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Analyze U.S. Earmarks, Forget Line-Item Veto

By Pat Towell

Like other folk remedies, the line-item veto President George W. Bush has requested to curb congressional earmarks could foster a false sense of security while undermining the patient's well-being.

Such a veto would make it easier for a president to eliminate from appropriations bills the special-interest congressional initiatives spotlighted by recent lobbying scandals. But it is not clear that, on balance, earmarks significantly increase the growing federal deficit or harm the operation of particular agencies. This is because studies of earmarks typically focus on their growing number, cost and their parochial origins, rather than on their effects.

But allowing the president to target specific projects could undermine Congress' oversight responsibilities, the value of which is largely ignored in the earmarks discussion. That is a significant omission in the case of the House and Senate Armed Services and Defense Appropriations panels.

In addition to the usual pork-barrel initiatives, those committees repeatedly have added money to the Pentagon budget for vital but unglamorous programs like airlift and basic research that are crowded away from the funding trough by the military services' parochial totems. These salutary effects might be at risk if a president could target the funding increases at issue as well as unrelated projects of parochial interest to members of the oversight committees.

But the line-item veto's unsuitability as a solution does not excuse the growing number of earmarks. In the decade ending in 2005, earmarks in the annual defense appropriations bills have nearly quintupled in number to nearly 3,200 and tripled in cost to \$12 billion. Reforms are necessary.

But reformers must weigh the tradeoffs between restricting members' ability to lard up appropriations bills and giving them leeway to constructively reshape an administration's budget proposals. Two issues must be addressed:

- How helpful are congressional additions to the Pentagon budget request? Yes, earmarks bypass the process intended to winnow potential Pentagon expenditures according to priorities set by the political and military leadership. But, like any political institution, the budgeting system has biases that Congress can beneficially counteract.

For instance, Congress can challenge penny-wise and pound-foolish budget cuts driven by arbitrary spending limits. It did so this year by adding \$62 million to the request for an aircraft carrier, restoring an administration cut that would have delayed the ship by a year

and increased its cost by \$400 million. But this type of initiative is not going to make the evening news.

- What do congressional add-ons really cost? The importance of reining in earmarks depends on how badly they hurt other programs.

The defense appropriations panels typically offset add-ons with cuts to the budget request; they generally justify these cuts by pointing to updated economic assumptions or analyses of Pentagon cost estimates by the Government Accountability Office (GAO) or other agencies. The 2006 defense bill, for example, cut the military personnel budget by \$1.2 billion, citing a GAO analysis of manpower costs. Insofar as these cuts reflect actual savings, the add-ons they fund are “free” goods.

But other reductions by the defense panels lack specific justification. For example, an across-the-board cut of \$297 million from the 2006 bill was applied to a \$4.6 billion Army account that pays for electronic gear and training devices, among other things. Such meat-axe cuts may disrupt plans to field new equipment or require restoration in a supplemental funding bill.

How many offsetting cuts are bonafide? How many are bogus? These are among the questions awaiting a thorough analysis of committee budget adjustments.

These two questions underscore the fact that congressional oversight involves more than a handful of historical commemorations, abstruse research projects and other widely publicized earmarks with a high giggle factor. The defense committees are not strategy seminars dispassionately sifting data to reach politically celibate conclusions.

But these normal politicians routinely make a raft of additions and reductions to the Pentagon spending bills, some good, some bad and some trivial in their impact. Before Congress acquiesces in the surrender of institutional clout that a line-item veto would entail, it needs a comprehensive assessment of earmarks, a study that focuses not on the political motives behind them, but on their practical effects.

Meanwhile, Congress should adopt the proposal of Sen. John McCain, R-Ariz., requiring advance disclosure of the sponsorship, beneficiaries and cost implications of each earmark. The resulting publicity likely would weed out many of the more debatable earmarks.

Moreover, unlike the line-item veto, this approach to earmark reform could strengthen oversight rather than weaken it, making it more likely that the administration’s spending priorities and any congressionally-sponsored alternatives would receive the independent scrutiny that is fundamental to a system of checks and balances.

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