



PUBLIC NOTICE DEFENSE FACT SHEET

*“The biggest threat to our national security is our debt.”
Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff¹*

Washington’s unsustainable spending has stifled an already weak economy, and is making the country less secure over time. As the U.S. debt continues to grow, it makes the United States more dependent on foreign countries, such as China, that finance the United States’ growing appetite for deficit spending.

The Department of Defense (DoD): A Driver of the Nation’s Debt

- Defense: A Driver of Federal Debt
- Duplication and Waste
- The Conflict

Defense: A Driver of Federal Debt

If President Obama’s 2012 budget for defense spending were enacted into law, next year’s national defense spending would consume nearly 20 percent of total government spending². Defense spending is by far the largest component of discretionary spending, which is generally anything that is funded by yearly appropriations acts (whereas funding for things like Social Security benefits occurs automatically and is therefore outside of the appropriations process).

- Defense spending consumes more than 50 percent of all discretionary spending³.
- Since 2001 funding for national defense has nearly doubled⁴.

The recently passed Budget Control Act, which increased the debt ceiling and capped the rate of federal discretionary spending growth, reduces the growth of defense spending over 10 years by \$350 billion⁵.

No other nation comes close to matching the U.S. in defense capacity or spending.

- Last fiscal year, the U.S. spent nearly \$700 billion on national defense, or 43 percent of total defense spending among all countries in the world⁶.
- The other top defense spenders include⁷:
 - China (seven percent of world spending)
 - Russia (four percent of world spending)
 - The United Kingdom (four percent of world spending)
 - France (four percent of world spending)

Quite simply, the world’s other top defense spenders are nowhere close to totaling what Washington spends on defense.

- In fiscal year 2011, virtually all areas of discretionary spending saw modest spending decreases but not defense spending. It was the only appropriations title that can make such a claim⁸.

The leaders of our nation's armed services recognize that defense cuts are necessary in order to tackle our nation's budget deficit.

"It is no secret that the United States faces a serious fiscal predicament that could turn into a crisis – of credit, of confidence, of our position in the world – if not addressed soon...as a matter of simple arithmetic and political reality, the Department of Defense must at least be part of the solution."
– Robert Gates, Former Secretary of Defense ⁹

Duplication & Waste

A Government Accountability Office (GAO) report released in March 2011 found extensive areas of duplication and waste within the Department of Defense ¹⁰. Here are some samples findings from GAO's report:

- 31 entities provide warfighter urgent needs, so there are opportunities to consolidate their efforts.
- DoD and VA should use joint contracting for prescription drugs to lower costs.
- Since there are about 2,300 investments in DoD business systems, opportunities exist to streamline and lower costs.

More recently, the Commission on Wartime Contracting in Iraq and Afghanistan found at least \$31 billion in waste. The Co-Chair said:

"We have found billions of dollars of waste stemming from a variety of shortcomings – poor decision making, vague contract requirements, lack of adequately trained federal oversight people in the field, duplicative or unnecessary work, failure to revise or recomplete contracts, unsustainable projects, inadequate business processes among contractors, and delayed audits. There are many causes, and no simple solution" ¹¹.

No-bid contracting is a process through which the government grants a contract without opening it up for public bids.

- The Center for Public Integrity recently reported that in 2010 there were \$140 billion in no-bid contracts, up from \$50 billion in 2001 ¹².

Spending on the War on Terror

As of March 18, 2011, government spending on the War on Terror totaled \$1.283 trillion ¹³.

The Conflict

While no one questions the need to protect and support our troops in conflict, the question is: should Washington pursue further military commitments and projects, or focus on the level of current debt so that tomorrow's troops will have the tools they need?

As Gordon Adams and Matthew Leatherman recently wrote in *Foreign Affairs*, "The U.S. Government's ambitions now outstrip its capacities...abroad" in respect to defense spending ¹⁴.

The U.S. is currently fighting several major conflicts in foreign countries, retains troops in dozens of countries throughout the world, and is involved in peacekeeping and nation-building missions across the globe. The simple fact is that the U.S. level of debt is so heavy, the country cannot afford to keep defense spending off the table when it comes to debt reduction ¹⁵. An honest intellectual conversation must be had about which – if any – of these commitments actually make us safe.

- ¹ Joint Chiefs of Staff: National Debt Poses Security Threat, Mullen Says. <http://www.jcs.mil/newsarticle.aspx?ID=360>
- ² OMB: President's FY12 Budget. February 2011. <http://www.whitehouse.gov/omb/budget/Overview/>
- ³ Foreign Affairs: A Leaner, Meaner Defense. January/February 2011. <http://www.foreignaffairs.com/articles/67145/gordon-adams-and-matthew-leatherman/a-leaner-and-meaner-defense>
- ⁴ Foreign Affairs: A Leaner, Meaner Defense. January/February 2011. <http://www.foreignaffairs.com/articles/67145/gordon-adams-and-matthew-leatherman/a-leaner-and-meaner-defense>
- ⁵ White House Fact Sheet: Bipartisan Debt Deal. July 31, 2011. <http://www.whitehouse.gov/the-press-office/2011/07/31/fact-sheet-bipartisan-debt-deal-win-economy-and-budget-discipline>
- ⁶ Stockholm International Peace Research Institute: Background paper on SIPRI military expenditure data. April 2011. <http://www.sipri.org/research/armaments/milex/factsheet2010>
- ⁷ Stockholm International Peace Research Institute: Background paper on SIPRI military expenditure data. April 2011. <http://www.sipri.org/research/armaments/milex/factsheet2010>
- ⁸ CQ Weekly: 2012 Appropriations – Defense: Parties Unite to Increase Pentagon Budget. May 30, 2011. <http://www.cq.com/doc/weeklyreport-3879408?wr=U2ZyOGV0Ymg1T1NTcnVnN2hZdip0Zw>
- ⁹ The American: Gates at AEI: Strategy Must Drive Budget Decisions. May 24, 2011. <http://blog.american.com/2011/05/gates-at-aei-strategy-must-drive-budget-decisions/>
- ¹⁰ GAO: Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars , and Enhance Revenue. March 2011. <http://www.gao.gov/new.items/d11318sp.pdf>
- ¹¹ Commission on Wartime Contracting in Iraq and Afghanistan: Press Release. August 2011. <http://www.wartimecontracting.gov/index.php/pressroom/pressreleases/203-cwc-nr-49>
- ¹² Center for Public Integrity: Windfalls of War. August 29, 2011. <http://www.iwatchnews.org/2011/08/29/5989/windfalls-war-pentagons-no-bid-contracts-triple-10-years-war/>
- ¹³ CRS: The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11. March 2011. <http://www.fas.org/sgp/crs/natsec/RL33110.pdf>
- ¹⁴ Foreign Affairs: A Leaner, Meaner Defense. January/February 2011. <http://www.foreignaffairs.com/articles/67145/gordon-adams-and-matthew-leatherman/a-leaner-and-meaner-defense>
- ¹⁵ Foreign Affairs: A Leaner, Meaner Defense. January/February 2011. <http://www.foreignaffairs.com/articles/67145/gordon-adams-and-matthew-leatherman/a-leaner-and-meaner-defense>