The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11

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July 16, 2010
1. REPORT DATE  
16 JUL 2010

2. REPORT TYPE

3. DATES COVERED  
00-00-2010 to 00-00-2010

4. TITLE AND SUBTITLE
The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11

5a. CONTRACT NUMBER

5b. GRANT NUMBER

5c. PROGRAM ELEMENT NUMBER

5d. PROJECT NUMBER

5e. TASK NUMBER

5f. WORK UNIT NUMBER

6. AUTHOR(S)

7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)

8. PERFORMING ORGANIZATION REPORT NUMBER

9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)

10. SPONSOR/MONITOR’S ACRONYM(S)

11. SPONSOR/MONITOR’S REPORT NUMBER(S)

12. DISTRIBUTION/AVAILABILITY STATEMENT
Approved for public release; distribution unlimited

13. SUPPLEMENTARY NOTES

14. ABSTRACT

15. SUBJECT TERMS

16. SECURITY CLASSIFICATION OF:

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17. LIMITATION OF ABSTRACT
Same as Report (SAR)

18. NUMBER OF PAGES  
53

19a. NAME OF RESPONSIBLE PERSON

Form Approved  
OMB No. 0704-0188

Standard Form 298 (Rev. 8-98)  
Prescribed by ANSI Std Z39-18
Summary

With the December 2009 enactment of the FY2010 Defense Appropriations Act (H.R. 3326/P.L. 111-118) and the FY2010 Consolidated Appropriations Act (H.R. 3288/P.L. 111-117), Congress has approved a total of $1.086 trillion for military operations, base security, reconstruction, foreign aid, embassy costs, and veterans’ health care for the three operations initiated since the 9/11 attacks:
Operation Enduring Freedom (OEF) Afghanistan and other counter terror operations; Operation Noble Eagle (ONE), providing enhanced security at military bases; and Operation Iraqi Freedom (OIF).

Of this $1.086 trillion total, CRS estimates that Iraq will receive about $748 billion (69%), OEF about $304 billion (28%) and enhanced base security about $29 billion (3%), with about $5 billion that CRS cannot allocate (1%). About 94% of the funds are for DOD, 5% for foreign aid programs and embassy operations, and 1% for medical care for veterans.

As of April, 2010, more than halfway through FY2010, monthly spending, or obligations for contracts and military and civilian pay, averaged $10.9 billion, including $5.4 billion for Iraq and $5.5 billion for Afghanistan. While this year’s average to date is 11% below last year’s $12.3 billion average, average spending may grow as troop levels rise to 98,000 in Afghanistan and fall to 50,000 in Iraq because higher costs in Afghanistan may more than offset decreases in Iraq.

Congress is currently considering the FY2010 Supplemental request for an additional $36.6 billion for DOD and the State Department, largely to cover the cost of deploying 30,000 additional troops to Afghanistan that President Obama announced on December 1, 2009. Most recently, the House adopted an amended version on June 30th and the Senate passed its version on May 27th, 2010. Instead of a formal conference, the Senate is expected to revise the House version and send it back to the House, in a “ping pong” process, sometime in July.

If the pending FY2010 supplemental request is enacted, cumulative war costs would total $1.1 trillion including $751 billion for Iraq, $336 billion for Afghanistan, and $29 billion for enhanced security. By FY2010, Afghanistan would account for about two-thirds of the cost and Iraq one-third, a reversal of the previous year.

The Administration requested $171 billion in both FY2010 and FY2011 while average troop strength for both wars is due to fall from 185,000 to 145,000, a 20% drop. Average strength in Iraq would fall from 100,000 in FY2010 to 43,000 in FY2011 while strength in Afghanistan would grow from 84,000 in FY2010 to 98,000 in FY2011. The final withdrawal from Iraq is slated to be complete by December 2011, the end of the first quarter of FY2012, as required by the U.S.-Iraq Security Agreement.

If both the Administration’s FY2010 Supplemental and FY2011 war request are enacted, total war-related funding would reach almost $1.3 trillion, including $802 billion for Iraq, $455 billion for Afghanistan, $29 billion for enhanced security, and $6 billion that cannot be allocated. Of this cumulative total, 62% would be for Iraq, 35% for Afghanistan, and 2% for enhanced security.

In a January 2010 update, the Congressional Budget Office projected that additional war costs for FY2012-FY2020 could range from $274 billion if troop levels fell to 30,000 by early 2013 to $588 billion if troop levels fell to 60,000 by about 2015. Under these CBO projections, funding for Iraq, Afghanistan and the Global War on Terror could total from about $1.56 trillion to about $1.88 trillion for FY2001-FY2020 depending on the scenario.
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Introduction: War Funding to Date

Since the terrorist attacks of September 11, 2001, the United States has initiated three military operations:

- Operation Enduring Freedom (OEF) covering primarily Afghanistan and other small Global War on Terror (GWOT) operations ranging from the Philippines to Djibouti that began immediately after the 9/11 attacks and continues;
- Operation Noble Eagle (ONE) providing enhanced security for U.S. military bases and other homeland security that was launched in response to the attacks and continues at a modest level; and
- Operation Iraqi Freedom (OIF) that began in the fall of 2002 with the buildup of troops for the March 2003 invasion of Iraq and continues with counter-insurgency and stability operations.

In the ninth year of operations since the 9/11 attacks while troops are being withdrawn in Iraq and increased in Afghanistan, the cost of war continues to be a major issue including the total amount appropriated, the amount for each operation, average monthly spending rates, and the scope and duration of future costs. Information on costs is useful to Congress to assess the FY2010 Supplemental for war costs for the Department of Defense (DOD) and State/USAID, FY2011 war requests, conduct oversight of past war costs, and consider the longer-term costs implications of the buildup of troops in Afghanistan and potential problems in the withdrawal of U.S. troops from Iraq. This report analyzes war funding for the Defense Department and tracks funding for USAID and VA Medical funding.

Total War Funding by Operation

Based on DOD estimates and budget submissions, the cumulative total for funds appropriated from the 9/11 attacks through the regular FY2010 appropriations for DOD, State/USAID and VA for medical costs for the wars in Iraq, Afghanistan and enhanced security is $1,086 billion including:

- $748 billion for Iraq;
- $304 billion for Afghanistan;
- $29 billion for enhanced security; and
- $6 billion unallocated (see Table 1).\(^1\)

Of this total, 69% is for Iraq, 28% for Afghanistan, 3% for enhanced security and 1% unallocated. Almost all of the funding for Operation Enduring Freedom (OEF) is for Afghanistan. This total

\(^1\) These totals cover funding provided for DOD, State/USAID and VA Medical through FY2010, with the most recent enacted being the FY2010 DOD Appropriations Act (H.R. 3326/P.L. 111-118) and the FY2010 Consolidated Appropriations Act (H.R. 3328/P.L. 111-117).
The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11

... does not include the additional $35.1 billion supplemental request for FY2010 which Congress is currently considering or the $170.1 billion requested for FY2011.

Some 94% of this funding goes to the Department of Defense (DOD) to cover primarily incremental war-related costs, that is, costs that are in addition to DOD’s normal peacetime activities. These costs include:

- military personnel funds to provide special pay for deployed personnel such as hostile fire or separation pay and to cover the additional cost of activating reservists, as well pay for expanding the Army and Marine Corps to reduce stress on troops;
- Operation and Maintenance (O&M) funds to transport troops and their equipment to Iraq and Afghanistan, conduct military operations, provide in-country support at bases, and repairing war-worn equipment;
- Procurement funding to cover buying new weapons systems to replace war losses, and upgrade equipment, pay modernization costs associated with expanding and changing the structure of the size of the Army and Marine Corps;
- Research, Development, Test & evaluation costs to develop more effective ways to combat war threats such as roadside bombs;
- Working Capital Funds to cover expanding the size of inventories of spare parts and fuel to provide wartime support; and
- Military construction primarily to construct facilities in bases in Iraq or Afghanistan or neighboring countries.

In addition, the Administration initiated several programs specifically targeted at problems that developed in the Afghan and Iraq wars:

- Coalition support to cover the logistical costs of allies, primarily Pakistan, conducting counter-terror operations in support of U.S. efforts;
- Commanders Emergency Response Program (CERP) providing funds to individual commanders for small reconstruction projects and to pay local militias in Iraq and Afghanistan to counter insurgent or Taliban groups;
- Afghan Security Forces Fund and the Iraq Security Forces Fund to pay the cost of training, equipping and expanding the size of the Afghan and Iraqi armies and police forces; and
- Joint Improvised Explosive Device (IEDs) Defeat Fund to develop, buy, and deploy new devices to improve force protection for soldiers against roadside bombs or IEDs.

Most war funds were provided in either supplemental appropriations enacted after the fiscal year has begun and in bridge funds included in DOD’s regular appropriations acts to cover war costs before supplementals are requested. In both cases, Congress generally designated war appropriations as emergency funding or designated for “overseas contingency operations,” which exempts these funds from the caps and budget rules that limit funding for discretionary spending, which fund all DOD and State Department programs and some but not all of VA programs.
### Table 1. Estimated War Funding by Operation: FY2001-FY2011 War Request
(CRS estimates in billions of dollars of budget authority)

<table>
<thead>
<tr>
<th>Operation/Source of Funding</th>
<th>FY01 and FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
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<th>FY10 Total with Request</th>
<th>FY11 Request</th>
<th>Cum. Enacted: FY01-FY10</th>
<th>Cum. Total: FY01-FY11 Including Pending Requests</th>
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<tr>
<td>OEF</td>
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<td>16%</td>
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<td>129%</td>
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<td>NA</td>
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<td>NA</td>
<td>110%</td>
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**Sources:** Public laws, congressional appropriations reports, Department of Defense data, and CRS estimates. CRS budget authority (BA) totals are higher than DOD figures because CRS includes all funding provided in supplementals, bridge funds, continuing resolutions, omnibus, consolidated, and baseline appropriations for Iraq, Afghanistan and other counter-terror operations as well as transfers from DOD’s baseline funds for GWOT requirements beginning with P.L. 107-38, the first emergency supplemental after 9/11 through the FY2010 request. CRS calls Operation Noble Eagle, Enhanced Security because these funds provide higher security at DOD bases, support combat air patrol, and rebuilt the Pentagon. CRS includes additional $2 billion in BA in FY2003 included by DOD in its tally but not in DFAS obligations; source of funds unclear. CRS splits the $25 billion provided in the FY2005 Title IX bridge between the $1.8 billion obligated in FY2004 and the remainder available for FY2005; all those funds are scored as FY2004 because they were available upon enactment in August 2005. CRS estimates for DOD reflect obligations reported in DOD’s Defense Finance Accounting Service (DFAS) reports, Supplemental & Cost of War Execution Reports and budget justification materials including DOD, FY2007 Supp, February 2007, Table 1a; http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf; DOD, FY2008 Supplemental Requests, February, July, and October 2007, and DOD, Overseas Contingency Operations Request, FY2009 Supplemental: Summary Justification Material, April 2009, p. 81 and other data; http://www.defenselink.mil/comptroller/defbudget/fy2009/Supplemental/FY2009_Supplemental_Request/pdfs/FY_2009_Supplemental_Request_04-08-09.pdf. CRS excludes items that are clearly not war-related including $5.2 billion in FY2007 and $8.0 billion in FY2008, for example, for higher fuel prices for DOD’s regular program, base closure funding, and childcare centers, hospitals, medical facilities, and Army barracks renovation funds in the United States. Foreign operations figures include monies for reconstruction, development and humanitarian aid, embassy operations, counter narcotics, initial training of the Afghan and Iraqi army, foreign military sales credits, and Economic Support Funds. See also CRS Report R40699, *Afghanistan: U.S. Foreign Assistance,* by Curt Tarnoff. Updates of foreign aid from State Department, U.S. Foreign Assistance, Congressional Budget Justification: Foreign Operations, Summary Tables, Fiscal Year 2010, May 28, 2009; http://www.state.gov/documents/organization/124295.pdf, and FY2011 budget justification. Updates of diplomatic operations provided by State Department. Updates for VA Medical reflect CRS estimates of shares for OIF and OEF veterans based on applying troop shares to totals shown in Department of Veterans Affairs, FY2010 budget justification materials; http://www.va.gov/budget/summary/2010/index.htm.

**Notes:** NA = not applicable. Totals may not add due to rounding.
Total War Funding By Agency

Of the $1.086 trillion enacted thus far, about $1.0 trillion, the lion’s share or 94%, goes to the Department of Defense. Another $56 billion, or 5%, went to State/USAID, and $6 billion or 1% to the for OEF and OIF veterans using the Medical Program in the Department of Veterans Affairs (VA) (see Table 2).

DOD war costs reflect incremental war costs, in other words, costs that are in addition to regular military salaries, training and support activities, and weapons procurement, RDT&E or military construction as described above, as well as new war-related programs such as coalition support or the Commanders Emergency Response Program designed to meet specific war needs. Allocations between Iraq and Afghanistan reflect DOD estimates, DOD war cost reporting, or CRS estimates based on other data.

State/USAID figures reflect the cost of reconstruction, foreign aid programs, and embassy operation and construction costs in Iraq and Afghanistan included in both regular, omnibus, consolidated and supplemental appropriations acts. The State Department and Congress generally designate the amount of funding for each country in either budget justification materials or congressional report language.

The VA separately tracks the amount spent on OEF and OIF veterans in its medical program and CRS estimates the split based on troop levels in each country. Veterans of both the Afghan and Iraq wars also collect VA disability benefits but figures have not been published on the amounts attributable to these veterans.

Over 90% of DOD’s funds were provided as emergency funds in supplemental or additional appropriations; the remainder were provided in regular defense bills or in transfers from regular appropriations. Emergency funding is exempt from ceilings applying to discretionary spending in Congress’s annual budget resolutions. Some Members have argued that continuing to fund ongoing operations in supplementals reduces congressional oversight. Generally, more of foreign and diplomatic funding has been funded in regular rather than emergency appropriations.

Ongoing War Cost Issues

This report is designed to answer frequently asked questions and to provide information that can be used to address some of the major war cost issues that confront the 111th Congress.

In addition to total costs to date for each war and altogether, other questions include:

- How and why have war costs for each war changed over time?
- What are current and likely future war costs, based on current Administration plans, and how might those costs change under different scenarios?

2 Foreign operations activities are managed by both the State Department and USAID, which handles most U.S. development assistance programs.
This information can be used to address policy issues such as how Congress participates in setting troop levels, measuring the effectiveness of U.S. policies, delineating basing plans, and ensuring contractor oversight.

Specific policy issues where costs are important include:

- What have been the cost and effectiveness of training Afghan and Iraqi security forces so that they can take over their own defense and what are the prospects for future costs?
- What types of funding are appropriately related to the Afghan and Iraq wars, and what types of costs are more appropriately part of DOD’s baseline preparing for counter-insurgency missions?
- How, if at all, have war funds provided for DOD’s replacement and upgrading of war-worn equipment contributed to DOD’s ongoing modernization, and affected current requests?

How much is being spent on funding for bases in Afghanistan and does this reflect the congressional prohibition of permanent bases?

### Additional CRS Reports


Table 2. Estimated War Funding by Agency: FY2001-FY2011 War Request
(CRS estimates in billions of dollars of budget authority)

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<tr>
<th></th>
<th>FY06</th>
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<th>FY01 Total with Request</th>
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<td>0</td>
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<td>2.6</td>
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</tr>
<tr>
<td>Total</td>
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<td>107.6</td>
<td>170.9</td>
<td>155.1</td>
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<td>170.7</td>
<td>170.7</td>
<td>1,085.5</td>
<td>1,291.3</td>
</tr>
</tbody>
</table>

Source: Public laws, congressional appropriations reports, Department of Defense data, and CRS estimates; see Table 1 for list of sources.

Notes: NA = not applicable. Totals may not add due to rounding. CRS estimates based on sources listed in Table 1.
Pending FY2010 Supplemental and FY2011 War Requests

In February 2010, the Administration requested $35.1 billion in supplemental funds for DOD and State/USAID to pay for the cost of the December 2009 decision by President Obama to deploy an additional 30,000 troops to Afghanistan, bringing total troop levels there to 98,000 by the fall of 2010. A FY2010 supplemental is necessary because the decision to add troops was made in December 2009 after the Administration submitted its regular request in May 2009.

The December 2009 decision to add more troops in Afghanistan was designed to reverse the deteriorating security situation and “break the Taliban’s momentum” by targeting the insurgency, securing key population centers, and training more Afghan forces.

If the pending FY2010 supplemental requests are approved, war funding in FY2010 would total $170.7 billion, including $159.8 billion for DOD, $8.9 billion for Foreign and Diplomatic operations, and $2.0 billion for VA Medical. This level is over $15 billion above the FY2009 total (see Table 1). Although both the House and Senate made specific adjustments to the request, the total amount is close to the Administration’s request. The Senate passed its version of the FY2010 Supplemental with war funding in H.R. 4899 on May 27th, and the House passed an amended version on June 30th, 2010. The Senate is expected to consider the amended House version later in July 2010.

The Administration also submitted its FY2011 war request this February, along with the regular budget. For FY2011, the Administration has requested $170.7 billion, the same total as in FY2010, including $159.4 billion for DOD, $8.7 billion for State/USAID and $2.6 billion for VA Medical. Congress is currently considering this request in the FY2011 National Defense Authorization Act (H.R. 5136/S. 3454), and is likely to include war funding in the FY2011 DOD Appropriations bill, which has not yet been reported.

While total war costs for FY2010 and FY2011 are the same, average troop strength is projected to fall from an average strength of 184,000 in FY2010 to 145,000 in FY2011, a decrease of about 20%. Average troop strength in Iraq is slated to fall from 100,000 in FY2010 to 43,000 in FY2011, while troop strength in Afghanistan would grow from 84,000 in FY2010 to 102,000 in FY2011, including the additional 30,000 troops deployed this year plus an additional 4,000 support troops added in FY2011.

3 The White House, “Remarks by the President in Address to the Nation on the Way Forward in Afghanistan and Pakistan,” Delivered at West Point, December 1, 2009; http://www.whitehouse.gov/the-press-office/remarks-president-address-nation-way-forward-afghanistan-and-pakistan. In the President’s speech, the additional troops were to be deployed in the first half of the year, but more recently, the Defense Department has estimated that all 30,000 troops will not be deployed until September 2010.

4 The White House, “Remarks by the President in Address to the Nation on the Way Forward in Afghanistan and Pakistan,” Delivered at West Point, December 1, 2009; http://www.whitehouse.gov/the-press-office/remarks-president-address-nation-way-forward-afghanistan-and-pakistan. In the President’s speech, the additional troops were to be deployed in the first half of the year, but more recently, the Defense Department has estimated that all 30,000 troops will not be deployed until September 2010.

5 See CRS Report R41232, FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs, coordinated by Amy Belasco.


7 See Figure 6-2 in DOD, FY2011 Budget Request: Overview, Feb. 1, 2010; http://comptroller.defense.gov/defbudget/ (continued...)
Potential Effect on Total War Costs

The FY2010 and FY2011 war requests reflect the shift in costs to Afghanistan as troop levels grow there and fall in Iraq. In FY2010, Afghan war costs account for 62% of war costs and Iraq 38%, a reversal of the previous year. In FY2010, the cost for Afghanistan increases by $45 billion or 75% from FY2009, a 140% increase over the $44 billion in FY2008. That same year, the cost for Iraq drops by about one-third from $596 billion to $66 billion (see Table 1).

If the FY2010 supplemental request is approved, cumulative appropriations for the Afghan and Iraq wars would reach $1.120 trillion dollars, including $751 billion for Iraq, $366 billion for Afghanistan, $29 billion for enhanced security and $6 billion unallocated. Of that total, $1.054 trillion would go to DOD, $60 billion to State/USAID, and $6 billion to VA.

If Congress also approves the FY2011 war funding request of $171 billion, cumulative war funding would then reach $1.291 trillion total including:

- $802 billion for Iraq (62%);
- $455 billion for Afghanistan (35%);
- $29 billion for enhanced security (2%); and
- $5 billion unallocated DOD costs (1%) (see Table 1)

Potential Issues This Year

Members may raise several issues in DOD’s FY2010 Supplemental and the FY2011 war requests including:

- the achievability of current plans to accelerate the training and expansion of Afghan security forces and increase spending steeply to $9.2 billion in FY2010 (a 63% increase), and $11.6 billion in FY2011, in light of shortages of trainers and recent problems, including corruption (see Table 5);8
- whether DOD’s estimates of operating costs in Afghanistan are too high in light of recent experience;9
- whether FY2011 funding assuming 102,000 troops in Afghanistan for the year is appropriate in light of the President’s commitment to begin the withdrawal of U.S. troops in June 2011;
- whether setting a timeline in Afghanistan is appropriate; and

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8 For additional discussion, see CRS Report R41232, FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs, coordinated by Amy Belasco.
9 Ibid.
• whether more of DOD’s war costs should be considered longer-term costs that would more appropriately be part of DOD’s base budget funding, an issue raised by Secretary Gates.

These issues are discussed in CRS Report FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Court Cases, coordinated by Amy Belasco; http://www.crs.gov/ReportPDF/R41232.pdf).

Changing Troop Levels

One of the key factors in driving costs in the Afghan and Iraq wars are changes in troop levels. Until 2009, troop levels in Iraq were the driving factor, peaking in November 2007 during the troop surge (see Figure 1 and Appendix A).10

During 2009, troop levels declined gradually in Iraq while troop levels rose steadily in Afghanistan, growing from about 33,000 in January 2009 to about 45,000 in June 2009 (see Figure 1 and Appendix A). These initial increases in Afghanistan reflected a decision made by President Bush before leaving office to increase the number of troops in Afghanistan by about 14,000 in response to requests from the U.S. Commander in Afghanistan, concerned about the deteriorating security situation.11

In March 2009, shortly after President Obama took office, the Administration conducted a strategy review of both the Afghan and the Iraq wars. After that review, the President decided to shift forces in Iraq from a combat to an advisory and assistance mission, reduce troop levels from 140,000 in February 2009 to 50,000 by September 2010, and withdraw with all troops out by December 31, 2011 to comply with the U.S-Iraq Security Agreement reached at the end of the Bush Administration.12

At that time, the President approved an increase of about 22,000 troops for the Afghan war, in addition to the Bush increases already underway, bringing the total to 68,000 by November 2009.13

In response to the Administration’s request, Congress approved $128.8 billion in war funding for Iraq and Afghanistan in the FY2010 DOD Appropriations Act (P.L. 111-118, enacted December 19, 2009).

10 For other ways to analyze troop levels, see CRS Report R40682, Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues, by Amy Belasco.
13 Washington Post, “Iraq exit will be on time, Biden says; U.S. expects to leave despite violence and political disarray,” May 27, 2010.
In December 2009, after a second review in response to further pressures from military commanders for additional troops to deal with the deteriorating security situation, President Obama approved an additional increase of 30,000 troops bringing the total number of U.S. total to 98,000 by this fall. The FY2011 budget adds another 4,000 support troops in Afghanistan. Thus, President Obama has approved the deployment of from 56,000 to 60,000 additional troops for Afghanistan by FY2011 (see Figure 1 and Appendix A).

Figure 1. Boots on the Ground in Afghanistan and Iraq, 2001-2010


Notes: Actuals through May 2010; CRS estimates for June-September 2010. Figure design by Amber Wilhelm, CRS Graphics.


15 Then-President Bush increased troops in Afghanistan by about 15,000. For FY2011 increase, see Figure 6-2, DOD, FY2011 Budget Request: Overview, February 1, 2010; http://comptroller.defense.gov/defbudget/fy2011/FY2011_Budget_Request_Overview_Book.pdf.
These new requests reverse the 8% decline in war costs in FY2009 after total troop levels fell from earlier peaks. In FY2010, additional troops in Afghanistan offset ongoing withdrawals from Iraq, with average troop strength remaining at about 185,000 in both FY2009 and FY2010. Only in FY2011 does average strength fall by 20% to 145,000 as the withdrawal in Iraq accelerates and troop strength in Afghanistan levels off (see Figure 1 and Appendix A).

As of June, 2010, the number of troops in Afghanistan exceeds the number in Iraq for the first time, 94,000 compared to 92,000. By September 2010, President Obama’s plans call for the number of troops in Afghanistan to reach 98,000.16 DOD’s estimate for average strength in Afghanistan in FY2011 is 102,000, including slightly more than the 10% increase to the 30,000 troop level that Secretary Gates was allowed accommodate additional support troops.17

For Afghanistan, President Obama is committed to evaluate current U.S. strategy in Afghanistan in December 2010 to “allow us to begin the transfer of our forces out of Afghanistan in July of 2011,” about three-quarters of the way through FY201118 The extent and pace of decreases in U.S. troop levels in Afghanistan is not yet defined.

NATO and Afghan Troops

In addition to U.S. troops, NATO nations currently contribute 41,000 troops, bringing the total for foreign troops in Afghanistan now to about 139,000.19 While U.S. troop levels will have more than trebled between September 2008 and 2010, NATO troop levels have grown by about one-third – from about 30,000 to 41,000 in July 2010.20 The United States has called on NATO partners to increase their contributions to troop levels, particularly for trainers of Afghan forces, but with limited success. By October 2010, plans call for Afghan security forces to reach 243,000, bringing the total number of foreign and Afghan forces to 382,000.21

Estimating the Cost of the Iraq and Afghan Wars

Since the 9/11 attacks and particularly since the beginning of the Iraq war, Congress has been interested in the allocation of supplemental emergency funds between Afghanistan and Iraq. Congress does not, however, appropriate funds to DOD by individual operation. Rather, appropriations are provided to cover particular types of expenses, e.g., special combat pay for military personnel, the cost of supporting deployed troops in Operation and Maintenance (O&M),

21 Figure 6-3, DOD, FY2011 Budget Request: Overview, February 1, 2010; http://comptroller.defense.gov/defbudget/fy2011/FY2011_Budget_Request_Overview_Book.pdf.
as well as war-related investment costs in Procurement, Research, Development, Test & Evaluation (RDT&E), and Military Construction.

CRS has split DOD funds based on DOD’s Cost of War reports which capture obligations for each operation, by DOD estimates in budget requests, and by other factors. After funds are appropriated, CRS re-estimates the allocation of DOD funds, excluding items in supplementals that are not war-related (e.g. barracks renovations, childcare centers, see Appendix C for methodology.)

CRS uses report language and budget justification materials to allocate State Department and USAID funding for Iraq and Afghanistan for individual foreign aid programs and for diplomatic operations. For VA Medical costs, CRS allocates funds VA estimates for veterans of both wars, based on military personnel data.

Table 3 shows funding by operation and agency. This funding has been provided in regular appropriation acts for individual agencies, consolidated or omnibus appropriations act, and supplemental appropriation acts. For a breakdown by public law and by agency, see Appendix B.

Trends in Overall War Funding

From the time of the 9/11 attacks until FY2008, total war costs for all three operations – Iraq, Afghanistan, and other GWOT and enhanced security – rose steeply primarily because of the war in Iraq. Annual war appropriations more than doubled from about $34 billion in FY2001/FY2002 to $81 billion for the preparation and invasion of Iraq in FY2003. By FY2007, annual appropriations for both wars doubled again to $170 billion, and peaked in FY2008 at $186 billion (see Table 3).

In FY2009, overall war funding fell to $155 billion, reflecting the decline in troop levels in Iraq after the troop surge, and the beginning of troop withdrawals. Since FY2009, war costs are again growing, driven primarily by the commitment of the Obama Administration to higher troop levels as well as higher foreign aid commitments for the Afghan war, which have offset decreases in the costs of Iraq as U.S. troop levels decline.

In FY2010, for example, assuming the pending supplemental request is enacted, annual funding will increase by 10% to $171 billion. The FY2011 request would maintain funding at $171 billion despite the overall 20% decrease in troop levels as the U.S. withdrawal from Iraq accelerates with all slated to be out of Iraq by December 31, 2011, the end of the first quarter of FY2012. In recent years, the cost of enhanced security in the United States particularly the initial responses to the 9/11 attacks, has had little effect on war costs.

Except for a one-time appropriation of $20 billion for Iraq reconstruction in FY2004, foreign aid and diplomatic operations funding has hovered between $4 billion and $5 billion until FY2010. For FY2010 and FY2011, funding is much higher – $8.9 billion in FY2010 and $8.7 billion in FY2011, reflecting the Administration’s new emphasis on civilian aid programs.

DOD funding has grown far more rapidly than would be expected based on changes in troop levels or intensity of operations. Instead, much of the increase reflects other factors discussed below – higher than anticipated support costs, an expanded definition of war-related procurement,
and the growth of programs to meet specific needs, such as training Afghan and Iraqi security forces.

Although DOD has provided the standard budget justification materials for its war requests since FY2007, funding is not split by operation so it is not clear how changes in force levels for the two wars affect costs, a factor of ever more importance as troop levels grow in Afghanistan and fall in Iraq. In fact, DOD’s request includes only one table showing the overall split in funding between the two wars. After the fact, war obligations are reported separately for Iraq and Afghanistan, which can be used to estimate how funding could change with troop strength. DOD justification materials do not provide explanations of why war funding changes in each war.

**Trends in Iraq War Funding**

Total war funding for Iraq rose sharply after initial war preparations in the fall of 2002 to $53 billion in the invasion year of 2003, almost trebling to $131 billion in FY2007, and peaking at $142 billion during the surge in FY2008. With the adoption of a withdrawal plan by President Obama in February 2009, total war costs for Iraq have begun to decline, dropping to $96 billion in FY2009 to $66 billion in FY2010 and $51 billion in FY2011 when troop levels drop to 43,000. In FY2012, costs are likely to be substantially less as the U.S. withdrawal is completed (see Table 3).

Except for some $2 billion to $3 billion for State/USAID programs (with the exception of the $20 billion in reconstruction provided in FY2004), DOD costs account for most of war funding. With the Administration’s plan for foreign aid programs to pick up as U.S. troops withdraw, those State/USAID funding is slated to grow to $3.7 billion in FY2010 and $3.9 billion in FY2011 (Table 3).

Much of the large increases between FY2006 and FY2008 were due to higher procurement funding, that, in turn, reflects primarily an expansive definition adopted by the Bush Administration of the amounts needed to reset or reconstitute units returning from deployments, that included not only repairing and replacing war damaged equipment but also upgrading equipment to meet future needs for the “long war on terror” (see below and Appendix D).

In addition, DOD requested and Congress provided substantial funding for force protection gear and equipment and converting units to modular configurations as well as funding to train and equip Iraqi security forces, areas influenced by DOD policy decisions rather than troop levels.

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23 Initial funding was presumably drawn from DOD’s regular appropriations since supplemental funds were not available.

Table 3. Estimated War Funding By Operation, Agency and Fiscal Year: FY2001-FY2011 Request  
(CRS estimates in billions of budget authority)

<table>
<thead>
<tr>
<th>Operation and Source of Funding</th>
<th>FY01 and FY02</th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10 Enacted</th>
<th>FY2010 Supp. Request</th>
<th>FY2010 Total with Request</th>
<th>FY2011 Request</th>
<th>Cum. Enacted: FY01-FY10</th>
<th>Cumulative Total: FY01-FY10 Including Request</th>
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**IRAQ**
- **Department of Defense**: Enacted $0$, Supp. Request $50.0$, Total with Request $56.4$, Request $83.4$, FY2010 Total $98.1$, FY2010 Total with Request $127.2$, FY2011 Request $138.5$, Cumulative Enacted: FY01-FY10 $59.6$, Cumulative Total: FY01-FY10 Including Request $60.6$, FY2010 Supp. Request $1.0$, FY2010 Total with Request $60.6$, FY2011 Request $45.8$, FY2011 Request $45.8$, Cumulative Total: FY01-FY10 Including Request $705.2$, Cumulative Total: FY01-FY10 Including Request $752.0$.

**AFGHANISTAN**

**ENHANCED SECURITY**
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**DOD Unallocated**
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**Note:** The table provides a detailed breakdown of war funding by operation, agency, and fiscal year from FY2001 to FY2011, with estimated data in billions of budget authority. The table includes funding for Iraq, Afghanistan, Enhanced Security, and unallocated funds. Each entry represents the cumulative total from FY2001 to FY2010 and the total including the request for FY2011. The data is categorized under the Department of Defense, State/USAID, and VA Medical, among others.
<table>
<thead>
<tr>
<th>Operation and Source of Funding</th>
<th>FY01 and FY02</th>
<th>FY03</th>
<th>FY04</th>
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Sources: Public laws, congressional appropriations reports, Department of Defense data, and CRS estimates; see Table 1 or list of sources.

Notes: NA = not applicable. Totals may not add due to rounding. CRS estimates based on sources listed in Table 1.
Trends in Afghan War Funding

The cost of the Afghan war has risen dramatically since FY2006, as troop levels and the intensity of conflict has grown, increasing from $19 billion in FY2006 to $60 billion in FY2009. Assuming Administration requests are approved, total war funding will rise to $105 billion in FY2010 and $119 billion in FY2011 (see Table 3).

After hovering around $15 billion in FY2003 and FY2004, total war costs for Afghanistan grew to about $20 billion in FY2005 and FY2006, with troop levels hovering around 20,000. Funding then doubled to $39 billion in FY2007, and $44 billion in FY2008, as troop levels increased to over 30,000 and the intensity of conflict grew (see Table 3 and Figure 1).

Since then, costs have increased sharply to $60 billion in FY2009, and $105 billion in FY2010 assuming the pending supplemental is approved, and $119 billion in the FY2011 request. Until FY2010, State/USAID costs accounted for about $2 billion to $3 billion of that total, but doubled to $5.2 billion in FY2010 and $4.6 billion in FY2011 assuming the requests are approved. VA Medical costs have also been small but are now expected to double in FY2010 and double again in FY2011 to $1.2 billion (see Table 3).

Cost increases reflect not only higher troop levels and more intense operations but also substantial increases in amounts to train of Afghan forces, additional procurement costs, and in FY2010 and FY2011 higher foreign aid levels. Costs per troop in Afghanistan are also considerably higher than in Iraq, which DOD attributes to more expensive transportation costs for equipment and supplies, more difficult terrain, and establishing new facilities.

Future costs in Afghanistan remain uncertain as it is not clear at what pace U.S. troops may withdraw starting in June 2011 or how long U.S. involvement will persist. Some observers see a long lasting U.S. commitment in Afghanistan, while others expect a more limited role. (See below for CBO estimates based on alternate troop scenarios.)

Past Trends and Future Costs in Enhanced Security

Funding for enhanced base security and other responses to the initial attacks – referred to by DOD as Operation Noble Eagle – fell from the $12 billion available in the first year after the 9/11 attacks to $8 billion in 2003. These decreases reflect the end of one-time costs like Pentagon reconstruction ($1.3 billion), the completion of security upgrades, the scaling back of combat air patrol (about $1.3 billion for around-the-clock coverage), and a cut in the number of reservists guarding bases.25 In FY2004, the cost of enhanced security more than halved again, dropping to $3.7 billion.

Beginning in FY2005, DOD funded this operation in its baseline budget rather than in supplemental and costs fell to under $1 billion in FY2006, $500 million in FY2007, and about $100 million per year after FY2008 (see Table 3).

25 DOD’s new estimate for ONE is $8 billion rather than the $6.5 billion shown in an earlier DOD briefing. For more information, see CRS Report RL31187, Combating Terrorism: 2001 Congressional Debate on Emergency Supplemental Allocations, and CRS Report RL31829, Supplemental Appropriations FY2003: Iraq Conflict, Afghanistan, Global War on Terrorism, and Homeland Security, both by Amy Belasco and Larry Nowels.
Administration and CBO Projections of Future Costs

In its FY2011 budget, the Administration includes a $50 billion “placeholder” figure for war costs from FY2012-FY2020. Like the previous Administration, the Obama Administration argues that the uncertainties are too great to include formal estimates for later years.

DOD’s FY2011 war request assumes average troop strength of 102,000 in FY2011 in Afghanistan, a small increase above FY2010, and 43,000 troops in Iraq. Based on its spring strategy review, the Administration’s plans call for the withdrawal of all U.S. troops from Iraq by December 2011, suggesting that there would be relatively little war spending for Iraq in the FY2012 budget and none thereafter assuming the withdrawal proceeds as planned.

Presumably, if a decision were made to withdraw troops below the level assumed in the FY2011 budget, the Administration would submit a budget amendment proposing decreases for FY2011 with the amount depending on the pace of any withdrawal plan adopted. Similarly, if a decision were made to slow the pace of withdrawal from Iraq, a budget amendment adding funds would be submitted next year.

For FY2012, the Administration’s budget request would presumably reflect the withdrawal of the 43,000 troops by December 2011 unless this plan were changed (and a change to the current Iraq Status of Forces agreement was negotiated) and any plans to reduce the number of troops in Afghanistan from the 102,000 strength for FY2011.

CBO Projections Based on Two Alternative Scenarios

Based on two illustrative scenarios – one assuming a faster reduction in the number of deployed troops than current Administration plans and one possibly a more gradual drawdown – CBO updated its previous projections for the cost of all three operations for the next ten years from 2012 – 2020 in January 2010.

Over the next ten years, CBO projects that over the next ten years war costs for DOD, State, and VA could require an additional

- $274 billion if troop levels fell to 30,000 by 2013; or
- $588 billion if troop levels fell to 60,000 by 2015.

If these CBO projections are added to funding already appropriated, the total cost of Iraq, Afghanistan, and enhanced security or other contingency operations could reach from $1.56 trillion to about $1.88 trillion by FY2020 depending on the scenario.

Although CBO’s projections do not split funding for Iraq and Afghanistan, if all U.S. troops are withdrawn from Iraq by December 2011, then presumably, most war funding in FY2012 and thereafter would be for Afghanistan, or other contingency operations.

26 See Table S-10 in OMB, FY2011 Budget, Summary Tables; http://www.whitehouse.gov/omb/budget/fy2011/assets/tables.pdf.

In CBO’s projection where troop levels fall to a steady state of 30,000 troops by FY2013, additional funding would total about $274 billion between FY2012 and FY2020. In this projection, CBO projects that troop levels would drop from about 200,000 deployed troops in FY2010 to:

- $121 billion for 150,000 troops in FY2011;
- $69 billion for 65,000 troops in FY2012;
- $40 billion a year for 30,000 in FY2013; and
- $25 billion a year from FY2014 on.\(^{28}\)

CBO’s projections are considerably below DOD’s estimates of $159 billion in FY2011 for about the same troop strength as has been true for previous CBO estimates as well.\(^{29}\) The differences may stem partly from CBO’s inability to capture programmatic decisions like increasing funding to train and expand the size of the Afghan security forces, and partly from CBO’s practice of extrapolating from current costs rather than DOD’s practice of estimating each year separately. There is some evidence in recently reported obligations that DOD’s war requests may be overstated.\(^{30}\)

In CBO’s other projection where troop levels fall more gradually to a steady state of 60,000 by FY2015, funding would total about $588 billion for FY2012–FY2020. In this projection, troop levels start from a higher baseline of 235,000 troops in FY2010 (assuming a slower withdrawal in Iraq) and would decline from:

- $158 billion for 230,000 troops in FY2011;
- $143 billion for 195,000 troops in FY2012;
- $108 billion for about 135,000 troops in FY2013;
- $71 billion for 80,000 troops in FY2014;
- $51 billion for 60,000 troops in FY2015; and
- $40 billion for 60,000 troops from FY2016 to FY2020.\(^{31}\)

Some observers would suggest that these two scenarios bound the most likely alternatives in the next ten years while others might argue that maintaining current levels or withdrawing entirely could also be options. These CBO projections assume that troops withdrawn return to the United States. Yet another option would be for some number of troops to remain deployed in neighboring countries like Kuwait.

CBO considers these to be rough projections rather than formal estimates in part because future costs are difficult to estimate given the limited DOD information on the factors driving costs.

\(^{28}\) Ibid.

\(^{29}\) Average strength would be 145,000 troops for DOD and 150,000 for CBO.


incurred to date as well as the lack of a history of war outlays or actual expenditures because war and baseline funds are mixed in the same accounts. In CBO’s projections, costs initially fall somewhat more slowly than troops levels, and eventually catch up and become proportional. CBO does not identify separate per troop costs for Iraq and Afghanistan.

DOD’S Average Monthly Spending

DOD’s average monthly obligations are frequently used as a way to measure the rate of ongoing war spending. Obligations reflect the amount of budget authority (BA) for military and civilian pay and for contracts signed by the government or orders placed within DOD for parts, repairs, and purchase of weapons systems and supplies.

Although obligations go up and down from month-to-month, average obligations for a fiscal year are a good indicator of ongoing operational costs (Military Personnel and Operation and Maintenance) because these funds must be obligated – put on contract – within the first year. For investment costs, however, average monthly obligations lag appropriated budget authority since only some funds are obligated in the first year because of the time for the planning and negotiation of contracts.32

Obligations figures do not reflect outlays – or payments made when goods and services are delivered – which would be a better measure of spending rates and actual costs. Starting in FY2009, DOD now tracks outlays, reversing its previous stance that these could not be captured because war-related appropriations are co-mingled with regular or baseline funds. Outlays are useful in giving a better sense of actual spending rates.

DOD’s average monthly obligations for both wars grew from $6.2 billion in FY2004 – after initial combat operations in Iraq – to a peak of $14.2 billion in FY2008, during the surge in Iraq, more than doubling in four years. Since FY2003, obligations for enhanced security (Operation Noble Eagle) have fallen substantially from $520 million per month to about $20 million in FY2010 as one-time costs ended and costs have been incorporated in day-to-day base operations.

As of the end of April 2010, DOD reported that the cumulative total of war-related obligations were $863.1 billion including:

- $631.0 billion for Iraq (73% of total);
- $205.2 billion for Afghanistan, almost all of Operation Enduring Freedom (24%); and
- $26.9 billion for enhanced security (Operation Noble Eagle) (3%) (see Table 4).33

DOD-reported obligations do not include some expenses that CRS considers to be war-related such as $47 billion for war-related national intelligence, $10 billion for conversion to modular

32 Military personnel and O&M monies are available for obligations for one year, RDT&E monies for two years and procurement and war-related military construction monies for three years rather than the five years for peacetime military construction (see military construction accounts in P.L. 111-117).
units by the Army justified as a war expense, and other congressional changes (see Appendix C).  

Table 4. DOD’s Obligations by Operation: FY2001- FY2010 to Date
(in billions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>Average thru April FY10</th>
<th>DOD Reported Cumulative Obligations FY01- April 30, 2010a</th>
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<tr>
<td><strong>IRAQ</strong></td>
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<td></td>
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<tr>
<td>Operationsb</td>
<td>4.2</td>
<td>4.3</td>
<td>4.7</td>
<td>5.9</td>
<td>7.1</td>
<td>7.6</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total</strong></td>
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<td>0</td>
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<td><strong>ALL MISSIONS</strong></td>
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<td>14.2</td>
<td>12.3</td>
<td>10.9</td>
<td>863.0</td>
</tr>
</tbody>
</table>

**Sources:** DOD, “Cost of War Reports,” September 30 of each fiscal year, FY2003-FY2009 and April 2010 and CRS adjustments based on other DOD and congressional sources.

**Notes:** NA = Not available. Numbers may not add to totals due to rounding. DOD reported obligations do not include adjustments to monthly averaged calculated by CRS which include national intelligence, modularity expenses, and some congressional additions that DOD does not consider war-related and excludes from its reporting (see Appendix C).

a. DOD reporting does not include $47 billion in national intelligence and some congressional additions that DOD does not consider to be war-related.


c. Includes funds appropriated for procurement, RDT&E, and military construction.

34 For expenses excluded in war cost obligations reports, see DOD, “Cost of War Slides As of April 30, 2010,” June 2010. Examples where CRS counts items as war costs and DOD does not include congressional adds for C-17 aircraft, force-protection and other items.
d. Operation Enduring Freedom funds Afghanistan and other global war on terror (GWOT) activities.
e. Enhanced security includes additional security at defense bases, combat air patrol

To capture longer-term trends, average obligations for an entire fiscal year may be more useful than individual months, which may go up and down depending on when contracts tend to be let, as well as changes in troop levels. For example, war obligations to date in FY2010 (covering from October 2009 through April 2010) average $10.9 billion a month, or about 11% below the $12.3 billion monthly average in FY2009, reflecting, in part, the fact that obligations generally tend to be lower in the first half of the fiscal year.

At the same time, DOD’s average obligations for the first seven months of the fiscal year are about the same for Iraq and Afghanistan as troops gradually leave Iraq and others deploy to Afghanistan – $5.4 billion for Iraq and $5.5 billion for Afghanistan (Table 4).

Obligations for Iraq Change with Procurement and Troops Levels

In Iraq, average monthly obligations rose from $4.4 billion in FY2003 to $7.2 billion in FY2006 while average troop strength grew from 68,000 to 141,000. Then in FY2007, these obligations grew sharply to $10.2 billion in FY2007 while troop strength rose modestly to 148,000. Iraq obligations peaked at $11.1 billion in FY2008 reflecting the Iraq surge.

Much of this increase in Iraq obligations reflects a five-fold increase in investment obligations from $560 million in FY2004 to $3.2 billion in FY2007, as the services began to spend substantial amounts on reset — the procurement of new weapons systems and equipment not simply to replace war losses (a small share of the total) but more often to upgrade and replace “stressed” equipment, and enhanced force protection.

Some observers have questioned whether all of DOD’s war-related procurement reflects the stresses of war. For example, a CBO study found that more than 40% of the Army’s spending for reset—the repair and replacement of war-worn equipment—was not for replacing lost equipment or repairing equipment sent home. Instead, Army funds were spent to upgrade systems to increase capability, to buy equipment to eliminate longstanding shortfalls in inventory, to convert new units to a modular configuration, and to replace equipment stored overseas for contingencies.35

Since FY2008, obligations have fallen to $7.9 billion for Iraq in FY2009 with average strength of 136,000.36 Both obligations and strength are continuing to fall in FY2010 to $5.4 billion with average strength of 109,000 for the first seven months of FY2010 (see Figure 1 and Table 4).37

This year’s obligations reflects the decline in troop levels from 120,300 in October 2009 at the beginning of FY2010 to 94,250 as of May 1, 2010 (see Appendix A).38 For example, DOD’s obligations for Afghanistan were $5.3 billion in the month of April 2010 compared to an average

36 See Table 1 in CRS Report R40682, Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues, by Amy Belasco.
37 Ibid. CRS calculation of average for FY2010 based on DOD’s monthly Boots on the Ground reports.
38 Department of Defense, “Boots on the Ground” reports, October 1, 2009 and May 1, 2010.
of $7.9 billion for all of FY2009 (Table 4). Obligations for Iraq are likely to continue to decline as troop levels fall to 50,000 by September 2010.

In addition, the new Administration changed the criteria for war-related procurement in February 2009, restoring the earlier definition which limited procurement to war losses for items not already scheduled for replacement, limited upgrades to those directly supporting war operations, and required that procurements be obligated within 12 months (see Appendix D).

Since that time, monthly investment obligations for Iraq have fallen from a peak of $3.5 billion in FY2009 to $1.2 billion midway through FY2010, presumably reflecting both the new stricter criteria and the decrease in troop levels and pace of combat operations as U.S. soldiers transition to advisory roles. It is not clear, however, that DOD’s requests are consistent with 12-month obligations for procurement requests since about 50% or $9.5 billion of $19.2 billion already appropriated for procurement in FY2010 remains to be obligated as of April 30, 2010 almost 12 months after funding was provided.

Obligations Rise in Afghanistan with Troop Levels and Training Efforts

Average monthly obligations for Afghanistan hovered around $1 billion from FY2003 through FY2005 with average troop strength growing from 10,400 to 19,100. Obligations doubled from $1.5 billion in FY2006 to $3.1 billion in FY2008 as average troop strength grew from about 20,000 to 30,000. Between FY2008 and FY2009, average monthly obligations increased threefold from $1.3 billion to $4.4 billion while average strength more than doubled from about 20,000 in FY2008 to 51,000 in FY2009.

This change reflects the growth in troop levels in Afghanistan from 65,800 in October 2009 to 89,700 by May 1, 2010 (see Appendix A). Costs reflect these changes with Afghanistan obligations in April 2010 at $7.3 billion compared to an average of $4.4 billion for all of FY2009. By September 2010, troop strength in Afghanistan is expected to reach 98,000 and monthly obligations are likely to rise further. Spending rates in Afghanistan are also growing as operations intensify, and more is spent to upgrade Afghan Security forces.

39 See Table 1 in CRS Report R40682, Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues, by Amy Belasco.
42 See Table 1 in CRS Report R40682, Troop Levels in the Afghan and Iraq Wars, FY2001-FY2012: Cost and Other Potential Issues, by Amy Belasco.
Funding to Train and Equip Afghan and Iraqi Security Forces

As of passage of the FY2010 bridge war act in September 2009 (P.L. 111-118), appropriated funding to train and equip these forces totals $49.1 billion including $25.9 billion for Afghanistan and $23.2 billion for Iraq (see Table 5). An additional $17.6 billion – primarily for Afghanistan – is requested in the FY2010 Supplemental (H.R. 4899) and the FY2011 request.

U.S. commanders have argued for some time that the pace of withdrawal of U.S. forces from Iraq and the length of the U.S. commitment in Afghanistan depend on both conditions on the ground – the number and types of attacks by various insurgent groups – and the size, readiness and capabilities of Afghan and Iraqi security Forces.

With the ongoing withdrawal of U.S. forces and declines in violence in Iraq, congressional concerns now focus on the problems and likely duration of training of the Afghan security forces. Some believe that it will be several years before the Afghan security forces can effectively take responsibility for their own security. Neither DOD nor the Administration have identified timelines for this transition.

Trends in Funding of Afghan Security Forces

Despite a wide range of congressional concerns about these training programs, particularly in Afghanistan, including problems with the performance of contractors, coordination between DOD, State Department and NATO coalition efforts, shortages in trainers, problems with corruption, absenteeism, and illiteracy, and most recently, a report by the Special Inspector General for Afghanistan Reconstruction questioning the reliability of DOD measures of Afghan force readiness, Congress has generally provided DOD with full funding, presumably because of the high stakes involved. Congress did, however, cut the ASFF request from $3.7 billion to $2.0 billion in the FY2009 bridge.

Since FY2005, annual funding to train Afghan forces has grown rapidly from $1.3 billion to $7.4 billion in FY2007, then fallen to $2.8 billion in FY2008. In 2008, DOD announced plans to double the size of the Afghan security forces in the next four years at a cost of about $20 billion. Funding to train Afghan security forces doubled over the previous year to $5.6 billion in FY2009 reflecting both these plans and the new focus on Afghanistan in the Obama administration. If the requested amount in the FY2010 Supplemental is enacted (and both houses have approved this amount), funding in FY2010 would rise steeply to $9.2 billion. An additional $11.6 billion is requested for FY2011 (see Table 5).


45 Total includes $5 billion appropriated to the State Department for Iraq training in FY2004. Afghanistan has also received funding for its training from State Department accounts.
Table 5. Afghan and Iraq Security Forces Funding: FY2004-FY2011 Request
(in billions of dollars)

<table>
<thead>
<tr>
<th>Account</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY2010 Supp Request</th>
<th>FY2011 Request</th>
<th>Total Enacted to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghan Security Forces Fundb</td>
<td>[3]a</td>
<td>1.3</td>
<td>1.9</td>
<td>7.4</td>
<td>2.8</td>
<td>5.6</td>
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<td>2.6</td>
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<td>Iraq Security Forces Fundb</td>
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<td>5.7</td>
<td>3.0</td>
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<td>3.0</td>
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<td>6.6</td>
<td>6.6</td>
<td>3.6</td>
<td>13.6</td>
<td>49.1</td>
</tr>
</tbody>
</table>

Sources: Congressional appropriation reports for each fiscal year.

a. Includes all appropriations through FY2008 Supplemental/FY2009 bridge (H.R. 2642/P.L. 110-252), including funds provided to the President in FY2004 shown in square brackets.

b. Figures in [] brackets are funds to train Afghan and Iraqi security forces that were appropriated to the President and transferred to the Coalition Provisional Authority, and implemented by the Army. Iraq total includes enacted funds from all U.S. sources. Afghanistan total does not include about $1 billion to $2 billion that Afghan security forces received in FY2004 and FY2005 through State Department or foreign military sales financing according to GAO-05-575, Afghanistan Security: Efforts to Establish Army and Police Have Made Progress, but Future Plans Need to Be Better Defined, June 2005, p. 9. Figures reflect CRS calculations from public laws and conference reports.

In its FY2011 budget request, DOD announced a further expansion of the Afghan National Security forces from 190,820 in November 2009 to 305,600 by October 2011. Despite efforts by Secretary Gates to get additional support in training personnel from NATO partners over the past several years, success has been limited and there continue to be shortages in trainers.

Trends in Funding of Iraq Security Forces

Funding to train Iraqi forces fluctuated between $3.0 billion and $5.5 billion from FY2004 to FY2008. In 2008, Congress became reluctant to rebuild Iraqi security forces as Iraqi government revenues rose rapidly with the swell in oil prices.

In response to congressional concerns raised in a September 2008 House Budget Committee hearing on a GAO report suggesting that there would be an Iraqi budget surplus of from $67 billion to $79 billion in 2008 due to oil prices, members called for “burdensharing” by Iraq in the rebuilding of its security forces.

This push to require Iraq to share the burden of rebuilding its security forces asp resulted in restrictions prohibiting U.S. funding of security forces as well as other “infrastructure” projects in Iraq, including those to rebuild security forces in the FY2008 Supplemental (P.L. 110-252), as well as various requirements to report the readiness and transfer of responsibility to Iraqi units.

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In FY2008, U.S. funding dropped from $3 billion in FY2008 to $1 billion in FY2009 as Congress halved the ISFF request. In its initial FY2010 request, DOD did not ask for any funds but then modified that to request $1 billion in the FY2010 supplemental for expenses that DOD believed were necessary but the Iraqi government would not cover (see \textit{Table 5}).\footnote{GAO-08-1144T, \textit{Statement of Joseph A. Christoff before the House Budget Committee}, ”Stabilizing and Rebuilding Iraq: Iraqi Revenues, Expenditures, and Surplus,” p. 3, September 16, 2008.}

### Explaining Changes in DOD’s War Costs over Time

Changes in war costs would be expected to vary with troop levels, war-related benefits, the intensity of operations, and levels of basing support services. The extent of competition in contracts and the price of oil would also be expected to affect the prices of goods and services purchased by DOD.

A list of the primary war cost drivers would be expected to include:

- the number of troops deployed or anticipated to deploy, including the number of activated reservists;
- changes in the pace of operations (optempo);
- changes in the amount of equipment and number of personnel to be transported to the theater of operations;
- whether support is designed to be temporary or longer-term;
- force protection needs;
- how quickly equipment breaks down and how quickly it is to be replaced or upgraded; and
- military basing plans that underlie construction requests.

Troop levels would be expected to be the basic factor that drives the cost of carrying out military activities including the number and intensity of operations conducted, providing support to troops ranging from meals and housing to force protection items like uparmored trucks and body armor, and ultimately to the amount of repair and replacement needed for war-worn equipment. Troop levels, however, have risen far less than costs.
Changes in Troop Strength Explain Little of Growth

Changes in the number of military personnel participating in the two wars has not been the primary factor in the growth in war costs. In fact, little of the overall $107 billion or 150% increase in DOD costs between FY2004 and FY2008, the peak funding year during the Iraq surge, is attributable to changes in the average strength of military personnel either deployed or mobilized for the Afghan and Iraq wars. (In addition to those deployed, some 50,000 to 80,000 reservists were mobilized and stationed in the United States to “backfill” the positions of active-duty personnel who were deployed.)

Between FY2004 and FY2008, the cost of military personnel changed little, changing by less than $1 billion (see Table 6). During the same period, average military strength for the two wars grew by 8% including all those either deployed or mobilized and stationed in the United States; military personnel costs grew by about 2% or $300 million, explaining little of the overall increase of $107 billion between those two years (see Table 6).

Military personnel costs include not only the number of personnel receiving special war-related pay and benefits (e.g., hostile fire or imminent danger pay, separation pay, survivors benefits), but also the additional cost of activating reservists. In addition, DOD requested and received funding to cover the cost of “over strength” or additional active-duty personnel who have been recruited and retained to meet wartime needs above DOD’s pre-war strengths—482,000 for the Army and 172,000 for the Marine Corps, originally intended as a temporary increase but then made permanent by the Defense Department.

The fact that the cost of military personnel grew less than the increase in strength may reflect that DOD reduced its reliance on reservists, who cost more than active-duty personnel during wartime because of the additional cost of paying full-time rather than part-time salaries. In FY2008, reservists accounted for about a third (32%) of war-related average strength compared to close to half (48%) in FY2004.

Operation and Maintenance Costs Grow Faster Than Troop Levels

Operation & Maintenance (O&M) funding nearly doubled between FY2004 and FY2008, from $42.0 billion to $79.1 billion, an increase of $37.1 billion (see Table 6). War-related O&M costs would be expected to reflect not only the number of military personnel deployed to Iraq and Afghanistan but also the intensity of operations, the costs of transporting military equipment to theater, and the types of base support provided. The number of deployed personnel (excluding reservists stationed in the United States) increased by 25% between FY2004 and FY2008. O&M costs grew over three-times as much as the number of deployed personnel.

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51 CRS calculation from Defense Manpower Data Center (DMDC), DRS 21198, “Average Number of Members By Month, 0109-1004,” April 30, 2010, which shows the average number of reservists activated but not deployed, i.e. serving in the United States as 80,271 in FY2004 and 47,442 in FY2004.

52 These percentages reflect growth from average strength of 309,997 in FY2004 to 335,456 in FY2008, figures higher than “Boots on the Ground” because personnel in surrounding areas supporting those operations (e.g., Kuwait) are included as well as those in Afghanistan and Iraq. CRS calculations from Defense Manpower Data Center (DMDC), DRS 21198, “Average Number of Members By Month, 0109-1004,” April 30, 2010.


54 CRS calculation from Defense Manpower Data Center (DMDC), DRS 21198, “Average Number of Members By Month, 0109-1004,” April 30, 2010.

(continued...)
If O&M costs had grown proportionately with changes in the number of deployed troops, the amount in FY2008 would have been $52.5 billion rather than $79.1 billion, suggesting that about $26.6 billion of the increase reflected other factors.

### Table 6. DOD’s War Budget Authority by Title: FY2004-FY2011 Request
(in billions of dollars)

<table>
<thead>
<tr>
<th>Title</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY2010 Enacted and Supp Request</th>
<th>FY2011 Request</th>
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<td>Military Personnel</td>
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#### Special Funds and Caps

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(...continued)

Month, 0109-1004,” April 30, 2010, which shows the average strength of deployed personnel growing from 229,726 in FY2004 to 288,013 in FY2008, including all personnel deployed for OEF and OIF rather than only those in Afghanistan or Iraq.
<table>
<thead>
<tr>
<th>Title</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
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<td>166.2</td>
<td>179.2</td>
<td>148.2</td>
<td>162.7</td>
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</table>

**Sources:** CRS calculations based on congressional appropriation reports for each bill with DOD funding (see Appendix B).

**Notes:** Numbers may not add to total due to rounding. This table separates funds with special purposes such as the Afghan Security Forces Fund from the regular titles to better identify trends. Includes transfers to war funding from baseline accounts to meet unanticipated needs.


b. Procurement includes funding provided in the Mine Resistant Ambush Protected (MRAP) vehicles.

c. Working capital funds finance additional inventory for support items such as spare parts.

d. IFF includes funds for national intelligence programs, as well as funds transferred for war operations captured in the accounts where they were spent.

e. Training Iraqi security forces was initially funded in the State Department [shown in brackets] but is now funded in DOD. The Afghan Army also received some State Department funds.

f. The Joint IED Defeat Fund finances responses to IED attacks through transfers to procurement, RDT&E, and operation and maintenance programs; the FY2006 total includes $1.4 billion transferred from the Iraqi Freedom Fund.

g. Congress sets caps within O&M accounts for coalition support—reimbursements to allies conducting operations or logistical support for OIF and OEF, and lift, support, training and equipping of allies conducting other counter-terror operations, and for CERP, a program which permits military commanders to fund small-scale reconstruction projects in Iraq and Afghanistan.

h. Congress sets the amount of transfer authority in each bill. The table includes amounts provided for both bridge and supplemental funds. Includes $10.4 billion for Iraqi Freedom Fund in FY2003 (deducting specified floors) plus $2 billion in transfer authority.

Several factors that may have contributed to this additional increase in O&M funding include:

- Substantial unanticipated growth in requirements for force protection gear and equipment ranging from night vision goggles to uparmored HMMWVs;

- extensive increases in command, communications, control, computers and intelligence support;
DOD policy decisions to carry as war costs the Army’s conversion to a modular structure, a modernization change, including some O&M as well as equipment costs;

• O&M costs associated with increases in the size of the Army and Marine Corps originally planned to be temporary and carried as a war cost, later adopted as permanent;

• the building of extensive and in some cases, elaborate, infrastructure to support troops and equipment in-country, and in neighboring areas; and

• poor wartime contracting practices increasing waste, fraud, and abuse and hence the cost of providing services to deployed personnel as reported by the Commission on Wartime Contracting.55

Dramatic Growth in Investment Costs Now Moderated

Since FY2004, the rise in procurement costs has been dramatic – a seven-fold increase from $7.2 billion in FY2004 to $61.5 billion in FY2008, the peak year, accounting for $54.3 billion or close to half of the total increase in war costs in that period. The peak year reflects a congressional decision to spend $16.8 billion to buy what was then anticipated to be the full requirement for Mine Resistant Ambush Protected (MRAP) vehicles, a heavy truck with a V-shaped hull found to increase soldier survivability against roadside bombs or Improvised Explosive Devices (IEDs) (see Table 6).

As a share of DOD war appropriations, procurement grew from about 10% in FY2004 to about 20% in FY2006 and 34% FY2008. Since FY2003, DOD has received about $214.5 billion in war-related procurement funds—equal to about 2 and ½ times DOD’s average peacetime procurement budgets in those years. Other investment costs – Research, Development, Test & Evaluation (RDT&E) and Military Construction have also grown rapidly though they generally account for about $2 billion in war funding (see Table 6).56

Typically, war funds do not include RDT&E or military construction because both activities take considerable time, and hence do not appear to meet an emergency criterion. In this respect, the

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Iraq and GWOT conflicts have broken new ground. DOD is now receiving substantial war funding for RDT&E in both titles, particularly the Joint IED Defeat Fund, a new account to develop and field new ways to counter roadside bombs or Improvised Explosive Devices, which are later transferred to individual accounts after enactment, which now receives $3 billion to $4 billion annually (see Table 6).

Some of the reasons for this surge in war-related investment costs are known:

- a push by both DOD and Congress to provide more force protection equipment and increase situational awareness (e.g., uparmored High Mobility Multipurpose Wheeled Vehicles (HMMWVs), radios, sensors);
- a decision to fund as war expenses equipment for newly configured Army and Marine Corps units, known as modularity or restructuring;
- the growing bill to rebuild or replace damaged equipment, a process known as reset or reconstitution; and perhaps most importantly,
- the adoption by DOD in 2006 of an expansive definition of the types of programs that DOD considered to be war-related to include those necessary to prepare for a “long war on terror,” rather than specifically the Afghan and Iraq wars (see Appendix D).

DOD ultimately requested and received as part of war funding considerable procurement funds for recapitalization of equipment, converting to modular units, force protection, and upgrades, much of which overlapped baseline budget requirements, since DOD is always purchasing new equipment to improve capability. In this way, DOD war funding, in fact, financed some of DOD’s modernization requirements sooner than anticipated.

Other funding, for example, for force protection items like uparmored HMMWVs, MRAP vehicles and additional communication gear, was not anticipated in DOD’s long-term planning because the nature of the counterinsurgency warfare was not considered a high priority.

Shifting funding from the regular budget to emergency funding is attractive because DOD’s emergency spending has not been subject to budget caps, allowing the services to substitute other less urgent requirements in their baseline budgets. On the other hand, DOD consistently faces budget pressure from unanticipated increases in the cost of its new weapon systems.

With the new Administration, this trend may have been reversed with DOD’s adoption of stricter guidance for procurement and investment requests in FY2009, restoring the earlier definition of reset, which limited procurement to war losses, and excluded items currently scheduled for replacement, and limited upgrades to those directly supporting war operations. With this new guidance, procurement levels have dropped from the peak of $61.5 billion in FY2008 to $32.0 billion in FY2009, $27.5 billion in FY2010 (including the pending request), and $21.4 billion in the FY2011 request (see Table 6).

In addition, the new criteria required that procurement requests be limited to those which could be obligated, or put on contract, within 12 months, as would be appropriate for emergency war-related requirements. It does not appear that all of DOD’s recent war procurement requests will

comply with this requirement because as of April 2010, DOD Cost of War reports show some 40% of funds appropriated in FY2009 for war as unobligated.®

Procurement levels would also be expected to fall as troops are withdrawn from Iraq reducing the wear and tear on equipment. Although the Army has anticipated that reset requirements would persist even after forces are withdrawn, DOD’s reset requirements have largely been covered within its war funding requests. At the same time, higher troop levels in Afghanistan would not immediately require buying new equipment because the effect of operations on equipment takes time.

In addition, in the past two years, Secretary of Defense Gates has pushed to move some war costs that he considers part of long-term requirements for counter-terrorism operations or those likely to persist after conflicts end to the base budget. This includes, for example moving an expansion of special operations forces, and higher funding for mental health to the base budget. While some $8 billion was transferred from the war to the base budget in FY2010, and smaller amounts in FY2011, DOD has not published its criteria, and the scope of likely transfers is unclear.®

Military Construction Grows Rapidly

Funding for military construction has been controversial for several reasons, with members particularly concerned about whether construction indicates an intent to set up permanent bases in Iraq and now in Afghanistan. Both recent defense appropriation and authorization acts prohibit the United States from establishing permanent bases in either Iraq or Afghanistan.®

In addition, the timing of construction may prove problematic since building facilities often takes several years, and future plans for Afghanistan remain uncertain. DOD has also requested funds for some construction in the United States that may be only marginally war-related (e.g., soldier readiness centers, childcare centers, and barracks improvements).

Although DOD guidelines emphasize building relocatable structures in Iraq and Afghanistan, some structures could be either temporary or permanent. While concerns about Iraq have dissipated with troop withdrawals, concerns in Afghanistan are growing, as is funding and use of DOD’s contingency contracting authority where DOD can draw funds from O&M for construction projects that were not anticipated at the time of the request (see discussion of this issue in CRS Report R41232, FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs, coordinated by Amy Belasco). In light of the uncertainty about the timeline of the U.S. presence in Afghanistan, this issue is likely to continue to be a significant concern.

In addition, DOD built up a far more extensive infrastructure than anticipated to support troops and equipment in and around Iraq and Afghanistan. Military construction funding more than doubled from $0.5 billion in FY2005 to $1.7 billion in FY2007, continuing at that level in

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® See Sec. 314 and Sec. 315 and Sec. P.L. 110-32 in the FY2009 Supplemental Appropriations Act applying to “this or any other act”, and Secs. 1237 and Sec. 2806, P.L. 111-84, the FY2010 National Defense Authorization Act; see also section, “More Spending for Bases in Afghanistan Raises Questions of Permanency and Execution,” in CRS Report R41232, FY2010 Supplemental for Wars, Disaster Assistance, Haiti Relief, and Other Programs, coordinated by Amy Belasco.
FY2008. In FY2010, this funding would reach $1.9 billion if the supplemental is enacted, and $1.3 billion in the FY2011 request, all reflecting the expansion of U.S. operations in Afghanistan (see Table 6).

Special Funds and the Flexibility Issue

Shortly after the 9/11 attacks, Congress gave DOD additional flexibility to respond to the uncertainty of wartime needs by providing lump sums in certain special accounts. Once the Iraq war operations began, Congress also gave DOD funding for those war operations in the Iraq Freedom Fund (IFF), which were then transferred to regular individual accounts as requirements became clear. Later Congress agreed to set up special accounts or set caps to meet specific wartime needs, which didn’t neatly fit into traditional accounts, such as the Afghan Security Forces Fund or the Commanders Emergency Response Program (CERP).

The issue for Congress is the amount of flexibility to give DOD to meet needs which it cannot define when appropriations are requested, and whether after-the-fact reporting is an adequate method of control. With problems identified by the Special Inspectors General for Iraq and for Afghanistan, GAO, and other inspection agencies in the Afghan and Iraq Security Forces Funds and in the Commanders Emergency Response Program, congressional concerns have grown as have reporting requirements.

Short-Term Flexible Accounts

DOD initially received $17 billion in its Defense Emergency Response Fund (DERF), spending those funds directly out of the account based on broadly defined allocations such as “increased situational awareness,” and “increased worldwide posture.” In the FY2002 Supplemental, Congress appropriated $13 billion for war costs including $11.9 billion in the DERF, which was transformed into a transfer account where funds, with guidelines by accounts set in the conference report.

Another example of short-term flexible accounts is the $77.4 billion in war funding appropriated by Congress in the FY2003 Supplemental, including $15.6 billion in a new Iraq Freedom Fund (IFF) where DOD could transfer funds after enactment, and then report to Congress. As the Afghan and Iraq wars continued, Congress insisted that DOD receive war funding in its traditional accounts. Since FY2004, Congress has appropriated most war funds to DOD’s regular accounts, but has given DOD larger amounts of transfer authority where DOD can move funds after enactment with the consent of the four congressional defense committees.

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61 Congress appropriated $20 billion in the government-wide Emergency Response Fund which could be spent by the President at his discretion (P.L. 107-38). DOD also received another $3.5 billion in the DERF but had to follow allocations that were set in the FY2002 DOD Conference report (H.Rept. 107-350, p. 423).

62 Congress appropriated $20 billion in the government-wide Emergency Response Fund which could be spent by the President at his discretion (P.L. 107-38). DOD also received another $3.5 billion in the DERF but had to follow allocations that were set in the FY2002 DOD Conference report (H.Rept. 107-350, p. 423).

63 H.Rept. 107-593, p. 17 and 128.

64 Congress rescinded $3.5 billion of the $15.6 billion originally appropriated to the IFF and included ceilings for certain purposes, such as intelligence, within the total.
Special Purpose Accounts

To meet particular requirements, however, Congress agreed to establish special accounts which allow DOD free to allocate funds as requirements evolve. For example, DOD receives funds in the Afghan Security Forces Fund (ASFF) that can be used for either Operation and Maintenance or Procurement.

Higher funding levels in these new accounts generally does not reflect troop levels or immediate operational needs and accounts for some of the growth of war costs since FY2004. Between FY2004 and FY2008, the peak war funding year, these accounts grew from $2.0 billion to $13.8 billion, thus helping explain about $10 billion of the $107 billion overall increase (see Table 6).

These flexible accounts include:

- Afghan and Iraq Security Forces Funds for training and equipping police and security forces, with changes reflecting plans to increase the force size;
- the Joint Improvised Explosive Device (IED) Defeat Fund for providing funds to be transferred to procurement, RDT&E, or operation and maintenance to develop and field solutions to the IED threat with funding reflecting anticipated breakthroughs; and
- the Iraq Freedom Fund, set up to cover war operations cost in the first year of the invasion and occupation (IFF), which DOD later transferred to regular accounts.

The Afghan and Iraq Security Forces Funds provide lump sums which DOD can allocate between equipment and training needs. Similarly the Joint IED Defeat Fund allows DOD to decide where funds are needed to meet this threat. Although the new accounts are designated to meet particular goals, they provide additional funding flexibility to DOD.

Congress has also set caps or ceilings on funding within O&M accounts for specific purposes rather than setting up separate accounts. These include funding for

- Coalition support primarily to support Pakistan’s counter-terror operations related to OIF and OEF or other counter-terror operations; and the
- Commanders Emergency Response Program (CERP) for small reconstruction projects selected and run by individual commanders including support for local militia groups;

Typically, Congress has given DOD wide latitude in how to use these funds and required after-the-fact quarterly reporting.

Questions To Raise About War Funding Issues

To evaluate DOD’s war-related war funding requests, Congress may want to consider asking the following questions:

- whether reset requirements accurately reflect changes in force levels and the pace of operations;
• whether OMB’s new guidelines to restrict equipment upgrades, emphasize quickly-spending funds, cut programs already scheduled for modernization are being followed;

• how previous war procurement funding could reduce DOD’s regular maintenance and procurement needs by fixing and buying equipment earlier than planned;

• whether DOD extensive investments in the past nine years could reduce base budget funding requirements as troop level drop and the equipment is returned; and

• what types of expenses are appropriately funded in DOD’s baseline budget for long lasting requirements for counterinsurgency conflicts as opposed to funding of the specific needs for the Afghan and Iraq wars.

• what are the long-term costs of training, equipping, and maintaining Afghan and Iraqi security forces, coalition support, and the Commanders Emergency Response Program (CERP).

Congressional Options to Affect Military Operations

As interest in alternate policies for first Iraq and now Afghanistan has grown, Congress may turn to the Vietnam, and other experience to look for ways to affect military operations and troop levels in Iraq. In the past, Congress has considered both funding and non-funding options. Most observers would maintain that restrictions tied to appropriations have been more effective.65

Restrictive funding options generally prohibit the obligation or expenditure of current or previously appropriated funds. Obligations occur when the government pays military or civilian personnel, or the services sign contracts or place orders to buy goods or services. Expenditures, or outlays, take place when payment is provided.

The Vietnam Experience

Past attempts or provisions to restrict funding have followed several patterns, including those that cut off funding

• for particular types of military activities but permit funding for other activities (e.g., prohibiting funds for combat activities but permitting funds to withdraw troops); and

• as of a certain date in a specific country;

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• “at the earliest practical date,” which essentially gives the president leeway to set the date; or

• if certain conditions are met (such as a new authorization) or certain events take place (such as the release of U.S. prisoners of war).

Other non-funding approaches to restrict military operations have

• required that troops be withdrawn by a specified date or at the “earliest practical date;”

• withdrawn funds unless there was a declaration of war or a specific congressional authorization of the war activities; or

• repealed previous congressional resolutions authorizing military activities.

One or both houses may also state a “sense of the Congress,” or non-binding resolution that does not need to be signed by the President, that U.S. military operations should be wound down or ended or forces withdrawn.

While only a handful of provisions have been enacted, congressional consideration of these various limiting provisions did place pressure on the Administration and thus influenced the course of events. For example, the well-known Cooper-Church provision that prohibited the introduction of U.S. ground troops into Cambodia was enacted in early 1971 after U.S. forces had invaded and then been withdrawn from Cambodia. That provision was intended to prevent the reintroduction of troops.66 Although President Nixon did not reintroduce U.S. troops, the United States continued to bomb Cambodia for the next three years.

Later in 1973, Congress passed two provisions that prohibited the obligation or expenditures of “any funds in this or any previous law on or after August 15, 1973” for combat “in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia.”67 The final version of that provision reflected negotiations between the Administration and Congress about when the prohibition would go into effect, with August 15, 1973 set in the enacted version. Bombing did, in fact, stop on that day.

Several well-known proposals that were not enacted—two McGovern-Hatfield amendments and an earlier Cooper-Church amendment—were also part of this Vietnam-era jockeying between the Administration and Congress. One McGovern-Hatfield amendment prohibited expenditure of previously appropriated funds after a specified date “in or over Indochina,” except for the purpose of withdrawing troops or protecting our Indochinese allies, while another also prohibited spending funds to support more than a specified number of troops unless the president notified the Congress of the need for a 60 day extension. The earlier Cooper-Church amendment


prohibited the expenditure of any funds after July 1, 1970 to retain troops in Cambodia “unless specifically authorized by law hereafter.”

Generally, Congress continued to provide funds for U.S. troops in Vietnam at the requested levels as the Nixon Administration reduced troop levels. Overall, funding restrictions have generally proven more effective than the War Powers Act, which has been challenged by the executive branch on constitutional grounds.

Recent Restrictions Proposed

Most recently, as part of the July 1, 2010 debate over the House amended version of H.R. 4899, the FY2010 Supplemental, the House considered three amendments designed to restrict funding or troop levels for the Afghan war. The amendments are similar to some of those proposed during the Vietnam war.

Amendment No. 3 would delete all military funding for the Afghan war, and was defeated 25 to 376.

Amendment No. 4 would limit the obligation and expenditure of funds to the protection and “safe and orderly withdrawal from Afghanistan of all members of the Armed Forces and Department of Defense contractor personnel who are in Afghanistan,” and was defeated 100 to 321.

Amendment No. 5 would require the President to submit a plan for a “safe, orderly, and expeditious redeployment of the Armed Forces from Afghanistan,” along with a “timetable for the completion of that redeployment and information regarding variables that could alter that timetable,” as well as require that none of the funds in the act be obligated or expended “in a manner that is inconsistent with the President’s policy announced on December 1, 2009, to begin the orderly withdrawal of United States troops from Afghanistan after July 1, 2011,” unless the Congress approves a joint resolution that would receive expedited consideration in both houses. This amendment was defeated 162 to 260.

Improving War Cost Estimates and Reporting

GAO, CBO, and CRS have all testified before Congress about the limited transparency in DOD’ war cost estimating and reporting. While DOD has provided considerably more justification material for its war cost requests beginning with the FY2007 Supplemental, many questions

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remain difficult to answer – such as the effect of changes in troop levels on costs—and there continue to be unexplained discrepancies in DOD’s war cost reports.

DOD also now reports the budget authority appropriated for war, the amounts within supplementals or other bills with war funding that DOD does not consider to be war-related and are not included in its monthly obligation reports, the amounts transferred between the base budget and war funding, and amounts that remain unobligated each month by account. This information is useful in tracking war costs.

To provide Congress a better basis for oversight, DOD could:

• provide estimates of the allocations of all budget authority provided for OIF and OEF by account, and compare requests to outlays to date;
• provide past, current, and future estimates of deployed average troop strength – for each operation, and explain how troop strength relates to military personnel and O&M requests, and how that changes as troop levels increase or decrease;
• set up separate appropriation accounts for war funding to create visibility on outlays and increase accuracy;
• explain the rationale and assumptions underlying procurement requests segregating funding by operation and by goals – reset requirements related to replacing combat losses, worn-out equipment not repairable, and other goals such as force protection explaining the rationales, as well as tracking amounts spent;
• show how funding in prior war appropriations may reduce DOD’s baseline requests by funding maintenance or procurement earlier than anticipated;
• estimate future costs under various scenarios.

In its Section 9010 report, the Iraq Metrics Report, and Section 1231 Report on Progress Toward Security and Stability in Afghanistan, the Administration provides Congress with fairly detailed reporting on trends and various metrics for success – ranging from average daily hours of electrical power by province to average weekly attacks on civilians, the size and training levels of Afghan and Iraq Security Forces. These measures, however, are not related to changes in U.S. military costs, which is also not one of the metrics included. Detailed reporting of different military costs and troop levels could be another metric for assessing operations in Iraq, Afghanistan and other counter terror operations.74

### Appendix A. Monthly Boots on the Ground in Iraq and Afghanistan

#### Table A-1. Boots on the Ground in Iraq and Afghanistan by Month

September 2001-September 2010

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**Notes:** Estimates for Iraq reflect DOD press conference cited above.

a. DOD did not send Congress reports for Oct. and Nov. 2008 so CRS interpolated these months.

b. CRS estimates for the rest of FY2010 reflect DOD plans for average strength of 84,000 in Afghanistan. CRS estimates for Iraq are based on a DOD, Press Conference of January 27, 2010, where he said that shortly after the elections (on March 7, 2010), “there’s going to be a pretty steep drop-off to get down to basically six advise-and-assist brigades, under 50,000 forces.” U.S. Status of Forces agreement with Iraq requires that U.S. forces in Iraq are down to 50,000 by August 31, 2010; see also, CRS estimates the months from June to September 2010 by distributing the difference between the reported May 2010 level and the September 2010 endpoint of 50,000 non-combat troops.
# Appendix B. War Appropriations by Public Law and Agency

The table below shows enacted appropriations by act from FY2001-FY2010 Bridge Fund.  

**Table B-1. Defense Department, Foreign Operations Funding, and VA Medical Funding for Iraq, Afghanistan and Other Global War on Terror Activities, FY2001-FY2010 Bridge**  
(in billions of dollars of budget authority)

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<th>Name of Law</th>
<th>Public Law No.</th>
<th>Date Enacted</th>
<th>DOD Funds</th>
<th>State/ USAID</th>
<th>VA Medical</th>
<th>Total cost</th>
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75 NA=Not Applicable. Numbers may not add to totals due to rounding. Totals reflect budget authority for war-related expenses from appropriations and transfers, and exclude contingent appropriations not approved, rescissions that do not affect war-related funds, and transfers that were later restored in supplemental appropriations.
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<th>Name of Law</th>
<th>Public Law No.</th>
<th>Date Enacted</th>
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**Source:** CRS calculations based on public laws, reports, explanatory statements, and DOD documents.

**Notes:** Numbers may not add to totals due to rounding. DOD’s regular appropriations bills included a separate Title IX for additional emergency appropriations for war costs from FY2005 – FY2010 to “bridge” the gap between the beginning of the fiscal year and passage of a supplemental.

a. FY2003 Appropriations Act included $7.1 billion in regular FY2003 defense appropriations for GWOT that DOD cannot track; the FY2004 DOD Appropriations Act rescinded $3.5 billion in FY2003 war monies.

b. Title IX funds in FY2005 do not include a $1.8 billion scoring adjustment that reverses the previous rescission of FY2004 funds because this did not change wartime monies.

c. Reflects funds obligated for Operation Noble Eagle from DOD’s regular appropriations as reported by the Defense Finance Accounting Service.

d. Excludes funds for Tsunami relief.

e. Includes VA medical funds for Iraq and Afghan veterans in emergency funding in Interior bill and in regular VA appropriations.

f. State Department figures for foreign and diplomatic operations; CRS estimates for VA medical.

g. The FY2008 Supplemental included funds for both FY2008 and bridge funds for FY2009.

h. CRS calculations of transfers from DOD’s regular appropriations to war funding based on DOD’s 1414 reports on prior approval reprogrammings, and other sources. From DOD documents, it appears that
DOD transferred about $2.0 billion from its baseline funds to prepare for the Iraq invasion during the summer and fall of 2002 but the source of those funds is not identified.
Appendix C. Estimating War Costs for Iraq and Afghanistan

The figures in the tables in this report largely reflect DOD’s monthly and cumulative Cost of War reports, which track war obligations (contracts signed, orders placed, and military and civilian personnel paid) for Operation Iraqi Freedom (OIF), and Operation Enduring Freedom (Afghanistan), and DOD estimates of its request. CRS has made certain adjustments to include some items that DOD does not capture in its war cost reports (e.g., national intelligence), and to exclude some funding provided in supplements not linked to ongoing operations like childcare centers or barracks improvements.76 Starting in 2009, DOD improved its cost of war reporting to include listing those items that it excludes as not war-related, and tracking transfers between accounts. For these reasons, the total funding levels in this report are not necessarily the same as those reported for supplemental appropriations acts.

CRS uses budget justification material and other data from the State Department for diplomatic operations and USAID programs, and from the Veterans Administration for VA medical costs for OEF/OIF veterans to compile the total funding for war-related activities in Afghanistan and Iraq. CBO has also estimated total war funding, excluding some funds appropriated in supplements that are not war-related. CRS and CBO estimates are generally close.77

GAO has raised questions about whether DOD war cost reporting accurately captures the split between Afghanistan and Iraq, noting that the services have considerable difficulty in allocating funds between the two operations, and have tended to overstate the amounts attributable to Iraq “since it is viewed as the larger of the two operations . . .”78 This is particularly the case with procurement funding which peaked in FY2008 at over $60 billion.

Judging the overall accuracy of DOD-reported war obligations is problematic because other sources are not available.

76 See for example, Table 1 in FY2009 Supplemental Justification, DOD, Overseas Contingency Operations Request, FY2009 Supplemental: Summary Justification Material, April 2009; http://www.defenselink.mil/comptroller/defbudget/fy2009/Supplemental/FY2009_Supplemental_Request/pdfs/ FY_2009_Supplemental_Request_04-08-09.pdf. In some cases, CRS and DOD differ about what is considered to be war-related. For example, DOD excludes Congressional adds for C-17 aircraft, a transport aircraft that has seen heavy use in Afghanistan and Iraq. CRS includes those funds on the basis that additional purchases may be needed because aircraft may not last as long as anticipated because of their heavy use. CRS war cost estimates also exclude funding in supplements for other emergency programs such as additional food aid, military and economic assistance to Pakistan, and foreign assistance activities in several African countries.

77 See for example, Box 1-1, CBO, The Budget and Economic Outlook: An Update, September 2008, p. 13. For DOD, see Office of the Secretary of Defense, Comptroller, “Cost of War Update as of February 28, 2009;” p. 6. DOD justification material for its FY2007 and FY2008 war requests shows that budget authority for war fell $2 billion short in FY2001 and $4 billion short in FY2004—a gap presumably met by transferring funds from its regular appropriations. CRS added $2 billion to its estimates to reflect these funds. Specifically, CRS calculations of DOD funding include some $5 billion appropriated for GWOT in FY2003 in P.L. 107-48, and about $10 billion in transfers from DOD’s baseline appropriations that were transferred to meet war needs, as well as intelligence and other funding not tracked by DOD.

Appendix D. Reset and Higher Force Levels

Another major war cost issue that has arisen and may re-surface is the amount of funds needed to “reset” or restore the services’ equipment to pre-war levels. The largest single reason for the increase in war costs between FY2004 and FY2008 was the amount requested and received by DOD for reset. While repair and replacement costs might be expected to grow over time as operations wear down equipment, much of the growth from FY2006-FY2008 reflects a policy decision to broaden the definition of what was considered a war-related cost.\(^79\)

If the FY2010 supplemental is approved, DOD will have requested and received about $151 billion for reset, defined as the “process of bringing a unit back to full readiness once it has been rotated out of a combat operation,” by repairing and replacing equipment and retraining troops.\(^80\) Another $21 billion is requested in FY2011. Generally, about half of this funding has been for repair and half for purchasing new equipment.

DOD Changes Definition of War Costs

From the mid 1990s until 2006, DOD’s financial regulations defined the cost of contingencies to include only incremental costs directly related to operations. Until October 2006, that guidance was largely used by the services to prepare their estimates for Iraq and GWOT. The guidance required that the service show assumptions about troop levels, operational tempo, and reconstitution and limit requests to incremental costs—“that would not have been incurred had the contingency operation not been supported.” Investment requests are also to be incremental and included “only if the expenditures were necessary to support a contingency operation.”\(^81\) (Little of this information was provided to Congress in DOD’s requests.) The services are to repair equipment if economical or replace it if replacement costs almost as much as repair.

In the July 19, 2006 guidance to the services for developing the FY2007 Supplemental and FY2008 war cost requests, these strictures were reiterated. That guidance also prohibited including Army modularity “because it is already programmed in FY2007 and the outyears,” and warned that the services would have to demonstrate that investment items were “directly associated with GWOT operations,” rather than to offset “normal recurring replacement of...


equipment.” In addition, the services would have to show that reset plans were executable in FY2007, presumably the last several months of the fiscal year.

On October 25, 2006, Deputy Secretary of Defense Gordon England issued guidance for requesting war funds to the services, requiring them to submit new requests within two weeks that reflected the “longer war on terror” rather than strictly the requirements for war operations in Iraq, Afghanistan and other counter-terror operations. Such a substantial change would be expected to reflect guidance from the Secretary of Defense, the Office of Management and Budget, and the President. This new definition appeared to have paved the way for including a far broader range of requirements particularly since the needs of the “longer war” were not defined.

Since the war on terror is now considered part of DOD’s national strategy, some might argue that these types of expenses should be included in DOD’s regular budget where they would compete with other defense needs.

Front Loading Reset Funding

The FY2007 Supplemental included an additional $14 billion for reset—the replacement of war-worn equipment. DOD’s request appeared to front load (or fund in advance) DOD’s reset requirements, a fact acknowledged by then-OMB Director Robert Portman in recent testimony. According to DOD figures, Army and Marine Corps reset requirements were fully met in the enacted FY2007 fund when Congress provided $23.7 billion for Army and Marine Corps reset costs, the amount that the services said was needed.

As substantial amounts of equipment were sent back to the United States for repair, the Army and Marine Corps could compare its previous estimates with experience. The FY2007 Supplemental and the FY2008 war request both appear to include an extra year of Army and Marine Corps reset requirements. According to 2007 statements by Army Chief of Staff, General Peter J. Schoomaker, and other military spokesman, Army reset is estimated to be $12 billion to $13 billion a year as long as the conflict lasts at the current level and “for a minimum of two to three years beyond.” According to 2006 testimony by Marine Corps Commandant, General Michael

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86 Testimony of OMB Director Robert Portman before the House Budget Committee, Hearing on the FY2008 DOD Budget, February 6, 2007, p. 41 of transcript.
87 See table inserted by Senator Stevens in Congressional Record, August 2, 2006, p. S8571 showing $23.7 billion for reset, including $14 billion in procurement; total funded also provided $4.9 billion for unfunded FY2006 requirement; see also DOD’s Report to Congress, Long-Term Equipment Repair Costs, September 2006.
Hagee, their requirements are about $5 billion a year for a total of about $17 billion for the two services most heavily affected. It is not clear whether these estimates are or remain valid.

DOD estimated that reconstitution would total $37.5 billion in FY2007 and $46 billion in FY2008, which was largely supported by Congress in FY2007. The front loading of requirements may have been an attempt by the services to avoid being in the position of requesting reset funds after U.S. troops started to withdraw. While Congress endorsed most of the repair piece of reconstitution (funded in O&M) in the $70 billion FY2008 fund, only $6 billion of procurement monies related to reconstitution was included.

**Carryover of DOD War Investment Funding**

DOD’s procurement requests for reconstitution may be less urgent than apparent because DOD has carried a substantial amount of war-related investment funds from previous appropriations – for example, a $45 billion carryover from previous years that had not been obligated or placed on contract – as of the beginning of FY2008. Because investment funding is available for two to three (RDT&E for two years, procurement and military construction for three years), some of the funds may be obligated beyond the first year as contracts are written and processed.

DOD continues to have a substantial backlog of unobligated procurement monies. For example, DOD received $6 billion in P.L. 110-252 on June 30, 2008, and $25.8 billion in June 24, 2009 for FY2009 war-related procurement. As of April 30, 2010, about 40% of FY2009 procurement funds remain unobligated.

**Accuracy and Expansion of Reconstitution Requests**

Although reset requirements reflect the stress on equipment from operations, it is not clear that the services checked the accuracy of previous estimates. In 2007, GAO testified that the Army, with the largest reset requirement, could not track reset or ensure that funds appropriated for reset were in fact spent for that purpose, making it more difficult to assess the accuracy of DOD’s requests. In addition, presumably much of the equipment that is being repaired because of war operations, was originally slated for repair or replacement at a later date, and so is being repaired or replaced sooner than anticipated. That could mean DOD’s baseline budget could be reduced to offset war funding already provided.

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90 Congress also provided $16.8 billion to buy and support MRAPS, a force protection request not related to reconstitution; see December 18, 2007 Congressional Record, p. S15858 for procurement items funded in the FY2008 included in Division L of the FY2008 Consolidated Appropriations Act.


Reset requirements may also be uncertain because the number of troops and the nature of operations may change. Service estimates of requirements have changed in recent years. In a September 2006 report to Congress, for example, annual reset requirements in FY2008 were estimated to be $13 billion for the Army and about $1 billion for the Marine Corps.94 Several months earlier in the spring of 2006, the Army estimated that reset requirements would decrease from $13 billion a year to $10.5 billion a year for the next two years and then decline to $2 billion a year if troops were withdrawn over a two-year period.95

A year earlier, in March 2005, CBO estimated that annual repair and replacement costs would run about $8 billion a year based on the current pace of operations and service data.96 In a 2007 report, CBO estimated that 40% of the Army’s war requests were not directly for reset needs.97 More recently, use of equipment in Iraq may be less intense than previously as U.S. troops predominantly adopt advisory and assistance rather than combat roles.

DOD’s earlier definition of reset included not only replacing battle losses (typically about 10% of the total), equipment repair (about half of the total), and also recapitalization that typically upgrades current equipment, and repair and replacement of prepositioned equipment stored overseas that has been tapped to meet war needs. The Army had been planning to recapitalize equipment and modernize prepositioned equipment stocks to match the new modular designs as part of its ongoing modernization. For this reason, the case for these expenses as incremental wartime requirements has proven questionable.

Modularity as an Emergency Expense

The distinction between war-related and regular funding was also been made murky by DOD requests to treat conversion of Army and Marine Corps units to new standard configurations—known as modularity and restructuring—as a war requirement. In a 2007 report, for example, the Army acknowledged that “since modularity requirements mirror the equipment requirements the Army already procures for its units, the ability to precisely track modularity funds is lost.”98

At DOD’s request, Congress agreed to provide $5 billion in the FY2005 and in FY2006 supplements for converting units with the understanding that DOD would move these funds back to its regular budget in later years. The FY2007 Supplemental again included $3.6 billion to convert two Army brigade teams and create an additional Marine Corps regimental combat team, highlighting the issue of whether funds within DOD’s regular requirements are being shifted to emergency funding. The FY2008 war request also included $1.6 billion to accelerate the creation of more modular brigades plus additional funds for equipping them.99

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DOD argued that these costs should be considered war-related because having more modular units makes it easier to rotate units to the war zone and hence would extend the time between deployments giving soldiers more time at home, or “dwell time,” and hence improving readiness. This conclusion has been questioned in studies by CBO and RAND. Both studies found that modularity would only marginally improve rotation schedules. CBO estimated that the Army’s modularity initiative would only make available an additional 6,000 to 7,000 troops. DOD does not estimate the effect of either its previous or new funding for modularity on the amount of time soldiers have at home between deployments.

Congress included the funds in the FY2005 and FY2006 war appropriations acts with some reluctance (effectively giving the Army more room in its regular budget for two years) based on an understanding with DOD that this funding would return to the regular budget after FY2006 and that $25 billion was set aside for the Army in future years to cover these costs. Congress appears to have approved these costs in FY2007 as well.

**Growing the Force as a War Cost**

Previously, Congress has provided funding to cover “overstrength” or the cost of recruiting and retaining additional personnel above the Army’s pre-war end strength of 482,000 and the Marine Corps end strength of 175,000. DOD has argued that these increases were required to reduce the stress on forces and that the increases would be temporary. In January 2007, the President announced plans to permanently increase the size of the Army and Marine Corps by 92,000 over the next six years including the almost 30,000 additional personnel already on board.

The FY2007 Supplemental included $4.9 billion to cover the military personnel cost of additional troops plus $1.7 billion for equipment and infrastructure for the forces to be added in FY2007. DOD promises that funding to equip future increases in the force would be funded in the regular budget starting in FY2009.

In a reversal of its previous position, DOD argued that the Army and Marine Corps need to be permanently expanded by 92,000 by 2012. The President’s proposal marks a major change and appears to assume that the United States needs to be able to deploy substantial numbers of troops on a permanent basis. CBO estimates that adding two divisions to the Army—roughly equivalent to the President’s proposal—would require an additional $108 billion between FY2008 and FY2017, a major investment. With the new guidance adopted in February 2009 that restricts war funding to costs strictly tied to overseas contingency operations, these would not be considered appropriate war costs.

(...continued)


DOD is currently including as a war cost $1.4 billion to cover the cost of an additional 22,000 service members added by the Army and Navy to reduce the stress on deploying troops and offset the effect of ending the policy of stop-loss, where deployed service members were retained beyond their enlistment periods. DOD is presenting this as a temporary increase to be reversed as withdrawals pick up pace in Iraq. Members could be concerned that this increase could end up becoming permanent.

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