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### **Letter from Washington**

At the last count there were nine issues rising to the level of scandal in Washington that have come together to torment President Obama and his administration. Historically, Presidents have difficulty maintaining focus in their second terms, but Obama's personal popularity and political horsepower have both taken precipitous drops which will negatively affect his ability to accomplish much of anything for the next year.

In many ways, the President is now the victim of his own success. He ran a reelection campaign that was devoid of any new ideas or themes that he could now fall back upon and claim some national consensus. Choosing to focus solely on the negative and attack Mitt Romney for all of 2012 may have been good politics at the time, but has left him with no coherent program for the next three and a half years. It has often been observed that campaigning is a lot easier than governing, and that truth is being demonstrated again.

Obama himself remains a series of curious contradictions. He is a politician who disdains politics, and seems unwilling or incapable of forging the relationships necessary to propel what agenda he has left. The President embarked on a much talked about "charm offensive", inviting key members of Congress for a series of White House dinners and informal discussions. This would have probably been good strategy in 2009, but in 2013 is a case of too little, too late. In 2009 the Democrats controlled both the House and Senate, and Obama was able to push through the economic stimulus and health care legislation without Republican votes, and is now paying a price for failing to engage the Republicans in any constructive way.

During the Libyan uprising, Obama ceded the direction of the NATO response to the Europeans, which caused one of his staff to coin the phrase "leading from behind". That philosophy of letting events take their course and damage-limiting rather than assertively trying to affect the outcome in a manner consistent with US interests, has brought the administration to a point in foreign affairs where it was apparent in the recent G-8 summit that the US is viewed as a reluctant and uncertain partner.

Presidents generally turn to international issues in their second terms, after their domestic agenda has been enacted in the first term and they do not have to run for reelection. The international scene doesn't hold much appeal for Obama at this point. His administration's policy toward Syria has been

baffling to friends and foe alike, and has been based on a typical Obama strawman construct: the choice is presented as either US troops on the ground or doing nothing. The President has argued against and rejected the idea of troops on the ground, which no one has seriously proposed, so the default position becomes doing nothing. That might not have been a bad position, but Obama's starting point was demanding that Assad must go, and that the use of chemicals would be a red line, effectively undermining his own credibility.

Domestically the President threw what was left of his prestige and political capital after the sequester hyperbole into gun control and immigration reform. What has been truly surprising is how little effect he has had on either. The Senate declined to even take up the President's gun control package, and he has been asked to stay out of the immigration debate. What is clear is that no one in either party fears the President, and have no hesitation in dismissing him without fear of a political price to be paid. This will make it incredibly difficult for the administration to corral the votes it will need for the difficult economic issues coming this summer.

An image that came out of the G-8 summit this past week was of Obama and Putin having a photo op, seated in chairs and half-facing each other. Putin's body language registered somewhere between disinterest and outright disdain. After two years of frustrating every US initiative on Syria in the UN, Putin must be amused that US policy still remains dependent on engaging Russia to allow a successful conclusion for the US. As further evidence of the Russians lack of respect, the NSA leaker Snowden has been apparently allowed to transit through Moscow airport unimpeded, despite what must have been personal appeals from Obama to Putin.

After two years of leading from behind, it's not really clear what the US could do that would make a significant difference in the outcome in Syria. What is clear is that the conflict has become a proxy war between Sunnis and Shia, the Saudis and Iran. What might have been contained at one time, now threatens to expand into a regional sectarian war with no good outcome in sight and an ever-mounting body count.

Syria follows a pattern of Obama always having it both ways. In 2008 he ran against the Bush administration's anti-terrorist policies, only to double down on drone strikes and targeted killing when in office. He announced the Afghan surge after months of deliberating, and in the same breath established the withdrawal date, undercutting his own policy. He joined the NATO effort in Libya at the last minute, but got out as rapidly as possible, leading to the killing of the US ambassador without retribution. Last month he essentially declared the war on terror over, but has gone to some lengths to defend the over-the-top NSA surveillance programs in the name of fighting terrorists.

What has become plain is that the President has no plan, and after five years still treats international affairs as a law school seminar in which the brilliance of his argument should always be apparent. Unfortunately the Chinese, Russians, Iranians and North Koreans can all see that he is perplexed by events and unwilling to assert US power. On the day that the Deputy National Security Advisor was sent out like a sacrificial goat to announce the reversal of policy and that the US would provide small arms to the Syrian opposition, the President chose to occupy himself in congratulating the winning women's basketball team, hosting a Father's Day reception and attending a Gay Pride event --- the sweet spot in his comfort zone.

While international affairs will not provide the President a diversion from domestic politics, there is a coming convergence of the two that he will have to deal with.

Both the Congress and the White House are betting on a budget deal that will undo the sequester, and both have developed versions of a budget that are well above the 2011 Budget Control Act caps. The Continuing Resolution of 2013 set the DoD budget baseline at \$501B, and that now becomes the starting point for any calculations going forward. The cumulative effect of the sequester reductions combined with the cuts that Secretary Gates enacted before departing mean that the DoD will be looking at \$60B yearly reductions for the remainder of the decade. At one time, sequestration was viewed as the doomsday machine for the DoD budget but now that DoD seems to be riding through it, sequestration has become viewed as a workable and responsible alternative to budgetary gridlock.

DoD has avoided a certain amount of immediate pain by trading readiness for personnel and equipment. Obviously there is a limit to how far skills and capabilities can be allowed to degrade before the damage becomes irreversible. Similarly, the Navy has been able to raid a sizable pot of unobligated prior year acquisition funds to safeguard its major programs from sequester reductions in FY-13. Also obvious is the fact that that source of funds will dry up before too long.

The White House has made two calculations in this process. The first is that the sequester will be undone in the Congressional appropriations process, and the second is that whatever happens will hurt Republicans more than Democrats. The President's strategy seems to be betting everything on the Democrats regaining control of the House in 2014, giving him the luxury of one-party rule for the remainder of his term. At this point, that seems highly unlikely and that the worst-case scenario for DoD will play out with the sequester remaining in place.

That will require the DoD to again absorb an approximate \$60B reduction in 2014, which will cause deep cuts in operations, which will include forward presence, deployments and eventually force reductions. While there are considerable savings to be realized in reducing DoD overhead and

infrastructure, the will in the Congress to affect hometown politics by closing bases and reducing contractors is just not there, so the brunt of the savings will have to be taken in the operations and acquisition accounts.

Where reality intrudes quickly in this process for the President is in the policy of refocusing national strategy and attention on the Pacific. Reducing US forward presence, primarily in the form of naval surface ship and battle group deployments will have a series of negative ramifications for US plans and policy.

China and North Korea will view this as further evidence that the US is turning inward, partly through budget necessity but also as the result of two prolonged conflicts that have sapped national energy and will. US naval forward presence has given the United States the ability to react quickly to global events, but has also brought a prolonged period of stability in Asia. That stability has been the result of the US 7<sup>th</sup> Fleet as the guarantor of free access and maritime transit through the South China Sea and other chokepoints critical to global commerce. The US's competitors in Asia will conclude that the time is right for advancing territorial claims and other provocations since the US Navy will no longer be on scene in sufficient numbers to be a credible deterrent.

US naval presence has not only guaranteed access and put a lid on some of the territorial disputes, it has also had the effect of suppressing arms competition in the region, with South Korea and Japan benefitting from the US umbrella. Allowing the sequester to remain in place will prove to our Asian allies that the US has become an unreliable guarantor of their national security and that they need to prepare to go it alone.

Japan has increased its defense spending for the first time in 11 years. Under other circumstances that might have been a welcome development with that country stepping up to its alliance obligations. Under the present conditions, however, it is further evidence that 70 years of successful US policy in northeast Asia is unraveling.