



FY2009 Spring Supplemental Appropriations for Overseas Contingency Operations

Stephen Daggett, Coordinator
Specialist in Defense Policy and Budgets

Susan B. Epstein, Coordinator
Specialist in Foreign Policy

Curt Tarnoff
Specialist in Foreign Affairs

Rhoda Margesson
Specialist in International Humanitarian Policy

Kennon H. Nakamura
Analyst in Foreign Affairs

K. Alan Kronstadt
Specialist in South Asian Affairs

Sarah A. Lister
Specialist in Public Health and Epidemiology

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Summary

On June 11, 2009, the House and Senate Appropriations Committees announced a conference agreement on H.R. 2346, a bill providing supplemental appropriations for the remainder of FY2009. Floor votes are expected the week of June 15. On key issues, the agreement includes \$5 billion, as in the Senate bill, to support U.S. loans to the International Monetary Fund, does not include a Senate provision allowing the Secretary of Defense to exempt photos of military detainees from release under the Freedom of Information Act; does not include \$80 million requested for the Department of Defense and the Department of Justice to facilitate closure of the Guantanamo Bay prison; prohibits the release of Guantanamo detainees in the United States and prohibits transfers of prisoners except to be prosecuted; provides \$1.9 billion for pandemic flu preparedness (declared to be a pandemic by the World Health Organization on June 11), and \$5.8 billion more, contingent on the President determining it is needed; and adds \$1 billion for the “Cash for Clunkers” program to provide payments to consumers who trade in inefficient vehicles.

Including the contingent influenza funding, the bill provides \$106 billion in supplemental appropriations. The total includes \$79.9 billion for defense and intelligence activities in Iraq and Afghanistan, \$10.4 billion for international affairs; \$5 billion for IMF loans; \$7.7 billion for influenza measures; \$250 million, as requested, for domestic fire fighting; \$847 million, as in the Senate bill, in unrequested funds for the Corps of Engineers for flood control projects; \$72 million, as requested, for Capitol Policy radios; and \$1 billion for “Cash for Clunkers.”

The decision to exclude the Senate provision on detainee photos was reportedly approved in the conference only after the President agreed in a letter to take steps to prevent release of photos or videos of prisoner abuse. Because the bill does not include that provision, Democratic leaders said they expect the measure to get enough support from House Democrats who initially opposed the bill to overcome opposition from Republicans who object to the IMF funding.

H.R. 2346 provides funds, with some adjustments, that the Administration requested in four supplemental appropriations proposals, including an April 9 request for \$83.4 billion in supplemental funding for defense, international affairs, domestic fire fighting, and other purposes; an April 30 request for \$1.5 billion for influenza preparedness and response; and a May 12 request for \$5 billion to support International Monetary Fund (IMF) borrowing authority. On June 2, the Administration submitted an additional request for \$2.0 billion more for influenza response, for expanded authority to transfer funds from other appropriations for influenza measures, and for \$200 million in additional humanitarian assistance to Pakistan.

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Most Recent Developments

On June 11, 2009, the House and Senate Appropriations Committees announced a conference agreement on H.R. 2346, a bill providing supplemental appropriations for the remainder of FY2009. Floor votes are expected the week of June 15. The agreement includes \$5 billion, as in the Senate bill, to support U.S. loans to the International Monetary Fund, and does not include a Senate provision allowing the Secretary of Defense to exempt photos of military detainees from release under the Freedom of Information Act. Because the bill does not include that provision, Democratic leaders said they expect the measure to get enough support from House Democrats who initially opposed the bill to overcome opposition from Republicans who object to the IMF funding.

The full text of the conference agreement (H.Rept. 111-151) was released June 12, 2009. This CRS report includes an overview of the conference agreement and discusses the conference agreement in some other sections of the report. Not all of the sections have been undated to reflect the conference agreement, however. The report will be updated further as additional information becomes available.

On June 2, 2009, the White House submitted a request for additional FY2009 supplemental appropriations of \$2.0 billion for influenza preparedness and response and of \$200 million for humanitarian assistance to Pakistan. The influenza funds are requested on a contingent basis—they are to be available only if the President determines that additional resources are required to meet urgent needs. The proposal also requests authority for the President to transfer up to several billions of dollars of funds appropriated for other purposes to influenza preparedness and response activities, again if the President finds that funds are needed to address critical needs.

On May 21, by a vote of 86-3, the Senate approved H.R. 2346, a bill providing additional supplemental appropriations for the remainder of FY2009. The House passed its version of the bill on May 14 by a vote of 368-60. Senate approval cleared the bill for consideration by a House-Senate conference committee.

Procedurally, on May 19, the Senate took up the House-passed supplemental bill and substituted the text of S. 1054, a version reported by the Senate Appropriations Committee on May 14. As reported and subsequently approved on the floor, the Senate bill provides \$91.3 billion, of which \$5 billion is to support loans to the International Monetary Fund (IMF) that were not part of the Administration's pending request, but that fulfill commitments that have been under discussion since last Fall. Apart from the IMF funds, the Senate bill provides \$86.3 billion, \$1.3 billion above the request. The House-passed version of the bill provides supplemental appropriations of \$96.3 billion, \$11.4 billion more than the Administration's amended request.

Earlier, the Administration submitted three requests for FY2009 supplemental appropriations that are being addressed in the pending House and Senate bills. On April 9, 2009, the White House requested \$83.4 billion in supplemental appropriations for defense, international affairs, domestic fire fighting, and some other purposes. On April 30, 2009, following influenza outbreaks in Mexico and in parts of the United States, the White House requested \$1.5 billion for influenza preparedness and response measures. On May 12, the White House submitted a formal request for supplemental appropriations and for legislative language to support IMF loans in response to the global financial crisis.

Congress provided down payments on FY2009 war-related supplemental funding last year. On June 30, 2008, the President signed into law, P.L. 110-252, H.R. 2642, a bill providing supplemental appropriations for FY2008 and FY2009. The bill included \$65.9 billion for defense and \$4.0 billion for foreign affairs in FY2009. The DOD funding was mainly for operation and maintenance accounts, and was intended, together with money in the regular FY2009 defense appropriations act, to sustain ongoing military operations through the first few months of the fiscal year.

Overview of FY2009 Supplemental Requests

Beginning on April 9, 2009, and through June 2, the Administration has submitted four requests for FY2009 supplemental appropriations, including

- An April 9, 2009, request for \$83.4 billion in net additional FY2009 funding, mainly for defense and international affairs, with smaller amounts for domestic fire fighting, Department of Energy counter-proliferation programs, Justice Department programs including measures to facilitate closure of the Guantanamo Bay prison, National Security Council administration, and Capitol Police radios;
- An April 30, 2009, request for \$1.5 billion to be appropriated to the Executive Office of the President for transfer to other agencies for H1N1 influenza preparedness and response measures;
- A May 12, 2009, request for appropriations of \$5 billion to support U.S. financial backing of International Monetary Fund loans in response to the global financial crisis; and
- A June 2, 2009, request for an additional \$2.0 billion for influenza preparedness and response, \$200 million for humanitarian assistance to Pakistan, and several billion dollars of transfer authority for influenza response. The influenza-related funding and transfer authority are available contingent on the President determining that additional resources are required to address critical needs related to emerging influenza viruses.

April 9, 2009, Supplemental Request for Overseas Contingencies and Other Purposes¹

On April 9, 2009, the Administration requested a net total of \$83.4 billion in additional supplemental appropriations for FY2009, comprised of \$86.8 billion in new appropriations, offset by \$3.4 billion of rescissions of previously appropriated funds. Of the total in the initial April 9 request

- \$75.5 billion was for Department of Defense and intelligence activities related to operations in Iraq and Afghanistan;
- \$3.7 billion, offset by rescissions of \$3.4 billion, was for other defense activities;

¹ White House Office of Management and Budget, "Estimate #1—FY 2009 Supplemental: Appropriations Request that will Fund Our Ongoing Military, Diplomatic, and Intelligence Operations," April 9, 2009, <http://www.whitehouse.gov/omb/asset.aspx?AssetId=1086>.

- \$7.1 billion was for international affairs;
- \$89.5 million was for Department of Energy counter-proliferation programs in Russia, North Korea, and elsewhere;
- \$47 million was for Department of Justice national security related programs, including \$30 million to implement executive orders for shutting down the Guantanamo Bay prison and for related expenses (an additional \$50 million for moving prisoners out of Guantanamo Bay was in the request for the Department of Defense);
- \$2.9 million was for operations of the National Security Council;
- \$250 million was for the Forest Service and the Department of the Interior for fire fighting and rehabilitation of burned areas; and
- \$71.9 million was for the Legislative Branch to purchase secure radios for the Capitol Police.

Together with \$65.9 billion that Congress had already provided, if approved by Congress, the April 9 request for the Department of Defense would bring total supplemental defense funding for FY2009 to \$145 billion, partly offset by \$3.4 billion of rescissions.

The \$7.1 billion supplemental request for international affairs included

- \$2.3 billion for State Department operations, including
 - \$273.9 million for Afghanistan Operations;
 - \$137.6 million for Pakistan Operations;
 - \$898.7 million for embassy security and construction;
 - \$836.9 million for international peacekeeping;
- \$4.8 billion for foreign assistance programs, including
 - \$980.0 million for aid to Afghanistan;
 - \$482.0 million for aid to Iraq;
 - \$497.0 million for aid to Pakistan;
 - \$715.0 million for aid to West Bank/Gaza;
 - \$500.0 million for humanitarian assistance; and
 - \$448.0 million to developing countries affected by the global financial crisis.

Together with \$4.0 billion provided in June 2008, the additional amount requested for foreign affairs would bring total supplemental appropriations for FY2009 to just over \$11 billion. In practice, however, there is often little to distinguish between what is being provided in the base budget and what has been funded with supplementals. Both regular and supplemental appropriations have been used to finance State Department operations in Iraq and Afghanistan and a wide range of foreign aid programs in Afghanistan and elsewhere. Of the \$4.0 billion in FY2009 supplemental foreign affairs funding provided in June, 2008, \$1.1 billion was for State Department accounts, of which \$550.5 million was for operations in Iraq, and \$2.9 billion was for country foreign aid allocations and international food assistance.

April 30, 2009, Supplemental Appropriations Request for Influenza Preparedness and Response²

On April 30, 2009, the White House requested an additional \$1.5 billion in FY2009 supplemental appropriations for pandemic flu preparedness and response measures. All of the money was requested to be appropriated to the Executive Office of the President in a new account entitled “Unanticipated Needs for Influenza,” available for transfer to other agencies.

May 12, 2009, Supplemental Appropriations Request for International Monetary Fund Loans³

On May 12, the White House formally sent Congress a request for supplemental appropriations and for legislative language to support increases in borrowing authority for the International Monetary Fund. One part of the proposal was to support an increase of about \$8 billion in the U.S. quota subscription to the IMF. A second part is to support an increase in U.S. support for the IMF’s “New Arrangements to Borrow” (NAB). This proposal would increase the overall NAB from \$50 billion to \$500 billion of which the U.S. share would be limited to \$100 billion. Since these amounts represent increases in amounts the IMF may borrow, the cost to the U.S. Treasury is nil if all the loans are repaid. Appropriations are required by congressional budget procedures governing credit and credit guarantees only to cover the amount of assumed risk to the Treasury of defaults on the loans. The Congressional Budget Office and the Office of Management and Budget have agreed to estimate the appropriations required at about \$5 billion. In the past, U.S. payments to the IMF have been considered to have no budget impact—they have been treated as an exchange of assets, with equivalent assets being transferred to the United States.⁴

June 2, 2009, Supplemental Appropriations Request for Additional Funding and Transfer Authority for Influenza Preparedness and Response and for Aid to Pakistan⁵

On June 2, the White House submitted an additional supplemental appropriations request for influenza preparedness and for aid to Pakistan. The OMB Director’s cover letter to the President, submitted as usual to Congress along with the request, notes that the House approved \$2.05 billion and the Senate \$1.5 billion for influenza response in their respective versions of H.R. 2346, the pending supplemental appropriations bill. The letter complains that neither the House

² White House Office of Management and Budget, “Estimate #2—FY 2009 Supplemental: Enhancing the Nation’s Capability to Respond to the 2009-H1N1 Flu Outbreak,” April 30, 2009, <http://www.whitehouse.gov/omb/asset.aspx?AssetId=1150>.

³ White House Office of Management and Budget, “Estimate #3—FY 2009 Supplemental: Request for Changes Related to the International Monetary Fund (IMF), including the U.S. Quota Subscription to the IMF and U.S. Participation in the New Arrangements to Borrow,” May 12, 2009, <http://www.whitehouse.gov/omb/asset.aspx?AssetId=1232>.

⁴ For a discussion, see CRS Report R40578, *The Global Financial Crisis: Increasing IMF Resources and the Role of Congress*, by Jonathan E. Sanford and Martin A. Weiss

⁵ White House Office of Management and Budget, “Estimate #5—FY 2009 Supplemental: Additional and Contingent Appropriations Request and Other Authorities to Enhance the Nation’s Capability to Respond to Emerging Flu Viruses; and an Appropriations Request to Address the Growing Humanitarian Crisis in Pakistan,” June 2, 2009, <http://www.whitehouse.gov/omb/asset.aspx?AssetId=1349>.

nor the Senate provided the degree of flexibility in using the funds that is necessary. The letter said OMB will urge Congress to approve the House level with the flexibility originally requested. In addition, the Administration requests \$2.0 billion more, appropriated as in the April 30 request to the Executive Office of the President in an account for Unanticipated Needs for Influenza for transfer to other agencies. The funding is proposed to be available, however, only “if the President determines that additional resources are required to address critical needs related to emerging influenza viruses.”

In addition to \$2.0 billion requested in contingent appropriations, the proposal requests authority, also contingent on the President determining that additional resources are required, for the Director of OMB to transfer substantial amounts of funds appropriated for other purposes to meet influenza-related needs and to use balances of funds in the BioShield reserve fund for influenza countermeasures. The amounts available under these proposals include

- Up to 1% of amounts appropriated in Division A of P.L. 110-5, the American Recovery and Reinvestment Act (ARRA). In all, Division A appropriates \$311.2 billion, so the supplemental request would allow transfers of as much as \$3.1 billion.⁶
- Up to 1% of discretionary funds available to the Department of Health and Human Services (HHS) in FY2009, including balances of funds provided in prior years. FY2009 discretionary budget authority for HHS totals \$78.5 billion, not including \$22.5 billion provided for HHS in ARRA. The supplemental request would allow transfer of at least \$785 million plus 1% of unobligated balances of prior year appropriations.⁷
- Remaining funds in the “Biodefense Countermeasures” account in the Department of Homeland Security (i.e., the BioShield Special Reserve Fund) for procurement of medical countermeasures for influenza (e.g., vaccines, antiviral drugs, and laboratory tests). The Special Reserve Fund, which the White House proposed for transfer to HHS in its budget request for FY2010, is estimated to have a balance of \$2.76 billion at the end of FY2009.⁸

For Pakistan, the June 2 supplemental proposal would provide an additional \$200 million in humanitarian assistance, including \$40 million for migration and refugee assistance, \$130 million in the Economic Support Fund account to assist displaced people, and \$30 million in international disaster assistance.

Timing of the Supplemental

As has been the case for the past couple of years, Congress has been under some pressure to act quickly on the Administration’s supplemental request. In testimony before the House Budget Committee on March 18, 2009, Defense Department Comptroller Robert Hale urged Congress to

⁶ See CRS Report R40537, *American Recovery and Reinvestment Act of 2009 (P.L. 111-5): Summary and Legislative History*, by Clinton T. Brass et al., Table 1.

⁷ See Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2010: Historical Tables*, May 2009, Table 5.4.

⁸ Executive Office of the President, Office of Management and Budget, *Appendix, Budget of the U.S. Government, Fiscal Year 2010*, May 2009, p. 544, <http://www.whitehouse.gov/omb/budget/fy2010/assets/appendix.pdf>.

approve supplemental funding before the Memorial Day recess in order to avoid financial disruptions. In the past two years, congressional action on war-related supplemental funding has taken until the end of June, and this year's request came several weeks later than usual. There was less reason to expect that this year's request would encounter similar delays, however, because debate about Iraq policy, which held up bills in 2007 and 2008, has not been a matter of so much contention.

Overview of the June 12 Conference Agreement on H.R. 2346

The conference agreement report includes a total of \$106 billion in supplemental appropriations, including \$5.8 billion for flu preparedness that is contingent on the President determining that the money is needed to respond to the illness. According to summary released by the House and Senate Appropriations Committees, the bill provides

- \$79.9 billion for defense and intelligence activities in Iraq and Afghanistan;
- \$10.4 billion for international affairs, including \$700 million for P.L. 480;
- \$5 billion for loans to the IMF;
- \$7.7 billion for influenza preparedness and response, including \$1.9 billion available immediately, and \$5.8 billion contingent on the President determining that the funding is necessary to respond to the outbreak. Of amounts available immediately, \$350 million is for state and local response measures, and \$50 million is in the Global Health and Child Survival Fund for international measures;
- \$250 million, as requested, for domestic fire fighting;
- \$72 million, as requested, for Capitol Policy radios;
- \$847 million, as in the Senate bill, in unrequested funds for the Corps of Engineers for disaster-related flood control projects; and
- \$1 billion as initial funding for the "Cash for Clunkers" program to provide vouchers of \$3,500 or \$4,500 for consumers who trade in inefficient vehicles for more efficient new ones.

Defense funding in the final bill includes

- \$2.7 billion in unrequested funds for 8 C-17 and 7 C-130 cargo aircraft;
- \$500 million in unrequested funds for National Guard and reserve procurement;
- \$600 million, as requested, for 4 F-22 fighter aircraft;
- \$534 million in unrequested funds to provide retroactive payments of \$500 per month to service members whose enlistments were extended by stop-loss orders;
- \$1 billion in Coalition Support Funds for assistance to nations, mainly in the region, that have supported U.S. operations in Iraq and Afghanistan – the total is \$50 million below the request, rather than \$240 million less, as in the House bill;

- \$400 million, as requested, for Defense Department administered counterinsurgency assistance to Pakistan; and
- \$488 million in unrequested construction funds for military hospitals.

For international affairs, the bill provides \$10.4 billion in all, about \$3.3 billion above the request, including

- \$1.4 billion, \$9 million above the request for assistance and diplomatic operations and facilities in Afghanistan;
- \$958 million, \$326 million above the request for assistance and diplomatic operations and facilities in Iraq;
- \$2.4 billion, \$800 million above the request, for assistance and diplomatic operations and facilities in Pakistan, including \$700 million for counterinsurgency training and assistance through the State Department to be available in FY2010;
- \$660 million for aid to the West Bank and Gaza;
- \$300 million in unrequested foreign aid to Jordan;
- \$315 million in unrequested assistance to Egypt;
- \$555 million for assistance to Israel, using the supplemental to provide part of the \$2.8 billion requested in the regular FY2010 budget;
- \$700 million, \$400 million above the request, for P.L. 480 international food assistance;
- \$288 million, \$155 million above the request, for aid to Kenya, Somalia, Southern Sudan, and Zimbabwe;
- \$420 million, \$354 million above the request, for aid to Mexico; and
- \$256 million, \$192 million below the request, for aid to developing countries affected by the global financial crisis.

The conference agreement also addresses a number of major policy issues, including

- **Guantanamo detainees:** The bill does not include \$50 million requested for the Department of Defense and \$30 million for the Department of Justice to facilitate closure of the Guantanamo Bay prison. It also prohibits release of Guantanamo prisoners in the United States; prohibits the transfer of prisoners to the United States except for prosecution; requires a report to Congress before any transfer of prisoners to the United States; requires a report to Congress before any detainee is transferred or released to another country; and requires a report to Congress on the disposition of each detainee before the facility can be closed.
- **Policy toward Afghanistan and Pakistan:** The conference agreement does not impose “benchmark-like” conditions on further U.S. government assistance to Afghanistan or Pakistan, but it does establish two new reporting requirements. First, based on a provision in H.R. 2346, the agreement requires the President to submit a one-time report, not later than the submission of the budget request for FY2011, assessing whether the governments of Afghanistan and Pakistan are demonstrating sufficient “commitment, capability, conduct and unity of purpose”

to warrant continuing the President's March 2009 strategy for those two countries. The agreement lists six specific areas for assessment of each country, including the level of political consensus; corruption and actions to eliminate it; security forces' counterinsurgency (COIN) efforts; intelligence agency COIN and counterterrorism efforts; effective government control; and the effectiveness of U.S. Government assistance. The President is required to advise the appropriate Congressional committees on whether these assessments indicate that changes to U.S. strategy are required.

Second, based on the Senate-passed bill, the agreement requires that not later than 90 days after enactment, the President submit a report listing the U.S. objectives for Afghanistan and Pakistan, together with the metrics to be used to evaluate progress toward each objective. After the initial report, every 180 days until the end of FY2011, the agreement requires that the President submit a report assessing U.S. government progress toward each objective, together with a justification of any changes to the metrics themselves.

Major Provisions of the House-Passed Bill

The House-approved bill provided supplemental appropriations of \$96.3 billion, \$11.4 billion above the amended Administration request, excluding the IMF funding and the amounts requested on June 2. The bill provides \$84.5 billion for the Department of Defense, \$8.7 billion more than requested. Additions include funds for C-17 and C-130 cargo aircraft and for some other weapon systems. The bill also provides \$9.6 billion for international affairs, \$2.5 billion above the request, and \$2.05 billion for domestic and international influenza preparedness, \$550 million more than requested. The bill as reported by the House Appropriations Committee and as passed on the floor does not include \$50 million requested for the Department of Defense and \$30 million for the Department Justice for closure of the Guantanamo Bay prison. The bill requires a report assessing the performance of the governments of Pakistan and Afghanistan in building a consensus to combat insurgencies, in controlling corruption, and in providing population security. The Administration opposed linking aid to Pakistan to achievement of specific benchmarks but did not object to the reporting requirements in the House bill.

Major Provisions of the Senate-Passed Bill

Excluding the IMF funding and the amounts requested on June 2, the Senate-passed bill provides \$86.3 billion in supplemental appropriations, \$1.3 billion above the Administration request. It includes \$75.3 billion for defense, \$600 million below the request, \$7.6 billion for international affairs, about \$500 million higher, and \$1.5 billion, as requested, for influenza preparedness and response. The Senate bill shifts \$350 million requested for the Department of Defense for southwest border security to domestic agencies and adds \$250 million more. The bill also provides \$843 million in unrequested funds for Corps of Engineers disaster preparedness and response. In floor action on the bill, the Senate approved an amendment by Senators Inouye and Inhofe to delete \$50 million for the Department of Defense and \$30 million for the Department of Justice to facilitate closure of the Guantanamo Bay prison.

Overview of the House-Passed Bill, H.R. 2346

On May 7, the House Appropriations Committee marked up its version of a bill, H.R. 2346, providing additional FY2009 supplemental appropriations of \$96.3 billion—see **Table 1** for details of the House and Senate bills. The House approved the bill by a vote of 368-60 on May 14 with a manager's amendment that was incorporated into the bill when the House approved the rule for floor consideration. The amount in the bill is \$11.4 billion above the amended Administration request. As initially proposed by Appropriations Committee Chairman David Obey, the pre-markup version of the bill provided \$94.2 billion. In its markup of the bill, the committee approved an amendment by Representative Murtha, chairman of the defense subcommittee, adding \$2.0 billion to the chairman's proposal for military personnel accounts.⁹ The effect of the Murtha amendment was to restore funds for military personnel to the about the levels that the Defense Department had requested.

The bill establishes funding levels for defense, international affairs, and influenza preparedness, and also addresses a number of key issues policy issues, including conditions on aid to Pakistan, assistance to North Korea, and the status of Administration plans to shut down the Guantanamo Bay prison. Highlights of the committee bill include the following.

- **Defense.** Provides a total of \$84.5 billion for the Department of Defense, including military construction, an increase of \$8.7 billion to the request of \$75.8 billion (net of offsetting rescissions).
- **International affairs.** Provides a total of \$9.6 billion for international affairs programs (including P.L. 480 food assistance), an increase of \$2.4 billion compared to the request. (Of the total in the bill, \$9.0 billion is in Chapter 10, which provides foreign operations and State Department appropriations, and \$500 million is for P.L. 480 food assistance included in Chapter 1, which provides agriculture appropriations.)

⁹ Representative Murtha's amendment was a substitute for an amendment by Representative Bill Young.

Table I. House and Senate Action on FY2009 Supplemental Appropriations, H.R. 2346, S. 1054 by Account
(millions of dollars)

House Account Organization	FY2009 Request April 2009	House Appropriations Committee May 7, 2009	House Change to Request	Senate Appropriations Committee May 14, 2009	Senate Change to Request
Title I Department of Defense	73,541.3	81,299.7	+7,758.3	73,023.5	-517.8
Title II, Chapter 9, Military Construction	2,294.5	3,200.0	+905.5	2,250.7	-43.8
Total Department of Defense	75,835.9	84,499.7	+8,663.8	75,274.2	-561.7
Title II, Military Construction, Foreign Affairs, and Other Matters					
Chapter I—Agriculture					
PL 480 Food Assistance	300.0	500.0	+200.0	700.0	+400.0
Total Chapter I	300.0	500.0	+200.0	700.0	+400.0
Chapter 2—Commerce and Justice					
Department of Commerce					
Economic Development Assistance	—	—	—	40.0	+40.0
Department of Justice					
Guantanamo Bay Closure Implementation	30.0	—	-30.0	30.0	—
Detention Trustee	—	—	—	60.0	+60.0
Iraq Training	1.6	1.6	—	1.6	—
U.S. Attorney Terrorism Prosecutions	5.0	5.0	—	5.0	—
U.S. Attorney Terrorism Prosecutions (Emergency)	—	—	—	10.0	+10.0
U.S. Marshals Service	—	—	—	10.0	+10.0
National Security Division Guantanamo Prosecutions	1.4	1.4	—	1.4	—
Federal Bureau of Investigation	—	—	—	35.0	+35.0
Drug Enforcement Administration	—	—	—	20.0	+20.0
Bureau Alcohol, Tobacco, Firearms, Explosives	4.0	4.0	—	14.0	+10.0
Federal Prison System	5.0	5.0	—	5.0	—

House Account Organization	FY2009 Request April 2009	House Appropriations Committee May 7, 2009	House Change to Request	Senate Appropriations Committee May 14, 2009	Senate Change to Request
Total Chapter 2	47.1	17.1	-30.0	232.1	+185.0
Chapter 3—Energy/Corps of Engineers (Senate)					
Corps of Engineers					
Operation and Maintenance	—	—	—	38.4	+38.4
Flood Control, Coastal Emergencies (Emergency)	—	—	—	804.3	+804.3
Department of Energy NNSA					
Weapons Activities	—	—	—	34.5	+34.5
Nuclear Nonproliferation, Former Soviet Union	55.0	55.0	—	55.0	—
Nuclear Nonproliferation, Korea	34.5	—	-34.5	—	-34.5
Total Chapter 3	89.5	55.0	-34.5	932.2	+842.7
Chapter 4—General Government/Treasury (Senate)					
Department of the Treasury					
Departmental Offices	—	—	—	4.0	+4.0
Executive Office of the President					
National Security Council	2.9	2.9	—	2.9	—
Unanticipated Needs for Influenza	[See Chapter 7]	[See Chapter 7]	—	—	—
Pandemic Preparedness and Response (Emergency)	—	—	—	1,500.0	+1,500.0
The Judiciary					
Courts of Appeals, District Courts, Other Services	—	—	—	10.0	+10.0
Other Independent Agencies					
Securities and Exchange Commission	—	—	—	10.0	+10.0
Total Chapter 4	2.9	2.9	—	1,526.9	+1,524.0
Chapter 5—Homeland Security					—
Customs and Border Protection	—	—	—	51.2	+51.2
Immigration and Customs Enforcement	—	—	—	66.8	+66.8

House Account Organization	FY2009 Request April 2009	House Appropriations Committee May 7, 2009	House Change to Request	Senate Appropriations Committee May 14, 2009	Senate Change to Request
Coast Guard	—	—	—	139.5	+139.5
Federal Emergency Management Agency	—	—	—	30.0	+30.0
Total Chapter 5	—	—	—	287.5	+287.5
Chapter 6—Interior and Environment					
Dept. of Interior Wildland Fire Management	50.0	50.0	—	50.0	—
Dept. of Agriculture Wildland Fire Management	200.0	200.0	—	200.0	—
Total Chapter 6	250.0	250.0	—	250.0	—
Chapter 7—Health and Human Services					
Executive Office of the President					
Unanticipated Needs for Influenza	1,500.0	—	-1,500.0	—	-1,500.0
HHS Public Health, Social Services Emergency Fund					—
Influenza Preparedness and Response	—	1,850.0	+1,850.0	[See Chapter 4]	[See Chapter 4]
Administration for Health and Families					
Refugee and Entrant Assistance	—	—	—	82.0	+82.0
Total Chapter 7	1,500.0	1,850.0	+350.0	82.0	-1,418.0
Chapter 8—Legislative Branch					—
Capitol Policy Radios	71.6	71.6	—	71.6	—
Congressional Budget Office	—	—	—	2.0	+2.0
Total Chapter 8	71.6	71.6	—	73.6	+2.0
Chapter 9—Military Construction	[See DOD above]	[See DOD above]	—	[See DOD above]	—
Total Chapter 9	—	—	—	—	—
Chapter 10—State, Foreign Operations, and Related Programs					
Department of State					—
Diplomatic & Consular Programs	594.3	1,016.2	+421.9	645.4	+51.1
Office of Inspector General	7.2	17.1	+9.9	22.2	+15.0

House Account Organization	FY2009 Request April 2009	House Appropriations Committee May 7, 2009	House Change to Request	Senate Appropriations Committee May 14, 2009	Senate Change to Request
Embassy Security, Construction, Maintenance	898.7	989.6	+90.9	820.5	-78.2
Contributions for International Organizations	836.9	836.9	—	721.0	-115.9
U.S. Agency for International Development					—
Operating Expenses	152.6	152.6	—	112.6	-40.0
Capital Investment Fund	48.5	48.5	—	48.5	—
Office of Inspector General	—	3.5	+3.5	3.5	+3.5
Bilateral Economic Assistance					—
Global Health and Child Survival	—	300.0	+300.0	50.0	+50.0
International Disaster Assistance	200.0	200.0	—	245.0	+45.0
Development Assistance, Korea ^a	38.0	—	-38.0	38.0	—
Economic Support Fund	2,874.5	2,907.5	+33.0	2,828.0	-46.5
Assistance for Europe, Eurasia, Central Asia	242.5	242.5	—	230.0	-12.5
International Narcotics Control and Law Enforcement	389.5	483.5	+94.0	393.5	+4.0
Nonproliferation, Anti-Terrorism, Demining	122.0	98.5	-23.5	102.0	-20.0
Migration and Refugee Assistance	293.0	343.0	+50.0	345.0	+52.0
International Security Assistance					
Peacekeeping Operations	50.0	80.0	+30.0	172.9	+122.9
International Military Education and Training	2.0	2.0	—	2.0	—
Foreign Military Financing Program	98.4	1,349.0	+1,250.6	98.0	-0.4
Total Chapter 10	6,848.1	9,070.5	+2,222.3	6,878.1	+30.0
Title XII, Senate—Department of Transportation					
Federal Aviation Administration					
Payments to Air Carriers	—	—	—	13.2	+13.2
Rescission—Grants-in-Aid to Airports	—	—	—	-13.2	-13.2
Department of Housing and Urban Development					

House Account Organization	FY2009 Request April 2009	House Appropriations Committee May 7, 2009	House Change to Request	Senate Appropriations Committee May 14, 2009	Senate Change to Request
Public Housing—Tenant-Based Rent Assistance	—	—	—	30.0	+30.0
Total Title XII	—	—	—	30.0	+30.0
Title XIII, Senate—Other Matters					
International Monetary Programs					
Loans to International Monetary Fund ^b	—	—	—	5,000.0	+5,000.0
Total Title XIII	—	—	—	5,000.0	+5,000.0
TOTAL^b	84,945.1	96,316.8	+11,371.6	91,266.6	+6,321.5

Sources: CRS based on data from Department of Defense; Office of Management and Budget; House Appropriations Committee report on FY2009 Supplemental Appropriations, H.R. 2346, H.Rept. 111-105, May 12, 2009; Senate Appropriations Committee report on FY2009 Supplemental Appropriations, S. 1054, S.Rept. 111-20, May 14, 2009.

Notes:

- a. House provides \$18 million for development assistance to Korea in Economic Support Fund.
- b. Senate column on the Administration requests includes \$5 billion for loans to the IMF and shows a total request of \$89,945.1 million.

- **Influenza preparedness** Provides \$2.05 billion for influenza preparedness, an increase of \$550 million over the \$1.5 billion requested. Of the total in the bill, \$1.85 billion is for the Department of Health and Human Services and \$200 million is in the foreign affairs budget for Global Health and Child Survival.
- **North Korea.** Rejects a request for \$34.5 million in Department of Energy non-proliferation funds to dismantle nuclear facilities in North Korea and rejects \$95 million requested for energy assistance to North Korea in the foreign assistance accounts.
- **Aid to Pakistan.** Provides \$400 million to the Department of Defense, as requested, for the Pakistan Counterinsurgency Fund to finance training and other assistance to the Pakistani military. The Chairman's mark of the bill originally transferred the funds to the Department of State, but Representative Obey offered a manager's amendment at the beginning of the committee markup that restored the funds to the Department of Defense. In the foreign assistance portion of the bill, the committee measure also provides \$897 million, \$91 million above the request, for construction of facilities and for diplomatic operations in Pakistan and \$529 million of economic assistance.
- **Conditions on assistance to Pakistan and Afghanistan.** The apparently deteriorating security situation in Pakistan was the focus of extensive discussion in congressional hearings with Administration witnesses on the supplemental appropriations request. Administration officials strongly objected to legislated benchmarks on the performance of the Pakistani government, arguing that conditions on aid would not improve U.S. leverage but would more likely foster resistance to U.S. efforts. Instead of setting benchmarks tied to funding, the House Appropriations Committee bill includes a requirement that the President submit a report to Congress no later than February 2010, when the FY2011 budget is submitted, evaluating the conduct and commitment of the governments of Afghanistan and Pakistan. The report is to include assessments of each nation's level of political commitment to confront security challenges; level of corruption and efforts to counter it; performance of security forces in counterinsurgency operations and in establishing population security; intelligence cooperation with the United States; and the ability to effectively control its territories. House Appropriations Committee Chairman David Obey said that the White House did not object to the House provision.
- **Closure of the Guantanamo Bay Prison.** Rejects the Administration request for \$50 million for the Department of Defense to transfer prisoners out of the Guantanamo Bay facility and also rejects \$30 million requested for the Department of Justice for a task force to facilitate legal activities associated with the closure. The committee noted that the Administration had not presented a specific plan for shutting down the prison and said that funds could be reprogrammed when a plan was decided upon.
- **Border security and counternarcotics assistance to Mexico.** Approves \$350 million requested for the Department of Defense for counternarcotics activities on the Mexican border, including up to \$100 million for transfer to other federal agencies. In the foreign aid chapters of the bill, provides \$160 million for Mexico in the International Narcotics Control And Law Enforcement (INCLE) account, \$94 million above the request—\$66 million was requested to purchase

Blackhawk helicopters. The bill also adds \$310 million for Mexico in the Foreign Military Financing Program for surveillance planes, helicopters, other equipment, and support activities.

Highlights of Department of Defense Funding in the House-Passed Bill

On major issues in the defense portion of the bill, the House bill

- Adds \$6.0 billion for weapons procurement, including the following:
 - \$2,245.2 million in unrequested funds for 8 C-17 cargo aircraft—the FY2010 defense budget request, released on May 7, proposes terminating the program,
 - \$904.2 million in unrequested funds for 11 C-130 cargo aircraft,
 - \$110.0 million for MQ-9 Reaper UAVs (the request included \$195.8 million),
 - \$432.7 million for 24 additional upgraded Army AH-64 attack helicopters (the request included \$354.3 million),
 - \$90.0 million for 3 additional Army CH-47 cargo helicopters (the request included \$120.0 million),
 - \$338.4 million for additional Stryker wheeled combat vehicles (the request included \$112.7 million),
 - \$500.0 million in unrequested funds for National Guard and Reserve Equipment, and
 - \$2,150 million for 800 additional lighter MRAP All Terrain Vehicles for Afghanistan (the request included \$2,693.0 million for 1,000 vehicles).
- Provides \$735 million for payments of \$500 per month, including retroactive payments, to personnel who were prevented from leaving the service at the ends of their enlistments because of “Stop Loss” orders;
- Adds \$100 million in the Defense Health Program for Brain Injury R&D and \$68 million for orthopedic R&D;
- Cuts \$346 million in military personnel accounts for enlistment and reenlistment bonuses because of reduced accession requirements and improved recruiting and retention results;
- Cuts \$300 million in operation and maintenance funds to reflect the Committee’s direction to replace U.S. contractors providing contract support services and logistics support with Iraqis;
- Cuts \$240.0 million from the \$1,050 billion requested in Coalition Support Funds for assistance to Pakistan, Jordan and other key cooperating nations, and cuts \$150 million in “Lift and Sustain” assistance to cooperating nations to deploy forces in Iraq and Afghanistan.

Table 2 compares defense funding in the House bill with the Administration request by bill title.

**Table 2. House and Senate Action on FY2009 Supplemental Appropriations:
Department of Defense Funding by Title**

(millions of dollars)

	FY2009 Amended Request April 9, 2009 April 30, 2009	House- Passed Supplemental Appropriations H.R. 2346 May 14, 2009	House Change to Request	Senate Appropriations Committee Supplemental Appropriations S. 1054 May 14, 2009	Senate Change to Request
Military Personnel	16,187.4	17,943.9	+1,756.6	18,014.5	+1,827.1
Operation and Maintenance	29,971.2	29,416.6	-554.6	28,771.3	-1,200.0
Special Funds	5,888.7	5,688.7	-200.0	6,123.7	+235.0
Procurement	21,862.4	27,888.3	+6,026.0	21,889.5	+27.1
RDT&E	809.9	721.9	-88.0	885.9	+76.0
Military Construction/Family Housing	2,294.5	3,200.0	+905.5	2,250.7	-43.8
Other Defense Programs	1,060.0	1,244.0	+184.0	1,042.2	-17.8
Revolving and Management Funds	846.7	846.7	—	861.7	+15.0
General Provisions	-3,085.0	-2,450.6	+634.4	-4,565.3	-1,480.3
Total Department of Defense	75,835.9	84,499.7	+8,663.8	75,274.2	-561.7

Source: CRS based on data from Department of Defense; House Appropriations Committee report on H.R. 2346 providing supplemental appropriations for FY2009, H.Rept. 111-105; Senate Appropriations Committee report on S. 1054 providing supplemental appropriations for FY2009, S.Rept. 111-20.

Highlights of International Affairs Funding in the House-Passed Bill

Other committee recommendations on international affairs include the following:

- \$1.0 billion, \$421.9 million above the Administration request, for State's Diplomatic and Consular Programs; of this \$404.0 million is for worldwide security, \$448.9 for operations in Afghanistan, and \$157.6 million along with authority for the Secretary of State to transfer funds to other U.S. government agencies for a civilian experts surge;
- \$2.9 billion for the Economic Support Fund (ESF), of which \$529.5 million is for Pakistan, \$70.0 million for Afghanistan, and \$556.0 million for the West Bank and Gaza. The Committee reduced ESF funds requested for "Countries Impacted by the Global Financial Crisis" by \$148.0 million from \$448.0 million to \$300.0 million, which may be available for aid to Haiti, Liberia, Indonesia and other nations;
- \$1.3 billion, \$1.25 billion above the President's request for the Foreign Military Financing (FMF) Program. Of this amount, the Committee recommends \$310.0 million for Mexico, \$74.0 million for Lebanon; \$150.0 million for Jordan, \$260.0 million in FMF grants for Egypt; and \$555.0 million in FMF grants for Israel.

Overview of the Senate-Passed Bill

On May 21, by a vote of 86-3, the Senate approved its amended version of H.R. 2346, providing supplemental appropriations for FY2009. The Senate-passed measure incorporates, with further amendments on the floor, the provisions of S. 1054, a version reported by the Senate Appropriations Committee on May 14. In all, as reported by the committee and as passed by the Senate, the bill provides \$91.3 billion in FY2009 supplemental appropriations, of which \$5 billion is to support U.S. loans to the International Monetary Fund (IMF) that were not considered in the House bill. The remainder of the bill provides \$86.3 billion, \$1.3 billion above the amended Administration request. The bill provides \$75.4 billion for the Department of Defense (including military construction), which is \$561 million below the request. The reduction is mainly due to the committee's decision to allocate to other agencies, including the Department of Homeland Security and the Department of Justice, \$350 million for Southwest border security that the Administration had requested be appropriated to the Department of Defense. The bill also adds \$240 million for additional border security measures and \$843 million for Corps of Engineers disaster-related programs.

In floor action on the bill, only a few amendments were agreed to and none affected the total amount of funding in the bill. In action on selected floor amendments the Senate—

- Approved by voice vote an amendment by Senator Lieberman to exempt photographs showing treatment of U.S. detainees from disclosure under the Freedom of Information Act;
- Approved by voice vote an amendment by Senator Corker to require the development of objectives for U.S. policy in Afghanistan and Pakistan;
- Approved by voice vote an amendment by Senator McCain to provide \$42.5 million, out of other funds approved in Title XI, the State Department title of the bill, for the Republic of Georgia; and
- By a vote of 30-64, rejected an amendment by Senator DeMint to eliminate funding provided in the bill for loans to the IMF.

Highlights of the Senate-passed bill include the following:

- **Department of Defense funding:** Provides \$75.4 billion for the Department of Defense, of which \$73.0 billion is in regular defense appropriations, \$518 million below the request, and \$2.25 billion is for military construction, \$44 million below the request.
- **International affairs funding:** Provides \$7.6 billion for international affairs funding, \$430 million above the request. Of the total \$700 million is provided for P.L. 480 food assistance, \$400 above the request, and \$6.9 billion is provided for the State Department and foreign operations.
- **Influenza preparedness and response:** Provides \$1.5 billion, the amount requested, for influenza preparedness. The committee agreed to appropriate the funds to an account in the Executive Office of the President, renamed "Pandemic Preparedness and Response." Rather than provide authority, as for the President to allocate funds to other agencies, specified the amounts to be transferred to the

Department of Health and Human Services, Department of Homeland Security, and other agencies.

- **Guantanamo prison closure:** Initially, unlike the House, the Senate committee agreed to provide \$50 million requested for the Department of Defense and \$30 million for the Department of Justice to facilitate closure of the Guantanamo Bay prison. The committee prohibited obligation of the defense funds, however, until 30 days after the Secretary of Defense provides Congress with a specific plan for their use. The provision also required that funds may be used only to transfer prisoners to locations outside the United States. In floor debate, the Senate adopted an amendment by 90-6 an amendment by Senators Inouye and Inhofe to eliminate the funds and to prohibit the use of funds in the supplemental or in prior legislation to transfer, release, or incarcerate detainees held at Guantanamo Bay to or within the United States.
- **Defense Department Assistance to Pakistan:** The committee approved \$400 million requested for Pakistan Counterinsurgency Capabilities Fund in the Department of Defense for assistance to Pakistani security forces. The committee expressed concern about the role of the Defense Department, however, and directed the Administration to develop a plan to provide future assistance through the State Department and to report on the plan within 90 days. The committee also put a limit of \$200 million on the amount of money in the fund that could be used for humanitarian purposes, saying it wished to limit the amount of overseas humanitarian aid being provided by DOD rather than State.
- **Added funds for Corps of Engineers projects:** The committee provides \$843 million in unrequested funds for the Corps of Engineers, including \$39 million for to restore damaged navigation channels, \$315 million to prepare for natural disaster, and \$489 million for gulf coast barrier island restoration.
- **North Korea counterproliferation assistance:** As did the House, the Senate committee rejected \$34.5 million requested to dismantle nuclear facilities in North Korea. Instead the committee provided the same amount to the Department of Energy to analyze nuclear weapons intelligence.
- **Southwest border security:** The committee rejected the Administration request that \$350 million to be appropriated to the Department of Defense for border security, and instead added \$250 million and allocated the total to other agencies, including \$140 million for additional Department of Homeland Security personnel for border enforcement support teams, \$100 million for the Department of Justice for additional agents and investigators to cooperate with Mexican authorities, and \$100 million for the Departments of Health and Human Services and Homeland Security for added shelter and transportation costs for unaccompanied alien children.

Highlights of Department of Defense Funding in the Senate-Passed Bill

On major issues in the defense portion of the bill, the Senate—

- In the military personnel accounts, added \$489 million to fully fund increased Army and Marine Corps end-strength, added \$1.4 billion to cover identified

shortfalls in some FY2009 accounts, and cut \$140 million in Army recruitment and retention bonuses to reflect easier recruiting due to changes in the economy.

- Provided an additional \$1 billion for the Iraq Security Forces Fund, which pays for equipment and training of Iraqi forces. The Administration requested that Congress rescind and then reappropriate \$1 billion that had previously been provided in order to extend the availability of the money, but the Senate committee rejected the rescission, with the effect of providing \$1 billion in additional funding.
- Provided \$21.9 billion for weapons procurement, about equal to the request, but with some changes. On major programs the committee—
 - Added \$1.55 billion to the \$2.7 billion requested for Mine Resistant Ambush Protected (MRAP) Vehicles, as did the House;
 - Added \$500 million for National Guard and Reserve equipment, as did the House;
 - Selectively scrubbed funding requests to eliminate money not required to replace combat losses or meet established equipment reset requirements—the committee rejected, for example, \$354 million requested for AH-64 attack helicopter modifications,, \$237 million requested for Improved Recovery Vehicle modifications, and \$386 million requested for Family of Medium Tactical Vehicle trucks.
 - Added \$246 million for Navy P-3 aircraft wing modifications and \$150 million for Air Force A-10 aircraft re-wing kits.
 - Did not follow the House in adding funds for C-17 or C-130 cargo planes.
 - Provided \$498 million for F-22 fighter aircraft compared to \$600 million requested—specifically rejects \$147 million for shut-down funding and adds \$45 million to fully fund the aircraft request.
- Cut \$350 million from the \$1.5 billion requested for the Joint Improvised Device Defeat Organization (JIEDO) to reflect the pace of funding obligations.

Highlights of International Affairs Funding in the Senate-Passed Bill

On international affairs matters addressed in the bill, the Senate bill provides

- \$645.4 million, \$51 million more than the Administration's request, for State's Diplomatic and Consular Programs; of this \$410 million would be for operations in Afghanistan, \$45.5 million for operations in Pakistan, and \$150 million for operations in Iraq.
- \$820.5 million for Embassy Security, Construction and Maintenance, \$78.2 million below the Administration's request. Of this amount, \$10 million would be allocated to Afghanistan and \$805 million to Pakistan.
- \$721 million for Contributions for International Peacekeeping, \$115.9 million below the request to fund peacekeeping missions in the Democratic Republic of the Congo, Central Africa Republic and Chad. The bill does not support CIPA funds to support the African Union peacekeeping mission in Somalia

(AMISOM), but includes funding for that under Peacekeeping Operations account with transfer authority.

- \$2,828 million for the Economic Support Fund, \$46.5 million below the requested level. Of the total, \$866 million would be allocated to Afghanistan, \$439 million to Pakistan, \$439 million to Iraq, \$556 million to the West Bank/Gaza, as well as funds going to Jordan, Burma, the Democratic Republic of the Congo, North Korea, Somalia, Yemen, and Zimbabwe.
- \$345 million for Migration and Refugee Assistance which is \$52 million above the Administration request. Funding allocation of these funds would include \$25 million for returning refugees in Afghanistan, \$25 million for those needs in Africa, \$5 million for refugees in Burma, \$15 million for internally displaced persons (IDPs) in Sri Lanka, and \$5 million for IDPs in Colombia.
- \$172.9 million for Peacekeeping Operations which is \$122.9 million above the requested funding level. Of this amount, \$155.9 million is to support the African Union peacekeeping mission in Somalia via transfer to the State Department's Contributions for International Peacekeeping Account (CIPA).
- The bill also places prohibition on assistance to Hamas and places limitations on certain assistance to Mexico and requires a report.

Overview of the FY2009 Defense Supplemental Request and Congressional Action

With the new FY2009 request added to the \$65.9 billion provided last June, total supplemental defense funding proposed for FY2009 amounts to \$145 billion, offset by \$3.4 billion of rescissions. Though Congress may well add to the request, this is substantially less than the amount of DOD supplemental funding provided in the past two years, which totaled \$170 billion in FY2007 and \$187 billion in FY2008. The decline is not due to the withdrawal of U.S. forces from Iraq, which has only begun, and which is offset by planned additions to U.S. forces in Afghanistan. Rather, the change is due almost entirely to a reduction in the amount requested for weapons procurement, which falls from \$65 billion in FY2008 to \$28 billion in FY2009.

Table 3 shows the April 9 defense request compared to amounts of supplemental defense appropriations in FY2007 and FY2008.

**Table 3. Defense Bridge and Supplemental Funding by Title,
FY2007-FY2009 Request**

(millions of dollars)

	FY2007 Bridge and Supplemental Funding Enacted	FY2008 Bridge and Supplemental Funding Enacted	FY2009 Bridge Fund Enacted June 2008	FY2009 Supplemental Request April 2009	FY2009 Total
Military Personnel	18,894.5	19,137.8	1,194.0	16,658.3	17,852.3
Operation and Maintenance	76,597.9	81,708.6	51,916.0	29,971.2	81,887.2
Special Funds	17,707.8	13,816.3	5,000.0	5,888.7	10,888.7
Procurement	45,418.0	64,896.2	6,135.3	21,862.4	27,997.7
RDT&E	1,506.4	1,745.5	387.8	809.9	1,197.7
Military Construction/Family Housing	4,807.0	4,245.3	—	2,113.0	2,113.0
Other Defense Programs	1,120.5	2,328.9	1,288.0	1,060.0	2,348.0
Revolving and Management Funds	3,356.5	2,842.6	—	846.7	846.7
General Provisions/Rescissions	1.0	-3,718.0	—	-3,380.9	-3,380.9
Total Department of Defense	169,409.7	187,003.3	65,921.2	75,829.4	141,750.5
Other Agency Defense Programs	91.0	168.6	—	89.5	89.5
Total National Defense	169,500.6	187,171.9	65,921.2	75,918.9	141,840.0

Source: CRS from House Appropriations Committee for enacted amounts and Department of Defense for FY2009 request.

Notes: Totals may not add due to rounding. "Other Defense Programs" includes defense health, drug interdiction, and inspector general funding. "Special Funds" includes the Iraqi Freedom Fund, Iraq Security Forces Fund, Afghanistan Security Forces Fund, Pakistan Counterinsurgency Capability Fund, and Joint IED Defeat Fund. DOD documents often show Joint IED Defeat Fund amounts as Procurement and other special funds as Operation and Maintenance. All funding for the Mine Resistant Ambush-Protected (MRAP) vehicle fund is shown as Procurement.

MRAP Cuts

The decline in procurement, in turn, is due in large part to a substantial reduction in acquisition of Mine Resistant Ambush-Protected (MRAP) vehicles, which were purchased in very large numbers in FY2007 and FY2008. MRAP funding in FY2008 totaled \$16.8 billion.¹⁰ Congress provided \$1.7 billion for MRAPs in FY2009 in the June 2008 supplemental appropriations act. In the new supplemental request, the Defense Department is asking for \$2.7 billion more, for a total of \$4.4 billion in FY2009, \$12.4 billion less than in FY2008.

¹⁰ For MRAPs, \$5.2 billion was provided as emergency appropriations in the first FY2008 Continuing Resolution, P.L. 110-92, enacted on September 29, 2007, and \$11.63 billion was provided as emergency appropriations in a general provision of the regular FY2008 defense appropriations act, P.L. 110-116, enacted on November 13, 2007.

Other Changes in the FY2009 Defense Request

In addition, the FY2009 total includes substantially less than in FY2007 and FY2008 for what the Defense Department refers to as “reconstitution” of the force, much of which is funded in procurement accounts. DOD breaks down reconstitution into three elements:

- “Replenishment” of stocks, mainly of ammunition and missiles, consumed in military operations and in training for deployment;
- “Replacement” of equipment lost in battle or used to a point at which repair is uneconomical—in practice a substantial amount of new equipment has been purchased not only to replace losses, but also to upgrade capabilities; and
- “Repair” of equipment both in theater and at domestic depots, including overhaul of equipment at the end of an operation to meet standards for the requirements of deploying units.

Table 4 shows the Defense Department’s breakdown of FY2007, FY2008, and FY2009 funding by functional category, which shows amounts for replenishment and for other elements of supplemental funding. Total funding for replenishment, by DOD’s accounting, goes from \$36.3 billion in FY2007, to \$50.4 billion in FY2008, to \$23.2 billion in FY2009. Funding for force protection, which includes amounts for MRAPs, goes from \$12.4 billion in FY2007 and \$23.9 billion in FY2008 to \$14.3 billion in FY2009. Funding for Iraqi security forces declines from \$5.5 billion in FY2007 and \$3.0 billion in FY2008 to \$1.0 billion in FY2009.

**Table 4. DOD Breakdown of Supplemental Funding by Functional Category:
FY2007-FY2009**

(amounts in billions of dollars)

	FY2007 Bridge and Supplemental Funding Enacted	FY2008 Bridge and Supplemental Funding Enacted	FY2009 Bridge Fund Enacted June 2008	FY2009 Supplemental Request April 2009	FY2009 Total
Continue the Fight					
Operations	76.6	77.5	38.2	38.0	76.2
Force Protection	12.4	23.9	4.5	9.8	14.3
IED Defeat	4.4	4.2	2.0	1.5	3.5
Military Intelligence Program	3.4	4.9	1.4	3.8	5.1
Iraq Security Forces	5.5	3.0	1.0	—	1.0
Afghan Security Forces	7.4	2.7	2.0	3.6	5.6
Pakistan Counterinsurgency	—	—	—	0.4	0.4
Coalition Support	1.4	1.4	0.3	1.4	1.7
CERP ^a	1.0	1.7	1.0	0.5	1.4
Military Construction	0.9	1.3	—	0.9	0.9
Total Continuing the Fight	113.0	120.5	50.4	59.9	110.2
Reconstitution	36.3	50.5	11.6	11.6	23.2
Additional Requests					
BCT/RCT ^b	3/6	—	—	—	—
Growth the Force/Accelerate Grow the Force	1.5	0.5	0.1	2.2	2.3
Wounded Warrior/Family Support	0.9	1.9	0.8	1.6	2.5
Border Security with Mexico	—	—	—	0.4	0.4
Military Personnel, Army	—	—	—	0.5	0.5
Other and Non-DOD Classified	14.2	13.7	2.9	3.1	6.1
Total Additional Requests	20.2	16.1	3.9	7.8	10.9
Total	169.5	187.1			
Rescissions	—	—	—	-3.4	-3.4
Net Total	169.5	187.1	65.9	75.8	141.7

Source: Department of Defense, *Fiscal Year 2009 Supplemental Request: Summary Justification*, April 2009, Table 2, p. 82.

Notes:

- a. CERP is the Commanders' Emergency Response Program which provides funds for commanders to pay for small scale local development projects.
- b. BCT/RCT refers to Brigade Combat Team/Regimental Combat Team upgrades.

Non-War-Related Funding in the Defense Request

In addition to amounts for ongoing operations in Iraq and Afghanistan, the defense request includes funds for other programs, including the following:

- **Accelerate Growth the Force.** \$2.2 billion is requested for increased personnel end-strength in the Army and Marine Corps. The Army is in the process of adding 65,000 active duty troops and the Marine Corps 27,000 to personnel levels compared to numbers at the end of FY2004. Most of the cost of added personnel is now being paid for in the base defense budget. Both services, however, have benefited from improved recruitment, mainly due to the poor economy, to achieve higher end-strength goals earlier than had been planned. Supplemental funding is requested to cover costs of the acceleration of Army and Marine Corps end-strength increases.
- **Wounded Warrior, Family Support, and National Capital Region Base Realignment.** \$1.6 billion is requested for measures to improve health care for wounded personnel; for improved support to military families—mainly increases in child care facilities; and to accelerate closure of the Walter Reed Army Medical Center in Washington, D.C., and opening of the new Walter Reed National Military Medical Center in Maryland and the Fort Belvoir Army Community Hospital in Virginia.
- **Border Security with Mexico.** \$350 million is requested for counternarcotics activities and related activities along the Mexican border. Measures could include assigning National Guard personnel to patrol the border. Up to \$100 million is requested to be available for transfer to other Federal agencies.
- **Army Personnel Funding Shortfall.** \$471 million, offset by an equivalent amount of rescissions in Army funds, is requested to correct some shortfalls in the Army base budget for military personnel. The shortfalls are due to a delay in redeployment of soldiers from Europe to the United States, which has increased costs of overseas housing allowances and cost of living allowances; to the use of the National Guard in support of the Presidential inauguration; and increased Army Reserve attendance rates. The Army could finance these adjustments by reprogramming funds, but the Defense Department would prefer not to use so much of its limited transfer authority for this purpose.

Major Issues in Congressional Action on the Defense Request

A number of issues arose as Congress considered the Administration request. Some were resolved by the House and Senate Appropriations Committees, but others remained potential matters of debate in House and Senate conference discussions. Issues included whether to approve congressional additions of funds for major weapons programs, whether the Department of Defense rather than the Department of State should be funded to provide security assistance to Pakistan; whether less funding or more should be provided to the Defense Department for border security with Mexico.

Added Congressional Funding for Major Weapons Programs

In preliminary discussions of the defense supplemental Representative Murtha, the Chairman of the House Defense Appropriations Subcommittee, and Senator Inouye, the Chairman of the Senate panel, both discussed their intention to add significant amounts to the request for several major weapon systems. Additions they and others mentioned include funding for a new mid-air refueling tanker for the Air Force, the multi-service F-35 Joint Strike Fighter, the Navy F/A-18E/F multirole fighter, the Navy E-2D radar plane, and Army Stryker wheeled armored vehicles. Additions to military personnel accounts were proposed to cover monthly stipends of up to \$500 for service members prevented from leaving at the end of their enlistments by “stop loss” orders. Representative Murtha reportedly said that he might propose adding as much as \$16-18 billion to the request.¹¹

The Administration included funds for four Air Force F-22 fighter aircraft in the supplemental request, though Secretary of Defense Gates subsequently announced plans to terminate the program. Funding for the aerial tanker program was a matter of extensive debate, and there remain disagreements in Congress about proposals to require that purchases be split between competing bidders. The Air Force is preparing to recompetes the contract, with bids expected from Boeing and a team of Northrop Grumman and EADS. The Northrop Grumman-EADS team won a competition last year only to have the award overturned by the Comptroller General after Boeing appealed. Several Members of Congress have urged splitting the contract between both bidders, but the Air Force and other legislators argue that a split will increase costs significantly.

Congressional Action

Neither the House nor the Senate Appropriations Committees added as much money to the Administration request as some had discussed. In the end, the House committee added \$6 billion for weapons procurement, while the Senate committee shifted funds out of some programs and into others with no significant effect on the total.

Notably, neither committee added funds for Air Force aerial tankers. House subcommittee chairman Murtha said he tried to get agreement on a proposal to add funds and to require that funding be split between competing bidders, but could not do so and therefore agreed not to add money for the program.

The House added \$2.245 billion for 8 C-17 cargo aircraft and \$904 million for 11 C-130 variants. The Senate did not provide funds for either program. Conferees provided \$2.170 billion for eight C-17s and \$504 million for seven C-130 variants.

The House added \$2.15 billion and the Senate added \$1.55 billion to the \$2.7 billion requested for variants of the Mine Resistant Ambush Protected (MRAP) vehicle to be used in Afghanistan. The conference agreement provided a total of \$4.5 billion for MRAPs vehicles, and required that the funds be spent on a small version better suited to the Afghan terrain than the larger MRAPs used in Iraq.

Conferees also provided the \$600 million requested for four F-22 fighters and barred use of any of those funds to shut down the F-22 production line.

¹¹ Josh Rogin, “Lawmakers See Last Chance for Procurement Funds in Supplemental,” *CQ Today*, March 3, 2009.

In other action relating to weapons procurement and upgrades, the conferees:

- Added \$500 million for equipment for National Guard and reserve units;
- Added \$200 million for new Stryker armored combat vehicles and \$243 million to refurbish Bradley troop carriers;
- Added \$433 million to upgrade the “A” model Apache helicopters of one National Guard battalion to “D” model aircraft, with more sophisticated combat electronics;
- Rejected the request for \$253 million to equip C-17 and C-130 cargo planes with equipment to jam anti-aircraft missiles aimed at the planes; Conferees said the Air Force would be unable to install the equipment within the next year.

Conferees also added to the bill \$165 million to cover the cost of repairing three Navy ships damaged in collisions or groundings.

Defense Department Assistance to Pakistan

The Administration request included \$400 million in funding for the Defense Department in a new account called the Pakistan Counterinsurgency Capability Fund. The purpose of the funding is to provide equipment, support, and training to Pakistani security forces in combating insurgent forces on its territory. Traditionally, funding for such security assistance is provided through the State Department, while the Defense Security Cooperation Agency (DSCA), a part of the Defense Department, generally administers provision of the assistance. While Congress has supported the financing of similar activities in Iraq and Afghanistan through the Defense Department, many legislators have urged that other security assistance continue to be provided through the State Department, as in the past, in order to ensure that it is coordinated with overall foreign policy goals. The House Appropriations Committee has been particularly assertive recently, in urging that assistance to Africa and other areas now being provided through the Defense Department should be returned to the State Department.

Congressional Action

In congressional hearings on the supplemental, both Secretary of Defense Gates and Secretary of State Clinton argued that the State Department is currently not prepared to administer such a large amount of security assistance to Pakistan and urged that funding be provided through defense. The initial House Chairman’s mark of the supplemental bill provided \$400 million for the Pakistan Counterinsurgency Capabilities Fund through the State Department. At the start of the May 7 committee markup, however, Chairman Obey, offered a manager’s amendment to shift the funds back to the Defense Department, and the committee approved the bill with that change. The Senate Appropriations Committee provided funding as requested through the Defense Department, but required a report by the Secretary of State on means of managing funding through the State Department in the future. The conference agreement provides \$400 million for Department of Defense counterinsurgency assistance to Pakistan. It also appropriates \$700 million, to be available in FY2010, in the State Department for the Pakistan Counterinsurgency Capabilities Fund.

Defense Department Role in Border Security with Mexico

Escalating drug-related violence in Mexico has emerged as a significant security issue for the United States, particularly along the U.S.-Mexico border where kidnapping and gun battles threaten to spill over into the United States. The supplemental appropriations request includes \$350 million for the Defense Department for counternarcotics and other activities on the border with Mexico, including assistance to other federal agencies. Up to \$100 million may be transferred to other agencies. The international affairs supplemental requests includes an additional \$66 million in the International Narcotics Control and Law Enforcement (INCLE) account for assistance to Mexico under the Mérida initiative. Those funds are intended to purchase three Blackhawk military utility helicopters.

Congressional Action

In Congress, some argue that funding for counternarcotics assistance for Mexico should be provided through the State Department, as is the current Mérida Initiative, rather than through the Defense Department. There has also been some support, however, for a larger DOD role. The House-passed supplemental provided \$350 million, as requested for the Department of Defense for counternarcotics and related activities on the Mexican border. In the foreign affairs accounts, it also provided \$66 million as requested for narcotics control and it added \$310 million in Foreign Military Financing (FMF) funds for aviation support to Mexico, including funds for surveillance planes and medium lift helicopters. The Senate bill rejected the request for Defense Department funds and instead allocated the money to other agencies, along with \$250 million in additional funding. The conference agreement provides \$420 million in foreign assistance funding to Mexico, \$354 million above the request. It also adds \$140 million for Department of Justice programs that address violence and narcotics trafficking on the southwest border, and \$158 million for Department of Homeland Security border security measures.

Overview of the FY2009 International Affairs Supplemental Request and Congressional Action

The President requested \$7.1 billion in FY2009 supplemental funds for the Department of State and USAID. The supplemental request for the Department of State totals \$2.3 billion, of which \$594.3 million is for Diplomatic and Consular Programs (D&CP) for Iraq, Afghanistan, and Pakistan; \$898.7 million for Embassy Security, Construction and Maintenance's (ESCM) improved, secure facilities in Afghanistan and Pakistan in order to accommodate the civilian surge proposal; \$7.2 million for the Special Inspector General for Afghanistan Reconstruction (SIGAR); and \$836.9 million for the Contributions to International Peacekeeping Account (CIPA).

As the U.S. government continues to turn over responsibilities to the Government of Iraq, about 40% of the D&CP account for Iraq (\$150 million) will go to pay for anticipated lease costs for facilities that have been occupied by the United States at no cost previously. Approximately 85% of the requested D&CP funds for Afghanistan (\$261.5 million) is to accommodate the civilian staffing surge proposal by the State Department and other federal agencies to complement increased military operations in Afghanistan. In Pakistan, while funding is provided for increased

U.S. staffing at the Embassy in Kabul, approximately 85% of the requested funding (\$36.5 million) will be applied to increased public diplomacy initiatives in that country.

The total proposed FY2009 supplemental for USAID is \$4.8 billion. The overall emphasis of the request includes: supporting key frontline states—Afghanistan (\$980.0 million), Pakistan (\$497.0 million), and Iraq (\$482.0 million); aid for urgent global needs—migration and refugee assistance (\$293.0 million), P.L. 480 title II food aid (\$300.0 million), international disaster assistance (\$200.0 million), and aid to developing countries affected by the global financial crisis (\$448.0 million). Regional priorities include: North Korea, support of phase III of the six party talks (\$142.0 million); support to stabilize Georgia (\$243.0 million); West Bank and Gaza (\$715.0 million); and the Mérida program in Mexico (\$66.0 million) to buy 3 Blackhawk helicopters.

Reflecting the Obama Administration's focus on the war in Afghanistan and a new counter-insurgency strategy that raises the profile of non-military methods, the FY2009 supplemental request would significantly increase economic aid efforts in both Afghanistan and Pakistan provided under the 150 account, State, Foreign Operations appropriations portion of the proposed legislation. If the requested level is approved, total FY2009 non-humanitarian economic aid to Afghanistan would amount to \$2.6 billion, an increase of 32% (\$631 million) over the previous year's appropriations. The newly requested funding for Afghanistan, totaling \$980 million, is within three accounts—\$839 million in the Economic Support Fund (ESF), \$129 million in the International Narcotics Control and Law Enforcement (INCLE) account, and \$12 million in the Non-proliferation, Anti-terrorism, Demining, and Related programs (NADR) account. More than a third of the new funding request is devoted to improving governance at all levels of the Afghan government, including anti-corruption measures and other efforts to strengthen the justice system.

If the new request is approved, total FY2009 aid to Pakistan, at \$1.5 billion, would be double the level of FY2008. The FY2009 supplemental request is \$497 million—\$429.5 million in ESF, \$65.5 million in INCLE, and \$2 million in NADR funds. Its emphasis is almost entirely devoted to supporting Pakistan's economic growth and stability, supplementing that government's IMF Standby Agreement with possible programs to strengthen its social safety net and provide budget support.

Table 5 shows details of the international affairs funding request compared to amounts provided in FY2008 and amounts already enacted for FY2009 in the June 30 supplemental appropriations act, P.L. 110-252.

Table 5. Supplemental Appropriations for International Affairs, FY2008-FY2009

(amounts in millions of dollars)

	FY2008 Enacted Omnibus Appropriations. P.L. 110-161 Dec. 26, 2007	FY2008 Enacted Supplemental Appropriations P.L. 110-252 June 30, 2008	FY2009 Enacted Supplemental Appropriations P.L. 110-252 June 30, 2008	FY2009 Supplemental Request April 9, 2009
State Department & International Broadcasting				
Diplomatic & Consular Programs	781.6	1,465.7	744.9	594.3
Iraq Operations	[575.0]	[1,150.0]	[550.5]	[150.0]
Afghanistan Operations	[206.6]	[200.2]	[89.4]	[123.9]
Afghanistan Operations (other agencies)	—	—	—	[137.6]
Pakistan Operations	—	—	—	[36.5]
Worldwide Security Protection	—	[48.0]	[78.4]	[118.0]
Ongoing Operations	—	—	—	[28.4]
Embassy Security, Construction & Maintenance	—	76.7	41.3	898.7
Office of Inspector General	—	9.5	57.0	7.2
Contributions to International Organizations	—	66.0	75.0	—
Contributions to International Peacekeeping	468.0	373.7	150.5	836.9
International Broadcasting	12.0	2.0	6.0	—
Total State Department	1,261.6	1,993.6	1,074.2	2,337.1
Foreign Operations				
Afghanistan	234.6	899.0	455.0	980.0
Iraq	—	584.0	107.0	482.0
Pakistan	—	—	150.0	497.0
Georgia	—	—	—	242.5
Lebanon	—	—	32.5	98.4
Jordan (ESF)	100.0	250.0	200.0	—
West Bank/Gaza (ESF)	155.0	196.0	200.0	715.0
Israel (FMF)	—	—	170.0	—
North Korea (ESF)	53.0	53.0	15.0	142.0
Mexico	—	352.0	48.0	66.0
Central America	—	65.0	—	—
Haiti (INCLE)	—	2.5	—	—
Dominican Republic (INCLE)	—	2.5	—	—
Nepal (ESF)	—	7.0	—	—
Philippines (ESF)	—	15.0	—	—
Sri Lanka (ESF)	—	6.0	—	—
Thailand (ESF)	—	2.5	—	—

	FY2008 Enacted Omnibus Appropriations. P.L. 110-161 Dec. 26, 2007	FY2008 Enacted Supplemental Appropriations P.L. 110-252 June 30, 2008	FY2009 Enacted Supplemental Appropriations P.L. 110-252 June 30, 2008	FY2009 Supplemental Request April 9, 2009
Vietnam (ESF)	—	—	—	—
Bangladesh (ESF)	—	25.0	50.0	—
Burma (ESF)	—	—	5.3	13.0
Africa (ESF)	—	—	—	—
Sudan	—	55.0	35.0	—
Somalia	—	—	—	40.0
Kenya (ESF)	—	12.0	25.0	38.0
Democratic Republic of the Congo	—	12.5	20.0	10.0
Zimbabwe (ESF)	—	5.0	15.0	45.0
Chad (ESF& DF)	—	3.0	5.0	—
Central African Republic (ESF)	—	1.0	2.0	—
Uganda (ESF)	—	17.5	15.0	—
Migration/Refugee Assistance	200.0	315.0	350.0	293.0
Emergency Migration (ERMA)	—	31.0	—	—
International Disaster Assistance	110.0	220.0	200.0	200.0
Democracy, Conflict/Humanitarian	—	—	—	500.0
PL480	—	850.0	395.0	300.0
Other Food Security (DA & IDA)	—	20.0	200.0	—
Global Health and Child Survival	115.0	—	75.0	—
USAID Operating Expenses	20.8	150.5	93.0	152.6
USAID Capital Investment Fund	—	—	—	48.5
Global Financial Crisis	—	—	—	448.0
USAID Inspector General	—	4.0	1.0	—
Comprehensive Test Ban Treaty Monitoring	—	2.5	—	—
Foreign Military Financing	100.0	—	—	—
Peacekeeping Operations	35.0	—	—	—
Total Foreign Operations	1,123.4	4,158.5	2,863.8	4,811.0
Total State Department and Foreign Operations	2,385.0	6,152.1	3,938.0	7,148.1

Sources: CRS based on P.L. 110-252 and data from the Department of State and Office of Management and Budget.

Notes: FMF = Foreign Military Financing; INCLE = International Narcotics Control and Law Enforcement; ESF = Economic Support Fund; DF = Democracy Fund; ERMA = Emergency Refugee and Migration Assistance; DA = Development Assistance; and IDA = International Disaster Assistance.

Other FY2009 Supplemental Funding Requests and Congressional Action

Responding to the H1N1 Influenza Pandemic¹²

In late April 2009, the Centers for Disease Control and Prevention (CDC) reported several cases of a new form of H1N1 human influenza, dubbed “swine flu,” in California and Texas. Since then, health officials have tracked a global spread of the new pathogen, which appears to have arisen in Mexico. On June 11, the World Health Organization (WHO) declared that the outbreak was a flu pandemic. (The last flu pandemic occurred in 1968.) From the outset, the United States adopted a response posture to address the situation. Among other things, the then-Acting Secretary of Health and Human Services (HHS) invoked certain public health emergency authorities,¹³ and the CDC mobilized stockpiled drugs and medical supplies, enhanced illness surveillance, and issued travel advisories. Congress is considering FY2009 supplemental funding to address the situation.

There are a number of recent precedents for providing funding for pandemic disease preparedness in supplemental appropriations bills. In 2005, facing similar fears of a global pandemic due to a strain of avian influenza (“bird flu”), Congress provided \$6.1 billion in FY2006 supplemental funds to several federal departments for pandemic preparedness efforts.¹⁴ The bulk of this funding went to HHS, which has received annual regular appropriations for continued pandemic planning since then. In FY2008 supplemental appropriations (P.L. 110-252), Congress provided \$75 million to USAID for avian and pandemic flu activities, to be available through FY2009. Pandemic planning funds were included in the House-passed version of the American Recovery and Reinvestment Act of 2009 (ARRA, P.L. 111-5), but were not provided in the enacted law.¹⁵

Administration Request for Influenza Funding

On April 27, Representative Obey, the Chairman of the House Appropriations Committee, and Senator Harkin, the Chairman of the Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee, both suggested that Congress might add funds to the pending FY2009 defense supplemental appropriations request to respond to the H1N1 flu outbreak.¹⁶ On April 28, the White House announced that it would request \$1.5 billion of additional supplemental appropriations to respond to the outbreak. On April 30, President Obama sent a letter to House Speaker Nancy Pelosi formally requesting \$1.5 billion for this purpose.

¹² Prepared by Sarah A. Lister, Specialist in Public Health and Epidemiology. For more information, see CRS Report R40554, *The 2009 Influenza Pandemic: An Overview*, by Sarah A. Lister and C. Stephen Redhead.

¹³ CRS Report R40560, *The 2009 Influenza A(H1N1) Outbreak: Selected Legal Issues*, coordinated by Kathleen S. Swendiman and Nancy Lee Jones.

¹⁴ CRS Report RS22576, *Pandemic Influenza: Appropriations for Public Health Preparedness and Response*, by Sarah A. Lister.

¹⁵ CRS Report R40181, *Selected Health Funding in the American Recovery and Reinvestment Act of 2009*, coordinated by C. Stephen Redhead.

¹⁶ Rob Margetta, “Harkin, Obey Want Swine Flu Funds in Supplemental,” *CQ Today*, April 27, 2009.

The April 30 request asked that Congress appropriate the funds to the Executive Office of the President in a new account entitled “Unanticipated Needs for Influenza.” The funds would be made available until expended for transfer to other agencies by the Office of Management and Budget (OMB) subject to notification to Congress. In a letter to the President accompanying the request, OMB Director Peter Orszag said that this would provide “maximum flexibility ... to ... target responses and resources as this emerging and unpredictable situation evolves.” Though the request did not identify specific accounts to which funds may be transferred, the White House mentioned activities such as supplementing antiviral stockpiles; developing a vaccine; supporting monitoring, diagnostic, and public health response capabilities; and assisting international efforts to stem this outbreak and to address related international needs.¹⁷

On June 2, while the House- and Senate-passed FY2009 supplemental spending bills (discussed below) were being reconciled in conference, the White House requested the higher amount of \$2.05 billion provided in the House-passed bill, along with additional funding and transfer authorities, to address the current H1N1 flu outbreak and prepare for a possible pandemic.¹⁸ As with the April 30 request, the White House again asked that funds be provided to a new account for the Executive Office of the President, with provisions to allow spending flexibility. The June 2 request sought the following funds and transfer authorities, each of which would be used only upon notification to Congress, and only if the President were to determine that the additional resources were “required to address critical needs related to emerging influenza viruses....”¹⁹:

- An appropriation of \$2 billion (in addition to the \$2.05 billion included in the House supplemental bill) to the Executive Office of the President in a new account entitled “Unanticipated Needs for Influenza” (as per the April 30 request), to remain available until September 30, 2010, for transfer to other federal departments and agencies upon notice to Congress by the OMB Director.
- Authority to transfer up to 1% of amounts appropriated in Division A of the American Recovery and Reinvestment Act (ARRA) to the “Unanticipated Needs for Influenza” account, to remain available until September 30, 2010, for subsequent transfer to other federal departments and agencies, upon notice to Congress by the OMB Director. (The Congressional Budget office estimated that ARRA Division A provided \$311.2 billion in discretionary budget authority to several federal departments and agencies.²⁰)
- Authority to transfer up to 1% of discretionary funds available to HHS in FY2009, including balances remaining from prior year appropriations, to other accounts within the department, upon notice to Congress by the Secretary of HHS. (HHS received \$78.5 billion in discretionary budget authority in FY2009 Omnibus appropriations.²¹ The White House request did not state whether the discretionary HHS funds available for the 1% transfer are intended to include

¹⁷ Executive Office of the President, Office of Management and Budget, Estimate #2, 111th Cong., 1st Sess., April 30, 2009, http://www.whitehouse.gov/omb/assets/budget_amendments/supplemental_04_30_09.pdf.

¹⁸ Executive Office of the President, Office of Management and Budget, Estimate #5, 111th Cong., 1st Sess., June 2, 2009, http://www.whitehouse.gov/omb/assets/budget_amendments/supplemental_06_02_09.pdf.

¹⁹ Ibid.

²⁰ See Table 1 in CRS Report R40537, *American Recovery and Reinvestment Act of 2009 (P.L. 111-5): Summary and Legislative History*, by Clinton T. Brass et al.

²¹ HHS, “Fiscal Year 2010 Budget in Brief,” p. 8, May 7, 2009, <http://www.hhs.gov/asrt/ob/docbudget/2010budgetinbrief.pdf>.

funds also provided through ARRA, which would then be potentially subject to both proposed transfer authorities.)

- Authority to use remaining funds in the “Biodefense Countermeasures” account in the Department of Homeland Security (i.e., the BioShield Special Reserve Fund) for procurement of medical countermeasures for influenza (e.g., vaccines, antiviral drugs, and laboratory tests). (The Special Reserve Fund, which the White House proposed for transfer to HHS in its budget request for FY2010, is estimated to have a balance of \$2.76 billion at the end of FY2009.²²)

The magnitude of funds that could be mobilized under the requested transfer authorities suggests that the Administration may be looking for a means to purchase a large number of vaccines against the H1N1 “swine” flu. Funds currently available to HHS could support vaccine development and modest procurements, but would not be adequate for procurements and related activities sufficient to support a mass-vaccination campaign, if one were needed. GAO has noted that the *National Strategy for Pandemic Influenza: Implementation Plan* (2006), which lays out 324 action items for federal agencies to prepare for and respond to a flu pandemic, contains no discussion of the possible costs of these actions, or how they would be financed.²³ There has not been a Stafford Act declaration for the current flu outbreak, so disaster relief funds administered by the Federal Emergency Management Agency (FEMA) are not available for response efforts. Many relevant activities, such as vaccine purchase, would probably not be eligible for the use of these funds, even if they were available.²⁴

House Action on Influenza Funding

On May 4, Representative Obey released a summary of his proposed supplemental appropriations bill, calling for more than \$2 billion for the current outbreak, \$550 million above the request.²⁵ In a May 7 markup, the House Appropriations Committee approved the amount in Obey’s May 4 proposal, and the committee bill that was reported on May 12, H.R. 2346 includes this amount.²⁶ On May 14, the House passed H.R. 2346, including the amounts reported for influenza response, without amendment. The bill is now in conference with the Senate. H.R. 2346 would not provide the funds to the new account requested by the White House, but would instead provide transfer authority that allows flexibility in how the funds could be used to address the fluid situation. H.R. 2346 would provide the following amounts and instructions:

²² Executive Office of the President, Office of Management and Budget, Appendix, Budget of the U.S. Government, Fiscal Year 2010, May 2009, p. 544, <http://www.whitehouse.gov/omb/budget/fy2010/assets/appendix.pdf>.

²³ U.S. Government Accountability Office, *Influenza Pandemic: Continued Focus on the Nation’s Planning and Preparedness Efforts Remains Essential*, GAO-09-760T, June 3, 2009, pp. 10-11, <http://www.gao.gov>. See also Homeland Security Council, *National Strategy for Pandemic Influenza: Implementation Plan*, May 2006, <http://www.pandemicflu.gov/plan/federal/pandemic-influenza-implementation.pdf>.

²⁴ The Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) authorizes assistance to federal, state, and local governments, and private non-profit entities, upon a Presidential declaration of emergency or disaster. See “Federal Statutory Authorities for Disaster Response” and “Federal Funding to Support an ESF-8 Response,” in CRS Report RL33579, *The Public Health and Medical Response to Disasters: Federal Authority and Funding*, by Sarah A. Lister. See also CRS Report RL34724, *Would an Influenza Pandemic Qualify as a Major Disaster Under the Stafford Act?*, by Edward C. Liu.

²⁵ House Committee on Appropriations, “Obey Statement: 2009 Supplemental Appropriations for Iraq, Afghanistan, Pakistan and Pandemic Flu,” press release, May 4, 2009.

²⁶ H.Rept. 111-105, pp. 38-40 and 53-54.

- \$1.85 billion to HHS for the Public Health and Social Services Emergency Fund, including no less than \$200 million to CDC for a number of specified activities, and no less than \$350 million to upgrade state and local public health capacity for responding to the outbreak.
- \$200 million to the President for the Global Health and Child Survival account, to support global efforts to control the spread of the outbreak.
- Of the \$1.3 billion to HHS that is not specifically designated, funds may be transferred to other HHS accounts and to other federal agencies, as the Secretary of HHS determines to be appropriate. All such transfers require notification to the House and Senate Appropriations Committees. Transfers to other federal agencies also require consultation with the OMB Director.
- Of the \$1.3 billion to HHS that is not specifically designated, funds may be used for purchases for the Strategic National Stockpile, and for construction or renovation of privately owned vaccine production facilities. Funds may also be provided to the Covered Countermeasure Process Fund, to compensate individuals who may be harmed by vaccines or other countermeasures used to control the outbreak.²⁷
- The Secretary of HHS is to report to the House and Senate Appropriations Committees on two matters. The Secretary is to continue monthly reporting of funds obligated and actions taken using funds designated for pandemic flu preparedness. Also, in collaboration with the CDC Director, the Secretary is to report within 90 days regarding the CDC's initial response to the outbreak in Mexico and the United States.
- If WHO announces that the current outbreak has progressed to a global flu pandemic (i.e., Phase 6),²⁸ and upon the President's determination and notification to the House and Senate Appropriations Committees, available funds in four accounts from prior appropriations acts for the Department of State, foreign operations, and related programs may be used for pandemic response activities. The accounts are Global Health and Child Survival; Development Assistance; Economic Support Fund; and Millennium Challenge Corporation.

Senate Action on Influenza Funding

On May 14, the Senate Committee on Appropriations marked up and reported S. 1054, the Supplemental Appropriations Act, 2009, which would provide \$1.5 billion for influenza activities, the amount requested by the Administration.²⁹ The Committee recommended funding for the Executive Office of the President, as requested, but under a new account entitled "Pandemic Preparedness and Response" instead of the account entitled "Unanticipated Needs for Influenza" as proposed by the President. Amounts would be used to combat the current outbreak, and for

²⁷ The Covered Countermeasure Process Fund, established in Section 319F-4 of the Public Health Service Act, does not currently have a balance. See CRS Report RS22327, *Pandemic Flu and Medical Biodefense Countermeasure Liability Limitation*, by Henry Cohen and Vanessa K. Burrows.

²⁸ WHO declared the situation to be a flu pandemic, Phase 6, on June 14. See CRS Report R40554, *The 2009 Influenza Pandemic: An Overview*, by Sarah A. Lister and C. Stephen Redhead.

²⁹ S.Rept. 111-20, pp. 58-60.

pandemic flu preparedness in general. On May 21, the Senate passed an amended version of H.R. 2346, including the flu provisions in S. 1054. The bill is now in conference with the House. It would provide the following amounts and instructions for flu activities:

- \$900 million to HHS for the Public Health and Social Services Emergency Fund, for allocation by the Secretary for pandemic preparedness and response activities including vaccine development, purchase of antivirals and medical equipment, diagnostic and vaccine delivery equipment, antiviral research, and support for state and local preparedness; and an additional \$50 million to the HHS Food and Drug Administration (FDA) for activities including vaccine and antiviral development, manufacturer assistance, approval reviews, and safety activities, including blood and consumer protection response.
- \$190 million to DHS for the Departmental Management and Operations account, for allocation by the Secretary, with emphasis on planning and coordination, and on purchasing personal protective equipment and antivirals for DHS personnel and state and local responders.
- \$100 million to the Secretary of Agriculture, for the Agricultural Programs, Production, Processing and Marketing account, for activities including animal health surveillance and disease investigation, and impacts resulting from misinformation about flu transmission.
- \$110 million for the Department of Veterans Affairs (VA), Veterans Health Administration, for pandemic preparedness, including purchasing protective equipment for high-risk populations and occupations, expanding its antiviral stockpile, and improving information technology capabilities.
- \$150 million to the President for Global Health and Child Survival account, to facilitate information sharing, limit the spread of the virus, reduce mortality and the social and economic impacts, and respond to emergency needs in affected countries.

Conference Report on Influenza Funding

On June 12, the conference committee recommended the following to address the response to the H1N1 flu outbreak:³⁰

- As proposed by the House, \$1.85 billion to HHS for the Public Health and Social Services Emergency Fund, to be available until expended, including no less than \$200 million to CDC for a number of specified activities, and no less than \$350 million to upgrade state and local public health capacity for responding to the outbreak.
- As proposed by the House, of the \$1.3 billion to HHS that is not specifically designated, funds may be transferred to other HHS accounts and to other federal agencies, as the Secretary of HHS determines to be appropriate. All such transfers require notification to the House and Senate Appropriations Committees. Transfers to other federal agencies also require consultation with the OMB Director.

³⁰ H.Rept. 111-151, pp. 27-28, 34-35, 110, 114-116, 125-126, and 142.

- As proposed by the House, of the \$1.3 billion to HHS that is not specifically designated, funds may be used for purchases for the Strategic National Stockpile, and for construction or renovation of privately owned vaccine production facilities, and for the Covered Countermeasure Process Fund.
- An additional contingent emergency appropriation of \$5.8 billion to HHS for the Public Health and Social Services Emergency Fund, which would become available for obligation 15 days after the President provided a detailed written request to Congress to obligate specific amounts for specific purposes, and only if needed to address the emergency. If such requirements were met, funds could generally be made available and transferred as per the \$1.3 billion in non-contingent funds provided as above, including for purchases for the Strategic National Stockpile and the Covered Countermeasure Process Fund. However, authority to use these contingent funds for construction or renovation of privately owned vaccine production facilities is not provided.
- As proposed by the House, the Secretary of HHS is to report to the Appropriations Committees on two matters. The Secretary is to continue monthly reporting of funds obligated and actions taken using funds designated for pandemic flu preparedness. Also, in collaboration with the CDC Director, the Secretary is to report within 90 days regarding the CDC's initial response to the outbreak in Mexico and the United States.
- \$50 million to the President for the Global Health and Child Survival account, to support global efforts to control the spread of the outbreak.
- If WHO announces that the current outbreak has progressed to a global flu pandemic (i.e., Phase 6),³¹ and upon the President's determination and notification to the House and Senate Appropriations Committees, available funds in four accounts from prior appropriations acts for the Department of State, Foreign Operations, and Related Programs may be used for pandemic response activities. The accounts are Global Health and Child Survival; Development Assistance; Economic Support Fund; and Millennium Challenge Corporation. If this authority is used, OMB is directed to seek replenishments for any funds reprogrammed from these accounts.

Other Supplemental Funding Requests

In addition to defense and foreign affairs funding, the Administration's original April 9 request proposed a relatively limited amount of funding for some other programs, including

- \$89.5 million for Department of Energy counter-proliferation programs, of which \$55 million is to finance new initiatives to safeguard nuclear materials in Russia and \$34.5 million is to implement denuclearization programs in North Korea;

³¹ WHO declared the situation to be a flu pandemic, Phase 6, on June 11. See CRS Report R40554, *The 2009 Influenza Pandemic: An Overview*, by Sarah A. Lister and C. Stephen Redhead.

- \$21.6 million in authority to use balances of funds in the Strategic Petroleum Reserve account to finance SPR site maintenance, with no net additional appropriations;
- \$47 million for a number of Department of Justice national security-related programs, of which \$30 million is to implement the Administration decision to shut down the Guantanamo Bay prison by supporting a task force to review detainee records and carry on prosecutions;
- \$250 million for fighting wildfires and restoring burned areas of which \$200 million is for the Department of Agriculture Forest Service and \$50 million is for the Department of the Interior;
- \$2.9 million in funds appropriated to the President for operations of the National Security Council; and
- \$71.6 million for the Legislative Branch for a new encrypted radio system for the Capitol Police.

Guantanamo Bay Prison Shutdown

The request for funds to support shutting down the Guantanamo Bay prison prompted a number of questions at the Senate Appropriations Committee hearing on the Administration request on April 30, at which Secretary of Defense Gates and Secretary of State Clinton testified. The House Appropriations Committee did not provide \$50 million requested for the Department of Defense to support the relocation of detainees and to facilitate the closure of detainee facilities, nor did it agree to provide \$30 million requested for the Department of Justice to implement executive orders to shut down the prison and review of the U.S. detention and interrogation procedures. In its report on the bill, the committee said,

Once a decision has been made, the Committee expects the Department to report on its plan for implementation and submit a reprogramming request for any funds it requires to relocate detainees from the Guantanamo Bay Naval Base, to relocate military and support forces associated with detainee operations, and to close detainee facilities.³²

The Senate Appropriations Committee included both Defense Department and Department of Justice funding to close the prison in the bill it reported, but funding was the initial order of business when the bill was brought up on the floor on May 19. Senators Inouye and Inhofe immediately offered an amendment, S.Amdt. 1133, to delete the funding and providing that none of the funds in the supplemental or in any prior Act may be used to relocate any detainee to the United States. The Senate approved the amendment by a vote of 90-6 on May 20.

³² U.S. Congress, House Committee on Appropriations, *Report to Accompany H.R. 2346, Making Supplemental Appropriations for the Fiscal Year Ending September 30, 2009, and for Other Purposes*, 111th Cong., 1st sess., May 12, 2009, H.Rept. 111-105 (Washington: GPO, 2009), p. 15.

Appendix A. FY2009 Supplemental Appropriations for Iraq Reconstruction³³

The FY2009 supplemental assistance request for Iraq reflects the Administration's intention to move toward a diminished U.S. presence in the country. The total non-humanitarian foreign operations aid request amounted to \$482 million, which, with already appropriated amounts from the June 2008 FY2009 "bridge" supplemental (P.L. 110-252) and the regular FY2009 appropriations approved in March 2009 (P.L. 111-8), would bring total non-humanitarian foreign operations assistance to \$605 million, basically the same amount as appropriated in FY2008. The equivalent amount in FY2007 was \$2 billion, which would have been available through FY2008. Without a similar cushion of funds from the preceding year, the FY2009 request may be seen as a notable decrease in economic assistance.

The request for DOD assistance represents a more pronounced decline. The Administration asked that the \$1 billion appropriated in the FY2009 "bridge" appropriation to the Iraq Security Forces Fund (ISFF), which supports training and equipping of Iraqi security forces, be rescinded and re-appropriated in this new FY2009 supplemental bill. In essence, the request was made in order to extend availability of these funds. The "bridge" appropriation would have expired at end of September 2009; with this new appropriation it would be available until end of September 2010. If the request was approved—as largely turned out to be the case—the trend in ISFF totals would appear as follows: \$5.5 billion in FY2007, \$3 billion in FY2008, and \$1 billion in FY2009. The Commander's Emergency Response Program (CERP) request, totaling \$453 million, was, as for other years, to be shared by both Afghanistan and Iraq.

The \$482 million foreign operations request broke down as follows—\$449 million in Economic Support Fund (ESF), \$20 million in International Narcotics and Law Enforcement (INCLE), \$2 million in International Military Education and Training (IMET), and \$11 million in Narcotics, Anti-Terrorism, Demining and Related Programs (NADR) funds. Within these accounts, the largest amounts were requested for certain programs in ESF that well-characterize the Iraq assistance program at this stage. Of programs supporting improved governance, the Quick Response Fund (\$45 million), a civilian equivalent of the CERP, is a key tool of the Provincial Reconstruction Teams (PRTs) that allow U.S. civilians, with security provided by the U.S. military, to maintain a presence in the provinces, deal directly with local leaders, and bolster local government. The Local Governance Program (\$55 million), managed by USAID, helps build management and knowledge skills of provincial government personnel. The Community Action Program (CAP) (\$35 million) funds projects identified by local representative associations. Ministerial Capacity Development (\$60 million) seeks to enhance the capabilities of Iraqi central government personnel, especially focusing on helping them execute their budgets. Significant funding (\$112 million) is being requested to support national elections scheduled for later this year. Key programs supporting economic growth in Iraq are Economic Reform (\$50 million) activities to build a better regulatory system and in Agriculture (\$43 million), which after oil production is Iraq's best hope for an improved economy.

In addition to the security and economic aid-related requests for Iraq, the supplemental request contained a humanitarian aid component. The Migration and Refugee Assistance account (MRA)

³³ Prepared by Curt Tarnoff, Specialist in Foreign Affairs.

included \$108 million to address the needs of the roughly 4.8 million Iraqi refugees and internally displaced persons (IDPs).

Table A-I. FY2009 Supplemental and Iraq Reconstruction: Request and Conference Report

	Request	Conference Report		
I 50 Foreign Operations Accounts				
Economic Support Fund (ESF)	\$449 million, of which:		\$439 million, of which:	
	Civil Society & Elections	\$112 million	Civil Society & Elections	\$118 million
	Community Action Program (CAP)	\$35 million	Community Action Program (CAP)	\$50 million
	Ruzicka War Victims Fund	\$3.5 million	Ruzicka War Victims Fund	\$10 million
	War Widows	\$5 million	War Widows	\$5 million
	Quick Response Fund	\$45 million	Iraq Cultural Antiquities	\$2 million
	Ministerial Capacity Development	\$60 million	Targeted Stability Programs	\$15 million
	Local Governance	\$55 million	Unallocated	\$239 million
	Economic Reform	\$50 million		
	Provincial Economic Growth	\$27.5 million		
	Agriculture	\$43 million		
	Program Support	\$13 million		
	International Narcotics and Law Enforcement (INCLE)	\$20 million, of which:		\$20 million, unallocated
Police Transition Planning		\$5 million		
Judiciary		\$9 million		
Rule of Law Advisors		\$3 million		
Program Support		\$3 million		
Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR)	\$11 million of which:		Level for Iraq not Specified	
	Train ISF for Diplomatic Protection	\$6 million		
	Terrorist Interdiction	\$0.5 million		
	Border Control	\$2 million		
	WMD	\$1 million		
	Nuclear Waste Disposal	\$1.5 million		

	Request	Conference Report		
International Military Education and Training (IMET)	\$2 million		\$2 million	
Migration and Refugee Assistance (MRA)	\$108 million		Level for Iraq not Specified	
050 DOD Accounts				
Iraq Security Forces Fund (ISFF)	\$1 billion	Coinciding with cancellation of \$1 billion from FY2009 “bridge” (P.L. 110-252).	\$1 billion	Coinciding with rescission of \$1 billion from FY2009 “bridge” (P.L. 110-252).
Commander’s Emergency Response Program (CERP)	\$453 million	For both Iraq and Afghanistan.	\$453 million	For both Iraq and Afghanistan.

Source: Department of State, OMB, and Conference Report H.Rept. 111-151 on H.R. 2346.

House Action on Iraq Reconstruction

The House-approved bill (H.R. 2346) matched the Administration request for most items associated with Iraq reconstruction aid. Bill language appropriated the request for the ISFF, and House Appropriations Committee explanatory language provided the request for the CERP, ESF, INCLE, NADR, and IMET accounts. Sufficient funds were provided to the overall MRA account to meet the Iraq request here.

The most notable change from the Administration request came in operating expense accounts. The State Department Diplomatic and Consular Programs account which funds staff salaries, expenses, and security was increased in the case of Iraq by 224%, from a request of \$150 million to a House allocation of \$486 million. The Appropriations Committee took this action in order to fund the Iraq Mission through the first quarter of 2010 as it transitions “both to an annualized funding cycle and to a more regular diplomatic and development program.” Funds are largely to lease facilities supporting the Mission and to provide for civilian security needs that, presumably, are expected to increase as U.S. troops draw down.

Senate Action on Iraq Reconstruction

The FY2009 supplemental approved by the Senate mostly followed the Administration request for Iraq reconstruction—matching the request for CERP, INCLE, NADR, and IMET accounts, and reducing by only \$10 million the ESF level to \$439 million. Sufficient funds were also provided to the overall MRA account to meet the Iraq request. On the ISFF, however, the Senate bill departed from the request. Instead of rescinding \$1 billion from the FY2009 “bridge”

supplemental and re-appropriating it in this bill, the Senate version left the “bridge” appropriation intact and still appropriated \$1 billion in the new supplemental. Further, recognizing that responsibility to train Iraqi security forces will transition from DOD to the Department of State in August 2010, the Committee added language transferring unobligated balances, as of July 31, 2010, to State to use for this purpose. Unlike the House bill, the Senate bill matched the Administration’s \$150 million request for the State Diplomatic and Consular Programs account.

Conference Report on Iraq Reconstruction

The conference report on H.R. 2346 closely follows the Administration request for Iraq reconstruction aid. ESF is provided at \$439 million, \$10 million less than the request. INCLE, at \$20 million, and IMET, at \$2 million, match the request. The ISFF appropriation from P.L. 110-252 was essentially extended for another year, by the rescission and reappropriation of its \$1 billion. The \$453 million in requested CERP funds (shared with Afghanistan) is provided. Amounts from other accounts requested by the Administration are not specified in the bill, but will likely be allocated at or near the request level.

Bill language specifies that not less than \$15 million of ESF be used for targeted development programs determined by the Ambassador. Explanatory language made special reference to the treatment of women in Iraq and encouraged the use of funds to incorporate women in the course of stabilizing the country and building government institutions.

The conference report adopted the \$486 million House level for State Operating Expenses, addressing the FY2010 request early in order to assist the Embassy transition to a more regular diplomatic and aid program.

Appendix B. FY2009 Supplemental Appropriations for Assistance to Afghanistan³⁴

Despite significant progress in Afghanistan during the past eight years—a new constitution and successful presidential elections in 2004, parliamentary elections in 2005, and increased personal freedom for Afghan citizens, especially the participation of women in economic and political life—insurgent threats to Afghanistan’s government have escalated since 2006 to the point that some experts began questioning the success of U.S. stabilization efforts. An expanding militant presence in some areas previously considered secure, increased numbers of civilian and military deaths, growing disillusionment with corruption in the government of Afghan President Hamid Karzai, and Pakistan’s inability to prevent Taliban and other militant infiltration into Afghanistan led the Obama Administration to conduct its own “strategic review,” the results of which were announced on March 27, 2009.

In part because of the many different causes of continued instability in Afghanistan, there reportedly was difficulty reaching consensus on a new strategy. The thrust of the new strategy is a focus not on adding U.S. troops—although at least 21,000 are being added in 2009—but rather on enhancing non-military steps such as economic development and coordination among international donors, building local governing structures, building capacity and reforming the Afghan government, expanding and reforming the Afghan security forces, and trying to improve Pakistan’s efforts to curb militant activity on its soil.

The FY2009 supplemental request reflects the Administration strategy by seeking to significantly increase economic aid to Afghanistan provided under the 150 account, State, Foreign Operations appropriations portion of the proposed legislation. If the requested level was approved—as is largely the case—total FY2009 non-humanitarian economic aid to Afghanistan would amount to \$2.6 billion, an increase of 32% (\$631 million) over the previous year’s appropriations. The newly requested funding for Afghanistan, totaling \$980 million, would come from three accounts—\$839 million under the Economic Support Fund (ESF), \$129 million under International Narcotics and Law Enforcement account (INCLE), and \$12 million under the Nonproliferation, Anti-Terrorism, and Demining (NADR) account. More than a third of the new funding would be devoted to improving governance at all levels of the Afghan government, including anti-corruption and other efforts to strengthen the justice system. Substantively, according to the Administration, the request also “represents a major shift” from short and long-term reconstruction and development activities scattered throughout all of Afghanistan to programs “focused on countering the insurgency, primarily in the south and east.”³⁵

The \$839 million ESF request consisted of five components. Security-related programs, including counternarcotics alternative development programs, stabilization projects targeting critical districts, construction of district centers where citizens can meet with local officials, and quick support projects delivered by Provincial Reconstruction Teams (PRTs) represented \$214 million. Governance programs, accounting for \$295 million, include building the capacity of the Afghan government at all levels, anti-corruption activities, election support, Ministry of Justice

³⁴ Prepared by Curt Tarnoff, Specialist in Foreign Affairs, Kenneth Katzman, Specialist in Middle Eastern Affairs and Rhoda Margesson, Specialist in International Humanitarian Policy.

³⁵ Department of State and USAID, *FY2009 Supplemental Justification*, p. 51.

assistance, and U.S. contributions to the World Bank's Afghanistan Reconstruction Trust Fund. Providing basic services to vulnerable populations and creating short-term employment opportunities amounted to \$135 million. Economic growth efforts, totaling \$170 million, encompass projects in agriculture, monetary and fiscal policy reform, expansion of a central business registry, creation of a national land registry, and micro and small business credit activities. Funding of administration and oversight of these programs amounted to \$25 million.

The \$129 million INCLE program in Afghanistan would focus on counternarcotics programs (\$46 million), including special assistance to communities adopting anti-narcotics policies to tide them over until development efforts take effect and support to the Afghan Counternarcotics Advisory Team; rule of law efforts (\$78 million), including legal education, support for women prisoners, and assistance to the Central Prison Directorate; and program administrative and oversight support (\$5 million). The \$12 million NADR program would bolster the capacities of the Afghan Presidential Protective Service.

The State, Foreign Operations portion of the request also included \$261.5 million in State Department Diplomatic and Consular Program account funds, most of which would support operational expenses of the proposed civilian staff surge from multiple agencies that would bring staff levels in Kabul up from 394 to 567 and expand PRT staff by 110 temporary posts. Similarly, there was a \$140 million request for USAID Operating Expenses, most of which is meant to increase USAID staff in the PRTs. In addition, \$101.5 million would go to security protection for U.S. facilities and personnel, and \$87 million would go to embassy physical expansion to provide room for new housing. The Special Inspector General for Afghanistan Reconstruction (SIGAR) request was for \$7.2 million. In all, these operational expense requests amounted to about \$600 million.

In addition to these economic efforts, the Administration request included \$3.6 billion for the Afghan Security Forces Fund (ASFF), which supports the training and equipping of Afghan army and police. The Administration has also asked that \$125 million previously appropriated to the ASFF in the FY2009 "bridge" legislation be rescinded and re-appropriated in this new FY2009 supplemental bill. In essence, the request was made in order to extend availability of these funds. The "bridge" appropriation would have expired at end of September 2009; with this new appropriation it would be available until end of September 2010. The Administration's \$453 million request for the Commander's Emergency Response Program (CERP) was, as has been the case in the past, for both Iraq and Afghanistan.

Table B-1. FY2009 Supplemental and Afghanistan Aid: Request and Conference Report

Request			Conference Report	
150 Foreign Operations Accounts				
Economic Support Fund (ESF)	\$839 million, of which:		\$861 million, of which:	
	Security & Stabilization (PRT programs)	\$214 million	Afghan Civilian Assistance Program	\$12 million
	Governance	\$295 million	Afghan Reconstruction Trust Fund	\$115 million
	Social Services/Employment	\$135 million	Agriculture	\$100 million

Request			Conference Report	
	Economic Growth	\$170 million	Alternative Development	\$65 million
	Program Support	\$25 million	Widows Assistance	\$5 million
			Women NGOs	\$30 million
			Unallocated	\$534 million
International Narcotics and Law Enforcement (INCLE)	\$129 million, of which:		\$133 million, of which:	
	Counter-narcotics Planning	\$46 million	Good Performers Initiative	\$23 million
	Rule of Law	\$78 million	Combating Violence Against Women and Girls	\$10 million
	Program Support	\$5 million	Unallocated	\$100 million
Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR)	\$12 million		Level for Afghanistan not Specified	
Migration and Refugee Assistance (MRA)	\$7 million		Level for Afghanistan not Specified	
050 DOD Accounts				
Iraq Security Forces Fund (ISFF)	\$3.6 billion	Coinciding with cancellation of \$125 million from FY2009 "bridge" (P.L. 110-252).	\$3.6 billion	
Commander's Emergency Response Program (CERP)	\$453 million	For both Iraq and Afghanistan.	\$453 million	For both Iraq and Afghanistan.

Source: Department of State, OMB, and Conference Report H.Rept. 111-151 on H.R. 2346.

House Action on Afghanistan Assistance

H.R. 2346, approved by the House on May 14, 2009, largely matched the Administration request for economic assistance to Afghanistan. Bill language provided the requested \$3.6 billion for the ASFF. Explanatory language in the Appropriations Committee report (H.Rept. 111-105) provided the Administration request for the CERP (\$453 million, shared with Iraq), NADR (\$12 million), INCLE (\$129 million), and ESF (\$839 million) accounts. The report language broke out the ESF in slightly different amounts and categories than the request—\$70 million for the National Solidarity Program, \$159 million for the PRTs, \$85 million for Agriculture, \$55 million for

Alternative Development, \$200 million of Economic Growth, \$25 million for Elections, \$115 million for Governance and Civil Society, and \$20 million for Rule of Law.

The House bill would have provided more in the State Department operating expense account, the Diplomatic and Consular Program, than the Administration requested—\$448.9 million instead of the \$363 million request. Most of the difference is in staff expense allocations, as opposed to security costs. The House provided \$327.4 million for State and other agency staff expenses, rather than the \$261.5 million request. This is meant to support the proposed staff surge—170 U.S. Direct Hires in Kabul, 251 temporary PRT staff, and 106 local staff, as well as 59 existing staff from other agencies (Agriculture, Treasury, etc.) and up to 73 new staff from these agencies. The House bill matched the Administration request for USAID operating expenses at \$140 million and for the Special Inspector General for Afghanistan Reconstruction at \$7.2 million.

Senate Action on Afghanistan Assistance

The Senate-approved version of the FY2009 supplemental matched the Administration request for the NADR account (\$12 million) and slightly altered the request for ESF (\$866 million vs. a request of \$839 million), and INCLE (\$133 million vs. a request of \$129 million). The Senate bill also provided \$25 million for MRA assistance to internally displaced people and refugees versus a request of \$7 million. The bill provided the requested amount for the CERP and the ASFF, but did not cancel and re-appropriate the \$125 million in FY2009 “bridge” funds sought by the Administration.

The Senate bill provided \$308.6 million for State D&CP staff operating expenses (vs. \$261.5 million request) and \$100 million for USAID operating expenses (vs. \$140 million request). It matched the \$7.2 million request for the SIGAR.

Conference Report on FY2009 Supplemental

The conference report on H.R. 2346 closely follows the Administration request levels for most accounts with regard to Afghanistan assistance. It provides \$861 million in ESF—\$22 million above the request; \$133 million in INCLE—\$4 million above the request; and \$3.6 billion for the ASFF and \$453 million for the CERP (to be shared with Iraq), matching those requests. Afghanistan funding levels for NADR and MRA accounts were not specified in the conference report, but are likely to be allocated funds at the requested levels.

Of special note, the legislation provides not less than \$150 million of ESF and INCLE be used for programs addressing the needs of women and girls. It requires that 10% of INCLE funds be withheld until the Secretary of State reports that the Afghan government is taking steps to remove officials engaged in narcotics or human rights crimes. It provides \$70 million for the National Solidarity Program.

The conference report provides \$413.2 million in State Diplomatic and Consular Program operating expenses vs. the \$363 million requested. Half of the additional amount is an early response to the FY2010 budget request for air transport needs of the Embassy. The Embassy Security account, however, is allocated \$67 million less than the request, due to concerns regarding the plan to acquire land adjacent to the Embassy to meet civilian expansion needs. The USAID Operating Expense account request of \$140 million is met by the legislation.

Appendix C. FY2009 Supplemental Appropriations for Assistance to Pakistan³⁶

The President's request for supplemental FY2009 appropriations includes a total of more than \$900 million in proposed spending directly related to Pakistan, and another \$1 billion in Coalition Support Funds (CSF), much of which is likely to be used to reimburse Pakistan for its support of U.S. military operations in the region. The Administration argues that \$497 million in new foreign operations assistance is urgently needed "to help stem the rapidly deteriorating security and economic conditions confronting" Pakistan, and it emphasizes that "failure to address these conditions could lead to a further opening for extremists" there.³⁷ It further argues that ongoing CSF reimbursements are "critical to maintaining the viability" of U.S.-led military coalition efforts, and that establishment of a new Pakistan Counterinsurgency Capability Fund (PCCF) is necessary to bolster that country's security forces and make it a more effective partner in U.S. efforts to stabilize neighboring Afghanistan and the region.³⁸

The DOD assistance request would continue CSF payments to reimburse Pakistan for its ongoing operational and logistical support of U.S. efforts in the region. Such funds have accounted for the bulk of U.S. financial transfers to Pakistan since 2001, and they have come under scrutiny as concerns grew in Congress and among independent analysts that standard accounting oversight procedures were not being employed.³⁹ Pakistan has received approximately 80% of appropriated CSF funds since 2001 at an average rate of nearly \$80 million per month. This ratio suggests that Pakistan could receive approximately \$800 million in supplemental CSF in FY2009 in addition to the \$200 million already disbursed through the FY2009 "bridge" supplemental. Moreover, the proposed PCCF would be funded with a requested \$400 million in FY2009. These funds would be used to 1) fund an existing, multi-year Security Development Plan for Pakistan; 2) assist Pakistani security forces to organize, train, equip, and operate as a counterinsurgency-capable force; and 3) provide humanitarian relief in post-combat/conflict areas. Secretary of Defense Robert Gates favors funding the proposed PCCF with up to \$3 billion over a five-year period and folding into this single account many sometimes disparate Pentagon-funded security programs for Pakistan. There is discussion and debate underway in Congress about whether the PCCF should come under the authority of the Department of Defense or the Department of State.

The \$497 million foreign operations request breaks down as follows: \$430 million in Economic Support Fund (ESF), \$65.5 million in International Narcotics and Law Enforcement (INCLE), and \$2 million in Narcotics, Anti-Terrorism, Demining and Related Programs (NADR) funds. Within these accounts, the largest amounts (\$400 million) are requested for ESF programs that would help address Pakistan's economic crisis and balance of payment deficit by supplementing Islamabad's \$7.65 billion Standby Agreement with the International Monetary Fund. Another \$21.5 million in ESF would be used to expand USAID's Community Rehabilitation Infrastructure Support Program (CRISP) in ongoing efforts to stimulate economic activity, create jobs and

³⁶ Prepared by Alan Kronstadt, Specialist in South Asian Affairs.

³⁷ U.S. Department of State, "FY2009 Supplemental Justification," April 9, 2009.

³⁸ U.S. Department of Defense, "Fiscal Year 2009 Supplemental Request," April 2009.

³⁹ The Government Accountability Office was tasked to address oversight of coalition support funds that go to Pakistan. Its June 2008 report concluded that increased oversight and accountability was needed over Pakistan's reimbursement claims for such funds (see <http://www.gao.gov/new.items/d08806.pdf>).

improve service delivery in Pakistan. Humanitarian assistance for persons internally displaced by instability in Pakistan's western border regions would total \$8 million. These amounts would add to the "bridge" FY2009 supplemental providing \$150 million and a base FY2009 request of \$453 million, bringing the FY2009 ESF total for Pakistan to about \$1.03 billion, a huge increase as compared to previous years. Requested INCLE funds include \$35 million to continue train and equip programs for elite police forces and other law enforcement agencies in Pakistan's North West Frontier Province and Federally Administered Tribal Areas, and \$22.5 million to expand the air wing of the paramilitary Frontier Corps to improve tactical counternarcotics, law enforcement, and border security capacities. The \$2 million requested for NADR would fund four additional Crisis Response Team training courses for Pakistan's Federal Investigative Agency's anti-terrorist team, said to be a high priority of the Interior Ministry.

State Department and USAID operations costs to be funded under the supplemental request include \$806.2 million for security, construction and maintenance of several U.S. posts in Pakistan, the bulk of which would fund renovation or replacement of the existing chancery and construction of a new annex at the Islamabad post. Moreover, \$45.6 million requested for costs related to diplomatic and consular activities of the U.S. Mission in Pakistan breaks down as follows: \$30.9 million to enhance U.S. public diplomacy efforts there; \$9.1 million to provide increased security for U.S. facilities; and \$5.5 million to fund a staffing surge. For USAID, \$7.6 million to support significant increases in USAID staffing levels in Pakistan. These funds would pay for salaries, benefits, and related expenses for 81 approved new positions, including 16 new U.S. Direct-Hires.

Table C-1. FY2009 Supplemental Request for Pakistan

I 50 Foreign Operations Accounts			
Economic Support Fund (ESF)	\$429.5 million	of which:	
		Budgetary Support	\$400 million
		Community Rehabilitation Infrastructure Support	\$21.5 million
		Humanitarian Assistance	\$8 million
International Narcotics and Law Enforcement (INCLE)	\$65.5 million	of which:	
		NWFP Police Training	\$35 million
		Frontier Corp Air Wing Expansion	\$22.5 million
		Police Training Venue Security	\$3 million
		Program Support	\$5 million
Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR)	\$2 million	of which:	
		Crisis Response Team Training	\$2 million
050 DOD Accounts			
Pakistan Counterinsurgency Fund	\$400 million	A new fund to build the counterinsurgency capabilities of Pakistan's security forces.	
Coalition Support Funds	\$1 billion	Reimbursements to coalition partners for expenses incurred in support of U.S. military operations.	

Source: Department of State and OMB.

Appendix D. FY2009 Supplemental Appropriations for Other Humanitarian Assistance⁴⁰

Although proposed aid packages for specific countries anticipate and identify some humanitarian needs, the Administration also seeks funding for what it describes as new FY2009 humanitarian requirements that stem from events unfolding in late 2008 and early 2009 that were not anticipated in the FY2009 regular budget request.

Migration and Refugee Assistance (MRA)—\$293 Million

The Administration's FY2009 emergency supplemental request asks for \$293 million for the Migration and Refugee Assistance (MRA) account for anticipated and unanticipated refugee and migration emergencies, of which \$108 million is requested for humanitarian assistance to Iraqi refugees and Internally Displaced Persons (IDPs); \$150 million is requested for the emergency needs of Palestinian refugees in West Bank and Gaza and for Palestinian refugee camps in Lebanon; \$7 million is requested to support the work of international organizations and the U.N. Humanitarian Response Plan in Afghanistan; \$15 million is requested to assist with massive displacement and the provision of humanitarian assistance in several interconnected conflicts in Africa—in eastern Democratic Republic of Congo (DRC), Sudan, Uganda, and Rwanda; \$10 million is requested for the global protection/emergency response requirements/food assistance worldwide, but primarily in Africa; and \$3 million is requested for Burmese refugees in camps along the Thai-Burma border.

House Action

The House Appropriations Committee-reported bill includes \$343 million for the MRA account, which is \$50 million above the request. The report cites urgent humanitarian requirements for refugees and IDPs in Iraq, Jordan, Syria, the West Bank and Gaza, Lebanon, Afghanistan, Pakistan, Africa (in addition to specific reference to food aid), and Burmese refugees in Asia.

In explanatory language of its report, the Committee refers to ongoing concerns about whether the United Nations Relief and Works Agency (UNRWA) is operating with sufficient transparency and is doing all that is possible to prevent the inappropriate use of funds in the form of supporting terrorists and other extremists, specifically in the West Bank and Gaza. Section 21004 of the bill focuses on accountability measures for humanitarian and project assistance to the West Bank and Gaza: Section 21004(a) would limit the funds appropriated under MRA that may be made available to UNRWA to \$119 million. Section 21004(b) would require the Secretary of State to submit to the Committees on Appropriations an accountability report assessing the status on eight accountability measures. Section 21004(c) would transfer \$1,000,000 from funds made available under the Economic Support Fund (ESF) to the Inspector General of the Department of State and Broadcasting Board of Governors to conduct oversight of funding made available to the West Bank and Gaza and the region.

⁴⁰ Prepared by Rhoda Margesson, Specialist in International Humanitarian Policy.

Senate Action

The Senate Committee on Appropriations provides \$345 million for the MRA account (which would increase the Administration's request by \$52 million) to assist refugees and IDPs. Of this amount, explanatory language breaks out \$25 million for returning IDPs in Afghanistan, \$25 million for "such needs" in Africa, \$5 million for refugees from Burma, \$15 million for IDPs in Sri Lanka, and \$5 million for IDPs in Colombia.

Emergency Refugee and Migration Assistance Fund (ERMA)

The Administration's request does not include funding for ERMA and neither the House nor the Senate bills provide additional funding for this account.

International Disaster Assistance (IDA)—\$200 million

The Administration's FY2009 emergency supplemental request asks for \$200 million for the International Disaster Assistance (IDA) account to respond to additional humanitarian requirements worldwide or to replenish costs incurred for these emergencies. The request does not specify how the \$200 million would be allocated, but refers to specific complex emergencies—in East and Central Africa (Somalia Ethiopia, Democratic Republic of Congo, Zimbabwe), the Middle East, South Asia, and Central Asia.

House Action

The House Appropriations Committee bill matches the Administration's request for \$200 million for the IDA account. Explanatory language refers specifically to increased insecurity, armed conflict, and weather complications in Africa (including in Somalia, Ethiopia, the Democratic Republic of the Congo, and Zimbabwe.) It also refers to needs in other regions and countries including the Middle East and Central and South Asia (in particular, Pakistan, Tajikistan, and Kyrgyzstan.) In addition, the Committee highlights its concerns about limited humanitarian access in Somalia and urges the Administration to work with regional partners to promote safe access for humanitarian operations there. It also notes the loss of life and limited humanitarian assistance to civilians in Sri Lanka and urges the Secretary of State to continue to apply pressure to the Government of Sri Lanka to comply with international humanitarian law and to allow access on the part of humanitarian organizations and independent monitors; to press for the provision of humanitarian assistance to displaced populations; and to support programs—through other relevant accounts—that encourage the participation of ethnic Tamils in Sri Lanka and reconciliation between the Tamil and Sinhalese communities.

Senate Action

The Senate Appropriations Committee bill recommends \$245 million for the IDA account, an increase of \$45 million over the Administration's request to address basic needs of IDPs (in particular in Africa, the Middle East, and South and Central Asia) and to respond to humanitarian crises.

P.L. 480, Title II—\$300 million

The Administration's FY2009 emergency supplemental request asks for \$300 million in additional P.L. 480 - Title II assistance to meet emergency food needs in Africa and elsewhere worldwide.

House Action

The House-approved bill (H.R. 2346) provides \$500 million for P.L. 480 Title II grants, an increase of \$200 million over the Administration's request, for urgent humanitarian food assistance and to enhance available resources for unanticipated food aid emergencies.

Senate Action

The Senate-approved bill (S. 1054) provides \$700 million for P.L. 480 Title II grants, an increase of \$400 million over the Administration's request, for humanitarian food assistance (with specific reference to Africa) and unanticipated emergency food aid needs. The explanatory language also states that the recommended increase would enable the United States to continue its historical share of food aid contributions.

Economic Support Fund (ESF) Humanitarian Assistance

Both House and Senate Appropriations Committees make specific reference to humanitarian assistance activities that would be appropriated under the Economic Support Fund (ESF) noted below. Other aspects of proposed ESF appropriations are discussed elsewhere in the report.

House Action

Burma: The House Appropriations Committee recommends that of the \$13 million for assistance to Burma (which is the same as the Administration's request), \$10 million would be used for continuing humanitarian assistance in the ongoing response to Cyclone Nargis that struck Burma in May 2008. The explanatory language refers to the expectation that nongovernmental organizations (NGOs) already operating in Burma would likely be implementing partners; that the State Department and USAID would need to ensure that no U.S. assistance would be provided through the Burmese government, including organizations affiliated with the regime (which could include some NGOs); and that assistance to those in need would be delivered without discrimination based on ethnicity or religion, and would not support projects that use forced labor. In addition to the \$15 million made available in the *Department of State, Foreign Operations and Related Programs Appropriations Act, 2009* (P.L. 111-8), the Committee recommends \$3 million be used for humanitarian assistance to Burmese IDPs and to Burmese refugees and migrants in Thailand.

Jordan: The House Appropriations Committee recommends \$100 million for Jordan (\$100 million above the Administration's request), noting the impact of the global financial crisis and Jordan's ongoing support for Iraqi refugees.

West Bank and Gaza: The House Appropriations Committee also recommends that under ESF not more than \$556 million be provided for economic and humanitarian assistance for the West Bank

and Gaza (which is the same as the Administration's request); however, of that amount, the Committee recommends that not more than \$156 million be provided for humanitarian assistance to Gaza and \$12 million for humanitarian assistance to the West Bank.

Senate Action

Burma: The Senate Appropriations Committee matches the Administration's request and recommendation of the House Appropriations Committee. Explanatory language also refers to the fact that the Administration does not plan to request additional funding for the Cyclone Nargis humanitarian operations, but that additional relief and recovery is still necessary for cyclone victims.

Colombia: The Senate bill also recommends that not less than \$3.5 million in ESF funds be transferred to the MRA account and made available to NGOs providing humanitarian assistance to Colombian refugees in neighboring countries.

Jordan: The Senate bill recommends that \$150 million be provided in assistance to Jordan (which is \$150 million above the Administration's request), in part to provide relief from the global economic crisis, but also to support basic health and education assistance to Iraqi and other refugees in Jordan.

Pakistan: The Senate bill recommends that \$50 million be made available for humanitarian assistance for IDPs in areas affected by recent Taliban advances and fighting. This is \$42 million above the Administration's request of \$8 million for humanitarian assistance to IDPs in Pakistan.

West Bank and Gaza: The Senate Appropriations Committee recommends \$168 million in humanitarian assistance to the West Bank and Gaza, which matches the Administration's request. It also directs the Secretary of State to submit a report the Senate Appropriations Committee (not later than 45 days after the enactment of the bill) that would provide a detailed assessment of damages incurred during the military operations from December 2008 to January 2009 to the U.S. government funded projects in Gaza; the amounts expended on these programs and projects and estimated cost of their repair; assessment of damages to U.N. facilities in Gaza; and to the extent possible, an assessment of who was responsible.

Other Humanitarian Assistance of Note

The Senate Appropriations Committee recommends a statutory limit of \$2 million to be used for humanitarian assistance from the Pakistan Counterinsurgency Capability Fund. The Committee notes that although humanitarian assistance can be of value to counterinsurgency operations, it is concerned about granting an additional authority within the Department of Defense (DOD) for funding humanitarian assistance projects. The Committee points to existing authorities—the Combatant Commander Initiative Fund and the Overseas, Humanitarian, Disaster and Civic Aid account—that support humanitarian projects. The Committee recommends that DOD work with the Pakistani Government to develop a mechanism beginning in FY2010 (using Pakistani funds) that can include funding for humanitarian needs in support of counterinsurgency operations conducted in Pakistan.

Appendix E. FY2009 Supplemental Appropriations for Support of the International Monetary Fund⁴¹

On May 12, 2009, the White formally requested that Congress consider increasing the U.S. contribution to the International Monetary Fund (IMF) based on commitments made by the U.S. government at an April G-20 meeting in London, England. G-20 nations agreed that the IMF's New Arrangements to Borrow (NAB), a supplemental fund to bolster IMF resources, should be increased by up to \$500 billion from its present level of \$50 billion. The Obama Administration has proposed a U.S. contribution of up to \$100 billion. Pledges totaling \$255 billion have been received from several countries and others are considering additional contributions. The G-20 also agreed that the IMF should create new Special Drawing Rights (SDRs) to a value of \$250 billion and to allocate them to its members through its SDR Department. These new resources would expand world foreign exchange reserves by about 4% and provide needed resources to countries in crisis.

Already pending at the time of the G-20 meeting was a proposal for a new increase in IMF quota resources. Negotiations on a package of reforms and a new quota increase had been completed in April 2008 and submitted to the House and Senate by the Bush Administration last November. The U.S. share, measured in Special Drawing Rights (SDR) pegged to a number of currencies, would be SDR 4.97 billion (about \$8 billion). The package includes reforms in the IMF governance process, finances, and procedures. It also includes a proposal that the IMF sell 403 metric tons of gold to create a facility that would cover the costs of its country and global surveillance, technical assistance, research, and other non-lending operations. Also pending in 2008 was a proposed Fourth Amendment to the IMF Articles, originally proposed in 1997, that would create a new allocation of about SDR 21.4 billion.

Some elements of the above require congressional approval and some do not. U.S. participation in the new IMF quota increase and a U.S. subscription of \$100 billion for the NAB would require congressional approval. Likewise, amendments to the IMF Articles—including the prospective Fourth Amendment for a new SDR allocation—would require congressional approval. On the other hand, the proposed \$250 billion allocation of SDRs (which is being made under a different provision of the IMF Articles) is too small to trigger the legal requirement that Congress give its assent.

Any contributions to the IMF, to fund increases in the U.S. quota or to subscribe new resources to the NAB, must be authorized by Congress. In 1967, a Presidential Commission on Budget Concepts recommended that U.S. payments to the IMF should not be treated as budget outlay but rather they should be counted as an exchange of assets which is matched by transfers of equivalent value to the United States from the IMF. Since that time, payments to the IMF have been deemed to have no impact on the Federal budget or on the Federal budget deficit.

In the spring of 2009, however, there was concern that the procedural aspects of the budget process may have an impact on congressional consideration of the proposed new U.S. subscriptions to the IMF. Some are concerned that Members of Congress may vote against providing budget authority for the proposed \$100 billion line of credit to the IMF through the

⁴¹ Prepared by Martin Weiss and Jonathan Sanford, Specialists in International Trade and Finance.

NAB on account of “bailout fatigue,” even though the payment would have no outlay effect under then-existing congressional budget scorekeeping procedures.

Peter Orszag, director of the Office of Management and Budget (OMB), was quoted in April 2009 as saying that he cannot see “any analytical rationale for why something would score zero as an outlay but then score as something in budget authority.” He reportedly urged the Congressional Budget Office (CBO) and the House and Senate Budget Committees to use an alternative “exchange of assets” procedure (like that use for IMF payments in 1976 and 1977) in which no appropriations would be required to put the \$100 billion line of credit through the NAB and U.S. participation in the IMF quota increase into effect.⁴² Others have been concerned, though, that changing the existing budgetary procedure for IMF subscriptions at the present moment might weaken their support because it might be seen as an effort to change the rules in the face of controversy or a signal that the Administration fears that it may not have the votes to approve the measure through the established process. By contrast, critics of the current scorekeeping system say that it would be unfortunate if bookkeeping procedures hindered Congress from considering the IMF proposals on their merits.

On May 12, the White House and Congress reached an agreement to treat the U.S. subscription to the IMF as a line of credit for budgetary purposes, after which, the President made the formal request to include authorization and appropriations for the IMF in the defense supplemental. Reminiscent of the method used for the 1966 quota increase, Congress has been asked by the Administration to authorize the United States to extend a line of credit to the IMF for the NAB and quota subscriptions that total \$108 billion. Unlike IMF quota increases since 1967, that were treated as an exchange of assets with no budgetary impact, under the new agreed framework, the U.S. contribution would be scored as a loan for budgetary purposes under the existing credit reform legislation. This legislation says that Congress need not appropriate the full face value but only the expected amount of loss for any loans made by the United States Government. When U.S. contributions to the IMF were treated as an exchange, there was considered to be no risk of default by the IMF in its obligations to the United States. Under credit reform, a small fraction of the total would be appropriated to cover possible losses. CBO has determined that the U.S. contributions to the IMF would require \$5 billion to be appropriated.⁴³ This re-calculation of the cost is expected by many to ease the prospects for enacting this legislation.

Once agreement was reached between the budget committees and the Administration on how to account for U.S. contributions in the federal budget, Senate leadership agreed to include the Administration’s IMF request in the defense supplemental.

⁴² David Rogers. “How to spend without ‘spending.’” *Politico*, April 22, 2009, p. 1.

⁴³ “Obama IMF Aid Request goes into Senate Bill,” *Reuters*, May 13, 2009.

Appendix F. FY2008 and FY2009 Defense Funding, Detail Table

Table F-1. FY2008 and FY2009 Bridge and Supplemental Defense Appropriations: Detail by Bill and Account
(amounts in millions of dollars)

	FY2008 Continuing Resolution^a FY2008 Defense Appropriations^b	FY2008 Bridge Fund in Consolidated Appropriations^c	FY2008 in June 2008 Supplemental Appropriations^d	Total FY2008 Bridge/ Supplemental Appropriations	FY2009 Bridge Fund in June 2008 Supplemental Appropriations^d	FY2009 Supplemental Appropriations Request April 2009
Military Personnel						
Army	—	782.5	12,216.7	12,999.2	839.0	10,666.0
Navy	—	95.6	894.2	989.8	75.0	1,354.8
Marine Corps	—	56.1	1,826.7	1,882.7	55.0	1,420.0
Air Force	—	138.0	1,355.5	1,493.6	75.0	1,390.6
Army Reserve	—	—	304.2	304.2	—	284.2
Navy Reserve	—	—	72.8	72.8	—	39.5
Marine Corps Reserve	—	—	16.7	16.7	—	29.2
Air Force Reserve	—	—	5.0	5.0	—	16.9
Army National Guard	—	—	1,369.7	1,369.7	150.0	1,439.3
Air National Guard	—	—	4.0	4.0	—	17.9
Total, Military Personnel	—	1,072.2	18,065.6	19,137.8	1,194.0	16,658.3
Operation and Maintenance						
Army	—	35,152.4	17,223.5	52,375.9	37,300.0	14,119.4
Navy ^a	—	3,664.0	2,977.9	6,641.9	3,500.0	2,390.1
Marine Corps	—	3,965.6	159.9	4,125.5	2,900.0	1,090.8
Air Force	—	4,778.0	5,972.5	10,750.5	5,000.0	6,294.0
Defense-Wide	—	2,117.0	3,657.6	5,774.5	2,648.6	5,667.5
Army Reserve	—	77.7	164.8	242.6	79.3	115.0
Navy Reserve	—	41.7	109.9	151.5	42.5	25.6

	FY2008 Continuing Resolution ^a FY2008 Defense Appropriations ^b	FY2008 Bridge Fund in Consolidated Appropriations ^c	FY2008 in June 2008 Supplemental Appropriations ^d	Total FY2008 Bridge/ Supplemental Appropriations	FY2009 Bridge Fund in June 2008 Supplemental Appropriations ^d	FY2009 Supplemental Appropriations Request April 2009
Marine Corps Reserve	—	46.2	70.3	116.4	47.1	30.8
Air Force Reserve	—	12.1	166.0	178.1	12.4	34.6
Army National Guard	—	327.0	685.6	1,012.6	333.5	203.4
Air National Guard	—	51.6	287.4	339.0	52.7	—
Total, Operation and Maintenance	—	50,233.3	31,475.3	81,708.6	51,916.0	29,971.2
Special Funds						
Joint IED Defeat Fund	—	4,269.0	—	4,269.0	2,000.0	1,466.7
Iraq Freedom Fund	—	3,747.3	50.0	3,797.3	—	415.0
Afghanistan Security Forces Fund	—	1,350.0	1,400.0	2,750.0	2,000.0	3,606.9
Iraq Security Forces Fund	—	1,500.0	1,500.0	3,000.0	1,000.0	—
Pakistan Counterinsurgency Capability Fund	—	—	—	—	—	400.0
Total Special Funds	—	10,866.3	2,950.0	13,816.3	5,000.0	5,888.7
Procurement						
Army						
Aircraft	—	943.6	954.1	1,897.7	84.0	762.6
Missile	—	—	561.7	561.7	—	767.1
Weapons & Tracked Combat Vehicles	—	1,429.4	5,463.5	6,892.9	822.7	1,683.4
Ammunition	—	154.0	344.9	498.9	46.5	230.1
Other Procurement Army	—	2,027.8	16,337.3	18,365.1	1,009.1	8,121.6
Navy						
Aircraft	—	48.5	3,563.3	3,611.8	—	601.0
Missile	—	—	317.5	317.5	—	99.5

	FY2008 Continuing Resolution ^a FY2008 Defense Appropriations ^b	FY2008 Bridge Fund in Consolidated Appropriations ^c	FY2008 in June 2008 Supplemental Appropriations ^d	Total FY2008 Bridge/ Supplemental Appropriations	FY2009 Bridge Fund in June 2008 Supplemental Appropriations ^d	FY2009 Supplemental Appropriations Request April 2009
Ammunition Navy & Marine Corps	—	304.9	304.9	609.9	—	348.9
Other Procurement Navy	—	91.5	1,399.1	1,490.6	27.9	264.8
Marine Corps	—	703.3	2,197.4	2,900.6	565.4	1,638.4
Air Force						
Aircraft	—	51.4	7,103.9	7,155.3	201.8	2,378.8
Missile	—	—	66.9	66.9	—	57.4
Ammunition	—	—	205.5	205.5	—	183.7
Other Procurement Air Force	—	30.7	1,953.2	1,983.9	1,500.6	1,835.0
Defense-Wide	—	274.7	408.2	683.0	177.2	197.1
National Guard and Reserve Equipment	—	—	825.0	825.0	—	—
Rapid Acquisition Fund	—	—	—	—	—	—
MRAP Fund (Continuing Resolution ^a)	5,200.0	—	—	5,200.0	—	—
MRAP Fund (Defense Appropriations Act ^b)	11,630.0	—	—	11,630.0	—	—
MRAP (FY2008-2009 Supplemental ^c & Request)	—	—	—	—	1,700.0	2,693.0
Total, Procurement	16,830.0	6,059.9	42,006.4	64,896.2	6,135.3	21,862.4
Research, Development, Test and Evaluation						
Army	—	—	163.0	163.0	—	73.7
Navy	—	—	366.1	366.1	113.2	144.5
Air Force	—	—	399.8	399.8	72.0	108.3
Defense-Wide	—	—	816.6	816.6	202.6	483.4

	FY2008 Continuing Resolution ^a FY2008 Defense Appropriations ^b	FY2008 Bridge Fund in Consolidated Appropriations ^c	FY2008 in June 2008 Supplemental Appropriations ^d	Total FY2008 Bridge/ Supplemental Appropriations	FY2009 Bridge Fund in June 2008 Supplemental Appropriations ^d	FY2009 Supplemental Appropriations Request April 2009
Total, Research, Development, Test and Evaluation	—	—	1,745.5	1,745.5	387.8	809.9
Revolving and Management Funds						
Defense Working Capital Funds	—	1,000.0	1,837.5	2,837.5	—	846.7
National Defense Sealift	—	—	5.1	5.1	—	—
Total, Revolving and Management Funds	—	1,000.0	1,842.6	2,842.6	—	846.7
Other Department of Defense Programs						
Defense Health Program	—	575.7	1,413.9	1,989.6	1,100.0	909.3
Psychological Health and Traumatic Brain Injury			75.0	75.0	—	
Drug Interdiction and Counter- Drug Activities, Defense	—	192.6	65.3	257.9	188.0	141.2
Office of the Inspector General	—	—	6.4	6.4	—	9.6
Total, Other Department of Defense Programs	—	768.3	1,560.6	2,328.9	1,288.0	1,060.0
Military Construction						
Military construction, Army	—	—	1,108.2	1,108.2	—	1,229.7
Military construction, Navy and Marine Corps	—	—	355.9	355.9	—	239.0
Military construction, Air Force	—	—	399.6	399.6	—	281.0
Military construction, Defense- Wide	—	—	890.9	890.9	—	—
Family Housing, Navy & Marine Corps	—	—	11.8	11.8	—	—
Base realignment and closure account, 2005	—	—	1,278.9	1,278.9	—	263.3

	FY2008 Continuing Resolution ^a FY2008 Defense Appropriations ^b	FY2008 Bridge Fund in Consolidated Appropriations ^c	FY2008 in June 2008 Supplemental Appropriations ^d	Total FY2008 Bridge/ Supplemental Appropriations	FY2009 Bridge Fund in June 2008 Supplemental Appropriations ^d	FY2009 Supplemental Appropriations Request April 2009
NATO Security Investment Program	—	—	—	—	—	100.0
General Provisions, Military Construction, Barracks Improvements	—	—	200.0	200.0	—	—
Total Military Construction	—	—	4,245.3	4,245.3	—	2,113.0
General Provisions						
Transfer from Defense Cooperation Account	—	—	6.5	6.5	—	—
Section 9308, Rescissions	—	—	-146.6	-146.6	—	—
Section 8003, General Defense Reduction	—	—	-3,577.8	-3,577.8	—	—
Rescissions	—	—	—	—	—	-2,910.0
Reappropriation Reduction Army	—	—	—	—	—	-470.9
Total, General Provisions	—	—	-3,718.0	-3,718.0	—	-3,380.9
Total, Department of Defense	16,830.0	70,000.0	100,173.3	187,003.3	65,921.2	75,829.4
Other Agency Defense-Related						
FBI Defense-Related	—	—	106.1	106.1	—	—
Defense Environmental Cleanup	—	—	62.5	62.5	—	—
DOE Nuclear Nonproliferation	—	—	—	—	—	89.5
Total Other Agency	—	—	62.5	62.5	—	89.5
Total	16,830.0	70,000.0	100,288.8	187,118.8	65,921.2	75,918.9

Source: CRS based on House Appropriations Committee tables in the *Congressional Record* when the House approved final appropriations bills.

Notes:

- a. FY2008 First Continuing Resolution, H.J.Res. 52, P.L. 110-92, September 29, 2007.
- b. FY2008 Defense Appropriations Act, H.R. 3222, P.L. 110-116, November 13, 2007.
- c. FY2008 Consolidated Appropriations, Division L, H.R. 2764, P.L. 110-161, December 26, 2007. Note: Total for O&M Navy includes \$110 million for transfer to the Coast Guard.
- d. FY2008 Supplemental Appropriations, H.R. 2642, P.L. 110-252, June 30, 2008.

Author Contact Information

Stephen Daggett, Coordinator
Specialist in Defense Policy and Budgets
sdaggett@crs.loc.gov, 7-7642

Susan B. Epstein, Coordinator
Specialist in Foreign Policy
sepstein@crs.loc.gov, 7-6678

Curt Tarnoff
Specialist in Foreign Affairs
ctarnoff@crs.loc.gov, 7-7656

Rhoda Margesson
Specialist in International Humanitarian Policy
rmargesson@crs.loc.gov, 7-0425

Kenyon H. Nakamura
Analyst in Foreign Affairs
knakamura@crs.loc.gov, 7-9514

K. Alan Kronstadt
Specialist in South Asian Affairs
kkronstadt@crs.loc.gov, 7-5415

Sarah A. Lister
Specialist in Public Health and Epidemiology
slister@crs.loc.gov, 7-7320