

**The New Defense Budget & Rumsfeld's  
New Plan:  
Old Wine, Bigger Bottle**

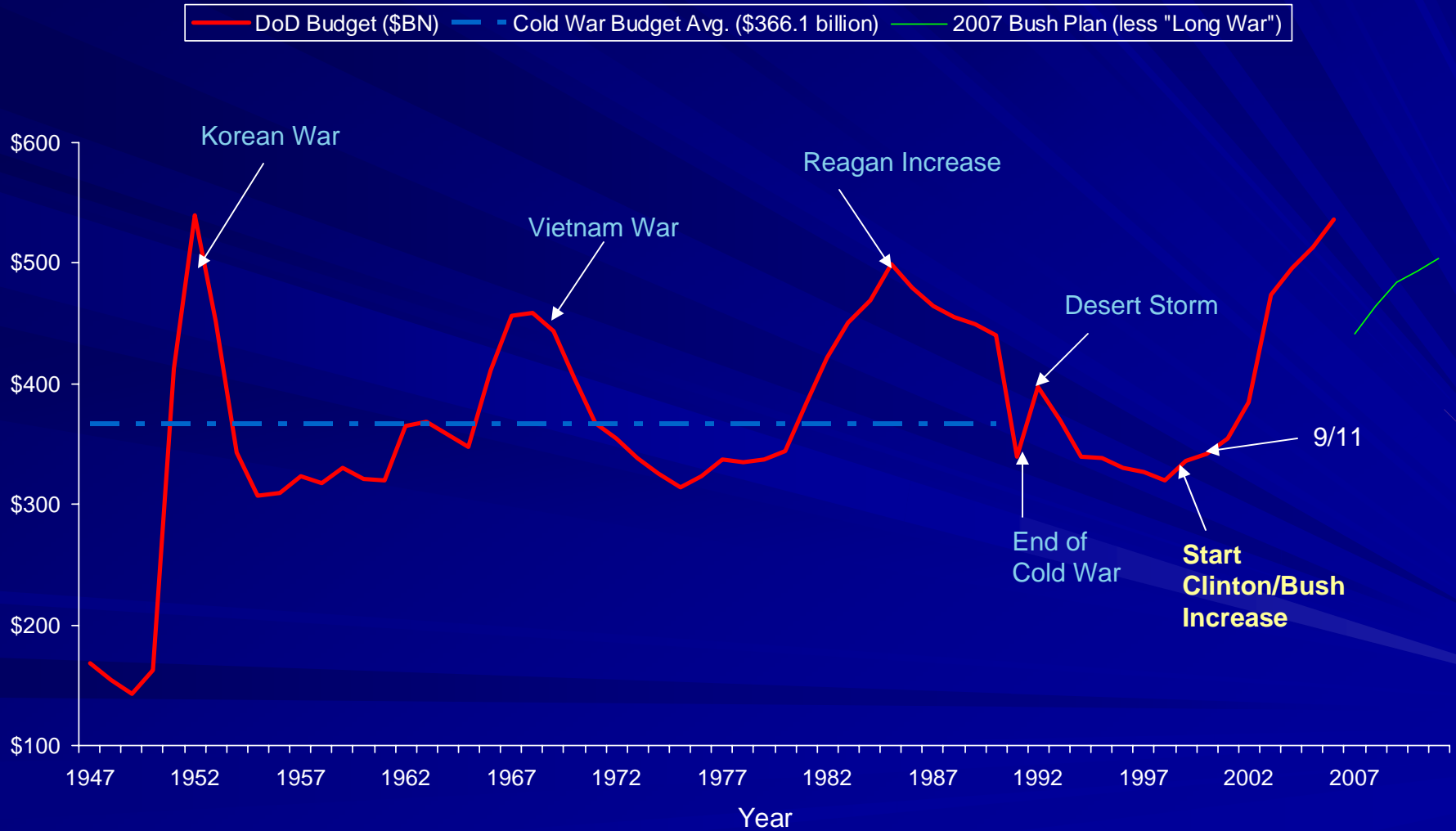
Winslow T. Wheeler  
Director, Straus Military Reform Project  
Center for Defense Information  
February 2006

# What is the “Defense Budget?”

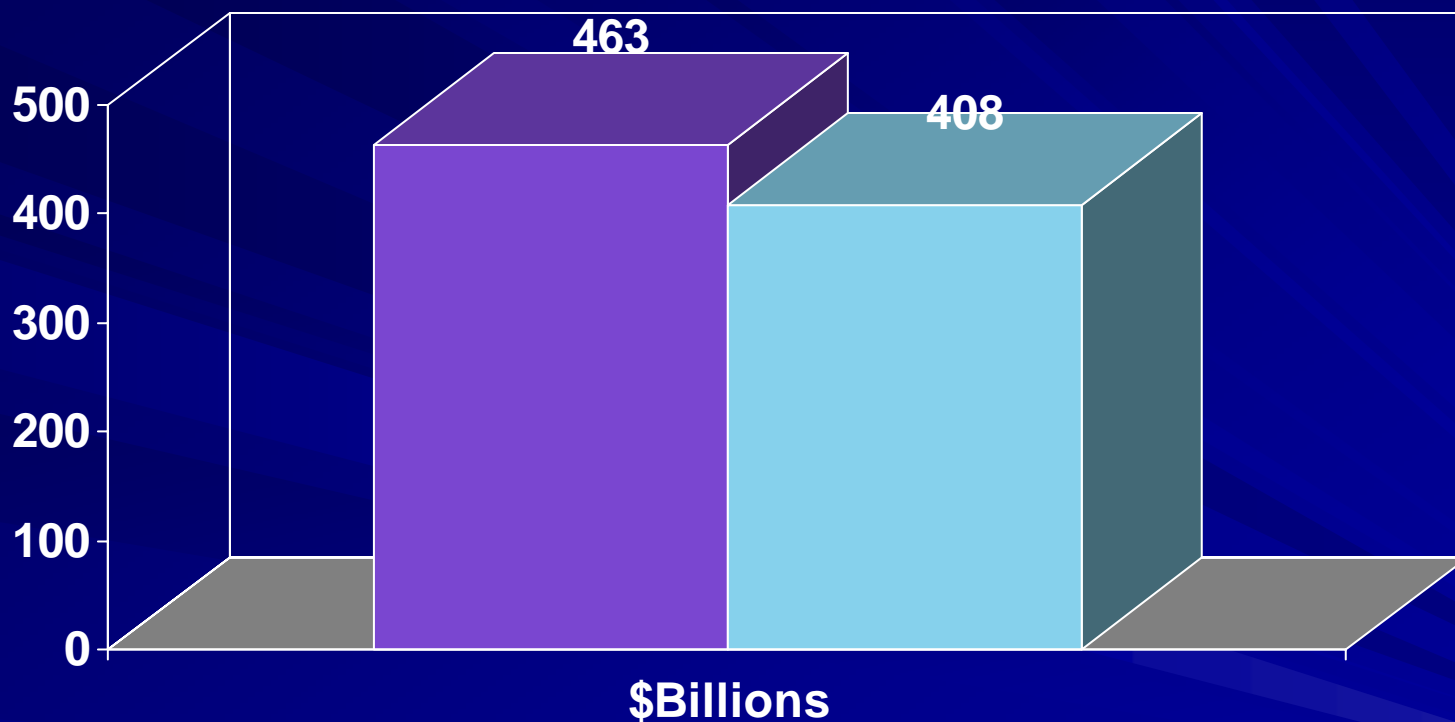
(\$Billions, “Total” Spending)

Category	2006	2007
<b>DOD</b>	412.3	441.2
War, etc.	125.8	50.0
<b>DOD with War</b>	538.1	489.3 (so far)
DOE/Defense	18.1	17.0
“054”	5.6	4.8
<b>National Defense</b>	561.8	513.0 (so far)
Homeland Security	38.4	41.6
DVA	70.4	77.8
International	27.7	33.7
<b>Grand Total</b>	698.3	666.1 (so far)

# Department of Defense Spending over Time (Constant 2006 Dollars)

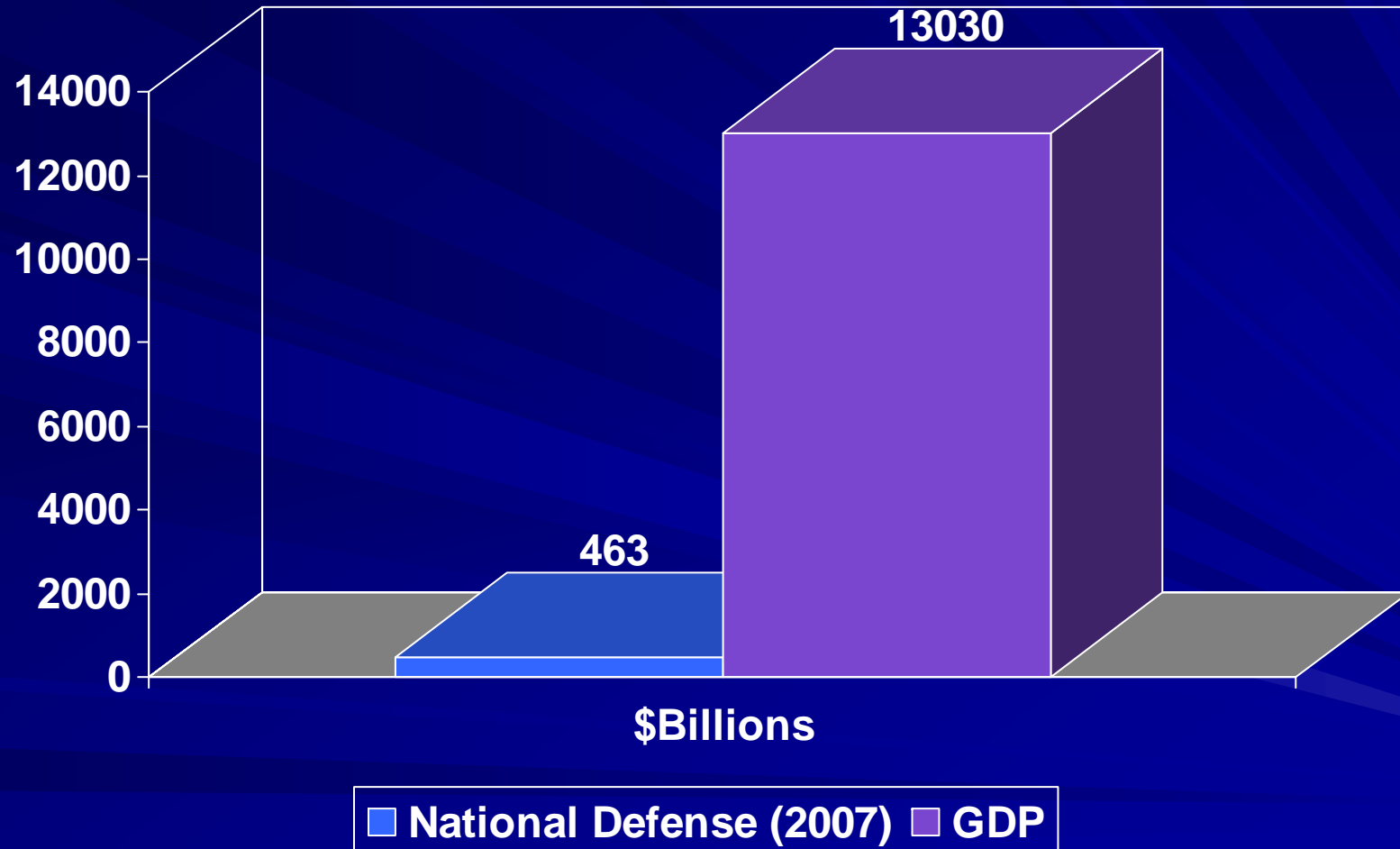


# Mis-measuring the Defense Budget: Comparing to “Non-Defense Discretionary”

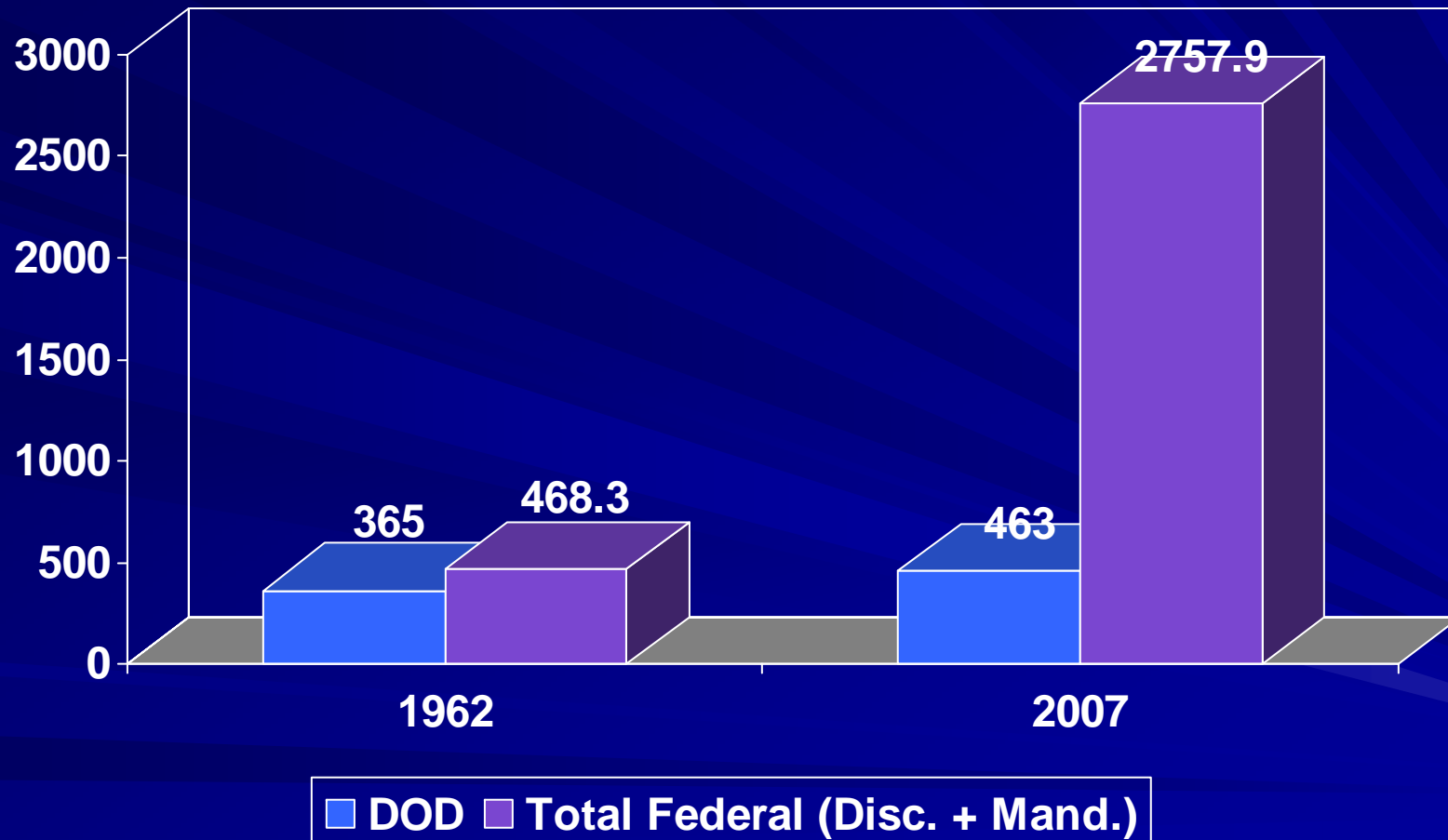


■ FY 2007 National Defense Request  
■ Total 2007 Non-Defense Discretionary

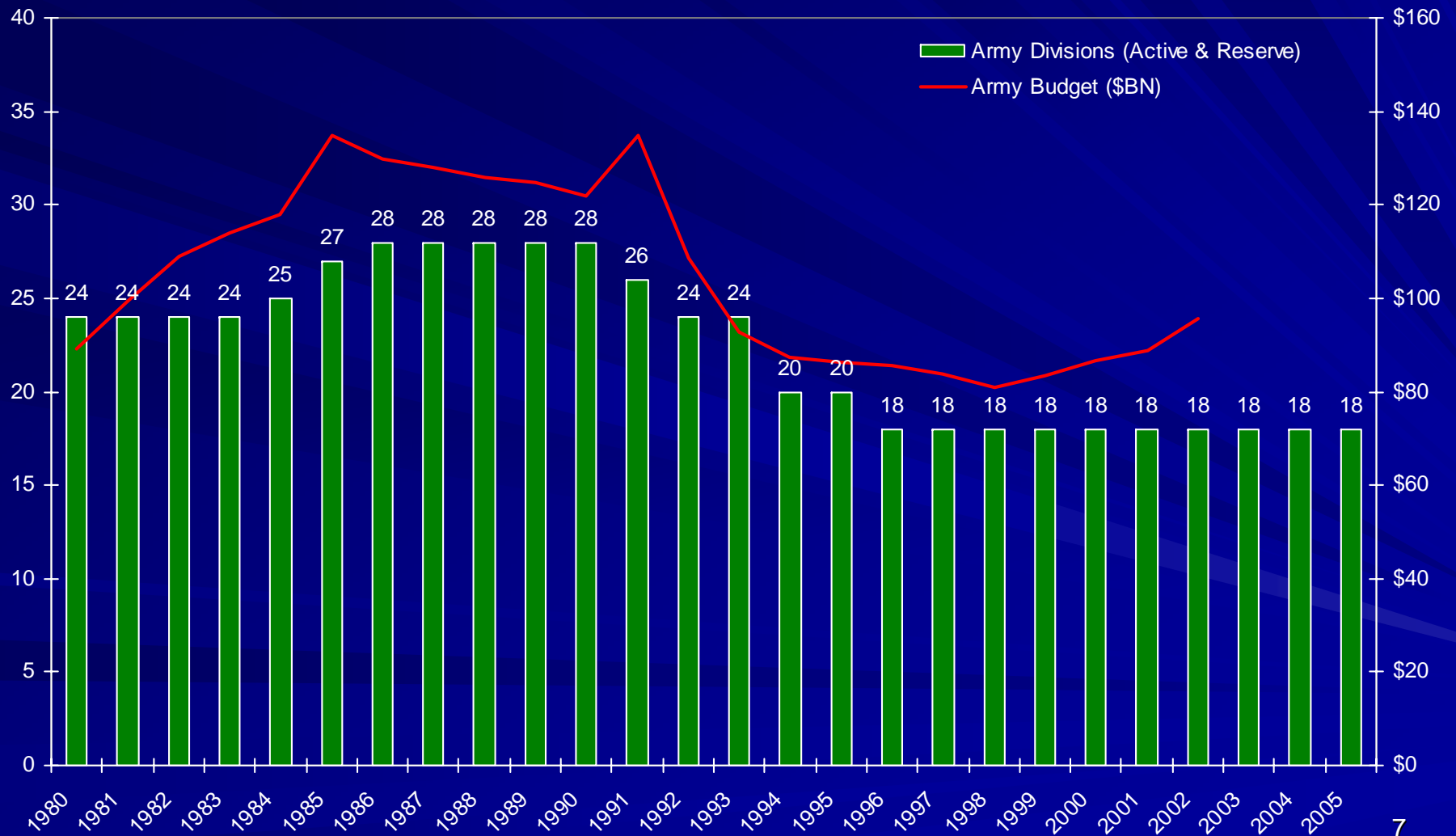
# Really Mis-measuring Defense Spending: % of GDP (3.9%)



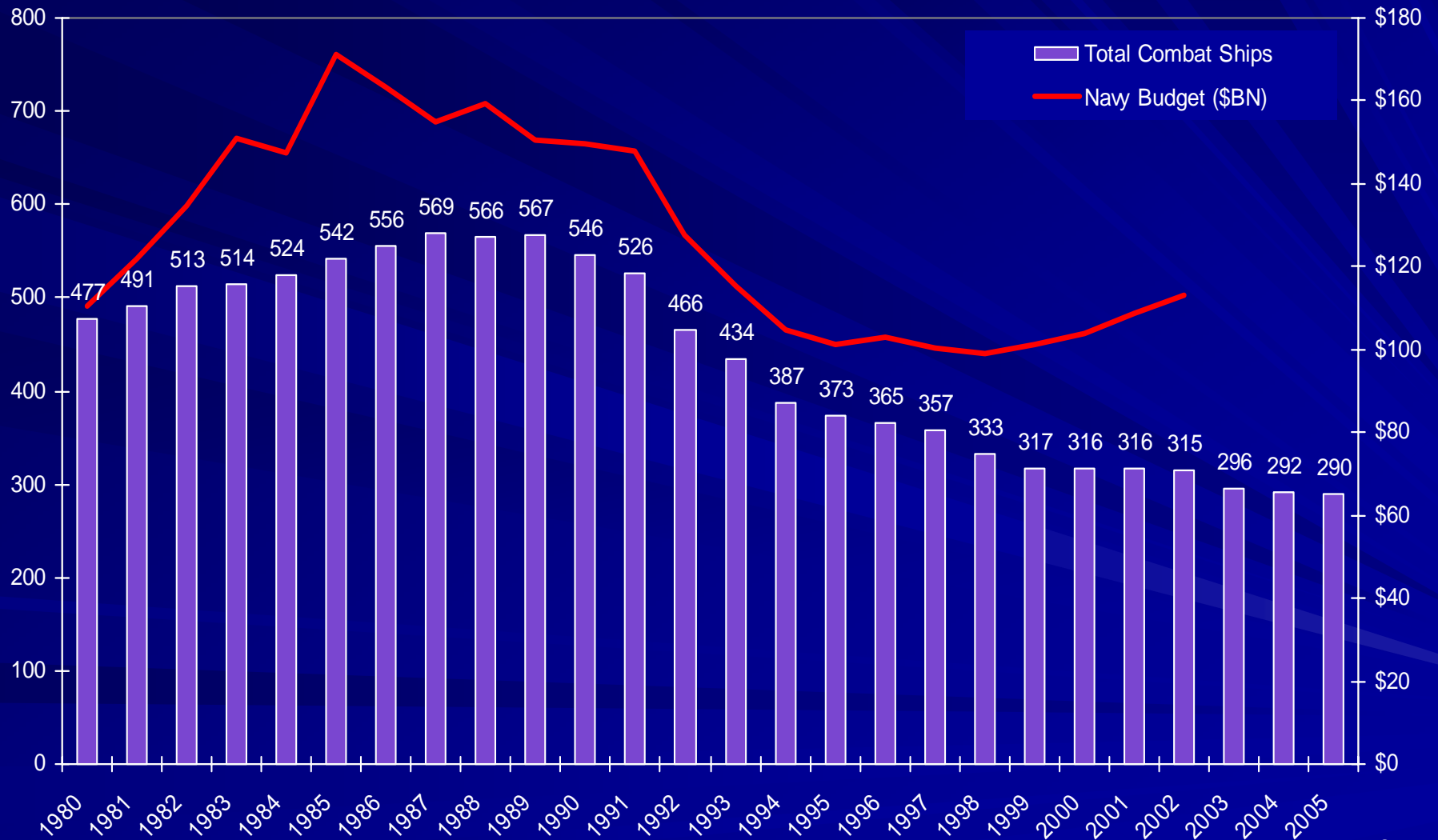
# Still Mis-measuring Defense Spending: Comparing to Total Federal Spending (Still Apples to Oranges)



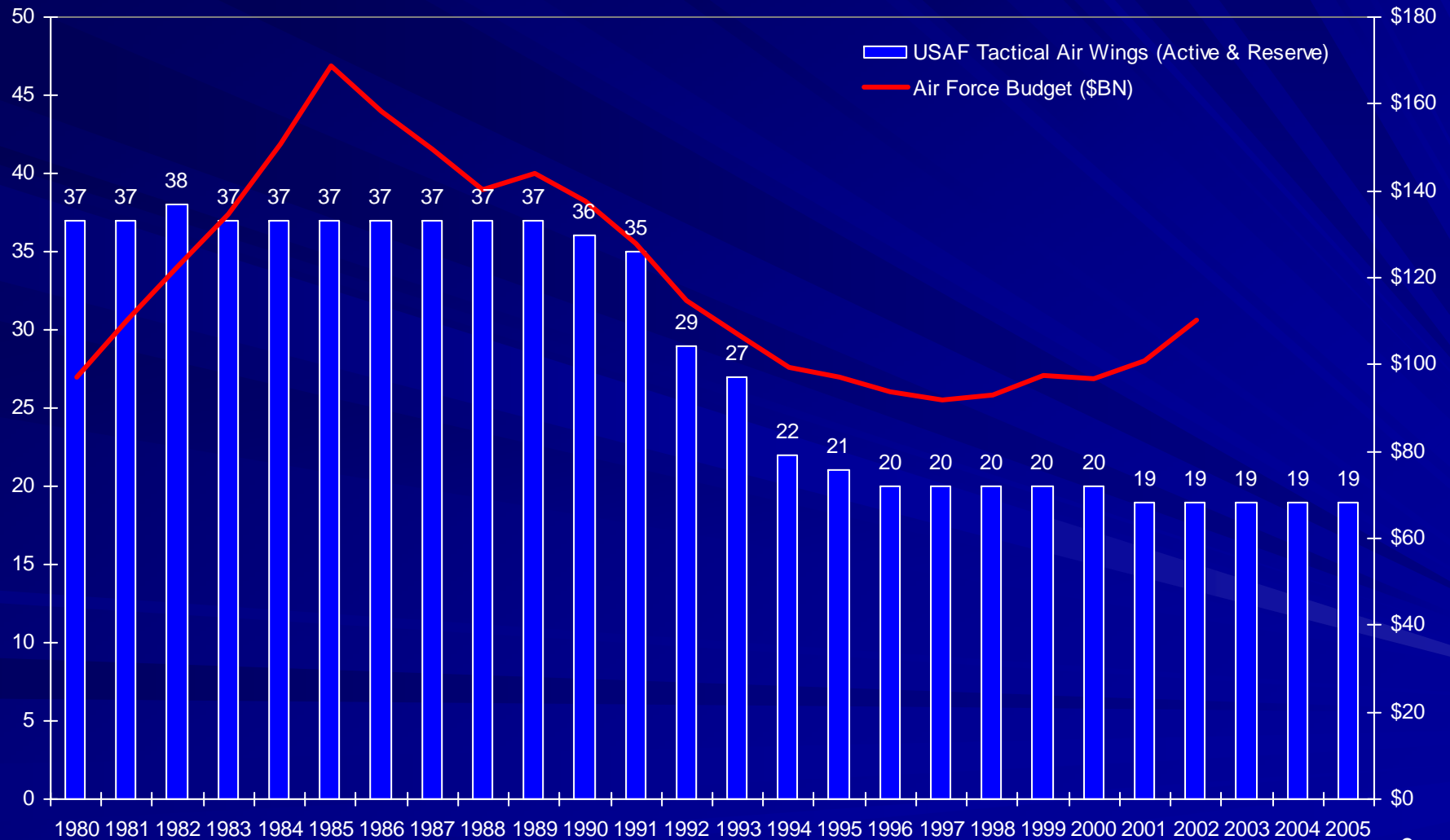
# Another Way to Look at It: Army Divisions Relative to Army Budget Over 25 Years



# Another Way to Look at It: Naval Combat Ships Relative to Navy Budget Over 25 Years



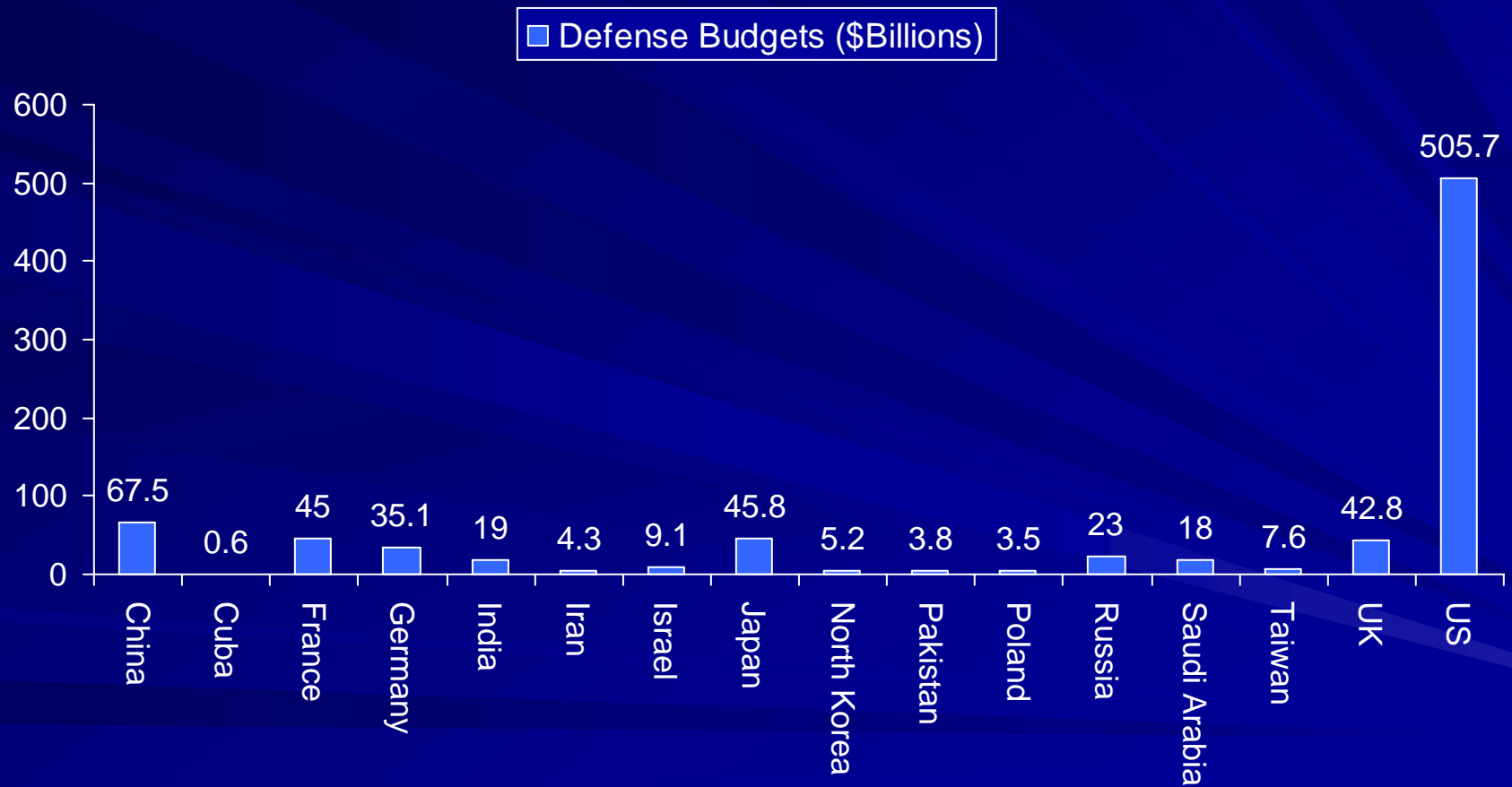
# Another Way to Look at It: Air Force Tactical Air Wings Relative to USAF Budget Over 25 Years



# Still Another Way to Look at It

## Comparison to Others

(2005 Data from CIA World Fact Book – except for U.S. and Russia)



# Defense News

October 1-7, 2001

www.defensenews.com



DoD ADVISES AIRLINES ON NONLETHAL DETERRENTS 4

## WORLDWIDE NEWS

### WORKING ON TERROR

#### IATO Re-examines Intel Sharing

IATO members need to re-examine their reluctance to share intelligence, said Lord Robertson, the alliance's secretary-general, who noted that the new counterterrorism effort requires greater coordination among the allies. *Page 4*

6 **U.S.:** Gen. Henry Shelton notes lack of spy network.

6 **Mideast:** Israel bristles as U.S. reaches to Iran, Syria.

### SIA

#### India Free To Buy U.S. Systems

With U.S.-imposed sanctions recently lifted, analysts expect India's defense companies to review the use of U.S. components and systems, a stance that could move the country away from Russian-made systems. *Page 3*

4 **India:** Defence Ministry seeks bids for aircraft.

### MIDDLE EAST

#### Israel Air Force Hones Defenses

To prepare for possible attacks on Israeli soil in the wake of the recent terror attacks on targets in the U.S., the Israel Air Force has retooled its defense plans slightly. *Page 22*

4 **Yemen:** Possible deal for new MiGs.

### EUROPE



## NORTH AMERICA

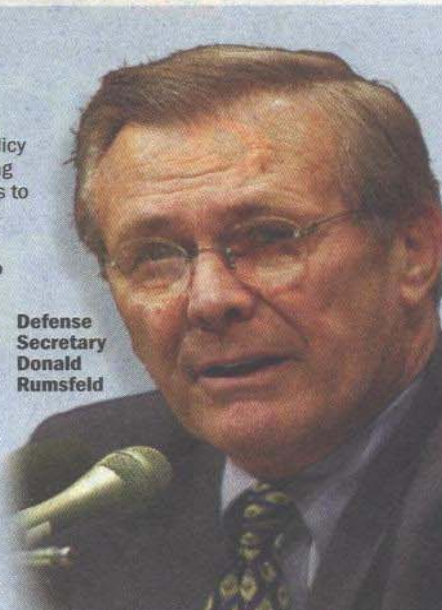
# Pentagon Delays Hard Choices

## Study Makes No Suggestions on Major Programs

### QDR HIGHLIGHTS

- Declares prominent role for armed forces in homeland defense.
- Replaces two-war strategy with four new policy goals: assuring allies and friends; dissuading future military competition; deterring threats to U.S. interests; and defeating aggression if deterrence fails.
- Advocates a capabilities-based approach to choosing and building weapons.
- Calls for no substantial force structure changes in the near term.
- Refocuses missile defense programs to provide layered, active missile defenses.
- Directs U.S. Army to deploy a Brigade Combat Team to Europe by 2007.
- Increases emphasis on defending computer networks and using emerging technologies to improve intelligence gathering.

SOURCE: Defense News research PHOTO BY ROB CURTIS



Defense Secretary Donald Rumsfeld

GAIL KAUFMAN, JASON SHERMAN  
And AMY SVITAK, WASHINGTON

Once touted as the bottom-line blueprint for reshaping the U.S. military, the 2001 Quadrennial Defense Review (QDR) instead postpones major decisions on weapon procurement and force structure. Those will have to wait for 24 new studies commissioned by Defense Secretary Donald Rumsfeld and due in March, Pentagon official and documents say.

To be unveiled Oct. 1 — less than three weeks since the terrorist attacks on two U.S. cities — the congressionally mandated report claims a prominent role for the armed forces in homeland defense and eliminates the decade-old requirement to fight two nearly simultaneous wars.

"It's a strategy and policy document," a defense analyst here says. See DECISIONS, page 8

# DoD Seeks up to \$40 Billion More

AMY SVITAK, WASHINGTON

The U.S. Defense Department is expected to ask for up to \$40 billion in the form of a sup-

plement to the terrorist attacks, and they're looking for about \$40 billion total for response to those attacks," the House aide said.

In the last week of September, Pentagon of-



# QDR: Where's the Beef?

- 10 USC118: QDR “shall ....identify the budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in that national defense strategy....”
- Due date for QDR shifted from September to December: intended to facilitate budget implementation.
- Starts with and talks up “The Long War.”
- 139 page DAPA Report on acquisition “reform.”
- Financial Management/“Underfunding”
- No budget plan in 2005 QDR
- Rumsfeld on 2/6: “The bulk of [the QDR] will be taken into account as the budget build starts now to be presented **next** February.”
- Looks like a total of \$17.3 billion in baseline 2007 request – out of \$439.3 billion (4%)
- “considering” DAPA Report (QDR Report, p. 71)
- Nothing on FM; almost nothing on ‘underfunding’ (CBO estimates plan/budget mismatch at \$50 billion to \$102 billion, **per year.**)

# Combat Arms: The Right Direction?

- 4,000 new SOF in 2007, plus USMC command, more UAVs, etc.
- Modularity to increase combat brigades from 48 to 70
- December Directive on Stability Ops
- Military to Civilian conversions
- Army National Guard and Army Reserve and other service reductions
- Enough for our best forces for insurgency?
- Decrease in full maneuver battalions (See IDA Studies at [www.cdi.org/smrp](http://www.cdi.org/smrp))
- Combat forces now to train not just for combat but also peacekeeping: two full time jobs.
- Good Idea, but Congress is raiding the dollars. (-\$282 million in 2006)
- Bill Payer for Hardware; Not Reversed

# “Machines Don’t Fight Wars; People Do.”

(If the Services Can Recruit back to, or above, 2006 Authorization Levels,  
Will the Hardware Programs Give the Money Back?)

Service	FY2006 DOD Appropriations' Manpower Authorizations	2007 OMB/DOD Request	Delta
Army	482.4	482.4	--
Navy	352.7	340.7	-12.0
USMC	175.0	175.0	--
USAF	357.4	334.2	-23.2
Army Reserve	205	200.0	-5.0
Navy Reserve	73.1	71.3	-1.8
MC Reserve	39.6	39.6	--
AF Reserve	74.0	74.9	+0.9
Army National Guard	350.0	332.9	-17.1
Air National Guard	106.8	107.0	+0.2
Totals			-58.0

# Rumsfeld's WMDs

## (Washington Monument Drills)

- Army Reserve and National Guard Cuts
- 2.2% Pay Raise for All
- End C-17 Production
- Tricare Cost Control
- USS Kennedy Retirement
- F-117 & MM-III Retirements
- Dead Before Departure – more funding to come.
- Dead on Arrival; more expenses to come.
- First Ever Boxer-Hastert Coalition; more \$ in outyears.
- In Intensive Care Unit. Prognosis: Grave
- Will there be an Act II?
- New Mexico and Montana are at “full alert.”

# And Buried in the Back...

- See p. 216 of OMB's "Analytical Perspectives" for 2007
- Line Item Veto (Completely invisible to press. Is it serious?)