

Defense Budget: Tough Choices Skirted?

Pentagon Critics Say Bush's Proposed Increase Blunts Drive to Reform the Military

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The Bush administration's proposed \$379 billion defense budget for the coming fiscal year has disappointed supporters of military reform who want to create more flexible and efficient armed forces, even as it has left traditionalists complaining about a shortfall of funding for more conventional planes, ships and troops.

The inability to please either camp despite a proposed \$48 billion increase in military spending highlights the Pentagon's continuing difficulty in cutting impractical big-ticket programs originally conceived for fighting the Cold War to free up money so it can more capably confront emerging new threats, according to military analysts.

The war on terrorism has cut both ways, the analysts say. It has boosted the need for innovation by demonstrating the utility of such new systems as armed aerial drones and the need for more rapid and precise intelligence on enemy forces. At the same time, it has siphoned off huge amounts of money to pay for maintaining thousands of troops, planes and ships pursuing terrorists in Afghanistan and around the world.

The Bush administration came into office pledging it would force the military to adapt. But the ultimate effect of the war, analysts said, has been to enable the administration to avoid having to make tough choices to achieve that goal. They say it has simply thrown money at the Pentagon and rallied support for the biggest increase in military spending in two decades under the broad banner of combating terrorism.

Given the lack of significant congressional opposition when the budget was sent to Capitol Hill last week, military spending could develop a momentum of its own. The administration has proposed a continued buildup over the next five years that would bring military spending to the peak of the Reagan buildup in 1985, when adjusted for inflation.

"If you wanted to stop the Reagan buildup, you had to do it in the spring of 1981," said Lawrence Korb, who is director of studies at the Council on Foreign Relations and who served in the Pentagon during the Reagan years. "If you want to stop this, you need to do it now."

Senior defense officials sharply dispute arguments that the budget reflects a setback for either innovation or increased efficiency. "The presupposition seems to be that reform can only be defined as cutting programs," said Dov S. Zakheim, the Pentagon's comptroller. "Reform is the extent to which the forces you buy and the resources you spend correlate with what's going on in the outside world, and this budget does just that."

Critics of the budget, however, point to such weapons systems as the Crusader, a 42-ton self-propelled howitzer designed for fighting Soviet divisions advancing on Western Europe, to make their point that the administration has avoided tough choices. The budget includes full funding for the \$475 million system, which is built by United Defense Industries Inc., a defense contractor controlled by the Carlyle Group Inc., an investment firm whose advisers include former president George H.W. Bush and former secretary of state James A. Baker III.

The budget also includes full funding for three new short-range jet fighters -- \$5.2 billion for the F-22 fighter, \$3.5 billion for the multi-service Joint Strike Fighter, and \$3.3 billion for the Navy F/A-18 Superhornet fighter-bomber. President Bush questioned the need for all three during the 2000 presidential campaign.

Indeed, in a speech at the Citadel in South Carolina in September 2000, Bush said the Pentagon needed to capitalize on "a revolution in the technology of war" by skipping the current generation of technology and

creating a more agile, mobile, innovative military.

"I think what is striking is how little the new administration found to change in the Clinton modernization priorities," said Loren B. Thompson, a defense consultant at the conservative Lexington Institute. "Even after Sept. 11, the changes are mostly matters of scale, not of substance. There are no major program deletions from the Clinton years, and there are no major program additions."

The Bush budget funds the Crusader and the three short-range fighter programs, Thompson said, even though Defense Secretary Donald H. Rumsfeld's Quadrennial Defense Review, completed late last year, played down the need for more fighter jets and called for developing more long-range bombers capable of reaching distant targets.

In addition to its failure to re-think Cold War weapons systems, said Philip E. Coyle, the Pentagon's head of testing and evaluation during the Clinton administration, the Bush buildup would make it harder to end widespread military waste and inefficiency.

"A tighter budget simply forces you to set priorities," Coyle said. "While that's never easy or pleasant for the people who have to do it, it's usually a good thing."

Zakheim said Bush's budget proposal includes \$9.3 billion in cuts in existing programs to free up money for new technologies. The recent cancellation of a Navy missile defense program that was over budget and performing poorly, Zakheim said, has sent a message to program managers to control costs or face the ax.

The budget includes lots of money for new technologies, including \$2.5 billion for battlefield computer networks, \$1.5 billion for high-tech Army armored vehicles, and \$1 billion for unmanned aerial vehicles that have emerged as star performers in Afghanistan, to name just a few. All told, it includes \$53.9 billion for research, development, evaluation and testing, a \$5.5 billion increase, and \$68.7 billion for new weapons procurement, a \$7.6 billion increase.

Zakheim said Rumsfeld's Pentagon deserves credit for fully and honestly accounting for costs in the budget that have been underfunded in past years. He said this was a point of principle that added more than \$7 billion in costs. Other previous obligations for military pay raises and mushrooming health costs for military members and retirees, he added, accounted for \$14.1 billion of the proposed \$48 billion increase.

The need to fund such high fixed costs, analysts inside and outside the Pentagon said, is one reason why the budget will only support a force of 1.4 million troops -- two-thirds of the 2.1 million active troops when Ronald Reagan was president.

Some members of Congress are already asking why more money can't be spend on troops, bases and existing weapons systems, which are an economic boost to many of their districts.

Rep. Ike Skelton (D-Mo.), a member of the House Armed Services Committee, asked Rumsfeld at a hearing last week why there wasn't money in such a large budget to pay for 40,000 additional troops the Army says it needs. Rep. Duncan Hunter (R-Calif.) said he could not understand why there was only enough money to buy 100 new aircraft, when more than 400 a year are needed to modernize the Air Force fleet.

Numerous lawmakers from shipbuilding states complained about a Navy fleet allocation large enough to build only five ships in fiscal 2003 -- half the number Rumsfeld admits are needed to keep the current 310-ship Navy from shrinking.

Paradoxically, the proposed budget increase follows a decision by Rumsfeld last year to drop a decade-old requirement for the armed forces to be ready to win two regional wars simultaneously. He replaced it with a plan

for winning one war while marking time in any second regional conflict.

The change would seem to argue for a smaller force and smaller budget. But the wild card, defense officials say, is another element in the new strategy calling for greater military flexibility in meeting new threats, including waging a war on terrorism.

The war, which has cost more than \$8 billion so far, is estimated to consume almost \$20 billion of the requested \$48 billion increase. Half of this, or \$10 billion, would go into a contingency fund for continued military operations.

Another \$9.4 billion is for what the Pentagon calls "long-term related requirements" for the war on terrorism. This includes \$2.7 billion for protecting U.S. forces; \$1.2 billion for continued combat air patrols over U.S. cities; \$900 million for increased production of precision Joint Direct Attack Munitions (JDAMs) used extensively in Afghanistan and \$800 million for stepped-up production of unmanned aerial vehicles, tankers and AC-130 gunships. A further \$2.6 billion in classified programs shows up in this category as well.

"We're going to spend a little more money on unmanned aerial vehicles and we're going to buy more JDAMs," said John Pike, director of globalsecurity.org, a defense policy think tank in Alexandria. "There's \$2 billion you can point to in the budget that's innovative, and the rest of the money just sort of vanished, due to their inability to make hard choices."

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