

# Clinton administration plan to diversify defense under attack

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WASHINGTON — A Clinton administration program that has helped defense contractors diversify and develop commercial products is under attack.

Opponents, primarily Republicans in Congress, said the Technology Reinvestment Project amounts to little more than corporate welfare and that it tempts defense contractors to get out of the defense business altogether, posing a threat to national security. They also charge that political considerations have tainted the selection of recipients of TRP funds.

Supporters disagree.

"[TRP] has been enormously important for not only our military strength and success but . . . for the creation of whole new civilian technologies," said Sen. Joseph I. Lieberman, D-Conn., a member of the Senate Armed Services Committee.

The administration's program has been cut from the House version of the defense authorization bill, which will be debated Wednesday.

"[TRP] was never political in the past, but has been under Clinton," Rep. Robert Dornan, R-Calif., said Friday. Dornan said the military should lead the way in developing "dual-use" technology that also has commercial applications.

The Clinton administration had asked for \$500 million for the TRP project this budget year. It received \$195 million.

For the coming budget year, Clinton asked for \$250 million for a revamped program, now called the Dual Use Application Program. What the House has done, instead, is allocate that amount for dual-use product development directly to the armed services, rather than funneling it through the Defense Advanced Research Projects Agency, part of the Pentagon.

In the Senate, one of TRP's critics has been Sen. John McCain, R-Ariz. He called the program "pork, useless and nonmilitary." McCain has thrown his weight behind the new version of TRP, which he says will eliminate some of the politicization that surrounded the old project. In its version of the defense bill, the Senate funded \$100 million for it.

## On the leading edge

Connecticut companies that have

benefited from the TRP program say it should be kept intact.

"[TRP] funding has helped us develop the technological capabilities to keep us on the leading edge of technology," says Gary Bennett, chief executive officer of Analysis and Technology, a Navy contractor in Stonington. Analysis and Technology produces computerized shipbuilding designs and has branched out into the commercial arena with the development of interactive training software for regional Bell operating companies and Nynex.

"As overall RDT&E [research, development, testing and evaluation funding] declines," Bennett said, "it makes it difficult for firms to grow and stay on the technological edge."

Under the program, companies such as Analysis and Technology engaged in a competitive bidding process. Winners then could venture into risky research projects that otherwise would have proved too costly. The only federal requirement was that they match federal funds with their own spending.

Analysis and Technology was able to use \$214,000 in TRP funds for research on a software project that enabled users to view a ship from all angles as it was being built.

"In the past, ship design took thousands of individuals and a lot of men designing on the drawing board," Bennett said. "Now one person can do this design."

Similarly, United Technologies Corp. of Hartford was able to use TRP program money to cut the cost of high-tech plastics for jet propul-

sion.

United Technologies was one of eight companies to receive a combined \$150 million from TRP in 1993 for the project. The goal was to reduce the production costs of composites, or high-tech plastics, by 30 percent, said Joel Marsh, director of government acquisition policy.

"We would be putting in place manufacturing [processes] that would contribute to an affordable defense," Marsh said.

The manufacturing processes will be used to build the airframe and engine of the Joint Strike Fighter (JSF) and the F-22, the E/F-18 airframe and the C-17.

"Our bid and proposal money is very limited — we can't afford to spend money on opportunities that may not be there," Marsh said.

## Defense spin-offs

Historically, the Defense Department has used funding for technological development for military purposes, and eventually "spun off" into civilian technologies such as the Internet and satellites.

With the end of the Cold War, defense cuts have led to base closures, personnel reductions and cuts in research money.

By funding "dual-use" products — products with both commercial and military applications — the Clinton administration hoped to improve the affordability of existing defense systems and keep industry on the cutting edge.

The Defense Advanced Research Projects Agency chose projects on its own that were supposed to be in keeping with Clinton's defense con-

version agenda.

It hasn't been working that way. Recent studies have found that the contracts awarded have been shown to serve short-term defense purposes rather than funding technologies with dual-use applications.

"Eighty percent of TRP development awards have gone to projects that are closely linked to the [Defense Department's] list of new technological priorities," said a report by the National Commission for Economic Conversion and Disarmament.

Of 11 randomly selected projects analyzed by the General Accounting Office, Congress' investigative

arm, six were "clearly aimed at military needs" while five were "indirectly linked," a report said.

Pentagon officials want the program to continue, saying that they are against developing systems that are geared only for defense purposes. Dr. David Moran, director of the Industrial Outreach Initiative for the Office of Naval Research, said dual-use projects make better use of government funds and support both the military and the commercial sectors.

"The president and Congress have given us an incredible mandate and they've given us incredibly useful tools," Moran said. "The an-

swer is to get to work."

The Dual Use Application Program incorporates measures designed to keep the selection process politically independent but is otherwise quite similar to the original.

Gone, however, is the emphasis on defense conversion.

"There was strong resistance to giving federal money to private companies for research before Clinton," said Dr. Charles Stevenson, a professor at the National War College in Newport, R.I. "The Democrats [made] one strategic error: In labeling the program 'defense conversion,' it only added to Republican antipathy."