FY2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities

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Summary

On February 14, 2005, President Bush submitted an $81.9 billion supplemental appropriation request for FY2005 (subsequently amended to total $82.04 billion) to provide funds for ongoing military operations in Iraq and Afghanistan, the "global war on terror," reconstruction in Afghanistan, Tsunami relief and rehabilitation, and other activities. As the fifth supplemental of the Bush Administration to focus on the "global war on terrorism" and homeland security, these supplemental funds for FY2005 would be in addition to the $25.7 billion received in August 2004 as part of the FY2005 DOD Appropriations Act to cover war-related costs for the initial months of the fiscal year (P.L. 108-287).

The Administration's request included $74.96 billion for the Department of Defense, $5.6 billion for reconstruction and other foreign aid, $950 million for Tsunami relief, and $770 million for other activities. If enacted as an emergency appropriation, as requested, the funds would not be subject to limits in annual budget resolutions but would add to the size of the U.S. budget deficit. Taking into account the funds already provided, DOD's request would bring its FY2005 total appropriation to about $100 billion, which is over 45% higher than the amount provided in the FY2004 supplemental (P.L. 108-106).

While OMB Director Joshua Bolten argued that the request was an emergency for "known and urgent requirements," that could not be met with existing funds, some Members questioned whether this characterization fit some elements in the request. Some questioned whether the $5 billion requested by the Defense Department for the Army's initiative to re-organize Army units was an unanticipated emergency since it was announced in the fall of 2003; others argued that the initiative was a war-related expense because it was expected to relieve war-induced stress on Army forces. For foreign aid and Iraq diplomatic facilities, the issue was whether the requests represented true emergencies or could wait for later consideration. If not dealt with in the FY2005 supplemental under an "emergency" designation, however, these foreign policy items could be added to the pending FY2006 international affairs appropriation bills and would place additional pressure on the Administration to defend an already sizable foreign policy increase proposed for next year.

Another controversial issue was the Administration's proposal to place policy authority and control of funding with the Defense Department rather than the State Department to train and equip Afghan and Iraqi security forces. The Administration also requested $400 million for contingency funds related to the war on terror and $200 million in aid to the Palestinian Authority, both of which raised concerns.

The conference agreement on H.R. 1268 passed the House on May 5 (368-58) and the Senate on May 10, providing $82 billion in supplemental funding, the same overall amount requested, but with many changes in program allocations and the additional of immigration legislation. President Bush signed the measure on May 11, when it became P.L. 109-13.

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Most Recent Developments

On May 3, House-Senate conferees concluded negotiations on H.R. 1268, the emergency FY2005 supplemental appropriation, agreeing to an $82 billion total. The House passed the conference agreement on May 5 (368-58), followed by the Senate on May 10 (100-0). President Bush signed the bill (P.L. 109-13) on May 11. As approved, the $82 billion conference agreement is roughly the same as the President's overall request, but with numerous changes in funding allocations and policy provision, including the attachment of immigration legislation. On April 21, the Senate passed H.R. 1268 (S.Rept. 109-52), providing $81.3 billion, about $780 million less than the President's $82 billion request and about $80 million below the House level. The House approved its bill on March 16 (H.Rept. 109-16).

P.L. 109-13 provides $75.86 billion for the defense-related portion, about midway between the House total of $76.83 billion and the Senate total of $74.78 billion which was close to the Administration's request. The enacted bill provides higher benefits to survivors of those who die and have died in combat or combat-related activities. For State Department and foreign aid programs, the final measure falls about $500 million, or 8%, below the President's request for new appropriations. A $1 billion rescission of previous aid to Turkey brings the "net" foreign policy total to $1.5 billion less than proposed. The conference bill is slightly higher than amounts approved by the Senate, and $450 million more than included in the House bill for international affairs. P.L. 109-13 fully or nearly fully funds the U.S. embassy in Iraq, contributions to U.N. peacekeeping missions, and humanitarian assistance for the Darfur region of Sudan, and adds over $150 million for global food aid needs, general Africa refugee relief requirements, and support for Haiti.

The enacted bill includes most of the House-proposed provisions from H.R. 418, the REAL ID Act of 2005, which sets minimum standards for state-issued drivers licenses that can be accepted for federal purposes (e.g., to board aircraft); expands the scope of terror-related activity that makes an alien inadmissible or deportable and tightens criteria for asylum, and allows the Secretary of Homeland Security to waive all laws in order to construct barriers at U.S. borders.[1] P.L. 109-13 also includes the Mikulski amendment proposed by the Senate that would permit additional non-agricultural seasonal workers in FY2005 and FY2006.

Overview and Context of the FY2005 Supplemental

The FY2005 supplemental is the fifth of the Bush administration to focus on the global war on terrorism and homeland security. As emergency funding, these requests have not been subject to limits on spending in annual budget resolutions. In the case of both foreign assistance and Defense Department appropriations, some funding to combat terrorism has been included in regular as well as previous supplemental appropriations acts.

[1] See CRS Report RL32754, *Analysis of Provisions in H.R. 418, the REAL ID Act of FY2005*, by (name redacted), Mikyung Lee, Todd Tatelman, and (name redacted).

Previous Funding for the "Global War on Terror"

Thus far, in response to Administration requests, Congress has provided $268.7 billion in emergency supplemental funding for the "global war on terror," including military operations in Iraq and Afghanistan, enhanced security for defense installations, and foreign aid spending for reconstruction in Iraq and Afghanistan and related activities.[2] If enacted, this request would bring the total amount of war-related funding in this administration to $350.6 billion. The bulk of these funds have been and continue to be for military operations as the United States enters its fourth year of operations in Afghanistan and its third year of operations in Iraq.[3]

In addition to the FY2005 supplemental request, funds for the Department of Defense (DOD) have been provided for Iraq and Afghanistan and the "global war on terror" in four previous supplementals as well as regular appropriations acts.[4] For DOD, funds provided by Congress for the period FY2001 thru FY2004 totaled $176.2 billion. Congress also appropriated $25 billion to cover war costs in the initial months of FY2005 as well as any shortfalls in FY2004. DOD obligated $2 billion of those funds in FY2004. Thus, the total cost projected by DOD for FY2005 is $98 billion—$23 billion already provided and $74.9 billion requested. That total is over 45% higher than the $64.9 billion provided to DOD in the FY2004 Supplemental. If Congress provides the monies requested, DOD would have received between FY2001 through FY2005, a total of $276 billion for these missions. With the funds included in the conference bill, DOD would have received between FY2001 through FY2005, a total of about $277 billion for these missions.[5]

Table 1. Main Elements in FY2005 Emergency Supplemental

(billions of dollars)

Department/Category	Request	House Passed	Senate Passed	Conf.
Supplemental TOTAL	**82.04**	**81.37**	**81.22**	**82.04**
Defense Total	**74.96**	**76.81**	**74.78**	**75.86**
Military personnel	16.87	17.07	17.53	17.45
Operation and Maintenance/other	32.88	32.47	32.25	32.11
Tsunami relief	0.23	0.23	0.23	0.23
Train and Equip Afghan Security Forces	1.29	1.29	1.29	1.29
Train and Equip Iraqi Security Forces	5.70	5.70	5.70	5.70
[Support for Allies][a]	[2.00]	[1.50]	[1.97]	[NA]
[Army and Marine Corps Restructuring][b]	[5.30]	[5.30]	[5.30]	[5.30]

[2] This includes $40 billion in P.L. 107-38 and P.L. 107-117, $23.9 billion in P.L. 107-206, $78.5 billion in P.L. 108-11, $7.1 billion in P.L. 107-248, $10 billion in P.L. 108-7, $86.8 billion in P.L. 108-106, $25.7 billion in P.L. 108-287, less rescission of $3.5 billion in P.L. 108-87.

[3] DOD's war-related funding totals $201.2 billion; see CRS Report RS21644, *The Cost of Operations in Iraq, Afghanistan, and Enhanced Security*, by (name redacted).

[4] DOD received $7.1 billion in the FY2003 DOD Appropriations Act, P.L. 107-248, $10 billion in FY2003 Consolidated Appropriations Act, and $25 billion in P.L. 108-287, the FY2005 DOD Appropriations.

[5] For more information on war costs, see CRS Report RS21644, *The Cost of Operations in Iraq, Afghanistan, and Enhanced Security*, by (name redacted).

Department/Category	Request	House Passed	Senate Passed	Conf.
Procurement	16.14	18.23	16.09	17.38
Research, Dev., Test & Evaluation	0.46	0.51	0.55	0.63
Military Construction [c]	1.40	1.32	1.15	1.13
Rescission—Iraq Freedom Fund [d]	0.00	0.00	0.00	(0.05)
Foreign Policy Total	**6.29**	**3.92**	**4.74**	**4.78**
Iraqi Embassy: mission ops & construction [e]	1.37	1.31	0.90	1.28
Afghan reconstruction, counternarcotics	2.05	1.41	2.04	1.78
Sudan/Darfur	0.34	0.38	0.75	0.37
Tsunami Recovery and Reconstruction[f]	0.70	0.66	0.66	0.66
Aid to partners in global war on terrorism	0.75	0.35	0.58	0.58
Palestinian aid [g]	0.20	0.20	0.20	0.20
Other peacekeeping and foreign aid	0.88	0.62	0.61	0.91
Rescission prior foreign aid appropriations	-.-	(1.00)	(1.00)	(1.00)
Other	**0.79**	**0.64**	**1.70**	**1.39**
Defense Nuclear Nonproliferation	0.11	0.11	0.11	0.08
Immigration and Customs/Border security	-.-	-.-	0.81	0.64
Coast Guard	0.16	0.16	0.16	0.16
Dept of Justice: FBI, BATF, IG, US Marshals	0.08	0.09	0.09	0.23
DEA—Afghanistan	0.01	0.01	0.01	0.01
Tsunami warning system	0.02	0.02	0.03	0.03
Director of National Intelligence (DNI)	0.25	0.25	0.25	0.25
Capitol Police/Architect of the Capitol	0.06	-.-	0.05	0.02
House S&E	-.-	-.-	-.-	0.04
Natural disaster aid for domestic needs	-.-	-.-	0.17	0.13
Judiciary—additional case workload	0.10	-.-	0.06	-.-
HHS vaccine production	-.-	-.-	0.01	0.01
CDC-influenza countermeasures	-.-	-.-	-.-	0.06
HHS rescissions	-.-	-.-	(0.01)	(0.07)
Other rescissions	-.-	-.-	(0.04)	(0.20)

Sources: OMB, Request for FY2005 Supplemental, February 14, 2005. http://www.whitehouse.gov/ omb/budget/amendments/supplemental_2_14_05.pdf; Department of Defense, FY2005 Supplemental request for Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF), and Operation Unified Assistance, February 2005 (hereinafter, DOD, FY2005 Justification). http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf; OMB Request for FY2005 Supplemental for Legislative and Judicial Branches, March 2, 2005.

Note: Totals may not add due to rounding. Figures in "[ ]" are subsets of other totals.

a. Includes funds for coalition support for Jordan, Pakistan, and other countries aiding in the global war on terror, plus "lift and sustain" funds for unspecified allies.

b. Total cost of Army modularity and Marine Corps restructuring, primarily procurement of equipment for new units; costs are included in the relevant appropriation title.

c. Includes funds for military construction to support Army and Marine Corps restructuring.

d. Sec. 1033 rescinds $50 million; Sec. 1035 provides an additional $50 million for classified programs.

e. H.R. 1268, as passed by the House, included $592 million for a new U.S. embassy in Baghdad. However, an amendment adopted during floor debate prohibited the use of any funds in the bill for embassy security, construction, and maintenance. The Senate measure provided $592 million with no restriction on the monies use. The Senate bill further reduced U.S. mission operations in Iraq and Afghanistan by $400 million but did not specify how much should be drawn from either mission. This table reduces the entire amount from Iraq.

f. Excludes $250 million in non-foreign policy funds.

g. The Senate bill and the conference agreement include a set-aside of $50 for Israel.

On the foreign policy side, the supplemental increases the U.S. foreign policy budget from $29.7 billion enacted in FY2005 to $34.5 billion, an increase of 16%. It would also pushes the FY2005 amount above the $33.6 billion international affairs budget request for FY2006. Except for FY2004, which included the $18.5 billion Iraq reconstruction aid package, the FY2005 total—both the regular and the supplemental—represent the largest foreign policy budget, in real terms, since fiscal 1985, and is roughly 41% higher than the international affairs budget (nominal) immediately prior to the 9/11 attacks.

Main Elements in the FY2005 Request

Table 1 provides an overview of the request. This table does not include the funding already received by DOD for war-related costs for FY2005, which is shown in later tables.

Defense Request

The DOD request included $16.9 billion for military personnel and $32.5 billion for operations and maintenance that together total $44.9 billion. Of that total, about $35.5 billion is directly associated with operations in Iraq and $9.4 billion with Afghanistan according to the Defense Department justification material. In addition, the request included $5.7 billion to train and equip Iraq's security forces and $1.3 billion for Afghanistan's security forces. Including those funds, the total for Iraq was $41.2 billion and for Afghanistan, $10.7 billion.

DOD did not allocate the remaining funds by mission—e.g. for depot maintenance or recruiting and retention, additional military personnel or Army and Marine Corps restructuring. About $5 billion of DOD's procurement request was for the Army's modularity initiative, and the Marine Corps restructuring, both designed to create additional units, which can be more easily deployed independently. The remainder of DOD's procurement was for a variety of items to upgrade primarily Army units, as well as $2.7 billion for force protection items; the request also included $5.0 billion for classified programs (see **Table 1**).

Foreign Policy Request

The President's request for $6.3 billion in FY2005 supplemental funding would support a broad range of foreign policy activities:

- U.S. diplomatic costs in Iraq

- Afghanistan reconstruction and counternarcotics programs
- Darfur humanitarian relief and peace implementation aid for Sudan
- War on Terrorism assistance, including funds for Jordan and Pakistan
- Palestinian aid
- Ukraine assistance
- U.N. peacekeeping contributions
- Broadcasting programs in the Middle East
- Tsunami recovery and reconstruction

Other Supplemental Requests

The Administration's supplemental request also included several additional items addressing homeland security and global war on terrorism matters:

- Defense Nuclear Nonproliferation—$110 million for the deployment of radiation detection equipment and the training of law enforcement personnel at four overseas posts designed to provide officials with the means to detect, deter, and interdict illicit trafficking in nuclear and other radioactive materials.
- Coast Guard operating expenses—$112 million to finance Coast Guard port security and law enforcement capabilities in the Persian Gulf, and $49 million for acquisition, construction, and improvements for a major refit, renovation, and subsystem replacement of the Coast Guard's 110-foot Patrol Boats.
- FBI—$80 million to expand the Terrorist Screening Center and to cover costs of FBI personnel stationed in Iraq.
- Drug Enforcement Administration—$8 million to support DEA's participation in the Counternarcotics Implementation Plan for Afghanistan; and
- Director of National Intelligence (DNI)—$250 million for additional personnel and a new building for the new DNI who is to oversee the intelligence budget.
- Capitol Police—$60 million, as requested by the Legislative Branch.[6]
- The Judiciary—$100 million, as requested by the Judiciary Branch, for costs associated with additional case workload.[7]

Immigration Provisions—Congressional Action[8]

The Administration did not include any immigration provisions in its requests, but in floor debate, the Senate focused on three proposals, adopting the Mikulski amendment to increase visas for foreign temporary non-agricultural workers and failing to vote cloture and limit debate on the

[6] This request was submitted on March 2, separate from the balance of the supplemental proposal.

[7] This request was also submitted on March 2, separate from the balance of the supplemental proposal.

[8] This section was written by CRS analysts, (name redacted) and Ruth Wasem. See CRS Report RL32044,*Immigration: Policy Considerations Related to Guest Worker Programs*, by (name redacted).

Chambliss and Craig amendments, which proposed alternative approaches to dealing with foreign agricultural workers. The Senate also adopted floor amendments on border security funding and employment-based immigration.

For its part, the House included the Real ID Act, which, among other things, tightens standards for asylum and creates standards for drivers licenses when they are used as a form of federal identification, provisions that could affect immigrants. The Senate-passed bill did not include the REAL ID Act. The conferees retained the immigration provisions passed by both chambers, with some re-working of certain provisions as discussed below.

Real ID Act

The House-passed version of H.R. 1268 contained many of the immigration provisions that had been in the House-passed Intelligence Reform and Terrorist Prevention Act of 2004 passed in the 108th Congress that were dropped in the final version (P.L. 108-454). Passed by the House on February 10, 2005, the Real ID Act of 2005 (H.R. 418) included those House provisions which were then added to the House version of H.R. 1268.[9]

Among other things, the REAL ID Act provisions makes the following major changes:

- modify the eligibility criteria for asylum and withholding of removal, a specific form of deportation that assumes that the alien would be persecuted if forced to return to the country he or she fled;
- limit judicial review of certain immigration decisions;
- eliminate the Breach Bond Account which is used to fund detention of aliens who violate the law and institute new practices for bonds aimed at assuring the appearance of aliens for removal;
- provide additional waiver authority over laws to ensure the expeditious construction of barriers and roads along land borders, including a 14-mile wide fence near San Diego;
- expand the scope of terror-related activity making an alien inadmissible or deportable, as well as ineligible for certain forms of relief from removal;
- require states to meet certain minimum security standards in order for the drivers' licenses and personal identification cards they issue to be accepted for federal purposes; and
- require the Secretary of Homeland Security to enter into its aviation security screening database the appropriate background information of any person convicted of using a false driver's license for the purpose of boarding an airplane.

The conferees generally accept the Real ID Act, but modify the asylum and withholding of removal, a type of deportation, and dropped the section on bonds. The compromise more closely follows current standards that allow asylum seekers to demonstrate multiple motives for their persecution. The compromise also eliminates an annual 10,000 cap on the number of asylum

[9] For a legal analysis of H.R. 418, see CRS Report RL32754, *Immigration: Analysis of the major Provisions of H.R. 418, the REAL ID Act of 2005* by Michael Garcia, (name redacted), and Todd Tatelman.

recipients who can become legal residents. The REAL ID Act provisions are in Division B of the conference report.[10]

Mikulski Amendment

Senator Barbara Mikulski offered an amendment based on the "Save Our Small and Seasonal Businesses Act" (S. 352). The Mikulski amendment increases the availability of visas for foreign temporary nonagricultural workers, known as H-2B workers, by exempting returning H-2B workers from the statutory cap of 66,000 annually, if the workers have already been approved and successfully held the H-2B visa in the past three years. This provision would expire at the end of FY2006.

The Mikulski amendment would cap at 33,000 the number of H-2B slots that would be available during the first six months of a fiscal year. It also would require DHS to submit specified information to Congress on the H-2B program on a regular basis. In addition, the Mikulski amendment would impose a new fraud-prevention and detection fee on H-2B employers, and would authorize DHS to impose additional penalties on H-2B employers in certain circumstances.[11] On April 19, the Senate voted to invoke cloture and limit debate on the Mikulski amendment and then passed the amendment, as modified, by 94-6. The Mikulski amendment is Title IV of Division B of the conference report.

Additional Visas

The conferees include two Senate-adopted amendments to revise immigration law pertaining to employment-based immigration. One of these amendments reserves 10,500 of the 65,000 temporary H-1B visas available annually for Australian nationals to perform services in specialty occupations under a new E-3 temporary visa. The other amendment would make up to 50,000 permanent employment-based visas available for foreign nationals coming to work as nurses. These amendments are §501 and §502, respectively, of Division B, Title V, of the conference report.

Additional Funds for Border Security and Immigration Control

The conferees include $176 million for additional border patrol and $454 million for immigration enforcement activities in response to the recommendation of the 9/11 Commission and action by the Senate.[12] The House bill did not include these funds.

Craig Amendment, AgJOBS Bill

Provisions proposed by Senator Craig, and based on S. 359, the "Agricultural Job Opportunities, Benefits, and Security Act of 2005" (AgJOBS bill) were not included in the Senate bill. The provisions would streamline the process of bringing in foreign workers under the H-2A temporary

[10] For more information, see CRS Report RL32621, *U.S. Immigration Policy on Asylum Seekers* by (name redacted).

[11] For more information, see CRS Report RL32621, *U.S. Immigration Policy on Asylum Seekers* by (name redacted).

[12] See *Congressional Record*, April 20, 2005, pp. S3966, 3983, 3988, 4079, 4084.

agricultural worker program but the Senate failed to invoke cloture and limit debate, an action requiring 60 votes and the amendment was determined to be non-germane.

Chambliss Amendment

Senator Saxby Chambliss offered an amendment to H.R. 1268 entitled the "Temporary Agricultural Work Reform Act of 2005" that was also not included in the Senate bill. Like the Craig amendment, the Chambliss amendment would streamline procedures for bringing in H-2A workers, and create a new temporary worker program, called the "blue card program," which would be open to current unauthorized agricultural workers who have been in the United States since April 1, 2005, and meet other requirements. On April 19, the Senate failed to invoke cloture and limit debate on the Chambliss amendment by a vote of 21 to 77 and the amendment was determined to be non-germane.

Cross-Cutting Issues in the FY2005 Supplemental

While Members raised concerns regarding individual elements of the supplemental request, two matters cut across both the defense and foreign policy portions of the proposal: 1) funds for Iraq and Afghanistan security forces; and 2) "emergency" designation of selected requests.

Iraq and Afghanistan Security Forces Fund

Within the Defense Department portion of the supplemental, the Administration requested $1.3 billion for Afghan security force assistance and $5.7 billion for Iraq security forces. These funds would support training, equipping, and deploying of military, protective services, and border personnel, and in the case of Iraq, police training. The resources would be provided to and solely under the authority of the Secretary of Defense to transfer to the Combined Forces Command—Afghanistan and to the Multi-National Security Transition Command—Iraq. Although the Defense request included some general allocations of where funds would be spent, it did not include any details about plans for the number or type of forces, or the schedule anticipated for training Iraqi or Afghan forces and in the request, all the funds would be available for any expense related to training and equipping of those forces until funds are expended. This request was similar to other recent DOD requests for flexibility to use funds for a general purpose, such as support of allies in or around Iraq and Afghanistan.

Although most of the past Iraq security forces assistance has been managed on the ground by the Defense Department, the authority and control of funds remained initially with the Coalition Provisional Authority (CPA), whose head reported to the Secretary of Defense, and since June 28, 2004, with the State Department. The supplemental proposal would shift this authority from the Department of State to DOD, and move funds from the jurisdiction of the Foreign Operations Appropriations Subcommittees to the Defense Subcommittees.

In approving $18.4 billion for the Iraq Relief and Reconstruction Fund (IRRF) in P.L. 108-106, the FY2004 Emergency Supplemental Appropriation, Congress earmarked $3.2 billion for security and law enforcement activities. As security challenges increased through the first half of 2004 and the January 2005 Iraq elections approached, the Administration, in September 2004, sought to re-prioritize IRRF spending allocations to shift funds from lower priority activities to more urgent, immediate needs. The White House proposed an increase for security and law

enforcement programs to $5.05 billion. Because the proposed transfers exceeded authorities provided in P.L. 108-106, the Administration needed congressional approval. Congress granted these transfers in P.L. 108-309, the first Continuing Appropriations for FY2005.

Since late 2004, the Administration has programmed the Iraq security and law enforcement funds to address a number of key activities, primarily managed by the Defense Department, but with some responsibility granted to the Departments of State and Justice and USAID:

- Police training and technical assistance—$1.8 billion (Departments of State, Defense, and Justice).
- Border enforcement—$ 441 million (DOD).
- Facilities Protection Service—$53 million (DOD).
- Iraqi Armed Forces (IAF) facilities—$691 million (DOD).
- IAF equipment—$641 million (DOD).
- IAF training and operations—$433 million (DOD).
- Iraqi National Guard operations and personnel—$232 million (DOD).
- Iraqi National Guard equipment—$92 million (DOD).
- Iraqi National Guard facilities—$359 million (DOD).
- Iraqi Security Forces Quick Response program—$120 million (DOD).
- Commander's Humanitarian Relief and Reconstruction—$86 million (DOD, Multinational Force-Iraq, and USAID).

For Afghanistan, security assistance funding since early 2002 has been provided exclusively through the Foreign Operations Subcommittee regular Foreign Military Financing (FMF) and Peacekeeping (PKO) accounts. FMF aid finances the acquisition of military articles, services, and training, supports U.S. regional stability goals, and enables friends and allies to improve their defense capabilities. Policy direction and funding allocations fall under the responsibility of the State Department, while DOD executes the program on the ground. Broadly, PKO activities support non-U.N. voluntary operations, but in the case of Afghanistan, Peacekeeping appropriations have been used to pay Afghan National Army (ANA) salaries. Thus far, Congress has appropriated over $1.1 billion in FMF and PKO support for Afghanistan, FY2002-2005. Similar to Iraq security assistance, FMF funds have focused on ANA training and equipping. Unlike the Iraqi program, Afghan police training and support has been funded separately out of the State Department's International Narcotics Control and Law Enforcement (INCLE) account, and would remain under the State Department's jurisdiction under the supplemental proposal. The supplemental, however, seeks to shift the source of ANA training and equipping from FMF/PKO accounts to DOD resources, and to place authority of the program under the Secretary of Defense rather than the Secretary of State.

During early review of the supplemental proposal, a number of concerns were raised about this shift from the State Department to DOD for funding and management of Iraqi and Afghanistan security forces assistance. Some noted that this diverges from long-standing, historical practice of State Department and country ambassador control of a key foreign policy tool in U.S. relations with allies and other partner nations. While defense personnel may implement the programs,

some argued that it was important to maintain civilian authority over the program, especially over foreign police assistance.

In response to these concerns, Secretary of State Rice defended the proposal by noting that Iraq, in particular, is a unique, war zone situation where the United States needs to maintain a coherent strategy for training and equipping Iraqi security, police, and border forces. She said that often these personnel operate along side American military forces and that it made sense to have the Defense Department in charge of training. She also remarked that the situation in Afghanistan was different, and that police training would remain under the jurisdiction of the State Department. But, she added, Afghanistan also remains a war zone and it is important for Afghan security forces to be fully integrated in their operational efforts. Secretary Rice further pledged that the Administration had established the "tightest" possible coordination mechanisms, placing the chief of mission in charge of ensuring close collaboration between the agencies.[13]

Congressional Action

The conference version provides the full amount requested for Iraq and Afghan Security Forces, as did the House-passed and Senate-reported versions, but requires additional congressional oversight and involvement of the Secretary of State. The conference bill requires that the Secretary of Defense notify congressional defense committees at least five days in advance of any transfers made from this appropriation and report to the same committees on a quarterly basis regarding the details of all transfers. The bills further require that these funds are available "with the concurrence of the Secretary of State." The conference version includes report language calling for extensive reporting on "strategies for success" for Iraqi Security Forces but dropped the Senate-proposed statutory reporting requirements and does not require additional reporting on the Afghan Security Forces Fund.

Supplemental Requests that May Fail to Meet the "Emergency" Test

Appropriations that are designated as "emergency" requirements do not count against congressionally-set discretionary budget ceilings, formally or informally, but add to costs incurred by the government and cause the current budget deficit to grow. Several Members of Congress, including key appropriation committee leaders, put the Administration on notice that they will look closely at the supplemental proposal, especially for items that do not represent true "emergencies;" that is requirements that did not exist or were unforseen during consideration of the regular FY2005 appropriations or that could wait and be debated during FY2006 appropriation deliberations.

The FY2006 Administration request includes proposals to tighten the definition of emergency requirements that exempt items from enforcement mechanisms in the Budget Enforcement Act. The Administration is proposing that emergency requirements be defined as "a necessary expenditure that is sudden, urgent, unforeseen, and not permanent."[14] The Administration also

[13] See exchange between Representative Kolbe and Secretary Rice during the February 16, 2005, hearing of the House Foreign Operations Appropriations Subcommittee.

[14] Office of Management and Budget, *Fiscal Year 2006 Analytical Perspectives*, February 2005, p. 239; http://www.whitehouse.gov/omb/budget/fy2006/pdf/spec.pdf.

proposes that this definition "encompass contingency operations that are national security related," and specifically says that "Military operations and foreign aid with costs that are incurred regularly should be a part of base funding and, as such, are not covered under this [emergency] definition."[15]

This issue came up in recent hearings held by the Senate Budget Committee and the Senate Appropriations Committees. In the Senate Budget Committee hearing of March 1, 2005, some members questioned Administration witnesses about whether all elements in the FY2005 supplemental were appropriately classified as emergency spending—such as $5 billion for Army modularity and $300 million for recruiting and retention—and other members argued that the definition of emergency spending should be one-time expenditures.[16]

Within the foreign policy portion of the request, Members questioned the "emergency" nature of several proposals. For some time, the State Department recognized the need for construction of a new embassy in Baghdad but did not propose funds in the regular FY2005 budget. Instead, the Department sought $658 million in the supplemental. Likewise, it was widely recognized in 2004 that insufficient peacekeeping funds had been requested in the regular appropriation proposal, yet the Administration did not amend its pending request to cover what it now calls a $780 million gap in peacekeeping requirements.

Additional assistance for Jordan, Pakistan, and Ukraine was also questioned by some as to whether the needs represent a true emergency or could be addressed during consideration of FY2006 funds. Portions of the Afghan reconstruction supplemental request were also scrutinized, especially since the $2 billion proposal follows about a $1 billion appropriation for FY2005 and a similar request for FY2006. Further, the $400 million providing support for coalition members with troops deployed in Iraq and Afghanistan and for other "partner" countries in the war on terrorism was also challenged as new initiatives that would be more appropriately considered as part of the regular FY2006 appropriation process. Some argued that longer-term tsunami related reconstruction assistance should be debated later in the regular FY2006 Foreign Operations bill.

If not dealt with in the FY2005 supplemental under an "emergency" designation, however, these foreign policy items could be added to pending FY2006 international affairs appropriation requests that seek 13% higher spending compared with enacted levels for FY2005. This would place additional pressure on the Administration to defend an already sizable foreign policy increase that some believe will be closely scrutinized by Congress.

Within the Defense request, some members questioned whether funds for the Army's modularity initiative launched in the fall of 2003 to create 10 additional brigades that would be more deployable individually fits the emergency criteria. Others questioned whether the funds for 30,000 additional Army personnel is appropriately considered a temporary, emergency request rather than a longer-term need. Funding for modularity and additional military personnel was approved, however, by the conferees and both houses. Other members questioned whether the cost of DOD's military operations in Iraq and Afghanistan is, in fact, unanticipated or

[15] Office of Management and Budget, *Fiscal Year 2006 Analytical Perspectives*, February 2005, p. 239; http://www.whitehouse.gov/omb/budget/fy2006/pdf/spec.pdf.

[16] Senate Budget Committee, transcript, *Hearing on the Fiscal year 2006 Defense Budget Request*, March 1; see comments by Senator Conrad on p. 3 and Senator Allard on p. 28.

unpredictable since those operations are entering their third and fourth year respectively, and monthly operational costs have averaged about $5 billion for some time.

Congressional Action

While the President won approval for most of his supplemental request with an "emergency" designation, a few areas are not funded due to the non-emergency nature of the program. In particular, P.L. 109-13 trims funds for Afghanistan reconstruction by about $222 million, economic programs for southern Sudan by $63 million, and U.N. peacekeeping contributions by $100 million. Conferees, like both the House and Senate, offset portions of the foreign policy supplemental spending by rescinding $1 billion in FY2003 economic aid for Turkey that has not been obligated.

During earlier debate on H.R. 1268, the House Appropriations Committee determined that assistance for Jordan, Pakistan, Ukraine, the Palestinians, portions of Afghanistan reconstruction, and USAID operating expenses in Iraq did not fit the criteria for an emergency designation. Nevertheless, the Committee believed they warranted support and offset these non-emergency items with the Turkey aid rescission. The Committee's report noted that emergency assignments were limited to funds responding "to a situation which poses direct threat to life and property, is sudden, is an urgent and compelling need, is unpredictable, and is not permanent in nature."

The House-reported measure also denied funding for several foreign policy activities that the Committee felt would be more appropriately addressed during the regular FY2006 appropriations review. Most notably, the legislation excluded $570 million in reconstruction support and $66 million in counter-narcotics programs for Afghanistan that the Committee said it would take up during debate on the FY2006 Foreign Operations measure. As mentioned above, however, folding these items into consideration of the regular FY2006 spending bill is likely to intensify the challenges of meeting the President's $22.8 billion Foreign Operations appropriations request.

During House floor debate on March 16, lawmakers adopted an amendment by Representative Upton prohibiting the use of funds in the bill for embassy security, construction, and maintenance. Supporters argued, that among other things, the Baghdad embassy request should have been proposed as part of regular FY2005 and FY2006 appropriation bills and should not be assigned the emergency designation. In the Senate, a parallel amendment offered by Senator Coburn, would have reduced funding for the U.S. embassy in Iraq from $592 million to $106 million. The Senate tabled the Coburn amendment 54-45.

Although several members questioned whether the Army's modularity initiative was a legitimate emergency expense, the House appropriators stated in their report that they felt "compelled to fully fund the Army's request," in order to help the Army face "significant challenges," and "mitigate the stress on the current active-duty combat forces."[17]

For future funding of military operations in Iraq and Afghanistan, the conference bill retains sense of the Senate language that calls on the Administration to submit by September 1, 2005, a budget amendment, by appropriation account, to cover FY2006 military operations, as well as detailed cost estimates and an estimate of costs in the following year.

[17] See H.Rept. 109-16, p. 6.

Questions has also been raised by both houses and by the conferees about whether military construction requests—which typically take some time to build—fit the emergency category (see below). Senate appropriators questioned whether all proposed military construction projects were appropriately emergency requests, and cut several overseas projects for Bagram Airbase in Afghanistan which they suggested should be considered during the regular defense authorization and appropriations process when the issue of establishing a long-term U.S. presence could be debated. During Senate floor debate, Senator Byrd also questioned whether building a new prison facility in Guantanamo for detainees qualified as an unanticipated emergency. An amendment to cut funding for Guantanamo was defeated by a vote of 27 to 71.[18]

Unlike the House measure, H.R. 1268, as passed by the Senate, designated all amounts as an emergency.

Defense Department Request and Congressional Review

In the FY2005 Supplemental, the Administration requested a total of $74.96 billion. The Defense Department request was in addition to the $25 billion already provided in the FY2005 DOD appropriations act (P.L. 108-287) for war-related costs in the initial months of the fiscal year. Of that $25 billion, $2 billion was obligated for FY2004 expenses, leaving $23 billion available for FY2005. That brings the total amount anticipated by DOD for Iraq and Afghanistan and other expenses in FY2005 to $98.0 billion or 45% higher than the amount appropriated in FY2004.

Several major defense issues were raised during consideration of the FY2005 supplemental:

- *increasing accountability* for costs in the global war on terror;
- *changing the composition* of the Defense request;
- *enhancing death benefits* for service members;
- *the emergency nature of investment funding* for restructuring;
- *oversight of flexible funds* to support allies;
- *implications of military construction* funding.

Conference Action—Summary

In the conference report on H.R. 1268 (H.Rept. 109-72), the conferees close the $2.0 billion gap between the House and Senate version by providing $75.86 billion for the Defense Department—midway between the House total of $76.82 billion and the Senate total of $74.78 billion which was close to the Administration's request. The conferees expand death benefits for survivors of service members who die in combat or combat-related activities, adopting the eligibility standard in the Senate bill for those who were to receive an additional $150,000 in life insurance payments.

[18] See S.Rept. 109-52, p.31ff for military construction cuts. For Byrd amendment, see *Congressional Record*, p. S3515ff, vote on S3523, and section on Senate floor action below.

The conference version also provides $765 million to cover these higher benefits that would be available both retroactively and in the future. However, these new benefits would lapse as of September 30, 2005, unless the defense authorizers include provisions in their consideration of the FY2006 defense request. The conference version of H.R. 1268 also includes a new insurance rider for traumatic injury protection that would provide from $25,000 to $100,000 both retroactively and in the future; this provision will go into effect 180 days after enactment.[19]

As approved by both houses, the conferees provide the full $7.0 billion requested to train Afghan and Iraqi security forces. The conferees chose, however, to convert the detailed statutory reporting requirements in the Senate version report to report language which calls on the Administration to develop and provide Congress with "strategies of success" and performance indicators to assess the state of security in Iraq and better judge how to allocate resources and the plans for U.S. troop levels.[20] The conference version retains Sense of the Senate language calling on the Administration to submit its request for FY2006 military operations in a budget amendment by September 1, 2005, and to provide overdue reports that are to include detailed cost estimates.[21]

The conference version prohibits DOD from cancelling the C-130J transport aircraft and from retiring the 12th carrier, the Kennedy, as proposed by the Senate. The conference, like both houses, provides the full amount requested for the Director of National Intelligence, including $181 million for a new building.

Resolution of Funding Differences

The conferees provide about $1.0 of the $2.0 billion added by the House to DOD's supplemental procurement request for purchasing Army and Marine Corps trucks, tactical vehicles (e.g. HMMWVS), night vision and other protective gear that DOD included in its FY2006 request that would otherwise be included in DOD's FY2006 request.

The conferees provide about $1 billion below the request for Operation and Maintenance funds by cutting DOD's request for funds to reimburse allies (lift and sustain funds) and by transferring funds from the Afghan and Iraq Security Forces Funds to cover Army training costs that the Army had requested separately.

The conferees cut DOD's $1.4 billion request for military construction funds by about $300 million because of concerns that the projects did not meet an emergency criteria and that the projects could signal a long-term U.S. presence in the region when agreements with host nations have not yet been reached.[22] The conferees fund all projects in the United States to support unit restructuring plans of the Army and Marine Corps and add funds for facilities to support Marine Corps restructuring.

[19] See sections 1012, 1013 and 1032 of H.R. 1268 in *H.Rept. 109-72*.

[20] Joint explanatory statement of H.Rept. 109-72 as reprinted in *Congressional Record*, May 3, 2005, p. H2839.

[21] See *H. Rept. 109-72*, "request for Future Funding for Military Operations in Afghanistan and Iraq,"

[22] See H.Rept. 109-72 in *Congressional Record*, May 3, p. H2857ff. For a discussion of these construction issues, see CRS Memo, "Military Construction in Support of Afghanistan and Iraq," by (name redacted), April 11, 2005, available from author.

Expanding Military Benefits

The conference version increases benefit levels and expands eligibility beyond that requested by the Administration.

- For *benefits for survivors*, the conferees provide higher benefits to survivors of those who die either in combat areas or in combat-related activities such as training, the standard proposed by the Senate for the higher insurance levels.[23] The bill includes $765 million to fund these benefits. Retroactive to October 7, 2001, survivors of those eligible would receive an additional $238,000 above current levels. For the future, members could increase their life insurance from $250,000 to $400,000 in $50,000 increments with premiums paid by DOD for members in combat areas. Spouses would have to be notified in writing if the service members opts for less than the maximum level (see **Table 5**).
- The higher death gratuity would be available immediately but the higher insurance levels would only go into effect 90 days after enactment. For those who die in that intervening 90 days, DOD would pay an additional $150,000 equivalent to the higher insurance levels that would ultimately be available. Both the higher insurance levels and the higher death benefit would, however, lapse on September 30, 2005, unless the defense authorizers make changes in the FY2006 defense authorization.
- The conference bill drops the Senate proposal to provide Federal employees who are activated reservists with additional pay to make up the difference between their military and civilian salaries but includes meal and telephone services for soldiers recuperating from Afghan or Iraq-incurred injuries but the provision lapses on September 30, 2005.
- The conferees provide the Senate-proposed extension of *basic housing allowance for dependents of those who die in the Iraq and Afghan theater* for a year rather than six months—estimated to cost $3 million cost in FY2005, $33 million through FY2010, but the provision lapses on September 30, 2005.
- The conferees include the *Senate-proposed traumatic injury protection rider of up to $100,000* to service members enrolled in Servicemembers Group Life Insurance (SGLI) retroactive to October 7, 2001 for those injured in the Iraq and Afghan theaters that would go into effect 180 days after enactment—estimated to cost $46 million in FY2005 and $106 million through FY2010.
- The conferees adopt the Senate-provision to provide *travel for family members of servicemembers hospitalized in the United States* for injuries but the provision lapses on September 30, 2005.

Actions Affecting Weapon System Plans

The conferees adopt the Senate-proposal to prevent DOD from terminating the C-130J program, an aircraft used for intra-theater lift and other missions. The Air Force plans to terminate the C-130J program because of cost increases and problems in meeting requirements, which could cost

[23] See Sec. 1012 and Sec. 1013 of H.Rept. 109-72 in *Congressional Record*, May 3, 2005, p. H2817.

as much as $1.6 billion in termination costs. The Senate amendment to require the Navy to keep 12 carriers rather than retire one as planned until after completion of DOD's Quadrennial Defense Review, and requires the Navy to make available "necessary funding" from the amounts in the supplemental to extend the life of the U.S.S. John F. Kennedy as "the Navy considers appropriate."[24] The Defense Department considers 11 carriers to be sufficient because ships are being deployed for longer periods and have greater capability.[25] The conferees also adopt the Senate provision that prohibits DOD from spending funds for a winner-take-all competition for the DD(X) destroyer as is being considered by DOD.

Accountability Concerns

The conferees state their concerns about accountability in report language (see above) but drop the Senate-proposed statutory reporting requirements for the Iraq Security Forces Fund. The conference bill retains the Sense of the Senate language calling on the Administration to submit future war costs in the Defense Department's regular appropriations act, a provision also included in the FY2004 Supplemental, and reiterates a requirement that DOD report its costs for Iraq and Afghanistan, semi-annually as required in the FY2004 supplemental and the FY2005 DOD Appropriations Act.[26]

The conference version of H.R. 1268 provides the $7.0 billion requested for the Afghan and Iraq Security Fund accounts and require that transfers of funds

- have the concurrence of the Secretary of State;
- are sent to defense committees five days in advance;
- are summarized in quarterly reports to the defense committees; and
- that DOD provide measures for stability and security in Iraq and estimate planned rotations of U.S. forces rather than the statutory reporting of the Senate version.[27]
- Both houses provide several hundred million less than requested for coalition and other support for allies working with U.S. military forces.

Senate amendments are listed in **Table 2** and House amendments in **Table 3.** Additional details on the issues above are in individual sections and a summary of funding differences by account is in **Table 5**.

Senate and House Floor Amendments to Defense Request

During floor debate, the Senate considered some 35 amendments and the House 11. **Table 2** and **Table 3** list many of those amendments.[28]

[24] See H.Rept. 109-72, section, "Aircraft Carriers of the Navy."

[25] *Inside the Air Force*, "Senior USAF officer C-130J terminaition costs could exceed $2 billion," March 4, 2005 and *Washington Post*, "Air Force to Require Lockheed Cost Details, April 14, 2005.

[26] *Congressional Record*, p. S3786ff.

[27] *Congressional Record*, April 19, p. S3891-3892.

[28] For a complete list of amendments, see "Bill Status with Amendments" for H.R. 1268 on http://www.congress.gov.

Table 2. Defense-Related Amendments: Senate Floor

Sponsor	Purpose/Congressional Record page reference	Status
Kerry (SA333)	Extends payment of basic housing allowance for dependents of active-duty service members who die on active duty. (p. S3513, 3521)	Approved (voice)
Kerry (SA334)	Provides $100,000 death gratuity to survivors of all active-duty service members who die. (p. S3513, 3521)	Approved (voice)
Durbin	Makes up the difference in civilian and military pay for federal employees who are activated for reserve duty. (p. S3518ff)	Approved (voice)
Reid	Sense of the Senate that veterans rated as unemployable be considered eligible for concurrent receipt of VA benefits and military retirement. (p. S3620)	Approved (voice)
Obama	Provides meal and telephone service benefits for active-duty service members recuperating from Iraq or Afghan-incurred injuries. (p. S3641)	Approved (voice)
Feingold	Authorizes travel and transportation of family members to visit members hospitalized in the United States for non-serious illnesses (p. S3997)	Approved (voice)
Chambliss	Prohibits termination of procurement contract for C/KC-130J transport aircraft (p. S3965).	Approved (voice)
Durbin	Requires reports on Iraq Security Forces Fund (p. S3891)	Approved (UC)
Craig/Akaka	Provides traumatic injury protection insurance rider for service members enrolling in Servicemembers Group Life Insurance (SGLI) (p. S4080)	Approved (Voice)
DeWine	Provides traumatic injury protection insurance rider retroactive to October 7, 2001 for service members enrolling in SGLI (p. S4081).	Approved (Voice)
Salazar	Renames the death gratuity fallen hero compensation (p. S3643)	Approved (voice)
Warner	Requires report by 7/15/05 on property disposal process applying during current base closure round. (p. S3644)	Approved (voice)
Graham	Prohibits implementation of certain orders on duties of General Counsel and Judge Advocate General of the Air Force (p. S3643)	Approved (voice)
Bayh	Adds $213 million to buy additional uparmored HMMWVs (p. S4079, S4083)	Adopted (61-38)
Stevens	Provides amount requested for new building and additional employees for new Director of National Intelligence (p. 3532)	Approved (UC)
Byrd	Sense of the Senate that war costs should be included in regular DOD appropriations. (p. S3786ff)	Approved (61-31)
Warner	Requires Navy to keep 12th aircraft carrier until 180 days after conclusion of Quadrennial Defense Review (p. S3981 and S3989)	Approved (58-38)
Byrd	Cuts $36 million in military construction funds for detention facility at Guantanamo Bay, Cuba (p. S3513ff)	Rejected (27-71)
Murray	Provides $1.98 billion for medical care for veterans (p. S3451ff)	Ruled out of order

Table 3. Defense-Related Amendments: House Floor

Sponsor	Purpose/Congressional Record page reference	Status
Moran	Reduces and then increases Operation and Maintenance, Defense-wide by $1 million; with the intent to require the Defense Department to provide Congress with standards for success in Iraq. (p. H1458)	Approved (voice)
Markey	Prohibits the use of funds in the bill for purposes that would violate the United Nations Convention Against Torture. (p. H1496)	Approved (420-2)
Velazquez	Prohibits the use of funds in the bill for contracts that contravene small business participation goals in Sec. 15 (g)(2) of the Small Business Act.	Approved (voice)
Tierney	Adds $5 million to Operation and Maintenance defense-wide to be used to create a commission to investigate contracting in Iraq. (p. H1455; H1486)	Rejected (191-236)
Hooley	Motion to recommit bill with instructions to increase funds for O&M by $40 million and funding for Defense Health by $100 million.	Rejected (200-229)
Woolsey	Transfers $186 million from regular defense appropriations bills to National Guard and Reserve personnel. (p. H1457)	Withdrawn
Lantos	Adds title, Hope at Home Act, providing that activated reservists with federal jobs would receive the difference between their military and civilian salaries, and provides tax credits to private businesses which make up the difference in income. (p. H1490).	Withdrawn
Markey	Requires that military personnel who are evacuated due to injuries continue to receive hazardous duty pay until they are re-assigned. (p. H1495)	Withdrawn
Obey	Prohibits obligating funds in the bill for national intelligence activities in countries sponsoring terrorism until President informs congressional intelligence and defense communities of all clandestine military activities where U.S. government involvement will be hidden.	Withdrawn
Tierney	Establishes a select committee of the House to investigate awarding and implementation of contracts in Afghanistan and Iraq. (p. H1452)	Point of Order
Filner	Prohibits use of funds in the bill for reconstruction contracts in Iraq unless employers agree to give preference to veterans.	Point of Order

Sources: *Congressional Record*, March 15, p.H1427-H1500 and March 16, 2005, p. H1545-26.

Future Cost and Accountability Issues

As part of the current debate about U.S. involvement in Iraq, the long-range cost of operations in Iraq and Afghanistan and accounting for those costs continued to be significant issues. The Administration has not provided a projection of DOD costs for FY2006-FY2011 that was required by January 1, 2005, in the FY2005 DOD Appropriations Act.[29] The Congressional Budget Office recently published an illustrative long-term cost estimate that assumes that military personnel deployed or supporting operations in Iraq, Afghanistan and enhanced security for defense installations remain at today's level of about 300,000 through FY2006, then decline gradually to 74,000 by FY2010, and remain at that level through FY2015.[30] Based on those assumptions, CBO estimated that the cost for DOD from FY2006-FY2010 would be $260 billion

[29] See Section 9012 of P.L. 108-287; the President may waive the requirement if he certifies that the cost may not be provided for "purposes of national security."

[30] CBO, Estimate of War Spending, FY2005-FY2015, February 1, 2005, available online at http://www.cbo.gov/ftpdocs/60xx/doc6067/02-01-WarSpending.pdf.

and the ten-year cost through FY2015 would be $393 billion.[31] Typically, CBO's estimates are lower than DOD requests.[32]

CRS has estimated that DOD has already received $201.2 billion for Iraq, Afghanistan, and enhanced security through previous enacted appropriations. With the $75.6 billion for war-related costs in the conference version of the supplemental, if CBO's estimate of $260 billion were to be accurate, DOD's costs could total $537 billion by FY2010.

The Democratic staff of the House Budget Committee (HBC) recently issued a report specifically projecting the future costs of the Iraq war (i.e. excluding Afghanistan and enhanced security) under two scenarios. One scenario envisions that the United States withdraws all forces from Iraq within four years or by 2009, a scenario which Secretary of Defense Rumsfeld told reporters that he expected to be the case.[33] Based on that scenario, the study estimated Iraq costs could total $461 billion including $287 billion in DOD costs and $175 billion in interest costs of the Federal government because of the additional borrowing necessary to pay for the war. Assuming a more gradual withdrawal of forces for Iraq as assumed by CBO, this analysis estimated costs through FY2015 would total $646 billion, including $430 billion in DOD costs and $217 billion in additional interest costs.[34]

Congressional Action

Although the Administration did not include any funds for war-related expenses in the FY2006 defense request, the recently-passed FY2006 budget resolution includes a reserve Fund of about $50 billion for FY2006 but no war-related funding for later years. In a recent estimate, CBO reported that the deficit in FY2005—including an estimate of war-related spending—would total $394 billion in FY2005 and $370 billion to $375 billion in FY2006.[35] Several members expressed concerns about the lack of information about future costs of the war and occupations. The conference version of H.R. 1268 includes sense of the senate language in Sec. 1024 that finds precedent for including the cost of ongoing military operations in annual budget requests, calls on the President to submit a budget amendment for FY2006 with detailed cost estimates for ongoing military operations, and an estimate of cost for the next 12 months.[36]

Accountability Concerns

Attempts on the House side to add amendments during markup and floor debate to set up investigating committees or a special commission modeled on the World War II Truman Commission that would investigate war-time contracting failed to be added to H.R. 1268. During floor debate, members raised concerns about where and how the Department of Defense has spent

[31] CBO, Estimate of War Spending, FY2005-FY2015, February 1, 2005, available online at http://www.cbo.gov/ftpdocs/60xx/doc6067/02-01-WarSpending.pdf.

[32] CBO, Letter to Senator Kent Conrad, "Estimated Costs of Continuing Operations in Iraq and Other Operations of the Global War on Terrorism," June 25, 2004, p. 1.

[33] *New York Times*, "Rumsfeld Sees an Iraq Pullout in Four Years," December 7, 2004.

[34] House Budget Committee, Democratic Caucus, "Iraq War Cost Estimate" Costs to Date and Costs to Go," February 15, 2005. http://www.house.gov/budget_democrats/analyses/06iraq_war_cost_update.pdf.

[35] CBO, Letter to Senator Thad Cochran, Chairman, Committee on Appropriations, U.S. Senate, March 4, 2005, p. 1.

[36] Sec. 1024 in H.R. 1268, *Congressional Record*, p. H2818

the $200 billion already appropriated for the "global war on terror" in light of recent reports by auditors about misuse of funds and DOD's lateness in submitting reports on war costs. The conference bill includes Senator Byrd's sense of the Senate amendment to include war and occupation costs in DOD's regular appropriations, following various precedents, and to require DOD to submit reports on costs that are overdue that passed by a vote of 61 to 31.[37]

DOD has not yet sent Congress two reports on war costs and other matters that were required by statute and due on April 1 and October 31, 2004; nor has DOD delivered an estimate of costs for FY2006-FY2011 that was due January 1, 2005.[38] An amendment offered by Congressman Tierney to set up a select committee of the House made up of 15 members to investigate the awarding and implementation of contracts was ruled out of order and a follow-up amendment to provide $5 million to be used for such a commission was rejected by a vote of 236 to 191 (see **Table 3** above).

The House later adopted by voice vote the Moran amendment which reduced and then added $1 million to funding for Operation and Maintenance Defensewide with the intent—as voiced on the floor—that these funds would be used by the Defense Department to provide Congress with information about its standards for success in Iraq. The conference version also requires that DOD submit a report on uparmoring HMMWVS within 60 days and every 60 days thereafter until termination of the Iraq conflict. In Section 1031, the conference bill includes Senate language that prohibits obligation of funds to subject any person in custody or under U.S. control to torture or cruel or degrading punishment.

Size and Composition of DOD Request

The Defense Department request for FY2005—including the $25 billion in funds previously provided in the FY2005 regular DOD Appropriations Act (P.L. 108-287)—totaled $98.0 billion or over 45% more than the $65.1 billion provided in the FY2004 Emergency Supplemental (P.L. 108-106). The total request included several major types of expenses as shown in **Table 4**:

- **Recurring costs for military operations** a 17% increase from $60.2 billion in FY2004 to $70.5 billion in FY2005;
- **Investment costs,** a six-fold growth from $3 billion in FY2004 to almost $18 billion in FY2005 to replace equipment damaged or lost in battles, recapitalize equipment for units returning to the United States who leave their equipment behind, and buy additional equipment for units to improve capability or add force protection;
- **Support for other nations**, a five-fold increase from $2 billion to $11.5 billion including funds to train and equip Afghan and Iraqi security forces, funds to pay for cooperative operations in the war on terrorism by Jordan and Pakistan (coalition support), DOD counterdrug programs in Afghanistan, administrative costs in Iraq, and the Commanders Emergency Response Fund (CERP), a program providing funds directly to unit commanders to distribute for local needs.

[37] *Congressional Record*, April 18, 2005, p. S3786ff.

[38] See P.L. 108-106, Sec. 1120, P.L. 108-287, Section 9010, and Sec. 9012; for debate, *Congressional Record*, March 15, 2005, pp. H1444, H1449, H1453-H1459.

Much of the year's operating costs were already been provided in the $25 billion included in Title IX of the FY2005 DOD Appropriations Act (P.L. 108-287). Combined with peacetime appropriations for FY2005, CRS estimated that DOD could finance or cash flow war-related expenses through May 2005.[39] Recently DOD requested a transfer of funds to cover ongoing costs and raised concerns about its needs for new funds. Of the total request, about 70% was for operational costs—higher pay for active-duty forces who are deployed, the cost of activating reservists, higher operating tempo costs, higher depot maintenance costs to repair equipment reflecting wear and tear on equipment, and classified programs. In the FY2005 supplemental request, recurring costs for military operations increased by $10 billion or 17%. About $3.5 billion was for higher than anticipated fuel costs, and another $3.5 billion for higher operating tempo.

Military personnel costs were comparable to FY2004 reflecting force levels in FY2005 similar to those the previous year. The Defense Department anticipated that forces in Iraq will decline from a highpoint of about 160,000 before the Iraqi elections to 138,000 or about 20 brigades. Force levels in Afghanistan are expected to remain at about 18,000 or three brigades.[40] DOD continued to provide little information about the roughly 300,000 military personnel either deployed or supporting Iraq and Afghan operations, as well as enhanced security for defense installations. The justification did not say how many reserve personnel are expected to be activated, on average, for FY2005, or the number of personnel likely to be deployed more than once in three years for active-duty forces or more than once in five years for reserves, the policy standard set by DOD. As of the end of FY2004, one-third of all those deployed had served two or more deployments suggesting that these DOD policies are currently not being met.[41]

The FY2005 Supplemental request included about $1.7 billion for the cost of an additional 30,000 active-duty military personnel authorized by Congress for FY2005 in order to reduce stress on current forces. Some Members suggested that these additional personnel will be needed on a long-term basis rather than temporarily because of Afghanistan and Iraq and hence that this expense should be included in DOD's regular budget rather than the supplemental.

The Defense Department argued that the additional personnel will only be needed temporarily until additional units are created by the Army's modularity initiative in FY2007, additional military spaces are freed up through converting military billets to civilian slots, and "re-balancing" or changing the skill mix of active and reserve Army units to increase skills now needed in greater numbers is completed. Military police, civil affairs and intelligence personnel billets are to be increased while artillery personnel and others are decreased.

[39] CRS calculation taking into account average peacetime and war-related obligation rates, assumes DOD would use all 4th quarter peacetime Army O&M and military personnel funds as well as remaining transfer authority (where DOD moves funds between appropriation accounts with Congressional approval).

[40] DOD, *FY2005 Justification*, p. 15.

[41] Data from the Defense Manpower Data Center.

Table 4. DOD Funding: FY2004 Enacted and FY2005 Request

(in billions of dollars)

Type of Cost [Brackets = entry not included in totals]	FY2004 Enacted Supp.	P.L. 108-287 Title IX	FY2005 Total (Title IX + Request)	FY2005 Request (net of Title IX)
Military Operations Costs	**60.2**	**21.4**	**70.5**	**49.1**
Operating Tempo	31.8	15.8	35.6	19.8
Military Personnel	18.6	1.1	17.6	16.5
Depot Maintenance	2.8	0.4	3.6	3.2
Healthcare Support	0.7	0.7	0.9	0.2
Fuel price increase	0.0	1.0	3.5	2.5
Working Capital Funds[a]	0.0	0.5	0.9	0.4
Morale/ Welfare/ Recreation	0.0	0.1	0.4	0.3
Classified/Other Global War on Terrorism[b]	6.3	1.8	8.0	6.2
Investment Costs	**3.0**	**2.6**	**17.8**	**15.2**
Military Construction[c]	0.5	0.0	1.1	1.1
Replacing battle losses	0	0.0	1.8	1.8
Recapitalization and Procurement	2.2	2.6	9.5	6.6
Army Modularity[d]	0.0	0.0	5.0	5.0
Marine Corps Force Structure Review Grp	0.0	0.0	0.4	0.4
Storm Damage Repair	0.3	0.0	0.0	0.0
Support to Other Nations	**2.0**	**1.1**	**11.5**	**10.4**
Iraq				
[Iraq Relief and Reconstruction Fund, security costs funded in foreign operations]	[5.0]	0.0	0.0	0.0
Iraq Security Fund	0.0	0.0	5.7	5.7
Commanders Emergency Response Fund [legislative cap]	[.]	0.4	0.7	0.3
Train and Equip: Backfill	0.0	0.2	0.2	0.0
CPA Operating Costs/Iraq Project and Contracting Office	NA	0.0	0.3	0.3
Afghanistan				
[Military Aid training of security forces funded in foreign ops]	[.7]	0.0	0.0	0.0
Afghan Security Fund	0.0	0.0	1.3	1.3
Commanders Emerg. Response Program		0.1	0.1	0.0
Train and Equip: Backfill		0.3	0.3	0.0
Afghan Freedom Spt. Act & Counterdrug	0.1	0.0	0.5	0.5
Coalition Support (Includes Lift &Sustain)	1.9	0.0	2.0	2.0
Special Operations Forces Ctr in Jordan	0.0	0.0	0.1	0.1

Type of Cost [Brackets = entry not included in totals]	FY2004 Enacted Supp.	P.L. 108-287 Title IX	FY2005 Total (Title IX + Request)	FY2005 Request (net of Title IX)
Tsunami Relief	0.0	0.0	0.2	0.2
TOTAL SUPP'L	**65.2**	**24.9**	**99.8**	**74.9**
FY2005 Already Enacted in Title IX	**NA**	**24.9**	**-24.9**	**NA**
FY2005 New Request	**NA**	**NA**	**74.9**	**74.9**

Source: See http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf.

Notes:

a. Excludes fuel price increase.

b. Includes both procurement and O&M funds.

c. Excludes military construction for modularity.

d. Includes military construction associated with modularity.

Congressional Action—Funds for Personnel and Operations

The conference version provides about $500 million more than the request for military personnel primarily to fund higher death benefits in the bill (see section below). Both bills reduce DOD's $31 billion in operation and maintenance (O&M) funding (excluding Tsunami relief and the Afghan and Iraq Security Funds) by about $1 billion primarily by reducing the Administration's request for funds to reimburse allies for their participation in the "global war on terror" (see section below) and for a duplicate request from DOD to provide train and equip funds in both the Army O&M account and the Iraq Security Forces Fund.[42] Unlike previous supplementals, DOD's FY2005 request applied savings in FY2005 from $1.1 billion in peacetime training of Army forces and $159 million training for Marine Corps forces to wartime costs.[43]

Higher Survivor Benefits

DOD's FY2005 Supplemental request included $376 million to provide higher death benefits to the families of those killed in action in Iraq and Afghanistan including funds to pay higher benefits retroactively.[44] Under the Administration's proposed language, *for the future*, the Secretary of Defense could designate those areas where service members who died in action or as a result of related injuries or illness would be eligible to receive a death gratuity of $100,000 rather than the current $12,420 level. In addition, the Administration proposed to increase the limit on Servicemembers Group Life Insurance (SGLI) from the current $250,000 to $400,000.

Both changes would be applied retroactively to October 7, 2001 for those who died while serving in the Iraq and Afghan theater of operations; thus, survivors of those killed would receive an

[42] These proposed reductions are taken from Operation and Maintenance, Defense-wide (see **Table 6**). Total for Operation and Maintenance includes funding for working capital funds, Defense Health, and Drug Interdiction.

[43] House Appropriations Committee, H.Rept. 109-16, March 11, 2005, p. 12.

[44] DOD, *FY2005 Justification*, February 2005, p. 15; http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf.

additional $238,000 including $88,000 in a death gratuity and $150,000 in higher insurance payments (see **Table 5**).[45]

There was considerable debate in Congress about who should receive these proposed enhanced benefits. In testimony, General Myers, Chair of the Joint Chiefs of Staff and the Chiefs of the individual services each voiced personal opinions that these enhanced benefits should be available to any service member who died regardless of the circumstances.[46] Several bills have been introduced by members of Congress to provide such benefits including the Standing with Our Troops Act of FY2005 and the Heroes Act.[47]

Congressional Action—Conference Bill Increases Benefits

The conference bill raises the level of life insurance from $250,000 to $400,000 and increases the death gratuity from $12,000 to $100,000 for survivors of service members who die in combat or combat-related activities. The conferees adopt a broader eligibility standard than proposed by the Administration which restricted the higher benefits to Iraq and Afghanistan but narrower, in some cases, than was included in other versions of H.R. 1268 (see **Table 5**).

Conference Eligibility Standard

The conference version adopts the same eligibility criteria for both future and retroactive benefits and for both the higher insurance levels and the higher death gratuity. In other words, retroactively, survivors of all service members who die in combat or combat-related activities would receive an additional $238,000 to match the higher insurance levels available in the future (+$150,000) and the higher death benefits (+ $88,000). For those eligible, the death benefit increases from $12,000 to $100,000 and members could purchase life insurance of up to $400,000 rather than today's $250,000. For those serving in combat areas, DOD would pay the premiums for the additional $150,000 of insurance.

Retroactive Increase in Benefits

The House version gave an additional $150,000 to survivors of active duty service member who dies from injury or illness "in the performance of duty," a coverage broader than ultimately adopted. It is not clear who would have been covered under this new standard. In floor debate, Congressman Obey (author of the amendment adopted) suggested that the House version would cover deaths of active-duty members who die while "in the line of duty" but not those who die while off-duty, such as in a drunken driving accident.[48] The cost of the higher benefit was also not clear and could range from $95 million to $300 million according to Representative Obey, and up

[45] Office of Management and Budget, FY2005 Supplemental, 2-14-05, p. 57 to P. 58. http://www.whitehouse.gov/omb/budget/amendments/supplemental_2_14_05.pdf For a complete discussion of benefits available to survivors of deceased service members, see CRS Report RL32769, *Military Death Benefits: Status and Proposals*, by (name redacted) and (name redacted). The additional insurance payment would be given to all survivors regardless of whether the service member had signed up; 98% of active-duty members elect the coverage.

[46] Senate Armed Services Committee, transcript, *Hearing on the Fiscal Year 2006 Budget*, February 17, 2005, p.78.

[47] Senate Armed Services Committee, transcript, *Hearing on Death Benefits for Survivors of Military Personnel*, February 1, 2005.

[48] *Congressional Record*, March 15, 2005, p. H1466.

to $500 million more than in the request according to OMB.[49] Additional funds were not provided in the House bill.

The Senate appropriators adopted a different eligibility criterion that would have given $150,000 to survivors of members who die in the Afghan or Iraqi theater or to those who die of "combat-related activities," a standard currently defined in statute to include hazardous duty, conditions simulating war or an instrumentality of war.[50] The Senate bill added about $400 million to DOD's military personnel accounts for the broader benefits that would apply retroactively and in the future.

By voice vote on April 13, 2005, the Senate adopted the Kerry amendment, which increased the death gratuity from $12,000 to $100,000 for all active-duty service members retroactively to October 12, 2001, broader than the House version which provided the gratuity only to those who died in the Afghan and Iraqi theaters.

Future Increases in Death Benefits

In the House version, service members in the future could increase their coverage under Servicemembers Group Life Insurance (SGLI) from $250,000 to $400,000 (in increments of $50,000). Service members who opt out of the full coverage had to get written concurrence from his or her spouse. The Senate-reported bill also raised the maximum insurance level to $400,000. The conference version, like the House and Senate bill and the Administration request, all require that spouses be informed if the member opts for insurance less than the maximum. The conference version adopted the Senate proposal that for those serving in a combat zone, DOD—rather than the service member—pay the premium for $150,000 in coverage.

The House-passed version of the bill also raised the one-time death gratuity from $12,420 to $100,000 for *all service members* who dies in the future rather than leaving it to the discretion of the Secretary of Defense to decide whose survivors would receive the higher payment. The Senate-passed bill adopted the same eligibility, rejecting the reported version which limited eligibility to those dying in combat or combat-related activity (see Kerry amendment passed by voice vote).

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[49] See Sec. 1114 (b) in H.R. 1268 and CQ, "Panel Endorses $81.3 billion Emergency Supplemental," by Gayle S. Putrich, March 8, 2005. See DOD, *FY2005 Justification*, February 2005 for Administration's proposed language, p.57, and p. 15 for cost. For OMB estimate, see Office of Management and Budget, Statement of Administration Policy on H.R. 1268, March 15, 2005;
http://www.whitehouse.gov/omb/legislative/sap/109-1/hr1268sap-h.pdf. See *Congressional Record*, March 15, p.H1465-66 for Representative Obey's later estimate. During floor debate, this amendment was protected from challenge on points of order by an amendment to H.Res 151, the rule governing consideration of H.R. 1268 by the Cole amendment; see *Congressional Record*, March 15, 2005, p.H1429ff.

[50] *U.S. Code*, Title 10, Section 1413a (e) (2).

Table 5. Proposed Changes in Death Benefits for Active-Duty Servicemembers

Death Benefit	Current Law	DOD Request	House Passed	Senate Passed	Conference Version
Service members Group Life Insurance (SGLI)	Members may purchase up to $250,000 in life insurance in $10,000 increments.	*Retroactive to October 7, 2001:* Survivors of members who die in the Afghan or Iraq theater receive $150,000. *After enactment:* Members may purchase up to $400,000 in life insurance in $50,000 increments. *Effective date:* As soon as practicable.	*Retroactive to October 7, 2001:* Survivors of members who die in the "performance of duty" receive $150,000. *After enactment:* Members may purchase up to $400,000 in life insurance in $50,000 increments. Spouses must be informed if member purchases less than maximum.	*Retroactive to October 7, 2001:* Survivors of service members who die in the Afghan or Iraq theater and who die as a result of combat or combat-related activities receive $150,000.[a] *After enactment:* Members may purchase up to $400,000 in life insurance in $50,000 increments with premiums for $150,000 to be paid by DOD for those in combat zones. Spouses to be informed if member purchases less than maximum. *Effective date:* 90 days after enactment; lapses 9/30/05.	*Retroactive to October 7, 2001:* Survivors of service members who die in the Afghan or Iraq theater and who die as a result of combat or combat-related activities receive $150,000.[a] *After enactment:* Members may purchase up to $400,000 in life insurance in $50,000 increments with premiums for $150,000 to be paid by DOD for those in combat zones. Spouses to be informed if member purchases less than maximum. *Effective date:* 90 days after enactment; lapses 9/30/05.
Death Gratuity	Survivors of members who die receive $12,200.	*Retroactive to Oct. 7, 2001:* Survivors of members who die in the Afghan or Iraq theater receive $88,000. *After enactment:* Survivors of those who die as a result of operations as designated by the Secretary of Defense receive $100,000. *Effective date:* As soon as practicable	***Retroactive to Oct. 7, 2001:*** Survivors of members who die in the Afghan or Iraq theater receive $88,000. ***After enactment:*** Survivors of all members who die receive $100,000. *Effective date:* On or after date of enactment.	*Retroactive to Oct. 7, 2001:* Survivors of *all* service members who die receive an additional $88,000. *After enactment:* Survivors of all service members who die receive $100,000.[a] *Effective date:* 90 days after enactment; lapses 9/30/05.	*Retroactive to Oct. 7, 2001:* Survivors of service members who die in the Afghan or Iraq theater and who die as a result of combat or combat-related activities receive an additional $88,000.[a] *After enactment:* Survivors of service members who die in the Afghan or Iraq theater and who die as a result of combat or combat-related activities receive $100,000.[a] *Effective date:* 90 days after enactment; lapses 9/30/05.

Sources: Department of Defense, FY2005 Supplemental Request for Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF), and Operation Unified Assistance, February 2005; H.R. 1268 engrossed as passed by the House, 3-16-05; http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf; Sec. 1113 - Sec. 1114 in H.R. 1268 as passed by the House and Sec. 1111 and Sec. 1112 as passed by the Senate on April 13, 2005. See Sec.1012 and 1013 in H.R. 1268, conference version.

a. Combat-related is defined in U.S. Code, Title 10, Section 1413a to include combat, hazardous service, conditions simulating war and an instrumentality of war. Those who die in combat or combat-related activities before enactment of the higher insurance levels receive $150,000.

Other Benefits Increases

The conference bill adds a traumatic injury rider to DOD's life insurance policy that would provide from $25,000 to $100,000 that can be purchased by members; benefits would be available retroactively. The provision goes into effect 180 days after enactment. The conference bill rejects the provision where the federal government would make up the difference between military and civilian pay for reservists who are federal civilian employees. Other Senate proposals to provide free mails and telephone benefits for recuperating service members and expand eligibility for travel by family members are in the conference version (see **Table 2** above). DOD will need to draw funds from other activities to cover these benefits.

Recapitalization, Modularity and Construction Costs Grow

In the FY2005 supplemental, DOD requested a total of $17.8 billion for investment, substantially above the $3 billion in the FY2004 supplemental (see **Table 3**).[51] This $17.8 billion included:

- $16.1 billion for procurement;
- $0.5 billion for research, development, test and evaluation projects (RDT&E); and
- $1.3 billion for military construction, $1 billion for construction overseas, and $0.3 billion for the Army's modularity initiative.

This funding was directed at several new DOD thrusts: a major push to provide additional equipment for units not only to replace battle losses, but also to improve capability, increase equipment, and add force protection equipment; accelerate the Army's plans to reorganize and reequip Army and Marine Corps units; and build barracks and other facilities both within Afghanistan and Iraq and in surrounding countries.

Procurement and Modularity Requests

The $16.1 billion in procurement was for the following purposes: $1.3 billion to replace battle losses; $5.1 billion to provide additional equipment for deploying and returning forces; $2.7 billion for additional force protection equipment; $4.1 billion for Army modularity equipment; and $250 million for Marine Corps Force Structure Review Group Initiative, a similar reorganizing initiative.

A major issue raised was the funding requested for the Army's modularity initiative that was originally announced by Chief of Staff General Schoomaker in August 2003 as part of the Army's transformation. Some Members questioned whether this expense passes the test of emergency supplementals where funding is requested for urgent and unanticipated requirements. The Army appears to have accelerated its conversion plans announced last February, intending now to reorganize not only three active brigades but also convert five rather than one brigade and three National Guard brigades. This may explain part of the increase in funding from the $2.8 billion in the February 2004 plan to the $5.0 billion in the new supplemental. DOD announced that it plans

[51] This does not include classified programs funded in procurement for which no details are available.

to Fund the Army's modularity initiative in supplementals in both FY2005 and FY2006, and then transfer that funding to the Army's regular budget starting in FY2007.

Critics suggested that modularity expenses are more appropriately considered a regular expenditure because they are a predictable, organizational change announced over a year and a half ago. Therefore, these costs, according to some analysts, should be included in DOD's regular appropriations where they would compete with other programs. The Army argued that the modularity initiative is intended not only to transform Army units to be more lethal and more transportable, but that the additional units will decrease the stress on Army forces by providing more units to deploy.

The Army also requested many procurement items that would be used to upgrade equipment or provide additional equipment for both deploying units and returning units who are leaving their equipment behind. This type of expense is not normally considered an incremental cost of contingencies as defined in DOD's financial regulations. DOD, in its justification material, argued that the additional capabilities are necessary to deal with the dangers posed by the ongoing insurgency. Some $2.7 billion of the procurement was for additional force protection equipment, including not only additional armored Humvees, and add-on kits for other tactical vehicles, but also a wide variety of other equipment for soldiers, such as night vision goggles, and other devices intended to improve the military's capability to deal with improvised explosive devices (IEDs).

Military Construction Request

The new request also included $1.3 billion for military construction, about $1 billion overseas and about $0.3 billion associated with the Army's modularity initiative (e.g. providing additional barracks for newly-formed units). Some of the military construction in and around Iraq and Afghanistan was controversial because it was perceived to signal a long-term U.S. presence, for example, replacing temporary tents with concrete barracks. Facilities may also be constructed at a time when the U.S. has not negotiated bilateral agreements with a permanent Iraqi government as is customarily the case for overseas U.S. military construction projects. The justification for some projects—for example, constructing a supply road in Iraq to link to a new Kuwaiti route that avoids urban areas—was also less convincing than other projects, such as concrete billets, which were justified on safety grounds or force protection.[52]

Congressional Action—Approach to Procurement Differs

The conference bill includes over $1 billion of the $2.0 billion in additional funding added by the House to DOD's request. Procurement totaled $17.4 billion. Much of the additional funds would accelerate Army purchases of trucks, upgrades to Abrams tanks, additional uparmored HMWVVs, other force protection, and other equipment, which would otherwise be funded in the FY2006 regular DOD appropriations bill. That may make it easier to cut the FY2006 regular appropriations bill.

[52] For a discussion of these construction issues, see CRS Memo, "Military Construction in Support of Afghanistan and Iraq," by (name redacted), April 11, 2005, available from author.

In its report, H.Rept. 109-16, the HAC stated that these additions are intended to fulfill "emergent requirements in force protection, force restructuring and recapitalization ..." and to "accelerate programs for which funding has been requested."[53] Although some would argue that these additions are justified because they would be required later, others would argue that these items are not appropriately categorized as emergency requirements.[54]

Full Funding of Army Modularity Request

The conferees, like both houses, fully Fund the Army's $5 billion request for modularity, accepting the House rationale that the funds are "needed to mitigate stress on the current active duty combat force by creating at least 10 additional combat brigades," and that supplemental funds would ensure that equipment would be available prior to deployment for units "that will deploy to either Iraq or Afghanistan in the next two troop rotations scheduled for later this year and in 2006."[55]

Congressional Action—Military Construction Concerns

The conferees mirrored the concerns of the House and Senate about the Administration's $1.0 billion request for overseas military construction—whether the projects fit the emergency criteria and whether the projects signaled a long-term presence prematurely rather than being projects of a temporary and expeditionary nature, is appropriate."[56] The conference bill cuts overseas military construction by $300 million and adds $32 million to meet Marine Corps restructuring needs. The SAC noted that it was more difficult for construction projects to meet the emergency test of a supplemental because of the duration of the "global war on terror" and the long lead times typical for construction.

The "expeditionary" nature of the U.S. presence suggests that temporary facilities "should be the rule rather than the exception" in the committee's view.[57] In those cases where there may be a case for an "enduring presence in the region," that should be part of a long-term plan, emergency appropriations would make emergency funding less appropriate, the committee argues. The panel concluded that projects which have that character "should be requested in the normal budget process, in which both authorization and appropriations committees have an opportunity to carefully consider the request."[58]

In light of these concerns, the conferees (like the Senate) cut four military construction projects—a $57 million fuel tank farm and a $32 million prime power generation plant at Bagram Airfield in Afghanistan, a $75 million aerial port in Kuwait, and a $66 million project to improve the Al

[53] House Appropriations Committee, H.Rept. 109-16, *Making Emergency Supplemental Appropriations for the Fiscal Year Ending September 30, 2005, and for other purposes*, March 11, 2005, p. 24.

[54] House Appropriations Committee, Press Release, *Full Committee Unanimously reports War Supplemental*, March 8, 2005; http://appropriations.house.gov/; and DOD, *FY2005 Justification*, February 2005. http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf

[55] House Appropriations Committee, Press release, "Highlights of the War Supplemental," March 3, 2005; http://appropriations.house.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=446.

[56] S.Rept. 109-52, p. 31.

[57] S.Rept. 109-52, p. 31.

[58] S.Rept. 109-52, p. 31.

Dhafra Air Base in the United Arab Emirates.[59] The House had signaled its displeasure with DOD by prohibiting obligation of some of the funds until DOD submitted an overdue comprehensive master plan for basing of U.S. forces; DOD submitted the plan in mid-March 2005 but reportedly did not address Iraq. [60]

New Flexible Accounts for Afghan and Iraqi Security Forces

The FY2005 supplemental proposed to establish two new accounts to train Afghan and Iraqi security forces ranging from Army to police forces:

- $1.3 billion in the Afghan Security Forces Fund; and
- $5.7 billion in the Iraq Security Forces Fund.

For both funds, language of the request would have allowed the Secretary of Defense to use the funds until funds are expended "notwithstanding any other provision of law ... to provide assistance to the security forces of [Afghanistan or Iraq] including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding."[61] This language would have exempted DOD from any restrictions applying to current training of foreign military forces and would have allowed the Secretary of Defense or his designee to use these funds for any purpose and for any type of security force—Army, national guard, or police. Nevertheless, the Administration stated that it does not intend to use these funds for training Afghanistan police forces, and requested $400 million elsewhere in the supplemental for the State Department's International Narcotics Control and Law Enforcement office to support such police training.

The train and equip provision would effectively transfer policy and funding authority from the Secretary of State, where authority for training foreign military forces is currently lodged, to the Secretary of Defense. In recent testimony, Secretary of State Rice supported this transfer and Secretary of Defense Rumsfeld argued that the authority reflects the current wartime situation. This transfer would remove this traditional foreign policy tool from the jurisdiction of the Secretary of State.

The authority requested, and the DOD justification material provided, was broader than currently available to the Secretary of State. DOD provided only an illustrative breakdown of the funds but no details about the number and types of personnel, the rate of training anticipated, the types of equipment to be purchased, or the specific uses of the funds. The State Department, especially within its quarterly report on the Iraq Relief and Reconstruction Fund, provided substantial details regarding how it has used and plans to use in the future funds to train and equip foreign military forces.

According to DOD, the $5.7 billion for Iraqi security forces that would cover costs through July 2006, may be distributed to:

[59] S.Rept. 109-52, p. 34 and p. 35.

[60] See H.Rept. 108-342, p. 17 and H.Rept. 109-16 on FY2005 Supplemental, p.32.

[61] Office of Management and Budget, *FY2005 Emergency Supplemental Request*, February 14, 2005.

- $3.1 billion for front line security forces including up to two mechanized divisions;
- $809 million for support forces;
- $1.5 billion for police and other forces;
- $180 million for "quick response" funding; and
- $104 million for institutional training.[62]

These funds would be in addition to the $5 billion already provided in Iraq Relief and Reconstruction Funding that was provided to the State Department in the FY2004 Supplemental, and $210 million in "train and equip" funds provided through DOD.

There was considerable debate in Congress about the effectiveness of training of Iraqi security forces thus far. In testimony on February 16, 2005, before the Senate Appropriations Committee, Secretary of Defense Rumsfeld reported that 136,000 Iraqi forces had been trained thus far, including 57,000 Ministry of Defense Forces (army, national guard, intervention forces, special operations, air force and navy) 79,000 Ministry of Interior forces (police, civil intervention, emergency response forces, border enforcement, highway patrols, dignitary protection, special police commandos).[63] DOD's justification material stated that thus far, Iraq's transitional government has fielded over 90 battalions but that "All but one of these battalions, however, are lightly equipped and armed, and have very limited mobility and sustainment capabilities."[64]

Congressional Action—Conferees Oversight Concerns

The conferees drop the Senate's statutory reporting requirements for the Iraq Security Forces fund in favor of report language. Both the SAC and the House approve DOD request for $1.3 billion to train and equip Afghan security forces and $5.7 billion to train and equip Iraqi security forces but add several reporting requirements. Although the proposed language would still provide the funds to the Secretary of Defense "notwithstanding any other provision of law," the funds would be available until the end of FY2006 rather than until expended.

In addition, DOD would need to have the concurrence of the Secretary of State on the use of the money and to notify congressional defense committees in writing five days in advance of transfers from the funds, and report on transfers quarterly. The original DOD language did not include any notification or reporting requirements. DOD would still have the prerogative to distribute these funds to any activities related to training and to any type of security forces from the Army to police as well as being able to receive contributions from other nations for these purposes. The detailed statutory reporting requirements in the Senate version of H.R. 1268 were included as report language (see H.Rept. 108-72).

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[62] Department of Defense, "Iraq/Afghanistan Security Forces: DoD's FY05 Supplemental Request," February 2005; and DOD, FY2005 Justification, February 2005, p. 78-79.

[63] Senate Appropriations Committee, transcript, *Hearing on the Fiscal Year 2005 Emergency Supplemental*, February 16, 2005, p. 30-31.

[64] Department of Defense, FY2005 Supplemental request for Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF), and Operation Unified Assistance, February 2005 (hereinafter, DOD, FY2005 Justification), p. 78; http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf.

Flexible Funds to Provide Support to Allies

In addition to its requests for $7.0 billion in flexible funds for Iraq and Afghanistan security forces, the Administration requested $2.9 billion in other types of support for allies in the "global war on terrorism." Those funds included:

- $1.37 billion for coalition support to "key cooperating nations," who provide logistical and military support;
- $627 million for "Lift and Sustain" funds for security forces in Iraq, Afghanistan and other nearby nations;
- $825 million for the Commander's Emergency Response Program (CERP) in which military commanders Fund local projects;
- $250 million to reimburse the services for providing equipment to the Afghan Army;
- $99 million to set up a new Special Operations Training Center in Jordan; and
- $257 million for DOD's counternarcotics program.[65]

Since the 9/11 attacks, DOD has received substantial funds in these flexible accounts that may be distributed to U.S. allies in and around Iraq and Afghanistan to reimburse them or provide logistical support for their participation in the "global war on terror." Although the DOD request would have required concurrence of the Secretary of State and 15-day advance notification to congressional committees reporting for coalition support—as was included in previous supplementals—the request included no reporting for funds provided for "lift and sustain," for the Commanders Emergency Support Program, or for DOD's counternarcotics programs. The State Department also receives counternarcotics funds (see below).

Congressional Action—Conferees Cut Support to Allies

The conferees reduce DOD's request for funds to reimburse allies by several hundred million but less than proposed by the House. For example:

- the conferees provide $500 million for "lift and sustain," an additional source of funds for Afghan, Iraq, and neighboring security forces rather than the $600 million requested and in the Senate version and the $300 million in the House bill;
- the conferees provide $1.2 billion for "coalition support" for Pakistan, Jordan, and other cooperating nations in the "global war on terror," $150 million less than the request but above the House level; and
- both bills support the $854 million request for the Commanders Emergency Response Program (CERP), a program where unit commanders dispense funds locally. [66]

[65] Department of Defense, *FY2005 Justification*, p. 80-81. http://www.dod.mil/comptroller/defbudget/fy2006/fy2005_supp.pdf.

[66] House Appropriations Committee, H.Rept. 109-18, p. 12 and p. 14.

DOD Request for FY2005 by Appropriation Account

Table 6 below shows DOD's estimate and Congressional action of the FY2005 Supplemental request. To provide context, the table shows total DOD needs for FY2005 including both the amount provided in Title IX and the current FY2005 Emergency Supplemental Request, as well as DOD's obligations, or contractual costs in FY2004 based on accounting reports. In FY2004, DOD obligated all of the funds appropriated.

The lion's share of the request was for the Army, a reflection of the predominant role of ground forces in Iraq and Afghanistan. The greatest difference between FY2004 and FY2005's estimate was the amounts requested for investment accounts—procurement, RDT&E, and military construction—and DOD's request for $7.0 billion to train and equip Afghan and Iraqi forces.

The conferees provide $1 billion more for the Army compared to the request and the Senate level but less than the House's add of $1.8 billion. Similarly, the Marine Corps receives about $$300 million more than the request and the Senate level but less than the $630 million proposed by the House. Both services play the major role in Iraq and Afghanistan. The Navy's request is cut by $300 million. The totals for Defense-wide and the Air Force are close to the request (see **Table 6** below).

Table 6. Defense Department FY2005 Supplemental Request and Prior Funding

(billions of dollars)

Service/Account	FY2004 Obligations	Title IX, P.L. 108-287	FY2005 Total Based on Request	FY2005 Request	House Passed	Senate Passed	Conference
SPECIAL ACCOUNTS SUBTOTAL	**NA**	**3.800**	**10.785**	**6.985**	**6.985**	**6.985**	**6.985**
Iraq Freedom Fund	NA	3.800	3.800	0.000	0.000	0.000	0.000
Afghan Security Forces Fund	NA	NA	1.285	1.285	1.285	1.285	1.285
Iraq Security Forces Fund	NA	NA	5.700	5.700	5.700	5.700	5.700
ARMY SUBTOTAL	**43.382**	**15.381**	**56.597**	**41.217**	**42.938**	**41.417**	**42.261**
Mil. Pers. :Defense SubComm. (SC)	11.972	0.916	14.215	11.757	11.780	13.609	13.609
Mil.Pers.: Quality of Life SubComm (QOL SC)	NA	NA	1.542	1.542	1.542	Included above	Included above
Reserve Pers, Army	0.000	0.000	0.040	0.040	0.040	0.040	0.040
National Guard Personnel, Army	0.000	0.000	0.429	0.429	0.429	0.291	0.291
O&M, Army: Defense SC	29.908	13.550	30.817	17.201	17.366	16.768	16.980
O&M, Army: QOL SC	NA	NA	0.066	0.066	0.066	Included above	Included above
O&M, Army Reserve	0.000	0.000	0.008	0.008	0.008	0.021	0.026
O&M, Army Nat'l Gd	0.000	0.000	0.189	0.189	0.189	0.327	0.327
Aircraft Proc, Army	0.000	0.000	0.459	0.459	0.459	0.459	0.459
Missile Proc, Army, 05/07	0.000	0.000	0.294	0.294	0.341	0.280	0.310
Proc, Wpns & Combat Tracked Vehicles	0.457	0.050	2.475	2.425	2.679	2.406	2.551
Procurement, Ammo	0.000	0.110	0.585	0.475	0.533	0.475	0.533
Other Proc, Army	0.954	0.755	6.071	5.316	6.550	5.536	6.251
RDT&E, Army	0.000	0.000	0.025	0.025	0.025	0.037	0.037
Mil Con, Army	0.090	0.000	0.990	0.990	0.930	0.897	0.847
NAVY SUBTOTAL	**3.818**	**0.504**	**5.438**	**4.935**	**4.562**	**4.939**	**4.603**
Military Personnel, Navy	0.857	0.028	0.553	0.525	0.534	0.535	0.535

Service/Account	FY2004 Obligations	Title IX, P.L. 108-287	FY2005 Total Based on Request	FY2005 Request	House Passed	Senate Passed	Conference
Reserve Personnel, Navy	0.000	0.000	0.009	0.009	0.011	0.009	0.009
Operation and Maintenance	2.555	0.367	3.791	3.424	3.031	3.431	3.031
O&M, Navy, Tsunami	0.000	0.000	0.124	0.124	0.124	0.124	0.124
O&M, Navy Reserve	0.000	0.000	0.075	0.075	0.075	0.075	0.075
Aircraft Proc, Navy	0.211	0.000	0.200	0.200	0.200	0.200	0.200
Weapons Proc, Navy	0.000	0.000	0.072	0.072	0.072	0.066	0.066
Proc Ammo, Navy & MC	0.000	0.079	0.213	0.134	0.142	0.134	0.140
Other Proc, Navy	0.189	0.030	0.116	0.086	0.078	0.078	0.078
RDT&E, Navy	0.007	0.000	0.179	0.179	0.202	0.179	0.204
Mil Con, Navy	0.000	0.000	0.107	0.107	0.093	0.107	0.140
MARINE CORPS SUBTOTAL	**2.846**	**2.057**	**7.279**	**5.222**	**5.855**	**5.289**	**5.655**
Military Personnel, MC	0.918	0.242	1.488	1.246	1.252	1.358	1.358
Reserve Personnel, MC	0.000	0.000	0.004	0.004	0.004	0.004	0.004
Operation and Maintenance, MC	1.567	1.665	2.635	0.970	0.982	0.970	0.982
O&M, MC, Tsunami	0.000	0.000	0.003	0.003	0.003	0.003	0.003
O&M, MC Reserve	0.000	0.000	0.025	0.025	0.025	0.025	0.025
Procurement, Marine Corps	0.360	0.150	3.124	2.974	3.588	2.929	3.283
AIR FORCE SUBTOTAL	**9.765**	**0.594**	**11.586**	**10.463**	**10.641**	**10.447**	**10.403**
Military Personnel, AF	3.272	0.065	1.381	1.317	1.473	1.685	1.600
Reserve Personnel, AF	0.000	0.000	0.000	0.000	0.000	0.000	0.000
National Guard Personnel, AF	0.000	0.000	0.001	0.000	0.000	0.000	0.000
Operation and Maintenance, AF	6.131	0.419	6.550	5.602	5.769	5.529	5.627
O&M, AF, Tsunami	0.000	0.000	0.030	0.030	0.030	0.030	0.030
Aircraft Procurement, AF	0.053	0.000	0.269	0.269	0.279	0.269	0.277
Proc Ammo, AF	0.021	0.000	0.007	0.007	0.007	0.007	0.007

Service/Account	FY2004 Obligations	Title IX, P.L. 108-287	FY2005 Total Based on Request	FY2005 Request	House Passed	Senate Passed	Conference
Other Proc, AF	0.286	0.110	2.944	2.834	2.659	2.654	2.578
RDT&E, AF	0.001	0.000	0.103	0.103	0.122	0.133	0.143
Mil Con, AF	0.000	0.000	0.302	0.302	0.301	0.141	0.141
DEF.-WIDE/OTHER SUBTOTAL	**5.824**	**2.565**	**8.686**	**6.134**	**5.834**	**5.968**	**6.007**
O&M, Defensewide	2.108	0.404	3.925	3.521	3.061	3.308	3.042
O&M, Defensewide, Tsunami	0.000	0.000	0.029	0.029	0.029	0.029	0.029
Office of Inspector General	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Drug Interdiction (for transfer)	NA	0.000	0.257	0.257	0.257	0.227	0.242
Defense Health: HAC QOL & SAC Defense	0.888	0.683	0.859	0.176	0.176	0.226	0.211
Defense Health, Tsunami	0.000	0.000	0.004	0.004	0.004	0.004	0.004
Overseas Humanitarian	NA	0.000	0.010	0.010	0.010	0.000	0.000
Overseas Humanitarian, Tsunami	0.000	0.000	0.036	0.036	0.036	0.036	0.036
Procurement, Defense-wide	0.199	0.050	0.641	0.591	0.646	0.591	0.646
National Gd & Reserve Equipment	0.039	0.050	0.050	0.000	0.000	0.000	0.000
RDT&E, Defense-wide	0.062	0.000	0.154	0.154	0.160	0.204	0.254
Defense Working Capital Fund	0.002	1.478	2.789	1.311	1.411	1.311	1.511
Working Capital Fund, Navy	0.002	0.000	0.000	0.000	0.000	0.000	0.000
National Defense Sealift Fund	0.000	0.000	0.032	0.032	0.032	0.032	0.032
Def. Agencies, Special Ops & Other	2.584	0.000	0.000	0.000	0.000	0.000	0.000
Transferred to Coast Guard	0.000	-0.100	-0.100	0.000	0.000	0.000	0.000
GENERAL PROVISIONS	**[3.000]**	**[5.000]**	**[12.500]**	**[11.00]**	**[7.500]**	**[7.685]**	**[9.185]**
General Transfer Authority: FY05 Supp	[3.000]	[1.500]	[6.500]	[5.000]	[2.000]	[2.000]	[3.000]
General Transfer Authority: FY05 DOD Appropriations	[NA]	[3.500]	[6.000]	[6.000]	[5.500]	[5.685]	[6.185]
Defense Cooperation Transfer Account	0.000	0.000	0.000	0.012	0.012	0.000	0.000
Rescission - Iraq Freedom Fund	0.000	0.000	0.000	0.000	0.000	0.000	-0.050

Service/Account	FY2004 Obligations	Title IX, P.L. 108-287	FY2005 Total Based on Request	FY2005 Request	House Passed	Senate Passed	Conference
TOTAL DEFENSE DEPARTMENT	**65.635**	**24.900**	**99.944**	**74.967**	**76.827**	**74.726**	**75.864**
INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT	**0.000**	**0.000**	**0.250**	**0.250**	**0.250**	**0.250**	**0.250**
TOTAL NATIONAL DEFENSE FUNCTION (050)	**65.697**	**24.900**	**100.194**	**75.218**	**77.077**	**74.976**	**76.114**

Sources: CRS calculations based on Defense Finance and Accounting Service, Consolidated Department of Defense (DoD) Terrorist Response Cost Report (Revised), FY2004 Supplemental Appropriation As of September 30, 2004; P.L. 108-287; Department of Defense, FY 2005 Supplemental Request for Operation Iraqi Freedom (OIF), Operation Enduring Freedom J(OEF), and Operation Unified Assistance, February 2005; and H.Rept. 109-18, Making Emergency Supplemental Appropriations for FY2005, March 11, 2005, H.Rept. 109-72.

Foreign Policy Supplemental Request and Congressional Review

The President sought $6.3 billion in FY2005 supplemental funding supporting a broad range of foreign policy activities:

- U.S. diplomatic costs in Iraq
- Afghanistan reconstruction and counternarcotics programs
- Darfur humanitarian relief and peace implementation aid in Sudan
- War on Terrorism assistance, including funds for Jordan and Pakistan
- Palestinian aid
- Ukraine assistance
- U.N. peacekeeping contributions
- Broadcasting programs in the Middle East
- Tsunami recovery and reconstruction

If enacted as proposed, FY2005 total spending for foreign policy programs would have increased by roughly 50% over levels approved the international affairs budget immediately prior to the 9/11 attacks. Even with Congressional reductions to the foreign policy portion of the supplemental, FY2005 international affairs spending, including the supplemental, is 41% higher than before 9/11 (see **Table 7**).

Table 7. Foreign Policy Budget, FY2001-FY2006

(billions of dollars)

FY2001 Total	FY2002 Total	FY2003 Total	FY2004 Total	FY2005 Enacted	FY2005 Supp Conf.	FY2005 Total	FY2006 Request
$24.409	$25.455	$33.490	$49.618	$29.727	$4.782	$34.509	$33.635

Sources: OMB, Department of State, CRS calculations.

Congressional Action—Summary

Conference Consideration

As reported on May 3, and subsequently approved in the House and Senate, H.R. 1268 provides $5.78 billion in new appropriations for State Department, foreign aid, tsunami relief, and other foreign policy activities. This represents a $512 million, or 8% reduction to the President's $6.3 billion request. Conferees, as had earlier House and Senate-passed versions of H.R. 1268, offset part of these costs by rescinding $1 billion in FY2003-appropriated funds for aid to Turkey that

had not yet been obligated.[67] As a result, the "net" appropriation for foreign policy programs in H.R. 1268 is $4.78 billion, or $1.5 billion below the request. The entire amount is designated as emergency appropriations.

Beyond congressional decisions to reduce selected supplemental requests, the conference agreement and the $512 million cut may have significant implications for Congress' consideration later this year of regular FY2006 appropriations for Foreign Operations and the State Department. In some cases, House and Senate Appropriation Committees had expressed the view that some supplemental requests did not require immediate funding and could be addressed during the debate on FY2006 appropriation bills. This is particularly relevant to the funds proposed for Afghanistan reconstruction and economic aid programs in southern Sudan. Earlier, Congress approved a budget resolution for FY2006 (H.Con.Res. 95) that assumes a reduction in the President's foreign policy funding request of about $2.4 billion, or 7%. If House and Senate Appropriation Committees add to the pending FY2006 request some of the items not approved in the FY2005 supplemental conference agreement, the challenge of meeting the budget resolution target for international affairs program will be an even greater challenge.

House Consideration

H.R. 1268, as passed by the House on March 16, approved $4.92 billion for additional foreign policy programs. This level was $1.37 billion less than requested. During House Appropriations Committee markup on March 8, the panel excluded items that it felt were not well justified, could be funded by other international donors, or did not require immediate funding and could be considered as part of the regular FY2006 appropriation. The House Committee further redesignated $995 million as non-emergency spending and offset these costs by rescinding $1 billion in unspent economic aid appropriated in FY2003 for Turkey. This brought the "net" total for foreign policy programs in the House version of H.R. 1268 to $3.92 billion. During House floor debate, Members approved an amendment by Representative Jackson adding $100 million in humanitarian relief for the Darfur region in Sudan.

Table 8. Foreign Policy Amendments: House Floor

Sponsor	Purpose/Congressional Record page reference	Status
Jackson	Adds $100 million in disaster and refugee aid for the Darfur region of Sudan. (p. H 1467)	Approved (voice)
Maloney	Increases by $3 million the Tsunami Relief and Recovery Fund, and to decrease by $3 million ESF funds. (p. H1467)	Approved (voice)
Upton	Prohibits the use of funds in the bill for embassy security, construction, and maintenance. (p. H1482, H1486)	Approved (258-170)
Tancredo	Prohibits the use of funds in the bill for tsunami relief. (p. H1479)	Rejected (voice)
Weiner	Prohibits the use of funds in the bill for aid to Saudi Arabia. (p. H1484, H1487)	Rejected (196-231)
Weiner	Prohibits the use of funds in the bill for the Palestinian Authority and for West Bank and Gaza projects. (p. H1497)	Rejected (voice)

[67] Congress appropriated $1 billion in the FY2003 Emergency Supplemental (P.L. 108-11) that could be used by Turkey to guarantee loans of about $8.5 billion to bolster its ailing economy. With substantial economic recovery during the past two years, Turkey has not drawn on the $1 billion loan guarantee funds.

Sponsor	Purpose/Congressional Record page reference	Status
Kelly	Prohibits funds for aid to the Nigerian government. (p. H1489)	Withdrawn

Senate Consideration

The Senate passed its version of H.R. 1268 on April 21, providing $5.74 billion in new appropriations for foreign policy activities, a level about $350 million less than the President's request, but over $800 million more than passed the House. Like the House, the Senate version of H.R. 1268 offset the foreign policy total by rescinding $1 billion in FY2003-enacted economic aid for Turkey, bringing the "net" amount down to $4.74 billion. But unlike the House, the Senate measure designated the entire foreign policy portion as an "emergency" appropriation. The Senate considered over 20 amendments related to foreign policy items in the supplemental, altering the Committee-reported bill in several key ways.

In particular, the Senate, in adopting two amendments offered by Senator Byrd and Senator Ensign, shifted about $550 million from international peacekeeping and Iraq and Afghanistan mission operations to bolster U.S. border security. Conversely, the Senate added $320 million in food assistance to provide additional resources for humanitarian crisis in Darfur and elsewhere, and to replenish food aid accounts which had previously been diverted for emergency purposes. Eight amendments were approved concerning tsunami-affected countries, including a provision allowing up to $45 million, as requested, debt deferral or rescheduling. Among other amendments, the Senate:

- fully funded the request for the State Department's Office of the Coordinator for Reconstruction and Stabilization and for the ready-response corps, offset by a reduction for the Global War on Terrorism Partners Fund;
- added $5 million for democracy programs in Lebanon, offset by a further reduction in the Partners Fund;
- added $20 million in aid to Haiti; and
- designated $90.5 million in peacekeeping funds for Darfur.

The Senate rejected one amendment—by Senator Coburn—that would have reduced funding for the U.S. embassy in Iraq from $592 million, as proposed by the Committee, to $106 million. See **Table 9** for further information on other amendments.

Table 9. Foreign Policy Amendments: Senate Floor

Sponsor	Purpose/Congressional Record page reference	Status
McConnell (No. 402)	Adds aid to combat the avian flu virus to the purposes for which the Tsunami Recovery & Reconstruction Fund can be used. (p. S3542)	Approved (UC)
Obama (No. 422)	Makes mandatory a $25 million "soft"earmark for programs to prevent the spread of the avian influenza virus (p. S3619)	Approved (UC)
Leahy (No. 404)	Broadens the provision for using $5 million for environmental recovery activities in all tsunami-affected countries (p. S3542)	Approved (UC)
Leahy	Makes obligations from the Tsunami Recovery & Reconstruction Fund subject to	Approved

Sponsor	Purpose/Congressional Record page reference	Status
(No. 405)	congressional notification five days in advance of obligation. (p. S3542)	(UC)
McConnell (No. 491)	Permits up to $45 million for costs associated with the deferral and rescheduling of debt owed by tsunami-affected countries. (p. S3811)	Approved (UC)
Landrieu (No. 414)	Earmarks $25 million to assist children and others in tsunami-affected countries. (p. 3993-95)	Approved (UC)
Durbin (No. 489)	Provides $10 million for programs creating new economic opportunities for women in tsunami-affected countries. (p. S 4000)	Approved (UC)
Bennett (No. 425)	Provides $20 million for microcredit programs in tsunami-affected countries. (p. S4001)	Approved (UC)
Lugar (No. 403)	Increases the amount available to the Office of the Coordinator for Reconstruction & Stabilization to $17.2 million (as requested); offsets this amount by reducing funds for the GWT Partners Fund (p. S3542)	Approved (UC)
Salazar (No. 370)	Adds $5 million for democracy programs in Lebanon; offsets this amount by reducing funds for the GWT Partners Fund (p. S3619)	Approved (UC)
Leahy (No. 423)	Makes certain State Department funds appropriated for FY2005 subject to reprogramming. (p. S3619)	Approved (UC)
Leahy (No. 492)	Sense of the Senate regarding the restoration of democracy in Nepal (p. S3811)	Approved (UC)
Leahy (No. 548)	Encouraging Ecuador to protect the biodiversity of the Galapagos. (p. S3881)	Approved (UC)
Kohl (No. 380)	Increases from $150 million to $470 million food aid. (p. S3966-68; S3970)	Approved (UC)
Corzine (No. 368)	Earmarks $90.5 million of Contributions to Int'l Peacekeeping for peacekeeping & humanitarian aid in Darfur. (p. S4080)	Approved (UC)
Corzine/ Brownback (No. 517)	To impose sanctions against perpetrators of crimes against humanity in Darfur. (p. S4005-07)	Approved (UC)
Leahy (No. 493)	Provides $5 million to assist families & communities of Afghan civilians who have suffered losses due to military operations. (p. S4000)	Approved (UC)
DeWine (No. 342)	Provides $20 million for aid programs in Haiti. (p. S4001)	Approved (UC)
Byrd (No. 516)	Provides $390 million for U.S. border security; reduces from $767 million to $358 million funds for U.S. mission operations in Iraq and Afghanistan. (p. S3983-84; S3988)	Approved (65-34)
Ensign (No. 487)	Adds $147 million for U.S. border patrol agents; reduces Contributions to Int'l Peacekeeping by $147 million. (p. S4079, S4084, S4087)	Approved (UC)
Coburn (No. 471)	Reduces from $592 million to $106 million funds for the U.S. embassy in Iraq. (p. S3971-76; S3981; S3984-85)	Tabled (54-45)

Key Provisions in Conference, House, and Senate Bills

Major recommendations included in H.R. 1268 as agreed to by conferees, and previously passed by the House and Senate, include:

- Afghanistan reconstruction and police training—$1.78 billion, $262 million less than requested. This level fell between the House-passed measure ($1.4 billion)

and the Senate ($2.05 billion). The conference agreement further fully funds counter-narcotics activities, but reduces policy training by $40 million.

- Darfur humanitarian aid—at least $238 million, roughly the amount proposed by the President. The conference agreement, however, adds $90 million in food aid world-wide, some of which might be available for Darfur, and permits the transfer of $50 million in support of African Union peacekeeping operations in the region. The House measure had increased the funding level for Darfur to $342.4 million. The Senate version approved $242 million, as requested, but added an additional $320 million in food assistance, some of which could be used in Darfur, and $90 million that could have been transferred to meet humanitarian and peacekeeping needs.
- Sudan peace implementation aid—$37 million, as had been included in the House measure. Conferees delete $63 million in rehabilitation and reconstruction funding. The Senate bill had included the entire $100 million request.
- Palestinian aid—$200 million, as requested and passed in earlier House and Senate votes. The conference measure sets aside $50 million, similar to the Senate version, for Israel to help facilitate the movement of Palestinian people and goods in and out of Israel. Conferees recommended that none of the funds be available for direct financial support to the Palestinian Authority.
- Pakistan military aid—$150 million, as requested.
- Jordan economic and military aid—$200 million, as requested.
- Iraq embassy—$592 million, $66 million below the request. This is the same level as in the Senate bill, while the House measure included an amendment that baring the use of the funds for construction of the embassy.
- Peacekeeping—$680 million, $100 million below the request. The conference amount is higher than both the House ($580 million) and Senate ($442 million). The Senate figure could have been reduced further due to an authority to transfer $90.5 million for African Union peacekeeping support in Darfur and humanitarian needs in that region.
- Tsunami relief and prevention—$656 million for relief and $25.4 million for prevention, the same as in the Senate bill. The House-passed amount was slightly higher. The conference agreement provides authority (but not the $45 million requested) to defer and reschedule debt owed by tsunami-affected countries. The House bill had not granted such authority.
- Partners Fund and Solidarity Fund—No funds are provided for the Partners Fund ($200 million proposed), while the full $200 million request for the Solidarity Fund is included. In addition, the conference agreements adds $30 million for other Global War on Terror security assistance, as determined by the President. The House had denied all funding for these purposes, while the Senate approved $225.5 million for the two contingency funds.
- Ukraine aid—$60 million, as requested and including in the Senate measure. The House had approved $33.7 million. In addition, similar to the Senate, the conference agreement provides $10 million for other regional aid requirements in Belarus and the North Caucusas.

- Haiti assistance—$20 million, of which $2.5 million for criminal case management, case tracking, and the reduction of pre-trial detention in Haiti, similar to the Senate position. The $20 million had not been requested or included by the House.
- Iraqi families and communities affected by military operations—$20 million for civilians who have suffered losses due to military activities, similar to a Senate-added provision. These funds will be drawn from the $18.44 billion appropriated in P.L. 108-106, the FY2004 emergency supplemental for Iraq reconstruction.

Each of these elements and others are discussed in more detail below. **Table 10** (below) summarizes the spending request.

U.S. Diplomatic and USAID Operations in Iraq

The supplemental request included a total of $1.37 billion for U.S. Mission operations in Baghdad ($690 million), the construction of a new embassy compound ($658 million), USAID operating expenses in Iraq ($24 million) and USAID Inspector General costs in Iraq ($2.5 million).

For U.S. Mission operations and embassy construction, the supplemental funds are intended to cover costs for the balance of FY2005 and most expenses in FY2006. Previously, Congress appropriated in several spending measures $991 million for Mission operations for FY2004 and FY2005, of which $769 million remained for this year. The Administration estimates that the State Department will need $1.06 billion in FY2005 to manage activities of about 1,000 American personnel located in Bagdad and four regional offices. The State Department sought $290 million for Mission operations, including logistics and security, for the rest of FY2005, and $400 million for "extraordinary" security and logistical expenses in FY2006. The regular FY2006 budget, submitted to Congress on February 7, 2005, includes $65 million that will serve as a "funding base for basic embassy operations" and assumes that the U.S. Mission in Baghdad will reach a "basic operations" status at some point in the future.[68]

The State Department plans to build the new embassy over the next 24 months and argues that it needs the entire funding now so Mission staff can move out of temporary facilities as quickly as possible as promised to the new Iraqi government. The $658 million sought represents the entire estimated construction costs, plus "reasonable" contingency amounts to manage possible risks of the project. According to the Department, planning for the new embassy would be completed by March 15, 2005, with an anticipated contract award date of mid-May 2005, subject to passage of the supplemental. Under this time schedule, the project would be completed in May 2007.[69] Critics note, however, that Congress has already appropriated about $20 million in previous supplementals specifically for construction of the embassy. Moreover, they say, plans for a new facility were far enough along in calendar 2004 that the Administration should have amended its FY2005 regular appropriation request to accommodate the sizable funding additions needed for

[68] Department of State, *FY2005 Supplemental Appropriations Financial Plan*, February 2005, pp. 21-22; and remarks of Joe Bowab and Eric Hembree, Deputy Assistant Secretaries of State for Resource Management, during a State Department news briefing, February 14, 2005.

[69] *FY2005 Supplemental Appropriations Financial Plan*, pp. 25-29.

embassy construction. To them, the proposal does not meet the test of an "emergency" requirement.[70]

Congressional Action

The conference agreement on H.R. 1268 provides $690 million for Iraq Mission operations and USAID operating and IG costs, $27 million less than requested. Conferees further settled on $592 million for construction of a new embassy in Baghdad, a level $66 million below the request. Conferees added a $250,000 earmark for a contribution to a scholar-rescue program that would bring Iraqi and Afghan scholars, whose lives are threatened in their home countries, to the United States and place them in host universities.

The matter of funding for a U.S. embassy in Baghdad was one of the most contentious elements of the supplemental debate. Initially, the House Appropriations Committee had recommended a reduction of $66 million for embassy construction (the same as in the conference agreement), stating that even with this cut, remaining funds would be sufficient for the compound to be constructed within the Administration's two-year schedule. During floor debate, however, the House adopted (258-170) an amendment by Representative Upton, prohibiting the use of any funds in the bill for embassy security, construction, or maintenance. Supporters of the amendment argued that since planning for a new Baghdad facility had been underway for at least a year, this should not be funded as an emergency requirement. Instead, the Administration should have submitted a proposal for consideration in the regular FY2005 appropriation or requested funds in the regular FY2006 spending measure. Before adoption of the Upton amendment, the White House had expressed concern over the Committee's $66 million cut for embassy construction. Officials argued that full funding of the $658 million request was important for a "secure work and living environment for Americans serving in Baghdad," and that construction postponement would delay the movement of U.S. staff into "more safe, secure, and functional facilities."[71]

The Senate supported State Department construction plans for a graduated design that could be scaled back as requirements in Baghdad change. The $592 million provided—$66 million less than the request—was, in the Committee's view, sufficient given reduced mission staffing levels. During floor debate, the Senate tabled (54-45) an amendment by Senator Coburn that would have reduced funding for the embassy to $106 million, an amount that supporters of the amendment argued was needed immediately, but contended that the balance could be addressed in regular appropriation bills.

H.R. 1268, as passed in the Senate, also cut funds for State Department operating costs in Iraq and Afghanistan. A floor amendment by Senator Byrd set funding for diplomatic and consular programs at $357.7 million, about $400 million below the President's request for both missions. This reduction came as an offset to fund additional U.S. border security needs in the Byrd amendment.

[70] For further information, see CRS Report RS21867, *U.S. Embassy in Iraq.*

[71] OMB, *Statement of Administration Policy: H.R. 1268*. March 15, 2005, p. 2.

Afghanistan Reconstruction, Counternarcotics, Police Training, and Other Activities

The supplemental proposed $2.046 billion for Afghanistan out of foreign policy budget accounts.[72] By comparison, enacted FY2005 appropriations for economic, law enforcement, and security assistance to Afghanistan total about $1 billion, and between $1 billion and $1.1 billion is proposed for FY2006. The Administration argues that the supplemental is necessary in order to support the newly elected Karzai government plan for the upcoming Parliamentary elections and to complete high impact projects that could be done in the near term.[73] The supplemental funds for Afghanistan are divided into several components.

- U.S. Mission operations and security—$60 million.
- Infrastructure and economic development—$795.8 million. These funds would be used to continue ESF-funded secondary road construction ($125 million), power transmission and generation capacity ($300 million), health sector reforms and services ($69 million), school construction and teacher training ($68 million), Provincial Reconstruction Teams (PRTs) infrastructure ($75 million), clean water and agriculture projects ($82 million), and other reconstruction activities.
- Capacity-building of the Afghan government, including strengthening democratic institutions—$265 million. This would cover government salaries, infrastructure, support for parliamentary elections, and other rule of law and democracy promotion activities. Included is $25 million to complete the Kabul airport.
- Anti-terrorism training and protection—$17.1 million for providing security for President Karzai. Congress approved $18.8 million in the regular FY2005 Foreign Operations appropriations for similar programs funded under the Non-Proliferation, Anti-Terrorism, Demining, and Related Programs (NADR) account for Afghanistan. For FY2006, the State Department seeks an additional $18.4 million for NADR account activities.
- Police training—$400 million. These funds are intended to accelerate on-going efforts that will be expanded further by FY2006 requested appropriations. Activities include Task Force Police training ($285 million), police equipment ($74 million), and salary payments ($40 million).
- Counternarcotics (eradication and interdiction)—$260 million. Of this total, $95 million would cover costs already incurred to begin crop eradication, establish a National Interdiction Unit, and support public information programs. The balance of $165 million would expand efforts for eradication ($89 million), interdiction ($51 million), law enforcement ($22 million), and public information ($3 million). Authority is also sought to transfer up to $46 million of the amount to ESF programs, presumably in support of alternative livelihood activities.

[72] Elsewhere, in the DOD portion of the supplemental, the Administration sought $1.285 billion to assist Afghan security forces and an additional $257 million for drug interdiction and counter-drug activities in Afghanistan and Central Asia. Furthermore, there was $7.6 million requested for Drug Enforcement Agency participation in U.S. counternarcotics activities in Afghanistan.

[73] *FY2005 Supplemental Appropriations Financial Plan*, p. 1.

- Counternarcotics (alternative livelihood programs)—$248.5 million. A portion ($139 million) of this amount would replenish reconstruction and development aid accounts that had been drawn on previously to address alternative livelihood activities. The balance ($110 million) would be used to expand programs into a total of seven provinces.

In total, including Defense Department and DEA accounts, the FY2005 supplemental sought $773 million for counternarcotics in Afghanistan and Central Asia.

Congressional Action

Conferees approved $1.78 billion for Afghan programs covering U.S. mission costs, reconstruction, counter-narcotics, police training, and security for President Karzai.[74] This level is about mid-way between Senate ($2.05 billion, the same as the request) and House ($1.4 billion) amounts. The conference measure redistributes the funds differently than had been requested. U.S. mission operations, counter-narcotics activities, and President Karzai's security detail are fully funded, while conferees reduced police training from $400 million to $360 million. The most debated element of the Afghanistan request was the portion for economic reconstruction. The conference measure trims about $220 million of the President's $1.1 billion request, finding that some projects did not fit the "emergency" nature of the supplemental. The conference level, however, assumes full funding for health programs and expenses of provisional reconstruction teams. Conferees recommend $5 million for women-led NGOs in Afghanistan and $5 million for displaced persons, as provided by the Senate, and earmarks $2.5 million to assist families and communities of Afghan civilians who have suffered losses due to military operations. The Senate bill had included a $5 million earmark for this purpose.

In earlier action, the House-passed bill rejected $46 million for aerial eradication efforts and denied funding for several reconstruction projects, including money for the Kabul Airport, a new law school in Kabul, a power plant, industrial parks, a courthouse, and a community housing project. Some of the projects, the House Appropriations Committee noted, will be reviewed during consideration of the regular FY2006 Foreign Operations appropriations. In its report on H.R. 1268, the Committee said that it expected that some of these projects could be financed by other countries, the Asian Development Bank, and the World Bank.

The Senate measure shifted $46.5 million of the request from operation and maintenance (O & M) of a helicopter fleet to eradicate illicit crops to a pilot program to train local Afghan police forces. The Committee noted in its report that an earlier reprogramming proposal for procuring the helicopters had been denied, making the O & M funds unnecessary.

Sudan North-South Peace Support

The Administration requested $100 million for immediate support of the January 9, 2005 Comprehensive Peace Agreement between the government in Khartoum and the Sudan People's Liberation Movement in the south. In justifying the request, the State Department noted that when

[74] In the DOD portion of H.R. 1268, conferees approved an additional $1.285 billion for Afghan security forces and $242 million for DOD drug interdiction activities in Afghanistan. Conferees further included $7.6 million for DEA programs in Afghanistan and Central Asia.

FY2005 appropriation decisions were finalized, a peace accord was uncertain. The supplemental programs, officials said, would help ensure that the peace agreement is effectively implemented.[75]

Most of the supplemental proposal targeted needs in southern Sudan. The proposal included $22 million for assisting the National Commissions required under the peace accords and supporting governance and political party development, $10 million for security sector reform in southern Sudan, $63 million for rehabilitation and reconstruction, primarily in southern Sudan, and $5 million for UNHCR, International Organization for Migration, and NGO repatriation programs for Sudanese refugees. The $100 million total supplemental requested for Sudan compares with about $200 million allocated for all activities in FY2005 and $112 million proposed for FY2006.

The supplemental proposal for Sudan also reflects a new initiative proposed more broadly in the regular FY2006 budget request for post-conflict, fragile countries. The Administration recommends shifting assistance that has traditionally been channeled through USAID's Development Assistance account to the Transition Initiative (TI) account. TI funds are available under more flexible programming authorities than regular development assistance, and according to the Administration, will permit more effective and better targeted types of support that post-conflict states require in the near-term. Four countries—Sudan, Ethiopia, Afghanistan, and Haiti—are scheduled for this funding transfer in the FY2006 request. Included in the $100 million, the supplemental proposal also seeks $63 million for Sudan rehabilitation and reconstruction under the TI account.

Congressional Action

While fully supporting the requests for security, governance, and refugee repatriation programs, the conference agreement, like the House-passed bill, does not include $63 million for reconstruction programs in southern Sudan. The Senate measure provided the full $100 million requested for programs related to the Comprehensive Peace Agreement.[76]

Darfur Region and Eastern Chad

The supplemental sought $242 million for emergency humanitarian relief for the Darfur region of Sudan and for eastern Chad. These funds would add to the roughly $375 million currently allocated or planned for emergency programs with existing FY2005 funds. As the crisis worsened throughout 2004, the demands for a broader U.S. response exceeded those assumed in the FY2005 budget request, according to the Administration. The supplemental request included $48.4 million in refugee aid, $44 million for both replenishing previously expended disaster relief funds and meeting new emergency shelter, clean water, and medical requirements in the region, and $150 million in food aid. The food aid request was intended to relieve some of the current pressure on the enacted FY2005 food assistance budget in meeting not only the needs in Darfur, but in a number of crisis situations around the world.

[75] *FY2005 Supplemental Appropriations Financial Plan*, p. 6.

[76] The Senate bill, however, directed that $2.5 million of the $63 million in Transition Initiative funds be used for the management of criminal cases, case tracking, and the reduction of pre-trial detention in Haiti.

Congressional Action

Conferees approved at least $238 million for Darfur-related support (roughly the level requested), although this total could climb if the Administration decides to allocate additional food aid to the region or transfer peacekeeping funds for the African Union's operation in Darfur. The conference agreement adds $90 million in food aid that can be used globally to address emergency shortfalls. Some of this additional amount could be used in Darfur if the situation warrants. The Senate bill had added more—$320 million—in food assistance, amounts that also could be used worldwide, including Darfur. Conferees also permit the transfer of $50 million in support of African Union peacekeeping operations in the region. These funds would be drawn from the State Department's assessed U.N. peacekeeping account from which U.S. contributions might be drawn for a U.N. mission in Darfur.

Previously, the House-passed supplemental added $100 million—for a total of $342.4 million—to the Administration's request for humanitarian assistance to the Darfur region. The initial House Committee draft bill had provided $92.4 million. During Appropriations Committee markup, the House panel voted 32-31 to approve an amendment by Representative Jackson to restore $150 million in food assistance that had been requested but not made part of the Chairman's draft bill. Earlier, however, the Committee had rejected (29-30) a more expansive amendment by Representative Jackson that would have provided the additional food aid, plus $100 million for more refugee and disaster relief in the Darfur region. Subsequently, during debate on March 15, the House adopted by voice vote an amendment by Representative Jackson adding the same $100 million for Darfur that had been rejected in Committee.

H.R. 1268, as passed in the Senate, provided $242.4 million directly for humanitarian aid for the Darfur region and eastern Chad, the same as the request. In addition, two floor amendments could have pushed this figure higher. As noted above, an amendment by Senator Kohl added $320 million in food assistance for Darfur and to meet other emergency and non-emergency food aid needs around the world. A second amendment by Senator Corzine made available $90.5 million out of the Contributions to International Peacekeeping account specifically for Darfur. Of this total, $50 million could be transferred to support African Union peacekeeping activities in the region, while $40.5 million could be transferred for additional humanitarian relief needs in Darfur.

Global War on Terrorism-Related Programs

The Administration proposed $750 million in direct aid for Jordan, Pakistan, and other coalition partners in the war on terrorism, some of which has been challenged for representing an open-ended contingency resource that lacks sufficient controls and congressional oversight.

- Jordan economic and military aid—$200 million. These funds, which would be evenly split between economic and military aid, are justified as necessary to help Jordan offset the costs of hosting Iraq training initiatives, address increasing threats from Iraqi insurgents and problems on the Syrian and Saudi borders, and high oil prices.[77] The supplemental package would come on top of $452 million already appropriated for Jordan in the regular FY2005 appropriation and $456 million requested for FY2006.

[77] *FY2005 Supplemental Appropriations Financial Plan*, p. 4.

- Pakistan military aid—$150 million. As part of a multi-year, $3 billion Presidential aid pledge to Pakistan, the Administration requested in the regular FY2005 appropriation $700 million for Pakistan, $300 million of which would support military activities. Congress directly appropriated $148.8 million (post rescission) of the military aid request and authorized the President to draw an additional $150 million from prior-year unobligated appropriations. The Administration thus far has not acted on the transfer authority, arguing that it does not want to adversely affect other key aid programs. Instead, the President sought an additional direct appropriation of $150 million that he did not receive in the FY2005 enacted spending measure. The Administration's Pakistan aid request for FY2006 again totals $700 million, with $300 million proposed for military aid.
- Solidarity Fund—$200 million. The supplemental proposed $200 million in military and security assistance for countries that have deployed troops in Afghanistan and Iraq to meet "extraordinary" defense costs of such operations. According to State Department officials, the funds would not be used to directly reimburse these countries for costs sustained in Iraq and Afghanistan. Such reimbursements are provided through DOD's Coalition Support Fund. Rather, the Solidarity Fund would help partners address general budget problems related to their presence in both countries by repairing or replacing defense articles and supporting a number of countries currently or about to deploy forces.[78]
- Global War on Terrorism Partners Fund—$200 million. This new account would provide economic aid to countries supporting the U.S. in the Global War on Terror. It would be constructed as a contingency Fund, exempt from restrictions and conditions in any other provision of law, from which the Secretary of State could transfer resources to any Federal agency in support of the objectives of the Fund. Secretary of State Rice told the Senate Appropriations Committee on February 17, 2005, that the need for such a Fund became clear after the regular FY2005 appropriation had been submitted. She noted that a number of countries, although not deploying troops in Iraq or Afghanistan, had taken steps, such as securing their borders from terrorist infiltration, to take pressure off U.S. forces.[79]

These proposals to support coalition partners have raised a number of concerns among Members of Congress. Some question whether circumstances have changed to justify additional aid to Jordan and Pakistan, especially given the large aid packages approved for both countries in the regular FY2005 appropriation and congressional approval of a transfer authority to accommodate $150 million in military aid for Pakistan. Others also ask why financial support for countries with troops on the ground in Iraq and Afghanistan was not part of the FY2005 regular request or

[78] State Department news briefing, February 14. Examples of countries that might benefit, according to these officials, would include Fiji, Poland, Ukraine, El Salvador, Bulgaria, and Romania. During testimony before the Senate Appropriations Committee on February 17, Secretary of State Rice stated, for example, that Poland had spent nearly $500 million in troop deployment costs.

[79] Selected examples of the types of aid that would be provided under the Partners Fund include basic development assistance for Yemen, which is uprooting Al Qaeda members in its country; election and governance support for the Krygyz Republic which hosts a coalition airbase; development, governance, and border control aid for Morocco, a close U.S. ally; poverty-focused assistance for El Salvador, a country that has deployed troops to Iraq; judicial reform, anti-corruption, and law enforcement support for Mongolia, another coalition member supplying troops in Iraq and Afghanistan; and development assistance for Djibouti, a nation providing the United States with the only military base in sub-Saharan Africa. (*FY2005 Supplemental Appropriations Financial Plan*, February 2005, pp. 17-19.)

proposed for FY2006. Another concern relates to possible redundancy between the proposals outlined above and the roughly $2.2 billion in the DOD portion of the supplemental for similar support to coalition partners.

The request for creation of the Global War on Terrorism Partners Fund drew particular challenges from several Members due to its broad flexibility and lack of specificity for how the funds would be directed.[80] This request followed recent efforts by the Administration to gain congressional approval of a flexible contingency Fund that could be drawn on to respond to complex foreign emergencies. Congress has rejected these types of requests four times in the past three years. The Administration seeks $100 million for a Conflict Response Fund for FY2006, although the focus of that account would be on post-conflict and weak states, not partners in the War on Terror.

Congressional Action

The conference agreement fully supports the Solidarity Fund with $200 million, plus adds an additional $30 million peacekeeping funds to meet other Global War on Terror purposes. Conferees, however, do not approve resources for the Partners Fund. In addition, the conference measure, like House- and Senate-passed bills, provides the full amount requested for additional assistance to Pakistan and Jordan.

Previously, the House had denied the $400 million requested for the Partners Fund and the Solidarity Fund, while the Senate bill provided partial funding. The Senate measure included the full $200 million in peacekeeping resources for the Solidarity Fund, recommending the assistance be provided to Poland, Romania, Bulgaria, El Salvador, Ukraine, Mongolia, Georgia, Lithuania, Slovakia, the Czech Republic, and Albania. The Senate-reported bill provided $40 million for the Partners Fund, urging support for Yemen, the Krygyz Republic, Morocco, El Salvador, Mongolia, and Djibouti. During floor debate, however, the total for the Partners Fund was reduced to $26.5 million in order to increase amounts for the State Department's Office of the Coordinator for Reconstruction and Stabilization and to add $5 million for democracy programs in Lebanon.

U.N. Peacekeeping Operations

The Administration sought $780 million to support a number of existing, recently established, and prospective U.N. peacekeeping missions. According to officials, in addition to the $484 million FY2005 enacted peacekeeping appropriation, there remains a $780 million "gap" in current funding requirements. This, officials said, occurred because new U.N. operations—in Cote d'Ivoire, Burundi, and Haiti—and an anticipated operation in Sudan arose after the FY2005 budget was submitted in early 2004. The Administration, however, did not seek a budget amendment during congressional consideration of the regular FY2005 appropriation. The conference committee on the Commerce, Justice, and State Department funding measure noted its concern that the U.S. had voted to support the expansion or the creation of new U.N. operations without submitting a plan for covering the costs of such commitments. The Administration's FY2006 request was $1.035 billion, an amount that reflects these new and expanded U.N. peacekeeping operations.

[80] See remarks raised by several Representatives and Senators during hearings with Secretary of State Rice on February 16 and 17, 2005, before the House and Senate Appropriations Committees.

Congressional Action

Conferees include $680 million for U.N. peacekeeping missions, $100 million less than requested. The approved amount could be cut further if the President used $50 million for African Union peacekeeping operations in Darfur, as the legislation permits. The conference total is higher than either House- or Senate-passed bills. The House supplemental provided $580 million, including the use of up to $55 million for the establishment of a Sudan war crimes tribunal. H.R. 1268, as passed by the Senate, included $533 million, after two floor amendments shifted $147 million to support enhanced U.S. border security. Unlike the House, however, the Senate measure denied funds for a Sudan war crimes tribunal. The conference agreement makes no mention of appropriations for the tribunal.

Palestinian Aid

In his State of the Union address on February 2, 2005, the President announced a $350 million aid package for the West Bank and Gaza, $200 million of which is proposed in the FY2005 supplemental. The FY2006 request includes the balance of $150 million. The funds would be available, notwithstanding any provision of law, and the Administration says that some of the funds—although none in the supplemental request—would be channeled directly to the Palestinian Authority (PA), including support for training and equipping civilian security services. Existing law includes several restrictions and conditions on aiding the PA related to concerns over accountability, transparency, and corruption. Secretary of State Rice defended the proposal, including the need for direct PA funding, arguing that the U.S. needs to move quickly to help the Palestinians prepare for governing Gaza following Israeli withdrawal.[81] Regular U.S. assistance for the West Bank and Gaza has averaged about $75 million annually and generally channels aid through non-governmental organizations. The President, however, waived restrictions on direct aid to the PA in December 2004 and July 2003 in order to permit a portion of U.S. assistance to support Palestinian Authority costs.

Congressional Action

The conference agreement provides the full $200 million requested and approved by the House and Senate for the Palestinians, but with significant restrictions and resource allocation requirements. Of the total amount, $50 million will support Israeli-built checkpoints aimed at reducing the bottlenecks at these checkpoints and facilitate the movement of Palestinian people and goods in and out of Israel. Conferees further specify projects, managed by NGOs, for which funds are available. The measure further recommends $3.5 million for the Holy Family Hospital in Bethlehem and $2 million for healthcare activities undertaken by Hadassah, the Women's Zionist Organization of America. The $50 million set-aside for Israel and the other earmarks were recommended by the Senate, but not included in the House bill.

In addition, conferees state that the bill does not include any direct financing for the Palestinian Authority, and that the President's waiver that he exercised in December 2004 to provide such direct aid to the PA with FY2005 regular appropriations does not extend to the supplemental funds. It appears, however, that the President could issue a new waiver, based on authority granted in the General Provisions of Division D of P.L. 108-447, the FY2005 Consolidated

[81] Testimony before the House Foreign Operations Appropriations Subcommittee, February 16, 2005.

Appropriations Act. During earlier consideration of H.R. 1268, the House had prohibited use of any supplemental funds for direct aid to the PA. The Senate bill had not included such a restriction, although the Senate Appropriations Committee reminded the Administration of existing conditions on West Bank/Gaza aid and PA restrictions included in the FY2005 Foreign Operations appropriations (P.L. 108-467), and that they would apply to supplemental funds as well. Unlike the House-passed measure, however, the Senate provision would have allowed the President to use the national security waiver authority provided in P.L. 108-467 for direct aid to the PA with supplemental funds if he made such a determination in the future.

Ukraine Aid

Following the recent elections in Ukraine, the Administration proposed $60 million in supplemental economic support for Kiev. The additional resources would support anti-corruption and rule of law programs ($19 million), economic reforms ($13 million), civil society outreach ($10 million), HIV/AIDS activities ($4.5 million), nuclear safety ($5.5 million), parliamentary election assistance ($5 million), and political transition aid for the new government ($3 million). These amounts would come on top of the $79 million regular appropriation for FY2005. The State Department proposes $88 million for FY2006.

Congressional Action

The conference agreements provides the full $60 million request for Ukraine, the same as the Senate, but above the House-passed level of $33.7 million. In its report on H.R. 1268, the House Appropriations Committee stated its intent that the funds be used for programs that will demonstrate quickly U.S. support for the Yushenko government and assist in the upcoming parliamentary elections. The Senate bill recommended an increase of $3.65 million in planned support for Ukrainian civil society organizations. Conferees further add $5 million each for democracy programs in Belarus and for humanitarian and conflict mitigation needs in Chechnya, Ingushetia, and elsewhere in the North Caucasus. The Senate had included a similar provision.

Broadcasting to Arab and Muslim Audiences

The supplemental included $4.8 million for the Voice of America, the Middle East Broadcasting Networks, and the International Broadcasting Bureau supporting programming in the Middle East, South Asia, and Europe, especially in countries with significant Muslim and Arab populations. An additional $2.5 million would support an upgrade of transmitting systems located in Tajikistan and boost broadcasting signals to Pakistan and Central Asia.

Congressional Action

The conference bill, like the Senate measure, fully supports both items. The House had included the $4.8 million for broadcasting activities, but rejected the request for transmitting systems upgrades.

Coordinator for Reconstruction and Stabilization

In mid-2004, the State Department created a new Office of the Coordinator for Reconstruction and Stabilization (O/CRS), an entity designed to strengthen U.S. capacity to prepare for and respond to post-conflict reconstruction situations and to help weak states. The supplemental included $9.4 million for start-up personnel costs of the Office that was not budgeted in the regular FY2005 appropriation. The request for FY2006 proposes about $24 million to expand the O/CRS by 57 positions. The supplemental request further included $7.8 million to development an initial corps of civilian staff to create a ready-response capacity within the State Department.

Congressional Action

Conferees settled on $7.7 million for the Office of the Coordinator for Reconstruction and Stabilization, with the expectation that funds will be used for personnel in Washington and Sudan. This is less than half the amount requested. Through an amendment by Senator Lugar, the Senate had supported the entire $17.2 million requested, while the House had recommended $3 million, exclusive for the Coordinator's Office.

Tsunami Recovery and Reconstruction

The tragedy of the December 26, 2004 tsunami that took the lives of perhaps as many as 200,000 people in 12 southeast Asian, South Asian, and east African nations has elicited over $12 billion in aid pledges and commitments from governments, multilateral institutions, and private individuals. The United States made an early pledge of $350 million for immediate relief efforts, but the Administration increased this amount by seeking $600 million in its request for a $950 million FY2005 supplemental. Of this total, $120 million would replenish USAID emergency aid accounts that had been drawn in support of the initial American government response. Likewise, the supplemental also proposed $226 million to make similar reimbursements to Defense Department accounts that were used in the immediate aftermath of the tsunami.

The largest portion of the Tsunami Recovery and Reconstruction supplemental account—$581 million—would be used for small transition and longer term large infrastructure activities. Of this amount, up to $45 million could be used to provide debt relief to the affected countries if their governments request such debt reduction. An additional $22.6 million would support creation of tsunami warning systems in the region, activities carried out by the National Oceanic and Atmospheric Administration and the U.S. Geological Survey. Out of the total $950 million request, $701 million falls under international affairs budget accounts managed by USAID and the State Department.

Congressional Action

The conference agreement reduces the Tsunami Recovery and Reconstruction Fund by $45 million, the amount proposed for possible debt relief for tsunami-affected countries. The legislation, however, grants authority for the Administration to defer or reschedule debt owed by these nations. The Senate measure also supported this debt relief authority while the House had not included it. Additional earmarks for specific tsunami-related activities included in the conference bill are:

- $5 million for environmental recovery activities, as recommended by the Senate;

- $10 million for projects creating new economic opportunities for women, as recommended by the House;
- $1.5 million for programs that protect women and children from violence, trafficking, and exploitation, as suggested by the Senate;
- $1.5 million for the needs of people with physical and mental disabilities, less than the $12 million recommended by the Senate;
- $20 million for microenterprise programs, similar to a Senate provision;
- $12.5 million for projects focusing on the needs of children;
- $25 million to prevent and control the spread of the Avian influenza virus, similar to a Senate recommendation.

Conferees did not include a Senate earmark of $3 million for teacher training programs in Aceh and Sri Lanka where there has been a high death rate among teachers.

Previously, tsunami relief issues were a particular focus of debate during House floor consideration of H.R. 1268. The House defeated (voice vote) an amendment by Representative Tancredo that would have barred the use of any funds in the bill for tsunami relief. The amendment's author believed that the more than $1 billion in private donations for victims of the tsunami represent a significant outpouring of American support for relief and recovery efforts, and that given existing budget constraints and disaster needs in the U.S., further American taxpayer funds were not warranted. Opponents noted that a portion of the request would repay foreign aid accounts from which immediate tsunami relief assistance had been drawn, and would disrupt these other aid activities if funds were not restored. Moreover, they argued, the enormity of the tsunami destruction, extensive loss of life, and the long-term reconstruction requirements justified the full U.S. government pledge.

In further debate, the House adopted (voice vote) an amendment offered by Representative Maloney that increased the Tsunami Fund by $3 million. Although not directly stated in the text of the amendment, the intent of its supporters was to provide $3 million for a U.S. contribution to the U.N. Population Fund (UNFPA) related to organization's work in tsunami-affected countries. In order to cover the additional costs of responding to unanticipated tsunami disaster needs, UNFPA issued a $28 million "flash appeal" to which supporters of the amendment hope the United States would respond with a $3 million contribution. Other Members noted, however, that the text of the amendment did not direct the Administration to use the $3 million as a UNFPA contribution, but only to supplement the Tsunami Recovery and Reconstruction Fund.[82] Conferees do not include the extra $3 million added by the Maloney amendment and make no reference to UNFPA in the conference report.

U.S. funding for UNFPA has been a controversial issue for some time because of the organization's continuing programs in China, where most agree that coercive family planning and

[82] The Maloney amendment offset the additional tsunami funds by reducing the appropriation for programs funded under the Economic Support Fund (ESF) account by $3 million. The effect of this reduction would have been to cut funds for either Afghanistan reconstruction activities, economic aid to Jordan, or Sudan peace implementation programs, each that would receive assistance from the supplemental's ESF account. Aid to the Palestinians, which was also provided through the ESF account, would not have been effected because H.R. 1268 included a specific earmark for the Palestinians.

involuntary sterilization activities have been applied by the government for many years. The Bush Administration determined in July 2002 that UNFPA was in violation of U.S. law (the "Kemp-Kasten provision" in annual Foreign Operations appropriations) banning contributions to organizations that are involved in the management of coercive family planning programs. Executive branch determinations have blocked U.S. transfers to UNFPA, FY2002-FY2004, and a review of the FY2005 funding status is expected later this year.[83]

Table 10. Foreign Policy Funds in FY2005 Supplemental

(in millions of dollars)

Activity (account)*	Request	House Passed	Senate Passed	Conf.
Iraq:				
U.S. Mission operations (DCP)	$690.0	$690.0	$280.5[a]	$663.5
New Embassy Compound in Baghdad (Embassy Security/Construction)	$658.0	$592.0[b]	$592.0	$592.0
USAID operating expenses (USAID/OE)	$24.4	$24.4	$24.4	$24.4
USAID Inspector General (USAID/IG)	$2.5	$2.5	$2.5	$2.5
Subtotal, Iraq	**$1,374.9**	**$1,308.9**	**$899.4**	**$1,282.4**
Afghanistan:				
U.S. Mission operations (DCP)	$60.0	$55.5	$60.0[a]	$60.0
Police training (INCLE)	$400.0	$400.0	$444.5	$360.0
Counternarcotics (INCLE)	$260.0	$194.0	$215.5	$260.0
Counternarcotics related activities (ESF)	$248.5	[c.]	[c.]	[c.]
Reconstruction & Democratic institu-tions/Government capacity building (ESF)	$1,060.8	$739.2 [c.]	$1,309.3 [c.]	$1,086.6 [c.]
Anti-terrorism training and protection programs (NADR)	$17.1	$17.1	$17.1	$17.1
Subtotal, Afghanistan	**$2,046.4**	**$1,405.8**	**$2,046.4**	**$1,783.7**
Sudan/Darfur:				
Refugee relief for Darfur and Chad (MRA)	$48.4	$98.4	$48.4	$48.4
Humanitarian relief for Darfur (IDFA)	$44.0	$94.0	$44.0[d]	$40.0
Emergency food aid for Darfur (PL 480)	$150.0	$150.0	$470.0 [e]	$240.0 [e]
Peacekeeping for Darfur (PKO)	—	—	[f]	[f]
Peace implementation aid for southern Sudan (ESF)	$22.0	$22.0	$22.0	$22.0
Security sector reform-southern Sudan (PKO)	$10.0	$10.0	$10.0	$10.0
Rehabilitation/reconstruction, mainly in southern Sudan (TI)	$63.0	$0.0	$63.0	$0.0
Repatriation of Sudanese refugees (MRA)	$5.0	$5.0	$5.0	$5.0

[83] For more information regarding UNFPA and U.S. contributions, see CRS Report RL32703, *The U.N. Population Fund: Background and the U.S. Funding Debate*.

Activity (account)*	Request	House Passed	Senate Passed	Conf.
Subtotal, Sudan/Darfur	**$342.4**	**$379.4**	**$662.4**	**$365.4**
Other Global War on Terror Related:				
Global War on Terrorism Partners Fund	$200.0	$0.0	$25.5	$0.0
Aid for coalition partners with troops in Iraq & Afghanistan-Solidarity Fund (PKO)	$200.0	$0.0	$200.0	$200.0
Global War on Terror aid (PKO)	—	—	—	$30.0
Jordan econ. & military (ESF & FMF)	$200.0	$200.0	$200.0	$200.0
Pakistan military aid (FMF)	$150.0	$150.0	$150.0	$150.0
Subtotal, Other Global War on Terror	**$750.0**	**$350.0**	**$575.5**	**$580.0**
Other:				
Palestinian economic aid (ESF)	$200.0	$200.0	$150.0	$200.0 [g]
Israel (ESF)	—	—	$50.0	[g]
Ukraine economic assistance (FSA)	$60.0	$33.7	$60.0	$60.0
Belarus/North Caucasus (FSA)	—	—	$10.0	$10.0
Office of the Coordinator for Reconstruction & Stabilization (DCP)	$17.2	$3.0	$17.2	$7.7
Non-Proliferation and Disarmament Fund classified (NADR)	$15.0	$0.0	$15.0	$7.5
Peacekeeping, mainly for operations in Haiti and Africa (CIPA)	$780.0	$580.0	$533.0[h]	$680.0[h]
Refugee admissions backlog (MRA)	—	—	$25.9	$26.0
Africa refugees needs (MRA)	—	—	$29.1	$41.0
Africa emergencies (IDFA)	—	—	—	$50.0
Haiti economic aid (ESF)	—	—	—	$20.0
Lebanon democracy programs (ESF)	—	—	$5.0	$5.0
Middle East Broadcasting (BBG)	$4.8	$4.8	$4.8	$4.8
Broadcasting system upgrade (BBG)	$2.5	$0.0	$2.5	$2.5
Reduction in ESF account	—	($3.0)	—	—
Subtotal, Other	**$1,079.5**	**$818.5**	**$902.5**	**$1,114.5**
Tsunami Recovery and Reconstruction:				
Replenish USAID for immediate response & relief	$120.0	$120.0	$120.0	$120.0
Recovery and reconstruction, of which up to $45 million for debt reduction	$581.0	$539.0	$536.0	$536.0
Replenish DOD's immediate response	$226.1	$226.1	$226.1	$226.1
Tsunami warning system (NOAA and US Geological Survey)	$22.6	$22.6	$25.4	$25.4
Subtotal, Tsunami Recovery and Reconstruction	**$949.7**	**$907.7**	**$907.5**	**$907.5**
Less, non-Foreign Policy funds	($248.7)	($248.7)	($251.5)	($251.5)
Net, Foreign Policy Tsunami Recovery and	**$701.0**	**$659.0**	**$656.0**	**$656.0**

Activity (account)*	Request	House Passed	Senate Passed	Conf.
Reconstruction				
Rescission of FY2003 Turkey aid	—	($1,000.0)	($1,000.0)	($1,000.0)
TOTAL, Foreign Policy Funds	**$6,294.2**	**$3,921.6**	**$4,742.2**	**$4,782.0**

Notes: * Account acronyms: BBG = Broadcasting Board of Governors; CIPA = Contributions for International Peacekeeping Activities; DCP = Diplomatic and Consular Programs; ESF = Economic Support Fund; FMF = Foreign Military Financing; FSA = Assistance for the Independent States of the Former Soviet Union; IDFA = International Disaster and Famine Assistance; INCLE = International Narcotics & Law Enforcement; MRA = Migration and Refugee Assistance; NADR = NOAA = National Oceanic and Atmospheric Administration; Nonproliferation, Anti-terrorism, Demining, and Related Programs; PKO = Peacekeeping Operations; PL 480 = Food for Peace; TI = Transition Initiative; USAID/OE/IG = US Agency for International Development Operating Expenses and Inspector General.

a. The Senate-passed bill reduced the Diplomatic and Consular Programs account by $400 million from the requested level but did not specify whether the reductions would come from Iraq or Afghanistan mission operations. In this table, the entire amount is taken from the Iraq mission operations line.

b. H.R. 1268, as passed by the House, included $592 million for a new U.S. embassy in Baghdad. However, an amendment adopted during floor debate prohibited the use of any funds in bill for embassy security, construction, and maintenance.

c. Counternarcotics ESF funds included in Reconstruction/Democracy totals in House, Senate, and conference bills.

d. In addition to this amount, the Senate bill earmarked $40.5 million for disaster relief activities in Darfur that could be transferred from the Contribution to International Peacekeeping account, listed below. The conference bill does not include this transfer authority, but provides a direct disaster relief appropriation of $50 million (see below) for other emergencies in Africa.

e. The Senate bill added $320 million in food aid, some of which would be available for Darfur, but some (to the maximum extent possible) would be available to restore funds that had previously been diverted to respond to the tsunami disaster and to the situation in Darfur. The conference agreement also provides a higher level—$90 million more—for food aid that, like the Senate bill, is available to replenish accounts from which emergency food relief had been diverted. It is likely that not all of the $240 million food aid appropriation will be for Darfur relief.

f. The Senate bill and the conference agreement provided that up to $50 million for Africa Union peacekeeping operations in Darfur could be transferred from the Contribution to International Peacekeeping account, listed below.

g. The conference agreements provides $200 million for Palestinian aid, of which $50 million should be available to Israel to improve the movement of people and goods between Palestinian areas and Israel.

h. The Senate bill reduced the peacekeeping account by $147 million in order to offset appropriations for additional border patrol agents. In addition, the Senate measure provided that $90.5 million could be transferred to support emergency and peacekeeping activities in Darfur. The conference agreement provides that up to $50 million can be transferred from this account to support Africa Union peacekeeping operations in Darfur.

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