

February 23, 2023

Open Letter to Congress: Pentagon Spending Should Be Part of Budget Cuts Discussion

On behalf of millions of Americans, the undersigned free-market organizations urge members of Congress to consider all areas of the budget in pursuit of potential savings in debt limit negotiations.

For too long, the Department of Defense (DOD) and other security-related spending has been under-examined as a potential source of efficiencies and savings for taxpayers. Given the now historic level of the national debt, it is essential that all spending be considered on the table for strategic reductions to achieve long-term fiscal sustainability.

As former Joint Chiefs of Staff Chairman Admiral Michael Mullen once famously <u>remarked</u>, "[t]he most significant threat to our national security is our debt." Since that statement, the national debt has <u>climbed</u> by more than *\$18 trillion* in just over 12 years. More must be done.

Like other federal departments and agencies, the Pentagon is not immune to wasteful habits and misaligned spending. However, unlike other departments, the Pentagon has yet to complete a <u>clean</u> <u>audit</u>. Since the enactment of the <u>Chief Financial Officers (CFO) Act of 1990</u>, all executive agencies have been required to produce an annual financial report. So far, the Pentagon has made the attempt five times and failed each time. Writing only a year ago, the <u>Government Accountability Office</u> (GAO) cited "serious financial management problems" at DOD as an impediment to a clean opinion.

Despite this poor track record, Congress has tended to fulfill Pentagon budget requests, including additional <u>unfunded priority</u> wish lists submitted on top of the annual budget request. In FY2023 alone, Taxpayers for Common Sense identified <u>\$11.8 billion</u> in the defense portion of the final omnibus for procurement programs that were not even in the Pentagon's budget request. Not to mention, for many years, DOD also benefited from the <u>Overseas Contingency Operations</u> account, which circumvented existing spending caps and funneled additional funding to the department.

This past approach to Pentagon spending is unsustainable. Reversing the dire consequences of years of deficit spending will require significant reforms across all categories of spending, including <u>trust funds</u> like Social Security and Medicare that are facing near-term shortfalls. But our fiscal reality now means that no agency, especially one that comprises nearly one-half of the discretionary budget, can evade scrutiny and necessary cost-saving measures.



As lawmakers now prepare to take up the debt ceiling, budget and other decisions with long-term economic implications, we urge members to seek real savings and avoid costly gimmicks to help begin addressing this debt crisis.

Sincerely,

R Street Institute 60 Plus Foundation Council for Citizens Against Government Waste FreedomWorks National Taxpayers Union Rio Grande Foundation Taxpayers for Common Sense Taxpayers Protection Alliance