POLITICO

Defense cuts a no-fly zone?

By: Carrie Budoff Brown March 28, 2011 04:40 AM EDT

For once, the unthinkable in Washington seemed within reach. From liberals to tea party conservatives to a defense secretary who served in a Republican administration, all agreed — it was time to begin reining in the Pentagon budget.

Then along came Libya.

Just as the debt debate ramps up on Capitol Hill, the lead role the United States is playing in the military action against Libya threatens to scramble an emerging consensus over the need to trim defense to reduce the deficit. Despite the broad coalition targeting the Pentagon budget, cuts were always going to be a tough sell at a time of two wars — let alone as the military intervenes in a third country.

"It is just plain vanilla that it will make it harder to cut defense in the near term," said Douglas Holtz-Eakin, an economist with close ties to congressional Republicans. "We're going to have to fund more of this than you realize." (See: President Obama faces hard Libya sell)

The airstrikes are already being used by some in the Republican establishment to blunt momentum in favor of the cuts, long considered heretical in a town in which defense contractors constitute a formidable lobby and members of Congress view the Pentagon budget as a jobs program and fear being tagged as unpatriotic. (See: Fiscal cloud still hangs over Congress)

Squeezed by political forces to his right and his left, House Armed Services Committee Chairman Buck McKeon (R-Calif.) has led the charge against efforts to scale back defense spending.

"This would be one of those examples that can be used to buttress his argument that now is not the time for deep cuts in defense," said Josh Holly, the committee's communications director. The chairman's concern is "not being properly positioned to deal with the contingencies that might be on the horizon, whether that be a modernizing military in China or (a military action) in Libya."

Sen. Joe Lieberman (I-Conn.), through his spokesman, echoed McKeon: "Congress should be very careful and cautious about any reductions in defense spending, given the many profound responsibilities shouldered by our military at this time." (See: Gates, Clinton tout success in Libya)

Former New Mexico Sen. Pete Domenici, a Republican who co-chaired the Bipartisan Policy Center's debt-reduction task force, said the country's fiscal outlook is so bleak that nothing should sidetrack the campaign to narrow the deficit with a mix of Medicare, Medicaid and Social Security cuts; tax-code reform; and defense and domestic spending cuts.

Some predict the military intervention will reawaken the public's war weariness,

undercutting support for the Pentagon by showing Washington's general lack of restraint at a time of deep deficits. Experts said the Libya conflict's price tag will top \$1 billion.

But Domenici suggested the Libya conflict could dull the political will to make real cuts.

"I'm very worried we are getting into what looks like a third war, just backing into it, before we got a chance to put together the debt reduction plan this country needs," Domenici said.

Defense cuts remain under discussion among a bipartisan group of six senators who have been meeting privately for months. They are trying to develop a comprehensive deficitreduction plan for Congress to consider, possibly when lawmakers vote to raise the debt limit as early as this month.

A simple notion sustains the delicate negotiations: Everything must be considered, from military cuts and increased revenues sought by Democrats to entitlement reforms and discretionary spending reductions pressed by Republicans. If one piece goes missing, then the entire balance of the talks could falter. And any slight shift in the political landscape outside the talks holds significance for what Congress will ultimately be willing to stomach.

"When it gets to specifics, defense is as tough as anything to cut," said Domenici, a 36-year Senate veteran who described himself as someone who "gave the military almost everything they asked for." He told a Senate panel this month that the task force "worried about this issue more than any other."

Domenici's group proposed \$1.1 trillion in savings by 2020, partly through a five-year freeze on defense discretionary spending. The White House fiscal commission, which identified more than \$100 billion in possible savings, recommended capping discretionary defense spending at 2011 levels and placing annual limits on war spending. Rep. Jan Schakowsky (D-III.), a leading liberal, offered a deficit reduction plan with \$110 billion in military cuts.

Even without another foreign intervention, defense cuts weren't going to be easy. Look no further than the Senate deficit group, recent House action and the GOP presidential field to understand the Pentagon's protected status.

Sen. Saxby Chambliss (R-Ga.), a member of the deficit group, has fought Pentagon plans to halt production of F-22 jet fighters assembled at a Lockheed Martin plant in his state. Sen. Mark Warner (D-Va.), another member, has said there was "no rational basis" for closing Norfolk's Joint Forces Command. Both senators now say, in terms of the deficit talks, nothing is off the table.

The House took the surprising step last month of eliminating \$450 million for the F-35's alternate engine, a move Defense Secretary Robert Gates had urged for years. But the House also turned back an amendment to cut funding for the V-22 Osprey, which the White House fiscal commission targeted for downsizing, and approved another blocking closure of the Joint Forces Command.

While Mississippi Gov. Haley Barbour, a potential Republican presidential candidate, broke from the GOP pack this month to endorse defense cuts, other leading possible candidates — Newt Gingrich, Tim Pawlenty, Mitt Romney — don't agree. This is no small thing: In a

presidential cycle, lawmakers often take their cues from their party's leading candidates.

Gates took the unusual move of identifying \$178 billion in cuts and savings over five years. But since much of the money would be redirected into other military programs, he has faced criticism from deficit hawks and defense experts such as Lawrence Korb of the Center for American Progress.

The Pentagon budget is still projected to grow under the House Republican plan for the current fiscal year budget and under the president's proposed budget for next year, but at a slower rate. Gates has said the White House fiscal commission's proposal would be "catastrophic."

A spokesman for Sen. Tom Coburn (R-Okla.), a participant in the bipartisan talks, said the Libya conflict should make the case for defense cuts easier, since it drives home the point that the status quo of unaccountable Pentagon spending can't continue. Coburn has been an outspoken critic, calling for a defense spending freeze until the Pentagon can pass an audit.

"By subsidizing our allies' defense budgets, American taxpayers are essentially subsidizing France's 35-hour workweek and Western European socialism," Coburn spokesman John Hart said. "Taking defense spending off the table keeps American taxpayers on the hook for more government at home and abroad."

In practical terms, the conflict in Libya has little to do with the debate on Capitol Hill about defense cuts, said Benjamin Friedman, a research fellow at the libertarian Cato Institute, who has teamed with conservatives in pressing for a smaller military budget.

"Large real cuts can happen without affecting our ability to make wars," he said.

The political optics are a different story.

"It is harder, when you are starting off a war and fighting two others, to explain how you can do defense cuts," Friedman said. "It definitely makes it harder politically."

Yet to those who have been working most closely on deficit issues, there is little that can happen to disrupt what has become an indisputably broad-based effort to make tough choices.

"If you are looking for waste in the budget, the Defense Department is probably the single richest place to begin looking," said Maya MacGuineas, president of the bipartisan Committee for a Responsible Federal Budget.

But, she acknowledged, "I'm sure all parties involved will use Libya to make the case for what they believed anyhow."



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