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Assessing the Pentagon's Fiscal Year 2021 Budget Request

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KEY TAKEAWAYS

The 2021 defense budget requires key decisions on how the U.S. executes the National Defense Strategy (NDS) and adapts to the challenges of great power competition.

Under the NDS, the U.S. military will have to balance the competing priorities of maintaining readiness and modernizing and preparing for great power competition.

Given current fiscal realities, Congress will have to decide whether the trade-offs called for by the President's budget are the right ones—and act accordingly.

The President's Budget Request for defense was released on February 10, 2020, under the tag-line of seeking to achieve "irreversible implementation of the National Defense Strategy."[1] This is a great sentiment that reflects the Department of Defense's (DOD's) commitment toward moving to the great power competition outlined in the National Defense Strategy (NDS) and de-emphasizing counterterrorism missions.[2] There has been substantive support in Washington, DC, for the shift to great power competition, with its particular emphasis on long-term competition with the People's Republic of China.[3]

In its budget request, the DOD largely emphasized readiness in the present and research for future capabilities, in lieu of increasing its contemporary capabilities. The DOD leadership will have to make a case in Congress for why that is the correct path. However, it will be up to Congress to examine if the

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choices made by the Department are best suited for the United States in the current world of great power competition and sustained counterterrorism operations.

This *Backgrounder* will highlight some of the issues in the President's Budget Request for defense that need to be assessed by Congress. Each of the service's budget requests and the defense-wide budget request raise issues that should be considered by Congress. At the end of the day, the only way that the country can reach an irreversible implementation of a policy is if there is broad bipartisan consensus for that policy in Congress. Absent that consensus, the policy will be washed away in the natural political waves in Washington.

Defense-Wide Issues

The fiscal year (FY) 2021 budget request is marked by trade-offs of contemporary capabilities for research programs and increased investments in readiness. It is a theme that echoes through all the services budget requests. The Department of Defense is also trying to do more with resources by generating savings within the defense-wide accounts; however, base realignment and closures (BRACs)—a major savings generator—were nowhere to be found.

Department of Defense Budget. Since the Trump Administration came into office, there has been a concerted effort to prioritize resources for defense within the discretionary budget. Not adjusted for inflation, from FY 2016 to FY 2020, there was a substantial increase of over 20 percent of the defense budget, from $624 billion to $757 billion.[4]

However, that growth is set to slow in FY 2021. The defense budget is expected to increase by only 0.3 percent from FY 2020 to FY 2021. The increase is determined by the Bipartisan Budget Act of 2019, which set the defense caps to $740.5 billion; of that, $69 billion was under the Overseas Contingency Operations (OCO) account.[5] The cap for FY 2020 was $738 billion; of that $71.5 billion was under OCO. The current projections of the Office of Management and Budget show that the White House intends to raise the defense budget by an average of 2.2 percent until 2025, and then freeze it from 2025 to 2030.[6]

Those budget limits fall short of the 3 percent to 5 percent real growth recommended by then-Secretary of Defense James Mattis,[7] current Secretary of Defense Mark Esper,[8] and reinforced by the National Defense Strategy Commission as necessary to implement the strategy.[9] These individuals have assessed that the DOD will need more resources to be able to fulfill the National Defense Strategy.

It is critical for lawmakers to acknowledge the real budgetary trade-offs that are required to implement the defense strategy. The "parity" strategy of raising defense and non-defense funds is both poor budgeting and dangerous, and it jeopardizes the levels of defense spending that are required over the next several years. Furthermore, Congress must address non-defense programs that contribute to the budget's long-run unsustainability.[10] If ignored, overspending on domestic programs will cause significant challenges for national security in the future.

The increased level of funding is necessary for the military services to better balance their competing priorities of providing current levels of readiness and modernizing and preparing for deterrence in the context of great power competition. Every service is going through the challenge of prioritizing its efforts, and the increased funding will provide a better margin and context in which to make those decisions.

Trade-offs for Research and Development and Personnel. In very broad terms, defense dollars buy military assets today, tomorrow, or further into the future. There will always be a balance in how to prioritize readiness (today), procurement (tomorrow), and research and development (the future). The FY 2021 defense budget request, on balance, favors improving current readiness levels, supporting the current force structure, and investing in research and development over increasing the current numbers of equipment and personnel. By and large, the services reduced their procurement of contemporary military assets, such as the F-35, or the anti-submarine aircraft P-8, to fund research and development projects.

In the department as a whole, the Research and Development, Testing, and Evaluation (RDTE) account is slated to grow by 2 percent, from $104.4 billion to $106.5 billion in FY 2021. The increase is largely being dedicated to classified programs, accounting for $1.615 billion of new resources.[11] Every service's RDTE account is set to grow, with differences in the level of growth. The Army is slated to grow the least, increasing its RDTE budget by 1.8 percent, while the Navy is receiving a 6.3 percent increase. Further, military personnel accounts are slated to experience the largest increase, growing by 5.7 percent across the whole Department of Defense.[12] The Army's military personnel account is the one set to grow the least, by 4.6 percent, while the Navy and the Air Force would be increasing by 6.4 percent and 6.3 percent, respectively.

The accounts that are slated to decrease (in order to pay for these increases) are the procurement accounts. In the whole Department, procurement is set to decrease by 4.8 percent.[13] The Navy will experience the largest decline, having its procurement budget reduced by 7.1 percent, while the Army will reduce its procurement by 1.8 percent and the Air Force by 2 percent.

These choices are a reflection of the bias that this budget request has toward supporting the current force structure and investing in future technologies at the expense of expanding contemporary capabilities.

Small End-Strength Increases. The President's Budget Request calls for modest end-strength changes across all the services (with the Navy receiving the largest) and the Space Force, which is asking for its first substantive end strength.[14] The Space Force is asking to increase from 38 personnel to 6,400 in its active-duty component. This increase is accompanied by a corresponding decline in the Air Force active component, which is decreasing by 6,600. The Marine Corps' active component is also slated to decrease by 600. Meanwhile, the Army is asking to increase by 900 and the Navy by 5,300. The focus of the Navy is on increasing the manning levels to augment its capacity to man the current ships in the fleet. In the aggregate, the Department of Defense wants its active component to increase by 5,500 personnel.

It is a modest growth that does not meet the needs that multiple service chiefs have testified as necessary over the years, nor the force construct that would be necessary for two major regional contingencies.[15] Congress ought to investigate and assess the implications of the DOD's modest planned growth.

Defense-Wide Review Results. The Department of Defense was able to alleviate some of the budgetary pressure through its defense-wide budget review.[16] In the review, based on Defense Secretary Mark Esper's similar efforts in the Army,[17] the Department was able to save more than $5 billion and reinvest those resources in higher priority areas. The process is planned to continue in all areas of the Department, from the military services to the combatant commands and other organizations under the control of the Secretary.

It is a very laudable effort to perform this type of review, and it should indeed continue. The effort is bound to hit a point of diminishing returns, a point the Army has likely already reached.

BRAC: Lost in the Shuffle. The Department of Defense was supposed to deliver a report assessing the force structure and infrastructure capabilities, outlining the current excess capacity in the Department.[18] The most recent infrastructure capacity study, from October 2017, outlined 19 percent of excess capacity in the DOD.[19] The report was supposed to re-assess the excess capacity and start the process of identifying the locations that have surplus or deficits.[20] Additionally, the report could serve for the DOD to make its case for new base closures and realignments (BRAC). A new round of BRAC is needed both to generate savings, estimated at $2 billion annually, and to advance the implementation of the National Defense Strategy.[21] It is a missed opportunity by the Administration that Congress can and should revisit.

Army

The Army is focusing on maintaining its current readiness gains and preparing to invest in future capabilities. However, this is coming at the cost of reducing the procurement of contemporary capability and decreased projected growth in the size of the Army.

Resource Trade-offs. Despite less overall funding, with a topline going from $180 billion in FY 2020 to $178 billion in FY 2021, the Army fully funded its training accounts, with a $2.1 billion increase in regular Army Operations and Maintenance funding.[22] This level of funding will probably allow it to reach its readiness goal of two-thirds of its brigade combat teams at the highest level of readiness by 2022.[23] This shows the Army's strong commitment to readiness.

The Army largely protected its research and development (R&D) accounts from cuts, providing for a small increase from $12.69 billion in 2020 to $12.77 billion in 2021. This reflects a hard-nosed priority to incorporate cutting-edge technology into the force. The Army has continued to emphasize its six modernization priorities and demonstrated a ruthlessness in funding them.

Army Savings Reinvestment. The Army continued to scrutinize its internal accounts, re-prioritizing $2.4 billion in 2021 alone to higher priorities.[24] The Army reportedly eliminated 41 programs, reduced/delayed 39 others, and, strikingly, *restored* 12 others.[25] The restoration, amounting to $194 million, reflects that the Army, presented with sufficient justification, can change its mind.

Drastic Reductions in Military Construction. Military construction funds were already low in 2020, at $1.8 billion. In 2021, the Army cut the program to a low of $1.1 billion, an insufficient amount to maintain the facilities footprint it has, and the lowest in some time.[26] You can defer military construction, but it just pushes the need until later. Absent a BRAC, you cannot make the need go away, and older facilities take more funding to maintain.

Lack of Growth in the Army. Despite multiple Army leaders stating the Army is too small to execute the National Defense Strategy, its end strength is barely increasing. Both the former Secretary of the Army, Mark Esper, and the former Chief of Staff of the Army, General Mark Milley, have both said the regular Army needs to be above 500,000 active soldiers to accomplish the required missions.[27]

The Regular Army is currently at 483,941, while being authorized to be at 485,000. By the end of 2021, they only request to be at 485,900, an increase

of only 900.[28] This will not allow the Army to get over 500,000, which is its aspiration in any reasonable time frame. This shortfall will continue to stress the force, not allow forces to be made available for experimentation, and presents risk in the execution of the National Defense Strategy.

Decreased Procurement: Increased Risk. Under pressure in a budget being reduced, Army procurement accounts were slashed in this budget. UH-60M Blackhawk procurement would go from 74 in 2020 to 36 in 2021. Joint Light Tactical Vehicle (JLTV) procurements continue to be cut for the actual JLTV vehicle. The Army plans to buy only 1,920 in 2021, down from 2,205 in 2020. This, despite the need for this platform in brigade combat teams. Procurement of Armored Multi-Purpose Vehicles, which replace the obsolete M113 family of vehicles, would go from 445 in 2020 to 193 in 2021, and Paladin PIM howitzers from 553 in 2020 to 436 in 2021.[29] These cuts represent near-term risk for the Army.

Navy

The Navy's budget request reflects a service in transition. Its force structure assessment that will determine requirements for the future has been delayed, and the budget request reflects the uncertainty of this transitional period.

A Navy in Transition. In 2019, the Navy began a new assessment of its fleet and the various demands placed upon it to either validate its 2016 force structure assessment (FSA) or to modify it as necessary to account for changes in technology, U.S. national security interests, and advances made by likely competitors during the past four years. As with the other services, the Navy is mindful of the National Defense Strategy and its emphasis on major power competition between the U.S., China, and Russia.

The FSA was to have been released in January 2020, but had been delayed "until Spring" due to the Marine Corps' parallel effort to redesign its forces based on new operational concepts for distributed naval power and the Corps' contributions to projecting naval power in highly contested environments.[30] When forwarded to senior Department of Navy and DOD leadership for final approval, Secretary of Defense Mark Esper rejected the Navy's plan, reportedly unconvinced it would get the Navy to the 355-ship objective in a timely manner and with the capabilities the Navy will purportedly need.[31]

The necessary integration of Navy and Marine Corps efforts to field relevant *naval* forces had stalled the pure-Navy FSA so as to incorporate Marine Corps issues. The resulting Integrated Naval Force Structure Assessment should better reflect the two services' plans for future forces. Given the

delay in releasing the more comprehensive review, the Navy's FY 2021 budget request reveals Navy intentions for the future, what it knows it will likely need to have in resources, and what current assets and programs are likely less relevant—but without full disclosure of what the revised fleet will look like. Thus, the FY 2021 budget request is meant to lay the groundwork for the future fleet, while also making critical investments in essential platforms like the Columbia-class ballistic missile submarine, Virginia-class fast attack submarine, Ford-class aircraft carrier, and the F-35C fighter.

Additional Hurdles to Growing the Fleet. By law, the U.S. Navy is supposed to increase the number of ships in its fleet to 355[32] from the 295[33] it has as of this writing. Though the Navy has assessed it actually needs in the mid-400s,[34] to account for all of the tasks assigned to it, budgets have limited the number of ships it can procure each year and low numbers—meaning few contracts—have caused the naval shipbuilding industry to shrink, further limiting what can be done to quickly improve the Navy's posture. The 355 objective was not pulled from thin air. Various studies have validated fleet requirements and the Navy's conclusion that 355 was the absolute *minimum* number of ships to perform its function at considerable risk.

But the reduction in fleet size took place over three decades, and it will take many years of sustained increases in defense spending on ships to get the Navy to where it needs to be. Given constraints handed the Navy, the FY 2021 budget allows for only *eight* ships to be purchased, down one-third from the 12 purchased in FY 2020.[35] The Navy sacrificed a Virginia-class submarine (contracting for only one instead of two); is purchasing only two destroyers; is placing only enough money toward a new class of frigates to buy one; and is acquiring only one new amphibious ship. At this rate, the bare minimum of ships will not be achieved until the mid-2030s.[36]

Shifting Priority to Future Capabilities at the Expense of Current. Given the Navy's restricted budget (down $2.9 billion, or 1.3 percent, from FY 2020), it reduced the number of ships it plans to procure in FY 2021 to free funding for R&D efforts necessary to define capabilities it knows it will need in the future, increasing R&D spending by 5 percent to $21.5 billion. These future needs include a new medium-size amphibious ship, a large surface combatant and large unmanned undersea vessel, a new frigate, hypersonic weapons, and continuation of development of the Columbia-class ballistic missile submarine, which the Navy must fund from its shipbuilding account (instead of funding through a separate national strategic deterrence account).[37] Ideally, the FY 2021 budget would fund both: growth of the fleet and preparation for the future, but lacking sufficient funding, the Navy is trading some of its current capability for the future.

Shoring-Up Critical Infrastructure. To regain immediate readiness aboard ships and within crews, the Navy has been in the habit of shorting maintenance and recapitalization of its shore infrastructure, accepting risk here to reduce risk in the operational fleet. At some point, however, degraded facilities will begin to have an effect on the Navy's ability to keep ships at sea. The FY 2021 budget calls for a 4 percent increase in funding for shore facilities, though this only supports necessary infrastructure at 80 percent of the requirement.[38]

Marine Corps

Like the Navy, the Marine Corps has been deeply engaged in a comprehensive review of its forces, capabilities, and geographic posture to ensure it can do its part in meeting the demands of great power competition, as directed in the National Defense Strategy.

A Service Amidst Adaptation. The Commandant of the Marine Corps, General David Berger, has pointed the service toward the Indo–Pacific region—with China as the pacing challenge—and made force design his top priority. He has determined that the Corps is overinvested in some capabilities that are likely to be of little use in the expected primary theater of operations and underinvested (or not invested at all) in other capabilities that will be essential to conducting highly mobile distributed operations within the enemy's engagement zone.[39] Specific changes stemming from the Corps' internal review have yet to be announced, but hints of what the Corps intends can be seen in its budget request, down $1.4 billion, or 3 percent, from FY 2020, for a topline of $46 billion.[40]

Trading End Strength for Modernization and Readiness. The Corps will shrink by nearly 600 Marines from its projected FY 2020 end strength, in order to shift funding from manpower to new and more "ready" material capability.[41] The Corps is striving for a leaner organization, meaning reductions in headquarters units,[42] so as to convey not only a change in institutional attitude (leaner units that are lighter and more nimble in combat), but also to transfer funding to higher priority capabilities areas, presuming the saved funding is retained by the Corps.

Accelerating Procurement of the ACV, Divestiture of the AAV. With a near antiquated fleet of 1970s vintage amphibious assault vehicles (AAVs) (though upgraded from time to time with new systems), the Corps has made various failed attempts to replace AAVs with more modern and capable systems.[43] It has finally achieved success with the amphibious combat vehicle (ACV) and is pushing ahead in acquiring the "first full rate production lot of 72 amphibious combat vehicles" in FY 2021. The FY 2021

budget request captures this progress in ground vehicle capabilities and should be supported through the full program purchase.[44]

Increased Investment in R&D. The Marine Corps is figuring out its analysis of future operating challenges against a peer-competitor in the Indo–Pacific and its implications for force capabilities; it has not yet solved the problem, thus its focus on experimentation, developing prototype systems, and seeding various efforts to see which hold promise for practical use. To this end, it has requested a 3 percent increase in R&D funding, from $2.56 million in FY 2020 to $2.65 million in FY 2021.[45]

Fewer Fighters, More Helicopters. The Corps is planning to buy 40 percent fewer F-35Bs than it did in FY 2020, 10 rather than 16, while aggressively pursuing the CH-53K, the United States' only ship-capable heavy-lift helicopter.[46] The Marines will purchase seven in FY 2021, one more than the current year, on their way to fielding a total of 196.[47] The CH-53K is a critical capability for the Corps, especially given the service's effort to develop new support measures for its distributed operations concepts.

Air Force

The Air Force has described a force that needs to increase by over 20 percent to meet the challenges of great power competition.[48] However, the budget request retires aircraft and reduces the level of procurement of new aircraft. This misalignment will need to be addressed by Congress.

The Falling Procurement Budget. The Air Force procurement budget fell by $1.4 billion, which the Air Force has stated it is too small for the missions the nation expects of it for more than three years.[49] In order to sustain current capacity and stop the aging of its fighter force, the service needs to buy 72 fighters per year. In 2018, the Secretary of the Air Force backed up that statement with a study called "The Air Force We Need," which found the service needs to grow by 25 percent in order to meet the 2018 National Defense Strategy.[50] And yet, the service has *reduced* its procurement budget in each of the two years since that study was released.

This year procurement fell by $1.4 billion to $25.4 billion, equating to 16 percent of the service's total obligation authority.[51] KC-46 tanker acquisition has held steady at 15 aircraft per year, and just 60 fighters will be procured—48 fifth-generation F-35As ($79 million each) and 12 fourth-generation F-15EXs ($98 million per jet).[52] Acquiring dated technology is actually more expensive than acquiring new technology.

The service's five-year acquisition plan holds fighter and tanker acquisition constant at 15 tankers and 60 fighters each year and sustains F-35A

procurement at 48 fighters a year, falling short of the 60 stealth fighters per year acquisition plan that had been programmed for FY 2025 and beyond.[53]

Budget for RDT&E Increased by $2.1 Billion. The Air Force Department's budget for research, development, test, and evaluation (RDT&E) increased from the $35.2 billion to $37.3 billion in FY 2021. Until 2018, the department's largest budget for RDT&E was 17 percent of total obligation authority (TOA). Excluding Overseas Contingency Operations, $37.3 billion equates to 24 percent of the department's TOA, marking an all-time-high for RDT&E, which now exceeds the budget for procurement by $12.1 billion. When factoring out the Space Force, the Air Force budget for RDT&E in FY 2021 is $26.9 billion, equating 19 percent of total Air Force TOA. As a point of comparison, in 2019, both Microsoft and Apple spent $16.8 billion on R&D, equating to 13 percent and 6 percent of revenue, respectively.[54]

The big winners here are the B-21, Ground Based Strategic Deterrent, Command and Control (Advanced Battle Management System), nuclear modernization, and Next Generation Air Dominance. Historically, Defense Department budgets cycle up for only a handful of years, which creates the opportunity to acquire technologies born out of RDT&E challenging, as budgets cycle back down.[55] While the proposed TOA for the Department of the Air Force increased by $0.9 billion this year, buying power after inflation will actually fall, which implies the downward cycle has begun.[56]

Retirement of More Than 100 Aircraft in the Next 5 Years. The Air Force proposes to "divest" or retire 17 B-1s, 46 A-10s, 16 KC-10s, 13 KC-135s, and 24 Global Hawks during the five years of the FY 2021 future years defense program.[57] These aircraft are the oldest and/or the most challenging aircraft to maintain within the respective fleets, and their retirement will have a doubly positive impact on mission-capable rates.

Removing an aircraft that is consistently non-mission capable from the roster will improve mission-capable statistics for the fleet—and it will free up maintenance professionals to work the other aircraft in that fleet. Unfortunately, retiring mission-essential aircraft before they are replaced with new ones generally results in a permanent decrement in the total number of platforms in a weapons system.

While the service has plans to buy enough B-21, F-35A, and KC-46 aircraft to eventually replace the manned platforms it is retiring, a recent study called "The Air Force We Need" has shown the Air Force requires many more fighter, bomber, and tanker aircraft than it currently possesses.[58] The history of planned-versus-actual aircraft acquisitions for the past 25 years is not a pretty one. The Air Force acquired 100 of 244 planned B-1s,[59] 21 of 132 planned B-2s,[60] and just 181 of more than 750 planned F-22s.[61]

With decreasing budgets already under way, it is less and less likely the Air Force will buy enough aircraft to sustain the number of squadrons/aircraft in the current fleet—much less reach the totals associated with "The Air Force We Need."

Missile Defense and Strategic Deterrence

The current budget request provides some important investments in the future needs of U.S. missile defense systems and recapitalizing our nuclear deterrence. Congress will have to assess these proposed investments and how they align with the needs of the nation.

Space Sensor Layer. The budget request does not include sufficient funding for a space sensor layer to track hypersonic missiles.[62] A space sensor layer, currently called the Hypersonic and Ballistic Tracking Space Sensor (HBTSS) program under the Missile Defense Agency (MDA), would consist of a proliferated constellation of sensing satellites in low Earth orbit that can detect and track the flight of hypersonic vehicles, which fly too low to the ground to be detected by existing sensor architecture.

Despite the significance in both the National Defense Strategy and the Missile Defense Review of addressing emerging capabilities such as hypersonics, the budget has not prioritized the HBTSS program. In fiscal years 2019 and 2020, the HBTSS was excluded from the budget request, but was first on the MDA's Unfunded Priorities List. Therefore, Congress provided $73 million in FY 2019 and $108 million in FY 2020.[63] Also in FY 2020, the Administration tried to assign the HBTSS to the nascent Space Development Agency (SDA), but Congress assigned primary responsibility of the HBTSS program to the MDA.

The FY 2021 budget request includes $99.6 million for the SDA to develop a hypersonic tracking layer, which is not enough money for a program still in its RDT&E phase if the Pentagon intends to have an initial space layer operational by FY 2022.[64] Regardless of the agency ultimately responsible for the program, funding for the HBTSS needs to increase—not decrease—in FY 2021 to move forward quickly with the development and demonstration of the hypersonic tracking layer in low Earth orbit.

Budget Increase for National Nuclear Security Administration. The budget includes $19.8 billion for the National Nuclear Security Administration (NNSA), which is an 18.3 percent increase from last year's enacted level.[65] This plus-up is critical for nuclear modernization because it comes in time for the NNSA to move forward with a number of programs that would revamp the nuclear security enterprise. In particular, the NNSA is

planning to resume its ability to produce plutonium pits at both the Los Alamos National Laboratory and the repurposed Savannah River Site, continue the B61-12 life-extension program, develop the W87-1 warhead, and refurbish decaying Cold War–era infrastructure that has been neglected for the past two decades.

This budget increase also marks a victory over the Office of Management and Budget (OMB) in a battle that occurred before the budget release.[66] Despite NNSA Administrator Lisa Gordon-Hagerty's $20 billion request, the OMB directed a cut down to $17.5 billion. Gordon-Hagerty, along with Republican members of the Senate Armed Services Committee and House Armed Services Committee (HASC), objected that this cut would risk the U.S. deterrent and require the NNSA to reduce the size of, rather than modernize, the stockpile. The full request of $19.8 million is especially necessary when House Democrats already want to cut NNSA modernization programs.[67]

Ground Based Strategic Deterrent. The Administration requested $1.5 billion for the Ground Based Strategic Deterrent (GBSD), which is a $1 billion increase from last year's enacted level.[68] In FY 2020, the HASC tried to delay the GBSD program by cutting $103 million from the program and attempting to require a study on further life-extending the Minuteman III missiles through 2050—even though Minuteman III is already 30 years *past* its intended lifetime.[69] It is important that the budget include a boost for the GBSD, for which the Senate can fight, as it did in FY 2020.

Moreover, now that the Air Force has received its proposal from Northrop Grumman to develop the GBSD, it must press on with a sole-source negotiation to keep the program on time. According to the budget request, the GBSD should reach Milestone B by the end of FY 2020. The GBSD cannot afford any delays as the Minuteman III missiles will begin to age out.

Recommendations

Congress must play its role in better aligning the budget with the National Defense Strategy. In order to achieve this, Congress should:

- **Assess the trade-offs that the DOD has carried in the budget request.** The budget request emphasizes the present and the long-term in lieu of developing contemporary capabilities. Congress needs to understand why the services made those choices as well as the risks that these choices bring. The Department has not done a good job defining risk—and Congress needs to continue pressing on that

question. After all, if there is no precise definition of the downsides of each choice, it is not possible to make an informed decision.

- **Evaluate how great power competition is reflected in the defense budget.** The changes required by the National Defense Strategy are not trivial and should have lasting impact on the shape of our forces today and into the future. It will require Congress to move away from some of its parochial preferences and give way to priorities that focus on the threats posed by Russia and the People's Republic of China.

- **Appropriate and authorize the defense budget on time.** Continuing resolutions have been the hallmark of recent budgetary history.[70] This year there are already top limits defined for defense that are unlikely to be renegotiated in the current political environment. Congress should use this certainty to speed up the process and have both authorizations and appropriations acts signed before the start of the new fiscal year.

Conclusion

The fiscal year 2021 defense budget requires decisions and priorities that will determine how the country will implement the National Defense Strategy and adapt to the challenges of great power competition. The President's Budget Request outlined the Department's trade-offs for the coming fiscal year. However, it will be up to Congress to decide on these trade-offs and determine if the proposed investment and divestments are the adequate path forward. The right answer, as this *Backgrounder* shows, is a mix of right and wrong.

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