

Report of the Task Force on

# A Unified Security Budget for the United States, 2007

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## **PRINCIPAL AUTHORS**

Lawrence Korb, Center for American Progress/ Center for Defense Information  
Miriam Pemberton, Foreign Policy In Focus

## **TASK FORCE ON A UNIFIED SECURITY BUDGET FOR THE UNITED STATES**

Joseph Cirincione, Center for American Progress  
Carl Conetta, Project on Defense Alternatives  
Anita Dancs, National Priorities Project  
Lt. Gen. Robert Gard (ret.)  
John Gershman, Foreign Policy In Focus  
Andrew Grotto, Center for American Progress  
William Hartung, World Policy Institute  
Christopher Hellman, Center for Arms Control and Nonproliferation  
Lorelei Kelly, Stimson Center  
Don Kraus, Citizens for Global Solutions  
Anuradha Mittal, Oakland Institute  
Sonal Shah, Goldman Sachs  
Col. Dan Smith, U.S. Army (ret.), Friends Committee on National Legislation  
Winslow Wheeler, Center for Defense Information  
Cindy Williams, Massachusetts Institute of Technology  
John Zavales, Cuny Center

*Organizational affiliations for identification purposes only. The members of the Task Force support the thrust of this report without necessarily endorsing each program proposal within it.*

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The Security Policy Working Group (SPWG) is comprised of leading defense and security policy researchers, analysts and nongovernmental organizations that seek to reshape and expand the public and policy discourse on what constitutes true security in a post-9/11 world. Several of the report's endorsers are SPWG members. [www.proteusfund.org/spwg](http://www.proteusfund.org/spwg)

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# **A Unified Security Budget for the United States, 2007**

**May 2006**

**Foreign Policy In Focus  
A Project of the Institute for Public Policy Studies  
and the International Relations Center  
1111 16th Street, NW, Suite 600  
Washington, DC 20036  
202.234.9382**

**Center for Defense Information  
1779 Massachusetts Avenue, NW, Suite 615  
Washington, DC 20036  
202.332.0600**



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# I. Executive Summary

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**A**s it is portrayed in the Bush administration's new National Security Strategy doctrine, our military is a co-equal partner with our diplomatic corps, our development agency and our homeland security department. The text speaks of pursuing national security by championing aspirations for human dignity, strengthening alliances, defusing regional conflicts, and expanding development. In the section on "key national security institutions," the Department of Defense (DOD) is third on the list.

This portrayal is possible because the document makes no mention of budgets. Even excluding what we will spend this year on the wars we are actually fighting, our regular military budget will absorb six times the money we will spend on all non-military security tools—including diplomacy, foreign aid, nonproliferation, and homeland security—put together. When war spending is included, the gap jumps to more than eight to one.

The rhetoric of our national security strategy needs to be connected to its budgetary reality. To this end, this task force of security experts recommends that the federal budget documents presented to Congress include a Unified Security Budget (USB) drawing together in one place all the categories of national security spending, including tools for:

- Offense (primarily our military forces);
- Defense (homeland security); and
- Prevention (primarily international affairs including diplomacy, nonproliferation and foreign aid).

This would provide members of Congress and others with the kind of macro-level comprehensive view that they need in order to make effective decisions concerning our national security priorities.

Voices from across the political spectrum have begun to question the current balance of our security dollars. One of neo-conservatism's leading theorists, Francis Fukuyama, has now declared that his movement's problem lies principally with its over-militarized approach to achieving its foreign policy ends. He writes of the enormous "structural imbalance" in global power derived from U.S. "defense spending nearly equal to that of the rest of the world combined." The principal solution, in his view: "we need to demilitarize what we have been calling the global war on terrorism and shift to other types of policy instruments."<sup>1</sup>

This report shows how this can be done. It identifies nearly \$62 billion in cuts to the regular defense budget mostly to weapons systems that have scant relevance to the threats we face, and therefore can be eliminated or scaled back with no sacrifice to our security because the war in Iraq is funded by supplemental appropriations. And it identifies \$52 billion to be added to the budgets for the tools of defense and prevention. This shift would partially demilitarize our national security strategy by turning the current six-to-one military-to-non-military balance into a better balance of three to one. That is, it would double the proportional amount our government devotes to its non-military security tools. It would bring our spending more in line with the rhetoric of the president's own national security strategy.

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<sup>1</sup> Fukuyama, Francis, "After Neoconservatism," *The New York Times Magazine*, Feb. 19, 2006.

**Key finding:** The recent flare-up of concern over foreign management of U.S. ports creates an opening for the real issues of port security to be given the attention they deserve. Though the Central Intelligence Agency (CIA) has concluded that weapons of mass destruction are most likely to enter the United States by sea, we will spend four times more deploying a missile defense system that has failed most of its tests than we will spend on port security.

**Key finding:** Hurricane Katrina displayed how under-prepared the United States is for protecting critical domestic infrastructure and mitigating the effects of a catastrophic event. Yet remarkably, the administration's budget decreases funds to cities and states for critical infrastructure protection and first responders by 26 percent.

**Key finding:** The Sept. 11 commission concluded that "preventing terrorists from gaining access to weapons of mass destruction must be elevated above all other problems of national security." The Bush administration's budget for threat reduction and nonproliferation, at approximately \$1.3 billion, falls far short of this standard.

**Key finding:** One benchmark for improvement cited in last year's version of this report has been met. The administration's budget request funds the account for Diplomatic and Consular Affairs slightly higher than its account for Foreign Military Financing. However, total foreign military assistance—more than \$8 billion—outstrips the combined totals for diplomatic affairs and Embassy security, construction and maintenance, at \$6.2 billion.

**Key finding:** Favoring its own programs over collective approaches that coordinate the work of international donors, the administration has cut its contribution to the Global Fund for AIDS, Tuberculosis and Malaria, while increasing funding for the President's Emergency Plan for AIDS Relief (PEPFAR). Yet the Global Fund delivers assistance to eight times as many countries, including those with the fastest-rising infection rates. PEPFAR also prohibits the use of generic drugs, which means that fewer people will be treated, at higher cost.

**Key finding:** In one of the rare points of consensus at the UN World Summit in September 2005, member states supported the establishment of a UN Peacebuilding Commission to devise strategies for post-conflict situations, including coordinating the work of international actors and supporting the country's own recovery planning. The Bush administration expressed support for the concept, but did not include any money for it in this year's budget request. The Task Force recommends an initial voluntary contribution of \$500 million.



## II. Introduction

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Ever since the attacks of Sept. 11, 2001, security has consistently polled at the top of the American public's list of concerns. Reasons for concern include terrorism, the spread of nuclear and biological weapons, and global contagious diseases such as avian flu. Despite the enduring presence of "United We Stand" signs on American bumper stickers and billboards, however, there is no unity about how greater security is to be achieved. Most divisive of all is the invasion and ongoing occupation of Iraq, which the administration has defined as the centerpiece of its war on terrorism, ignoring the fact that its invasion made it a central front.

The closest Americans have come to a bipartisan consensus on strengthening U.S. national security has been their widespread admiration for the Sept. 11 commission and its best-selling book of recommendations. The commission recommended "a preventive strategy that is as much, or more, political as it is military," and admonished the President and the Congress to fund the "full range" of non-military as well as military security tools.<sup>2</sup>

Unlike most commissions, this one persisted in tracking the implementation phase. This past December, a subgroup of the commission issued its final report card, assigning a collection of dismal grades. The *National Journal* analyzed the common threads in the cited reasons for failure, and found mostly issues of process: number one, "a Congress resistant to institutional change." Congress had for example rejected the commission's proposal to give a single bicameral committee the power to fund the intelligence budget. Too many congressmen, in charge of too many committees, according to this analysis, saw such a change as a threat to their power.<sup>3</sup>

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<sup>2</sup> *Final Report of the National Commission on Terrorist Attacks Upon the United States*, pp.363-364 (W.W. Norton and Company, 2004).

<sup>3</sup> Harris, Shane and Greta Wodele, "Miles to Go," *National Journal*, Jan. 14, 2006, p.19.

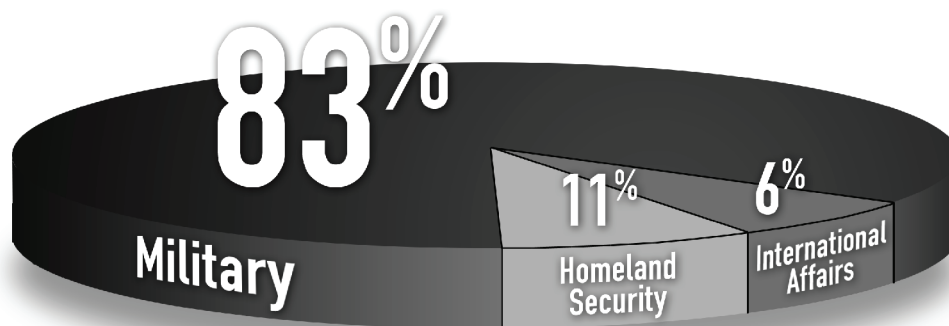
The mismatch between House and Senate subcommittees only serves to further complicate an already inefficient legislative process. And it does nothing to limit Congress' ability to burden national security appropriations bills with spending for special interest projects that do not advance national security. Two years ago our task force of security experts identified one possible catalyst for change: a Unified Security Budget pulling together all the spending categories comprising the "full range" of military and non-military security tools:

- Offense (primarily our military forces);
- Defense (homeland security); and
- Prevention (primarily international affairs including diplomacy, nonproliferation and foreign aid).

This budget would give Congress a look at the big picture, and provide the basis for a better debate over this nation's security priorities. It would be a tool of decision-making about cost-effective trade-offs across agency lines. For example, the administration's budget allocates more money to the deployment of national missile defense interceptors than to the Coast Guard's entire budget. Security experts agree that among the possible forms of a terrorist attack with a weapon of mass destruction on the United States, the ballistic missile is the least likely. Among the most likely is through cargo coming into our ports. A Congress seriously examining our overall security priorities should consider whether the money going to deploy interceptors that have shown little sign of working might be better spent strengthening port security. A Unified Security Budget would facilitate that discussion.

We offer here, with the help of an expanded task force, our third iteration of the proposal.

Chart 1: Breakdown of National Security Spending



### Key Developments in Security Spending

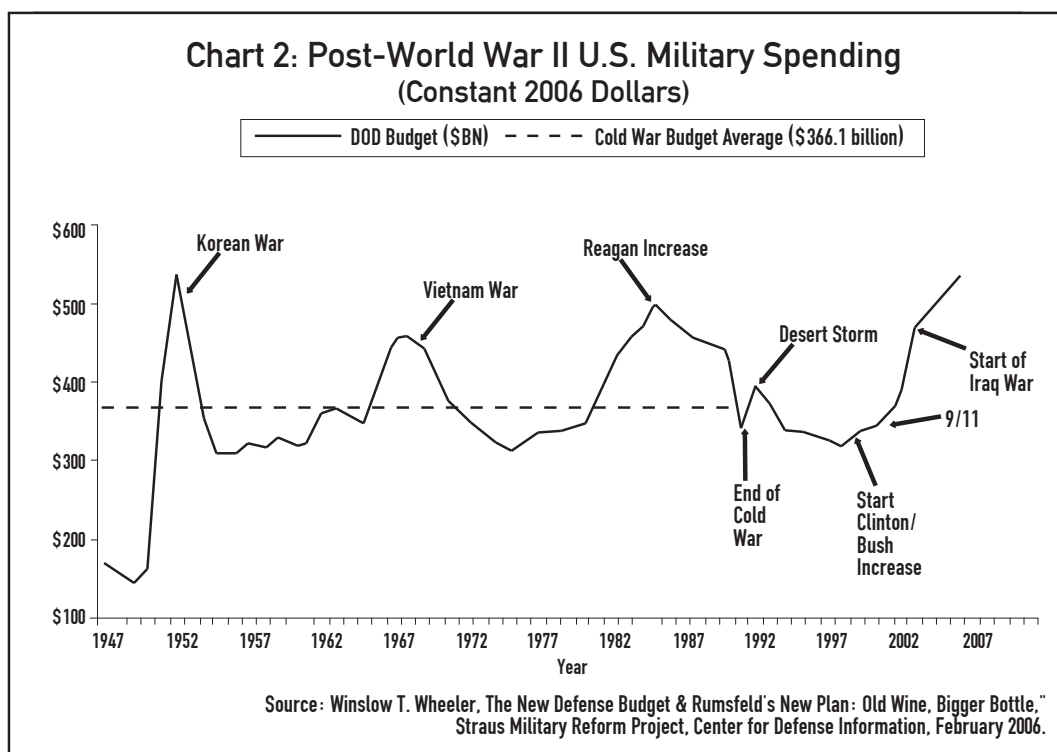
The President submitted a budget that increases spending for non-military as well as military tools. While domestic discretionary spending is cut nearly across the board, international affairs and homeland security and the military all receive spending increases. Indeed, while in absolute terms the increase in spending on offense greatly exceeds the increases to defense and prevention, proportionally the gap has narrowed: last year the proportion of military to non-military tools was 7:1; this year it is 6:1. Yet this is the first budget request since the Sept. 11 attacks in which homeland security received a smaller percentage increase than the Pentagon.

Recent history also suggests that some of these increases are more likely to survive the appropriations process than others. While many weapons systems are protected by a web of subcontracts carefully laid across as many congressional districts as possible, diplomacy, foreign aid and the institutions of international cooperation enjoy no such protections. When Congress finally settled its fiscal affairs for 2006, the international affairs budget had been cut by \$2.3 billion below the request level, with Diplomatic and Consular Programs and Contributions to International Organizations taking especially big hits. The administration accepted these cuts with little resistance and no veto threats.

More importantly, the increases in the budget request leave in place the central fact about this president's foreign affairs spending portfolio: it remains overwhelmingly dominated by a military approach to security. Eighty-three percent of its resources are allocated to the military; about 11 percent to homeland security; and about 6 percent to international affairs.

Moreover, the administration has planned a trajectory for spending in future years that will widen the gap: following a modest dip through fiscal year (FY) 2008, the defense budget will rise by more than \$50 billion through 2011. The budget for non-military security tools, however, stays largely constant during this period.

This trajectory is both unwise and unsustainable. It is unwise because it fails to invest enough in the non-military components of U.S. national security strategy that are essential to fight and prevent terrorism, prevent the spread of nuclear and biological weapons, stabilize weak and failing states, among other key priorities. It is unsustainable because the nation faces record budget deficits. The United States simply cannot afford to waste increasingly scarce taxpayer dollars on unnecessary and underperforming components of American military forces at the expense of the nation's non-military national security tools.



## The Preview Was Different...

In their rhetoric, the Bush administration seems to recognize this reality. In late December, Defense Department officials held briefings for military contractors warning them to brace for cuts to major weapons systems. The Boeing CEO spoke nostalgically about the Pentagon budget as “a great ride for the last five years.”<sup>4</sup>

The budget that DOD released just one month later, in tandem with the four-year blueprint for defense strategy and planning, the Quadrennial Defense Review (QDR) tells a different story. While the QDR speaks in broad and ambitious terms about refocusing defense strategy on unconventional threats, it cuts no major conventional systems; this “transformational” plan continues to include all three new short-range fighter jets, although no challenge to U.S. air superiority is being mounted by anyone, including China. And these weapons that deal with threats from a bygone era continue to absorb the lion’s share of the procurement budget.

<sup>4</sup> Wayne, Leslie, “Defense contractors anticipate hits,” *New York Times*, Dec. 27, 2005.

The result is a budget that at \$439 billion has increased by approximately 27 percent in real terms since Sept. 11. This figure does not include \$21.8 billion for Energy Department spending on nuclear weapons activities. Nor does it include spending on the wars we are actually fighting. When these costs are added in, military spending for the coming year will exceed \$600 billion—a figure that would exceed both the heights of the Reagan military buildup and the Vietnam War, in inflation-adjusted terms.<sup>5</sup>

## Trend Unsustainable

This trend cannot be sustained. The United States now has an annual budget deficit of \$427 billion just five years after the country ran a surplus. Congress has just voted to raise the debt ceiling for the fourth time in five years. In the past five

<sup>5</sup> By including, for example, estimates of the long-term costs of health care for soldiers wounded in Iraq, increased costs of recruitment and depreciation of military equipment, a study by Harvard lecturer Linda Bilmes and Nobel Prize winning economist Joseph Stiglitz estimates the true costs of the war at between \$1 trillion and \$2 trillion. See “The Economic Costs of the Iraq War: An Appraisal Three Years After the Beginnings of the Conflict,” presented at the ASSA 2006 Meetings (Jan. 6-8, 2006).

years, the Bush administration has increased the national debt by \$1.1 trillion. This means that more of our budget is going to pay the interest on that debt every year—an estimated \$220 billion in this fiscal year alone.<sup>6</sup> Foreign governments such as China are financing this debt.

Senate testimony from the Government Accountability Office (GAO) in November 2005 described the “vast difference between DOD’s budgeting plans and the reality of the cost of its systems,” and the enduring failure of the department to correct the conditions of “fraud, waste, abuse and mismanagement” in the acquisitions process.<sup>7</sup>

In December, the independent Center for Strategic and Budgetary Assessments (CSBA) analyzed Congressional Budget Office (CBO) estimates of the long-term implications of this failure. CSBA concluded that funding the current defense plan may cost \$735 billion more over the next 10 years than the budget projects. Adding in the interest costs of \$185 billion on this debt, and the gap between these projections and actual costs would amount to an estimated \$920 billion.<sup>8</sup> CSBA’s Steven Kosiak noted one possible solution to this budgetary train wreck: the QDR might narrow the gap by scaling down the defense plan. This didn’t happen; numerous budget analysts called

<sup>6</sup> “When \$8 Trillion Isn’t Enough,” *Washington Post*, March 15, 2006.

<sup>7</sup> Statement of Katherine V. Schinasi, managing director, Acquisition and Sourcing Management, before the Senate subcommittee on Airland, Committee on Armed Services, “DOD Acquisition Outcomes: A Case for Change,” GAO-06-257T, Nov. 15, 2005, available at: <http://www.gao.gov/new.items/d06257t.pdf>.

<sup>8</sup> Kosiak, Steven, “Cost Growth in Defense Plans: Wars in Iraq and Afghanistan Could Add Some \$900 Billion to Projected Deficits,” Center for Strategic and Budgetary Assessments, Dec. 23, 2005.

attention to the failure of even the 7 percent increase in nominal military spending to cover the cost of the plan laid out by the QDR.

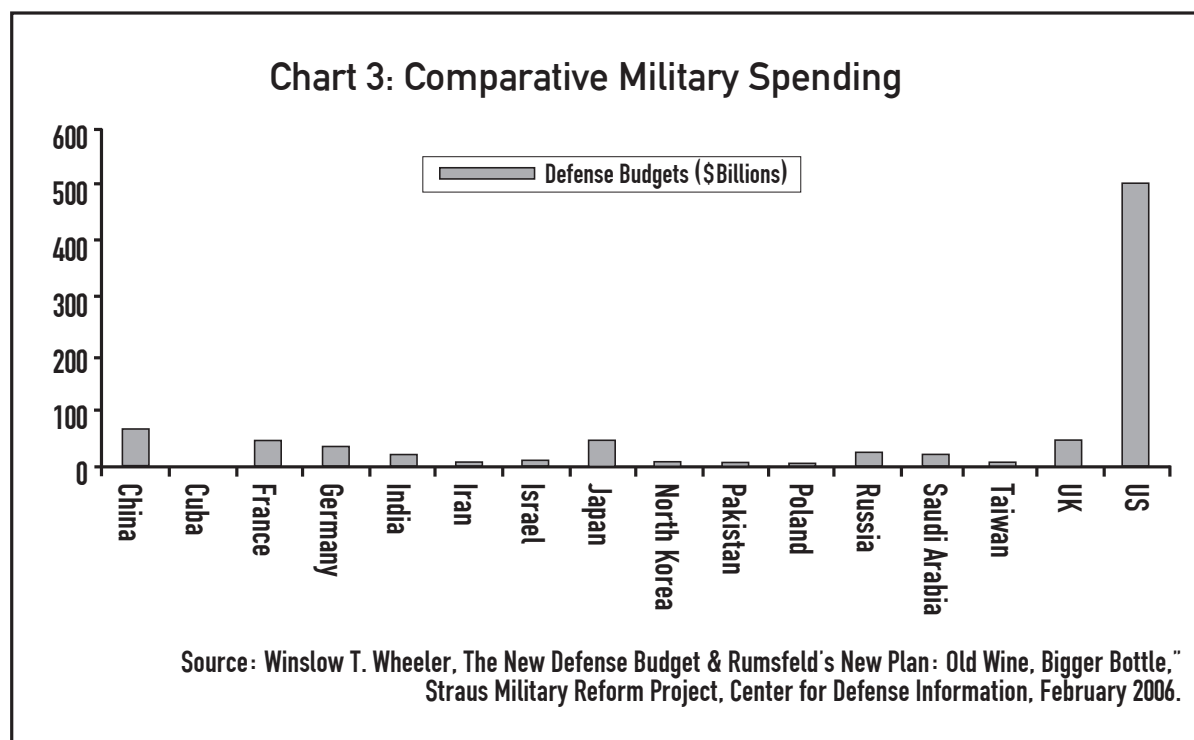
## **Military Power Projection and Security**

The United States needs its military to deter threats and defeat its military adversaries. But the overwhelming majority of the threats facing the country today do not have military solutions. Countering these threats instead requires the United States to marshal the non-military components of the country’s national security toolkit. For instance, while the United States must have the military capability to destroy terrorist training camps, military power will not erode the appeal of terrorism, roll back financial support for terrorists, or deny terrorists access to fissile materials for use in nuclear weapons, or win the war of ideas against the radical jihadists.

Unveiling his department’s budget in early February, Defense Secretary Rumsfeld argued that the increases are necessary to avoid losing superiority over other military powers. The danger of that may be judged by comparing U.S. spending to other powers (see chart 3).

The question is whether the current mix of military and non-military spending makes the best use of taxpayer dollars to make the U.S. and the world more secure. This study argues that it does not.

In particular, this study finds that the DOD’s dogged pursuit of several unnecessary and/or underperforming weapons systems imposes a severe opportunity cost on funding for the non-military tools that the Sept. 11 commission



identified as critical to the security of the country.

There is also evidence that some uses of U.S. military power projection have made us less safe. In February 2005, the administration's newly appointed CIA Director Porter Goss reported to Congress on the result of the United States' first exercise of its doctrine of preventive war. "Islamic extremists are exploiting the Iraqi conflict to recruit new anti-U.S. jihadists," he said, and those "who survive will leave Iraq experienced and focused on acts of urban terrorism."<sup>9</sup>

The United States' resort to war in defiance of most of the rest of the world has created anti-American sentiment of historically unprecedented scope and intensity. According to Daniel Benjamin and Steven Simon, National Security Council counterterrorism experts

<sup>9</sup> Hearing before the Senate Intelligence Committee, Feb. 16, 2005.

during William Clinton's administration, our resultant political isolation has obstructed our ability to catalyze international cooperation in law enforcement and intelligence cooperation based on unified, shared commitments to combat terrorism.<sup>10</sup>

<sup>10</sup> Benjamin, Daniel and Steven Simon, *The Next Attack: The Failure of the War on Terror and a Strategy for Getting It Right* (Times Books, 2005). Hereafter, "Benjamin and Simon, *The Next Attack*."



### III. A Rebalanced and Unified Security Budget

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In his State of the Union message this year, the president opposed isolationism as the road to “danger and decline.” The members of this task force agree.

The question is not whether to engage the world, but how. We recommend a rebalancing of our security portfolio to put more emphasis on non-military security tools.

A key factor behind the mismatch between resources and threats is that there is no single budget for national security. Each of the many federal agencies that bear some responsibility for protecting the American people—the departments of State, Defense, Homeland Security, and Treasury—prepares its own budget according to its own assessment of its requirements, in light of the threats and opportunities it perceives. As a result, it is enormously challenging for lawmakers to scrutinize spending requests to identify tradeoffs across programs and identify critical resource gaps and imbalances.

This report is an attempt to remedy this defect.

The budget proposed below is based on the assessment that in order to meet future security requirements the United States must implement a fundamental shift in how it allocates resources. The proposal identifies nearly \$62 billion worth of unnecessary or unproductive spending in the Department of Defense. There is never any justification for wasting taxpayer dollars; at a time of mounting budget deficits and unprecedented security challenges, however, wasteful defense spending is reckless and unpatriotic. The report identifies major gaps in national security spending, and recommends redirecting \$52 billion towards closing these gaps. This modest change to a \$461 billion military budget would shift the balance of

military and non-military tools from the current ratio of 6:1 to 3:1. That is, it would double the proportional amount that our government devotes to its non-military security tools.

As in last year’s version of this report, the programmatic changes outlined in our security portfolio do not quite present a zero sum equation. By leaving a small remainder—this year about \$9 billion—the task force intends to acknowledge a number of other critical national priorities. The soaring budget deficit is one. The domestic discretionary budget is another. The programs in this budget cross the spectrum of public services that Americans depend on to safeguard their way of life, including education, environmental protection, transportation, veterans’ health care, medical research, law enforcement, and food and drug safety inspection. Cuts in the FY 07 budget to these programs include a 7 percent cut to the Environmental Protection Agency and a 14 percent cut in environmental protection spending to state and local governments, a \$200 million reduction in nutritional assistance to women, infants and children, and a 9 percent cut in the Department of Education’s budget.

Last year this list of alternative domestic priorities included funding for alternative energy sources. This year’s report reflects a new strong, bipartisan consensus that an energy transition is one of our security imperatives. Funding for this priority has therefore been incorporated into our framework for a rebalanced security portfolio.

With this realignment of resources, this Unified Security Budget reflects a set of priorities that more closely resemble the “comprehensive” approach to security that we need. The remainder of this report documents the case for these priorities.

**Chart 4: Military and Nonmilitary Security Funding**

	Administration's FY07 Request	Task Force's Proposed Change
<b>National Defense (050 budget account)</b>	463	
plus 150 account international security assistance	8	
less non-military homeland security	[8]	
less DOD and DOE nonproliferation	[1]	
<b>"MILITARY SECURITY" TOTAL</b>	<b>\$462</b>	<b>\$402</b>
<b>INTERNATIONAL AFFAIRS (150 BUDGET ACCOUNT)</b>	35	
plus DOD and DOE nonproliferation	1	
less 150 account international security assistance	[8]	
<b>Homeland Security</b>	58	
less military functions	[13]	
<b>NONMILITARY SECURITY TOTAL</b>	<b>\$72</b>	<b>\$122</b>
<b>RATIO OF MILITARY TO NONMILITARY SECURITY FUNDING</b>	<b>6:1</b>	<b>3:1</b>

*Figures given in rounded billions.*

The categories of spending compared in this report—offense, defense and prevention—are mostly consistent with the budget categories of National Defense, Homeland Security and International Affairs. These categories serve roughly but not exactly to distinguish spending on military vs. non-military security tools. It is not possible to draw this distinction perfectly; as in the previous (2005) edition of this report, however, we include this chart to make it clearer. While this exercise could be done in finer detail, the principal shifts involve moving spending on non-military nonproliferation programs to the non-military side of the ledger, and moving military security assistance and military homeland security spending to the military side.

## Realigning Forces

The speed with which our military was able to depose the Taliban and Saddam Hussein regimes demonstrates that the United States is capable of using its conventional military forces globally and rapidly. But these conflicts have stretched the U.S. military, particularly U.S. ground forces, to its breaking point. As a result, the United States is currently unprepared to rapidly and decisively respond to unforeseen, additional threats against the homeland or abroad.

The United States faces a diversity of threats to its national security, including terrorists with global reach, extreme regimes such as Iran and North Korea, and the potential spread of nuclear, biological, or chemical weapons. These

threats cannot be ignored, and military options are extremely limited. These threats must be addressed first by diplomatic means.

According to the most reliable estimates, the United States spends twenty-two times more on its military than Russia and more than seven times that of China.<sup>11</sup> These countries are modernizing

<sup>11</sup> There is an extensive debate over what China's actual military spending is, in part because the Chinese military gains revenue from off-budget sources such as businesses and because the budgetary process is not wholly transparent. This can complicate comparisons between U.S. and Chinese military spending. (There are some parallels on the U.S. side, since a sizable amount of U.S. military spending comes from supplemental appropriations which are not counted as part of the budget authority of the Pentagon.) Nevertheless, even the most reliable estimates



their militaries, but show no desire to match U.S. conventional military power. Even if one of these countries wanted to match U.S. conventional power, it is by no means certain that it could—at a minimum, it would take a decade or more of significantly higher defense spending just to match U.S. defense budgets, not to mention the difficulty of closing the technological gap with the United States.

Nevertheless, the U.S. national security budget is dominated by weapons systems designed to fight a military peer, and fails to devote sufficient resources to the capabilities that are essential to countering 21<sup>st</sup> century threats. Although the 2006 Quadrennial Defense Review delineates that the two highest priorities for the military are defeating terrorist networks and defending the homeland,<sup>12</sup> at least \$22 billion of the current defense budget goes for research, development or procurement of weapons systems that are better designed to defeat a military peer competitor rather than conduct operations against terrorist organizations and extreme regimes. According to Rep. Ike Skelton, D-Mo., ranking member of the House Armed Services Committee, the price tag for the Pentagon's top five procurement programs

grew 46 percent over the last four years.<sup>13</sup> These weapons, although technologically advanced, are excessive and uneconomical for the task at hand, or grossly underperforming to a degree that they are unlikely to be effective in combat.

By contrast, it is clear from more than four years of experience in Afghanistan and nearly three years of experience in Iraq that the United States lacks adequate personnel, organizational structure, and expertise to wage a counterinsurgency campaign, extended peacekeeping, or post-conflict reconstruction. The effectiveness with which the Iraqi insurgency has hampered stability operations illustrates that the enemy will exploit this weaknesses to his advantage to discredit U.S. intentions and military image worldwide. Restructuring our force in a manner more responsive to small- and medium-scale interventions and equipping them with weapons and training relevant to counterterrorism, peacekeeping, counterinsurgency, and stability operations will prepare our forces for the challenges that lie ahead.

The United States must restructure the force to deal with 21<sup>st</sup> century threats. It must:

- eliminate or scale back poorly performing or economically inefficient weapons systems;
- restructure the size and composition of force in a manner relevant to current operational demands, and adjust personnel policies to sustain the readiness of the all-volunteer military;
- control spending for earmarks and manage the weapons systems acquisition process more effectively; and
- reduce the escalating spending on research, development, test and evaluation (RDT&E) to historical levels.

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of Chinese military spending show that U.S. military spending is many times greater than Chinese spending. For example, the RAND Corporation estimates that China's defense spending is between 2.3 and 2.8 percent of the nation's Gross Domestic Product. This is 40 to 70 percent higher than official Chinese government figures. The RAND study estimates that the purchasing power of current Chinese military spending runs between \$69 billion and \$78 billion in 2001 dollars. By comparison, U.S. defense spending was 3.9 percent of GDP in 2004, amounting to nearly \$430 billion in 2001 dollars. It will take awhile before China even comes close to spending half of what the U.S. does. The RAND study projects that Chinese military spending could reach \$185 billion in 2001 dollars in 2025. This amounts to more than 40 percent of *current* U.S. defense spending. See Keith Crane et al, *Modernizing China's Military: Opportunities and Constraints* (Santa Monica, CA: RAND Corporation, 2005).

<sup>12</sup> "2006 Quadrennial Defense Review Report", Department of Defense, Feb. 6, 2006, pg 3.

<sup>13</sup> "House Panel to Seek Changes in Pentagon Procurement," *CongressDailyPM*, March 29, 2006.

## Neglected Security Tools

As the costs of its “preventive war” in Iraq mount – in dollars, lives, and in spurring the growth of terrorism – the Bush administration has now begun speaking in terms of “transformative diplomacy.” For the moment at least, this has meant expressing a willingness to negotiate rather than use military force to address threats of nuclear proliferation in Iran and North Korea. But so far, the administration hasn’t backed up its rhetoric with resources: the gap between spending on diplomacy, foreign assistance, and other non-military tools of security and the nation’s \$461 billion regular military budget is continuing to increase. Increased investments in non-military tools of foreign policy are urgently needed.

This view is now finding new proponents across the political spectrum. Even some conservative evangelicals have begun calling for increases in foreign aid, increased U.S. support for international peacekeeping forces in Darfur, and an alternative energy policy that breaks the stranglehold of repressive regimes over U.S. foreign policy.

And one of neo-conservatism’s leading theorists, Francis Fukuyama notes that the movement’s problem lies principally with its over-militarized approach to achieving its foreign policy ends. He writes of the enormous “structural imbalance” in global power derived from U.S. “defense spending nearly equal to that of the rest of the world combined.” The principal solution, he says: “*we need to demilitarize what we have been calling the global war on terrorism and shift to other types of policy instruments.*”<sup>14</sup>

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<sup>14</sup> Fukuyama, Francis, “After Neoconservatism,” *The New York Times Magazine*, Feb. 19, 2006, pp.62-67 (emphasis added).

Our Unified Security Budget (USB) provides a blueprint for such a shift, putting new emphasis on cost-effective preventive medicine reducing the need for expensive military cures. As the examples that follow will show, the USB provides a comprehensive approach to the process of budgeting for national security. From securing our ports, to protecting chemical and nuclear plants, to investing in effective foreign assistance, to spending what is needed to secure “loose nukes” as quickly as possible, there are numerous non-military investments that will make us far more secure than primarily relying on military force as the tool for protecting the United States and its allies around the world.

These investments fall into two categories: conflict prevention and homeland defense.

## Conflict Prevention

Despite a great deal of rhetoric pouring forth from the administration on the virtues of **international cooperation**, there has not been much concrete action during the past year to bridge the deep divide between the United States and the rest of the world. The damage done by the administration’s disregard of the post-World War II architecture of universally-binding treaties, norms and institutions to prevent conflict and deter aggression, has not been repaired. There is no progress to report on a reengagement with the International Criminal Court, the Chemical Weapons Convention, the Treaty to Ban Landmines, the Comprehensive Test Ban Treaty, or a verifiable Fissile Materials Cutoff Treaty, to name a few. There is continued stonewalling on the global negotiations on climate change, despite the surge of evidence during the past year arguing for the urgency of doing so. The security problems arising from

droughts, food shortages and disease that are forecast if the international community (and in particular the world's leading carbon producer) fails to act quickly to forestall further global warming, make our current problems look like the proverbial walk in the park.

Leading up to the June-July 2006 United Nations review conference on curbing trade in small arms and light weapons, the administration has indicated support for a few positive proposals: the implementation of a new international instrument, adopted in 2005, for marking and tracing these weapons; and a Transfer Control Initiative to create international guidelines for small arms transfers. Yet the United States continues to oppose any legally-binding measures or limits on civilian ownership, legal trade, or transfers to non-state actors.<sup>15</sup>

The continued U.S. opposition to its fellow nations in one international forum after another has obstructed its ability to form cooperative arrangements in law enforcement and intelligence sharing to fight terrorism. This both prevents the United States from identifying and capturing terrorists as effectively as possible, and from sharing the financial burden of doing so.

**Diplomacy** is, or ought to be, the principal governmental instrument of U.S. engagement with the world in general, and of conflict prevention in particular. Unfortunately, because of the current imbalance in spending, the military's regional combatant commanders, or COCOMs, have assumed a larger role since the Cold War ended; in some cases, they've assumed the dominant position in negotiations with other nations, relegating the civilian authorities in our

<sup>15</sup> Affolter, Chris, "Small Arms Talks Hamstrung," *Arms Control Today*, March 2006.

embassies to a subordinate role. Revitalizing diplomacy requires restoring U.S. diplomats to their role as the primary points of contact and agents of the nation's foreign policy by providing them with the appropriate resources.

In addition to saving lives, diplomacy also saves vast sums of money relative to military operations. As a task force member and MIT Security Studies scholar, Cindy Williams points out, the State Department's entire budget for 2006 is absorbed by less than two months of military operations in Iraq and Afghanistan. Preventing conflict can also save vast sums that must otherwise be spent trying to put functioning societies back together after the conflict is, or appears to be, over. She notes that the United States spent more in 2004 on reconstruction in Iraq than it spent on economic assistance for all other countries combined.<sup>16</sup> And of course, the ongoing and escalating violence has prevented most of that reconstruction money from fulfilling its purposes. A July 2005 study of the situation by the GAO concluded that Iraqi infrastructure was in worse shape than before the war.<sup>17</sup>

It is through U.S. support of **economic development assistance** that the United States shows its commitment to making the world's economic benefits more equitably shared. Currently 14 percent of the world's population, in only 10 countries, consumes 75 percent of the world's GDP. More than 50 countries are poorer today than they were in 1990.<sup>18</sup>

<sup>16</sup> "Beyond Preemption and Preventive War: Increasing U.S. Budget Emphasis on Conflict Prevention," Policy Analysis Brief, The Stanley Foundation, February 2006, p.3.

<sup>17</sup> "Rebuilding Iraq: Status of Funding and Reconstruction Efforts," Government Accountability Office, GAO-05-876, July 2005, available at: <http://www.gao.gov/new.items/d05876.pdf>.

<sup>18</sup> "Global Equity: An Action Plan for Global Economic Opportunity," in *Progressive Priorities: An Action*

While the United States spends more on foreign aid than any other nation, as a share of its economy, the nation spends proportionally less than half the average of the countries of Europe, and near the bottom of the world's major donors.<sup>19</sup>

One-third of this spending, moreover, goes for military aid, mostly underwriting the purchase of U.S. weapons. Generous U.S. support for the victims of last year's tsunami measurably, if temporarily, raised U.S. approval ratings around the world, particularly in Indonesia, the world's most populous Muslim country.

In February, a *New York Times* reporter interviewed the CEO of a textile plant in Pakistan. The interview subject pegged the political extremism in Pakistan to the 1979 Russian invasion of Afghanistan, and the U.S. response of arming the insurgency, which, he said, turned Pakistan into a front-line state and the home of growing numbers of fundamentalist jihadists. The income gap in the country is huge, also feeding these radical movements; the worker "can't fathom why Americans aren't working on the economic conditions that breed discontent," by, among other things, leveling the playing field for trade. "We don't need more of your F-16s," the textile worker said. "What we need is trade in textiles."<sup>20</sup>

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*Agenda for America*, p.183 (Center for American Progress, 2005).

<sup>19</sup> Williams, Cindy, "Beyond Preemption and Preventive War," Policy Analysis Brief, The Stanley Foundation, February, 2006, p.6.

<sup>20</sup> Cooper, Helene, "For Pakistan, American Aid is All Guns, No Butter," *Editorial Observer*, Feb. 16, 2006.

**Nonproliferation:** By sealing its nuclear deal with India, the Bush administration has seriously weakened the nuclear Nonproliferation Treaty (NPT), the key piece of the interlocking set of treaties and institutions that form the global nonproliferation regime.

None of the task force's recommendations from last year for strengthening this regime, moreover, have been met. They were, and are:

- Significantly expand the budget for U.S. government efforts to work with Russia and other countries to secure vulnerable nuclear weapons, materials and expertise around the world. Though President Bush has recognized nuclear weapons in the hands of a terrorist enemy or rogue regime as the top security threat, he nonetheless proposes cutting the government-wide budget for this work by 0.8 percent in FY 07—including a 10.4 percent cut for DOD's efforts. This lack of urgency is behind the Sept. 11 Public Discourse Project's decision to assign the United States a "D" grade on the issue of "maximum effort by U.S. government to secure WMD [weapons of mass destruction]."<sup>21</sup> The FY 07 funding request for Cooperative Threat Reduction (CTR) within the Defense Department is 10.4 percent below what Congress approved last year (\$415.5 million vs. \$372.1 million).

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<sup>21</sup> "Final Report on 9/11 Commission Recommendations," Sept. 11 Public Discourse Project, Dec. 5, 2005, available at: [www.9-11pdp.org](http://www.9-11pdp.org).

- Strengthen the norms against proliferation through multilateral regimes. Rather than undermining the NPT, the United States should ratify an IAEA Additional Protocol permitting more rigorous inspections, asking for assurances that all states implement full-scope IAEA safeguards agreements, and increasing its funding for the agency. And the Congress must ratify the Comprehensive Test Ban Treaty, which will create a more powerful nonproliferation tool through its intrusive verification regime.
- Concentrate on more effective implementation of the Chemical Weapons Convention, including an improved inspection system; resume participation in meetings to develop a biological weapons protocol; and strengthen verification and enforcement obligations under the Biological Weapons Convention.
- Support the UN plan of action to control small arms and the NGO-initiated “Control Arms” treaty proposal, ratify the Anti-Personnel Landmine Treaty, and ratify the Rome Treaty establishing the International Criminal Court.
- Strengthen existing export control authorities, focusing especially on regulating truly sensitive exports to hostile and unstable regimes.

This year the task force has added increased funding for **alternative energy** to its major recommendations for investments in non-military security tools. A remarkable new consensus, spanning the entire political spectrum, has

emerged this year asserting that U.S. dependence on foreign sources of oil is a major national security problem. In addition, the evidence is mounting at an alarming rate that the failure to undertake serious measures to curb greenhouse gases is on track to produce security problems of potentially catastrophic proportions. The solutions include doing whatever is necessary to make a rapid transition to alternative sources, in addition to such measures as raising fuel efficiency standards and gasoline taxes and investing in lower- and non-polluting vehicles.

## Homeland Defense

The non-military tools of defense comprise **homeland security** measures to prevent an attack on the homeland and, in the event one occurs, to mitigate its effects.

Although the budget request claims a 6 percent increase in spending for these purposes, in fact more than half of the funds are to come not from federal spending but from user fee increases to airline passengers. Meanwhile, while passengers and their carry-ons come under intense scrutiny, air cargo, with the potential to import materials with vastly more deadly effects, does not.

Hurricane Katrina displayed how under-prepared the United States is for protecting infrastructure and mitigating the effects of a catastrophic event. Yet remarkably, the administration’s budget decreases funds to cities and states for critical infrastructure protection and first responders by 26 percent.<sup>22</sup>

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<sup>22</sup> “Setting the Wrong Priorities,” Center for American Progress, February 2006, p.35, available at: [http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/2007\\_BUDGET\\_ANALYSIS.PDF](http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/2007_BUDGET_ANALYSIS.PDF).

Katrina also underscores how investments in homeland security, in contrast to spending on weapons systems, can carry multiple benefits in addition to the insurance policy they provide. Strengthening public health infrastructure, for example, will enhance quality of life, as well as the ability to deal with natural disasters, and outbreaks of infectious disease.

A more effective approach to security would rebalance the nation's portfolio of security tools to put greater emphasis on the tools of defense and prevention. Our specific proposal for doing this is laid out in the pages that follow.

## IV. Realigning the U.S. Military

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In many respects, the President's 2006 QDR accurately characterized the complex nature of today's national security environment. It correctly recognized that the United States faces a diverse array of potential military threats, including terrorists with global reach, extremist regimes, such as Iran and North Korea, and the threat posed by the spread of nuclear, biological, and chemical weapons. Additionally, as a result of these threats and a demonstrated failure to rapidly respond to crises within the U.S. borders, it rightly concludes that the Department of Defense has a vital role in homeland defense.

The president's budget, however, fails to connect the dots between recognized military threats and the military tools necessary to counter those threats. In the five years that the Bush administration has been in office, defense spending has increased 27 percent in real terms, culminating in a FY 07 budget request of \$441 billion.<sup>23</sup> When funding for nuclear weapons and related military programs at the Department of Energy (DOE) are included, the total amount of money the United States spends on national defense jumps to \$461 billion. This figure does not include any of the supplemental funding appropriated in support of the wars in Afghanistan and Iraq, approximately \$350 billion.<sup>24</sup> Moreover, the demands of protracted wars in Afghanistan and Iraq have stretched U.S. ground forces in particular to the breaking point.<sup>25</sup>

Compounding these challenges to current readiness is a defense strategy that overemphasizes Cold War-era weapons systems. The president's FY 07 budget supports funding for a series of very expensive, high-tech weapons—such as the F/A-

22 Raptor and the DD(X) Destroyer—best suited for large-scale, conventional warfare against an enemy with power comparable to that of the United States. There is no such threat in existence today and no country—not even China—will be in a position to match U.S. conventional military strength for at least a decade or more. The prevalence of such weapons systems in the defense budget represents a fundamental mismatch between the current threat environment and U.S. military requirements.

If money were no object, there would be less reason to oppose acquisition of these high-cost, cutting edge weapons systems. Considering the looming fiscal crisis facing the nation, however, the United States cannot afford wasteful spending on weapons programs poorly suited for the current threat environment. Instead, greater effort should be made to maximize the national security benefits of proven, cost-effective weapons systems, and trim or eliminate those that have consistently underperformed or that are not relevant to today's security environment.

This study finds that in order to protect the nation against 21<sup>st</sup> century threats, the United States must undertake a fundamental shift in military doctrine and budget priorities. *Specifically, the United States can make necessary improvements in U.S. national security* by better prioritizing national security spending in accordance with the threat environment. The United States should suspend the development or procurement of outdated or underperforming weapons systems, and reallocate these resources to other national security programs within the Department of Defense, Department of Homeland Security (DHS), or Department of State. The remainder may be used to bolster domestic programs, such as education and health care, or pay down the federal deficit.<sup>26</sup>

<sup>23</sup> Budget of the United State's Government FY 2007, March 1, 2006.

<sup>24</sup> "The Cost of Iraq, Afghanistan, and Enhanced Base Security since 9/11," Congressional Research Service, Oct. 7, 2005.

<sup>25</sup> "Report: Army Could Be Near Breaking Point," *Associated Press*, Jan. 24, 2006.

<sup>26</sup> Scaling down some of these programs may involve unknown cancellation costs.

### Chart 5: Military Spending

	Administration's FY07 Request	Task Force's Proposed Change
<b>MAJOR WEAPON PROGRAMS</b>		
F/A-22 Raptor fighter	2.78 <sup>1</sup>	-2 <sup>2</sup>
Virginia-class submarine	2.62 <sup>3</sup>	-2.2 <sup>4</sup>
DD(X) destroyer	3.36 <sup>5</sup>	-3.4 <sup>6</sup>
F-35 Joint Strike Fighter	5.29 <sup>7</sup>	-3.3 <sup>8</sup>
Future Combat Systems	3.75 <sup>9</sup>	-2.7 <sup>10</sup>
<b>NUCLEAR WAR AND WEAPONS OF MASS DESTRUCTION</b>		
Nuclear warheads & weapons	18 <sup>11</sup>	-13 <sup>12</sup>
Trident II nuclear missile	1.08 <sup>13</sup>	-1 <sup>14</sup>
National missile defense	10.4 <sup>15</sup>	-8 <sup>16</sup>
<b>RESEARCH AND DEVELOPMENT</b>	73.16 <sup>17</sup>	-5 <sup>18</sup>
<b>Poorly-Performing Programs</b>		
V-22 Osprey	2.29 <sup>19</sup>	-2.1 <sup>20</sup>
C-130J Airlift Aircraft	1.63 <sup>21</sup>	-1.6 <sup>22</sup>
Offensive Space-Based Weapons	7 <sup>23</sup>	-5 <sup>24</sup>
<b>MILITARY FORCES AND PERSONNEL</b>		
Air Force air wing (2)		-5.2 <sup>25</sup>
Navy carrier battle force		-2
<b>WASTE IN PROCUREMENT AND BUSINESS OPERATIONS</b>		-5 <sup>29</sup>
<b>TOTAL SAVINGS</b>		<b>-61.50</b>

Figures given in billions of dollars.

Sources:

- 1 Department of Defense FY 07 Budget Program Acquisition Costs
- 2 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 3 Department of Defense FY 07 Budget Program Acquisition Costs
- 4 Derived from the cutting the \$2.6 billion dollar cost of one vessel and adding the residual costs based on the chart from 2005.
- 5 Department of Defense FY 07 Budget Program Acquisition Costs
- 6 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 7 Department of Defense FY 07 Budget Program Acquisition Costs
- 8 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 9 Department of Defense FY 07 Budget Program Acquisition Costs
- 10 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 11 Ibid.
- 12 Ibid.
- 13 Department of Defense FY 07 Budget Program Acquisition Costs
- 14 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 15 Department of Defense FY 07 Budget Program Acquisition Costs
- 16 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 17 Ibid.
- 18 Ibid.
- 19 Department of Defense FY 07 Budget Program Acquisition Costs
- 20 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 21 Department of Defense FY 07 Budget Program Acquisition Costs
- 22 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 23 Re-aligning the US military March 21
- 24 Ibid.
- 25 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06
- 26 The Korb Report: A Realistic Defense Budget for America By Dr. Lawrence J. Korb 2-28-06



**1. NATIONAL MISSILE DEFENSE** — *CEASE FURTHER DEPLOYMENT BUT RETAIN A BASIC RESEARCH PROGRAM TO DETERMINE IF NMD IS PRACTICALLY FEASIBLE, GENERATING \$8 BILLION IN SAVINGS*

The National Missile Defense Program remains one of the more problematic and unjustifiable defense programs. Since concept development in 1983, close to \$100 billion dollars has been spent, with limited success—in tests, the system has failed in five out of 11 tests since 2004. Despite this poor record, 12 additional ground-based interceptor missiles are scheduled for deployment in 2007 and the program is forecasted to receive \$10.4 billion in funding—a \$1.7 billion increase over 2006. Retain a basic research program to determine if NMD is practically feasible, generating \$8 billion in savings.

**2. F/A 22 RAPTOR** — *SUSPEND ACQUISITION AND DIVERT A PERCENTAGE OF CURRENT FUNDING (\$2.8 BILLION) INTO REFITTING PRE-EXISTING AIRCRAFT WITH ELECTRONIC WARFARE (EW) TECHNOLOGY, GENERATING \$2 BILLION IN SAVINGS.*

The Raptor is an expensive weapon in search of operational relevance. Originally begun in 1986 to contend with an adversary of comparable air power to the United States at a project cost of \$149 million per aircraft, the Raptor has been repeatedly re-invented at ever-escalating cost. The end result, with a price-tag now at \$339 million per aircraft, is an aircraft too heavy for improved maneuverability, too large to be considered stealth, and only capable of carrying half the payload of the F-117 bomber.<sup>27</sup> Although the Air Force currently owns 63 Raptors and has received authorization for another 40, they have yet to prove their capability in combat. Suspend acquisition plans for this operationally inconsistent aircraft and divert a percentage of current funding

<sup>27</sup> “Air Force Still Needs Business Case to Support F/A-22 Quantities and Increased Capabilities,” Government Accountability Office, *GAO-05-304*, March 15, 2005, available at: <http://www.gao.gov/new.items/d05304.pdf>.

(\$2.8 billion) into refitting the F-16 or A-10 with enhanced electronic warfare (EW) technology, thereby creating \$2 billion in savings.

**3. SSN-774 VIRGINIA CLASS SUBMARINE** — *ELIMINATE PROCUREMENT OF HIGH-COST, LIMITED BENEFIT SUBMARINE AND DIVERT FUNDING TO TRANSFORMING ONE ADDITIONAL FLEET BALLISTIC MISSILE (SSBN) SUBMARINE, SAVING \$2.2 BILLION.*

The Virginia Class Submarine was designed to ensure U.S. military undersea supremacy against an advanced naval adversary. The 2006 QDR suggests that China presents such a threat; however there is little evidence to confirm such an assertion. Although the SSN-774 has been configured to fulfill multiple roles germane to current combat requirements—covert insertion and extraction of special operations personnel, tactical strike via Tomahawk Missiles—the same functions can be conducted in a more fiscally prudent manner. The Navy has recently transformed four Trident submarines (SSGN series) to conduct a similar role at a price half that of the \$2.4 billion required to purchase one SSN-774. Additionally, since conversion requires the disposal of the nuclear weapons housed within, it is a step in the right direction toward downsizing obsolete elements of our nuclear arsenal.

**4. DD(X) DESTROYER** — *CANCEL PROGRAM AND CEASE PRODUCTION PLANS SAVING \$3.4 BILLION.*

The DD(X) Destroyer is another example of an expensive weapons system in search of operational relevance. The vessel was originally designed for open ocean warfare against a major naval power. Since there is no such power today, planners have sought to justify the weapon as a platform for launching precision strikes against onshore targets. It can certainly do this, but the Navy’s Littoral Combat Ship (LCS) currently

under development can fulfill this mission at a fraction of the cost. Recent congressional testimony from the CBO and GAO indicates that the average cost estimates have risen from \$1 billion to \$3.2 billion per ship, with ship life cycle costs likely to be about double that of the DDG-51 Arleigh Burke Class Destroyer (\$4 billion vs. \$2.1 billion), and 16 times the projected cost of the LCS.

**5. V-22 OSPREY** – *TERMINATE PROCUREMENT PLANS AND DIVERT FUNDING (\$2.29 BILLION) TO ACQUISITION OF UPGRADED SUPERWHAWK (H-92) OR SUPER SEA STALLION (CH-53X), GENERATING A NET SAVINGS OF \$2.1 BILLION.*<sup>28</sup>

In 1992, then-Secretary of Defense Dick Cheney, in testimony before the Senate Armed Services Committee, called the V-22 Osprey “a program I don’t need,” and cited it as one example of how Congress forces the Pentagon “to spend money on weapons that don’t fill a vital need in these times of tight budgets and new requirements.” The Osprey is a tilt-rotor aircraft that takes off and lands like a helicopter but flies like an airplane. Despite spending \$12 billion and over two decades to develop, the aircraft is of marginal value in combat: a September 2005 report released by the Pentagon’s Office of Operational Test and Evaluation indicated that the Osprey has a demonstrated operational effectiveness only in low and medium threat environments. Given the aircraft’s shoddy performance record, excessive cost per aircraft (\$100 million) and failure to meet the “joint concept” purported in the QDR, the United States should terminate procurement plans.

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<sup>28</sup> “The Long Term Implications of Current Defense Plans and Alternatives: Summary Update for Fiscal Year 2006,” Congressional Budget Office, October 2005, p.35.

**6. C-130J TRANSPORT AIRCRAFT** – *CANCEL PRODUCTION OF THIS HIGH-COST, INEFFICIENT AND UNSAFE AIRFRAME, GENERATING \$1.6 BILLION IN SAVINGS.*

The Pentagon has never expressed a need for this costly, malfunction-plagued transport aircraft and in December 2004 proposed to cancel the Air Force’s C-130J program in FY 06 and the Marine Corp’s. version in FY 07. Nevertheless, plans are in place for the acquisition of 13 more aircraft (\$1.6 billion) in FY 07. A 2004 report by the Office of the Inspector General criticized the program, citing that the aircraft is incapable of performing its intended mission and is more costly to maintain than older C-130 models. Only two C-130J are operationally deployed and require an inordinately large maintenance support crew to keep them mission-capable. Although the Pentagon estimates that it would cost \$1.1 billion to cancel the program, the amount pales in comparison to the life-cycle maintenance and personnel costs required to keep the aircraft mission-capable.

**7. OFFENSIVE SPACE-BASED WEAPONS** – *CANCEL THIS UNPROVEN, CONTROVERSIAL AND INEFFECTIVE PROGRAM TO YIELD \$5 BILLION IN SAVINGS.*

Space-based weaponry is the offensive component of missile defense. The decision to develop and deploy space-based weaponry continues to be a high priority for the current administration. Development of such weaponry invites escalation of the global arms race to a new level that our current budget cannot withstand. Offensive military space-based technology remains in the research and development phase with an estimated \$7 billion in funding suggested in FY 07. We recommend cutting this down to \$2 billion.

Additional savings can be achieved by instituting more efficient management practices, more logical to near-term mission requirements. Specifically, the United States should:

**8. DEACTIVATE TWO ACTIVE AIR FORCE WINGS AND ONE NAVY CARRIER GROUP – DOING SO WOULD SAVE AT LEAST \$7 BILLION.**

The so-called “war on terrorism” has been waged primarily by the ground forces of the Army and Marines. In addition to the 700,000 Army soldiers and Marines on active duty, about 200,000 Army and Marine Reservists have seen action since September 11. In the 3 years our military has been in Iraq and the four and a half years in Afghanistan, the Air Force and Navy have played comparatively minor roles. There were relatively few fixed targets in Afghanistan and the intense bombing campaign in Iraq lasted but three weeks.

At the present time, the Air Force, Navy and Marine Corps have more than 5,000 tactical combat planes and 1,800 armed helicopters. It is hard to imagine a scenario that would require such large numbers of aircraft.<sup>29</sup> Therefore, two active Air Force wings and one carrier battle group can be eliminated without overburdening the remaining forces. The annual costs of operating, maintaining, and modernizing two wings and the carrier battle group amount to at least \$7 billion.

**9. CUT PENTAGON WASTE – AT LEAST \$5 BILLION WOULD BE SAVED BY ELIMINATING WASTE, INAPPROPRIATE EARMARKS, AND DUPLICATION.**

<sup>29</sup> See “Operational Support Airlift Requirements Are Not Sufficiently Justified,” Government Accountability Office, *GAO/NSIAD-00-126*, April 27, 2000, available at: <http://www.gao.gov/new.items/ns00126.pdf>. The United States could also eliminate squadrons designated for VIP transport because there are ample civilian, commercial air travel options for officials.

The Pentagon is a bureaucracy plagued by political pandering and inefficiency. Secretary Rumsfeld estimates that more than \$20 billion a year could be saved by improving procurement and business operations, and the Congressional Research Service has pointed out that the 2006 Defense Appropriations Act contained 2,847 specific examples costing more than \$9.4 billion, including money for various museums, holiday and bicentennial celebrations, and other matters unrelated to U.S. national security.<sup>30</sup> At least \$5 billion would be saved if the Pentagon streamlined its operation and the Pentagon and Congress eliminated needless earmarks (“pork”) in the defense budget.<sup>31</sup>

**10. REIGN IN THE RESEARCH, DEVELOPMENT, TEST AND EVALUATION BUDGET – TRIM \$5 BILLION IN FISCAL YEAR 2007.**

For FY 07, the Pentagon proposes spending \$73 billion on Research, Development, Test and Evaluation (RDT&E) – a 50 percent increase since FY 01. Such a large amount for developing sophisticated futuristic weapons is hard to justify in fighting the global war on terrorism.

<sup>30</sup> See “High-Risk Series: An Update,” Government Accountability Office, *GAO-05-207*, January 2005, p.56; Wheeler, Winslow, “Defense Budget Tutorial #3A: Pork: Where is it?,” Center for Defense Information, Jan. 30, 2006, available at: [www.cdi.org/friendlyversion/printversion.cfm?documentID=3281](http://www.cdi.org/friendlyversion/printversion.cfm?documentID=3281).

<sup>31</sup> In as much as total earmark costs of \$9.4 billion exceed the \$5 billion that this proposal suggests we can save from the 2007 DOD budget, it is not suggested that the amount exceeding \$5 billion in Congress’ eventual 2007 appropriations should remain as “pork” in the budget. Instead, the additional amount saved by eliminating all pork should be reinvested in meaningful defense spending, especially in the Operational and Maintenance accounts, specifically for training, spare parts, and weapons maintenance which Congress and the Bush administration have under-funded in both the baseline defense budget and in the “emergency” supplementals intended to cover the costs associated with the wars in Iraq and Afghanistan.

This amount can easily be reduced by \$5 billion in FY 07. This is in addition to the cuts in the specific systems listed above.

**11. NUCLEAR FORCES** – *REDUCE ARSENAL TO 600 DEPLOYED WEAPONS AND 400 IN RESERVE AND ELIMINATE THE TRIDENT II NUCLEAR MISSILE, GENERATING \$14 BILLION IN SAVINGS.*

For the upcoming fiscal year, the Bush administration proposes to spend nearly \$17 billion on operating, maintaining, and modernizing its strategic and tactical nuclear forces. About \$11 billion a year will go to operating, maintaining and modernizing the bombers, submarines, and missiles that carry the 6,000 operational nuclear weapons in the American arsenal, with the remaining \$6 billion going towards maintaining the warheads. During the Cold War, the United States spent less than \$4 billion a year on average on these nuclear weapons activities. Reducing the weapons activities budget to its Cold War level by shifting to a deployed arsenal of 600 warheads with another 400 in reserve – an arsenal fully capable of deterring known threats and hedging against unforeseen contingencies – would generate \$13 billion in savings. Eliminating funding for the *Trident II* nuclear missile – an unnecessary weapon, given the availability of other strategic delivery vehicles – would save an additional \$1 billion.

## V. Addressing Security Deficits

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The president's promise shortly after Sept. 11 to mount a "comprehensive" approach to fighting terrorism remains unmet. The numbers in the administration's budget show that by an overwhelming margin – a factor of six to one – that the United States continues to engage the world through its military. This imbalance applies both to the entire budget pie and many of its individual slices. For example, the budget for scientific research has increased, but 97 percent of it will go to two areas: weapons development and space exploration.<sup>32</sup>

Meanwhile, other approaches to preventing terrorism, viewed by the Sept. 11 commission as central to the task, have gone begging. In its final report card, the commission's Public Dialogue Project shone its spotlight, and assigned grades of "D" and "F" to these among others: the screening of checked airline baggage and cargo; securing stockpiles of nuclear, chemical and biological weapons; support of secular education in Muslim countries, and developing common international standards for detaining and prosecuting terrorist suspects.<sup>33</sup>

According to counterterrorism experts Daniel Benjamin and Steven Simon, homeland security and the intelligence community remain in an apparently endless cycle of bureaucratic reorganization, but lack the resources, political leadership and vision to meet the challenges of ensuring homeland security. By emphasizing the military-led "forward strategy of freedom," they say, we have weakened the necessary domestic and international architecture for prevention and defense.<sup>34</sup> Though the president identified curbing the spread of weapons of mass destruction around the world as his top foreign policy priority, his budget continues to fund nonproliferation, including programs in the departments of Defense, Energy and State, at only a little over \$1 billion a year.

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<sup>32</sup> Specter, Michael, "Political Science," *The New Yorker*, March 13, 2006, pp.58-69.

<sup>33</sup> "Final Report on 9/11 Commission Recommendations," Sept. 11 Public Discourse Project, Dec. 5, 2005, available at: [www.9-11pdp.org/press/2005-12-05\\_report.pdf](http://www.9-11pdp.org/press/2005-12-05_report.pdf).

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<sup>34</sup> Benjamin and Simon, *The Next Attack*.

### Chart 6: Nonmilitary Spending

	Administration's FY07 Request	Task Force's Proposed Change
Contributions to International Organizations	1.49	+1.00
Diplomatic Operations	6.20	+1.80
Nonproliferation	1.30	+4.60
International Peacekeeping	1.13	+.60
UN Peacebuilding	0	+.50
UN Civilian Police Force	0	+.19
Stabilization and Reconstruction	0.08	+.50
Economic Development		+10.00
Alternative Energy	1.20	+8.80
<b>ADDRESS KEY DEFICITS IN HOMELAND SECURITY FUNDING</b>		
Nuclear Plant Hardening	0	+0.70
Chemical Plant Security <sup>1</sup>	.01	+.05
Port Security <sup>2</sup>	2.00	+.50
Public Transit Security <sup>3</sup>	0	+6.00
Public Health Infrastructure <sup>4</sup>	2.90	+10.00
First Responders <sup>5</sup>	2.57	+4.00
Container Security <sup>6</sup>	.38	+2.50
<b>TOTAL</b>		<b>+51.74</b>

Figures given in billions of dollars.

**Sources:**

<sup>1</sup> \$10 million proposed in FY07 to establish the Chemical Security Office, which will conduct outreach with the chemical industry on potential or enacted regulations, rulemakings, and related items, as well as review and verification of initial facility consequence screening and vulnerability assessments.

<sup>2</sup> The Department of Homeland Security and Office of Management and Budget (OMB) report just over \$2 billion for port security operations, of which \$1.9 billion is for the Coast Guard. What is missing are resources for ports to increase their security, which was funded in FY 05 at \$150 million in dedicated funding. In the Ports now have to compete with other critical infrastructure for funds from the \$600 million Targeted Infrastructure Protection Grants program.

<sup>3</sup> Public transit operations can compete for part of the \$600 million Targeted Infrastructure Protection Grants. In FY2006 appropriations were \$150 million for rail security and \$10 million for intercity bus security.

<sup>4</sup> The FY2007 budget includes \$1.4 billion for the Targeted Capability Grants Program.

<sup>5</sup> The FY2007 budget proposal contains \$2.57 billion for state and local homeland security assistance programs. Of this, \$633 million is for the State Homeland Security Grant program, \$838 million for the Urban Area Security Initiative, \$600 million for the Targeted Infrastructure Protection Program (TIIPP, which was given no budget authority in FY2006). Six infrastructure security programs, which the administration proposes to consolidate into the TIIPP had aggregate budget authority of \$415 million for FY2006. \$293 million for assistance to firefighters, \$170 million for Emergency Management Performance Grants, and \$35 million for Citizen Corps Programs.

<sup>6</sup> This number is the total of the proposed FY 07 budget for the CSI is scheduled for \$139 million and \$55 million for C-TPAT, \$157 million for Radiation Portal Monitors, \$30.3 million to fund the Cargo Advanced Automated Radiography Systems (CAARS). Does not include Megaports Initiative of Department of Energy

Here we explain our recommendations for increased expenditures on non-military security tools to create a better balance in our security budget.

## 1. Alternative Energy

This year the task force has added a new section on an energy transition to emphasize the substantial increase in spending that will be required to get serious about this long-overdue security priority.

One of the most remarkable transitions of the past year has been the awakening across the political spectrum to the security dangers of what even the president now calls the nation's addiction to oil. Conservatives such as former CIA Director James Woolsey have raised alarms about U.S. oil consumption funding terrorist groups in the top two oil producing countries, Saudi Arabia and Iran. They observe that this addiction is propelling us to prop up and defend unpopular and undemocratic regimes, and deploy troops to protect the flow of oil from unstable regions.

Hurricane Katrina gave the United States a taste of the effects of unchecked fossil fuel burning on the climate. A 2003 DOD-commissioned report entitled "An Abrupt Climate Change Scenario and Its Implications for United States National Security" warned of "violence and disruption stemming from the stresses created by abrupt changes in the climate" and "military confrontation ... triggered by a desperate need for natural resources such as energy, food and water rather than by conflicts over ideology, religion or national honor."<sup>35</sup>

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<sup>35</sup> See Klare, Michael, "The Coming Resource Wars," *TomPaine.com*, March 7, 2006.

The president's budget does increase spending on energy efficiency and renewable energy, but by a scant \$2.6 million, or 0.2 percent over last year.<sup>36</sup> Even as the budget was released, the *New York Times* was reporting that budget cuts at the National Renewable Energy Laboratory were triggering layoffs of researchers.<sup>37</sup> According to Dan Reicher, an assistant energy secretary for renewable fuels and conservation in the Clinton administration, the president's "Advanced Energy Initiative ... would barely get renewable-energy funding back to where it was" when he took office.<sup>38</sup> For all the rhetorical embrace of the cause, the actual money put to it is vastly insufficient to the problem.

The Apollo Alliance, a coalition of public officials, environmental organizations, businesses and labor unions, has proposed investing \$300 billion over 10 years in new energy technologies and energy conservation. The plan includes an array of possible financing strategies involving states and localities and private entities.<sup>39</sup> But the national security importance of the task mandates a serious federal investment. A one-third annual share amounts to \$10 billion, or \$8.8 billion more than the current request. A serious approach to the problem will also require, in addition to this new funding, such measures as raising fuel efficiency standards.

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<sup>36</sup> "Department of Energy Requests \$23.6 Billion for FY 2007," U.S. Department of Energy, Feb. 6, 2006, available at: <http://www.energy.gov/news/3150.htm>.

<sup>37</sup> Bumiller, Elisabeth, "Bush's Goals on Energy Quickly Find Obstacles," *New York Times*, Feb. 2, 2006, available at: <http://www.nytimes.com/2006/02/02/politics/02energy.html?pagewanted=2&ei=5094&en=884f904a8b1146b8&hp&ex=1138942800&partner=homepage>.

<sup>38</sup> Weisman, Jonathan, and Amy Goldstein, "In a Lean Budget Year, A Pledge for Research," *Washington Post*, Feb. 1, 2006, available at: <http://www.washingtonpost.com/wp-dyn/content/article/2006/02/01/AR2006020100031.html>.

<sup>39</sup> See [http://www.apolloalliance.org/strategy\\_center/model\\_financing\\_strategies/index.cfm](http://www.apolloalliance.org/strategy_center/model_financing_strategies/index.cfm).

## 2. Nonproliferation

The Bush administration has implemented a radical revision in U.S. nonproliferation policy. Senior officials came into office convinced that the entire process of negotiating and implementing nonproliferation treaties was both unnecessary and harmful to U.S. national security interests. They argued that some of the treaties, such as the Comprehensive Nuclear Test Ban Treaty, restrict necessary armaments, thus weakening the principal nation that safeguards global peace and security. Other treaties, such as the bans on chemical and biological weapons, promoted a false sense of security as some nations sign, then cheat on the agreements.

Previous U.S. presidents of both parties had treated the weapons themselves as the problem and sought their elimination through such treaties. President Bush framed the issue differently in his 2003 State of the Union address: “The gravest danger facing America and the world is *outlaw regimes that seek and possess nuclear, chemical, and biological weapons*” (emphasis added). The Bush administration changed the focus from “what” to “who.” This strategy sought the elimination of regimes rather than weapons. It relied primarily on military means, unilaterally if necessary, to remove the threat. Then-Undersecretary of State John Bolton explained in June 2004, “We must make up for decades of stillborn plans, of wishful thinking, of irresponsible passivity...no longer waiting for some international court to issue a reluctant warrant of grudging permission to allow us to take measures to protect ourselves.”

This action-oriented approach drew a distinction between the allied nations (now seen as including India) who engage in “good proliferation,” and states not in tune with American objectives who engage in “bad proliferation.” The first direct

application of this theory was the war with Iraq – an invasion justified primarily by the perceived need to prevent Saddam Hussein from acquiring or transferring nuclear, biological, and chemical weapons.

The new strategy has failed. Since 2001, proliferation problems have grown worse, not better. Iraq did not have chemical, biological or nuclear weapons, nor any programs to produce such weapons, nor any operational ties to the terrorists responsible for the Sept. 11 attacks. The war was unnecessary. Nor did the war deter other nations; indeed, it may have increased the motivation of some to develop a nuclear deterrent to prevent a conventional attack from the United States. Iran and North Korea have accelerated their programs, with North Korea ending the freeze on its plutonium program, reprocessing the plutonium into as many as 10 weapons and withdrawing from the Non-Proliferation Treaty.

Globally, the threat from nuclear terrorism has grown worse. Focused on regime change, the administration failed to implement the recommendations of the Baker-Cutler Task Force. Reporting in 2001, the bipartisan expert group called for tripling funding for isolating the former Soviet *nuclear* legacy alone – from \$1 billion a year to \$3 billion, or \$30 billion over one decade. According to some estimates, efforts to address the biological and chemical weapons threat emanating from the states of the former Soviet Union (FSU) would elevate the “threat reduction” price tag to approximately \$45 billion. While a significant investment, that figure is still a fraction of the funds dedicated to building and maintaining the U.S. nuclear arsenal, or present day efforts to mitigate the continued threat posed by weapons of mass destruction such as National Missile Defense (NMD).



To date, the United States Congress has appropriated almost \$12 billion to threat reduction and nonproliferation programming across the departments of Defense, Energy, and State. In 2002, the G-8 partners announced the Global Partnership against the Spread of Weapons and Materials of Mass Destruction pledging to raise \$10 billion over the successive 10 years. Assuming that the other G-8 states fulfill their pledges, the funding shortfall through 2011 – the target date set by the Baker-Cutler Task Force – is approximately \$23 billion, or \$4.6 billion per fiscal year. This is the amount that the U.S. would need to contribute each year to satisfy the requirement across the suite of nuclear, chemical and biological programs.

The Bush administration's 2007 budget request for threat reduction and nonproliferation falls far short of this target. At approximately \$1.3 billion annually, achievement of the U.S. government's nonproliferation priorities could extend as far out as 2030, a full two decades beyond the target date set by the Baker-Cutler Task Force. While many analysts rightly note that massive budgetary increases cannot be immediately absorbed by existing government programs, it is critical that the administration work to eliminate obstacles to program efficiency so that additional funds can be brought in as quickly as possible to meet the 2011 target date.

In summarizing the Bush administration's and Congress' efforts since the terrorist attacks on New York and Washington, the Sept. 11 Public Discourse Project, following up on the recommendations of the Sept. 11 Commission, gave the U.S. effort to prevent terrorists from acquiring nuclear, chemical, or biological weapons a "D" grade. Chairman Thomas H. Kean and Vice Chairman Lee H. Hamilton said, "Preventing terrorists from gaining access to

weapons of mass destruction must be elevated above all other problems of national security."

Meanwhile, the United States and Russia have ended the process of negotiating reductions in their nuclear arsenals, and the reductions themselves are proceeding at a slower pace than previous administrations planned. Finally, there is growing concern that the entire nonproliferation regime is in danger of a catastrophic collapse. The NPT Review Conference of May 2005 ended acrimoniously, failing to act upon the consensus of the vast majority of states for stronger nonproliferation and disarmament efforts or to adopt any of the dozens of creative suggestions proposed by the nations present.

The single unqualified success of the new policy has been Libya's agreement to give up its nuclear and chemical weapon programs. But this was achieved by negotiating a change in regime behavior, not an elimination of the regime. This underscores a basic proliferation truth: no nation has ever been coerced into giving up nuclear weapons or programs, but many nations have been convinced to do so. More nations, in fact, have given up weapons or programs in the past 20 years than have tried to acquire them. There are far fewer nuclear weapons and fewer nations with nuclear programs in the world today than there were 20 years ago. While the previous strategies needed improvement, they were far more successful than the radical policies implemented since 2001.

A combination of the best aspects of the Bush innovations (such as the emphasis on enforcement of nonproliferation obligations) with the strengths of the treaty regime could reverse the setbacks of the past five years. The threat of nuclear terrorism could be ended by implementing comprehensive efforts to secure

and eliminate nuclear materials worldwide and to stop the illegal transfer of nuclear technology. New nuclear weapon states can be blocked by increasing penalties for withdrawal from the NPT, enforcing compliance with strengthened treaties, and radically reforming the nuclear fuel cycle to prevent states from acquiring dual-use technologies for uranium enrichment or plutonium reprocessing. The threat from existing arsenals could be reduced by shrinking global stockpiles, curtailing research on new nuclear weapons, and taking weapons off hair-trigger alert status. Finally, greater efforts could be devoted to resolving the regional conflicts that fuel proliferation and to bringing the three nuclear weapon states (India, Pakistan and Israel) outside the NPT into conformance with an expanded set of global nonproliferation norms.

### **3. Diplomacy**

One benchmark for improvement cited in last year's USB has been met. Assuming Congress goes along, the United States will spend more in 2007 on its account for Diplomatic and Consular Affairs – \$4.65 billion, a substantial increase of \$323 million – than on its account labeled Foreign Military Financing – \$4.55 billion. However, total foreign military assistance – more than \$8 billion – clearly outstrips the combined totals for diplomatic affairs and Embassy Security, Construction and Maintenance, at \$6.2 billion.

Still, Secretary of State Condoleezza Rice has ensured that there will be some new money to devote to redressing the large gaps in staffing, training, security and communications equipment that have developed in recent years. This task has a long way to go. At the end of 2002 a bipartisan group of former national security advisors from every administration going back to the Nixon presidency called attention to the chronic

understaffing at U.S. embassies around the world, the antiquated information and communications systems used by those who are there, and the urgent need for security upgrades to protect them. The bipartisan group recommended a 30 percent increase in funding.<sup>40</sup> Applying that benchmark to this year's request would require \$1.8 billion in additional spending.

However, more money will not suffice without a substantively demilitarized foreign policy and a change in the imperial tone of U.S. diplomacy. Effective diplomacy is a long-term project. It cannot be accomplished with the sort of crash program such as is being rushed into Iran, in the form of veiled threats of a military showdown, and payments to U.S.-selected opposition groups.

### **Public Diplomacy**

The president signaled his understanding that the United States has an image problem when he filled the position of public diplomacy czar within the State Department with his close confidant Karen Hughes. The broadly negative reaction to her first Middle East tour as public diplomat-in-chief showed that no quick fixes are possible, and that she faces an enormously difficult task.

The FY 07 budget request would allocate \$351 million to the “conduct of public diplomacy.” In addition, one clear piece of good news was the 11 percent increase to the fund for Educational and Cultural Exchange Programs, up \$48 million over last year to \$474 million.

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<sup>40</sup> Letter from Frank Carlucci, et al., to Condoleezza Rice, Dec. 20, 2002, available at: [http://www.usglobal-leadership.org/archives/2003\\_03.php](http://www.usglobal-leadership.org/archives/2003_03.php).

The administration must now ensure that the funds will be spent wisely. An example of how *not* to spend this money is the Defense Department's program of paying Iraqi journalists to write favorable stories about the U.S. presence. Indeed though the budget within the Defense Department for Strategic Communications, which funded this misguided effort, is not transparent, it clearly absorbs resources that would be better spent within the State Department on fostering genuine international dialogue. Three known contracts, totaling a potential \$300 million over five years, have been awarded to the Lincoln Group, which planted the stories.<sup>41</sup>

It is also true that actions make better public diplomacy than words. A firm U.S. commitment to setting a timetable for withdrawal with a promise not to establish permanent bases in Iraq, for example, would further the cause of U.S. public relations better than any number of slick ad campaigns and promotional broadcasts. As would a clear public break with our current policy and practices condoning torture of detainees, and an overdue commitment to hold those responsible for past abuses accountable.

The Iraq war itself is of course the largest obstacle to a repaired U.S. public image. Following Sept. 11, Congress passed the "Freedom Promotion Act of 2002," which added \$497 million annually into the budget for public diplomacy. The expectation was that the intensive effort, focused on the Muslim and Arab worlds, would result in improved public opinion ratings for the United States. It didn't. Polls showed U.S. support declining, as they have continued to do. And no amount of increased public relations and public diplomacy will succeed

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<sup>41</sup> O'Connor, Eileen M., and David Hoffman, "Media in Iraq: The fallacy of psy-ops," *International Herald Tribune*, Dec. 16, 2005, available at: <http://www.iht.com/articles/2005/12/16/opinion/edhoffman.php>.

in selling U.S. policies that are fundamentally objectionable to most of the Islamic world, if not most of the entire world.

The task force does not recommend an increase in funding for U.S. public diplomacy this year. Rather it recommends a reapportionment of resources to put greater emphasis on the public diplomacy mission within the Department of State rather than Defense.

#### **4. Stabilization and Reconstruction**

The goal of creating a dedicated civilian capacity to help in the stabilization and reconstruction of war-torn areas continues in fits and starts. The State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS) was created in 2004; its funding has become a political football, getting appropriated, and then cut, and then re-appropriated from some other source. The administration has requested \$75 million for FY 07.

A Council on Foreign Relations (CFR) Independent Task Force on "Improving U.S. Post-Conflict Capabilities" recommends several key reforms to ensure that the money is well spent. To increase coordination among the several agencies involved, it recommends a "unified command" structure with the State Department's Coordinator of S/CRS elevated to the undersecretary level, giving this role equal importance with arms control and counter-terrorism. To develop dedicated expertise in the various dimensions of this challenge, the CFR task force recommends the establishment of a civilian "Active Response Corps" made up of personnel with relevant experience available on a call-up basis.

Throughout the post-Cold War period, post-conflict operations have been approached as ad hoc initiatives funded by supplemental appropriations. This approach to budgeting has frequently slowed the process so that such operations come too late to prevent new cycles of violence and chaos. The CFR task force therefore recommends the establishment of a replenishing “no year” account of \$500 million – a fund large enough to get such operations off the ground in a timely fashion. They also recommend several mechanisms for coordinating timely multilateral assistance, resolving the chronic problems of convening donor conferences and ensuring follow-through of the commitments made there. These include recommendations for building UN capacity, covered elsewhere in this section and the creation of a standing multilateral reconstruction trust fund managed under the direction of the G-8.<sup>42</sup>

A point the USB Task Force raised last year is worth repeating: this new entity must not become the civilian component of regime change; that is, it should be focused on serving a constructive role in conflicts not of the United States’ own making.

## **5. Economic Development Assistance**

Under the banner of her “Transformational Diplomacy” initiative, Rice has brought the U.S. Agency for International Development (U.S. AID) into a closer organizational relationship with the State Department, and increased spending for overall foreign aid. Priorities in the budget continue the trend toward tying foreign aid more closely and explicitly to the strategic

<sup>42</sup> See Scowcroft, Brent, and Samuel R. Berger, “In the Wake of War: Getting Serious about Nation-Building,” *The National Interest*, Fall 2005.

goals of the “war on terror.” More than half of foreign assistance now funds military and economic assistance to strategic allies, while less than 30 percent is directed to poverty-focused development assistance to poor countries.<sup>43</sup>

The president’s flagship Millennium Challenge Account received a major boost of \$1.25 billion over last year’s appropriation. This windfall will be reserved for the “happy few” countries that meet stringent criteria and exclude the countries with the most pressing development problems. It comes at the expense of key programs targeting the poorest of the poor. The Child Survival and Health Programs Fund took a 13 percent hit, of \$211 million. The core program of Development Assistance lost \$227 million. Remarkably, in a year marked by catastrophic natural disasters abroad, the International Disaster and Famine Assistance account was cut by 16 percent. Despite the rhetorical priority given to shoring up “failed states,” Somalia, the country for which the term was coined, will receive less than \$1 million.

The administration’s approach also favors bilateral – which is to say unilateral – aid over collective approaches, which coordinate the work of international donors. For example, the U.S. contribution to the Global Fund for AIDS, Tuberculosis and Malaria was cut by \$245 million, in favor of a \$1 billion increase for the President’s Emergency Plan for AIDS Relief (PEPFAR). Yet the Global Fund delivers assistance to eight times as many countries as PEPFAR, including the countries with the fastest-rising infection rates. PEPFAR also prohibits the use of generic drugs, which means that fewer

<sup>43</sup> Mittal, Anuradha, “Playing Politics With Aid: The Unholy Trinity of Defense, Diplomacy and Development in the War on Terrorism,” *Common Dreams.org*, Feb. 27, 2006, available at: <http://www.commondreams.org/views06/0227-24.htm>.

people will be treated, at higher cost.<sup>44</sup>

Setting an independent course on foreign aid rather than working with international partners, incorporating our lead aid agency into our diplomatic framework, and targeting aid with our own strategic objectives in mind may seem like the shortest, most straightforward route to making foreign aid into an effective security tool. It is not. Clinton has become fond of saying that in a world where we cannot kill or capture all the terrorists, we have to try to build a world of more friends and fewer terrorists. Our security is not served by a reputation that, as measured by polls of international public opinion, has never been worse. Foreign aid is our most direct tool for demonstrating our commitment to serve the needs of the rest of the world, decoupled from our own narrow strategic and economic interests. In the long run, this commitment *is* in the U.S. interest.

The *New York Times* editorialized that Rice's reforms "are likely to take even more money from real development. An Agency for International Development Administrator inside the State Department will be under tremendous political pressure to take money away from effective antipoverty programs, which have very small political constituencies, and divert it to the State Department's geopolitical goals, which have little to do with development."<sup>45</sup>

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<sup>44</sup> See "Analysis of International Affairs Budget Proposal," Citizens for Global Solutions, Feb. 17, 2006, available at: [http://www.globalsolutions.org/hill/in\\_the\\_beltway/2006a/inthebeltway\\_FY07.html](http://www.globalsolutions.org/hill/in_the_beltway/2006a/inthebeltway_FY07.html). Hereafter, "CGS, International Affairs Budget."

<sup>45</sup> "Wrong Fix for Foreign Aid," *International Herald Tribune*, Feb. 6, 2006, available at: <http://www.ihf.com/articles/2006/02/06/opinion/edaid.php>.

A development agenda that will enhance our security by rebuilding our international reputation would include the following:

- commit to coordinated, multilateral donor engagement; this will require removing current restrictions on harmonizing aid with other donors to maximize resources and reduce transaction costs;
- decentralization of decision-making by giving countries performing well more flexibility in allocating resources according to their national development priorities;
- implementation of the 2001 U.S. commitment to the OECD that it would remove the stipulation that U.S. contractors must provide any aid given;
- creation of a special grant facility providing small streamlined grants to community-based organizations; a strengthened indigenous NGO sector is a powerful tool compensating for state weakness;
- expansion of debt cancellation to weak and failing states; and
- taking steps to bring aid levels in line with the U.S. commitment to the Millennium Development Goals of cutting global poverty in half. The United States remains near the bottom of the industrialized world in aid measured as a percentage of its GDP. An increase of \$10 billion over current levels would bring the United States closer to the international norm of 0.7 percent of GDP.<sup>46</sup>

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<sup>46</sup> See "Global Equity: An Action Plan for Global Economic Opportunity," in *Progressive Priorities: An Action Agenda for America* (Center for American Progress, 2005).

To reach the international target, set in 1970, that each donor country's annual contribution to development assistance should equal 0.7 percent of its GDP, the United States would have to spend \$75 billion per year. As an interim goal, the USB task force recommends spending an additional \$10 billion this year.

## **6. U.S. Contributions to International Organizations**

Repairing the nation's severely damaged relations with the rest of the world requires a strong recommitment to multilateralism and international institutions, in resources as well as rhetoric. Looking at the administration's proposed funding for these institutions in FY 07, the international community is not likely to find much evidence of this.

International organizations, moreover, have important potential to advance U.S. interests by serving as a vehicle to mobilize allies, strengthen coordination, solve global problems that no country can address on its own, and ultimately reduce the burden of maintaining international peace and security on U.S. taxpayers.

Support for these institutions is funded out of two accounts within the overall International Affairs budget. The Bush administration proposed reducing support for these institutions within the Foreign Operations account by 11 percent.<sup>47</sup> The administration proposed cuts in nearly every voluntary contribution to United Nations organizations, including the two major international programs addressing climate change: the Development Program, the Environment program; and the Women and Children's Fund. Remarkably, given the damage to the nation's international reputation caused by

the new policy on torture, the contribution to the UN Voluntary Fund for Victims of Torture has been cut by 27 percent.

The other account funding international institutions, within the Commerce, Justice, State, the Judiciary and Related Agencies budget, has been increased overall by 9 percent. The largest increase, however, has been made to the sole military program on the list: NATO. And the largest decrease has been made to the regular budget of the United Nations – the multilateral institution that the administration relies on at key moments (to help manage the Iraqi elections, for example, and to broker a way out of the Iranian nuclear crisis), but refuses to support.

The FY 07 budget request would allocate the International Atomic Energy Agency \$83.2 million, just shy of the administration's request of last year, which Congress cut by nearly \$6 million. The importance of this agency can be stated in the starkest terms: had the United States abided by its judgment on (the absence of) weapons of mass destruction in Iraq, the U.S.-led coalition could have avoided war. The United States has indicated what it is willing to spend on inspections when it thinks they matter: the CIA's Iraq Survey Group spent \$100 million a *month* in a futile search for those weapons in Iraq. Yet the IAEA currently pursues its mandate to conduct inspections across the globe on a budget of approximately \$268 million a *year*.

Increasing the U.S. contribution to the IAEA by \$100 million, rather than holding its current line, would make the administration's identification of nuclear nonproliferation as its highest foreign policy priority more credible. Increasing the U.S. contribution to international institutions overall by \$1 billion – the cost of about five days of occupation in Iraq – would be a start in

<sup>47</sup> See CGS, International Affairs Budget.

redressing the bitter legacy of that occupation and projecting a more positive role for the U.S. in the international community.

## **7. U.S. Contributions to United Nations and Regional Organization Peacekeeping**

U.S. support for peacekeeping allows the United States to share burdens and costs with other countries in the work of maintaining peace and stability in conflict-torn regions of the world. This support consists of assessed contributions to UN operations and voluntary contributions to multilateral operations conducted by sub-regional organizations such as ECOWAS (Economic Community of West African States) and the Organization for Security and Cooperation in Europe (OSCE). In its FY 07 budget request the administration is also seeking \$102 million for the Global Peace Operations Initiative (GPOI), a program focused on doubling the number of peacekeepers worldwide over the next five years.

This is not enough. The overall responsibilities of international peacekeeping operations have greatly expanded and become much more complex since the end of the Cold War. The United Nations is currently engaged in 15 peacekeeping and three political missions worldwide with a total peacekeeping force (civilians and military) of over 85,000. Last year alone, the UN Security Council approved new UN Peacekeeping missions in Haiti, Cote D'Ivoire, Burundi and Sudan. The UN is also expected to consider expanding the Sudan mission by "blue hatting" the African Union monitoring mission in Darfur. Yet U.S. funding for peacekeeping operations in recent years has failed to keep pace and under-funded UN assessments by \$520 million in FY 05 and FY 06. Another obstacle to effective peacekeeping is that existing peace operations have to function as

ad hoc coalitions without sufficient joint training or fully interoperable weapons systems.

A remedy was outlined by the UN Charter: a standing, fully-integrated UN peacekeeping force. Domestic political support for such a force does not currently exist, however. In the absence of such support, the United States should undertake the following six interim measures to improve UN and regional peacekeeping capability.

First, the budget for UN headquarters staff within the department of peacekeeping operations should be treated as a core activity of the UN and funded from the regular UN budget, rather than, as currently, allocations to a separate peacekeeping budget. This will increase the UN's ability to plan and manage operations, while reducing U.S. expenses from the current 27 percent assessment for peacekeeping down to the 22 percent assessed for the regular budget. The costs of peacekeeping operations in the field would still be funded from the peacekeeping budget.

Second, the current U.S. policy of zero nominal growth in the UN's regular budget should be repealed and replaced with a policy based upon sound fiscal management that would allow for changes in the organization's budget to reflect its evolving responsibilities such as counterterrorist and peace operations, and UN reforms.

Third, the United States should fully support improvements in the UN Stand-by Arrangements System, the voluntary listing of national capacities that the UN can turn to for organized units, personnel, and logistical support for peacekeeping operations and in doing so list at least one brigade-level force as available for rapid deployment for UN peacekeeping operations.

Fourth, since one of the biggest obstacles to effective deployment of UN operations is logistics and enabling forces, the United States should also repeal the legislated limit of \$3 million in in-kind military support to any UN-authorized peace operation per year.

Fifth, the United States should increase its support for regional training and integration with regional and sub-regional organizations to enable more effective deployments to potential crisis spots given the range of different national elements operating under UN command. The United States should also increase its peacekeeping budget to include support for Security Council funding of regional peacekeeping operations on a case-by-case basis, such as those currently being performed by the African Union in Darfur.

Sixth, the United States should support and develop the UN's capacity for anticipating, planning, and managing operations so that international early warning systems can be developed to provide analysis and intelligence before a crisis occurs.

The FY 07 budget request appears to increase the U.S. contribution to both UN and regional peacekeeping operations by about \$140 million, as called for in the Unified Security Budget, for a total of \$1.40 billion. Although the 2007 budget request of \$1.135 billion for UN peacekeeping alone includes an 11 percent increase for U.S. contributions to UN peacekeeping, this amount does not take into account the approximately \$521 million shortfall carried over from FY 05 and FY 06 for the peacekeeping account. The request is also misleading because it assumes four UN missions will be terminated in FY 07 and seven more will be significantly reduced in order to justify decreasing total U.S. requirements. This prediction is not shared by

the UN; in fact, the UN's peacekeeping needs are expected to increase over FY 07.<sup>48</sup> To make up last year's shortfall, and provide sufficient resources for the expanded requirements of international peacekeeping in the coming year, the U.S. contribution should be increased by \$600 million over the administration's request.

## **United Nations Civilian Police Corps**

While the political obstacles to a UN standing military force are daunting, more support exists for a standing UN Civilian Police Corps to restore the rule of law and ensure public safety in post-conflict societies and failed states. Such a force would be designed to address both the short-term need to fill the security gap left by inadequate local capacity, and the long-term goal of rebuilding the indigenous security sector. The 2005 United Nations World Summit Outcome document endorses the creation of an initial operating capacity for a standing UN police force to support its peacekeeping missions. This is the crucial work that national military forces are neither equipped nor inclined to do. Currently the UN General Assembly has budgeted for only 20 UN police. But to do this task effectively, the UN would need an estimated one-year start-up budget of \$700 million to establish a brigade-strength force of 5,000 police officers equipped with light-armored transport, protective gear, and weapons. Standing capacity would require a base and an operational headquarters, as well as provisions for a mobile field headquarters. Costs would be substantially lower than those for a military force equipped for robust operations. The 27 percent U.S. share, of a \$700 million cost estimate, would amount to \$189 million.

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<sup>48</sup> See "\$500 Million Shortfall in CIPA Account for Fiscal Years 2005, 2006," Citizens for Global Solutions Fact Sheet, available at: <http://www.globalsolutions.org/hill/CIPA%20Shortfall.pdf>.



## **UN Peacebuilding**

In one of the rare points of consensus at the UN World Summit in September, member states supported the establishment of a UN Peacebuilding Commission. The idea is to address a critical shortcoming in the international support structures for peace, namely that peacekeeping mandates tend to dry up and resources and attention go elsewhere once the fighting has stopped or been contained. UN Secretary General Kofi Annan proposed a new UN body to devise comprehensive peacebuilding strategies for post-conflict situations, in order to coordinate the work of international actors (such as bilateral donors, peacekeeping troop contributors, regional organizations and international financial institutions, in addition to the relevant UN agencies), and to support the country's own recovery planning. His proposal specified both a commission drawn from representatives of selected member states, and a Peacebuilding Support Office within the Secretariat supported by a standing fund.

On Dec. 20, 2005, the General Assembly and Security Council both passed resolutions establishing the commission, in one of the first initiatives of the World Summit to materialize. In two critical respects, however, the resolutions fell short of what was needed to provide this initiative with a foundation for success: a clear mandate of authority, and money.

A 31-member Organizational Committee will lead the commission, made up of representatives of the Security, Economic and Social Councils, the General Assembly, and top contributors of UN funds, troops and police to peacekeeping missions. It will operate only by consensus, and has no way of assuring the cooperation or coordination of the various international, state and NGO actors involved in a common post-conflict plan.

The resolutions further advised that the effort be staffed by current UN employees, and use "existing

resources." As a report on these developments by the NGO Refugees International observed, while some streamlining of UN operations may allow some reprogramming of resources toward this new initiative, real increases in UN funding will be needed to give it a chance to succeed. "It is ironic," the report says, "that the process of creating the Commission, a response to the shortcomings of peacekeeping operations, is not incorporating one glaring lesson from those shortcomings – you get what you pay for."

The proposed Peacebuilding Fund will come from voluntary contributions from member states. While the UN High-Level Panel report of 2004 recommended an initial amount of \$250 million, this will clearly be inadequate to address the needs of conflict-affected countries. Afghanistan's government alone has requested nearly \$4 billion for the coming year; more will be needed for operations in Sudan, Liberia and elsewhere.

The Bush administration has expressed support for the concept of UN Peacebuilding, but budgeted no money for it. The USB Task Force last year recommended an initial voluntary (non-assessed) U.S. contribution of \$500 million. This recommendation remains in place.

## **9. Homeland Security**

The FY 07 budget proposed \$58.3 billion for homeland security activities, a \$3.4 billion (6.3 percent) increase over the 2006 level. Excluding mandatory funding and the Department of Defense, the 2007 budget proposes a gross discretionary increase of \$3 billion (8.2 percent) over the 2006 level. In addition to the increased resources, there were two additional positive developments in the proposed FY07 budget: 1) a gradual, albeit still incomplete, shift toward allocating funds to states and localities based on their relative risks and vulnerabilities; and 2) increased use of user fees to fund operations. In particular, the budget proposed to increase aviation security fees to allow the government to

recover more of its core security costs of federal aviation screening operations. Including this fee proposal, the net non-defense discretionary increase from 2006 to 2007 is 3.3 percent. However, several key priorities remain severely, and dangerously, under-funded:

## Critical Infrastructure Protection

The disparity between funding to protect military bases and civilian infrastructure (transportation, food systems, energy) remains vast: \$11.7 billion (\$204 million over FY 06 enacted levels) is requested to protect bases while \$2.9 billion is requested for the DHS to protect critical civilian infrastructure, an increase of \$220 million over FY 06 enacted levels.<sup>49</sup> Since Sept. 11, Washington has provided only \$708 million toward the \$5.6 billion the Coast Guard estimates U.S. ports need to make them minimally secure.

While inadequate funding is part of the problem, another major contributing factor is the Bush administration's belief that voluntary action on the part of the private sector will be adequate to ensure the security of critical infrastructure. According to Bush's *2002 National Homeland Security Strategy*, "The government should only address those activities that the market does not adequately provide – for example, national defense or border security. ... For other aspects of homeland security, sufficient incentives exist in the private market to supply protection."<sup>50</sup> This philosophy has left U.S. citizens vulnerable to terrorism at privately-owned chemical and nuclear plants.

<sup>49</sup> See "Analytical Perspectives FY 2007," Office of Management and Budget, p.26, available at: <http://www.whitehouse.gov/omb/budget/fy2007/pdf/spec.pdf>. This replicates similar trends from previous years. See Flynn, Stephen E., "The Neglected Home Front," *Foreign Affairs*, September/October 2004.

<sup>50</sup> Office of Homeland Security, *National Strategy for Homeland Security*, (July 2002) p. 64.

## Chemical Plants

In 2003 the GAO reported, "the extent of security preparedness at U.S. chemical facilities is unknown ... [because] no federal requirements are in place to require chemical facilities to assess their vulnerabilities and take steps to reduce them ... [and] no federal oversight or third-party verification ensures that voluntary industry assessments are adequate and that necessary corrective actions are taken."<sup>51</sup> The GAO, DHS, and Environmental Protection Agency (EPA) all agree that a national strategy is necessary "to require chemical facilities to expeditiously assess their vulnerability to terrorist attacks and, where necessary, require these facilities to take corrective action."<sup>52</sup>

After nearly four years of repeated criticism, including by the Sept. 11 commission, some DHS officials have finally repudiated the Bush administration's unfounded faith in the private

<sup>51</sup> "Homeland Security: Voluntary Initiatives Are Under Way at Chemical Facilities, but the Extent of Security Preparedness Is Unknown," Government Accountability Office, *GAO-03-439*, March 2003, p.30, available at: <http://www.gao.gov/cgi-bin/getrpt?GAO-03-439>. This finding has remained consistent through the GAO's recent reports and testimony. See, e.g., "Homeland Security: Voluntary Initiatives Are Under Way at Chemical Facilities, but the Extent of Security Preparedness is Unknown," Government Accountability Office, *GAO-03-439*, March 2003; "Protection of Chemical and Water Infrastructure: Federal Requirements, Actions of Selected Facilities, and Remaining Challenges," *GAO-05-327*, March 2005. See also, statement of John B. Stephenson, director of Natural Resources and Environment, before the Senate Committee on Homeland Security and Governmental Affairs, "Federal and Industry Efforts Are Addressing Security Issues at Chemical Facilities, but Additional Action Is Needed," Government Accountability Office, *GAO-05-631T*, April 27, 2005, p.14, available at: <http://www.gao.gov/new.items/d05631t.pdf>.

<sup>52</sup> *Ibid.*, p.31. See also joint statement by DHS Secretary Tom Ridge and EPA Administrator Christine Todd Whitman, October 2002, for DHS and EPA views.

sector's ability to insure effective security at chemical plants.<sup>53</sup> The FY 07 budget allocates \$10 million to DHS for chemical plant security, but these funds are inadequate in the face of the scale of the challenge. A more effective response was outlined in the proposed Chemical Security Act, which never came to a vote because of opposition by industry and the administration. The Act would have required companies to perform vulnerability assessments, implement security enhancements, be subject to audits, and actively pursue alternative approaches to the way they manufacture their products (these alternative approaches mirrored some of the steps the industry had voluntarily started to implement). The CBO estimated the government cost of the Chemical Security Act at \$80 million over five years.<sup>54</sup> Other initiatives in this area would provide long-term alternatives to the dangers posed from chemical plants, in either accidents or terrorist attacks by reducing the overall levels

of toxics. For example, the proposed Green Chemistry Research and Development Act would provide \$102 million from 2006-2010 for research that reduces the environmental impact of the chemical enterprise by developing alternative sustainable technologies.<sup>55</sup>

In the face of federal failure to address Chemical Plant Security, New Jersey became the first state in the nation to adopt regulations that incorporate much of what was in the proposed Chemical Security Act and establish mandatory standards for chemical plant security, including the implementation of existing best security practices guidelines.<sup>56</sup>

The Bush administration is using the chemical security threat as a justification for weakening the rights of communities to know about the presence of toxins and the steps being taken to secure them. It has proposed weakening the reporting requirements of the Toxic Release Inventory – a publicly available database that contains information on toxic chemical releases and other waste management activities reported annually by certain industry groups as well as federal facilities. This would hinder citizen efforts to gain access to the knowledge they need to ensure that adequate steps have been taken to protect their communities. In addition, Congress acted to restrict public access to worst-case scenario assessments contained in the Risk Management Plans (RMP) of chemical

<sup>53</sup> For a discussion of changing DHS views, see John Mintz, "Chemical Security Upgrades Are Urged: Homeland Official to Tell Senate Panel of Change in Administration Policy," *Washington Post*, June 15, 2005, available at: <http://www.washingtonpost.com/wp-dyn/content/article/2005/06/14/AR2005061401534.html>. For other views arguing for greater federal involvement see Flynn, Stephen E., "Ending the Post 9/11 Security Neglect of America's Chemical Facilities," Testimony before the Senate Committee on Homeland Security and Governmental Affairs, April 27, 2005; Richard Falkenrath, Statement before the Senate Committee on Homeland Security and Governmental Affairs, April 27, 2005. For additional proposals, see Greer, Linda, "New Strategies to Protect America: Securing our Nation's Chemical Facilities," Center for American Progress, April 2005, available at: <http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/chemplantsecurity.pdf>. Hereafter, "Greer, *New Strategies*."

<sup>54</sup> "Cost Estimate for S. 1602 Chemical Security Act of 2002," Congressional Budget Office, July 25, 2002, available at: <http://www.cbo.gov/showdoc.cfm?index=3840&sequence=0>.

<sup>55</sup> See the cost estimate from the Congressional Budget Office, available at: <http://www.cbo.gov/showdoc.cfm?index=6327&sequence=0>. For additional discussion of immediately available, off-the-shelf options for substitution of extremely toxic chemicals with less dangerous alternatives see Greer, *New Strategies*, pp. 5-7.

<sup>56</sup> Ember, Lois, "New Jersey Mandates Chemical Plant Security," *Chemical and Engineering News*, Dec. 5, 2005, p.13, available at: <http://pubs.acs.org/cen/news/83/i49/8349notw9.html>.

companies. These assessments estimate the number of people in the surrounding area who would be killed or injured from a catastrophic chemical release.<sup>57</sup>

## Nuclear Power Plants

Nuclear power plants were not designed to withstand the impact of aircraft crashes or explosive forces, and the government does not require nuclear plants to be secure from an aircraft attack. In April 2004, the National Academy of Sciences released a study finding that nuclear plants in 31 states contained fuel storage pools that were vulnerable to such attacks, which could trigger raging fires and the release of potentially catastrophic amounts of radiation. But the Bush administration and the U.S. Nuclear Regulatory Commission (NRC) have so far resisted congressional efforts for additional security regulation. Furthermore, the GAO has criticized the NRC's failure to adequately ensure that power plants are effectively controlling their spent fuel.<sup>58</sup> Moreover, the schedule for the opening of the proposed Yucca Mountain disposal site in Nevada was indefinitely postponed by the Energy Department – creating the prospect of spent reactor fuel remaining in vulnerable pools for several decades at the least. Several European nations have placed all spent fuel older than five years into thick-walled, dry storage modes. The cost of such hardening would be between about \$3.5 billion and \$7 billion over the next 10 years.<sup>59</sup>

<sup>57</sup> See Greer, *New Strategies*, p.2.

<sup>58</sup> “NRC Needs To Do More To Ensure That Power Plants Are Effectively Controlling Spent Nuclear Fuel,” Government Accountability Office, April 2005, *GAO-05-339*, available at: <http://www.gao.gov/new.items/d05339.pdf>.

<sup>59</sup> See Robert Alvarez, Jan Beyea, Klaus Janberg, Jungmin Kang, Ed Lyman, Allison MacFarlane, Gordon Thompson, and Frank von Hippel, “Reducing the

The additional cost would be about 0.03 to 0.06 cents per kilowatt hour of nuclear generated electricity. Under the 1982 Nuclear Waste Policy Act (NWPA), nuclear utilities have made payments to a national Nuclear Waste Fund at the rate of 0.1 cents per net electrical kilowatt-hour generated by their nuclear plants plus a one-time payment based on their nuclear generation prior to the law's enactment. As of May 31, 2005, this fund had a balance of \$7.311 billion. There is therefore, in principle, a considerable amount of money that could be made available in the Nuclear Waste Fund for dry, hardened on-site storage.

## Transportation Security

Much of the focus post-Sept. 11 has been on passenger airplane security, and there have been some significant improvements there. Yet air cargo remains virtually unmonitored and rail security and public transit security remains under-funded and lacking in an overall strategic framework.<sup>60</sup>

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hazards from stored spent power-reactor fuel in the United States,” *Science & Global Security* 11 (2003), pp. 1–51, , response from the NRC and subsequent response from authors, all available at [http://www.princeton.edu/~globsec/people/fvhippel\\_spentfuel.html](http://www.princeton.edu/~globsec/people/fvhippel_spentfuel.html).

<sup>60</sup> For an overview of efforts in the United States and abroad to address transit security see Taylor, Brian, et. al., “Designing And Operating Safe And Secure Transit Systems: Assessing Current Practices In The United States And Abroad,” Mineta Transportation Institute, November 2005, available at: [http://transweb.sjsu.edu/publications/04-05/MTI\\_04-05.pdf](http://transweb.sjsu.edu/publications/04-05/MTI_04-05.pdf). See also Fink, Camille, et al., “From Policy and Response to System Design and Operations: Intergovernmental Transit Security Planning in the U.S.,” *Journal of Public Transportation*, 8(4): 1-16 (forthcoming 2006); Taylor, Brian D., “Terrorism and Transit Security: 12 Recommendations for Progress,” Center for American Progress, Aug. 10, 2005, available at: [http://www.american-progress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/TAYLOR\\_TRANSIT\\_SECURITY.PDF](http://www.american-progress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/TAYLOR_TRANSIT_SECURITY.PDF). On rail security, see Riley, Jack, RAND Corporation, before the Senate Commerce, Science, and Transportation Committee, “Terrorism and Rail Security,”

The American Public Transportation Association estimates it would cost \$6 billion to secure the nation's transit systems, which serve 32 million Americans every day.<sup>61</sup> Since Sept. 11, however, only \$415 million has been appropriated by Congress for this effort – which is about 1 percent of the funding appropriated for aviation security, even though every day 16 times as many people travel by public transportation as by air.<sup>62</sup> The Madrid and London bombings clearly demonstrated that al-Qaida and similar terrorist organizations consider ground transportation to be as much a high value target as commercial aircraft. A block grant program aimed at commuter rail, subways, and Amtrak could be used to address these vulnerabilities. A major weakness remains that there has been no systematic risk assessment and formula for allocating resources that would match risks and resources. For example, New York City, a likely target, carries 58 percent of the nation's transit passengers and only received 35 percent of the

DHS transit security grant funds in FY 05.<sup>63</sup>

Under the administration's FY 07 budget proposal for the DHS, funding for a Targeted Infrastructure Protection Program would be set at \$600 million, the same level requested in last year's budget proposal. Under the proposal, these grants would be used to provide targeted infrastructure protection to ports, transit facilities, and other infrastructure facilities. Last year, Congress rejected the president's proposed structure and instead provided a total of \$415 million for these purposes under five separate programs, including a \$150 million program for transit and rail security, \$175 million for port security, \$50 million for buffer zone protection grants, \$10 million for intercity bus security, \$5 million for trucking security and \$25 million for non-governmental organizations security.<sup>64</sup> The American Public Transit Association recommends funding at a level of at least \$560 million annually in order to meet the estimated \$6 billion necessary for securing the nation's transit systems.

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March 23, 2004, available at: [www.rand.org/publications/CT/CT224/CT224.pdf](http://www.rand.org/publications/CT/CT224/CT224.pdf).

<sup>61</sup> See Millar William W, president, American Public Transportation Association "Transit and Over-the-Road Bus Security" Testimony before the House Subcommittee on Highway, Transit and Pipelines, March 31, 2006, available at [http://www.apta.com/government\\_affairs/aptatest/testimony060331.cfm](http://www.apta.com/government_affairs/aptatest/testimony060331.cfm) and Millar, William W., president, American Public Transportation Association, before the Subcommittee on Homeland Security of the House Committee on Appropriations, April 9, 2004, available at: [http://www.apta.com/Government\\_Affairs/Positions/Aptatest/Documents/Testimony040409.pdf](http://www.apta.com/Government_Affairs/Positions/Aptatest/Documents/Testimony040409.pdf). See also "Survey of United States Transit System Security Needs and Funding Priorities: Summary of Findings," American Public Transportation Association, April 2004, p.1, available at: [www.apta.com/services-security/documents/security\\_survey.pdf](http://www.apta.com/services-security/documents/security_survey.pdf).

<sup>62</sup> See Peterman, David Randall, "Passenger Rail Security: Overview of Issues," Congressional Research Service, Jan. 20, 2006, p.3., available at: <http://fpc.state.gov/documents/organization/60723.pdf>. Funding was \$65 million in FY 03, \$50 million in FY 04, and \$150 million annually in FY 05 and FY 06. These figures include transit, passenger, and freight rail security.

## Container and Port Security

The recent controversy over Dubai Ports World obscured more fundamental concerns regarding port and container security. Homeland security requires border security, and effective border security requires "smart borders" that don't begin at the water's edge, but at the ports and departure points of origin. This requires effective cooperation with other countries and with the private sector, as well as resources, personnel, and technology that are adequate for the task. Although the CIA has concluded that the most likely way weapons of mass destruction would enter the United States is by sea, the federal government is spending more every four days to

<sup>63</sup> See *ibid.*, p.9.

<sup>64</sup> Data from Shawn Rees, FY2007 Appropriations for State and Local Homeland Security Congressional Research Service, February 17, 2006, p. 2.

finance the war in Iraq than it has provided over the past four years to prop up the security of all 361 U.S. commercial seaports.

Container security is the primary focus of two main initiatives: the Customs-Trade Partnership Against Terrorism (C-TPAT), and the Container Security Initiative (CSI). C-TPAT is a public-private partnership aimed at securing the supply chain from point of origin through entry into the United States. It includes trade other than that conducted with containers, but a large part includes container shipments. CSI is a Customs and Border Protection (CBP) program stationing CBP officers in foreign seaports to target and inspect marine containers before they are loaded onto U.S.-bound vessels. In addition, the Coast Guard and the DOE are involved in port security issues. The Coast Guard works through the London-based International Maritime Organization to establish new international standards for improving security practices on vessels and within ports, known as the International Ship and Port Facility Code (ISPS). It also requires that ships destined for the U.S. provide a notice of their arrival a minimum of 96 hours in advance and include a description of their cargo as well as a crew and passenger list. The DOE's Megaports Initiative funds and deploys radiation sensors designed to detect radioactive material within containers in the world's largest ports.<sup>65</sup>

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<sup>65</sup> According to the Department of Energy, the Megaports Initiative, which began implementation in FY 03, is currently operational (as of February 2006) in Greece and the Netherlands, and port installations are underway in the Bahamas, Belgium, Singapore, Spain, Sri Lanka, the Philippines, Thailand, and Dubai. The signing of cooperative agreements has laid the groundwork for installations of equipment in Israel, Oman, China and Honduras. The Megaports team is engaged in negotiations with approximately 20 additional countries in Europe, Asia, the Middle East, and South America. The Megaports Initiative cooperates closely with the Department of Homeland Security's Bureau of Customs and Border Protection by making technical resources available to complement the Container

One difficulty is that all the container and port security initiatives began before there was a strategy in place. That strategy – the National Maritime Security Strategy – was finally approved in September 2005. There are three basic problems with these programs: absence of effective risk tools that insure resources and effort are directed at the most serious threats, coordination among the major programs covering container and port security, and major resource constraints.

Before Sept. 11, the basis of the risk-assessment framework used by customs inspectors was to identify “known shippers” that had an established track record of engaging in legitimate commercial activity. After Sept. 11, the agency built on that model by having shippers commit to follow the supply chain security practices outlined in C-TPAT. As long as there is no specific intelligence to tell inspectors otherwise, shipments from C-TPAT-compliant companies are viewed as low-risk.

The problem with this method is that it is designed to fight conventional crime; such an approach is not necessarily effective in combating determined terrorists.

In the proposed FY 07 budget the CSI is scheduled for \$139 million and \$55 million for C-TPAT, \$157 million for Radiation Portal Monitors, \$30.3 million to fund the Cargo Advanced Automated Radiography Systems (CAARS) and \$934 million for the Coast Guard's modernization program, Integrated Deepwater System (IDS) at \$10.7 million above the previous fiscal year's funding. But the Coast Guard had no additional funding to support its congressionally mandated compliance to the ISPS Code. And all these programs are funded at orders of magnitude below what is needed to ensure adequate inspection. Only an estimated 4

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Security Initiative at international ports. See “Fact Sheet on NNSA's Second Line of Defense Program,” Department of Energy, February 2006, available at: <http://www.nnsa.doe.gov/docs/factsheets/2006/NA-06-FS01.pdf>.

to 6 percent of cargo containers are inspected each year. *ABC News* has twice successfully smuggled in depleted uranium in a container without it being recognized. In late 2005 GAO staffers successfully smuggled material that could have been used in creating a dirty bomb through two land ports of entry that had radiation monitors installed.<sup>66</sup>

The GAO has raised longstanding issues concerning the weaknesses of both the CSI and C-TPAT programs including: lack of systematic human capital plans and of performance measures for accountability and program achievement, and the absence of a long-term strategic plan to successfully manage the two programs. An effective system to monitor and track containers throughout the supply chain process is needed; ports need top-of-the-line radiation-detection portals and container scanning equipment, which cost an estimated \$1 million per unit.<sup>67</sup> The GAO has also reported serious problems with the DOE's Megaports Initiative.<sup>68</sup> Gaining the cooperation of foreign governments has been difficult in part because some countries have concerns that screening large volumes of

<sup>66</sup> See the GAO letter reporting on the exercise at [http://hsgac.senate.gov/\\_files/GAOREPORTBorder.pdf](http://hsgac.senate.gov/_files/GAOREPORTBorder.pdf).

<sup>67</sup> See Clarke, Richard, et al., "Defeating the Jihadists: A Blueprint for Action," The Century Foundation, 2004, p.125, available at: [http://www.tcf.org/Publications/HomelandSecurity/clarke/7\\_HomelandSec.pdf](http://www.tcf.org/Publications/HomelandSecurity/clarke/7_HomelandSec.pdf). Hereafter, "Clark et al., *Defeating the Jihadists*." Also see Willis, Henry H., and David S. Ortiz, "Assessing Container Security A Framework for Measuring Performance of the Global Supply Chain," RAND Corporation, 2005, available at: [http://www.rand.org/publications/rb/rb9095/rand\\_rb9095.pdf](http://www.rand.org/publications/rb/rb9095/rand_rb9095.pdf); Henry H. Willis and David S. Ortiz, "Evaluating the Security of the Global Containerized Supply Chain," RAND Corporation, 2004, available at [http://www.rand.org/pubs/technical\\_reports/2004/rand\\_tr214.pdf](http://www.rand.org/pubs/technical_reports/2004/rand_tr214.pdf).

<sup>68</sup> "Preventing Nuclear Smuggling: DOE Has Made Limited Progress in Installing Radiation Detection Equipment at Highest Priority Foreign Seaports," *GAO-05-375*, March 31, 2005, available at: <http://www.gao.gov/new.items/d05375.pdf>.

containers will create delays that could inhibit the flow of commerce at their ports. Furthermore, the DOE does not have a comprehensive long-term plan to guide the Initiative's efforts. Developing such a plan would lead DOE to, among other things, determine criteria for deciding how many and which lower priority ports to complete if it continues to have difficulties working at higher volume and higher threat ports of interest.

Effective multilateral collaboration is necessary for container security efforts.<sup>69</sup> The United States should work with its main trading partners to ensure that audits of compliance with the International Ship and Port Facility Security (ISPS) Code and the World Customs Organization's new framework for security and trade facilitation take place. In order to address potential security gaps from factory to port, governments should create incentives for the speedy adoption of technical standards developed by the International Standards Organization for tracking a container and monitoring its integrity. The U.S. Department of Defense uses such technology to monitor the global movement of military goods, and could provide a model for such a regime. Security at ports themselves is another critical area.

Since 2002, DHS's Port Security Grant Program has provided support to address immediate security needs and assessments. But federal money allocated in the first five years of the program – about \$708 million – accounted for only about one-fifth of what the American Association of Port Authorities has identified as security needs.<sup>70</sup> Port officials have consistently

<sup>69</sup> This section draws extensively on Flynn, Stephen, "Port Security is Still a House of Cards," *Far Eastern Economic Review* (January/February 2006).

<sup>70</sup> See "Port Leaders Respond To President's Fy'07 Budget Request," American Association of Port Authorities, Feb. 7, 2006, available at: <http://www.aapa-ports>.

advocated annual funding for port security at \$400 million. At the same time, the U.S. Coast Guard has estimated that ports would have to spend \$5.4 billion over 10 years on mandated security enhancements.<sup>71</sup> That is on top of the more than \$3 billion they already spend annually on infrastructure improvements and operations, maintenance and personnel expenses, just to keep pace with burgeoning world trade. Last year the Bush administration proposed eliminating all funds targeted specifically for port security in favor of the consolidated Targeted Infrastructure Protection Program. Congressional opposition stripped that proposal out of last year's budget, but it appears again in the FY 07 proposed budget. Such a consolidation of grants makes it difficult to ensure that ports are able to obtain specifically targeted funding.

## First Responders

Hurricane Katrina highlighted deep capacity weaknesses at the Federal Emergency Management Agency (FEMA) and DHS in addition to the resource constraints facing

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org/pressroom/feb0706.htm; "Authority Association Vice President Provides Written Testimony for TSA Budget Hearing," American Association of Port Authorities, Feb. 15, 2005, available at: <http://www.aapa-ports.org/pressroom/feb1505.htm>.

<sup>71</sup> See "Maritime Security: Substantial Work Remains to Translate New Planning Requirements into Effective Port Security," Government Accountability Office, *GAO-04-838*, June 2004, p.42, available at: [www.gao.gov/new.items/d04838.pdf](http://www.gao.gov/new.items/d04838.pdf). These costs are for compliance with the Maritime Transportation Security Act. Total compliance costs for 10 years (2003-2012) are estimated at \$7.3 billion, of which \$5.4 billion is for port security, \$1.4 billion for vessels, and about \$500 million for outer continental shelf facility and area maritime security and automatic identification system requirements. This report also suggests that the Coast Guard figures are likely low (or at least of uncertain accuracy), suggesting an actual range of \$4.5 billion to \$6.4 billion for the 2003-2012 period for port security, and of course do not include expenses beyond 2012. They also assume relative low threat levels. Increases in threat levels would raise costs.

first responders. Overall funding for key first responder programs would *decline* to \$2.57 billion in terrorism preparedness grants, training, and exercises in FY 07, \$395 million less than Congress appropriated in FY 06.<sup>72</sup> There is a positive proposal to reduce the proportion of State Homeland Security Grant Program funds allocated to each state independent of risk or vulnerability assessments from 0.75 percent to 0.25 percent. Congress has rejected previous proposals of this sort.

There have been some slow steps toward interoperable communications systems through the establishment of the Homeland Security Department's SAFECOM, a communications program within the Office for Interoperability and Compatibility that provides research, development, testing and evaluation, guidance, tools, and templates for local, tribal, state, and federal public safety agencies working to improve public safety response through more effective and efficient interoperable wireless communications.<sup>73</sup> But overall progress remains slow and under-funded.<sup>74</sup>

A 2003 Council on Foreign Relations Task Force, chaired by former Sen. Warren Rudman, focused specifically on emergency response to a

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<sup>72</sup> See "FY2007 Appropriations for State and Local Homeland Security," Congressional Research Service, Feb. 17, 2006, available at: [http://www.ndu.edu/library/docs/crs/crs\\_rs22050\\_14feb05.pdf](http://www.ndu.edu/library/docs/crs/crs_rs22050_14feb05.pdf); "Staff Executive Summary of Key City priorities in the President's FY 2006 Budget," U.S. Conference of Mayors, Feb. 8, 2005, available at: <http://www.usmayors.org/executivedirector/fy06budget.pdf>.

<sup>73</sup> See Davis, Lois, et al., "When Terrorism Hits Home: How Prepared Are State and Local Law Enforcement?," RAND Corporation, 2004, pp.79,199, available at: [http://www.rand.org/pubs/monographs/2004/RAND\\_MG104.pdf](http://www.rand.org/pubs/monographs/2004/RAND_MG104.pdf).

<sup>74</sup> See Proctor, Steven H., executive director, Utah Communications Agency Network (UCAN) before the House Subcommittee on Emergency Preparedness, Science and Technology, March 1, 2006.



catastrophic attack and found that “If the nation does not take immediate steps to better identify and address the urgent needs of emergency responders, the next terrorist incident could have an even more devastating impact than the Sept. 11 attacks.” The Task Force called for increasing spending on police, fire, medical, and other first responders – approximately \$100 billion over five years, which would also have substantial immediate benefits for day-to-day emergency response unrelated to terrorist attacks. Using that metric, the United States will fall approximately \$95 billion short of meeting emergency responder needs over the next five years if current funding levels are maintained.<sup>75</sup>

The FY 07 budget proposal calls for zeroing out the Law Enforcement Terrorism prevention program and deep cuts in the Assistance to Firefighters (55.3 percent to \$293 million) as well as cuts in Emergency Management Performance Grants (8.1 percent to \$170 million). These shortfalls in funding translate into dangerous vulnerabilities, given the scope and character of the terrorist threat.

*Public Health:* The anthrax attacks in the United States during 2001 showed what a relatively mild bioterrorist attack could do in terms of sparking fear and taxing the public health infrastructure.<sup>76</sup> Public health laboratories in many states do not have the basic equipment to adequately respond to chemical or biological attacks, and many cities do not have the equipment needed to determine

<sup>75</sup> For earlier calculations, see Clark, et al., *Defeating the Jihadists*, p.129.

<sup>76</sup> For a discussion of the impact, see, Gursky, Elin, Thomas V. Inglesby, and Tara O’Toole, “Anthrax 2001: Observations on the Medical and Public Health Response,” *Biosecurity and Bioterrorism*, 1:2 (2003): 97-110; Heller, M.B., et al., “Laboratory Response to Anthrax Bioterrorism, New York City, 2001,” *Emerging Infectious Diseases*, 8:2 (October 2002).

which hazardous agents emergency responders are facing following an attack.<sup>77</sup> Yet the Bush administration’s proposed budget decreases funds for critical public health infrastructure. The proposed FY 07 budget cuts \$367 million (nearly 6 percent) from the Centers for Disease Control and Prevention (CDC) to \$5.8 billion, and the Health Resources and Services Administration’s (HRSA) budget would be cut 5.4 percent to \$6.3 billion. These follow-ons cut over \$1 billion in discretionary public health programs in FY 06. The FY 07 cuts include:

- zeroing out of the Preventive Health and Health Services Block Grants (totaling \$99 million) to support state public health programs, which compounds the impact of the disease-specific cuts;
- a 12 percent cut to birth defects and developmental disabilities programs;
- a 6 percent cut to environmental health programs;
- a more than 2 percent cut in chronic disease prevention and health promotion programs; and
- a 2 percent cut to occupational safety and health.<sup>78</sup>

<sup>77</sup> See “Ready or Not: Protecting the Public’s Health from Diseases, Disasters, and Bioterrorism,” Trust for America’s Health, December 2005, available at: <http://healthyamericans.org/reports/bioterror05/bioterror05Report.pdf>. Also see “Emergency Responders: Drastically Underfunded, Dangerously Unprepared,” Independent Task Force on Emergency Responders, Council on Foreign Relations, June 2003; Clark, et al., *Defeating the Jihadists*, p.129; Flynn, Stephen, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (HarperCollins, 2004).

<sup>78</sup> For details, see “Centers for Disease Control and Prevention: FY 2007 Budget Request,” Trust for America’s Health, available at: <http://healthyamericans.org/reports/budget06/FY2007BudgetLatest.pdf>.

There are some positive signs: bioterrorism preparedness would receive an additional \$25 million from 2006 to raise its budget to \$1.66 billion, although this still is below the FY 05 levels. The FY 07 budget proposal also calls for \$2.65 billion to be allocated to support pandemic flu preparedness activities across the Department of Health and Human Services.

These cuts come on the back of decades of reduced funding for public health. The Public Health Foundation estimates that an infusion of an additional \$10 billion would be necessary to bring the U.S. public health system up to an acceptable level of preparedness.<sup>79</sup> The American College of Emergency Physicians first report card on the quality of the country's emergency care systems gave them a nearly failing grade.<sup>80</sup> With respect to homeland security concerns in particular there are other major vulnerabilities. According to the Trust for America's Health:

- nearly one-quarter of states cut their per capita public health budgets in FY 04-05, not as bad as FY 03-04 when nearly one-third cut budgets, but continuing to strain state level resources;
- only 10 state-run public health labs have adequate chemical terrorism response capabilities and over one-quarter of states do not have sufficient bioterrorism laboratory response capabilities;
- hospitals in nearly one-third of states and the District of Columbia are not sufficiently prepared to care for a surge of extra patients (that might result from

either an infectious disease outbreak or a bioterrorist attack). Hospitals in over 40 percent of states do not have sufficient backup supplies of medical equipment to meet surge capacity needs during a pandemic flu or another major infectious disease outbreak;

- there are still no official, agreed upon, measurable performance standards of accountability for state bioterrorism and emergency public health preparedness programs and activities. Without such benchmarks, states cannot appropriately demonstrate their progress or document how they have used taxpayer-supported preparedness funds.<sup>81</sup>

In addition to the decline in funding for public health, some in-depth studies of state-level public health systems have found that bioterrorism preparedness has diverted human and financial resources from other critical public health activities. Public health preparedness for a bioterrorism attack should not come at the expense of other essential public health services.<sup>82</sup>

<sup>79</sup> "Public Health: Costs of Complacency," *Governing*, February 2004, available at: <http://www.governing.com/gpp/2004/public.htm>.

<sup>80</sup> "National Report Card on the State of Emergency Medicine," American College of Emergency Physicians, January 2006, available at: <http://my.acep.org/site/DocServer/2006-NationalReportCard.pdf?docID=221>.

<sup>81</sup> See "Ready or Not: Protecting the Public's Health from Diseases, Disasters, and Bioterrorism," Trust for America's Health, December 2005, available at: <http://healthyamericans.org/reports/bioterror05/bioterror05Report.pdf>; "Ready or Not: Protecting the Public's Health in the Age of Bioterrorism," Trust for America's Health, December 2004, available at: <http://healthyamericans.org/reports/bioterror04/BioTerror04Report.pdf>. See also "Breathing Easier?" Report of the Century Foundation Working Group on Bioterrorism Preparedness, Century Foundation, 2005, available at: <http://www.tcf.org/Publications/HomelandSecurity/breathingeasier.pdf>; Gursky, Elin, "Progress and Peril: Bioterrorism Preparedness Dollars and Public Health," Century Foundation, 2004.

<sup>82</sup> For a discussion of the California case, see Lurie, Nicole, et al., "Public Health Preparedness in California: Lessons Learned from Seven Health Jurisdictions," RAND, 2004, available at: [http://www.rand.org/pubs/technical\\_reports/2005/RAND\\_TR181.sum.pdf](http://www.rand.org/pubs/technical_reports/2005/RAND_TR181.sum.pdf). See also Wasserman, Jeffrey, before the California State Assembly Budget "Public Health Preparedness in California: Les-

In addition to strengthening the public health infrastructure, it is critical to address the exclusion of 45.8 million Americans from regular health care because they lack access to health insurance. In addition to the positive externalities associated with universal health care coverage. Such coverage would make people more likely to seek medical attention at the outset of an infection, increasing the likelihood of early detection of any outbreak.<sup>83</sup>

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sons from Seven Jurisdictions,” testimony presented to the California State Assembly Subcommittee on Health and Human Services, Feb. 28, 2005, available at: [http://www.rand.org/pubs/testimonies/2005/RAND\\_CT241.pdf](http://www.rand.org/pubs/testimonies/2005/RAND_CT241.pdf). For a discussion of similar developments in Illinois, see Turnock, Bernard, “Illinois: Prepared College of Emergency Physics at a Price,” The Century Foundation, 2004.

<sup>83</sup> Tirman, John, “Security the Progressive Way,” *The Nation*, April 11, 2005, available at: <http://www.thenation.com/doc/20050411/tirman>.



## VI. Conclusion

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**A**fter the attacks of Sept. 11, the task of getting our security strategy right took on an added urgency. The United States responded to the attacks by removing the Taliban from power in Afghanistan and Saddam Hussein from power in Iraq. The bipartisan Sept. 11 commission charged with evaluating our overall response to the attacks found this response insufficiently “comprehensive.” It recommended putting more emphasis on a range of non-military tools as part of a comprehensive approach to our security.

Such an approach would address two weaknesses. First, it would redirect resources toward homeland defenses, shoring up key vulnerabilities in protections for our ports, nuclear and chemical facilities, and transportation systems. Hurricane Katrina revealed how unprepared our emergency response system is to deal with catastrophic events.

Clinton referred to the second deficiency in our security strategy when he said that if we can’t kill or capture all the terrorists, and we can’t, we need to build a world with more friends and fewer terrorists. In the nation’s approach to international affairs, this will involve linking U.S. national security to the security of the rest of the peoples of the world.

Getting security right requires seeing the big picture. In neither the budget documents available to Congress nor the process by which budgeting is done does this big picture come much into view. This task force recommends that federal budget agencies construct a Unified Security Budget to be included in its annual budget documentation. We also provide a model for how resources could be rebalanced to achieve the comprehensive approach to security we need.



## VII. Member Contact Information

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### **Joseph Cirincione**

Senior Vice President for National Security  
Center for American Progress  
(202) 682-1611  
jcirincione@americanprogress.org  
www.americanprogress.org

Prior to joining the Center for American Progress, Joe worked at the Carnegie Endowment for International Peace where he served as a Senior Associate, Director for Non-Proliferation, and chaired the annual Carnegie International Non-Proliferation Conference. He has authored numerous articles and books on proliferation and weapons issues, while also serving as editor and publisher for the website, ProliferationNews.org. Joe has taught at the Georgetown University Graduate School of Foreign Service and appeared in an award-winning documentary. Before his tenure at the Carnegie Endowment, Joe spent nine years working in the U.S. House of Representatives on the professional staff of the Committee on Armed Services and the Committee on Government Operations. He is a member of the Council on Foreign Relations and the International Institute for Strategic Studies.

### **Carl Conetta**

Co-director, Project on Defense Alternatives  
301-320-6676  
cconetta@comw.org  
www.comw.org/pda

Since joining PDA in 1991 he has coauthored thirty PDA reports, testified before the House Armed Services Committee and made presentations at the US Departments of Defense and State, the National Defense University and US Army War College, UNIDIR, and other governmental and nongovernmental organizations. He has been interviewed on CNN, ABC-TV, CBS-TV, Canadian television (CBC), BBC, Voice of America, and NPR, among others.

### **Anita Dancs**

Research Director  
National Priorities Project  
413-584-9556

Anita Dancs is Research Director for the National Priorities Project. She researches and writes on the impact of federal policies, and is the primary author of NPP publications. Anita has a PhD in economics from the University of Massachusetts, Amherst and spent years teaching and researching at universities in Hungary, the UK and the US. She also has over 10 years experience teaching popular economics to activists as a staff economist with the Center for Popular Economics, and is a member of the Security Policy Working Group.

### **Lt. Gen. Robert G. Gard, Jr. (ret.)**

Consultant, International Security  
202-365 4011  
robert.gard@miis.edu

Robert Gard has served in a variety of command and staff positions in the U.S. Army, including Executive Assistant to two Secretaries of Defense, and service in Vietnam, Germany and Korea. He has also served as President of the National Defense University, President of the Monterey Institute of International Studies, and Fellow at the Council on Foreign Relations. He now serves on the board of the Vietnam Veterans of America Foundation and the Center for Arms Control and Nonproliferation.

**John Gershman**

Co-director  
Foreign Policy In Focus, International Relations  
Center  
609-688-0065  
john@irc-online.org  
www.fpif.org

John Gershman is Director of the IRC's Global Affairs Program and Co-director of Foreign Policy in Focus, a joint project of the IRC and the Institute for Policy Studies. He is also clinical assistant professor of public administration at NYU's Robert F. Wagner School for Public Service.

**Andrew Grotto**

Senior National Security Analyst  
Center for American Progress  
(202) 682-1611  
agrotto@americanprogress.org  
www.americanprogress.org

Andrew J. Grotto is a Senior National Security Analyst at the Center for American Progress, where he specializes in U.S. strategic policy and the proliferation of nuclear and biological weapons. His work has appeared in the Financial Times, the Los Angeles Times, the UK Guardian, the Baltimore Sun, the Bulletin of the Atomic Scientists, and a variety of scholarly journals. Most recently, Grotto co-authored *Restoring American Military Power: A Progressive QDR* (Center for American Progress, 2006), a comprehensive assessment of U.S. military strategy. He received his J.D. from the University of California at Berkeley (Boalt Hall), his Master's Degree from Harvard University's John F. Kennedy School of Government, and his Bachelor's Degree from the University of Kentucky, where he was a Gaines Fellow.

**William Hartung**

President's Fellow  
World Policy Institute  
New School for Social Research.  
212-229-5805 x. 4257  
hartung@newschool.edu  
<http://www.worldpolicy.org/projects/arms>

William Hartung directs the Institute's Arms Trade Resource Center. He is the author of *And Weapons for All* (HarperCollins, 1995), a critique of U.S. arms sales policies from the Nixon through Clinton administrations, and *How Much are You Making On the War, Daddy?* (Nation Books, 2003). His articles on the arms trade and the economics of military spending have appeared in the *New York Times*, the *Washington Post*, *Newsday*, *USA Today*, the *Christian Science Monitor*, *The Nation*, *Harper's*, the *Bulletin of the Atomic Scientists*, and the *World Policy Journal*.

**Christopher Hellman**

Director, Military Spending Oversight Project  
Center for Arms Control and Nonproliferation  
202-546-0795  
chellman@armscontrolcenter.org  
www.armscontrolcenter.org

Christopher Hellman spent ten years on Capitol Hill as a staffer working on national security and foreign policy issues. He is a frequent media commentator on military planning, policy and budgetary issues and is the author of numerous reports and articles.



**Lorelei Kelly**

Senior Associate, Henry L. Stimson Center  
292-487-7728  
lorelei@gmail.com

Lorelei is a national security specialist focused on reframing security for the post Cold War era. She is the National Security Fellow for the White House Project, an organization working to bring more women into national security decision making. In addition to working with the underground democracy movements of eastern Europe, her professional background includes Stanford University's Center on Conflict and Negotiation and more than 8 years working on bipartisan national security education in Congress. She has a Grinnell College BA and a Stanford MA. She also attended the Air Command and Staff College program of the US Air Force.

**Lawrence J. Korb**

Senior Fellow, Center for American Progress  
and Senior Advisor, Center for Defense  
Information.  
202-478-6353  
lkorb@americanprogress.org  
www.americanprogress.org; www.cdi.org

Prior to joining the Center, he was a Senior Fellow and Director of National Security Studies at the Council on Foreign Relations. Prior to joining the Council, Mr. Korb served as Director of the Center for Public Policy Education and Senior Fellow in the Foreign Policy Studies Program at the Brookings Institution. Mr. Korb served as Assistant Secretary of Defense (Manpower, Reserve Affairs, Installations and Logistics) from 1981 through 1985. In that position, he administered about 70 percent of the defense budget. Mr. Korb served on active duty for four years as Naval Flight Officer, and retired from the Naval Reserve with the rank of Captain. He has written 20 books and more than 100 articles on national security issues.

**Don Kraus**

Executive Vice President  
Citizens for Global Solutions  
202-546-3950  
dkraus@globalsolutions.org  
www.globalsolutions.org

Former Executive Director of the Campaign for UN Reform (CUNR) and its affiliated political action committee, CUNRPAC. Don continues to serve as the vice president of the Center for UN Reform Education, a UN reform think tank. Additionally, he currently co-chairs the Partnership for Effective Peace Operations (PEP), an NGO working group.

**Anuradha Mittal**

Director, Oakland Institute  
510-469-5228  
amittal@oaklandinstitute.org  
<http://www.oaklandinstitute.org/>

Prior to starting the Oakland Institute, Mittal spent nearly a decade at Food First/ Institute for Food and Development Policy and was the co-director from 2000-2004. A native of India, she serves on boards of several non-profit organizations including ETC group and the Polaris Institute (USA). Her articles and opinion pieces have been published in widely-circulated newspapers including *The Los Angeles Times*, *The New York Times*, *Chicago Tribune*, *Bangkok Post*, *Economic and Political Weekly*, *Houston Chronicle*, *Dollars and Sense*, and *The Nation*.

**Miriam Pemberton**

Research Fellow  
Foreign Policy In Focus  
Institute for Policy Studies  
202-234-9382 x. 214  
miriam@ips-dc.org

Miriam Pemberton is Research Fellow at the Institute for Policy Studies (IPS) and Peace and Security Editor for Foreign Policy In Focus, a project of IPS and the International Relations Center. She holds a Ph.D. from the University of Michigan.

**Sonal Shah**

Vice President, Goldman Sachs and Co.  
sonal.shah@gs.com

Prior to joining Goldman Sachs, Ms. Shah was Associate Director for Economic and Foreign Policy at the Center for American Progress, working on trade, outsourcing and other economic policy issues. Before coming to the Center, she was the Director of Programs and Operations at the Center for Global Development. Before she entered the non-profit world Sonal worked at the Department of Treasury on various economic issues and regions of the world, most recently as the Director of African Nations, covering all of sub-Saharan Africa. She has extensive experience in post-conflict countries, working as the Treasury attaché in Bosnia and Kosovo after the war.

**Col. Dan Smith, U.S. Army (ret.)**

Senior Fellow  
Military and Peaceful Prevention Policy  
Friends Committee on National Legislation  
202-547-6000  
dan@fcnl.org  
www.fcnl.org

Graduate of the United States Military Academy of the Army Command and General Staff College, the Armed Forces Staff College, and the Army War College; MA, Cornell University. Has served as Director, Arms Trade Project, Center for Defense Information and Associate Director, Center for Defense Information.

**Winslow Wheeler**

Director, Straus Military Reform Project  
Center for Defense Information  
202-797-5271  
wheeler@cdi.org

Worked on national security issues for 31 years for members of the U.S. Senate and for the U.S. General Accounting Office (GAO). In the Senate, Wheeler worked for Jacob K. Javits (R. NY), Nancy L. Kassebaum (R, KS), David Pryor (D, AR), and Pete V. Domenici (R, NM). In 2002, Wheeler authored an essay, under the pseudonym “Spartacus,” about Congress’ reaction to the September 11, 2001 terrorists attacks (“Mr. Smith Is Dead: No One Stands in the Way as Congress Lards Post-September 11 Defense Bills with Pork”). When Senators complained about Wheeler’s criticisms, he was invited to resign from his position with the Republican staff of the Senate Budget Committee. Wheeler is the author of “The Wastrels of Defense: How Congress Sabotages U.S. Security” from the US.. Naval Institute Press. The book has been the subject of commentary and interviews on “60 Minutes,” C-SPAN’s “Book Notes,” and various newspapers and radio stations.

**Dr. Cindy Williams**

Principal Research Scientist, Security Studies Program  
MIT  
617-253-1825  
cindywil@mit.edu  
web.mit.edu/ssp

Cindy Williams is a principal research scientist in the Security Studies Program at the Massachusetts Institute of Technology. Formerly she was Assistant Director for National Security at the Congressional Budget Office, where she led the National Security Division in studies of budgetary and policy choices related to defense and international security. Dr. Williams has served as a director and in other capacities at the MITRE Corporation in Bedford, Massachusetts; as a member of the Senior Executive Service in the Office of the Secretary of Defense at the Pentagon; and at Rand in Santa Monica, California. She has published in the areas of command and control and the defense budget.

**John Zavales**

Research Fellow  
Cuny Center  
zavalesjg@aol.com  
www.thecunycenter.org  
703-549-1261

John Zavales served in a variety of assignments in the Department of Defense from 1989 to 2001. He was responsible for management and oversight of DoD humanitarian activities in Kosovo following the end of the war. He next served as the desk officer for a number of Balkan and Central European counties, in the Office of the Secretary of Defense. Since leaving government service he has been an independent consultant and commentator, on issues relating to humanitarian assistance, Balkan security, and defense policy.











Foreign Policy In Focus  
A Project of the Institute for Public Policy Studies  
and the International Relations Center  
1111 16th Street, NW, Suite 600  
Washington, DC 20036  
202.234.9382



Center for Defense Information  
1779 Massachusetts Avenue, NW, Suite 615  
Washington, DC 20036  
202.332.0600