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Will the Debt Deal Sharply Roll Back Defense Spending?

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Indeed, the deal at least its initial tranche of cuts may not be so bad for defense after all.

The White House claims that \$350 billion in defense cuts over the next 10 years are part of an agreement to reduce federal discretionary spending by \$900 billion over that same time period. That number is largely in line with a proposal offered by President Obama in April to cut \$400 billion from security accounts, which includes the Defense Department and other agencies, over the next 12 years.

But there is no guarantee in the legislation that defense would actually get trimmed by \$350 billion over the next decade. The legislation puts caps on security and nonsecurity spending for fiscal years 2012 and 2013. After that, all discretionary spending is lumped under the same caps, leaving it up to appropriators to cut where they please.

"The White House is claiming \$350B in defense savings, presumably by extrapolating out from the FY12 and FY13 caps," Russell Rumbaugh, an analyst at the Stimson Center and a former Senate Budget Committee aide, wrote in a blog post on Monday. "But that is an assumption. Nothing in the deal mandates those savings."

Other analysts who poured over the bill on Monday came to the same conclusion that the \$350 billion does not amount to a firm commitment to savings. A GOP leadership aide confirmed that the \$350 billion is not mandated.

"The legislation doesn't spell it out, but the [administration] is basing their projections on some fuzzy assumptions," said **Chris Preble**, vice president for defense and foreign policy studies at the Cato Institute.

That doesn't mean that defense spending won't get cut; the situation just may not be as dire as some hawks believe it to be. The Pentagon's budget will be a prime target to get the initial \$900 billion in cuts. Meanwhile, the bipartisan committee charged with finding another \$1.5 trillion in savings will certainly take a hard look at defense accounts, which make up more than half of all federal discretionary spending.

The fact that the Pentagon's budget could be at the mercy of the joint committee was not lost on House Armed Services Chairman **Buck McKeon**, R-Calif., who is supporting the deal and wants to stack the panel with "strong national-security

voices."

If the joint committee fails to find savings, defense accounts would not be spared. Indeed, they would be raided, to the tune of nearly \$500 billion between fiscal 2013 and 2021, if the panel fails to report out its savings by Thanksgiving. But the defense cut, as well as similar cuts to domestic programs, were set to ensure that the committee succeeds.

In short, the biggest cut the Pentagon would shoulder is \$850 billion, assuming the nebulous \$350 billion cut goes into effect and the joint committee fails. But that worst-case scenario is in line with cuts proposed by the Bowles-Simpson fiscal commission and is less than the \$1 trillion cut to defense recently proposed by Sen. **Tom Coburn**, R-Okla.

Even McKeon acknowledged that the bill is "the least bad proposal before us."

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