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THE F-14D
A CASE STUDY IN DECISION-MAKING

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INTRODUCTION

In April 1989, the new Secretary of Defense, Richard Cheney, forwarded to Congress a revised defense budget proposal for fiscal year (FY) 1990. One of the primary objectives of the new budget proposal was to establish levels of defense spending that would keep the overall budget within the Gramm-Rudman-Hollings deficit reduction guidelines. Part of the proposed defense budget was a decision to eliminate 12 new production F-14D Tomcat fighters from the Navy budget and to terminate the program. As the year progressed and Congress undertook to thrash out the final federal budget, the Senate and House split on the decision to eliminate F-14D production. The Senate favored elimination while the House voted to support the original 12 proposed aircraft. The issue was decided in a House-Senate Conference Committee. In the end, Congress did not eliminate F-14D production. Nor did it vote to support the House's proposal to produce 12. Instead, Congress voted for the production of 18 F-14D aircraft in FY 90! Though the final outcome appears absurd and is the type of story that makes Congress look incompetent, it was much more involved than it appeared and illustrates much of what goes into the decision-making process of our government. How this decision came about is the subject of this paper. I will examine the major participants in the process as it pertained to the F-14D and attempt to draw some conclusions about why the process worked as it did.

THE F-14D

The F-14A Tomcat is the Navy's frontline long range interceptor aircraft. Designed for fleet air protection, it is produced by the Grumman Corporation. In the early 1980's it became clear that the "A" model Tomcat

was reaching the limits to which it could be modernized and that a replacement aircraft or an upgraded version would be required to meet the needs of the Navy in the 1990s. As a result, in FY 84, the Navy contracted with Grumman to build 304 new "D" model F-14s. The F-14D is a virtually new aircraft in an old airframe. It includes new digital avionics, new engines, and a new radar system.

The F-14D was designed to fill the interceptor requirements of the Navy until a proposed replacement aircraft, the Navy advanced tactical fighter (NATF), is operational in about the year 2000. The NATF is to be based on the Air Force's advanced tactical fighter (ATF), currently in design.

THE NAVY/OSD POSITION

In 1986-87 the Navy restructured the F-14D program based on a change in its requirements forecasts. Instead of 304 newly manufactured F-14Ds, it decided instead to build only 127 new F-14Ds and remanufacture 400 existing F-14As, upgrading them to the "D" model. The new aircraft were to be produced at a rate of 12 per year and the remanufactured aircraft were to roll off the modification line starting at a rate of 5 per year, building to a rate of 50 per year. This proposal was not favorably looked upon by Congress. As a whole, they favored the remanufacturing line, but were not in favor of the new manufacturing because of the high unit cost that resulted from such a low production rate.

In 1989, after the new production proposals were made, the Navy restructured the composition of its air wings. One consequence was that the number of F-14s assigned to a fighter squadron was reduced from 12 to 10. This, in turn, reduced the total number of F-14s required by the Navy and led analysts in the Office of the Secretary of Defense (OSD) to conclude that the Navy could make it through the 1990s without any newly

manufactured F-14Ds. In its search for programs to cut from the FY90 budget, OSD decided to target new production F-14Ds.

The Department of the Navy disagreed with that decision and, in the spring of 1989, Secretary of the Navy Garrett attempted to keep FY90 production alive. He addressed the issue three times, but failed on each occasion. F-14 inventory projections revealed a 50-60 aircraft shortfall (about 12 percent of the requirements) at the end of the century if new production were eliminated in FY90. When pressed, the Navy agreed that anything less than a 15 percent shortfall could be withstood for a short period while a new aircraft came into service. But, for other reasons, the Navy was still concerned about the shutdown of the production line. It reasoned that the NATF was still far from proven and faced likely delays. Leaving the F-14 production line open would leave the Navy with the F-14D option to fall back on should the NATF program slip or become prohibitively expensive. OSD disagreed, arguing that since the Navy had asked for the NATF, it should not leave the F-14D option available as an insurance policy. Without the fallback option, they believed, Congress would, out of necessity, be more likely to continue supporting the NATF. Secretary Garrett eventually agreed, and the Navy gave its support to the elimination of the F-14D program in FY90. For the Grumman Corporation this decision was critical

GRUMMAN

The Grumman Corporation has enjoyed a long history with the Navy as its principle manufacturer of carrier based aircraft. Of the fixed wing aircraft that the Navy currently operates off carriers, Grumman builds the F-14, A-6, EA-6B, and E-2. The F/A-18, built by MacDonell Douglas, is the exception. Until FY 88, Grumman was still producing all of its types. In FY

89, they built 12 EA-6Bs, 12 F-14s, and 6 E-2s. Even though there are significant shortages of the EA-6B, further production was cut from the FY 90 budget. With the possible elimination of the F-14, Grumman was faced with having only the E-2 left on the production line.

Grumman's current problems date back to the Navy's selection of contractors for both the advanced tactical aircraft (ATA- the replacement for the A-6) and the NATF. According to one Navy official, Grumman entered the ATA bidding overly confident. They believed they had an inside track since they were the premier builder of Navy aircraft. Unfortunately for them, they lost the ATA contract to MacDonell Douglas and General Dynamics. Later, they also lost in their rather weak bid to develop the ATF and NATF. Thus, Grumman finds itself left out of the two major Navy contracts for the 1990s, clinging to their hopes of extending the F-14D program long enough for them to find another aircraft to build.

On its own, Grumman has been developing the Tomcat 21, an aircraft that they believe will provide the Navy with a viable alternative to the NATF. A derivative of the F-14, it will utilize an updated version of the proven F-14 airframe but will also incorporate a majority of the avionics and capabilities being developed for the NATF. Grumman is holding onto the belief that, like the joint TFX fighter program of the 1960s (the F-111), the joint ATF/NATF program will fail. They do not believe the ATF will be carrier adaptable. If that proves to be true, Grumman is prepared to offer the Tomcat 21 as the most logical Navy option to replace the F-14D in the late 1990s. However, the key to Grumman's ability to keep the Tomcat 21 available as an option is to keep the F-14D new production line open. If the line is shut down, they estimate it will take approximately five years to reopen. In the meantime, they will also lose a large portion of their

engineering and design staffs. Until recently, Grumman expected the new production F-14D contract to easily keep the production line open until the mid 1990s when the key NATF decisions will be made. However, with early termination of the F-14D, the Tomcat 21 ceases to be a viable option and Grumman ceases to exist as a major aircraft production company. As a result, Grumman was not just fighting for the F-14D program, it was fighting for its very survival.

With the stakes so high, Grumman mounted an intensive lobbying campaign to keep the F-14D in the FY 90 defense budget. A two pronged attack was pursued. The first part was aimed at developing a voter constituency that would demand support for the F-14D. The other was aimed at mobilizing political pressure within Congress. Grumman conducted an extensive public relations campaign which included newspaper and television advertisements designed to tote the F-14 as America's first line of defense and premier fighter. The downing of Lybian Migs in dogfights over the Mediterranean Sea by F-14 pilots was heavily emphasized. It also capitalized on the prominent role the F-14 played in the hit movie "Top Gun." Form letters were provided to special interest groups, asking Congress to save the F-14 program and the thousands of jobs it represented (approximately 30,000 on Long Island, including 5600 Grumman factory jobs, and up to 100,000 nationwide, with all of the subcontractors). Grumman also lobbied Congress directly, providing detailed, full colored information packets to Senators and Representatives, illustrating the F-14's role as the cornerstone of Naval air defense and Grumman as an essential element in the nation's industrial base for aircraft production.

Efforts in Congress were led by a delegation comprised of the five representatives from Long Island (home of the Grumman plant) as well as

New York's two Senators. Grumman officials met in weekly strategy sessions with this group. Mario Cuomo, Governor of New York also added his active support. Thus, Congress became the battlefield for the forces aligned to save the F-14D.

CONGRESS

The principle leader of the New York delegation was Representative Thomas Downey (D). He was assisted by the technical expertise of Rep. George Hochbrueckner (D), also of Long Island, a member of the House Armed Services Committee, and a former Grumman engineer. The F-14 fight was taken to the House of Representatives first because the House tends to support conventional military forces while the Senate generally is more willing to support strategic forces.

Initial efforts in the House were directed at Rep. Les Aspin (D-WI), the Chairman of the House Armed Services Committee. Rep. Downey had provided political support to Aspin in the past and intended on cashing in his "green stamps" in order to get Aspin's support behind the F-14D. He expected Aspin to use his chairman's "mark" to put the F-14D back into the Cheney defense budget. That proved to be difficult, and Aspin, according to the "Long Island Newsday" (5 Nov 89),

...shocked the Long Islanders, especially Downey, by announcing he would support Cheney's recommendation and call for an all-or-nothing vote on the budget cuts in both the Armed Services' procurement subcommittee and the full committee.

This move proved to be crucial to the entire congressional process. According to Ms. Dana McGee, the chief lobbyist for Grumman, Rep. Aspin elected to isolate the procurement portion of the Cheney budget (which included the F-14D) and push that through the sub-committee. This action

undermined the committee process in the minds of many of its members and annoyed them greatly. In essence, Rep. Aspin handled his committee poorly, giving the impression he was going to force the executive branch's budget through them by brute force. As a result, he created a political issue that took on more importance than the F-14D itself.

The F-14D lost by a vote of 10-9 in the subcommittee, but when Rep. Aspin attempted to force an all-or-nothing vote on the Cheney budget in the full committee, he was defeated in a crucial 26-26 tie. After that, Rep. Downey and the other members of the New York delegation put together a coalition that included representatives of other targets of the Cheney cuts, most notably the V-22 Osprey. In addition, Rep. Downey was able to energize the support of liberal Democrats and key House leaders in support of the F-14D. Together, they were able to salvage the F-14D program in the Armed Services Committee, but, according to Ms. McGee (of Grumman), the final vote was based almost exclusively on political reasons rather than the merits of the program itself.

The next major hurdle for the F-14D came in the House Rules Committee. Here, Rep. William Dickinson (R-AL), a strong supporter of the Cheney cuts, created a fight over whether the V-22 and F-14D were to be considered in separate amendments or in a combined amendment. He demanded separate amendments, hoping to divide support for each and to kill them on the House floor. The ensuing battle, combined with the ill feeling left over from Aspin's previous maneuvering in his committee, resulted in the F-14D becoming a House Democratic leadership issue. The V-22 and F-14D forces strengthened their support and Speaker of the House Thomas Foley, unhappy with Rep. Aspin, joined forces along with several other key leaders.

The House Appropriations Committee decided in favor of continued F-14 procurement based more on the merits of the case than on political considerations. The attitude of the Appropriations Committee, according to Mr Tim Peterson, the staff member in charge of the issue, was that the OSD decision to cut the F-14D was ill conceived. According to Mr. Peterson, the turmoil this past spring that resulted in the selection of Richard Cheney as Secretary of Defense caused the budget submission process to be rushed. As a result, several of the proposed cuts were based on bad decisions and incomplete staff work. He believes that the Navy is truly facing a significant F-14 inventory shortfall in the late 1990s and that the production should not be stopped. In addition, the uncertainty of the NATF program and the impact on employment in the Long Island area were important concerns. Finally, the costs for termination in FY 90 were \$400 million, for which the Navy would receive no aircraft. According to the data Mr. Peterson was able to gather, funding production through FY 91 would permit a gradual closing of the line and would reduce closedown costs to approximately \$125 million. The Navy would also get at least some of the badly needed fighters out of the deal. Those arguments were submitted to the Appropriations Committee and F-14D funding was adopted without significant opposition.

On July 27, the House voted 261-162 for a defense budget which included 12 F-14Ds in Fy 90 and 12 in FY 91. The issue next moved to the House-Senate Conference Committee. There, it was opposed by the Senate which, under the leadership of Senator Sam Nunn (D-GA), had voted to support the Cheney budget cuts. Speaker Foley, however, having made the F-14D a leadership issue, packed the House membership on the conference committee to ensure Rep. Aspin would not give in on the F-14D issue. This

set up a stiff negotiation standoff that lasted seven weeks. In the end, the F-14D survived, but at a cost to other programs the House had supported. The final compromise agreement was for 18 F-14Ds to be produced in FY 90 followed by the termination of the F-14 production line. Senator Nunn later said, "Frankly, I believe we were able to get more flexibility in the strategic areas because of our willingness to give a soft landing to the F-14D."

CONCLUSIONS

The F-14D issue reveals much about the decision-making process in our government. It is an interesting combination of rational decision-making, bureaucratic influences, and politics. Members of the three institutions involved attempted, in their own ways, to rationally arrive at the best solution to the problem of defense needs, economic pressures, and political realities. The Navy Department based its decisions primarily on what it perceived as a need to maintain a viable interceptor force for its fleet. While those should be founded on objective data, the "refining" of requirements is subject to the influences of numerous departments and leaders within the Department of Defense, each with its own reason to support or oppose the program. The Secretary of Defense was similarly influenced by each of the services and their interest groups when he was faced with making the tough decisions required to cut the overall defense budget. As we have seen, his decisions had a direct impact on the Grumman Corporation. Faced with the loss of a major weapons production program and with the survival of the company at stake, Grumman became a major player in the decision-making process. In essence, Grumman was able to promote its position using the same "objective" requirements data that the Navy used to support its position, while also stressing to Congress the

significant impacts on the economy and U.S. industrial base. The New York delegation was, of course, most directly affected in the political arena. Politicians will not allow thousands of jobs to disappear from their districts without a big fight. Yet, Congress, as a large political body, is not likely to fight hard over one issue unless there are more overriding concerns than the economic well being of one sector of the country. The House supported the F-14D, not necessarily because it was the right thing to do and the country's need for additional F-14s was clear cut. The bottom line is that the House supported the F-14D primarily because it had become a political issue. The House leadership adopted it as a cause and, in an effort to demonstrate its resolve to act independently, it would not let the issue die. While the decision to save the F-14D can be logically argued, the fact is that, in the end, the merits of the case were almost immaterial to Congress. The bureaucratic process won over rational decision-making. As a result, almost everyone got something. The Navy got 18 new F-14Ds. Grumman was given at least a short lease on life. The House leadership made a successful stand, and the Senate gained support on some strategic systems it otherwise would not have had. Like most decisions in Washington, this one was a compromise.

The obvious question is, what happens next? Is the F-14D really dead after FY 90? Is the Tomcat 21 dead? Will Grumman cease to exist as a major aircraft company? Only time will tell. But, as they are fond of saying in the Washington area, "Its not over 'till the fat lady sings... and in Washington, she NEVER sings."

SOURCES

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4. Mr Tim Peterson, House Appropriations Committee Staff, U.S. House of Representatives, Washington, D.C.
5. Captain C. L. Weber, USN, Air Warfare Office (OP-501), The Pentagon.

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Note: In addition, approximately ten letters from various congressmen concerning the F-14D were used, as well as two point papers made available by the Navy Office of Legislative Affairs.