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Defense Outlook 2018

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A REPORT OF THE
CSIS INTERNATIONAL SECURITY PROGRAM'S
DEFENSE OUTLOOK SERIES

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

DEFENSE360°

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Introduction

This volume presents CSIS experts' assessment of the Trump administration's strategy documents and FY 2019 budgets for defense.

This assessment can be done now because, as the Trump administration moved into its second year in office, it has laid out its vision for national security. In December 2017, the president signed the National Security Strategy (NSS), the capstone document for national security. The secretary of defense then released the National Defense Strategy (NDS), which contains his vision for the department. The secretary has also published one targeted strategy document—the Nuclear Posture Review (NPR), which describes plans for nuclear capabilities—and will soon publish a second—the Missile Defense Review (MDR), which will do the same for missile defense. To implement these plans, the White House released its FY 2019 budget request, and the Congress has begun hearings to consider the new strategy and implementing budget.

The strategies and associated budgets contain much continuity with those of the Obama administration but also move in new directions. The strategy, for example, emphasizes great power competition with China and Russia. It outlines a more ambitious national security effort that requires a substantial increase in resources devoted to defense. The proposed FY 2019 base budget, indeed, contains a large increase—\$52 billion above what the Obama administration had forecast and \$85 billion above the caps of the Budget Control Act.

Back in January, CSIS national security experts provided their views about the emerging strategy in a [podcast](#), “Examining the New National Defense Strategy.”

With the administration's strategy and budget documents now published, CSIS experts have been able to analyze the concepts and policies they contain, along with the trade-offs they made and the challenges that they face. The 10 analyses in this volume—originally published on the [Defense360 website](#)—collectively provide readers with a broad overview of “Defense Outlook 2018.”

These analyses begin with a strategy overview, then look at budgets, forces, and acquisition. The remaining six analyses examine specialty topics from nuclear weapons to regional strategies.

Defense Outlook 2018

Kathleen H. Hicks, February 23, 2018

The unclassified summary of the NDS provides the broad strokes of Secretary of Defense James Mattis's strategic framework, if not the desired details of its connective tissue. He foreshadowed the document's key themes—lethality, alliances, and defense reform—early in his tenure and highlights the same primary challenge to U.S. interests as the National Security Strategy: winning in competitions against capable adversaries, with special emphasis on pacing the multidimensional threats posed by China and Russia. However, ambition often outpaces resources and plans. Although the defense agenda for the Trump administration may now be clear, its outcome is not predetermined.

Making Sense of the Bipartisan Budget Act of 2018 and What It Means for Defense **Seamus Daniels and Todd Harrison, February 20, 2018**

On the morning of February 9, roughly eight and a half hours into the second government shutdown of FY 2018, President Trump signed H.R. 1892, the “Bipartisan Budget Act of 2018 (BBA 2018),” into law. The bill raises the spending limits for both defense and nondefense funding imposed by the Budget Control Act (BCA) of 2011 for two years, FY 2018 and FY 2019. BBA 2018 differs from previous agreements in the sheer magnitude of the deal that increases funding above the spending caps by \$165 billion for FY 2018-2019.

Military Force Structure: Trade-offs, Trade-offs, Trade-offs **Mark Cancian, February 26, 2018**

DoD’s large budget increases in FY 2018 and FY 2019 allow it to do a lot more than it was doing before, but not everything. A major trade-off is with force structure. The forces proposed are more than what Secretary of Defense James Mattis had originally signaled but less than what President Trump’s rhetoric had implied. Other trade-offs appear in modernization—focusing on existing programs rather than starting expensive new programs—and in force mix—continuing development of some less expensive, lower-end capabilities rather than focusing completely on high-end capabilities.

A Strategic Approach to Defense Investment **Andrew Hunter, March 26, 2018**

The NDS issues an urgent call to action to a community—the National Security Innovation Base—that has never been called out so explicitly before. The strategy calls upon the National Security Innovation Base to gear up for a “long-term strategic competition” with nations like China and Russia and assigns it the task of maintaining DoD’s technological advantage, an advantage that is currently being “contested in every domain.” Significantly, the strategy states that the accelerating pace and increasingly commercial nature of technological advancement will require the National Security Innovation Base to adopt “changes to industry culture, investment sources, and protection.” However, the budget is not yet postured to resource these changes, and the great question for the Department of Defense is whether the window of budget opportunity closes before it can get its investment aligned with its strategy.

Nuclear Posture Review: The More Things Change, The More They Stay the Same **Rebecca Hersman, February 6, 2018**

Judging by reactions to the Nuclear Posture Review (NPR), there is something in it for everyone. That means almost no one is happy. Initial reactions suggest the review opens the door to nuclear “war fighting,” or closes it; raises the nuclear threshold, yet lowers it; continues some Obama administration policies and programs, or departs from them dramatically; goes too far in portraying a confrontational approach to Russia and China, yet does not go far enough. It’s fundamentally different from the Obama administration’s nuclear policy, but it is also largely the same.

The Forthcoming Missile Defense Review
Tom Karako and Ian Williams, April 6, 2018

Later this spring, the Trump administration will release its 2018 Missile Defense Review (MDR), which is expected to better align U.S. missile defense policy with the present security environment. President Barack Obama's 2010 Ballistic Missile Defense Review (BMDR) reflected the security environment of the time and the aspirations of the Obama administration. In particular, technological advances by U.S. adversaries and a renewed focus on long-term competition with Russia and China drive the need for a new review.

The Return of Political Warfare
Seth Jones, February 2, 2018

The Trump administration's National Security Strategy and National Defense Strategy outline a U.S. shift from counterterrorism to inter-state competition with China, Russia, Iran, and North Korea. However, U.S. policymakers need to be prepared for much of this competition to occur at the unconventional level—using proxies, cyber, psychological operations, and covert action—since the costs of conventional and nuclear war would likely be catastrophic.

The Limits of Good Strategy: The United States in the Asia Pacific in 2018
John Schaus, February 2, 2018

The release of the National Security Strategy and National Defense Strategy offers a window to evaluate current and ongoing U.S. policy in the Asia-Pacific region. But while the documents offer bold, clear strategic direction at a time the United States and the world need clear guideposts, the administration's actions are at odds with the strategies.

U.S. National Security and Defense Goals in Africa: A Curious Disconnect
Alice Hunt Friend and Ariel Fanger, February 13, 2018

Despite the brief notoriety of U.S. special operations activities in Africa after the tragic ambush in Niger last October, U.S. strategic priorities there remain inscrutable. For a recent example of the administration's enigmatic approach to the continent, look in turn at the Africa sections in the National Security Strategy (NSS) and the National Defense Strategy (NDS). You will find a curious disconnect.

Don't Let the Budget Deal Kill Defense Reform
Todd Harrison, February 20, 2018

The Bipartisan Budget Act of 2018, signed into law on February 9, is a victory for defense hawks in Congress and the administration. It increases defense funding by \$165 billion over the next two years—the most that anyone could have reasonably expected. But defense hawks shouldn't start popping the champagne corks just yet. While this deal may ease the budget pressures on the Department of Defense (DoD) for now, it comes with many risks—namely that policymakers will lose interest in much needed defense reforms and squander much of the additional funding.

Defense Outlook 2018

Kathleen H. Hicks

The second year of a presidency is often the most important for cementing a defense legacy. Administration transitions take time: key leaders need to be onboarded, priorities determined and communicated, and resources appropriately directed. Perhaps no transition year has been as tumultuous as 2017. However, as we enter 2018, the stage for defense is now set. The president has signed the National Security Strategy and delivered the State of the Union Address. The secretary of defense has released the National Defense Strategy (NDS) and Nuclear Posture Review (NPR); the Missile Defense Review is soon to follow. The White House has made its FY 2019 budget request, and posture hearings are close at hand. Anticipation about the Trump administration's defense direction can now give way to a fuller assessment.

The unclassified summary of the NDS provides the broad strokes of Secretary of Defense James Mattis's strategic framework, if not the desired details of its connective tissue. He foreshadowed the document's key themes—lethality, alliances, and defense reform—early in his tenure and highlights the same primary challenge to U.S. interests as the National Security Strategy: winning in competitions against capable adversaries, with special emphasis on pacing the multidimensional threats posed by China and Russia. This focus accords with a broad consensus within the defense community about the challenges posed by these two quite different actors. Although the U.S. military must prepare for myriad challenges, state-based competition is the right strategic priority for the United States. No nation should doubt the intentions of these countries, nor should they wonder if the United States understands the implications. The accountability for action is set. The task ahead is for the administration to execute integrated winning strategies in response.

The framing of the Defense Department's contingency force planning construct continued along the long-established trajectory of better defining and differentiating the scale and nature of its multi-theater assumptions. In shorthand, whereas the 2014 Quadrennial Defense Review (QDR) described a need to “defeat and deny” adversaries in two regions, the 2018 NDS describes a need to “defeat and deter” the same. This is the most recent manifestation of efforts since the 2001 QDR to adjust from an assumption that the United States will develop a force capable of two nearly simultaneous all-domain wars to an assumption that it will be capable of conducting one such intensive campaign, while conducting a range of other actions that do not require an immediate expenditure of similar all-domain capacity (especially in ground forces and key enablers). If the department is signaling a further downshift in capacity and capability by moving from “deny” to “deter” in the second theater, it should be called to clarify that in upcoming posture hearings.

The Nuclear Posture Review hints at one way the Defense Department may be seeking to mitigate the risks of opportunistic aggression under this new “defeat and deter” construct. The NPR emphasizes U.S. readiness to use nuclear weapons to deter and respond to some nonnuclear threats. Although this cross-

domain approach is consistent with long-standing U.S. nuclear declaratory policy, the care taken to highlight it in this administration's NPR is new. One reading of this shift is that the United States will now rely primarily on the U.S. nuclear force to manage even conventional crises in a second major theater or against a second aggressor. If so, it echoes President Dwight Eisenhower's "New Look" reliance on nuclear forces (as well as Vladimir Putin's) and is worthy of public deliberation. Although in many ways the NPR builds directly off its Democratic predecessor, there are a few other noteworthy changes. Foremost are the potential reintroduction of sea-launched nuclear cruise missiles to the U.S. inventory and the overall goal of meeting the growth in Russian tactical nuclear weapons symmetrically.

Ambition often outpaces resources, and as with the Obama administration, there is reason for concern with the administration's plans.

As with the 2012 Defense Strategic Guidance, on which the unclassified summary of the NDS is modeled, the Department of Defense may falter first on its assumptions that it can shift resources away from the Middle East or North Korea. In fact, the strategic hopes of the last three presidents have rested at one point or another on the ability to shift toward a focus on "great powers" and away from the array of other challenges that test our preparedness, chew up our readiness, and consume an annual \$69 billion of Overseas Contingency Operations funds. Having participated in some way in all these prior attempted shifts—from Clinton's revolution in military affairs (RMA) to Bush's transformation to Obama's rebalance—I both applaud the continued dedication and remain chastened by experience. As military historians are quick to remind us, the enemy indeed gets a vote, as do the American people.

Even if the global environment cooperates with our plans, the defense budget proposed by the White House for FY 2019 barely outpaces inflation. And yet Secretary Mattis has said the planned budget can bring the United States ["back to a position of primacy."](#) Increased resources and the budget stability created by Congress's two-year budget deal help, but we are unlikely to buy our way out of our current strategic position. We will also need cultural change to pace our ambition.

Competing effectively in the national security domain requires us to leverage our asymmetric strengths, integrate national means, educate our future workforce, conduct operational experimentation and develop associated operational concepts, reform the defense acquisition system, and increase our efficiency. Mattis's trinity is a good summation of this cultural mandate: lethality, alliances, and defense reform. So far, however, signs of real change are modest. There has been no indication of a pending package of major legislative initiatives, no request to reduce excess infrastructure, no revived joint experimentation hub with associated institutional leadership and funds, no policy-significant breakthroughs in defense-to-defense relations, and no fundamental overhaul of the sclerotic defense contracting process. No one knows any better today ["who speaks for the needs of the future joint warfighter"](#) than we did when Joint Forces Command shuttered its doors in 2011 (p. 51). This should be the foremost waking thought of every chairman of the Joint Chiefs of Staff, as former Joint Forces Command (JFCOM) commander General Mattis surely knows.

The success of our military is not solely dictated by preparedness inside the U.S. Department of Defense (DoD). Far greater problems lie beyond DoD. First is America's crumbling support from allied and partner publics. Our alliance and partner networks are America's center of gravity, described by Carl von Clausewitz in *On War* as "the most effective target for a blow" (p. 485). The ability to affect a center of gravity is "determined and limited by the cohesion of the parts" (p. 485–486). The more we hold together, the more difficult for other states to undermine our interests. Accordingly, our alliances have been key

targets of Russian (née Soviet) and Chinese efforts for decades. Recently, however, President Trump has helped these adversaries by routinely drawing “us” and “them” lines in public and private. Even if world leaders can be convinced to ignore his tweets, evidence suggests their publics will not. This creates untenable electoral dilemmas for foreign officials who might like to work with the American administration in defiance of public opinion. It also creates easy excuses for those who prefer to diverge from the United States on key issues. As the NDS appears to understand, we are neither so powerful nor so charming that we can ignore these risks, which originate largely in the White House.

Our inability to capitalize on U.S. and Western advantages across the broad national security tool kit is a second significant constraint largely imposed on the military from outside. As the United States learned in the Cold War, gray zone competitions are seldom waged in the military domain. The deliberate siege to starve the Department of State is not only crippling America’s current diplomatic corps but also its future potential. There also does not appear to be a vibrant international economic or trade agenda for the United States. Strategic messaging is hampered by lack of funds, focus, and Twitter-to-podium policy coherence. And, as we devolve decisions on use of force and forces to the operational level, we risk inadvertently dictating our foreign policy choices from the bottom up even as we ignore the imperative to invest in diplomacy and development “closers” needed to consolidate military gains. Filling out the Defense Department’s civilian ranks helps curb these trends, but it cannot compensate for the sidelining and disintegration of the U.S. Department of State.

The defense agenda for the Trump administration may now be clear, but its outcome is not predetermined. Aggressive cultural change inside DoD must accompany the rhetoric, along the secretary’s themes of lethality, alliances, and defense reform. Likewise, Congress will need to recognize the imperative of removing barriers to speed and innovation—perhaps even throwing out the book in select areas—as well as provide needed resources. Elsewhere, diplomatic, trade, strategic messaging, and development initiatives must be integrated and resourced to support competition against those nations demonstrating greater agility at using all means at their disposal. Finally, the strength of our military has always rested foremost on the strength of our constitutional democracy. This year will likely continue to test the nation’s institutions and its unity. If we can emerge stronger in both, we will advance our security further than any mere defense investment, innovation, or reform ever could.

Kathleen H. Hicks is senior vice president, Kissinger Chair, and director of the International Security Program at the Center for Strategic and International Studies in Washington, D.C.

Making Sense of the Bipartisan Budget Act of 2018 and What It Means for Defense

Seamus P. Daniels and Todd Harrison

On the morning of February 9, roughly eight and a half hours into the second government shutdown of FY 2018, President Trump signed [H.R. 1892](#), the “Bipartisan Budget Act of 2018,” into law. The bill extends a fifth continuing resolution (CR) to fund the government through March 23, but more importantly, it raises the spending limits for both defense and nondefense funding imposed by the Budget Control Act (BCA) of 2011 for two years, FY 2018 and FY 2019. In addition to increasing the budget caps, the bill lifts the debt ceiling until March 2019, provides \$90 billion in disaster relief, and further extends the Children’s Health Insurance Program. Below are four critical questions about the budget agreement and its implications for defense spending.

Q1: What does the funding deal include for defense?

A1: Negotiated by Senate Majority Leader Mitch McConnell and Minority Leader Chuck Schumer, the Bipartisan Budget Act of 2018 (BBA 2018) is a two-year agreement that raises the spending limits for both defense and nondefense in FY 2018 and FY 2019. As shown in Table 1, the deal raises the caps for the national defense base budget by \$80 billion in FY 2018 from the previous limit of \$549 billion and increases the FY 2019 cap by \$85 billion from \$562 billion. In comparison, the nondefense funding for FY 2018 is raised \$63 billion above the cap of \$516 billion while FY 2019 funding includes a \$68 billion increase above the prior cap of \$529 billion.

Overseas Contingency Operations (OCO) funding—the account intended to fund operations in Iraq and Afghanistan—has often been used to supplement funding levels above the adjusted budget cap levels. Because OCO is not subject to the spending caps and the law does not specify which programs may or may not be funded under OCO, the account has become a loophole to increase funding for base defense priorities without violating the caps and triggering sequestration.

The text of BBA 2018 does not detail specific OCO levels for defense and nondefense for FY 2018–2019, yet [reported](#) topline for those years and the president’s [budget request](#) for FY 2019 seemingly confirm OCO funding for defense at \$71 billion for FY 2018 and \$69 billion for FY 2019. That brings total defense funding to \$700 billion in FY 2018 and \$716 in FY 2019.

Table 1. Defense Funding Levels Under the Bipartisan Budget Act of 2018 (*discretionary budget authority in current dollars*)

| | FY 2017 | FY 2018 | FY 2019 |
|--|----------------|----------------|----------------|
| BCA Budget Cap for National Defense Base (050) | \$551B* | \$549B | \$562B |
| Budget Cap Increase in BBA 2018 | - | +\$80B | +\$85B |
| Adjusted Budget Caps for National Defense Base (050) | \$551B | \$629B | \$647B |
| Overseas Contingency Operations (OCO) / Emergency Funding | \$83B | \$71B** | \$69B*** |
| TOTAL National Defense (050) | \$634B | \$700B | \$716B |

* The budget cap for FY 2017 was raised from the original cap of \$536.1 billion to \$551.1 billion by the Bipartisan Budget Act of 2015.

**The \$71 billion in OCO/emergency funding for FY 2018 includes the \$64.6 billion originally requested by the president for FY 2018 plus \$4.7 billion in emergency supplemental funding passed in the CR in late December and \$1.2 billion passed in the CR accompanying BBA 2018.

***\$69 billion is the OCO funding level requested by the president for FY 2019.

Q2: How does this budget deal compare with previous agreements in terms of defense spending?

A2: The Bipartisan Budget Act of 2018 follows in the pattern of the Bipartisan Budget Act of 2013 (BBA 2013) and the Bipartisan Budget Act of 2015 (BBA 2015) by increasing the budget caps for a two-year period for both defense and nondefense. The main difference between BBA 2018 and the previous agreements is the sheer magnitude of the deal. BBA 2013 increased base defense spending over the budget caps by \$32 billion over two years (FY 2014–2015), while BBA 2015 raised funding by \$40 billion over two years (FY 2016–2017). However, BBA 2018 increases funding above the caps by a whopping \$165 billion for FY 2018–2019—a 15 percent increase above the current cap for each year.

Table 2. Comparison of Defense Funding in the Bipartisan Budget Act of 2018 with Previous Budget Deals (*discretionary budget authority in current dollars*)*

| | Bipartisan Budget Act of 2013 | | Bipartisan Budget Act of 2015 | | Bipartisan Budget Act of 2018 | |
|--|--------------------------------------|----------------|--------------------------------------|----------------|--------------------------------------|----------------|
| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
| Original BCA Budget Cap for National Defense (050)* | \$498B | \$512B | \$523B | \$536B | \$549B | \$562B |
| Adjustment | +\$22B | +\$9B | +\$25B | +\$15B | +\$80B | +\$85B |
| Adjusted Budget Caps for National Defense (050) | \$521B | \$521B | \$548B | \$551B | \$629B | \$647B |
| OCO Funding | \$85B | \$64B | \$59B | \$83B | \$71B | \$69B |
| TOTAL National Defense (050) | \$606B | \$586B | \$607B | \$634B | \$700B | \$716B |

*Values may not add up due to rounding.

**Includes the automatic spending reductions specified in the Budget Control Act of 2011.

Of the three budget deals, BBA 2015 was the only agreement to specifically detail [OCO funding levels](#) for the two relevant fiscal years in the legislation as part of the deal. But BBA 2013 and BBA 2015 both relied significantly on additional OCO funding to raise spending levels for defense (and to a lesser extent nondefense), whereas the increase in BBA 2018 is primarily in the adjusted budget caps for the base budget rather than OCO. In an [addendum](#) to the president's FY 2019 budget request, OMB director Mick Mulvaney—who had previously condemned OCO as a “[slush fund](#),” “sham,” and an “[accounting trick](#)” while serving as a member of the House—claimed the higher spending caps mandated under the deal provide “an opportunity to fix some long-time budget gimmicks that the Congress has used to circumvent the spending caps and add billions to the Nation’s deficits,” an obvious reference to the war funding account.

Q3: What does the budget deal mean for defense funding in FY 2018?

A3: The BBA 2018 provides more funding for defense than President Trump requested in his administration’s May 2017 budget request. Whereas the administration had originally proposed to raise the budget cap on base defense spending by almost 10 percent to \$603 billion, the BBA 2018 raises the cap by 15 percent.

Table 3. Comparing the Trump Administration's FY 2018 Request with the New FY 2018 Spending Limits

| Budget Function <i>(discretionary budget authority in current dollars)</i> | Trump's FY 2018 Request | Bipartisan Budget Act of 2018 Spending Limits |
|--|--------------------------------|--|
| National Defense (050) Base | \$603B | \$629B |
| Department of Defense (051) OCO / Emergency | \$64.6B* +\$4.7B +\$1.2B | \$71B |
| TOTAL National Defense (050) | \$674B | \$700B |

**The administration originally requested \$64.6 billion in OCO funding for FY 2018, then requested additional emergency supplemental funding of \$4.7 billion that was passed in the CR in late December and \$1.2 billion in the CR that accompanied BBA 2018.*

Importantly, the budget deal does not provide actual appropriations that specify how the money will be used. The government remains under a continuing resolution until March 23, and over the coming weeks congressional appropriators will need to follow up the budget deal by passing appropriations bills for FY 2018 that specify how the money will be allocated. While these appropriations have not yet been finalized, the House and Senate appropriations bills (and to a lesser extent the FY 2018 National Defense Authorization Act) provide a good indicator for how Congress will use the additional funding granted by the BBA 2018.

Q4: How does the budget deal affect defense funding in FY 2019?

A4: The Trump administration's FY 2019 budget requests a total of \$716 billion for national defense, a 7 percent increase above the \$668 billion projected for FY 2019 in last year's budget request. The administration had planned to put much of this increase into OCO to skirt the budget cap, but the BBA 2018 budget deal allowed it to push the increase into the base budget under the higher budget cap. Because the budget deal was reached just three days before the official release of the FY 2019 request, the administration was not able to revise all of the budget materials in time to reflect this change.

Table 4. Comparing the FY 2019 Projection in Trump Administration’s FY 2018 Request with the President’s Budget (PB) 2019 for Defense

| Budget Function <i>(discretionary budget authority in current dollars)</i> | FY 2019 Projection in the FY 2018 Request | FY 2019 Funding in the FY 2019 Request | Change in FY 2019 (PB18 to PB19) |
|--|--|---|---|
| Department of Defense (051) Base | \$587B | \$617B | +\$30B |
| Other National Defense (053/054) Base | \$29B | \$30B | +\$1B |
| Total National Defense (050) Base | \$616B | \$647B | +\$31B |
| Department of Defense (051) OCO | \$52B* | \$69B | +\$17B |
| TOTAL National Defense (050) | \$668B | \$716B | +\$48B |

*The FY 2018 budget request included a placeholder of \$52.0 billion in OCO funding.

In the rollout [conference](#) and [overview](#) for the FY 2019 defense budget request, DoD comptroller David Norquist was keen to emphasize that the “*National Defense Strategy* guided the process [DoD] used to build the budget.” The National Defense Strategy “determined the issues we examined, the decisions we made, and the level of funding that was required.” Norquist additionally noted that BBA 2018 increased defense funding to “a level that would support the strategy.” Whether that funding will be used effectively to “restore and rebuild our military” will be seen over the course of the next fiscal year.

Seamus Daniels is a research assistant and program coordinator for defense budget analysis at the Center for Strategic and International Studies (CSIS) in Washington, D.C. Todd Harrison is a senior fellow and director of defense budget analysis at CSIS.

Military Force Structure: Trade-Offs, Trade-Offs, Trade-Offs

Mark F. Cancian

The budget deal's large defense increase in FY 2019 allows the Department of Defense (DoD) to do a lot more than it was doing before, but not everything. A major trade-off is with force structure. The forces proposed are more than what Secretary of Defense James Mattis had originally signaled but less than what President Donald Trump's rhetoric had implied. Other trade-offs appear in modernization—focusing on existing programs rather than starting expensive new programs—and in force mix—continuing development of some less expensive, lower-end capabilities rather than focusing completely on high-end capabilities.

At the macro level, the defense budget is a trade-off among readiness (the ability of forces to do what they were designed to do), capacity (the size of the force), and capability (the ability of forces or equipment to achieve a desired effect)—[the “iron triangle of painful tradeoffs”](#) as CSIS's Kathleen Hicks termed it. Secretary Mattis was emphatic that the new administration would fix readiness first because of the many deficiencies he found there. Although some problems had been long-standing, many had been exacerbated when the Obama administration changed strategy in 2014 by beginning a long air war in Iraq and Syria and instituting the European Reassurance Initiative to deter Russia. Both efforts were successful but put unplanned stress on the force, which defense budgets, constrained by the Budget Control Act and the administration's other priorities, were inadequate to remedy.

The Trump administration's FY 2017 and FY 2018 budgets did indeed put additional resources toward readiness—maintenance and spare parts especially. The FY 2019 budget maintains the increase and enhances it in places. However, the budget's major focus shifts to modernization. This shift signals a recognition that readiness is not infinitely valuable. Readiness is very expensive, and the department will buy what it needs but then focus on other priorities.

Increasing force size (capacity) might have been one of these other priorities, but the administration has clearly been conflicted about this. [In September 2016, then-candidate Trump proposed an Army of 540,000 regular soldiers, a Navy of 350 ships, and an Air Force of 1,200 fighters.](#) This force was derived from [work that the Heritage Foundation had done](#) and which had received considerable attention in conservative circles. However, Secretary Mattis signaled many times in the past year that his focus would be on capability (“lethality” as he likes to call it), and he pointedly left force expansion out of his lists of priorities. [General Joseph Dunford, chairman of the Joint Chiefs of Staff, was blunter:](#) “I don't see, in the near term, our ability to really grow the force.” This emphasis on capability is consistent with the National Defense Strategy (NDS) focus on “long-term great power competition” with Russia and China. The tension played out in drafts of the [National Defense Strategy \(unclassified summary\)](#). Early drafts omitted discussion of force size, but the White House and National Security Council reportedly pushed back.

Consequently, the final document includes: “The size of our force matters.” Thus, the budget contains a compromise: some force expansion but not nearly what had been suggested earlier.

Consistent with the strategy, modernization (capability)—buying new equipment for the forces—receives a large increase. Between the FY 2018 President’s Budget (PB) and the president’s FY 2019 proposal, DoD procurement increases \$19 billion, and research, development, test, and evaluation (RDT&E) increases \$18 billion. However, there are no new major acquisition programs but, instead, a focus on continuing production of existing systems. This was another trade-off. While the strategy might imply the need for additional, advanced technology weapons systems, beginning new multibillion-dollar programs is a bet that the budget will remain high for many years in order to accommodate the increased resource demands. Continuing budget uncertainty makes this bet iffy and hedging seems prudent—i.e., buy what is available now while the budget window is open.

It may be that new acquisition programs emerge in the future from the primordial soup of ongoing research and development. Hypersonics/conventional prompt strike, advanced rotorcraft, directed energy, and robotics are candidates. Time will tell.

The most striking modernization change is the large increase in munitions procurement of all kinds—air-to-air and air-to-ground; precision and nonprecision ground-to-ground; long range and short range; missile defense; and antiship. This indicates both a preparation for high-end conflicts with other great powers and the need to replenish inventories for conflicts against regional powers such as Korea or against insurgent groups in the Middle East.

With these broad themes in mind, let’s take a look at the individual services.

Army. There are two major takeaways about Army plans: the force will increase to 487,500 regular soldiers in FY 2019 with an ultimate goal of 495,000; and, consistent with the broader theme, modernization focuses on production of existing systems rather than starting new programs.

The force expansion is something of a surprise because the NDS would seem to emphasize naval and air capabilities. The Pacific theater is mainly ocean and long distances, and European geography in the most pressing scenario, defense of the Baltic states, makes deployment of large ground forces difficult. It is a tribute to the Army leadership that they convinced policymakers of the need for some expansion. Despite the manpower increase, the Army will not build more brigade combat teams but instead fill out manning in its existing units and add some new capabilities. The former is an important enhancement to readiness and deployability. When units are undermanned and need to deploy, they pull personnel from other units (called “cross leveling”), which engenders a cascading disruption of units. The latter—new units for cyber, advising and assisting allies and partners, and air defense—leverages emerging technologies and responds to the new strategy.

Interestingly, force expansion in the reserve components is modest: in FY 2019, 500 for the Army National Guard and 500 for the Army Reserve. That means that 87 percent of Army force expansion is in the active component. Normally, this would engender some grumbling from the politically powerful reserves, but the Army leadership has apparently worked closely with them. The budget implements the agreement from the 2016 [National Commission on the Future of the Army](#), particularly the maintenance of Apache helicopters in the Guard. Guard rotations at the combat training centers also increase from two to four.

In modernization, some programs increase (M-1 tanks, Joint Light Tactical Vehicle trucks, Armored Multipurpose Vehicles); others stay about the same (helicopters, M-2 Bradleys). There are no new acquisition programs. Development continues on the next-generation fighting vehicle and future vertical lift aircraft, both Army priorities, but they are not proposed as programs of record for procurement. This picture might change in the next year as the Army's new modernization command takes shape and the recently established cross-functional teams produce results. Nevertheless, the Army's incremental modernization strategy seems deeply embedded and likely to continue.

Navy. Like the Army, the Navy expands forces and increases procurement of existing programs but starts no major new programs. Active-duty manpower increases from 327,900 in the FY 2018 PB to 335,400 in the FY 2019 proposal, with an ultimate goal of 344,800. This increase will build crews for new construction ships and fill manning gaps on existing ships. A theme that has come out of recent accident investigations is that low crew manning, both by design and by policy, hurts operations.

In shipbuilding, the Navy proposes buying 10 ships, an increase of one from PB FY 2018. Compared to last year's request, construction of DDG-51 Arleigh Burke destroyers (Flight III ships equipped with the Advanced Missile Defense Radar) would increase from two to three, while the number of the Littoral Combat Ships would decrease from two to one awaiting the follow-on frigate program. Total shipbuilding funding increases from \$20.4 billion in the FY 2018 PB to \$21.9 billion in FY 2019.

The modest increase highlights the challenge in building a larger fleet. Fleet size will increase to 299 ships in FY 2019 as previously funded ships are delivered, but, according to the [Navy's long-term shipbuilding plan](#), fleet size peaks at 342 in FY 2039 and never reaches the 355 ship goal.

In aircraft procurement, the Navy continues to hedge its bets, funding both fifth-generation F-35 Joint Strike Fighters (29) and fourth-plus generation F-18E/F fighters (24). The Navy's ambivalence to unmanned aircraft continues. It puts \$719 million toward development of the unmanned MQ-25 Stingray tanker, a big jump from the \$222 billion in the FY 2018 PB, but the fielding date has been delayed to 2026, and it is not yet an official program of record. Further, the Navy does not propose any unmanned combat aircraft.

The future frigate program and continued procurement of the F-18—in effect, a high-low mix for ships and aircraft—show a hedging strategy. Although these systems are not well-suited for great power conflicts, their lower cost allows some expansion of the force structure to meet day-to-day demands for presence and crisis response, and they are suitable for conflicts against regional adversaries.

Marine Corps. Unexpectedly for such a manpower intensive service, the Marine Corps increases active-duty manpower by only 1,100, from 185,000 in FY 2018 PB to 186,100 in the FY 2019 proposal, with an ultimate goal of 186,400. The increase goes mostly to what the Marine Corps calls a “fifth generation force”—cyber, security cooperation, information warfare, and special operations—, rather than traditional Marine Corps areas such as ground combat units.

A national strategy focusing on great power competition produces tensions in the Marine Corps, which describes itself as a “middle weight force” and has traditionally had few high-end capabilities. It finds itself today in the situation of the late 1970s, when DoD's attention focused on NATO after a decade of combat in Vietnam, and the Marine Corps struggled to find a place in that strategy.

In procurement, the Marine Corps buys more early production Amphibious Combat Vehicles—an advanced, eight-wheeled armored personnel carrier—as part of its 30-year effort to replace existing ship-to-shore amphibious assault vehicles (AAVs). Nevertheless, the Marine Corps continues to upgrade its existing AAV as a hedge.

Air Force. Continuing a theme, the Air Force grows its force modestly and procures existing systems. Active-duty end strength increases by 4,000, from 325,100 in the FY 2018 PB to 329,100 proposed for FY 2019. This fills shortfalls in existing units and expands some high-end capabilities such as cyber and intelligence. It may also mark the end of the Air Force’s attempt to trade personnel and size for modernization. Although its need for modernization has been great, the global demand for existing units and the strategic demand for new kinds of units has continually overwhelmed Air Force attempts to shift resources.

Reserve end strength also increases but much less, 700 total. As with the Army, reserve component acceptance of this disparity indicates a restoration of confidence as a result of a force structure agreement, the [2014 National Commission on the Structure of the Air Force](#) in the case of the Air Force.

Procurement includes F-35 production at 48 per year, a slight increase from the 46 proposed in FY 2018 but not at the level of 60 per year that the Air Force desires. The Air Force also procures 15 of the new KC-46 tankers, 7 M/HC-130s, mainly for special operations, and the first 10 of the long-delayed replacement for aging combat search and rescue helicopters.

Two aircraft proposals indicate force structure trade-offs. The B-52s will continue flying far into the future, even as the newer B-1s and B-2s retire when the B-21 enters the force in the 2020s. The B-52 is relatively easy to operate and has been so useful in recent conflicts that its life span has been extended yet again. The last B-52 pilot has not yet been born. The Air Force also continues its commitment to a light attack aircraft program for conflicts in relatively benign air environments. Both proposals implement a high-low mix and, as with the Navy, indicate a desire to maintain enough force structure to meet the demands of day-to-day commitments and conflicts with regional adversaries within constrained resources.

The Air Force proposes buying 29 MQ-9 Reaper remotely piloted aircraft (RPAs), using both base and war funding. This seems low, given the retirement this year of 150 Predators that have been a major part of the Air Force’s recent combat operations. Further, Predators and Reapers, while extremely valuable in environments without strong air defenses, are highly vulnerable in great power conflicts. This may indicate that additional RPA programs lie in the black (secret) world and have not yet been revealed publicly. It would be regrettable, however, if instead the FY 2019 budget represents a reversal of progress in expanding use of unmanned technologies.

The Air Force’s big push is in R&D, which increases by nearly \$5 billion. This supports further development of nuclear modernization, an administration priority—B-21, intercontinental ballistic missile (ICBM) follow on (called the Ground-Based Strategic Deterrent), and the Long-Range Standoff Missile. There is additional effort in space, perhaps in reaction to criticism that the Air Force has not paid sufficient attention to space and to head off the suggestion that a separate space corps be established. Finally, there’s development of a replacement for Air Force One (called the Presidential Aircraft Replacement).

Future challenges. The challenges will be twofold. The first is actually getting the money to execute all these expanded plans. There is bipartisan support for a defense buildup, and the administration forecasts

continued high defense budgets. However, pressure from interest payments, expanding entitlement programs, and domestic priorities, coupled with an uncertain balance of power in future Congresses may derail these plans. The second challenge is whether the strategy of focusing on great power competition can survive the demands of day-to-day operations. Administrations often desire to cut back on the high level of ongoing operations in order to ease stress on the force and focus funding elsewhere, but the claimants—regional headquarters, allies and partners, commanders of ongoing conflicts—make this hard to implement.

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A Strategic Approach to Defense Investment

Andrew P. Hunter

The [National Defense Strategy](#) (NDS) issues an urgent call to action to a community—the National Security Innovation Base—that has never been called out so explicitly before. The strategy calls upon the National Security Innovation Base to gear up for a “long-term strategic competition” with nations like China and Russia and assigns it the task of maintaining the Department of Defense’s (DoD) technological advantage, an advantage that is currently being “contested in every domain.” Significantly, the strategy states that the accelerating pace and increasingly commercial nature of technological advancement will require the National Security Innovation Base to adopt “changes to industry culture, investment sources, and protection.”

The strategy’s diagnosis of the global strategic environment is, I believe, quite correct, and that compels those of us who consider ourselves part of the National Security Innovation Base to grapple with what it means to take on this task. For many, this will mean simply that they must pursue innovation to the best of their ability. For a select few, such as Michael Griffin, the new undersecretary of defense for research and engineering (USD R&E), and the national security leadership in Congress, the task is more complex. They are called upon to develop and implement a strategic approach to defense investment that delivers on the NDS’s challenge. In large part, this task is the reason the USD R&E position was created in the FY 2017 National Defense Authorization Act.

While the NDS defines the ends sought in a strategic approach to defense investment, the National Security Innovation Base must provide the ways. Since National Security Innovation Base is a new term in defense argot, it pays to discuss briefly what it means. Past defense strategies have mentioned the importance of the defense industrial base, often thought of as the traditional defense industry and exemplified by the top five defense contractors: Lockheed Martin, Boeing, Northrop Grumman, General Dynamics, and Raytheon. Former secretary of defense Ash Carter insisted on the need to expand DoD’s understanding of the industrial base to include high-tech firms in Silicon Valley, Boston, and Austin. The concept of the National Security Industrial Base captures both these sectors and includes the research and development (R&D) community. The R&D community is a broad range of academic research centers, tech enthusiasts pursuing challenge prizes, and others engaged in the early stages of R&D that feed new technologies into both the traditional defense and commercial tech sectors. The significant expansion in scope represented in the National Security Innovation Base compared to the traditional concept of the defense industrial base is important, and it has major implications for the U.S. government’s pursuit of a strategic approach to defense investment.

When the United States developed its approach to defense investment in the Cold War, the federal government was the primary provider of R&D funding to all elements of the National Security Innovation Base. When the Cold War ended, however, this relationship was already radically shifting, and today, the bulk of funding supporting the National Security Innovation Base comes from [private-sector sources](#). In fact, the United States was somewhat behind the rest of the world in making this shift, and as a result,

most other countries have pursued increasing integration of their defense investment with their commercial industry even as most of the largest U.S. defense companies specialized in defense. In the case of China, there is little to no significant separation between many of its main defense and commercial companies in most high-technology fields, and [China has stressed the importance of military-civil integration in its technology planning](#). The NDS tells us that the United States will have to change its culture to leverage the entire National Security Innovation Base in order to stay ahead in a fast moving and highly competitive world that has already transitioned to a new defense business model.

The strategy also makes clear which technologies are likely to reshape the character of future military operations—advanced computing, big data analytics, artificial intelligence, autonomy, robotics, directed energy, hypersonics, and biotechnology. While there are some things to quibble with on this list, it represents the development of something close to a consensus on technology areas of focus going forward. And while there are likely to be important technology developments not on this list that arise in the coming years, it is a useful guide for the dialogue between DoD and the National Security Innovation Base on how to focus defense investment. This dialogue is needed to influence the private-sector leadership and R&D funding that will be pushing forward these key technologies. Unfortunately, DoD has no effective mechanism to carry out such a dialogue today. Developing one will be a critical task for Under Secretary Griffin. Traditional defense industry is eager to have this dialogue. After a period in which the major defense companies were all forced by circumstances to follow one strategy, namely to cut costs aggressively to ensure profitability as revenues declined, there is now a range of diverse business strategies emerging in order to capitalize on growth. Getting nontraditional companies and international partners and allies to participate in this dialogue is likely to be trickier but achievable and absolutely necessary.

This shift toward private-sector leadership changes some of the need for DoD's R&D funding, but it doesn't eliminate it. DoD funding remains essential for early stage science and technology, which doesn't present a commercially viable near-term return on investment, and for [Defense Advanced Research Agency \(DARPA\)](#) hard problems, where the fundamental breakthroughs required may not appear likely enough to stimulate significant private investment. It is also critical for technologies where the military application is likely to precede the civilian application so that military investment is required to take early stage R&D and develop it into an operational weapon system. Hypersonics and directed energy seem to be likely candidates for this kind of investment. In addition, R&D funding will be required to incorporate technologies matured in the private sector onto complex military platforms such as the B-21 bomber. Another key need for R&D funding will be prototyping, especially for the purpose of experimenting with new concepts of operations and testing commercially developed technologies in simulated operational environments. And because [China is seeking to dominate elements of the supply chain](#) essential to the key technologies identified in the NDS, DoD should invest in ensuring access to critical items by researching new materials, developing alternative sources of supply, and certifying alternatives to any critical supply chain items that are at high risk of being restricted by a potential adversary.

Given the important roles that defense investment needs to play to support the NDS, how well does the defense budget resource these objectives? The answer is that the budget is making progress toward resourcing these investment objectives but very unevenly. With the completion of the [FY 2018 Consolidated Appropriations Act](#) and the submission of the [FY 2019 President's Budget Request](#) at the levels agreed to in the recent Bipartisan Budget Agreement of 2018, relative budget clarity has now emerged from a two-year period of total confusion. This allows us to assess how defense investment has fared in a two-year period of substantially increased spending for defense. The procurement accounts in FY 2017, the last year of the Obama administration, totaled \$119.7 billion, and the research, development,

test, and evaluation (RDTE) accounts totaled \$71.9 billion. The final FY 2018 Consolidated Appropriations Act provided a major increase to \$144.3 billion for procurement and \$89.2 billion for RDTE. The FY 2019 budget request for procurement stays level at \$144.3 billion, while the request for RDTE increases modestly to \$92.4 billion. Funding for science and technology spending across the military services is only modestly higher than FY 2017.

The largest increase by far in defense investment spending is in the procurement of weapon systems coming off current production lines. In the Army in particular, the increased investment spending goes largely to the purchase of upgraded versions of weapon systems, such as the Abrams tank and Bradley Fighting Vehicle, designed in past decades. The Army had little choice in this because the last 16 years yielded very few successful next generation Army weapons ready to move forward. The Air Force budget leans significantly farther toward the future with robust purchases of advanced F-35 fighters and KC-46 tankers, as well as substantial R&D investments in designing a new bomber, a new intercontinental ballistic missile, and a new cruise missile. The Air Force also worked to increase its spending on space. The Navy stands in relative balance between the approaches of its sister services with purchases of many new advanced ships, aircraft, and weapons, but also purchases of several systems that have been in the inventory for decades—the F/A-18, for example.

While the infusion of new defense resources in FY 2018 and FY 2019 provides a significant opportunity to make the defense investments required to support the NDS, the way this infusion is being spent only partially answers the call. This fact was foreshadowed by Deputy Secretary of Defense Patrick Shanahan, who predicted that the FY 2020 budget would represent the full flowering of the new strategy in the budget. As a result, traditional defense industry is receiving the lion's share of the budget increase. Nontraditional suppliers and the research community have not yet tapped into the new fount of investment. The great question for the Department of Defense, however, is whether the window of budget opportunity closes before it can get its investment aligned with its strategy.

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Nuclear Posture Review: The More Things Change, the More They Stay the Same

Rebecca K.C. Hersman

Last week, the Trump administration formally released its review of U.S. nuclear weapons policy—which is nearly identical to the version leaked to the *Huffington Post* in early January. Judging by reactions over what amounts to the longest rollout in [Nuclear Posture Review](#) (NPR) history, there is something in it for everyone. That means almost no one is happy.

Paradoxically, initial reactions suggest the review opens the door to nuclear “war fighting,” or closes it; raises the nuclear threshold, yet lowers it; continues some Obama administration policies and programs, or departs from them dramatically; goes too far in portraying a confrontational approach to Russia and China, yet does not go far enough. It’s fundamentally different from the Obama administration’s nuclear policy, but it is also largely the same.

What is the bottom line? If the 2010 Nuclear Posture Review reflected a slightly left-of-center compromise perspective, which probably fell to the right of President Obama’s preferences and those of many Democratic congressional leaders, the 2018 NPR is a slightly right-of-center policy that falls to the left of statements from President Trump and his allies on Capitol Hill. The document largely falls within the nuclear policy mainstream; contains considerable continuity with its predecessor in policy and program specifics; has some notable differences in tone, content, and context; and includes political compromises in hopes of preserving consensus around an expensive and long-term modernization program.

So, what is the same? The 2018 NPR fully supports the retention and modernization of the current triad of delivery systems; emphasizes the importance of a modernized and strengthened nuclear command, control, and communications system; and reiterates the need to invest in U.S. nuclear weapons infrastructure, primarily in the national laboratories. This is largely the same modernization program proposed and supported by the Obama administration. Secretary of Defense Jim Mattis is the third successive secretary to stress modernization of the nuclear enterprise as a top defense priority—a view reflected not only by the NPR but also in the [National Defense Strategy](#). Nuclear modernization will be expensive. That is not new. As long as it remains a priority, it should be affordable. That is not new either.

Unsurprisingly, this NPR rejects both “sole purpose” (*nuclear* weapons shall be used to deter only *nuclear* attacks) and “no first use” (nuclear weapons will only be used if another state uses nuclear weapons first) policies. But, the 2010 NPR did likewise, and a “re-review” of nuclear policy late in President Obama’s second term similarly rejected doctrine and declaratory policies based on these approaches.

Encouragingly, this NPR steers clear of several other controversial and potentially divisive outcomes. The document supports full U.S. compliance with treaty obligations, including adherence to the New Strategic

Arms Reduction Treaty (START) and the Intermediate-Range Nuclear Forces (INF) Treaty. There is no recommendation for renewed testing or overall stockpile expansion. Importantly, the policy also retains negative security assurances that make clear that the United States will not use or threaten to use nuclear weapons against nonnuclear states that are party to the Non-proliferation Treaty (NPT) and in compliance with nuclear nonproliferation obligations. In addition, this NPR reiterates continued support for the nuclear testing moratorium, even as it opposes ratification of the [Comprehensive Nuclear Test Ban Treaty](#) (CTBT)—still a political nonstarter anyway.

Of course, this NPR does stir up controversy with a few significant changes. First, the proposed introduction of additional sea-launched capabilities seeks to provide lower-yield and shorter-range options. In the near term, this includes modification of a limited number of submarine-launched ballistic missile (SLBM) warheads to provide lower-yield options. Longer term, the reintroduction of a nuclear-armed sea-launched cruise missile serves as a replacement for the nuclear Tomahawk land-attack missile ([TLAM-N capability](#)) retired after the 2010 NPR. Critics of this proposal stress this could lower the nuclear threshold with more “usable” nuclear weapons, but proponents intend the opposite: to convince potential adversaries there is no “low-yield gap” they can exploit in their favor that falls below an effective and appropriate retaliatory response from the United States. In part, the proposal is also seen as a counter to Russian violations of the [INF Treaty](#). This treaty-compliant approach is preferable to some congressional initiatives pressing for investments in new ground-based cruise missile capabilities that, if developed and fielded, would violate U.S. INF Treaty obligations.

Even so, it’s not clear why this need cannot be fully met through existing lower-yield options within our nuclear force—namely the penetrating bomber, the air-launched cruise missile, and our dual-capable aircraft. Yet given the political and budgetary risks this controversy introduces to the overall program of record, the administration will need to do more to make its case. A stronger reassurance that any new warheads developed for the new sea-launched capabilities can be safe, secure, and effective without breaking the test moratorium would also be helpful. This will be an uphill fight with Congress. The administration might need explicit authorization and appropriation [to develop warheads with less than a five-kiloton yield](#). Without these, this proposal may not go anywhere.

Three other areas will need additional clarification and explanation.

First, far greater clarity in the overall warhead plan is required. The review contains a lot of talk about maintaining certain warheads in the inventory longer, accelerating life extension programs for others, leaving open decisions about common warhead options for sea- and ground-based missile systems, and adding additional warhead requirements for the new sea-launched capability. This will place a huge burden on a nuclear weapons enterprise already [operating at capacity](#)—not to mention the associated costs. Spelling out the plan in detail is essential to secure support for such an ambitious work program.

Second, the NPR references the role of U.S. nuclear weapons in deterring nonnuclear attacks at least 30 times, making it one of the report’s most heavily emphasized themes. Yet, the specifics of this are not very clear, especially in scale and scope. This opens questions about whether the United States would consider using these weapons more readily than it might have in the past or in response to attacks that are less than fully catastrophic. The United States has never had a sole-purpose doctrine for its nuclear arsenal. But the role and purpose of the U.S. nuclear deterrent has been reserved for addressing only the most catastrophic threats. While it’s possible to interpret the language as differing little from prior policies, the relentless hammering of the issue suggests potentially counterproductive overkill.

Third, it is unclear how the administration plans not only to adhere to the NPT regime but also lead it. Paying lip service to nonproliferation and nuclear security and then putting them aside to focus on deterrence is not enough. U.S. leadership in nonproliferation and arms control is critically important to mitigating a range of nuclear dangers, including nuclear terrorism, assuaging growing concerns of nonnuclear states that the United States is stoking—rather than reducing—nuclear dangers, and supporting our allies and deterrence partners who must balance a range of political and policy views on nuclear weapons and their security value. The administration needs to explain how it will model responsible nuclear stewardship and inspire it in others, or our nuclear posture will fail to enhance U.S. global standing.

The most important difference, however, between this review and the last has nothing to do with the policies and programs expressed in the documents themselves. The difference is contextual, particularly in terms of the tone and emphasis from the two presidents.

The 2010 NPR was released in a comparatively benign security environment, following President Obama's [Prague speech](#) that stressed the necessity of maintaining a safe, secure, and reliable nuclear arsenal as long as nuclear weapons exist, reducing the role and number of U.S. nuclear weapons in the near term, and seeking a world without nuclear weapons in the long run. President Obama released his NPR in a context of restraint regarding nuclear weapons and commitment to reducing risks of nuclear terrorism and proliferation.

That context has changed.

The 2018 NPR admittedly comes at a time of global tension and conflict—problematic relations with Russia, emerging strategic challenges from China, and growing nuclear and missile threats from North Korea. This shift in the international security environment since 2010 serves as the driving context for the new NPR but so too do the words of the president. President Trump has spoken of needing to expand the U.S. nuclear arsenal and appears to place increasing emphasis on nuclear weapons as an instrument of national power. The president's very heated rhetoric surrounding the nuclear crisis with North Korea bears little resemblance to the more measured declaratory policies expressed in the formal documents. It is the president who commands nuclear forces and bears the sole burden of authorizing their use should deterrence fail, and as such his words matter most in communicating U.S. policy. The 2018 NPR arrives in this context, raising questions about how the policies will be interpreted—by allies and adversaries alike. Ultimately, time will tell the answers.

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The Forthcoming Missile Defense Review

Thomas Karako and Ian Williams

Later this spring, the Trump administration will release its 2018 Missile Defense Review (MDR), which is expected to better align U.S. missile defense policy with the present security environment. President Barack Obama's 2010 Ballistic Missile Defense Review (BMDR) reflected the security environment of the time and the aspirations of the Obama administration. In particular, technological advances by U.S. adversaries and a renewed focus on long-term competition with Russia and China drive the need for a new review.

New Era, New Policy

The new MDR will need to address at least two major trends that have emerged over the past several years: the significant advances made by U.S. adversaries in nuclear and missile technology, and the shift to a more competitive footing with near-peer states like Russia and China as noted in the Trump administration's National Defense Strategy.

The qualitative progress that U.S. adversaries have made in missile and nuclear development has been considerable. In just the last two years, North Korea has tested six new ballistic missile variants, including two versions of an intercontinental ballistic missile (ICBM) capable of reaching U.S. territory. It has also made unexpected progress toward a solid-fuel submarine-launched ballistic missile (SLBM) and has tested new, more advanced antiship missiles and air defenses.

Iran has continued to invest in the quality and quantity of its missile forces despite the 2015 nuclear deal, and it has fiercely resisted any externally imposed limits on further development. Iran furthermore continues to export missiles to its allies and proxies in Lebanon, Yemen, and Syria, contributing to the region's instability, and appears to be testing its missile wares against its Gulf Cooperation Council (GCC) rivals in the Yemen missile war.

But more worrisome are the increasingly uncertain and complex U.S. relationships with China and Russia. In the 2010 BMDR, the Obama administration expressed great optimism about the future of U.S. relations with these countries, disavowing the necessity to pursue missile defenses against either. The 2010 BMDR stated that there were "no significant prospects of war" with Russia or China and that the United States "looks forward to a peaceful and prosperous Russia that makes contributions to international peace and security as a global partner."

This optimistic vision did not pan out. Even as the United States has sought to integrate China and Russia into the liberal world order, Moscow and Beijing have been fletching their arrows.

Russia has emerged as perhaps the greatest disruptor of the international order, adopting an openly hostile disposition toward the United States and other Western democracies. Besides its annexation of neighboring territory, atrocities in Syria, meddling with democratic institutions across the globe, misinformation campaigns, and instigation of gray zone conflict, the Vladimir Putin regime is also developing a plethora of next-generation missile systems.

Some of these weapons, including a nuclear-powered cruise missile with supposedly “unlimited range,” sound more like devices crafted by a James Bond villain than by a veto-wielding member of the UN Security Council. Others are more familiar, such as long-range land attack cruise missiles and maneuvering, ballistic missiles launched from various platforms and domains. Notably, Russia’s stated rationale for developing some of these new weapons is to counter U.S. missile defense, despite the 2010 BMDR’s deference to Russia in preserving the viability of its strategic nuclear forces. Standing next to George W. Bush in 2001 at the announcement of the U.S. withdrawal from the Anti-Ballistic Missile (ABM) Treaty, Putin himself had noted that the U.S. missile defense plans posed no threat to Russia or to strategic stability.

Chinese military development has also become a growing concern, with many of its most alarming advances also in its ballistic and cruise missile forces. Beijing has invested considerably in offensive and defensive missile systems, moving toward a capability to clamp down control of the western Pacific by denying freedom of navigation to the United States and other Pacific nations.

These trends are aptly reflected in the president’s National Security Strategy and National Defense Strategy. These documents recognized that U.S. security can no longer be served by solely focusing on the so-called rogue states such as North Korea and Iran. As the defense strategy notes, “These competitions require the United States to rethink the policies of the past two decades.” One may reasonably expect the Missile Defense Review to continue this new focus and apply it to the missile threats. But what might this mean in terms of changes to current missile defense policy?

Dropping the B-Word

Since the United States withdrew from the ABM Treaty, U.S. missile defense architectures have been tailored to ballistic missile threats from small states like North Korea and Iran. The United States has furthermore maintained a consistent policy of maintaining mutual vulnerability with Russia and China. This could change with the new MDR. It seems unlikely that the United States will pursue an impenetrable shield to fend off an onslaught of Russian ICBMs. There are, however, other ways that missile defense could contribute to improving deterrence with major powers, namely by countering so-called regional or nonstrategic missile threats to U.S. forces and our allies, thereby raising the threshold for even conventional escalation.

One possible approach may be to tackle a broader spectrum of global missile threats, irrespective of their flight profile or national origin. The fact that the administration has dropped “Ballistic” from the review’s title indicates the document will probably employ a wider lens. This could include a robust effort to better defend against Russian and Chinese cruise missiles, other maneuvering endo-atmospheric threats like hypersonic boost-glide vehicles (HGVs), and advanced short-range ballistic missiles.

These nonnuclear and dual-purpose weapons could have strategic effects even if not armed with nuclear warheads. Potential targets include forward deployed U.S. forces and key installations in the United

States. For decades, forward U.S. deployments have acted as a powerful deterrent against regional aggression by any would-be adversary. Yet their growing vulnerability to air and missile attack undermines that deterrent power. Such vulnerability could prove provocative in a crisis.

Yet with any effort to strengthen defenses against lower-tier, atmospheric threats from near peers, we also must not lose sight of the higher-tier long-range ballistic threats from North Korea and Iran. Striking this balance means pivoting away from a ballistic-focused architecture toward an integrated air and missile defense approach. To be sure, ballistic missiles, cruise missiles, unmanned aerial vehicles (UAVs), and HGVs all have distinct characteristics requiring somewhat different defense solution sets, but there would be efficiencies gained by addressing them in a more comprehensive and integrated way.

Fielding a space-based sensor architecture for birth-to-death tracking and discrimination would probably be the single most significant change that the MDR might endorse, because it provides improved capability across the missile threat spectrum. Another way to meet the broader challenge is to have all new ground-based radars built with 360-degree rather than a sectored capability. This would make them useful against both ballistic threats, which (often) come from a predictable direction, and aerial threats like cruise missiles, which can come from anywhere. A return to a persistent, elevated sensor would be necessary against low-flying air breathing threats.

As the United States rebalances its missile defense to reemphasize homeland defense, it should also consider more flexible approaches that can be adapted for both upper and lower tier threats. U.S. missile defense policy statements have always placed the protection of the U.S. homeland as the number one priority. This has not always borne out in practice. Beginning around 2010, U.S. spending on missile defense shifted markedly toward forward-based regional missile defenses.

The most recent budget cycle already shows a rebalance toward homeland defense. The Missile Defense Agency has also been tasked to deploy 20 more Ground-based Interceptors to Alaska and accelerate development of the new Redesigned Kill Vehicle (RKV). Such movements suggest the MDR will also emphasize new and reinvigorated homeland defense efforts.

This pivot to homeland defense could involve an increased emphasis on layered defense. Recent testimony by the MDA director, Lieutenant General Samuel Greaves, suggests that the United States is looking at a possible underlay of shorter-range interceptors to provide another layer to the homeland defense architecture. If done right, such a layer could also provide the groundwork for a homeland air defense architecture to defend key command and control centers and military forces from conventional cruise missile attack. This might consist of several Aegis Ashore sites to protect U.S. territory. These could be equipped with both exo- and endo-atmospheric interceptors and integrated into a sensor architecture composed of ground, air, and space-based sensors, thereby contributing to a full spectrum defense against a wider threat set than just North Korean ballistic missiles. Such Integrated Air and Missile Defense (IAMD) structures are also needed at the regional levels as well, particularly in Europe and the Asia Pacific, where the threat sets are most complex.

Wait and See

Until the MDR is released, one can only speculate on what its specific conclusions and recommendations will be. The great power competition in the National Security Strategy and National Defense Strategy would seem to strongly suggest the need for focusing on missile threats from the great powers, namely

Russia and China. If it does, some may accuse the administration of trying to disrupt the strategic stability. But the details here will matter tremendously. Defensive counters against lower-tier, conventionally armed air and missile threats could, in fact, enhance and strengthen deterrence by raising the threshold for attack.

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The Return of Political Warfare

Seth G. Jones

The Trump administration's *National Security Strategy* and *National Defense Strategy* outline a U.S. shift from counterterrorism to inter-state competition with China, Russia, Iran, and North Korea. However, U.S. policymakers need to be prepared for much of this competition to occur at the unconventional level, since the costs of conventional and nuclear war would likely be catastrophic.

U.S. strategy is evolving from a post-9/11 focus on counterterrorism against groups like al Qaeda and the Islamic State to competition between state adversaries. As the *National Defense Strategy* notes, "Inter-state strategic competition, not terrorism, is now the primary concern in U.S. national security."¹ This shift has significant implications for the U.S. military, since it indicates a need to improve U.S. capabilities to fight—and win—possible wars against China, Russia, Iran, and North Korea if deterrence fails.

Though it is prudent to prepare for conventional—and even nuclear—war, the risks of conflict are likely to be staggering. Numerous war games and analyses of U.S. conflicts with Russia in the Baltics, China in the Taiwan Strait and South China Sea, and North Korea on the Korean peninsula suggest the possibility of at least tens of thousands of dead and billions of dollars in economic damages. In addition, these conflicts could escalate to nuclear war, which might raise the number of dead to hundreds of thousands or even millions.

According to one analysis, for example, a U.S. war with China could reduce China's gross domestic product (GDP) by between 25 and 35 percent and the United States' GDP by between 5 and 10 percent. The study also assessed that both countries could suffer substantial military losses to bases, air forces, surface naval forces, and submarines; significant political upheaval at home and abroad; and huge numbers of civilian deaths.²

These costs and risks will likely give Washington, Moscow, Beijing, Tehran, and even Pyongyang pause, raising several questions. Will these high costs deter the possibility of conventional and nuclear war? If so, what are the implications for the United States as it plans for a rise in inter-state competition?

The Cold War offers a useful historical lens. NATO planners prepared for a possible Soviet and Warsaw Pact invasion of Western Europe. The U.S. military, for example, deployed forces to the Fulda Gap, roughly 60 miles outside of Frankfurt, Germany, as one of several possible invasion routes by Soviet and other

¹ U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America* (Washington, DC: U.S. Department of Defense, January 2018),

1, <https://www.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>.

² David C. Gompert, Astrid Stuth Cevallos, and Cristina L. Garafola, *War with China: Thinking Through the Unthinkable* (Santa Monica, CA: RAND, 2016),

xiv, https://www.rand.org/content/dam/rand/pubs/research_reports/RR1100/RR1140/RAND_RR1140.pdf.

Warsaw Pact forces. NATO also planned for nuclear war. The United States built up its nuclear arsenal and adopted strategies like mutually assured destruction (MAD). The concept of MAD assumed that a full-scale use of nuclear weapons by two or more opposing sides would cause the annihilation of both the attacker and the defender.

The threat of such heavy costs deterred conflict, despite some close calls. During the 1962 Cuban Missile Crisis, the two superpowers nearly went to war after a U.S. U-2 aircraft took pictures of Soviet medium-range and intermediate-range ballistic nuclear missiles (MRBMs and IRBMs) under construction in Cuba. But Washington and Moscow ultimately assessed that direct conflict was too costly. Deterrence held.

Instead, the United States and Soviet Union engaged in intense security competition at the unconventional level across Latin America, Africa, Asia, and Europe. Both countries backed substate groups and states to expand their power and influence. Under the Reagan Doctrine, for example, the United States provided overt and covert assistance to anticommunist governments and resistance movements to roll back communist supporters.

The Soviets did the same and supported states and substate actors across the globe. In addition, the Soviets adopted an aggressive, unconventional approach best captured in the phrase “active measures” or *aktivnyye meropriatia*. As used by the KGB, active measures included a wide range of activities designed to influence populations across the globe. The KGB established front groups, covertly broadcast radio and other programs, orchestrated disinformation campaigns, and conducted targeted assassinations. The Soviets used active measures as an offensive instrument of Soviet foreign policy to extend Moscow’s influence and power throughout the world, including in Europe.

Unlike the Cold War, the United States confronts multiple state adversaries today—not one. As the *National Defense Strategy* argues, the United States is situated in “a security environment more complex and volatile than any we have experienced in recent memory” where “the central challenges to U.S. prosperity and security is the reemergence of long-term, strategic competition by what the *National Security Strategy* classifies as revisionist powers.”

But based on the likely costs and risks of conventional and nuclear war with China, Russia, Iran, and North Korea, much of the competition will likely be unconventional—and include what former U.S. State Department diplomat George Kennan referred to as “political warfare.” The term political warfare refers to the employment of military, intelligence, diplomatic, financial, and other means—short of conventional war—to achieve national objectives. It can include overt operations like public broadcasting and covert operations like psychological warfare and support to underground resistance groups.³

The United States’ adversaries today are already engaged in political warfare. Russia, for instance, utilizes a range of means to pursue its interests, such as technologically sophisticated offensive cyber programs, covert action, and psychological operations. Moscow has conducted overt operations like the use of RT and Sputnik media outlets, as well as semitransparent and covert efforts. It has also become increasingly active in supporting state and substate actors in countries like Ukraine, Syria, Afghanistan, and Libya to expand its influence in the Middle East, Asia, Europe, and even North Africa. Finally, Russia is attempting to exploit European and transatlantic fissures and support populist movements to undermine European

³ George F. Kennan, “Organizing Political Warfare,” April 30, 1948, History and Public Policy Program Digital Archive, <http://digitalarchive.wilsoncenter.org/document/114320.pdf?v=944c40c2ed95dc52d2d6966ce7666f90>.

Union and NATO cohesion, thwart economic sanctions, justify or obscure Russian actions, and weaken the attraction of Western institutions for countries on Russia's periphery.

Iran is using political warfare tools like propaganda, cyber-attacks, and aid to substate proxies to support its security priorities, influence events and foreign perceptions, and counter threats. Tehran is also assisting state and substate actors in Yemen, Lebanon, Syria, Iraq, Bahrain, and Afghanistan. Iran supports Shia militia groups in Iraq, Hezbollah in Lebanon, the Bashar al-Assad regime in Syria, and Houthi rebels in Yemen.

In the South China Sea, China is pouring millions of tons of sand and concrete onto reefs, creating artificial islands. It is also conducting a sophisticated propaganda campaign, applying economic coercion, and using fleets of fishing vessels to solidify its assertion of territorial and resource rights throughout the Pacific. Finally, Beijing is targeting the U.S. government, its allies, and U.S. companies as part of a cyber-espionage campaign.

With political warfare already alive and well with the United States' state adversaries, there are several implications for U.S. defense strategy.

First, U.S. policymakers need to be prepared for significant inter-state competition to occur at the unconventional level, since the costs and risks of conventional and nuclear war may be prohibitively high. This should involve thinking through trade-offs regarding force posture, procurement, acquisition, and modernization. A U.S. military that predominantly focuses on preparing for conventional or nuclear war with state competitors—by modernizing the nuclear triad, building more resilient space capabilities, acquiring more effective counter-space systems, equipping U.S. forces with high-technology weapons, and emphasizing professional military education (PME) to fight conventional wars—may undermine U.S. unconventional readiness and capabilities.

Second, even organizations that already engage in some types of political warfare—such as U.S. Special Operations Command and the U.S. intelligence community—will need to continue shifting some of their focus from counterterrorism to political warfare against state adversaries. This might include, for example, providing more aid to the Baltic States to conduct an effective resistance campaign against unconventional action by Moscow. Or it might involve aiding proxies in countries like Syria and Yemen to counter Iranian-backed organizations. It could also include improving the border security capabilities and effectiveness of Ukrainian military and police units against Russian-backed rebels.

Third, the United States should invest in resources and capabilities that allow the military and other U.S. government agencies to more effectively engage in political warfare—and to provide agencies with sufficient authorities to conduct political warfare. One example is improving capabilities to conduct aggressive, offensive cyber operations. Other examples might include advanced electronic attack capabilities, psychological warfare units, security force assistance brigades, and precision munitions.

Recognizing that other powers routinely conduct political warfare, George Kennan encouraged U.S. leaders to disabuse themselves of the “handicap” of the “concept of a basic difference between peace and war” and to wake up to “the realities of international relations—the perpetual rhythm of struggle, in and out of war.” Kennan's advice may be even more relevant today in such a competitive world.

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The Limits of Good Strategy: The United States in the Asia-Pacific in 2018

John Schaus

The release of the [2017 National Security Strategy](#) (NSS) and [2018 National Defense Strategy](#) (NDS) offers a window to evaluate current and ongoing U.S. policy in the Asia-Pacific (or Indo-Pacific) region. The geopolitical and policy landscape in Asia has changed since the 2014 Quadrennial Defense Review and 2015 National Security Strategy. Most notably, China's leadership is leveraging its economic rise and growing military capabilities to pursue [increasingly coercive policies](#) and [actions](#). Many countries throughout the region are looking for [ways to diversify](#) from the China-centric model being coercively peddled by Beijing and look to the United States to provide such an option. The documents offer bold, clear strategic direction to provide a positive-sum, rules-based international security framework at a time the United States and the world need clear guideposts. The administration's actions, however, are at odds with the strategies.

The NSS and NDS: Content

The NSS delivers a clear statement of the primary concern to the United States: "China and Russia challenge American power, influence, and interests, attempting to erode American security and prosperity." It further describes the challenge China and Russia pose, alongside that of North Korea, Iran, and terrorist organizations, by noting that, "[w]hile the challenges differ in nature and magnitude, they are fundamentally contests between those who value human dignity and freedom and those who oppress individuals and enforce uniformity." The NDS aligns with these statements stating, "The central challenge to U.S. prosperity and security is the *reemergence of long-term, strategic competition...by revisionist powers*." The NDS then notes, "Both revisionist powers and rogue regimes are competing across all dimensions of national power. They have increased efforts short of armed conflict by expanding coercion to new fronts, violating principles of sovereignty, exploiting ambiguity, and deliberately blurring the lines between civil and military goals." Taken together, the documents present a clear case that the United States will need to work more effectively across all "dimensions of power" to advance U.S. interests while competing with those who seek noncomplimentary ends.

Helpfully, the NSS provides a metric against which to measure the efficacy of current and future U.S. actions: "We learned the difficult lesson that when America does not lead, malign actors fill the void to the disadvantage of the United States." Thus, the measure of U.S. effectiveness is whether the United States is leading adequately to deter or counter Chinese and Russian efforts to erode U.S. security and prosperity.

An administration guided by these strategies would likely be reassuring to those Asia-based interlocutors who have expressed concern about the Trump administration's commitment to free trade, a rules-based

international order, and alliances—all areas that the NSS and NDS highlight as important in securing U.S. interests.

The NSS makes clear that trade is an important area to ensure continued U.S. prosperity, and it distinguishes between “economic competition with countries that follow fair and free market principles and competition with those that act with little regard for those principles.” This is followed by five priority actions: adopting new trade and investment agreements and modernizing existing agreements; countering unfair trade practices; countering foreign corruption; working with like-minded partners; and facilitating new market opportunities. In the context of the long-term strategic challenges, this would suggest ensuring market manipulations are exposed and stopped—especially from long-term strategic competitors; that the United States would work closely with allies and partners to establish strong, free, and high-standard trade agreements; and that the United States would work with allies and partners to expand the market of potential consumers.

The economic objectives are complemented in the NSS by priority actions to strengthen the rules-based international order, including “shape and reform international financial and trade institutions,” “ensure common domains remain free,” and “protect a free and open internet.” Each of these priority areas undergirds portions of the international economic, diplomatic, and security system from which the United States derives much of its formal influence—and all are based on preestablished and agreed-to rules and norms. The NDS mirrors these themes where appropriate for defense issues.

The value of alliances to U.S. and international security is noted in the NSS: “Experience suggests that the willingness of rivals to abandon or forgo aggression depends on their perception of U.S. strength and the vitality of our alliances.” Later, it states that values “form the foundation of our most enduring alliances[.]” The NDS highlights the ways in which the defense enterprise will strengthen alliances, such as by: “detering adversaries from aggression against our vital interests; Maintaining favorable regional balances of power in the Indo-Pacific, Europe, the Middle East, and the Western Hemisphere; Defending allies from military aggression and bolstering partners against coercion, and fairly sharing responsibilities for common defense; Ensuring common domains remain open and free.” Each of these priorities is consistent with previous administrations’ security objectives and supports stronger alliances and more capable partners.

A deeply engaged United States—across all lines of national power, not just military—has been a key ask of countries in Asia for years. The NSS and NDS present approaches and structures that would enable the United States to engage countries in the Asia-Pacific region in a productive and meaningful way.

The NSS and NDS in Context

Many administrations fall short of achieving the lofty goals established in documents like the NSS and NDS. On trade and alliances, the current administration’s actions consistently suggest the photographic negative of the ambitions and objectives presented in the NSS and NDS. The resulting power vacuum is being filled by Chinese efforts to dominate the Asia Pacific economically, diplomatically, and militarily. The most consistent element of the current administration’s policy—strong defense—is undermined by the spending caps imposed by the Budget Control Act and the inability of the government to agree even on

the need for funding to both reset the force after 16 years of continuous combat and prepare that force for future conflicts against potential nation-state adversaries.¹

When the president withdrew the United States from the [Trans-Pacific Partnership trade negotiations](#), it damaged long-standing U.S. credibility as a proponent of free, fair, and high-standard trade agreements, and it jeopardized the possibility for a trade pact in the Pacific to exist free of Chinese influence. The administration transitioned from a bad headline on trade to a bad narrative when it doubled down on its antitrade position by reopening NAFTA negotiations and threatening South Korea with renegotiating the Korea-U.S. Free Trade Agreement less than a decade after it was signed. The most recent misstep in this area was the announcement on January 24, 2018, that the United States would establish tariffs on washing machines—many of which are manufactured by South Korean firms.²

The trade actions initiated against washing machines is even more surprising in the context of the threat North Korea's nuclear, missile, and conventional forces pose to South Korea, a U.S. treaty ally. Rather than demonstrate strong support for the U.S.-Korea alliance, the trade action is more akin to the earlier implied threats that U.S. commitment to alliances were only as strong as the [members most recent defense budgets](#).

Conclusion

These actions increasingly form a pattern that leaves world leaders, including in many in Asia, doubting that the United States under the present administration has the willingness or the ability to lead in global affairs. Without strong, credible U.S. leadership, the United States leaves a power and influence vacuum that is already being filled by rival world views and counter-narratives, such as the claim that the United States is a country in decline and countries should not count on U.S. support against a rising China. It is hard to see how such a vacuum advances U.S. security or prosperity, or how it can be reassuring to U.S. allies in Asia. The NSS and NDS demonstrate the administration is able to develop a blueprint for U.S. leadership in the world, but the administration needs to follow its stated strategy.

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¹ Since this piece was originally published, passage of the Bipartisan Budget Act of 2018 has raised the spending caps for FY 2018 by \$80 billion. Despite the sizeable addition to the Defense Department budget for this fiscal year, the challenge for DoD to adequately plan and prepare for future conflicts will persist, absent strategic guidance narrowing the scope or quantity of missions expected of the department.

² The administration has continued to expand the number and range of trade-impeding policies by imposing tariffs on imported steel and aluminum, and by threatening to impose (as of this second publication) as much as \$150 billion in tariffs on imports from China.

U.S. National Security and Defense Goals in Africa: A Curious Disconnect

Alice Hunt Friend and Ariel Fanger

Despite the brief notoriety of U.S. special operations activities after the tragic ambush in Niger last October, U.S. strategic priorities in Africa remain inscrutable. For a recent example of the administration's enigmatic approach to the continent, look in turn at the Africa sections in the National Security Strategy (NSS) and the National Defense Strategy (NDS). You will find a curious disconnect.

The National Security Strategy frames the approach to Africa largely in economic terms, which, it explains, serves two purposes: profit and competition with China. "We will offer [African markets] American goods and services, both because it is profitable for us and because it serves as an alternative to China's often extractive economic footprint on the continent." Beyond the investment benefits to the United States of a healthier Africa, China's reach into the continent is the major reason for Washington to notice its 54 countries, and the United States will be doing what it can to supplant their relationships with Beijing. Although there are echoes of past American democratization and development goals in Africa, as well as the continuing challenges posed by insurgencies and terrorist groups, these are all a function—or a product—of economic performance. "Corruption and weak governance threaten to undermine the political benefits that should emerge from new economic opportunities."

What role might the Department of Defense (DoD) play to advance these priorities? The National Defense Strategy should be the place to look for the answer. And in many ways, the two documents nest nicely. Following the NSS, the NDS shifts national efforts globally from counterterrorism (CT) and irregular warfare (IW) back to great power competition. Yet the small section on Africa in the NDS appears to take note only of the two-sentence long "Military and Security" section of the NSS. This follows the letter of the national-level strategy but not the spirit: there is no language to complement the NSS's emphasis on state-based competition. There is nothing explicitly about China or methods for securing African commerce or the future of African defense industries. Instead, the focus is on ways the United States may "address significant terrorist threats that threaten U.S. interests and contribute to challenges in Europe and the Middle East."

Is the disconnect a sign that the administration does not consider Africa part of the supposedly global shift away from IW and toward state-on-state competition? Or does DoD not see a role for itself in state-level competition in Africa? A somewhat oblique reference to "the malign influence of non-African powers" in the NDS might indicate China but could just as well refer to Iran or even al Qaeda and the Islamic State. Perhaps the near-exclusive focus on terrorist groups is meant to complement economic and diplomatic efforts to generate conditions for economic growth, but given the diminishing emphasis on CT overall, along with the lack of specifics about how the United States can viably compete with

China in Africa economically, the sum of these two strategic documents suggests that Africa will continue to be a low priority for both DoD and the administration as whole.

The irony is that Africa is, once again, becoming an arena for international competition. This is true even in a narrow military sense. A quick glance at the scramble for military basing rights in the Horn of Africa—mostly in the small country of Djibouti—reveal the extent to which Chinese, Middle Eastern, and even Russian interests have begun to vie for space alongside American and European forces. Djibouti is home to fully half of the U.S. military personnel forward deployed on the continent, and [China](#) opened its first overseas military base there this past summer. Meanwhile, the United Arab Emirates (UAE) is building bases on neighboring soil in Eritrea and Somaliland, and rumors of a planned [Russian](#) presence nearby abound.

Russian efforts are also well underway to establish a foothold on the continent, particularly in North Africa. News reporting indicates that Russian president Vladimir Putin is [aiding Khalifa Haftar](#), the Libyan militia leader who opposes the country's internationally recognized and U.S.-supported government. Haftar's Libyan National Army seized the country's oil terminals in September 2016, shortly after Russia facilitated a series of [shipments](#) of military equipment to Haftar's forces. Russia is also engaging in efforts to strengthen bilateral ties with Tunisia. Starting in 2016, the Russian government began [providing Tunisia with satellite imagery](#) of terrorist groups in the Maghreb to help foil a series of terrorist plots. Later that year, the two countries signed a [nuclear energy cooperation](#) agreement. Russian involvement in North Africa, given the region's proximity to Europe and vast oil resources, warrants U.S. attention wholly aside from the threat of Islamist militancy.

China's economic footprint in Africa has been well-documented. The country long ago surpassed the United States as [Africa's largest trading partner](#). China has expanded African mining and oil industries in exchange for trade deals and has made large infrastructure investments via lucrative debt financing arrangements. Although the NSS is right to note the frequent imbalance in benefits between African and Chinese interests, on average, [63 percent of Africans](#) view Chinese economic and political influence positively. Although controversial business practices and low environmental and labor standards underpin these relationships, no alternative partner—[including the United States](#)—has been able to marshal resources at a scope and scale competitive with China.

Straining to compete with China economically, while limiting security-related engagements to terrorist groups, is likely to cede the strategically important elements of Africa's future to the very state adversaries both the NSS and NDS seek to dominate. The inconsistency will confuse resourcing requests for Department of State and DoD activities in Africa, not to mention policy. It will also continue to ignore traditional military investments by China, Russia, and others both north and south of the Sahara.

None of this is to claim that there are easy answers to either U.S.-China competition in Africa or enduring African domestic security challenges. The NSS is accurate in its portrayal of continuing instability and weak governance in some parts of the continent. Those areas are not the whole of Africa, however, and the United States would benefit from viewing the continent the way other powerful states do: as several strategic regions rather than one underdeveloped market.

But the issue is larger than Africa. The divergent themes for U.S. Africa policy articulated in the NSS and NDS also reveal that the tension between CT objectives and traditional state competition is artificial. As even the CT-focused Africa section of the NDS illustrates, violent extremism is still a major concern for

our allies in Europe, let alone for the future of the Middle East. And to the extent that great power rivalries will be played out in so-called grey zones through nonstate and/or state-sponsored actors, the kinds of military and intelligence capabilities developed for use in IW environments may well continue to come in handy. The struggle for power in Africa among non-African states may be classic, but it will not always be conventional.

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Don't Let the Budget Deal Kill Defense Reform

Todd Harrison

The Bipartisan Budget Act of 2018, signed into law on February 9, is in many ways a victory for defense hawks in Congress and the administration. It increases defense funding by \$165 billion over the next two years—the most that anyone could have reasonably expected. But defense hawks shouldn't start popping the champagne corks just yet. While this deal may ease the budget pressures on the Department of Defense (DoD) for now, it comes with many risks—namely that policymakers will lose interest in much needed defense reforms and squander much of the additional funding.

While the budget caps imposed by the Budget Control Act (BCA) of 2011 were certainly disruptive and strategically uninformed, they provided a strong incentive to make many needed reforms. For example, Congress and DoD made significant progress in controlling the growth of military personnel costs after the BCA was enacted. Smart reforms in the military health care system in particular helped control cost growth without breaking faith with service members or retirees, and these reforms are now saving the department [an estimated \\$5.4 billion per year](#). Congress also made numerous reforms to the defense acquisition system, although it is too soon to know how effective these reforms will be.

Though the BCA provided a strong incentive to push through some difficult reforms, Congress and DoD failed to make progress in many other areas. Now that the spigot of spending is open wide again, the risk is that policymakers may lose interest in reform altogether. If that happens, this boost in funding could be wasted on ineffective and unneeded programs that do not improve national security. Moreover, it could saddle the next generation with a larger national debt and reduce the ability of the nation to “surge” defense funding in a crisis. To prevent that from happening, policymakers need to stay focused on three critical areas of reform: closing bases, modernizing the military personnel system, and retiring legacy weapon systems.

First, DoD still has too many bases and facilities across the United States. By its own estimates, which are arguably too low, the military has [19 percent excess capacity](#), mainly in the Air Force and Army. DoD has repeatedly asked Congress for permission to close bases and facilities it no longer needs, but year after year, Congress has failed to act. Even if the military grows by 10 or 15 percent over the coming years, it will still have more facilities than it needs. Keeping these facilities open is effectively pouring money down the drain. The FY 2019 budget request is silent on base closures—an early sign that the appetite for reform is fading fast.

A second key area for reform is the military personnel system. The current personnel system is failing the military because it is not competitive with the career tracks offered by private-sector companies. While a job in the military is certainly not like a job in the private sector, the military must nevertheless compete with the private sector for talent. More generous pay and benefits have been used to compensate for failures in the personnel system. But the military continues to have trouble retaining

personnel with critical skills, even with [retention bonuses that can reach as much as \\$455,000](#). Throwing money at the problem doesn't address the root causes of dissatisfaction. The military personnel system is a one-size-fits-all approach that rewards time in service more than performance. It uses a checklist approach for career advancement, especially in the professional military education system, which was highlighted for reform in the [2018 National Defense Strategy](#). Moreover, the military continues to use an outdated up-or-out promotion system and a 20-year retirement pension that effectively pushes out some of the highly skilled and experienced personnel that are needed most.

The third and perhaps most difficult area for reform is rebalancing the military's forces and weapons to focus on the top strategic priorities. While everyone likes to talk about where DoD can invest more money in new technologies and weapons when the budget is growing, it is just as important to make smart cuts in legacy weapons the military no longer needs. These ["wasting assets"](#) act as an anchor on the military that slows its ability to adapt the way it organizes and fights in the future. When DoD tries to retire legacy weapon systems, Congress often intervenes to prevent it. Holding on to the weapons and forces from the past prevents the military from being ready to fight and deter the wars of the future.

It is always difficult for Congress and DoD to make desperately needed but politically unpopular reforms. It becomes nearly impossible to make these reforms when the budget is growing rapidly. Without reform, however, DoD could squander this opportunity with unbalanced, inefficient, and unsustainable growth that does little to improve national security. Now is the time to close excess bases, reform the military personnel system, and retire legacy weapons the military no longer needs. If the nation cannot do these things now while the budget is growing, a larger budget will simply make the military fatter rather than stronger. To prevent that from happening, leaders in the military and the armed services committees in Congress must stay focused on reform now more than ever.

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