

REPORT OF THE TASK FORCE ON

# A Unified Security Budget *for the* United States, 2006

Center for Defense Information | Foreign Policy In Focus

MAY 2005

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**The members of the Task Force support this report as one positive proposal illustrating a way to rebalance the security budget, without necessarily endorsing each program proposal within it.**

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*This report was funded with generous support from the Proteus Fund, the Educational Foundation of America, and the Arca, Colombe, Ford, MacArthur, Rubin and Town Creek Foundations.*

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# Executive Summary

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**D**uring the last year, the ground under the security debate has begun to shift. A diverse and growing universe of voices, including former national security advisors, representatives of the business community, and the Bush administration itself, now recognizes that expanding the role of nonmilitary tools in our portfolio of security spending is necessary to keep Americans and the rest of the world safe. In the federal budget, though, where the debate takes concrete form, this shift barely registers. Small increases planned by the administration for some nonmilitary security programs would still leave the overall proportion of resources severely unbalanced.

There are also strong counterpressures that threaten to overwhelm these good intentions and make the imbalance worse. These include a costly war of choice whose end is not in sight. And they include an approach to military transformation based on unproven technologies that may be prohibitively costly to build, and are often more appropriate for large-scale conventional war rather than counterterrorism. For example, the projected costs of the centerpiece of the Army's equipment program, the Future Combat System, are extremely high, even before the virtually-guaranteed cost overruns begin to mount.<sup>1</sup>

In this report a Task Force of security experts outlines a way to balance our security budget without worsening the fiscal crisis that also threatens us all. It identifies **\$53.1 billion** in cuts from the fiscal year (FY) 2006 military budget and explains why each of them can be made with no sacrifice to security. It identifies **\$40.5 billion** in additional spending on nonmilitary

tools and explains the role of each in building a more secure world. U.S. nonmilitary security-related programs include things like State Department diplomatic operations, international broadcasting and communication, nonproliferation programs to secure dangerous nuclear materials abroad, economic development aid, and funding for regional organizations and the UN, including their peacekeeping operations.

**KEY FINDING:** The administration's budget concentrates security resources overwhelmingly on the military, at the expense of other security tools. It allocates seven times as much on the military as on homeland security and all other nonmilitary security programs combined. Factoring in spending on the wars we are actually fighting tips the balance even further: it becomes nine-to-one.

**KEY FINDING:** Making the shift outlined in this report would change the current **seven-to-one** ratio to **four-to-one** — a better balance for the long-term security needs of the United States.

**KEY FINDING:** Eliminating redundant weapons systems with little or no relevance to fighting terrorists will free up resources to gear a larger proportion of the force toward small- and medium-scale interventions relevant to countering terrorists, and toward peacekeeping and stability operations. This transformation primarily requires changes in doctrine, training, organization and personnel policies rather than new hardware.

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1 Army officials estimate the cost of the first phase of the program at \$145 billion, not counting \$25 billion for its communications network. See "Drive to Build High-Tech Army Hits Cost Snags," Tim Weiner, *New York Times*, March 28, 2005, p. 1.

**KEY FINDING:** The force is overstretched primarily because so much of it has been devoted to the wrong mission, the invasion and occupation of Iraq, rather than pursuing terrorists. The ongoing conflict in Iraq is now absorbing troop strength that should be available to counter real threats to U.S. security. Defeating the Taliban was accomplished with a few thousand U.S. troops; the continuing effort to capture Osama bin Laden and other al-Qaida members in Afghanistan employs a force numbering fewer than 20,000.

**KEY FINDING:** The new coalitions this year supporting increased spending on International Affairs are extremely broad-based, including humanitarian organizations and large corporations, and national security advisors from the administrations of Presidents Ronald Reagan, George H.W. Bush, and Bill Clinton. Emphasizing a reallocation of resources toward non-military security tools will require adjustments to the International Affairs account however, since the largest component of that account underwrites the sale of U.S.-made weapons to mostly nondemocratic regimes around the world.

**KEY FINDING:** The 2004 presidential candidates agreed that the top foreign policy priority of the United States should be containing the spread of weapons of mass destruction (WMD) around the world. Having spent upwards of \$200 billion seeking WMD in Iraq that turned out not to exist, the United States proposes spending less than \$2 billion in FY 06 in total on WMD nonproliferation. This is hardly spending commensurate with the label “top priority.”

**KEY FINDING:** The increase in the International Affairs budget is allocated mostly to the Millennium Challenge Account. What has been mostly overlooked is that, within the overall budget for international economic development, funds for long-term development have been decreased in favor of an emphasis on emergency crisis response.

**KEY FINDING:** The overemphasis on security by means of military force has begun to register in our quality of life. The major escalations of the U.S. military budget in recent years, exacerbated by increases for current military operations, and compounded by a series of major tax cuts, has increased the pressure on spending for our citizens’ education, health care, environmental protection, social security, and other public services. Within the security portfolio, cuts to the budgets for energy efficiency and renewable energy sources take us further away from the goal of energy independence, and tie our security to a volatile world oil market and to undemocratic regimes.

The Task Force recommendations for spending cuts and increases to rebalance our security budget are outlined in the two tables below on pages 7 and 8.

References in the public debate to a U.S. budget wildly out of balance usually have to do with the wide gap between income and outlays. Here the Unified Security Budget Task Force draws attention to another imbalance: between military and nonmilitary means of achieving security. While the security debate has begun to shift in favor of a larger role for nonmilitary tools, the budget debate has failed to keep pace. In this document we seek to connect the security debate to the resource allocations that will make it real.

## MILITARY PROGRAMS

	Administration FY 06 Request	Proposed Change
BILLIONS OF DOLLARS		
Major Weapon Programs		
F/A-22 <i>Raptor</i> fighter	4.29	- 3.6
<i>Virginia</i> -class submarine	2.55	- 2.3
DD(X) destroyer	1.80	- 1.5
F-35 Joint Strike Fighter	5.02	- 3.0
Future Combat System	3.40	- 2.7
Nuclear War and Weapons of Mass Destruction		
Nuclear warheads & weapons		- 4.7
<i>Trident II</i> nuclear missile	1.02	- 1.0
National missile defense	7.77	- 6.8
Research and Development	69.35	- 15.6
Poorly-Performing Programs		
V-22 <i>Osprey</i> transport aircraft	1.78	- 1.6
B-2 <i>Spirit</i> bomber	0.34	- 0.3
Classified satellite program, name unknown		- 1.0 ?
Space-Based Radar	0.22	- 0.2
Army Tactical Command and Control System		- 0.2
Military Forces and Personnel		
Air Force air wing	2.7	- 2.6
Navy carrier battle group	2.3	- 2.0
Military service headquarters abroad		- 0.2
Re-enlistment bonuses targeted on needs		- 0.5
DOD retail store consolidation		- 0.3
Waste in defense procurement and business operations	(22 ?)	- 3.0
<b>TOTAL</b>		<b>- 53.1</b>

For notes see main report.

## NONMILITARY PROGRAMS

	Administration FY 06 Request	Proposed Change
BILLIONS OF DOLLARS		
Contributions to International Organizations	1.57	+1.0
Diplomatic operations	5.99	+2.0
U.S. International communication (public diplomacy)	1.3	+ 1.2
Nonproliferation	1.2	+ 1.82
Contributions to international peacekeeping	1.23	+ 0.5
UN peacebuilding		+ 0.5
UN civilian police force		+ 0.2
Conflict Response Fund	0.1	+ 0.1
Economic development	14.15	+ 10.0
Address key deficits in Homeland Security funding	49.9	+ 23.15
Nuclear plant hardening	0	+ 0.7
Chemical plant security	0	+ 0.05
Port security	2	+ 0.5
Public transit security		+ 6.0
Public health infrastructure	2.28	+ 10.0
First responders	2.76	+ 4.0
Container security	0.19	+ 1.9
<b>TOTAL</b>		<b>+ 40.5</b>

For notes, see main report.

# Introduction

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The attacks of 9/11 vaulted security concerns to the top of the national agenda, where they remain today. The Bush Administration's response to the attacks sent an unmistakable message about its approach to securing the homeland. By going to war against two countries, and defining these wars as the centerpieces of a "global war on terrorism" (GWOT), it conveyed clearly that the problem was to be solved mainly by applications of military force. This message was underscored by budgetary reality. Between FY 01 and FY 05 the United States spent **\$1.9 trillion** on its military forces — excluding what was spent to fight the wars in Afghanistan and Iraq — versus **\$163 billion** on homeland security.<sup>2</sup> Proposed military expenditures for FY 06 — again, excluding war spending — are \$442 billion.

Following the 2004 election, key administration spokespeople appeared to be trying to shift the message. In Ottawa, at President Bush's first post-election address on foreign policy, an aide reported to the press that the gains made in the GWOT by military force in Afghanistan and Iraq would now be "secured" by a greater emphasis on diplomacy in the second term. At her confirmation hearings Secretary of State Condoleezza Rice turned this message into a rallying cry: "The time for diplomacy is now."

Such comments encourage the impression that events during the first term have altered the administration's view of how to keep the nation safe. Following 9/11, the President promised a comprehensive ap-

proach to fighting terrorists. Would this promise now come to resemble the reality of government policy?

If so, such a shift would follow the recommendations of the bipartisan 9/11 Commission, charged with investigating the attacks and specifying how to prevent others in the future. One of the 9/11 Commission's major recommendations called for combating terrorists by increasing investment in the full range of security tools at our disposal, including diplomacy, nonproliferation, and economic development.<sup>3</sup>

It would also follow the main recommendation of the Task Force of security experts that produced the first version of this Unified Security Budget, released in March 2004. This Task Force found that despite its promise of a comprehensive approach to fighting terrorists, the administration spent the overwhelming proportion of the nation's security dollars on the military: seven times as many were devoted to military security tools as to all nonmilitary security tools — diplomacy, nonproliferation, foreign aid and homeland security — put together.

This Task Force has reconvened, with several new members, to evaluate the FY 06 budget request. We conclude that the rhetorical shift toward diplomacy has not been matched by budgetary reality. Despite some increases to the budget for international affairs, the overall imbalance between military and nonmilitary security tools has not changed.

This report outlines the Task Force's recommendations for addressing this imbalance in the regular de-

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2 *Funding For Defense, Military Operations, Homeland Security, and Related Activities Since 9-11*, Steven M. Kosiak, Center for Strategic and Budgetary Assessments, Oct. 18, 2004.

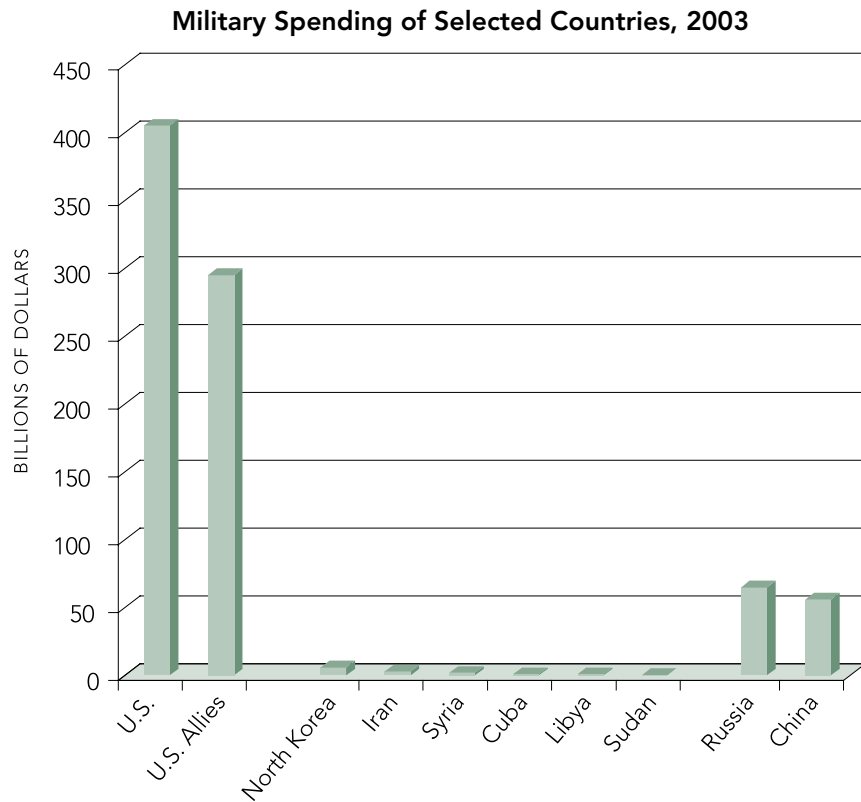
3 "What To Do? A Global Strategy," Chapter 12, *The 9/11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States*, [www.ibrary.org/ebooks/US/9-11/911Report.htm](http://www.ibrary.org/ebooks/US/9-11/911Report.htm), pp. 361-399.

fense budget. Money to pay for the wars we are actually fighting is provided in a series of supplemental appropriations bills. The figures in this report generally exclude such additional spending. If this supplemental spending on the Iraq and Afghanistan wars is added into the equation, the disparity widens, from seven-to-one, to nine-to-one.

Last year's Task Force recommended several measures to restructure the force to focus on the kinds of security threats the United States now faces. The Pentagon has begun to implement some of them. Yet three major deficiencies in U.S. security policy remain:

- **Mismatched forces:** the budget continues to fund an array of expensive programs that have little or nothing to do with fighting terrorists, or with other major threats we are likely to face in the foreseeable future.
- **Overstretched forces:** a major portion of the force remains committed to the wrong mission, the Iraq war. Intended to destroy weapons that turned out not to exist, the Iraq war was presented as a short-term conventional battle U.S. forces knew how to win; it has now devolved into a protracted insurgency struggle they do not, one that has depleted troops and materiel, and become a recruiting ground for anti-American terrorists.
- **Neglected security tools:** the budgets for key nonmilitary security priorities remain seriously underfunded.

## ANOTHER IMBALANCE: U.S. AND GLOBAL MILITARY SPENDING



Sources: *Military Balance 2004-2005*, International Institute for Strategic Studies. *Budget of the United States Government, Fiscal Year 2005*, Office of Management and Budget.

### EARLY SIGNS SUGGESTED A BUDGETARY SHIFT

At the start of the new year, a leaked memo from the Pentagon was widely reported as outlining “deep cuts” in the military procurement budget. A careful look at the proposals, followed by the actual budget request, revealed that for most programs these were not cuts at all, in the conventional sense of the term. The Pentagon was not proposing to spend less in 2006 than it intended to spend in 2005. Rather, it was outlining plans to slightly slow its *previously estimated* rate of purchases, in order to fit programs whose costs are rising out of control into budget plans. Moreover, in contrast to last year’s cancellation of a single program, the *Comanche* helicopter, none of the holdover programs from the Cold War would be canceled outright, but some would simply be scaled back or slowed down.

Most of the cuts are delayed for several years, during which time defense contractor lobbyists will try to see that they don't happen at all.

The overall defense budget will rise by about five percent between FY 05 and FY 06. And the costs of the wars we are actually fighting will continue to be added on top, paid for by supplemental appropriations. Many are also questioning whether spending that belongs in the regular defense budget, such as about \$5 billion for defense transformation, has been shifted to the supplemental in part to mask the continued growth in defense spending.

Still, the FY 06 budget request does represent a milestone of sorts. Following 9/11, the heightened concern among congressional appropriators to spend “whatever it takes” on security resulted in spending on new systems simply added on top of all the Cold War systems already in the pipeline. The combination of large tax cuts for the wealthiest Americans, and wars already costing four times what the administration predicted, has finally created budgetary pressures severe enough to break this pattern. The administration's proposal to put the brakes on some major military procurement programs represents a tacit acknowledgment of the need to make choices within the procurement budget.

Last year's Unified Security Budget recommended cuts in seven specific weapons systems. The administration's FY 06 budget request makes cuts in four of the programs listed by the task force, a fifth was already canceled in FY 05, and a sixth was terminated by Congress.

### MORE RESOURCES FOR INTERNATIONAL AFFAIRS: LESS THAN MEETS THE EYE

In his second inaugural address the President asserted that his vision of growing democracy around the world was “not primarily the task of arms.” A surprisingly broad chorus of voices had united during 2004 to

make this case and to call for major increases in the budget for international affairs. One hundred fifty six members of Congress wrote to the President in December “to express strong, bipartisan support for a robust increase in the FY 06 International Affairs Budget (the 150 account) as an essential investment in America's fight against terrorists and efforts to build global stability through promoting economic prosperity and expressing the compassion of the American people for those in need around the world.”

After the budget request was released, a broad coalition of U.S. businesses and humanitarian organizations, united under the umbrella of the U.S. Global Leadership Campaign, applauded the administration and Congress for recognizing “the importance of our engagement around the world and support[ing] international affairs budgets that begin to reflect the new global reality.”<sup>4</sup> Even the Defense Science Board, a Pentagon advisory group made up of civilian and former military defense experts and defense industry representatives, has joined the chorus arguing that “The Department of State will need substantially more resources, both people and funds, to fulfill its proper role in stabilization and reconstruction operations.”<sup>5</sup> *Washington Post* columnist David Broder wrote in December that “diplomacy — not military force — must be the main tool” in meeting the major foreign policy challenges facing the country. “Diplomacy,” he wrote, “the oldest tool in international relations — seems fated for revival.”

Early reports on the budget emphasized that 14 percent more money had been requested for international assistance, and 18 percent more for State Department operations. As with the early reports of defense “cuts,” though, there is less here than meets the eye. For example:

- Less was actually requested for the core of diplomacy — the line item for Diplomatic and Consular Affairs — than had been allocated in 2004.

4 Both documents at [www.usgloballeadership.org](http://www.usgloballeadership.org).

5 “Study Urges Bigger Role for State Dept.,” Bryan Bender, *Boston Globe*, Jan. 5, 2005, p. 2.

- The largest amount in the international affairs budget is allocated to Foreign Military Financing, underwriting U.S. arms exports.
- The largest percentage increase (115 percent) appears to go to the account contributing to international peacekeeping missions. Yet this increase will not be enough to pay for U.S. assessed contributions that Congress failed to fund for 2005. Once these costs are factored in, there will

be less money in the account, and more commitments for it, than last year.

In its role as actual authorizer of spending, Congress has also contributed to the underfunding of international affairs by cutting the requested budgets of various programs. For example, the administration requested \$2.5 billion for the Millennium Challenge program in FY 05; Congress cut it to \$1.5 billion.

# A Rebalanced and Unified Security Budget

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Part of the problem behind the imbalance in national security funding is that there is no “national security” budget. Spending by numerous different agencies is not brought together in a unified budget category that allows lawmakers to consider all components of security funding as a whole. Hence, the imbalance in resources is obscured, and possible tradeoffs among programs and tools are neither considered nor pressed. Whether or not executive and congressional budget processes should be altered to create a formal unified security budget, it is helpful to think of the spending this way, and this report views the components as part of an integrated whole.

The budget outlined below takes seriously the shift in the security paradigm during the last year, and shows how it can be translated into budgetary reality. It lays out a clear rationale, program by program, for how \$53 billion in FY 06 military cuts are possible without any sacrifice in our security. It outlines \$40 billion in increases to nonmilitary security programs that will make us more secure: by funding cost-effective preventive medicine obviating the need for many expensive military cures down the road; by enhancing our capacity to prevent conflict-torn regions from turning into terrorist havens; and by strengthening our capacity to prevent and mitigate the effects of attacks on our homeland.

Last year’s Unified Security Budget laid out a zero sum equation. This year, primarily because the administration’s budget request has outlined increased

funding for certain key homeland security priorities, our table of necessary increases in funding for non-military security tools leaves a remainder of about \$13 billion available for other priorities.

Reducing the country’s massive and economically reckless deficit is obviously a key national priority. So is the domestic discretionary budget. The programs in this budget cross the spectrum of public services that Americans depend on to safeguard their way of life, including education, environmental protection, transportation, veterans’ health care, medical research, law enforcement, and food and drug safety inspection. In real terms, this year’s budget request cuts nondefense, nonhomeland security domestic discretionary programs by 7 percent. This includes a \$12.4 billion cut in discretionary grants to state and local government for programs including community and economic development, public safety, and home heating assistance for low-income families. It also sets in motion the administration’s plan to cut deeply into the domestic budget, effecting an overall real reduction of 16 percent by 2010.<sup>6</sup>

An alternative use for the savings adheres more closely to the security agenda: reducing U.S. dependence on foreign oil. Currently U.S. security strategy is dangerously driven by the need to secure access to new sources of supply in a volatile world oil market. The solution clearly involves a strong push toward greater energy efficiency and the development of a reliable, homegrown, supply of renewable sources. Yet the

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6 “Where Would the Cuts Be Made Under the President’s Budget,” Center on Budget and Policy Priorities, [www.cbpp.org/2-22-05bud.htm](http://www.cbpp.org/2-22-05bud.htm), Feb. 28, 2005; see also National Priorities Project, [www.nationalpriorities.org](http://www.nationalpriorities.org), and “Making the Wrong Choices: the 2006 Budget,” Center for American Progress, [www.americanprogress.org/site/pp.asp?c=biJRJ8OVF&b=307118](http://www.americanprogress.org/site/pp.asp?c=biJRJ8OVF&b=307118).

## MILITARY AND NONMILITARY SECURITY FUNDING

	Administration FY 06 Request	Proposed Change
BILLIONS OF DOLLARS		
National Defense (050 Budget account)	441.83	
plus security assistance	8.15	
less DOD nonproliferation	-0.42	
less DOE nonproliferation	-0.34	
<b>"Military Security" Total</b>	<b>449.21</b>	<b>395.8</b>
International Affairs (150 Budget account)	31.67	
less security assistance	-8.15	
plus DOD nonproliferation	0.42	
plus DOE nonproliferation	0.34	
	24.29	41.6
Homeland Security	49.94	
less DOD	-9.51	
	40.43	63.6
<b>"Nonmilitary Security" Total</b>	<b>64.71</b>	<b>105.2</b>
<b>Ratio of Military to Nonmilitary Funding</b>	<b>7:1</b>	<b>4:1</b>

Note: These figures do not include the costs of the wars in Iraq and Afghanistan. CBO estimated the cost of one possible scenario of future operations, based on DOD plans, at an additional \$85 billion in FY 06.<sup>7</sup> Numbers may not add due to rounding.

budget request actually cuts the Energy Department's Energy Efficiency and Renewable Energy division below FY 04 levels.<sup>8</sup>

Regardless of how the \$13 billion in savings are used, the shift of resources we recommend within the unified security budget changes the current seven-to-

one ratio of military to nonmilitary security tools to four-to-one — a better balance for the United States' long-term security needs.

The table above shows the figures behind the military to nonmilitary ratios. The official defense figure is adjusted to add foreign military aid, which this analysis

7 An Alternative Budget Path Assuming Continued Spending for Military Operations in Iraq and Afghanistan and in Support of the Global War on Terrorism, Congressional Budget Office, February 2005.

8 See "Wrong Choices: An Analysis of the 2006 Budget," Center for American Progress, Feb. 9, 2004, [www.americanprogress.org/site/pp.asp?c=biJRJ8OVF&b=327039](http://www.americanprogress.org/site/pp.asp?c=biJRJ8OVF&b=327039).

treats as a military program, and to remove nonproliferation funding, which is viewed here as a nonmilitary program. The international affairs funding is adjusted in the corresponding way, and the homeland security figure is adjusted to omit Defense Department (DOD) homeland security spending.

Although this analysis treats homeland security programs as “nonmilitary,” it is useful to note that several of the programs are military in nature and externally-focused, such as the Coast Guard — which serves as military branch of the Defense Department in wartime — and border defense programs like the Border Patrol. The Department of Homeland Security (DHS) is a “war” department in the sense that it was created because of an attack on the United States; Congress has implicitly accepted it as a “war” department with the lead in the “GWOT”; its main orientation is to secure the homeland from attack by individual and groups of terrorists with a global reach, whether their attack is launched from outside or from within if they succeed in getting into the country. If various homeland security programs are treated as military programs, funding is of course even more imbalanced toward the military component, but for purposes of maintaining a clearer civilian/military division, here they are treated as nonmilitary programs.

In the table above, the “alternative proposal” figures adjust the FY 06 budget totals according to the recommendations outlined in the rest of this report.

## REALIGNING FORCES

The main thrust of this report’s proposed changes to the military budget is to **refocus the military on unconventional conflict** rather than Cold War-style conventional combat. Although the military is taking steps in this direction, the continued grip of Cold War-oriented major weapon programs on budgets and thinking remains a substantial drag on this transformation.

The wars in Afghanistan and, especially, Iraq have reaffirmed that the U.S. military is unmatched in conventional combat. It already has fielded numerous types of equipment that can spot enemy targets under a wide range of environmental conditions, can communicate that information quickly to many types of U.S. units, and can attack those targets with numerous different, fairly accurate, munitions. Incremental improvements can be pursued to make this capability ever wider, faster, and more accurate; but the basic ability is already there, and corresponding new tactics have already been developed.

The Afghanistan and Iraq operations both illustrate how much U.S. forces can accomplish in conventional fights, and how much difficulty they have had in unconventional environments. In Afghanistan it took only a few hundred U.S. aircraft, and miniscule ground forces, operating in conjunction with local forces, to overthrow the Taliban government.<sup>9</sup> Conditions were rather favorable — the local U.S. allies were battle-hardened and the Taliban had no real material backup — but the small size of the U.S. force was remarkable.

After the fall of the Taliban, the major counterterrorist operation of trying to catch and harass al-Qaida members and similar adherents has used a U.S. force numbering less than 20,000 (again leaving a lot of the work to local militias). This force, however, has not been able to catch Osama bin Laden, nor halt Taliban and other local resistance. Although the U.S. force is not primarily focused on stabilizing the country, rebuilding and democratization have been plagued with serious problems, and the long-term outcome is not clear.

Similarly, the Iraq intervention — or rather the mess left in its wake — has shown how ill-prepared the military is for missions such as occupation, nation-building, and peacekeeping, even when far larger numbers of U.S. troops were available for operations.

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<sup>9</sup> About four hundred U.S. aircraft of all types were deployed by November 2001. As late as the end of 2001, there were less than 4,000 U.S. troops in Afghanistan. [www.globalsecurity.org/military/ops/enduring-freedom\\_orbat-01.htm](http://www.globalsecurity.org/military/ops/enduring-freedom_orbat-01.htm).

It has also demonstrated how adversaries will learn to avoid our overwhelming strength and attack where we are not so strong. The implication of U.S. conventional military might, on the one hand, and unconventional weakness on the other, is clear: the priority for the military should not be another generation of expensive aircraft, ships, and missiles designed to combat a superpower, but rather the more basic equipment and skills needed to counter adversaries who have less technologically-advanced equipment, but intense commitment to their struggle.

By freeing up resources being spent in lower priority areas, this proposal supports rebalancing U.S. forces to gear a larger proportion toward conducting small- and medium-scale interventions relevant to counterterrorist, peacekeeping and stability operations. Transforming forces in this way requires, first and foremost, changes in doctrine, training, organization, and personnel policies, rather than new hardware. Such changes do not generally require the high levels of funding needed by complex weapon programs; but to the extent additional funds are needed, this proposal helps make sure they are not taken away by currently planned hardware, which always suffers high cost growth and soaks up more funding than originally planned.

The administration has begun efforts to make the forces more flexible, change unit types and occupation specialties (for example from artillery and air defense to military police and transportation), boost special operations forces, and improve intelligence capabilities. Yet these changes are added on top of ongoing programs — low-priority shipbuilding, expensive new aircraft, and complex Army vehicles and equipment that continue apace. More change needs to happen in several areas:

- Reduce the pace of investment in the next generation of **high-end weapons**.
- Substantially cut the expensive and largely redundant strategic **nuclear arsenal**.
- Slow development of the **national missile defense** system until the technology is proven and the threat warrants.

- Reverse the unwarranted explosion in **R&D** spending.
- Reallocate resources from **poorly-performing programs** to more urgent and more effective ones.
- Adjust **personnel policies** to better fit the needs of an often-stressed force.
- Redouble efforts to rein in **waste** in defense procurement and accounting.

Although this report does not include specific recommended changes for foreign military aid for FY 06, the budgetary implications of reviewing and revising our **security assistance programs** can be significant. The largest recipient of Foreign Military Financing (FMF) continues to be Israel, which received \$2.22 billion in 2005, and for which \$2.28 billion is proposed next year. These figures are in keeping with an agreement reached in 1998 to reduce Israel's Economic Support Fund (ESF) budget by \$120 million, while increasing its FMF by \$60 million, each year over a ten-year period. ESF reductions sensibly reflect the relative prosperity of Israel's domestic economy. However, it should now be possible to dramatically reduce its FMF budget as well. By any objective criteria, Israel's security situation, and qualitative military lead over any potential adversaries, has improved significantly. Similarly, FMF budgets could be safely reduced for the second largest recipient, Egypt. The current level, \$1.3 billion per year, is a vestige of the original Camp David accords. Continued robust ESF funding, and other developmental assistance, would more appropriately address Egypt's needs than underwriting major defense acquisitions, which are now largely irrelevant to Egypt's strategic situation.

The FMF allocation for Pakistan (\$300 million) should be examined carefully, as it could contribute to a regional arms race with India. Similarly, Jordan's FMF budget (\$206 million) should be questioned, given that its peace agreement with Israel and the removal of Saddam's regime in Iraq (cited by the administration as a threat to the region) have both improved its national security.

Finally, in 2005, another round of the **base closing** process will be conducted. Congress and localities exert intense political pressures against base closings, and the administration must continue to insist that the military should not keep unneeded facilities open as a welfare program.

Making these and related changes will also free up resources for the nonmilitary tools of national security. This will address the need articulated by one illustrative democratic reformer, Mikheil Saakashvili, now president of Georgia: “The resources to support [democratic] change are much wider than to send troops. There is the Internet, TV, NGOs. Americans helped us most by channeling support to free Georgian news media. That was more powerful than 5,000 Marines.”

## NEGLECTED SECURITY TOOLS

A few basic principles guide this reallocation of resources:

Most of the security tools neglected to date fall under the heading of **preventive medicine** reducing the need for military cure.

The rift that has opened up between the United States and the rest of the world following the outpouring of support following 9/11 can only be healed by greater attention to **international cooperation**. The cost of neglect can be measured most immediately by the price tag for the war in Iraq, borne almost exclusively by the United States, in contrast to the first Gulf War, whose cost was widely shared by international partners.

Since World War II, the world has made substantial progress in building an architecture of universally-binding treaties, norms and institutions to prevent conflict and deter aggression, from the nuclear Non-Proliferation Treaty, to the International Criminal Court, to the Chemical Weapons Convention, to the landmines ban, to the Anti-Ballistic Missile Treaty, to the International Atomic Energy Agency (IAEA), to the United Nations. Other treaties, most notably Kyoto,

have taken a broader view of the sources of conflict and sought to foresee and prevent long-term security threats arising from environmental degradation. It has been a signature feature of Bush administration foreign policy to reject and withdraw from these domains of international cooperation. The administration has discovered the difficulties of turning to the international community, notably for help with its problems in Iraq, when it has shown so much disdain for the existing post-war framework on which international cooperation rests.

Renewed commitment, backed by adequate resources, must be devoted to building stronger and more durable alliances and institutions. Beyond their value in constructing stable forums for the peaceful resolution of conflict, such measures help deter other nations from forming counterbalancing alliances of their own, and ensure that if and when diplomacy fails, a shared vision provides the basis for undertaking an enforcement action. It makes no sense to deprive ourselves of these tools for deterring and mitigating armed conflict. The administration’s nomination of an ambassador to the United Nations who has distinguished himself by his disdain for international institutions is not a good sign. Nor is its decision to appoint a man to head the largest international development agency, the World Bank, who once defined international leadership as “demonstrating that your friends will be protected and taken care of, that your enemies will be punished, and that those who refuse to support you will regret having done so.”<sup>10</sup>

**Diplomacy** is the centerpiece of near-term international conflict prevention. Broad support for strengthening this security tool must be matched by a commensurately increased set of resources to do the job. In addition, this security tool must be reinfused with a genuine commitment to cooperation with other nations beyond the goal of promoting each country’s interests. Secretary Rice’s stirring words about a new era of diplomacy ascendant must be more than just a smokescreen for an enduringly militarized foreign

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10 “Wolfowitz Nod Follows Spread of Conservative Philosophy,” Todd S. Purdum, *The New York Times*, March 17, 2005, p. 1.

policy. The budget is both the place to signal that the commitment to diplomacy is real, and the way to equip diplomats to make it real.

New resources have been added to this year's budget to strengthen U.S. efforts at **public diplomacy** — projecting the message of America's virtues and explaining its values to the world. This effort will not succeed if it is not matched with an equal commitment to hear what the rest of the world is saying, and to increase Americans' understanding of and appreciation for global cultural differences.

It is remarkable that within the vast territory of their disagreement, the two 2004 major party presidential candidates did agree on their top foreign policy priority: curtailing the spread of weapons of mass destruction around the world. The overall budget request for **nonproliferation**, combining programs in three federal departments — Defense, Energy and State — presents a picture of increases here and shavings there. The combined budget of just over \$1.2 billion is less than half of what the Howard Baker-Lloyd Cutler report recommended be spent by the Energy Department alone, in Russia alone, to secure and dismantle nuclear stockpiles.<sup>11</sup> It is not a portrait of budgeting for our “top priority.”

The administration's approach to nonproliferation, moreover, undermines the establishment of many universally-binding mechanisms that build confidence that the U.S. is committed to practicing what it preaches.

The central tool in controlling the spread of weapons of mass destruction is the interlocking set of treaties and institutions that form the global nonproliferation regime. Our policy must focus on reinvigorating this regime. Key measures include:

- Expanding significantly the budget of the Cooperative Threat Reduction programs designed to help secure and dismantle the nuclear arsenal of the former Soviet Union, and accelerating global

cleanout of the highly-enriched uranium in the large number of insecure reactors around the world, especially those in failed or failing states.

- Strengthening the norms against proliferation through multilateral regimes. The United States must strengthen the nuclear Non-Proliferation Treaty and the (IAEA) by ratifying an IAEA Additional Protocol permitting more rigorous inspections, asking for assurances that all states implement full-scope IAEA safeguards agreements, and proposing increases in funding for the agency, which must police nuclear stockpiles around the world on a budget of less than \$300 million a year. And we must ratify the Comprehensive Test Ban Treaty, which will create a more powerful nonproliferation tool through its intrusive verification regime.
- Concentrating on more effective implementation of the Chemical Weapons Convention, including an improved inspection system, and resuming participation in meetings to develop a biological weapons protocol and strengthen verification and enforcement obligations under the Biological Weapons Convention.
- Supporting the UN plan of action to control small arms and the NGO “Control Arms” proposed treaty, and ratifying the Anti-Personnel Landmine Treaty, and the Rome Treaty establishing the International Criminal Court.
- Strengthening existing export control authorities, focusing especially on regulating truly sensitive exports to hostile and unstable regimes.

In addition to diplomacy, the principal near-term tool preventing the outbreak of conventional war is a robust **peacekeeping** capability. We must have effective U.S. military forces acting primarily in conjunction with other nations and international institutions so

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11 Howard Baker and Lloyd Cutler (former Senate Majority Leader and White House Counsel, respectively), co-chairs, *A Report Card on the Department of Energy's Nonproliferation Programs with Russia*, Jan. 10, 2001, [www.eisenhowerinstitute.org/programs/globalpartnerships/safeguarding/threatreduction/BakerCutlerreport.pdf](http://www.eisenhowerinstitute.org/programs/globalpartnerships/safeguarding/threatreduction/BakerCutlerreport.pdf).

that burdens and risks are shared and every crisis does not become primarily an American responsibility. The international community still lacks a practical security design that would combine diplomatic efforts with effective international military forces. The founders of the United Nations in 1945 foresaw the organization's need to have a permanent standing force at its disposal. An interim step leading toward that goal would be to establish permanent rapid-reaction units drawn from a coalition of those powers able and willing to cooperate, providing the United Nations with more reliable access to well-trained and equipped international forces in times of crisis.

The Pentagon's failure to achieve stability in Iraq has catalyzed the creation of a new Conflict Response Fund allowing the State Department to coordinate efforts at **stabilization and reconstruction** in post-conflict areas including those involving genocide. Several caveats must be noted here. First, Congress passed and then failed to fund this initiative in 2004; this must not be repeated. Second, the \$100 million proposed appropriation is hardly adequate to the scope of the Fund's mandate. And third, though Iraq served as the catalyst for this program, the program's mission must not be focused on putting back together what regime change has torn apart.

An important tool for the long-term prevention of armed conflict is **economic development assistance**, consistent with preservation of a healthy global environment. The largest increase in the administration's budget request for international affairs has been made to this category, for its Millennium Challenge Account. The increase of \$1.5 billion falls well short of the President's repeated pledge of annual spending of \$5 billion. In addition, the budget overall emphasizes the approach of crisis response, at the expense of long-term approaches to building the foundations

of healthy, stable and economically sustainable societies. The Millennium Challenge Account has been excessively crafted with U.S. interests in mind, by redirecting scarce funds away from poverty reduction to a select few countries with an investment climate suitable for U.S. corporations. The budget also cuts \$13 million from the United Nations Development Program, the principal UN agency responsible for alleviating poverty.

The budget initiatives most useful to achieving these long-term goals may reside outside the domain of traditional foreign aid development assistance. The first is the proposed cuts to U.S. agricultural subsidies which, if enacted, will help to level the playing field in international markets for the developing world. The second is debt cancellation, which will mitigate the absurd situation that now has many poor countries paying more in debt service to the developed world than they have to spend on their own development. The Foreign Operations budget includes \$100 million for debt restructuring, a scant \$1 million increase over last year.

Finally, achieving a better balance in our security budget will require shifting resources to the category of spending newly constituted after 9/11 under the heading of **homeland security**. This category includes measures to prevent attacks through, for example, vigilant cargo inspection; defend against attack by, for example, hardening containers for spent nuclear reactor fuel; and limit the damage from an attack with, for example, a better prepared and equipped public health system. Though \$3 billion has been added to the Homeland Security budget in FY 06, major deficiencies remain (see the analysis on p. 35.) Overall, military security receives 10 times the resources that are devoted to nonmilitary homeland security (see chart on p. 14).



# Realigning the U.S. Military

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The Vietnam defense budget peak of \$439 billion (in inflation-adjusted FY 05 dollars) supported not only over half a million troops in Vietnam, but also hundreds of thousands of others forward-deployed in Europe, Korea, Japan, the Philippines, Okinawa, and Guam, plus a rotation base in the United States to support these forward deployments, and thousands of nuclear weapons. Yet the FY 05 budget will surpass the Vietnam peak, reaching over \$480 billion including war spending, with a military only about one-third the size of that fielded during Vietnam, and with far fewer than 200,000 troops in Iraq and Afghanistan.<sup>12</sup>

While some of the increased cost of the force can be attributed to higher pay and benefits, most is due to the accelerating purchase, operating and maintenance costs of high-end, complex weaponry.<sup>13</sup> Nor is the higher spending rate buying protection for U.S. forces. A hodge-podge force of Iraqi irregulars numbering an estimated 20,000 or fewer has killed over 1,100 U.S. troops in direct combat, and severely injured some nine times as many. The casualties have usually been inflicted by the simplest of weapons, weapons that F-22 stealth aircraft and nuclear-powered *Virginia*-class submarines can do little to counter.

The FY 06 defense budget request is \$442 billion—before any money for conducting operations in Iraq and Afghanistan, and any regular funding hidden in an “emergency” supplemental (as in FY 05), are counted. R&D accounts for \$69 billion of the request. The proposals below would lower the overall

defense budget by about \$53 billion while supporting transformation of the force to operate more effectively in unconventional environments. If various weapon programs are going to be cut in FY 06 as recommended here, in some cases additional savings could be made in those programs in FY 05 through reprogramming actions or a Congressional “rescission” bill. Such savings could be used in part to offset the termination or adjustment costs of closing production lines or slowing development.

The Unified Security Budget does not include spending to increase troop strength beyond what the administration has requested. The reason is that the current excess demand for ground forces is driven largely by the deployment to Iraq. Absent that drain on the force, existing troop levels will likely be sufficient, particularly if better use is made of allied forces. The Iraq experience has amply demonstrated the dangers of elective regime change to U.S. and global security. In the event of a major military challenge requiring substantial troop levels, the United States should work to make sure it acts in concert with its allies, so that its own forces are not bearing the burden nearly alone.

Certainly, the capabilities of allied forces can be broadened and improved — and the U.S. military can play an important role in accelerating those efforts. In the meantime, some allies have large pools of personnel in their forces. The North Atlantic Treaty Organization (NATO) has now expanded its mission to conduct operations outside of Europe, including commanding a peacekeeping force in Afghanistan. NATO

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12 “Defense Budget Time Bomb Explodes,” Chuck Spinney, *Defense and the National Interest*, www.d-n-i.net, Dec. 18, 2004.

13 Operation and Maintenance account spending per active duty person was \$32,600 (2005 dollars) in 1968 and \$87,900 in 2001 (again in 2005 dollars). *National Defense Budget Estimates For FY 2005*, Office of the Under Secretary of Defense (Comptroller), March 2004, pp. 112, 115, 212-3.

## MILITARY PROGRAMS

	Administration FY 06 Request	Proposed Change <sup>14</sup>
BILLIONS OF DOLLARS		
Major Weapon Programs		
F/A-22 Raptor fighter	4.29	- 3.6
Virginia-class submarine	2.55	- 2.3
DD(X) destroyer	1.80	- 1.5
F-35 Joint Strike Fighter	5.02	- 3.0
Future Combat System	3.40	- 2.7
Nuclear War and Weapons of Mass Destruction		
Nuclear warheads & weapons		- 4.7
Trident II nuclear missile	1.02	- 1.0
National missile defense	7.77 <sup>15</sup>	- 6.8
Research and Development	69.35 <sup>16</sup>	- 15.6
Poorly-Performing Programs		
V-22 Osprey transport aircraft	1.78	- 1.6
B-2 Spirit bomber	0.34	- 0.3
Classified satellite program, name unknown		- 1.0 ?
Space-Based Radar	0.22	- 0.2
Army Tactical Command and Control System		- 0.2
Military Forces and Personnel		
Air Force air wing	2.7	- 2.6
Navy carrier battle group	2.3	- 2.0
Military service headquarters abroad		- 0.2
Re-enlistment bonuses targeted on needs		- 0.5
DOD retail stores consolidation		- 0.3
Waste in defense procurement and business operations	(22 ?) <sup>17</sup>	- 3.0
<b>TOTAL</b>		<b>- 53.1</b>

Notes: For details and explanations of recommendations, see text. Where figures are not supplied, they are not available or not applicable. Administration request figures are rounded down.

14 Since defense contracts often now have excessive cancellation penalties built-in, assertive renegotiation would likely be needed to realize all of these savings. Additional savings from FY 05 rescissions could, in effect, help realize the proposed savings.

15 Figure for FY 06 Request covers programs designed to defeat longer-range ballistic missiles. The total DOD "Missile Defense" request including shorter-range defense is \$8.84b.

16 Figure for FY 06 Request includes R&D money that is also included in the other weapon programs listed.

17 This figure is a crude estimate of the amount of waste in the defense budget, not, of course, an administration "request."

has about 1.5 million troops in its active duty ground forces alone, besides U.S. forces. It has around 5 million military personnel overall — active and reserve, from all its services, apart from the U.S. contributions.<sup>18</sup> Some portion of such forces could participate in multilateral deployments when an intervention is valid enough to gain international support. But they could also set the stage for a reduction in U.S. force size, if a greater effort is undertaken by allies to shed unnecessary forces, free up funding, and transform even a fraction of these units into a well-equipped, more mobile force.

## MAJOR WEAPON PROGRAMS

### F/A-22 Raptor Aircraft — Cancel and buy existing upgraded aircraft

The F/A-22 is one of the least-needed major weapon programs currently underway. The F/A-22 is a fighter aircraft that has long been sold primarily on the promise of being harder to detect on radar than existing aircraft. The Taliban, al-Qaida, Iraqi Baathists, and many other adversaries do not have anti-aircraft radar installations, let alone jet fighters for the F/A-22 to counter. The Air Force, trying to justify a program whose original mission (air-to-air combat against high-tech aircraft) has sharply receded, has recently added a whole new mission to try to make it relevant to today's world: bombing. Using the world's most expensive fighter for bombing, however, is neither cost-effective, nor technically convenient. Instead of the extremely expensive F/A-22, highly-upgraded and effective fighter-bomber aircraft such as the Block 60 version of the F-16 can be purchased as necessary to prevent excessive aging of the aircraft fleet. Savings from canceling the F/A-22 and buying far cheaper F-16s in FY 06 would be approximately \$3.6 billion.<sup>19</sup>

### SSN-774 Virginia-class Submarine — Cancel and do not retire existing submarines early

This submarine was originally intended to combat future submarines that the former Soviet Union will never build. It is hard to justify a large fleet of nuclear attack submarines for the few remaining missions of inserting small Special Forces teams and launching cruise missiles, given the limited occasions for using over-the-beach Special Forces, alternative delivery means, and the high cost of nuclear submarines. Cruise missiles can also be launched by surface vessels and aircraft. The Navy is planning to retire another of the existing and highly-capable *Los Angeles*-class submarines in FY 06, years early, before its service life is reached. This submarine's reactor can be refueled at less than one-tenth the cost of a new *Virginia* submarine. It should be retained, and the *Virginia*-class program should be canceled. Apart from halting the practice of retiring capable submarines early, manning procedures can be changed so as to base submarines closer to their areas of operation, allowing the size of the fleet to decrease while preserving the actual availability of submarines on station. Savings in FY 06 would be approximately \$2.3 billion.<sup>20</sup>

### DD(X) Destroyer — Cancel and shift focus to smaller ships

The DD(X) destroyer program attempts to incorporate advanced technologies to reduce crew size and operational cost, but it is still aimed at producing a large, high-end ship, something more sized for open-ocean warfare against a superpower than its described mission of providing fire support in crowded, dangerous, close-in coastal areas for forces ashore. The DD(X) would be a substantially larger ship *than any existing U.S. cruiser or destroyer*.<sup>21</sup>

18 "Vital Statistics: The U.S. Military," *Defense Monitor*, v. 32, no. 5, Center for Defense Information, December 2003.

19 Estimate of annual savings is based on FY 06 request of \$4.3 billion for the F/A-22, less a purchase of 24 F-16s and some upgrades. Cost of F-16s is from the last major purchase in 2000, *Procurement Programs (P-1)*, Department of Defense Amended Budget, Fiscal Year 2002, Office of the Under Secretary of Defense (Comptroller), June 2001, p. F-2. See also *Budget Options*, Congressional Budget Office, February 2005, p. 32, and *Tactical Aircraft: Air Force Still Needs Business Case to Support F/A-22 Quantities and Increased Capabilities*, Government Accountability Office, GAO-05-304, March 15, 2005.

20 Refueling would cost around \$200 million. *Budget Options*, Congressional Budget Office, February 2005, p. 16.

21 *Budget Options*, Congressional Budget Office, March 2003, p. 19.

In addition, the rationale for such additional long-range fire support for amphibious forces at such high cost is questionable: there has been little or no use of naval gunfire in U.S. military operations over the past two decades. The much smaller, more flexible, cheaper, and more numerous Littoral Combat Ship (LCS) is more relevant to actual operations ashore and close to shore, with its missions of protecting against small, swarming enemy boats, mines, and quiet diesel submarines, and gathering intelligence. Canceling the DD(X)s and transferring \$300 million of relevant R&D to the LCS program could free around \$1.5 billion in FY 06.<sup>22</sup>

### **F-35 Joint Strike Fighter — Slow the program**

The Joint Strike Fighter (JSF) is an ambitious program to supply three related but differing aircraft to three services, the Air Force, Navy, and Marine Corps. Its air-to-air and air-to-ground attack missions are currently met by several different existing aircraft that have performed well. The overwhelming U.S. numerical and qualitative advantage in mutually-reinforcing fighters, bombers, electronic warfare aircraft, reconnaissance aircraft, tankers, and command and control planes will not soon be challenged. Hence the pressure to develop the next-generation F-35 is not great, and the program can safely be slowed. This will also provide more time to iron out the technical difficulties that have already surfaced. The complexity arising from trying to build three fairly different planes out of one mold will likely continue to create new developmental challenges. If the JSF is not fielded by 2010, more of the capable, existing fighter-bombers can be purchased. For now, the JSF program could be reduced by \$3 billion.<sup>23</sup>

### **Future Combat System — Redirect the program toward fixing existing equipment gaps**

The Future Combat System (FCS) is the Army's major program for a wide variety of new ground and air

vehicles, and weapons, linked together with advanced communications networks into an integrated — and extremely complex — combat system. Fielding is intended to begin by 2011, a schedule that many experts believe is too aggressive, given the program's highly ambitious goals. The schedule allows less time than has typically been needed in the past to develop a *single* major weapon, yet the program involves integrating several different advanced weapons and vehicles. The goal of making FCS vehicles as powerful and well-protected as current armored vehicles, yet weigh far less, is also technically very ambitious.

Red flags are now flying high on the program. In a March hearing, the Government Accountability Office (GAO) told Congress that, "If everything goes as planned, the program will attain the level of knowledge in 2008 that it should have had before it started in 2003. But things are not going as planned."<sup>24</sup> The GAO noted that, of the network of 53 crucial technologies in FCS, 52 are unproven. FCS costs are rising, now estimated conservatively at \$150 billion. These costs and those of other expensive programs led Rep. Curt Weldon, Republican of Pennsylvania and vice chairman of the House Armed Services Committee to say at the hearing, "We're dealing today with a train wreck. . . . We're left with impossible decisions."

More importantly, if the nature of combat in Iraq and Afghanistan is any guide to other challenges in the near future, the Army has more immediate and higher priority needs than a complete replacement suite of complex vehicles, weapons, and communications networks. Its priorities in Iraq have more to do with basic capabilities like intelligence, defensive armor, devices for defeating suicide and roadside bombs, and political-military operations and doctrine. Refocusing the program on fixing and adding to existing equipment so that it is more suitable for the nature of current

22 Close to seven LCSs could be built for the cost of each DD(X), according to preliminary designs. *Budget Options*, Congressional Budget Office, February 2005, p. 18.

23 See also *Budget Options*, Congressional Budget Office, February 2005, p.33, and *Tactical Aircraft: Opportunity to Reduce Risks in the Joint Strike Fighter Program with Different Acquisition Strategy*, Government Accountability Office, GAO-05-271, March 15, 2005.

24 "An Army Program To Build A High-Tech Force Hits Cost Snags," Tim Weiner, *New York Times*, March 28, 2005.

operations would allow a reduction in the program of \$2.7 billion in FY 06.<sup>25</sup>

## NUCLEAR WAR AND WEAPONS OF MASS DESTRUCTION

### Nuclear Warheads and Weapons — Reduce number of nuclear warheads and weapons

During the height of the Cold War, the Department of Energy (DOE) spent about \$3.8 billion per year on its full range of designing, testing, and manufacturing nuclear weapons.<sup>26</sup> Yet after the Cold War, DOE plans to spend around \$5 billion annually on its stockpile “stewardship” program. While officially focused on preserving the safety and reliability of the existing stockpile, this program includes a broad range of research and development activities, and funding to improve the Nevada Test Site to resume nuclear tests. Funding for nuclear weapons activities, during a period in which we are supposed to be reducing our stockpile of warheads, is planned to grow between FY 05 and FY 09 by 12.4 percent. The Natural Resources Defense Council estimates that the Administration is spending more than twelve times as much on nuclear research and production as on curbing the proliferation of weapons material around the world.<sup>27</sup>

The administration does not plan to actually dismantle many of the warheads it is taking off deployed weapons status. In contrast, a program that carefully monitored nuclear warheads and took them out of service as they slowly degraded in reliability, rather

than constantly rebuilding them and designing new ones, would cost \$1.7 billion per year, saving about \$3.2 billion annually.<sup>28</sup>

The United States still maintains an excessive nuclear force, given that a large-scale nuclear war with Russia is extremely unlikely. The continuing huge U.S. nuclear arsenal hampers U.S. credibility in trying to halt proliferation of other WMD, including chemical and biological weapons more accessible to poorer adversaries. Finally, in FY 06, years after the end of the Cold War, DOD proposes to stop building *Trident II* nuclear missiles but wants to spend even more money on the program: in FY 05 it bought 5 missiles in a \$715 million procurement budget; this year it wants to buy no more missiles but spend \$933 million on procurement. Retiring missiles rather than rebuilding them could save up to \$1 billion including R&D.

The administration also appears to be willing to use nuclear weapons to attack suspected WMD sites, illustrated by its determination to pursue the nuclear “bunker buster” program, which particularly undercuts efforts to delegitimize WMD. Despite Congressional refusal to fund the bunker buster in FY 05, the administration is asking for more money for FY 06.

The force of 500 *Minuteman* land-based missiles can be retired, and the fleet of nuclear missile submarines reduced from 14 to 10, fielding 1,000 warheads, down from current levels of approximately 6,500 deployed strategic warheads.<sup>29</sup> Savings would be approximately \$1.5 billion a year.<sup>30</sup>

25 *Budget Options*, Congressional Budget Office, February 2005, p. 7. See also *Defense Acquisitions: Future Combat Systems Challenges and Prospects for Success*, Government Accountability Office, GAO-05-442T, March 15, 2005, [www.gao.gov/cgi-bin/getrpt?GAO-05-442T](http://www.gao.gov/cgi-bin/getrpt?GAO-05-442T).

26 Figure is in 2000 dollars. *Managing the U.S. Nuclear Weapons Stockpile: A Comparison of Five Strategies*, Dr. Robert Civiak, Tri-Valley CAREs, July 2000, p. vii.

27 “Weaponers of Waste: A Critical Look at the Bush Administration’s Energy Department’s Nuclear Weapons Complex and the First Decade of Science-Based Stockpile Stewardship,” Christopher Paine, Natural Resources Defense Council, 2004.

28 Savings estimate from: DoE Stockpile Stewardship Program at \$4.9 billion per year versus a program of dismantling nuclear weapons as they wear out costing \$1.7 billion per year. *Managing the U.S. Nuclear Weapons Stockpile: A Comparison of Five Strategies*, Dr. Robert Civiak, Tri-Valley CAREs, July 2000.

29 “Faking Nuclear Restraint: The Bush Administration’s Secret Plan for Strengthening U.S. Nuclear Forces,” Natural Resources Defense Council, 2002.

30 Estimate from “The Hunt for Small Potatoes: Savings in Nuclear Deterrence Forces,” David Mosher, in *Holding the Line: U.S. Defense Alternatives for the Early 21st Century*, Cindy Williams, ed., MIT Press, 2001, p. 132. In 1998, annual spending on the U.S. nuclear force was estimated at \$19 billion, according to *Atomic Audit: The Costs and Consequences of U.S. Nuclear Weapons Since 1940*, Stephen I. Schwartz, ed., Brookings Institution, 1998.

### Missile Defense — Focus on short-range defense and limited national missile defense R&D

The current program allocates too much funding to a technically-troubled program that addresses a low priority threat. Enemy nations could deliver nuclear weapons in many cheaper, more reliable, more accurate, more deniable ways than using intercontinental ballistic missiles. A large share of national missile defense funding can be used far more effectively for other tools to reduce or counter the threat of WMD. In addition, a slower pace can allow adequate time for testing and developing in a program that has a history of failed tests. As much as \$6.8 billion a year could be freed up by substantially lowering the priority put on national missile defense, while still providing funding for some R&D and for shorter-range missile defense systems like the *Patriot* PAC-3.<sup>31</sup>

## RESEARCH AND DEVELOPMENT

### Weapon and Equipment R&D — Restore a justifiable funding level

The Bush administration used the attacks of 9/11 to justify a rapid increase in military spending. The budget category that received the largest boost from FY 02 to FY 04 was, strangely, R&D, the least urgent category given the commencement of three wars — Afghanistan, Iraq, and the “global war on terrorism.” Defeating terrorists and overthrowing governments that aid them depends largely on having ready, well-trained and well-maintained force now, rather than on developing more high-tech weaponry for the future. Nonetheless, the annual R&D budget has jumped almost \$30 billion above the level sustained during the latter part of the 1990s.<sup>32</sup>

Even with these increases, vital “basic research” is being shortchanged in favor of expensive weapon programs. Promising examples of basic research include robotics, artificial intelligence, biotechnology, cognitive sciences, nanotechnology, and large-scale modeling and simulation. Former Secretary of Defense William J. Perry and Deputy Secretary John Deutch recently argued that the 20 percent reduction in the FY 06 request compared to last year is “a drastic cutback that threatens the long-term security of the nation.”<sup>33</sup> They note that, “Over the years, tech base activities have yielded advances in scientific and engineering knowledge that have given United States forces the technological superiority that is responsible in large measure for their current dominance in conventional military power.”

There is undoubtedly some useful research to be done on new equipment and weapons designed specifically for detecting and attacking terrorists, but these types of products do not generally require the huge levels of funding that items such as aircraft for superpower war require. The R&D budget is now substantially more than was spent in the 1980s at the peak of the Cold War high-tech arms race with the Soviet Union, even taking inflation into account.<sup>34</sup> Counterterrorist operations do not justify a level of R&D spending far in excess of what was spent during the Cold War. As a first step R&D can safely be restored to \$39 billion annually, a generous \$5 billion above the 1960–89 Cold War average of \$34.0 billion (adjusted to 2004 dollars).<sup>35</sup> Spending \$39 billion annually would amount to a cut of around \$15.6 billion from the \$69.4 billion FY 06 request, after reductions for specific weapons that are listed separately.

31 Figure based on preserving \$2 billion of the \$8.8 billion a year program for short, medium, and long-range missile defenses. *The Full Costs of Ballistic Missile Defense* (Economists Allied for Arms Reduction and Center for Arms Control and Nonproliferation, January 2003) estimates a total procurement cost of \$744 billion to build the system over three decades (2002-35).

32 \$40.4 billion per year average 1994–2000 outlays (in constant 2004 dollars), up to a FY 06 budget request of \$69.4 billion. *National Defense Budget Estimates for 2004*, Office of the Undersecretary of Defense (Comptroller), March 2003, pp. 132-3, and *Budget for Fiscal Year 2005, Historical Tables*, p. 85.

33 “Research Worth Fighting For,” John M. Deutch and William J. Perry, *New York Times*, April 13, 2005.

34 *National Defense Budget Estimates for 2004*, Office of the Undersecretary of Defense (Comptroller), March 2003, pp. 131–2.

35 *Ibid.*, pp. 129–32.

## POORLY-PERFORMING PROGRAMS

### V-22 Osprey, B-2 Spirit, Satellites, Army Command System

These programs all have technical, mission, or cost problems that suggest their funding should be freed up for higher priority programs. The V-22 *Osprey* is a tilt-rotor transport aircraft intended to be able to fly like an airplane and hover like a helicopter, but fly farther and faster than a helicopter. Its design, however, is inherently vulnerable, and it has suffered several serious crashes in flight testing. According to the Congressional Budget Office, a fleet of existing (H-92) and upgraded helicopters (CH-53X) could provide “almost as much capability as the planned fleet of V-22s” for the Navy and Marine Corps at much less cost.<sup>36</sup> Canceling the V-22 and buying an equivalent number of helicopters would save \$1.6 billion in FY 06.

The B-2 *Spirit* is a stealthy bomber originally intended to hunt down mobile nuclear missiles in the Soviet Union. The small fleet of less than two dozen aircraft has already been bought at exorbitant cost; its relatively low-priority mission (strategic bombing, on the few opening days of a major war before U.S. air supremacy is established) does not merit continued R&D long after the planes have been built. The FY 06 R&D request amounts to around \$0.3 billion, including continued fixes to the stealth surfaces and dealing with cracking problems. The high cost of maintaining and operating the small fleet for limited missions suggests delaying more R&D until an independent cost-effectiveness study of the bomber fleet including B-52s and B-1s is conducted.

A fleet of 10 Space-Based Radar satellites is intended to provide global coverage of large moving enemy forces and targets on the ground and in the air. Cur-

rent airborne radar aircraft, and satellites using other imaging besides radar, provide similar coverage over smaller areas. Technical challenges for the Space-Based Radar are considerable, and include

the power limitations associated with employing a radar system on a satellite, the range needed to collect and process radar data over orbital distances of thousands of kilometers versus airborne distances of hundreds of kilometers, and the ability to process and analyze the volumes of incoming data collected from the large areas covered by the SBR satellites quickly enough to support battle planning.<sup>37</sup>

Developing human intelligence capability for unconventional warfare, such as in Iraq, should be a higher priority than expanding even further the U.S. capability to detect conventional forces. Canceling the program would save about \$0.5 billion in FY 06, and far larger amounts in future years.<sup>38</sup>

An unnamed, classified \$10 billion satellite program is apparently so unnecessary and expensive that in December 2004 four Democratic senators risked retaliation and investigation by referring obliquely to the troubles of the secret program, and the Republican-led Senate Intelligence Committee has proposed canceling it.<sup>39</sup> The program is reported to cost \$10 billion, so, as a guess, perhaps something on the order of \$1 billion could be saved in FY 06 by canceling it.

The Army Tactical Command and Control System is part of an effort to introduce new computer and communication capabilities in combat units. After-action reports from the field in Iraq, however, stated that several of these programs performed poorly, and called for scrapping them and starting over.<sup>40</sup> Off-the-shelf substitutes were often found to be more reliable, more flexible, and more mobile. Canceling the underperforming systems would save around \$0.2 billion.

36 *Budget Options*, Congressional Budget Office, February 2005, p. 30.

37 *Budget Options*, Congressional Budget Office, February 2005, p. 41.

38 *Ibid.*

39 “It’s Planes vs. Satellites In Debate On Spying,” Douglas Jehl, *New York Times*, Dec. 16, 2004.

40 *Budget Options*, Congressional Budget Office, February 2005, p. 14.

## MILITARY FORCES AND PERSONNEL

### Air Force Air Wing

While the Army's forces have been stretched by the two-year war in Iraq and three-and-a-half-year war in Afghanistan, the Air Force had plenty of aircraft for Afghanistan, where fixed targets to bomb were extremely scarce, and in Iraq, where the invasion and related bombing campaign were over in three weeks. The Air Force now has around 3,500 tactical combat aircraft, and Navy and Marine Corps another 1,800, not including another 1,800 armed helicopters in the Army, Navy, and Marine Corps.<sup>41</sup> It is hard to come up with many plausible scenarios requiring deployment of such large numbers of aircraft. Since Air Force reserve pilots and units tend to maintain very high proficiency, reserve units can provide a backup capability. In line with the cancellation of the F-22, a fighter-bomber air wing of approximately six dozen aircraft can safely be dropped from the force. The annual cost of an air wing, including operating costs and acquisition costs of aircraft, weapons, and equipment, is on the order of \$2.7 billion.<sup>42</sup>

### Navy Aircraft Carrier Battle Group

The Navy has likewise been underemployed in Iraq and Afghanistan. The Navy did conduct numerous missions in the Afghanistan campaign, but land-based aircraft were available from the early days, and naval aircraft often relied on land-based tankers anyway, so the common argument that Navy carriers can provide the only access available for air strikes proved not relevant.<sup>43</sup> In its recent Fleet Response Plan, the Navy has already moved from a model of focusing on keeping a few carri-

ers on station in several different areas around the globe to a model of having a surge capability to put many carriers where they are needed for combat operations quickly. It is also examining how to create additional carrier presence in distant waters by homeporting a carrier in Guam or Hawaii, hence reducing to-and-from steaming time.<sup>44</sup> Presumably for these reasons, plus the increasing capabilities of the air units on a single carrier, the possibility of increasing actual carrier availability by swapping crews while the ships are deployed, and the availability of an additional dozen medium-size carriers used for amphibious assault by the Marine Corps, the Navy is reportedly already considering dropping one or two additional carriers besides the planned retirement of the *USS Kennedy*, bringing the carrier force down to 10 or 9 ships.<sup>45</sup> Dropping a carrier now, and its associated battle group of other ships, could save approximately \$2 billion.<sup>46</sup>

### Targeted re-enlistment bonuses

In recent years, Congress has authorized several provisions to increase military basic pay, and these measures appear to have improved retention. However, in various occupational specialties, shortages continue, while others are overstaffed. Selected re-enlistment bonuses (SRBs), rather than universal pay raises, are needed to help transition personnel from over- to understaffed positions.<sup>47</sup>

### DOD retail store consolidation

The Congressional Budget Office estimates that over \$0.3 billion could be saved in FY 06 by consolidating the separate commissary and Post Exchange retail stores on military bases.<sup>48</sup>

41 *The Military Balance 2004-2005*, International Institute for Strategic Studies, October 2004.

42 Savings based on an inflation-adjusted approximate annual cost from *Decisions for Defense: Prospects for a New Order*, William Kaufmann and John Steinbruner, Brookings, 1991.

43 *Honing the Sword: Strategy and Forces After 9/11*, Marcus Corbin, Center for Defense Information, February 2003, pp. 92-94.

44 *Navy Aircraft Carriers: Proposed Retirement of USS John F. Kennedy — Issues and Options for Congress*, Ronald O'Rourke, Congressional Research Service, Updated March 18, 2005, p. 10.

45 *Ibid.*, p. 3.

46 Battle group cost estimate from, *Budgetary Implications of Selected GAO Work for Fiscal Year 2001*, March 2000, p. 39. Deflators from *National Defense Budget Estimates For FY 2005*, Office of The Under Secretary Of Defense (Comptroller), March 2004, p. 43.

47 *Budget Options*, Congressional Budget Office, February 2005, pp. 43-44.

48 *Ibid.*, p. 55.

### Military Services' headquarters abroad

Although joint service regional “combatant commands” have been established covering the globe, individual services still maintain their own separate subordinate commands in each region. Eliminating these somewhat duplicative commands, even without cutting any personnel, would save about \$0.2 billion a year. The personnel would perform their duties under other commands, or in some cases be freed up for other duties.<sup>49</sup>

### WASTE IN PROCUREMENT AND BUSINESS OPERATIONS

The GAO, which has extensively examined defense waste for many years, notes in a January 2005 report that, “the lack of adequate transparency and accountability across DOD’s major business areas results in billions of dollars of wasted resources annually.” Defense Secretary Donald Rumsfeld has estimated that as much as five percent — \$22 billion a year in FY 04 — could be saved by fixing procurement and business operations.<sup>50</sup> Assuming a goal of reducing waste to two percent, and a four-year plan to reach that goal, accelerating reform of the procurement and business systems could conceivably save \$3 billion in FY 06 as a first step.

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<sup>49</sup> *Ibid.*

<sup>50</sup> *High-Risk Series: An Update*, GAO-05-207, Government Accountability Office, January 2005, p.56.



# Addressing Security Deficits

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The broad-based support during the past year for devoting more resources to nonmilitary security tools is welcome. Mostly the case for this shift has been framed as a need to increase the budget for international affairs, or the 150 budget. This is an important part of the task. The slice of the budgetary pie allocated to international affairs has been shrinking for four decades. The small increases during the last two years primarily from the creation of the Millennium Challenge Account still leave the percentage of the discretionary budget allotted to the 150 account at less than 2 percent of the total. Unacceptable tradeoffs are the result: forced choices between secure embassies and modern communications systems for diplomats or adequate funding for peacekeeping, and between adequate funding for the Middle East peace process, or safeguarding nuclear weapons and materials in Russia. Increases, as outlined, need to be made to both parts of the international affairs budget: to the State Department budget, which includes the cost of U.S. diplomacy and U.S. assessed contributions to international organizations and peacekeeping, and to the foreign operations budget, which includes bilateral development and humanitarian aid.

In the view of the Unified Security Budget Task Force this call to increase the International Affairs bud-

get is useful as a campaign message, but oversimplified as a budget outline. In addition to expanding this piece of the budget pie, adjusting the proportion of military to nonmilitary tools in the overall discretionary budget will necessarily involve:

- Adjusting the balance of resources within the 150 account. The largest portion of this budget underwrites the sales of U.S. military exports around the world. This fact mostly accounts for the presence of several major U.S. defense contractors on the list of those supporting increases to the 150 budget. One indicator that preventive medicine is beginning to get its due in U.S. security policy will be present when the budget for basic diplomatic and consular services exceeds the budget for military export subsidies.
- Increasing key nonmilitary security programs funded outside the 150 account, especially the key roles played by the Energy and Defense Departments in securing and reducing WMD stockpiles.
- Addressing the deficits that remain in resources and coordination for homeland security.

## NONMILITARY PROGRAMS

	Administration FY 06 Request	Proposed Change
BILLIONS OF DOLLARS		
Contributions to International Organizations	1.57	+1.0
Diplomatic operations	5.99	+2.0
U.S. International communication (public diplomacy)	1.3	+ 1.2
Nonproliferation	1.2	+ 1.82
Contributions to international peacekeeping	1.23	+ 0.5
UN peacebuilding		+ 0.5
UN civilian police force		+ 0.2
Conflict Response Fund	0.1	+ 0.1
Economic development	14.15	+ 10.0
Address key deficits in Homeland Security funding		
Nuclear plant hardening	0	+ 0.7
Chemical plant security	0	+ 0.05
Port security <sup>51</sup>	2	+ 0.5
Public transit security <sup>52</sup>		+ 6.0
Public health infrastructure <sup>53</sup>	2.28	+ 10.0
First responders <sup>54</sup>	2.76	+ 4.0
Container security <sup>55</sup>	0.19	+ 1.9
<b>TOTAL</b>		<b>+ 40.5</b>

Notes: For details and explanations of recommendations, see text. Where figures are not supplied, they are not available or not applicable. Administration figures are rounded down.

- 51 The Department of Homeland Security and the Office of Management and Budget (OMB) report just over \$2 billion for port security operations, of which \$1.9 billion is for the Coast Guard. What is missing are resources for ports to increase their security, which was funded in FY 05 at \$150 million in dedicated funding. Ports now have to compete with other critical infrastructure for funds from the \$600 million Targeted Infrastructure Protection Grants program.
- 52 Public transit operations can compete for part of the \$600 million Targeted Infrastructure Protection Grants.
- 53 This includes \$600 million for the Strategic National Stockpile, \$483 million to continue improvements for hospital infrastructure and mutual aid through the Health Resources and Services Administration, \$140 million for upgrading CDC's capacity, \$797 million for states through the Centers for Disease Control and Prevention, for upgrades to state and local public health capacity, and \$79 million for the BioSense program (collecting information from hospitals, emergency departments, and laboratories to identify "real-time" trends).
- 54 The FY 06 budget provides \$3.36 billion for state and local homeland security assistance programs. Of this \$3.36 billion, \$600 million is for a consolidated Targeted Infrastructure Protection grant program, which does not go to first responders, and which leaves about \$2.76 billion for first responder and emergency management programs, largely for grant programs. The funds are: \$1.02 billion for the State Homeland Security Grant Program, \$1.02 billion for the Urban Area Security Initiative, \$500 million for assistance to firefighters, \$170 million for Emergency Management Performance Grants, and \$50 million for the Citizen Corps. Twenty percent each of the funds allocated to the State Homeland Security Grant program and the Urban Area Security Initiative are to be allocated to law enforcement terrorism prevention activities, which used to be funded separately. See *FY2006 Appropriations for State and Local Homeland Security*, Congressional Research Service, Feb. 14, 2005, [www.ndu.edu/library/docs/crs/crs\\_rs22050\\_14feb05.pdf](http://www.ndu.edu/library/docs/crs/crs_rs22050_14feb05.pdf).
- 55 This number is the total of Container Security Initiative (CSI) (\$138 million proposed in FY 06 budget) and Customs-Trade Partnership Against Terrorism (CT-PAT) (\$54.3 million proposed in FY 06 budget). It does not include funding for pilot programs of installing radiological inspection equipment, funded by both the Department of Energy and DHS.

## INTERNATIONAL ORGANIZATIONS

The pressing task of repairing the United States' tattered relations with the rest of the world depends upon a strong, demonstrated recommitment to the fabric of international institutions. The 2005 budget request does include a 13 percent increase of \$130 million in its largest account for International Organizations, including the United Nations, the World Health Organization, and the Organization for Economic Cooperation and Development. This increase is misleading, however; most of it is attributable to the continued weakness of the dollar, requiring greater nominal amounts just to keep pace. When this factor is taken into account, growth in this budget amounts to approximately \$30 million. Meanwhile the other account funding international organizations, including UNICEF and the United Nations Development Program, has had a proportionally equivalent cut of 13 percent.<sup>56</sup> The net value of U.S. contributions to international organizations drops in FY 06 by \$14 million. These numbers, coupled with the appointment of a UN ambassador who for years has belittled the value of the United Nations in particular and of international institutions in general, undermine the administration's claims of interest in international fence mending.

Special attention is due the U.S. contribution to the International Atomic Energy Agency. While the Iraq Survey Group, set up by the Bush administration after the invasion of Iraq, spent \$100 million a *month* (futilely) seeking WMD in one country, as noted above, the IAEA is responsible for conducting nuclear inspections around the entire world on a total budget of approximately \$268 million a *year*. The budget request proposes to increase the U.S. contribution to the IAEA by a scant \$1.1 million over last year, bringing the

total to \$83.8 million. Increasing the U.S. contribution to the IAEA by \$100 million, rather than \$1 million, would make more credible the administration's identification of nuclear nonproliferation as its highest foreign policy priority.

## DIPLOMATIC OPERATIONS

While Secretary Rice has proclaimed that "The time for diplomacy is now," the principal line item funding diplomatic and consular operations actually represents a decrease from what was authorized in FY 04. It is also smaller than the request for Foreign Military Financing (FMF), subsidizing U.S. arms sales around the world. A bipartisan group of former national security advisors, calling attention to the shortfalls in such tools of diplomacy as secure embassies, capable telecommunications and adequate staffing, has recommended a 30 percent increase in funding.<sup>57</sup> Applying that benchmark to this year's request for Diplomatic and Consular Programs and Embassy Security, Construction and Maintenance would require \$2 billion in additional spending.

## U.S. INTERNATIONAL COMMUNICATION

Public diplomacy includes educational and cultural exchanges, academic programs, broadcasting, and language training. These programs constitute one important tool in the task of stemming the rising tide of anti-Americanism around the world. Yet the budget for these purposes has been repeatedly slashed since the 1960s and 1970s. A bipartisan advisory group on public diplomacy formed in June 2003 concluded that this governmental function is seriously underfunded.<sup>58</sup>

Spending for this purpose must emphasize programs that promote real *dialogue* between Americans and the rest of the world over those that simply seek to

56 "Analysis and Key Highlights of 2006 Budget Proposal," Citizens for Global Solutions, [www.globalsolutions.org/hill/in\\_the\\_beltwayFY06.html](http://www.globalsolutions.org/hill/in_the_beltwayFY06.html).

57 Letter from Frank Carlucci, Richard Allen, Samuel Berger, Zbigniew Brzezinski, William Clark, Henry Kissinger, Anthony Lake, Brent Scowcroft, to Condoleezza Rice, Dec. 20, 2002, at [www.usgloballeadership.org/details.cfm?id=96&section=International%20Affairs%20Budget](http://www.usgloballeadership.org/details.cfm?id=96&section=International%20Affairs%20Budget).

58 *Changing Minds, Winning Peace: A New Strategic Direction for U.S. Public Diplomacy in the Arab & Muslim World*, The Advisory Group on Public Diplomacy for the Arab and Muslim World, October 2003. The group included Amb. Edward P. Djerejian, chairman, Amb. David M. Abshire, Dr. Stephen P. Cohen, Amb. Diana Lady Dougan, Mamoun Fandy, James K. Glassman, Dr. Malik M. Hasan, Dr. Farhad Kazemi, Judith Milestone, Harold C. Pachios, George R. Salem, Dr. Shibley Telhami, and John Zogby.

*promote* the United States around the world. Repairing America's international relations will necessarily involve showing that we know how to listen. To a degree unprecedented in the postwar era this administration has engaged in the deceptive management of news, from controlled audiences and questions at campaign events to "reporters" and "commentators" secretly paid to promote government initiatives.<sup>59</sup> Reforms have been promised. Such reforms must also extend to the news America sends abroad. The remnants of the Cold War model of an information propaganda war among nations seeking to dominate the airwaves needs to be replaced by a new commitment to a model of public diplomacy emphasizing international dialogue.<sup>60</sup>

In this regard, the budget request for FY 06 has taken the constructive step of adding \$80 million to the account for Educational and Cultural Exchange Programs. The promise of this initiative will be difficult to fulfill, however, since new hurdles hampering the visa process has vastly curtailed the number of foreign students applying to study in the United States.<sup>61</sup>

In January 2005 the Public Diplomacy Council outlined an extremely ambitious agenda for increased spending. The core of the proposal recommended \$3.5 billion for exchanges, broadcasts and greater capacity for personal diplomacy.<sup>62</sup> A \$1.2 billion increase in the budget would approach that benchmark by bringing the total allocation for public diplomacy to \$2.5 billion.

## NONPROLIFERATION PROGRAMS

Candidates Bush and Kerry were in notable agreement on only one thing: The top U.S. foreign policy priority should be preventing the most dangerous weapons from falling into the hands of our most dangerous adversaries. One would be severely pressed to find evidence of this commitment in the administration's budget request.

The United States will spend upwards of \$200 billion to wage a war initiated to stop the production of WMDs that turned out not to exist. It is proposing to spend a little more than \$1 billion to secure and dismantle the largest known WMD stockpiles in the world.

Most of the funding for nonproliferation activities is divided between the Departments of Energy and Defense, with some going to the Department of State. The big picture looks less like an overall commitment to this nominally urgent priority than like small adjustments — cuts here, adds there — around the edges. The budget request for DOD Cooperative Threat Reduction programs remains essentially flat, while DOE programs are allotted a \$131 million increase. The main DOE account funding nonproliferation programs outside the former Soviet states gets \$49 million more; \$32 million more goes to facilitate the shutdown of Russia's three remaining plutonium production reactors, while programs to secure Russia's weapons facilities and reemploy its nuclear scientists gets \$45 million less.<sup>63</sup> In 2001 the Baker-Cutler report recommended spending \$3 billion annually on threat reduction in Russia alone. A \$1.8 billion increase would meet this goal, while still not fully funding the planned expansion of these programs to other countries.

A broader strategy, reflecting consensus among leading nonproliferation experts around the world, has been developed this year by the Carnegie Endowment for International Peace. It argues that global security requires universal compliance with the norms and rules of a toughened nuclear nonproliferation policy. Compliance reflects a much-enhanced emphasis on enforcement over declarations of good intent. Universal means that nonproliferation norms and rules must be extended not just to treaty members but to all states (including the nuclear powers), and to individuals and

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59 David Barstow and Robin Stein, "Under Bush, a New Age of Prepackaged News," *The New York Times*, March 13, 2005, p.1.

60 R.S. Zaharna, "Switching the Strategic Focus of American Public Diplomacy: Forget Battles, Think Bridges," *Foreign Policy In Focus*, Oct. 22, 2004, [www.fpiif.org/commentary/2004/0410bridges.html](http://www.fpiif.org/commentary/2004/0410bridges.html).

61 "CGS Finds Decline in International Graduate Student Applications For the Second Consecutive Year," Council of Graduate Schools, [www.cgsnet.org/pdf/CGS2005IntlApplicationsSurveyPR.pdf](http://www.cgsnet.org/pdf/CGS2005IntlApplicationsSurveyPR.pdf), March 9, 2005.

62 "A Call For Action on Public Diplomacy," Public Diplomacy Council, January 2005, [www.pdi.gwu.edu/merlin-cgi/p/downloadFile/d/7536/n/off/other/1/name/ACALLFORACTIONONPUBLICDIPLOMACY01-2005prin/](http://www.pdi.gwu.edu/merlin-cgi/p/downloadFile/d/7536/n/off/other/1/name/ACALLFORACTIONONPUBLICDIPLOMACY01-2005prin/).

63 "New Priorities in DOE Nonproliferation Budget," Russian American Nuclear Security Advisory Council, Feb. 9, 2005, [http://www.ransac.org/Documents/preliminary\\_analysis\\_fy2006\\_doe\\_nn\\_request.pdf](http://www.ransac.org/Documents/preliminary_analysis_fy2006_doe_nn_request.pdf).

corporations as well. More than one hundred detailed policy recommendations flesh out this central theme.<sup>64</sup> An additional \$50 million annually is their cost estimate for a global nuclear clean out over four years.

### U.S. CONTRIBUTIONS TO UN AND REGIONAL ORGANIZATION PEACEKEEPING

U.S. support for peacekeeping allows the United States to share burdens and costs with other countries in the work of maintaining peace and stability in conflict-torn regions of the world. This support consists of assessed contributions to UN operations and voluntary contributions to multilateral operations conducted by subregional organizations such as ECOWAS (Economic Community of West African States) and the Organization for Security and Cooperation in Europe (OSCE). The overall responsibilities of international peacekeeping operations have greatly expanded and become much more complex since the end of the Cold War. The United Nations is currently engaged in 16 peacekeeping missions worldwide with a total peacekeeping force of over 65,000. This year alone, the Security Council has approved new UN Peacekeeping missions in Haiti, Cote D'Ivoire, Burundi and Sudan. Yet U.S. funding for peacekeeping operations in recent years has failed to keep pace. The 2005 budget request actually cuts U.S. contributions to UN peacekeeping by \$50 million, despite new operations anticipated in the coming year.

In its FY 06 budget request the administration is also seeking \$114 million for the Global Peace Operations Initiative (GPOI), a program focused on doubling the number of peacekeepers worldwide over the next 5 years.

Besides chronic underfunding, existing peace operations have to function as ad hoc coalitions without sufficient joint training or fully interoperable weapons systems.

A remedy was outlined by the UN Charter: a standing, fully-integrated UN peacekeeping force. Domestic political support for such a force does not currently exist, however. In the absence of such support, the United States should undertake the following six interim measures to improve UN and regional peacekeeping capability.

- 1) UN headquarters support for peacekeeping should be treated as a core activity of the UN and as such its staff should be funded from the regular UN budget, rather than, as currently, in allocations to a separate peacekeeping budget. This will increase the UN's ability to plan and manage operations, while reducing U.S. expenses from the current 27 percent assessment for peacekeeping down to the 22 percent assessed for the regular budget.
- 2) At the same time, the current U.S. policy of zero nominal growth in the UN's regular budget should be repealed and replaced with a policy based upon sound fiscal management that would allow for changes in the organization's budget to reflect its evolving responsibilities such as counterterrorist and peace operations, and UN reforms.
- 3) The United States should fully support improvements in the UN Stand-by Arrangements System, the voluntary listing of national capacities that the UN can turn to for organized units, personnel, and logistical support for peacekeeping operations and in doing so list at least one brigade-level force as available for rapid deployment for UN peacekeeping operations.
- 4) Since one of the biggest obstacles to effective deployment of UN operations is logistics and enabling forces, the United States should also

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64 *Universal Compliance: A Strategy for Nuclear Security*, Carnegie Endowment for International Peace, March 2005, [www.carnegieendowment.org/publications/index.cfm?fa=view&id=16593](http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=16593).

repeal the legislated limit of \$3 million in in-kind military support to any UN-authorized peace operation per year.

- 5) The United States should increase its support for regional training and integration with regional and subregional organizations to enable more effective deployments to potential crisis spots given the range of different national elements operating under UN command. The United States should also increase its peacekeeping budget to include support for Security Council funding of regional peacekeeping operations on a case-by-case basis.
- 6) The United States should support and develop the UN's capacity for anticipating, planning, and managing operations so that international early warning systems can be developed to provide analysis before a crisis occurs.

The FY 06 Budget Request appears to increase the U.S. contribution to UN and regional peacekeeping operations by about \$552 million, as called for in the Unified Security Budget, for a total of \$1.03 billion.<sup>65</sup> But last year the United States underfunded peacekeeping operations by about \$700 million. In addition, Congress has just passed a resolution recommending a UN mission to Sudan, further expanding the UN's commitments. To make up last year's shortfall, and provide sufficient resources for the expanded requirements of international peacekeeping in the coming year, the U.S. contribution should be increased by \$500 million over the administration's request.

## UN PEACEBUILDING

Currently, no part of the United Nations system effectively addresses the challenge of helping countries with the transition from war to lasting peace. UN Secretary General Kofi Annan has proposed the creation of a UN Peacebuilding Commission as well as a Peacebuilding

Support Office within the Secretariat supported by a standing fund. It is anticipated that this proposal will be on the agenda of a summit of world leaders to be held at the UN in September 2005. The Commission would be made up of subset of Security Council members, a similar number of Economic and Social Council members, leading troop contributors, and the major donors to the peacebuilding standing fund. It would: identify countries which are under stress and risk sliding towards State collapse; organize, in partnership with the national governments, proactive assistance in preventing that process from developing further; assist in the planning for transitions between conflict and post-conflict peacebuilding; and in particular marshal and sustain the efforts of the international community in post-conflict peacebuilding over whatever period may be necessary.

This proposal has received some preliminary support from the Bush administration, but no support for funding it. Congress should authorize an additional \$500 million in voluntary (nonassessed) funds to help President Bush take leadership in establishing the peacebuilding standing fund as well as the Peacebuilding Commission.

## UN CIVILIAN POLICE CORPS

While the political obstacles to a UN standing military force are daunting, more support exists for a standing UN Civilian Police Corps to restore the rule of law and ensure public safety in post-conflict societies and failed states. Such a force would be designed to address both the short-term need to fill the security gap left by inadequate local capacity, and the long-term goal of rebuilding the indigenous security sector. This is the crucial work that national military forces are neither equipped nor inclined to do.<sup>66</sup> An estimated one-year start-up cost of \$700 million would establish a brigade-strength force of 5,000 police officers equipped with light armored transport, protective gear, and weapons. Standing capacity would require a base and an opera-

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<sup>65</sup> This does not include \$196 million in voluntary contributions for separate peacekeeping operations funded through the Foreign Operations budget.

<sup>66</sup> *UN Civilian Police: Problems and Issues, Partnership for Effective Peace Operations*, [www.effectivepeacekeeping.org](http://www.effectivepeacekeeping.org), January 2004.

tional headquarters, as well as provisions for a mobile field headquarters. Costs would be substantially lower than those for a military force equipped for robust operations.<sup>67</sup> A U.S. 27 percent share of a \$700 million cost estimate would amount to \$189 million.

## STABILIZATION AND RECONSTRUCTION

Congress has established a State Department Office of Stabilization and Reconstruction with the goal of creating a stronger civilian capacity to respond quickly and effectively to post-conflict situations and other complex emergencies around the world. It would work towards replacing the current ad hoc approach with a civilian Ready Response Force incorporating personnel from a range of civilian agencies contributing different forms of expertise.<sup>68</sup> As this effort moves forward, one caveat is key: this new entity must not become the civilian component of regime change; that is, it should be focused on serving a constructive role in conflicts not of the United States' own making.

The budget request funds this effort with \$100 million, hardly adequate to the scope of its mission. The Unified Security Budget doubles that amount.

## ECONOMIC DEVELOPMENT ASSISTANCE

In a 2002 speech, President Bush identified development assistance as a security tool: "... persistent poverty and oppression can lead to hopelessness and despair. And when governments fail to meet the most basic needs of their people, these failed states can become havens for terror.... Development provides the resources to build hope and prosperity, and security."<sup>69</sup> The Budget requests \$3.1 billion in additional spending on foreign assistance, almost half of this devoted

to the new Millennium Challenge Account. While this increase is welcome, it falls 40 percent short of the \$5 billion the President has repeatedly promised since 2002. It falls even further short of the international target, set in 1970, that development assistance should equal 0.7 percent of GDP. For the United States that would be \$75 billion.<sup>70</sup> For years the United States has been the least generous among all major donor countries in development assistance as a portion of gross domestic product. Now spending 0.16 percent, according to Organization for Economic Co-operation and Development (OECD) figures (down from 5.8 percent in 1962), the United States has come to share that dubious honor with Italy. Five European nations have surpassed the 0.7 percent goal; four more are past 0.33 percent.<sup>71</sup> As an interim goal, the United States could increase aid by \$10 billion.

Increased funding alone is not enough, however. To be effective, these increases must be accompanied by key reforms in U.S. development policy. Reducing animosity around the world toward the United States requires redirecting development assistance in the following ways: 1) deemphasize U.S. strategic advantage in the targeting of aid, and emphasize the poorest of the poor; 2) remove rules requiring aid to flow through U.S. corporations; 3) reduce debt burdens that now have developing countries paying more in debt service than they receive in aid — at a minimum, the administration should join the International Monetary Fund (IMF) in support of the sale of IMF gold reserves to finance debt cancellation for low-income countries;; and 4) advance a trade policy that would level the playing field by eliminating the dumping of U.S. goods on markets in the developing world. The budget request includes some modest measures in the direction of the latter two goals, and none at all toward the first two.

67 Estimate by Peter Langille, Senior Research Associate at the Centre for Global Studies, University of Victoria and author, *Bridging the Commitment-Capacity Gap: A Review of Existing Arrangements and Options for Enhancing UN Rapid Deployment*, Centre for UN Reform Education, 2002.

68 Statement by United States Senate Foreign Relations Committee Chairman Richard G. Lugar, March 3, 2004.

69 Remarks by the President on Global Development, Inter-American Development Bank, March 14, 2002, White House Office of the Press Secretary.

70 2003 GDP from *National Defense Budget Estimates for 2004*, Office of the Undersecretary of Defense (Comptroller), March 2003.

71 Post-Monterrey Development Aid Report Card, UN, at [www.un.org/ga/58/plenary/oda2.html](http://www.un.org/ga/58/plenary/oda2.html).

Moreover the emphasis of the foreign aid budget has shifted markedly toward crisis, emergency response at the expense of long-term development.<sup>72</sup> Core development programs including the Development Assistance account, International Organizations and Programs and the Child Survival and Health account are all being cut. The request cuts the Global Fund for AIDS, tuberculosis and malaria 31 percent below 2005 levels. In the fight against terrorists, this is analogous to neglecting cost-effective preventive medicine to concentrate on higher-cost medical cures.

## HOMELAND SECURITY

The budget request for homeland security includes several positives: 1) an overall funding increase of \$3.9 billion, or 8.6 percent; 2) a shift toward allocating funds to states and localities based on their relative risks and needs; and 3) increased use of user fees to fund operations. However, several key priorities remain severely, and dangerously, underfunded:

### Critical Infrastructure Protection:

The disparity between funding to protect military bases and civilian infrastructure (transportation, food systems, energy) has grown wider: \$8.7 billion will protect bases, an increase of \$1.1 billion; \$2.8 billion will protect critical civilian infrastructure, an increase of \$200 million.<sup>73</sup> Since 9/11, Washington has provided only \$516 million toward the \$5.6 billion the Coast Guard estimates U.S. ports need to make them minimally secure.

While inadequate funding is part of the problem, another major contributing factor is the Bush administration's belief that voluntary action on the part of the private sector will be adequate to insure the security of critical infrastructure. According to Presi-

dent Bush's 2002 *National Homeland Security Strategy*, "The government should only address those activities that the market does not adequately provide — for example, national defense or border security. ... For other aspects of homeland security, sufficient incentives exist in the private market to supply protection." This philosophy has left U.S. citizens vulnerable to terrorism at privately-owned chemical and nuclear plants.

### Chemical Plants

According to the GAO, "the extent of security preparedness at U.S. chemical facilities is unknown ... [because] no federal requirements are in place to require chemical facilities to assess their vulnerabilities and take steps to reduce them ... [and] no federal oversight or third-party verification ensures that voluntary industry assessments are adequate and that necessary corrective actions are taken."<sup>74</sup> The GAO, DHS, and Environmental Protection Agency (EPA) all agree that a national strategy is necessary "to require chemical facilities to expeditiously assess their vulnerability to terrorist attacks and, where necessary, require these facilities to take corrective action."<sup>75</sup>

The proposed Chemical Security Act would require companies to perform vulnerability assessments, implement security enhancements, be subject to audits, and actively pursue alternative approaches to the way they manufacture their products (these alternative approaches mirrored some of the steps the industry had voluntarily started to implement). The Congressional Budget Office estimated the government cost of the Chemical Security Act at \$80 million over 5 years.<sup>76</sup>

### Nuclear power plants

Nuclear power plants were not designed to withstand the impact of aircraft crashes or explosive forces, and

72 Center for Global Development, [www.cgdev.org](http://www.cgdev.org).

73 This replicates similar trends from previous years. See Stephen E. Flynn, *The Neglected Home Front*, *Foreign Affairs*, September/October 2004.

74 *Homeland Security: Voluntary Initiatives Are Under Way at Chemical Facilities, but the Extent of Security Preparedness Is Unknown*, Government Accountability Office, GAO-03-439. March 2003, p. 30. [www.gao.gov/cgi-bin/getrpt?GAO-03-439](http://www.gao.gov/cgi-bin/getrpt?GAO-03-439).

75 *Ibid.*, p. 31. See joint statement by Secretary Ridge and EPA Administrator Christine Todd Whitman, October 2002, for DHS and EPA views.

76 *Cost Estimate for S. 1602 Chemical Security Act of 2002*, Congressional Budget Office, As ordered reported by the Senate Committee on Environment and Public Works on July 25, 2002, [www.cbo.gov/showdoc.cfm?index=3840&sequence=0](http://www.cbo.gov/showdoc.cfm?index=3840&sequence=0).

the government does not require nuclear plants to be secure from an aircraft attack. In April the National Academy of Sciences released its study finding that nuclear plants in 31 states containing fuel storage pools are vulnerable to such attacks, which could trigger raging fires and the release of deadly radiation. But the Bush administration and the U.S. Nuclear Regulatory Commission (NRC) have so far resisted congressional efforts for additional security regulation. Several European nations have placed all spent fuel older than five years into thick-walled, dry storage modes. The cost of such hardening would be about \$3.5 billion — \$7 billion over the next 10 years.

### Transportation Security

Much of the focus post-9/11 has been on passenger airplane security, and there have been some significant improvements there. Yet air cargo remains virtually unmonitored and rail security and public transit security remains underfunded and lacking in overall strategic frameworks for pursuing security.<sup>77</sup>

The American Public Transportation Association estimates it would cost \$6 billion to secure the nation's transit systems, which serve 32 million Americans every day.<sup>78</sup> Since 9/11, however, only \$155 million has been appropriated by Congress for this effort — which is about 1 percent of the funding appropriated for aviation security, even though every day sixteen times as many people travel by public transportation as by air. A block grant program aimed at commuter rail, subways, and Amtrak could be used to address these vulnerabilities.

### Container and Port Security

Homeland security requires border security, and effective border security requires “smart borders” that don't begin at the water's edge, but begin at the ports and departure points of origin. This requires effective

cooperation with other countries and with the private sector, and resources, personnel, and technology adequate to the task. Although the CIA has concluded that the most likely way weapons of mass destruction would enter the United States is by sea, the federal government is spending more every three days to finance the war in Iraq than it has provided over the past three years to prop up the security of all 361 U.S. commercial seaports.

Container security is the primary focus of two initiatives: the Customs-Trade Partnership Against Terrorism (C-TPAT), and the Container Security Initiative (CSI). C-TPAT is a public-private partnership aimed at securing the supply chain from point of origin through entry into the United States. It includes trade other than that conducted with containers, but a large part includes container shipments. CSI is a Customs and Border Protection (CBP) program stationing CBP officers in foreign seaports to target and inspect marine containers before they are loaded onto U.S.-bound vessels.

In the proposed FY 06 budget the CSI is scheduled for an increase of \$5.4 million over 2005 levels and C-TPAT an increase of \$8.2 million. But both remain funded at orders of magnitude below what is needed to insure adequate inspection. Only an estimated 4-6 percent of cargo containers are inspected each year. ABC News has twice successfully smuggled in depleted uranium in a container without it being recognized.

Customs officials abroad lack adequate training and resources. The GAO has raised issues concerning both the CSI and CTPAT programs including: systematic human capital plans, performance measures for accountability and program achievement, and a long-term strategic plan to successfully manage the two programs. There needs to be an effort to more systematically monitor and track containers throughout the supply chain process and for ports to be able

77 On rail security see *Terrorism and Rail Security*, Jack Riley, RAND Corporation, Testimony presented to the Senate Commerce, Science, and Transportation Committee on March 23, 2004, [www.rand.org/publications/CT/CT224/CT224.pdf](http://www.rand.org/publications/CT/CT224/CT224.pdf).

78 See Testimony of William W. Millar, President, American Public Transportation Association, before the Subcommittee on Homeland Security of the House Committee on Appropriations, April 9, 2004, [www.apta.com/Government\\_Affairs/Positions/Aptatest/Documents/Testimony040409.Pdf](http://www.apta.com/Government_Affairs/Positions/Aptatest/Documents/Testimony040409.Pdf)

to use the top-of-the-line radiation-detection portals and container scanning equipment, which cost an estimated \$1 million per unit.<sup>79</sup>

Security at ports themselves is another critical area. Since 2002, the DHS's Port Security Grant Program has provided support to address immediate security needs and assessments. But federal money allocated in the first four rounds of the program — about \$565 million — accounted for only about one-sixth of what seaports identified as needs, while a fifth round of grants totaling \$150 million has yet to be made available to ports.<sup>80</sup> At the same time, the U.S. Coast Guard has estimated that ports would have to spend \$5.4 billion over ten years on mandated security enhancements.<sup>81</sup> That is on top of the more than \$3 billion they already spend annually on infrastructure improvements and operations, maintenance and personnel expenses, just to keep pace with burgeoning world trade. Furthermore, the FY 06 budget eliminates targeted port security funds, consolidating all funds in a Targeted Infrastructure Protection program and thereby unable to insure adequate direct funding.

**First Responders:** Overall funding for key first responder programs would be cut by \$510 million, from \$3.27 billion in FY 05 to \$2.76 billion in FY 06.<sup>82</sup> Although interoperable communications systems remain a critical need for the first responder community, the budget requests zero funding for this effort.<sup>83</sup>

In addition, the Science and Technology Directorate will no longer receive funding from other federal agencies — a cut of \$11 million — for operations of Project SAFECOM, which coordinates all federal interoperable communications efforts.

A 2003 Council on Foreign Relations Task Force, chaired by former Senator Warren Rudman, focused specifically on emergency response to a catastrophic attack and found that “[i]f the nation does not take immediate steps to better identify and address the urgent needs of emergency responders, the next terrorist incident could have an even more devastating impact than the Sept. 11 attacks.” The Task Force called for increasing spending on police, fire, medical, and other first responders — approximately \$100 billion over five years, which would also have substantial immediate benefits for day-to-day emergency response unrelated to terrorist attacks. Using that metric, the United States will fall approximately \$98.4 billion short of meeting emergency responder needs over the next five years if current funding levels are maintained.<sup>84</sup>

These shortfalls in funding translate into dangerous vulnerabilities, given the scope and character of the terrorist threat. For example, only 10 percent of fire departments nationwide have personnel and equipment to handle a building collapse, police departments throughout the United States do not have protective gear required to secure a site after an attack with WMD,

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79 See *Defeating The Jihadists: A Blueprint for Action*, Richard Clarke *et al.*, Century Foundation, 2004, p. 125. Also see *Evaluating the Security of the Global Containerized Supply Chain*, Henry H. Willis and David S. Ortiz, RAND Corporation, 2004, [www.rand.org/pubs/technical\\_reports/2004/rand\\_tr214.pdf](http://www.rand.org/pubs/technical_reports/2004/rand_tr214.pdf); *Assessing Container Security A Framework for Measuring Performance of the Global Supply Chain*, Henry H. Willis and David S. Ortiz, RAND Corporation, 2005, [www.rand.org/publications/rb/rb9095/rand\\_rb9095.pdf](http://www.rand.org/publications/rb/rb9095/rand_rb9095.pdf).

80 “Authority Association Vice President Provides Written Testimony For TSA Budget Hearing,” American Association of Port Authorities, Feb. 15, 2005, [www.aapa-ports.org/pressroom/feb1505.htm](http://www.aapa-ports.org/pressroom/feb1505.htm).

81 Coast Guard figures from: *Maritime Security: Substantial Work Remains to Translate New Planning Requirements into Effective Port Security*, General Accounting Office, June 2004, p. 42, [www.gao.gov/new.items/d04838.pdf](http://www.gao.gov/new.items/d04838.pdf). These costs are for compliance with the Maritime Transportation Security Act. Total compliance costs for ten years (2003-2012) are estimated at \$7.3 billion, of which \$5.4 billion is for port security, \$1.4 billion for vessels, and about \$500 million for outer continental shelf facility and area maritime security and automatic identification system requirements. This report also suggests that the Coast Guard figures are likely low (or at least of uncertain accuracy), suggesting an actual range of \$4.5-6.4 billion for the 2003-2012 period for port security, and of course do not include expenses beyond 2012. They also assume relative low threat levels. Increases in threat levels would raise costs.

82 See *FY2006 Appropriations for State and Local Homeland Security*, Congressional Research Service, Feb. 14, 2005, [www.ndu.edu/library/docs/crs/crs\\_rs22050\\_14feb05.pdf](http://www.ndu.edu/library/docs/crs/crs_rs22050_14feb05.pdf), and Staff Executive Summary of Key City priorities in the President's FY 2006 Budget, U.S. Conference of Mayors, Feb. 8, 2005, [www.usmayors.org/executivedirector/fy06budget.pdf](http://www.usmayors.org/executivedirector/fy06budget.pdf).

83 See *When Terrorism Hits Home: How Prepared Are State and Local Law Enforcement?*, Lois M. Davis, K. Jack Riley, Greg Ridgeway, Jennifer E. Pace, Sarah K. Cotton, Paul Steinberg, Kelly Damphousse and Brent L. Smith, RAND Corporation, 2004, pp. 79, 199, [www.rand.org/pubs/monographs/2004/RAND\\_MG104.pdf](http://www.rand.org/pubs/monographs/2004/RAND_MG104.pdf).

84 See *Defeating The Jihadists: A Blueprint for Action*, Richard Clarke *et al.*, Century Foundation, 2004, p. 129.

public health laboratories in most states do not have the basic equipment to adequately respond to chemical or biological attacks, and most cities do not have the equipment needed to determine which hazardous agents emergency responders are facing following an attack.<sup>85</sup>

**Public Health:** The anthrax attacks in the United States during 2001 showed what a relatively mild bioterrorist attack could do in terms of sparking fear and taxing the public health infrastructure. Yet the Bush administration's proposed budget cuts funds for critical public health infrastructure. The proposed FY 06 budget cuts nearly 7 percent to the Centers for Disease Control and Prevention (CDC), which is a cut of over \$530 million. This includes a cut of approximately 9 percent to core CDC programs and at least a \$260 million cut to state and local public health programs. These cuts include:

- Elimination of the Preventive Health and Health Service Block Grants that have routinely been awarded to states, \$130 million;
- 12.6 percent cut to CDC's bioterrorism preparedness fund, representing nearly \$147 million, despite repeated reports that indicate that the country is still not adequately ready to respond to a biological or chemical terror attack;
- CDC building and facilities funds, which include money for upgrading or modernizing research and testing capabilities, were cut by 88 percent, nearly \$240 million; and

- Elimination of funding for the Metropolitan Medical Response System which helps local first responders prepare for radiological, chemical, and other terrorist attacks.<sup>86</sup>

These cuts come on the back of decades of reduced funding for public health. The Public Health Foundation estimates that an infusion of an additional \$10 billion would be necessary to bring the public health system up to an acceptable level of preparedness.<sup>87</sup> With respect to homeland security concerns in particular there are other major vulnerabilities. According to the Trust for America's Health:

- Nearly one-third of states cut their public health budgets in FY 2003-2004 and federal bioterrorism funding decreased by over \$1 million per state in 2004, while states still do not have adequate resources to address their preparedness gaps.
- Only five public health labs report capabilities (facilities, technology and/or equipment) to adequately respond to a chemical terrorism threat, and only one-third of states report that they have sufficient bioterrorism lab response capabilities (facilities, technology and/or equipment).
- Although planning for a flu pandemic (often viewed as requiring a similar response to a bioterrorism attack) has improved, 20 states still do not have publicly available plans in place, and, based on model estimates, an outbreak would still have dire consequences.<sup>88</sup>

85 See *Emergency Responders: Drastically Underfunded, Dangerously Unprepared*, Independent Task Force on Emergency Responders, Council on Foreign Relations, June 2003, *Defeating The Jihadists: A Blueprint for Action*, Richard Clarke et al., Century Foundation, 2004, p. 129, and Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us from Terrorism*, HarperCollins, 2004.

86 On the MMRS see *Tools for Evaluating the Metropolitan Medical Response System Program: Phase I Report*, Institute of Medicine, National Academy Press, 2001, [www.nap.edu/books/0309076471/html/R1.html](http://www.nap.edu/books/0309076471/html/R1.html)

87 "Public Health: Costs of Complacency," *Governing*, February 2004, [governing.com/gpp/2004/public.htm](http://governing.com/gpp/2004/public.htm).

88 *Ready or Not: Protecting the Public's Health in the Age of Bioterrorism*, Trust for America's Health, [healthyamericans.org/reports/bioterror04/BioTerror04Report.pdf](http://healthyamericans.org/reports/bioterror04/BioTerror04Report.pdf), December 2004.



# Conclusion

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**T**he security debate has shifted during the past year, toward broad agreement that the United States needs to invest more in nonmilitary security tools. The actual, proportional shift in

resources in the budget request, however, is barely perceptible. This Unified Security Budget illustrates what is needed to translate this rhetorical consensus into budgetary reality.



## TASK FORCE ON A UNIFIED SECURITY BUDGET FOR THE UNITED STATES

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*The members of the Task Force support this report as one positive proposal illustrating a way to rebalance the security budget, without necessarily endorsing each program proposal within it.*

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