

# Pentagon Sent to Budget Boot Camp to Cut 8 Percent

By: David Francis – January 30, 2013

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What once was considered unthinkable is quickly becoming a reality: defense sequestration cuts, which will trim 8 percent spending from every program in the Pentagon, are now likely to take effect on March 1.

The cuts - \$482 billion over the next decade - are so deep that it was assumed lawmakers would come together before the deadline to compromise on a less dramatic reduction. But even long-time opponents of the cuts have recently conceded they are likely to happen.

The upcoming reductions are making the Pentagon and defense contractors very nervous. They threaten to change the way they do business: over the last decade, both have lived very well off the defense department budget, which totaled nearly \$800 billion in 2012. Wars in Afghanistan and Iraq justified most of the massive expenditures.

But with the Iraq war over and the Afghanistan war drawing to a close, the days of the so-called “big war” are over. The U.S. military is now being forced to face a harsh new reality: the endless stream of cash is no more. The Defense Department is now shifting to what Jacob Stokes, a research associate at the Center for New American Security calls the cheaper “light footprint approach” – fewer ground troops, more missions conducted by Special Forces, and more support missions similar to the ones the United States is currently conducting in Mali.

“We’re not likely to see a true peer competitor within the next decade,” Stokes said. “At the same time, there are going to be a number of geographically diverse threats. There’s no appetite to deal with them as we have over the last 10 years.”

Defense hawks warn that these cuts will neuter the American military. But defense experts told The Fiscal Times that the sequestration cuts, while painful, are inevitable. These experts said Chuck Hagel, Obama’s pick for Secretary of Defense, is on board with the transition. And according to Gordon Adams, a defense budget expert and professor at American University, the cuts are necessary to keep down federal spending, regain control of the Pentagon’s budget, and prepare for a world with new and dangerous threats.

“We’re in a defense drawdown and we’ll be in one for long time,” Adams said. “The department is on a budgetary level that is unprecedented in its history. Not since World War II have we spent at this level. The Pentagon has a considerable cushion to deal with declining resources,” he added.

## RELIEVING INSTITUTIONAL BLOAT

According to Adams, the Pentagon's wealth of resources in recent years has caused bloat within the Pentagon's budget. And this bloat is not occurring in programs that impact national security, like weapon development or troop preparedness. Most of the overspending occurs in operations and maintenance.

"The issue isn't about procurement, it isn't about enlisted personnel," Adams said. "The issue is the 35 percent of the defense budget that gets spent in operations, which includes cutting the grass at Ft. Belvoir and serving food in Baghdad."

Making cuts in these areas would drastically reduce the number of civilians working for the Pentagon, most of whom are paid for through operations and maintenance program budgets. Adams said that Hagel, Obama's pick for Defense Secretary, believes many of these workers are unnecessary.

However, the sequestration cuts are not focused in specific areas but instead are across the board. According to Todd Harrison, a senior fellow for defense budget studies at the Center for Strategic and Budgetary Assessments, this will make the sequestration process more difficult.

"It's going to create a lot of mess, confusion and inefficiency within DOD," Harrison said of the sequestration process. It cuts the important high priority programs along with the low priority programs. The joint fight striker gets cut as much as military bands. The Defense Department has no flexibility in how these cuts are made."

This confusion comes as a recent General Accounting Office report found that the Pentagon simply could not be accurately audited. According to the report, the Defense Department has ineffective procedures for tracking spending, and is unable to determine if improper payments of taxpayers' money were made.

"It's been a 30 year effort to do something about accounting in the department," American's Adams said. "Very little has been done to deal with it."

## THREAT TO NATIONAL SECURITY A MYTH

Some lawmakers and officials within the Pentagon have warned that the sequestration process would threaten national security by cutting weapons development programs and lowering the number of active duty soldiers. However, experts contacted by The Fiscal Times roundly dismissed these claims, saying that the trimmed-down Pentagon is better equipped to deal with current global challenges.

"Cyber warfare, the things happening in Africa, requires the Pentagon to commit significantly less force," Adams said. "The department is in a position where they can do more with less."

"It's hard to see what enemies are going to jump down our throat because of an 8 percent decrease in spending," added Benjamin Friedman, a research fellow at the Cato Institute. "We have a vast advantage over all our military adversaries. This isn't the end of the world."

