

MORE CUTS TO MAJOR WEAPONS PROGRAMS COULD BE ON THE WAY

InsideDefense.com, Jan. 6, 2005 -- The \$30 billion batch of pre-Christmas cuts to Pentagon weapon systems could be a harbinger of even deeper cuts to big-ticket programs in the coming months, as the Defense Department prepares to launch a sweeping strategy review that is expected to further change what the military acquires.

The congressionally mandated Quadrennial Defense Review of strategy, budget, force structure and modernization plans is expected to scrutinize the need for weapons programs designed to fight conventional enemies. A goal is to redirect investment from areas where the United States enjoys a strong combat advantage toward capabilities needed to counter "irregular" threats, such as the insurgency the U.S. military is facing in Iraq.

Defense analysts said the overall \$30 billion in cuts -- mostly to Air Force and Navy programs -- and an accompanying \$25 billion increase for the Army could be a first step toward reallocating a larger portion of the total defense budget to ground forces. The budget changes, which followed direction from the White House Office of Management and Budget to trim defense spending, are spelled out in a 26-page Pentagon document, program budget decision No. 753, first reported last week by *InsideDefense.com*.

These program adjustments also indicate a commitment to pare back investments in weapon systems designed to deal with traditional conventional military threats -- systems like the F/A-22 fighter and next-generation Navy ships, analysts said.

"The cuts that came as a result of this budget drill were serious," said Clark Murdock, a strategy expert at the Center for Strategic and International Studies. "It showed the willingness of the department to step up and take some pretty strong steps with respect to traditional capabilities and sets the stage for some difficult trades to be made during the QDR."

The timing of the cuts -- in advance of the major strategy review conducted every four years -- is also exceptional, said Andrew Krepinevich, executive director of the Center for Strategic and Budgetary Assessments. "Usually you expect big programmatic changes to come at the end of the QDR, after the big strategic review is conducted. But here they are coming at the beginning," Krepinevich said.

The scope of the 2005 Quadrennial Defense Review is beginning to take shape. Pentagon sources said Defense Secretary Donald Rumsfeld is scheduled to meet over the weekend with key deputies leading the review to finalize a draft QDR framework. More than 300 proposed issues are expected to be distilled to fewer than 10, including a review of ground forces, air dominance and space capabilities. A draft terms of reference -- a memo outlining the issues and approach for the strategy review -- is expected to be circulated and finalized by February.

Between February and August, the bulk of the review will be executed. In a new twist, insights that emerge from this QDR may be immediately executed. This "rolling QDR" could have an exceptionally speedy impact. In contrast, the 1997 and 2001 versions did not begin to affect policy and spending until more than a year after delivery. The new approach aims to avoid a yearlong delay between making policy and implementing it.

Rumsfeld is the first defense secretary with the chance to conduct consecutive four-year reviews of Pentagon strategy since Caspar Weinberger in 1985, Krepinevich said. This year's review also will be the first QDR to fully weigh how the U.S. military should be sized, structured, postured and equipped to deal with global terrorism and other threats.

Adm. Vern Clark, chief of naval operations, hinted at some of the themes the Pentagon will tackle in the QDR during a Nov. 17 hearing before the House Armed Services Committee.

"What kind of forces do we need to take on the global war on terror, and are they forces that are optimized for major combat operations" said Clark. "What kind of investments do we need to take care of the antiterrorism/counterterrorism/force protection kind of requirements?"

Gen. Peter Schoomaker, the Army chief of staff, has recently suggested ground forces are much more important than they were when serving as a kind of "trip wire" during the Cold War. At the same hearing, he asked "what are the strategic forces of the future?" and "are we going to make the strategic investment in the right kind of strategic forces for the 21st century? That's the big question. And I would suggest that it may not be the same as we looked over the last several decades."

In addition to these issues, other QDR objectives are spelled out in the Dec. 23 budget document that cut \$30 billion from Pentagon spending between fiscal years 2006 and 2011.

"Direct the Quadrennial Defense Review to review ground forces capability to include Army, Marine Corps, and Special Operations Forces rotating base, active/reserve mix, force structure and modernization," states the program budget decision.

The document, approved by Deputy Defense Secretary Paul Wolfowitz, also calls for the QDR to "include an assessment of joint air dominance, the integrated joint capabilities that contribute to it, and the appropriate contributions by all types of tactical aircraft to joint air dominance in future warfare."

Further, the document calls for the upcoming strategy review to examine the "combined capabilities of space, airborne and terrestrial communications and intelligence sensors, including Airborne/Area Moving Target

Indication/Indicator and Ground Moving Target Indicator, as they relate to evolving concepts of operations and integrated capabilities architectures.”

All of these issues are expected to be viewed through the prism of the 2004 Strategic Planning Guidance issued last spring. That policy calls for U.S. forces to better prepare for a wider range of challenges, including “irregular, catastrophic and disruptive” threats. The U.S. military is well positioned to deal with an enemy that attacks with conventional air, sea and land forces. But U.S. conventional military power is widely recognized, and Pentagon officials do not expect to face this kind of challenge.

More likely are “irregular” threats, attacks designed to erode U.S. power in unconventional ways. Less likely, but of growing concern, are “catastrophic” threats. These aim to paralyze U.S. leadership and power with surprise attacks on symbolic and high-value targets. The fourth type of challenge, considered the least likely to materialize soon, but also the one to which the United States is most vulnerable, is “disruptive” technology. Such technologies include breakthroughs in sensors, information technology, biotechnology, miniaturization on the molecular level and cyber operations -- capabilities so spectacular they would quickly give an adversary an edge.

“I think they [Pentagon decision-makers] are taking this framework of traditional, irregular, catastrophic and disruptive threats seriously,” said Michèle Flournoy, a strategy expert at the center for Strategic and International Studies and a former Pentagon official who was involved in the 1997 QDR during the Clinton administration. “I think they are looking seriously at whether we are overinvested on the traditional side and underinvested in the other three categories. Look at cuts to [the] F/A-22 buy, and to shipbuilding; you’re seeing a reining-in of investment in some of those traditional warfighting areas to make room for potential other investments.”

Such adjustments to the 2006 budget suggest the QDR could redistribute portions of the Pentagon’s total budget from air and sea services to ground forces, analysts said.

“You see dollars flowing from systems like the F/A-22 to supporting the Army’s thrust toward modularity,” said Murdock. “These were cuts made as part of a budget drill. If you’re actually in a QDR trying to weigh trade-offs in capabilities to deal with disruptive challenges vs. traditional challenges, there may be even bigger cuts in store because you’re now talking about dollars to put against emerging challenges vs. dollars for the past challenges.

“They took some very significant actions as part of the budget process,” Murdock added, “and I think you’ll see the same, but more, in the QDR itself.”

Another defense analyst believes the recent budget cuts represent only the first round of major reductions in store for the Pentagon’s procurement accounts over at least the next two years.

“I think there is a signature weapon system in every service that now looks like a question mark in light of these choices in the pending QDR,” said the analyst.

The Air Force faces even deeper F/A-22 cuts and, possibly, the loss of its E-10A reconnaissance and command aircraft; the Navy could see its 12-ship aircraft carrier fleet -- cut by one in the Dec. 23 spending adjustment -- reduced to nine; and the Army faces cuts to its Future Combat System, said the analyst. -- *Jason Sherman*

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InsideDefense.com broke the story of PBD NO. 753, which outlined a bevy of major defense budget cuts, on Dec. 30.

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