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PENTAGON MANAGEMENT PROBLEMS : CONGRESS SHARES THE BLAME

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INTRODUCTION

Congress understandably is keenly interested in Pentagon policies and spending. After all, at stake are the nation's security and some \$300 billion in taxpayer money this year alone. Some recent studies suggest that the Pentagon suffers from extraordinary management problems.¹ It clearly has had difficulty in managing the ever growing billions it receives each year. Military policy and expenditures must therefore be scrutinized carefully by the nation's representatives. Still the manner in which Congress has come to deal with the Pentagon has exacerbated problems rather than solved them. Senator Ted Stevens (R-AK) made that point recently in relation to the defense budget. "Congress has made the defense bill a jobs bill," he said, referring to the reticence of lawmakers to oppose bases or programs that contributed jobs to their states or districts.²

Instead of focusing on broad military policy and spending guidelines, congressmen have become ever more involved in minutiae. Members and staff seem anxious to control every detail: the fit of fatigues, the price of hammers, the brand of tools, even the allocation of overhead costs to the price of spare parts. They have taken it upon themselves to designate which Navy ships

¹ See Theodore J. Crackel, "Defense Assessment," in Mandate for Leadership II (Washington, D.C.: The Heritage Foundation, 1984).

² New York Times, January 11, 1985.

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should go to which shipyards for overhaul. This "micromanagement," however, has done little to improve defense management. Many areas in which Congress plays a direct role, in fact, are worsening. Examples:

□ Congress's budgeting process prompts the Services to protect marginal programs that should be killed and discourages effective testing that would indicate where weakness lies.³

□ Such budgeting by its very nature builds in delays and drives costs up and efficiency down.⁴

□ Increasing and often self-serving attention is paid to the wrong aspect of a problem--attacking the price of individual spare parts, for example, rather than the contracting process that allows and even promotes such pricing.⁵

□ Oversight has run so amok that a Pentagon official reports that over 90 percent of his staff must focus on less than 10 percent of his concerns just to respond to congressional inquiries or action.

THE BUDGET PROCESS CREATES PROBLEMS

The line-item by line-item budgeting embraced by Congress in recent decades has created perverse incentives in the defense acquisition system. By budgeting for a specific weapon, rather than providing funds to accomplish the task or mission for which the weapon is intended, the Services are encouraged to shield marginal programs from scrutiny. The funded weapon amounts to their only funded solution; to lose it is to lose the money for the mission. As a result, the Services tend to fix and patch whatever problems emerge on that weapon rather than scrap it, try to sell an alternative approach, and obtain approval for new funds. There is little incentive for effective testing; the results can only hurt. Any problems identified by testing threaten both the project and the mission. Congress recently created an independent Office of Test and Evaluation. This, however, treats the symptoms, not the cause, and provides little incentive for better testing.

Also troublesome in the current budget process are the annual basis of review and the growing inability of Congress to

³ See J. A. Stockfish, "Removing the Pentagon's Perverse Budget Incentives," Heritage Foundation Background No. 360, June 1984.

⁴ See "The Advantages of Two-Year Budgeting for the Pentagon," Heritage Foundation Background No. 391, November 5, 1984.

⁵ Theodore J. Crackel, "Reforming 'Military Reform,'" Heritage Foundation Background No. 313, December 17, 1983.

complete its scheduled business in a timely manner. From one year to the next, neither the Pentagon nor its contractors have any idea what Congress will decide concerning a particular project. It is a good bet (but not a sure one) that the sums appropriated will be less than requested or that the project will be extended longer than originally planned. Whether Congress funds 25, 50, or 75 of a particular aircraft in a given fiscal year is vital information to the contractor, who must schedule the efficient use of his assembly lines. This has, moreover, a "crack-the-whip" impact on the tiers of subcontractors beneath the prime contractor. It is a system that ensures padding at every level (or a wild scramble to make up losses when contract changes are introduced) and delays and inefficiencies throughout.

THE NEW OVERSIGHT

Much attention recently has focused on the cost of some spare parts and tools. Senator Charles E. Grassley (R-IA) made headlines by detailing the fact that the Air Force was being charged \$916.55 (\$1,118.26 when the Air Force's own handling charges are added) for a small plastic cap for the leg of a navigator's stool. Dina Rasor and her Project on Military Procurement, who provided Grassley with the information, subsequently were besieged by calls from harried congressional staffers who wanted similar examples of outrageous costs so that their bosses, too, could trigger such headlines. It made little difference that the sum of all the spare parts and tool overcharges did not approach the roundoff error of major programs such as the B-1 bomber. The stories played well back home. Few seemed to care that this sent the wrong message. To those back home it raised unwarranted concerns about the Pentagon's acquisition practices. There are problems, to be sure, but neither of the nature nor of the magnitude suggested by these isolated examples. Congress's message to the Pentagon said simply, "fix the pricing problem," but never suggested that they should "correct the contracting culture that promotes such pricing." The "Competition in Contracting Act," passed last July, addressed symptoms, not causes. It does nothing to alter the deep-rooted Pentagon culture that discourages competition more out of habit than design.

By almost every measure, congressional oversight of Defense activities is mounting. The hours of Pentagon congressional testimony have increased every year since 1980. Defense Secretary Caspar Weinberger in 1983 logged over 55 hours in 20 appearances, compared with 41 hours in 16 hearings the year before. In all, the Pentagon provided 2,160 hours of testimony in 1983, up almost 50 percent from 1982. The number of formal published reports also has been a drain. In 1983 alone, the Navy sent 37 formal reports to just two committees; other committees required their own. From 1980 to 1984, the Defense Department submitted over 950 different reports to Congress and responded to thousands of other demands from the Hill.

Defense witnesses also are appearing before more congressional committees. Since the 1974 formation of the Budget Committees, the Pentagon responds routinely to at least eight defense (budget) related Committees: The Armed Services, Appropriations, Intelligence, and Budget Committees of each House. Defense witnesses also appear regularly before the Government Operations, Energy, and the Military Construction subcommittees. In all, Defense witnesses appeared before 96 different committees and subcommittees in 1983--often providing the same testimony and briefings.

As a part of their oversight, Congress increasingly has been "helping" the Pentagon. In 1983, for example, Defense requested authority to create three new Assistant Secretaries. Congress agreed, but then, despite strong Pentagon opposition, designated what functions these appointees should handle. Congress has even begun to send "help" on its own. Defense has recently been forced to create two other high-level posts it did not want, an Inspector General and an independent Director of Tests and Evaluation, who are required to report directly to Congress as well as through the Secretary of Defense. Aside from the dubious constitutionality of this arrangement, it almost guarantees conflicts. Two masters are difficult to serve, especially when the two are often at odds.

Congress has a clear responsibility to oversee the spending of money it appropriates. Too often, however, this has come to mean paying attention to smaller and smaller issues. In the process of producing a Defense authorization bill, for example, Congress now routinely devotes hours to debating million dollar issues, while approving or disapproving billion dollar issues with little discussion or attention.

There is a distinct line between overseeing how Defense spends money and managing that expenditure, a line Congress crosses increasingly often. Anthony R. Battista, a staff member for the House Armed Services Committee, defends this congressional micromanagement by charging that Defense has so often failed to manage itself properly that Congress has been forced to step in as a last resort. Congress--and its staff--will not easily back away from the power they have acquired.

THE LARGER PROBLEM

These difficulties, however, are only symptoms of a larger problem that must be addressed if Congress is to play an effective role in the national security process. This problem is the lack of discipline in the legislative process. Observes a former congressional staffer: "The Congress used to debate what kind of Air Force we should have, now they worry about the kind of landing gear they're buying." The Congress today often does not have the discipline to focus its energies on issues that count, or to make the issues count that it chooses to focus on.

The roots of this problem lie tangled in circumstance. In the early to mid-1970s, Congress determined to reassert itself in the face of what had come to be called an Imperial Presidency. Coincident with this resurgence of congressional authority came demands for changes within the institution itself that would alter its power structure.

The challenge to the internal operation of Congress was fundamentally an attack on the power and discipline exerted by the committee chairmen and the party structure. The chairmen controlled virtually every aspect of the committee process: meeting dates, the agenda, the bills to be considered, and proxy voting. Their power was maintained by a seniority system making tenure as the head of a committee unassailable. The party once kept the troops in line by controlling the purse strings on reelection campaign funds. Special interest political action committees (PACs) now so outspend the formal party organizations that congressmen are more concerned about placating them than pleasing the party leadership.

The 1970s saw the beginnings of change. First, subcommittees were granted some measure of autonomy from committee chairmen. Then the 1974 election produced a solid liberal majority in the House that took full advantage of the new rules. The liberal freshmen invited prospective committee chairmen to appear before them and then helped unseat three incumbent chairmen. The independence of these young liberals symbolized dramatically the breakdown of committee and party discipline. Congressman Les Aspin's (D-WI) recent election to the chairmanship of the House Armed Services Committee over vocal protest of House Democratic leadership demonstrates that this pattern persists. By the late 1970s, PACs so overshadowed the parties as a source of campaign funds that any discipline instilled by the promise of party funds or the threat of withholding them was almost wholly dissipated.

CONVERGING FORCES

The rising congressional influence, the erosion of party discipline, and a growing independence of members have influenced dramatically the legislative process. And on balance, this influence has impaired the efficient functioning of the Congress. Just as the Congress acquired more influence in the policy making process, indiscipline and independence have fractionated its attention. Said Senator Howard Baker (R-TN), the retiring majority leader: "We focus too much on detail and too little [on] the broad general principles."⁶ Added Senator Sam Nunn (D-GA): "Without some prudent, thoughtful changes in how the Senate and

⁶ Quoted in William Ashworth, Under the Influence: Congress, Lobbies and the American Pork-Barrel System (New York: Hawthorn, Dulton, 1981), p. 129.

its committees conduct their business, we run the risk of becoming increasingly mired in duplication and details while we accomplish less and less. In essence, the Senate and the Congress as a whole is choking on its own processes."⁷

This fractionation is obvious in Congress's troubled oversight role. That oversight takes many forms: testimony before formal committees and subcommittees; constitutionally mandated reports; legislated reporting requirements; appearances before informal groups such as the Congressional Military Reform Caucus; requests for information or reports by committees or individual congressmen, and the informal relationships between those on Capitol Hill and the many former Hill staffers who become senior Pentagon appointees. Under Secretary of the Army James R. Ambrose says that without so much congressional interest, he could dispense with 90 percent of the Army staff. Though this of course is hyperbolic, the fact is that substantial segments of Defense staffs spend a large part of their time answering thousands of congressional inquiries or preparing to answer anticipated questions.

These inquiries are largely generated by congressional staff, mirroring an increase in their size. Since 1960, staff size has grown by more than 300 percent. Senator Dan Quayle (R-IN) remarked, "If [a Senator] hires one more staff assistant, so do 99 other Senators and those 99 staff assistants to those 99 Senators produce more amendments, more bills, more work so that actually our burdens have been increased rather than reduced by the addition."⁸ On committees, growth has been even greater. In 1960, the House committees had 440 staffers and the Senate 470. In 1983 there were 1,970 and 1,075 respectively. This was far in excess of the 24 percent growth in civilian employment in the Executive branch during the same period.

While the number of persons in uniform has declined from 2.3 million in 1960 to 1.9 million in 1982, and while civilian employment in Defense has grown by a mere 4 percent, the staffs for the two Armed Services Committees have soared from 15 to 56 in the House and from 23 to 41 in the Senate. In addition, an increasing number of auxiliary staffers are "loaned" to the committee by Members to support their committee work. If these larger staffs have not created the urge among legislators for more and more detail, they have at least provided a means to satisfy it.

An often uncounted adjunct to committee staff growth has been the even more rapid growth in agencies that do a large part of the congressional research and investigation: the General Accounting Office, the Office of Technology Assessment (created in 1972), Congressional Budget Office (1974), and even the staid

⁷ Quoted by Senator Dan Quayle, Congressional Record, September 28, 1984.

⁸ Ibid.

Congressional Research Service of the Library of Congress. These organizations today employ over 2,500 staffers. By the addition of personnel--even whole new agencies--this segment of congressional staff has increased, since 1960, even more rapidly than the others--at least 400 percent more than two decades ago. Some of them, the Office of Technology Assessment in particular, regularly call on outside help to augment their efforts to address issues the Congress has asked them to investigate.

Staff growth, however, is merely another symptom of congressional indiscipline, which, at the same time feeds the tendency to fragment attention. Efforts by the Services to close particular military bases illustrate this point. Defense for years has had a list of bases it would like to close--with savings of hundreds of millions, even billions, of dollars. But it is almost impossible to close bases. In April 1984, Senator John Tower (R-TX), chairman of the Senate Armed Services Committee, asked his Senate colleagues to advise him as to what defense facilities in their states should be closed. From the 99 other Senators, he received one response--from a Senator who recommended that no cuts be made in his state.⁹

Taking care of constituents is fundamental. But it includes two corollaries: "thou shalt not tamper with another member's district (or state)," and "thou shalt help provide for the district (state) of any fellow member who is in a position to return the favor." In 1979, for example, the Navy was forced by the Senate Budget Committee chaired by Edmund Muskie (D-ME) to buy four destroyers that were ordered originally for the Shah of Iran. The ships were being built in Democrat John Stennis' Mississippi. In exchange for the log rolling, Stennis ensured that the Air Force did not close Loring Air Force Base in Muskie's Maine.

Another aspect of taking care of the folks back home is the "pork barrel" syndrome--"buying it anyway." Defense finds itself saddled with weapons systems that it would rather not have. It buys them, however, simply because they are produced in the district or state of a key committee member. The Air Force bought A-10s, a close air support craft, and additional large C-5A transports almost solely because of congressional pressure. There was a time when pork-barrel considerations were primarily the prerogatives of a dozen or so committee chairmen. "Now," reports a top federal official, "with all the reforms that have gone in recently, we've got to hand out something to all 435 congressmen. It's given pork barreling a vast new lease on life."¹⁰

⁹ An earlier similar letter elicited only two proposals: closing a chemical weapons facility and deferring MX basing.

¹⁰ Quoted by Senator Dan Quayle, Congressional Record, September 12, 1984.

SUPPLYING A NEW DISCIPLINE

There can be no turning back, of course, to some earlier day when party and committee leadership ruled with an iron hand. Nonetheless, Congress today, with its micromanagement of Defense, is simply part of the problem. If it is to become a part of the solution, it must find new discipline in the legislative process. That is essential, if there is to be any order to the budget or oversight processes.

Budgeting reform is receiving considerable attention just now. The fixed budget ceilings provided in the Budget Act of 1974 should have brought some discipline, but Congress has proved unable to push past the preliminary requirements established by the bill and to agree on these fixed ceilings. Several budget reform proposals have been made. The most promising reform proposals--such as that made in the last session by Senator William Roth--eliminate the preliminaries and go directly to fixed budget ceilings. To discipline that process and to keep the focus of the Budget Committee on larger issues, a strict and short time limit should be set in which these ceilings shall be established.

Multiyear budgeting is another essential reform. So is budgeting for the mission rather than the specific weapon (with implied or explicit permission to reprogram money to pursue a promising alternative if the first solution fails). This would speed the fielding process, cut costs, and produce more effective weapons. In addition, this could limit the "pork-barrel" influence on new weapons programs. Without the requirement to vote up or down on a specific weapon, congressmen may find it easier to vote their consciences.

The Senate has become so mired that in the last Congress it created a panel to recommend reforms. That committee, chaired by Senator Dan Quayle, produced a set of very responsible recommendations including two-year budgeting and new rules to discipline Senate procedures.¹¹

Oversight has received less attention. Some argue that today Congress simply is not able today to take the broad look required to set defense priorities. The independence of committees and subcommittees, they argue, precludes comprehensive oversight, coordination or even cooperation between subcommittees. That makes committee structure an obvious arena of oversight reform.

Oversight is accomplished primarily through reports and testimony. The questions asked in these forums define the quality and quantity of oversight. A first step would be to eliminate duplication of effort and to avoid repetitive testimony. For

¹¹ Report Together With Proposed Resolutions, Temporary Select Committee To Study The Senate Committee System, 2nd Sess., 98th Cong., December 1984.

example, the testimony of senior defense officials should be heard in consolidated or even joint hearings. In a larger sense, however, some groups or groups in the Congress must provide a broader view of defenses and serve as an information clearinghouse.

One solution to this problem would be the formation of "super-committees"--National Security Committees in each house--which would provide that broader view. Membership on such a House Committee on National Strategy, for example, might include the chairmen and/or other senior representatives from Foreign Affairs, Armed Services, Government Operations, Merchant Marine and Fisheries, Science and Technology, Appropriations, Ways and Means, Justice, Commerce, Banking, Finance and Urban Affairs, Agriculture, and Public Works. Their principal function would be to provide comprehensive guidance in national security for the standing committees. Such advice would be analogous to the firm budget ceilings of the Budget Committee--limits not to be exceeded. This could introduce new discipline into the system by setting the general direction Congress would move and by limiting the scope of its inquiries focused elsewhere. They could also serve a clearinghouse through which to channel all inquiries concerning defense (except casework) and to arrange Pentagon testimony.

Individual discipline is also essential to reduce the fractionalization of attention that plagues the Congress today. One means of introducing such self-discipline would be to allocate a set amount of "reports money" to each member. The member would then be forced to set priorities on efforts and requests. (Committees and subcommittees would not be under any restriction, but should be guided in their requests by the bounds established by the executive committees on national security). The first goal should be a 10 percent reduction in the number of reports required of defense in each of the next three years (with a complementary reduction of Defense staffs by the end of that period).

RECOMMENDATIONS

In the 2nd Session of the 98th Congress the Senate took a harder look at its own committee system. The committee report, guided by Senator Dan Quayle, contained a number of steps to improve the system including multiyear budgeting. These provisions should be adopted.¹² In addition, the Congress should:

- Adopt a budgeting process that eliminates many of the counter-productive efforts of the current line-item by line-item approach.
- Allocate "reports money" to each member to be spent as the member chooses gaining reports and information from Executive Departments and Agencies.

¹² Ibid.

- Create "executive" committees on national security issues in each House to provide binding guidance on defense policy and to serve as clearinghouses to rationalize and expedite the oversight responsibilities of Congress.

Defense Assessment Project Papers:

- No. 1. Theodore J. Crackel, "Reforming 'Military Reform,'" Heritage Background No. 313, December 12, 1983.
- No. 2. Robert K. Griffith, "Keeping the All-Volunteer Force Healthy," Heritage Background No. 353, May 18, 1984.
- No. 3. J.A. Stockfish, "Removing the Pentagon's Perverse Budget Incentives," Heritage Background No. 360, June 19, 1984.
- No. 4. Mackubin Thomas Owen, "The Utility of Force," Heritage Background No. 370, August 1, 1984.
- No. 5. Richard L. West, "Military Compensation: A Key Factor in America's Defense Readiness," Heritage Background No. 387, October 18, 1984.
- No. 6. Anonymous, "The Advantages of Two-Year Budgeting for the Pentagon," Heritage Background No. 391, November 5, 1984.
- No. 7. C. Lincoln Hoewing, "Improving the Way the Pentagon Acquires Its Weapons," Heritage Background, No. 396, November 28, 1984.
- No. 8. Henry Mohr, "Will America be Able to Treat Its Battlefield Wounded," Heritage Background No. 398, December 18, 1984.