

## **DoD Budget 2021 Spells the End of US Force Expansion**

A smaller 2021 budget and greater funding demands for nuclear weapons development mean the end of plans by the four services to expand their numbers. Rising budgets have allowed the Pentagon to maintain old planes, ships, armored vehicles and other weapons, grow the force and invest in new weapons. The reduced topline in fiscal 2021 has forced tradeoffs. The Marines plan to cut 2,000 troops and the other services have scrapped most plans to expand, while trying to hold on to what they had. The effort to balance capacity and capability will likely satisfy no one. Some strategists will call for deep force structure cuts to fund more aggressive investment. Other strategists will argue that larger forces are needed to meet high demands for day-to-day deployments. Congress will be pulled in both directions.

The reduced topline came from the bipartisan budget agreement of 2019, which set \$740.5 billion for national security for 2021 (\$636.4 billion for the base budget, \$69 billion for OCO, and \$35.1 billion for nuclear weapons and other). Although nominally larger than the \$738 billion provided the year before (excluding \$8 billion for emergency and disaster relief), it is a decrease in constant dollars. A further \$2 billion decrease to the military's budget came from a last-minute plea by the National Nuclear Security Administration to fund its wish. Although the Defense Department and the Office of Management and Budget pushed back, the president sided with NNSA. So, the Defense Department received \$636 billion, \$13 billion less than a zero growth base budget that would have been \$649 billion.

### **How Services Tried To Balance Strategy, Budget**

**Army:** At the beginning of the Trump administration, the Army leadership had talked about a regular Army of 500,000 or more. It scaled this back last year as they found it hard to recruit and retain soldiers in an economy with 3.6 percent unemployment. In the 2021 budget the Army still intends to grow, but more slowly, adding only 900 soldiers in 2021 to reach 485,900, then planning to expand to 490,500 by 2025.

The Army made no announcements about creating new units for great power conflict — such as cruise missile defense units or anti-ship missile units — but did maintain its existing structure: 31 BCTs, 5 SFABs, and 11 CABs. New systems that would transform existing units, like lasers for air defense and unmanned ground vehicles, are in development but not close to fielding. Creating new units

without eliminating existing units will have to wait until the future end strength increases materialize. The conceptual multi-domain brigade is still far in the future. The good news from slower force expansion is that the Army has more money to pursue its planned modernization. Using a similar “night court” process as last year, the Army shifted \$2.4 billion in 2021 (and \$13.5 billion over the FYDP) from lower priority programs to readiness and its six modernization priorities. The Army appears to be placing continued emphasis on improving readiness, with a \$4.8 billion increase from last year.

**Navy:** The Navy’s force structure message might be best described as “stand by.” Its force structure assessment process collapsed publicly in mid-January. There was no feasible solution as the budget was squeezed, the 355-ship goal was fixed, and the service’s counting methodology was inflexible. Thus, the much-anticipated role for smaller combatants and unmanned vessels in a warfighting concept of distributed operations is still not defined. The Navy says it will release the force structure assessment “in the spring” so the 2021 budget is really something of a placeholder. Shipbuilders must wait to find out whether the naval shipbuilding market will remain primarily with the large builders or whether medium-sized shipbuilders will be able to move in.

Much attention will instead focus on the 2021 five-year shipbuilding budget plan, which cuts one submarine and one destroyer compared with 2020 and dropped plans to buy a second frigate. These reductions, combined with plans to retire relatively new LCSs as well as older LSDs and cruisers, will feed concerns that the Navy is backing off the 355-ship goal. Several senior lawmakers have already declared the Navy’s budget request largely irrelevant. Despite concerns about a “smaller Navy,” however, the Navy does grow by 5,300 sailors and to 306 ships. It may not get to the 355-ship level, but it will grow. To its credit, the Navy does continue its plan to produce unmanned surface vessels by proposing that two be built in 2021 and bulks up with plans to build two a year on average after that. These are funded in RDT&E to get them to the fleet quickly. As such, they are not “a program of record” but are quasi-experiments.

With no announced change to the fleet, naval aviation’s focus on manned platforms continued. F-35, F-18s, CH53K, V-22, E-2D are all proceeding as planned. No new drones appeared and further procurement of MQ-4s was delayed until 2023 because of development problems. Funding for the MQ-25 Stingray

program was cut in half, though it is still planned for procurement beginning in 2023.

**Marine Corps:** Marine Commandant David Berger’s guidance last summer created a sensation with its bold direction to build more smaller amphibious ships, curtail “over-investment” in sustained ground combat, and move towards unmanned aerial vehicles instead of expensive manned platforms. To do this, he indicated a willingness to trade force structure for modernization. Unlike the other services, the Marine Corps came out of the conflicts in Iraq and Afghanistan at a higher end strength — 186,000 — than it went in with — 173,000 — so it had some trade space.

In 2021, the Corps’ end strength does decline by 2,100 to 184,100 Marines. They are either taken from headquarters, according to the budget briefing, or from low priority combat units, according to the budget highlights book. (Interestingly, the cuts are entirely from the enlisted force. The officer corps grows by 160.) The budget announces no new kinds of units or major restructurings, though it hints at more long-range firepower with procurement of additional HIMARS launchers and procurement of 48 Tactical Tomahawk missiles, and future reductions to tanks and legacy AAVs. Despite earlier rhetoric about emphasizing drones, the budget stops MQ-9 Reaper procurement after the two procured in 2020. (Total Marine Corps inventory of armed drones is: 2; Air Force inventory: 306.) Procurement of F-35s continues as planned, though procurement of the STOVL variant (F-35B) dips in 2021. Announcement of major changes will apparently wait until later this year and be incorporated into the 2022 budget, as Gen. Berger had earlier indicated.

**Air Force:** Historically, the Air Force has been comfortable trading force structure for modernization, and its 2021 budget proposes to do just that, cutting about 140 legacy aircraft (as roughly calculated by the authors; the Air Force 6 has not released numbers). End strength increases slightly (about 900 in the active force, once adjusted for creation of the Space Force). The Air Force justifies the aircraft cuts by noting that these are older aircraft and that the risk is “acceptable,” a line of reasoning consistent with the National Defense Strategy’s focus on high-end capabilities. However, just two years ago the Air Force said it needed to grow by 25 percent. At the time, Gen. David Goldfein, Air Force Chief of Staff, said the expansion was driven by the National Defense Strategy’s call “to defeat a peer threat while being able to deter a near-peer threat ... and simultaneously being able

to maintain campaign momentum against violent extremism... at a moderate level of risk". What has happened to change the Air Force's mind?

**Space Force:** It exists and costs \$15.4 billion. Exact size and organization to be determined, however. So far, the divorce from the Air Force has been amicable, but the hard work of dividing the household effects and deciding custody of the offspring has just begun.

### **Will Congress go along?**

On the one hand, Congress says it wants DoD to move aggressively in implementing the new defense strategy. On the other hand, lawmakers are historically reluctant to cut force structure. This congressional discomfort will highlight a basic tension in the NDS. Its focus on great power conflict requires modernization, but a high level of day-to-day deployments in Iraq, Afghanistan, throughout the Pacific and dozens of other global hotspots, requires force structure. Rising budgets had allowed DoD to hide this tension, but that is no longer possible. Most strategists think forces should be cut to invest in high-end weapons. The problem for the services is that day-to-day commitments have not declined as planned.

The capacity v. capability tradeoff will thus be a central, maybe the central, topic in the defense budget debates this year, a debate that may roll over into the presidential campaign, which is beginning to consume Washington. The solution, of course, is more money, which Sec. Esper has suggested for a Trump second term. Stay tuned.