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# **A Still Leaner Pentagon**

More<sup>[1]</sup>

November 23, 2010 Benjamin H. Friedman [2]

This blog gets results. Skeptics fans will recall that I recently wrote two [3] posts [4] offering Secretary of Defense Robert Gates suggestions on how to cut the Pentagon's administrative costs. I said, however, that the savings should go the taxpayer or the deficit, not force structure, as the Secretary wants. And then: <u>Boom</u> [5]! <u>Boom</u> [6]! Two blue ribbon deficit reduction plans said the same.

Erksine Bowles and Alan Simpson, the chairmen of the President's deficit reduction committee, released a <u>report</u> [7] saying that taxpayers should get the efficiency dividend. And they go even further. By my count, almost half of the "illustrative savings" they give for 2015 are administrative or overhead savings. Likewise, the <u>report</u> [8] released yesterday by Alice Rivlin and Pete Domenici's task force says that Gates' \$100 billion over ten years in efficiencies savings should lead to \$100 billion less in Pentagon spending.

Those goals show excessive faith in efficiency. Gates has not identified anything close to \$100 billion in savings, and I doubt he will get there. The trouble is not that there is not plentiful waste and redundancy in the military (we have two air forces and two and a half armies, after all), but that touching it is politically dicey. One man's inefficiency is another man's essential security program.

As I explained at the <u>defense budget forum</u> [9] we held Friday at Cato (with Barney's Frank enthusiastic agreement), efficiency, like children and holidays, is something we all support in theory. The inefficiency lobby is weak. But when the rubber meets the road, and efficiency reforms are proposed, there are losers. The organizations labeled as wasteful tend to disagree, joining with those that profit from their spending to resist its reduction.. That goes even for low hanging fruit like Joint Forces Command. Its inclusion on Gates' cut list has the <u>Virginia congressional delegation</u> [10] and <u>what's left of</u> [11] the House Armed Service Committee up in arms. Real efficiency takes painful political fights. And if the Pentagon is going to save the sort of overhead Secretary Gates claims is possible, lots more savings have to be identified. All the more reason for part of three of my series on efficiency! This one concerns intelligence and military education.

# Send fewer officers to school and consolidate DoD graduate schools and staff colleges:

The ongoing education of U.S. military officers enhances the force's ability and should continue. However, the amount of time officers now spend in educational rotations is excessive, as is the number graduate institutions we operate with defense funds.

The services require officers at the 05 or 06 levels to fulfill a one year <u>Senior Service</u> <u>College</u> [12] requirement at War Colleges, select private institutions, and think tanks. Most study social science but do not receive degrees.

As a graduate student in Cambridge, I met many officers fulfilling their requirement at MIT and Harvard. Most contributed to the educational environment by happily attending classes and seminars and mixing it up with students and faculty. Some took the opportunity to undertake serious research. Many officers, however, cruised through their year on campus without doing much. A few obviously did not want to be there and rarely showed up. In several cases, officers were reaching the end of their military career and the year in academia was essentially a retirement bonus.

Whether or not the taxpayer gets a net benefit out of these programs is unclear. There is a value in most cases for both the officers and the schools they visit, but there is also a cost in terms of having to fill and pay for more billets and preventing people from serving another function—including leading troops in war—that might be more valuable. The services should consider eliminating these programs or least modifying them so that they are options rather than requirements for promotion. The latter option might include forcing officers in these programs to earn a degree, which would weed out people that are not really interested in learning. These reforms would allow the services to carry less manpower, cutting costs.

At a minimum, the services should stop allowing officers to fulfill educational requirements at think tanks. The scholarly standards are lower there than in academia, making time spent there more likely to be wasteful from an education perspective. Also, think tanks, whatever their claims to independence, tend to be buffeted by politics that officers should avoid.

Reducing the number of officers in education programs would reduce the costs associated with DoD education facilities. These institutions could then be consolidated—and could probably use consolidation in any case. DoD could employ less labor doing think tank-like studies, shrinking the National Defense University, for example. Fewer retired colonels would get to double-dip, and teaching standards might improve.

### **Cut Intelligence Spending:**

Publicly released estimates indicate that intelligence spending now exceeds <u>\$80 billion</u> [13] annually (including both national and military programs). It was <u>\$26.7 billion</u> [14] in 1998. And even in the late 1990s, intelligence spending made up a <u>far higher percentage</u> [15] of total spending than it did during the Cold War. That rapid growth is excessive given the <u>historically mild threats</u> [16] we face, and much of it seems the result of a panicked response to 9/11.

Redundancy in intelligence analysis can be useful in producing competing perspectives and thoroughness, but the explosion in intelligence spending is excessive to that end, especially given that a large chunk of the recent increase goes to contractors producing thickets of reports of dubious value [17]. The Office of Director of National Intelligence has too little power over the agencies it is supposed to control and seems to be trying to remedy the problem by accumulating staff. Substantial reductions in intelligence spending seem unlikely to substantially harm the quality of intelligence analysis. I recommend [18] at least a 15 percent cut.

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[4] http://nationalinterest.org/blog/the-skeptics/leaner-pentagon-part-two-4396

[5] http://www.washingtonpost.com/wp-dyn/content/article/2010/07/11/AR2010071101956.html

[6] http://online.wsj.com/article/SB20001424052748703628204575618991485641512.html

[7]

http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/Illustrative\_List\_11.10.2010.pdf [8] http://thewillandthewallet.org/2010/11/17/choosing-defense-mission-priorities/

[9] http://www.cato.org/event.php?eventid=7624

[10] http://www.defensenews.com/story.php?i=4745241

[11] http://thehill.com/business-a-lobbying/127589-defense-panel-loses-longtime-dems

[12] http://www.google.com/search?

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[13] http://articles.latimes.com/2010/oct/28/nation/la-na-intel-budget-20101029

[14] http://www.fas.org/sgp/crs/natsec/efficiency.pdf

[15] http://www.gpoaccess.gov/int/index.html

[16] http://www.cato.org/pubs/regulation/regv30n4/v30n4-1.pdf

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[18] http://www.cato.org/pub\_display.php?pub\_id=12151