



**THE REPUBLICAN
STUDY COMMITTEE**

STRENGTHENING NATIONAL SECURITY

Article I Section 8 of the United States Constitution provides for Congress to “raise and support armies” and “provide and maintain a navy.” Since our nation’s founding, these enumerated powers have served as the tools to carry out what has remained the federal government’s most important responsibility: “to provide for the common defense” of our interests at home and abroad.

Inept foreign policy and clear lack of strategic vision during the last seven years of the Obama Administration have contributed to the ever-more dangerous world in which we live. In order to redress the now long-running failure to fulfill the federal government’s most basic function, the Republican Study Committee proposal aims to meet the need for responsible national security funding to ensure our men and women in uniform have the tools they need to accomplish their mission and return home safely. As President Reagan said, “Defense is not a budget issue. You spend what you need.” The national security budget should never be set at an arbitrary level or dictated by political favoritism or expediency. Rather it is properly determined by evaluating the threats we face as a nation, and ascertaining what resources are required to carry forth our interests abroad, and to deter and defeat our enemies.

To provide for the nation’s continued security, the RSC proposes \$574 billion in discretionary budget authority for national defense and \$59 billion for the Global War on Terror (GWOT)—otherwise known as Overseas Contingency Operations (OCO)—in Fiscal Year 2017. The RSC proposal corresponds to the level called for base requirements by House Armed Services Committee, last year’s RSC Blueprint for a Balanced Budget, and the House-passed budget for FY 2016. Over the next decade, the RSC proposal would provide over \$6 trillion for national security; by FY 2026, base defense appropriations would rise to over \$700 billion.

The indiscriminate cuts to defense under sequestration harm our national defense. The Heritage Foundation’s 2016 Index of U.S. Military Strength stipulates that:

The consequences of the current sharp reductions in funding mandated by sequestration have caused military service officials, senior DOD officials, and even Members of Congress to warn of the dangers of recreating the “hollow force” of the 1970s when units existed on paper but were staffed at reduced levels, minimally trained, and woefully equipped. To avoid

this, the services have traded quantity/capacity and modernization to ensure that what they do have is “ready” for employment.¹

The RSC believes defense spending should address the threats we face in a dangerous world. That is why the RSC strongly advocates ending the arbitrary “firewall” between defense and non-defense discretionary spending imposed by the Budget Control Act.

Further, the RSC budget attains fiscal discipline and prevents trillions from being added to the National Debt, which defense experts have said is the greatest threat to our national security.² The National Debt must be controlled in order to continue to fully fund important national security programs and personnel and the RSC Budget does this by making commonsense, free market reforms.

A DANGEROUS WORLD

While long-term real national defense spending trends have continued to decline since 2011, the U.S. faces an increasingly complex and tumultuous world. As former Secretary of State Dr. Henry Kissinger testified last year before the Senate Armed Services Committee, “The United States has not faced a more diverse and complex array of crises since the end of the Second World War.”³ Freedom of navigation, the sovereignty of nations, and human rights are now on the decline. Put simply, the world is becoming an ever increasingly unstable place.

In the Asia Pacific region, where by some estimates 28 percent of U.S. goods and 27 percent of U.S. services are exported, a consistently more aggressive China has emerged.⁴ While tensions between China and Taiwan have persisted since the 1950’s, China has now mounted an aggressive and expansionist policy towards other nations in their region in order to enlarge their “sphere of influence”. They have done so at the expense of already agreed upon borders and the sovereignty of other countries, many of which are key U.S. allies. Small and remote islands like the Senkaku island chain, as well as the Spratly and Paracel islands, are now being threatened by China’s navy. China has also unilaterally declared an Air Identification Zone (ADIZ) over the East China Sea encompassing parts of Japanese and South Korean airspace. This measure has forced international civilian airliners traversing this zone to report to China’s Air Force.

¹ Heritage Foundation, 2016 Index of Military Strength, U.S. Military Power.

<http://index.heritage.org/military/2016/assessments/us-military-power/>

² Tim Mak, Washington Examiner, “Former top military officer sees national debt as biggest threat to country”, January 21, 2014. <http://www.washingtonexaminer.com/former-top-military-officer-sees-national-debt-as-biggest-threat-to-country/article/2542594>

³ Written testimony of Dr. Henry Kissinger before the Senate Armed Services Committee, “Global Challenges and the U.S. National Security Strategy,” January 29, 2015.

⁴ United States Census Bureau, Trade in Goods with Asia. <https://www.census.gov/foreign-trade/balance/c0016.html>

China's military has also continued to modernize and enlarge, eroding the superiority of U.S. forces and capabilities in the region. In 2015 alone, the Chinese government increased its defense budget by more than 10 percent.⁵ Its development of "carrier-killing" anti-ship ballistic missiles has caused many in Washington to reevaluate our naval strategy in Asia. These new weapons are key components of China's anti-access/area denial (A2/AD) strategy, which seeks to prevent the U.S. and its allies from operating in the region if a crisis or conflict were to arise. This strategy also threatens the basic freedom of navigation on the high seas that has been a bedrock security, diplomatic, and commercial principle of the United States from the moment of its birth in the Declaration of Independence. Many of our allies, including Australia, Japan, the Philippines, South Korea, and even our former foe Vietnam have become increasingly concerned over China's posturing, and have all clamored for a more robust U.S. security commitment in this vital and strategic region. In response, the White House and the State Department announced an American strategic "pivot to Asia", the results of which have yet to be seen.

While on occasion trivialized in the West because of its leader's eccentricities, North Korea remains a mortal danger in the Asia Pacific region and beyond. Its recent ICBM and purported hydrogen bomb tests periodically are a potent reminder of the danger posed by the Kim regime, not only to South Korea, the 12th largest economy, but to the entire world.

To deter China and address North Korea's provocative actions, the RSC proposal would fully support an increase in our shipbuilding account, in order to reestablish our Navy's global reach and capabilities.

Europe, which experienced 20 years of relative peace and prosperity, now faces an increasingly belligerent Russia led by an undemocratic former KGB agent, Vladimir Putin, who has effectively consolidated all of Russia's levers of political power. In 2014, the world woke up to Russian armed forces in unmarked military uniforms seizing Eastern Ukraine and the Crimean peninsula. In the Baltics, Russian forces have amassed on the border of three key NATO allies, threatening the United States' most enduring and vital military alliance. Through its state-funded media outlets, Russia has also engaged in a potent propaganda war in Eastern Europe, further destabilizing the region and undermining the progress made by democratic and free-market forces since the end of the Cold War. Vladimir Putin's regime has repeatedly used Russia's energy resources as a weapon against dependent European nations. Russia's state-owned gas company Gazprom has periodically turned its taps off to countries that have angered the Kremlin, leaving them without affordable natural gas in the dead of winter.

America faces the most complex of challenges in the rise of radical Islamic terrorism in the Middle East, North Africa, and South Asia. This danger differs from other more

⁵ "China's Military Budget Increasing 10% for 2015, Official Says" The New York Times, March 4, 2015.

geographically constrained threats by its potential threat to our homeland, made clear on September 11th, 2001, and recently as seen in the streets of Paris and San Bernardino. The rise of the Islamic State of Iraq and Syria (ISIS) in 2014 has presented itself as one of the gravest security challenges the international community has faced in recent memory. This non-state actor has taken advantage of a weak and fragmented Iraqi government, and the utter chaos of the Syrian civil war to take root in the Middle East and spread its terror network in places like Libya, Nigeria, Yemen, and even Afghanistan. ISIS has demonstrated its global reach by sending its cells to commit atrocities all over the world, including the November 2015 attacks in Paris, as well as recent attacks in Turkey and Indonesia, while inspiring others in places like San Bernardino, California, Ottawa, Canada, and Dallas, Texas.

The United States also continues to face threats from other radical Salafist terrorist groups like al Qaeda and its franchises. While some in Washington have prematurely declared victory against al Qaeda after the elimination of Osama bin Laden, the group remains just as much of a threat to the homeland as ISIS. In Syria, al Qaeda's affiliate Jabhat al-Nusra has become an incredibly powerful and seasoned fighting force. In Yemen, al Qaeda in the Arabian Peninsula continues to threaten our interests in the area and at home. In Afghanistan and in Pakistan, al Qaeda and the Taliban, once thought to be decimated, have remained persistent threats. To manage this complex threat, the RSC proposal fully supports funding GWOT accounts related to Operation Inherent Resolve, and Operation Resolute support in Afghanistan.

While the threat of Sunni Salafist terrorism remains, the United States must also counter the threat posed by radical Shiite terrorism supported by the Islamic Republic of Iran. Prior to 9/11, Iranian-backed terrorism was responsible for killing more Americans than any other ideological group. Iran's proxies in Lebanon, including Hezbollah, continue to threaten U.S. interests and allies, especially Israel, our most vital partner and the lone democracy in the region.

Iran's pursuit of a nuclear arsenal has also further heightened tensions in the region. While the shortsighted 2015 nuclear deal has somewhat paused the program, Iran continues to develop the means to deliver such a weapon, by illegally testing long-range ballistic missiles and by constructing covert research and testing facilities, flaunting most of the international agreements it has committed to. The Islamic Republic's inclination to cheat seems almost assured given its posturing and behavior on the international stage. While shutting down some centrifuges for the sake of sanctions relief, the regime in Tehran seems unlikely to change its aggression and belligerence towards its neighbors. In fact, the mullahs now seem emboldened. Iran continues its material support for the murderous Assad regime in Syria. Iran's Revolutionary Guard Corps is on the ground, assisting Assad's forces, fomenting the worst human rights crisis of the 21st century. As a result, the ongoing Syrian conflict has now led to the displacement of almost half the population of the country, allowing Syria to become a haven for terror groups while flooding Europe with refugees.

With the recent, brief capture of U.S. Navy personnel in the Persian Gulf, the world is reminded that Iran's navy perpetually threatens to close the Strait of Hormuz, through which around 30 percent of the world's petroleum traded by sea travels.⁶ To aid our allies in the region while deterring the Islamic Republic, the RSC proposal fully supports U.S. military assistance to Israel, including the Iron Dome air defense system.

Since the Allied victory in World War II, the forward deployment of U.S. armed forces has been a key instrument in maintaining global order, and in securing freedom of navigation to promote trade and prosperity around the world. A key component of this force structure has been a robust effort to maintain and sustain the most capable and agile Navy in the world as a "global force for good," to quote the U.S. Navy's unofficial motto. Our Navy currently has a fleet of 272 deployable ships.⁷ This fleet is nearly half the size of what it was under the Reagan Administration (592 ships), and 13 ships smaller than what our fleet was in 2009.⁸ By most estimates and requirements, the Navy currently needs a fleet of around 350 ships to respond to global threats and ensure vital U.S. interests all around the world. As a recent Wall Street Journal op-ed indicated:

Defense Secretary Ash Carter told the Navy to cut the number of ships it plans to build in favor of placing more-advanced technology aboard the existing fleet. Secretary Carter's plan implies that the deterrent effect of a constant U.S. presence in the world is less important than the Navy's ability to fight and win wars with the advanced weapons he favors. That assumption is mistaken. We need both the ability to be present, which demands more ships than we have, and the related power to win a war if deterrence doesn't work.⁹

Across the service branches, Operations and Maintenance accounts have continued to shrink dramatically over the past five years. The Army has been forced to reduce its force size from 566,000 in 2011, to 490,000 active soldiers in 2015, a 13 percent decrease.¹⁰ The Army has also experienced shortfalls in overall readiness by postponing the restoration and reset of large amounts of equipment returning from the battlefields of Afghanistan, and by reducing training hours for units not engaged in current combat operations. According to the Heritage Foundation's 2016 Index of U.S. Military Strength, "[the] ongoing debate between the White House and Congress (and within Congress) over funding levels as constrained by the [Budget Control Act] will determine whether the Army is able to sustain a projected end strength of 450,000", the minimum force level required to fulfil the national defense strategy.¹¹

⁶ "Strait of Hormuz" World Oil Transit Chokepoints. U.S. Energy Information Administration. November 10, 2014.

⁷ Status of the U.S. Navy. http://www.navy.mil/navydata/nav_legacy.asp?id=146

⁸ "Obama Navy Now Half The Size Of Reagan Navy", Daily Caller, Harold Hutchison, October 18, 2015.

⁹ Seth Cropsey, Wall Street Journal, "S.O.S. for a Declining American Navy", January 6, 2016.

<http://www.wsj.com/articles/s-o-s-for-a-declining-american-navy-1452124971>

¹⁰ 2016 Index of U.S. Military Strength, The Heritage Foundation, page 229

¹¹ Ibid.

The Air Force also faces challenges related to aging aircraft fleets and shrinking numbers of available and deployable squadrons. The backbone of the Air Force's tanker fleet, the KC-135 first flew in 1956. The venerable B-52, comprising the majority of the Air Force's bomber fleet, first arrived on the flight line in 1955. Aging assets must be replenished, lest they be inadequate when called upon in emergencies, resulting not only in high costs for new, rapid procurement, but in potentially devastating damage to our security interests.

ENSURING AN EFFICIENT NATIONAL DEFENSE

The RSC remains committed to a strong national defense, but recognizes that fiscal discipline is essential to ensuring a sustainable and capable military. Congress and the Department of Defense should commit to comprehensive acquisition reform, not only to prevent wasteful spending, but also to ensure that America's warfighters have the best and most affordable equipment available. Simply put, the department needs to improve the way it buys weapons and services. This proposal calls for a comprehensive audit of the Department of Defense to verify its financial reporting system, and supports the findings and recommendations of the 2012 Panel on Defense Financial Management and Auditability Reform.¹²

The cost of health care for service members, their families, and retirees has grown significantly as a share of the defense budget over the last decade. Between 2000 and 2012, the cost of military health care increased 130 percent, even after adjusting for inflation. According to CBO, the medical costs of recent wars "had a comparatively small effect" on this increased spending, but new and expanded TRICARE benefits for retirees and their families, and the increased utilization induced by those expanded benefits, explain most of the growth.¹³ While it is imperative that our soldiers and veterans receive the best possible care available, these increases can crowd out funding for readiness. Congress and the Department of Defense should also consider the recommendations of the congressionally established Military Compensation and Retirement Modernization Commission to ensure that our men and women in uniform and their families are taken care of, to achieve fiscal sustainability, and to ensure "the long term viability of the All-Volunteer Force."¹⁴

According to the Congressional Research Service, "Members of Congress are frequently lobbied to support adding funding to the annual defense appropriation for medical research on a wide variety of diseases and topics."¹⁵ Each year, the defense budget includes over half billion for the Congressionally Directed Medical Research Program (CDMRP). While

¹² Panel on Defense Financial Management and Auditability Reform, House Armed Services Committee, January 24, 2012.

¹³ Congressional Budget Office, Approaches to Reducing Federal Spending on Military Health Care

¹⁴ MCRMC Recommendations Overview, Military Compensation and Retirement Modernization Commission

¹⁵ Don J. Jansen, Congressional Research Service, "Congressionally Directed Medical Research Program Funding for FY2015 and FY2016", February 2, 2016.

medical research is a laudable activity, many of the programs funded within the CDMRP are not for military-specific conditions and are duplicative of the type of research done at the National Institutes of Health (NIH).¹⁶ According to the Taxpayers for Common Sense, “These programs are clearly earmarks and therefore take money away from other necessary Defense Department functions.”¹⁷ The RSC proposal proposes transitioning the non-defense related medical research out of the defense budget.

Inefficiencies and waste in the defense budget are not always byproducts of poor management, at least not from the DOD. Ideologically driven congressional mandates and administration priorities result in unforced errors and self-inflicted wounds. For example, in March of 2013, the Defense Logistics Agency (DLA) entered into a contract to purchase 3,650 gallons of renewable jet fuel for \$59 per gallon, while the price of conventional jet fuel was roughly \$3.73 per gallon. The Department of Defense should not waste valuable taxpayer dollars on inefficient forms of energy. Rather, energy needs should be met through the most cost-effective and tactically sound methods possible. Beginning in FY 2017, the Department of Defense should be prohibited from entering into any contract for the procurement or production of any non-petroleum based fuel for use as the same purpose or as a drop-in substitute for petroleum. Further, the Armed Forces should be exempt from procurement requirements for clean-energy vehicles and renewable energy portfolio standards for DOD facilities.

The RSC recommends that all efficiencies that can be found in the Department of Defense be reinvested into readiness and strengthening our national defense capabilities.

¹⁶ National Institutes of Health, “Estimates of Funding for Various Research, Condition, and Disease Categories (RCDC)”, February 10, 2016. https://report.nih.gov/categorical_spending.aspx

¹⁷ John M. Donnelly, CQ, “Funding Medical Research With Defense Dollars”, July 28, 2012. <http://public.cq.com/docs/weeklyreport/weeklyreport-000004132596.html>