Select Recent Events

**A Discussion of the 2014 Quadrennial Homeland Security Review**  
*This event featured a discussion with DHS Assistant Secretary Alan Cohn followed by a panel of experts.*

**Nuclear Centers of Excellence in Asia: Next Steps**  
*This daylong workshop featured discussions on training professionals in nuclear security and improving physical protection of nuclear materials.*

**PONI Breakfast with Kirk Donald**  
*This event featured a discussion on Mr. Donald’s experience in the nuclear enterprise and his thoughts on its future.*

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**FROM THE DIRECTOR’S CHAIR**

**KATHLEEN HICKS  
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*With all of the international turmoil that has swirled this summer, it is worth pausing to ask what effect world events are having on the debate in Washington over the federal budget and sequestration. There is no dearth of rhetoric occurring, of course, excoriating everyone from the current administration to the former administration to Vladimir Putin to Nouri al-Malaki to illegal immigrant children. And there are plenty of new spending proposals. In late June, President Obama submitted a $58.6 billion fiscal year 2015 budget request for overseas contingency operations, including a $5 billion counterterrorism partnership fund, a $500 million fund to train Syrian opposition forces, and another $1 billion fund for a European Reassurance Initiative. More recently, he submitted a $3.7 billion emergency funding request to manage the migrant children problem on the southwest border.*

*Should we be optimistic that a broader debate about federal spending, and the security portion of that spending, is around the corner given that all of these proposals for funding are now surfacing? Unfortunately, the answer is a decided no. As David Berteau convincingly writes in his budget update below, no legislative action to alter sequestration or reach a long-term budget deal will occur before the November midterm election and likely not until a new Congress is sworn in.*

*In the meantime, there is continued confusion over how the United States will lead on the world stage amid significant geopolitical challenges and with sequestration caps firmly in place for the foreseeable future. Perhaps the most disturbing aspect to this disconnect is the lack of any real discussion in Washington about it. Indeed, righteous indignation has given way to general resignation, but it has seemingly failed to generate needed energy to identify a strategy-to-budget (or even budget-to-strategy) solution. Clark Murdock and Ryan Crotty have recently authored a report containing their own proposals for how to do just that. Perhaps interested members of Congress, the Pentagon, the State Department, and the White House can work together quietly over the next several months to develop a strategy that meets the country’s self-imposed fiscal constraints for security while advancing the most important interests we have as a nation. If nothing else, such an exercise could demonstrate the perils of cutting our security budgets too far when so much is at stake in the world.*
Each July, the Office of Management and Budget (OMB) updates its economic and federal budget forecasts in the annual Mid-Session Review. This year’s update, released late on Friday afternoon, contained important information for defense and national security budgets.

The report projects robust growth in the overall national economy, which boosts federal revenue, reduces spending, and shrinks the deficit. While this does not delay the arrival of the next fight over the federal debt ceiling (set for next March), it is a much-needed positive sign.

July is also the 40th anniversary of the Budget Reform and Impoundment Control Act of 1974, widely celebrated by budget geeks across Washington and around the world. That act created the congressional budget process, as well as the Congressional Budget Office (CBO), the legislative counterpart to OMB. CBO’s economic forecast, released just days after OMB’s, is somewhat less rosy for the near term and notes the long-term fiscal risks from growth in spending for mandatory programs like Medicare and Social Security.

OMB’s update also quietly corrected errors that accompanied the federal budget for Fiscal Year 2015 (FY15). These errors had projected steep declines in defense outlays for the current fiscal year (FY14) in the Procurement and Research, Development, Test, and Evaluation accounts. At CSIS, we track the monthly outlay reports from the U.S. Treasury Department, where the actual declines had been in a modest 4–5 percent range rather than the 15–20 percent forecast last March with the budget. This update of smaller declines is a tiny bit of good news for the Department of Defense (DoD) and industry, even if already evident from the data.

July also saw DoD deliver its request for $59 billion for the Overseas Contingency Operations accounts, called OCO (the government-wide number is $66 billion). This covers costs for Afghanistan, as well as equipment repair and recovery from the past decade of war. OCO has become in some ways the safety valve for the reductions mandated under the Budget Control Act. Congress is likely to approve the request and may even increase it slightly.
Several recent tests suggest progress for both ballistic and cruise missile defenses.

On June 22, a ground-based interceptor (GBI) successfully destroyed a long-range target high above the Pacific. As the only system for homeland missile defense, the GBI test represents a welcome departure from three past intercept failures in 2010 and 2013, which involved both older CE-1 and newer CE-2 kill vehicles. Immediately, the intercept paves the way for improving the CE-2. In the coming months, we may also expect details on the Missile Defense Agency’s plans to further develop and test the CE-2 in time for 14 additional interceptors scheduled for 2018, sketch out the medium-term redesign, and begin to conceptualize a next-generation, volume-kill interceptor.

A less-reported but interesting recent series of tests concern the new SM-6, a system designed to defend against cruise missiles, aircraft, and—quite interestingly—short-range ballistic missiles. The SM-6 essentially consists of parts from three other systems: the front end of an AMRAAM, an SM-2 airframe, and the longer-range booster from an SM-3.

In June, ship-borne SM-6s were launched against three different cruise missile threats, destroying all three. Comparatively less attention typically goes to cruise missile and antiship threats, which have hitherto been seen as difficult to defeat. Recent developments include increased Chinese coastal deployments, allegations of a Russian ground launched cruise missile in violation of the Intermediate Range Nuclear Forces Treaty, and reports that NORTHCOM and MDA are looking carefully at cruise missile defenses for the continental United States. SM-6 has been deployed aboard ships since December 2013, but need not be so limited. If threats develop, SM-3 Aegis Ashore European deployments could conceivably be supplemented with cruise missile defenses.

Notably, a fourth SM-6 test successfully intercepted a higher-velocity and higher-altitude target capable of simulating ballistic trajectories—presumably part of SM-6’s sea-based terminal defense mission. This test certainly brings to mind the Chinese DF-21D ballistic missile, a +1500-kilometer-range antiship carrier killer with a maneuverable warhead. Seen to threaten U.S. naval projection, DF-21D represents part of China’s anti-access/area-denial efforts. SM-6 and other defenses may prove quite welcome.

Media Highlights

“The Pentagon is getting more realistic, but it hasn’t started to accept the reality of budgetary caps...I think Congress is in complete denial.”

—Clark Murdock to the Washington Post on the findings from a recent CSIS report on the political and fiscal realities of the defense budget.

“The US is in the lead, but I think everybody who looks at drone proliferation thinks this is something that nonstate actors will use in increasingly effective versions.”

—Sam Brannen to the Christian Science Monitor after Hamas demonstrated the capability to fly armed drones into Israel.

“The de facto U.S. policy of containing the Syrian crisis has failed. As has been evidenced by recent events—including the Syrian regime bombing Iraqi targets and Iran flying missions inside Iraq’s borders—spillover from Syria threatens Iraq’s security.”

—Kathleen Hicks in a blog post for the Wall Street Journal on the immediate catalyst of Iraq’s woes: the conflict in Syria.
THE 2014 QUADRENNIAL HOMELAND SECURITY REVIEW:
ANALYSIS AND INSIGHTS

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The Department of Homeland Security (DHS) recently released the second edition of the Quadrennial Homeland Security Review (QHSR). While this issue illustrates an evolution of DHS’s understanding of the need for a risk-based approach to homeland security, challenges remain to unify efforts across DHS and the broader homeland security enterprise, link strategy to budget priorities, and articulate the role of intelligence.

This review directly reflects Secretary of Homeland Security Jeh Johnson’s unity of effort initiative, which seeks to align many departmental efforts, from budgets and acquisition to operational capabilities. Since developing a strategy based on risk involves establishing winners and losers in terms of resource allocation, and DHS has struggled in its brief history with a component-oriented mindset, overcoming these issues will present a challenge to the success of the unity of effort initiative and the full and effective application of the QHSR. Additionally, since DHS did not finalize the review by the time the president submitted his Fiscal Year 2015 (FY15) budget request to Congress on March 4, the development of the FY16 budget and its subsequent implementation will serve as the true test of DHS’s ability to effectively link funding priorities to the strategy and guidance outlined in the review.

The QHSR also recognizes that the risk levels of different homeland security threats and hazards are constantly changing, which begs the question whether this document provides a sufficiently adaptable strategy for new, emerging challenges over the next four years. Although the document lacks specific mention of certain new threats, such as the Islamic State of Iraq and Syria, it clearly outlines the capabilities and methods most often employed by all violent extremists, allowing flexibility for addressing new actors using these tactics. However, it spends little time outlining how the strategy’s risk-based model can preemptively identify and counter potential new, emerging, and metastasizing threats. Since a risk-based approach is ultimately driven by intelligence, the QHSR could place more emphasis on defining the role and investment needs of intelligence to provide the capabilities to proactively shift resources across the changing security environment.

Recent Publications

READ Building the 2021 Affordable Military, for an analysis of the dramatic effects of both fewer and weaker defense dollars in an effort to deal with a deep budget drawdown without significantly weakening national security.


READ “Integrating Nuclear Security Policy & Technology: Asian Centers of Excellence,” part of the Proliferation Prevention Program’s Policy Perspectives series, for background on what the creation of these centers could mean for nuclear security.

For more content from the International Security Program, please visit WWW.CSIS.ORG/ISP. Please contact Mr. T.J. Cipoletti, Associate Director, ISP, at TCIPOLETTI@CSIS.ORG with any comments, suggestions, or questions about FYSA content or ongoing ISP activities.

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