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Are We Ready? An Independent Look at the Readiness Posture of U.S. Forces

Mr. Chairman and members of the subcommittee:

You have asked this panel to review potential issues that will drive U.S. military readiness requirements in the future. While each member of the panel has different professional and political experiences in the national security area, we have had the opportunity to work together to help create "America's National Security Needs in the 21st Century," the Report of the 2010 Quadrennial Defense Review Independent Panel established by Congress.

We worked as a bipartisan group, and I would like to acknowledge Mackenzie Eaglen, who took the lead on military personnel issues, and Professor Thomas Mahnken, who labored hard to produce a bipartisan text for the force structure and personnel panel that I chaired. I should also acknowledge the efforts of Thomas Donnelly to the QDR panel staff. He is well respected and always has an interesting point of view.

We are not here to testify on the QDR review. Our Panel co-chairs William Perry, the former secretary of defense, and Stephen Hadley, the former national security advisor, have appeared before the full committee and accomplished that task. But the QDR work helps frame your question on military readiness.

Secretary of Defense William Gates is correct to focus all the necessary resources of U.S. national security on the mission of supporting our armed forces in Iraq and Afghanistan. Our current budget focuses on the war fighter in current combat operations—and that is the necessary focus when at war. But using the QDR experience, my participation on the Defense Policy Board, and other studies in the defense area, I would like to offer four key areas that are likely to impact U.S. military readiness in the future:

- The Asia-Pacific region
- New security concerns
- Energy
- U.S. economic competitiveness

First, the Asia-Pacific region.

Looking across the Pacific Ocean and the vast Asian landmass, the emerging powers of the previous decade are now key regional geopolitical players and global economic powers. Asia today is leading the global economic recovery, and it will be essential for America to engage with Asia in all areas—economics, security, energy, finance, and trade. These relationships will lead to collaboration and partnership, but they also will be fraught with exceptional complexity.

In this remarkable period of change, global security will still depend upon an American presence capable of unimpeded access to all international areas of the Pacific. In a regional geopolitical and economic environment in which "anti-access strategies" are openly discussed by these new emerging powers, and where assertions about unique "economic and security zones of influence" are suddenly back in vogue, America's rightful and historic presence will be critical to maintain the security and balance across the entire Pacific littoral.

In order to preserve U.S. interests, the United States will need to retain the ability to transit freely through the areas of the Western Pacific for security and economic reasons. Our allies depend on us to be fully present in the Asia-Pacific region as a promoter of stability, and ensure the free flow of commerce. A robust U.S. capability is largely rooted in maritime strategy. And the strategy, resources, attention, commitment and force structure to meet these necessary capabilities will be essential to future readiness.

Second, new security concerns.

There are key emerging challenges where our force structure and readiness is likely to be pressed. The items listed below are areas where more attention is warranted. There are certainly other issues, but my sense is that future readiness may be greatly impacted by these items:

Cyber security. The expanding cyber mission—the protection of critical information technology networks that directly support U.S. national security requirements—needs to be examined. If requested, the Defense Department should be prepared to assist civil authorities in developing tools and capabilities to defend cyberspace beyond the Department's current role.

Homeland security. There should be a timely review of Reserve Component roles and missions with an eye to ensuring that a portion of the National Guard be dedicated to and funded for the homeland defense mission. Further, responsibilities between the Department of Defense and the Department of Homeland Security need to be clarified, and contingencies created.

Expanded military-to-military relations. Recent events in the Middle East once again highlight the critical relationship between U.S. military officials and their counterparts in the armed forces of our allies and partners. As we press forward

into new and unchartered areas of opportunity, uncertainty, or conflict, the mil-to-mil relationship remains exceptionally important. This will be especially true for field-level officers, as well as for senior officers. Just as this tool was very important in the immediate months after the break up of the Soviet Union in the early 1990's, the mil-to-mil exchange will be an important resource in the post-Iraq and post-Afghanistan environment. The mil-to-mil should be measured as a key readiness indicator.

Whole-of-government reforms. Absent improved capabilities from "whole-of-government" Executive branch departments and agencies, U.S. ground forces will continue major responsibilities for post-conflict stability operations abroad, consuming force structure resources. Civilian agencies, properly resourced and staffed, can make a significant contribution in this area, and have the potential to enhance military readiness by removing tasks more appropriately performed by civilian professionals.

Third, Energy.

Currently, petroleum—the major product of crude oil—dominates as the leading source of all energy supply in the United States at 35.3 percent, accounting for 94 percent of transportation fuel and 41 percent of industrial fuel. Since 1994, the majority of crude oil supplied in the United States has been imported. Since 2008, oil imports have been down based on a combination of factors that include efficiency, conservation, and the practicality of tight family budgets.

The top oil exporters to the United States, in order, are Canada, Mexico, Saudi Arabia, Venezuela, and Nigeria. Increasing oil exports from reliable neighbors is unquestionably a good development. In 2007, four stable allies of the United States—Canada, Mexico, Great Britain, and Brazil—supplied 35.5 percent of crude oil imports. But this will not continue for much longer. At the current level of production, the numbers appear to suggest that only Canada can maintain current supply to the United States for the long term. Of our current oil imports, approximately 50 percent come from the western hemisphere, 22 percent from Africa, and 17 percent from the Persian Gulf.

Great Britain, Brazil, and Mexico face imminent supply issues. By 2020, production in the North Sea oil fields—the primary source of Great Britain's oil—is expected to fall 66 percent from its peak production level of 1999. Brazil's reserves will deplete within the next 10 years, and Mexico will begin importing oil to meet domestic demands within five years, competing with the United States for foreign reserves.

Without changes to our energy infrastructure, disappearing "friendly" foreign oil will cause the United States to grow more reliant on countries that have different values and relationships. This situation will be less than ideal as many of these nations are plagued with instability and hostility toward the United States, and often use the energy reserves to pursue aggressive political agendas. Our energy strategy has a direct impact on

military readiness and is an area of national security concern, which is why we need to invest, and invest heavily, in new alternative sources of energy.

Finally, the U.S. economy as a component of national security.

Meeting the readiness challenges of the next 20 years and creating the financial wherewithal for these capabilities will not happen if the Department of Defense and Congress maintain the status quo on managing fiscal resources—both within the defense budget and across the entire federal budget. In order to reap savings that may be reinvested within defense, and to justify additional resources for force structure and equipment modernization, the Department of Defense and Congress must work together to reestablish the tools that restore fiscal responsibility to the budget process—tools that were lost when balanced-budget rules were abandoned about ten years ago.

The Gramm-Rudman budget agreement in 1987, the 1990 budget agreement between President George H. W. Bush and Congress, and the 1996 budget agreement between President Clinton and Congress that produced a balanced federal budget by the end of the 1990's protected the fiscal resources needed for our national security. But these agreements also demanded sound budget management on the national security side.

But it is not just sound budget management of our national defense that's needed. The United States must get its entire economic house in order. The notion that the economic decline of the United States is inevitable and irreversible hurts American security—even as U.S. military capabilities remain dominant.

U.S. national security has long rested on the strength of our economy, but creeping doubts about American economic resiliency feed the foreign perception that Washington is a declining power. This gives rising global powers little incentive to heed U.S. calls for greater responsibility, cooperation, and transparency. Instead, it may well give them more license to discuss "anti-access strategies" and "economic and security zones of influence"—developments that could conceivably lead to military miscalculations highly dangerous to our national security.

That is why moving forward on the American economic challenge of creating jobs by promoting economic competitiveness and innovation while reducing our long-term budget deficits is extremely important to U.S. security interests. The character of American enterprise and resourcefulness should not be underestimated, but it requires unified actions by the United States and effective leadership by U.S. policymakers. The President and Congress need to make clear that they are up to the task, and then prove it in the coming months. There is no higher national security priority.

Mr. Chairman, and members, there are many other issues that could have been added to this list, but I wanted to offer these topics for consideration of the subcommittee at this hearing.