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# Build a More Effective Military Force

Strengthen oversight and transparency to protect against military waste

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## TOPLINE

**Expansive U.S. defense plans threaten military readiness, and thus, paradoxically weaken U.S. national security. The next administration has the opportunity to prioritize its acquisition goals by paring down security commitments and weapon acquisition plans. In the process, the next administration should prioritize oversight and transparency in the weapon acquisition process. Otherwise, the Pentagon will fall deeper into the defense death spiral, demanding more and more money from taxpayers while receiving less and less from the defense industry.**

## THE PROBLEM

The Pentagon is experiencing a readiness crisis. Despite drastic military spending growth in the past 25 years, the department struggles to meet its acquisition goals and security commitments. The solution is a strategic overhaul to pare down acquisition goals and commitments and instead focus on readiness.

The breadth of U.S. security commitments has overstretched the capacity of America's shrinking military forces. Over the past 25 years, defense spending has sharply risen to modernize the force but most of the new programs have been delivered late and overbudget. Almost all have failed to deliver the promised capabilities, and several have failed entirely. The present state of defense affairs threatens military readiness and thus, national security. U.S. defense plans exceed those necessary to protect vital U.S. national interests, muddying strategic priorities. As a result, military leaders do not have clear strategic guidance to make necessary tradeoffs in the weapon acquisition realm, negatively impacting military readiness.

The military also lacks the ability to execute U.S. defense plans in the long term. This is not merely a capacity issue; it is a strategic issue. If the Pentagon does not narrow its defense plans, the Pentagon will repeat acquisition failures of the past at the expense of both the military and the taxpayer. This is a crisis that the next administration cannot ignore.

Military readiness requires clarity about U.S. weapon acquisition goals, transparency in the acquisition process, and competition in the defense industry. More money for the Pentagon will not resolve what is ultimately a strategic issue: expansive defense plans developed at the behest of corporations and often behind closed doors, out of the American public's view. There are several steps that the next administration can take to improve strategic clarity. First however, the administration must acknowledge the Pentagon pathologies that exacerbate expansive strategic goals.

## **ESSENTIAL CONTEXT**

The Pentagon has long suffered from an affinity for the shiny and new. This is an affliction that, if left untreated, will have grave economic impacts for future generations. Its carriers are the very companies upon which the Pentagon relies to manufacture weapons and military equipment. Herein lies the threat of the defense death spiral: a trend in which the unit cost of new weapons increases at a rate greater than the overall military budget grows. The explanation given is that the military is developing more sophisticated, more effective, and more reliable weapons. In reality, taxpayers are spending more and more on the Pentagon, which is getting less and less from contractors in return.

Complexity is both a cause and a symptom of the defense death spiral. It is the throughline between many of the Pentagon's past acquisition failures, including the F-35 program, the Littoral Combat Ship, and the Constellation-class frigate. The Pentagon's expansive defense plans produce unrealistic or unclear requirements for new weapon acquisition programs. As a result, contractors develop unnecessarily complex weapons. They inevitably fall far behind schedule and over budget, costing taxpayers untold billions while actively hampering military readiness. Technological complexity does not render a weapon inherently more effective or reliable. The opposite effect is more likely.

Unchallenged, the pathology of the defense death spiral welcomes a bow wave in unnecessary and dangerous acquisition spending. According to the Congressional Budget Office, a bow wave occurs when actual costs exceed stated costs. Military contractors often understate expected costs to gain authorization from Congress to kickstart programs. Given both the current geopolitical environment and the rate of technological progression, it's more important than ever that policymakers are clear-

eyed about U.S. national security priorities and their military implications. The United States should not pursue every shiny new gadget available. It must, instead, advance acquisition programs with clear military applications to protect U.S. national interests. The design of these weapons should be as simple as possible, not only for the sake of schedule and budget. Simply designed weapon systems are easier to sustain, and according to the Government Accountability Office, sustainment costs constitute about 70% of a weapon program's total cost, on average.

The most effective way to improve military readiness is to narrow U.S. defense plans. The United States should not strain the industrial base and U.S. taxpayers to accommodate an ever-growing list of security commitments, as well as the military services' acquisition aspirations. The purpose of the military is to protect U.S. national interests in the very rare instances in which military power is required to do so. Nothing more. Transparency in the acquisition process and competition in the industry are critical to protecting against excessive and dangerous military pursuits. The next administration has the opportunity to protect against these excesses and prevent the coming bow wave in acquisition spending, which will hurt both taxpayers and national security.

## **POLICY RECOMMENDATIONS**

### **Nominate a DOT&E committed to maintaining the office's independence.**

Members of Congress created the office of Director, Operational Test & Evaluation in 1983 because they realized Pentagon officials were not providing them with the information they needed to make informed decisions regarding testing of new weapons. Rather, members were receiving highly curated data in many cases about poorly performing weapons so they would not cut funding. The operational testing office was instituted to be independent of the acquisition bureaucracy to ensure rigorous testing and unbiased reports. Today there is an effort within the testing community to integrate operational testing into the development process. Rather than being neutral arbiters above the acquisition fray, testing officials will soon become deeply enmeshed with design teams and service leaders. The new administration can preserve operational testing independence by nominating a director committed to preserving the original intent of the office and reverse the integration policies recently put into place.

### **Require all government contractors to disclose their political contributions.**

Currently, companies that receive government contracts may covertly support political campaigns through dark money groups, which do not have to publicly disclose their funders. Secret political spending corrupts the policymaking process by influencing lawmakers' decisions about which companies receive government contracts. The president should take executive action to ensure that government contractors disclose

all political spending, as recommended by several members of Congress and organizations in civil society.

**Issue an executive order to limit the use of pseudo-classification designations.**

President Obama issued Executive Order 13556 on November 4, 2010 establishing the Controlled Unclassified Information designation. Prior to that, each executive agency used their own designations to control the dissemination of unclassified information they generated. The new CUI designation was used sporadically for many years. But beginning in 2021, the Pentagon began using the designation widely, stamping even mundane documents like cover sheets and the final “Questions?” slide on PowerPoint presentations. The widespread use of the designation has drastically reduced government transparency by preventing oversight officials from accessing information as well as the public. Sensitive information should be protected, but executive officials also use the CUI designation to hide embarrassing information from the public in clear violation of the policy’s intent. The 2010 executive order should be repealed and replaced with more focused regulations governing the use of information designations.

**Prevent further defense consolidation by formalizing the Pentagon’s role in reviewing mergers and acquisitions.**

The Federal Trade Commission and the Department of Justice are responsible for reviewing and approving potential mergers and acquisitions, including within the defense industry. While these agencies consult with the Pentagon, it does not have a formal role in the review process. The Pentagon, however, provides a critical national security perspective to potential mergers and acquisitions. The president should take executive action to formalize the Pentagon’s role in the review process and prevent further consolidation of the defense industry.

**Save taxpayer dollars by ensuring that subcontractors get paid on-time and in full.**

According to a Pentagon study, subcontractors complete 60-70% of defense work, but they often receive late and/or incomplete payments from prime contractors. As a result, subcontractors frequently borrow to complete their work, raising the cost of doing business. Either the subcontractor or the taxpayer bears these costs, hurting both industry competition and taxpayers’ pockets. Worse, subcontractors are entitled to federal recourse, but they may not know that because they don’t know they’re working for the government. The president should take executive action to ensure timely and complete payments to subcontractors by requiring all prime contractors to indicate in their subcontracts that companies are completing government work.

**Cancel the B-21 program and use a portion of the savings for a new attack aircraft program.**

The Air Force is currently in the process of retiring the A-10 program after an often contentious, decades-long fight. The A-10 is the only aircraft in history designed from the very beginning to support ground troops. Generations of A-10 pilots have developed and refined tactics, techniques, and procedures to ensure the proverbial “18-year-old with a rifle” received the air support needed to be successful during combat. The F-35 program was sold to Congress as a replacement for the A-10, but the F-35 cannot replace the capabilities that will be lost when the final Warthog is retired. Because wars can only be won on the ground, the attack role is the most valuable combat mission for military aviation. Despite more than a century of propaganda from aviators and aircraft manufacturers, strategic bombing has proven to be largely ineffective. Additionally, the same effects of strategic bombing can today be achieved with standoff weapons like ballistic missiles, long-range artillery, unmanned systems, and cruise missiles. It is for that reason, the B-21 program should be cancelled immediately, and a portion of the savings used to begin a program to develop the next generation attack aircraft.