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COMMITTEE ON ARMED SERVICES

U.S. House of Representatives

Washington, **BC** 20515-6035

ONE HUNDRED TWELFTH CONGRESS

October 12, 2011

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The Honorable Patty Murray Co-Chair, Joint Select Committee on Deficit Reduction 448 Russell Senate Office Building Washington, D.C. 20510

The Honorable Jeb Hensarling Co-Chair, Joint Select Committee on Deficit Reduction 129 Cannon House Office Building Washington, D.C. 20515

Dear Chairwoman Murray and Chairman Hensarling:

I am writing to express views that are supplementary to those submitted by Chairman McKeon, regarding the implications of the Budget Control Act of 2011 (the BCA) and the activities of the Joint Select Committee on Deficit Reduction on the national defense budget. I urge the Joint Select Committee to avoid cuts to the national defense accounts beyond the reductions already applied by the BCA. Further reductions could undermine national security. However, sparing the national defense budget, while simultaneously slashing discretionary and non-discretionary federal spending programs relating to the workforce, healthcare, infrastructure, education, innovation, small business development, and other areas essential to economic growth, would also be damaging to the country. Therefore, I strongly urge the Joint Select Committee to include significant revenue increases among its recommendations for satisfying deficit-reduction requirements. Including revenues in an overall balanced approach to deficit reduction is the best course of action for the committee.

There is no doubt that our country faces extensive national security challenges. The military is actively waging two wars, in Afghanistan and Iraq, and performing various missions responsive to global threats and emergencies. I am committed to maximizing the military's preparedness for, and effectiveness in, meeting the spectrum of present and future challenges, just as I am committed to the courageous men and women who sacrifice daily to make that effectiveness a reality through their service. Moving forward, we must ensure that we honor these commitments by fulfilling our duty to provide the Armed Forces with the proper resources, policies, and flexibilities to excel.

I am mindful that the foundation of our national security is a strong and vibrant economy. We are presently confronted by concerning economic conditions, deficit spending patterns, and exorbitant debt. A healthy economy is a national security priority, and budgeting in a tough economic climate demands a comprehensive approach that includes revenue increases and fiscal discipline. Savings can certainly be realized within the defense budget. However, the BCA already demands that significant savings be garnered from security spending. The Department of Defense (DOD) estimates that the discretionary spending caps now in effect will force it to reduce its current budgetary plans and projections by approximately \$464 billion over the course of 10 years. The Secretary of Defense anticipates that the DOD can manage these cuts by maximizing available efficiencies and reducing force structure in accordance with the findings of the comprehensive review of departmental missions and capabilities currently under way. I commend the Department for its efforts to establish and meet its strategic priorities within the fiscal parameters of the BCA as currently enforced.

It is also worth recognizing reduced funding requirements in the Overseas Contingency Operations (OCO) accounts. As operations in Iraq and Afghanistan wind down, perennial funding requirements, now in excess of \$100 billion, will decrease commensurately. Although these reductions may not represent budgetary savings, we should acknowledge that they will represent a significant departure from the deficit spending patterns of the past decade.

I believe that significant defense budget reductions beyond those imposed by the BCA to date or those that may be realized as a result of diminished OCO demands would require fundamental changes to our current strategic posture. These changes must be carefully examined and evaluated before they can be made, as they would carry considerable risks that may or may not be effectively mitigated. I ask the Joint Select Committee to refrain from making any deficit reduction recommendations that might prematurely force the DOD to make what may prove to be precarious strategic adjustments as a result of additional budgetary constraints.

I also encourage the Joint Select Committee to consider the pressures and complications inherent to other federal agencies and programs. If federal revenue streams are not significantly enhanced, deficit reduction goals must be realized through curtailments of discretionary and non-discretionary spending. I understand that, in this context, shielding defense dollars from further deficit reduction measures will only require other important federal spending priorities to shoulder increasingly disproportionate shares of the burden. This would be an unacceptable outcome. National security involves much more than defense; it includes prudent and meaningful investments in the workforce, infrastructure, education, health care, innovation, small business development, and many other facets of enduring national strength. We cannot afford to sacrifice any of these vital interests as we strive to harness deficit spending, to pay down the national debt, to create employment opportunities, and to empower our country's economic performance. Therefore, I strongly urge the Joint Select Committee to propose legislation that embraces revenue increases and that avoids precipitous cuts to programs essential to growth – the engine of our national security.

Thank you for your consideration of these views. I look forward to working closely with you and with the other members of the Joint Select Committee in crafting deficit-reduction legislation that responsibly addresses our national security needs.

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Adam Smith

Ranking Member