

Strategic Choices Exercise

CSIS Team: Murdock, Crotty, Gabel & Manzo



**STRONG BUT SELECTIVE:
A MORE SELF-INTERESTED
UNITED STATES**

The opinions, findings and recommendations expressed in this briefing reflect those of the CSIS team led by Clark Murdock, Senior Adviser and Director of the Defense and National Security Group. CSIS as an institution does not take policy positions.

Strategy Underpinnings:

- First step – establish strategic priorities and then make “strategy-driven” cuts to meet budget bogies of Move 1 and 2
- U.S. still a provider of international stability and rules-based order but at a restrained, sustainable level
- Maintains world’s most powerful military and uses it as a critical source of leverage
 - Hard power, used smartly
- Principal differences from 2012 DSG:
 - Strategic retreat from the Middle East, while maintaining the defense of Israel
 - BPC skeptic



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Priority Mission Areas

Core Mission Areas from 2012 DSG

- ❑ Counter terrorism and irregular warfare
- ❑ Deter & defeat aggression
- ❑ Project power despite A2/AD challenges
- ❑ Counter WMD
- ❑ Operate effectively in cyberspace and space
- ❑ Maintain a safe, secure, and effective nuclear deterrent
- ❑ Defend homeland & provide support to civil authorities
- ❑ Provide a stabilizing presence
- ❑ Conduct stability & COIN ops
- ❑ Conduct humanitarian, disaster relief, & other ops

Highest priority missions:

- Project power despite A2/AD
- Cyber / Space
 - Assured use of both domains & investment in cutting-edge capabilities
- Safe, secure, and effective nuclear deterrent
- Counter terrorism

Lower priority missions:

- Provide stabilizing presence
 - More burden-sharing with allies in Asia; European allies take the lead for stability in the Middle East; no building partnership capacity (BPC) except in ungoverned areas
- Counter WMD
- Homeland defense
- Stability ops and COIN
- Disaster relief and humanitarian ops

Central rebalancing assumptions (adopted pre-exercise):

- Identify adds for key capabilities before making cuts
- Cuts in end-strength over reduced modernization
 - Take end-strength cuts early to maximize savings
- Move much capability for large ground operations to Guard and Reserves
- Tiered readiness across the services
 - Idea first heard by Murdock from Dan Goure
- Prioritize resilience, mobility, speed, agility – across domains

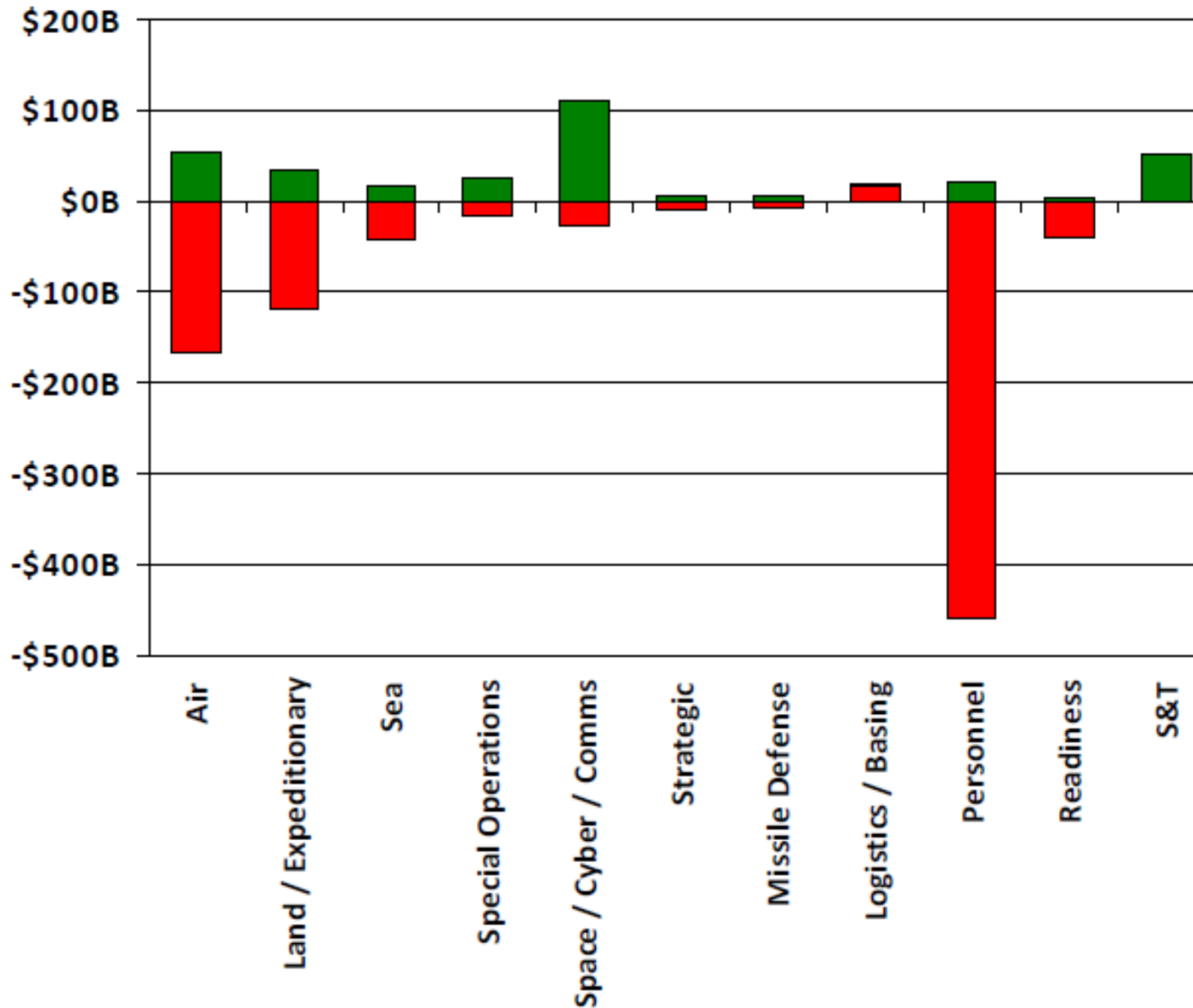
Operational rules developed during exercise: (1)

- Cut anything that had “BPC” on it
- Always go for next-generation development and deployment vs. buying more of existing capability
- Maximize S&T
- Develop and deploy nextgen GBI for NMD; maintain investment in theater MD systems for deployed U.S. forces; deploy Aegis Ashore in Poland & Romania if NATO allies pay for it
- Maintain and reshape SOF as a global man-hunting force
 - Take Marines and Army out of the SOF business
- Tiered Readiness Across the Services
 - Plus-up Marines, maintain AF and some Navy, cut Army
- Move Active BCTs into Reserves:
 - Cut 19 BCTS from Active in Move 1; added 10 to RC in Move 2
 - Also added some Reserves in Half BCA Scenario
- Invested in BRAC even though it cost us money
 - At some point, force structure cuts will make another round of BRAC inevitable
 - Exercise needs a BRAC option that minimizes up-front costs

Operational rules developed during exercise: (2)

- Actual process for making full BCA cuts:
 - Adds first (usually at max): S&T, cyber, space, SOF, Marine readiness
 - Protected core areas that were not plussed-up: MD, USAF, etc.
 - Cut force structure in line with strategy: Army BCTs, 3 carriers
 - Make personnel cuts in line with force structure cuts, plus civilians (20%) and contractor service support (max)
 - Revisited adds to remove too-expensive adds (mostly in space)
 - Return to personnel and cut civilians deeper (5% more), then minor cuts to Guard and Reserves before resorting to more active duty cuts to make Move 1 bogie
 - Started Move 2 with about \$150B to spend because of savings from Move 1 personnel cuts
 - Spent most of it on modernization, readiness, and RC force structure before restoring some active duty personnel

Summary of Adds/Cuts (Full BCA)



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Crown Jewel Capabilities

Priority Capabilities	Core Mission Area, Rationale
Cyber, offense and defense	Maintain qualitative edge in emerging and critical domain of warfare
S&T	Technological advantage key national strength
Space	Same as cyber, but cost often prohibitive (e.g., SBR)
SOF	Reshaped for long-term CT mission to kill, capture or disrupt terrorists
Marines	Nation's most ready land force, but not equipped for amphibious operations
Air Force	Needs to be ready (to operate with Marines) and modernized
National Missile Defense	Protecting homeland critical to ensure freedom to project power



CSIS Major Tradeoffs

Major Tradeoffs	Rationale
Modernization over personnel	Key source of national strength
Readiness over personnel	Smaller, ready force preferred over any “hollowed-out” force structure
Investment in next-generation systems development vs. more deployment of current systems	Pushing the pace of innovation to ensure U.S. technological dominance. Exception that proves the rule: tactical aircraft (F-35s, F/A-18s)
Division of labor between the services vs. each service a “full-spectrum force”	Under a full BCA scenario, nation can’t afford not to face Roles and Missions issues
Real burden-sharing vs. BPC	Major allies won’t spend more on their own defense until they feel the cold wind from a withdrawing U.S. security blanket
Hard Power vs. Soft Power	DoD provides the stick in coercive diplomacy; off-load soft power to non-defense agencies
Stand-off bombers vs. penetrating bomber (LRS-B) and tactical fighters (F-35A)	Distances in the Asia-Pacific are too great for short-range assets; LRS-B too expensive

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Areas to Reduce Investments

Areas to Accept Risk	Rationale
Army force structure and personnel	That's where the money is
DoD Civilian Manpower	Grew faster than it should during post-9/11 buildup and will go down faster now
Contractor Service Support	Would have cut even more if game had allowed it; same rationale as civilian manpower
BPC activities anywhere with limited exceptions of some ungoverned areas	In an era of constrained resources, U.S. can't afford to carry "free-riders"
Tactical aviation	Driven by reduction of carriers and Air Force's transition to UAVs/bombers
There are clearly significant strategic risks associated with a retreat from the Middle East and a sharp reduction in Army force structure. This rebalancing exercise forces one to "allocate risk" but does not capture the "strategic costs" of selective engagement, either in the short- or longer-term.	

Final Remarks:

- CSBA rebalancing tool is very useful for thinking through priorities in resource-constrained environment
 - Very few anomalies (e.g., BRAC, cost of adding RC)
 - Express our thanks to CSBA for organizing this exercise and hosting us:
 - Jim Thomas
 - Todd Harrison
 - Mark Gunzinger
 - Repeat again the disclaimer: This is not a CSIS strategy. These are the implications of implementing the \$500B BCA cuts with the strategic priorities outlined on Slide 2.