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**BUREAUCRATIC POLITICS AND THE B-2 BOMBER:
THE FY'96 BUDGET AS A CASE STUDY**

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**"What's the difference between the B-2 and Dracula?
Even if you put a stake through the heart of the B-2 it won't die."
-- House Budget Committee Chairman John Kasich**

INTRODUCTION

Almost three years ago, Congress agreed to halt the procurement of B-2 bombers after funding 20 aircraft. The Clinton FY'96 defense budget did not include money for additional bombers, and the Administration remained firmly opposed to building more B-2s during congressional hearings. However, the FY'96 defense authorization and appropriations bills passed by the Congress and signed by the President contain an additional \$493 million in funding for the B-2. This paper examines the multiple political strands underlying the B-2 funding decision. Specifically, it focuses on the "iron triangle" of mutual interests that has formed around the B-2 program and what happened when this bureaucratic coalition ran into conflict with presidential politics.

Political scientists describe "iron triangles" as mutually beneficial political relationships that develop among a specific agency in the federal bureaucracy, members of the congressional committees or subcommittees that have jurisdiction over the agency's programs and budget, and private interests or clientele groups that benefit from agency programs. (12) In the case of the B-2, such a triangle has formed around bomber advocates in the Air Force, key members of the House National Security and Appropriations Committees whose districts benefit from B-2 spending, and the B-2's prime contractor Northrop Grumman.

Iron triangles function most effectively in shaping policy when their workings are shielded from view, i.e., when accommodations can be reached on defense programs and spending levels at the subcommittee or committee level in the Congress without interference from the full Congress, the Secretary

of Defense or the President. However, when programs have a large budgetary impact like the B-2, or when they touch on fundamental "strategic" decisions that shape defense or foreign policy, it becomes much more difficult for iron triangles to dominate policy-making. Such programs are likely to fully engage the President and his Administration, and be of wider interest in the Congress. Thus, an important thesis of this paper argues that it is unlikely that the triangle of interests that has formed around the B-2 can ultimately prevail over determined Presidential opposition to expanding the B-2 program beyond 20 bombers.

Two political considerations, however, have mitigated President Clinton's opposition to further B-2 production -- the need for FY'96 DOD money to fund the implementation of the Dayton Bosnia peace accord, and the 1996 presidential election, particularly given the importance of California's 54 electoral votes to Clinton's reelection prospects. Consequently, it is possible the last chapter of the B-2 program may not yet have been written. This paper further argues that the politics of the B-2 program -- both bureaucratic and presidential -- demonstrate the difficulty of making rational defense spending decisions purely on the basis of U.S. national security interests.

B-2 Program History. At the beginning of the last decade of the Cold War, the Air Force planned to procure 132 B-2s for \$72 billion. With its next-generation stealth technology, the B-2 was designed to penetrate the Soviet Union's increasingly lethal air defenses and ensure the viability of the bomber leg of the strategic nuclear triad well into the 21st century. The end of the Cold War and the concomitant pressure to decrease defense spending, however, prompted DOD to reduce the B-2 buy to 75 aircraft early in 1990. To help forestall additional cuts, the Air Force published a white

paper in 1992 that emphasized the B-2's potential in conventional conflicts. Despite this mission reorientation, the Bush Administration and the Democratic Congress eventually decided to cap procurement at 20 aircraft at a cost of no more than \$44 billion. As the end of B-2 production approached, however, B-2 supporters in the Congress were successful in including \$125 million in the FY'95 defense budget to preserve the bomber industrial base and directed DOD to review future bomber requirements. The conclusions of the DOD study and a concurrent analysis by the congressionally established Commission on Roles and Missions set the stage for the FY'96 debate over B-2 funding.

THE THREE SIDES OF THE B-2 IRON TRIANGLE

The Air Force. In his classic work, Bureaucratic Politics and Foreign Policy, Morton Halperin defined an organization's "essence" as "the view held by the dominant group in the organization of what the missions and capabilities should be...Since its inception as a separate service in the early postwar period," Halperin argued, "the dominant view within the Air Force has been that its essence is the flying of combat airplanes designed for the delivery of nuclear weapons against targets in the Soviet Union." (1:28) Halperin concludes that, in taking stands on policy, budgetary and strategy questions, the Air Force has always sought to protect its role in the strategic delivery of weapons by air.

Not too much appears to have changed since Halperin wrote over 20 years ago. Although the end of the Cold War has reduced the significance of the nuclear mission, the Air Force still considers strategic air warfare vital to its essence. Now, however, conventional roles are used to justify the bomber's central role. The Air Force's 1992 "Bomber Roadmap," states:

Over the next several decades U.S. national security will increasingly depend on conventional bombers to meet the demands of responding rapidly and decisively to security threats that may emerge in various regions of the world. No other resource in our security arsenal brings together the reach, flexibility and precise firepower inherent in the land-based bomber force we are developing. (2:1)

Just as the FY'96 B-2 budget debate was beginning to heat up, a February 1995 Department of the Air Force white paper on bomber programs stressed the importance of bombers to the Administration's two Major Regional Conflict (MRC) conventional warfighting strategy.

With their global range and large payloads, Air Force heavy bombers are at the core of our two Major Regional Conflict warfighting strategy. Their ability to be "first to the fight," regardless of in-theater support bases and infrastructure, allows the U.S. to strike adversaries hard in the early stages of short-notice conflicts. Our bomber forces employ while others are deploying to a theater of war. And their long range permits them to operate from bases beyond the reach of hostile forces -- an important consideration given the proliferation of theater ballistic missiles and weapons of mass destruction. Equipped with advanced conventional munitions, bombers will be capable of striking the full range of theater targets....Sixteen B-2s carrying Sensor Fuzed Weapons can deliver 23,000 self-guided maneuvering submunitions, each individually capable of homing in and destroying an armored vehicle. (3:3)

Despite the Air Force's strong justification for bombers, as the FY'96 budget season approached, the service faced a dilemma. While many in the Air Force desired more B-2s, there was a strong concern that a push for a larger buy could jeopardize additional Air Force priorities -- in particular, the procurement of other combat aircraft that are also a part of the Air Force's essence.* Following the November 1994 election of a Republican majority to Congress, the Air Force believed it could reasonably

* Halperin notes that the most serious challenge to the bomber-centered definition of the essence of the Air Force has come from those officers involved in tacair who have argued that providing combat support for ground forces is an equally important mission. Tactical aircraft and bombers are now combined under the same command -- the Air Combat Command. Both share many of the same characteristics that make them attractive to the Air Force, e.g., their combat roles, high speeds and incorporation of state of the art technology.

anticipate an increase in defense spending. To prepare for the 1995 round of budget hearings, senior Air Force leaders agreed on a prioritized wish list in case Congress asked what they would do with additional funding.* They considered and rejected buying additional B-2s for several reasons. First, the Air Force had higher priority programs for which increased funding could make a significant difference. Second, they feared Congress would demand Air Force budget offsets in return for more B-2s. The Air Force estimate was that twenty B-2s would cost \$12.8 billion to acquire and \$41.6 billion in total life cycle costs to operate over a 30 year life cycle.** If the Congress required the Air Force to fund part of this out of its own budget, other major weapons systems would suffer. Senior Air Force leaders were particularly concerned the Congress would look to the controversial F-22 as a possible source of funds. Previous cuts had already stretched the F-22 program to the breaking point and increased costs to about \$75 million per aircraft. Additional cuts could drive unit costs above what Congress could reasonably support, leading to a smaller buy or even program cancellation.

The Air Force position would also keep peace with the Office of the Secretary of Defense (OSD). OSD's motivation to hold the line on additional B-2s was primarily fiscal in nature. Following the election of President Clinton, newly appointed Secretary of Defense Les Aspin initiated a Bottom-Up Review (BUR) to determine an appropriate force structure and military strategy for the post-Cold War world. Another reason for the

* This list included additional funding for the F-22 program which had incurred a \$200 million funding cut the previous year, extra F-15s and F-16s to ensure the Air Force could maintain 20 fighter wing equivalents, a replacement for the Tri-Service Standoff Attack missile, and upgrades to the existing bomber fleet.

** From an unpublished Air Force briefing titled "Cost Estimate for More B-2's "

review was to achieve savings through force reductions and the elimination of overlapping functions. The BUR determined a smaller force of "up to 184 bombers," including twenty B-2s, was sufficient for a two nearly-simultaneous MRC strategy. DOD would enhance the capabilities of the smaller bomber force by upgrading systems and procuring advanced conventional munitions. Secretary Aspin codified the BUR's results through planning guidance that capped the B-2 force at twenty aircraft. Since then, OSD has held the line. Budgeting for more B-2s would open the door to requests from the other services for new or expanded programs, an unacceptable outcome in a time of austere defense budgets.

Faced with the above concerns, there was little support for additional B-2s at the highest levels of the Air Force. At the same time, however, the Air Force did not want to upset members of Congress who supported the B-2, especially with increased funding for other programs in the offing. Thus, the official position of the Air Force became that, while it might like additional B-2s, it could not afford them. This bureaucratic compromise resulted in a position that failed to clarify whether the Air Force believed it had a real requirement for additional B-2s. As we shall see later, the Air Force position became further garbled in the Congressional budget review process as elements of the Air Force that supported the B-2 managed to send conflicting messages to the Congress.

The Congress. The second side of the B-2 iron triangle is formed by lawmakers who are linked by their significant interests in the system. Members of Congress often choose committee assignments on the basis of whether membership can be used to assist their constituents and, consequently, also help ensure the Member's reelection. The defense committees in the House -- the National Security Committee (HNSC) and the

Appropriations Committee (HAC) -- are prime assignments for representatives from districts with large defense contractors or military installations. Defense spending now constitutes by far the largest part of discretionary spending in the federal budget. As Representative Pat Schroeder has stated, "If you want anything for your district, the only place there is any money at all is in the Armed Services bill." (cited in 4:416)

These tendencies in the makeup of the defense committees were reinforced by the 1994 congressional elections that left the Republicans as the majority party in the House and, consequently, resulted in a reshuffling of the committee power structure.* Not only did the election return the Republicans to power; it placed key B-2 supporters in influential positions in both the HNSC and the HAC. Out as chairman of the HNSC was Ron Dellums (D-CA), a persistent critic of the B-2. In as chairman was Floyd Spence of South Carolina, a quintessential Southern defense hawk. The Military Procurement Subcommittee, which would make initial decisions on B-2 funding, was now chaired by Duncan Hunter of California, another friend of the B-2. No state benefits more from B-2 spending, or has more major B-2 subcontractors, than California, which is also home to Northrop Grumman. Joining Hunter on the majority side of the subcommittee was Buck McKeon. The B-2 is assembled in McKeon's suburban Los Angeles district. Also new to the majority side of the Procurement Subcommittee was J.C. Watts a freshman congressman from Oklahoma. Watts' district includes Tinker AFB, which was chosen in early 1995 as the depot maintenance facility for the B-2. Ike Skelton (D-MO) became the ranking minority member of the Procurement

* The impetus for revitalizing the B-2 program in 1995 clearly came from the House of Representatives. The Senate has been more resistant to procuring more B-2s with strong opposition coming from long-time incumbents John McCain (R-AZ), Edward Kennedy (D-Mass), and William Cohen (R-MA) on the Senate Armed Services Committee and Patrick Leahy (D-VT) on the Senate Appropriations Committee.

Subcommittee Skelton's district includes Whiteman AFB, which Skelton was instrumental in securing as the home base for the B-2. Also serving on the minority side of the HNSC is Jane Harman whose Los Angeles district includes a division of Hughes Electronics that is responsible for the B-2 radar

B-2 interests also became well-placed on the HAC. The second ranking minority member of the National Security Subcommittee is Norm Dicks of Washington. The B-2 flies on wings manufactured by the Boeing Corporation in Seattle. A key Republican on the Subcommittee is Jerry Lewis (R-CA) who represents a district that houses many Northrop Grumman workers

In all, three states -- California, Texas, and Washington -- benefit disproportionately from B-2 contracts. All three are well represented on the HNSC and the HAC. Twelve of fifty-five HNSC members and fourteen of fifty-six HAC members hail from these states.

The Contractors. The final component of the iron triangle that has formed around the B-2 is made up of defense contractors who are the beneficiaries of program dollars. The B-2 has meant \$40 billion to Northrop Grumman and its subcontractors since 1981. The reach of the B-2 is substantial. Since 1987, Northrop has contracted with almost 8,000 suppliers in 48 states and distributed over \$14 billion in subcontracts. By 1995, however, the B-2 well was drying up. According to the Department of the Air Force's February 1995 bomber white paper:

"All major subcontractors have delivered their hardware to the final assembly facility in Palmdale. Six of the 12 work stations in the final assembly plant have finished operations and are closed. With the final B-2 over halfway through the assembly line, contractors and vendors are rapidly shutting down their B-2 production capability." (3.8)

Language in the FY'95 defense authorization and appropriations bills reflected Congressional concern over this situation and had directed DOD to identify and preserve core bomber industrial base capabilities pending the

completion of a congressionally directed DOD study of bomber force structure requirements and options. In response, DOD was spending \$95 million to reestablish sources for critical parts now out of production, updating manufacturing plans, and restoring production infrastructure. These steps, however, would only protect the option to produce added B-2s through FY'95 giving Congress the opportunity to consider bomber force requirements during the FY'96 budget cycle. Without additional funding in FY'96, Northrop Grumman claimed that restarting the production line and reactivating their suppliers would be prohibitively expensive.

STRATEGIES AND TACTICS IRON TRIANGLES USE TO INFLUENCE POLICY

Iron triangles that form around defense programs operate most effectively out of the limelight. Members of the triangle are highly motivated to protect their domain from intrusion by outsiders whether it be the President, the Secretary of Defense, or other members of Congress. The ease with which iron triangles can operate in isolation depends, in large part, on the types of programs and policies involved.* In defense matters,

* A number of political scientists have suggested that defense policies can be categorized into two types -- strategic and structural. Strategic policies set the basic direction of defense policy and are more oriented toward foreign policy and international politics. Examples would include decisions about the basic mix and missions of military forces (e.g., the number of heavy bombers, ICBMs and SLBMs in our strategic forces), the choice of major new weapons systems, or the level and locations of U.S. troops stationed overseas. Structural policy is made within the guidelines of strategic decisions, and has a more domestic focus. Examples of structural policies include routine defense procurement decisions, the allocation of reserve units and forces etc. Political scientists have found the distinction between strategic and structural policy useful, because policy tends to get made in different ways in the two areas. In general, iron triangles tend to dominate structural policy-making, with decisions often being made at the congressional subcommittee or committee level without executive branch interference or review from the full Congress. Decisions on high profile strategic policies, however, most often are made by the President or in the higher reaches of DOD. Although iron triangles can attempt to influence strategic policy, the powers of the presidency in the areas of defense and foreign policy usually result in executive branch views dominating final decisions (See 11.20-27, 184-86)

decisions on big ticket weapons systems like the B-2, or policies and programs that have a significant impact on the basic mix and missions of military forces -- so-called "strategic" policy decisions that set the basic direction of defense or foreign policy -- are likely to draw the strong interest of the President, DOD, and members of Congress.

The visibility of the B-2 issue has also been increased by shrinking defense budgets and the growing pressures to eliminate the federal deficit. For example, one of the major developments complicating the efforts of B-2 advocates to continue production was the emergence of a large bloc of "deficit hawks" in the 1994 Republican freshman class. Despite the disadvantages that iron triangles operate under in trying to force their strategic priorities on an engaged President and Congress, they are not without strategies and tactics that can be employed to improve their odds.

1. Lobby Like Crazy. One of the major advantages that clientele or interest groups like defense contractors provide for an executive agency like the Air Force is that such groups can perform functions that the agency, or certain members of the agency, cannot perform themselves. Clientele groups can directly lobby members of Congress and advocate positions the agency, or elements of the agency, might secretly hold but cannot publicly advocate because they conflict with the policy of the Administration.

The lobbying campaign conducted by Northrop Grumman and its congressional supporters included a significant flow of campaign contributions, the mobilization of a network of thousands of B-2 vendors and subcontractors, the use of high powered lobbyists and an extensive advertising campaign, and the execution of a highly organized promotional effort that included an office-to-office touring delegation of retired

generals and a letter of support for the B-2 from seven former secretaries of defense

Tony Capaccio detailed the synergistic relationship between the B-2 program and campaign contributions in a July 31, 1995 article for Defense Week. (15) Capaccio found that of the \$167,850 the Northrop Grumman political action committee (PAC) gave to lawmakers in the first six months of 1995, all but \$17,400 went to House members who on June 13 voted to defeat an amendment to the FY'96 defense authorization bill that would have stripped \$553 million for additional B-2s from the bill. In June alone, the PAC donated \$75,200 to House members of which \$73,200 went to 47 members who voted to defeat the amendment. The largest figures went to members of the Congressional B-2 core support group: Representatives Ike Skelton (D-MO), Norm Dicks (D-WA), Duncan Hunter (R-CA), Jane Harmon (D-CA), Jerry Lewis (R-CA), Buck McKeon (R-CA), and House Majority Leader Dick Armey (R-TX).

The mobilization of the Northrop-Grumman PAC around the June vote is also reflected in additional figures provided by the Center for Responsive Politics. The Center calculated that the \$230,950 provided to members of Congress in the first seven months of 1995 totaled nearly half of what the Northrop and Grumman PACs combined to give in all of 1993 and 1994. (21-6)

It would be incorrect to argue that campaign contributions bought votes for the B-2, but such contributions, which are totally legal, are used to reward members who agree with Northrop-Grumman's point of view. Contributions also no doubt ensure Northrop-Grumman access to key legislators, and stimulate more aggressive help from members through floor speeches, "Dear Colleague" letters, and other forms of lobbying and persuasion among House members.

Campaign contributions were just one part of Northrop-Grumman's aggressive lobbying campaign to keep B-2 production alive. The company

arranged for an office-to-office touring delegation of retired generals, headed by General Charles Horner who led the Desert Storm air campaign, to lobby for the bomber. One Republican lawmaker who was sitting on the fence on the B-2 told the trade paper Defense Daily that he decided to support the bomber after hearing a luncheon briefing on the day of the vote by former Air Force Secretary Donald Rice. (cited in 22:29) Rice is now CEO of Teledyne Inc., a B-2 subcontractor. A letter to the President supporting additional B-2 production and signed by seven former Secretaries of Defense -- "the seven wonders of the world" as House Budget Committee Chairman John Kasich (R-OH) sarcastically described them -- was also arranged. (7:1)

Defense Week reported on a February newsletter by Northrop-Grumman that also revealed some additional elements of the company's lobbying strategy. (cited in 22:25) According to the newsletter, the company divided the country into five regions, each headed by a different Northrop-Grumman division or other major B-2 contractor. The B-2 subcontractors in each region were to be organized to lobby Congress. A typical result of these efforts was the letter received by one lawmaker dated June 7 and hand-signed by the presidents, managers, or other officials of 32 local businesses on letterhead with the logo "B-2 Industrial Base Team." According to the letter, "Within a year, virtually all of the... companies that provide subsystem parts and services to build the B-2 will have completed their work... Conclusion of the 20 aircraft program will have a severe impact on our industry.. The loss of high technology jobs associated with B-2 is a concern second in importance only to the genuine need for the bomber to meet our national security requirements" (22:26,29) Another letter to a different Member of Congress showed a computer-generated blow-up of his congressional district. The member was informed that there were 48

suppliers to the B-2 in his district, including 38 small businesses, with \$7.1 million in subcontracts. (22:29)

Finally, Northrop-Grumman also relied on a number of hired lobbyists including Timmons and Co., Balzano Associates, and long time lobbyist Morris J. Amitay to aid the company's "educational" efforts on Capitol Hill. In conjunction with these efforts, the company also ran advertisements for the B-2 in Washington publications and on television. The National Security News Service estimated that the company spent over \$1 million for print advertisements alone in a one-month period between May and June 1995. (22:5)

2. Create Jobs and Spread Them Around. Large defense contractors also gather Congressional support for purchasing their products by distributing production facilities and subcontracts over a wide geographic area, maximizing the number of representatives having constituents with a direct economic stake in the weapon system. The "perfect" weapons system is one with contracts in all 50 states and every congressional district.

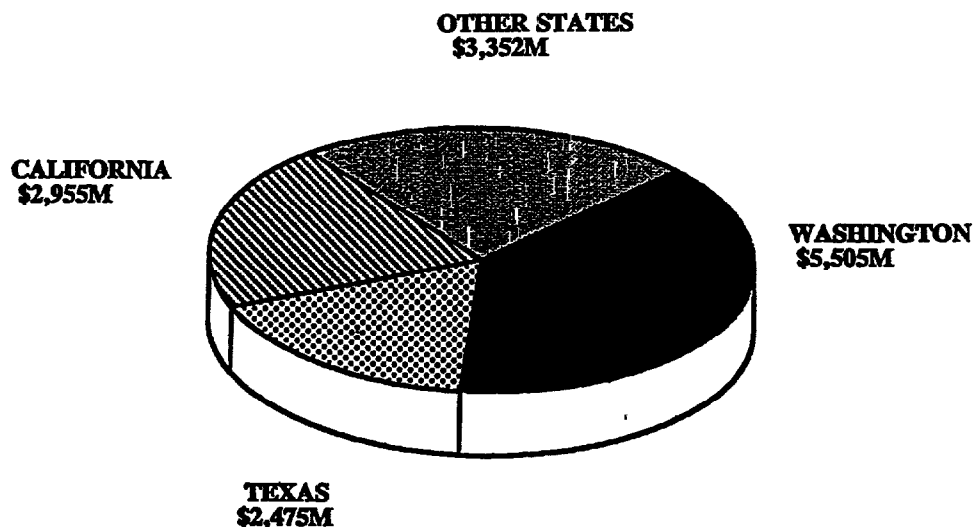
Northrop Grumman exercised this strategy to near perfection with contracts spread over 48 states and, by one report, 383 congressional districts (8:44). Representative Ron Dellums (D-CA) contends that the most persuasive argument for the B-2 was jobs. The B-2 votes had "very little to do with national security. The issue, rather, was who builds it, where it is built, where it takes off and where it lands." (9:2729). During the September 7 debate on an amendment offered by Representative John Kasich to delete funding for the B-2 from the defense appropriations bill, Representative Julian Dixon (D-CA) confessed that "for those of us representing regions whose economies have been driven by the defense and aerospace industry, there are certainly other factors motivating our support for the B-2." Cutting funds for the B-2 may "unnecessarily harm the

Nation's military preparedness, further erode the economies of areas already suffering from defense downsizing; and undermine potential technological advancements possible with a strong Stealth industrial base" (emphasis added). (24 H8614-15) Representative Dixon was, of course, referring to B-2 related jobs and dollars in his state.

The strong pull of jobs is also clearly illustrated by the fact that 18 of the 37 House members of the Black Caucus, including Representative Dixon, supported the B-2 in at least one of the two votes on the B-2 last year. In the past, members of the Caucus could be counted on to uniformly oppose big-ticket weapon systems which they believed would drain money from social programs

Figure 1 shows the three states that have disproportionately benefited from the B-2 program are California, Texas, and Washington.

FIGURE 1:
B-2 CONTRACTS BY STATE SINCE 1987*



* The data was compiled from an unpublished Northrop-Grumman data base used to lobby Congress. Total contract value since 1987 equals \$14.29 billion. The data for California does not include amounts allocated to Northrop-Grumman.

Since 1987, roughly 77 percent of B-2 contract dollars have gone to these three states, even when amounts paid to Northrop-Grumman, the prime contractor, are excluded. Figure 2 compares the vote of representatives from the three states against the votes of representatives from the remaining states on the June 13 Kasich amendment to delete funding for additional B-2 bombers from the defense authorization bill

**FIGURE 2:
VOTING ON THE JUNE 13 KASICH AMENDMENT***

	For B-2	Against B-2	
Top Three States	62 (73%)	24 (28%)	100%
Remaining States	159 (47%)	173 (53%)	100%

		For B-2	Against B-2	
Top Three States	Dem	28 (62%)	17 (38%)	100%
	Rep	34 (83%)	7 (17%)	100%
Remaining States	Dem	47 (31%)	104 (69%)	100%
	Rep	112 (62%)	69 (38%)	100%

***The vote splits were almost identical on the September 7 Kasich amendment to the defense appropriations bill.**

The data shows that 73 percent of the representatives from the three states supported the B-2 compared to only 47 percent from the remaining states. When the data is broken out by party, the association still remains strong. Sixty-two percent of Democrats from California, Texas and Washington voted for the B-2 compared to only 31 percent from other states. Thus, despite the opposition of the President, the pull of jobs and dollars still appears to have been an overriding influence on voting of representatives from his own party

3. Build a Record. When a program becomes an issue of debate on the floor of the Congress, iron triangles are forced to build a substantive record in support of their position. Several studies that addressed the need for more B-2s provided aid and comfort to both supporters and opponents during the debate on the FY'96 defense bills.

In 1994, members of both houses of Congress expressed concern that the Bottom-Up Review did not provide enough bombers for a two MRC strategy. To clarify the issue, in the FY'95 defense authorization bill Congress directed the Secretary of Defense to conduct another study on bomber forces and related industrial base capabilities. Congress also tasked the Commission on Roles and Missions (CORM) to address the B-2s critical capabilities and tradeoffs with other forces. These studies should have provided the Congress with a true picture of the Nation's bomber requirements. As explained below, they did not.

The OSD Heavy Bomber Force Study. Secretary of Defense William J. Perry tasked Dr. Paul G. Kaminski, USD (Acquisition and Technology) to chair the executive committee overseeing the OSD Heavy Bomber Force Study which was conducted by the Institute for Defense Analysis. Dr. Kaminski released part one of the study on May 3, 1995. It concluded the planned bomber force of 66 B-52s, 95 B-1s, and 20 B-2s "can meet the national security requirements of two nearly simultaneous major regional contingencies" and that "additional quantities of accurate guided munitions would be more cost effective than procuring 20 additional B-2s for the baseline two MRC conventional scenario" (16.16) Part two of the study, released in September 1995, determined there were no compelling reasons to preserve the bomber industrial base, since U.S. commercial aircraft manufacturing capabilities would provide an adequate base for future bomber production.

DOD and industry would also continue to investigate unique technologies through other development efforts, including the F-22 program. (17) The Heavy Bomber Force Study, thus, essentially validated the BUR's findings. As a result, OSD informed the Congress it would not submit a change to the President's budget.

Other defense-related organizations were not as sure of the study's findings as OSD. The day Dr. Kaminski briefed part one of the OSD study to the HAC National Security Subcommittee, the Center for Security Policy published a brief that observed:

the utility of this analysis as a guide for congressional deliberations has been greatly diminished, thanks to the debatable assumptions it was apparently directed to use by the Pentagon. Indeed, the analytical phenomenon known as "garbage in, garbage out" has rarely been more in evidence. The United States urgently requires a larger, more flexible and more stealthy manned bomber force than even the Bottom-Up Review envisioned, to say nothing of the far smaller force supported by the Clinton Administration's budgets. (18:1-3)

The Center's analysis focused on what it deemed several unrealistic assumptions in the OSD study including: 14 days of warning time before the initiation of conflict in the first MRC, the availability of bases in proximity to the conflict from which U.S. tactical aircraft could operate, and U.S. ability to deploy 800 tactical aircraft to a theater within 14 days. All of these assumptions would favor a smaller bomber force. B-2 supporters attacked these assumptions in criticizing the conclusions of the OSD study during floor debate on the B-2 amendments.

The CORM Study. The study completed by the Commission on Roles and Missions (CORM) resulted in an even more damning critique of the DOD bomber report and provided more ammunition for B-2 supporters. Members of the CORM staff reviewed 25 previous bomber studies and performed additional analyses of bomber and complementary force capabilities. A draft of the CORM staff's

review, which was leaked to the Congress, clearly favored a larger B-2 force. The draft study stated that, "The preponderance of bomber studies and analyses reviewed, and the Commission staff evaluation, suggests that more B-2s are a cost-effective way to enhance our future national security needs in an uncertain environment." The study further stated that "the most analytically rigorous and complete studies to date on B-2 force sizing, suggest that the planned force of 20 B-2s is not adequate to meeting the demands of a two MRC strategy. A total force of 40 to 60 B-2s facilitate a two MRC strategy and meet the demands of the current and emerging security environment." (19:21-22) The CORM staff also determined that arming older bombers with standoff weapons to achieve a B-2-equivalent strike capability early in a conflict was prohibitively expensive. In other words, the CORM study countered OSD's findings almost point by point. The draft staff report, which had not been reviewed by Commission members and was never officially published, was used effectively by B-2 supporters to oppose the Kasich amendments to delete B-2 funding.

The CORM study also nicely illustrates some of the workings of bureaucratic politics. The independent Commission was established by the Congress with the intention of getting independent and objective recommendations on the proper roles and missions of the military services and some of the force structure tradeoffs that might be necessary. But the Commission, needing necessary expertise, was staffed in large part by DOD professionals and members of the military services. The CORM bomber study was drafted by Air Force personnel assigned as service representatives to the CORM staff. The majority of the 25 bomber studies selected for review by the CORM staff were authored by agencies sympathetic to heavy bombers, including RAND, Boeing, Rockwell Aerospace, and the Air Force Studies and

Analysis Agency (18-23) Consequently, the staff's conclusions were not a real surprise. One of the Air Force members of the staff was also a passionate critic of carrier aviation, and had conducted several studies earlier in his career that demonstrated the value of bombers over carriers in conventional conflicts. Thus, it also was not a surprise that the staff report implied that, by retiring several carrier battle groups, the Congress could find the money to buy additional B-2s, a force that would be more cost-effective. The CORM staff's bomber report was one way in which elements of the Air Force who supported the B-2 bomber were able to send signals to the Congress that contradicted the official Air Force and Administration position.

Another manner in which conflicting signals get sent is through congressional testimony. The choice of witnesses is one crucial aspect of this process. For example, prior to an April 6 hearing on Air Force bomber requirements by the House National Security Committee Subcommittee on Military Procurement, committee staffers notified the Air Force Chief of Staff General Ronald R. Fogleman and General John M. Loh, Commander of the Air Combat Command, that they would ask one or the other to testify. As Chief of Staff, General Fogleman supported the President's budget, which did not request additional B-2 funding. General Loh was known for advocating a larger bomber force, and was scheduled to retire within a few months. The Subcommittee chose General Loh.

The testimony of agency witnesses typically receives higher level review in the agency and in the Administration before it is delivered to ensure its conformity with the President's position. But sometimes witnesses can circumvent this constraint in their oral summations of formal statements submitted to congressional committees. In his written prepared statement

for the April 6 Subcommittee hearing, General Loh made the following statement "To provide sufficient bombers for our nuclear mission and to meet our conventional requirements, our analysis shows we need about 180 bombers." (13) In orally summarizing his statement for the Subcommittee, however, Loh's statement came out somewhat different: ". we need about 180 bombers for combat and training alone " (13) With 20 B-2s, the U.S heavy bomber inventory totals 181 aircraft. Since "combat and training" numbers would exclude bombers in depot maintenance or platforms being used for testing, Loh's oral remarks could easily be construed as supporting the need to buy additional heavy bombers.

More often, Members of Congress are ready to help agency witnesses build the proper record for programs they support. One way of doing this is by asking military witnesses for their personal and professional opinions. Under such questioning, military service members testifying before the Congress have been allowed to state their own views, even if they differ from the Administration line. Such an exchange took place between Representatives Dicks and Hunter and General Loh at the April 6 hearing

Dicks: In your personal and professional judgment, would the United States Air Force and the security of the country be better off if we had 20 additional B-2 bombers?

Loh: I think I answered that question.

Dicks: I would like you to answer it again.

Loh: The decision to go to 20 (Author's note: the decision to limit production to the original 20 aircraft) was not made on the basis of what is the right number. It was made on the basis of what is the minimum required to provide an operational capability. So we don't know what the right number is. We know what the minimum number is The minimum number is 20

Hunter: Let me rephrase the question. One thing General Loh, you have given us some great expertise and you have a couple of hats. One is your hat, your official hat in terms of defending the budget, which is your job, and that is necessary. The other is your personal expertise as a person who has an understanding

of the world situation, an understanding of force structure and the service you represent. In your opinion, is the bomber number that is projected too low?

Loh: Well, as I had said in my statement, sir, I believe the number we are funding is short of the number that we need. And, as a consequence, we for the long-term, in my professional opinion, don't have enough.

Dicks: That is the answer I expected and I am very pleased with that answer. It is a good answer, a quality answer.

4. Make It a Party Leadership Issue. Another strategy used by B-2 supporters in the House in the FY'96 budget debate was to make the B-2 votes a formal Republican party leadership issue. Among other things, this ensured aggressive use of the Republican whip organization to round up votes. Leadership support was important because the B-2 issue surfaced competing Republican party impulses -- support for a strong national defense and fiscal restraint.

Despite Newt Gingrich's initial ambivalence, a decision to support the B-2 was not unexpected given the leadership line-up. Majority Leader Dick Armey and Majority Whip Tom Delay both are from Texas, home of a major division of Northrop that builds the B-2's titanium airframe and other subcontractors with more than \$2.5 billion in B-2 business. Republican Conference Chairman John Boehner of Ohio is another B-2 supporter. His district is next door to Wright Patterson AFB, headquarters for the B-2 program office.

With the leadership behind it, the amendments seeking to delete funding for the B-2 in the defense authorization and appropriation bills were narrowly defeated on the House floor. Given the closeness of the votes, the behavior of first-term Republicans was particularly enlightening. The conventional wisdom was that the 1994 class of first-term Republicans would be more concerned with cutting the budget deficit than increasing defense

spending. Many of the freshmen had run their campaigns as "deficit hawks." The freshmen Republicans as a rule, however, have also been loyal followers of Newt Gingrich and the House Republican leadership. In the end, forty-one of seventy-one Republican freshmen voted to support the B-2 despite their balanced budget proclivities.

5. Come in With an Unrealistically Low Bid. Another strategy or tactic used by iron triangles to build support is for contractors to make programs look good by coming in with unrealistically low bids. The military services generally have incentives to play along with this "buying in" strategy and accept overly optimistic cost estimates. They want to fund as many programs as possible, even though many receive less than optimal resources. Northrop began its lobbying effort in late 1994 by proposing to build a second 20 B-2s for a guaranteed \$11.4 billion or \$570 million per airplane. The Air Force's later estimate for 20 more bombers was only slightly higher at \$12.8 billion -- \$642 million per copy. Both prices, however, differed sharply from the Congressional Budget Office's estimate of \$26 billion and the OSD estimate of \$20 billion.

Congressional allies also play a variant of the budget shell game by only partially funding programs (while trying to obscure their full cost) to build up vested interests and momentum in a program that will be difficult to reverse later in the procurement process. The money contained in the defense appropriations bill for FY'96 -- \$493 million -- would not buy a single additional bomber. Rather, it represented the costs of advanced procurement for only 2 additional B-2s. The true costs of the first additional B-2s would not be felt until the FY'97 budget when a first installment of several billion dollars to continue the program would come due. In the FY'97 budget cycle, members of Congress would be faced with the

difficult decision of continuing B-2 funding or ending the program and admitting to having wasted almost half a billion dollars in FY'96 funds

PRESIDENTIAL STRATEGIES AND POLITICS

As noted earlier, Presidents generally have a greater interest in, and influence on, "strategic" policies and programs that set the basic direction of our foreign policy and defense strategy. When members of Congress try to enact their own strategic preferences into law, the President's power to veto legislation can frustrate the efforts of triangle members who may wield disproportionate power in their committees but find it more difficult to shape the preferences of a Congress that is highly decentralized and suffers from partisan, ideological and regional fractures. This is doubly true when the President uses the powers of his office to lobby publicly against a program and rally the troops on Capitol Hill

Bosnia. In late November of last year, President Clinton appeared to be well positioned to veto the FY'96 defense appropriations bill and have that veto sustained in the Congress. In June and September, the House had narrowly defeated amendments to the defense authorization and appropriations bills seeking to strike B-2 funds.* In addition, the original Senate versions of the bills did not contained funding for additional B-2s. Thus, support for the B-2 in the Congress appeared somewhat shakey. As the price for signing the bill, Clinton could have required a number of changes, including the deletion of funding for additional B-2s. The appropriations bill, however, became intertwined in other Presidential priorities. Clinton became concerned that vetoing the bill would allow House Republicans who

* The Kasich amendments to delete funding for the B-2 were defeated by 203-219 and 210-213 votes on June 13 and September 7 respectively.

were skeptical about his plans to send 20 thousand troops to Bosnia to help implement the Dayton peace agreement to try to limit or block the mission outright through restrictive language in a revised defense bill. Thus, with the agreement of congressional leaders to use some of the funds to pay for troop deployments, the President allowed the bill to become law despite the fact it contained \$7 billion more than he had requested to fund additional B-2s and other unwanted procurement programs

With his Bosnia effort secure, President Clinton still retained significant leverage in the B-2 debate. In early December, his best option appeared to be to veto the FY'96 defense authorization bill that was still awaiting House and Senate approval and, inter alia, seek to negotiate the elimination of any language authorizing additional B-2 procurement. Vetoing the authorization bill would not have affected spending for Bosnia and, if the language authorizing additional B-2s was withdrawn, Clinton would have been in a strong position to propose the reprogramming or rescission of the B-2 funds in the appropriations bill.* However, any such action would have to be approved by the HAC, a stronghold of B-2 support in the House. Therefore, this strategy had some risks.

Election Year Politics. Presidential politics also entered the B-2 equation during consideration of the FY'96 budget. As Ann Devoy of the Washington Post has noted, the reason is simple: "It is a rule accepted by both parties that a Democrat cannot win the presidency without winning California and its 54 electoral votes." (20:10). Those 54 votes constitute

* The FY'96 appropriations bill provided \$493 million for additional B-2 bombers but could not lift the legal cap on the program of 20 bombers and \$44 million in total spending. Such relief have had to come in the authorizing legislation. Without such changes in the law, the extra \$493 could not have been spent. Thus it would have made sense to rescind or reprogram these funds

20 percent of the 270 needed to win a presidential election, making it the election's biggest prize

California has been hit hard by the Base Realignment and Closure Commission's (BRAC) recommendations. Since 1987, the state has lost 10 major bases, more than any other state. Declining defense spending has also contributed to a severe recession in the state. During the B-2 debate, Julian Dixon (D-CA) noted that

Thirty years ago, the state of California was the cradle of the aerospace industry. In a very short time, we have seen a major erosion of this industrial base, as California's aerospace industry has suffered a major decline: 133,000 direct aerospace jobs lost between 1988-93, 37,000 more will be gone by 1996, and 200,000 additional indirect jobs lost in the service industries supporting the aerospace workforce. Today, the only remaining combat aircraft production in the region is the B-2 stealth bomber. (24:H8615)

From early in his administration, President Clinton has made California a priority. While base closures and cuts in defense spending have hurt the state, the President has been mindful to try to soften these impacts. When the BRAC targeted McClellan AFB outside of Sacramento for closure last year, the President directed the Pentagon not to begin the phaseout for five years and then to privatize work at the base maintenance depot rather than let the jobs be moved out of state. Clinton has also directed a healthy share of funds from a DOD defense conversion program to the state to help retrain workers displaced by military spending cutbacks. Last year, he was also able to tell McDonnell Douglas workers in the state that he would ask the Congress to approve 80 more C-17 military transports ensuring the continuation of several thousand jobs.

The B-2 directly supports 11,000 jobs at Northrop-Grumman's plants in Palmdale and Pico Rivera. But 13,000 jobs at the two plants have been lost in the last 5 years. State-wide the B-2 is responsible for 25,000 jobs and accounts for nearly one-third of the defense dollars spent in California.

Thus, despite the President's efforts to help the state, the B-2 decision was going to have a major impact, both economically and politically

Final action in the House-Senate Conference Committee on the defense authorization bill gave the President an opening that may allow him to have his cake and eat it too. The FY'96 defense appropriations bill enacted last fall had directed that the \$493 million be spent to buy long-lead items for the 21st and 22nd B-2 bombers as an initial downpayment on what was anticipated to be a 40 bomber B-2 force. The authorization bill eliminated the cost cap in the law on the B-2 program as well as the cap that restricted the total program to 20 aircraft. However, in an apparently contradictory step, the authorization bill conference report directed that the \$493 million in FY'96 money to be spent, not for more bombers, but to upgrade the existing 20 aircraft. As Bob Bell, the NSC's Senior Director for Defense Policy and Arms Control, explained, "...the basic rule of legislation is the last law rules, so we feel the intent of Congress, as most recently expressed here, is to spend the money to enhance the current [B-2] force." (25) Despite other concerns with the authorization bill, the Conference Report language on the B-2 made it possible for the President to sign the bill into law.

The February 4 Washington Post reported that President Clinton had ordered aides to take "a fresh look" at buying more B-2 bombers (26:A8). The report, however, proved premature. On February 8, the White House announced the following decisions had been made by the President after a review of B-2 acquisition options:

The \$493 million added by Congress to the B-2 program in Fiscal Year 1996 will be spent on procurement of B-2 components, upgrades, and modifications that would be of value for the existing fleet of B-2 bombers, as recommended by the Fiscal Year 1996 Defense Authorization Conference Report

The Administration will continue its current B-2 program, which includes about \$7 billion over the next 5 years to buy and deploy 20 B-2s and upgrade them to the more capable Block-30 configuration.

The Administration believes that no additional B-2s are required and will not include any money for additional B-2s in its Fiscal Year 1997 budget

The Department of Defense will, however, expand an ongoing study of deep attack munitions options to examine tradeoffs between long-range bombers, land- and sea-based tactical aircraft and missiles that are used to strike the enemy's rear area. (27)

Subsequently, on March 21, the Administration also announced that part of the \$493 million in FY'96 funds would be used to refurbish an early B-2 test model in storage at Northrop-Grumman's Palmdale facility and turn it into a 21st fully operational bomber.

The Congress' action on the FY'96 defense authorization bill and the President's February 8 and March 21 decisions appear to let him tread a fine line on the B-2. Clinton's decisions fall far short of the \$800 million in new funding Democratic supporters of the B-2 sought to have included in the President's FY'97 defense budget submission, but the decision not to seek the rescission or reprogramming of the \$493 million in FY'96 B-2 funds, means the Northrop-Grumman Palmdale facility will spend the next four years upgrading and retrofitting B-2s into the more capable Block-30 configuration. The tasking of an additional study examining the tradeoffs between long-range bombers and other deep strike assets also leaves at least a crack open for B-2 supporters to dream about further B-2 procurement.

President Clinton appeared to get the positive bounce he wanted from his decisions. Bradley Graham reported in a March 22 Washington Post article that B-2 supporters reacted positively to the Clinton announcements noting that Clinton's decisions "would help sustain key B-2 subcontractors and thus keep alive the prospect of even more new B-2 orders " (28:A20) Those hopes can be kept flickering until after the November election. The OSD study on

deep attack munitions options is not expected to be completed until the end of this year

CONCLUSION

On March 22 of this year, Bob Dole, the likely Republican presidential nominee, visited the Northrop-Grumman plant at Pico Rivera and stated his intention to increase the number of B-2s to 40, with 10 of the aircraft to be appropriated immediately to keep production lines open. The importance of the B-2 issue in the fall presidential election remains to be seen. President Clinton won California by a wide margin in 1992 taking 46 percent of the vote to George Bush's 33 percent and Ross Perot's 21 percent. In a March 15-20 Field Poll, Clinton led Mr. Dole in the state by 16 points. Reportedly, some Dole advisors are urging him to concede California to the President in the November election, possibly reducing political pressures on Clinton to take a more aggressive position on the B-2 prior to the election.

In the longer term, the procurement costs alone for an additional 20 B-2 bombers would more than absorb the entire \$18 billion difference between the Clinton and Republican defense budgets over FY1996-2002, even assuming that the Republican alternative prevails in the still ongoing negotiations between congressional leaders and the President over eliminating the deficit in seven years. As a result, it is likely that if more B-2s are eventually acquired, the President and the Congress will ultimately have to choose between additional B-2s and other planned procurement programs. The Air Force would like more B-2s, but as a "national" program, not at the cost of sacrificing its other priorities such as the F-22. Alternatively, more B-2s could be bought at the expense of other services' priorities, for example, more aircraft carriers for the Navy. The DOD study on deep attack missions

may join this issue in earnest. That potential fight could pit competing iron triangles against one another as the services, contractors and members of the Congress fight for scarce defense dollars

To date, as most political scientists would have predicted, a determined President has largely prevailed over the B-2 iron triangle in a struggle over strategic policy. When the 21st B-2 is converted to a fully operational heavy bomber, it will probably be the last. Is this the right decision based on U.S. national security interests? Even the most serious attempts to determine analytically "how much is enough" are often frustrated by the need to make subjective, scenario-driven assumptions, and by differences of opinion about what constitutes acceptable risk. As a consequence, politics -- both bureaucratic and presidential -- inevitably remain central. The B-2 program, in particular, demonstrates the enormous difficulty of making rational defense spending decisions purely on the basis of U.S. national security interests.

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