NEW AMERICA

POLITICAL REFORM PROGRAM | NEW MODELS OF POLICY CHANGE

JOHN T. BENNETT

THE SEQUESTER, THE PENTAGON, AND THE LITTLE CAMPAIGN THAT COULD

PART OF NEW AMERICA'S STRANGE BEDFELLOWS SERIES

SEPTEMBER 2015
#STRANGEBEDFELLOWS

About the Author

John T. Bennett is the editor of CQ Roll Call's "Budget Tracker" newsletter and also writes articles about the politics of federal budget issues. Previously, he covered defense, national security, and foreign policy issues in Washington for 12 years, with an emphasis on the congressional budget process. Most recently, he was the Senior Congressional Reporter for Defense News, where he launched and oversaw the CongressWatch web channel. Bennett has covered major federal budget issues such as the "fiscal cliff" debate, the "Ryan-Murray" budget agreement, the 2013 government shutdown, and Washington's pursuit of a "grand bargain" budget deal. His work also has appeared in USA Today, The Hill, and U.S. News & World Report. Bennett earned a Master's Degree in Global Security Studies from The Johns Hopkins University. He completed his undergraduate work at Appalachian State University in his native North Carolina, and also has studied at Georgetown University.

About New America

New America is dedicated to the renewal of American politics, prosperity, and purpose in the Digital Age. We carry out our mission as a nonprofit civic enterprise: an intellectual venture capital fund, think tank, technology laboratory, public forum, and media platform. Our hallmarks are big ideas, impartial analysis, pragmatic policy solutions, technological innovation, next generation politics, and creative engagement with broad audiences.

Find out more at **newamerica.org/our-story.**

About New Models of Policy Change

New Models of Policy Change starts from the observation that the traditional model of foundation-funded, think-tank driven policy change -- ideas emerge from disinterested "experts" and partisan elites compromise for the good of the nation -- is failing. Partisan polarization, technological empowerment of citizens, and heightened suspicions of institutions have all taken their toll.

But amid much stagnation, interesting policy change is still happening. The paths taken on issues from sentencing reform to changes in Pentagon spending to resistance to government surveillance share a common thread: they were all a result of transpartisan cooperation. By transpartisan, we mean an approach to advocacy in which, rather than emerging from political elites at the center, new policy ideas emerge from unlikely corners of the right or left and find allies on the other side, who may come to the same idea from a very different worldview. In transpartisan coalitions, policy entrepreneurs from the ideological corners recruit endorsers and test ideas, eventually bringing them into the policy mainstream at the local, state and national levels. Unlike traditional bipartisan coalitions, which begin in the center, the established, centrist politicians and institutions are often the last to recognize and embrace a transpartisan vision.

The New Models of Policy Change project studies the successes, failures and key figures of this "transpartisan" approach to policy change. It will produce a set of case studies identifying the circumstances under which this approach can flourish, as well as those under which it falls short. Forthcoming case studies include: criminal justice reform, Pentagon spending reduction, climate change and 'climate care,' opposition to Common Core education standards, and policing reform.

The project will also produce a practitioners' handbook, identifying qualities that equip think tankers, advocates and civic entrepreneurs alike for a world in which more and more of our policy advocacy must cross partisan, cultural, professional and other divides.

The Project is housed in New America's Political Reform program; funded by the Hewlett Foundation's Madison Initiative and directed by Heather Hurlburt, with a steering committee of Mark Schmitt and Steve Teles, who bring to it extensive experience in academia, government service, policy advocacy, and non-profit leadership.

Contents

EXECUTIVE SUMMARY

When President Obama took office in 2009 and pledged to wind down the occupations of Iraq and Afghanistan, 45 years of post-conflict "peace dividends" suggested that military spending would drop 3-4 percent per year for 8-10 years—a significant but gradual adjustment.

Instead, overall Pentagon spending fell 17 percent between 2011-2014—and the base budget fell even faster. Despite a backdrop of partisan political competition and continuing angst over the threat of terrorism, the speed of the decline in defense spending is unprecedented since World War II and the Korean War (See Figure 1).

This study argues that a unique political shift—the tempering of solid GOP pro-defense voting by the advent of "Tea Party" conservatives who attacked spending and refused to follow party elders' discipline—enabled this unexpected change in spending trajectory through the automatic federal budget cuts that have come to be known as "sequester." This shift was reinforced and accelerated by a transpartisan effort to cut defense spending.

By transpartisan, we mean an approach to advocacy in which, rather than emerging from political elites at the center, new policy ideas emerge from unlikely corners of the right or left and find allies on the other side, who may come to the same idea from a very different worldview. In transpartisan coalitions, policy entrepreneurs from the ideological corners recruit endorsers and test ideas, eventually bringing them into the policy mainstream at the local, state and national levels.

Several factors explain the successful effort to reduce Pentagon spending. Tea Party Republicans, who were key actors in this coalition, arrived in Washington willing to cut defense, and promised to punish officeholders who balked. Fiscal hawks and liberal Democrats got strong policy and political support for the idea that defense could be cut safely from well-connected experts. In addition, supportive funders gave the advocates time and resources to build trust and infrastructure for the transpartisan cooperation. The coalition in turn was careful to choose goals broad enough to maximize cooperation, thus avoiding dissent over where savings should go and which cuts were a priority.

The effectiveness of the transpartisan work declined, however, as a key political trend began to reverse itself. Worsening perceptions of the global security situation in 2014-2015 (with special attention paid to the rise of ISIS) led to heightened focus on security spending in the 2014 midterms and 2016 presidential elections. It also led to initiatives to use off-budget contingency funds to circumvent the sequester.

The fiscal hawks had four years of ascendancy over defense hawks, and the "Pentagon Budget Campaign" was a key reason why. The campaign's unusual left-right alliance provided key vote tallies, intellectual backing, and public pressure that put cuts in place and overcame efforts to reverse them.

Ultimately, this transpartisan effort had two significant lasting effects, one of which its funders intended and one they did not foresee: it altered the trajectory of defense spending (though through a mechanism, sequester, which was abhorrent to advocates of effective defense and good government alike), and it created a network of left-right relationships on national security policy which advocates say they have deployed on issues from Iran diplomacy to torture and surveillance.

The Context of the Pentagon Budget

The Pentagon's budget nearly doubled[1] over the ten years after 9/11, with strong and consistent bipartisan support. In 2009-10, the rate of increase of Pentagon spending slowed down—but net spending still rose, despite the backdrop of a major recession and a quiet international scene.

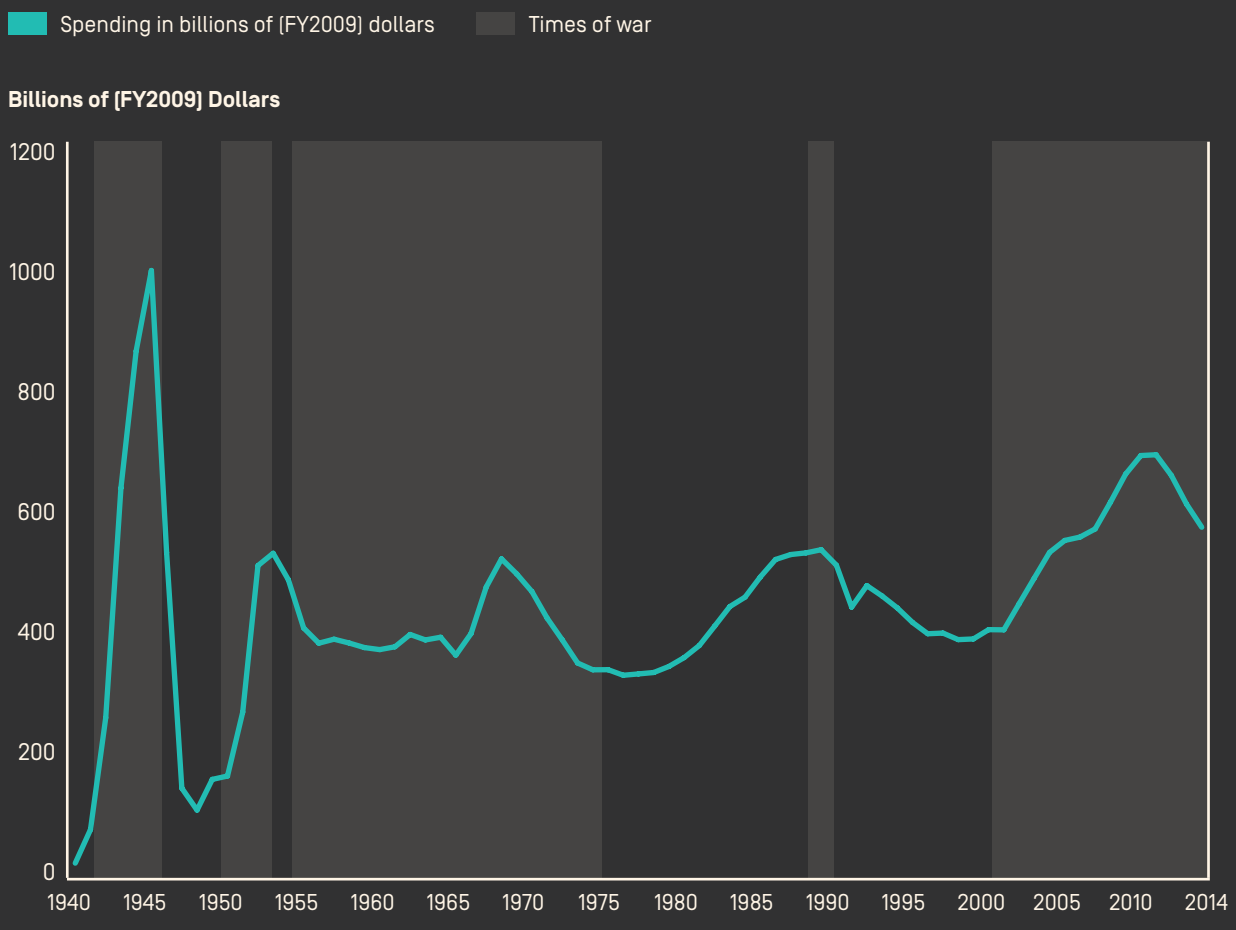
Two years later, however, the same Congress that had voted through a net increase enacted the Budget Control Act (BCA), which subjected defense spending to across-the-board cuts. This produced the largest one-year drop in defense spending since 1991—the year the Warsaw Pact and the Soviet Union dissolved (going from $691.3 billion in 2010 to $574.2 billion in 2014—a 17 percent drop).

The emergence of a new transpartisan coalition was a crucial factor in this outcome. It:

- set an agenda that helped lawmakers understand the defense budget picture and gave them confidence in explaining to constituents why the military could absorb budget shrinkage over a 10-year span
- channeled pressure from important groups of constituents on the left and right at key moments
- lobbied to help lawmakers from the GOP's right and Democrats' left to cooperate effectively

This study first reviews the events of the 2009-2015 period. Then it considers the transpartisan coalition's formation, activities, successes, and shortcomings.

Figure 1
U.S. Defense Spending, 1940-2014



Source: "**Table 6.1: Composition of Outlays 1940-2020**" (Office of Management and Budget), **https://www.whitehouse.gov/omb/budget/Historicals**.

WHO DRIVES PENTAGON SPENDING REFORM? INSIDERS GIVE WAY TO OUTSIDERS

The first attempts to reverse the post-9/11 buildup were sparked by the economic crisis of 2008, Obama's campaigning to end overseas wars, and drawing down U.S. troop presence. In 2008, then-Secretary of Defense Robert Gates commissioned an internal cut list without any reference to external advocates. As he defended the first Obama Administration defense spending proposal in April of 2009,[2] he said that he "received no direction or guidance from outside this department on individual program decisions."[3]

While the transpartisan coalition of 2011 would eventually seek to influence Washington's political process, Gates in 2009 sought to avoid politics altogether.[4] He dramatically restricted participation in the process through what he dubbed "the small group." This group included Gates and 10 senior civilian and military officials. In his memoir, Gates recounted keeping budget briefing books to a small few and mandating limited access reading rooms where senior defense officials had to go to prepare for meetings.[5]

The then-Secretary would have found no shortage of organizations and experts calling for weapons program changes and cancellations, nor a lack of ideas about how to wisely reduce the Pentagon's "topline,"—Washington-speak for the total amount of its yearly budget. Such calls came both from the political left and right. Groups like the Center for American Progress and Stimson Center on the left, as well as the CATO Institute and others on the right had churned out reports, essays, and op-eds laying out their plans. Other government watchdogs, like the Project On Government Oversight, had detailed plans for making defense budget cuts.

The work of these organizations and the experts they employed in the months leading up to Gates' April 2009 announcement of the cuts had a small impact. Some of the most prominent report-writers went on to hold key roles in the Obama campaign, the Pentagon transition, and first-term Administration (including current Secretary of Defense Ashton Carter and then-Undersecretary of Defense for Policy Michele Flournoy, senior State Department official Kurt Campbell, and frequent campaign surrogate Larry Korb). But even the report authors joked that their reports soon would be collecting dust on bookshelves across the Washington metro area.

The efforts of 2009 yielded declines in the rate of real growth, but not net cuts, in the Congressional appropriation for FY 2010. The Administration's proposal for FY 2011 further shrank the rate of growth but kept spending at an all-time high in constant dollars, according to the Center for Strategic and Budgetary Assessment.[6]

The subsequent troop withdrawal from Iraq, the killing of Osama Bin Laden, and the announcement of drawdowns in Afghanistan might have seemed to point to steady support for this trend—a classic, insider-driven post-war decline hardly recognizable as such against long-term historical spending trends.

RESETTING THE TERMS OF DEBATE: 2010-2012

At the same time, Republican lawmakers and interest groups were driving a movement to shrink the national debt and deficit. Not surprisingly, President Obama and senior Administration officials were eager to participate, with midterms and a re-election campaign on the horizon. On February18, 2010, the President formally established the National Commission on Fiscal Responsibility and Reform, naming former Sen. Alan Simpson (R-Wyo.) and Erskine Bowles, President Bill Clinton's one-time chief of staff, to lead it. The Commission would come to be known colloquially as the Simpson-Bowles Commission.

As the high-profile commission went about its work, the political plates shifted in Washington, with the Republicans taking control of the House and picking up seats in the Senate in the 2010 midterms. The new Republican members were highly attuned to the demands of the relatively new Tea Party, with its intense focus on shrinking the role of government, reducing public sector spending, and cutting the federal deficit. Unlike typical freshmen, they didn't perceive themselves as beholden to the national GOP establishment. They were every bit as willing to challenge their own party's leaders as Democrats, including top defense hawks. And they wasted little time in making their presence felt.

With more than one third of GOP House members claiming a Tea Party affiliation, GOP leaders who wanted to pass bills without Democratic votes faced a potential challenge. The size of the group also meant that, unlike

prior years, if they identified common approaches and built relationships, the rightward-most part of the House GOP caucus and the most liberal wing of House Democrats could join forces to influence issues on which they agreed.

Tea Party members—backed by their powerful and influential donors—had made clear during the 2010 campaign that their priority was substantial deficit reduction and cuts in federal spending. This might have suited the leaders of the Republican establishment just fine had the Tea Party and its wealthy backers limited their sights to domestic entitlement programs. Instead, the right-wing firebrands made clear the Defense Department budget was plenty big and wasteful, and ripe for cuts that they argued should be part of the deficit-reduction calculus.

Darcy Scott Martin, a progressive lobbyist who would eventually run the transpartisan campaign, recalled an early 2011 visit to Rep. Mick Mulvaney (R-S.C.). She had brought CATO Institute defense analyst Chris Preble, thinking to introduce libertarian thinking on defense reform—but this proved unnecessary. "The office was covered in every publication CATO put out, I knew we were going to be okay. Clearly, they were doing a good job of getting their message outside the Beltway and inspiring like-minded citizens to come to Washington." Matt Kibbe, former president of the conservative and Tea Party-associated advocacy group FreedomWorks, recalled the parallel scope of defense cuts that emerged when his group produced a set of "Tea Party Debt Commission" proposals in November 2011.[7]

A significant number of Tea Party members did not balk at joining forces with far-left advocacy groups and members who long had called for steep Pentagon cuts. The resulting coalition would shake up Washington, strike fear in the hearts of military brass and defense-sector executives, and set the stage for what became the 2011 Budget Control Act.

The Simpson-Bowles group failed to reach consensus. Instead, the chairmen delivered recommendations in December 2010. Observers were surprised to find that the recommendations included a trillion-dollar reduction in planned defense spending over a decade. Its detailed recommendations echoed a variety of sources—among them the report released earlier that year by the Sustainable Defense Task Force, commissioned by Reps. Barney Frank (D-Mass.), Ron Paul (R-Texas) and Walter Jones (R-N.C.) and Sen. Ron Wyden (D-Oregon).

The task force was made up of a broad range of experts from the libertarian CATO Institute to liberal Center for American Progress as well as smaller, less ideological outfits. In many cases, members knew and respected each other across ideological lines. Preble noted that some core relationships were already in place and fostered collaboration—indeed, his op-ed with a liberal colleague was cited by Barney Frank as an inspiration for the Sustainable Defense Task Force: "We certainly debated each other on other issues, and we don't always agree on defense," Preble said. "I had known these people almost since I've been at CATO. They knew we were on same page. There was no resistance."

It laid out nearly a trillion dollars in specific cuts over a decade—the first such initiative of its kind.[8] Its experts had briefed Hill staffers under the leadership of conservative budget hawk Senator Tom Coburn (R-Okla.) and Bowles-Simpson Commission defense staffers. One briefer, Carl Conetta of the Project on Defense Alternatives, described their impact this way:

A significant number of Tea Party members did not balk at joining forces with far-left advocacy groups and members who long had called for steep Pentagon cuts.

"We probably helped reinforce the position of those on the Simpson-Bowles team who favored serious cuts and helped build a general sense (and argumentation) that there were numerous feasible options/targets." And though Frank and Coburn were known as among the most ideological members of Congress, Conetta's colleague Charles Knight recalled, "the effective conduit between Frank, the Sustainable Defense Task Force, and Bowles-Simpson was collegial and nonpartisan in nature."[9]

Bowles-Simpson staffers Amy Belasco and Marc Goldwein credit Coburn with making a case early in the Commission's work in favor of across-the-board defense cuts. Coburn and the experts had a strong effect: Commission staff reported little debate among staff or members about how much could be cut from the Pentagon's annual budget over a 10-year span.[10] Lawmakers debated issues like: Would defense and non-defense spending be cut equally? Would there be a firewall between the pots of money? But "no one was passing numbers around."[11]

The support for hard limits was transpartisan, and staffers credit this to the witnesses who testified before the commission. Their combination of expertise and political credentials made members from right and left comfortable with cutting over $100 billion over a decade from the base Defense Department budget. Where lawmakers had reservations, the witnesses, much like the advocacy

coalition, assuaged those doubts by expertly describing the true state of U.S. defense spending and the military. The staff who helped craft both the Commission's draft recommendations and final study say that once members had agreed the Pentagon budget could withstand the kinds of cuts that eventually were enacted, they were directed to draw up a list of Defense Department programs that could take a funding cut without endangering national security.[12]

In addition, the staffers and defense experts on loan to the Bowles-Simpson panel were responsible for convincing Commission members on both the political right and left that defense cuts of nearly a trillion dollars over a decade would not give American foes much of an operational advantage. "I don't think anyone voted against it over the defense cuts. I doubt that would have been in any member's top three reasons for voting against it."[13] What was critical for Tea Party leaders like Kibbe was that "everything be on the table"—defense included.[14] Willingness to cut defense by around $100 billion over a decade eased the path to the parallel recommendation for domestic spending cuts—and opened the way, when the Commission failed to pass a plan, for the acceptance of BCA-level cuts that followed.

CREATING A COALITION

The left-right phenomenon of the Sustainable Defense Task Force was noticed by left-of-center funders and activists as well. Martin recalls that in 2009-10, left-leaning advocacy groups came to the realization that "during previous Democratic administrations, there had been [defense] drawdowns."[15] Those groups also saw a willingness among Obama Administration officials to—at least on the defense budget—return to former President Clinton's positioning as an "economically responsible Democrat." To Martin and others, that demanded messaging that "wasn't ideological," but practical and populist: "If we want to get this budget under control, we are going to have to cut some things."[16]

President Obama signed the Budget Control Act of 2011 on Aug. 2, 2011. Photo: White House / Pete Souza.

One of the smaller progressive funders, the Colombe Foundation, seized the moment in 2010 by asking some of its grantees whether the emerging deficit-reduction era appeared to be "a moment ... that would catapult some of this work beyond where it had previously reached," recalled Nandini Merz, Colombe's program officer for Peace and Security. The foundation had nearly two decades of grant-making largely focused on, as she puts it, "mostly lefty, crunchy granola" organizations, focused on issues such as nuclear disarmament and Pentagon budget cuts. But those organizations' collective "effectiveness had not really been there. Too often, they had been "marginalized as lefties", leaving them with "no political clout."[17]

The advocates Colombe consulted—many of whom had participated in Frank's Sustainable Defense Task Force — reported they too saw an opening and wanted to push for defense cuts as part of any legislation aimed at shrinking the national deficit. Typically, the advocates asked for help with communications tasks and developing a message. Against what Martin called these tectonic plate shifts" of the Tea Party's emergence and triumph in the 2010 midterms, she and Merz heard something unexpected as well: advocates from across the political spectrum were interested in participating.[18]

Eight months later, President Obama signed into law the Budget Control Act (BCA) of 2011. The law set mandatory reductions to federal spending that the non-partisan Congressional Budget Office (CBO) projected to total $1.1 trillion between 2012 and 2021, including $492 billion for the Pentagon.[19] The law was designed to ensure the cuts, known colloquially as sequestration, would only happen if Congress failed to develop a bipartisan alternative. It established a twelve-member panel composed of Republican and Democratic members from each chamber. What came to be known as the Supercommittee was assigned a difficult task: avoid the automatic cuts by agreeing to a $1.2 trillion deficit-reduction package that could pass the House and Senate before its November 23, 2011 deadline.

Quickly after the law passed, members of both parties pressed their leadership to appoint Supercommittee

members who would stand firm on the spending caps. But taxes and entitlement reform again proved to be stumbling blocks, and the bicameral and bipartisan Supercommittee failed to reach its goal. After the Supercommittee's collapse, pundits and party leaders alike still assumed that the year before the BCA cuts took effect would produce a compromise, and that the threat of Pentagon cuts would be one of the prime levers to do so. But they were wrong. In its informal guise, the transpartisan coalition had provided the policy substance and ideological validation for significant cuts. It was soon to follow them up with classic lobbying strategies.

CAPITALIZING ON A POLITICAL MOMENT: CREATION OF THE PENTAGON BUDGET CAMPAIGN

An unlikely alliance of policy, advocacy, and grassroots organizations from left and right had also been gaining steam in 2011, and was a driving force in setting the agenda and ensuring lawmakers' comfort level as what became the BCA worked its way to passage in both chambers. The coalition built an advocacy alliance out of the left-right policy community that had come together around the Sustainable Defense Task Force. The unlikely partners used political savvy and policy expertise to persuade and reassure lawmakers that supporting the legislation and its proposed defense cuts would benefit the country's fiscal health while also resonating with many of their constituents and political supporters.

Amid this new climate, the Colombe funders and left-leaning groups realized they possessed a shared goal with right-leaning organizations: ensuring that a potential deficit-reduction bill included sizeable Defense Department budget cuts. When Congress convened in January 2011, the Simpson-Bowles Commission—and how to enact legislation with many of its recommendations or very similar ones—was a topic du jour in Washington. During the months between the start of the new session and work on the fiscal 2012 Pentagon spending bills began, Merz explains: "we realized we had a real moment to work with people we didn't normally have a chance to work with before."[20]

To attract the right-leaning advocacy groups, the coalition's founders were mindful that such organizations would be leery of accepting funds from foundations that typically donated to groups associated almost exclusively with so-called "liberal" causes. The alliance's early leaders were mindful to guard against any perception that the campaign was funder-driven. Instead, they wanted the groups – especially those on the right – to feel the actual work was being devised and done by the groups as a collectively unit with a collective goal.

An unlikely alliance of policy, advocacy and grassroots organizations from left and right had also been gaining steam in 2011

FROM AD HOC TO COALITION: THE ROLE OF FUNDERS

Over 2011, Colombe had surveyed the field, adjusted its grant-making to encourage transpartisan work, and even reached out to other funders to try to scale up. The coalition's leaders say they were somewhat surprised when other progressive foundations, like the Arca Foundation, put funds into the Pentagon budget effort. Though no major funder was comfortable with the explicitly ideological nature of the work, the new funds both made the work more attractive to advocates, and changed the terms under which it was done.

Building Trust

Arca's contribution was resources to plan and hold a policy retreat in January 2012 at the foundation's 600-acre Musgrove facility at Village Creek on Saint Simons Island, Ga. Participants agreed not to disclose conversations, names of participants or organizations represented, or even that the event had taken place. Organizers provided expert facilitation with previous cross-partisan experience, and though at least one participant arrived fearing fistfights, self-described Tea Partiers, libertarians, realists and liberals found themselves in lock step. "We had this unbelievably amazing experience," Merz said. "Everyone was united in his or her belief that this was the right thing to do for America." Participants identified five takeaways from the still-sensitive retreat:

Everyone was united in his or her belief that this was the right thing to do for America

Narrow the Focus of Discussion The group decided to avoid the issues where they identified policy differences, agreeing there was little point in trying to change one another's minds. They set ground rules in the same vein: the gathering, and subsequent interactions in-person, on conference calls, and email, were not places for arguing ideology. Participants were welcome to step outdoors, metaphorically or physically, and debate taxes or social policy—and some did. But formal meetings and fora were for identifying areas of agreement and planning concrete action.

Set One Target The Musgrove retreat participants agreed the coalition should stay out of the business of taking a position on how the Pentagon's annual budget should be divvied up among troops and weapons. Instead, attendees say it became clear early on that the retreat was producing a consensus that securing a topline cut in the legislation should be the alliance's goal. Participants agreed to disagree about what specific weapon programs could be trimmed—and to keep the coalition's messaging free of such proposals. This meant scrapping the left's decades-old approach to arguing for military budget cuts, casting aside any plans to point to specific weapon programs that could be curtailed or canceled. Individual groups would still be free to pursue such interests, but shared resources would not be used.

Find a Messaging Compromise The coalition agreed to deliver a simple message directly to lawmakers in both parties: "You can cut this much from Pentagon budget for the next number of years and everything is going to be fine."[21] Participants say this messaging plan might not have emerged had advocates from the left and right not met in private. It amounted to a structured and organized expansion of what advocates had done successfully during Simpson-Bowles—rising to the challenge of moving beyond a select group of elected officials to build and maintain majorities.

Practice Better Communication This retreat consciously focused on barriers that prevented such a coalition from forming in the past, which one participant described as "a non-human aspect to social D.C. that makes people believe that 'my ideology is more important than other things.'"[22] Participants reported being surprised that when they met face-to-face with advocates from other ideological leanings, they were able to cut through differences to find areas of common ground. By sequestering themselves at the facility together, participants said it was easier to focus on shared goals and devise strategies to achieve them. They also say this approach continues to the time of this writing.

Build Confidence Participants realized that the lions of right- or left-leaning policy advocacy were not "evil," as one participant put it, but merely highly effective at securing their preferred policy outcomes. According to several participants, the Musgrove retreat was the one meeting of left and right that made possible an effective transpartisan coalition on defense budget issues.

Inside Game

Back in Washington, Colombe had hired Martin, whose background combined a military family, decades in progressive lobbying, and recent experience reaching across the aisle on transportation policy, to run the campaign. Its advisory board was composed of non-partisan and progressive actors, reflecting lingering anxieties among funders and other advocacy groups. As it turned out right-wing campaign partners were quite willing to participate in an effort funded entirely by the left, but preferred not to be publically identified with the steering committee.[23] The campaign had to chart a strategy that would please left and right advocates as well as donors, and be effective.

It met some resistance from left-wing groups reluctant to compromise on messaging and anxious at seeing funding move from traditional progressive allies, as well as those who were simply less interested in the messaging and lobbying than policy analysis.[24] But Colombe stuck to its guns.

Advocacy groups have several options when seeking to shape public policy and federal budgetary decision-makers. One is to target public opinion, hoping constituent phone calls, social media outrage, as well as mainstream media and trade press will cause those making the decisions to alter or reverse course. That's the

outside game, meaning outside the Washington Beltway. Another is to play the inside game, prioritizing decision-makers and their closest advisers over the mass public outside the nation's capital. The defense budget cuts coalition opted for the inside game approach—because it more closely matched the limited budget and timeframe available, as well as the expertise of the key participants. Those who drove the campaign said there was never much discussion about running an outside game campaign. The leaders and eventual coalition members on both sides of the aisle agreed the myriad intricacies of the Pentagon budget were too complicated and boring to create an uprising among big numbers of likely voters capable to influencing a substantial number of members. One coalition member, Danielle Brian of the Project on Government Oversight, described the group's work as trench warfare: "We were able to do hand-to-hand combat, going to Hill offices to get them to declare which way they were going to go."[25]

The coalition was able to piggyback on existing grassroots pressure for deficit reduction on the right, and Pentagon cuts on the left. This aspect of the coalition's construct and approach helped tremendously with its successes in 2010 and 2011. Later, as existing grassroots pressure abated, the campaign would experiment with using messaging and targeted on-line advertising to promote interest in the issue outside Washington, but again operating through existing groups that had legitimacy with their respective target communities.

All About Access

The campaign leadership targeted additional right-leaning organizations that already had solid working relationships with Republican members and staffs and were well-connected to congressional groups like the influential Republican Study Committee (RSC). The campaign needed "singular access," Martin said, adding: "If you had that, you had the world."[26] Access was key because, according to several participants, the coalition's approach on the Capitol Hill centered largely on convincing lawmakers that the size of the Pentagon cuts in the emerging BCA would be tolerable and would not hinder U.S. national security. The left-leaning groups already possessed the necessary access with liberal lawmakers and their staffs. But to get the same access with Tea Party members and aides, they would need right-leaning advocacy groups.

A partnership between the Tea Party members and liberal Democratic lawmakers emerged, but this partnership and shared tactics on amendments and votes simply would not have formed and survived the stresses and strains of the political charged BCA era without the transpartisan coalition of advocacy groups. The coalition created a working group composed of House aides, a safe environment where right and left could discuss possible amendments and other strategies. Bringing together conservatives like Mulvaney and liberals like Rep. Barbara Lee (D-Calif.) was perhaps the most important function of the advocacy alliance. Here's how Martin put it: "There was no other way that Mulvaney or [Michigan GOP Rep. Justin] Amash's offices would have felt this was a trusted place to be. And we were able to convincingly say to Barbara Lee's office, 'Let Amash take the lead on this amendment.'"[27]

The coalition's approach on the Capitol Hill centered largely on convincing lawmakers that the size of the Pentagon cuts in the emerging BCA would be tolerable and would not hinder US national security

A key goal for the coalition was relationship-building on Capitol Hill. The campaign picked its targets—20 House aides from the two ends of the political spectrum, what conservative strategist Michael Ostrolenk describes as "Tea Party-affiliated" and "progressive wing of the Democratic Party."[28] These staffers were seen as having the status and networks to bring along like-minded colleagues. They held regular strategy meetings with this group.[29] The crux of the effort was to help those staffers make their bosses comfortable with publicly stating the need for Pentagon budget shrinkage, and plot ways to bring others along. Every vote mattered and every potential vote was needed. The legislation that became the Budget Control Act was written at a level higher than the members with whom the coalition worked, and was largely crafted by congressional leadership and White House officials, leaving the coalition to count votes and make members comfortable. In a way, the coalition ran a whip operation, seeking and counting votes—playing the role of persuaders more than of legislative consultants.

The coalition also exposed a surprising weakness among its opponents. Although more than $136 million was spent on defense lobbying in 2012 alone,[30] the vast majority of industry dollars goes toward specific weapons or programs, according to New America's Lee Drutman, author of *The Business of America is Lobbying*. And because competition within the industry for contracts is so fierce, its shared institutions are relatively weak and were caught off-guard. Indeed the industry trade association, the Aerospace Industries Association, attempted to make declining defense spending a 2012 electoral issue in swing states – and failed.[31]

WHERE IS THE COALITION TODAY?

Fast-forward four years and lawmakers are sticking to the defense and domestic spending caps included in the 2011 law for the same political and ideological reasons that left the Supercommittee unable to reach an agreement. Members have strong political incentives to call for an end to those sequester cuts that most affect their constituents–but stronger, so far, are the ideological forces supporting keeping both the other portion in place and the total deficit reduction achieved by the BCA. There has been no serious legislative attempt to repeal the BCA, only a deal worked out in late 2013 by the then-chairs of the House and Senate Budget Committees, Rep. Paul Ryan (R-Wisc.) and Sen. Patty Murray (D-Wash.). That fiscal package did not repeal the defense or domestic spending caps. Rather, it raised those spending limits for years. The deal allowed all political factions to declare small victories.

The Obama Administration and congressional Republicans continued to talk, in pursuit of an elusive "grand bargain" on all matters fiscal: taxes, entitlement programs, defense spending, and many more. But they, like Murray and Ryan before them, came under continued—and coordinated—pressure from ideologically committed pressure groups from the left and right. The GOP senators received a clear message from the feared Tea Party grassroots that opposing tax increases was more important than raising Pentagon spending. The White House had cover from the left to refuse to compromise on Pentagon spending in order to protect their prized domestic initiatives. Finally, congressional appropriators have taken on the task of cutting Pentagon and other department budgets to fit under the caps—without the apocalyptic warnings by military brass actually happening, which has given members political cover to leave the caps in place.

A budget proposed by Rep. Paul Ryan, pictured here on March 6, 2014, and Senator Patty Murray did not repeal the defense or domestic spending caps in the BCA. Photo: Shutterstock / Christopher Halloran.

In the spring of 2015, however, House and Senate Republican leaders added $38 billion to the Defense Department's fiscal 2016 Overseas Contingency Operations (OCO) account—giving defense spending a 6 percent boost without, technically, violating the caps, since they exclude the contingency account. The move reflected renewed power and determination from GOP defense hawks who threatened to sink a Republican budget plan without more defense spending. It garnered support as well from centrist Democrats eyeing the campaign against ISIS abroad and the 2016 elections at home. The resolution passed both chambers, and House and Senate appropriators included the $89 billion war account in their 2016 military spending bills. If included in the final 2016 defense bill, it would mark the first major increase in defense spending since passage of the 2011 law.

Coalition participants believe they continue to play a role in keeping the BCA spending caps in place. Member organizations continue to meet and trade information, one of the groups' calling cards during its successful advocacy campaign. There are monthly meetings. Member organizations trade notes. There is a weekly conference call. And there are still the kinds of trips to chat with lawmakers and staffers about resisting calls to inflate Pentagon spending. Participants describe a coalition-in-waiting, meaning one that believes it can go back on the offensive in relatively short order. Several say, with lawmakers as of August 2015 again mulling increased defense spending, the coalition's members remain in regular contact. The information sharing that so helped its efforts in 2010 and 2011 remains in place. "I do think we can spin up and get back to where we were in the past. The coalition is not at all spun down. We meet regularly. There is a steering committee that meets every couple months. Other groups get together regularly."[32]

Alliance leaders say the mere fact that the coalition remains intact and its politically divergent members are still working together is a sea change from the pre-BCA era. What's more, participants see changes in how the mainstream and trade media report about the defense budget and say the coalition is directly responsible for this change. For instance, since the 2011 efforts, participants say the coalition has persuaded reporters to describe the Pentagon's OCO account as a "slush fund"—or at least mention that watchdog groups have concluded it is such.[33]

Leaders also credit the coalition with helping push the media toward seeking another side when reporting on the Pentagon budget. Before, multiple participants said, defense beat reporters often reported Defense Department officials' claims with less skepticism or balance.

A noteworthy aspect of participants' accounts was a feeling of being focused on scoring a major legislative and budgetary victory. The focus then was multipronged: not only getting funders and individual organizations on board, but also convincing partners that groups from the opposite side of the political universe could be trusted. Thus, having a shared message and goals was important. The coalition needed to get funders and individual organizations to agree—and stay on message.

Finally, targeting and setting up meetings with key lawmakers and staffers was crucial to success. The accounts of the period from 2010 through 2011 focused on tactics and a collective goal. That said, participants reported feeling engaged in transformative work in the sense that they all believed securing the defense cuts being discussed as part of the emerging law would be a game-changer. Participants hoped—and still do—that the coalition could remain intact after passage of the 2011 law. Its success in messaging on the OCO account, and its ability to keep lawmakers at ease with the remaining defense cuts, appears to show it has had some long-term effects.

LESSONS

The sudden decline and subsequent relative stagnation of Pentagon spending under the 2011 "sequester" has not received much attention by students of transpartisan advocacy. The informal and then formal transpartisan coalition, albeit important, was not directly responsible for the reductions to Defense Department spending during the era examined here. Larger systemic factors were crucial: the downtick in U.S. military activity overseas, the budget pressures sparked by the 2007 crash, and the political shift that gave small-government conservatives unprecedented political power. In addition, the influence of the political shift wrought by the arrival of Tea Party fiscal conservatives is shown by the change in the scope of cuts—from 3-4 percent per year in Gates' 2009 recommendations, to 17 percent in the first years of sequester.

Yet, the left-right coordination did shape and sustain the cuts in three important ways. First, the policy-to-politics pipeline that recommended the large BCA cuts was itself transpartisan. Second, budget experts gathered by the Sustainable Defense Task Force, and their committed outreach to officeholders and staff of both parties, gave both policy and political validation for the size of cuts that appeared first in Simpson-Bowles and then in the sequester plan. Third, the steady engagement of groups on the left and right gave ideological cover to members of Congress to continue to vote against ending sequester, and sustained an elite public discourse that validated the idea that the military could sustain the cuts and continue to fulfill its primary functions.

The way these efforts played out, both in their initial success and in the ability of the defense lobby to find ways to outflank sequester mechanisms over time, offers several important lessons for the possibilities and limits of transpartisan advocacy:

- Activists exploited major structural and political shifts but were unable to create such shifts themselves, and seem to have been able to slow but not block larger counter-shifts
- The existence of a set of transpartisan policy entrepreneurs, individual and institutional, was critical
- Supportive funders enabled the movement, but the lack of larger-scale funders proved a limiting factor (the central campaign arm was never funded above $500,000 per year from Colombe, ARCA and other small donors)
- The question of long-term versus short-term impact still is very much an open one. Participants report greater likelihood of collaboration across ideological lines on other issues, but, as noted above, there is great skepticism about the medium-term trend of defense spending—and, among defense experts, very great frustration with the blunt-instrument method of cutting that sequestration, in the end, provided

The case study concludes by considering each of these lessons in turn.

Issue Selection: Seizing on Structural Shifts

On paper, the 2010 election was a big win for Republicans, especially ideological members, activists, and donors who believed the first two years of the Obama presidency had moved the country beyond the far-left of American politics and closer to European-style "socialism." But the Tea Party members—backed by their powerful and influential donors—had made clear during the 2010 campaign

what their priorities were, and argued that the Defense Department budget was plenty big, and ripe for cuts that they argued should be part of the deficit-reduction calculus. The Tea Party caucus had enough members whose dedication to reducing all kinds of spending brought them into alliance with far-left advocacy groups and members who long had called for steep Pentagon cuts. For them, dedication to less spending was even more important than loyalty to the Republican leadership.

It must also be noted that the period in which the cuts were proposed and implemented coincided with a period of relative quiet and optimism on the international security scene—Osama Bin Laden was killed, U.S. troops left Iraq, and President Obama declared Al Qaeda on a path to defeat.

By 2014, the rise of ISIS and the Russian invasion of Ukraine raised security anxieties across ideological lines. Congressional willingness to send more resources to the Pentagon via the off-budget Overseas Contingency Operations fund followed.

In addition to pure concern about security, these developments also had a political dimension. By 2014, GOP campaign planners were developing a focus on what they called Democrats' security "weakness" that they deployed in the 2014 midterms and said they would use again in 2016. The issue's heightened political salience thus made it harder for Democrats and Republicans alike to oppose spending increases.[34]

Transpartisan Policy Entrepreneurs

The effort benefited from two unusual characteristics of the community involved: a small group of policy professionals who had good existing relationships across party lines and strong connections to political figures, and funders willing to support transpartisan work and provide resources to build trust and even limited infrastructure.

The community of analysts who know the defense budget well and want to see it shrink is small and stable. While this is usually a negative for broad-based advocacy efforts, it meant that members knew and respected each other across ideological lines. Some right-leaning groups might have been reluctant, but such feelings quickly disappeared. What brought the groups together was a common belief "that the numbers just don't add up," which created "a certain urgency to get this right."[35]

The analysts' group also had closer ties to the political world than is typical for pure policy types. On the right, the CATO Institute enjoyed close relations with ideologically sympathetic members of Congress, and an early recruit to the group worked closely with conservative budget hardliner Grover Norquist. The politically aligned think tanks of the center-left (Center for American Progress, National Security Network) were well represented, and a number of steering committee members themselves came out of the world of politics.

These relationships of trust made the process of political vouching easier: policy proposals that came with the imprimatur of the CATO Institute or the Center for American Progress were much more likely to be seen as safe by relevant members of Congress and their staffs.

The Role of Funders

What sustained and grew the transpartisan coalition was the support of the Colombe Foundation, and later ARCA and others, which is to say the funder community. Without the initial push prompted by their educated hunch that the broader deficit reduction movement could be a rare moment in the post-9/11 era for military spending cuts, it is difficult to find evidence that the coalition would have grown as it did or have had as much agenda-setting and lawmaker-assuring success. In this case, it was the relationship between the funder and recipient that helped create an environment and enough momentum to bring right-leaning groups into the pro-budget cuts coalition. Notably, without the funder, it is unlikely the coalition would have sustained operations over time or added new conservative voices.

At the same time, the funders and support involved were relatively small. Campaign organizers felt this allowed them to be effective in a quiet inside-the-Beltway role, preferring this to a larger transformative efforts at the state and local level that transpartisans organizers in criminal justice and surveillance reform, for example, have attempted.

Long Term vs. Short Term

The near-term impact of transpartisan willingness to cut defense spending has been dramatic. The largest one-year decline in defense appropriations in decades has led to hiring freezes and much-needed internal reforms at the Pentagon. Because, however, the debate over what to do with sequester has been so politicized, it is difficult to discern likely longer-term outcomes. Military spokesmen have continued to decry the cuts' effects on training and preparedness; defense contractors say planning and development of next-generation weapons is adversely affected. Political scientists have tended to shrug and cite the cyclical nature of military spending.

It seems likely, however, that the transpartisan advocacy around defense will have three lasting results:

- First, defense spending certainly will go back up in the future—but from a baseline that will look different than the baseline envisaged by Gates in 2009. (Given the across-the-board nature of sequester, the baseline will likely be misshapen in ways that are problematic for the effective functioning of the Pentagon)

- Second, future advocates of the kind of military buildup the U.S. experienced in the years after 9/11 will face a larger and more politicized opposition than has been the case in many decades. This suggests that the future cycle of military spending may look more like the sharp ups and downs of the WWII and Korean War periods—a trend in direct opposition to the high-cost, long lead times of the high-tech weaponry emerging as the future of warfare.

- Finally, the human and institutional links created by the coalition building have shown up subsequently on issue after issue. The same organizations and advocates have partnered on lobbying around issues from Syria to surveillance to prison reform—and recruited new partners, extending informal networks well beyond the formal list of groups that made up the Pentagon Budget Campaign. In Congress, some of the members who are most active in across-the-aisle collaboration were first introduced to their opposite numbers as Tea Party newcomers interested in budget cutting

The transpartisan work, then, served above all as a kind of capital-building—giving progressive members of Congress and advocacy organizations new sources of power, libertarian/conservative groups access to existing power and networks with which the new members in particular were uncomfortable or unfamiliar, and policy analysts new avenues—through politics—to promote their ideas.

NOTES

1 In nominal dollars, close to a 75% increase in constant dollars, cfr.org/defense-budget/trends-us-military-spending/p28855

2 DoDNews Briefing With Secretary **Robert Gates** From The Pentagon, Department of Defense Official Transcript, April, 6, 2009, defense.gov/transcripts/transcript.aspx?transcriptid=4396

3 Ibid

4 **Robert Gates**, "Duty: Memoirs of a Secretary at War," Alfred A. Knopf, New York, 2014, 315

5 Ibid, 316

6 **Todd Harrison**, "Analysis of the FY 2011 Defense Budget," Center for Strategic and Budgetary Assessments, June 29, 2010. csbaonline.org/publications/2010/06/fy-2011-defense-budget-analysis/

7 **Matt Kibbe**, interview, September 10, 2015.

8 **Roxana Tiron**, "Panel commissioned by Barney Frank recommends nearly $1T in defense cuts," The Hill, June 11, 2010. thehill.com/homenews/house/102677-panel-commissioned-by-barney-frank-recommends-nearly-1t-in-defense-cuts-to-close-deficit. The task force was an entirely volunteer effort among its members. At the launch, Frank said that he had been inspired to create the task force after reading an op-ed co-authored by a liberal and a libertarian that called for significant defense cuts. **Christopher Preble** and **Heather Hurlburt**, "The wrong manhood test," Politico, February 4, 2010. politico.com/story/2010/02/the-wrong-manhood-test-032479

9 **Carl Conetta** and **Charles Knight**, Email, May 28-29, 2015.

10 **Amy Belasco**, Phone, August 10, 2015 and **Marc Goldwein**, Phone, August 11, 2015.

11 **Amy Belasco**, Phone, August 10, 2015 and **Marc Goldwein**, Phone, August 11, 2015.

12 Ibid

13 Anonymous staffer, interview.

14 **Kibbe**, interview.

15 **Darcy Scott Martin**, Phone, February 17, 2015.

16 Ibid

17 **Nadini Merz**, interview.

18 **Martin** interview

19 "Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act," Congressional Budget Office, September 12, 2011. cbo.gov/sites/default/files/09-12-BudgetControlAct_0.pdf

20 **Merz**, interview

21 Ibid

22 Anonymous participant, interview.

23 **Heather Hurlburt**, interview, July 2015.

24 **Merz**, interview; **Hurlburt**, interview.

25 **Danielle Brian**, Phone, February 17, 2015.

26 **Martin**, interview.

27 **Martin**, interview.

28 **Michael Ostrolenk**, interview, September 10, 2015.

29 **Ostrolenk**, interview.

30 "Annual Lobbying on Defense," Center for Responsive Politics. opensecrets.org/industries/lobbying.php?ind=D

31 **Andrea Shalal-Esa** and **Marcus Stern**, "Defense Lobby Exhibits Diminished Power As It Seeks To Head Off Large Budget Cuts," Reuters via Huffington Post, September 19, 2012. huffingtonpost.com/2012/09/19/defense-lobby-budget-cuts_n_1895614.html

32 **Michael Ostrolenk**, Phone, August 4, 2015.

33 **Martin**, interview

34 **Heather Hurlburt**, "How to Win a National Security Election Without Really Trying," Defense One, June 30, 2015. defenseone.com/ideas/2015/06/how-win-national-security-election-without-really-trying/116602/

35 **Preble**, referring to the country's overall fiscal situation and defense spending levels.