

FY2022 NDAA: Overseas Contingency Operations

January 14, 2022

Following the September 11, 2001, terrorist attacks, Congress provided funding designated for emergency requirements and later for [Overseas Contingency Operations](#)/Global War on Terrorism (OCO/GWOT) to support U.S. military operations in Afghanistan, Iraq, Syria, and other countries, in addition to other activities. When statutory spending limits were enacted as part of the [Budget Control Act of 2011](#) (BCA; P.L. 112-25), the law specified OCO/GWOT funding would be [exempt](#) from the limits. Some observers argued OCO funding allowed for flexible response to contingencies, and provided a “[safety valve](#)” to the spending caps. Others described OCO as a [loophole](#)—evolving from an account for replacing combat losses of equipment, resupplying expended munitions, and transporting troops through war zones, to a “[slush fund](#)” for activities unrelated to contingency operations (e.g., planned or regularly occurring costs to man, train, and equip the military force typically requested in the *base* budget of the Department of Defense). The BCA discretionary spending limits [expired](#) in FY2021.

The FY2022 President’s budget request was the first in a decade not subject to the BCA caps. The budget [proposed](#) discontinuing “requests for Overseas Contingency Operations as a separate funding category, instead funding direct war costs and enduring operations in the DOD base budget.” DOD budget documentation released in May 2021 requested [\\$42.1 billion](#) for activities described as “contingency operations” (without the budgetary designation), including funding for the planned drawdown of U.S. forces in Afghanistan and other military activities abroad, as well as activities in the continental United States. Of that amount, [\\$14.3 billion](#) was for *direct war requirements* (i.e., combat or combat support costs not expected to continue after combat operations end at major contingency locations), including [\\$8.9 billion](#) for Operation Freedom’s Sentinel in Afghanistan and [\\$5.4 billion](#) for Operation Inherent Resolve in Iraq and Syria. The remainder of contingency operations funding, [\\$27.8 billion](#), was requested for *enduring requirements* (i.e., costs for activities in theater and the continental United States expected to remain after combat operations end).

The House-passed version of the NDAA ([H.R. 4350](#)) and the Senate Armed Services Committee (SASC)-reported version of the bill ([S. 2792](#)) would have not authorized OCO funding. While neither version included OCO funding, language in the legislation and accompanying documentation called for continued transparency and DOD accountability in war spending.

Congressional Research Service

<https://crsreports.congress.gov>

IN11839

[Section 1065G](#) of the House bill would have required the Secretary of Defense to submit to Congress a report “on the obligation and expenditure of funds that were authorized to be appropriated for overseas contingency operations for fiscal year 2010 and fiscal year 2019.” The SASC bill and the enacted legislation ([S. 1605](#); [P.L. 117-81](#)) did not include the House provision. The explanatory statement accompanying the enacted legislation [noted](#) “transparency in expenditures for overseas contingency operations is critical to congressional oversight of the Department of Defense and effective budgeting for military operations.” The statement directed the DOD Comptroller to continue to provide Congress with quarterly Cost of War Execution Reports consistent with the reporting requirement in [Section 1266](#) of the FY2018 NDAA (P.L. 115-91).

S.Rept. 117-39, the report accompanying the SASC bill, included [a provision](#) on DOD budget documentation for OCO. The provision stated the exclusion of OCO funding from certain documentation did “not provide the Congress and the public with the appropriate level of detail and transparency regarding war-related costs.” The report encouraged the DOD Comptroller “to provide separate budget exhibits for direct war-related costs and for enduring war-related costs” in preparing the FY2023 budget request.

The enacted legislation did not detail funding for contingency operations in separate tables. **Figure 1** lists requested and authorized amounts for selected DOD overseas activities that were previously resourced with OCO funding (partially or fully).

Figure I. Amounts for Selected DOD Overseas Activities in FY2022 NDAA
(in billions of dollars)

Activity (relevant CRS product)	President's Budget Request	House-passed H.R. 4350	SASC-reported S. 2792	Enacted NDAA P.L. 117-81
Afghanistan Security Forces Fund (ASFF; R46879, R46955)	\$3.33 ^a	\$0.33 ^b	\$3.33 ^c	\$0.00 ^d
Counter-ISIS Train and Equip Fund (CTEF; IF10328, IF11677)	\$0.52 ^e	\$0.52 ^b	\$0.52 ^c	\$0.52 ^d
Ukraine Security Assistance Initiative (USAI; R45008, IF10946)	\$0.25 ^f	\$0.30 ^g	\$0.30 ^h	\$0.30 ^d
European Deterrence Initiative (EDI, including USAI; IF10946)	\$3.68 ^f	n/a ⁱ	n/a ^j	\$4.00 ^k
Pacific Deterrence Initiative (PDI; IF11719, IF10607)	\$5.09 ^l	\$8.80 ^m	n/a ⁿ	\$7.11 ^o

a. DOD, *Office of the Secretary of Defense, Department of Defense Budget, Fiscal Year (FY) 2022, May 2021, Justification for FY 2022 Afghanistan Security Forces Fund*, p. 5;

b. H.Rept. 117-118, p. 346;

c. S.Rept. 117-39, p. 378;

d. Explanatory statement accompanying the FY2022 NDAA (P.L. 117-81) in Part 2 of the House section of the *Congressional Record*, December 7, 2021, p. H7362;

e. DOD, *Office of the Secretary of Defense, Department of Defense Budget, Fiscal Year (FY) 2022, May 2021, Justification for FY 2022 Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF)*, p. 3;

f. DOD, *European Deterrence Initiative, Department of Defense Budget, Fiscal Year (FY) 2022, Office of the Under Secretary of Defense (Comptroller)*, June 2021, p. 2;

g. H.Rept. 117-118, p. 347;

h. S.Rept. 117-39, p. 250;

i. H.R. 4350 and H.Rept. 117-118 did not identify a total for EDI; HASC, "Summary of the National Defense Authorization Act for Fiscal Year 2022," September 11, 2021, p. 11, stated the legislation "fully funds" EDI;

j. S. 2792, S.Rept. 117-39, and Senate Armed Services Committee, "FY22 NDAA Executive Summary," July 22, 2021, did not identify a total for EDI;

k. P.L. 117-81 and accompanying explanatory statement did not identify a total for EDI. HASC, "Final Text Summary of the FY22 NDAA," December 7, 2021, p. 9, stated the legislation "includes a total \$4 billion for the European Deterrence Initiative (EDI) and additional investments for EDI purposes;"

l. DOD, *Pacific Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2022, Office of the Under Secretary of Defense (Comptroller)*, May 2021, p. 15;

m. HASC, "Summary of the National Defense Authorization Act for Fiscal Year 2022," September 11, 2021, p. 12, stated the legislation would have provided "at least" \$8.8 billion for PDI;

n. S. 2792, S.Rept. 117-39, and Senate Armed Services Committee, "FY22 NDAA Executive Summary," July 22, 2021, did not identify a total for PDI; S. 2792 would have authorized "such sums as may be necessary" for PDI; and

o. Explanatory statement to accompany the FY2022 NDAA (P.L. 117-81) in Part 2 of the House section of the *Congressional Record*, December 7, 2021, pp. H7328-H7330.

CRS Products on Overseas Contingency Operations Funding

For background and analysis on funding for Overseas Contingency Operations, see CRS Report R44519, *Overseas Contingency Operations Funding: Background and Status*, by Brendan W. McGarry and Emily M. Morgenstern and CRS In Focus IF10143, *Foreign Affairs Overseas Contingency Operations (OCO) Funding: Background and Current Status*, by Emily M. Morgenstern.

Afghanistan Security Forces Fund

In considering the FY2022 NDAA and other legislation, Congress expressed significant interest in how developments in Afghanistan—including the collapse of the former U.S.-backed Afghan government and its security forces and the withdrawal of U.S. military personnel from the country in August 2021—would

change plans for the use of Afghanistan Security Forces Fund (ASFF) funding appropriated for FY2021 and prior years, and requested for FY2022.

In a May 2021 justification of its FY2022 budget request for the ASFF, DOD [stated](#), given the then-planned withdrawal of U.S. forces from Afghanistan, the [\\$3.3 billion](#) requested for ASFF was “even more important than previously to maintain the viability of the Afghan forces and strengthening the Afghan government leverage in negotiations to end the war on terms that preserve a democratic form of government.”

The SASC bill, marked up in July, would have authorized [the requested amount](#) of funding (\$3.33 billion) for ASFF and limited the use of some funds until the Secretary of Defense provided a report to congressional committees on aspects of the assistance and certified that the Afghan government was meeting certain measures of progress.

The House bill, passed in September, would have authorized a total of [\\$325 million](#) for ASFF for “contract close-out and other close-out operations.”

The enacted legislation [did not authorize](#) funding for ASFF. The accompanying explanatory statement [noted](#) “there are sufficient funds from the previous fiscal year that will remain available for the termination of Operation Freedom’s Sentinel and related support to the security forces of the Government of Afghanistan.” The statement directed the Secretary of Defense to provide a report on the status of ASFF funds, contracts, and equipment. [Section 1092](#) required DOD briefings on the security situation in Afghanistan and efforts to counter terrorist groups in the country. [Section 1094](#) established the Afghanistan War Commission to develop lessons learned from U.S. involvement in the country from 2001 to 2021.

CRS Products on Afghanistan

For background and analysis on Afghanistan, see CRS Report R46955, *Taliban Government in Afghanistan: Background and Issues for Congress*, by Clayton Thomas and CRS Report R46879, *U.S. Military Withdrawal and Taliban Takeover in Afghanistan: Frequently Asked Questions*, coordinated by Clayton Thomas.

Author Information

Brendan W. McGarry
Analyst in U.S. Defense Budget

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of

information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.