

MARCH 2014

Gambling with Ground Forces

The 2015 Defense Budget and the 2014 Quadrennial Defense Review

POLICY BRIEF



By Travis Sharp

The Fiscal Year (FY) 2015 defense budget request prioritizes technological superiority over maintaining the size of the U.S. military. The budget reflects the current conventional wisdom that the U.S. military should privilege capability, the fielding of technologically preeminent weaponry, over capacity, the size of the force.¹ In this view, capability is the best way to deal with new threats, including countries like China and Iran that are employing anti-access/area denial strategies.² Similarly, reducing capacity is seen as the best way to preserve readiness because readiness dollars will be spread over fewer people and platforms, which maximizes the amount spent per person or platform.³

Faced with fiscal constraints that impose hard choices, the FY 2015 budget finances its bet on capability by gambling with ground forces. The budget does reduce capacity across the services by cutting ships, aircraft and vehicles, but it imposes the most significant reductions on the Army, the service with the most people. The budget cuts the planned size of the active-duty Army from 490,000

to between 420,000 and 450,000, a reduction of eight to 14 percent, with the final outcome depending on whether sequestration remains the law of the land. It also shrinks both the Army National Guard and Army Reserve by about five percent.

Prioritizing technology over size has a strategic logic and conforms with historical practice. Technology-intensive platforms like ships and aircraft take longer to produce than ground forces and cannot be added quickly during a crisis. Since World War II, the United States has usually paid its peace dividends by taxing the Army, which typically receives less funding than the Navy and Air Force during peacetime. While it is too simplistic to equate the Navy and Air Force with technology and the Army with manpower, the fact remains that cuts to capacity tend to hurt the Army most.

Despite this logic, focusing on high-tech modernization without simultaneously implementing policies to regenerate ground forces quickly should a crisis erupt constitutes strategic negligence of the highest order. The risks of not preparing for such a scenario are clear: the U.S. military might fail to accomplish its mission and more American troops might die. The foremost challenge facing U.S. defense planners today is how to build a force that, while privileging modernization, can still “get it right quickly when the moment arrives,” in the

words of historian Sir Michael Howard, by regenerating ground forces to prevail in an unforeseen fight.⁴ For American planners, getting it right does not mean matching or slightly exceeding the enemy's strength. Ideally, it means fielding a U.S. force that is a champion heavyweight boxer with a Ph.D. against an enemy force that is a rookie flyweight who dropped out of kindergarten.

To its credit, the January 2012 Defense Strategic Guidance (DSG) emphasized the importance of this demanding task, which it called "reversibility."⁵ Yet the Department of Defense (DOD) has not yet articulated publicly how it intends to achieve reversibility. The 2014 Quadrennial Defense Review (QDR) was a missed opportunity for DOD to address the issue directly. This policy brief summarizes the budget request and outlines two options for regenerating ground forces: surging the reserves and increasing the active-duty force.

The Budget in Perspective

President Obama's FY 2015 budget requests \$496 billion for DOD.⁶ This is about the same amount that DOD received in FY 2014 under the terms of the Bipartisan Budget Act, the December 2013 law that provided some relief in FY 2014 and FY 2015 from the mandatory defense cuts contained in the 2011 Budget Control Act (BCA).⁷

Figure 1 compares the FY 2015 request to past spending, recent budget requests and two possible futures: sequestration and a hypothetical drawdown that unfolds at the same rate (in percentage terms) as the post-Cold War drawdown. As shown, the current drawdown tracks closely with a post-Cold War style drawdown. Today's defense budget is like a grand piano in the penthouse of an old apartment building when the floor gives way. Each year DOD tries to build a new floor with its budget request, but each year the budget smashes through that floor on its way down.

Gambling with Ground Forces

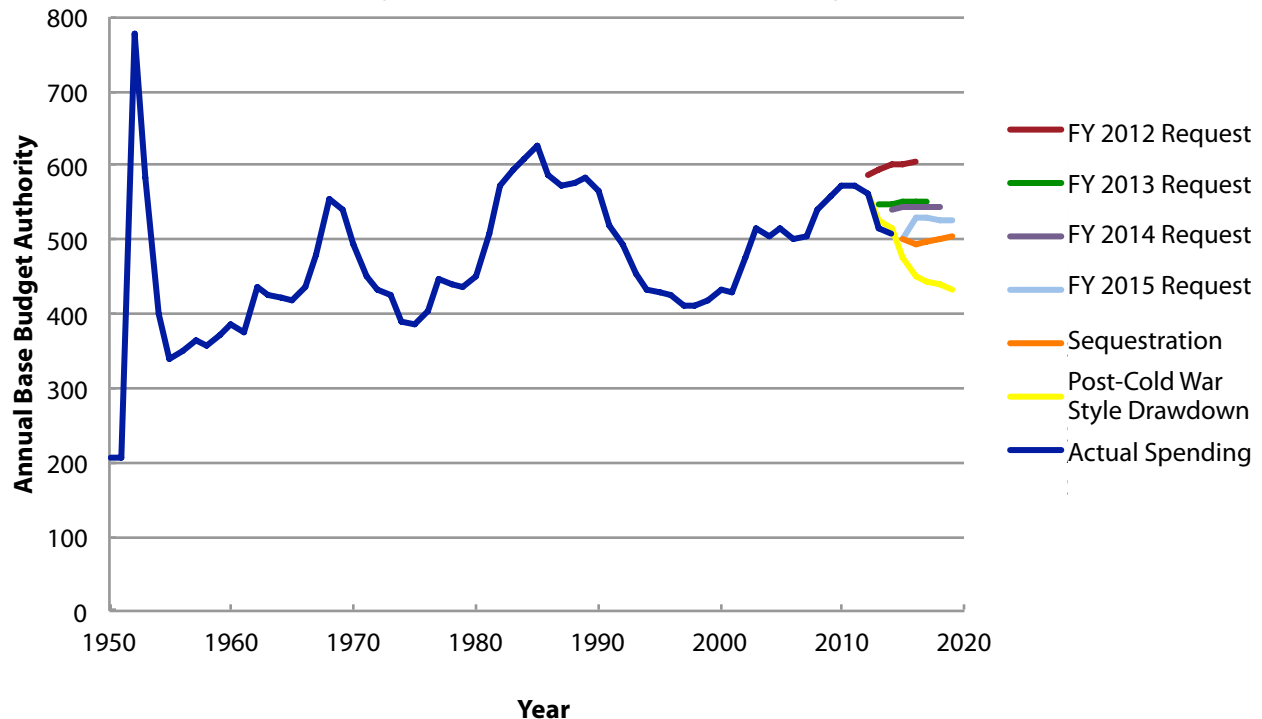
Cutting the active-duty Army to 420,000 to 450,000 personnel would shrink it to its smallest size since 1940, the year that the United States began its delayed-but-deliberate buildup for World War II.⁸ While interesting, the comparison to 1940 is not particularly useful. As strategist Andy Marshall once wrote, "Useful measures or estimates of military power relate to the capability of the military forces of one country to deal with the military forces of another country in a variety of interesting contingencies."⁹ In other words, since the 2014 Army is not going to fight in the 1940 strategic environment, comparing them does not help us decide what to do today.

Nevertheless, the size of the force does (often) matter in military operations. Table 1 summarizes how ground forces will decline under DOD's plan. If sequestration cuts required by the BCA are lifted for FY 2016 and beyond, by FY 2019 the active-duty Army and Marine Corps would contract by 22 percent and 10 percent, respectively, from their peak strengths in FY 2011. If sequestration cuts remain unchanged, those reductions would increase to 26 percent and 13 percent.

The proposed cuts to ground forces, while significant, are not as large as past drawdowns. Using a similar eight-year interval (i.e. FY 2011 to FY 2019) for comparison, the active-duty Army shrank by 45 percent after the Korean War (FY 1952 to FY 1960), 50 percent after the Vietnam War (FY 1968 to FY 1976) and 35 percent after the Cold War (FY 1987 to FY 1995).¹⁰ The active-duty Marine Corps shrank by 26 percent after Korea, 37 percent after Vietnam and 13 percent after the Cold War.¹¹ Of course, the ground forces were larger in those periods than they are today, so percentages do not tell the whole story.

Political pressure always exists to divide the budget evenly among the Army, Navy and Air Force so as to maintain balanced forces and quell interservice

**FIGURE 1: DEPARTMENT OF DEFENSE BASE BUDGET, 1950-2020
(IN BILLIONS OF CONSTANT DOLLARS)**



Note: The FY 2015 request does not include the \$26 billion requested in the Opportunity, Growth and Security Initiative.

Sources: Stephen Daggett, "DOD Discretionary BA, FY1950-FY2015, Including Supplemental/War Costs" (Congressional Research Service, February 2011); Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2014* (May 2013), Table 1-12; Tony Capaccio and Gopal Ratnam, "Hagel's Budget Seeks Smallest U.S. Army Since Before 2001 Attack," Bloomberg, February 24, 2014; and Tony Capaccio, "White House Gives Pentagon Budget Guidance With Increase," Bloomberg, January 23, 2014.

rivalry. However, as Figure 2 shows, the Army usually gets the least money during peacetime. War serves as the great equalizer by causing the Army's share to catch up with those of its sister services. As troop strength grew during the four U.S. wars since World War II, the Army's budget on average increased by about 30 percent per year in real terms.¹² However, only during Iraq and Afghanistan did the Army's budget exceed the Navy's and Air Force's during wartime.

What If DOD Gets It Wrong?

Paring back ground forces during peacetime is both precedented and logical, given that budget

reductions require cutting something and ground forces can be regenerated faster than advanced technological systems can be developed and fielded. However, because defense planners must always consider risk, the follow-on question is critical: What should the United States do in a future scenario that requires more ground forces than the nation has?

Many observers see such a scenario as unlikely for the foreseeable future.¹³ Yet as former Secretary of Defense Robert Gates noted, "When it comes to predicting the nature and location of our next military engagements, since Vietnam, our record

TABLE 1: CUTS TO GROUND FORCES IN FY 2015 BUDGET (IN THOUSANDS OF TROOPS)

	CURRENT STRENGTH	POST-9/11 PEAK STRENGTH (FY 2011)	PLANNED END STRENGTH WITHOUT SEQUESTRATION (AFTER FY 2016)	DECLINE FROM CURRENT STRENGTH	DECLINE FROM PEAK STRENGTH	PLANNED END STRENGTH WITH SEQUESTRATION (AFTER FY 2016)	DECLINE FROM CURRENT STRENGTH	DECLINE FROM PEAK STRENGTH
Active-Duty Army	520*	569	440-450	-13-15%	-21-23%	420	-19%	-26%
Army National Guard	355	362	335	-6%	-7%	315	-11%	-13%
Army Reserve	205	205	195	-5%	-5%	185	-10%	-10%
Active-Duty Marine Corps	190	202	182	-4%	-10%	175	-8%	-13%
Marine Corps Reserve	40	40	40	0%	0%	40	0%	0%
Total Ground Force Strength	1,310	1,378	1,192-1,202	-8-9%	-13%	1,135	-13%	-18%

* Active-duty Army end strength was already planned to decline to 490,000, since the increase to 569,000 was only a temporary increase due to wartime demands. The decline from the planned end strength of 490,000, to 440,000 to 450,000 without sequestration after FY 2016, would be eight to 10 percent. With sequestration after FY 2016, the decline from planned end strength would be 14 percent.

Note: On February 24, Secretary Hagel did not mention cuts to the Marine Corps Reserve, so the table assumes no cuts. Peak end strengths are authorized levels for FY 2011.

Sources: Secretary of Defense Chuck Hagel, "FY15 Budget Preview" (Washington, February 24, 2014); Department of the Army, *Fiscal Year (FY) 2013 Budget Estimates, Military Personnel, Army* (February 2012), 6; Department of the Army, *Fiscal Year (FY) 2013 Budget Estimate Submission, Reserve Personnel, Army* (February 2012), 7; Department of the Army, *Fiscal Year (FY) 2013 Budget Estimates, National Guard Personnel, Army, Volume I* (February 2012), 10; Department of the Navy, *Fiscal Year (FY) 2013 Budget Estimates, Military Personnel, Marine Corps* (February 2012), 6; and Department of the Navy, *Fiscal Year (FY) 2013 Budget Estimates, Reserve Personnel, Marine Corps* (February 2012), 9.

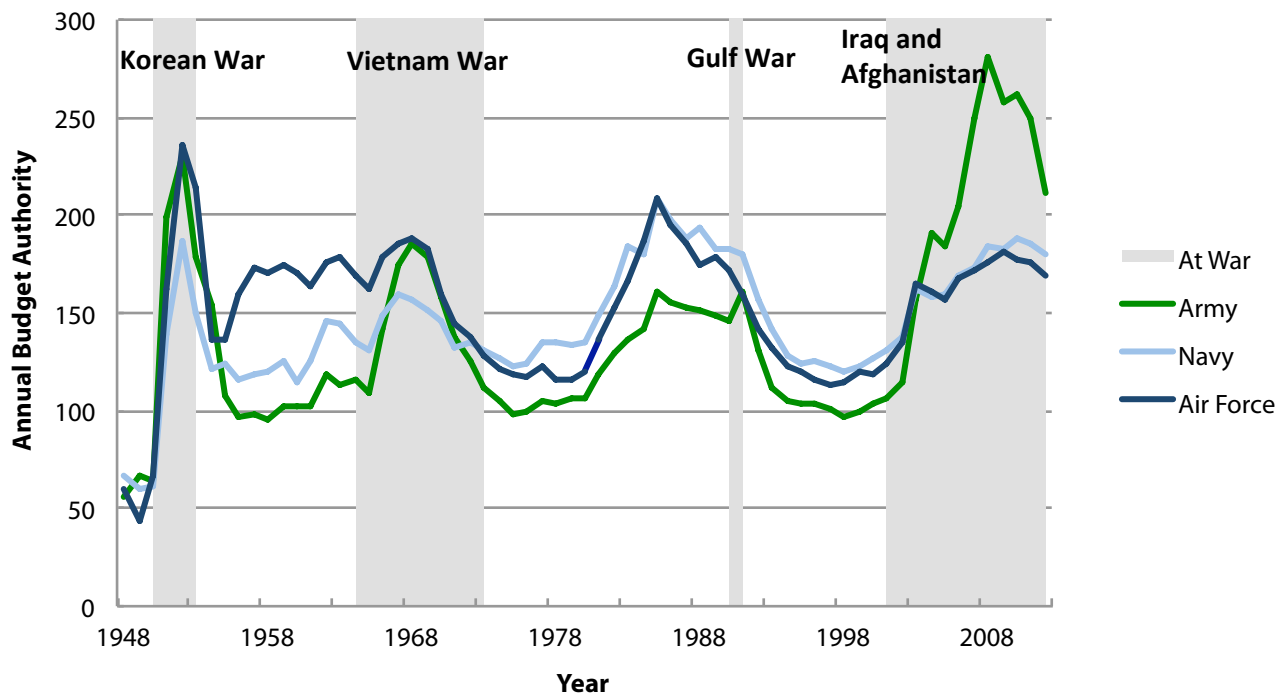
has been perfect. We have never once gotten it right."¹⁴ A number of contingencies might require the use of ground forces, such as halting North Korean aggression towards South Korea or denying terrorist sanctuaries in Yemen.¹⁵ If more than one contingency erupted, the United States might not have the ground power it needed to respond quickly and effectively.

In such a contingency, the United States could

do something other than regenerate ground forces. For example, it could convince an ally or allies to contribute forces or logistical support; respond with a different military tool, including naval, air, cyber or special operations forces; or exercise restraint and not react militarily, perhaps responding diplomatically or economically instead.

Despite these options, DOD still must be able to

FIGURE 2: MILITARY DEPARTMENT BUDGETS, 1948-2012
(IN BILLIONS OF CONSTANT DOLLARS)



Note: The figures include supplemental and war funds but exclude defense-wide funds.

Source: Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2014*, Table 6-10.

regenerate its ground forces. First, it is far from certain that U.S. allies will be willing or able to contribute forces.¹⁶ Second, it is highly debatable whether other military tools are substitutes for ground forces across the entire range of deterrence, compellence and combat scenarios.¹⁷ Third, it would be risky to craft today's defense plans under the assumption that U.S. political leaders will practice restraint, particularly given that decisions about the use of force have become quite ambiguous in today's complex security environment. The U.S. military always prefers to be prepared and have political leaders decide not to use force, rather than the other way around, which usually increases the cost in both blood and treasure.

Regenerating Ground Forces: Two Options

When all else fails, regenerating ground forces has proven historically to be the sine qua non of fighting the nation's wars. However, since the advent of the all-volunteer force in 1973, the U.S. military has significantly increased its quantity of ground forces only once: from 2007 to 2011, during the surges in Iraq and Afghanistan. Furthermore, as noted above, DOD has not yet presented any specific plans for how it would do so in the future.

There are two main ways that DOD can regenerate ground forces: surging the reserve and increasing the active-duty force. Surging the reserve would entail maintaining a reserve component that has higher readiness and is more tightly integrated with

active forces, enabling it to enter the fight sooner. In contrast, growing the active-duty force would involve increasing the quantity, equipment and training of active-duty ground forces through a combination of accessions, promotions, transfers and investments.

On the one hand, surging the reserve faces complex budgetary, operational and cultural problems.¹⁸ Consideration of this option has tended toward the parochial and emotional, a trend perpetuated by reactions thus far to the FY 2015 budget request.¹⁹ DOD could add more substance to the debate by studying transformative models for generating ground forces, including a progressive- or tiered-readiness system. Tiered readiness has a bad reputation because it is often blamed for past U.S. military failures. However, critics often overlook the fact that these failures had many causes, including significant strategic errors by civilian political leaders.²⁰ Twenty years ago, Senator John McCain proposed a progressive-readiness system with three tiers: tier 1 would deploy in days, tier 2 in weeks and tier 3 in months.²¹ A similar system today could combine in each tier active-duty troops with highly-skilled reservists, producing tiers that have the size and skills commensurate with when they will enter the fight.

On the other hand, increasing active-duty forces takes longer than many political leaders may realize (though it is still faster than building aircraft carriers and planes). The Iraq and Afghanistan buildup took quite a while, as illustrated in Figure 3. The total number of active-duty Army company-grade officers and enlisted E-3s to E-5s, which comprise the bulk of front-line fighters, increased every six months by only three percent on average, equaling about 1,200 additional soldiers. The comparable figures for the Marine Corps were two percent and 340 Marines. One could alter the assumptions and

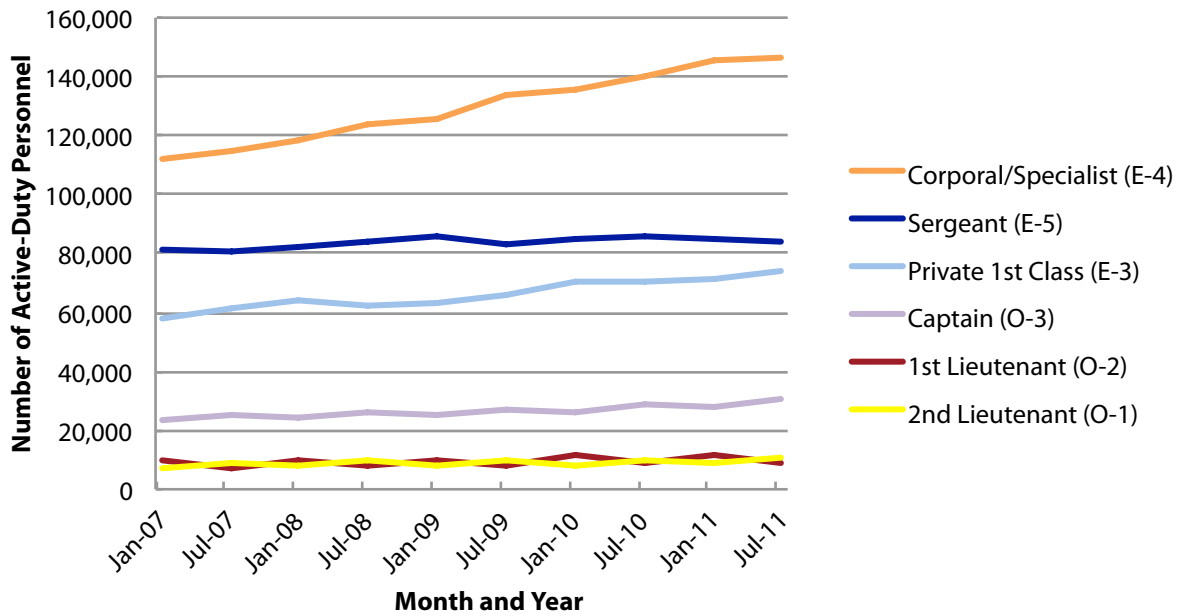
DOD has worked hard internally to analyze how the United States might regenerate ground forces, but neither the DSG nor the 2014 QDR provide a convincing public answer.

rerun the data, but the broader point remains: Is regenerating about 1,500 active-duty ground forces in critical ranks every six months sufficient to deal with future emergencies? If not, what should DOD do *right now* to manage the risk and resultant tradeoffs?

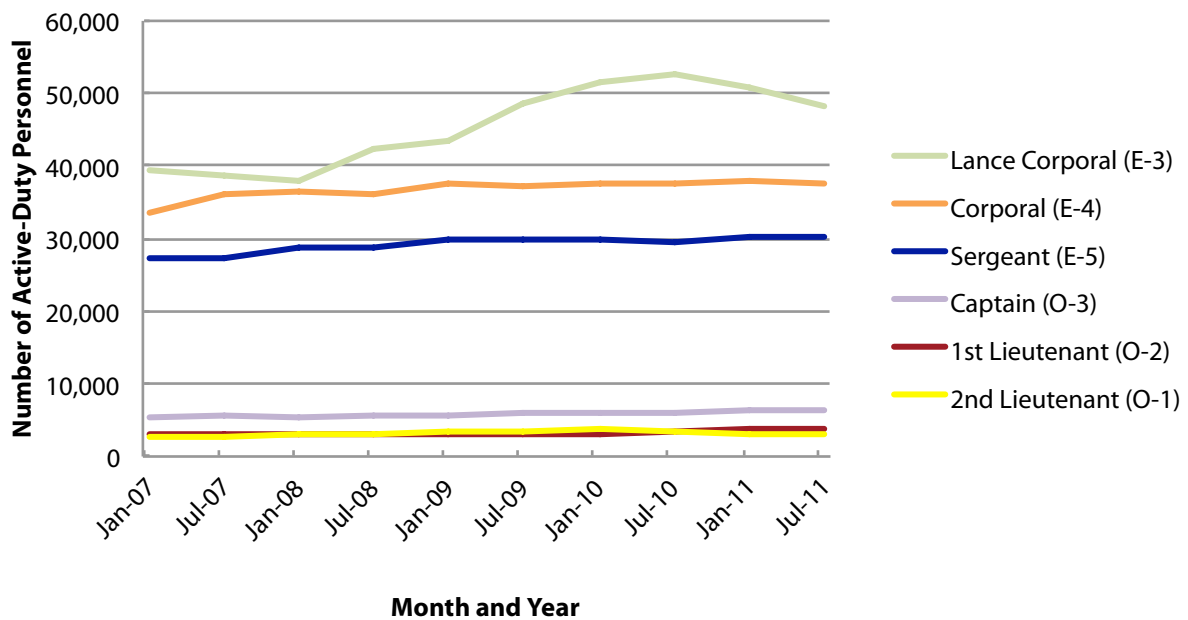
DOD has worked hard internally to analyze how the United States might regenerate ground forces, but neither the DSG nor the 2014 QDR provide a convincing public answer. As it considers the QDR and budget request, Congress and the congressionally-mandated National Defense Panel can contribute to the debate by challenging DOD on this central issue. Important questions include the following:

- **Assumptions:** What assumptions do DOD's plans make about when the United States will learn about a future crisis, make the political decision to respond militarily, regenerate ground forces and then deploy them into battle? How is DOD hedging against the possibility that these assumptions are wrong?
- **Force Structure:** How are the Army and the Marine Corps restructuring themselves internally to maximize capabilities as they shrink in size? How can active and reserve forces work together more effectively?
- **Policy Changes:** How might changes to America's intelligence priorities, overseas posture,

FIGURE 3: GROWTH IN KEY ACTIVE-DUTY ARMY PERSONNEL, 2007-2011



GROWTH IN KEY ACTIVE-DUTY MARINE CORPS PERSONNEL, 2007-2011



Source: Department of Defense, Defense Manpower Data Center, Active Duty Military Personnel by Service by Rank/Grade, January 2007 to July 2011 (March 2014).

recruiting and training affect the timing, quantity and quality of U.S. forces responding to an unforeseen crisis?

- **Industrial Base:** Can the U.S. defense industrial base support a rapid buildup of ground forces in the future?
- **Opportunity Cost:** How would regenerating ground forces affect the resources being devoted to weapons modernization?
- **Cost:** How much would regenerating ground forces cost?
- **Leadership:** How does DOD plan to retain the military leaders who can regenerate ground forces – primarily field-grade officers and non-commissioned officers – if directed to do so?

Conclusion

By betting on technology over size, the FY 2015 budget intensifies the debate over whether to prioritize men or materiel as defense spending declines. This debate has recurred throughout military history, but there is rarely a right or wrong answer. The inability to predict the future means that defense planners will almost always get it wrong. The goal, as Sir Michael Howard argues, is to not get it too badly wrong and to correct things swiftly. The ability to regenerate ground forces quickly, whether by surging reserves or increasing the active-duty force, is essential to this type of strategic self-correction. Despite other pressing budgetary and strategic dilemmas, DOD and Congress should dedicate more attention to this issue in 2014 and beyond.

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ENDNOTES

1. See, for example, Defense Advisory Committee, "A New US Defense Strategy for a New Era: Military Superiority, Agility, and Efficiency" (Stimson Center, November 2012); Sydney J. Freedburg Jr., "Best Case For Sequester Is Still Disaster, Top Experts Say," *BreakingDefense.com*, May 29, 2013; and Secretary of Defense Chuck Hagel, "Statement on Strategic Choices and Management Review" (Washington, July 31, 2013).
2. Department of Defense, Air-Sea Battle Office, *Air-Sea Battle: Service Collaboration to Address Anti-Access & Area Denial Challenges* (May 2013), 13.
3. See, for instance, former Secretary of the Air Force Michael Donley, "Air Force Must Shrink Or Go Hollow," *BreakingDefense.com*, January 10, 2013.
4. Michael Howard, "Military Science in an Age of Peace," *The RUSI Journal* 119, no. 1 (1974), 7.
5. Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (January 2012), 7.
6. The FY 2015 base budget also requests an additional \$26 billion to enhance readiness as part of the Obama administration's so-called Opportunity, Growth and Security Initiative. These funds, which Congress could appropriate if it increases the Bipartisan Budget Act's spending caps, would bring the total FY 2015 base budget request to \$522 billion.
7. Nora Bensahel, "The Budget Deal: Good, But Not Great, News for DOD," *The Agenda* blog on cnas.org, December 11, 2013.
8. Thom Shanker and Helene Cooper, "Pentagon Plans to Shrink Army to Pre-World War II Level," *The New York Times*, February 23, 2014. According to official DOD and census data, the active-duty Army of 1940 numbered about 270,000, of which about 50,000 were air force personnel (the Air Force did not exist as a separate service until 1947). See Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2014*, Table 7-5; and Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1941* (Washington: Government Printing Office, 1941), 158.
9. Andy W. Marshall, "Problems of Estimating Military Power" (RAND Corporation, August 1966), 2.
10. Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2014*, Table 7-5.
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14. Quoted in Micah Zenko, "100% Right 0% of the Time," *ForeignPolicy.com*, October 16, 2012.

15. For an excellent analysis of potential scenarios, see Nathan Freier et al., "U.S. Ground Force Capabilities through 2020" (Center for Strategic and International Studies, October 2011).
16. For a systematic treatment, see Nora Bensahel, "International Alliances and Military Effectiveness: Fighting Alongside Allies and Partners," in Risa A. Brooks and Elizabeth A. Stanley, eds., *Creating Military Power* (Stanford: Stanford University Press, 2007), 186-206.
17. The 2010 QDR and 2012 DSG alluded to such an approach. See Travis Sharp, "Over-promising and under-delivering? Ambitions and risks in US defence strategy," *International Affairs* 88, no. 5 (September 2012), 978-979.
18. John Nagl and Travis Sharp, "An Indispensable Force: Investing in America's National Guard and Reserves" (Center for a New American Security, September 2010).
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