



U.S. Military Forces in FY 2017: Stable Plans, Disruptive Threats, and Strategic Inflection Points

Executive Summary

The three themes emerge about forces this year: stable plans, disruptive threats, and strategic inflection points.

- Stable plans refers to the fact that the Obama administration in its last year in office is playing out the strategic approach that it established in the 2014 Quadrennial Defense Review (QDR).
- Disruptive threats refers to events that have occurred since the 2014 QDR and upset its strategic vision, in particular, the rise of an aggressive Russia, an increasingly assertive China, and ISIS attacks both in the Middle East and globally.
- Strategic inflection points refer to the installation of a new administration in January 2017 and its charting of a new direction. Outside advice already abounds.

One thing is clear: the days of speculating about how low forces might be cut are over. A consensus has developed that threats are growing and forces need to grow to meet them. Structure is at its low point, and any changes will be on the up side (assuming continuing budget deals to avoid sequestration).

Army

Army officials have become increasingly outspoken that the Army is too small for the tasks it is facing. The Army has some justification. In 2001, the total Army had 1,039,000 soldiers; the Army's current "postwar" target is 980,000. So the Army will be substantially smaller coming out of the wars in Iraq and Afghanistan than going into them. However, it is not clear that the world will put fewer demands on the Army.

The National Commission on the Future of the Army made its report in January, arguing strongly for a robust Army and a total Army approach. Some of its 63 recommendations, especially those for aviation, will cost money. The Department of Defense (DOD) is balking, but Congress may go along.

To counter an aggressive Russia, the Army is returning to Europe in a major way through the European Reassurance Initiative (ERI). There is a Cold War feel to many of the discussions. The Army's modernization program is in good shape for upgrading existing systems but does not have new systems in place for the 2020s and beyond.

Navy

Navy force size is a good news/bad news story. The good news is that the fleet size will be increasing, reaching the target of 308 ships in 2021; the bad news is that the Navy is only meeting about half the regional commanders (unconstrained) requests. As a result, the Navy is going to conduct a new force structure assessment (FSA). The clear implication is that the new requirement will be higher than 308 ships.

The carrier debate is in full swing, pro and con. It's important for the future of the Navy because most its force structure and operations are built around the carriers.

Carrier issues are also being fought out in the naval aviation program, specifically around what to do with the Navy's first carrier drone. Should it be a complement to manned aviation or a possible replacement for it?

The issue of presence (being there in peacetime) versus posture (war fighting) arose when Secretary of Defense Ash Carter curtailed the Littoral Combat Ship (LCS) buy, arguing for posture over presence. ADM John Richardson, the chief of naval operations, seemed to endorse posture over presence but then backed off in the face of criticism.

Other issues this year: cruiser modernization (will the Congress accept the Navy's new plan), submarine construction (can it be increased), Ohio-replacement (how to make it more affordable), icebreakers (will the Navy pay for the Coast Guard's ship), munitions (acquisition of advanced systems to face peer competitors like Russia and China continues), operations (deployments to Europe are increasing but straining the fleet).

Marine Corps

Alone among the services, the Marine Corps is coming out of the wars at a higher manpower level (182,000) than it went in (172,600). Thus, although the Marine Corps is busy, the commandant has not asked for more people. Instead he has instituted a major strategic review on force structure to cope with the changed strategic environment and evolving methods of conducting military operations. Unclear now is whether these changes will be evolutionary or revolutionary.

The move from Okinawa to Guam continues, but slowly and expensively.

The Marine Corps is developing two innovative concepts: Special Purpose Marine Air Ground Task Forces (SP-MAGTFs) and the use of alternative amphibious platforms. SP-MAGTFs are smaller units for pop-up contingencies. Alternative amphibious platforms is the use of various support ships for some peacetime amphibious operations.

Air Force

The Air Force took the major issue off the table before the budget even came out by announcing that it would retain the A-10 fleet and not try to retire them as it had last year. Nevertheless the A-10

issue never quite goes away because it raises two fundamental strategic questions: what kinds of conflicts should the Air Force be preparing for? What is the value of stealth in modern air warfare?

Long term, the Air Force must find a balance between maintaining the capacity it needs for low-end conflicts by keeping legacy aircraft in the inventory longer and developing new capabilities it may need for more sophisticated adversaries by investing in more advanced aircraft.

Another nonissue was unmanned (or “remotely piloted”) aircraft. Unlike the Navy, the Air Force continued to buy unmanned aircraft and support their missions without controversy. Discussions about the balance between permissive and non-permissive environments occurred in the classified world, with only hints leaking out.

Like the Navy, the Air Force continues acquisition of advanced munitions to prepare for high-end conflicts and fixing its nuclear enterprise after a series of incidents in recent years.

Aircraft modernization issues are always present: B-21 (fixed-price contract or cost plus?), F-35 (will it ever pass its operational tests?), KC-46 (will Boeing’s underbid affect contract performance?), presidential replacement aircraft (will the high cost become an issue?).

Special Forces

The size of the forces is stable; high stress continues. SOCOM particularly heavily dependent on OCO funding.

Government Civilians

The good news is the 1.6 percent pay raise, same as the military. The bad news is that DOD instituted a hiring freeze for the Office of the Secretary of Defense, defense agencies, and field activities.

More bad news is the possible limitation of employee appeal rights, now targeted at Veterans Administration (VA) executives, but potentially applied more broadly in the future.

Contractors

DOD has instituted new processes to better oversee its numerous service contracts.

Contracting out of commercial government functions is still shut down, although outside interest in reactivating the process is increasing.

Operational (“battlefield”) contractors outnumber military personnel in Afghanistan and nearly equal military personnel in Iraq. DOD recognizes that operational contractors have become a permanent element of DOD force structure. As a result DOD is continuing to standardize and institutionalize the contracting process that supports contingencies.

DOD-wide

Goldwater-Nichols 2.0. Many reform ideas have been proposed in response to an initiative by Senator John McCain, chairman of the Senate Armed Services Committee. However, no central theme has emerged. Secretary Carter provided his recommendations on April 5. These were sound but limited and unlikely to satisfy Senator McCain, who reportedly wants to do something big.

Readiness. Progress on rebuilding readiness will slow in FY 2017 because the budget deal reduced expected funds. Achieving adequate readiness has also become more challenging because of the department's strategic shift to full-spectrum war fighting, that is, being able to conduct high-end operations against peer adversaries like Russia and China.

Missile Defense. The budget continues its long-term decline. No major programs are cancelled, but all are squeezed.

Management Headquarters. Implementation of the 25 percent management headquarters cut continues.

Infrastructure. The construction "holiday" continues with proposed FY 2017 funding at a near-record low level of \$6.1 billion. DOD is living off the high construction budgets of the 2000s and the previous Base Realignment and Closure (BRAC) rounds. This low level of funding is not sustainable indefinitely.

Base Realignment and Closure. DOD has proposed another BRAC round in FY 2019 but with a twist: a threat to take unilateral action if Congress does not act.

DOD/National Nuclear Security Administration (NNSA) split. This affects DOD because both are in the "050" budget category and compete for funds under the budget caps. In previous years, DOD had to give NNSA more money to cover cost increases, to which DOD objected strongly. This year it was quiet, but conflicts lie ahead as the Department of Energy (DOE) has signaled that it will need more money in the future.

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