

CRS Report for Congress

FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes

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**Prepared for Members and
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FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes

Summary

On March 23, by a vote of 218-212, the House approved H.R. 1591, a bill providing \$124 billion in supplemental appropriations for FY2007 and requiring the redeployment of U.S. troops out of Iraq. The bill's rule allowed no amendments and opponents did not offer a motion to recommit. The Senate Appropriations Committee marked up and reported its version of a supplemental appropriations bill, S. 965, on March 22, and floor action began on March 26. The Senate took up the House-passed bill and substituted the text of S. 965, and subsequent debate in the Senate has proceeded using the House number, H.R. 1591.

The House-passed bill includes a Democratic leadership plan that sets three alternative timetables for withdrawal from Iraq. It requires the President to certify by July 1, 2007, that Iraq is making progress toward specific security and political benchmarks and to certify by October 1, 2007, that progress on the political benchmarks has been achieved. Redeployment of U.S. forces must be completed within 180 days after either date if the certification is not made. Withdrawal must begin, in any event, by March 1, 2008 and be completed by the end of August 2008. Forces may remain in Iraq only to protect U.S. facilities and personnel, carry on normal diplomatic activities, conduct targeted missions against members of terrorist organizations like al-Qaeda, and train Iraqi security forces. The bill also establishes requirements for unit readiness and time between deployments, and requires either that the President certify the requirements have been met or formally waive them.

On spending, the House bill provides \$21.3 billion more than the Administration requested. It provides \$100.4 billion for defense, \$7.1 billion higher than the request. Major additions include \$1.7 billion for health care, \$1.4 billion for housing allowances, \$2.5 billion for a reserve readiness fund, and \$3.1 billion for base realignment and closure. Offsetting cuts from the request include \$815 million for use of contractors in Iraq. In addition, the bill provides \$6.3 billion for international affairs programs, \$344 million more than the request. For domestic programs, the bill adds almost \$14 billion to the request. Funding includes \$6.4 billion for hurricane disaster relief, \$3.0 billion more than requested, \$3.7 billion for agricultural disaster relief, \$2.5 billion for homeland security, \$1.7 billion for veterans health and other programs, \$1.0 billion for pandemic flu preparedness, \$750 million for the State Children's Health Insurance Program, \$500 million for wildland fire response, and \$400 million for low-income energy assistance.

The Senate-reported bill directs the President to commence a withdrawal from Iraq within 120 days of enactment, with a goal of redeploying most troops by March 31, 2008. On March 27, by a vote of 48 to 50, the Senate rejected an amendment by Senator Cochran to eliminate the troop withdrawal provision. In all, the bill provides \$121.6 billion, \$18.6 billion above the request. It provides \$96 billion for defense and \$6.7 billion for hurricane relief, adds \$4.3 billion for defense and veterans health care, \$2 billion for homeland security, \$4.2 billion for agricultural disaster relief, and funds for children's health insurance, firefighting, low-income energy assistance, and pandemic flu preparedness.

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FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes

Most Recent Developments

On March 22, the Senate Appropriations Committee marked up and reported its version of a bill, S. 965, providing \$121.6 billion in supplemental appropriations for FY2007. The full Senate began floor consideration of the bill on March 26, when it took up the House-passed version of the bill, H.R. 1591, inserted the text of S. 965, and subsequently proceeded to consider the measure under the House number.

In a key vote on the bill, on March 27, by a margin of 48-50, the Senate rejected an amendment by Senator Cochran to delete a provision in the committee bill requiring that most troops be withdrawn from Iraq by March 31, 2008. The Senate leadership expects to complete action on the bill by Thursday, March 29.

Earlier, on March 23, by a vote of 218-212, the House approved H.R. 1591, a bill providing \$124 billion in supplemental appropriations for FY2007 and requiring the redeployment of U.S. troops out of Iraq by no later than the end of August 2008. In a press statement in response to the bill's passage, President Bush warned that he would veto a bill that includes restrictions on operations in Iraq and he complained that delays in passing the bill beyond April 15 would disrupt funding for military forces.

On March 19, the White House issued a Statement of Administration Policy (SAP) on the House bill. The statement warned that the President would veto the bill not only because of the Iraq withdrawal provisions, but also because of the amount of unrequested domestic funding in the bill. On March 27, the White House issued a statement promising a veto of the Senate bill on the same grounds.

On March 9, the White House submitted two amendments to its earlier \$103 billion FY2007 supplemental appropriations request, one to provide \$3.1 billion for DOD base realignment and closure, offset by reductions in domestic programs, and one to provide \$3.2 billion mainly for costs of sending additional troops to Iraq and Afghanistan, offset mainly by shifting funds originally requested in the FY2007 supplemental for Air Force and Navy aircraft to the FY2008 request for war funds. Neither of these amendments was reflected in the House committee version of the supplemental bill, though the House cut some of the same defense programs as in the Administration's proposed troop surge amendment.

Overview of the Administration Request¹

On February 5, the Administration requested \$103 billion in supplemental appropriations for FY2007 of which \$93.4 billion was for the Department of Defense and \$6.0 billion for international affairs. The Administration also requested \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund for ongoing Katrina relief measures. Earlier, in January, the Administration requested authority to transfer \$195 million in unobligated balances to liquidate unfunded obligations of funds by the Transportation Security Administration. Congress now considering these and additional funding proposals in action on a supplemental appropriations bill.

Elements of the Supplemental Request

The main elements of the Administration's supplemental requests include:

- \$93.4 billion for the Department of Defense to finance military operations in Iraq and Afghanistan and counter-terrorism operations elsewhere through the remainder of FY2007; to cover costs of the "surge" of additional troops to Iraq and an additional carrier to the Persian Gulf; to repair and replace equipment lost or worn out in current operations; to add equipment to fill recently identified war-fighting needs; to add and upgrade equipment to improve current and future war-on-terrorism capabilities; and to begin to finance facility improvements and some other costs associated with Army and Marine Corps plans to add 92,000 active duty troops to the force over the next several years;
- \$4.8 billion for foreign operations, including \$2,347.8 million for security and reconstruction assistance to Iraq; \$721 million for assistance to Afghanistan; \$362 million for activities in Sudan, mainly for humanitarian and peacekeeping support in the Darfur region; \$586 million for reconstruction and security assistance to Lebanon; \$279 million for assistance to Kosovo in support of a UN-led process to determine the region's status; \$367 million for various other humanitarian assistance activities; \$161 million for avian flu prevention measures; and \$102 million for migration and refugee assistance in a number of areas;
- \$1.2 billion for Department of State and International Broadcasting programs, of which \$824 million is for the U.S. mission and other activities in Iraq and \$200 million is for U.S. contributions for international peacekeeping in Lebanon and Timor Leste;
- \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund to support on-going Katrina recovery

¹ Prepared by Stephen Daggett, Specialist in National Defense.

measures through December 2007, including housing assistance and grants for public infrastructure repair in the Gulf Coast; and

- a transfer of \$195 million in unobligated balances to resolve insufficiently funded Transportation Security Administration (TSA) contract and grant obligations incurred during FY2002 and FY2003.

Congress is also considering additions of unrequested funds for agricultural disaster relief, child health insurance, avian flu preparedness, homeland security, and other purposes.

Table 1, below, provides an overview of the request and of the main elements of funding provided in the House Appropriations Committee supplemental bill, broken down by Titles of the House bill.

Highlights of House Appropriations Committee Bill

The bill as approved by the House Appropriations Committee on March 15 and passed by the House on March 23, provides a total of \$124 billion in supplemental appropriations, including

- \$100.4 billion for the Department of Defense, \$7.1 billion above the request, including \$95.5 billion for personnel, operations, procurement, and other accounts, and \$4.9 billion for military construction;
- \$6.3 billion for international affairs, \$344 million more than the request;
- \$6.4 billion for hurricane relief, \$3.0 billion more than the request;
- \$2.5 billion for homeland security measures;
- \$1.7 billion for the Department of Veterans affairs, including funds for veterans medical programs;
- \$3.7 billion for agricultural disaster relief, for which no funds were requested; and
- \$3.0 billion for other domestic programs, including pandemic flu preparedness, children's health insurance, low-income energy assistance, and wildland fire management, for all of which no funds were requested.

Table 1 provides an overview of funding in the bill by title and for selected programs.

The bill also includes a Democratic leadership plan that sets three alternative timetables for withdrawal from Iraq. It requires the President to certify by July 1, 2007, that Iraq is making progress toward specific security and political benchmarks and to certify by October 1, 2007, that progress on the political benchmarks has been achieved. Withdrawals of U.S. combat forces must be completed within 180 days after either date if the certification is not made. Withdrawal must begin, in any event,

by March 1, 2008 and be completed by the end of August 2008. The bill also establishes requirements for unit readiness and time between deployments and requires either that the President certify the requirements have been met or formally waive them.

In addition, the bill includes an increase in the minimum wage and a package of tax cuts designed to offset the costs of the increase to small businesses. The House had approved the minimum wage increase in separate legislation earlier in the year.

In an initial draft, the bill also included a measure prohibiting the use of funds for military action against Iran without congressional authorization. That language was removed before the committee markup, however.

In the markup, the committee also approved an amendment to prohibit funds in provided the bill or in any other bill from being used to close Walter Reed Army Medical Center. This would reverse a decision made in the 2005 base realignment and closure process.

Table 1. Overview of FY2007 Supplemental Appropriations Request, House-Passed, and Senate Committee Bills

(amounts in millions of dollars)

	House Request*	House Bill*	Change from Request	Senate Request	Senate Bill	Change from Request
Title I: Global War on Terror	99,615.4	111,302.8	+11,687.4	99,615.4	107,384.8	+7,769.4
Defense	93,383.0	100,445.3	+7,062.3	93,273.0	96,813.6	+3,540.6
Department of Defense	91,529.0	95,529.7	+4,000.7	91,533.0	92,032.8	+499.8
Military Construction	1,854.0	4,915.5	+3,061.6	1,740.0	4,780.8	+3,040.8
International Affairs	5,996.0	6,340.2	+344.2	6,106.0	6,310.4	+204.5
Department of Agriculture, P.L. 480	350.0	450.0	+100.0	350.0	557.0	+207.0
Dept of State: Admin of For Aff/Intern'l Orgs	1,168.0	1,321.8	+153.8	1,168.0	1,136.3	-31.7
Bilateral Economic Assistance	3,575.7	3,502.2	-73.5	3,685.7	3,638.9	-46.8
Other Department of State/Intern'l Broadcasting	399.0	578.5	+179.5	399.0	432.5	+33.5
Department of the Treasury	5.3	2.8	-2.5	5.3	2.8	-2.5
Military Assistance	498.0	485.0	-13.0	498.0	543.0	+45.0
Other Agencies	236.5	4,517.4	+4,280.9	236.5	4,260.8	+4,024.3
Department of Homeland Security	--	2,500.0	+2,500.0	--	2,000.0	+2,000.0
Department of Veterans Affairs	--	1,702.1	+1,702.1	--	1,767.1	+1,767.1
Other Agencies	236.5	315.3	+78.8	236.5	493.7	+257.2
Title II: Hurricane Disaster Relief and Recovery	3,400.0	6,357.4	+2,957.4	3,400.0	6,950.7	+3,550.7
Federal Emergency Management Agency	3,400.0	4,630.0	+1,230.0	3,400.0	4,630.0	+1,230.0
Corps of Engineers	--	1,337.1	+1,337.1	--	1,710.7	+1,710.7
Other Agencies	--	390.3	+390.3	--	610.0	+610.0
Title III: Agricultural Assistance	--	3,726.0	+3,726.0	--	4,192.0	+4,192.0
Agriculture Disaster Assistance	--	--	--	--	4,192.0	+4,192.0
Crop Disaster Assistance	--	1,808.0	+1,808.0	--	--	--
Livestock Compensation Program	--	1,480.0	+1,480.0	--	--	--
Other Programs	--	438.0	+438.0	--	--	--
Title IV: Other Matters	--	2,481.4	+2,481.4	--	2,688.6	+2,688.6
Bureau of Land Mgmt Wildland Fire Mgmt	--	100.0	+100.0	--	100.0	+100.0
Forest Services Wildland Fire Mgmt	--	400.0	+400.0	--	400.0	+400.0
Secure Rural Schools	--	400.0	+400.0	--	425.0	+425.0
Low Income Energy Home Energy Asst	--	400.0	+400.0	--	640.0	+640.0
Public Health Services, Pandemic Flu	--	969.7	+969.7	--	820.0	+820.0
Other Programs	--	211.8	+211.8	--	303.6	+303.6
Title VI: SCHIP Shortfall	--	463.0	+463.0	--	448.0	+448.0
State Childrens Health Insurance Prog	--	750.0	+750.0	--	448.0	+448.0
Offsetting Rescissions	--	-287.0	-287.0	--	--	--
Grand Total	103,015.4	124,330.6	+21,315.2	103,015.4	121,664.1	+18,648.7

Source: H.Rept. 110-60; S.Rept. 110-37.

*Note: House request is as shown in Office of Management and Budget documents, which differ from figures in Department of Defense justification books. Senate amounts are reorganized by Titles of the House bill.

Highlights of House Floor Action

The House began floor debate on the supplemental bill on Thursday, March 22, and approved the bill by a vote of 218-212 on March 23. Debate on the bill was conducted under a closed rule (H.Res. 261), which permitted no amendments.

Among the amendments proposed to the Rules Committee were a proposal by Representative Lewis to remove all the Iraq-related and readiness-related provisions; by Representative King (IA) to strike the Iraq withdrawal provision; by Representatives Lee (CA), Clarke, Watson, Woolsey, and Waters to prohibit funding for operations in Iraq except to protect troops and to withdraw forces; by Representative Jackson-Lee to withdraw from Iraq by December 31, 2007; by Representative Flake to strike all the agricultural disaster relief funds; by Representative Kirk to strike \$25 million for spinach growers; by Representative Cole to add funds to fully fund all programs on military service unfunded priorities lists; and by Representative McHenry to strike minimum wage provisions.

Highlights of Senate Appropriations Committee Bill

The Senate Appropriations Committee marked up and reported its version of the bill on Thursday, March 22. The bill provides a total of \$118.6 billion in supplemental appropriations, including

- \$98.6 billion for the Department of Defense, \$3.5 billion above the request, including \$92.0 billion for personnel, operations, procurement, and other accounts, and \$4.8 billion for military construction;
- \$6.3 billion for international affairs, \$207 million more than the Senate estimate of the request;
- \$7.0 billion for hurricane relief, \$3.6 billion more than the request;
- \$2.0 billion for homeland security measures;
- \$1.8 billion for the Department of Veterans Affairs;
- \$4.2 billion for agricultural disaster relief; and
- \$3.1 billion for other domestic programs, including pandemic flu preparedness, children's health insurance, low-income energy assistance, and wildland fire management.

Table 1 provides an overview of funding in the bill by title and for selected programs.

On Iraq, the bill includes a Democratic-sponsored plan that directs the President to commence the phased withdrawal of U.S. forces from Iraq within 120 days of enactment of the legislation, with the goal of redeploying all combat forces from Iraq

by March 31, 2008, except for a limited number essential to protect U.S. and coalition personnel and infrastructure, to train and equip Iraqi forces, and to conduct targeted counter-terrorism operations. The measure also expresses the sense of Congress that the government Iraq of should pursue several political and security benchmarks on a schedule established by the government.

The committee bill prohibits the use of funds in the bill to close Walter Reed Army Medical Center until the Secretary of Defense certifies that replacement facilities in the Washington area are operational and that a plan is in place to transition soldiers receiving care at Walter Reed to the other facilities.

Brief Overview of Major Issues²

Iraq Policy

Iraq policy has been the overriding issue in debate about the FY2007 supplemental appropriations bill, though the White House and congressional opponents of the bill have also been critical of the amounts the House and Senate Appropriations Committees added for domestic programs.

In the past, Congress has sometimes, though rarely, used the power of the purse to cut off funding for military operations, to put limits on the numbers of troops that may be deployed in specific military actions abroad, and to set other conditions on the conduct of military operations.³ Now Congress is again considering measures that would renew an ongoing constitutional battle about the authority of the President to wage war and Congress's ability to limit it.

In the House, the Democratic leadership presented a rider to the appropriations bill that would set three alternative timetables for withdrawal, depending on political progress inside Iraq.⁴ Even if the government of Iraq achieves all the political benchmarks, the leadership plan would require the withdrawal of U.S. combat forces from Iraq no later than August 2008. The leadership plan also includes requirements originally proposed by Representative Murtha, the defense appropriations subcommittee chairman, that units be fully equipped and trained before being

² Prepared by Stephen Daggett, Specialist in National Defense.

³ For a review of selected funding and other restrictions since the Vietnam War, see CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding Approaches*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch. See also, CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard Grimmett and CRS Report RL33837, *Congressional Authority To Limit U.S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

⁴ The Iraq withdrawal provisions are in Section 1904 of the House bill.

deployed and that units have a minimum of time at home before being redeployed. The President must either certify that deploying units meet these conditions or formally waive the requirement.

In the Senate, the committee-passed bill directs the President to commence the phased withdrawal of U.S. forces from Iraq within 120 days of enactment of the legislation, with the goal of redeploying all combat forces from Iraq by March 31, 2008, except for a limited number essential to protect U.S. and coalition personnel and infrastructure, to train and equip Iraqi forces, and to conduct targeted counter-terrorism operations. The Senate measure expresses the sense of Congress that the government Iraq of should pursue several political and security benchmarks on a schedule established by the government.

In the House, the rule on floor consideration of the bill did not permit any amendments, so there were no votes on alternative policies. The amendments proposed to the rules committee included two Republican-sponsored measures to delete all the Iraq policy language in the bill and two Democratic-sponsored measures to accelerate the withdrawal, including one measure requiring withdrawal of all personnel by December 31, 2007.

In the Senate Committee markup, Senator Shelby offered an amendment to delete the Iraq redeployment provisions, but he did not demand a vote because Senator Tim Johnson's absence might have affected the outcome. His or a similar amendment to delete the withdrawal language appears very likely to be proposed during Senate floor debate.

Effect of a Delay in Approving Supplemental Funding

Army officials have warned that limits on available funding may require disruptive changes in day-to-day operations unless Congress approves supplemental funding by some time in April. The Army estimates that it is now spending operation and maintenance (O&M) funds at a rate of about \$6.3 billion per month both for combat and for everyday operation of the force. To date, Congress has appropriated a total of \$52.6 billion for Army O&M in FY2007, of which \$24.2 billion was provided in the FY2007 base budget and \$28.4 billion was provided in the FY2007 "bridge" fund for war costs. At an overall combat and non-combat "burn rate" of \$6.3 billion per month, the Army has enough money, therefore, to operate at the current pace for just over eight months — that is, though the end of May and into June.

Army officials complain that they will have to begin slowing down operations long before then, however, in anticipation of funding restrictions. Last year, when the supplemental was not passed until June, and when there was less money in the bridge fund, Army officials say that restrictions on operations were quite damaging. This year, they say, they are especially pressed because they do not want to delay programs to absorb additional personnel into the force.

The effect of a delay in passing the supplemental has now become a major issue. Secretary of Defense Gates reportedly told Members of Congress in a March 22 meeting that the Army would have to slow training beginning in mid-April, and that delays beyond the middle of May might lead the Army to extend the deployment term of units already in Iraq rather than send new units without full training. In a press statement on March 23, President Bush warned that if funding were delayed beyond April 15, “our men and women in uniform will face significant disruptions, and so will their families.”

CRS estimates that the Army could cover its operational costs until about June or July 2007 by using war funds in the FY2007 “bridge” fund provided in Title IX of the FY2007 appropriations bill, by temporarily transferring procurement funds to operations, and by tapping monies in its baseline budget that would not be needed until the end of the fiscal year. This does not mean, however, that the Army would not face disruptions if funding is delayed. In order to ensure that funding is available for the later months of the year, the Army may very well decide that it must slow down its operations before money would run out by, for example, limiting facility maintenance and repairs, slowing equipment overhauls, limiting travel and meetings, and, perhaps, slowing down training. (See below for a further discussion.)

Additions of Unrequested Funding for Domestic Programs

The House bill provides almost \$14 billion of unrequested for domestic programs, including, in Title I of the bill, \$2.5 billion for homeland security and \$1.7 billion for veterans affairs, including money for veterans medical care; in Title II of the bill, \$3.0 billion above the request for hurricane relief; in Title III of the bill, \$3.7 billion for agricultural disaster relief; and in Titles IV and VI of the bill, \$3.0 billion for programs ranging from pandemic flu preparedness at NIH to making up a shortfall in the State Children’s Health Insurance Program. The Administration has warned that the President would veto the bill if it includes unrequested domestic spending of this magnitude.

The Senate bill provides about \$15 billion of unrequested funds for domestic programs, including \$2.0 billion for homeland security, \$1.7 billion for veterans programs, \$6.7 billion for hurricane relief, \$3.3 billion above the request, \$4.0 billion for agricultural disaster relief, \$747 million for children’s health insurance, \$870 million for pandemic flue preparedness, \$640 million for low-income energy assistance, and \$500 million for a firefighting reserve fund.

Designations of “Emergency” Spending in Defense and International Affairs

Both in the defense portion of the bill and in the international affairs portion, one ongoing issue is what funding should properly be provided as emergency

supplemental appropriations⁵ that are not subject to annual caps on federal spending and what funding should instead be provided in the agency “base” budgets that are financed in regular, non-emergency appropriations. In recent years, defense appropriations exempted from budget caps (including “bridge funds” for overseas operations provided as separate titles in the regular defense appropriations bills) have grown from \$16 billion in FY2002 to \$63 billion in FY2003 and FY2004, to \$102 billion in FY2005,⁶ to \$116 billion in FY2006, and to \$163 billion approved or requested in FY2007.

This reflects a progressive expansion of the kinds of equipment and operational support that both the Defense Department and Congress have agreed to consider as sufficiently urgent to warrant inclusion in emergency funding measures, even though the funding may not meet definitions either of the narrowly defined incremental costs of military operations, or of what constitutes an emergency by congressional standards. An issue for Congress in the FY2007 supplemental is whether some of the very large increase in weapons procurement that the Defense Department has requested in the FY2007 supplemental goes beyond even the expanded definition of war-related requirements that Congress has accepted in recent years. The Air Force, for example, requested funds for two F-35 Joint Strike Fighters, a new system not yet in production, on the basis that the aircraft will replace equipment lost in the war, though F-35s will not be available for another three years. The House committee eliminated funding for these and for Navy EA-18G aircraft even before the Administration amended its request to delay these programs.

The supplemental request for international affairs funding raises the same issue. In testifying before Congress about the FY2008 budget request, Secretary of State Rice faced several questions about the continued practice of requesting emergency supplemental funds for foreign affairs expenditures that do not seem unplanned or unexpected. On February 8, 2007, Senator Biden, the Chairman of the Senate Foreign Relations Committee complained, “We’ve been in Afghanistan for over five years and Iraq for nearly four, and spending in neither country can hardly be called an emergency.” Some legislators have questioned, in particular, proposed funding for U.S. embassy operations and security in Iraq.

⁵ The term “emergency appropriations” is used loosely here to include all spending exempt from annual budget resolution caps on discretionary appropriations. Technically, under language used in annual congressional budget resolutions, exemptions from budget caps cover funds formally designated as “emergency” spending and also funding for “military contingency operations” in the House and for “military contingent operations” or for “national defense” in the Senate. This is discussed further below.

⁶ This counts \$25 billion in a “bridge fund” in the FY2005 defense appropriations bill as FY2005 money, though it is technically “scored” by the Congressional Budget Office and the Office of Management and Budget as FY2004 funding because it was made available on enactment, which was before the beginning of FY2005. All but about \$2 billion, however, was not obligated until FY2005 or later.

Using Defense Supplemental Funding to Offset Costs of Higher Domestic Spending

Conversely, while some have objected what they see as the Administration's misuse of the "emergency" designation, the Administration has objected to the use of "emergency" defense supplementals as an indirect means of avoiding cuts in non-defense programs. In each of the past several years, it appears that some funding that would normally be included in the base defense budget has migrated into the supplementals, which frees up funding under discretionary spending caps not only for other defense programs, but also for non-defense discretionary accounts. The FY2007 continuing resolution, for example, cut \$3.1 billion from the Administration's defense request for Base Realignment and Closure (BRAC), which freed an equivalent amount for non-defense appropriations bills. Congress may now add the BRAC funding to the FY2007 supplemental, which some may see as, in effect, using the supplemental to finance non-defense programs without violating FY2007 discretionary spending caps. At some point, some contend, Congress may need to assert more effective limits on emergency spending if it wishes to restore discipline over the budget as a whole.

Military Medical Care

Reports of poor conditions in housing for patients at the Walter Reed Army Medical Center and other reports of shortcomings in medical care for wounded veterans prompted Congress to add substantial amounts to the supplemental for military medical care. The House bill adds \$1.3 billion for the defense health program including \$400 million for post-traumatic stress counseling and 4300 million for brain injury care. The bill also adds \$1.7 billion for the Department of Veterans Affairs for medical care, disability pensions, and administration. The Senate bill also adds \$1.7 billion for defense health, though allocated differently from the House, and \$1.7 billion for the Department of Veterans Affairs.

Additions to the Defense Request

As large as the defense supplemental request is, it did not provide funding for all of the programs the military services have identified as priorities, and many legislators have complained that the readiness of Army and Marine Corps units not deployed abroad has declined, particularly because of shortfalls of equipment for training. In addition, it appears that the Defense Department underestimated costs of the "surge" of 21,000 combat troops to Iraq. In February, each of the armed services submitted an "Unfunded Priorities List" (UPL) of programs that did not receive funding in the final Administration FY2008 request to Congress, but that the services would like if more money were available. The Army FY2008 UPL includes substantial amounts for force protection equipment, including \$2.2 billion for Mine Resistant Ambush Protected (MRAP) vehicles.

The House bill added \$2.5 billion to the defense request for a reserve readiness fund to be available for training, operations, repair of equipment, and purchases of

new equipment to finance improvements in the readiness of “next-to-deploy” units in the United States. The bill also added \$250 million for Marine MRAP purchases and smaller amounts for some other procurement programs, partly offset by cutting funds in the original Administration request for Air Force purchases of the Joint Strike Fighter and for Navy EA-18G aircraft.

The Senate bill adds \$1 billion for Army National Guard and Reserve equipment shortfalls. Both the House and Senate bills add \$1.1 billion for Basic Allowance for Housing shortfalls.

Keeping Open Walter Reed Army Medical Center

The House bill includes a provision that prohibits funds in the supplemental or in any other legislation from being used to close Walter Reed hospital in Washington, D.C. The Senate bill prohibits closing Walter Reed until replacement facilities in Bethesda, Maryland, and Ft. Belvoir, Virginia, are completed and fully operational and until the Secretary of Defense certifies that facilities are sufficient to meet existing and projected demands for services. The House measure reverses a decision of the 2005 Base Realignment and Closure (BRAC) process. The BRAC process was designed to prevent legislative efforts to keep open particular facilities by requiring an up or down congressional vote on a package of base closure measures not subject to amendment.

These and other issues are reviewed in more detail in the following discussion of the main elements of the FY2007 supplemental appropriations request.

Potential Limitations on U.S. Military Operations in and Around Iraq⁷

The House-passed version of H.R. 1591 includes provisions that would require the withdrawal of U.S. forces from a combat role in Iraq (with certain exceptions) by no later than August 31, 2008. Other provisions of the bill would bar the deployment to Iraq of units that do not meet the Defense Department’s traditional standards of combat readiness.

The version of the bill approved March 22 by the Senate Appropriations Committee includes provisions that would require the President to begin withdrawing U.S. forces from Iraq within 120 days of enactment, with the “goal” of removing all U.S. combat forces from the country by March 31, 2008, except those engaged in certain, limited missions. On March 27, the Senate rejected by a vote of 48-50 an amendment that would have eliminated the provisions related to withdrawal of U.S. troops.

⁷ Prepared by Pat Towell, Specialist in National Defense.

On March 28, the Senate adopted by a vote of xx-xx an amendment adding to the bill provisions that would prohibit the deployment of any unit or service member not rated by the relevant service chief as “fully mission capable.” The president could waive the prohibition on a case-by-case basis.

That amendment also would bar deployment in Operation Iraqi Freedom of any Army unit or member for more than 12 months (or, in the case of the Marine Corps, more than 7 months). In addition, it would bar the deployment of active-duty Army units to Iraq within 12 months of their prior deployment to that theater (or within 7 months in the case of active-duty Marine Corps units or members) and it would bar the re-deployment of any reserve component unit to Iraq within five years of a prior deployment.

Iraq Deployment Restrictions in the 110th Congress

Members critical of President Bush’s Iraq policy secured, on February 16, adoption by the House of a non-binding resolution (H.Con.Res. 63) expressing disapproval of the decision to deploy more than 21,000 additional U.S. combat troops to Iraq. Similar non-binding measures disapproving of the Administration’s troop “surge” were introduced in the Senate (S. 470, S.Con.Res. 7, S. 574), but action on them stalled.

Administration opponents also have introduced both in the House and in the Senate binding legislation intended to substantially restrict U.S. military operations in Iraq by various methods. Some of these proposals would repeal P.L.107-243, the 2002 resolution authorizing the use of military force against Iraq (e.g., H.R. 930, H.R. 508). Others would bar the use of any funds for military operations in Iraq after a date certain (S. 448). Others would prohibit any increase in the number of U.S. troops in Iraq unless authorized by Congress (S. 308, H.R. 438), limit the missions that U.S. forces could conduct in Iraq (H.R. 455, S. 433), or require that U.S. troops be redeployed from Iraq to other locations (H.R. 746, S. 121).⁸

Appropriations Riders and Military Operations

However, opponents of a continued U.S. combat role in Iraq might deem it tactically advantageous to use the supplemental appropriations bill as a vehicle for their efforts to rein in the Administration’s Iraq policy, because early enactment of the supplemental is essential to fund ongoing military operations in Iraq. Defense Secretary Robert M. Gates, testifying on the supplemental appropriations bill before the Senate Appropriations Committee on February 27, said: “If these additional funds

⁸ For a frequently updated summary of Iraq-related legislative proposals see CRS Congressional Distribution Memorandum, “Legislation Introduced Regarding Iraq War Policy and U.S. Military Policy Concerning Iran, 110th Congress,” by Kim Walker Klarman, updated Feb. 22, 2007.

are delayed, the military will be forced to engage in costly and counterproductive reprogramming actions starting this spring, in April, to make up the shortfall.”⁹

On March 22, Secretary Gates reportedly told members of Congress in a meeting that if supplemental appropriations were not enacted by mid-April, the Army might have to slow training of units deploying to Iraq and Afghanistan and that, if enactment were delayed thru mid May, the delay in training follow-on units might force the Army to extend the deployment of units already in Iraq beyond their usual year-long tours.¹⁰ CRS has estimated that the Army could continue to operate into June with funds available through the end of the fiscal year and by reprogramming funds from other accounts (see below for a further discussion).

One option would be for the critics to block enactment of the supplemental funding bill, but that might draw accusations that they are failing to support troops who are in harm’s way. Instead, the House bill would provide fund the troops in Iraq, essentially at the level requested by the President, but also would require him to remove most U.S. troops from that by August 31, 2008, while the Senate version would require the president to begin a troop withdrawal by March 31, 2008, with the “goal” of removing combat troops by August 31, 2008. Both versions of the bill would allow a limited number of U.S. troops to remain in Iraq for certain missions.

Conditioning the availability of funds in an appropriations bill in this way raises two fundamental questions. One is whether the President could legally circumvent legislative restrictions on appropriations for military operations in Iraq. In the same Senate hearing, Joint Chiefs of Staff Chairman Gen. Peter Pace, USMC, told the Appropriations Committee that President Bush would have latitude under provisions of the Feed and Forage Act (41 U.S.C. 110) to continue funding ongoing operations, even if Congress were to reject the supplemental funding bill.¹¹ The scope of presidential discretion under that law may be limited, however: It allows the government to incur obligations for certain military expenses in the absence of an appropriation, but requires that Congress appropriate the necessary funds before they can be expended pursuant to such obligation.¹²

A second threshold question is whether there are limits on how far Congress can go in using the power of the purse, not simply to fund or not fund a given military operation, but also — through the use of appropriations riders — to change the

⁹ Testimony before the Senate Appropriations Committee, Hearing on Proposed Fiscal 2007 Supplemental Appropriations, February 27, 2007.

¹⁰ Noam N. Levey and Peter Spiegel, “Gates Pushes Back On Eve Of War Vote,” *Los Angeles Times*, March 23, 2007.

¹¹ Ibid. For an analysis of Congressional authority to limit Military Operations through its use of the power of the purse and other means, see CRS Report RL33837, *Congressional Authority to Limit U. S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

¹² William C. Banks and Peter Raven-Hansen, *National Security Law and the Power of the Purse*, Oxford University Press, 1994, pp. 71-72.

parameters of a legally authorized conflict already underway. Some commentators invoke the doctrine of “unconstitutional conditions” to argue that, while Congress unquestionably can deny funding for an ongoing war, it cannot impose conditions on the availability of funds that would vitiate the president’s constitutional authority as commander-in-chief of the armed forces to direct military operations.¹³ Other commentators argue that, since the courts have upheld Congress’ authority to limit the scope of military operations by statute, it follows that Congress can exercise that authority through the appropriations process.¹⁴

Congressional Restrictions on Previous Military Operations. Those fundamental questions aside, there are several types of restrictions Congress has considered since 1970 in efforts to reduce or terminate U.S. military operations in Southeast Asia, Somalia and the countries formed from the former Yugoslavia.¹⁵

Congress has used an appropriations bill rider to simply terminate an ongoing operation, namely the Byrd Amendment to the FY1994 Defense Appropriations Act (P.L. 103-139, Sec. 8151), which prohibited obligation of funds after March 31, 1994 for military operations in Somalia, unless subsequently authorized by law or if necessary to protect U.S. civilians in that country.

But Congress also has considered or adopted riders that are more narrowly drawn to limit the scope of U.S. military operations in a given area. For instance, in 1971, the House rejected an amendment to the Fiscal 1972 defense authorization bill (H.R. 8687) that would have barred the use of funds authorized under the act for any aerial attack in Cambodia, Laos, Vietnam or Thailand, unless the president determined such an attack necessary to ensure the safety of U.S. forces withdrawing from Indochina. In 1999, the House passed H.R. 1569, a free-standing bill (on which the Senate took no action) that would have barred the obligation or expenditure of Defense Department funds for the deployment of “ground elements” of the U.S. armed forces into the Federal Republic of Yugoslavia [i.e., the former Yugoslav republics of Serbia and Montenegro], except to rescue U.S. or NATO military personnel or U.S. civilians. In 1971, Congress enacted a provision that the Cooper-Church amendment barring the use of any funds to deploy U.S. ground

¹³ David B. Rivkin Jr. and Lee A. Casey, “What Congress Can (And Can’t) Do On Iraq,” *Washington Post*, P. A19, Jan. 16, 2007 summarize this view.

¹⁴ Elsea and Nicola, pp. 18-19. For a more extended discussion of this and other relevant constitutional and legal issues, from a perspective that argues for broader Congressional authority, see, Charles Tiefer, “Can Appropriations Riders Speed Our Exit From Iraq?,” *Stanford Journal of International Law*, 42 (2006), pp. 291-342.

¹⁵ For further analysis of the following (and many other) examples of Congressional efforts to restrict military operations abroad, see CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia and Kosovo*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch, and CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard F. Grimmett.

troops in Cambodia.¹⁶ In 1973, Congress enacted a provision that prohibited the obligation or expenditure of funds in this or any previous law to finance “combat in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia,” on or after August 15, 1973; U.S. bombing stopped on August 15, 1973.¹⁷

Pending Action: House Supplemental Iraq Provisions

The Iraq-related restrictions included in the House version of the supplemental incorporate some of these earlier approaches, along with other provisions. The bill would set a deadline for the withdrawal of U.S. combat troops from Iraq of no later than the end of August 2008. It also sets earlier dates for withdrawal unless the President can certify that the government of Iraq meets specific security and political benchmarks.

The plan would also prohibit the deployment of units that do not meet certain readiness benchmarks unless the president waives these requirements and reports to Congress his reasons.

Iraqi Government Benchmarks. The bill would require the withdrawal of U.S. forces from Iraq (with some exceptions) within a 180-day period beginning July 1. However, the start of the withdrawal would be deferred if the President certifies by July 1, that Iraq is showing progress toward meeting a number of benchmarks of progress toward political reconciliation, economic reform and improved security. The security benchmarks include several steps intended to strengthen Iraqi Security Forces and insulate them from political interference, make them more evenhanded in providing security to all Iraqi citizens, and reduce the power of sectarian militias. The political and economic benchmarks include:

- enactment of legislation that would equitably share oil revenues among the country’s regions
- expenditure of \$10 billion for reconstruction projects
- holding of provincial elections later this year
- easing employment restrictions on former members of Saddam Hussein’s Baath Party, and
- facilitating the process of amending the country’s constitution to secure broader national consensus.

If the President certifies July 1 that Iraq is showing progress toward all these security, political and economic goals, the six-month U.S. redeployment would not start until October 1.

If the President certifies on October 1 that Iraq has met the five political and economic benchmarks, the start of the withdrawal would be further delayed until

¹⁶ Sec. 7, *P.L.91-652*, Special Foreign Assistance Act of 1971.

¹⁷ See Section 108, *P.L. 93-52*, Making Continuing Appropriations for the Fiscal Year 1974 and for Other Purposes.

March 1, 2008. Not later than that date, however, U.S. troops would have to begin withdrawing from combat roles, with the process to be completed within 180 days.

Regardless of when the six-month redeployment period ends, U.S. troops could remain in Iraq after that time only for certain missions, including training Iraqi forces, protecting U.S. diplomatic facilities and citizens and engaging in missions that are, “limited in duration and scope to killing or capturing members of al-Qaeda and other terrorist organizations with global reach.”

Troop Readiness Criteria. The House version of the supplemental also would prohibit the deployment to Iraq of military units that do not meet established Defense Department policies intended to maintain combat readiness and morale. These include requirements that (1) no unit could be deployed to Iraq for longer than is the policy of its service — 12 months for Army brigade combat teams and seven months for Marine regimental combat teams, (2) no Army unit could return to Iraq within a year of its previous deployment to that country and no Marine Corps unit within seven months, and (3) no unit be deployed unless the uniformed chief of its service certify to Congress that it is “fully mission capable.” The President could waive these limitations on a unit-by-unit basis if he reported to Congress why deployment of a particular unit is necessary.

In his February 27 testimony before the Senate Appropriations Committee, Gen. Pace said that if the services were barred from (1) extending the deployment of units beyond their normal duration, (2) deploying units that had not completed their full training syllabus and (3) temporarily relaxing some other deployment policies, the number of Army combat units that could be deployed in Iraq at any one time would oscillate between 14 and 19 brigades, instead of the 20 called for by the current plan.

The Defense Department’s long-established readiness measurement system assesses a unit to be “fully mission capable” if it is manned, equipped and trained to carry out the full range of traditional combat missions to which a unit of that type might be assigned. However, the Department has another system for assessing — through each unit commander’s subjective judgment — that unit’s readiness for a specific, non-traditional mission — such as the missions many combat units are conducting in Iraq and Afghanistan. By this alternative readiness assessment method, units deploying to Iraq may be fully ready for the missions they are about to undertake. The potential problem is that, should a contingency suddenly arise that requires those units to revert to their traditional combat missions, the necessary skills may have atrophied while the unit focused narrowly on the counterinsurgency mission in Iraq.

Debate. By linking the duration of the U.S. combat mission to the Iraqi government’s performance, the Administration’s critics can invoke President Bush’s argument that the overall U.S. strategy depends on the Iraqi government meeting its own benchmarks for progress toward economic reconstruction and political reform. In his January 10 address unveiling the new U.S. strategy in Iraq, President Bush said that, for the new approach to succeed, Iraqi citizens would have to see improvements

in their neighborhoods and communities. “So America will hold the Iraqi government to the benchmarks it has announced,” he said¹⁸

Similarly, by requiring the President to waive the Defense Department’s own policies for preserving readiness and morale in order to sustain the force in Iraq at its planned strength, the bill would highlight concerns that have been publicly raised by senior Army and Marine Corps officers over the adverse impact on their services of the current tempo of operations in Iraq and Afghanistan.¹⁹

However, the President and other opponents of the bill’s deadline for withdrawing combat units from Iraq and its limits on unit deployment argue that these provisions would embolden U.S. adversaries in Iraq, interfere with the President’s exercise of his constitutional power as commander-in-chief of the armed forces, and deprive U.S. commanders in the field of the flexibility they need to win the campaign.²⁰

During its March 15 meeting to mark up the bill, the House Appropriations Committee rejected 27-37 an amendment by Representative Jerry Lewis that would have deleted the withdrawal deadline and deployment restrictions while adding a provision declaring that Congress “will not cut off or restrict funding” for units deployed to Iraq and Afghanistan. The committee then adopted 37-27 an amendment by Representative John P. Murtha adding to the bill a declaration that Congress “fully supports the needs of members of the Armed Services” who have been deployed on those missions, and their families. On both amendments, the committee divided along party lines, with all voting Republicans supporting Lewis and opposing Murtha while all voting Democrats opposed Lewis and supported Murtha,

The committee also rejected 0-37 an amendment by Representative C. W. Bill Young that would have barred the use of any appropriated funds to finance U.S. combat activities in Iraq, except to those that were necessary to protect the lives of American citizens and to provide for the orderly withdrawal of U.S. forces.

After debating H.R. 1591 under a rule that allowed only technical amendments, the House passed the bill March 23 by a vote of 218-212 , with the troop deployment limitation provisions intact.

¹⁸ President George W. Bush, “Address to the Nation,” Jan, 10, 2007 [<http://www.whitehouse.gov/news/releases/2007/01/print/20070110-7.html>].

¹⁹ During a Senate Armed Services Committee hearing on Feb. 15, 2007, Army Chief of Staff Gen. Peter Schoomaker and Marine Corps Commandant Gen. James Conway each acknowledged concerns about the breadth of training units can undergo between deployments to Iraq and Afghanistan. The President’ proposal to increase the permanent end-strength of those two services by a total of 92,000 troops is justified largely by the need to reduce the frequency of deployments for any one unit.

²⁰ President George W. Bush, “Remarks at the National Republican Congressional Committee Dinner,” March 15, 2007.

Related Action: Senate Troop Withdrawal Resolution

On March 15, the Senate rejected 48-50 S J Res 9, which would have required the president to begin withdrawal of U.S. forces from Iraq within 120 days of enactment. The joint resolution was sponsored by Majority Leader Senator Harry Reid and 41 Democratic co-sponsors.

In its prefatory “whereas” clauses, the joint resolution declared (1) that Congress and the American people support troops who have served or will serve in Iraq, (2) that circumstances referred to in the 2002 resolution authorizing the use of military force against Iraq (P.L. 107-243) have changed “substantially,” (3) that U.S. troops “should not be policing a civil war,” and that U.S. policy in Iraq should change to emphasize the need for a political solution among Iraqi leaders.

The body of the joint resolution would have mandated a “phased redeployment from Iraq” of all U.S. combat forces except for “a limited number” essential for protecting U.S. and coalition personnel and infrastructure, training and equipping Iraqi forces, and “conducting targeted counter-terrorism operations.” The legislation would have required the President to begin the withdrawal within 120 days of enactment, with a “goal” of completing the process by March 31, 2008. That is the date by which the Iraq Study Group recommended last fall that, “subject to unexpected developments in the security situation on the ground, all [U.S.] combat brigades not necessary for force protection could be out of Iraq.”²¹

Although the joint resolution identified March 31 as a goal for completing the withdrawal rather than as a hard and fast deadline, thus implying that the deployment could be continued beyond that date for unspecified reasons, some senators who publicly opposed the President’s decision in January to send additional U.S. combat troops to Iraq reportedly opposed S J Res 9 because it included even this tentative deadline for removing troops from the country.

The joint resolution also would have directed that the removal of U.S. troops from Iraq to be implemented, “as part of a comprehensive diplomatic, political and economic strategy” to stabilize Iraq, including engagement of neighboring countries and the international community. It would have directed the President to report on progress in the required reshaping of U.S. policy on Iraq within 60 days of enactment and at 90-day intervals thereafter.

Immediately after the Senate rejected S J Res 9, it adopted two other Iraq-related measures:

- By a vote of 82-16, it adopted S Con Res 20, sponsored by Senator Judd Gregg, expressing the sense of Congress that Congress would not eliminate or reduce funding for troops in the field;

²¹ Iraq Study Group Report, Vintage Books, 2006, p. 72

- By a vote of 96-2, it adopted S Res 107, sponsored by Senator Patty Murray, expressing the sense of the Senate that the President and Congress should ensure that U.S. forces, “have everything they need to perform their assigned or future missions,” and should review and adjust policy and funding as needed, “to ensure our troops have the best chance for success in Iraq and elsewhere.”

Pending Action: Senate Supplemental Iraq Provisions

The Senate version of H.R. 1591 includes provisions, similar to those in the S J Res 9, that would require the President to begin, within 120 days of enactment, a “phased redeployment” of U.S. forces from Iraq with the goal of removing all combat forces by March 31, 2008, except for “a limited number” that could remain to (1) protect U.S. and coalition personnel and facilities, (2) train and equip Iraqi forces and (3) conduct “targeted counter-terrorism operations.”

Unlike the timetable for U.S. troop move that would be established by the House bill, the Senate measure describes its March 31, 2008 target date for completing the redeployment as a “goal,” rather than a mandatory deadline.

The provision includes findings that Congress and the American people will continue to support and protect troops who are serving or have served in Iraq, that the circumstances referred to in the 2002 legislation authorizing the use of force against Iraq (P.L. 107-243) have changed substantially, that U.S. troops “should not be policing a civil war,” and that “the current conflict in Iraq requires principally a political solution,” and that U.S. policy in Iraq must change to emphasize the need for a political solution by Iraqi leaders.

‘Comprehensive Strategy’. The Senate version of the bill also declares that the troop redeployment shall be implemented as part of a comprehensive political, diplomatic and economic strategy for stabilizing Iraq, which will include, “sustained engagement with Iraq’s neighbors and the international community.”

The bill requires the President to report to Congress 60 days after enactment of the bill and every 90 days thereafter on progress made in withdrawing U.S. troops and adopting the new strategy for stabilizing Iraq. On the same schedule, the President also would be required to give Congress, “a classified campaign plan” including strategic and operational benchmarks and projected redeployment dates for withdrawing U.S. forces.

Benchmarks for the Iraqi Government. In addition, the Senate bill would require the Commander, Multi-National Forces, Iraq (currently U.S. Army Gen. David Petraeus), to report to Congress not later than 30 days after enactment of the bill and every 60 days thereafter on the Iraqi government’s progress toward several benchmarks of progress toward providing greater public security and political and economic reform.

The benchmarks which, the bill describes as reflecting previous commitments of the government of Iraq, closely parallel the benchmarks that would be established by H.R. 1591. They are:

- deployment of trained and ready Iraqi security forces in Baghdad;
- strengthening the authority of Iraqi commanders to make military decisions without political interference;
- disarming sectarian militias and ensuring the Iraqi security forces are accountable to the central government and are loyal to the constitution.
- enacting legislation that would afford all Iraqis an equitable share in the profits of the country's petroleum industry;
- reforming the de-Ba'athification process;
- establishing an equitable process for amending the constitution; and
- establishing rules in Parliament that would protect the rights of minority parties.

Debate Deferred. When the Senate Appropriations Committee took up the supplemental appropriations bill March 22, there was no separate vote on the Iraq withdrawal provisions.

The committee briefly debated an amendment offered by Republican Senator Richard Shelby that would have stricken the Iraq withdrawal provisions. However Senator Shelby withdrew the amendment as a gesture of comity because, although the committee's Democratic majority was united in support of the original provision, their one-vote margin on the committee was temporarily nullified by the absence due to illness of Senator Tim Johnson.

Senate Floor Amendments. On March 27, the Senate rejected by a vote of 48-50 and amendment by Senator Thad Cochran that would have eliminated from the bill the provisions mandating that a troop withdrawal begin by March 31, 2008 with the goal of removing U.S. troops from Iraq (except for specified, limited missions) by August 31, 2008.

FY2007 Defense Supplemental²²

In the fifth year of operations since the 9/11 attacks, the Department of Defense (DOD) is requesting a total of \$163.4 billion in emergency funds to cover war costs for FY2007 including \$70 billion already provided in DOD's regular FY2007 appropriations and a new supplemental request of \$93.4 billion. If enacted, DOD's funding would increase by 40% above the previous year and would more than double from the FY2004 funding level.

²² Prepared by Amy Belasco, Specialist in the U.S. Defense Budget.

To date, according to CRS estimates, Congress has provided DOD with a total of \$472 billion for Iraq (Operation Iraqi Freedom or OIF), Afghanistan and other counter-terror operations (Operation Enduring Freedom or OEF) and enhanced security (Operation Noble Eagle or ONE). If the FY2007 Supplemental request is approved, DOD's total would rise to \$565.6 billion (see **Table 2**).²³ In FY2008, the Administration is also requesting \$141.7 billion for war costs in addition to DOD's regular request for \$481.4 billion.

In addition to the \$472 billion received by DOD since the 9/11 attacks, the State Department has received about \$37 billion for foreign and diplomatic operations, and the Department of Veterans' Affairs about \$1 billion for medical care for OIF/OEF vets. That brings total funds appropriated to date for Iraq and the Global War on Terror (GWOT) to \$510 billion for military operations and support, repair, replacement and upgrading of military equipment, foreign aid and diplomatic operations and VA medical care.²⁴

Table 2 shows war funding by title from FY2005 to the original FY2007 Administration request, which is being used as the baseline by the appropriations committees. The figures reflect the FY2007 Supplemental Request as included in the appendix of the FY2008 budget issued by OMB.²⁵ In some cases, DOD's request figures do not match those in the appendix.

²³ For information on war costs, see CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11* by Amy Belasco

²⁴ *Ibid.*

²⁵ OMB, FY2008 Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," 2-5-07 (figures differ from DOD request for several accounts), p. 1143ff. [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>]

**Table 2. DOD War Budget Authority By Title:
FY2004-FY2007 Request^a**
(in billions of dollars)

Title	FY04	FY05	FY06	FY07 Bdgt	FY07 Req.	FY07 Total w/ Req.
Military Personnel	17.9	19.7	16.7	5.4	12.4	17.5
Operation & Maintenance/Health/Other ^b	42.7	49.0	61.5	39.2	38.8	77.9
Procurement	7.2	17.3	21.5	19.7	24.9	44.6
Research, Dev., Testing & Evaluation	0.4	0.6	0.8	0.4	1.4	1.9
Working Capital /National Sealift Funds ^c	1.6	3.0	3.0	—	1.3	1.3
Military Construction	0.5	1.2	0.2	—	1.9	1.9
Subtotal: Regular Titles	70.3	90.9	103.7	64.7	80.9	145.6
Special Funds and Transfer Caps						
Iraqi Freedom Fund (IFF)	2.0	3.8	3.3	0.1	0.2	0.2
Afghan Sec. Forces Training Fund	—	1.3	1.9	1.5	5.9	7.4
Iraq Security Forces Training Fund ^d	[5.0]	5.7	3.0	1.7	3.8	5.5
Joint Improvised Explosive Device (IED) Defeat Fund ^e	—	—	3.3	1.9	2.4	4.3
Coalition Support Cap ^f	[1.2]	[1.2]	[1.5]	[.9]	[.3]	[1.2]
Commanders Emergency Response Cap ^f	[.2]	[.8]	[.9]	[.5]	[.5]	[.9]
Intell. Comm. Mgt Fund ^g	—	0.3	0.2	—	0.1	0.1
Special Transfer Authority ^h	[3.0]	[3.0]	[4.5]	[3.0]	[3.5]	[6.5]
Subtotal: Special Funds	2.0	10.7	11.5	5.2	12.4	17.6
Total^a	72.3	101.9	115.4	70.0	93.4	163.4

Notes and Sources:

- a. This table separates funds with special purposes such as the Afghan Security Forces Fund. The BA in these funds is distributed within each of the main titles (e.g., The Afghan Security Forces Fund is an account within O&M). CRS has adjusted the amounts shown in those titles to avoid double-counts. Includes amounts appropriated and amounts transferred with Congressional approval. Reflects the Administration's original FY2007 supplemental request of Feb. 5, 2007 that the appropriators are marking to in their bill rather than the amended request of March 9, 2007; see OMB, FY2008 Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," 2-5-07 (figures differ from DOD request for several accounts), p. 1143ff; [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>]
- b. "Other" includes counter drug and Office of Inspector General funds.
- c. Working capital funds finance support costs such as fuel.
- d. Training Iraqi security forces was initially funded in the State Department [shown in brackets]but is now funded in DOD.
- e. Funds for IED Defeat that were appropriated to the IFF in FY2006 are shown here under Joint IED Defeat Fund. The Joint IED Defeat Fund is a transfer account to finance procurement, RDT&E, and operation and maintenance responses to IED attacks.
- f. Congress sets caps that limit the total amount that can be spent on coalition support to countries helping in the global war on terror, and on the CERP, a program which permits military commanders to provide funds for small-scale reconstruction projects in Iraq and Afghanistan.
- g. Appropriated for the CIA in the DOD appropriations act.
- h. Congress sets the amount of transfer authority in each bill. The table includes amounts provided for both bridge and supplemental funds. Includes \$10.4 billion for Iraq Freedom Fund in FY2003 (deducting specified floors) plus \$2 billion in transfer authority.

Administration Amends FY2007 Supplemental to Finance Troop Increase

On March 9, 2007, the Administration submitted an amended budget request to Congress that would provide \$3.2 billion for

- 4,700 troops to support the addition in combat forces in Iraq already underway;
- to add 7,200 troops in Afghanistan for counterinsurgency operations and training Afghan security forces;
- to add funds and authority for DOD to start up factories in Iraq, to assist the Iraqi government to disarm, demobilize and reintegrate militias, to fund Provincial Reconstruction Teams, and to equip and train the Pakistan Frontier Corps that operates on the border; and
- to add \$50 million in a new Medical Support transfer account to help soldiers transition from deployment to continued military service or civilian life.

See below for a discussion of surge issues.

To finance these increases, the Administration proposes to cut its original FY2007 Supplemental by:

- eliminating requests for C-130J, V-22, JSF, and 5 of 6 EA_18G electronic warfare aircraft;
- cutting its estimate of the cost of deploying additional naval forces by more than half;
- eliminating lower priority military construction in Afghanistan and Guantanamo;
- eliminating its request for \$302 million for the Regional War on Terror in Djibouti and the Philippines; and
- reducing various support programs.²⁶

Expansion of Activities Funded in the FY2007 Supplemental Request

DOD's FY2007 Supplemental request appears to be based on a new and expanded definition of war costs that permits the services to fund not only operations in Iraq and Afghanistan but also "the longer war on terror." On October 25, 2006, Deputy Secretary of Defense Gordon England, issued new "ground rules" for the FY2007 Supplemental stating that the services could include "incremental costs related to the longer war against terror (not just OEF/OIF)" including replacement of war-worn equipment with newer models and "costs to accelerate specific force

²⁶ See OMB, Estimate No. 3, March 9, 2007; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf]; DOD Briefing, "Adjustment fo FY2007 Emergency Supplemental Request," March 9, 2007.

capability necessary to prosecute the war.”²⁷ Estimates were due within a week and decisions were to be made by November 15, 2006. There is no specific definition of the “longer war on terror,” now one of the core missions of the Department of Defense.

This new guidance may be the primary reason for the 40% increase over FY2006 funding that DOD is proposing for FY2007. The new definition constitutes a significant shift from long-standing DOD financial regulations that require that costs be:

- necessary to carry out specific operations;
- strictly incremental, i.e., costs would not have been incurred “in the absence of the contingency requirement;” and
- executable within the current fiscal year.²⁸

These strictures were reiterated in guidance issued to the services on July 19, 2006 on developing FY2007 Supplemental and FY2008 war costs, with warnings that any questionable procurement costs that did not appear to be incremental would be closely scrutinized.²⁹

Congress may want to consider whether this expanded definition is appropriate for an emergency supplemental request intended to meet urgent needs. Many of the items proposed in the FY2007 Supplemental request may not appear to be truly urgent needs, strictly tied to OIF and OEF operations, or likely to be executed within the fiscal year.

How Urgent is Passage of the FY2007 Supplemental?

In past years, Congress has been under pressure from the Army to pass supplementals quickly in order to ensure that the Army will have enough funds to meet both its wartime and peacetime operations. The FY2006 Supplemental was enacted in mid-June 2006, which the Army claimed created considerable management problems because the Army had to “cash flow” or temporarily finance war costs by tapping funds from its regular budget slated to be spent at the end of the fiscal year as well as transferring funds from other accounts.

²⁷ Deputy Secretary of Defense Gordon England, Memorandum for Secretaries of the Military Department, “Ground Rules and Process for FY ‘07 Spring Supplemental,” October 25, 2006.

²⁸ Department of Defense, *Financial Management Regulation*, Volume as, Chapter 23, “Contingency Operations,” p. 23-25, 23-2.7; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf]. These regulations were developed in the mid 1990s to provide guidance about how to cost contingency operations such as Bosnia.

²⁹ Under Secretary of Defense, Memorandum for Secretaries of the Military Departments, “Fiscal Year (FY) 2008-2013 Program and Budget Review,” July 19, 2006, p. 34-49, specifically p. 36, 39, 41.

The Army is currently claiming that the supplemental needs to be enacted by the end of April to avoid such problems.³⁰ In this year's bridge fund, however, Congress provided \$28.4 billion to meet the Army's operational needs, some \$7 billion higher than last year's bridge fund.³¹ These additional funds could reduce the pressure to pass the supplemental. Using DOD data, CRS estimates that the Army could cover its operational costs until about June or July 2007 by using war funds in the bridge, temporarily transferring procurement funds to operations, and tapping monies in its baseline budget that would not be needed until the end of the year.³² This does not mean, however, that the Army would not face disruptions if funding is delayed. In order to ensure funding is available for the later months of the year, the Army may slow down its operations long before money would run out by, for example, limiting facility maintenance and repairs, slowing equipment overhauls, limiting travel and meetings, and, perhaps, slowing down training.

Make-up of the FY2007 Supplemental

DOD's FY2007 request adds to the \$70 billion in war funding already received in the bridge fund that was included in DOD's regular appropriations (Title IX, P.L.109-289). **Table 2**, above, shows amounts provided from FY2004 to the FY2007 bridge fund, the amount requested in the FY2007 Supplemental, and the total for FY2007 if the supplemental request is approved. Funding levels are shown for standard titles of defense appropriations bills and for various new accounts set up for special purposes since the 9/11 attacks.

With the exception of fairly stable funding for military personnel, the FY2007 amounts requested by DOD would provide for major increases in annual funding levels, including:

- a 25% increase in annual operating costs — from \$61.5 billion to \$77.4 billion;
- close to a doubling in procurement costs — from \$23 billion to \$43 billion;
- a ten-fold increase in military construction from \$200 million to almost \$2 billion;
- over a threefold increase in monies to train and equip Afghan security forces for a total of \$7.4 billion this year;

³⁰ Army Budget Office, "OMA FY07 Spending Projections," February 5, 2007

³¹ See *H.Rept. 109-676*, p. 357 and *H.Rept. 109-359*, p. 468.

³² The CRS estimate assumes that the Army spends at about \$3.7 billion a month, above the FY2006 rate but less than the amount full requested in FY2007. CRS also assumes that Congress approves transfers that tap some of the \$3 billion in special transfer authority in the FY2007 bridge fund and the \$4.5 billion in general transfer authority for its regular FY2007 funds (see sections 9003 and 8005, P.L.109-289). Thus far the Army has obligated funds at a higher rate — front loading obligations — so obligations would presumably be lower later in the year.

- an 80% increase in monies to train and equip Iraqi security forces to \$5.5 billion;
- a 30% increase in the joint fund set up to find responses to meet the threat from improvised explosive devices (IEDs); and
- a doubling to almost \$2 billion for support to Pakistan and other allies for support in the global war on terror (GWOT).

DOD's Justification for the FY2007 Supplemental

According to the Department of Defense, the main goals of the FY2007 Supplemental are to provide for:

- incremental pay, benefits, and support of about 320,000 military personnel who conduct military operations for OIF and OEF;
- reconstitution or reset — the repair and replacement of war-worn equipment;
- force protection and defeat of IEDs;
- a temporary “plus-up” of 21,500 troops in Iraq and sending an additional aircraft carrier group in the Gulf;
- accelerated conversion of Army and Marine Corps (MC) units to new standard configurations;
- additional equipment and infrastructure to permanently expand the size of the Army and Marine Corps by 2012;
- equipping and training Afghan and Iraqi security forces
- reimbursing coalition partners working with U.S. military forces;
- funds for small-scale reconstruction projects administered by individual commanders;
- military construction in Iraq, Afghanistan and Djibouti; and
- classified programs.

Using these categories, **Table 3**, below shows the amounts enacted in FY2006, the FY2007 bridge, the FY2007 Supplemental request, the total requested for FY2007, and the annual change.³³

³³ From DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, Feb. 2007; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]

**Table 3. Department of Defense FY2007 War Request:
FY2006 and FY2007 Bridge, and FY2007 Request**
(billions of dollars)

Program	FY2006 Enacted	FY2007 Bridge	FY2007 Supp.'l	FY2007 Total with Request	Percent Change FY06- FY07
Incremental Pay and Benefits and operating and support Costs	67.2	30.5	39.2	69.8	4%
Temporary Troop Plus-up and Higher Naval Presence	0.0	0.0	5.6	5.6	NA
Accelerating Modularity	5.0	0.0	3.6	3.6	-28%
Infrastructure and equipment for permanent Increase in Army and Marine Corps	0.0	0.0	1.7	1.7	NA
Reconstitution or Reset	19.2	23.6	13.9	37.6	96%
Force Protection	5.4	3.4	8.0	11.3	111%
Joint Improvised Explosive Device Defeat Fund	3.3	1.9	2.4	4.4	31%
Equip and Train Afghan and Iraq Security Forces	4.9	3.2	9.7	12.9	163%
Coalition Support	1.2	0.9	1.0	1.9	58%
Commanders Emergency Response Fund	0.9	0.5	0.5	1.0	6%
Military Construction Overseas in Iraq and Afghanistan	0.2	0.0	1.1	1.1	423%
Military Intelligence	1.5	0.8	2.7	3.5	135%
Non-DOD Classified	5.6	5.1	3.6	8.8	57%
Regional War on Terror	0.0	0.0	0.3	0.3	NA
GRAND TOTAL	114.4	70.0	93.4	163.4	43%

Sources: Department of Defense, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007, available online at [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]. DOD excludes in its calculation of war costs \$1.5 billion provided in FY2006 appropriation to make up for the increase in fuel prices in DOD's baseline program.

Military Personnel and Operations Request

DOD shows an increase of \$2.6 billion between FY2006 and FY2007 in day-to-day war-related military personnel and operating costs, which appears to be associated with additional costs to consolidate bases in Iraq and higher operating tempo. This figure does not reflect personnel or operating expenses allocated to specific purposes such as funding for the temporary 21,500 increase in troops, accelerating modularity, repair of war-worn equipment, and force protection which are shown separately.

According to DOD, funding for pay and operations supports about 312,000 troops conducting OIF and OEF operations including about 140,000 in Iraq and 20,000 in Afghanistan.³⁴ This figure of 312,000 military personnel for both operations is higher than generally cited by DOD witnesses, and presumably includes not only “boots on the ground,” but about 110,000 additional troops deployed in the region or for other counter terror operations, and another 50,000 activated reservists in the United States who are either training up to deploy, backfilling positions for active-duty troops or providing enhanced security at defense installations.³⁵

Recently, DOD appears to have expanded the types of operating expenses that are considered war-related, now allowing the services to request additional funds for some base support costs not in the theater of operations, arguing that there are additional costs associated with deploying forces. For example, the Army includes \$2 billion for this type of base support including additional security guards in bases in Europe and the United States. Some might question this rationale. Base support costs could also be lower in some cases because deployed troops do not use base services.

DOD has also included in the FY2007 supplemental request \$500 million to expand its inventory of spare and repair parts. This may reflect a judgment that the services should be prepared to conduct large-scale contingency operations for a longer period than had earlier been planned. This may be one more reflection of DOD’s decision to expand the scope of costs permitted in supplemental requests to include costs of the “long war on terror” and not just emergency war costs.

Temporary Troop “Surge” and Increased Naval Presence: Amended Request

The FY2007 Supplemental amended request includes \$6.0 billion to pay for the president’s proposal, announced on January 10, 2007, to increase troops in Iraq by 21,500 and to heighten the U.S. naval presence in the Gulf by deploying an additional aircraft carrier and a Marine Expeditionary Force. This initiative is already underway. The amended request adds funds for about 4,600 support troops and contract support, which is partially offset by a reduction in the estimated cost of the additional naval deployments.³⁶ The additional support troops reflects recent controversy raised by

³⁴ DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf], p. 16. hereinafter, DOD, *FY2007 Supplemental*.

³⁵ These figures reflect CRS calculations from data on average troop strength compiled by the Defense Manpower Data Center as of November 2006.

³⁶ The request would add 1,600 support troops, 2,200 additional military police to handle more detainees, contract support, and additional force protection and vehicles; see OMB, Estimate No. 3, “Amendment to FY2007 Supplemental for Additional Troops with (continued...) ”

a CBO estimate that suggested that DOD had not provided for support forces (see below).

Unless Congress enacts specific restrictions, the president can use currently available DOD funds to conduct military operations including the deployment of additional troops because funds are appropriated for particular types of expenses — e.g., military personnel costs — rather than designated for particular operations. This gives the president leeway to conduct military operations as he sees fit. (See above for a discussion of ways to restrict military operations.)

Because these additional expenses were not part of plans when the funds were appropriated last year, DOD will likely use up its available funds sooner than anticipated. The amended FY2007 Supplemental request includes \$5.3 billion for the troop increase plus \$695 million for the additional carrier group (funded in military personnel and operation and maintenance accounts). Assuming the FY2007 supplemental is enacted, DOD can restore funds to other activities whose funding was temporarily tapped to pay for the “surge” or “plus-up.”

A recently published CBO estimate projected that the troop increase alone was likely to cost from \$9 billion to \$13 billion if peak troop levels were sustained for four months rather than the \$3.1 billion proposed by DOD.³⁷ The higher CBO estimate assumes that DOD would also need to deploy not only 21,500 combat troops, but from 15,000 to 28,000 support troops.³⁸ Most recently, Deputy Secretary of Defense Gordon England told the House Budget Committee that the surge would require 4,000 additional troops at a cost of about \$1 billion through September 30.³⁹

CBO also estimated that the cost could range from \$20 billion to \$27 billion if the higher troop levels were sustained for 12 months rather than the temporary increase proposed by the President, again with the range reflecting different

³⁶ (...continued)

Offsets,” March 9, 2007, p. 1-2; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf].

³⁷ Congressional Budget Office, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007. Available online at [<http://www.cbo.gov/ftpdocs/77xx/doc7778/TroopIncrease.pdf>].

³⁸ CBO, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007, p. 4; [<http://www.cbo.gov/ftpdocs/77xx/doc7778/TroopIncrease.pdf>]. This estimate assumes that peak levels are sustained for four months. The range in the estimate reflects two alternative planning assumptions — one that about one support troop would be needed for each combat troop (a relatively lean assumption that could fit a temporary increase) and the other that about 1.4 support troops would be needed for each combat troop (the standard Army planning assumptions).

³⁹ Scott Cox, “England: DOD Likely to Reprogram Funding for Surge Support Personnel,” Gallery Watch.com, March 6, 2007.

assumptions about the number of support troops needed for each combat troop.⁴⁰ Recently, General Petraeus, now in charge in Iraq, acknowledged that the additional troops “would need to be sustained certainly some time well beyond the summer,” so CBO’s alternate estimate that the higher levels would be sustained for 12 months could be more realistic than the short time proposed by the president.⁴¹

The FY2007 Supplemental request for \$1.5 billion for deploying an additional carrier strike group to the Gulf was reduced to \$695 million in the amended request. Some would argue that naval presence is the everyday mission of the Navy, so that providing funds in an emergency supplemental is not appropriate. Last year, Congress questioned a proposal by the Navy to shift the cost of some steaming days from its regular budget to the supplemental — the Navy included funding in its regular budget for 37 days rather than the 51 days per quarter that has been the standard for many years. Congress restored that funding to the base defense budget and took an offset within the supplemental request for baseline regular training. This cost shifting could be considered inconsistent with DOD financial regulations that require that war-related costs be confined to activities that would not occur without the contingency.

The Navy’s reduction in its estimate of the cost of moving one carrier group from the Pacific to the Gulf and for deploying its replacement from \$1.5 billion to \$695 million as a result of refining its cost estimate appears to acknowledge that the original estimate was excessive — equal to about half of the Navy cost for steaming hours for its entire fleet of 302 ships.⁴²

Proposal to Increase Permanently the Size of the Army and Marine Corps

In previous annual supplemental appropriations bills, Congress has provided funding to cover costs of keeping additional active duty troops in the force over and above the pre-Iraq end-strength levels of the Army and the Marine Corps. In all, the two services have kept as many as 30,000 additional troops in the force in order to reduce demands on personnel and, in the case of the Army, to ease strains as it reorganized into a modular, brigade-based force structure.

DOD referred to the additional troops as “over strength,” and it requested funding in supplementals to cover the cost of recruiting and retaining additional personnel above the Army’s pre-war end strength of 482,000 and the Marine Corps pre-war end strength of 175,000. DOD argued that these increases were strictly war-related and temporary — a way to reduce the stress on forces. In January 2007,

⁴⁰ CBO, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007, p. 4.

⁴¹ Reuters, “U.S. Commander Says No Military Solution To Iraq,” March 8, 2007.

⁴² See Office of the Secretary of Defense, *Operation and Maintenance Overview*, “Fiscal Year 2007 Budget Estimates, February 2006, p. 158.

however, the president announced plans to permanently increase the size of the Army and Marine Corps by 92,000 over the next six years including the additional almost-30,000 Army and Marine Corps personnel already on board.

The FY2007 supplemental includes a total of \$4.9 billion to cover the military personnel cost of additional troops plus \$1.7 billion for equipment and infrastructure for the forces to be added in FY2007 and in following years (\$1.1 billion in procurement and \$600 million in military construction). DOD promises, however, that funding to equip future increases in the force will be requested in the regular, base budgets of the Army and Marine Corps starting in FY2009.

The proposal to add permanently to the size of the force marks a major change in Administration policy. Its purpose is not to help in Iraq, however — most of the additional forces are in future years when it is assumed that the U.S. military presence in Iraq will be considerably lower. Instead, it reflects a new, more demanding requirement for the number of troops that the United States should be able to deploy abroad in major stability operations presumably close to today's levels.

For an option roughly equivalent to the president's proposal — adding two divisions to the Army — in the past CBO estimated that the cost would be an additional \$90 billion between FY2008 and FY2017.⁴³ Congress may consider whether this plan is appropriately a war expense or whether it should be debated within the context of DOD's regular budget.

Regional War on Terror

DOD's original request included \$305 million for a newly-named "Regional War on Terror," referring to counter terror operations outside of Iraq and Afghanistan including in the Philippines, the Caribbean, Central America, Southern Cone countries, North Africa and support for Northern Command for its support of first responders.⁴⁴ The amended request withdraws these funds.

New Authorities for DOD Requested

The amended request asks for an additional \$359 million in the Iraq Freedom Fund that would be used:

- to support Provincial Reconstruction teams (\$150 million); and
- to restart businesses in Iraq (\$100 million) through a Task Force to Improve Business and Stability Operations in Iraq; and
- to provide economic assistance to the Federally Administered Tribal Areas in Pakistan (through the State Department).

⁴³ CBO, *Budget Options*, February 2007, pp. 9-10; [<http://www.cbo.gov/ftpdocs/78xx/doc7821/02-23-BudgetOptions.pdf>].

⁴⁴ DOD, *FY2007 Supplemental*, p. 74.

The request asks for additional authority for DOD to conduct help Iraq re-start factories that could be controversial.

Accelerating the Creation of Modular Units

The distinction between war-related and regular funding has also been made murky by DOD requests to treat conversion of Army and Marine Corps units to new standard configurations — known as modularity and restructuring — as a war requirement. For example, at DOD’s request, Congress, with some reluctance, agreed to provide \$5 billion in the FY2005 and the FY2006 supplementals for converting units with the understanding that DOD would move these funds back to its regular budget in later years. (This funding of modularity effectively gave the Army \$5 billion per year in additional funding in its regular budget for those two years.) To implement this decision, DOD set aside \$25 billion for the Army in future years to cover the cost of modularity.⁴⁵

The FY2007 supplemental, however, again requests \$3.6 billion to convert two Army brigade teams to the new modular design and to create additional Marine Corps battalions. Costs include \$900 million for military personnel, \$300 million for O&M, \$2.3 billion for procurement and \$100 million for military construction.⁴⁶ As before, Congress is being asked to finance reorganization of the Army and the Marine Corps with supplemental funds rather than in the regular defense budget.

DOD argues that these costs should be considered war-related because the addition of modular units makes it easier to rotate units to the war zone and hence extends the time between deployments giving soldiers more time at home (“dwell time”) which would reduce stress on forces, and thus improve readiness. This conclusion has been questioned in studies by both CBO and the RAND. Both studies found that modularity would only marginally improve force rotation schedules, suggesting that the entire modularity initiative would only make available an additional 6,000 to 7,000 troops.⁴⁷

One question for Congress may be whether DOD can quantify how much the time at home for soldiers increased beyond original plans because of previous supplemental funding for modularity, and what the effect is expected to be of the \$3.6 billion requested in the FY2007 Supplemental.

⁴⁵ Program Budget Decision 753, “Other Secretary of Defense Decisions,” December 23, 2004, p. 1.

⁴⁶ DOD, *FY2007 Supplemental*, p. 86.

⁴⁷ The RAND study argued that the types of units created were not those most needed and CBO found that the number of additional troops available would be only 6,000 to 7,000. RAND, *Stretched Thin: Army Forces for Sustained Operations*, 7-15-05; [http://www.rand.org/pubs/monographs/2005/RAND_MG362.pdf]. CBO, *An Analysis of the Military’s Ability to Sustain an Occupation in Iraq: an Update*, October 5, 2005; [<http://www.cbo.gov/ftpdocs/66xx/doc6682/10-05-05-IraqLetter.pdf>].

Front Loading Reconstitution or Reset

Another potentially controversial request in the FY2007 Supplemental is \$14 billion that DOD has requested for reset — the replacement of war-worn equipment. That request appears to “front load” (or fund in advance) DOD’s reset requirements, as OMB Director Portman acknowledged in recent testimony.⁴⁸ During final consideration of the FY2007 DOD appropriations bill, Congress added funds to the Title IX bridge fund that covers war costs to ensure that DOD’s reset requirements were fully met. As a result, that bill included \$23.7 billion for Army and Marine Corps reset costs, which is the entire amount that the services said was needed to meet their FY2007 requirements and cover previously unfunded FY2006 requirements.⁴⁹

Reset is defined as the “process of bringing a unit back to full readiness once it has been rotated out of a combat operation,” by repairing and replacing equipment and resting and retraining troops.⁵⁰ Within DOD’s financial regulations, “reconstitution” or “reset” is defined as the “supplies [that] must be replaced and equipment repaired when troops and/or equipment are redeployed or rotated.”⁵¹

Reset and reconstitution (which appear to be used interchangeably) therefore refer to the repair and replacement of war-worn equipment. Typically, about half of the total has been for repair (funded in O&M) and half for replacement (funded in procurement). Actual battle losses made up only about 10%, or \$1.5 billion of the Army’s total reset requirement in FY2006, with the remainder due to additional wear and tear on equipment to added equipment requirements. Equipment is replaced, not only when it is destroyed, but also when the services decide it is uneconomical to repair it (“washouts”). Recently, the services have also included in reset requests funds for recapitalization (rebuilding and upgrading equipment), for adding modifications to current equipment, and for buying new versions of equipment. This constitutes a substantial expansion of the traditional definition of reset. Between FY2002 and the FY2007 bridge fund, the Army and Marine Corps have received a total of \$50.2 billion for reset under this broad definition.⁵²

⁴⁸ Testimony of OMB Director Portman before the House Budget Committee, *Hearing on the FY2008 DOD Budget*, February 6, 2007, p. 41 of transcript.

⁴⁹ See table inserted by Senator Stevens in *Congressional Record*, August 2, 2006, p. S8571 showing \$23.7 billion for reset including \$4.9 billion for an unfunded FY2006 requirement; see also DOD’s *Report to Congress, Long-Term Equipment Repair Costs*, September 2006.

⁵⁰ Office of the Secretary of Defense, Report to Congress, *Ground Force Equipment Repair, Replacement, and Recapitalization Requirements Resulting from Sustained Combat Operations*, April 2005, p. 8; see also GAO-06-604T, *Defense Logistics: Preliminary Observations on Equipment Reset Challenges and Issues for the Army and Marine Corps*, p. 3.

⁵¹ DOD, *Financial Management Regulations*, Volume 12, Chapter 23, p. 23-21; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf].

⁵² Army officials have frequently cited a figure of \$12 billion to \$13 billion a year for reset (continued...)

DOD support documents say that the FY2007 Supplemental includes \$14 billion for reconstitution — all procurement funds. This appears to include funds for additional war losses, for anticipated replacement of equipment for future wear and tear, and for upgrading equipment in all of the services. The FY2007 Supplemental does not reflect additional funds to repair equipment.

If reset requirements were fully-funded in the FY2007 bridge fund, then it is not clear why DOD should request additional funds in the FY2007 Supplemental. Further evidence of the front loading of requirements is the inclusion in the FY2007 Supplemental of additional amounts for many of the same items funded in the FY2007 bridge fund.

The FY2007 Supplemental includes funds “recapitalization” even when recapitalization programs are ongoing and pre-dated OEF/OIF operations. The request includes large amounts, for example, for Bradley fighting vehicle recapitalization and M-1A2 SEP (System Enhancement Program) tank upgrades. Examples of front loading of reset in the FY2007 Supplemental include the following items (bridge funding shown in brackets) :

- \$520 million for Bradley base sustainment (\$1.4 billion in bridge);
- \$1.6 billion for the Family of Medium Tactical Vehicles (\$795 million in bridge);
- \$533 million for SINCGARS Family radios (\$125 million in bridge);
- \$573 million for Family of Heavy Tactical Vehicles (648 million in bridge);
- \$300 million for Marine Corps radio systems (\$850 million in bridge);
- \$45 million for Family of Construction Vehicles (\$98 million in bridge).

One reason for concern about front loading of reset requirements is the uncertainty of estimates of requirements, uncertainty acknowledged by DOD in a report to Congress last fall.⁵³ Although it is to be expected that reset requirements will grow as equipment is stressed by operations, the validity of specific estimates has not been established. Recently, GAO testified that until FY2007, the Army could

⁵² (...continued)

costs for the Army “as long as the conflict lasts at the current level and “for a minimum of two to three years beyond.” This includes both repair (funded in O&M) and replacement (funded in Procurement) of equipment. See statement of Peter J. Schoomaker, Chief of Staff, Department of the Army, before the House Armed Services Committee, “Reset Strategies for Ground Equipment and Rotor Craft,” June 27, 2006, p.2

⁵³ See Office of the Secretary of Defense, *Report to Congress: Long-Term Equipment Repair Costs*, September 2006; see p. 4 in the Executive Summary, which states “Future Reset costs will continue to change over time as battle losses and equipment Reset requirements continue to accrue.”

not track reset expenditures sufficiently to ensure that funds appropriated for reset were in fact spent for that purpose.⁵⁴ Without tracking of reset underway, DOD will have difficulty knowing whether the items included as reset were in fact, those that broke down and were repaired or replaced. A question for Congress may be whether front loading these costs is advisable given the uncertainty of requirements.

Reset requirements may also be uncertain because the number of troops and intensity of operations may change, as DOD has also acknowledged. In an earlier estimate last spring, the Army estimated that reset requirements would decrease from \$13 billion a year to \$10.5 billion a year for the next two years and then decline to \$2 billion a year if troops were withdrawn over a two-year period.⁵⁵ Earlier estimates of cost were also lower. In March 2005, for example, CBO estimated that annual repair and replacement costs would run about \$8 billion a year for all four services (about \$6 billion to \$7 billion for the Army and Marine Corps) based on the then-current pace of operations and service data.⁵⁶

Another question that has been raised about reset requirements is whether it is appropriate for the services to replace equipment that is no longer being produced with new items that are just beginning or have not yet begun production. DOD's regulations caution the services not to request "accelerations of baseline procurement end items" for contingencies unless specifically approved by the Office of the Secretary of Defense, presumably on an exception basis.⁵⁷

Yet, the Air Force includes \$389 million for two JSF Joint Strike Fighters, \$146 million for CV-22 Ospreys and \$388 million for C-130J aircraft, all new systems just beginning or not yet in production.⁵⁸ DOD argues that in cases when an item is no longer in production, it is appropriate to request such replacements. The Administration's amended requests cuts these programs probably recognizing congressional scepticism about this argument.

Other, similar examples include the Navy request for \$450 million for EA-18G electronic warfare aircraft and \$71 million for MV-22 aircraft, both new aircraft just beginning production. In its March 9, 2007 amendment, the Administration withdrew its request for five of the six EA-18G aircraft requested. Some might argue

⁵⁴ GAO-07-439T, Testimony of William Solis before the Subcommittee on Readiness and Air and Land Forces, House Armed Services Committee, January 31, 2007, p. 2 and 3.

⁵⁵ Army Briefing, "Army equipment Reset Update," May 18, 2006, p. 8.

⁵⁶ CBO Testimony by Douglas Holtz-Eakin, Director, "The Potential Costs Resulting from Increased Usage of Military Equipment in Ongoing Operations," before the Subcommittee on Readiness, House Armed Services Committee Apr. 6, 2005, p. 2. At the time, CBO had estimates similar to the services for the amount of accrued costs for reset.

⁵⁷ DOD, *Financial Management Regulations*, Volume 12, Chapter 23, p. 23-27; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf].

⁵⁸ Production of Navy JSF aircraft begins in FY2008; advance procurement begins in FY2007; see Air Force GWOT justification materials.

that it is questionable whether these types of requests qualify as an emergency requirement closely tied to war operations since the equipment ordered would not be delivered for about three years.⁵⁹

It appears that the FY2007 request includes substantial funds for major platforms intended to anticipated losses from the stress of war operations as well as replacement gear that would not be needed this year and many modifications designed to improve capability. While such requests would fit the new guidance to accelerate acquiring new capabilities anticipated to be needed for the longer war, such requests may not be directly linked to OIF/OEF operations.

Equipping and Training Afghan and Iraqi Security Forces

In addition to funds already provided in the FY2007 bridge funds and other funds still available from FY2006 appropriations, the FY2007 Supplemental request includes \$5.9 billion to equip and train Afghan security forces and \$3.8 billion for Iraqi security forces. If these funds are approved, the total to train and equip Afghan and Iraqi security forces would more than double from \$4.9 billion in FY2006 to \$12.9 billion in FY2007.

Between FY2006 and FY2007, annual appropriations would grow from \$1.9 billion to \$7.4 billion for Afghan forces and from \$3.0 billion to \$5.5 billion for Iraqi forces if the FY2007 supplemental is approved. In addition to programmatic issues, Congress may consider whether such steep increases can be absorbed effectively. As of November 2006, DOD had available — from either FY2006 or FY2007 bridge funds — \$4.1 billion for Afghan security forces and \$3.8 billion for Iraq security forces.⁶⁰ Taking these unobligated funds into account, the total available for Afghan security forces would be \$10 billion, and for Iraqi forces, \$7 billion, over the next year and a half if Congress approves DOD's request.⁶¹

From FY2003 through the FY2007 bridge fund, Congress has appropriated \$15.4 billion to train and equip Iraqi forces and at least \$4.7 billion for Afghan forces.⁶² DOD reports that the United States and coalition forces have trained 328,500 Iraqi security forces and 112,000 Afghan army and police forces. The additional funds for Afghanistan are intended to increase the number trained,

⁵⁹ For equipment requested in the FY2007 Supplemental, see DOD, *FY2007 Emergency Supplemental Request, Procurement, P-1 Exhibit*, February 2007; [[http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT/FY_2007_Emergency_Supplemental_Request_\(Atch\).pdf](http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT/FY_2007_Emergency_Supplemental_Request_(Atch).pdf)]

⁶⁰ CRS calculations based on Defense Finance and Accounting Service (DFAS), *Supplemental & Cost of War Execution Reports*, September 2006 and November 2006.

⁶¹ Funds are available for obligation for two years.

⁶² Total includes \$5 billion appropriated for Iraq training in FY2004 to the State Department. Afghanistan has received funding for its training through other accounts.

equipped, sustained, and housed from 115,000 to 152,000 presumably at a cost of the additional \$10 billion available. For Iraq, funding would improve logistical capabilities and enhance Air Force and naval capabilities.⁶³

Amendment to Restore FY2007 Funding for Base Realignment and Closure

On March 9, the White House submitted two formal amendments to its FY2007 supplemental request. One amendment, discussed above, is to add \$3.2 billion for 4,700 additional troops in Iraq, 7,200 additional troops in Afghanistan, additional armor protected vehicles, medical support for returning military personnel, and some other purposes. Costs are offset by mainly be reducing funding for F-35 and EA-18G aircraft.

A second amendment is to add \$3.1 billion to finance FY2007 base realignment and closure (BRAC) costs that Congress did not fund in military construction section of the full-year FY2007 continuing resolution (H.J.Res. 20, P.L. 110-5). The amendment also proposes \$3.1 billion of offsetting rescissions entirely from domestic appropriations accounts. The proposal to take the offsets in domestic funds may become a significant political issue. In effect, the White House is challenging Congress on the whole process through which emergency supplemental funding has come to be used to ease restrictions on overall discretionary funding. By eliminating BRAC funding from the continuing resolution, Congress was able to increase non-defense appropriations without exceeding budget resolution caps. To restore BRAC funding as emergency supplemental appropriations would be, in effect, to use defense emergency spending to allow an increase in non-defense programs. The White House budget amendment constitutes an objection to the continued use of emergency funding to avoid budget constraints.

FY2007 International Affairs Supplemental

Overview

In recent years, supplemental appropriations have become a significant source of additional funds for international affairs (150 account) programs at a time when regular appropriations have been constrained by budget pressures. Supplemental funding has been used not only to support expanded U.S. efforts in Iraq and Afghanistan, but also to respond to international crises and natural disasters.

In response, there has been some criticism that the Administration has relied too heavily on supplementals and that some items should be incorporated into the regular appropriations cycle. The Administration counters that given the nature of rapidly changing overseas events and unforeseen contingencies, it is necessary to make supplemental requests for unexpected and non-recurring expenses. Since FY1999,

⁶³ DOD, *FY2007 Supplemental*, pp. 38ff and pp. 50ff.

after the bombings of two U.S. Embassies in Africa in August 1998, Congress has approved Foreign Operations supplemental appropriations exceeding \$1 billion each year. The Bush Administration's supplemental request for international affairs totaled \$6.3 billion in FY2005 and \$4.2 billion in FY2006, amounting to about 13% and 21%, respectively, of the regularly-enacted foreign affairs budgets.

The FY2007 supplemental request of \$5.993 billion for international affairs represents about 20% of the FY2007 enacted international affairs funding. Of the nearly \$6 billion for international affairs spending, \$4.8 billion is proposed for foreign assistance programs, while \$1.18 billion would fund State Department operations, public diplomacy, and broadcasting programs.

Within the foreign assistance part of the supplemental request, security and reconstruction in Iraq and Afghanistan dominate, with \$2.3 billion for Iraq and \$721 million for Afghanistan. The supplemental request for Iraq is in addition to \$749 million requested in the FY2007 regular budget, for a total of \$3 billion.⁶⁴ If Congress approves the FY2007 supplemental request, amounts for Iraq would represent nearly 11% of total foreign aid funds in 2007. Similarly, the Administration's funding request for Afghanistan of \$1.1 billion in the regular FY2007 budget would total \$1.768 billion with the supplemental, representing 6% of the total foreign aid budget.

Other significant bilateral assistance funding is requested for Kosovo, Lebanon, and Sudan. Additional supplemental funds for humanitarian assistance, migration assistance, peacekeeping operations, and food aid are also sought for a number of countries. The supplemental request also includes \$161 million to address the potential for a global avian influenza pandemic.

For State Department operations, the Administration's FY2007 supplemental request of \$1.17 billion would be largely for activities and the U.S. Mission in Iraq. Another \$10 million for the Broadcasting Board of Governors would be for expanded broadcasting in Arabic on the U.S.-established Alhurra Television into 22 Middle East countries.

The House FY2007 supplemental bill includes a total of \$6.3 billion — \$4,970 million for foreign assistance and \$1,331.8 million for the State Department operations and international broadcasting. This represents about \$344 million more than the Administration's supplemental request for international affairs accounts.

⁶⁴ Because the FY2007 Continuing Resolution (P.L. 109-289 as amended by P.L. 110-5) was enacted late in the fiscal year, estimates of country level funding are not yet available for FY2007. This analysis is based on the FY2007 request. As Iraq and Afghanistan are considered critical programs by the Administration, and because the CR did not contain specific limitations on funds to Iraq and Afghanistan, it is reasonable to assume that final levels will be similar to the request.

The Senate FY2007 supplemental bill includes a total of about \$6.25 billion — \$5,108.2 million for foreign assistance and \$1,146.3 million for State Department operations and international broadcasting.

Iraq Reconstruction Assistance⁶⁵

The Administration's FY2007 supplemental request would provide a total of \$6.6 billion for Iraq reconstruction (see **Table 4**). Over \$4 billion of this sum is out of the Defense appropriations (050 account) portion of the request and would support the equipping and training of Iraqi security forces (\$3.8 billion for the Iraq Security Forces Fund) as well as provide U.S. troops with the capability to fund small-scale, grassroots development projects rapidly in an effort to stabilize areas of military operation (\$350 million in the Commander's Emergency Response Program — CERP). An Administration revision to the original request would support a scheme to rehabilitate Iraqi State-owned enterprises (\$100 million in the Iraq Freedom Fund).

The remaining \$2.3 billion is requested under six foreign operations (150) accounts meeting a variety of economic reconstruction and humanitarian objectives. Most of this funding — \$2.1 billion — falls under the Economic Support Fund and would continue existing efforts to encourage private sector and agricultural policy reform, strengthen civil society, foster democratization, and assist the national ministry staff in the performance of their duties.

⁶⁵ Prepared by Curt Tarnoff, Specialist in Foreign Affairs.

**Table 4. FY2007 Supplemental Appropriations Request
for Iraq Reconstruction**

International Affairs (Budget Function 150 Accounts)	
Economic Support Fund (ESF)	\$2,072 million: of which — \$1,254 million for PRTs, CAPs, and CSP (community stabilization program); \$100 million for ag reform, priv sec reform; \$718 million for Ministerial Capacity Development (MCD), democracy, civil society.
International Narcotics Control and Law Enforcement (INCLE)	\$200 million: for strengthening judicial process and prison construction.
Non-Proliferation, Anti-Terrorism, Demining, and Related Programs (NADR)	\$7 million: for demining
Migration and Refugee Assistance (MRA)	\$15 million
Treasury	\$2.75 million
International Disaster and Famine Assistance (IDFA)	\$45 million
TOTAL 150 Account	\$2,341.75 million
Department of Defense (Budget Function 050 Accounts) *	
Iraq Security Forces Fund (ISFF)	\$3,842.3 million
Commander's Emergency Response Program (CERP)	\$350 million
Iraq Freedom Fund	\$100 million: for Iraqi State-owned enterprises
GRAND TOTAL 150 & 050	\$6,634.05 million

Sources: Department of State and Department of Defense FY2008 Congressional Budget Justifications.

***Note:** Department of Defense program funding is also discussed in the parts of this report that address the DOD supplemental request and amounts are shown in other tables there.

More than half of the proposed ESF funds appear intended to directly assist the President's new strategy for Iraq. As announced in early January, the reconstruction component of that strategy would double the number of Provincial Reconstruction Teams (PRTs) from 10 to 20 and increase the number of U.S. civilian staff for them from 250 to at least 400.⁶⁶ The PRTs, composed of State Department, U.S. Agency

⁶⁶ State Department Iraq Coordinator David Satterfield has said the staff increases from 290 to 600. Teleconference, February 7, 2007.

for International Development (USAID), Department of Defense (DOD), and other agency staff, work with the Iraqi provincial governments to identify projects that can be implemented with U.S. funding, and, at the same time, they seek to strengthen the capacity of Iraqi officials to meet local needs. In essence, the new strategy envisions that, as U.S. and Iraqi military forces clear an area of Baghdad or Anbar province, PRT staff would immediately work with local Iraqis to further stabilize the area by drawing on all available spigots of U.S. and Iraqi government funding to create jobs and meet other basic needs.

The President's plan would increase PRTs in Baghdad from one to six and in Anbar province from one to three. To enhance U.S. civilian staff security and improve program effectiveness, greater effort would be made to integrate U.S. civilian teams with U.S. military battalions. The military's CERP, and USAID's Community Stabilization Program (CSP) and Community Action Program (CAP) funded by the FY2007 Supplemental would help support activities identified by the PRTs, as would the infusion of \$10 billion in promised funds from the Iraqi government. The FY2007 supplemental would provide funds to the PRTs for the kinds of grassroots activities they have supported elsewhere, such as improvements to community infrastructure, job training, vocational education, and micro-loans.

Security and staffing problems encountered by already existing PRTs, however, could possibly hinder the effectiveness of an expanded PRT program. In October 2006, the Special Inspector General for Iraq Reconstruction (SIGIR) asserted that, due to security constraints on travel outside their compounds, many PRT staff could not regularly meet with local government officials to carry out their capacity-building chores, and a former PRT staff member claims that local Iraqis are too intimidated by insurgent threats to meet with U.S. staff. The State Department's Coordinator for Iraq, David Satterfield, asserts that the SIGIR views on this issue do not reflect current reality.⁶⁷ Most observers, however, would not dispute that the ability of U.S. and Iraqi troops to secure and hold new areas of operation is key to the success of expanded civilian PRT efforts.

A second issue that might affect the success of the PRT expansion is the availability of U.S. civilian staff. In the past, DOD military civil affairs personnel filled slots for which U.S. civilians could not be recruited. However, the SIGIR has suggested that the need for required specialized skills for such posts as local government, economic, and agricultural advisers is still not being fully met with this approach. Although Secretary Rice has asserted that most positions are filled, it has been reported that about 129 of the new PRT posts are going to be occupied temporarily by military personnel until State is able to recruit sufficient numbers of

⁶⁷ SIGIR, *Status of the Provincial Reconstruction Team Program in Iraq*, 06-034, October 29, 2006; "Ex-Envoy Says Iraq Rebuilding Plan Won't Work," *Reuters*, February 17, 2007; Teleconference of Ambassador Satterfield, February 7, 2007.

civilian contract personnel. As many as 269 such personnel are expected to be needed eventually.⁶⁸

Associated with the reconstruction assistance program is an additional funding request (not included in the table) within the State Department account to cover the operational costs of both the PRTs (\$414.1 million) and the Special Inspector General for Iraq Reconstruction (SIGIR) (\$35 million).

On March 9, the Administration submitted a revision to its original supplemental request, including funds under the Iraq Freedom Fund account within the DOD portion of the request that would support reconstruction programs and operations. An additional \$150 million to support PRT operational costs would go to providing transportation, force protection, and body armor to all PRT personnel co-located with U.S. military as well as special pay and benefits for the 129 DOD-sponsored PRT temporary personnel noted above. A DOD plan to rehabilitate more than 140 of the nearly 200 state-owned enterprises that composed a large portion of the Iraqi economy prior to the U.S. occupation would be supported by \$100 million. Soon after the occupation began, the Coalition Provisional Authority, hoping to create a free-market economy, attempted to privatize these enterprises, but gave up when the turnover to sovereignty was accelerated. The Department of Defense expects that the revitalized factories will generate employment for as many as 150,000 Iraqis. U.S. assistance will provide necessary machines, tools and generators.

Congressional Action. The House-passed measure, H.R. 1591, would provide \$6,329.05 for Iraq reconstruction, a cut of \$305 million from the Administration request. The cuts occur in three accounts. The ESF account is decreased by \$185 million — \$100 million from the PRTs, \$30 million from the Community Stabilization Program (CSP), and \$80 million from the proposed political development activities.⁶⁹ H.R. 1591 adds \$25 million to USAID's Community Action Program (CAP). A \$20 million cut in INCLE funds is aimed at the requested construction of prison facilities. The revised Iraq Freedom Fund \$100 million request to assist Iraqi state-owned enterprises is neither funded nor addressed.

The House-passed legislation would impose conditions on the availability of appropriated reconstruction funds under the ISFF, ESF, and INCLE accounts. Half of the appropriated funds would be withheld unless the President certified by October 1, 2007, that, among other things, the Government of Iraq had enacted the hydrocarbon law, taken specific steps toward provincial and local elections, reformed de-

⁶⁸ Testimony of Secretary Rice to Senate Foreign Relations Committee, January 11, 2007; "Pentagon Agrees to Help Fill State Department's Iraq Reconstruction Jobs on Temporary Basis," *New York Times*, February 20, 2007; Teleconference of Ambassador Satterfield, February 7, 2007.

⁶⁹ It should be noted, however, that bill language would permit the Secretary of Defense to move as much as \$100 million from the Operation and Maintenance, Defense-Wide account to ESF in support of the PRTs.

Baathification laws, and begun expenditure of the promised \$10 billion Iraqi funds for reconstruction. ESF funds supporting the CAP and CSP programs as well as democratization activities, however, would be excepted from the certification requirement.

The bill would require the appointment by the President of a Coordinator for Iraq Assistance. The Coordinator would develop and implement an assistance strategy, coordinate assistance implemented by multiple U.S. departments and agencies, work with Iraq to achieve benchmarks, coordinate with other donors, and ensure adequate management and accountability. Currently there are three individuals who play roles that could be described as coordinating — the Coordinator for Iraq policy in Washington (David Satterfield), the Iraq Reconstruction Management Office (IRMO) head within the U.S. embassy who is expected to set requirements and priorities for reconstruction (Ambassador Joseph Saloom), and the newly appointed Coordinator for Economic Transition in Iraq expected to help the Iraqis use their resources in conjunction with U.S. assistance to meet Iraqi reconstruction needs (Ambassador Timothy Carney).

The request for operational costs associated with Iraq reconstruction would be changed by the House measure. PRT operational support contained in the Administration's revised request for the DOD Iraq Freedom Fund is neither funded nor addressed. PRT operational funding under the State Department would be cut by \$33.3 million to \$380.8 million, while the appropriation for the SIGIR would increase by \$10.5 million to \$45.5 million. The legislation would also extend the life-span of the SIGIR by including, for the purpose of calculating its termination date, FY2007 and FY2008 reconstruction funds from any account in the definition of the IRRF. Currently, the SIGIR terminates ten months after 80% of the IRRF and FY2006 funds are expended. The House Appropriations Committee's report notes that it intends FY2007 supplemental funds to be under the oversight jurisdiction of the SIGIR. However, H.R. 1591 does not accordingly amend the SIGIR's current authorization.

In a March 19 Statement of Administration Policy, the Administration objected to the House-proposed cuts in PRT programs and operations, arguing that PRT activities are necessary to create a self-reliant Iraq. The Administration also opposed a provision establishing an Iraq reconstruction coordinator, noting that a coordinator already exists.

The Senate Appropriations Committee-approved version of the FY2007 Supplemental would provide \$6,491.05, \$143 million less than the Administration request. Four accounts are changed from the request. The Committee provides \$1.524 billion in ESF, \$548 million less than the request. Most notably, the Committee cuts \$60 million from the PRTs, adds \$50 million to the CAP, and cuts \$518 million from political, mostly democracy, activities. Compensating to some extent for the political cuts, however, is the addition to the Democracy Fund, not requested by the Administration, of \$385 million for democracy activities in Iraq. When this Fund is taken into account, the cut in broad ESF-type activities is \$160 million less than the request.

In addition, the INCLE account is set at \$150 million – with \$50 million cut from prison construction. The MRA account is increased by \$50 million to a level of \$65 million in view of the recent increases in displaced people. And IDFA is increased by \$20 million to a level of \$65 million. Unlike the House, the Senate bill matches the Administration revised request for \$100 million under the Iraq Freedom Fund to support Iraqi state-owned enterprises. The Senate measure contains the same conditions on providing most economic assistance as the House version. The Senate bill reconfigures the termination date of the SIGIR to include FY2007 funds, but, unlike the House, does not include FY2008 funds. Like the House, the Senate Committee report supports the extension of the SIGIR’s oversight authority without providing the legislative language to accomplish that end.

With regard to operational costs, the Senate bill cut the State portion of PRT costs by \$41.4 million to a level of \$372.7 million, but agreed to the revised request of \$150 million under the DOD Iraq Freedom Fund for PRT support costs. The Committee met the Administration request for the SIGIR and added \$3 million for the USAID Inspector General’s activities in Iraq. In its report, the Committee also noted its support for a longer-term presence in Iraq by the GAO.

Afghanistan⁷⁰

Background. Afghanistan’s political transition was completed with the convening of a parliament in December 2005, but in 2006 insurgent threats to Afghanistan’s government escalated to the point that some experts began questioning the success of U.S. stabilization efforts. In the political process, a new constitution was adopted in January 2004, successful presidential elections were held on October 9, 2004, and parliamentary elections took place on September 18, 2005. The parliament has become an arena for factions that have fought each other for nearly three decades to debate and peacefully resolve differences. Afghan citizens are enjoying new personal freedoms, particularly in the northern and western regions of the country, that were forbidden under the Taliban. Women are participating in economic and political life, including as ministers, provincial governors, and senior levels of the new parliament.

The insurgency led by remnants of the former Taliban regime escalated in 2006, after several years in which it appeared the Taliban was mostly defeated. U.S. and NATO commanders anticipate a Taliban “spring offensive” and are moving to try to preempt it. Contributing to the Taliban resurgence has been popular frustration with slow reconstruction, official corruption, and the failure to extend Afghan government authority into rural areas and provinces, particularly in the south and east. In addition, narcotics trafficking is resisting counter-measures, and independent militias remain throughout the country, although many have been disarmed. The Afghan government and U.S. officials have also said that some Taliban commanders are

⁷⁰ Prepared by Rhoda Margesson, Specialist in Foreign Affairs and Kenneth Katzman, Specialist in Middle Eastern Affairs.

operating from Pakistan, putting them outside the reach of U.S./NATO forces in Afghanistan.

U.S. and partner stabilization measures focus on strengthening the central government and its security forces and on promoting reconstructing while combating the renewed insurgent challenge. As part of this effort, the international community has been running PRTs to secure reconstruction (Provincial Reconstruction Teams, PRTs).

FY2007 Supplemental Request. The Administration is requesting a total of \$720.9 million in supplemental funds for Afghanistan, which include several provisions intended to continue U.S. efforts to stabilize Afghanistan and continue economic reconstruction efforts.

Key elements of the FY2007 supplemental request are:

- \$653 million in Economic Support Funds (ESF) for reconstruction efforts to continue security and development strategy. The ESF funding focuses primarily on reconstruction efforts in provinces in the south and southeastern regions that have been affected by the recent increased threats by the insurgency and Taliban. Specific efforts include emergency power sector projects; building roads; expanding rural development projects; and expanding governance initiatives. Support for democratic governance, reconstruction and development programs are seen as critical to the counterinsurgency effort. The Administration is also developing a new initiative, Reconstruction Opportunity Zones (ROZ) in Afghanistan and border regions with Pakistan to stimulate economic activity in underdeveloped, isolated regions.

The \$653 million would be allocated as follows:

- \$382 million would be made available for infrastructure, including road projects (\$342 million) focused on those segments that are of strategic military importance and provide key connections between the central and provincial government capitals; and the development of power sector projects (\$40 million);
- \$133 million would be used as part of an effort to improve livelihoods in the counter-narcotics strategy. Alternative economic development initiatives (\$120 million) would be expanded to rural areas likely to increase poppy cultivation; and \$13 million would be for agriculture;
- \$138 million would be used to strengthen provincial governance, particularly through the Provincial Reconstruction Teams (PRTs), including \$82 million for infrastructure, tools, and training and \$35

million for PRT governance; and capacity building in governance (\$21 million).

In addition to the ESF funding, the request includes:

- \$47.155 million to support Diplomatic and Consular Programs (DCP) in Afghanistan as part of a worldwide security upgrade in the Global War on Terror;
- \$15 million in Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) to support the Afghan leadership through the Presidential Protection Service; and
- \$5.7 million for FY2007 security requirements for U.S. Agency for International Development (USAID) operations in Afghanistan.

Congressional Action. The House 2007 Supplemental recommends a total of \$743 million in ESF funding for Afghanistan (which is \$90 million above the Administration's request) with the following proposed changes:

- \$352 million to develop infrastructure (\$50 million less than the Administration's request for road projects);
- \$173 million to improve livelihoods (\$40 million more than the request for rural development); and
- \$238 to strengthen provincial governance (\$100 million more than the request for PRTs).

The committee also recommends \$94.5 million for International Narcotics Control and Law Enforcement (INCLE) activities in Afghanistan specifically for counternarcotics, Afghan police training, and development of justice institutions. The Administration's request did not include funding in this account. In its report, the Committee expressed its belief that these activities are central to the reconstruction and stabilization strategy in Afghanistan and requested that the State Department report to the committee on planned expenditures for the INCLE account.

In its report, the committee also expressed its concerns about the increasing attacks by the Taliban and Al Qaeda, what appear to be record levels of poppy cultivation, and the links between opium production and the financing of terrorist groups. The Committee identified rural development projects and the PRTs as two important mechanisms for promoting stabilization, security and the reach of the central government. While funding for infrastructure projects continues to be critical, the Committee also noted that there should be more investment by other donors in these kinds of programs.

The draft Senate 2007 Supplemental recommends a total of \$686 million in ESF funding for Afghanistan (which is \$33 million above the Administration's request) with the following proposed changes:

- \$125 million to improve livelihoods (\$5 million more than the request for alternative economic development initiatives); and \$25 million for agriculture (\$12 million more than the request);
- \$144 to strengthen provincial governance with \$104 million for PRTs (\$22 million more than the request for PRT infrastructure, tools and training) and \$40 million for the PRT governance program (\$5 million more than the request); and no funding under governance building capacity (\$21 million less than the request), but the committee notes that \$25 million is recommended for the Democracy Fund (below);
- \$10 million for a Civilian Assistance Program (not funded in the request) for civilians suffering loss from military operations.

The committee also recommends

- \$55 million to support DCP in Afghanistan (7.845 more than the request) of which \$13 million is for armored vehicles and \$42 million is for local guards in Kabul; and
- USAID operating expenses (\$5.7 million) remain unchanged from the request, but the Committee recommends \$1 million be added for the USAID Office of the Inspector General (not included in the request).

In addition to the ESF and other programs in the request for Afghanistan, the committee recommends adding \$62 million in programs as follows:

- \$25 million for the Democracy Fund for programs on democracy, human rights, governance, and rule of law (an increase of \$4 million over the governance building capacity of \$21 million in the request under ESF);
- \$18 million for Migration and Refugee Assistance;
- \$18 million for International Disaster and Famine Assistance for Internally Displaced Persons Assistance, particularly in and around Kabul.

Table 5. Afghanistan Aid
(millions of dollars)

Activity (appropriation account) ^a	FY2007 Base Estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2007 Supp
Infrastructure aid (ESF)	230.0	653.0	743.0	686.0	
Afghan refugees (MRA)	38.0			18.0	
IDFA				18.0	
Democracy Fund				25.0	
U.S. mission security (DCP)	82.0	47.2	47.2	55.0	
USAID mission security (OE)	13.3	5.7	5.7	6.7	
NADR		15.0	15.0	15.0	
INCLE			94.5		
Total	363.3	720.9	905.4	823.7	

Source: FY2007 budget materials.

Notes: Data in this table reflect ongoing and FY2007 proposed funding for programs the same as or similar to those requested in the FY2006 supplemental. The **total** line does not represent total aid or mission operations for Afghanistan. Excluded from this table is proposed funding requested for FBI operations in both Iraq and Afghanistan.

ESF = economic Support Fund, MRA=Migration and Refugee Assistance, DCP=Diplomatic and Consular Programs, OE=operating expenses, NADR=Non-proliferation, Anti-terrorism, Demining, and Related Programs, and INCLE=International Narcotics Control and Law Enforcement

P.L. 480 - Title II emergency food aid funds are included in a total appropriation of \$200 million available for missions in Afghanistan and parts of Africa.

Sudan — Darfur and Other Sudan⁷¹

The Administration seeks a total of \$361.9 million in supplemental funds for Sudan, most of which would be for humanitarian and peacekeeping support in the Darfur region.

Darfur Crisis. The crisis in Darfur began in February 2003, when two rebel groups emerged to challenge the National Islamic Front (NIF) government in Darfur. The Sudan Liberation Army (SLA) and the Justice and Equality Movement (JEM) claim that the government of Sudan discriminates against Muslim African ethnic

⁷¹ Prepared by Rhoda Margesson, Specialist in Foreign Affairs and Ted Dagne, Specialist in International Relations.

groups in Darfur and has systematically targeted these ethnic groups since the early 1990s. The conflict in Darfur burgeoned when the government of Sudan and its allied militia began a campaign of terror against civilians in an effort to crush the rebellion and to punish the core constituencies of the rebels. Since 2003, an estimated 300,000-400,000 civilians have been killed, more than two million have been displaced and more than half of the population has been affected directly and is dependent on international support. The atrocities against civilians continue in Darfur, according to U.N. reports, U.S. officials, and human rights groups. Congress and the Bush Administration have called the atrocities genocide. The African Union has deployed an estimated 7,700 peacekeeping troops, including military observers and civilian police.

Major elements of the FY2007 supplemental request include:

- \$40 million in International Disaster and Famine Assistance (IDFA) funding for immediate, life-saving needs of victims of the Darfur crisis, including health care, access to water and sanitation, and shelter;
- \$150 million for additional food assistance (P.L. 480, Title II) in Sudan and Eastern Chad;
- \$150 million in support of Darfur peacekeeping, including the African Union Mission in Sudan (AMIS). As part of the supplemental request, and to maintain the flexibility to fund AMIS or provide support for transition of AMIS to a United Nations peacekeeping force, the Administration is requesting transfer authority from Contributions for International Peacekeeping Activities (CIPA) to Peacekeeping Operations (PKO); and
- \$21.9 million in support of U.S. Mission Security within State Department's Diplomatic and Consular Programs (DCP), both Ongoing Operations and Worldwide Security Upgrades.

In addition to these funds specifically for Sudan, the FY2007 supplemental request also includes \$30 million in Emergency Refugee and Migration Assistance (ERMA) funds for a number of crises. Some of these funds could support planning for Darfur refugee flows to Chad. The request also includes \$128 million to support anticipated international peacekeeping missions in Africa, which could also focus on Darfur.

Congressional Action. The House FY2007 supplemental bill appears to recommend the same funding levels put forward in the Administration's request for Sudan.

The Senate FY2007 Supplemental makes a few changes as follows:

- \$49 million in International Disaster and Famine Assistance (IDFA) funding for Sudan (\$9 million above the request); and
- \$16.9 million in support of U.S. Mission Security within State Department's Diplomatic and Consular Programs (DCP), both Ongoing Operations and Worldwide Security Upgrades (\$5 million less than the request).
- It is presumed that \$150 million for additional food assistance (P.L. 480, Title II) in Sudan and Eastern Chad remains unchanged from the request.

Table 6. Sudan Supplemental
(millions of dollars)

Activity (appropriation account) ^a	FY2007 Base Estimate	FY2007 Supp. Request	FY2007 Supp. House	FY2007 Supp. Senate	FY2007 Supp Enacted
Humanitarian relief (IDFA)		40.0	40.0	49.0	
Refugees in Darfur & Chad (MRA)					
PL480, Title II food aid		150.0	150.0	150.0	
AMIS (PKO)		150.0	150.0	150.0	
U.N. peacekeeping mission/Darfur (CIPA)		0.0	0.0		
U.S. Mission Security (DCP)		21.9	21.9	16.9	
Total		\$361.9	\$361.9	\$365.9	

Source: FY2007 budget materials.

As part of the supplemental request, the Administration is requesting transfer authority from CIPA to PKO.

Notes: Data in this table reflect ongoing funding for programs the same as or similar to those requested in the FY2006 supplemental. The **Total** line does not represent total aid or mission operations for Sudan.

ERMA funds include a total appropriation of \$30 million available for places such as Somalia, Chad, West Bank/Gaza, Iraq and Sri Lanka. The funds could also support planning for Darfur refugee flows to Chad.

PKO funds include an additional appropriation of \$128 million to support anticipated peacekeeping in Africa, including Darfur.

Other Foreign Aid and Humanitarian Assistance⁷²

In addition to amounts provided for Iraq, Afghanistan, and Sudan, the request includes \$2.69 billion in funding for other countries and activities from a variety of accounts.

Lebanon. Following the Israeli-Hamas-Hezbollah conflict during the summer of 2006, the Administration is requesting \$585.5 million for Lebanon. The largest portion is \$300 million in Economic Support Funds (ESF) for budget support and post-conflict reconstruction. The request also includes \$220 million in Foreign Military Financing to train and equip the Lebanese Armed Forces (LAF) in support of the U.N. Security Council Resolution 1701 that calls for performance standards for the LAF. A third component is \$60 million in International Narcotics Control and Law Enforcement (INCLE) funds to support the Internal Security Forces (ISF) that is in charge of guarding Lebanon's ports, airports, and borders. An additional \$5.5 million is requested from the Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) account for a terrorist interdiction program.

Kosovo.⁷³ The FY2007 supplemental request includes \$279 million for Kosovo under the Support for East European Democracy (SEED) Act to support the outcome of a U.N.-led process to determine Kosovo's status. In February, U.N. Special Envoy Martti Ahtisaari presented a settlement proposal for a form of internationally supervised independence in Kosovo with expanded rights for Kosovo's Serbian minority communities. Serbia's swift rejection of the plan, on the one hand, and early Kosovar Albanian grass roots-led protests against delays to or conditions on full independence, on the other hand, point to a high potential for unrest in the province. The U.N. Security Council may begin to consider the Ahtisaari plan in late March, although the timing of a vote in the Council on a new resolution on Kosovo is not yet clear. Presuming a political settlement is achieved, a transition period of several months is expected to follow.

The requested supplemental funds for FY2007 are intended to support Kosovo's immediate needs in the areas of governance, rule of law, infrastructure development, and new international civilian missions in Kosovo, among other programs. DoD costs for U.S. participation in a follow-on NATO peacekeeping operation in Kosovo are not included in this request. The Administration justifies the need for supplemental funding for Kosovo based on its expectation that Kosovo's status will be settled "early this year...outside of the normal budget process." It claims that the European Union and the IFIs will contribute most of the international assistance for Kosovo, which it says could amount to as much as \$2 billion (of which the \$279 million from the United States would amount to approximately 14%).

⁷² Unless otherwise noted, these sections were prepared by Connie Veillette, Specialist in Foreign Affairs.

⁷³ Prepared by Julie Kim, Specialist in International Relations.

Humanitarian Assistance.⁷⁴ Beyond the proposed aid packages for specific countries, the Administration also seeks funding support for humanitarian assistance in a range of anticipated and unanticipated crises:

- \$200 million in additional P.L. 480 - Title II assistance to meet emergency food needs elsewhere worldwide, including places such as Afghanistan (particularly in the north due to drought conditions), southern Africa, Zimbabwe and parts of the Horn of Africa (for both drought conditions and rising insecurity);
- \$65 million for International Disaster and Famine Assistance (IDFA) to support unanticipated humanitarian assistance or to replenish costs as a result of crises in Iraq (\$45 million) and Somalia (\$20 million);
- \$71.5 million for Migration and Refugee Assistance (MRA) for unanticipated refugee and migration emergencies, including return operations in Burundi and the Democratic Republic of Congo (DRC) (\$16.5 million) where repatriation programs are under way. The funds would help resettle some of the more than 370,000 Burundi refugees and 400,000 DRC refugees; assistance to Iraqi refugees and conflict victims (\$15 million); and the emergency needs of Palestinian refugees (\$40 million).
- \$30 million for Emergency Refugee and Migration Assistance (ERMA) for unanticipated emergencies in Somalia, Chad, West Bank/Gaza, Iraq, and Sri Lanka. These funds would also support contingency planning for increased Darfur refugees fleeing to Chad. Current ERMA levels are reported to be at their lowest in a decade with \$6.2 million remaining, which is predicted to be insufficient to respond to the needs required.

Congressional Action. The House 2007 Supplemental recommends changes to the IDFA , MRA, ERMA allocations as follows:

- \$95 million for IDFA, (in addition to \$40 million proposed for Sudan) which is \$30 million above the Administration's request – \$75 million would be for unanticipated emergencies including replenishing costs incurred from humanitarian crises in Iraq. The Committee expressed its concern about the deteriorating situations in Chad and the Central African Republic and asked for USAID and the State Department to consult with the Committee about the status. It also expressed its support for a resolution to the conflict in northern Uganda;

⁷⁴ Prepared by Rhoda Margesson, Specialist in Foreign Affairs.

- \$111.5 million for MRA which is \$40 million more than the Administration's request – \$15 million is recommended to assist Iraqi refugees; the other \$96.5 million would be for unanticipated humanitarian emergencies. The Committee recognized that the number of refugees in neighboring countries could increase. It also highlighted its concerns about progress in Burundi and the DRC and the increasing needs of Palestinian refugees;
- \$35 million for ERMA (which is \$5 million above the request) to address unanticipated emergency needs.

The Senate 2007 Supplemental recommends changes to specific allocations as follows:

- \$325 million in additional P.L. 480 - Title II assistance to meet emergency food needs elsewhere worldwide, including places such as Afghanistan, Chad, and other Africa nations. It is presumed that this is in addition to \$150 million for Sudan (same as the amount in the request);
- \$138 million for IDFA, (in addition to \$49 million proposed for Sudan and \$18 million proposed for Afghanistan) — which is a total of \$82 million above the Administration's request — for unanticipated emergencies including the humanitarian crises in Iraq (\$65 million, which is \$20 million above the request), Chad (\$10 million), Democratic Republic of Congo (\$10 million), Uganda (\$10 million), and Somalia (\$25 million, which is \$5 million above the request);
- \$125 million for MRA (in addition to \$18 million proposed for Afghanistan) which is \$71.5 million more than the Administration's request – \$65 million is recommended to assist Iraqi refugees (an increase of \$50 million over the request); return operations in Burundi and the Democratic Republic of Congo (DRC) which is the same as the request (\$16.5 million) and the emergency needs of Palestinian refugees (\$43.5 million), which is 3.5 million above the request.
- \$55 million for ERMA (which is \$25 million above the request) to replenish the emergency fund.

Avian Influenza.⁷⁵ The Administration is requesting \$161 in Child Survival and Health (CSH) funds to expand efforts to prevent the spread of the avian influenza virus and the emergence of a virus that could cause a global pandemic. Continuing outbreaks of the H5N1 virus have been reported in Asia, Europe and Africa over the winter with indications that the virus continues to

⁷⁵ Prepared by Connie Veillette, Specialist in Foreign Affairs.

change rapidly. The first six months of 2006 saw a seasonal surge in outbreaks that affected 53 countries.

Table 7. Foreign Operations FY2007 Supplemental Request by Appropriations Account
(millions of dollars)

Activity	FY2007 Base estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2007 Supp Final
Child Survival/Health	1,718.2	161.0	161.0	161.0	
Economic Support Funds	2,455.0	3,025.0	2,953.0	2,602.2	
Migration/Refugee Ass't.	887.9	101.5	111.5	198.0	
Foreign Military Financing	4,550.8	220.0	260.0	220.0	
Disaster/Famine Assistance	361.0	105.0	135.0	187.0	
Narcotics/Law Enforcement	472.0	260.0	334.5	210.0	
Non-Proliferation, Anti-Terrorism, Demining	406.0	27.5	87.5	27.5	
Peacekeeping Operations (PKO)	223.3	278.0	225.0	323.0	
P.L. 480, Title II	1,215.0	350.0	450.0	475.0	
USAID Operating Expenses	624.0	5.7	10.7	5.7	
Treasury Technical Ass't.	20.0	2.8	2.8	2.8	
E. Europe/Baltics Ass't.	273.9	279.0	239.0	214.0	
USAID IG	—	—	—	4.0	
Democracy Fund	—	—	—	465.0	
Rescission (INCLE)	—	—	—	13.0	
Total Foreign Operations	13,207.1	4,815.5	4,970.0	5,108.2	

Source: U.S. Department of State Congressional Budget Justification, Foreign Operations, FY2008 and CRS calculations.

State Department and International Broadcasting⁷⁶

In addition to the more than \$10 billion estimated FY2007 regular budget for the Department of State and International Broadcasting, the Administration is requesting \$1.168 billion in the FY2007 supplemental request for the Department of State and \$10 million for International Broadcasting. (See **Table 8** below.) The Department is seeking most of its FY2007 supplemental funds for State's Administration of

⁷⁶ Prepared by Susan B. Epstein, Specialist in Foreign Policy and Trade.

Foreign Affairs (\$968 million). The Diplomatic and Consular Programs account would receive the most (\$913 million) for additional funding of Iraq Operations, Ongoing Operations, and Worldwide Security Upgrades. The bulk of D&CP funds (\$823.9 million) would pay for Iraq Operations — U.S. activities, security, and the U.S. Mission in Iraq.

About half of the Iraq Operations funds would be for setting up new Provincial Reconstruction Teams. A total of \$414.1 million would be for expanding from the current number of 10 PRTs to as many as 18 to 21 teams. The cost would pay for PRT personnel, support and security. (For more detail on PRT funding, see the earlier section on Iraq Reconstruction and Assistance.)

The U.S. Mission in Iraq employs more than 1,000 American and locally engaged staff representing about a dozen agencies. The FY2007 supplemental includes \$47.6 million for U.S. Mission Operations, \$72.5 million for logistics support for the mission, \$8.9 million for mission information technology, and \$15 million for installation of overhead cover and other physical security measures.

State's request for supplemental funds for Ongoing Operations within the D&CP account would consist of \$21.9 million for public diplomacy activities to combat violent extremism by funding exchanges and foreign language websites that would promote American and Muslim dialogue. The Ongoing Operations request also includes \$1.9 million to support diplomatic, reconstruction, and stabilization efforts in Sudan.

The State Department FY2007 supplemental request includes \$67.155 million for Worldwide Security Upgrades in Afghanistan and Sudan, \$20 million for international exchanges to combat violent extremism, and \$200 million for U.S. contributions for International Peacekeeping Activities in Lebanon and Timor Leste. In addition, in the supplemental request for State Department funds is \$35 million for the Office of Inspector General to be transferred to the Special Inspector General for Iraq Reconstruction (SIGIR).

The Broadcasting Board of Governors oversees all nonmilitary U.S. international broadcasting activities. The FY2007 Supplemental request includes \$10 million for expanded broadcasting in Arabic on the U.S.-established Alhurra Television into 22 countries in the Middle East.

The House FY2007 supplemental bill would set funding for State's Administrations of Foreign Affairs at \$1,033.8, \$65.8 million more than the Administration requested. Of that amount, \$967 million would be for D&CP, \$46.8 million for the Office of Inspector General (of which \$45.5 million would be transferred to SIGIR), and \$20 million for international exchanges, as requested.

Of the \$967 million for D&CP, \$790.6 million would be for Iraq operations as follows: \$380.789 million for setting up new PRTs in Iraq, \$265.827 million for security costs and the U.S. Mission in Iraq, \$72.505 million for logistics support in Iraq, \$47.646 million for mission operations, \$15 million for overhead cover, and \$8.874 million for mission information technology. Also in the House D&CP

funding is \$24.158 million for ongoing operations, as compared with the \$21.9 million requested, and \$102.2 million for worldwide security upgrades, \$35 million more than was requested. In addition, the House bill would provide \$50 million, contingent upon authorization, for establishing and maintaining a civilian reserve corps.

The House Report (H.Rept. 110-60) states that \$395 million in funds for D&CP Iraq operations will be withheld until the Committee receives and approves a detailed plan for expenditure of the funds. Furthermore, the Committee directs the Department of State to report within 45 days of enactment of this act on how it would spend the public diplomacy funds.

The House bill would also provide \$288 million for Contributions to International Peacekeeping, \$88 million more than requested. The amount would include \$184 million for the U.N. Interim Force in Lebanon (UNIFIL), \$16 million for the U.N. Mission in Timor Lest (UNMIT) and \$88 million for a possible mission in Chad.

Similar to the Administration request, the House FY2007 supplemental bill would also provide \$10 million for expanding broadcasting on Alhurra Television.

The Senate FY2007 supplemental bill would provide \$815.8 million for D&CP. This is \$97.2 million below the Administration request and \$151.2 million below the House level. Included is \$723.9 million for Iraq operations, 21.9 million for ongoing operations (\$20 million for public diplomacy and \$1.9 million for ongoing operations), and \$70 million for worldwide security upgrades. Included in the \$723.9 million for Iraq operations is: \$42.9 million for mission support, \$265.8 million for mission security, \$7.987 million for information technology, \$12 million for overhead security, and \$372.7 million for PRTs. The Senate Committee would not provide \$50 million for temporary housing outside the compound, requesting a plan to house people inside the compound. And it would not provide \$5 million for travel costs of U.S. dignitaries within Sudan, saying that this funding would normally be in the regular appropriation request.

The Senate bill also would provide \$36.5 million for the Office of Inspector General of which \$35 million is for the SIGIR, \$59 million for U.S. Contributions to International Organizations and \$200 million for Contributions to International Peacekeeping. In addition, the Senate bill would provide \$10 million to the Broadcasting Board of Governors for expanding Alhurra TV listenership.

**Table 8. State Department and International Broadcasting
FY2007 Supplemental Appropriations Request**
(millions of dollars)

Activity	FY2007 Base Estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2008 Base Request	FY2008 emergency Request
Administration of Foreign Affairs	6,502.5	968.0	1,033.8	877.3	7,317.1	1,881.6
Diplomatic & Consular Programs	4,314.0	913.0	967.0	815.8	4,942.7	1,881.6
Iraq Operations	—	823.9	864.8	723.9	—	1,881.6
Ongoing Operations	—	21.9	24.2	21.9	—	—
Worldwide Security Upgrades	795.2	67.2	102.2	70.0	964.8	—
Office of Inspector General	30.9	35.0	46.8	36.5	32.5	—
Educational & cultural exchange programs	445.3	20.0	20.0	25.0	486.4	—
International Orgs	2,286.6	200.0	288.0	259.0	2,461.4	53.0
Contributions to Int'l Orgs	1,151.3	—	—	59.0	1,354.4	53.0
Contributions to Int'l Peacekeeping	1,135.3	200.0	288.0	200.0	1,107.0	—
Other	171.7	—	—	—	235.3	—
Total State Approps	8,960.8	1,168.0	1,321.8	1,136.3	10,013.8	1,934.6
Total Int'l Broadcasting	644.0	10.0	10.0	10.0	668.2	—
Total State and Broadcasting	9,604.8	1,178.0	1,331.8	1,146.3	10,682.0	1,934.6

Source: Department of State's Budget in Brief, FY2008 and House FY2007 supplemental bill, Full Committee Print, March 15, 2007, Senate bill and Committee Report, as of March 23, 2007.

Liquidation of TSA Contract and Grant Obligations⁷⁷

On January 10, 2007, the President transmitted to Congress a request to transfer \$195 million in unobligated balances to resolve insufficiently funded Transportation Security Administration (TSA) contract and grant obligations incurred during FY2002 and FY2003. These obligations, which were made in violation of the

⁷⁷ Prepared by Bart Elias, Specialist in Aviation Security, Safety and Technology Policy, Resource, Science, and Industry Division.

Antideficiency Act (ADA), were uncovered by the TSA in the summer of 2006 during a comprehensive financial review, and this violation was formally reported to the President and the Congress on December 3, 2006.

Investigation has revealed that the deficiency resulted from erroneous voucher entries made during the TSA's migration from the Department of Transportation to the newly formed Department of Homeland Security (DHS) in 2003, and the DHS has found no evidence that the violation was intentional. The Office of Management and Budget (OMB) has indicated that the TSA has taken steps to improve internal control processes, and OMB will continue to monitor the TSA implementation of its corrective action plans to minimize the potential for future deficiency violations.

In order to correct the deficiency and ensure that adequate funding for future contract and grant obligations are available, the President has requested a transfer of \$195 million, \$175 million from the Aviation Security account and \$20 million from the Transportation Security Support account, to be transferred to the TSA's Expenses account. As indicated by the OMB, this proposed transfer, which requires statutory authority, would not increase FY2007 budget authority and would not increase the deficit.

Ongoing Katrina Recovery Measures

As part of its package of FY2007 supplemental appropriations requests, the Administration has asked for \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund (DRF) to continue Katrina recovery efforts. The funding is requested for expenses through December 2007 for housing assistance and for grants for public infrastructure repair and replacement in Gulf Coast region.⁷⁸ In the FY2006 supplemental, P.L. 109-234, Congress provided \$6.0 billion for FEMA activities funded through the DRF.

Congressional Action. The House Appropriations Committee version of the FY2007 supplemental appropriations bill approves the \$3.4 billion requested for FEMA and adds \$3.0 billion for other hurricane relief measures. The largest addition is \$1.3 billion for the Corps of Engineers to continue repairs and accelerate completion of flood and storm damage reduction projects in the New Orleans and south Louisiana area. Previously appropriated funds are insufficient to complete these activities due to increased costs, improved data on costs, and other factors. In its March 19 Statement of Administration Policy (SAP) on the supplemental, the White House objected to the added funds. The Administration argues that these activities should be funded by reallocating previously appropriated, but unobligated, FY2006 supplemental funds for other Corps flood and storm damage reduction projects in the area. The SAP also opposes measures in the bill that would exempt Gulf states from some matching requirements for FEMA grants.

⁷⁸ For the formal request, see Office of Management and Budget, *Budget of the United States Government for Fiscal Year 2008: Appendix*, pp. 1164-1165.

Unrequested Funding for Domestic Programs

Supplemental appropriations bills traditionally become vehicles for Congress to provide funds for high priority programs for which the Administration did not request money. The House Appropriations Committee bill includes additional funds for state children's health insurance, low-income home energy assistance, homeland security initiatives, avian flu preparedness, and agricultural disaster relief, among other things. In all, the bill includes \$3.7 billion agricultural disaster relief and \$3.0 billion for other programs. **Table 1**, above, shows amounts for the larger additions.

In its March 19 Statement of Administration Policy on the House bill, the White House complained that the bill contains "billions in unrequested spending that is largely unjustified and non-emergency." The message warned that the President would veto the bill because of "excessive and extraneous non-emergency spending."

For Additional Reading

CRS Multi-Media Presentation MM70099, *FY2008 Defense Budget: Issues for Congress — Seminar Slides*, by Stephen Daggett, Ronald O'Rourke, David F. Burrelli, and Amy Belasco.

CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

CRS Report RL31833, *Iraq: Reconstruction Assistance*, by Curt Tarnoff.

CRS Report RS21867, *U.S. Embassy in Iraq*, by Susan B. Epstein.

CRS Report RL31701, *Iraq: U.S. Military Operations*, by Steve Bowman.

CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, by Kenneth Katzman.

CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*, by Kenneth Katzman.

CRS Report RL33851, *Afghan Refugees: Current Status and Future Prospects*, by Rhoda Margesson.

CRS Report RL33503, *U.S. and Coalition Military Operations in Afghanistan: Issues for Congress*, by Andrew Feickert.

CRS Report RS21922, *Afghanistan: Elections, Constitution, and Government*, by Kenneth Katzman.

CRS Report RL33837, *Congressional Authority To Limit U.S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding Approaches*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch.

CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard F. Grimmett.

CRS Report RL31693, *U.S. Armed Forces Abroad: Selected Congressional Votes Since 1982*, by Lisa Mages.

CRS Report RL31370, *State Department and Related Agencies: FY2006 and FY2007 Appropriations and FY2008 Request*, by Susan B. Epstein.

Appendix. War-Related Appropriations, FY2005-FY2007

Table A-1. War-Related Appropriations, FY2005-FY2007 Supplemental Request
(in billions of dollars)

TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 2-5-07 ^c	Total FY2007: Enacted and FY07 Supp Request ^b	House Action	Senate Action	Conference
SUMMARY								
TOTAL REGULAR ACCOUNTS	90.909	103.709	64.665	80.928	145.593			
TOTAL SPECIAL ACCOUNTS	10.735	11.532	5.171	12.387	17.558			
TOTAL DOD (Function 051)	101.644	115.241	69.835	93.316	163.151			
DEFENSE-RELATED	0.250	0.159	0.019	0.248	0.267			
TOTAL NATIONAL DEFENSE (Function 050)	101.895	115.400	69.855	93.564	163.418			
FUNDING BY ACCOUNT								
Military Personnel^d	19.733	16.729	5.387	12.145	17.531			
Army	15.069	11.984	4.730	8.889	13.620			
Navy	0.573	1.592	0.143	0.765	0.908			
Marine Corps	1.604	1.310	0.161	1.387	1.548			
Air Force	2.487	1.843	0.352	1.104	1.455			

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 2-5-07 ^c	Total FY2007: Enacted and FY07 Supp Request ^b	House Action	Senate Action	Conference
Operation and Maintenance^d	47.852	60.040	39.090	37.929	77.019			
Army	31.506	39.765	29.000	19.961	48.961			
Navy	3.595	4.659	1.625	6.056	7.682			
Marine Corps	2.682	3.592	2.737	1.415	4.152			
Air Force	6.579	8.382	2.953	7.118	10.071			
O&M Defensewide	3.490	3.642	2.775	3.378	6.153			
Other Defense Programs	1.195	1.415	0.100	1.332	1.432			
Defense Health	0.953	1.232	0.000	1.073	1.073			
Medical Support Fund (new 2-yr transfer acc't)								
Other O&M (DODIF, Counterdrug)	0.242	0.183	0.100	0.259	0.359			
Working Capital Funds	3.022	3.033	0.000	1.321	1.321			
Def. Working Capital Fund	2.989	3.033	0.000	1.316	1.316			
Nat'l Def. Sealift Fd.	0.032	0.000	0.000	0.005	0.005			
Procurement	17.300	21.496	19.680	24.900	44.580			
Army Total	10.306	13.560	10.096	14.852	24.949			
Aircraft	0.465	0.577	1.461	0.628	2.089			
Missile Proc	0.310	0.258	0.000	0.160	0.160			

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 2-5-07 ^c	Total FY2007: Enacted and FY07 Supp Request ^b	House Action	Senate Action	Conference
Weapons & Tracked Vehicles	2.601	2.628	3.393	3.474	6.868			
Ammunition	0.643	1.103	0.238	0.682	0.919			
Other	6.287	8.995	5.004	9.909	14.913			
Navy/Marine Corps Procurement Total	3.852	5.581	5.942	4.090	10.033			
Aircraft	0.275	0.656	0.487	1.106	1.593			
Ammunition	0.170	0.362	0.128	0.160	0.288			
Weapons	0.066	0.172	0.109	0.172	0.281			
Other	0.078	0.104	0.320	0.847	1.167			
Marine Corps	3.263	4.288	4.898	1.806	6.704			
Air Force Procurement Total	3.142	2.354	3.642	4.978	8.620			
Aircraft	0.424	0.790	2.291	2.649	4.941			
Missiles	0.014	0.017	0.033	0.140	0.173			
Ammunition	0.007	0.029	0.000	0.096	0.096			
Other	2.697	1.518	1.318	2.093	3.410			
Procurement Defensewide	0.691	0.513	0.146	0.979	1.125			
Research, Development, Test & Evaluation Total	0.637	0.761	0.408	1.448	1.855			
Army	0.037	0.068	0.000	0.116	0.116			
Navy	0.204	0.125	0.231	0.460	0.691			

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 2-5-07 ^c	Total FY2007: Enacted and FY07 Supp Request ^b	House Action	Senate Action	Conference
AF	0.143	0.395	0.037	0.221	0.258			
Defensewide	0.254	0.174	0.140	0.651	0.791			
Military Construction	1.170	0.235	0.000	1.854	1.854			
Army	0.882	0.187	0.000	1.381	1.381			
Navy & Marine Corps	0.140	0.028	0.000	0.413	0.413			
Air Force	0.149	0.000	0.000	0.060	0.060			
Defense wide	0.000	0.021	0.000	0.000	0.000			
Special Funds and Caps	10.735	11.532	5.171	12.387	17.558			
Iraq Freedom Fund including	3.750	4.659	0.050	0.206	0.256			
Redevelopment of Iraqi Industry	0.000	0.000	0.000	0.000	0.000			
Transfer to Economic Support Fund for Pakistan	0.000	0.000	0.000	[.100]	[.100]			
Afghan Security Forces Fund	1.285	1.908	1.500	5.906	7.406			
Iraq Security Forces Fund	5.700	3.007	1.700	3.842	5.542			
Joint Improvised Explosive Device Defeat Fund	0.000	1.958	1.921	2.433	4.354			
Cmdrs Emerg. Response Prg (CERP)	[.800]	[.923]	[.500]	[.456]	[.956]			
Coalition Support Cap	[1.220]	[1.545]	[.900]	[.300]	[1.200]			

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 2-5-07 ^c	Total FY2007: Enacted and FY07 Supp Request ^b	House Action	Senate Action	Conference
Strategic Readiness Reserve Fund	0.000	0.000	0.000	0.000	0.000			
Transfer limit for Title IX and Supplementals	[3.000]	[4.500]	[3.000]	[3.500]	[6.500]			
Transfer limit for regular DOD funds	[6.185]	[5.000]	[5.000]	[4.500]	[6.000]			
Defense-related Programs	0.250	0.159	0.019	0.248	0.267			
Coast Gd transfer (in O&M Navy)	0.000	[.175]	[.090]	[.120]	[.210]			
Intell. Comm. Mgt. Account	0.250	0.159	0.019	0.067	0.086			
Defense Nuclear Non proliferation	0.000	0.000	0.000	0.063	0.063			
Salaries & Expenses, FBI	0.000	0.000	0.000	0.118	0.118			

Notes and Sources:

a. CRS calculations using conference reports and public laws for enacted bridge funds and supplementals; for FY2005, includes \$23 billion of bridge fund in FY2005 and allocates \$1.9 billion obligated in FY2004 to that year; includes \$2.1 billion obligated for enhanced security (Operation Noble Eagle) in FY2005 and \$800 million obligated in FY2006; includes \$1.5 billion transferred for war in FY2005.

b. Reflects figures included in FY2008 Budget Appendix for FY2007 Supplemental; for several accounts, DOD figures differ. Does not reflect amended request submitted by OMB on March 9, 2007. OMB, FY2008 Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," 2-5-07 *figures differ from DOD request; [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>]. For amended request, see OMB, Amendment to FY2007 Supplemental for Additional Troops with offsets from Supplemental, March 9, 2007; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf].

**Table A-2. FY2007 Supplemental Appropriations:
Congressional Action by Subcommittee/Title/Account**
(millions of dollars)

Appropriations Subcommittee/Title/Account	Request	House	Change to Request
Title I: Global War on Terror	99,615.4	111,301.8	+11,686.4
Department of Agriculture, P.L. 480	350.0	450.0	+100.0
P.L. 480 Title II Grants	350.0	450.0	+100.0
Department of Justice	173.5	158.9	-14.6
General Legal Activities	4.1	1.6	-2.4
U.S. Attorneys	5.0	5.0	--
Marshall Service	14.9	2.8	-12.2
National Security Division	1.7	1.7	--
Federal Bureau of Investigation	118.3	118.3	--
Drug Enforcement Administration	8.5	8.5	--
Bureau of Alcohol, Tobacco & Firearms	4.0	4.0	--
Federal Prison System	17.0	17.0	--
Department of Defense	91,529.0	95,528.7	+3,999.7
Military Personnel	12,144.7	13,566.9	+1,422.3
Operation & Maintenance	50,316.1	52,500.0	+2,183.9
Procurement	24,900.0	24,813.7	-86.3
RDT&E	1,447.7	1,035.4	-412.4
Revolving & Management Funds	1,320.5	1,320.5	--
Defense Health	1,073.1	2,789.7	+1,716.6
Drug Interdiction	259.1	259.1	--
Intelligence Community Mgmt Acct	66.7	57.4	-9.3
General Provisions	1.0	1.0	--
Contractor Efficiency	--	-815.0	-815.0
Department of Energy	63.0	150.0	+87.0
Defense Nuclear Non-proliferation	63.0	150.0	+87.0
Department of Homeland Security	--	2,500.0	+2,500.0
Departmental Management	--	35.0	+35.0
Customs and Border Protection	--	249.0	+249.0
Aviation Security/TSA	--	1,250.0	+1,250.0
Coast Guard [transfer from Navy]	--	[120.3]	[+120.3]
Infrastructure Protection	--	25.0	+25.0
Federal Emergency Management Agency	--	540.0	+540.0
Federal Law Enforcement Training Center	--	1.0	+1.0
Domestic Nuclear Detection Office	--	400.0	+400.0
Legislative Branch	--	6.4	+6.4
House Allowances & Expenses	--	6.4	+6.4
Architect of the Capitol House Offices	--	--	--
Military Construction	1,854.0	4,915.5	+3,061.6
Army	1,381.3	1,329.2	-52.1
Navy & Marine Corps	412.5	389.3	-23.2
Air Force	60.2	60.2	--
Base Closure 2005	--	3,136.8	+3,136.8
Department of Veterans Affairs	--	1,702.1	+1,702.1
Benefits Administration/Pensions	--	20.0	+20.0

Appropriations Subcommittee/Title/Account	Request	House	Change to Request
Veterans Health	--	1,301.3	+1,301.3
Departmental Administration	--	380.8	+380.8
Department of State Administration of Foreign Affairs	1,178.0	1,331.8	+153.8
Diplomatic and Consular Programs	913.0	967.0	+54.0
Inspector General	35.0	46.8	+11.8
Education & Cultural Exchange	20.0	20.0	--
International Peacekeeping Contributions	200.0	288.0	+88.0
International Broadcasting Operations	10.0	10.0	--
Bilateral Economic Assistance	3,575.7	3,502.2	-73.5
USAID Child Survival and Disease Programs	161.0	161.0	--
USAID International Disaster & Famine Asst.	105.0	135.0	+30.0
USAID Operating Expenses	5.7	10.7	+5.0
USAID Inspector General	--	3.5	+3.5
Economic Support Fund	3,025.0	2,953.0	-72.0
Asst. for Eastern Europe & Baltic States	279.0	239.0	-40.0
Other Department of State	389.0	568.5	+179.5
International Narcotics Control	260.0	334.5	+74.5
Migration & Refugee Asst.	71.5	111.5	+40.0
Emergency Refugee & Migration Asst. Fund	30.0	35.0	+5.0
Nonproliferation, Antiterrorism, Demining and Related	27.5	87.5	+60.0
Department of the Treasury	5.3	2.8	-2.5
International Affairs Technical Assistance	2.8	2.8	--
Departmental Offices	2.5	--	-2.5
Military Assistance	498.0	485.0	-13.0
Foreign Military Financing Program	220.0	260.0	+40.0
Peacekeeping Operations	278.0	225.0	-53.0
Title II: Additional Hurricane Disaster Relief and Recovery	3,400.0	6,357.4	+2,957.4
Department of Agriculture	--	140.0	+140.0
Livestock Assistance	--	25.0	+25.0
Irrigated Crops	--	15.0	+15.0
Citrus	--	100.0	+100.0
Department of Commerce	--	155.0	+155.0
National Oceanographic and Atmospheric Administration	--	120.0	+120.0
National Aeronautics and Space Administration	--	35.0	+35.0
Corps of Engineers	--	1,337.1	+1,337.1
Construction	-270.0	37.1	+307.1
Flood Control	270.0	1,300.0	+1,030.0
Small Business Administration	--	25.1	+25.1
Disaster Loans	--	25.1	+25.1
Department of Homeland Security	3,400.0	4,630.0	+1,230.0
FEMA Disaster Relief	3,400.0	4,310.0	+910.0
Community Disaster Loan Act	--	320.0	+320.0
Department of Education	--	60.0	+60.0
Innovation and Improvement	--	30.0	+30.0
Higher Education	--	30.0	+30.0

Appropriations Subcommittee/Title/Account	Request	House	Change to Request
Department of Housing and Urban Development	--	10.2	+10.2
Office of Inspector General	--	10.2	+10.2
Title III: Agricultural Assistance	--	3,726.0	+3,726.0
Crop Disaster Assistance	--	1,808.0	+1,808.0
Livestock Compensation Program	--	1,480.0	+1,480.0
Livestock Indemnity Payments	--	31.0	+31.0
Spinach	--	25.0	+25.0
Emergency Conservation Program	--	20.0	+20.0
National Dairy Market Loss Payment Program	--	283.0	+283.0
Peanut Storage	--	74.0	+74.0
Aquaculture	--	5.0	+5.0
Title IV: Other Matters	--	2,481.4	+2,481.4
Department of Agriculture	--	48.0	+48.0
Farm Management Agency	--	48.0	+48.0
Department of Commerce	--	60.4	+60.4
National Oceanographic and Atmospheric Administration	--	60.4	+60.4
Department of Homeland Security	--	-20.0	-20.0
Rescission of Unobligated Balances	--	-20.0	-20.0
Department of the Interior	--	113.2	+113.2
Bureau of Land Management Wildland Fire Management	--	100.0	+100.0
Fish and Wildlife Service Resource Management	--	7.4	+7.4
National Park Service	--	0.5	+0.5
U.S. Geological Survey	--	5.3	+5.3
Department of Agriculture	--	800.0	+800.0
Forest Services Wildland Fire Management	--	400.0	+400.0
Secure Rural Schools	--	400.0	+400.0
Indian Health Facilities (Transfer)	--	-7.3	-7.3
Indian Health Services (Transfer)	--	7.3	+7.3
Department of Health and Human Services	--	1,419.7	+1,419.7
National Institute of Allergy & Infections Diseases (Transfer)	--	-49.5	-49.5
Low Income Energy Home Energy Assistance	--	400.0	+400.0
Public Health & Social Services Emergency Fund		969.7	+969.7
Public Health & Social Services Emergency Fund (Transfer)	--	49.5	+49.5
Covered Countermeasure Process Fund	--	50.0	+50.0
Department of Labor	--	--	--
Employee Benefits Security Administration (Transfer)	--	7.0	+7.0
Pension Benefit Guaranty Corp (Transfer)	--	-7.0	-7.0
Legislative Branch	--	50.2	+50.2
House: Payments to Widows and Heirs	--	0.2	+0.2
Capitol Power Plant	--	50.0	+50.0

Appropriations Subcommittee/Title/Account	Request	House	Change to Request
Department of State	--	10.0	+10.0
U.S. Mexico Boundary & Water Commission	--	10.0	+10.0
Title VI: Elimination of SCHIP Shortfall	--	214.0	+214.0
Department of Health and Human Services	--	214.0	+214.0
State Children's Health Insurance Program	--	448.0	+448.0
Repeal of Medicare Advantage Enrollment		-1.0	-1.0
Rescission of Unobligated Balances for Undocumented Alien ER		-233.0	-233.0
Grand Total	103,015.4	124,080.6	+21,065.2