

FUNDING WAR WITH SUPPLEMENTAL APPROPRIATIONS

BY

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USAWC STRATEGY RESEARCH PROJECT

FUNDING WAR WITH SUPPLEMENTAL APPROPRIATIONS

by

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ABSTRACT

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The United States has funded Global War on Terror efforts using supplemental appropriations (or separate titles within base appropriations) over multiple years. In the recent past, major contingencies generally were funded initially with supplemental appropriations but later funded with base appropriations. The transition usually happened within a year or two, once requirements became known or reasonably predictable. Congress has been pushing to shift war on terror funding from supplemental appropriations (and separate titles) to base appropriations as integral components. Yet the administration has sent signals it favors continuing to fund the war with supplemental (or emergency) appropriations. Consequently, there has been much debate over how to fund war efforts. How should our nation fund war efforts; should the nation fund wars with supplemental appropriations (or separate titles within base appropriations), or fund them with base appropriations? This paper explores this question by examining the debate over using supplemental appropriations, how the nation has funded wars in the past, the advantages and disadvantages of using supplemental funding, and considerations when contemplating supplemental funding. It

concludes that supplemental appropriations are useful for funding war when used appropriately.

FUNDING WAR WITH SUPPLEMENTAL APPROPRIATIONS

The United States Congress wants the President to include Iraq and Afghanistan and other Global War on Terror funding requirements in the annual defense budget submission. Congress passed a provision in the 2007 National Defense Authorization Act requiring the president to do so.¹ Having not done so in the past, the President, when signing the bill into law on October 17, 2006, signaled at the time he may not abide.²

This added fuel to an ongoing debate over funding for war efforts. The President, however, stepped closer to complying when the Department of Defense submitted the Fiscal Year 2008 Global War on Terror Request along with the fiscal year 2008 base Defense budget as part of the President's Budget request in February, 2007. Previous requests typically were submitted well into the year of budget execution, after war funding requirements became clearer. By contrast, this new approach is forward-looking and forecasts requirements. Even so, the request does not blend fully the war funding requirements with the base budget requirements; the justification for it is separate and distinct. Congress, when acting on the annual defense appropriations for fiscal year 2008, chose to treat the funding as separate and not blend it with the base appropriation.³

Citizens and policy makers alike will find it useful to identify and examine the implications of this debate. The debate centers on whether funding for military operations in Iraq and Afghanistan should be provided in supplemental appropriations (or as a separate title in base appropriations), or as an integral component of base appropriations.⁴ What is the right or best way to fund wartime efforts; should the nation

fund wartime military operations and programs with supplemental appropriations? This paper explores this question by examining the debate over the use of supplemental appropriations to fund war efforts; identifying how our nation can and has funded wars; highlighting the advantages and disadvantages of using supplemental funding; and characterizing a set of considerations for using supplemental funding.

The Debate

The debate is important to our nation for several reasons. First, and fundamentally, critics argue that current administration and congressional practices can “undermine efforts to maintain a culture of transparency, accountability, and discipline in federal budget-making and budget deficit and debt projections.”⁵ Second, and more broadly, it addresses the issue of presidential versus congressional power in war-making. Finally, paying for war has an impact on the economy. This is why people are taking sides on the issue. Explanation of each of these reasons follows.

Less Scrutiny

Global War on Terror efforts have been funded largely with supplemental appropriations over an extended period of time. This is a break with past history where supplemental funding generally has been used to fund only initial wartime operations, with funding for ongoing operations coming not too long afterward in base appropriations.⁶ Critics say this practice hides the true cost of the war efforts. Moreover, critics argue that this practice is fiscally irresponsible since supplemental funding faces less scrutiny than base budget funding. It is time to begin funding the war with base appropriations, they contend.⁷

Those who favor including funding for current and future operations in Iraq and Afghanistan in regular annual defense appropriations do so arguing that these operations now are ongoing and therefore (at least some, if not all) costs are determinable. Senator Jack Reed, Democrat from Rhode Island, at one point “complained that the Army,” for example, “should not be seeking emergency funding to cover costs it knows in advance will occur.” In questioning Army Chief of Staff General Peter Schoomaker, “Reed established that the Army is spending \$4 billion dollars a year...to repair war-damaged equipment.” “We know we can’t avoid fixing this equipment...It begs the question, why don’t we put this, these numbers at least, into the budget?” Reed said.⁸

Others argue that there is too much unpredictability and therefore it is too difficult to estimate costs with certainty.⁹ “It is impossible to estimate with confidence how much additional funding will be needed to cover the cost of these operations in 2008 and beyond—due not only to uncertainty concerning the size, duration and intensity of the U.S. military operations in Afghanistan and Iraq, but also to significant gaps in cost, funding and related data,” according to Steven M. Kosiak, who is Vice President, Budget Studies, at the Center for Strategic and Budgetary Assessments, Washington, D.C.¹⁰ Secretary of Defense Robert M. Gates perhaps acknowledged this when submitting the FY 2008 Global War on Terror Request in February 2007, at \$141.7 billion, by indicating that it reflected a “best estimate” at the time and that the Department of Defense may seek to amend the request if circumstances change. Indeed, the Department increased the estimate in July 2007 by \$5.3 billion to procure additional Mine Resistant Ambush Protected (MRAP) vehicles and again in October

2007 by \$42.3 billion to increase funding for ongoing operations, for a total of \$189.3 billion. The amendment stated that “it was always the Department’s intent to refine the estimate once conditions on the ground were better understood.”¹¹

Supplemental appropriations can serve as a relatively unchecked way to provide funding “outside the normal [scrutiny of the] regular budget process.”¹² Regular base budget requests face both the congressional authorizing and appropriations committees. “The authorizing committees (including the House and Senate Armed Services committees) spend the better part of a year reviewing and scrutinizing base budget requests.”¹³ “Authorizing legislation sets policies and funding limits for agencies,” while appropriations legislation gives agencies what they need to obligate funds.¹⁴ This creates a tension that provides a check and balance for base funding legislation. Supplemental funding requests, in contrast to base funding requests, bypass the authorizing committees and go “directly to the appropriations committees.”¹⁵ Consequently, supplemental funding requests “do not go through, [and therefore avoid the scrutiny of], the Armed Services Committees.”¹⁶ As Senator John McCain, Republican from Arizona put it: “So, what it effectively is, is an end-run around the authorization process, going directly to the appropriations committees.”¹⁷ These requests, which typically provide less detail than base budget requests,¹⁸ are usually then acted on quickly in the interest of the troops.¹⁹ “The result is a spending bill that passes Congress with perfunctory review.”²⁰

Indeed, this is at least one of the main reasons critics of current supplemental appropriation practices have called for including funding for ongoing military operations in base appropriations. The Iraq Study Group led by James A. Baker and Lee H.

Hamilton, for example, in its report called for the President to include costs for the war in Iraq in the annual budget beginning with 2008 because “circumvention of the budget process [by including costs of war in supplemental appropriation requests as opposed to base budgets] by the executive branch erodes oversight and review by Congress.”²¹ This practice can “obscure or distort important aspects of the fiscal impact of federal spending and, therefore, undermine the general fiscal responsibility of the federal government.”²²

Both the Congress and the administration have been using supplemental appropriations to their advantage. Beyond funding clearly emergency war-related requirements, both have added money to fund programs that may not be tied directly to war efforts. The supplemental is an easy and effective way to get such programs funded, as explained above. Each leverages the desire of the nation to “take care of the troops” even when some might not agree with the war policy overall. Irrespective of position on the decision to go to and the conduct of war, it is difficult to say no to funds for troops in the field. Recognizing and capitalizing on this, stakeholders add items to the supplemental knowing that it could sail largely unchallenged through enactment. Emergency supplemental appropriations “have been used to finance such non-emergency, nonmilitary items as a \$500,000 study of wind energy in the Dakotas and a \$55 million waste-water-treatment plant in Mississippi,” as examples of congressional plus-ups provided in such legislation.²³

As for the administration, according to Amy Belasco, a specialist in U.S. Defense Policy and Budget with the Congressional Research Service, in a recent statement before the House Budget Committee:

[The] Department of Defense's recent [supplemental] requests have gone beyond the traditional definition of immediate "incremental costs," including some programs with more indirect or longer-term connections to ongoing war operations such as equipping standardized units in the Army and Marine Corps, upgrading equipment as part of reset, buying pre-positioned equipment, and increasing the size of the Army and Marine Corps.²⁴

It remains debatable as to how clearly these programs are emergency requirements.

Struggle for Power

Second, and more broadly, the debate over supplemental funding addresses the issue of presidential versus congressional power in war-making. Fundamentally, the tension between the administration and Congress over how to fund military operations is a matter of control over national security policy. Who controls war-making? Under the Constitution of the United States, the Congress has the right to declare war and raise and support the armed forces by financing their activities. "The President," as military commander-in-chief, has the "power to utilize the armed forces to repel attacks against the United States."²⁵ The Congress shapes war policy by making laws that control what the president can do and providing funding, and by providing oversight that effectively serves as a check on presidential power. This power of the purse is a means to control policy.

But, historically, there has been a tension over who really controls war policy. The framers of the Constitution divided powers among the executive, legislative and judicial branches of government to prevent the President from having too much control.²⁶ Yet despite general agreement about the President's role to defend the nation, "there has long been controversy over whether he is constitutionally authorized to send forces into hostile situations abroad without a declaration of war or other congressional

authorization.”²⁷ “In the 1930s, this nation [the United States] was very isolationist. It felt that President [Woodrow] Wilson made a mistake getting the country into World War I.”²⁸ Congress, sensing public fear of the President taking the nation to war, actually contemplated legislation that would have required the nation to vote on a referendum to go to war, which would have taken power from the President. It did not pass. Yet since World War II, that sentiment has swung and war-making power has ceded to the executive branch.²⁹

Following the Korean War and as the war in Vietnam was winding down, Congress enacted The War Powers Resolution in 1973 over President Richard Nixon’s veto in an attempt to bring some degree of control back to the Congress.³⁰ “The main purpose of the resolution was to establish procedures for both [the executive and legislative] branches to share in decisions that might get the United States involved in war. The drafters sought to circumscribe the President’s authority to use armed forces abroad in hostilities or potential hostilities absent a declaration of war or other congressional authorization, yet provide enough flexibility to permit him to respond to attack or other emergencies.”³¹ Even so, deeming the resolution unconstitutional, Presidents have continued to commit forces absent specific authorization from Congress.³² Arguably, though, it has prompted Presidents to work with the Congress to garner support for war efforts. This effectively, but only minimally, has moved some power back to the Congress. The struggle now over war funding being played out appears to show war-policy power is clearly in the hands of the President.

Economic Effects

The way the nation pays for wars—the way it generates the financial resources to provide appropriations—impacts the economy and financial well-being of the nation. This is important because to the extent policy makers decide to provide funding tagged to the war effort, there are consequences that bear consideration. The nation pays for wars by increasing government outlays (or spending government money). The government can finance these outlays “through higher taxes, reductions in other government spending, borrowing from the public, or money creation.”³³ This implies that choices must be made that can impact the well being of not only current but future generations as well.

While higher taxes and reductions in other government spending “are unlikely to have an effect on economic growth in the short run,”³⁴ the impact of such methods can be felt nearly immediately by the public in either reduced purchasing power or degraded services or benefits. Consequently, consideration of using taxes and/or federal programs reductions to pay for war can stimulate significant political debate. Lawmakers, for example, could leverage the idea of implementing such methods in order to stimulate a policy change. In one recent example, Chairman of the House Appropriations Committee David R. Obey, Democrat of Wisconsin, who serves as an Ex-Officio voting member of all 12 Appropriations Subcommittees, called for a surtax to pay for the war in an attempt to “call the president's bluff on fiscal responsibility” and bring troops home from Iraq.³⁵

The “financial burden” of operations in Iraq and Afghanistan is relatively low for operations “when considering the costs versus the current strength of the economy.”³⁶ Estimates indicate total defense spending, including both war and base, will absorb 4.7

percent of projected Gross Domestic Product (GDP) in fiscal year 2008. For comparison, defense spending reached 11.7 percent of GDP during the Korean War and 8.9 percent during the Vietnam War, as Figure 1 indicates.”³⁷

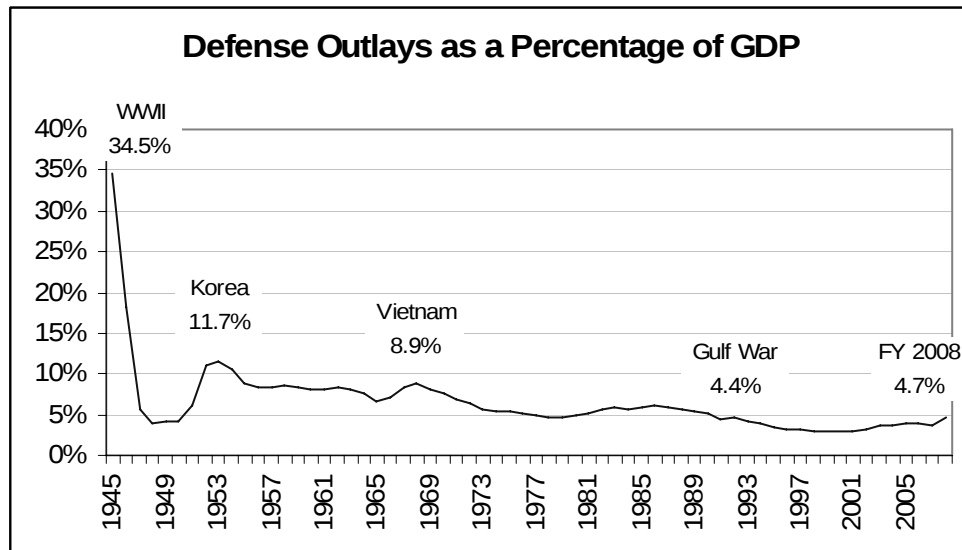


Figure 1. Department of Defense outlays as a percentage of Gross Domestic Product over the period 1945 to 2008. (FY 2008 includes base and GWOT funding appropriated (versus outlays) to date plus remaining FY 2008 GWOT Request, as of 4 February 2008.)

Sources: Budget of the United States Government: Historical Tables, Fiscal Year 2009; Department of Defense National Defense Budget Estimates for FY 2008, March 2007, Table 6-11, pp 128-133; Department of Defense National Defense Budget Estimates for FY 2005, March 2004, Table 6-11, pp 128-133, for 1945 through 1948 outlay data; Department of Defense FY 2009 Budget Request Summary Justification, February 2008.

But even though the war is not having an immediate impact on the economy, it will, according to Steven M. Kosiak of the Center for Strategic and Budgetary Assessments, as reported by William H. McMichael of the *Army Times* in an October 2007 article:

“Arguably, it’s having very little effect because it’s...been put on our national credit card,” Kosiak said. “It’s debt for future generations.” Past wars, he said, were funded at least partly with tax increases. “Now, we’ve

had a tax cut,” Kosiak said. “We’re not cutting other programs. So in a sense, we have not made any sacrifice.” The war in Iraq, he said, “has contributed to our future deficit.”³⁸

Indeed, Kosiak argues that when combining sustained, increased base defense spending with war spending, the long term impact on the economy is unfavorable. He writes:

The long-term federal budget picture has dramatically worsened over the past six years. In early 2001, CBO projected a 10-year surplus of about \$5.6 trillion over the FY 2002-11 period. By contrast, CBO’s baseline estimate now projects surpluses totaling only \$586 billion over the next decade (FY 2008-17). Unfortunately, it is likely that the outlook will deteriorate still further in the coming years. In its latest request [2008 federal budget], the administration has proposed changes in taxes and spending that, if enacted, would result in deficits totaling some \$1.06 trillion over the FY 2008-17 period, and, making more realistic assumptions about future war costs and other factors, it is quite possible that deficits over this period will total \$3-4 trillion.³⁹

Funding Military Operations

Wartime operations can be funded several ways, from an appropriation standpoint. First, the military services can fund such requirements within existing resources provided in their base appropriations. This is typically what the services do immediately when contingencies emerge for which no funding is budgeted.⁴⁰ Absent any reimbursement, they simply absorb these costs within existing appropriated resources.⁴¹ Flexibility exists, although limited, to move money around to do so. Congress typically provides money in the operation and maintenance appropriations in broad categories, which the services can use to fund operations, for example.⁴² Also, the services can reprogram funding from one account to another in order to fund such operations. Moving money from procurement accounts to operation and maintenance accounts is one way the services have done this.

To be sure, though, the administration faces limitations. Congress has established a set of conditions that govern the reprogramming of funds. The administration must seek prior congressional approval to move funds among certain accounts when thresholds, as conveyed in law, are exceeded. The administration may also need to obtain prior approval to terminate or modify a program when the value exceeds defined thresholds. There are many other conditions under which prior approval is necessary, as written into law. In some cases, the administration need only notify Congress it is moving funds. Establishing a new program whose total cost is below a defined threshold is one such example where only notification is required. Under some circumstances the administration can reprogram funds internally, without prior approval or notification. Any reprogramming that moves funds without changing the purpose or congressional intent for which it was provided is one example.⁴³ Such restrictions indicate the power of the purse the Congress wields.

The services also can use appropriated money to forward-fund operations, with the expectation they will be reimbursed from external sources. Reimbursement can come from supplemental appropriations Congress provides or from a reprogramming of funds from some other external source such as another service or defense-wide appropriation. As another tool to fund operations, if only until supplemental appropriations become available, “the Feed and Forage Act (41 U.S.C. 11) also allows the Defense Department to incur obligations for certain purposes in advance of appropriations”⁴⁴ Finally, while largely intended (at least initially) to fund ongoing contingency operations in the Balkans and Southwest Asia, the “OCOTF [Overseas Contingency Operations Transfer Fund] was established by the DOD appropriations act

for fiscal year 1997 to meet operational requirements in support of emerging contingency operations without disrupting approved program execution of force readiness.”⁴⁵

Second, and as alluded to above, the administration can request and Congress can provide supplemental appropriations. This has been the typical method by which our nation, at least initially, has funded wartime operations. “Supplemental appropriations provide additional funding to a government program for the fiscal year already in progress, over and above the funding provided in regular appropriations laws. They have been used since the second session of the first Congress in 1790 and were common by the early 1800s.”⁴⁶ Indeed, they became routine.

Congress and the administration have tried over the years to control spending. Both agreed in the 1980s that “neither would initiate supplemental bills except in the case of dire emergency.”⁴⁷ In practice, wartime supplemental funding typically has been designated as “emergency” funding. This designation is important. As another means to control spending, since 1990, Congress has established discretionary spending ceilings via budget resolutions and has enforced them with parliamentary rules while considering appropriations legislation. Yet emergency funding generally has been exempt from such ceilings.⁴⁸ This has offered a safety valve for emergent requirements due to natural disasters as initially designed,⁴⁹ for example, but also has offered an opportunity to fund war efforts without having to contend with spending ceilings.

Though “not defined in budget-process law...OMB [White House Office of Management and Budget] [has] attempted to develop a definition of “emergency requirement” by stating that such a requirement must meet five criteria:

- A necessary expenditure (an essential of vital expenditure, not one that is merely useful or beneficial);
- Sudden (coming into being quickly, not building up over time);
- Urgent (a pressing and compelling need requiring immediate action);
- Unforeseen (not predictable or seen beforehand as a coming need, although an emergency that is part of an overall level of anticipated emergencies, particularly when estimated in advance, would not be “unforeseen”); and
- Not permanent (the need is temporary in nature).⁵⁰

Congress at one point considered but rejected adopting these criteria in law.⁵¹

“Currently, the President and the Congress are not required to adhere to this definition” and can define and treat emergency spending as they see fit.⁵² This has helped keep the debate alive over how to fund Global War on Terror efforts.

Third, Congress can provide funding in a separate title within a base appropriation. There is a history of this with the current Global War on Terror. The Congress, for instance, provided bridge funds as a separate title within base appropriations to cover at least part of the costs of war efforts in fiscal years 2005, 2006 and 2007.⁵³ The intent was to provide some funding up front to reduce the need for the services to cash-flow operations using existing base appropriation funding.⁵⁴ However, these funds still were considered emergency and therefore did not face the ceiling limitations the rest of the base appropriations did. This is a concern because, under such practices, there is no forcing mechanism to curb the desire to pile-on funding requirements. This is compounded by the fact that bridge funding provided typically is not based on thorough justification material; although, there was always the expectation the services would provide justification for the provided bridge funding along with additional requests for supplemental funding once requirements became clearer, as the year progressed

following enactment of the appropriation. Creating bridge funding was one step closer to trying to bring the administration in line with requesting funding for the war in the base budget.

Finally, the administration can budget for and Congress can provide funding for the war in base appropriations. Congress can provide the funding within existing accounts or by establishing new accounts within the appropriation. Such funding would not be considered emergency funding. It would fall subject to the considerations regular appropriations face. Spending ceilings would apply. In addition, unlike with supplemental funding which faces only the appropriations process, it would face both the authorization and appropriations processes. In sum, it would face more scrutiny than emergency funding.

In practice, a combination of these is how the nation typically has funded wars. History has shown since the end of World War II that the administration typically uses currently appropriated funding at the outset of operations. The administration then submits a supplemental request for additional funds after operations have begun and requirements are known with fidelity. Some time later, Congress begins providing funding in regular appropriations.⁵⁵

So how has the United States funded wars before?⁵⁶ What does the history of war funding reveal? First, history has shown that defense funding goes up with war and comes down afterward, as Figure 2 illustrates. Second, it shows that war funding has come in both supplemental and baseline appropriations.

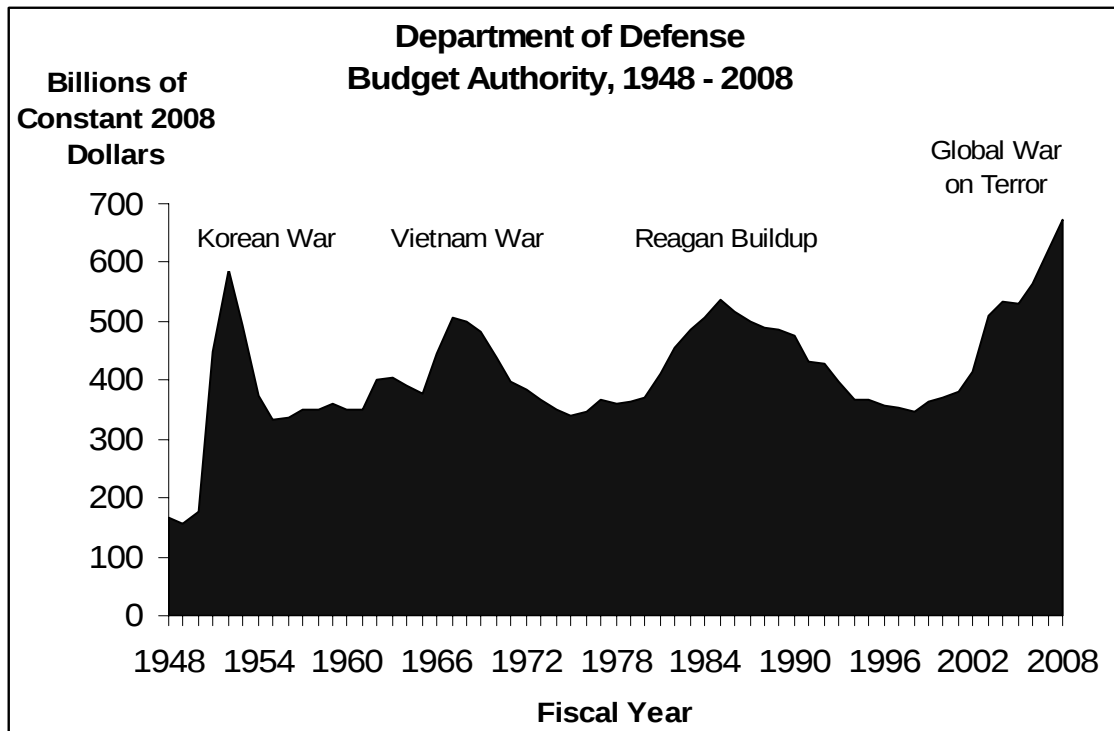


Figure 2. Department of Defense funding over the period 1948 to 2008. (Includes base and supplemental or “bridge” funding; 2008 figure represents base and Global War on Terror budget requests, as of October 2007.)

Sources: Department of Defense National Defense Budget Estimates for FY 2008, March 2007, Table 6-8, pp 110-115; Congressional Research Service (CRS) Report RL33900, FY 2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes, 2 July 2007; Department of Defense FY 2008 Global War on Terror Amendment, October 2007.

The increase in funding for the Korean War was attributable more to base funding than supplemental funding. It appears that is because while “supplementals [sic] have been the most frequent means of financing the initial stages of military operations [after operations have begun], in general...past Administrations have requested, and Congress has provided, funding for ongoing military operations in regular appropriations bills as soon as even a limited and partial projection of costs could be made.”⁵⁷ Congress, for instance, provided 23 percent⁵⁸ of overall defense funding over the period

1951 through 1953 as supplemental appropriation monies to fund operations. (Supplemental appropriations accounted for an estimated roughly one-third of the funding for the Korean War while the rest, roughly two-thirds, came from baseline appropriations.⁵⁹) Most of the supplemental funding was provided early on, in 1951. In 1952 and 1953, funding came virtually all in base appropriations.⁶⁰

For Vietnam, roughly one-quarter (23 percent) of the funding provided for the war came in supplemental appropriations while roughly three-quarters of the funding (77 percent) came in base appropriations.⁶¹ “The Johnson Administration requested and Congress provided \$700 million for fiscal year 1965 and then submitted a budget amendment for \$1.7 billion for the regular fiscal year 1966 defense appropriations bill. Subsequently, substantial funding was requested and provided in regular appropriations bills for fiscal years 1967 and 1968” as well as fiscal year 1969, “and additional funding was also provided in supplemental appropriations.”⁶² After that, funding for operations was provided only in base appropriations, through fiscal year 1975.⁶³

The increase in defense spending over the 1980s is commonly attributable to President Ronald Reagan. Reagan increased defense spending to build up the nation’s defense posture during a time of uneasy peace associated with the ongoing Cold War, and not necessarily any major contingency operation. The increased funding, provided in base appropriations, spanned multiple years and reached levels not seen since the Korean and Vietnam conflicts.⁶⁴

The next significant contingency where supplemental appropriations were used was the Persian Gulf War. An estimated \$51 billion was provided in supplemental appropriations in 1990 through 1992 to pay for the war,⁶⁵ with the bulk of that funding,

\$42 billion, provided in fiscal year 1991.⁶⁶ “Costs declined rapidly after combat operations were over, so additional funds were not needed, either in supplemental or regular [base] appropriations bills.”⁶⁷

“Operations in Somalia, Southwest Asia, Haiti, Bosnia and Kosovo in the early 1990s were funded” in “supplemental appropriations.” For “fiscal year 1996, however, Congress decided to include funding for ongoing operations in Southwest Asia in regular [base] appropriations.” Congress also “directed the administration to request funding for ongoing military operations in regular” base budget submissions. Indeed, in fiscal year 1997 the “administration included funding for ongoing operations” for both Southwest Asia and Bosnia “in the regular [base] defense budget” request. Congress responded by establishing and appropriating funds for Bosnia in the Overseas Contingency Operations Fund (OCOTF). It was set up so the Department of Defense would transfer these funds to the executing services to finance ongoing operations. The legislation “required reports on [such] transfers from the fund.” Later in the 1990s, Congress provided “funding for operations in Kosovo...initially...in supplemental appropriations bills, but, as soon as the peacekeeping operation was underway, administrations requested and Congress provided funding in base appropriations.”⁶⁸

To sum up, in general, previous large-scale and lengthy military contingencies since World War II were funded using supplemental appropriations for the first year or two, and then they were funded using base appropriations.⁶⁹

With the Iraq and Afghanistan wars and other operations associated with the Global War on Terror, by contrast, over 90 percent of the \$567 in Department of Defense funding provided through fiscal year 2007 for operations has come in

supplemental appropriations (or emergency titles within base appropriations). This has occurred over a six year period spanning fiscal years 2001 through 2007. The remainder was provided in base appropriations over that period.⁷⁰ Adding the fiscal year 2008 request, the largest annual request for Global War on Terror efforts to date at \$189 billion (\$87 billion of which has been appropriated to date) stretches the run in sequential supplemental appropriations to fund war efforts yet another year.⁷¹

When submitting the fiscal year 2009 budget, as part of the budget request justification, the administration requested “\$70 billion for an emergency allowance for the Global War on Terror.”⁷² Secretary of Defense Gates conveyed in the request that “Details will be provided to Congress once the specific needs of our troops on the ground are better known.”⁷³ This approach is significant. The administration has submitted its war request up front, with justification written into the same document justifying the regular base budget, not as a separate submission as in the past. Even so, the administration is requesting Congress treat the war funding still as emergency funding—in essence as separate and distinct from base funding.

In Summary: Advantages and Disadvantages with Supplemental Appropriations

There are upsides to using supplemental appropriations. First, as mentioned above, supplemental appropriations can provide resources for emergency requirements which are not known at the time the annual baseline appropriation is enacted.

“Supplemental spending gives the [administration and] Congress flexibility to respond to problems or priorities that may not have been anticipated during the regular cycle of annual appropriations.”⁷⁴ This gives the nation the ability to react to an unforeseen, emergent crisis.

Second, supplemental appropriations can provide funding for new, immediate-need capabilities that impact current wartime operations that otherwise are not funded in a base appropriation. This was the case with improved body armor for troops fighting in Iraq and Afghanistan. Another recent example is funding for Mine Resistant Armor Penetration (MRAP) vehicles where the administration requested and Congress approved funding to purchase additional vehicles. Doing so can permit the nation to continue funding the development and modernization of a future force while at the same time meeting current but unexpected force materiel needs.

Third, supplemental appropriations can allow the military to obtain more-capable equipment for future needs. Such funding can allow the services to buy equipment earlier than planned or programmed; or it can allow the services to provide for new capabilities that otherwise are not funded in the base budget. Accelerating the creation of standardized units in the Army and Marine Corps could be considered an example of this.⁷⁵

But there are potential downsides as well. First, as stated above, supplemental appropriations are subject to less scrutiny than base appropriations; therefore, there is potential for suboptimal allocation of national resources. Supplemental appropriations can continue to serve as a relatively unchecked way to add additional spending outside the normal scrutiny the regular budget process provides. Again, this offers an incentive to add non-emergency requirements that may not be tied necessarily to the war effort. Additionally, this can create an opportunity to add-in new requirements or to shift base budget requirements into supplemental budgets in order to preserve baseline investments. The risk in this approach, however, is that once a program is started with

supplemental funding and is determined critical to the future force, resources must continue even when supplemental appropriations monies disappear. In such cases the Department of Defense typically would need to find offsets within its baseline when building future budgets to fund these programs, which finally allows for a better allocation of national resources.

The opportunity emergency funding can provide is lost neither on Congress nor the administration. Congress, for example, can move funding from the base budget titles for requirements the President has requested and move it to the bridge title under the rationale it is war-related. Doing so frees up base money to fund other programs of Congress' choosing.⁷⁶ "That means 'every dollar you put in the emergency supplemental [or bridge title] gives you a dollar you can spend on something else,' according to Jeremiah Gertler, a former House Armed Services Committee staff member."⁷⁷ The administration, for its part, can do the same when it requests emergency supplemental funding. It can add items to the war request that otherwise it would fund in the base budget. This allows the administration to preserve and even effectively grow its base budget.

Second, when "emergency" is interpreted literally, there may be lost opportunities to take care of requirements associated with the war but that require funding after military operations end. Take the need to reconstitute the force once military operations end. Current Department of Defense policy is "to ensure force readiness by rapidly repairing or replacing equipment that has been destroyed, damaged, stressed, or worn out in Global War on Terror operations, and by providing critical equipment and technology for future deploying forces."⁷⁸ Residual requirements to return the force to an

appropriately ready condition are likely to persist after operations end. The United States Army, for example, “has said that it will continue to need approximately \$13 billion annually for that purpose for as long as operations continue at their current pace and for at least two years after hostilities cease.”⁷⁹ A case can be made to associate such requirements with the war. The logic is that the military operations put an extraordinary burden on equipment beyond what would have happened in a peacetime environment.⁸⁰ The Congressional Budget Office affirmed this, for the Army, in a recent paper that says, “In general, the Army’s major systems are operating at rates that exceed—sometimes by factors of five or six—their average operating rates in peacetime.”⁸¹

Yet the concern is that supplemental funding would not be made available to take care of these war-related requirements. It is reasonable to assume that the propensity to provide emergency supplemental funding will go down when operations end, if not before. After all, historically, war funding has moved from supplemental to base appropriations within a year or two even as operations have continued, and Congress has been pushing to move current war funding to base appropriations. Should that happen, the most likely alternative is to pay for reconstitution by taking from the base budget. That means funding would have to come from other base programs, such as weapon systems modernization programs.

Indeed, the Department of Defense has begun to make a stronger case for taking care of such reconstitution needs. The administration has asked for and Congress has provided increasingly more funding. The fiscal year 2008 Department of Defense Global War on Terror funding request, for instance, seeks \$46.4 billion for FY2008, up from the

\$18.7 billion and \$36.3 billion appropriated in FY2006 and FY2007, respectively for reconstitution.⁸² Even so, a concern among the services is that those same types of requirements will no longer get funded when military operations have scaled back. According to James Jay Carafano, Ph.D., Assistant Director, Kathryn and Shelby Cullom Davis Institute for International Studies and Senior Research Fellow, Douglas and Sarah Allison Center for Foreign Policy Studies at the Heritage Foundation, “they [the military] figure that as soon as Iraq cools down, the big checks won’t be so big anymore.”⁸³

One way possibly to mitigate this risk is to create a set-aside reconstitution capital account now with emergency funding that could be used once operations end. This probably would not garner much support, however. After all, why would the nation want to set aside money today for future requirements that it cannot predict accurately when there are known, pressing needs to fund now? Moreover, how can a requirement that is unknown with reasonable fidelity qualify as an emergency? Asserting a different approach, the Congressional Research Service has suggested that the increase in requested funding appears to represent frontloading and “may be an attempt by the services to avoid being in the position of requesting reset [reconstitution] funds after U.S. troops have started to withdraw.”⁸⁴ This implies that services are trying to reconstitute now to the extent they can so they do not get caught short if funding does taper off.

Finally, when Congress uses the power of the purse to control policy and decides to delay the passage of wartime supplemental appropriation bills, it can create a challenge for the Department of Defense to find ways to cover war costs. Consider the

treatment of the fiscal year 2008 defense base budget and Global War on Terror requests, for example. By November 2007, Congress had approved the \$470 billion base budget but not the \$189 billion Global War on Terror funding request. At that time, Congress did not want to fund the war request “unless the money” was “tied to...goals to bring...troops home from Iraq.” Back then, absent the funding and yet still needing to fund ongoing wartime operations, Secretary of Defense Gates indicated that though it is undesirable, the Department may have to furlough civilian workers in order to generate monies. Doing so effectively would shut down Army and some Marine bases. Not only would this “imperil the livelihoods...of workers,” it possibly could impact the ability of military installations to support war efforts.⁸⁵ Arguably, the funding may have been provided had the war requirements been embedded in the base budget. But, on the other hand, Congress could have stripped the war costs out of the base budget and effectively done the same thing in withholding emergency funding.

Considerations for Supplemental Funding

Whether to fund war efforts with supplemental appropriations appears as a simple yes or no question. Getting to the answer is not so simple, however, as intimated in this paper. Following are just some of the fundamental considerations decision makers will likely contemplate when exploring options to fund war.

First, the nature of the operation is important. What is the nature of the operation? Is it a contingency, something unplanned, an “emergency,” or is it a routine engagement effort or exercise? Emergent requirements not provided for in base appropriations are traditional candidates for supplemental funding, while routine engagements and exercises typically are pre-planned and funded with base appropriations. Are the

funding requirements known and valid; if not, when will policy makers know the funding requirements? History has shown that funding for wars initially has come in supplemental appropriations but later has shifted to base appropriations as requirements become clear. To the extent conditions are dynamic and preclude the opportunity to determine funding requirements in advance, supplemental appropriations historically have been the natural way to fund contingencies until operations have progressed to a point at which requirements are knowable with reasonable fidelity.

Second, the funding environment matters. Is base budget funding already set aside to do the operation? Congress previously has provided funding for some ongoing or anticipated operations in base appropriations. What programs and activities funded in baseline appropriations will not execute fully as a result of the war; are there any harvestable savings? Pre-planned and resourced training opportunities not realized, for example, might produce offsets that can be used to finance war-related efforts. Can contributions that friends and allies provide (forces, funds, assistance-in-kind) obviate the need to provide United States funding? While such contributions may be difficult to determine in advance, gaining commitments can reduce the need to seek supplemental funding. Are the costs incremental; in other words, are requirements tied directly to war efforts and additive to baseline appropriation funding? Can supporters make a case showing the funding requirements are critical to the achievement of national objectives? Being able to show a connection makes a firmer case for supplemental funding.

Finally, the political environment is significant. What is the current political environment? Do the Congress and the people of the nation support the operation? What impact would funding the operation have on the economy? What tradeoffs within

the federal budget would need to be made to fund the operation? What kind of message does the way we fund war send domestically and internationally? Answers to these questions are critical because they give an indication of the willingness of the people of America to pay the cost for the return they hope to get from war efforts.

Moreover, while some argue including funding in base appropriations makes the process of funding war more transparent, one could argue that keeping war funding in supplemental appropriations sends a message that our nation truly is at war, even if doing so comes at the cost of lack of transparency. It could indicate that operations are not routine, that our nation needs to stay focused on national interests and objectives and take whatever means are necessary to win. Putting war funding into base appropriations could signal that operations are routine and indicate a lesser level of commitment. Our friends and allies as well as our adversaries could sense this and react accordingly.

Conclusion

The debate about whether to fund Global War on Terror efforts using supplemental appropriations is likely to continue. It should. In the end, determining how to fund war is fundamentally a political decision. Debate can only help bring about a better, if not a timely, decision.

This debate is important mostly because the way the nation funds wars impacts national economic well being. Because supplemental appropriations face less scrutiny than base appropriations, as some argue, this can lead to suboptimal use of resources. The process allows for the funding of special projects that otherwise might not happen. Yet others argue that requirements cannot be known enough in advance to include

funding in base appropriation requests. In sum, research shows that there are both advantages and disadvantages to using supplemental funding.

Despite the debate, under the right circumstances supplemental funding remains a viable means to fund war. The decision to use emergency funding or baseline funding to finance war efforts is circumstantial, and each case merits careful consideration. The debate should center on evaluating prevailing circumstances in the context of precedence and current policies viewed against the advantages and disadvantages of using supplemental funding. In the end, the process by which the decision is made must be as transparent as possible. The American people deserve to know what their resources are funding. Open debate makes sure the process remains transparent.

Therefore, the tension between the Congress and the administration when contemplating how to fund war is good and useful. Any administration is likely to feel that if it predicts war requirements poorly, it will be too tough politically to go back and ask for more money later. Absent exercise of power by the Congress, an administration is likely to push for flexibility and continued use of supplemental funding. So, ultimately, whether to use supplemental or base appropriation funding becomes a political decision, with the tension and debate between the bodies providing the decision space.

Thus, both bodies of government should determine collectively when to use supplemental funding. No set prescription should be set by which to make the decision. Congress has a responsibility to provide oversight, to scrutinize funding requirements. Just because supplemental funding follows a different process than base funding, Congress is not absolved of this responsibility. Any administration, for its part, must provide detailed information as early as possible in the process. The executive has a

responsibility to make reasonable and responsible assumptions upon which it can estimate future costs. It must say when operations, or at least components of operations, have become steady-state to the point at which funding requirements are knowable in advance. Identifying and communicating such requirements early with fidelity allows for deeper scrutiny as well as overall transparency.

Moreover, both the Congress and the administration also must exercise self-discipline and intellectual honesty by presenting requirements that meet criteria designed to serve the best interest of the nation as a whole. Neither the Congress nor the administration should lard up requirements unnecessarily. Open debate and deeper transparency help expose such practices and consequently tamp down the desire to embellish or add incongruous requirements. When this is done, both can come to a rationalized conclusion as to how war should be funded, whether using supplemental or base appropriations, or a combination of the two. In the final analysis, supplemental funding has its place for funding war efforts.

Endnotes

¹ William Matthews, "Bush Says He May Ignore New War-Funding Law," DefenseNews.com, 18 October 2006, available from <http://defensenews.com/story.php?F=2295660&C=america>; Internet; accessed 31 October 2007. See also Section 1008 of the FY 2007 defense authorization act, H.R.5122. Congress had voiced this desire previously, too. As conveyed by Stephen Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, CRS Report RS22455 (Washington, D.C.: U.S. Congressional Research Service, 13 June 2006), CRS-2: "The FY 2005 and FY 2006 defense appropriations acts both included provisions expressing the sense of the Senate that funding for ongoing operations should be requested and provided in regular defense funding bills. See Section 8138 of the FY 2005 defense appropriations act, P.L. 108-287 and Sections 8117 of the FY 2006 defense appropriations act, P.L. 109-148. Also, for several years, defense appropriations acts have included a provision requiring that the President's budget request include separate budget justification documents for costs of military contingency operations—see Section 8100 of the FY2006 defense appropriations act."

² Matthews, "Bush Says He May Ignore New War-Funding Law." The president indicated in a signing statement when he signed the act that he may or may not abide by the provision. According to Matthews, the president has used such statements to indicate how he plans to interpret the law. Matthews reports that some constitutional scholars say the President may be on solid ground if he refuses: the Constitution does not give Congress the authority to tell the president what to request or how to request it.

³ The justification document does make clear that "it should be understood that this request is based upon the Department's best estimate of funding needs at this time (February 2007). If circumstances in the theater change, the Department may seek to amend this request as appropriate." See Robert M. Gates, U.S. Secretary of Defense, *FY 2008 Global War on Terror Request* (Washington, D.C.: U.S. Department of Defense, February 2007), cover letter. The Department indeed submitted an amended request, in October 2007. See Robert M. Gates, U.S. Secretary of Defense, *FY 2008 Global War on Terror Amendment* (Washington D.C.: U.S. Department of Defense, October 2007).

⁴ Base appropriations are used to fund the routine preparation for war (for such items as day-to-day routine operation and maintenance, personnel, research and development, procurement, etc.), where funding requirements are determinable in advance. These are often considered "regular" or base appropriations where funding is provided in advance. "Supplemental appropriations," by contrast, "provide additional funding to a government program for the fiscal year already in progress, over and above the funding provided in regular appropriation laws." See Ellen Hays, *Supplemental Appropriations in the 1990s* (Washington, D.C.: U.S. Congressional Budget Office, March 2001), 1. Supplemental appropriations have been provided for contingencies where funding requirements were not known at the time base appropriations were completed.

⁵ OMB Watch, "Background Brief: Supplemental Appropriations," Washington, D.C., March 2007, available from <http://www.ombwatch.org/budget/supplementalbackgrounder.pdf>; Internet; accessed 27 October 2007, p. 7.

⁶ Steven M. Kosiak, *Analysis of the FY 2008 Defense Budget Request* (Washington, D.C.: Center for Strategic and Budgetary Assessments, undated), 1.

⁷ William Matthews, "Shadow budget," *Armed Forces Journal* (April 2006); available from <http://www.armedforcesjournal.com/2006/04/1813765>; Internet; accessed 10 January 2008.

⁸ Ibid.

⁹ Jeffrey Chamberlin, *Funding for Military and Peacekeeping Operations: Recent History and Precedents*, CRS Report RL32141 (Washington, D.C.: Congressional Research Service, 7 November 2003), summary page.

¹⁰ Steven M. Kosiak, *The Cost of U.S. Operations in Iraq and Afghanistan and for the War on Terrorism through Fiscal Year 2007 and Beyond* (Washington, D.C.: Center for Strategic and Budgetary Assessments, 12 September 2007), 1.

¹¹ Gates, *FY 2008 Global War on Terror Request*, cover letter.

¹² James A. Baker, III and Lee H. Hamilton, Co-Chairs, *The Iraq Study Group Report* (Washington D.C.: United States Institute of Peace), available from http://www.usip.org/isg/iraq_study_group_report/report/1206/index.html; Internet; accessed 5 November 2007, 60.

¹³ Ibid.

¹⁴ George Krumbhaar, "Budget 101: Authorization vs. Appropriations," available from www.nascsp.org/documents/0304_krumbhaar.PDF; Internet; accessed 8 January 2008.

¹⁵ Baker and Hamilton, 60.

¹⁶ Matthews, "Shadow budget."

¹⁷ Ibid.

¹⁸ OMB Watch, "Background Brief: Supplemental Appropriations," 1.

¹⁹ Baker and Hamilton, 60.

²⁰ Ibid. See also OMB Watch, "Background Brief: Supplemental Appropriations," 7.

²¹ Baker and Hamilton, 60.

²² OMB Watch, "Background Brief: Supplemental Appropriations," 1.

²³ Matthews, "Shadow budget."

²⁴ Amy Belasco, Specialist in U.S. Defense Policy and Budget, Congressional Research Service, *Statement before the U.S. Congress House Budget Committee, Hearing on the Growing Cost of the Iraq War*, 24 October 2007, 10.

²⁵ Richard F. Grimmett, *The War Powers Resolution: After Thirty Years*, CRS Report RL32267 (Washington, D.C., Congressional Research Service, 11 March 2004), CRS-1.

²⁶ Michael Beschloss as conveyed in a roundtable interview: Public Broadcasting System, Transcript, "President, Congress Spar over Iraq War Funding," online NewsHour, 10 April 2007, available from http://www.pbs.org/newshour/bb/politics/jan-june07/warpower_04-10.html; Internet; accessed 23 October 2007.

²⁷ Grimmett, CRS-1.

²⁸ Beschloss.

²⁹ Ibid.

³⁰ Grimmett, CRS-1.

³¹ Ibid.

³² Ibid, Summary.

³³ Marc Labonte, *Financing Issues and Economic Effects of Past American Wars*, CRS Report RL31176 (Washington, D.C.: Congressional Research Service, 7 November 2001), CRS-1.

³⁴ Ibid.

³⁵ David M. Herszenhorn, "On War Funding, Democrats Have a Day of Disagreement," *New York Times*, (Late Edition (East Coast)), 3 October 2007, A.10.

³⁶ William H. McMichael, "Rising war costs add to future deficit," *Army Times*, 8 October 2007, 18. See also Steven M. Kosiak, *The Cost of U.S. Operations in Iraq and Afghanistan and for the War on Terrorism through Fiscal Year 2007 and Beyond*, 5.

³⁷ Concept taken from Kosiak, *The Cost of U.S. Operations in Iraq and Afghanistan and for the War on Terrorism through Fiscal Year 2007 and Beyond*, 5, using figures from U.S. government sources; see Figure 1.

³⁸ William H. McMichael, "Rising war costs add to future deficit," 18. Kosiak puts more substance behind this point in Steven M. Kosiak, *Analysis of the FY 2008 Defense Budget Request* (Washington, D.C.: Center for Strategic and Budgetary Assessments, undated), 33. See also Cindy Williams, "Weighing the costs of today's defense strategy," MIT Center for International Studies, 21 March 2006, available from http://web.mit.edu/CIS/z_oped_williams_3_21_06.html; Internet; accessed 7 August 2007. Williams writes, "The nation is borrowing most of the military budget rather than paying for it out of today's tax revenues. This means that every year we add hundreds of billions of dollars to a growing national debt."

³⁹ Kosiak, *Analysis of the FY 2008 Defense Budget Request*, 33.

⁴⁰ "Presidents have not requested and Congress has not provided funding for wars in advance of the start of operations. Rather, administrations have requested funding after operations have begun, and Congress has subsequently appropriated money to meet specific documented budget requirements." Stephen Daggett, "Budgeting for wars in the past," memorandum, Washington, D.C., Congressional Research Service, updated: 27 March 2003, CRS-1.

⁴¹ U.S. General Accounting Office, *Defense Budget: Contingency Operations in the Balkans May Need Less Funding in Fiscal Year 2003* (Washington, D.C.: U.S. General Accounting Office, 27 September 2002), 5.

⁴² Daggett, "Budgeting for wars in the past," CRS-1 (footnote).

⁴³ U.S. Department of Defense, *DOD Financial Management Regulation 7000.14-R (DODFMR)*, Volume 3, Chapter 6 (Washington, D.C.: U.S. Department of Defense), 6-1 through 6-20.

⁴⁴ Daggett, "Budgeting for wars in the past," CRS-1 (footnote).

⁴⁵ U.S. General Accounting Office, *Defense Budget: Contingency Operations in the Balkans May Need Less Funding in Fiscal Year 2003*, 5, footnote 3.

⁴⁶ Hays, 1.

⁴⁷ Ibid., 2-3.

⁴⁸ Sandy Streeter, *The Congressional Appropriations Process: An Introduction* (Washington, D.C.: Congressional Research Service, updated 8 September 2006), CRS-22.

⁴⁹ Ibid., CRS-23.

⁵⁰ Hays, 19-21.

⁵¹ Ibid., 21.

⁵² Ibid.

⁵³ Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11* (Washington, D.C.: Congressional Research Service, updated 28 June 2007), CRS-9.

⁵⁴ Kosiak, *The Cost of U.S. Operations in Iraq and Afghanistan and for the War on Terrorism through Fiscal Year 2007 and Beyond*, 3.

⁵⁵ Daggett, "Budgeting for wars in the past," CRS-1. Daggett writes, "Based on an examination of previous CRS reviews of funding for wars and for other major military operations, it appears, with one possible exception, that Presidents have not requested and Congress has not provided funding for wars in advance of the start of operations. Rather, Administrations have requested funding after operations have begun, and Congress has substantially appropriated money to meet specific documented budget requirements. One possible exception to this pattern occurred in 1965, when the Johnson Administration requested supplemental appropriations for military operations in Southeast Asia. According to the *Congressional Quarterly Almanac*, in May 1965, the Administration requested supplemental appropriations for FY1965 for operations in Southeast Asia in part as a means of affirming congressional support for the buildup of forces in Vietnam, even though sufficient funds appeared to be available through the end of the fiscal year." Daggett explains why this is merely a possibility when he writes, "I have not, however, done sufficient research based on primary sources to be able to affirm this interpretation independently." While they make no mention about the assertion of the sufficiency of funds, professors William C. Banks and Peter Raven-Hansen do affirm that President Johnson used the supplemental funding request to seal Congressional support. They report that the President's transmittal note to Congress read: "This is not a routine appropriation. For each member of Congress who supports this request is also voting to persist in our effort to halt Communist aggression in South Vietnam." See William C. Banks and Peter Raven-Hansen, *National Security Law and the Power of the Purse* (New York: Oxford University Press, Inc., 1994), 120.

⁵⁶ This examination begins with the Korean conflict. The nation was willing to spend what was necessary to protect its national interests during World War II and relied heavily on supplemental appropriations. Supplemental appropriations were passed each year during 1941 through 1946 (with the exception of 1944) to fund war efforts. See Amanda B. Evans, *Long-Term Military Contingency Operations: Identifying the Factors Affecting Budgeting in Annual or Supplemental Appropriations*, Thesis, (Monterey: U.S. Naval Postgraduate School, March

2006), 11-12. That changed with the Korean conflict where war funding quickly (after one year) transitioned from supplemental to base appropriations.

⁵⁷ Stephen Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills* (Washington, D.C.: Congressional Research Service, 13 June 2006), CRS-2. See also Steven M. Kosiak, *Analysis of the FY 2008 Defense Budget Request*, 1. Kosiak makes essentially the same, or at least very similar, point.

⁵⁸ Calculated using data in Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, CRS-3.

⁵⁹ Lacking definitive data about the costs of the Korean War by year, this is an estimate made by extrapolation of data found in Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, CRS-3.

⁶⁰ *Ibid.*, CRS-2.

⁶¹ Calculated using data in Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, CRS-5.

⁶² *Ibid.*, CRS-2 through CRS-6.

⁶³ *Ibid.*, CRS-6.

⁶⁴ Greg Schneider and Renae Merle, "Reagan's Defense Buildup Bridged Military Eras," *Washington Post*, 9 June 2004, E01.

⁶⁵ Hays, 13-17.

⁶⁶ Dagget, *Military Operations: Precedents for Funding Contingency Operations in Regular or in Supplemental Appropriations Bills*, CRS-6.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.* This entire paragraph conveys Dagget's ideas and words in the author's paraphrased style. The ideas and words both are credited to Dagget exclusively. Quotes indicate where the author used Dagget's word phrases directly, while the unquoted sections are areas where the author interpreted Dagget to shape the paragraph.

⁶⁹ Kosiak, *Analysis of the FY 2008 Defense Budget Request*, 1.

⁷⁰ Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11* (Washington, D.C.: Congressional Research Service, updated 9 November 2007), CRS-12. Operations include: Operation Enduring Freedom, covering Afghanistan and other Global War on Terror operations ranging from the Philippines to Djibouti; Operations Noble Eagle providing enhanced security for U.S. military bases and other homeland security; and Operation Iraqi Freedom covering the buildup to ongoing operations associated with Iraq.

⁷¹ As of 4 February 2008, when Secretary of Defense Robert M. Gates released the fiscal year 2009 defense budget request, Congress had appropriated \$86.8 billion of the \$189.3 billion

fiscal year 2008 Global War on Terror request. Gates wrote in the fiscal year 2009 budget request that “it remains imperative that Congress complete action on the remaining \$102.5 billion fiscal year 2008 Global War on Terror request.” See Robert M. Gates, U.S. Secretary of Defense, *Fiscal Year 2009 Budget Request* (Washington, D.C.: U.S. Department of Defense, February 4, 2008), cover letter and 6.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Congressional Budget Office, *Supplemental Appropriations in the 1990s*, ix.

⁷⁵ Belasco, *Statement before the U.S. Congress House Budget Committee, Hearing on the Growing Cost of the Iraq War*, 2, 9. The last sentence of this paragraph conveys the author’s interpretation, based on personal knowledge as well as information Belasco provides.

⁷⁶ Winslow T. Wheeler, “Defense Budget Tutorial #2: The Smoke and Mirrors in Congress’ Defense Appropriations Bills: You’ll Need a Rosetta Stone,” Straus Military Reform Project at the Center for Defense Information, 23 January 2006, available from http://www.d-n-i.net/fcs/defense_budget_tutorial_2.htm; Internet; accessed 1 October 2007, 2-3.

⁷⁷ Matthews, “Shadow budget.”

⁷⁸ Gates, *FY 2008 Global War on Terror Amendment*, 43.

⁷⁹ Congressional Budget Office, *Replacing and Repairing Equipment Used in Iraq and Afghanistan: The Army’s Reset Program* (Washington, D.C.: Congressional Budget Office, September 2007), preface letter signed by Director Peter R. Orszag. In brief, the purpose of CBO’s paper was to examine the Army’s estimates of the cost to reset the force, and estimate the costs itself while pointing out any discrepancies. It concluded: “In general, CBO’s estimates of the annual funding needed to replace and repair the Army’s helicopters, combat vehicles, and trucks are lower than the Administration’s corresponding funding requests [p. IX]. However, because of the lack of detailed data underlying the Army’s estimates and the funding requests, CBO cannot fully explain the discrepancies [p.17].” GAO reports “the Army estimates that future funding requirements for equipment reset will be about \$12 billion to \$13 billion per year for the foreseeable future. The Marine Corps estimates that its future funding requirements for equipment reset will be about \$2 billion to \$3 billion.” See U.S. Government Accountability Office (GAO), *Defense Logistics: Army and Marine Corps Cannot Be Assured That Equipment Reset Strategies Will Sustain equipment Availability While Meeting Ongoing Operational Requirements* (Washington, D.C.: U.S. Government Accountability Office, 19 September 2007), 26.

⁸⁰ “The Chief of Staff of the Army and the Commandant of the Marine Corps have testified about the extraordinary demands placed on the services’ equipment...,” as reported by GAO. See U.S. Government Accountability Office (GAO), *Defense Logistics: Army and Marine Corps Cannot Be Assured That Equipment Reset Strategies Will Sustain equipment Availability While Meeting Ongoing Operational Requirements*, 2. Among the source documents GAO cites are: Army Posture Statement, Statement before the House Committee on Armed Services, 11th Congress (2007) (statement of Gen. Peter J. Schoomaker, U.S. Army Chief of Staff) and Marine

Posture Statement, Statement before the Senate Committee on Armed Services, 110th Congress (2007) (statement of Gen. James T. Conway, Commandant of the Marine Corps).

⁸¹ Congressional Budget Office, *Replacing and Repairing Equipment Used in Iraq and Afghanistan: The Army's Reset Program*, XII.

⁸² Gates, *FY2008 Global War on Terror Amendment*, 43.

⁸³ As reported by David Isenberg, *Budgeting for Empire: The Effect of Iraq and Afghanistan on Military Forces, Budgets, and Plans* (Oakland, CA: The Independent Institute), 10. From endnote in that work, source reference is James Jay Carafano, "That Hollow Feeling," *New York Post*, 29 September 2006, 31.

⁸⁴ Belasco, CRS-37.

⁸⁵ Gordon Lubold, "Pentagon Is Left Scrambling to Pay for War," *Christian Science Monitor*, 19 November 2007. The ideas in this example come entirely from Lubold, paraphrased in the author's style.