

# The hardest cut: reining in Pentagon spending

## Former Harvard professor is key

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“More mine detectors, and more Marines, sir,” a Marine sergeant in sunglasses told Ashton B. Carter, the Pentagon’s chief arms and equipment buyer, as a punishing wind whipped Carter’s shirt during a review of troop needs in Afghanistan.

“They’re on their way,” promised Carter, a former Harvard professor and prominent defense analyst whose visit last year was captured on videotape.

Saying yes to spending and personnel requests is about to get a lot harder for Carter, if the Senate confirms him as expected this fall as deputy secretary of defense. As right-hand man to Secretary Leon E. Panetta, Carter would identify and carry out hundreds of billions in defense cuts mandated by Congress. And the cuts could be deeper, if lawmakers decide the military should absorb more of the pain of deficit reduction.

“It’s going to be tough,” said Gordon Adams, a distinguished fellow at the Stimson Center, a Washington security policy think tank. “The services want more; there’s not going to be more. And it’s going to be the job of the secretary, and especially the deputy, to turn the screws in that process. That’ll be a real test for Carter.”

Carter has more experience in academia than he does inside the defense bureaucracy, where he will be under pressure from the administration, Congress, generals, and defense contractors.

A Rhodes scholar from Pennsylvania, he established himself during the Reagan era as a skeptic of the space-based missile program dubbed “Star Wars,” writing an influential paper concluding that the program would not work. His relationship with Harvard’s Kennedy School also dates to the mid-1980s, and he rose to director of its Center for Science and International Affairs in 1990.

He left in 1993 to work for the Clinton administration as an assistant defense secretary under Secretary Les Aspin, then William J. Perry, and returned to Harvard in 1996. He chaired the Kennedy School’s international and global affairs faculty until the Obama administration brought him back to government in 2009 as the Pentagon’s undersecretary for acquisitions, technology, and logistics.

His nongovernment work has not been purely academic. His 2009 financial disclosures show that on top of his \$238,235 Harvard salary, he collected \$65,500 from the Mitre Corp., where he served as a trustee; \$20,000 in consulting fees from Goldman Sachs; \$10,000 from defense contractor Raytheon Corp.; and more than \$100,000 over two years as a senior partner at Global Technology Partners, which Perry founded.

His work for Democrats has established him as “one of the top defense intellectuals in the party for more than a decade,” said Michael E. O’Hanlon, director of research at the Brookings Institution’s 21st Century Defense Initiative. “His name has also been on short lists to be the next secretary of defense.”

Carter’s spokeswoman said he was not conducting interviews while his appointment is pending, and his nomination hearing in the Senate Armed Services Committee has not been scheduled. But interviews with former colleagues, defense analysts, and watchdog groups show both confidence and skepticism in Carter’s ability to tackle the budget challenges ahead.

“He’s got tremendous intellectual capacities. He’s got enormous energies. I think he’s well-suited to the job,” said John J. Hamre, who was President Clinton’s deputy defense secretary and now heads the Center for Strategic and International Studies, a bipartisan public policy institute in Washington.

Not every view of Carter is so positive. Winslow T. Wheeler, director of the Straus Military Reform Project at the Center for Defense Information, a liberal-leaning defense policy organization in Washington, said purchasing at the Pentagon has been “business as usual” under Carter, and he expects little from him as deputy.

“He’ll be as big a failure there as he was acquisitions czar,” Wheeler said. “He’s cracking no whips. He’s solving no problems.”

After a decade of war, this year’s defense budget is about \$685 billion, including the cost of operations in Iraq and Afghanistan, more than double what it was in 2000. It is famously inefficient: More than 40 percent of the Pentagon budget goes to overhead, more than the entire economy of Israel, according the Defense Business Board, which advises the secretary.

With both wars winding down and deficits soaring, some analysts see budget cuts ahead on par with those after World War II, the Korean War, and Vietnam. As part of a deal hammered out in the countdown to an Aug. 2 debt default deadline, the federal government must initially cut about a trillion dollars in proposed spending over a decade, including about \$350 billion from defense.

A committee is charged with reducing the debt by at least another \$1.5 trillion. If that committee fails, more than a trillion dollars in automatic cuts over a decade kick in, with about \$490 billion of that coming from defense spending, according to the Bipartisan Policy Center. Still more defense cuts are likely later.

The deputy secretary will have a significant role in finding savings and implementing them, experts say. The deputy is generally seen as the Pentagon's chief operating officer, arbitrating management problems and overseeing its budget with the comptroller.

"Even though Panetta has a lot of experience with government, he has zero experience at running the Pentagon. He's going to have to rely on his deputies, including Carter," said Benjamin H. Friedman, a research fellow at the Cato Institute, a libertarian think tank in Washington.

In some ways, Carter has been in a similar position for two years as the acquisitions chief. He was seen as an unusual choice — a brilliant policy analyst, physicist, and academic with little expertise with weapons.

He inherited oversight of the troubled F-35 Joint Strike Fighter program, the next-generation jet fighter that is behind schedule and over budget, as well as battles with Congress over programs such as the Expeditionary Fighting Vehicle and the C-17 transport aircraft. Many observers say Carter competently handled the difficult situations he inherited, quickly establishing mastery over arcane programs and navigating funding battles.

Others are less impressed. Nick Schwellenbach, director of investigations at the watchdog Project on Government Oversight, said most programs cut under Carter were "low-hanging fruit" that needed to go.

"Expectations were fairly low, but at the same time there was a need for vastly improved performance, and I don't think we're seeing the performance that people expected, especially from the Joint Strike Fighter program," he said.

Carter has also taken criticism for not being enough of a champion of the F-35. This week, John Cornyn, a Texas Republican on the Senate Armed Services Committee, complained to Carter in a letter that he had not been zealous enough in countering criticism of the F-35. He pledged to question him about it in the confirmation hearing.

"I strongly encourage you to step up your defense of this key program," Cornyn wrote. Scott Brown, a Massachusetts Republican also on the committee, said in a statement that he looked forward to Carter's hearing "to gain perspective on how he plans to manage the Pentagon amidst the current threats facing the United States."

Thomas P. Christie, who directed the Pentagon's test and evaluation division under President George W. Bush, said he had been "taken aback" by Carter's appointment.

"That job has been relatively easy with ever-increasing defense budgets. But when you get to the situation that we're facing, no doubt, in the coming year or so with respect to the defense budget, you need a real hard-nosed, tough guy in that position."

Asked if Carter is that person, he said: "No, quite frankly."

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