

WebMemo



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Taking a Scalpel to the Defense Budget

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In anticipation of Congress receiving the President's defense budget request for fiscal year (FY) 2012 on February 14, Members would be wise to carefully review the House and Senate versions of the pending FY 2011 defense appropriations bills. This would help Congress gain valuable insight into what defense funding may be supported by another federal agency and what defense projects may not warrant funding in a military bill or any federal agency at all. Congress must reduce overall federal spending, and part of its due diligence will demand that it examine each defense program to ensure that it directly supports the overall mission of the Department of Defense (DoD) in support of the President's *National Security Strategy*.

Tackling Waste, Fraud, and Abuse. Eliminating waste, fraud, and abuse is a fundamental obligation of government. Taxpayers deserve prudent spending and critical oversight. Washington should spend only what is necessary to provide for the common defense—no more, no less. The government has many tools to root out bad practices in government. However, initiatives to target waste—while they have historically improved defense management and achieved savings—have often not substantially reduced defense costs.

One oversight tool is the Federal Acquisition Regulation, an initiative by President Ronald Reagan to make government contracting policies uniform. It involves virtually every acquisition by federal agencies and governs each step of the process. All government departments must abide by dozens of standard terms and conditions dictated by the regulation—many of them non-negotiable. Mandatory

federal conditions also include imposing standards of ethical conduct on contractors.

The DoD retains the authority to audit contractors' costs incurred, profits, progress, and performance during the agreement period and up to three years after that period. The government can also take contractors to task through the contracting agency's inspector general, the Special Inspector General for Iraq Reconstruction, the Army Audit Agency, the Defense Contract Audit Agency, or the Government Accountability Office.

Additionally, Congress and DoD have at their disposal a range of investigative tools. Virtually all federal agencies have internal law enforcement components, and the military services have criminal investigation divisions. The Department of Justice can also support efforts to uncover criminal activity on the part of contractors and government employees. Contractors that fail to abide by ethical standards or contract requirements can face civil litigation or criminal prosecution, as can civilian employees of the U.S. government. Military personnel are subject to the Uniform Code of Military Justice and, in some cases, can be tried in civilian courts.

Projects in the Defense Bill That Should Be Examined for Funding Elsewhere or Eliminated Altogether. Using the latest defense spending bills

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Programs in the Department of Defense Bill That Should Be Considered for Funding Elsewhere in the U.S. Government

Title	Defense Account	Description	Project Amount
Critical infrastructure cyber operations simulation	RDT&E, Air Force	Develop a U.S. Air Force cyber security emulation system at Idaho National Laboratory that provides a synthetic operational environment for training, testing, and exercising capabilities to protect critical infrastructure with a realistic simulation of infrastructure environments and infrastructure control systems.	\$1.9 million
Terrorist threat detection system for shipping containers	RDT&E, Defense-wide	A set of advanced prototype C-Scout threat detection systems will be fabricated against a broad set of threats by Nevada Nanotech Systems. Further performance characterization includes units installed in shipping containers and monitored during transport at sea.	\$3 million
Overseas Humanitarian Assistance Shared Information System	RDT&E, Defense-wide	Overseas Humanitarian Assistance Shared Information System enables Humanitarian Assistance offices—including embassy staff, country team members, Combatant Command leads, and DSCA—to visualize projects on a Web-based map display, automate report generation, and perform a variety of analyses.	\$290,000
State counter-drug and eradication efforts	Other DoD Programs	<i>Example:</i> \$4 million for Kentucky National Guard marijuana eradication efforts to rid the Daniel Boone National Forest of this illegal crop.	\$36.6 million
Central Intelligence Agency retirement and disability system fund	Related Agencies	This appropriation provides payments of benefits to qualified beneficiaries. This is a mandatory account.	\$292 million
Military personnel unemployment benefits	Overseas Deployments and Other Activities	For the payment of unemployment benefits to ex-servicemembers discharged or released under honorable conditions.	\$270 million
Army and Air National Guard support to the southwest border	Overseas Deployments and Other Activities	Military supplementation to Border Patrol operations along the U.S. southern border with Mexico in Operation Jump Start.	\$31 million
TOTAL			\$635 million

Source: FY 2011 Senate Defense Appropriations Report (111–295).

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as an illustrative example, Members should look for projects in the defense budget that—while they may be wholly legitimate—should be considered for funding in another spending bill under a more appropriate federal agency. Examples are abundant.

One is a project for the air force to develop a cyber system that provides capabilities to protect critical infrastructure. This is surely an important task of government but possibly one better suited for the Department of Homeland Security (DHS), which, along with the private sector, is in charge of protecting the nation's critical infrastructure. Another example is a program to develop advanced

prototype threat detection systems for eventual installation inside shipping containers to monitor them during transport at sea. Again, this may or may not be a worthy project. Yet either way, it is more appropriate for Congress to fund this under a DHS spending bill, since DHS is charged with defeating threats to maritime cargo.

Other examples include funding for various state national guard units to eradicate marijuana from national forests or critical unemployment benefits for former servicemembers that should have likely been funded with all other government unemployment benefits.

Defense Programs That Warrant Further Scrutiny. As part of its constitutional mandate, Congress wields the “power of the purse” over the annual budget requests made by the President. The section of the U.S. Constitution commonly referred to as the Appropriations Clause stipulates that “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

This clause provides Congress “with a mechanism to control or to limit spending by the federal government. The Framers chose the particular language of limitation, not authorization, for the first part of the clause and placed it in Section 9 of Article I, along with other restrictions on governmental actions to limit, most notably, executive action.”¹ The Constitution also gives Congress the power to provide for the common defense of the United States, to raise and support armies, and to make rules for the government and regulation of the land and naval forces.

As Justice Joseph Story wrote:

Congress may appropriate money ... in aid of canals, roads, and other institutions of a similar nature, existing under state authority. The only limitations upon the power are those prescribed by the terms of the Constitution, that the objects shall be for the common defense, or the general welfare of the union. The true test is whether it be of a local character, and local use; or, whether it be of general benefit to the states. If it be purely local, Congress cannot constitutionally appropriate for the object. But, if the benefit be general, it matters not, whether in point of locality it be in one state, or several; whether it be of large, or small extent. Its nature and character determine the right, and Congress may appropriate money in aid of it; for it is then in a just sense for the general welfare.²

There is no question that the “nature and character” of spending to “provide for the common defense” is always of benefit to the nation as a whole, so it is always constitutional and appropriate for DoD. All other spending within the defense bill should be scrutinized by Congress to determine whether it should be moved to another agency or removed as wasteful spending.

This final say in how taxpayer funds are spent is crucial for more effective government. Congress does not just take the executive branch at its word. Members can and should regularly question the spending priorities and analysis behind those decisions when the annual defense budget request is made. Too often, the statement that “the Pentagon doesn’t want it” becomes a blank check for the executive branch when Congress has proven time and again that its Members have an important voice in setting the spending priorities of government.

History highlights plenty of examples where Congress has authorized policy or funding initiatives that DoD has strongly opposed, and in retrospect, Congress was right. Former Senator Sam Nunn (D-GA), for example, wanted the Air Force to buy more F-117s when the service wanted to stop purchases. Later it turned out that the F-117 was critical to establishing air dominance over Iraq in Operation Desert Storm. Another example is Congress continuing the Marine Corps’s V-22 program and prohibiting the retirement of U-2s and B-52s, which have proven their relevance in current operations Iraq and Afghanistan.

Nevertheless, there are examples of potentially wayward spending priorities within the defense bill that demand additional attention as defense budgets shrink. For example, Congress should carefully examine a series of social science grants known as the Minerva Research Initiative, which is presumably helping produce helpful research. The Pentagon estimates the total amount of the awards to amount to as much \$50 million over five years.

1. Gary Kepplinger, “They Can’t Spend What You Don’t Approve: Rethinking the Appropriations Clause,” *Heritage Foundation Report* No. 7, January 24, 2011, at <http://www.heritage.org/Research/Reports/2011/01/They-Cant-Spend-What-You-Dont-Approve-Rethinking-the-Appropriations-Clause>.
2. Joseph Story, *Commentaries on the Constitution of the United States*, Chapter XXVI, Section 632, 1833.

Defense Spending Priorities That Demand Further Examination and Oversight

Title	Defense Account	Description	Project Amount
Native American document conversion program	Air Force O&M	For Intertribal Information Technology Company in South Dakota to promote military readiness and provide employment opportunities on Native American reservations and homelands by integrating U.S. military technical data into a single data format.	\$3 million
Joint Safety Climate Assessment System	DoD-wide O&M	Online survey to assess safety culture of the services.	\$2 million
Rule of Law	DoD-wide O&M	Office for Rule of Law and International Humanitarian Policy to "guide policy on emerging non-traditional military activities like compliance with the rule of law, humanitarian emergencies, and human rights."	\$1.5 million
Major equipment, OSD	DoD-wide Procurement	<i>Example:</i> \$1.4 million for Enterprise Portals Program eBusiness Center capabilities for the office of the Under Secretary of Defense for Acquisition, Technology and Logistics.	\$124 million
University research initiatives, Army	RDT&E, Army	<i>Example:</i> \$9.5 million for a National Security Human Rights Strategy for the University of Connecticut to support human rights initiatives within the Department of Defense.	\$91 million
University research initiatives, Navy	RDT&E, Navy	<i>Example:</i> \$4 million for the Center for Assured Critical Application and Infrastructure Security at the University of Illinois to establish the center, which will address the development of trust validation tools for critical computer infrastructures, namely defense applications, financial systems, and electrical power; to ensure public confidence in these systems.	\$108 million
University research initiatives, Air Force	RDT&E, Air Force	<i>Example:</i> \$2.5 million for "BattleSpace: Reducing Military Decision Cycles, Phase II" at the University of Nebraska to design collaboration software for USSTRATCOM to facilitate rapid and effective decision-making, based on multiple data inputs, for battlefield management, war games, exercises, and other defense planning activities. <i>Example:</i> \$4 million for "Institute for Advanced Energy Studies" for University of North Dakota to develop innovative technological solutions to promote the use of clean, reliable, affordable and efficient energy technologies. <i>Example:</i> \$2 million for University of New Mexico's Partnership for Emerging Energy Technologies to support research in the areas of energy conversion, storage, and power generation.	\$136 million
University and industry research centers	RDT&E, Army	<i>Example:</i> \$3.5 million for "Partnership for National Security" at University of North Carolina-Chapel Hill to provide Army and Marine Special Forces with relevant pre-deployment education modules, degree programs, and deployment "reach-back" access. The program would: (1) create a Physician Assistant Program for Special Operations Medics at the Joint Special Operations Medical Training Center at Fort Bragg; (2) create and deliver an accelerated National Security Studies degree program; (3) develop a National Security Reach Back Network to respond to deployed Civil Affairs Special Forces queries focused on agriculture, rural development and economics; and (4) create a Center of Excellence in Human Performance through the development of novel nutritional supplements and human performance strategies, designed to optimize warfighter training gains with reduced risk of injury, illness, and muscle soreness. <i>Example:</i> \$3.5 million for University of Nevada's DC Air Conditioner Suitable for PV Solar Air Conditioning Using Novel VSD Technology and Commercial AC Compressors.	\$98 million
Combat vehicle and automotive advanced technology	RDT&E, Army	Alaska's Alkan Shelter LLC to build a future tactical truck composite shelter.	\$2 million
Joint Space Operations Center (JSpOC) Mission System "Karnac" study	RDT&E, Air Force	This study will improve JSpOC capabilities to include non-traditional data and three-dimensional modeling and simulation.	\$6 million
Air Force support systems development	RDT&E, Air Force	\$40 million for alternative energy research and integration and \$3 million for Freedom fuels/coal fuel alliance.	\$49 million
U.S. Army Minerva Research Initiative	RDT&E, Army	Awards to academic institutions to perform scholarly research in the social sciences and build bridges between DoD and the social science community.	\$21.6 million

(continued on next page)

Source: FY2011 Senate Defense Appropriations Report (111-295).

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Defense Spending Priorities That Demand Further Examination and Oversight (continued)

Title	Defense Account	Description	Project Amount
Navy "technical information services"	RDT&E, Navy	Provides support to achieve affordability in the development of navy systems and reduce life-cycle costs through the facilitation of advanced technology associations between U.S. industry and the navy.	\$18 million
Basic research	RDT&E, Defense-wide	Includes \$47 million in funding for Defense Threat Reduction Agency university strategic partnership basic research; \$328 million for defense research sciences; \$3.4 million for government/industry cosponsorship of university research; and \$109 million for national defense education program.	\$487 million
Human, social, and culture behavior modeling	RDT&E, Defense-wide	Advanced development to help DoD "understand the social and cultural terrain and the various dimensions of human behavior within those terrains."	\$9.5 million
Regional international outreach and partnership for peace information management systems	RDT&E, Defense-wide	OSD initiative to deploy a common information technology platform to improve international partner outreach and collaboration efforts in a federated environment.	\$2.2 million
Support to Information Operation capabilities	RDT&E, Defense-wide	Coordinated effort to integrate Information Operation (IO) test and evaluation capability to assess IO technologies and tactics in a representative operational environment against realistic targets.	\$31.5 million
Defense health program R&D	Other DoD Programs	Includes \$150 million for peer-reviewed breast cancer research program, \$10 million for peer-reviewed ovarian cancer research program, and \$80 million for peer-reviewed prostate cancer research program.	\$240 million
TOTAL			\$1,430 million

Source: FY 2011 Senate Defense Appropriations Report (111-295).

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These grants need to be cross-examined with the plethora of other funding by the DoD on research initiatives at universities in the United States. The army requested \$91 million on its University Research Initiatives in FY 2011; the navy \$109 million; and the air force \$136 million. Additionally, the DoD requested \$98 million for University and Industry Research Centers in the 2011 budget.

Due Diligence with Defense. Congress should examine federal spending on its merits and decide whether it is both constitutional and necessary. Members should also be aggressive in their efforts to eliminate waste in all federal agencies including DoD.

As part of an effort to reexamine defense spending priorities, Congress should carefully review last year's defense spending bills to identify areas worthy

of further scrutiny. This would ensure that taxpayer dollars are being spent wisely and that necessary funds are dedicated to the appropriate federal agency while unnecessary projects are cut from the overall federal budget to reduce spending.

Conducting due diligence in the defense budget is a critical step toward helping the military reach its goals of reprioritizing funds to bolster modernization plans after a decade of war and wear and tear on equipment.

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