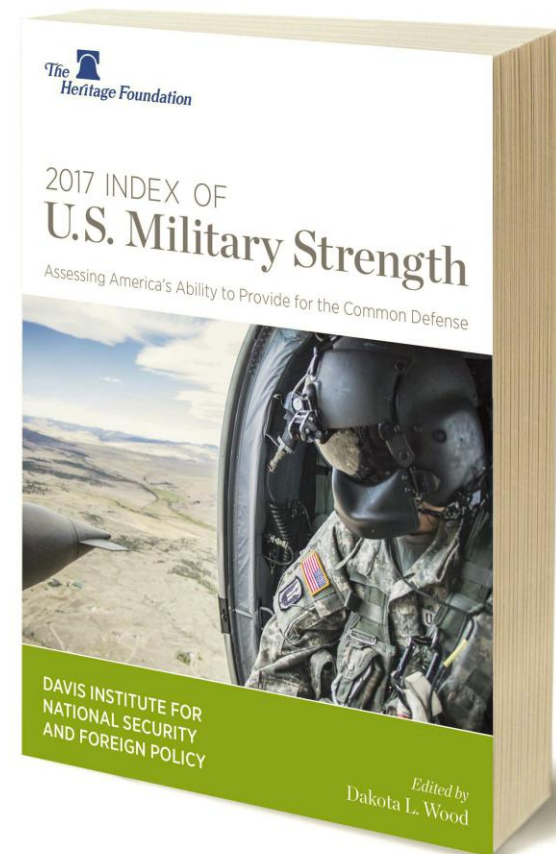


U.S. Military Strength and Fiscal Year 2018 Defense Spending

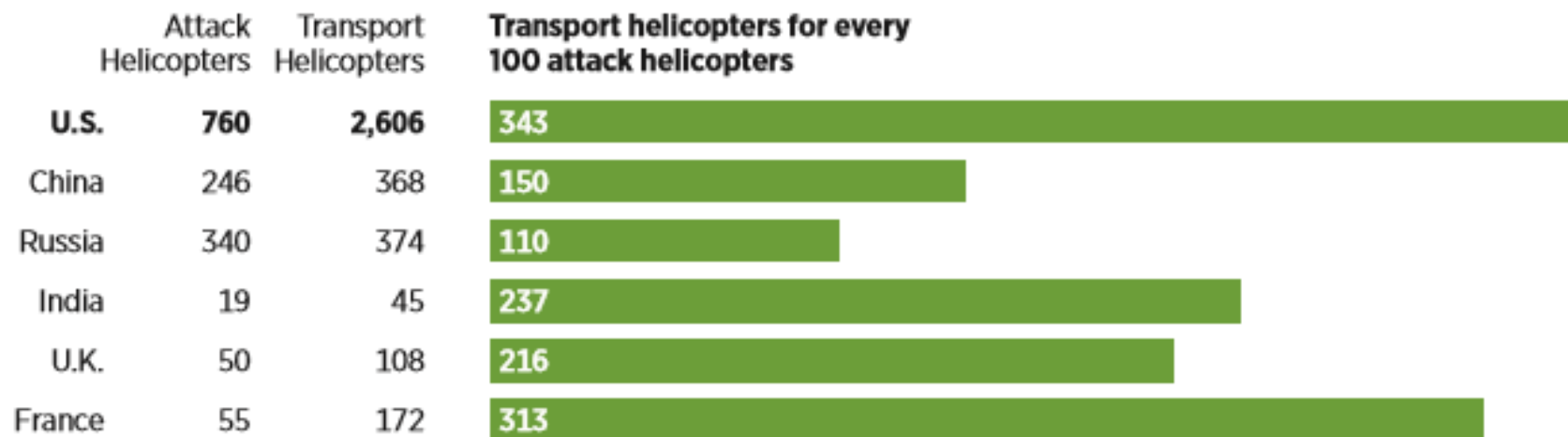
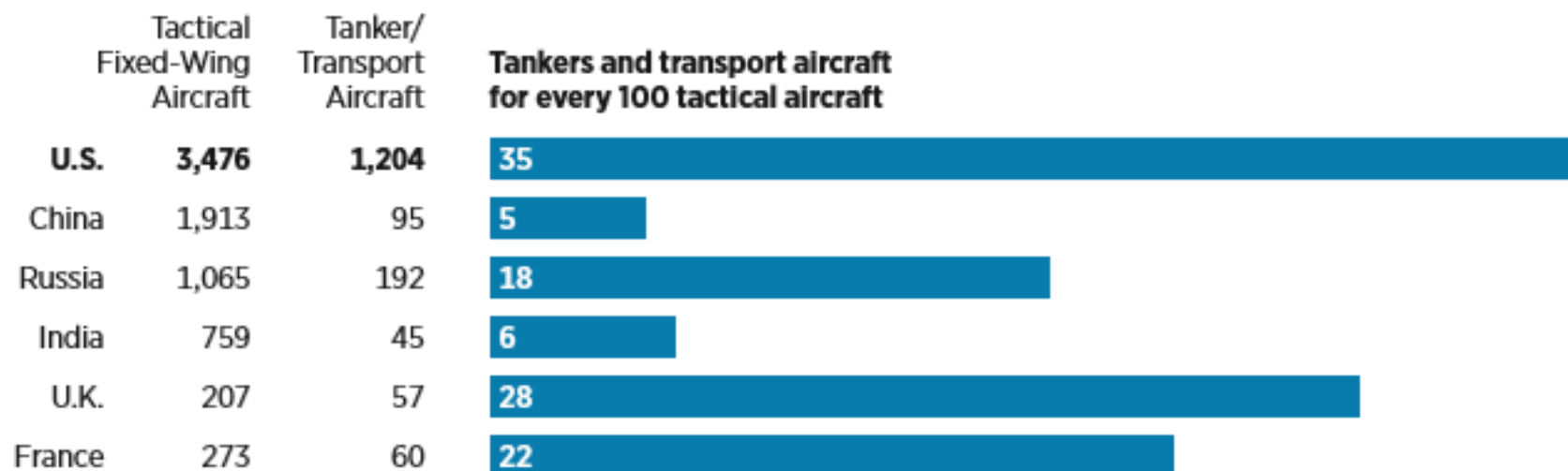
*Presentation for the NDIA CBRN
Conference*

August 15, 2017

- **2017 Index of U.S. Military Strength: our key assessment**
- **Referenced by Congress, President Trump, others**
- **Snapshot in time reporting on current conditions**
- **Consensus among experts that U.S. military is:**
 - **Too small**
 - **Aging rapidly**
 - **Less ready---to deal with an increasingly troubled world**

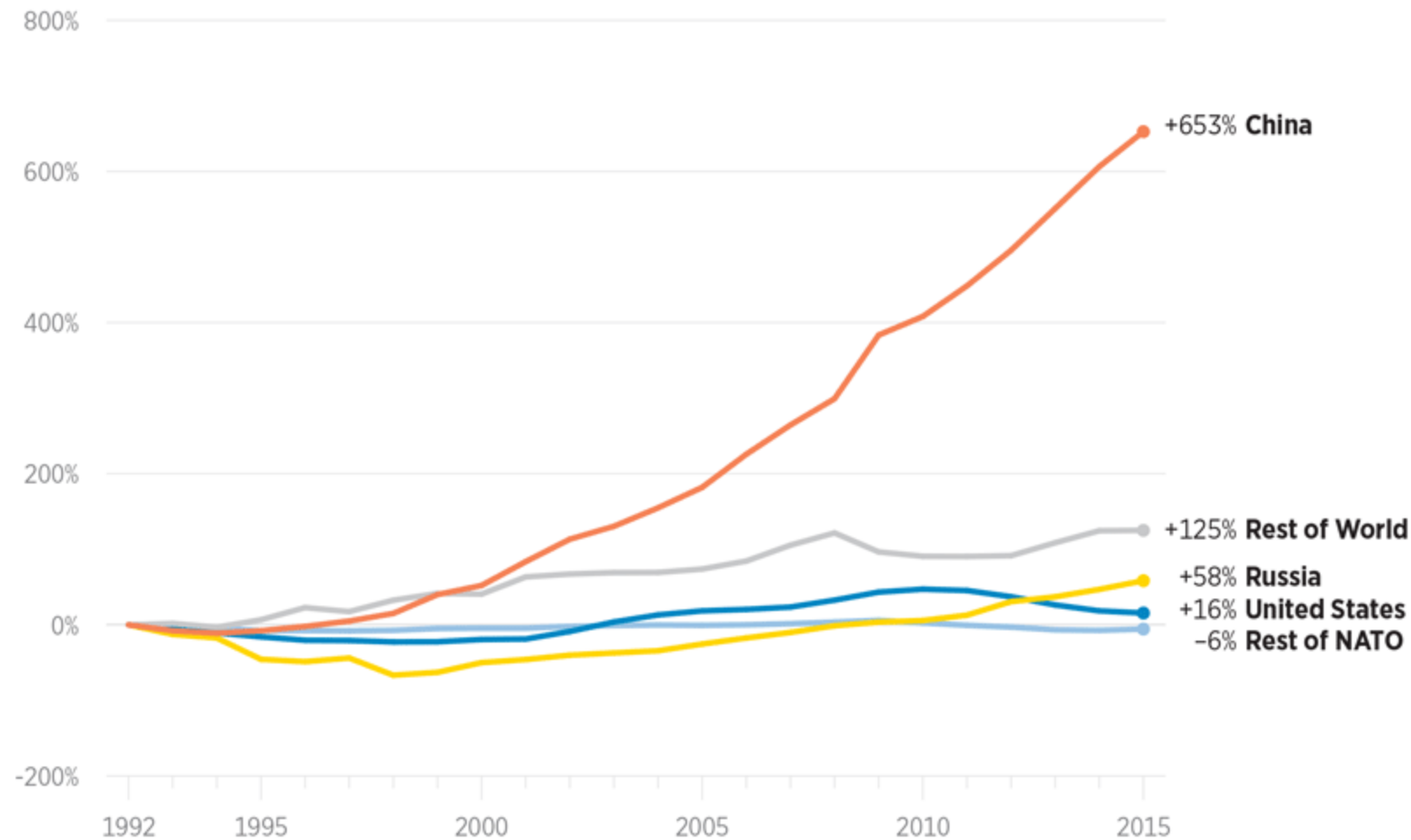


U.S. Military Maintains Large Logistics Forces



China Is Fastest-Growing Military Power

PERCENTAGE CHANGE IN DEFENSE SPENDING SINCE 1992

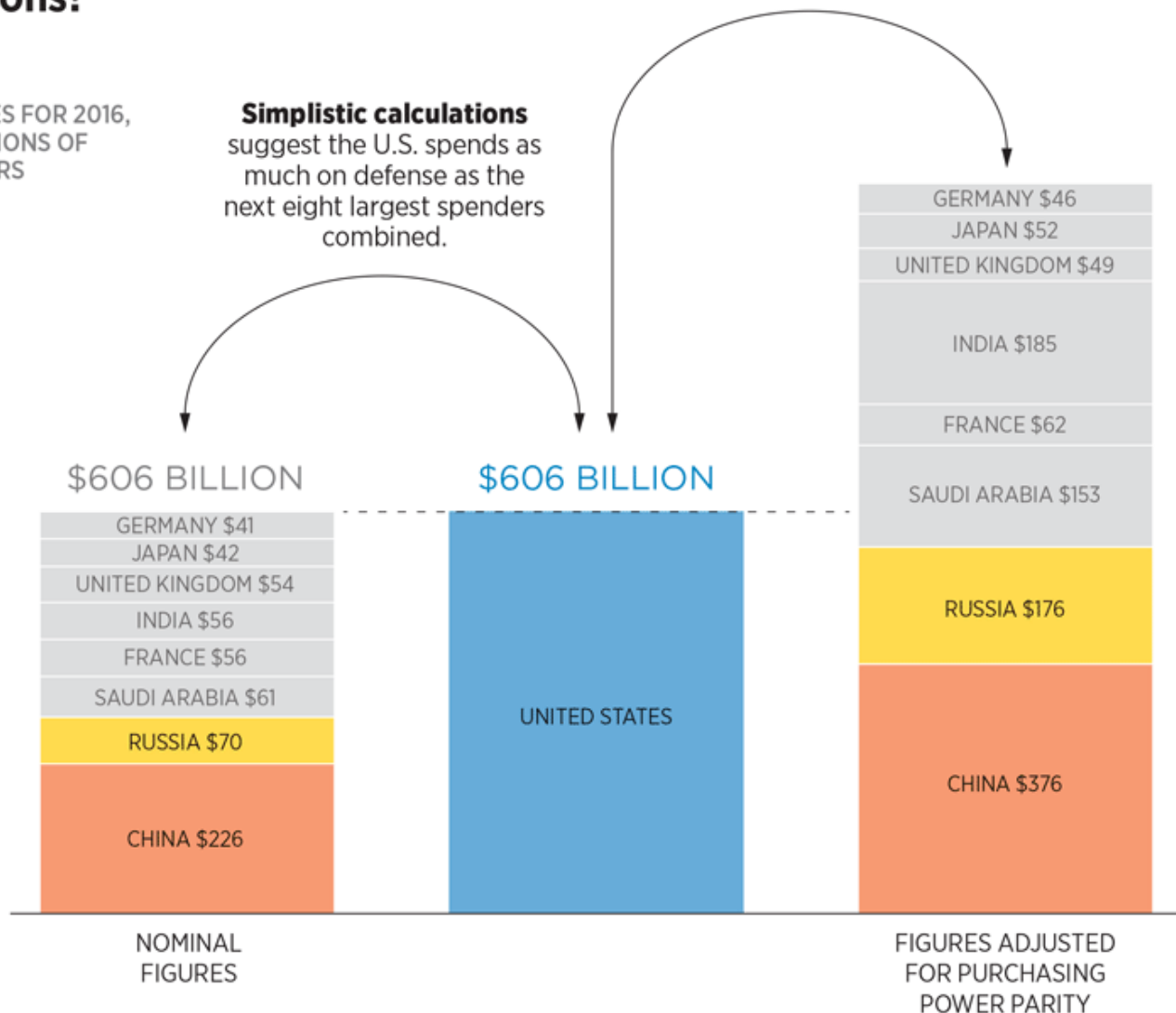


How Much Does the U.S. Spend on Defense Compared to Other Nations?

FIGURES FOR 2016,
IN BILLIONS OF
DOLLARS

Simplistic calculations
suggest the U.S. spends as
much on defense as the
next eight largest spenders
combined.

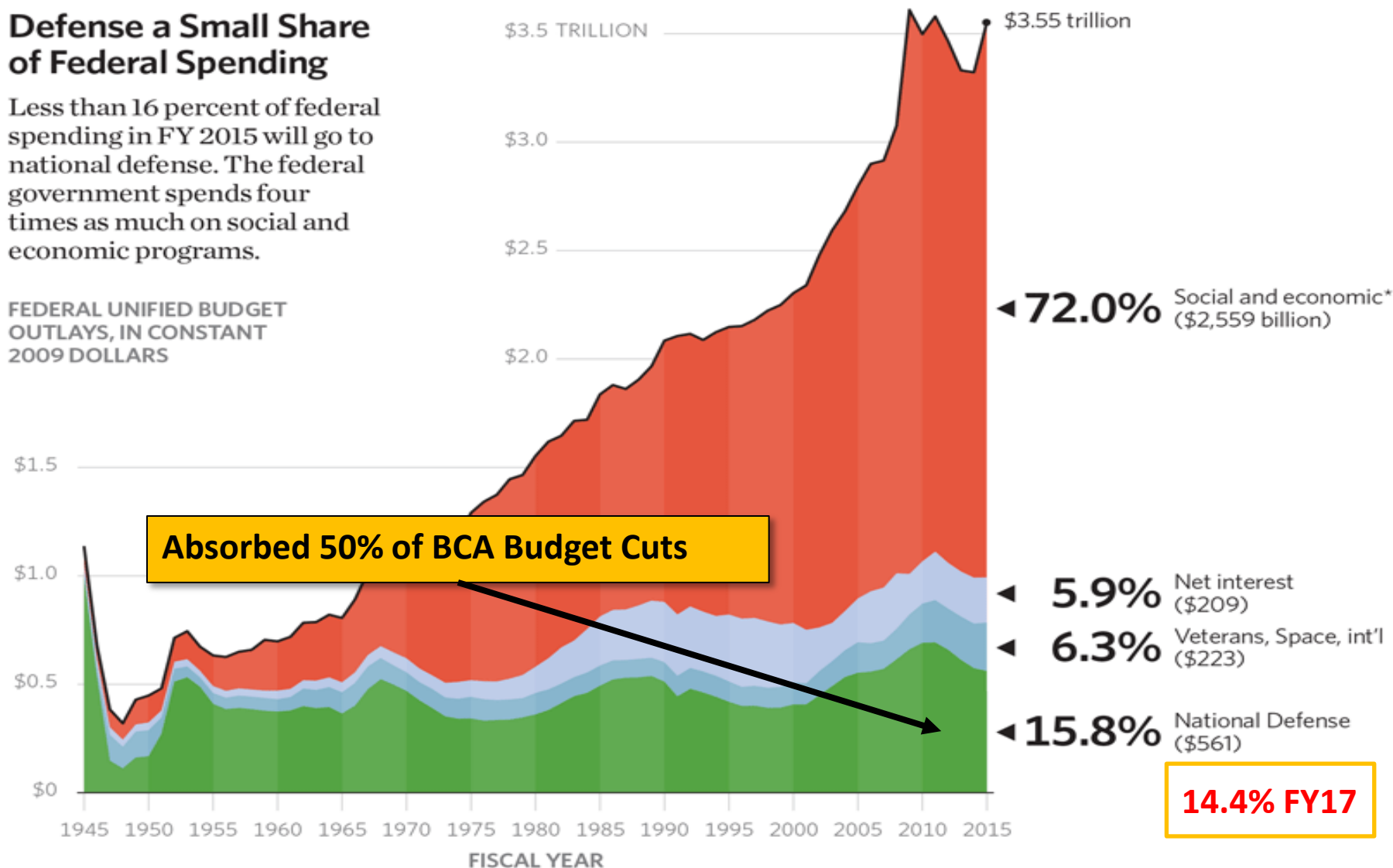
More appropriate calculations,
which account for how much a
nation can buy with its money,
show the U.S. only spends more
than the next two nations.*



Defense a Small Share of Federal Spending

Less than 16 percent of federal spending in FY 2015 will go to national defense. The federal government spends four times as much on social and economic programs.

FEDERAL UNIFIED BUDGET OUTLAYS, IN CONSTANT 2009 DOLLARS



* Includes General Science and Technology (excluding Space programs); Energy; Natural Resources and Environment; Agriculture, Commerce and Housing Credit; Transportation; Community and Regional Development; Education, Training, Employment, and Social Services; Health; Medicare; Income Security; Social Security; Administration of Justice; and General Government.

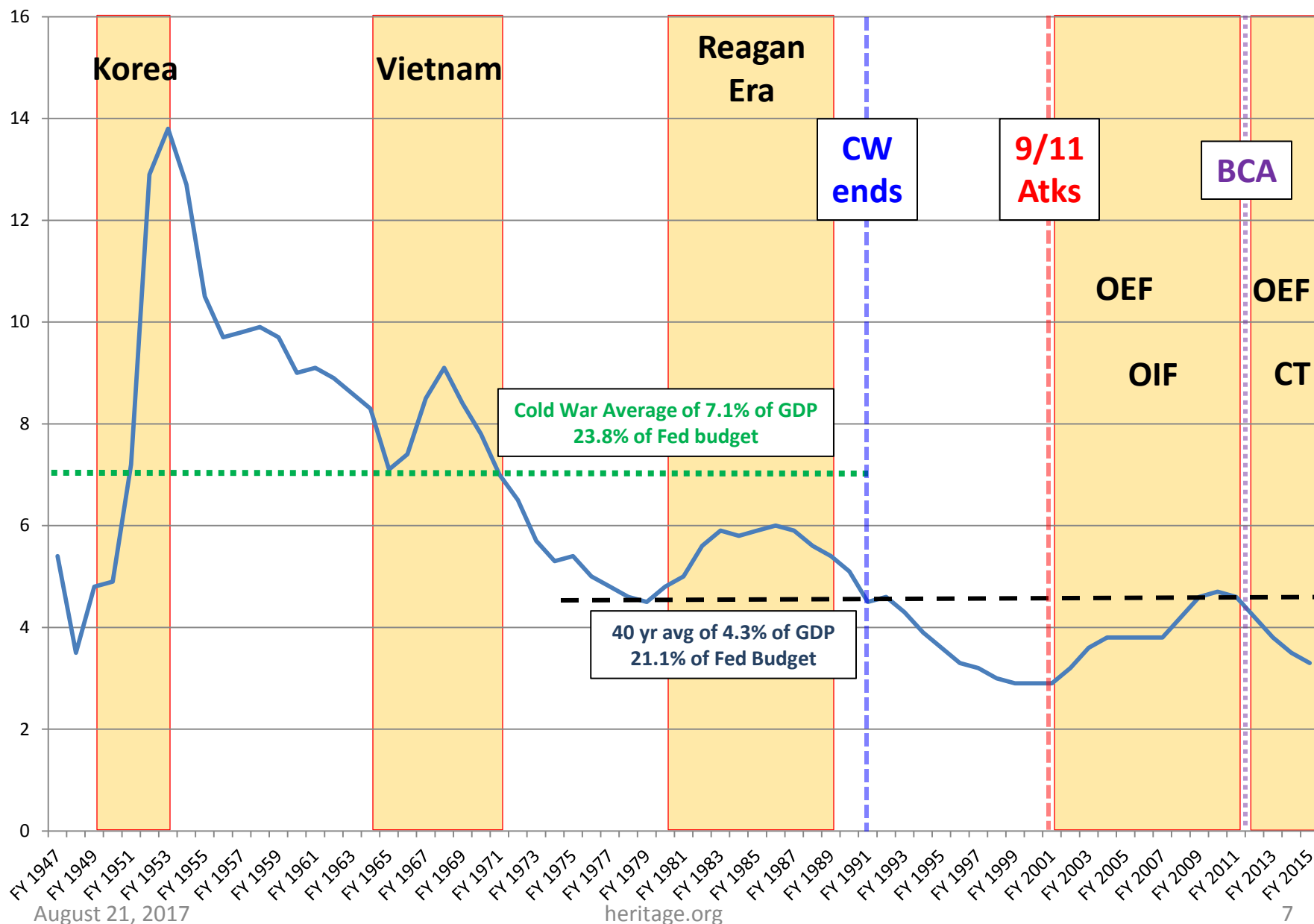
Note: Figures do not include offsetting receipts.

Source: U.S. Department of Defense, *National Defense Budget Estimates for FY 2016*, March 2015, pp. 252-253, Table 7-2, http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2016/FY16_Green_Book.pdf (accessed July 29, 2015).

August 21, 2017

heritage.org

National Defense as % of GDP



August 21, 2017

heritage.org

Heritage Force-Sizing

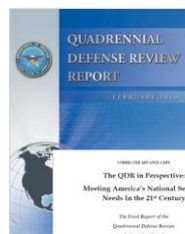
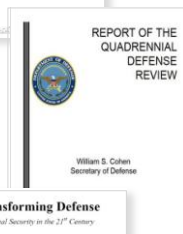
KOREA

VIETNAM

D. STORM

AFGHAN,
IRAQ,
SYRIA...

POST 9/11



2-War Capable Force

ARMY: 50 Brigade Combat Teams

NAVY: 350 Ships

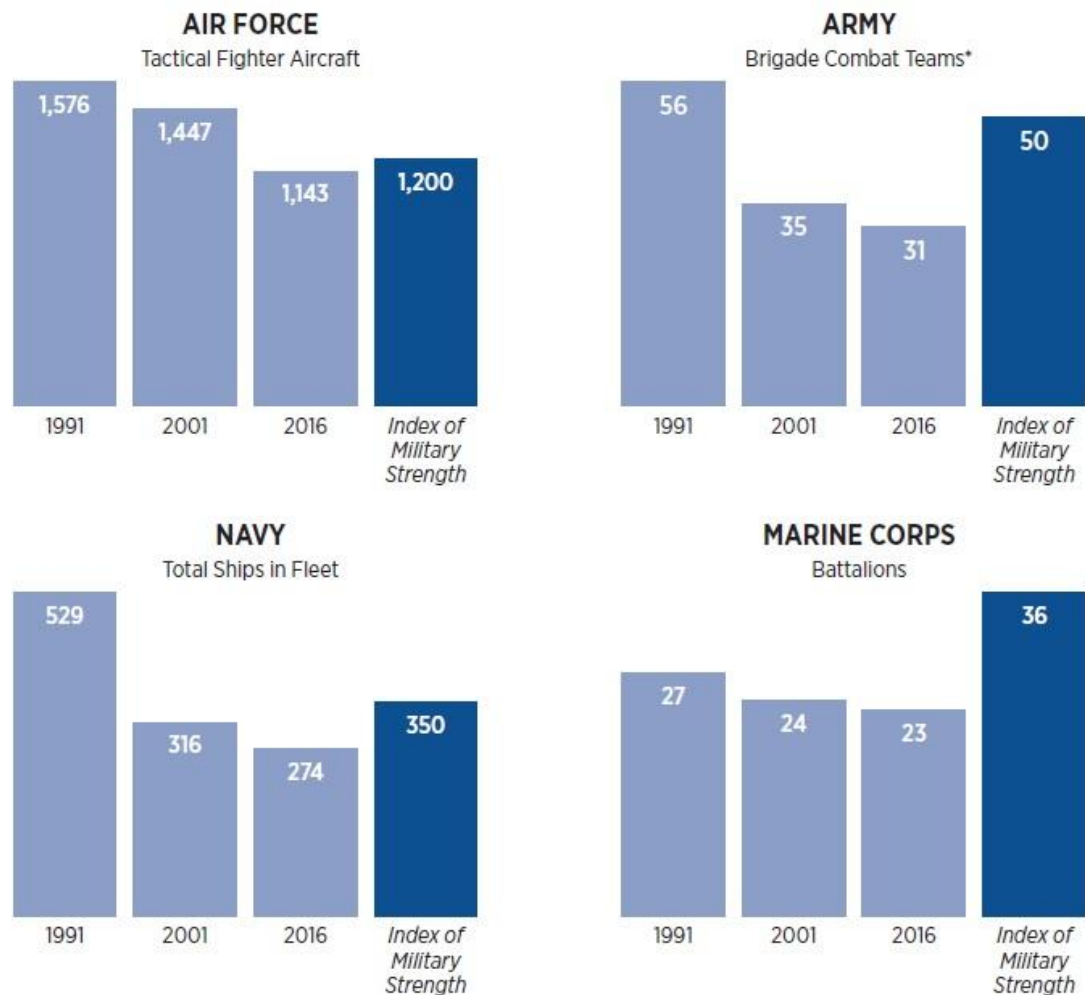
USAF: 1200 Fighter Aircraft

USMC: 36 Battalions

CHART 1

Reviving a Diminished U.S. Military

Historical force levels and recommended levels from The Heritage Foundation's *Index of U.S. Military Strength*



* And equivalent.

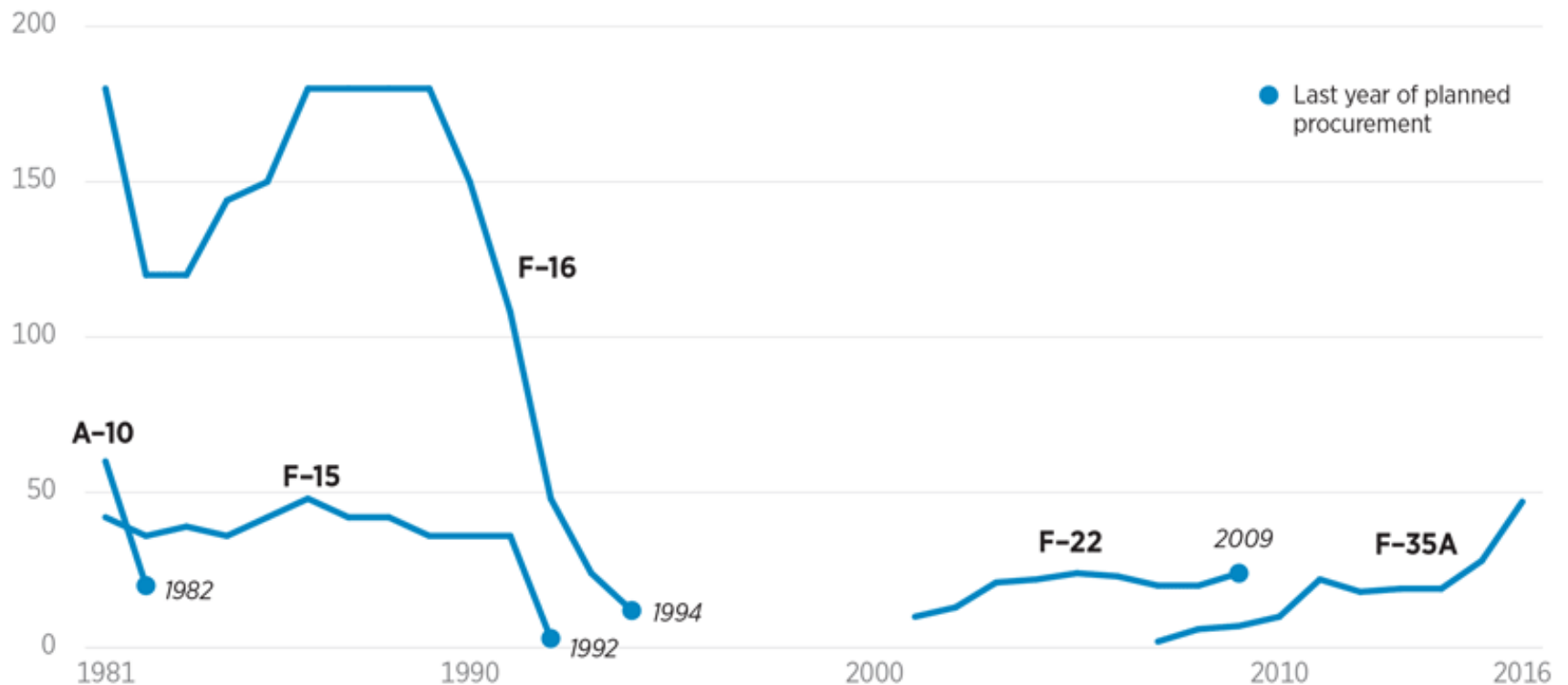
SOURCE: Dakota L. Wood, ed., *2016 Index of U.S. Military Strength* (Washington, DC: The Heritage Foundation, 2015), <http://index.heritage.org/military/2016/>.

ArticleName  heritage.org

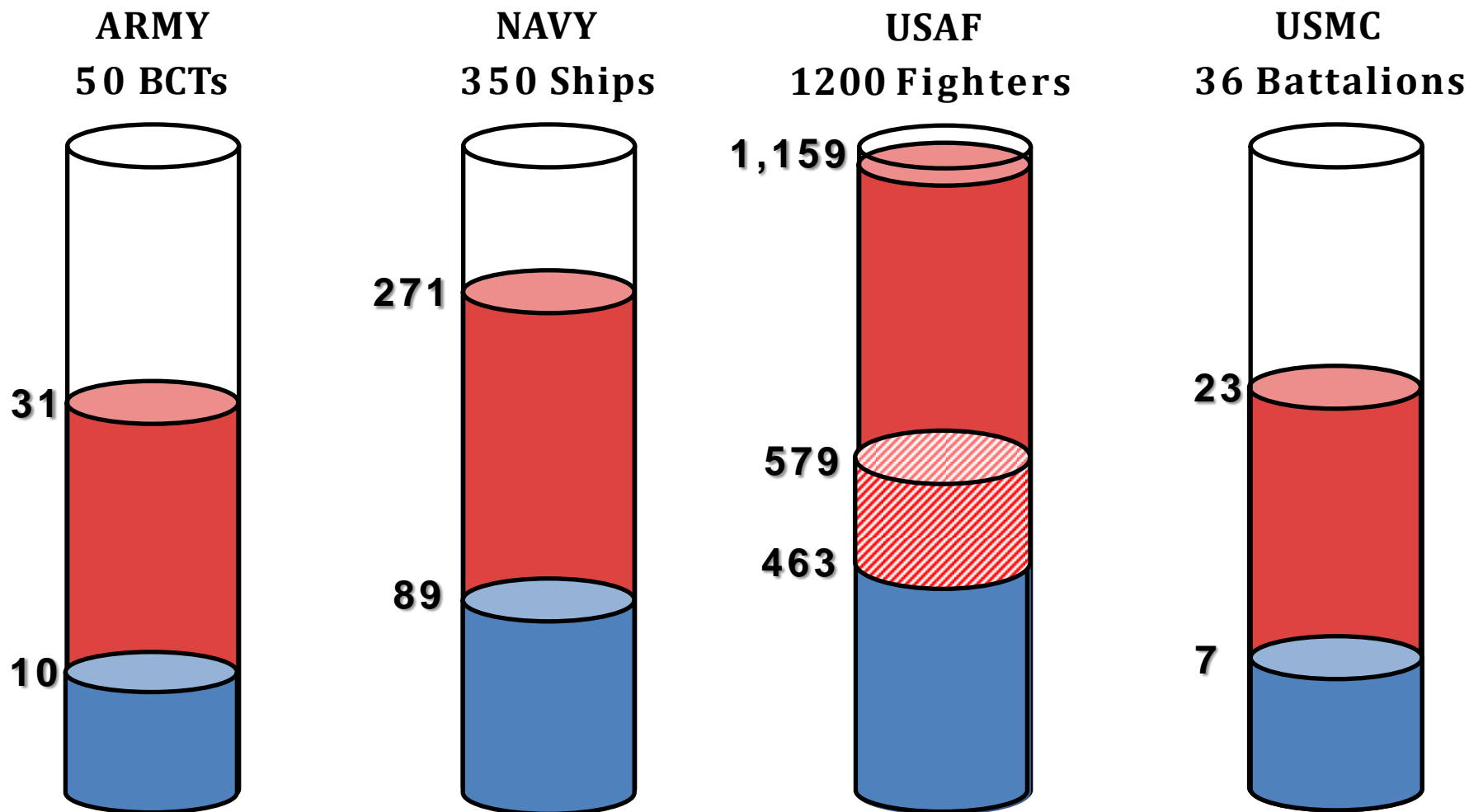
Lack of Procurement Has Led to Aging Aircraft Fleets

The U.S. military currently maintains several fighter aircraft fleets that were last purchased decades ago. In 1990, the average age of a fighter aircraft was 11 years. Today, it is 24 years.

NUMBER OF AIRCRAFT PROCURED ANNUALLY, BY AIR FORCE FLEET



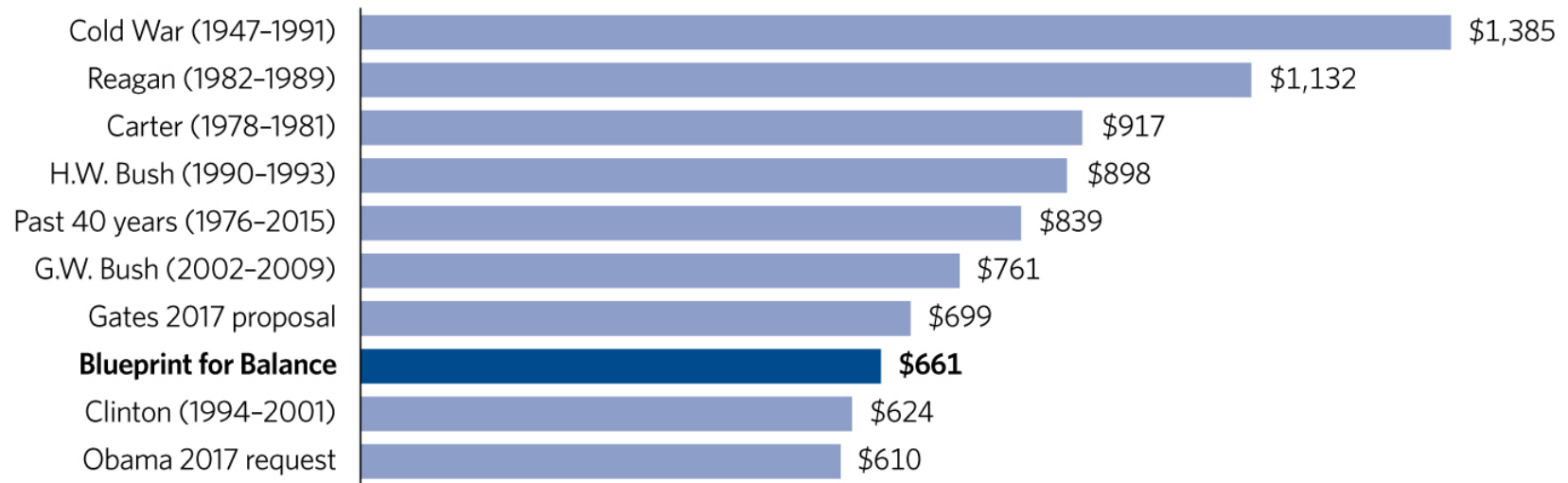
Readiness



Heritage FY2017 Defense Budget

Blueprint for Balance Increases Defense Budget, Remains Below Historical Averages

AVERAGE ANNUAL DEFENSE SPENDING IN BILLIONS OF DOLLARS,
CALCULATED AS PERCENTAGE OF GDP APPLIED TO 2017 GDP PROJECTION

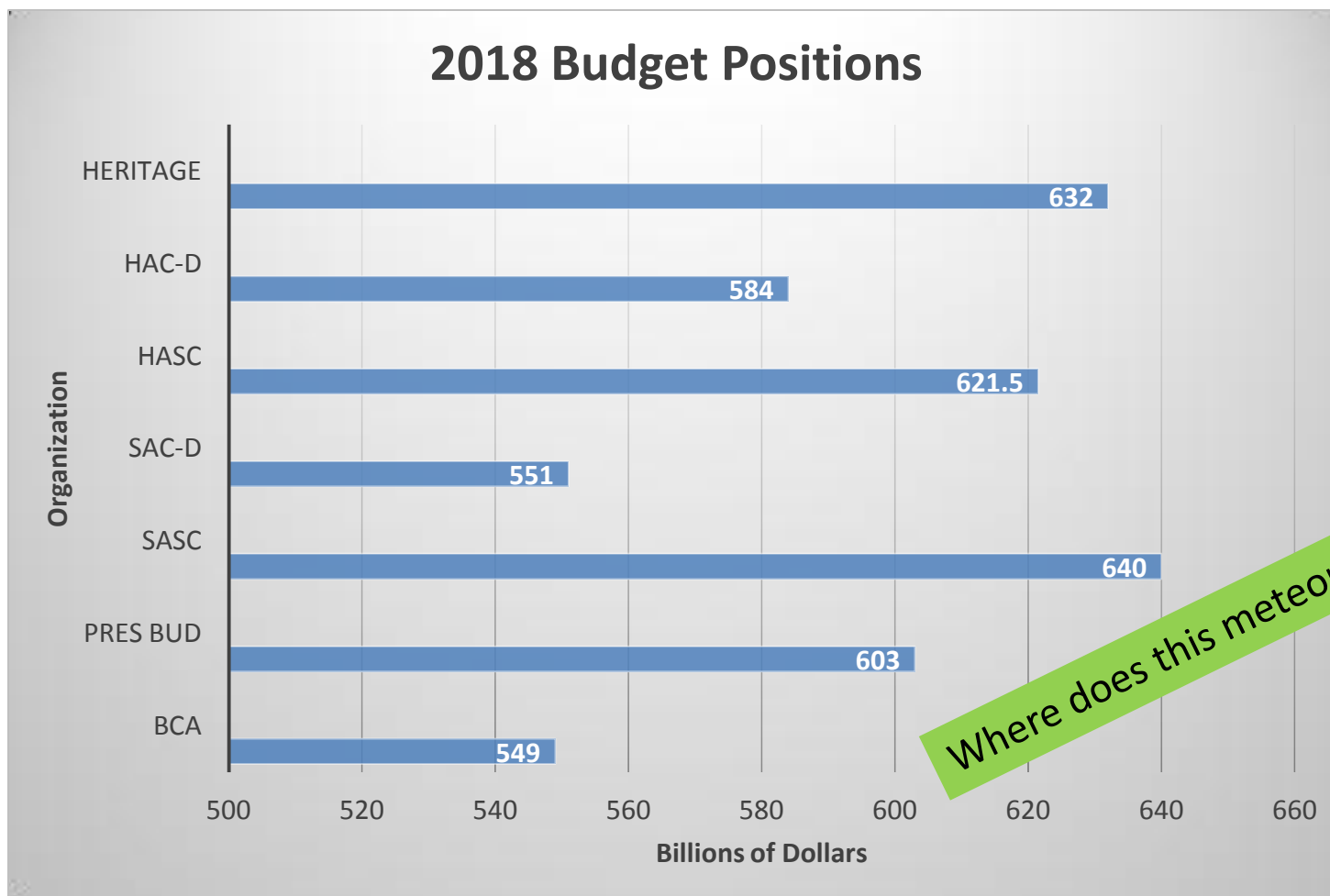


Notes: Figures have been rounded. Years shown are fiscal years.

FY2018 Defense Budget

- Pres Bud 2018 request contains increases for operations & maintenance, *nothing significant* for procurement or R&D
- 115th Congress legislative agenda consumed by health care, tax reform, debt ceiling, nominations...
- Fewer in Congress who see defense as a priority issue
- Houses of Congress, even committees, not in agreement
- Republicans need Democrat support to address BCA caps
- Anyone who tells you they know how the 2018 defense budget will end is either lying or clueless

FY2018 Defense Budget



FY2018 Defense Budget Outcomes

- Worst case: Failure to agree on fix to BCA & no extra OCO: \$549B. Significant consequences.
- Middle Case: Defense BCA either eliminated or paused, \$621B + \$65B OCO (close to HASC) appropriated
- Best Case: Defense BCA eliminated, \$640B + \$75B OCO appropriated
- Most Likely: CR on 1 October, settlement in November-January around “middle”

U.S. National Defense

- Success is not preordained
- Significant challenges to U.S. national security, projected to worsen
- Structural U.S. budget challenges require a comprehensive fix; unlikely in this era of diminished Congressional expectations
- In the face of competing interests, pressure must be maintained in order to ensure U.S. national defense needs are addressed