

Good Morning. I'd like to thank the Chicago Council on Global Affairs for hosting me for a serious conversation about the direction of our national security strategy.

As a former professor, I know what 8 am attendance can look like, so thanks to all of you for waking up early.

Just a few weeks ago, we observed the 9th anniversary of the terrorist attacks against New York and Washington.

Like the Kennedy assassination or Pearl Harbor, September 11th is seared into our national consciousness.

It was a day of shock, of horror, and of loss.

But out of the ashes of the Twin Towers and the smoldering Pentagon came a renewed sense of purpose.

Our country came together with the knowledge that we needed to keep Americans safer and more secure.

We needed to change the way we protected ourselves, to adapt to the threats of the 21st century—and ensure the tragedy of that morning never happened again.

Unfortunately, we have begun to lose sight of those lessons.

Rather than recalibrating our security strategy to fight the non-state actors who attacked us, we continue to spend – and spend – to combat the enemy of another era.

We can no longer continue to spend real money based solely on theoretical threats.

In the nine years since those attacks, this country has been in a perpetual state of war—militarily, politically and economically.

We've spent over a trillion dollars trying to buy Middle East security at gunpoint.

That's a huge investment, but any economist will tell you that you can't make decisions based on sunk costs.

It is time to take a step back, evaluate our global needs, and build a military to match those needs – as if we were starting from scratch.

At the 2008 convention in Denver, Candidate Obama said we have to rethink, restructure and reinvent government.

I was the only one who stood and cheered at that line.

It was true at Cook County, and it's true with our national security strategy – only the stakes are much higher.

We need to decide if we really can afford to be the world's police.

We need to see if military might really ends terrorism.

And we need to embrace a foreign policy rooted in diplomacy and restraint.

It's an uncertain world – while Congress fought over missile defense, our enemies attacked us with box cutters.

We face many potential threats:

- Non-state actors like al Qaeda and Hezbollah
- Rogue states like Iran
- Possible rivals like China and Russia.

The best we can do is to prepare based strictly on a realistic assessment of these threats to our security – not on the need to preserve jobs, bases or contracts.

If we do that, we can protect our interests with a military suitably scaled—one that capably protects us without costing a dime more than necessary.

To do otherwise places us in danger of—as President Eisenhower put it—destroying from within “that which we are trying to defend from without.”

I do not believe this course is incompatible with this country maintaining its status as a superpower.

Nor do I believe this is a path to an isolationism or pacifism that would undermine relations with our allies.

In fact, I would argue it is essential to America remaining a preeminent world military power and leading actor on the stage of global affairs.

We have to recognize the limits of our power and use it wisely.

As we learned in Vietnam and as we are seeing again in Iraq and Afghanistan, technology does not equal invincibility.

Billion dollar submarines, \$100 million-plus fighter aircraft, and \$2 billion stealth bombers are amazing testaments to this country’s industrial capabilities.

But they are costly white elephants in the war against jihadists with Kalashnikovs and roadside bombs.

In the words of Defense Secretary Robert Gates, “You don’t necessarily need a billion dollar guided missile destroyer to chase down and deal with a bunch of teenage pirates wielding AK-47s and RPGs.”

But the fact that we keep buying these billion dollar weapons is having a material effect on the quality of life for many Americans.

Funding for education, infrastructure, job training, and healthcare all suffer in the face of a ballooning Pentagon budget.

As Dwight D. Eisenhower, a man who knew something about leadership in times of peril, said in 1953, every gun made, every warship launched signifies “a theft from those who hunger and are not fed, those who are cold and are not clothed.”

Those words are true today. We face historic financial challenges, in part because of the money reflexively allocated to defense.

The federal deficit reached \$1.4 trillion in FY2009, tripling from the previous year, prompting Admiral Mike Mullen, Chairman of the Joint Chiefs of Staff, to declare, “Our national debt is our biggest national security threat.”

The deficit is now close to 10 percent of GDP, the highest since World War II.

And unlike the days of World War II, our debt is largely in foreign hands.

Fear over such high rates of debt can drive up interest rates.

And as it becomes more expensive for us to borrow, interest on the debt will eat up an increasingly larger portion of the budget, taking away from other priorities such as infrastructure, education, healthcare and others.

As Secretary Gates said recently, “given America’s difficult economic circumstance...military spending on things large and small can and should expect closer, harsher scrutiny.”

There is no doubt that defense spending is contributing to the growth of our budget deficit.

Defense spending has doubled since September 11, 2001.

At \$719 billion, the defense budget is the highest it has been since World War II.

With the passage of the FY2010 supplemental, the cost of the wars in Iraq and Afghanistan since 2001 now total \$1.1 trillion.

We have spent more on Iraq and Afghanistan than on any war in our history except World War II.

They have cost more in real dollars than the Korean and Vietnam wars *combined*.

And by some estimates, the long term costs of these wars, including medical costs could top \$7 trillion.

Much of this increase is due to the wars in Iraq and Afghanistan, but 37 percent of discretionary spending growth is in the “base” or “peacetime” defense budget.

So as we look at defense spending, we must examine war costs and “peacetime” costs, as both are growing at unsustainable rates.

I learned a new acronym in Washington: NDD.

That stands for Non-Defense Discretionary.

Both parties talk about attacking the deficit, by cutting “Non-Defense Discretionary” spending across the board. But Defense spending accounts for 65 percent of discretionary spending increases since 2001.

There can be no sacred cows – if we’re serious about cutting the deficit, there can be no distinctions like NDD.

Defense experts—including Secretary Gates—believe we can make significant cuts in military spending without sacrificing national security.

As Gates asked recently, “Is it a dire threat that by 2020 the United States will have only 20 times more advanced stealth fighters than China?”

A new report by the Sustainable Defense Task Force, finds that we could save \$960 billion over the next ten years, without jeopardizing our national security.

How is this possible? It’s simple: We no longer face the Cold War-era opponents we once did.

The fact is the great Soviet military no longer exists - it spent itself into submission.

And as we continue to overextend ourselves, we must be sure we don't imperil our own economy.

We need to adjust our capabilities to the wars we face.

We no longer are confronted by the adversaries of the Cold War, yet we still operate as if we are at war with an opponent as powerful as the former Soviet Union.

China spends barely one-fifth as much on its military as the US, and the US now spends more on defense related research and development than Russia does on its whole military.

We could cut our defense spending in half and still be spending more than our current and potential adversaries combined, including Russia and China.

And what about our immediate enemies?

We continue to spend billions on high-tech gear to face-down a nonexistent Soviet army while we shortchange counterterrorism.

The military assets most useful for counterterrorism are relatively inexpensive – surveillance technologies, special operations forces and drones.

Those assets are also the most logical tools, given al-Qaeda's decentralized operations. There are no headquarters to bomb; no beaches to storm. After 9/11, we sent thousands of U.S. troops to Afghanistan explicitly to go after al Qaeda.

But now few al Qaeda operatives remain in Afghanistan – CIA Director Leon Panetta says “at most” there are only 50-100 still there.

Al Qaeda is not a state-based adversary, but a global network of extremists who find safe-havens in ungoverned spaces around the world.

According to a source at the U.S. defense agency, “We know that South Asia is no longer Al Qaeda's primary base. They are looking for a hide-out in other parts of the world and continue to expand their organization.”

Al Qaeda networks are growing and operating in Yemen, Somalia, Uzbekistan, Sub-Saharan Africa, and even right here on U.S. soil.

Terrorists from around the world can now communicate and unite through the Internet.

As Thomas Friedman wrote in the *New York Times* last year, the most active front in this war against terrorism is “not Afghanistan, but the ‘virtual Afghanistan’—

the loose network of thousands of jihadist Web sites, mosques and prayer groups that recruit, inspire and train young Muslims to kill.”

And yet the U.S. has over 95,000 American troops on the ground in Afghanistan, fighting an enemy that is no longer there.

New evidence shows that our presence there is actually fueling the insurgency we are fighting.

Congressman John Tierney recently discovered that the U.S. military is funding a multi-billion dollar protection racket in Afghanistan.

A good portion of a \$2.16 billion transportation contract is being paid to corrupt public officials, warlords and the Taliban to get needed supplies to our troops.

We are funding the very insurgency we are fighting.

Our large-scale military presence is one of al-Qaeda’s best recruiting tools.

Counterinsurgency expert David Kilcullen writes about “accidental guerilla syndrome,” where the presence of occupiers motivates non-violent locals to join insurgents in fighting the occupiers.

Every accidental civilian casualty caused by American troops—of which there have been thousands—serves to recruit for al-Qaeda around the globe.

Time and time again history has shown us that traditional military invasions do not end terrorist groups, and a number of studies have shored up this belief.

The RAND Corporation conducted a comprehensive study in which they analyzed 648 terrorist groups.

The study found that most terrorist groups dissolve either because they join the political process (43%), or because local police and intelligence efforts arrest or kill key members (40%).

Military force was only effective in ending terrorist groups 7 percent of the time.

The report concludes that police and intelligence agencies, rather than the military, should be the tip of the spear against Al Qaeda networks worldwide.

Al Qaeda is an enemy without borders, and so we must have a strategy without borders.

Many of my colleagues continue to subscribe to the belief that traditional military power can combat a non-traditional adversary such as al Qaeda.

But I believe that we need a more nimble strategy that focuses on intelligence gathering, policing and special forces to combat terrorism.

We are facing a new enemy and need to adapt.

Sadly, swift adaptation has never been the forte of the federal government.

I may be fairly new to Congress, but coming from the Cook County Board, I know what institutional inertia looks like.

Changing the status quo will not be easy in Washington, a town where defense contractors place ads in the city's metro system extolling their latest billion dollar system.

Or where there's a saying at the Pentagon that the only unstoppable weapon is the one built in all 50 states.

Everything must be on the table.

The question remains: If we were to start all over, today, what would we need to keep ourselves safe?

But before we examine each expenditure against this question, we have to figure what we're spending.

The sad truth is that DOD is one of the only federal agencies that cannot pass an independent audit.

It cannot account for all of its expenditures and assets.

Without an auditable budget, we have no way of properly analyzing what we are spending.

This budget opacity is what leads to waste and abuse, and without knowing what we are spending, we have no hope of reform.

For 20 years DOD has been asked to get its finances in order, but so far has been unable to do so.

The latest deadline for “audit-readiness” has been pushed back to 2017, but considering our current financial situation, DOD needs to get its books in order now.

Our continued commitments overseas are equally perplexing.

At this time, approximately 150,000 active-component US military personnel are assigned to Europe and Asia.

It is as if the Cold War never ended.

America’s presence in Europe and Asia was originally designed to deter opponents and support allies in the aftermath of WWII and during the Cold War.

But we no longer face the threats of these wars.

Europe, with a collective economy greater than the U.S. is able to defend itself.

Other critics, such as Doug Bandow, a former special assistant to President Reagan, question why the U.S. maintains over 30,000 U.S. troops in Japan 65 years after World War II and 21 after the fall of the Soviet Union.

Japan is no longer a threat, and with its stable economy should be able to defend itself, argues Bandow.

Other critics point to America's unparalleled capacity and flexibility to rapidly deploy troops and assets to regions as needed.

This rapid deployment capability, argues the Cato Institute, means the U.S. no longer needs to maintain nearly as many permanent U.S. bases and troops abroad.

Simply put, we can maintain global reach without the expense of global presence.

Reducing U.S. troops in Europe and Asia, and cutting end strength by 50,000 could save \$80 billion over the next ten years, according to the Sustainable Defense Task Force.

Do we need more than 150,000 troops permanently stationed in Europe and Asia to keep America safe from today's the threats?

Our nuclear arsenal also needs shrinking.

The US currently has almost 2,000 operationally-deployed strategic nuclear warheads and 5,000 active warheads in its stockpile.

We built our nuclear stockpile during the Cold War, but in today's world there is no need to maintain it.

The Task Force has found that reducing the US nuclear warhead total to around 1,000 and limiting our submarine fleet would save \$113.5 billion over the next ten years, while still providing “more than enough deterrence.”

A number of security experts from across the political spectrum agree that our nuclear forces could be significantly reduced without harming our security.

In 2008, former secretaries of state George Shultz, William Perry, and Henry Kissinger wrote a joint op-ed in the *Wall Street Journal* stating exactly that.

In a recent article the Air Force Strategic Plans and Policy Division and two Air Force War College professors agreed that 311 warheads are sufficient to achieve deterrence.

President Obama should be commended for his work on the new START treaty with Russia that would require both countries to reduce their stockpiles to 1,550 each.

But critics like nuclear expert David Hoffman argue that even under the new agreement we are “left with excess – thousands of nuclear weapons that do not make us any safer.”

Our bloated nuclear stockpile is yet another example of a huge investment based on needs of the past that fails to contribute to America’s security today.

Another serious need is procurement reform.

Procurement costs have increased 110 percent in real terms since 2000.

Even if you take out war-related expenditures, peacetime spending has increased 75 percent.

Secretary Gates has taken some bold steps to cut unnecessary purchases, such as the presidential helicopter, additional F-22s and the alternate engine for the F-35.

But he continues to face opposition from Congress, and much more can be cut while still ensuring we maintain military superiority.

Here are a few examples:

Navy

- Our priorities are to keep international sea lanes open, protect American interests, and protect our shores – we need a global reach but not global presence.
- We don't need 20 times more firepower than any other nation to achieve this.
- DDG -1000 Zumwalt class destroyer: Less agile, more expensive than older destroyers, focused on open water instead of the shoreline locations where many of our threats occur. 3 more are scheduled to be purchased at a total cost of \$18 billion - to keep General Dynamics Bath Iron Works facility in Maine open for 5,600 workers.
- Carrier groups: May 3rd, Secretary Gates asked, “Do we really need 11 carrier strike groups for another 30 years when no other country has more than one?”

- Overall fleet: The Defense Task Force found that we could shrink from 286 ships to 230 and still remain superior to all other navies in the world.

Air Force

- I have a great deal of respect for the men and women of the Air Force. One of my district staffers is an Air Force veteran who served in Iraq. But there is a disconnect between the priorities of Air Force brass and the important missions Airmen are fulfilling.
- We need air support for our troops on the ground, and drones to help root out isolated targets in remote areas. We don't need additional air, space or nuclear supremacy than what we already possess.
- F-35 Extra engine: Don't need 2 of everything. As Secretary Gates said, "study on top of study has shown that an extra fighter engine achieves marginal potential savings but heavy upfront costs – nearly \$3 billion worth."
- F-22: Next generation fighter isn't an immediate need when older fighters already hold complete air

supremacy. We're building for the cold war instead of the war on terror.

Army:

- Support staff: We need to reduce the layers of staff and the numbers of Generals between the President and the line officers. According to Sec. Gates, “Our headquarters and support bureaucracies, military and civilian alike, have swelled to cumbersome and top-heavy proportions, and grown over-reliant on contractors, and grown accustomed to operating with little consideration to cost.”
- Research and Development: \$80 billion annually, or 33 percent more than the Cold War peak in real terms, even though today we face no traditional adversary comparable to the Soviet Union.
- C-17: We already have 180 of these transports and don't need any more. The Pentagon has not requested them for four years, but Congress continues to appropriate funding.

- Future Combat System: This is actually a piece of good news – after Congress pushed back on this expensive program to replace the Bradley Fighting Vehicle, the Army responded by cutting the cost in half, then reevaluating its needs and putting the system on hold. The point is – oversight can work.

Marines:

- MV-22 Osprey: 186 percent over budget, costs \$100 million per unit to produce, has killed over 30 Marines in accidents, and is not suited to fly safely in extreme heat, excessive sand, or under enemy fire. Helicopters achieve many of the objectives at a lower cost.
- Expeditionary Fighting Vehicle: Gates: “we have to take a hard look at where it would be necessary or sensible to launch another major amphibious landing again.” Marines haven’t stormed a beach since 1950 because loading troop ships at sea puts ships in range of missiles.

The one common characteristic of all these expenditures is not only their costliness but that they have no useful application in today’s world.

All expenditures should be measured against the benchmark - Will this keep Americans safer? – And rejected if the answer is No.

With finite resources must come choices. The real ramification of overspending on defense is not simply that we will have too many unnecessary ships, aircrafts or missiles—

but that by diverting too many of our resources to defense we are neglecting other vital, domestic investments such as health care, education, and infrastructure needed to remain a superpower.

As Benjamin Freidman of the CATO institute puts it: “We spend too much because we choose too little,”

The obstacles to implementing cultural changes of this magnitude are immense. But the stakes are equally great.

America, with its multitude of resources and role as a beacon of liberty, will be called on to defend its interests long after al Qaeda is vanquished.

I only ask that our forces be deployed as a last resort and with the tools they need to do their job.

Sixty years ago, President Eisenhower warned of humanity hanging from a cross of iron, and yet here we are today—seemingly no wiser and even more vulnerable to such a fate.

Even as the Secretary of Defense--not to mention countless defense and budget experts--has pleaded with Congress to make necessary changes, we remain committed to spending on defense systems that go far beyond what is needed to keep us safe.

But there is good news: as I've outlined this morning, we can spend less *and* be safer.

By divesting from billion dollar weapon systems that can't fight non-state actors, bolstering intelligence efforts and renewing our focus on effective homeland security, we can recalibrate our power without lessening it.

It's time for Washington to brace itself for a conversation that is long overdue.

Thank you for your time. I would now be happy to answer your questions.