

# Northrop won the bomber contract. Now comes the battle to defend it.

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*SNR note - The following picture is a depiction of what the next (2020) Air Force Long Range Strike Bomber for \$80 B program will look like. Konark Temple in its peak days was probably as wealthy and beautiful as this. Would it not be great to re-engineer Konark and bring back its life again? The least, can't an artist draw a live art of Konark temple to bring back the imagination and glory?*



It just won a huge contract to build the next Air Force bomber, triumphing in a years-long battle against Boeing and Lockheed Martin, the largest defense contractors in the world. But in the business of Washington, winning the contract is sometimes just the first step.

The second step is defending the first one. Northrop now faces the expected legal challenge. If it wins that, it will have to overcome relentless lobbying and the yearly competition for funding among major weapons programs, a process that places enormous pressure on the federal budget.

And so, as it celebrates one of the most significant moments in company history, Northrop Grumman is girding for a counterattack. Within hours of winning the contract to build the Long

Range Strike Bomber, the Falls Church-based company unveiled a Web site to support the \$80 billion program, urging visitors to “take action” by signing a form letter to the White House and Congress. It held celebration parties across the country, featuring friendly members of Congress, including Sen. Bill Nelson (D-Fla.) and Rep. C.A. Dutch Ruppersberger (D-Md.).

Still, within days of the Air Force’s announcement, Boeing and Lockheed fired the first salvo in what will probably be a protracted feud, filing a protest of the contract award, essentially a legal challenge that could hold up the program for at least an additional 100 days.

Even if Northrop survives the protest and keeps the bomber contract, it will probably have to fight Boeing and Lockheed every year for congressional funding. As the bomber program enters a critical development stage, the Air Force’s other top-priority programs — Lockheed Martin’s F-35 Joint Strike Fighter and Boeing’s KS-46 tanker (for refueling other aircraft) — will also be chasing funding from a limited pool.

“The question becomes: Can the Air Force afford all three of those?” said Todd Harrison, a defense analyst with the Center for Strategic and International Studies. “They are going to be in competition with one another because peak funding for these programs overlaps in the 2020s.”

The Pentagon faces spending caps made more severe by automatic cuts known as sequestration, and it has to prioritize all sorts of demands on the defense budget. Those demands include major expenditures for aircraft, such as a new Air Force One, a new training aircraft known as the T-X, and a fleet of aircraft, known as JSTARS, which can track battle movement on the ground from great distances. And that’s just the Air Force’s acquisition budget.

The Pentagon also plans to replace its Ohio-class submarines, build a new fleet of presidential helicopters and buy 55,000 new ground vehicles for the Army and Marine Corps, intended to replace the Humvee eventually. Never mind paying for ongoing operations in Afghanistan and elsewhere.

“You don’t like to pick favorites among your kids,” Harrison said, “but I think they’re going to have to.”

The programs’ constituencies within the Pentagon and Congress face off year after year. “No one powerful special interest cares about the total amount spent each year on the military,” wrote the authors of a recent report by the American Enterprise Institute. “Various interest groups lobby for particular programs in the budget that are meaningful to them.”

In an interview at the Reagan National Defense Forum, House Armed Services Committee Chairman Mac Thornberry (R-Tex.) said that “because we have not adequately funded defense for some time, we have lots of bills coming due at the same time.”

If the defense budget isn’t increased, the Pentagon may not be able to afford as many aircraft as it wants to buy, and then the cost for each individual aircraft will go up.

“Choosing between long-range strike, short-range tactical fighters, and a robust air refueling capability is like trying to choose which limb to remove. Whatever you decide, the body won’t be in good shape,” said Rep. J. Randy Forbes (R-Va.), a member of the House Armed Services Committee.

Sen. John McCain (R-Ariz.), a longtime critic of the F-35 program, recently said the Pentagon may have to cut the number of F-35s it buys. “The number they are now quoting — there’s just not going to be that many,” he said.

Northrop has gone to great lengths not only to win the competition but also to protect the bomber program for years to come. During the competition, it took out a Super Bowl ad in two markets (Washington and Dayton, Ohio, home to the Air Force’s aviation contracting team) touting its experience and legacy.

And it hired an all-star team to work exclusively on the bomber program, including Roger Zakheim, a lawyer and consultant at Covington & Burling, who is the former general counsel and deputy staff director of the House Armed Services Committee.

“You measure the intensity of these campaigns by how often does an office get pinged by the companies involved, and what is the level of firepower of lobbyists,” said one congressional aide, who is not authorized to speak publicly about corporate lobbying efforts and, therefore, spoke on the condition of anonymity.

Northrop’s team “shows how serious they are. . . . They were very quick to come in and make sure they are weighing in and always very responsive to anything in the news,” the aide said.

Northrop also highlighted the congressional muscle it had lined up to help fend off its competitors’ attacks on Capitol Hill.

“You all won that competition hands down,” Nelson reportedly said at a celebration in Florida. And he predicted that the company would also win the protest: “Northrop will be left standing.”

Wes Bush, Northrop’s chief executive, meanwhile, recently hosted Thornberry at the company’s manufacturing site in Palmdale, Calif.

But Lockheed and Boeing have extensive lobbying networks, strong ties to influential members of Congress and lots of experience defending controversial programs under fire.

Bethesda-based Lockheed spent an average of nearly \$14.5 million a year on lobbying from 2010 to 2104, and it has spent more than \$10 million so far this year, according to the Center for Responsive Politics. The company has some of the top D.C. lobbying firms on its side, including the powerful Podesta Group.

Boeing’s lobbying budget has often topped \$15 million, according to the center, and the company has spent nearly \$17 million so far this year.

It counts among its supporters Sen. Claire McCaskill, a Democrat from Missouri, where Boeing wants to manufacture the bomber. She recently told reporters that she would take “a look at the competition, making sure that there wasn’t any unfairness — that it was done in a way that was fair to Boeing and Lockheed.”

Despite cost overruns and schedule delays, Lockheed has protected its controversial \$400 billion F-35 program.

Air Force officials have said repeatedly that the bomber program should not have those problems, making it less vulnerable to the congressional ax. But the last time Northrop built a bomber, the B-2, the number to be made was slashed after costs rose and the end of the Cold War changed the nation’s threat outlook.

It’s a bit of history Northrop’s opponents will probably brandish in a fight that can be expected to go on for a long time. The jockeying has already begun. In a statement announcing their protest, Boeing and Lockheed said that the selection process for the bomber project “was fundamentally flawed” and that its proposal came in at a cost “that uniquely defies the prohibitively expensive trends of the nation’s past defense acquisitions.”

Harrison, the defense analyst, said such issues are not likely to go away soon.

“They don’t just have to sell Congress on this once,” he said. “They have to sell them on this every year. And they’ll have to do that for about two decades if they want to be successful.”

Reference:

[https://www.washingtonpost.com/business/economy/northrop-won-the-bomber-contract-now-comes-the-battle-to-defend-it/2015/11/18/c9d25c20-88ae-11e5-be8b-1ae2e4f50f76\\_story.html](https://www.washingtonpost.com/business/economy/northrop-won-the-bomber-contract-now-comes-the-battle-to-defend-it/2015/11/18/c9d25c20-88ae-11e5-be8b-1ae2e4f50f76_story.html)