



On Spending, Sometimes Sacred Cows Make the Best Hamburger

By Thomas Schatz January 8, 2013

With the battle over sequestration enveloping the nation's capital, it has become clear that many members of Congress still consider defense spending a sacred cow. The refrain is familiar: any cuts to the Department of Defense jeopardize national security and put our troops in jeopardy.

Close examination of the Defense Department budget shows that this just is not true; many programs could be eliminated tomorrow without endangering national security. The best example of what to cut is the Medium Extended Air Defense System, or MEADS for short, whose troubles have been well-documented. Meant to replace the Patriot missile system, MEADS has been plagued with cost overruns of nearly \$2 billion and is 10 years behind schedule. A March 9, 2010 *Washington Post* report quoted an internal U.S. Army memo asserting that the program "will not meet U.S. requirements or address the current and emerging threat without extensive and costly modifications." The program is so useless that there are no plans to ever build a single missile.

Senate Committee on Armed Services Chairman Carl Levin, a Michigan Democrat, made his feelings known on December 4, 2012, saying "We feel strongly that it's a waste of money." Citizens Against Government Waste, of which I am president, has laid out the full case against MEADS on www.misguidedmissile.org.

One long-standing justification from Pentagon officials for continuing funding for MEADS was that cancelling the project would be cost-prohibitive without agreement from Germany and Italy, based on the high unilateral termination fees in the 2005 Memorandum of Understanding that created MEADS. However, a confidential Defense Department report to Congress concluded that the U.S. can withdraw from the contract without committing additional money or paying termination fees.

The report cites language in the memorandum of understanding that activities related to MEADS were subject to "the availability of funds appropriated for such purposes." The Pentagon interpreted that to mean that if Congress fails to appropriate funding for MEADS, the United States can extricate itself from the program without penalty, regardless of any objections by Germany and Italy.

The other prevalent justification for continuing MEADS has been the supposed long-term damage to the U.S. relationship with European allies should the United States unilaterally opt out of the contract. While the Germans and Italians have occasionally expressed doubts about MEADS, neither has agreed to pull the plug on the project. However, discontinuing funding for MEADS does not seem likely to irrevocably alter security agreements and procurement projects between the United States and Europe given the close partnership on many other security matters.

In apparent response to this report and other questions about the continued viability of the program, three out of the four House and Senate defense authorization and appropriations committees zeroed out funding for MEADS for fiscal year 2013. Nonetheless, the September 2012 continuing resolution that funds the federal government through March 27, 2013 included \$190 million for MEADS, apparently acceding to the pro-MEADS stand taken by the renegade Senate Appropriations Committee and turning MEADS into a big, fat earmark.

More recently, however, the conference report for the FY 2013 National Defense Authorization Act, signed into law by President Obama last week, eliminated funding for MEADS, despite a request from Defense Secretary Leon Panetta to include such a provision in the bill. But the passage of this year's law does not preclude the House or Senate Appropriations Committee from funding MEADS in the continuing resolution for the rest of FY 2013, to say nothing of FY 2014.

After witnessing the tortured path of the MEADS project, it is not hard to understand why Congress is gridlocked over agreeing to specific cuts that would avoid and replace sequestration. They could at least start by targeting low-hanging fruit like MEADS, keeping it out of the next continuing resolution and not considering any funding at all for FY 2014.

In addition to the no-defense-cut stand taken by many members of Congress, another problem in finding savings in the Pentagon budget is that the agency's finances are in complete disarray. Panetta acknowledged this in May 2012, saying that the department "is the only major federal agency that cannot pass an audit today" and will not be ready for an audit for another five years. In August 2012, Sens. Tom Coburn, a Republican of Oklahoma, and Joe Manchin, a West Virginia Democrat, introduced legislation that would force the Pentagon to undertake an audit.

On September 22, 2011, then-Chairman of the Joint Chiefs of Staff Admiral Mike Mullen made it clear that America's greatest menace is neither a terrorist nor another country; instead, it is self-imposed. He said "the single-biggest threat to our national security is our debt." By paring down its bloated budget, the Pentagon can help reduce the national debt and thereby increase U.S. security.

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