Forces in the FY 2017 Budget:
Stable Plans, Disruptive Threats, and Strategic Inflection Points

April 19, 2016
What we’ll discuss today

• Overview
• Army
• Navy
• Marine Corps
• Air Force
• Special Forces
• Government Civilians
• Contractors
• DOD-wide

Report a part of new, annual series of studies on the dynamics and linkages of strategy, budgets, forces, and acquisition. The series is at http://defense360.csis.org/
Overview

- Stable plans
- Disruptive threats
  - Russian aggression, ISIS expansion, and Chinese assertiveness not fully foreseen in QDR 2014.
- Strategic inflection points
  - Strategic review coming with new administration
  - Many plans floating around: plans nearly all call for growth
  - Presidential candidates
    - Clinton/Cruz/Kasich: continuity
    - Sanders/Trump: disruption

<table>
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<th>Service Endstrength*</th>
<th>FY 2017 Planned</th>
<th>FY 2017 Requested</th>
<th>Change</th>
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<tr>
<td>Army</td>
<td>460,000</td>
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<td>Army National Guard</td>
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<td>322,900</td>
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Army

• Is the Army too small?
  o Pre-war: 1,039,000
  o Post-war: 980,000

• National Commission
  o One Total Army; 980,000 minimum
  o Modifying the Aviation Restructure

• ERI and countering Russian aggression: “Back to the future”
  o Return to Europe
  o A different kind of war

• Modernization program
  o Good news (current inventories)
  o Bad news (future systems)
Navy

- Size
  - Good news: building to 308 ships
  - Bad news: meeting only ½ of regional commanders (unconstrained) requests
  - Force structure assessment beginning—likely larger requirement

- Are aircraft carriers still viable? Yes! No!
- The future of carrier based drones
- Posture or Presence...yes!
- Other issues: cruiser modernization, SSN construction rate, ORP affordability/Deterrent funds, icebreakers, munitions, operations

Marine Corps

- Busy but no additional endstrength
- Move to Guam...slow and expensive
- Innovative concepts: SP-MAGTFs and alternative amphibious platforms
Air Force

- Non-issue: A-10s
  - But won’t go away: focus of debates about purpose of AF:
    - Battlefield v. strategic attack
    - Stealth (5th gen) v. non-stealth (4th gen)

- Non-issue: UAVs/RPAs
  - Permissive v. non-permissive environments: a debate in the shadows

- Acquisition issues: B-21 (cost and contract), F-35 (operational tests), PAR (cost), KC-46 (contract execution)

Special Forces

- Size steady, stress increasing, heavily dependent on OCO
Civilians

• Good news: 1.6% pay raise; bad news: hiring freeze in “fourth estate”
• More bad news: Movement to make VA executives more like “at will” employees in effort to increase accountability

Contractors

• New processes to oversee service contracts
• “Contracting out” still shut down
• Operational “battlefield contractors back in Iraq
• Institutionalizing operational contractors

Government-wide

• “Goldwater Nichols 2.0”: Quo vadis, Senator McCain?
• Readiness. Protected but a pause in the rebuilding. Full spectrum readiness a new challenge.
• Missile defense. Squeeze continues.
• BRAC. Another round proposed for FY 2019 but with a threat of unilateral action.
• 25% management HQ cut
• Facility (MilCon) “holiday” continues. Not sustainable indefinitely.
• DOD/NNSA split. Quiet this year but conflicts ahead.
Make my day ... Ask a question!