U.S. Military Forces in FY 2020

The Struggle to Align Forces with Strategy

By Mark Cancian

THE ISSUE
Annually, CSIS Senior Adviser Mark Cancian publishes a series of papers on U.S. military forces—their composition, new initiatives, long term trends, and challenges. The overall theme of this year’s report is the struggle to align forces and strategy because of budget tradeoffs that even defense buildups must make, unrelenting operational demands that stress forces and prevent reductions, and legacy programs whose smooth operations and strong constituencies inhibit rapid change. Subsequent papers will take a deeper look at the strategic and budget context, the military services, special operations forces, DOD civilians and contractors, and non-DOD national security organizations in the FY 2020 budget.

STRATEGIC AND BUDGET CONTEXT
The Trump administration’s 2018 National Defense Strategy (NDS) drives its FY 2020 budget proposal, which aims to fix readiness and increase modernization to prepare for long-term competition with China and Russia. Force structure expands very little. Thus, the Trump administration, like the Obama administration before it, has chosen capability over capacity, but unrelenting operational demands are pushing the services towards a high-low mix in order to cover both.

To pay for these initiatives, the proposed FY 2020 defense budget rises 4.9 percent above the FY 2019 level and continues a five-year streak of increases. However, the budget is projected to be flat in real terms after FY 2020, requiring internal offsets to pay for any future initiatives.

Although widely supported, the NDS has been criticized by some for being underfunded and by others for being too aggressive, while the proposed FY 2020 budget has been criticized for not making sufficient changes to align with the NDS.

The future poses two risks to the administration’s plans: (1) the lack of real growth in future budgets will hamper the launching of further initiatives; and (2) a softening of public, and then political, support could undermine both budgets and an engagement strategy.

ARMY
There are two major takeaways about Army plans. The first is that the Army’s plans for force expansion collapsed this year. The regular force increases from 478,000 soldiers in FY 2019 to 480,000 in FY 2020 instead of reaching the planned 492,000. The reserve components actually decline by 18,000 soldiers. Because structure—the total number of soldiers required—remains essentially unchanged, the Army will face challenges to avoid “hollowness.”

Three opposing dynamics pull the future size and shape of the Army:

- **Guidance in the NDS to focus on great power conflicts with Russia and China.** That implies a force equipped
with advanced, and likely very expensive, technologies, paid for by cuts to structure, if necessary.

- **Day-to-day demand for forces to deploy to Afghanistan, Europe, and elsewhere.** That implies a larger force that may not need the most advanced technologies.

- **Difficulties in recruiting and retention.** As described earlier, this may drive force size regardless of strategy.

The second major takeaway is that Army modernization is a mix of good and bad news: the Army increased production of proven systems and shifted $31 billion over the FYDP period into higher priority modernization programs but is still several years away from having a new generation of systems in production.

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**NAVY**

The Navy in FY 2020 generally reflects the approach of the department as a whole. It sustains the level of readiness built in the FY 2017–FY 2019 budgets and modernizes mostly by increasing production of existing ship, aircraft, and munition programs.

The Navy feels the capacity/capability tension most acutely because of the high demands for its forces in day-to-day operations and the long lead times and high capital costs for its weapon systems. Therefore, it actually implements its force structure expansion plans, unlike the Army and Air Force, which also have expansion plans but have had to defer implementation.

The Navy thus projects that it will hit 308 ships by the end of FY 2020, up from its low point of 271 in 2015. It plans to reach its 355-ship goal by FY 2034 through a mix of service life extensions and new construction, but this will require shipbuilding budgets substantially higher than the historical average.

A major change is the acquisition of unmanned surface and subsurface vessels. Although these early acquisitions are essentially experimental, they could revolutionize naval combat in the long-term by shifting the fleet balance to smaller, more numerous, and more dispersed systems.

In FY 2020, naval aviation (Navy and Marine Corps) proposes to procure 148 aircraft of all kinds, up from the FY 2019 request of 120. Naval aviation procurement has mostly mature programs producing aircraft with few major issues. Inventories are stable. That is the good news.

The bad news is that, unlike the surface and subsurface forces, naval aviation has been slow to field unmanned aerial vehicles and remains focused on manned platforms. It also faces ever-higher costs to maintain its aircraft inventory.

**MARINE CORPS**

Unique among the services, the Marine Corps comes out of the wars significantly larger than it went in (186,100 today versus 172,600 in 1999). That has allowed it to maintain its traditional ground and aviation units and create new units for cyber and information warfare. However, the Marine Corps has decided not to grow in the future, focusing instead on readiness and modernization, and that creates a tension between creating additional new capabilities and maintaining traditional capabilities.

The lack of growth also exacerbates a tension in structure and training between what is needed for the routine forward deployment of Marine air ground task forces and the needs of a high-end major conflict. The former forces are light, trained for crisis response missions and peacetime engagement, and in high demand by combatant commanders. The latter are heavier, trained for intense combat, and the focus of the new strategy.

Aircraft inventories remain relatively stable. The rotary-wing fleet has mostly been recapitalized, and the fixed-wing fleet is in the process of recapitalization with the F-35. So, despite the high cost of contemporary aircraft, Marine aviation, unlike the Air Force, is in pretty good shape. However, the Marine Corps lags far behind the other services in fielding unmanned aerial vehicle (UAV) systems.

A major question hanging over the entire Marine Corps is the effect of General Berger’s new guidance, published as he took office in July as commandant. He questioned many long-standing aspects of Marine Corps structure: expensive and manned aviation platforms; large and expensive amphibious ships; and the 38-ship amphibious fleet goal. How this guidance will play out in the budget remains to be seen.
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AIR FORCE
Like the other services, the Air Force seeks to modernize for a great power conflict, an orientation the Air Force has traditionally been comfortable with. Thus, the F-35, B-21, and munitions programs receive budget emphasis. However, the need to improve readiness has caused it to put funding into increasing manpower over the last several years.

Further, a high level of operations pushes the Air Force (as with the other services) to maintain capacity. For the Air Force, that means sustaining legacy platforms like the A-10, F-16, and F-15, rather than retiring them, and buying the F-15EX. RPVs, now a full element of the force structure, also help extend capacity. This balance is also driven by judgments regarding how much stealth is needed in future conflicts and how airpower can make its greatest contribution, by strategic attack or operations close to the front lines.

Air Force officials still publicly support the 25 percent increase in force structure announced last year but make no moves to achieve it. Force structure stays level in FY 2020 and in the five-year period.

The average age of Air Force aircraft has increased from 18 years in 1995 to 29 years today. Some fleets, such as special operations aircraft (14 years), are in relatively good shape, but other fleets, such as tankers (52 years), are old. All these older fleets have programs in place for modernization, including the F-35, KC-46, and B-21, but the programs have been delayed, are expensive, and will take years to fully implement.

Congress will likely establish a Space Force/Corps of some sort, as the administration requested. This will increase attention on space programs and operations but will be a traumatic experience for the Air Force, which will lose organizations and personnel.

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All the services are buying more munitions. Many analyses show that U.S. forces would expend large amounts of munitions in a great power conflict. Thus, the Air Force budget procures a lot of munitions, especially air-to-ground munitions.

SPECIAL OPERATIONS FORCES
Three themes continue: gradual force growth, to 66,559 (nearly the size of the British Army, 78,400); dependence on OCO funding, at 39 percent, much higher than the department’s overall rate of 9 percent; and increasing organizational independence (so it looks even more like a separate service). Stress on the force, though continuing, appears to have eased. Unfortunately, ethical misconduct has emerged as a new and disturbing theme as a result of a series of high-visibility incidents.

DOD CIVILIANS
Despite administration proposals to decrease the number of civilians in non-defense/domestic agencies, the administration proposes to increase the number of DOD civilians. This increase occurs because civilians help readiness, most being in maintenance and supply functions, not in headquarters (as is often believed). The bad news is that the administration proposes a civilian pay freeze and cuts to some benefits.

A major uncertainty is Secretary Esper’s review of the “fourth estate”—all the DOD agencies and activities outside the military departments, mostly staffed by civilians. Esper has modeled this review after “night court,” the process whereby he and other senior Army leaders scrubbed the Army budget in detail to align it better with the defense strategy. Results of the “fourth estate review” will be incorporated into the FY 2021 budget.

CONTRACTORS
Contractors have become a permanent element of the federal workforce, but they remain controversial. Service contractors provide workforce flexibility by conducting non-core governmental activities but raise questions about the line between government and the private sector. Nevertheless, at $151 billion in FY 2018, service contracts are substantially above the prewar level and are increasing.

In response to this long-term increase, DOD is trying to give service contracts the kind of oversight that product contracts have received. Operational or battlefield contractors allow limited U.S. military forces to conduct a wider range of operations than they could otherwise but raise concerns about reliance on
“mercenaries.” Nevertheless, they now form a permanent element of the U.S. forces overseas, along with active duty personnel, reservists, and government civilians, and reliance on these operational contractors is increasing. They outnumber military personnel in the Central Command region (53,000 to 35,000), and the ratio of contractors to military personnel in Iraq/Syria/Afghanistan has increased from 1:1 in 2008 to 1.3:1 today. With stronger controls and oversight in place, contracting scandals have nearly ceased, and the use of battlefield contractors has receded into the background as a political issue.

For both service and operational contractors there are long-standing and unresolved questions about their relative cost compared to military personnel and government civilians, so debates regarding their appropriate use continue.

**NATIONAL SECURITY ORGANIZATIONS OUTSIDE DOD**

The largest such organization is the National Nuclear Security Administration (NNSA), the part of the Department of Energy that develops and produces nuclear weapons, develops and sustains naval reactors, and conducts nuclear nonproliferation activities. The FY 2020 budget emphasizes military programs, consistent with the administration’s priorities for a “hard power” approach. In FY 2020, Weapons Activities and Naval Reactors increase, while non-proliferation activities remain essentially level.

This represents the ramping up of nuclear modernization and infrastructure recapitalization efforts, commitments the Obama administration made in ratifying the New START treaty in 2010 and that the Trump administration expanded in its Nuclear Posture Review. From FY 2013 to FY 2020, Weapons Activities increases from $7.0 billion to $12.4 billion, Naval Reactors increases from $1.0 billion to $1.65 billion, and non-proliferation activities decrease from $2.2 billion to $2.0 billion.

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