Bureau of Investigation and the Departments of Transportation and Health and Human Services) and most of the defense budget increase had nothing to do with the war. The Bush 2003 budget request for defense is nearly \$400 billion, which is more than the average amount spent annually during the higher threat years of the Cold War and which keeps the forces much more ready for action than they were during those years. Of the \$48 billion increase in the defense budget from the 2002 level, only \$19 billion went to the war (\$9 billion for existing expenses and \$10 billion for questionable contingency funds to be used for future military operations without further approval by Congress). The rest is for an unneeded pay raise for the troops, excessive health benefits for military retirees, and the purchase of outdated or unneeded weapons.

Some of the technologies and forces that will undoubtedly play greater roles in future combat received more money—but not much compared to other things in the budget. Precision-guided munitions (PGMs) received only an added \$1 billion, unmanned aerial vehicles only an additional \$1 billion, and Special Operations Forces only an added \$600 million. In the main, as in many other crises, the September 11 attacks allowed special interests to play on the security fears of the public to obtain more money for their pet projects.

Despite the watershed events of September 11, the military services continue to spend most of their money on legacy weapons, rather than on transformational systems that skip a generation of technology. Many of the legacy systems were designed during the Cold War, are unneeded, or are otherwise faulty. In addition, the Congress keeps active excess military bases left over from the Cold War. Some examples of such exorbitant waste follow:

*F-22 Air Force Fighter Aircraft.* The Air Force

designed this stealthy air superiority aircraft to fight futuristic Soviet fighters that were never built. The F-22 would replace the best air superiority fighter in the world today—the F-15C. The United States could maintain its current dominance of the skies well into the future using upgraded F-15s, superbly trained pilots, new munitions, and Airborne Warning and Control System aircraft (the best aircraft for management of air battle in the world and a true force multiplier). No current or future threat to U.S. air superiority exists that would justify spending nearly \$63 billion for 341 F-22 aircraft.<sup>34</sup> As a result, the aircraft will probably be used mainly for air-to-ground attack, which it is not optimally designed to do. (Besides, the United States already has the F-117 and B-2 planes to perform stealthy ground attack missions). At nearly \$200 million for each aircraft, the F-22 is the most expensive, least needed fighter ever built.

*F-18E/F Navy Fighter Aircraft.* Although the F-18E/F is an entirely different aircraft than the F-18C/D, it's not much of an improvement for about double the price paid (\$47 billion for 548 F-18E/F aircraft, or \$86 million for each plane).<sup>35</sup> For example, although the E/F has a longer range and greater payload than the C/D, it still has a shorter range and lesser payload than the retired A-6 attack aircraft at a time when the aircraft carrier is being pushed farther out to sea by enemy mines, cruise missiles, and diesel submarines. Because the air-to-air threat environment is so low, the C/D model will most likely suffice for future air defense of the fleet. If a ground attack aircraft with longer range and greater payload were needed before the stealthy Navy Joint Strike Fighter (JSF) comes on line, a navalized version of F-117 Nighthawk might provide an interim capability.

*V-22 Tiltrotor Transport Aircraft.* The V-22—which takes off like a helicopter, then tilts its rotors and flies as a fixed-wing aircraft, then lands like a helicopter—transports Marines and their light equipment from amphibious ships to shore. The aircraft can go faster and farther than a CH-53 heavy-lift helicopter, but cannot carry heavy equipment like that helicopter.

The V-22 program has been troubled by crashes and is 10 years behind schedule and \$15 billion over budget. In the 1980s and 1990s, senior officials from the Reagan, Bush, and Clinton administrations, including then secretary of defense Dick Cheney, recommended that the aircraft be cancelled. Because of the exorbitant cost of the aircraft, the first Bush administration tried to terminate the program. But Congress—to win votes in the congressional districts and the more than 40 states in which the aircraft is made—reinstated it. The V-22 is truly a vampire: Despite the numerous crashes and the admission that the aircraft needs to be reengineered, the 2003 budget funds production at a low rate until a fix can be found.

At almost \$80 million per V-22 aircraft (458 aircraft costing \$36.2 billion),<sup>36</sup> transporting Marines and equipment to shore by air could be done much more cheaply by buying new versions of existing CH-53 rotary aircraft or even smaller helicopters like the Blackhawk CH-60. Besides, if faster V-22s transport Marines and their light equipment inland behind enemy lines and if slower CH-53s carry their heavy equipment, the Marines might die before the heavy equipment reaches them.

*Virginia-Class Submarines.* With the demise of the Soviet Union and the Russian submarine fleet rusting in port, the existing U.S. force of Seawolf and 688 Los Angeles-class vessels is unquestionably the best in the world and will remain so for the foreseeable future. No other navy in the world even comes close to U.S. undersea power. But the Navy has already begun constructing 30 new Virginia-class submarines (the total program cost is \$65.2 billion, with an average cost of \$2.2 billion per ship)<sup>37</sup> and decommissioning 688 boats before their useful life is over. The Virginia-class submarines will, in most respects, be less capable than the Seawolf-class—in size, speed, diving depth, and weapons capacity.<sup>38</sup>

The DoD has apparently increased its force goal from 50 to 55 submarines.<sup>39</sup> A study released by the Chairman of the Joint Chiefs of Staff concluded that the Navy need-

**Because of the “heavy” bias of the Army, Special Operations Forces have always been underfunded. More people and units are needed, especially after the great success those forces had calling in coordinates for bombing missions in Afghanistan.**

**The unneeded Virginia-class submarine should be terminated and the savings used to buy longer-range naval aircraft and surface ships other than carriers.**

ed even more (68 subs in 2015 and 76 by 2025), based primarily on the use of boats for intelligence collection.<sup>40</sup> But during the Cold War, the main target of intelligence gathering by U.S. submarines was the Soviet fleet. Because most of that fleet does not get out of port much anymore, the Pentagon has added more countries to the list of reconnaissance targets. Yet justifying even the 55-boat goal on the basis of collecting intelligence is questionable. With the end of the Cold War, conventional threats to the U.S. Navy and the United States declined and so should have requirements for gathering intelligence on such threats; instead they doubled since 1989.<sup>41</sup> Although, in certain instances, the submarine can provide unique collection capabilities, the United States has many other more versatile assets for spying—for example, manned and unmanned aircraft and satellites—that can perform missions less expensively than can \$2 billion submarines and are not limited to collection in littoral areas. The United States should reduce its submarine goal and terminate the Virginia-class line. In the low undersea threat environment of the post-Cold War era, the United States has wasted valuable resources building unneeded submarines instead of investing money in advanced submarine technologies that could be used in the future to combat any rising threat.

*Comanche.* The stealthy Comanche light reconnaissance (scout) and attack helicopter was originally designed to hunt Soviet tanks on the central plains of Europe. With the end of the Cold War and the demise of the threat of Soviet armored attack, the aircraft has been re-marketed as the “quarterback of the digital battlefield”—that is, a disseminator of tactical reconnaissance information during the battle. Suspicions naturally arise when the threat justifying a weapon collapses but the system lives on and develops another mission.

The Comanche is supposed to replace the OH-58 Kiowa scout helicopter; the aircraft is also supposed to succeed the AH-1Cobra light attack helicopter in Army divisions that do not have the Apache heavy attack helicopter.

Even in the Gulf War against a Soviet-style armored force, the Apache killed tanks effectively without the need for a scout helicopter. In the future, unmanned aerial vehicles (UAVs) and better information networks may render the manned reconnaissance helicopter obsolete. UAVs are in some ways better reconnaissance platforms than the Comanche. The unmanned aircraft are 15 percent faster, can loiter over an area five times longer without refueling, and do not expose pilots to enemy fire during usually dangerous reconnaissance missions.<sup>42</sup> Thus, buying Comanches for reconnaissance missions is questionable at best. The AH-1 Cobra can be replaced by added purchases of an armed version of the OH-58 helicopter—the Kiowa Warrior—which performed well in the Gulf War.

At more than \$30 million per helicopter (with a total cost of \$43 billion for 1,292 units),<sup>43</sup> the Comanche is a very expensive aircraft that can operate at night and in all weather. Although the Comanche was originally touted as inexpensive, it is now more expensive than the heavier Apache that has similar capabilities. The Apache is being upgraded substantially with digital technology and augmented firepower. The addition of the Longbow millimeter-wave radar will allow the Apache to operate at night and in most weather conditions. An Army with upgraded Apaches supplemented by additional purchases of Kiowa Warriors should be able to deal effectively with the less threatening post-Cold War environment.

*Crusader Self-Propelled Gun.* The Crusader artillery system is a heavy gun and reloading vehicle designed to provide indirect fire support for U.S. ground forces. The Crusader has a longer range and more rapid rates of fire than its predecessor—the M-109 Paladin. But Eric Shinseki, the Army’s top general, apparently believes that his ground forces are too heavy to get quickly to the smaller brushfire wars that may be needed to combat terrorism. The Army played no meaningful role in the war in Kosovo, and only light Army units (troops from the 101st Airmobile division, 10th Mountain Division, and Special

Operations Forces) participated in the war in Afghanistan.

To make the Army more relevant to today's conflicts, Shinseki is fashioning some medium-weight brigades that can be transported to foreign theaters more quickly than heavy armored and mechanized divisions. Congress and RAND both agreed that the heavy Crusader artillery piece does not mesh well with the Army's future vision.<sup>44</sup> The Army has tried to lighten the Crusader to deflect criticism, reducing the weight (and thus size and capacity) of the mobile gun and reloading vehicle from more than 100 tons to 80 tons. The redesign to shed weight made development costs skyrocket by 48 percent.<sup>45</sup> As a result of the increased costs, the Army had to lower the number of units purchased from 1,138 to 480, a decrease of 58 percent.<sup>46</sup> In short, the redesigned system is still too heavy for a lighter army and costs much more than the original version. Some in the Army's ground vehicle community argue that the Crusader is an expensive way to make only incremental improvements in U.S. self-propelled artillery. If the Army is going to keep its heavy mobile artillery pieces, a cheaper alternative might be to insert a bigger gun in the Paladin. An even better option is to begin an R & D program for a lighter self-propelled gun immediately. A more radical approach would be to substitute other weapons—for example, aircraft with PGMs—to perform the Crusader's mission. Yet in the new climate of profligate defense spending after September 11, the probability that the Crusader will survive should not be underestimated.

During his campaign, George W. Bush noted that "our forces in the next century must be agile, lethal, readily deployable and require a minimum of logistics support" and criticized the Crusader for being too heavy to allow rapid deployment.<sup>47</sup> As president, Bush has used similar language: "I'm committed to building a force that is defined less by size and more by mobility and swiftness, one that is easier to deploy and sustain."<sup>48</sup> Despite such rhetoric, the Crusader survived in the 2003 defense budget. Rumsfeld recently proposed

canceling the program, but whether the vested interests in the Congress, Pentagon and the defense industry will let him terminate it remains to be seen.

Unfortunately, what happened to the Crusader in the 2003 defense budget is a microcosm for defense reform as a whole. Even if the Crusader is eventually terminated, transformation now appears to have been effectively shelved—despite the continued rhetoric from the administration. Most Cold War weapons or unneeded systems that were scrutinized for funding cuts or even termination during the campaign and early in the administration have so far escaped unscathed.

*Excess Military Bases.* The one thing that defense analysts of all political persuasions agree on is the need to close excess military bases. After the Cold War, the U.S. force structure was reduced by 40–50 percent.<sup>49</sup> Because states and congressional districts have become economically dependent on military bases, Congress—to win votes in those states and districts—has been reluctant to cut bases by that same percentage. Congress has approved base closings in the past, but has dragged its feet for a number of years on further rounds of cuts. It recently approved another round of base closures, but postponed it until 2005 (after the elections in 2004). In 2005, the Congress may find another excuse to delay the closings. DoD estimates that it currently has 23 percent excess bases.<sup>50</sup>

Despite the events of September 11 and the concomitant hefty hikes in the defense budget, spending on unneeded or Cold War-era weapons and military bases continues. A quantum change in defense planning is needed to match the starkly different post-September 11 world.

Secretary Rumsfeld has once again revived talk of such a change. According to the press, he has instructed the service secretaries to cut major weapon systems to finance new "transformational technologies." Weapons being considered for cuts—not necessarily cancellations—are the F-22, the V-22, and the Comanche.<sup>51</sup> (The only weapon system Rumsfeld has proposed canceling is the

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Crusader.) Politically, cutting back the quantities purchased of numerous weapons is easier, but less efficient, than canceling some systems and building the remaining ones in economically viable numbers. Rumsfeld is talking about using the savings from such cuts to finance new technologies, such as unpiloted weapons and satellite systems.

In its 2003 defense budget, the Bush administration did not appear to be too serious about putting its money where its rhetoric was. We hope it will be more so in its 2004 budget request. (Even so, the administration will still face fierce resistance to reform by vested interests.) If the administration is finally serious about defense transformation, the following is offered as a proposed roadmap to accomplish it.

### **The U.S. Military Needs to Transform Its Force Structure and Weapons**

The huge conventional forces left over from the Cold War (large numbers of fighter aircraft, ships, and heavy armored vehicles) have limited use in combating the terrorist threat. To perpetuate the large, sluggish force structure and continue archaic Cold War weapons programs would be to codify the same defense planning that was irrelevant to the terrorist attacks and the war in Afghanistan. As wars go, the conflict in Afghanistan has been a small one that did not require large conventional forces. The stars of the war were unmanned aerial vehicles for reconnaissance and even attack, bombers equipped with precision-guided munitions, and Special Operations Forces to guide the munitions to their targets. Those forces are examples of President Bush's more agile and more rapidly deployable military. Yet, they are all neglected and underfunded in the 2003 defense budget. Unfortunately, the administration has decided against major changes in U.S. force structure and has merely slathered the Pentagon with additional money instead of insisting on the massive reallocation of

spending needed to effect a real transformation of the force. Paradoxically, although the watershed events of September 11 should have jump-started defense transformation, they have likely ensured its death.

Weapons that are faulty or unnecessary or that were designed for the Cold War could be cancelled and the funds transferred to beef up those neglected but badly needed capabilities. Also, the military's forces need to be restructured. The QDR changed the force-planning strategy from one of fighting two major theater wars within overlapping time periods to fighting one war to a decisive end (conquering the adversary's capital) and repulsing the enemy in the other conflict. Beyond wondering why the DoD is now spending more money to achieve less on the battlefield, the taxpayer should ask why the United States should prepare to fight in more than one theater.

It is unlikely that two small rogue states would coordinate their attacks in two theaters at nearly the same time. Even if they did, the urgency of responding quickly, now that the Cold War is over, is much less. The United States could fight each conflict sequentially rather than nearly simultaneously. Thus, the United States should plan for one regional war (but execute the plan only in the rare instance that crucial U.S. interests are at stake) and have a few additional active forces in case the conflict does not go as well as anticipated or the adversary is more potent than expected. If a peer competitor began to arise, the long warning time could allow the very capable National Guard forces to be mobilized (some of the savings from the cuts in active force structure could be used to finance better training and equipment for the Guard). In addition to further adjusting the force-planning strategy, the force balance among the services and the structure of the forces in each service need to be transformed to fight in the new threat environment.

Shifting the focus of U.S. defense planning away from Europe towards Asia, especially to counter China, should have substantial consequences in terms of military doc-

trine and force structures.<sup>52</sup> One would expect to see greater emphasis on maritime forces, systems with extended ranges, and greater efforts to improve capabilities in space.<sup>53</sup> Obviously, the shift in focus would favor naval and air forces. It would be particularly good news for the Air Force, which seems relatively confident that it will finally be recognized as a primary asset for “kicking down the door” of the enemy.<sup>54</sup> The number of Army divisions could be cut. Yet the Bush administration’s plans no major changes in force structure.

The Air Force is building two shorter-range fighters (the F-22 and the Joint Strike Fighter) at a time when their air bases close to the front are becoming increasingly vulnerable to attack from enemy ballistic missiles. Those fighters are funded at the expense of more efficient bombers, which can deliver more ordnance per mission and fly at much longer ranges from the safety of more remote air bases. Despite the already old age of the B-52, the Air Force does not plan to field a new bomber before 2040. UAVS proved their worth in Afghanistan but have been neglected (compared to manned fighters) because they take jobs away from pilots. Furthermore, if more money were invested in relatively cheap, but capable, PGMs, less money would be needed to buy expensive new fighter aircraft.

The Air Force should cut the number of fighter wings and cancel the Cold-War era F-22. The resulting savings should be used to immediately begin a new R & D for a new bomber program. The Air Force should look carefully at an unmanned version of the new bomber, as well as an unpiloted version of the JSF. In the last three wars, PGMs have proved their worth and so need even more resources than they have recently been given. Particular emphasis must be placed on developing conventional munitions that can destroy deeply buried bunkers that could store weapons of mass destruction. Also, the Air Force should examine buying the Marine Corps Advanced Short Take Off and Vertical Landing version of the JSF. This aircraft is less vulnerable to attack by enemy ballistic missiles than the Air Force

version of the aircraft—or any other conventional tactical fighter—because it can be dispersed to unprepared airfields rather than concentrating at large air bases with long runways.

The Army is trying to become lighter and thus be more readily deployable. During the war in Kosovo, the Army was irrelevant to the fighting. In the war in Afghanistan, lighter units—special forces, the 101st Airmobile division (heliborne), the 10th Mountain Division, and the Marines—were the only ones used. In an age in which air power has become dominant, the future model for combat may be using lighter forces to find, fix (draw out the enemy), and help target the enemy for heavy bombers armed with inexpensive precision weapons, such as the Joint Direct Attack Munition used so effectively in Afghanistan. (The previous model was air forces supporting ground forces rather than the other way around.)

The problem is that all wars may not be like the one in Afghanistan. If the United States faces an opponent with heavier ground forces (for example, the Iraqi Republican Guard), lighter ground forces may be overrun, severely hampering attacks from the air. The Army can cut the number of divisions in its force structure, but needs to retain some heavy forces. But even those heavy forces could be made lighter so that they can more quickly get to the theater.

Although Gen. Eric Shinseki is developing new medium-weight brigades with lighter wheeled vehicles, the meager force that he is creating (six brigades) will be converted from both light and heavy forces. Thus, there is doubt about whether the Army is actually becoming lighter. The Army’s essence is a heavy armored force, and each succeeding generation of Army vehicles has become heavier and heavier (e.g., the Crusader). In less-developed countries, the 70-ton M-1 tank—built to travel on the excellent German freeways—is too heavy to travel on unreinforced roads and too wide to fit through train tunnels and narrow city streets. The Army’s self-image must change; most of the active Army should become lighter to fight

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the brushfire wars against terrorism. As a hedge against the unlikely rise of another superpower, heavy forces could be retained in the Army National Guard.

In addition, because of the “heavy” bias of the Army, Special Operations Forces have always been underfunded. More people and units are needed, especially after the great success those forces had calling in coordinates for bombing missions in Afghanistan.

The Navy likes to buy ships to fight other large navies in the open oceans (blue water). Yet with the demise of the Soviet surface and submarine fleets, the threat in blue water vanished. If the U.S. Army is vastly superior to all other armies on the planet and the U.S. Air Force has supremacy over all other air forces in the world, the U.S. Navy has crushing dominance of the oceans worldwide. The Navy has 12 large-deck supercarriers. The only other nation to have even one large carrier is Russia (and that ship is in decrepit condition). The Navy also has 12 medium-sized carriers (flat-deck amphibious assault ships).

The supercarriers are the sacred cow of the Navy, and the service will do almost anything to protect them in the budget. With no enemy to fight in the blue water, the Navy justifies maintaining 12 carriers by keeping one deployed nearly continuously in three theaters—the Western Pacific, the Mediterranean, and the Arabian Sea. Yet, no one has objectively measured the value of this presence.

The Navy keeps the 12 supercarriers even though it does not have enough money to give them a full complement of planes. Thus, the service can always maintain that it has a shortage of carrier aircraft. In addition, at the same time that the carrier is being pushed away from the littoral by enemy mines, diesel submarines, and anti-ship missiles, the Navy is buying aircraft that have too short a range. Navy aircraft frequently have to be either taken off the carriers and operated from land bases (as in the Persian Gulf War) or refueled in mid-air (as in the Persian Gulf War and the war in Afghanistan)—oftentimes by land-based Air Force tankers—to have enough range to get to their targets. This erodes the

major stated advantage of the carrier—the ability to operate independent of land bases. The Navy should cut the number of carriers in its arsenal, terminate the F-18E/F, and use the savings to buy more capable aircraft so that the remaining carriers can be more useful during wars. The Navy should buy more of the stealthy and longer-range Joint Strike Fighter and perhaps a “navalized” version of the Air Force’s stealthy F-117 Nighthawk.

The unneeded Virginia-class submarine should be terminated, as discussed above, and the savings used to buy longer-range naval aircraft and surface ships other than carriers. The Navy’s funding of the unglamorous task of finding and clearing mines has been insufficient. Even poor adversaries can use cheap mines to sink expensive ships, or at minimum, severely impede naval operations (both of which happened during the Gulf War).

The Marines are the smallest and, therefore, the most innovative of the services. However, they are designed primarily to conduct the sort of large-scale amphibious assaults that have not been attempted since the Korean War. In an age of deadly mines, anti-ship missiles, and satellite reconnaissance, such assaults are problematical. In the Gulf War, the planned amphibious assault had to be cancelled because the Iraqis had sewn numerous mines off their cost. In response, the Marines have developed a dangerous fighting doctrine that would insert troops inland vertically via the V-22 tiltrotor aircraft to avoid shore defenses. The Marine Corps should give up planning for large-scale amphibious assaults and focus on the capability to launch small amphibious raids. The Corps should also eliminate the risky doctrine of vertical insertion and scrap the troubled V-22 program.

Other neglected areas must benefit from savings accruing from the aforementioned changes. Funding should be transferred to rejuvenate the human intelligence capabilities needed to penetrate terrorist cells. During the Cold War, when the United States had an enemy with an address, it relied heavily on technical means of intelligence collection and let its human intelligence network erode.

U.S. forces are vulnerable to attacks by terrorist groups or rogue states that use biological or chemical weapons. The military must invest more heavily in defenses against such attacks for both U.S. military forces and the civilian population at home, including better detection systems for chemical and biological agents. In addition, U.S. forces are probably more vulnerable to cruise missiles containing such agents than they are to ballistic missiles. Cruise missiles are cheaper, more accurate, and less of a technological challenge for poorer nations than are ballistic missiles. Yet most of the Pentagon's emphasis has been placed on ballistic missile defense. DoD needs to transfer some of the exorbitant sums spent on R & D for ballistic missile defense to cruise missile defense for U.S. forces.

## **DoD Must Also Transform Its Business Practices**

A prime example of the Pentagon's sloth and inefficiency is DoD's inability to account adequately for where its funds are being spent. Oversight of Defense Department bookkeeping and auditing is woefully deficient. Members of Congress have repeatedly noted that the Defense Department has yet to account for billions of dollars worth of inventory and has \$2.3 trillion in accounting entries that are "not supported by adequate audit trails or sufficient evidence to determine their validity."<sup>55</sup> In fact, for four consecutive years, the Defense Department, which accounts for half of the nation's discretionary spending, has been unable to pass a financial audit, flouting a 1990 act of Congress.<sup>56</sup>

Nor is this horrendous problem likely to be solved any time soon. At a July 10, 2001, hearing of the Senate Armed Services Committee, Nelson Toy, the Pentagon's deputy chief financial officer, testified, "You're not going to see significant progress in terms of making financial management transparent in the near term."<sup>57</sup>

The Pentagon's accounting system is only

one part of its management problems. A report by the Senate Governmental Affairs Committee ranked the Pentagon third worst in a top-10 list of agencies with the worst mismanagement records.<sup>58</sup>

Sen. Robert Byrd (D-W.Va.), the Senate Appropriations Committee chairman, summed it up best: "How can we seriously consider a \$50 billion increase in the Defense Department budget when DOD's own auditors . . . say the department cannot account for \$2.3 trillion in transactions in one year alone?"<sup>59</sup> No matter what the perceived threat after September 11, Congress and the American people should not continue to push wads of cash at the defense bureaucracy without knowing whether the money is being spent to actually enhance security.

## **Conclusion**

To allow the U.S. military to deal with new threats—for example, the war against terrorists—more effectively and efficiently, the relative mix of air, land, and sea forces must be changed and the military services trimmed and restructured. Transformation must also eliminate troublesome, unneeded, or Cold War-era weapons and reallocate the savings accrued into neglected areas (such as bombers, UAVs, special forces, PGMs and satellite systems) and futuristic weapons technologies.

Such a transfer of resources was the original objective of President George W. Bush. Sadly, an overreaction to the events of September 11, leading to gigantic increases in spending in the 2003 defense budget given to a slothful and inefficient defense bureaucracy ensured the death of the president's initiative to transform the way the nation fights its wars. Secretary Rumsfeld now seems to want to revive the president's defense reform agenda in the 2004 defense budget request. We hope that the administration will be more serious about transformation than it was in the 2003 budget and the vested interests will be less resistant.

**Congress and the American people should not continue to push wads of cash at the defense bureaucracy without knowing whether the money is being spent to actually enhance security.**

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