

[New Leader Coming to Defense, But Will He Bring 'Adult' Leadership?](#)

It is one of the biggest unknowns about Defense Secretary nominee Leon Panetta as he prepares to take over the Pentagon: Will he be the tough leader who injects badly needed fiscal discipline into the building, or will he side with the forces of the status quo?

Expert opinions vary greatly.

The highly anticipated leadership turnover at the Defense Department comes at a time when the U.S. government faces an unprecedented debt crisis and is paralyzed by partisan gridlock. Everyone in Washington says the defense budget must be “on the table” in deficit-reduction talks, but experts agree that there has been a glaring leadership vacuum on the issue of how to slow down a defense budget runaway train that has been speeding out of control over the past decade.

During a panel discussion June 7, analysts predicted that defense will be business as usual for some time, even though the nation’s fiscal situation is grave enough that it poses more of a threat to the U.S. military than any foreign enemy.

An internal “roles and missions” review that is under way at the Pentagon is expected to recommend how to go about cutting \$400 billion from defense budgets by 2023. The \$400 billion target, set by President Obama, is less than half than what his own deficit commission recommended last year. Several blue-ribbon panels proposed cuts of a trillion dollars or more over the next decade, and each of the studies cautioned that the reductions would not undermine national security or “hollow out” the military.

But the studies were ignored, and the debate continues. Panetta is now expected to be a “big player” in the conversation, said Matthew Leatherman, defense budget analyst at the Stimson Center and advisor to the Bipartisan Policy Center Domenici-Rivlin Task Force, which was one of the panels that offered a plan for how to reduce defense spending.

“Are we going to get any adult supervision in deficit reduction or in defense strategy?” he asked during a Capitol Hill conference. Most likely, the answer is that the debt crisis, not national defense strategy, will be the catalyst for change. Although Panetta has yet to provide any hints of what he plans to do about the budget, the fact that he is a fresh face may help to propel change, said Leatherman. Outgoing Secretary Robert Gates acknowledged in an interview with Politico last week that he has lost some of his boldness after so many years of service. “Having a new face at the Pentagon now can be constructive,” said Leatherman.

Amy Belasco, Congressional Research Service budget analyst who participated in the Simpson-Bowles National Commission on Fiscal Responsibility and Reform, said the Pentagon’s budget has so much excess fat that it could be reduced substantially without compromising military strength. At least 40 percent of the defense budget is consumed by administrative, overhead and infrastructure expenses, she said.

These no-brainer cuts have been tough to execute, however, she noted. “Secretary Gates

said these options are math, not strategy,” Belasco said. Although she agrees that strategy is important, sometimes math serves a legitimate purpose. She speculated that the real reason why Gates had trouble making any headway in eliminating bureaucratic bloat is that, often, these reductions require challenging the service culture and management style. “Each of the services runs their bases the way they want to run them,” she said. “You have to have someone willing to challenge those mores.” It may come as a surprise, she added, that, sometimes, “there is more hesitation to challenges those mores than to go after weapon systems.”

Even the defense industry has come to terms with the prospect of budget cuts, and is adjusting accordingly, Belasco said. The building has yet to do the same.

Others are equally or more skeptical that Panetta can shake things up. He will have to fight back powerful factions within the Pentagon that want to return to business as usual, said Winslow Wheeler, of the Center for Defense Information, who participated in the Sustainable Defense Task Force and advised Sen. Tom Coburn's National Fiscal Commission.

With Gates gone, Wheeler said, the services will go back to their old ways and start running behind the secretary's back to Congress to “get their goodies funded.” Gates effectively put a stop to that, but it would not shock anyone if the “wish lists” came back. “We'll see if that happens,” said Wheeler.

Another factor that could play in favor of budget-cutting plans are the shifting political winds. Worries about the deficit and war weariness may provide some counterforce to the status quo, said Benjamin Friedman, analyst at the Cato Institute and member of the Sustainable Defense Task Force. “We don't necessarily need leadership. ... We need to make the politics change,” he said. The tough budget decisions that are expected from Congress will be made easier if lawmakers see the public turning against high military spending if domestic programs must be sacrificed.

Historically, there has always been a natural tension between defense and non-defense spending, Belasco noted. “If the numbers are too painful on the non-defense side, it will become more acceptable to cut defense.

Opponents of defense cuts, for their part, fear that Panetta might engage in slash-and-burn budgeting. As a chief architect of the defense budget drawdown in the 1990s, Panetta oversaw major reductions in military procurement spending, including a 13.4 percent decline in fiscal year 1994, noted a statement by the Foreign Policy Initiative, a coalition of pro-defense think tanks. Secretary Gates and outside panels have agreed that the United States went on a “procurement holiday” in the 1990s, FPI said. It will be a question that is likely to be raised by members of the Senate Armed Services Committee at Panetta's confirmation hearing June 9.