



Issue

The Budget Control Act of 2011 mandated \$487 billion in security cuts over the next 10 years in order to resolve the 2011 debt ceiling crisis. Due to the inability to find a solution to the deficit crisis, additional cuts through sequestration are going to take effect March 2013. These additional \$1.2 trillion in automatic spending cuts are split evenly between security and non-security spending, **leaving defense to absorb half of the sequestration costs despite only being 19% of the spending budget**. If the cuts occur, there will be no priorities or rationalization to the cuts; neither Congress nor the Department of Defense will be able to prioritize the cuts based on the needs of the services or our national security strategy.

Recommendation

The only solution is a legislative solution. Congress must act soon to stop layoffs, preserve our national security, and demonstrate to our allies and our enemies that we are committed to being a force for good in the world. **Congress must compromise**. The Navy League needs our Congressional leaders to work together, across party lines, across regional lines, and across state lines to find a solution that will pass both houses with majority support. The problem needs a bipartisan solution.

Key Points

The Need for Sea Services - The Sea Services and other national security guarantors are necessary for national security, freedom of the seas, economic strength, humanitarian assistance, and technological investments.

- **National Security:** The Navy, Marine Corps, and Coast Guard project American power, deter aggression, and are forward deployed to respond to any crisis, anywhere. The United States must be constantly ready to defend ourselves and our allies from threats.
- **Freedom of the Seas:** 90% of all trade travels by sea, and the sea services guarantee that freedom of movement. Americans are able to buy products at low cost because the freedom of the seas is assured by the sea services. The entire world benefits from the fact that the US Navy assures various straits and other choke points will be kept open, ensuring the free flow of oil and other goods to all nations.
- **Economic Strength:** Investments in national security programs create high-tech scientific, engineering, and manufacturing jobs for large companies and small suppliers alike—all American jobs. A study by Dr. Stephen Fuller of George Mason University found that over one million jobs would be at risk; with a -25% impact to growth of GDP in 2013 if the cuts take effect.
- **Humanitarian Assistance:** The U.S. Navy, Marine Corps, and Coast Guard have responded to an earthquake/tsunami/nuclear reactor meltdown in Japan, an earthquake in Haiti, and an earthquake in Pakistan on short notice. This type of support is integral to both global goodwill for the United States and our own sense of duty as Americans. With fewer resources deployed, the U.S. will be limited in its ability to assist in future disaster response.
- **Technological Investments:** Investing in research and development for the military services has led to technological leaps such as the invention of computers, the internet, jet engines, and GPS capabilities. Without continually pushing our technological edge forward, the U.S. may fall behind in the next great technological revolution.

Impact

Navy Impact: Chief of Naval Operations Admiral Greenert released a memo in January 2013 announcing the impact of the sequester, including stopping all deployments to the Caribbean and South America, limiting European deployments to only those supporting ballistic defense missions, reducing the number of ships and aircraft deployed, reducing days at sea and flying hours across the entire force, ceasing stateside training, flying, steaming, and other operations for the majority of ships and aircraft preparing to deploy, and furloughs for civilian employees.

Marine Corps Impact: General Jim Amos, Marine Corps Commandant, told members of the Senate Appropriations Committee Subcommittee on Defense during a March hearing that sequestration would “be a recipe for a hollow force”, as there would be less funding for training, arming, and fueling the force, diminishing overall readiness. The cuts would hurt the force structure, and almost completely negate the Marine Corps’ ability to reset the service after over a decade of combat. To deploy a Marine expeditionary brigade, it takes 17 amphibious ships. The Marine Corps currently has 29 amphibious ships, which means two brigades cannot be launched at once if needed for simultaneous forceful-entry missions. With further cuts, would the Marine Corps even be able to carry out one?

Coast Guard Impact: The Coast Guard is badly in need of fleet modernization for its cutters. Many of its cutters are over forty years old and badly in need of repair or replacement. With sequestration, the Coast Guard will be forced to find ways to extend the service life of its aging fleet while still meeting its diverse commitments to Homeland Security needs, from disaster response to drug interdiction. The Coast Guard has a diverse set of missions, which the Coast Guard will have to reduce or abandon if with further funding cuts. Can we afford to gut this already underfunded service?

Conclusion

Sequestration cuts will **increase the cost of programs overall**. By placing restrictions on spending, the military is forced to slow down its procurement and acquisition process. Because fewer quantities are being bought at a time, the cost per program is driven up as overhead remains constant. Short term spending caps required across the Future Years Defense Plan will increase long term costs.

The threat of sequestration alone **hurts our national security**. Defense analysts from the Brookings Institution and the American Enterprise Institute have stated sequestration would weaken the president’s ability to “signal Iran, North Korea, and China that the United States remains as firmly committed to our interests and allies as ever.” (4 March, *Washington Post*)

Our **national security should not be built around our fiscal priorities**, but around our need to protect freedom for Americans. Our allies around the world depend on our commitment to freedom.

The recently published *Defense Strategic Guidance* would have to be tossed aside and an entirely new strategy built around limited resources. **We would be forced to reevaluate our defense priorities and strategy.**