

AMERICA'S SECURITY DEFICIT

ADDRESSING THE IMBALANCE
BETWEEN STRATEGY
AND RESOURCES
IN A TURBULENT WORLD



Key Security Challenges

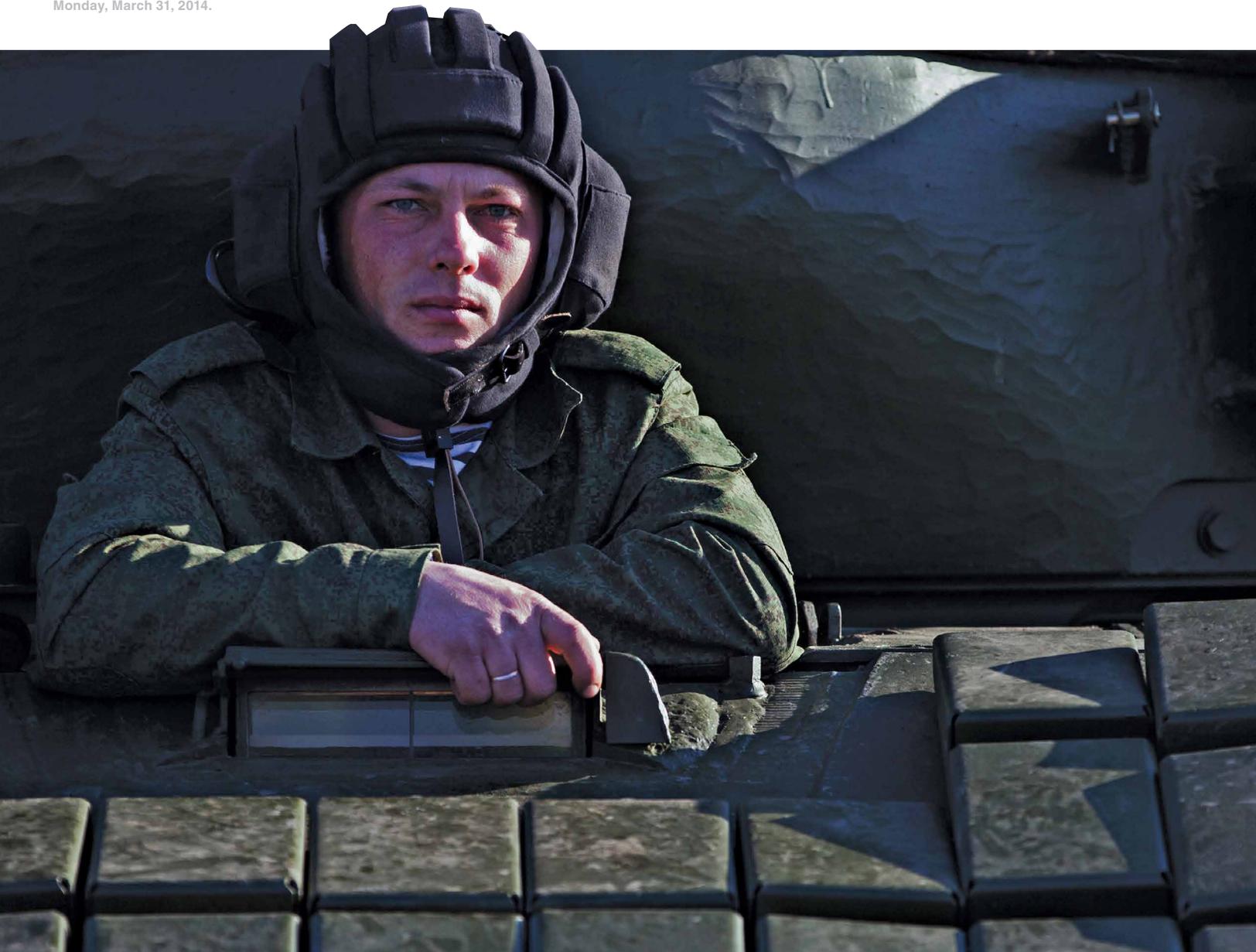
Europe

U.S. and NATO forces in Europe have thus far made only modest adjustments to the new reality created by Russian aggression in its “near abroad.” War games of plausible scenarios suggest that NATO would be unable, today, to prevent Russian forces from invading and overrunning the Baltic countries in a matter of days. Yet President Obama has renewed the U.S. promise to defend them.

East Asia

U.S. forces are increasingly vulnerable to attack, principally by Chinese cruise and ballistic missiles. American land-based air forces, fixed infrastructure ashore, and naval surface vessels are particularly exposed. In a crisis, Washington’s efforts to bolster deterrence by sending more forces to the region could backfire, provoking Beijing to attack lucrative targets pre-emptively in order to seize the initiative.

A Russian soldier sits in his tank at the Ostryakovo railway station not far from Simferopol, Crimea, Monday, March 31, 2014.



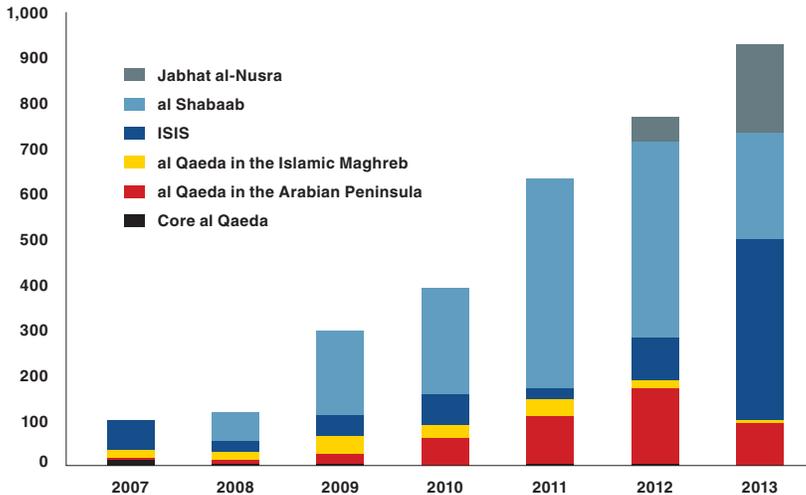
Aging Nuclear Weapons

With the exception of the bomber fleet, all major elements of the U.S. nuclear triad—intercontinental ballistic missiles, nuclear submarines, and air-launched nuclear-armed cruise missiles—are nearing the end of their service lives and will have to be retired or replaced.

Poor Readiness

The readiness of U.S. forces today is rather poor. The National Defense Panel, which was commissioned by Congress to conduct an independent assessment of the 2014 Quadrennial Defense Review, found that the Department of Defense faces “major readiness shortfalls that will, absent a decisive reversal of course, create the possibility of a hollow force that loses its best people.” This is due to the combined effects of nearly a decade and a half of unrelenting war in Afghanistan and Iraq and caps on defense spending imposed by the 2011 Budget Control Act.

Jihadist Attacks Rose Ninefold Between 2007 and 2013



This figure shows the number of attacks per year by al Qaeda and affiliates. In the Middle East and North Africa, jihadist attacks rose ninefold between 2007 and 2013. ISIS is proving difficult to dislodge. The Taliban in Afghanistan are mounting large-scale, coordinated attacks.

People hold Chinese and American flags as they stand near the hotel where Chinese President Xi Jinping stayed, September 22, 2015, in Seattle, on his way to Washington for a White House state dinner.



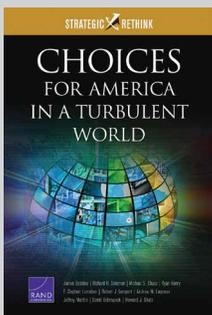


Two years ago, amid war fatigue at home, tumult in the Middle East, and trepidations about Russian and Chinese intentions, I asked Ambassador Richard Solomon to lead a team of RAND colleagues in taking a fresh look at America's role in the world. With the United States heading into a presidential election campaign, I saw both a need to offer evidence-based, feasible policy options to inform the electoral debate and an opportunity to discuss larger strategic questions on which there is little consensus today.

What are America's international ambitions? What level of international engagement is the public prepared to support, and what can be sustained? How might the next president exercise international leadership in a tumultuous world, and to what end? And is there a coherent "grand strategy" for diplomacy and defense that would align the wide array of U.S. interests with the means to achieve them?

The result is our "Strategic Rethink" project. We pulled together some of our best minds to produce a guide for policymakers and citizens, educators and the media, on the most critical global choices and challenges that this president and the next will likely face—whether the public has yet focused on them or not.

—Michael D. Rich
President and CEO, RAND Corporation



Choices for America in a Turbulent World, the first publication in the Strategic Rethink series, is available for free download at www.rand.org/t/RR1114

Expectation, Meet Reality

The U.S. strategy and defense program outlined in the 2014 Quadrennial Defense Review was predicated on certain assumptions:

- That Europe would be stable and at peace.
- That conditions in Iraq, Afghanistan, and the Middle East were sufficiently quiet to continue drawing down large-scale U.S. ground, air, and naval forces to a series of small-scale counterterrorist efforts.

These conditions, it was thought, would allow the United States to focus more attention and resources on the Asia-Pacific region, "rebalancing" U.S. foreign and defense policy.

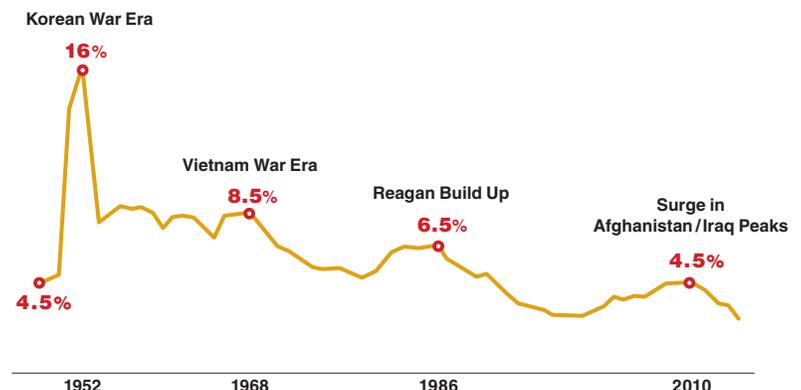
These assumptions, reflected in the presidential budget shown in Force II below, have been upended. However, the Budget Control Act limits defense spending to the levels described in Force I. Simply put, the current levels of military spending did not anticipate a revanchist Russia, the collapse of the Iraqi military and the rise of ISIS, or the continued need for U.S. combat forces in Afghanistan.

A Dangerous Imbalance

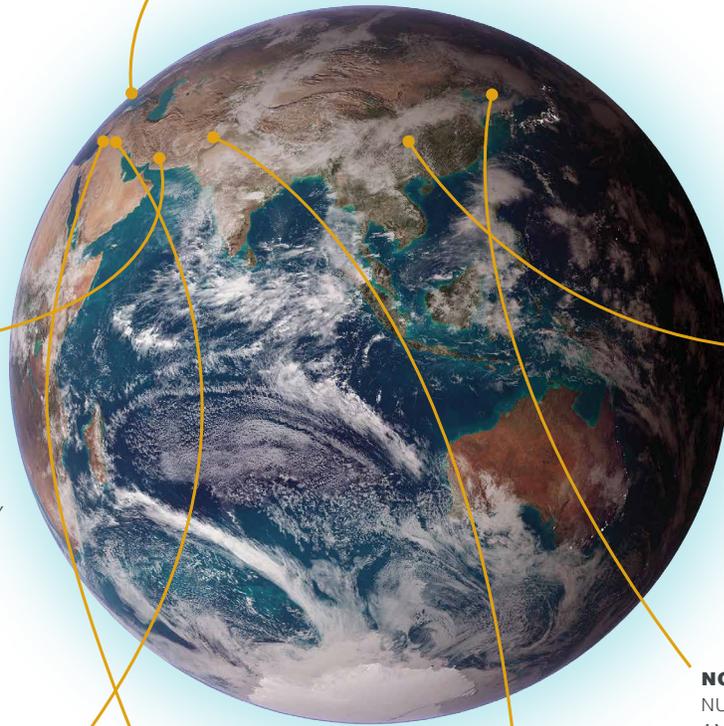
Defense spending as a percentage of GDP is projected to fall to the lowest levels since the end of World War II.

Despite spending constraints, neither the Obama administration nor Congress has been willing to shrink the United States' role in the world, or cede influence to Russia and China in their respective neighborhoods. As a result, U.S. forces are spread thin and are failing to keep pace with the modernization of their most capable adversaries. U.S. power to deny a potential adversary, such as Russia or China, the ability to coerce or attack a U.S. ally is diminished. In short, U.S. deterrence is beginning to fray.

U.S. Defense Spending as a Percentage of GDP



It's a turbulent world.



UKRAINE

A WESTERN ALIGNMENT MIGHT RISK RUSSIAN AGGRESSION. A MORE-NEUTRAL SETTLEMENT MIGHT COST IT TERRITORY.

IRAN

SEEK AVENUES FOR COOPERATION, SUCH AS COUNTERING ISIS AND SEEKING AN END TO THE WAR IN SYRIA? OR MAINTAIN A TOUGH STANCE AND POSSIBLY RECONSIDER NUCLEAR ACCORD?

CHINA

ACCOMMODATE ITS PUSH FOR GREATER INFLUENCE? OR CONFRONT AND BALANCE ITS ASSERTIVENESS? OR BOTH?

NORTH KOREA

NUCLEAR WEAPONS DEVELOPMENT AND MISSILE PROGRAMS POSE A SERIOUS THREAT TO U.S. ALLIES AND REGIONAL STABILITY.

SYRIA

REGIME CHANGE? OR SEEK A NEGOTIATED SETTLEMENT WITH MODERATE OPPOSITION FORCES AND ELEMENTS OF THE EXISTING REGIME?

AFGHANISTAN

WITHDRAWING ALL TROOPS WOULD SAVE A FEW BILLION DOLLARS PER YEAR BUT RISKS CONTINUED TERROR THREAT AND POSSIBLE GOVERNMENT COLLAPSE.

ISRAELIS AND PALESTINIANS

CONTINUED PUSH FOR TWO-STATE SOLUTION? SUPPORT ONE-STATE SOLUTION, POSSIBLY AS OPENING GAMBIT FOR TWO-STATE TALKS? OR MAINTAIN THE STATUS QUO?

What America Gets for Its Defense Dollars

Improving U.S. defenses and boosting deterrence needn't require Cold War spending levels. Our study analyzes four levels of defense funding, all below today's level when looked at by percentage of GDP.

FORCE I

Force I reflects defense spending within Budget Control Act (BCA) caps, bringing it to 2.3 percent of GDP in fiscal year (FY) 2024. Likely consequences include reductions in the size of the U.S. armed forces, continued lag in readiness, erosion of U.S. capabilities vis-à-vis important adversaries, inability to fight two mid-sized powers (e.g., Iran and North Korea) at the same time, and possible delay in nuclear modernization.

FORCE II

Force II envisions Congress funding defense at the level of the president's FY 2015 funding request, still falling to 2.3 percent of GDP in 2024. Most U.S. forces would reach historically normal levels of readiness by 2019. Force II does not cover procurement of ballistic missile submarines (SSBNs) to replace the Trident fleet. Likely growth in operations, maintenance, and procurement costs would soon force painful choices about which capabilities to keep. Programs to address serious anti-access/area denial (A2/AD) threats to U.S. overseas forces and bases could be delayed. Aircraft, ships, and ground forces might have to be retired.

Four Alternatives for Defense Spending, 2016–2024

	FORCE I Budget Control Act (\$499 billion in FY2016)	FORCE II President's Budget (BCA + \$115 billion through FY2024)	FORCE III President's Budget Plus (BCA + \$450 billion through FY2024)	FORCE IV National Defense Panel (BCA + \$810 billion through FY2024)
Readiness	Partially ready by 2019	Fully ready by 2019	Fully ready by 2017	Fully ready by 2017
Strategic nuclear forces	SSBN procurement not funded	SSBN procurement not funded	Comprehensive modernization	Comprehensive modernization
Counterterrorism/Special Operations Forces	70,000	70,000	70,000	75,000+
Deter/defeat regional adversaries	"2 war minus" posture	"2 war" posture?	"2 war" posture	"2 war" posture+ stability operations capacity
Deter/defeat A2/AD	Deteriorating military balance	Selective modernization	Gradual modernization	Accelerated modernization
Percentage of GDP in 2024	2.3	2.3	2.5	2.7

This figure shows budget levels for fiscal years 2016–2024. All figures are in FY 2016 dollars. Provisions of Force II assume early and full implementation of changes to compensation and health care, base realignment and closure, force structure reductions, and other program cuts proposed in FY 2015 budget submission. Percentage of GDP in 2024 figures are based on data in Office of Management and Budget, Fiscal Year 2015 Budget of the U.S. Government, Washington, D.C., U.S. Government Printing Office, 2014, pp. 172–174.

FORCE III

Under Force III, Defense Department funding would increase by about \$50 billion per year over BCA levels, starting in 2016. By 2024, spending would fall to 2.5 percent of GDP. Forces would achieve full readiness earlier. Special operations forces and counterterrorism activities would be sustained at current levels. This level of funding would allow construction of the first ships in a modernized SSBN fleet, fund key initiatives to counter growing threats from China and Russia to U.S. forces and bases overseas, and substantially strengthen deterrence on NATO's eastern flank.

FORCE IV

Force IV is the funding level recommended by the National Defense Panel: \$90 billion per year above the BCA cap for nine years. It would pay for Force III improvements and boost other capabilities: more funding for special operations forces to fight terrorist groups abroad; more capability to bolster NATO in Europe and to support potential stability operations, such as in Syria; and faster and broader modernization to meet the A2/AD threat.

Two U.S. soldiers run communications equipment from a sandbag bunker in the Daymirdad District Center, Wardak province, Afghanistan, January 9, 2011.



A U.S. soldier provides over-watch security atop a mountain during Operation Gwashta Pass, at Paktika province, Afghanistan, May 25, 2011.



The Strategic Rethink Series

This research brief summarizes the second volume in RAND's Strategic Rethink series, in which RAND explores various elements of national strategy for the conduct of U.S. foreign policy in a turbulent world. The first volume, anchored by Ambassador James Dobbins, examined choices for this administration and the next in three critical regions, the Middle East, Europe, and East Asia, and on the transnational issues of climate change, cybersecurity, and international economics. This brief and the associated report expand on that initial work to offer a detailed analysis of U.S. options for defense strategy.

This brief describes research documented in *America's Security Deficit: Addressing the Imbalance Between Strategy and Resources in a Turbulent World*, by David Ochmanek, Andrew R. Hoehn, James T. Quinnivan, Seth G. Jones, and Edward L. Warner, RR-1223-RC (available at www.rand.org/t/RR1223), 2015. To view this brief online, visit www.rand.org/t/RB9870.

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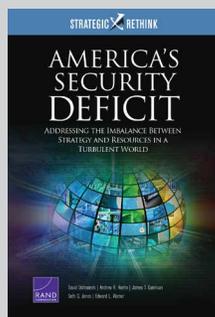
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Cover – Fotolia; page 2 – AP Photo/Pavel Golovkin; page 3 – AP Photo/Ted S. Warren, figure: Seth Jones, *A Persistent Threat: The Evolution of al Qaeda and Other Salafi Jihadists*, Santa Monica, Calif.: RAND Corporation, RR-637-OSD, 2014, p. 35; page 4 – figure: Office of the Under Secretary of Defense, "National Defense Budget Estimates for FY15," April 2014, Table 6-2, pp. 83-89; page 5 – NASA Photo; page 7 – U.S. Army/Sgt. Sean P. Casey; page 8 – U.S. Army/Spc. George N. Hunt.

The Bottom Line

Boost Defenses or Reduce Military Ambitions

The gold standard of deterrence is to confront a potential aggressor with the credible prospect of failure. It has never been cheap or easy to sustain the forces, weapons, overseas bases, or alliances needed to dissuade a powerful adversary from attacking. However, such deterrence is infinitely preferable to war. The United States now risks relying more on its reputation from past wars for deterrence than on actual military capabilities that can be brought to bear when and where needed.



America's Security Deficit
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