

CRS Report for Congress

FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes

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Stephen Daggett, Amy Belasco, Pat Towell, Susan B. Epstein,
Connie Veillette, Curt Tarnoff, and Rhoda Margesson
Foreign Affairs, Defense, and Trade Division

Bart Elias
Resources, Science, and Industry Division



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Summary

On May 1, the Congress formally presented to the President a House-and-Senate passed version of H.R. 1591, a bill providing supplemental appropriations for FY2007 and setting target dates for withdrawing most U.S. military forces from Iraq. That evening, the President vetoed the bill. On May 2, by a vote of 222-203, with approval of 2/3 required, the House failed to override the veto. House and Senate leaders are now considering what steps to take next. House appropriators have discussed a possible 60 day extension of funds for military operations. Leading Republicans have discussed a possible compromise that would establish benchmarks for progress by the Iraqi government. It remains unclear if an agreement that did not restrict funding in some way would be acceptable to the Democratic majority.

On Iraq policy, the now-vetoed conference agreement requires the Secretary of Defense to begin redeploying troops out of Iraq by July 1, 2007, with a goal of completing the redeployment within 180 days (i.e., by the end of December, 2007), unless the President determines that Iraq has met specific security and political benchmarks. If the President determines that Iraq has met the benchmarks, the bill requires redeployment to begin by October 1, 2007, with a goal of completing the redeployment within 180 days from then (i.e., by the end of March, 2008).

After redeployment, the bill permits U.S. forces to be deployed in Iraq only to protect U.S. citizens and facilities; for customary diplomatic purposes; for targeted, limited-duration missions against global terrorist organizations; and to train and equip Iraqi security forces. The agreement also prohibits obligation of half the economic aid to Iraq in the bill until the Iraqi government meets political benchmarks and commits \$10 billion to reconstruction. The bill includes House provisions requiring the President to certify that military units achieve, or to waive, goals for unit readiness and time between deployments.

On spending, the bill provides \$21 billion more than the Administration requested, including \$7 billion more than originally requested for defense (of which \$3.1 billion is for base realignment and closure), about \$250 million more than requested for international affairs, \$3.5 billion more than requested for Gulf Coast hurricane relief (the request included \$3.4 billion for FEMA), and over \$10 billion for domestic programs for which the Administration requested no funds. The unrequested domestic funding includes \$1.8 billion for veterans health, \$2.25 billion for homeland security, \$663 million for pandemic flu preparedness, \$3.5 billion for agricultural disaster relief (though the agreement drops controversial small amounts for spinach growers and peanut storage), \$650 million for state children's health insurance, \$500 million for fire fighting, \$425 million for secure rural schools, and \$400 million for low-income energy assistance.

The bill also includes an increase in the minimum wage and a package of \$4.8 billion over ten years of offsetting tax cuts for small businesses.

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FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes

Most Recent Developments

On April 24, by a vote of 218-208, the House approved a conference agreement on H.R. 1591, providing \$124.2 billion in supplemental appropriations for FY2007 and setting target dates for withdrawing most U.S. military forces from Iraq. On April 25, the Senate approved the bill by a vote of 51-46. On May 1, the Congress formally presented the bill to the President, and, that evening, he vetoed the bill. On May 2, by a vote of 222-203, with approval of 2/3 required, the House failed to override the veto.

House and Senate leaders are now considering what steps to take next. House appropriators have discussed a possible 60 day extension of funds for military operations. Leading Republicans have discussed a possible compromise that would establish benchmarks for progress by the Iraqi government. It remains unclear if an agreement that did not restrict funding in some way would be acceptable to the Democratic majority.

A key issue has become to what extent delays in enacting supplemental appropriations will disrupt Army operations. The Army estimates that it will use all of its operation and maintenance funds by the end of May unless it receives additional money or slows down its activities. Recently, the Army announced plans to defer activities in successive stages over the next several weeks, and the Defense Department has requested congressional approval to transfer \$1.6 billion from other accounts to the Army. Together the Army estimates these measures will extend funding to about the end of June, but at the price of growing disruptions to day-to-day Army operations.

A short-term extension of funding by Congress may be one means of avoiding a slowdown in Army operations. Additional transfers of funds to the Army may also be available, and Congress could act to expand the amount of transfer authority that could be used for the Army without competing with other DOD transfer proposals by replenishing accounts that have been used as sources of funds to shift to the Army. The Defense Department may also be able to extend Army funding by invoking the Feed and Forage Act, a standing law that allows obligation of funds by the Defense Department for certain purposes in advance of appropriations.

Overview of the Administration Request¹

On February 5, the Administration requested \$103 billion in supplemental appropriations for FY2007 of which \$93.4 billion was for the Department of Defense and \$6.0 billion for international affairs. The Administration also requested \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund for ongoing Katrina relief measures. Earlier, in January, the Administration requested authority to transfer \$195 million in unobligated balances to liquidate unfunded obligations of funds by the Transportation Security Administration. Congress now considering these and additional funding proposals in action on a supplemental appropriations bill.

Elements of the Supplemental Request

The main elements of the Administration's supplemental requests included:

- \$93.4 billion for the Department of Defense to finance military operations in Iraq and Afghanistan and counter-terrorism operations elsewhere through the remainder of FY2007; to cover costs of the "surge" of additional troops to Iraq and an additional carrier to the Persian Gulf; to repair and replace equipment lost or worn out in current operations; to add equipment to fill recently identified war-fighting needs; to add and upgrade equipment to improve current and future war-on-terrorism capabilities; and to begin to finance facility improvements and some other costs associated with Army and Marine Corps plans to add 92,000 active duty troops to the force over the next several years;
- \$4.8 billion for foreign operations, including \$2,347.8 million for security and reconstruction assistance to Iraq; \$721 million for assistance to Afghanistan; \$362 million for activities in Sudan, mainly for humanitarian and peacekeeping support in the Darfur region; \$586 million for reconstruction and security assistance to Lebanon; \$279 million for assistance to Kosovo in support of a UN-led process to determine the region's status; \$367 million for various other humanitarian assistance activities; \$161 million for avian flu prevention measures; and \$102 million for migration and refugee assistance in a number of areas;
- \$1.2 billion for Department of State and International Broadcasting programs, of which \$824 million is for the U.S. mission and other activities in Iraq and \$200 million is for U.S. contributions for international peacekeeping in Lebanon and Timor Leste;
- \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund to support on-going Katrina recovery

¹ Prepared by Stephen Daggett, Specialist in National Defense.

measures through December 2007, including housing assistance and grants for public infrastructure repair in the Gulf Coast; and

- a transfer of \$195 million in unobligated balances to resolve insufficiently funded Transportation Security Administration (TSA) contract and grant obligations incurred during FY2002 and FY2003.

Congress is also considering additions of unrequested funds for agricultural disaster relief, child health insurance, avian flu preparedness, homeland security, and other purposes.

Table 1 below provides an overview of the request and of the main elements of funding provided in the House-passed, Senate-passed, and conference agreement on the bill Congress has approved in response to the Administration request.

**Table 1. Overview of Congressional Action on
FY2007 Supplemental Appropriations**

(amounts in millions of dollars)

	Original Request	House- Passed	Senate- Passed	Confer- ence	Confer- ence vs. Request
Title I: Global War on Terror	99,615.4	109,600.8	107,118.1	109,294.9	+9,679.4
Defense	93,383.0	100,445.3	98,313.6	100,335.7	+6,952.7
Department of Defense	91,529.0	95,529.7	93,532.8	95,528.7	+3,999.7
Military Construction	1,854.0	4,915.5	4,780.8	4,807.0	+2,953.0
International Affairs	5,996.0	6,340.2	6,213.4	6,196.4	+200.4
Department of Agriculture, P.L. 480	350.0	450.0	475.0	460.0	+110.0
Dept of State: Admin of For Aff/Intern'l Orgs	1,168.0	1,321.8	1,121.3	1,265.2	+97.2
Bilateral Economic Assistance	3,575.7	3,502.2	3,173.9	3,216.5	-359.2
Other Department of State/Intern'l Broadcasting	399.0	578.5	897.5	757.0	+358.0
Department of the Treasury	5.3	2.8	2.8	2.8	-2.5
Military Assistance	498.0	485.0	543.0	495.0	-3.0
Other Agencies	236.5	4,517.4	4,276.2	4,511.4	+4,274.9
Department of Homeland Security	--	2,500.0	2,000.0	2,250.0	+2,250.0
Department of Veterans Affairs	--	1,702.1	1,767.1	1,788.6	+1,788.6
Other Agencies	236.5	315.3	509.1	472.8	+236.3
Title II: Hurricane Disaster Relief and Recovery	3,400.0	6,357.4	6,899.7	6,785.0	+3,385.0
Federal Emergency Management Agency	3,400.0	4,630.0	4,630.0	4,930.0	+1,530.0
Corps of Engineers	--	1,337.1	1,557.7	1,433.0	+1,433.0
Other Agencies	--	390.3	712.0	422.0	+422.0
Title III: Other Emergency Appropriations	--	4,145.3	4,011.3	4,133.2	+4,133.2
Pandemic Flu Preparedness	--	969.7	820.0	625.0	+625.0
Low Income Energy Home Energy Assistance	--	400.0	640.0	400.0	+400.0
Secure Rural Schools	--	400.0	--	425.0	+425.0
Veterans Health	--	1,702.1	1,767.1	1,788.6	+1,788.6
Wildland Fire Management	--	500.0	500.0	500.0	+500.0
Other	--	173.6	284.2	394.6	+394.6
Title IV: Other Matters	--	38.2	103.0	67.0	+67.0
Coast Guard Retired Pay	--	--	100.0	30.0	+30.0
Other	--	38.2	3.0	37.0	+37.0
Title V: Agricultural Assistance	--	3,726.0	4,192.0	3,500.0	+3,500.0
Crop Disaster Assistance	--	1,808.0	2,090.0	1,850.0	+1,850.0
Livestock Compensation Program	--	1,480.0	1,507.0	1,380.0	+1,380.0
Livestock Indemnity Payments	--	31.0	33.0	33.0	+33.0
Emergency Conservation Program	--	20.0	35.0	20.0	+20.0
National Dairy Market Loss Payment Program	--	283.0	31.0	31.0	+31.0
Dairy Assistance	--	--	95.0	20.0	+20.0
Other	--	104.0	401.0	166.0	+166.0
Title VI: Elimination of SCHIP Shortfall and Other Matters	--	448.0	448.0	393.0	+393.0
State Children's Health Insurance Program	--	735.0	448.0	646.0	+646.0
Impact of SCHIP Funding on Medicaid/Other Offsets	--	-287.0	--	-253.0	-253.0
Title VII: Minimum Wage Increase and Tax Relief	--	--	35.0	--	--
Minimum Wage and Tax Relief	--	--	35.0	--	--
Grand Total	103,015.4	124,315.6	122,807.1	124,173.0	+21,157.6

Sources: House report, H.Rept. 110-60; Senate report, S.Rept. 110-37; conference agreement, H.Rept. 110-107.

Highlights of the Conference Agreement

The House approved its version of H.R. 1591, providing supplemental appropriations for FY2007, on March 23, and the Senate approved its version of the bill on March 29. House and Senate negotiators a conference agreement on the bill on April 23. In all, the conference agreement provides \$124.2 billion in supplemental appropriations, \$21.2 billion more than the Administration requested.

On major policy issues, highlights of the bill include –

- **Iraq troop redeployment:** The conference agreement requires the President, first, to determine by July 1, 2007, whether the Iraqi government has met specific security and political benchmarks. If the President does not report that Iraq has achieved the goals, the bill directs the Secretary of Defense to begin redeploying troops out of Iraq by July 1, 2007, with a goal of completing the redeployment within 180 days (i.e., by the end of December, 2007). If the President determines that Iraq has met the benchmarks, the bill requires redeployment to begin by October 1, 2007, with a goal of completing the redeployment within 180 days from then (i.e., by the end of March, 2008). The end-dates for withdrawal are not binding. After redeployment, the bill permits U.S. troops to be deployed in Iraq only to protect U.S. citizens and facilities; for customary diplomatic purposes; for targeted, limited-duration missions against global terrorist organizations; and to train and equip Iraqi security forces.
- **Military readiness standards:** The bill includes House-passed provisions requiring that the President either certify that military units have achieved goals for unit readiness and time between deployments before being deployed or waive the requirement.
- **Conditions on economic aid to Iraq:** The agreement prohibits obligation of half the aid provided to Iraq by the bill in the Economic Support Fund (ESF) and International Narcotics Control and Law Enforcement (INCLE) accounts until Iraq meets political benchmarks and commits \$10 billion to reconstruction.
- **Closure of Walter Reed Army Medical Center:** The House bill prohibited closure of Walter Reed, while the Senate bill permitted closure only after the Secretary of Defense certified that alternative facilities in Bethesda and elsewhere were operational. The conference agreement prohibits closure until alternatives are available and also requires funding in the interim sufficient to maintain provide an undiminished quality of care, including funding for facility renovation and maintenance.

- **Minimum wage increase and offsetting tax cuts:** The agreement also provides an increase in the minimum wage and a package of \$4.8 billion over ten years of offsetting tax cuts for small businesses.

On defense spending, highlights of the conference agreement include:

- **Amounts provided:** The bill provides a total of \$100.3 billion for the Department of Defense, of which \$95.5 billion is for programs in the regular defense appropriations bill and \$4.8 billion is for programs in the military construction appropriations bill. In all, the bill adds about \$7 billion to the Administration request, of which almost \$4 billion is in the regular bill and \$3.1 billion, for base closure, is in military construction.
- **Major additions:** The bill adds \$2.1 billion for defense health programs, \$2 billion for a readiness reserve fund, include \$1 billion for the National Guard, \$1.1 billion for housing allowances, and \$1.2 billion (in addition to \$1.8 billion requested) for Mine Resistant Ambush Protected vehicles. Initial information on the conference agreement provided initially by the House Appropriations Committee did not identify offsetting reductions compared to the request.
- **Funding for Iraq contractors:** The bill does not include a House provision to reduce funding for payments to contractors by \$815 million.
- **Base Realignment and Closure Funds:** The military construction funding includes \$3.1 billion for Base Realignment and Closure, which restores funds that Congress deleted from the FY2007 continuing resolution as an offset for increased non-defense spending.
- **Transfers of defense funds:** The Administration requested two provisions to increase the amount of money the Defense Department can transfer between appropriations accounts. In the FY2007 defense appropriations act, Congress provided \$4.5 billion of general transfer authority in the base bill and \$3.0 billion of additional “special transfer authority” in the Title IX bridge fund for war costs. The \$4.5 billion of general transfer authority allows shifts of funds between all defense accounts (subject to non-statutory advance approval of congressional defense committees), which the \$3 billion of special transfer authority allowed shifts to other accounts of the amounts provided in Title IX. One requested provision would increase general transfer authority from \$4.5 billion to \$6 billion, an increase of \$1.5 billion. A second requested provision would allow the Defense Department to transfer up \$3.5 billion of the defense funds provided in the supplemental. The conference agreement does

not provide the increase in general transfer authority but does allow transfer of \$3.5 billion of the new defense money in the supplemental. The agreement also provides that amounts shifted to restore funds transferred to the “Joint Improvised Explosive Device Defeat Fund” and to the “Iraqi Security Forces Fund” shall not count against general transfer authority. In effect, this increases general transfer authority by \$1.625 billion – \$825 million for the JIEDDF transfer and \$800 million for the ISFF transfer. If the Defense Department were to assume that these provisions will eventually become law before the very end of the fiscal year, this authority might allow the Defense Department to shift more funds temporarily to the Army to avoid the planned slowdown in operations (see below).

For domestic programs, the agreement includes –

- **Gulf Coast hurricane relief:** The conference agreement provides \$6.9 billion for Gulf Coast hurricane relief. The Administration had requested \$3.4 billion, all for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund. The supplemental adds \$1.2 billion for the FEMA Disaster Relief Fund, for a total of \$4.6 billion, and also provides \$320 million for FEMA for costs of waiving state and local repayment of community disaster loans. In addition, the bill provides \$1.3 billion for the Corps of Engineers to repair levees and other infrastructure, \$225 million for agricultural and fisheries hurricane relief, \$60 million for schools, \$50 million for law enforcement, and, with an equivalent offset, \$50 million for small business disaster loans.
- **Agricultural disaster relief:** The bill provides \$3.5 billion for agriculture programs to provide relief from damages due to floods, droughts, and other natural disasters. The agreement does not include controversial funding for spinach farmers and peanut storage.
- **Veterans medical care:** The bill adds \$1.8 billion in unrequested funds for veterans medical care. Major additions include \$467 million for medical services of which \$228 million is to anticipated underestimates of costs of care for recent war on terrorism veterans; \$250 million for VA health care administration; \$595 million for facilities maintenance; and \$326 million for minor construction.
- **Homeland security:** The bill adds \$2.25 billion in unrequested funds for homeland security, including \$225 million for customs and border protection, \$100 million for emergency planning grants, \$190 million for port security, \$325 million for rail and transit security grants, \$815 million for airport baggage screening technology, and \$110 million for air cargo security.

- **Other domestic programs:** The bill provides \$663 million for pandemic flu preparedness, \$650 million for state children's health insurance, \$500 million for fire fighting, \$425 million for secure rural schools, and \$400 million for low-income energy assistance.

Highlights of House Appropriations Committee Bill

The House Appropriations Committee marked up its version of the FY2007 supplemental appropriations bill on March 15. As approved by the committee and passed by the House on March 23, provided a total of \$124.2 billion in supplemental appropriations, including

- \$100.4 billion for the Department of Defense, \$7.1 billion above the request, including \$95.5 billion for personnel, operations, procurement, and other accounts, and \$4.9 billion for military construction;
- \$6.3 billion for international affairs, \$344 million more than the request;
- \$6.4 billion for hurricane relief, \$3.0 billion more than the request;
- \$2.5 billion for homeland security measures;
- \$1.7 billion for the Department of Veterans affairs, including funds for veterans medical programs;
- \$3.7 billion for agricultural disaster relief, for which no funds were requested; and
- \$3.0 billion for other domestic programs, including pandemic flu preparedness, children's health insurance, low-income energy assistance, and wildland fire management, for all of which no funds were requested.

Table 1 provides an overview of funding in the bill by title and for selected programs.

The bill also included a Democratic leadership plan that sets three alternative timetables for withdrawal from Iraq. It requires the President to certify by July 1, 2007, that Iraq is making progress toward specific security and political benchmarks and to certify by October 1, 2007, that progress on the political benchmarks has been achieved. Withdrawals of U.S. combat forces must be completed within 180 days after either date if the certification is not made. Withdrawal must begin, in any event, by March 1, 2008 and be completed by the end of August 2008. The bill also establishes requirements for unit readiness and time between deployments and requires either that the President certify the requirements have been met or formally waive them.

In addition, the bill included an increase in the minimum wage and a package of tax cuts designed to offset the costs of the increase to small businesses. The House had approved the minimum wage increase in separate legislation earlier in the year.

In an initial draft, the bill also included a measure prohibiting the use of funds for military action against Iran without congressional authorization. That language was removed before the committee markup, however.

In the markup, the committee also approved an amendment to prohibit funds in provided the bill or in any other bill from being used to close Walter Reed Army Medical Center. This would reverse a decision made in the 2005 base realignment and closure process.

Highlights of House Floor Action

The House began floor debate on the supplemental bill on Thursday, March 22, and approved the bill by a vote of 218-212 on March 23. Debate on the bill was conducted under a closed rule (H.Res. 261) which permitted no amendments.

Among the amendments proposed to the Rules Committee were a proposal by Representative Lewis to remove all the Iraq-related and readiness-related provisions; by Representative King (IA) to strike the Iraq withdrawal provision; by Representatives Lee (CA), Clarke, Watson, Woolsey, and Waters to prohibit funding for operations in Iraq except to protect troops and to withdraw forces; by Representative Jackson-Lee to withdraw from Iraq by December 31, 2007; by Representative Flake to strike all the agricultural disaster relief funds; by Representative Kirk to strike \$25 million for spinach growers; by Representative Cole to add funds to fully fund all programs on military service unfunded priorities lists; and by Representative McHenry to strike minimum wage provisions.

Highlights of Senate Appropriations Committee Bill

The Senate Appropriations Committee marked up and reported its version of the bill on Thursday, March 22. As reported by the committee, the bill provided a total of \$121.6 billion in supplemental appropriations, including

- \$96.8 billion for the Department of Defense, \$3.5 billion above the request, including \$92.0 billion for personnel, operations, procurement, and other accounts, and \$4.8 billion for military construction;
- \$6.3 billion for international affairs, \$207 million more than the Senate estimate of the request;
- \$7.0 billion for hurricane relief, \$3.6 billion more than the request;

- \$2.0 billion for homeland security measures;
- \$1.8 billion for the Department of Veterans Affairs;
- \$4.2 billion for agricultural disaster relief; and
- \$3.1 billion for other domestic programs, including pandemic flu preparedness, children's health insurance, low-income energy assistance, and wildland fire management.

In floor action, the Senate added a total of \$1.6 billion to the bill, of which \$1.5 billion was to procure Mine Resistant Ambush Protected (MRAP) vehicles for the Marine Corps. **Table 1**, above, provides an overview of funding in the bill as passed by the full Senate by title and for selected programs.

On Iraq, the bill includes a Democratic-sponsored plan that directs the President to commence the phased withdrawal of U.S. forces from Iraq within 120 days of enactment of the legislation, with the goal of redeploying all combat forces from Iraq by March 31, 2008, except for a limited number essential to protect U.S. and coalition personnel and infrastructure, to train and equip Iraqi forces, and to conduct targeted counter-terrorism operations. The measure also expresses the sense of Congress that the government Iraq of should pursue several political and security benchmarks on a schedule established by the government.

The committee bill prohibits the use of funds in the bill to close Walter Reed Army Medical Center until the Secretary of Defense certifies that replacement facilities in the Washington area are operational and that a plan is in place to transition soldiers receiving care at Walter Reed to the other facilities.

Highlights of Senate Floor Action

The full Senate began debate on the supplemental on Monday, March 26, and approved the bill by a vote of 51-47 on Thursday, March 29. Technically, the Senate took up the House-passed version of the bill, H.R. 1591, inserted the text of the Senate Appropriations Committee version of the bill, S. 965 as a manager's amendment by Senator Byrd, and then continued debate on the bill under the House number.

A key vote on the bill came on March 27, when the Senate rejected by a vote of 48-50 an amendment by Senator Cochran to delete the Iraq redeployment language. In other action, the Senate

- On March 27, by unanimous consent, approved an amendment by Senator Kennedy to add a provision to increase the minimum wage along with a second order amendment by Senator Grassley to make offsetting cuts in small business taxes;

- On March 27, by a vote of 74-23, approved an amendment by Senator Wyden to reauthorize a modified version of the Secure Rural Schools and Community Self-Determination Act of 2000; and
- On March 39, by a vote of 98-0, approved an amendment by Senator Biden to add \$1.5 billion to buy additional Mine Resistant Ambush Protected (MRAP) vehicles for the Marine Corps.

The Senate also approved measures that would either add amounts or reallocate amounts within the bill to provide funds for a Civilian Reserve Corps, for weatherization assistance, for child safety enforcement measures, for a cost of living adjustment for Federal judges, for school aid in hurricane affected areas, for rural community assistance by the Environmental Protection Agency, and for provision of equipment to states and localities by the Department of Homeland Security.

The Senate also debated a number of amendments to reduce funds in the bill. It agreed to amendments by Senator Coburn to strike \$2 million for a grant to the University of Vermont and by Senator DeMint to eliminate funds for spinach growers. The Senate rejected an amendment by Senator Coburn to delete \$100 million for security at the Republican and Democratic conventions in 2008 and also rejected, by a vote of 23-74 on March 29, a Coburn amendment to require that the \$4.2 billion in the bill for agricultural emergencies be offset within agriculture programs.

Senator Hagel offered but then withdrew an amendment to require, as in the House bill, that units being deployed to Iraq meet requirements for unit readiness and for time between deployments and to require that the President either certify the requirements have been met or waive the requirement. Senator Webb, similarly, offered but then withdrew an amendment to prohibit the use of funds in the bill for military operations against Iran. See **Table A-2** in the Appendix for a complete list of amendments on which the Senate acted.

As approved by the Senate, the bill provides a total of \$213.2 billion, \$20.2 billion above the Administration request, including

- \$98.3 billion for the Department of Defense, including military construction, an increase of \$5.0 billion over the request, of which \$3.0 billion is for base realignment and closure and \$1.5 billion is for additional MRAP vehicles for the Marine Corps;
- \$6.285 billion for international affairs, an increase of \$189 million over the request;
- \$2.0 billion for homeland security programs, including port security;
- \$1.7 billion for the Department of Veterans Affairs, including funding for veterans health programs;
- \$6.951 billion for hurricane disaster relief, an increase of \$3.55 billion over the amount of \$3.4 billion requested, including \$4.63 billion for FEMA (an increase of \$1.23 billion above the request),

\$1.71 billion for the Corps of Engineers, and \$610 million for other agencies;

- \$4.192 billion for agricultural disaster assistance, none of which was requested; and
- \$3.142 billion in unrequested funds for other domestic programs, including \$500 million for fire fighting, \$425 million for secure rural schools, \$640 million for low-income energy assistance, \$820 million for pandemic flu preparedness, \$448 million for state children's health insurance, and \$309 million for other programs.

Brief Overview of Major Issues²

Iraq Policy

Iraq policy has been the overriding issue in debate about the FY2007 supplemental appropriations bill, though the White House and congressional opponents of the bill have also been critical of the amounts the House and Senate added for domestic programs.

In the past, Congress has sometimes, though rarely, used the power of the purse to cut off funding for military operations, to put limits on the numbers of troops that may be deployed in specific military actions abroad, and to set other conditions on the conduct of military operations.³ Now Congress is again considering measures that would renew an ongoing constitutional battle about the authority of the President to wage war and Congress's ability to limit it.

In the House, the Democratic leadership presented a rider to the appropriations bill that would set three alternative timetables for withdrawal, depending on political progress inside Iraq.⁴ Even if the government of Iraq achieves all the political benchmarks, the leadership plan would require the withdrawal of U.S. combat forces from Iraq no later than August 2008. The leadership plan also includes requirements originally proposed by Representative Murtha, the defense appropriations subcommittee chairman, that units be fully equipped and trained before being deployed and that units have a minimum of time at home before being redeployed.

² Prepared by Stephen Daggett, Specialist in National Defense.

³ For a review of selected funding and other restrictions since the Vietnam War, see CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding Approaches*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch. See also, CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard Grimmett and CRS Report RL33837, *Congressional Authority To Limit U.S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

⁴ The Iraq withdrawal provisions are in Section 1904 of the House bill.

The President must either certify that deploying units meet these conditions or formally waive the requirement.

In the Senate, the bill directs the President to commence the phased withdrawal of U.S. forces from Iraq within 120 days of enactment of the legislation, with the goal of redeploying all combat forces from Iraq by March 31, 2008, except for a limited number essential to protect U.S. and coalition personnel and infrastructure, to train and equip Iraqi forces, and to conduct targeted counter-terrorism operations. The Senate measure expresses the sense of Congress that the government Iraq of should pursue several political and security benchmarks on a schedule established by the government.

In the House, the rule on floor consideration of the bill did not permit any amendments, so there were no votes on alternative policies. The amendments proposed to the rules committee included two Republican-sponsored measures to delete all the Iraq policy language in the bill and two Democratic-sponsored measures to accelerate the withdrawal, including one measure requiring withdrawal of all personnel by December 31, 2007.

In the Senate committee markup, Senator Shelby offered an amendment to delete the Iraq redeployment provisions, but he did not demand a vote because Senator Tim Johnson's absence might have affected the outcome.

In floor action on the bill, the Senate rejected an amendment by Senator Coburn to delete the Iraq withdrawal language by a vote of 48-50 on Tuesday, March 27. Later, Senator Hagel proposed but then withdrew a measure to require, as in the House bill, that units being deployed to Iraq meet readiness standards and that units be stationed at home for specific periods between deployments.

The conference agreement includes provisions that would require the President to determine by July 1 whether the Iraqi government has attained specific security and political benchmarks. It then requires the Secretary of Defense to begin redeployment troops from Iraq by July 1, with a goal of completing the redeployment within 180 days (by the end of December), if the President does not determine that the Iraqi government has achieved the benchmarks, and by October 1, with a goal of completing the deployment within 180 days (by the end of March, 2008), even if the President determines that Iraq has made the required progress. In each case, the end-date of the withdrawal is not binding, though the requirement to begin redeploying forces appears to be.

Effect of a Delay in Approving Supplemental Funding

Army officials have warned that limits on available funding may require disruptive changes in day-to-day operations unless Congress approves supplemental funding by some time in April. In the FY2007 defense appropriations act and in the FY2007 continuing resolution, Congress appropriated a total of \$53.5 billion for Army O&M in FY2007, of which \$25.1 billion was provided in the FY2007 base budget and \$28.4 billion was provided in the FY2007 Title IX "bridge" fund for war

costs. Through March, the Army has reported that it obligated a total of \$39 billion of the money, which would leave a balance of \$14.5 billion for the remainder of the fiscal year. The Army now projects obligations of \$7.0 billion in April and \$7.1 billion in May without taking steps to slow down the pace of operations. At that rate, the Army has enough money on hand to operate only until the end of May.

Army officials have warned for some time that they will have to begin slowing down operations some time before funding is exhausted, however, in anticipation of funding restrictions. Last year, when the supplemental was not passed until June, and when there was less money in the bridge fund, Army officials say that restrictions on operations were quite damaging. This year, they say, they have been especially pressed because they do not want to delay programs to absorb additional personnel into the force.

The effect of a delay in passing the supplemental has now become a major issue. Secretary of Defense Gates told Members of Congress in a March 22 meeting that the Army would have to slow training beginning in mid-April, and that delays beyond the middle of May might lead the Army to extend the deployment term of units already in Iraq rather than send new units without full training. In a press statement on March 23, President Bush warned that if funding were delayed beyond April 15, "our men and women in uniform will face significant disruptions, and so will their families." On March 29, Army Chief of Staff, General Peter Schoomaker, and Acting Secretary of the Army, Peter Geren, wrote to Senator McConnell to warn that "Without approval of the supplemental funds in April, we will be forced to take increasingly draconian measures which will impact Army readiness and impose hardships on our Soldiers and their families." On April 2, all four military Service Chiefs signed a similar letter to congressional leaders. On April 11, in a letter to Senator Byrd and Representative Murtha, Secretary of Defense Robert Gates provided a time line of steps the Army would take to limit its activities. On April 16, the Army issued a press release providing a more detailed list of successive steps it planned over the next several weeks to rein in funding. The Army also announced that the Defense Department would request a transfer of \$1.6 billion from Navy and Air Force personnel accounts. Two days earlier, the Army issued guidance to unit and facility commanders directing a series of steps to limit operations, beginning on April 15 and imposing increasingly restrictive steps week by week.

In the mean time, in a memo to the Senate Budget Committee on March 28, 2007, the Congressional Research Service estimated that the Army had sufficient money in its Operation and Maintenance accounts to carry on activities at the then-expected rate of obligations through May and into June of 2007. The memo also calculated that the Army could carry on operations longer if the Defense Department were to use part of \$7.5 billion of general and special war-related transfer authority available in FY2007 to shift money to the Army. The CRS memo also noted, however, that the Army may very well decide that it must slow down non-war-related operations before money would run out by, for example, limiting facility maintenance

and repairs, delaying equipment overhauls, restricting travel and meetings, and, perhaps, slowing down training.⁵

These CRS calculations were based on Army estimates of monthly obligations that have since been updated. More recent Army data, discussed above, show obligation of \$8.7 billion in March, in part due to the surge of troops to Iraq. This reduced the remaining balance of operation and maintenance funds in Army accounts. Based on recent reports about the rate of obligations, Army O&M funds will run out by about the end of May unless the Army slows down the pace of operations or receives transfers of funds from other defense accounts. The Army now plans both steps.

Additional transfers of funds into Army operating accounts may also be possible. To date, including the recent request to transfer \$1.6 billion to the Army, the Defense Department has requested \$4.1 billion of transfers. This leaves a balance of \$3.4 billion, including general and special war-related transfer authority. At the rate the Army plans for the final few months of the year, that would cover about three weeks of additional operations. Some of that authority may be needed, however, to restore funds to accounts that were sources of earlier transfers. The \$1.6 billion in Navy and Air Force personnel funding, in particular, may need to be restored. That would use a large share of the remaining authority. Congress may expand the amount available, in either a stopgap funding measure or in a full year FY2007 supplemental by restoring funds. The now-vetoed conference agreement includes a provision that restores about \$1.6 billion of funding in earlier requested transfers. The Defense Department may or may not decide it is prudent to request additional transfers of funds to the Army in anticipation of future provisions that would restore earlier transfers of funds.

It may also be possible for the Defense Department to extend Army operations by invoking the Feed and Forage Act, 41 U.S.C. 11, which permits the Defense Department to make purchases for some purposes in advance of appropriations. The Defense Department has used the Feed and Forage Act in the past to finance operations when supplemental appropriations were delayed. Congress might also expand the amount of transfer authority available for the Army by approving in the FY2007 supplemental, or in a stopgap funding bill, a measure to restore funds that were sources of earlier transfers – including, possibly, the \$1.6 billion in Navy and Air Force personnel funds that DOD has requested be shifted to the Army.

Additions of Unrequested Funding for Domestic Programs

The House bill provides almost \$14 billion of unrequested for domestic programs, including, in Title I of the bill, \$2.5 billion for homeland security and \$1.7

⁵ Congressional Research Service Memorandum to the Senate Budget Committee, “How long can the Army finance its operational needs in FY2007 in advance of supplemental appropriations?” by Amy Belasco, March 28, 2007. The memo was released by the requester on April 2. It is available on request to congressional offices.

billion for veterans affairs, including money for veterans medical care; in Title II of the bill, \$3.0 billion above the request for hurricane relief; in Title III of the bill, \$3.7 billion for agricultural disaster relief; and in Titles IV and VI of the bill, \$3.0 billion for programs ranging from pandemic flu preparedness at NIH to making up a shortfall in the State Children's Health Insurance Program. The Administration has warned that the President would veto the bill if it includes unrequested domestic spending of this magnitude.

The Senate bill provides about \$15 billion of unrequested funds for domestic programs, including \$2.0 billion for homeland security, \$1.7 billion for veterans programs, \$6.7 billion for hurricane relief, \$3.3 billion above the request, \$4.0 billion for agricultural disaster relief, \$747 million for children's health insurance, \$870 million for pandemic flue preparedness, \$640 million for low-income energy assistance, and \$500 million for a firefighting reserve fund.

The conference agreement provides \$14-15 billion of unrequested funding for domestic programs.

Designations of "Emergency" Spending in Defense and International Affairs

Both in the defense portion of the bill and in the international affairs portion, one ongoing issue is what funding should properly be provided as emergency supplemental appropriations⁶ that are not subject to annual caps on federal spending and what funding should instead be provided in the agency "base" budgets that are financed in regular, non-emergency appropriations. In recent years, defense appropriations exempted from budget caps (including "bridge funds" for overseas operations provided as separate titles in the regular defense appropriations bills) have grown from \$16 billion in FY2002 to \$63 billion in FY2003 and FY2004, to \$102 billion in FY2005,⁷ to \$116 billion in FY2006, and to \$163 billion approved or requested in FY2007.

This reflects a progressive expansion of the kinds of equipment and operational support that both the Defense Department and Congress have agreed to consider as sufficiently urgent to warrant inclusion in emergency funding measures, even though

⁶ The term "emergency appropriations" is used loosely here to include all spending exempt from annual budget resolution caps on discretionary appropriations. Technically, under language used in annual congressional budget resolutions, exemptions from budget caps cover funds formally designated as "emergency" spending and also funding for "military contingency operations" in the House and for "military contingent operations" or for "national defense" in the Senate. This is discussed further below.

⁷ This counts \$25 billion in a "bridge fund" in the FY2005 defense appropriations bill as FY2005 money, though it is technically "scored" by the Congressional Budget Office and the Office of Management and Budget as FY2004 funding because it was made available on enactment, which was before the beginning of FY2005. All but about \$2 billion, however, was not obligated until FY2005 or later.

the funding may not meet definitions either of the narrowly defined incremental costs of military operations, or of what constitutes an emergency by congressional standards. An issue for Congress in the FY2007 supplemental is whether some of the very large increase in weapons procurement that the Defense Department has requested in the FY2007 supplemental goes beyond even the expanded definition of war-related requirements that Congress has accepted in recent years. The Air Force, for example, requested funds for two F-35 Joint Strike Fighters, a new system not yet in production, on the basis that the aircraft will replace equipment lost in the war, though F-35s will not be available for another three years. The House committee eliminated funding for these and for Navy EA-18G aircraft even before the Administration amended its request to delay these programs.

The supplemental request for international affairs funding raises the same issue. In testifying before Congress about the FY2008 budget request, Secretary of State Rice faced several questions about the continued practice of requesting emergency supplemental funds for foreign affairs expenditures that do not seem unplanned or unexpected. On February 8, 2007, Senator Biden, the Chairman of the Senate Foreign Relations Committee complained, “We’ve been in Afghanistan for over five years and Iraq for nearly four, and spending in neither country can hardly be called an emergency.” Some legislators have questioned, in particular, proposed funding for U.S. embassy operations and security in Iraq.

The conference agreement continues to designate both defense and non-defense spending as, in effect, emergency funding. [Technically, the term “emergency” does not apply to defense spending. Defense funds are exempt from budget resolution caps on discretionary funding by being designated as for overseas contingency operations in the House and for “contingent” operations or for “national defense” in the Senate.

Using Defense Supplemental Funding to Offset Costs of Higher Domestic Spending

Conversely, while some have objected what they see as the Administration’s misuse of the “emergency” designation, the Administration has objected to the use of “emergency” defense supplementals as an indirect means of avoiding cuts in non-defense programs. In each of the past several years, it appears that some funding that would normally be included in the base defense budget has migrated into the supplementals, which frees up funding under discretionary spending caps not only for other defense programs, but also for non-defense discretionary accounts. The FY2007 continuing resolution, for example, cut \$3.1 billion from the Administration’s defense request for Base Realignment and Closure (BRAC), which freed an equivalent amount for non-defense appropriations bills. Congress is now adding the BRAC funding to the FY2007 supplemental, which some may see as, in effect, using the supplemental to finance non-defense programs without violating FY2007 discretionary spending caps. At some point, some contend, Congress may need to assert more effective limits on emergency spending if it wishes to restore discipline over the budget as a whole.

Military Medical Care

Reports of poor conditions in housing for patients at the Walter Reed Army Medical Center and other reports of shortcomings in medical care for wounded veterans prompted Congress to add substantial amounts to the supplemental for military medical care. The House bill adds \$1.3 billion for the defense health program including \$400 million for post-traumatic stress counseling and 4300 million for brain injury care. The bill also adds \$1.7 billion for the Department of Veterans Affairs for medical care, disability pensions, and administration. The Senate bill also adds \$1.7 billion for defense health, though allocated differently from the House, and \$1.7 billion for the Department of Veterans Affairs.

The conference agreement adds \$2.1 billion for defense health programs and \$1.8 billion for veterans health (including related administrative and facilities costs).

Additions to the Defense Request

As large as the defense supplemental request is, it did not provide funding for all of the programs the military services have identified as priorities, and many legislators have complained that the readiness of Army and Marine Corps units not deployed abroad has declined, particularly because of shortfalls of equipment for training. In addition, it appears that the Defense Department underestimated costs of the “surge” of 21,000 combat troops to Iraq. In February, each of the armed services submitted an “Unfunded Priorities List” (UPL) of programs that did not receive funding in the final Administration FY2008 request to Congress, but that the services would like if more money were available. The Army FY2008 UPL includes substantial amounts for force protection equipment, including \$2.2 billion for Mine Resistant Ambush Protected (MRAP) vehicles.

The House bill added \$2.5 billion to the defense request for a reserve readiness fund to be available for training, operations, repair of equipment, and purchases of new equipment to finance improvements in the readiness of “next-to-deploy” units in the United States. The bill also added \$250 million for Marine MRAP purchases and smaller amounts for some other procurement programs, partly offset by cutting funds in the original Administration request for Air Force purchases of the Joint Strike Fighter and for Navy EA-18G aircraft.

The Senate committee-reported bill added \$1 billion for Army National Guard and Reserve equipment shortfalls. Both the House and Senate bills add \$1.1 billion for Basic Allowance for Housing shortfalls. And during floor debate on the bill, the Senate agreed to an amendment by Senator Biden to add \$1.5 billion for MRAPs for the Marine Corps.

The conference agreement adds \$2 billion for a defense readiness reserve fund, of which \$1 billion is for the National Guard, \$1.1 billion to make up service identified shortfalls in housing allowances, and \$1.2 billion (in addition to \$1.8

billion requested) for Mine Resistant Ambush Protected vehicles for all the services, not just for the Marine Corps.

Keeping Open Walter Reed Army Medical Center

The House bill includes a provision that prohibits funds in the supplemental or in any other legislation from being used to close Walter Reed hospital in Washington, D.C. The Senate bill prohibits closing Walter Reed until replacement facilities in Bethesda, Maryland, and Ft. Belvoir, Virginia, are completed and fully operational and until the Secretary of Defense certifies that facilities are sufficient to meet existing and projected demands for services. The House measure reverses a decision of the 2005 Base Realignment and Closure (BRAC) process. The BRAC process was designed to prevent legislative efforts to keep open particular facilities by requiring an up or down congressional vote on a package of base closure measures not subject to amendment.

The conference agreement mainly follows the Senate. It allows Walter Reed to close on condition that replacement facilities are available. The conference agreement also includes a provision requiring full funding of Walter Reed in the interim, including funding for facility modernization and maintenance.

These and other issues are reviewed in more detail in the following discussion of the main elements of the FY2007 supplemental appropriations request.

Potential Limitations on U.S. Military Operations in and Around Iraq⁸

The House-passed version of H.R. 1591 includes provisions that would require the withdrawal of U.S. forces from a combat role in Iraq (with certain exceptions) by no later than August 31, 2008. Other provisions of the bill would bar the deployment to Iraq of units that do not meet the Defense Department's traditional standards of combat readiness.

The version of the bill passed March 29 by the Senate includes provisions that would require the President to begin withdrawing U.S. forces from Iraq within 120 days of enactment, with the "goal" of removing all U.S. combat forces from the country by March 31, 2008, except those engaged in certain, limited missions. On March 27, the Senate rejected by a vote of 48-50 an amendment that would have eliminated the provisions related to withdrawal of U.S. troops.

The conference agreement sets benchmarks for progress by the Iraqi government and requires withdrawal to begin on July 1 if the President does not determine that the goals have been achieved and to begin on October 1 even if the President

⁸ Prepared by Pat Towell, Specialist in National Defense.

determines that the goals have been achieved. In either case, it sets a target for completing redeployment of troops within 180 days, though the end-dates are not strictly binding. As in the House and Senate bills, the conference agreement permits U.S. troops to remain in Iraq – or to be deployed there again in the future – only to protect U.S. citizens and facilities; for customary diplomatic purposes; for targeted, limited-duration missions against global terrorist organizations; and to train and equip Iraqi security forces. The President has warned that he will veto the bill because of the withdrawal provisions.

Iraq Deployment Restrictions in the 110th Congress

Members critical of President Bush's Iraq policy secured, on February 16, adoption by the House of a non-binding resolution (H.Con.Res. 63) expressing disapproval of the decision to deploy more than 21,000 additional U.S. combat troops to Iraq. Similar non-binding measures disapproving of the Administration's troop "surge" were introduced in the Senate (S. 470, S.Con.Res. 7, S. 574), but action on them stalled.

Administration opponents also have introduced both in the House and in the Senate binding legislation intended to substantially restrict U.S. military operations in Iraq by various methods. Some of these proposals would repeal P.L. 107-243, the 2002 resolution authorizing the use of military force against Iraq (e.g., H.R. 930, H.R. 508). Others would bar the use of any funds for military operations in Iraq after a date certain (S. 448). Others would prohibit any increase in the number of U.S. troops in Iraq unless authorized by Congress (S. 308, H.R. 438), limit the missions that U.S. forces could conduct in Iraq (H.R. 455, S. 433), or require that U.S. troops be redeployed from Iraq to other locations (H.R. 746, S. 121).⁹

Appropriations Riders and Military Operations

However, opponents of a continued U.S. combat role in Iraq might deem it tactically advantageous to use the supplemental appropriations bill as a vehicle for their efforts to rein in the Administration's Iraq policy, because early enactment of the supplemental is essential to fund ongoing military operations in Iraq. Defense Secretary Robert M. Gates, testifying on the supplemental appropriations bill before the Senate Appropriations Committee on February 27, said: "If these additional funds are delayed, the military will be forced to engage in costly and counterproductive reprogramming actions starting this spring, in April, to make up the shortfall."¹⁰

⁹ For a frequently updated summary of Iraq-related legislative proposals see CRS Congressional Distribution Memorandum, "Legislation Introduced Regarding Iraq War Policy and U.S. Military Policy Concerning Iran, 110th Congress," by Kim Walker Klarman, updated February 22, 2007.

¹⁰ Testimony before the Senate Appropriations Committee, Hearing on Proposed Fiscal 2007 Supplemental Appropriations, February 27, 2007.

On March 22, Secretary Gates reportedly told members of Congress in a meeting that if supplemental appropriations were not enacted by mid-April, the Army might have to slow training of units deploying to Iraq and Afghanistan and that, if enactment were delayed thru mid May, the delay in training follow-on units might force the Army to extend the deployment of units already in Iraq beyond their usual year-long tours.¹¹ CRS has estimated that the Army could continue to operate into June with funds available through the end of the fiscal year and by reprogramming funds from other accounts (see below for a further discussion).

One option would be for the critics to block enactment of the supplemental funding bill, but that might draw accusations that they are failing to support troops who are in harm's way. Instead, the House bill would provide fund the troops in Iraq, essentially at the level requested by the President, but also would require him to remove most U.S. troops from that by August 31, 2008, while the Senate version would require the president to begin a troop withdrawal by March 31, 2008, with the "goal" of removing combat troops by August 31, 2008. Both versions of the bill would allow a limited number of U.S. troops to remain in Iraq for certain missions.

Conditioning the availability of funds in an appropriations bill in this way raises two fundamental questions. One is whether the President could legally circumvent legislative restrictions on appropriations for military operations in Iraq. In the same Senate hearing, Joint Chiefs of Staff Chairman Gen. Peter Pace, USMC, told the Appropriations Committee that President Bush would have latitude under provisions of the Feed and Forage Act (41 U.S.C. 110) to continue funding ongoing operations, even if Congress were to reject the supplemental funding bill.¹² The scope of presidential discretion under that law may be limited, however: It allows the government to incur obligations for certain military expenses in the absence of an appropriation, but requires that Congress appropriate the necessary funds before they can be expended pursuant to such obligation.¹³

A second threshold question is whether there are limits on how far Congress can go in using the power of the purse, not simply to fund or not fund a given military operation, but also — through the use of appropriations riders — to change the parameters of a legally authorized conflict already underway. Some commentators invoke the doctrine of "unconstitutional conditions" to argue that, while Congress unquestionably can deny funding for an ongoing war, it cannot impose conditions on the availability of funds that would vitiate the president's constitutional authority as

¹¹ Noam N. Levey and Peter Spiegel, "Gates Pushes Back On Eve Of War Vote," *Los Angeles Times*, March 23, 2007.

¹² *Ibid.* For an analysis of Congressional authority to limit Military Operations through its use of the power of the purse and other means, see CRS Report RL33837, *Congressional Authority to Limit U. S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

¹³ William C. Banks and Peter Raven-Hansen, *National Security Law and the Power of the Purse*, Oxford University Press, 1994, pp. 71-72.

commander-in-chief of the armed forces to direct military operations.¹⁴ Other commentators argue that, since the courts have upheld Congress' authority to limit the scope of military operations by statute, it follows that Congress can exercise that authority through the appropriations process.¹⁵

Congressional Restrictions on Previous Military Operations. Those fundamental questions aside, there are several types of restrictions Congress has considered since 1970 in efforts to reduce or terminate U.S. military operations in Southeast Asia, Somalia and the countries formed from the former Yugoslavia.¹⁶

Congress has used an appropriations bill rider to simply terminate an ongoing operation, namely the Byrd Amendment to the FY1994 Defense Appropriations Act (P.L. 103-139, Sec. 8151), which prohibited obligation of funds after March 31, 1994 for military operations in Somalia, unless subsequently authorized by law or if necessary to protect U.S. civilians in that country.

But Congress also has considered or adopted riders that are more narrowly drawn to limit the scope of U.S. military operations in a given area. For instance, in 1971, the House rejected an amendment to the Fiscal 1972 defense authorization bill (H.R. 8687) that would have barred the use of funds authorized under the act for any aerial attack in Cambodia, Laos, Vietnam or Thailand, unless the president determined such an attack necessary to ensure the safety of U.S. forces withdrawing from Indochina. In 1999, the House passed H.R. 1569, a free-standing bill (on which the Senate took no action) that would have barred the obligation or expenditure of Defense Department funds for the deployment of "ground elements" of the U.S. armed forces into the Federal Republic of Yugoslavia [i.e., the former Yugoslav republics of Serbia and Montenegro], except to rescue U.S. or NATO military personnel or U.S. civilians. In 1971, Congress enacted the Cooper-Church amendment barring the use of any funds to deploy U.S. ground troops in Cambodia.¹⁷ In 1973, Congress enacted a provision that prohibited the obligation or expenditure of funds in this or any previous law to finance "combat in or over or from off the

¹⁴ David B. Rivkin Jr. and Lee A. Casey, "What Congress Can (And Can't) Do On Iraq," *Washington Post*, P. A19, January 16, 2007, summarize this view.

¹⁵ Elsea and Nicola, pp. 18-19. For a more extended discussion of this and other relevant constitutional and legal issues, from a perspective that argues for broader Congressional authority, see, Charles Tiefer, "Can Appropriations Riders Speed Our Exit From Iraq?," *Stanford Journal of International Law*, 42 (2006), pp. 291-342.

¹⁶ For further analysis of the following (and many other) examples of Congressional efforts to restrict military operations abroad, see CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia and Kosovo*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch, and CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard F. Grimmett.

¹⁷ Sec. 7, P.L. 91-652, Special Foreign Assistance Act of 1971.

shores of North Vietnam, South Vietnam, Laos or Cambodia,” on or after August 15, 1973; U.S. bombing stopped on August 15, 1973.¹⁸

House Supplemental Iraq Provisions

The Iraq-related restrictions included in the House version of the supplemental incorporate some of these earlier approaches, along with other provisions. The bill would set a deadline for the withdrawal of U.S. combat troops from Iraq of no later than the end of August 2008. It also sets earlier dates for withdrawal unless the President can certify that the government of Iraq meets specific security and political benchmarks.

The plan would also prohibit the deployment of units that do not meet certain readiness benchmarks unless the president waives these requirements and reports to Congress his reasons.

Iraqi Government Benchmarks. The bill would require the withdrawal of U.S. forces from Iraq (with some exceptions) within a 180-day period beginning July 1. However, the start of the withdrawal would be deferred if the President certifies by July 1, that Iraq is showing progress toward meeting a number of benchmarks of progress toward political reconciliation, economic reform and improved security. The security benchmarks include several steps intended to strengthen Iraqi Security Forces and insulate them from political interference, make them more evenhanded in providing security to all Iraqi citizens, and reduce the power of sectarian militias. The political and economic benchmarks include:

- enactment of legislation that would equitably share oil revenues among the country’s regions
- expenditure of \$10 billion for reconstruction projects
- holding of provincial elections later this year
- easing employment restrictions on former members of Saddam Hussein’s Baath Party, and
- facilitating the process of amending the country’s constitution to secure broader national consensus.

If the President certifies July 1 that Iraq is showing progress toward all these security, political and economic goals, the six-month U.S. redeployment would not start until October 1.

If the President certifies on October 1 that Iraq has met the five political and economic benchmarks, the start of the withdrawal would be further delayed until March 1, 2008. Not later than that date, however, U.S. troops would have to begin withdrawing from combat roles, with the process to be completed within 180 days.

¹⁸ See Section 108, P.L. 93-52, Making Continuing Appropriations for the Fiscal Year 1974 and for Other Purposes.

Regardless of when the six-month redeployment period ends, U.S. troops could remain in Iraq after that time only for certain missions, including training Iraqi forces, protecting U.S. diplomatic facilities and citizens and engaging in missions that are, “limited in duration and scope to killing or capturing members of al-Qaeda and other terrorist organizations with global reach.”

Troop Readiness Criteria. The House version of the supplemental also would prohibit the deployment to Iraq of military units that do not meet established Defense Department policies intended to maintain combat readiness and morale. These include requirements that (1) no unit could be deployed to Iraq for longer than is the policy of its service — 12 months for Army brigade combat teams and seven months for Marine regimental combat teams, (2) no Army unit could return to Iraq within a year of its previous deployment to that country and no Marine Corps unit within seven months, and (3) no unit be deployed unless the uniformed chief of its service certify to Congress that it is “fully mission capable.” The President could waive these limitations on a unit-by-unit basis if he reported to Congress why deployment of a particular unit is necessary.

In his February 27 testimony before the Senate Appropriations Committee, Gen. Pace said that if the services were barred from (1) extending the deployment of units beyond their normal duration, (2) deploying units that had not completed their full training syllabus and (3) temporarily relaxing some other deployment policies, the number of Army combat units that could be deployed in Iraq at any one time would oscillate between 14 and 19 brigades, instead of the 20 called for by the current plan.

The Defense Department’s long-established readiness measurement system assesses a unit to be “fully mission capable” if it is manned, equipped and trained to carry out the full range of traditional combat missions to which a unit of that type might be assigned. However, the Department has another system for assessing — through each unit commander’s subjective judgment — that unit’s readiness for a specific, non-traditional mission — such as the missions many combat units are conducting in Iraq and Afghanistan. By this alternative readiness assessment method, units deploying to Iraq may be fully ready for the missions they are about to undertake. The potential problem is that, should a contingency suddenly arise that requires those units to revert to their traditional combat missions, the necessary skills may have atrophied while the unit focused narrowly on the counterinsurgency mission in Iraq.

Debate. By linking the duration of the U.S. combat mission to the Iraqi government’s performance, the Administration’s critics can invoke President Bush’s argument that the overall U.S. strategy depends on the Iraqi government meeting its own benchmarks for progress toward economic reconstruction and political reform. In his January 10 address unveiling the new U.S. strategy in Iraq, President Bush said that, for the new approach to succeed, Iraqi citizens would have to see improvements

in their neighborhoods and communities. “So America will hold the Iraqi government to the benchmarks it has announced,” he said¹⁹

Similarly, by requiring the President to waive the Defense Department’s own policies for preserving readiness and morale in order to sustain the force in Iraq at its planned strength, the bill would highlight concerns that have been publicly raised by senior Army and Marine Corps officers over the adverse impact on their services of the current tempo of operations in Iraq and Afghanistan.²⁰

However, the President and other opponents of the bill’s deadline for withdrawing combat units from Iraq and its limits on unit deployment argue that these provisions would embolden U.S. adversaries in Iraq, interfere with the President’s exercise of his constitutional power as commander-in-chief of the armed forces, and deprive U.S. commanders in the field of the flexibility they need to win the campaign.²¹

During its March 15 meeting to mark up the bill, the House Appropriations Committee rejected 27-37 an amendment by Representative Jerry Lewis that would have deleted the withdrawal deadline and deployment restrictions while adding a provision declaring that Congress “will not cut off or restrict funding” for units deployed to Iraq and Afghanistan. The committee then adopted 37-27 an amendment by Representative John P. Murtha adding to the bill a declaration that Congress “fully supports the needs of members of the Armed Services” who have been deployed on those missions, and their families. On both amendments, the committee divided along party lines, with all voting Republicans supporting Lewis and opposing Murtha while all voting Democrats opposed Lewis and supported Murtha,

The committee also rejected 0-37 an amendment by Representative C. W. Bill Young that would have barred the use of any appropriated funds to finance U.S. combat activities in Iraq, except to those that were necessary to protect the lives of American citizens and to provide for the orderly withdrawal of U.S. forces.

¹⁹ President George W. Bush, “Address to the Nation,” January 10, 2007, at [<http://www.whitehouse.gov/news/releases/2007/01/print/20070110-7.html>]. For further information on security, political and economic issues in Iraq, see CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, and CRS Report RS21968, *Iraq: Elections, Constitution and Government*, both by Kenneth Katzman.

²⁰ During a Senate Armed Services Committee hearing on February 15, 2007, Army Chief of Staff Gen. Peter Schoomaker and Marine Corps Commandant Gen. James Conway each acknowledged concerns about the breadth of training units can undergo between deployments to Iraq and Afghanistan. The President’s proposal to increase the permanent end-strength of those two services by a total of 92,000 troops is justified largely by the need to reduce the frequency of deployments for any one unit.

²¹ President George W. Bush, “Remarks at the National Republican Congressional Committee Dinner,” March 15, 2007.

After debating H.R. 1591 under a rule that allowed only technical amendments, the House passed the bill March 23 by a vote of 218-212, with the troop deployment limitation provisions intact.

Related Action: Senate Troop Withdrawal Resolution

On March 15, the Senate rejected 48-50 S.J.Res. 9, which would have required the president to begin withdrawal of U.S. forces from Iraq within 120 days of enactment. The joint resolution was sponsored by Majority Leader Senator Harry Reid and 41 Democratic co-sponsors.

In its prefatory “whereas” clauses, the joint resolution declared (1) that Congress and the American people support troops who have served or will serve in Iraq, (2) that circumstances referred to in the 2002 resolution authorizing the use of military force against Iraq (P.L. 107-243) have changed “substantially,” (3) that U.S. troops “should not be policing a civil war,” and that U.S. policy in Iraq should change to emphasize the need for a political solution among Iraqi leaders.

The body of the joint resolution would have mandated a “phased redeployment from Iraq” of all U.S. combat forces except for “a limited number” essential for protecting U.S. and coalition personnel and infrastructure, training and equipping Iraqi forces, and “conducting targeted counter-terrorism operations.” The legislation would have required the President to begin the withdrawal within 120 days of enactment, with a “goal” of completing the process by March 31, 2008. That is the date by which the Iraq Study Group recommended last fall that, “subject to unexpected developments in the security situation on the ground, all [U.S.] combat brigades not necessary for force protection could be out of Iraq.”²²

Although the joint resolution identified March 31 as a goal for completing the withdrawal rather than as a hard and fast deadline, thus implying that the deployment could be continued beyond that date for unspecified reasons, some senators who publicly opposed the President’s decision in January to send additional U.S. combat troops to Iraq reportedly opposed S.J.Res. 9 because it included even this tentative deadline for removing troops from the country.

The joint resolution also would have directed that the removal of U.S. troops from Iraq to be implemented, “as part of a comprehensive diplomatic, political and economic strategy” to stabilize Iraq, including engagement of neighboring countries and the international community. It would have directed the President to report on progress in the required reshaping of U.S. policy on Iraq within 60 days of enactment and at 90-day intervals thereafter.

Immediately after the Senate rejected S.J.Res. 9, it adopted two other Iraq-related measures:

²² Iraq Study Group Report, Vintage Books, 2006, p. 72

- By a vote of 82-16, it adopted S.Con.Res. 20, sponsored by Senator Judd Gregg, expressing the sense of Congress that Congress would not eliminate or reduce funding for troops in the field;
- By a vote of 96-2, it adopted S.Res. 107, sponsored by Senator Patty Murray, expressing the sense of the Senate that the President and Congress should ensure that U.S. forces, “have everything they need to perform their assigned or future missions,” and should review and adjust policy and funding as needed, “to ensure our troops have the best chance for success in Iraq and elsewhere.

Senate Supplemental Iraq Provisions

The Senate version of H.R. 1591 includes provisions, similar to those in the S J Res 9, that would require the President to begin, within 120 days of enactment, a “phased redeployment” of U.S. forces from Iraq with the goal of removing all combat forces by March 31, 2008, except for “a limited number” that could remain to (1) protect U.S. and coalition personnel and facilities, (2) train and equip Iraqi forces and (3) conduct “targeted counter-terrorism operations.”

Unlike the timetable for U.S. troop move that would be established by the House bill, the Senate measure describes its March 31, 2008 target date for completing the redeployment as a “goal,” rather than a mandatory deadline.

The provision includes findings that Congress and the American people will continue to support and protect troops who are serving or have served in Iraq, that the circumstances referred to in the 2002 legislation authorizing the use of force against Iraq (P.L. 107-243) have changed substantially, that U.S. troops “should not be policing a civil war,” that “the current conflict in Iraq requires principally a political solution,” and that U.S. policy in Iraq must change to emphasize the need for a political solution by Iraqi leaders.

‘Comprehensive Strategy’. The Senate version of the bill also declares that the troop redeployment shall be implemented as part of a comprehensive political, diplomatic and economic strategy for stabilizing Iraq, which will include, “sustained engagement with Iraq’s neighbors and the international community.”

The bill requires the President to report to Congress 60 days after enactment of the bill and every 90 days thereafter on progress made in withdrawing U.S. troops and adopting the new strategy for stabilizing Iraq. On the same schedule, the President also would be required to give Congress, “a classified campaign plan” including strategic and operational benchmarks and projected redeployment dates for withdrawing U.S. forces.

Benchmarks for the Iraqi Government. In addition, the Senate bill would require the Commander, Multi-National Forces, Iraq (currently U.S. Army Gen. David Petraeus), to report to Congress not later than 30 days after enactment of the bill and every 60 days thereafter on the Iraqi government’s progress toward several

benchmarks of progress toward providing greater public security and political and economic reform.

The benchmarks which, the bill describes as reflecting previous commitments of the government of Iraq, closely parallel the benchmarks that would be established by H.R. 1591. They are:

- deployment of trained and ready Iraqi security forces in Baghdad;
- strengthening the authority of Iraqi commanders to make military decisions without political interference;
- disarming sectarian militias and ensuring the Iraqi security forces are accountable to the central government and are loyal to the constitution.
- enacting legislation that would afford all Iraqis an equitable share in the profits of the country's petroleum industry;
- reforming the de-Ba'athification process;
- establishing an equitable process for amending the constitution; and
- establishing rules in Parliament that would protect the rights of minority parties.

Debate Deferred. When the Senate Appropriations Committee took up the supplemental appropriations bill March 22, there was no separate vote on the Iraq withdrawal provisions.

The committee briefly debated an amendment offered by Republican Senator Richard Shelby that would have stricken the Iraq withdrawal provisions. However Senator Shelby withdrew the amendment as a gesture of comity because, although the committee's Democratic majority was united in support of the original provision, their one-vote margin on the committee was temporarily nullified by the absence due to illness of Senator Tim Johnson.

Senate Floor Amendments. On March 27, the Senate rejected by a vote of 48-50 and amendment by Senator Thad Cochran that would have eliminated from the bill the provisions mandating that a troop withdrawal begin by March 31, 2008 with the goal of removing U.S. troops from Iraq (except for specified, limited missions) by August 31, 2008.

Table 2. Side-by-Side Comparison of House and Senate Iraq Policy Provisions

Issue	House version	Senate version
statement regarding U.S. policy in Iraq	—	-“U.S. troops should not be policing a civil war, and the current conflict in Iraq requires principally a political solution.”
deployment duration limits	-no Army unit deployed for more than one year -no Marine unit deployed for more than seven months -President can waive the restriction for national security	
“dwell time” limits	-no Army unit can be returned to Iraq within less than one year of its departure from that country -no Marine unit can be returned to Iraq within less than seven months of its departure from that country -President can waive the restriction for national security	
Iraqi government benchmarks of improved security and political and economic reform	- President must report by July 1, 2007 that the government of Iraq is making progress toward specified benchmarks of security and political/economic reform -President must report by October 1, 2007 that the government of Iraq has achieved specified political/economic reforms	-sense of Congress that success depends on the Iraqi government meeting specified benchmarks of improved security and political/economic reform -Commander of Multi-National Forces in Iraq shall report on progress toward those benchmarks periodically
U.S. troop withdrawal to begin	-July 1, 2007 if the President does not report progress toward all benchmarks by that date, OR -October 1, 2007, if the President does not report achievement of political/economic benchmarks by then, OR -not later than March 1, 2008	120 days after enactment
U.S. withdrawal completed	mandatory deadline six months after withdrawal begins, and in any event no later than August 31, 2008	non-binding goal of completing by March 31, 2008

FY2007 Defense Supplemental²³

In the fifth year of operations since the 9/11 attacks, the Department of Defense (DOD) is requesting a total of \$163.4 billion in emergency funds to cover war costs for FY2007 including \$70 billion already provided in DOD's regular FY2007 appropriations and a new supplemental request of \$93.4 billion. If enacted, DOD's funding would increase by 40% above the previous year and would more than double from the FY2004 funding level.

To date, according to CRS estimates, Congress has provided DOD with a total of \$472 billion for Iraq (Operation Iraqi Freedom or OIF), Afghanistan and other counter-terror operations (Operation Enduring Freedom or OEF) and enhanced security (Operation Noble Eagle or ONE). If the FY2007 Supplemental request is approved, DOD's total would rise to \$565.6 billion (see **Table 3**).²⁴ In FY2008, the Administration is also requesting \$141.7 billion for war costs in addition to DOD's regular request for \$481.4 billion.

In addition to the \$472 billion received by DOD since the 9/11 attacks, the State Department has received about \$37 billion for foreign and diplomatic operations, and the Department of Veterans' Affairs about \$1 billion for medical care for OIF/OEF vets. That brings total funds appropriated to date for Iraq and the Global War on Terror (GWOT) to \$510 billion for military operations and support, repair, replacement and upgrading of military equipment, foreign aid and diplomatic operations and VA medical care.²⁵

Table 3 shows war funding by title from FY2004 to House and Senate action on the March 9, 2007 amended FY2007 Administration request that is used as the baseline by the appropriations conferees.²⁶

²³ Prepared by Amy Belasco, Specialist in the U.S. Defense Budget.

²⁴ For information on war costs, see CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

²⁵ *Ibid.*

²⁶ H.Rept. 110-60 used the original February 5, 2007 Administration request included in the chapter entitled "Other Materials" in OMB, Appendix: Budget of the United States, FY2008 and S.Rept. 110-37 used the March 9, 2007 amended Administration request that reallocated \$3.6 billion between various accounts; see OMB, FY2008 Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," February 5, 2007 for original request, p. 1143ff; [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>]; for amendments to request, see OMB, Amendment to FY2007 Supplemental for Additional Troops with offsets from Supplemental, March 9, 2007; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf]. In some cases, figures in DOD's justification materials are not the same as those in FY2008 budget appendix.

House, Senate and Conference Action

On April 24, 2007, the appropriations committees filed H.Rept. 110-107, the conference report on the FY2007 Supplemental request. The section below outlines House, Senate and conference action on the major defense funding issues in H.R. 1591. Overall, the conferees recommend a total of \$100.4 billion for the Department of Defense, \$6.8 billion above the Administration's request and between the House total of \$100.4 billion and the Senate total of \$98.3 billion. **Table 3** shows Congressional action on the Administration amended DOD request of March 9, 2007 request by title.

About half of the increase reflects the decision by the House and Senate conferees to add \$3.1 billion for base closure expenses that was not included in the FY2007 Continuing Resolution (P.L.110-5) which provided funds for other military construction costs. The major differences in funding and policy provisions from the Administration's original request and between the two houses are outlined below. More specifics will be provided in a later update.

Military Personnel and Health Issues. The conferees resolved differences between the House and Senate bills on widening eligibility for survivor benefits, adding funds for Traumatic Brain Injury and Post Traumatic Stress syndrome, requiring DOD ensure that all military medical treatment and patient housing facilities meet acceptable standards through inspections, and adding funds for DOD's regular defense health program.

Extending Eligibility for Survivor Benefits. In response to difficulties encountered by relatives who are taking care of surviving children of those killed in Iraq or Afghanistan, the conferees adopted a House provision that would allow a service member to designate grandparents, siblings, or guardians as eligible for 50% of their death gratuity benefit to care for a minor child and 50% for the survivor (Sec. 1317).

**Table 3. DOD War Budget Authority By Title:
FY2004-FY2007 Request^a**
(in billions of dollars)

Title	FY04	FY05	FY06	FY07 Brdg	FY07 Total w/ Req.	FY07 Supp			
						Req.	House	Senate	Conf.
Military Personnel	17.9	19.7	16.7	5.4	17.7	12.4	13.6	13.4	13.5
Operation & Maintenance/Health/Other ^b	42.7	49.0	61.5	39.2	77.9	38.9	40.7	38.9	39.4
Procurement	7.2	17.3	21.5	19.7	44.6	24.8	24.8	24.6	25.7
Research, Dev., Testing & Evaluation	0.4	0.6	0.8	0.4	1.9	1.4	1.0	1.2	1.1
Working Capital /National Sealift Funds ^c	1.6	3.0	3.0	—	1.3	1.3	1.3	1.3	1.3
Military Construction	0.5	1.2	0.2	—	1.9	1.7	4.9	4.8	4.8
Gen'l Prov. - cut O&M for contractor efficiencies	NA	NA	NA	NA	NA	NA	-0.8	0.0	0.0
Gen'l Prov. - add funds for Mine Resistant Ambush Program	NA	NA	NA	NA	NA	NA	0.0	1.5	0.0
Subtotal: Regular Titles	70.3	90.9	103.7	64.7	145.4	80.6	85.6	85.7	85.8
Special Funds and Transfer Caps									
Iraqi Freedom Fund (IFF)	2.0	3.8	3.3	0.1	0.6	0.6	0.2	0.5	0.4
Afghan Sec. Forces Training Fund	—	1.3	1.9	1.5	7.4	5.9	5.9	5.9	5.9
Iraq Security Forces Training Fund ^d	[5.0]	5.7	3.0	1.7	5.5	3.8	3.8	3.8	3.8
Joint Improvised Explosive Device (IED) Defeat Fund ^e	—	—	3.3	1.9	2.4	2.4	2.4	2.4	2.4
Coalition Support Cap ^f	[1.2]	[1.2]	[1.5]	[.9]	[1.9]	[1.0]	[.3]	[.2]	[.2]
Commanders Emergency Response Cap ^f	[.2]	[.8]	[.9]	[.5]	[1.0]	[.5]	[.5]	[.5]	[.5]
Intell. Comm. Mgt Fund ^g	—	0.3	0.2	—	0.1	0.1	0.1	0.1	0.1
Special Transfer Authority ^h	[3.0]	[3.0]	[4.5]	[3.0]	[6.5]	[3.5]	[3.5]	[3.5]	[3.5]
Subtotal: Special Funds	2.0	10.7	11.5	5.2	17.9	12.7	14.8	12.6	14.5
National Defense Total^a	72.3	101.9	115.4	70.0	163.6	93.6	100.4	98.4	100.4

Notes:

- a. This table separates funds with special purposes such as the Afghan Security Forces Fund. The BA in these funds is distributed within each of the main titles (e.g., The Afghan Security Forces Fund is an account within O&M). CRS has adjusted the amounts shown in those titles to avoid double-counts. Includes amounts appropriated and amounts transferred with Congressional approval. Reflects the Administration's amended FY2007 supplemental request of March 9, 2007 as used in H. Rept. 110-107, Conference report on H.R. 1591, 4-24-07; see OMB, Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," February 5, 2007 for original request, p. 143ff and March 9, 2007 amendment; [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>] and [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf].
- b. "Other" includes counter drug and Office of Inspector General funds.
- c. Working capital funds finance support costs such as fuel.
- d. Training Iraqi security forces was initially funded in the State Department [shown in brackets]but is now funded in DOD.
- e. Funds for IED Defeat that were appropriated to the IFF in FY2006 are shown here under Joint IED Defeat Fund. The Joint IED Defeat Fund is a transfer account to finance procurement, RDT&E, and operation and maintenance responses to IED attacks.

- f. Congress sets caps that limit the total amount that can be spent on coalition support to countries helping in the global war on terror, and on the CERP, a program which permits military commanders to provide funds for small-scale reconstruction projects in Iraq and Afghanistan.
- g. Appropriated for the CIA in the DOD appropriations act.
- h. Congress sets the amount of transfer authority in each bill. The table includes amounts provided for both bridge and supplemental funds. Includes \$10.4 billion for Iraq Freedom Fund in FY2003 (deducting specified floors) plus \$2 billion in transfer authority.

Sources: CRS calculations based on *H.Rept. 110-60*, *S.Rept. 110-37*, *H.Rept. 110.107* and H.R. 1591 as passed by the House, the Senate and conference report.

Problems Encountered by Injured Personnel. In reaction to recent problems at Walter Reed Army Medical Hospital encountered by injured service members awaiting final disposition of their medical status, the conferees adopted a Senate proposal that requires DOD to inspect and develop standards for medical treatment facilities and housing for medical hold and holdover personnel. DOD is to report to Congress on the standards used within 30 days, conduct inspections within 180 days, and submit detailed plans to correct deficiencies (Sec. 1318, H.Rept. 110-107).

Increases for Defense Health. The conferees provide \$3.3 billion for Defense Health, over \$2 billion more than the Administration's \$1.1 billion request. The increases reflect both funding for war-related costs such as Traumatic Brain Injury and Post Traumatic Stress Syndrome as well as increases to DOD's baseline program to make up for the Congressional decision not to require higher co payments and fees for military members and \$500 million to offset an efficiency wedge included for the regular program.

Post Traumatic Stress Syndrome and Brain Injury Increases. The conferees include \$600 million for treatment and \$300 million for RDT&E for post traumatic stress syndrome, traumatic brain injury, as well as \$61 million for amputee health care, \$14 million for burn care, and \$12 million for caregiver support programs, all high profile concerns because injuries in Iraq have been more severe and more frequent than anticipated. The conferees also add \$7 million to the blast injury and mitigation program – doubling the enacted amount and making it close to the FY2006 level – that funds the brain injury treatment which is conducted at several centers runs by the Defense and Veterans Brain Injury Center (DVBIC).²⁷

Operation and Maintenance Issues. In addition to various differences in individual spending levels, the conferees resolve differences between the House and Senate on the following major issues.

- The conferees include \$2.0 billion for a new House-proposed Strategic Readiness Reserve Fund designated to improve the readiness of next-to-deploy units or units that are part of the “strategic reserve,” which would be tapped should contingencies arise other than Iraq and Afghanistan, and which have low readiness ratings. The new fund also includes \$ 1.0 billion for National Guard

²⁷ *H.Rept. 110-107* as printed in *Congressional Record*, April 24, 2007, p. H. 3992-3993; this is similar to House action.

and Reserve equipment as recommended by the Senate to meet reported equipment shortages in reserve units.

- The conferees include a \$750 million increase for higher operating tempo in Afghanistan to meet an expected spring offensive by the Taliban, somewhat below the \$1 billion proposed by the House; no funds were proposed by the Senate. Other House recommendation for \$200 million for Army “readiness enhancements” was not included. According to DOD, funding in FY2007 is slated to increase from \$16.3 billion in FY2006 to \$24.8 billion if the request is enacted.²⁸
- The conferees also cut O&M requests by the services for depot maintenance and other operating funds that could not be executed.
- A House provision that would cut O&M by \$815 million for contractor efficiencies was not included by the conferees; responding to oversight concerns, the conferees set an 85% limit on O&M funding until DOD submits a report on the use of contracts and contractor personnel in the war zone (Sec. 1319).

Oversight Concerns About Spending for Afghan and Iraq Security Forces. The conferees echo concerns raised by both houses about oversight of the Afghan and Iraq Security Forces Fund but provide the full amount requested – an additional \$5.9 billion for Afghanistan and \$3.8 billion for Iraq to train and equip their security forces. If enacted, this would bring total funds training and equipping security forces to \$19.2 billion for Iraq and at least \$10.6 billion for Afghanistan.

Although the conferees rejected a House-recommended 50% limitation on obligations until reports by the Secretary of Defense on readiness and by OMB on use of prior and current fund, the conferees retain the reporting requirements. The DOD reports on Iraqi unit readiness is due within 30 days of enactment and the detailed report by OMB on the use of all funds in the Afghan and Iraq Security Forces Funds and an estimate of the total cost is due within 120 days with updates every 90 days (Sec. 1313). A Senate provision permitting DOD to use \$156 million in ISFF funds to support the disarmament and re-integration Iraqi militias or illegal armed groups with concurrence of the Secretary of State was also included by the conferees (Sec. 1319).

As recommended by the Senate, the conferees require an assessment by an independent non-profit organization of the readiness within 12 to 18 months of Iraqi units and the “likelihood that, given the ISF’s record of preparedness to date . . . the

²⁸ See *H.Rept. 110-60*, p. 61-p.80 and *S.Rept. 110-37*, p. 16-p. 21. For higher funding for OEF, see Table 1 in DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]

continued support of U.S. troops will contribute to the readiness of the ISF to fulfill its missions . . .” This report is due within 120 days of enactment.²⁹

Joint Improvised Explosive Device Defeat Fund. While both houses and the conferees endorse the \$2.4 billion funding request for the Joint Improvised Explosive Device Defeat Organization (JIEDDO), the committee reports call for additional reporting and a strategic plan as well as elimination of duplication among the services to ensure oversight of this rapidly growing new account that is intended to conduct research and buy and train troops in ways to defeat Improvised Explosive Devices (IEDs), the chief threat to soldiers in Iraq.

The conference report requires DOD to submit a report identifying staffing levels as well as a strategic plan as directed by the Senate and requires DOD to follow reprogramming requirements as set by the House. The conferees note that the appropriators will be “hard-pressed to fully fund future budget requests unless the JIEDDO improves its financial management practices and its responsiveness.”³⁰

Using Funds to Re-start Iraqi Businesses. The conferees include the Administration’s request to use up to \$100 million in the Iraq Freedom Fund to restart Iraqi businesses as recommended by the Senate.

Congressional Changes to Procurement and RDT&E Accounts. The conferees provide \$25.6 billion in procurement funds, somewhat higher than the \$24.8 billion recommended by the House and the \$24.5 billion recommended by the Senate, both of which are close to the Administration’s request. It appears that the conference report essentially endorses DOD’s plan to front load its request for funds to replace war-worn equipment (see below). Nevertheless, the conference and committee reports in both houses voice concern and cut some individual programs deemed not to be legitimately emergency war-related needs. Characterizing certain items as premature, or unexecutable within the 12 month standard set by DOD, or baseline rather than war-related emergencies, the Senate cut \$1.2 billion from the procurement request. The House cut \$758 million for similar reasons.³¹ In its amended request, the Administration eliminated some of the items considered unjustifiable for an emergency request such as six new EA-18 electronic warfare aircraft and two JSF aircraft that would not be delivered for two or three years.

Premature, Unexecutable, or Baseline Programs. Examples of programs considered premature include new gun systems for Stryker vehicles and new radar systems for F-15 aircraft or F-35 aircraft that would not be delivered until 2009 or 2010. Other programs were considered unexecutable because the industrial base could not meet production rates – such as all funding requested for SINCGARS radios – or were deemed part of DOD’s baseline budget rather than an emergency, such as an Army information system.

²⁹ Sec. 1320 in H.R. 1591 as printed in *Congressional Record*, April 24, 2007, p. H. 3826

³⁰ *H.Rept. 110-107* as printed in *Congressional Record*, April 24, 2007, p. H. 3922.

³¹ CRS calculations based on *H.Rept. 110-60* and *S.Rept. 110-37*.

Congressional Adds Funds for Mine Resistant Ambush Program and other Force Protection. At the same time, the conferees added funds for key force protection systems:

- \$447 million for the Mine Resistant Ambush Protected vehicles, a new truck with a V-shaped hull that has proven effective against IEDs (between the House and Senate levels);
- aircraft survivability modifications for Marine Corps helicopters (\$155 million for H-53s and H-46s); and
- countermeasures for C-130Js and C-17 aircraft.

While the committees rejected requests to replace aircraft that were “stressed,” they added funds for combat losses experienced after submission of the request.

Increases for Guard and Reserve Procurement. The conferees provided the \$1 billion increase for equipment for National Guard and Reserve forces added by the Senate and not included by the House but required that it be funded within the new Strategic Reserve Readiness transfer account that is set up to improve the readiness of units that are not on scheduled for deployment to Iraq or Afghanistan.³²

Congressional Changes to RDT&E Programs. Both houses showed scepticism and cut RDT&E programs that were not considered genuine emergencies or because programs should be funded within the Joint IED Defeat Fund. For example, both houses cut RDT&E for Marine Corps communications systems deemed baseline rather than emergency programs.

General Provisions. Both houses and the H.Rept. 110-107, the conference report include several significant general provisions, some of which have been in previous supplementals. Provisions would

- prohibit obligating or expending funds in this or any other appropriation act to station U.S. forces permanently in Iraq or to control Iraqi oil resources (Sec. 1311);
- provide DOD with \$3.5 billion in transfer authority for funds in the act – allowing DOD to transfer funds between appropriation accounts after enactment with the approval of the four defense committees (Sec. 1302);
- deny the Administration’s request to raise transfer authority available for DOD’s baseline program from \$4.5 billion to \$8 billion.
- set a cap of \$457 million on the Commanders Emergency Response Program (CERP) where individual commanders fund small reconstruction projects;
- prohibit the use of funds in this act from being used to contravene U.N. convention against torture and other laws (sec. 1312);
- set ceilings on counter drug funding for Afghanistan, Pakistan, and Kazakstan (Sec. 1306).

³² H.Rept. 110-107 in *Congressional Record*, April 24, 2007, p. H3824.

Administration Amends FY2007 Supplemental to Finance Troop Increase

On March 9, 2007, the Administration submitted an amended budget request to Congress that would provide \$3.2 billion for

- 4,700 troops to support the addition in combat forces in Iraq already underway;
- to add 7,200 troops in Afghanistan for counterinsurgency operations and training Afghan security forces;
- to add funds and authority for DOD to start up factories in Iraq, to assist the Iraqi government to disarm, demobilize and reintegrate militias, to fund Provincial Reconstruction Teams, and to equip and train the Pakistan Frontier Corps that operates on the border; and
- to add \$50 million in a new Medical Support transfer account to help soldiers transition from deployment to continued military service or civilian life.

See below for a discussion of surge issues.

To finance these increases, the Administration proposes to cut its original FY2007 Supplemental by:

- eliminating requests for C-130J, V-22, JSF, and 5 of 6 EA_18G electronic warfare aircraft;
- cutting its estimate of the cost of deploying additional naval forces by more than half;
- eliminating lower priority military construction in Afghanistan and Guantanamo;
- eliminating its request for \$302 million for the Regional War on Terror in Djibouti and the Philippines; and
- reducing various support programs.³³

Expansion of Activities Funded in the FY2007 Supplemental Request

DOD's FY2007 Supplemental request appears to be based on a new and expanded definition of war costs that permits the services to fund not only operations in Iraq and Afghanistan but also "the longer war on terror." On October 25, 2006, Deputy Secretary of Defense Gordon England, issued new "ground rules" for the FY2007 Supplemental stating that the services could include "incremental costs related to the longer war against terror (not just OEF/OIF)" including replacement of war-worn equipment with newer models and "costs to accelerate specific force

³³ See OMB, Estimate No. 3, March 9, 2007; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf]; DOD Briefing, "Adjustment fo FY2007 Emergency Supplemental Request," March 9, 2007.

capability necessary to prosecute the war.”³⁴ Estimates were due within a week and decisions were to be made by November 15, 2006. There is no specific definition of the “longer war on terror,” now one of the core missions of the Department of Defense.

This new guidance may be the primary reason for the 40% increase over F2006 funding that DOD is proposing for FY2007. The new definition constitutes a significant shift from long-standing DOD financial regulations that require that costs be:

- necessary to carry out specific operations;
- strictly incremental, i.e., costs would not have been incurred “in the absence of the contingency requirement;” and
- executable within the current fiscal year.³⁵

These strictures were reiterated in guidance issued to the services on July 19, 2006 on developing FY2007 Supplemental and FY2008 war costs, with warnings that any questionable procurement costs that did not appear to be incremental would be closely scrutinized.³⁶

Congress may want to consider whether this expanded definition is appropriate for an emergency supplemental request intended to meet urgent needs. Many of the items proposed in the FY2007 Supplemental request may not appear to be truly urgent needs, strictly tied to OIF and OEF operations, or likely to be executed within the fiscal year.

How Urgent is Passage of the FY2007 Supplemental?

In past years, Congress has been under pressure from the Army to pass supplementals quickly in order to ensure that the Army will have enough funds to meet both its wartime and peacetime operations. The FY2006 Supplemental was enacted in mid-June 2006, which the Army claimed created considerable management problems because the Army had to “cash flow” or temporarily finance war costs by tapping funds from its regular budget slated to be spent at the end of the fiscal year as well as transferring funds from other accounts.

³⁴ Deputy Secretary of Defense Gordon England, Memorandum for Secretaries of the Military Department, “Ground Rules and Process for FY ’07 Spring Supplemental,” October 25, 2006.

³⁵ Department of Defense, *Financial Management Regulation*, Volume as, Chapter 23, “Contingency Operations,” pp. 23-25, 23-2.7; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf]. These regulations were developed in the mid 1990s to provide guidance about how to cost contingency operations such as Bosnia.

³⁶ Under Secretary of Defense, Memorandum for Secretaries of the Military Departments, “Fiscal Year (FY) 2008-2013 Program and Budget Review,” July 19, 2006, pp. 34-49, specifically pp. 36, 39, 41.

The Army recently revised its earlier estimate that the supplemental needs to be enacted by the of April.³⁷ The Army now says that it can last until the end of June if a recently-requested \$1.6 billion transfer of funds is approved by the four congressional defense committees and with a planned slowdown in obligations in April, May, and June 2007. The Army's slowdown relies on holding off on contracts for facility maintenance and repairs, supply contracts, limiting travel and meetings and day-to-day purchases using government credit cards, and, slowing equipment maintenance.³⁸

In this year's bridge fund, Congress provided \$28.4 billion to meet the Army's operational needs, some \$7 billion higher than last year's bridge fund.³⁹ These additional funds provide the Army with additional funds to finance its operating costs. Using new Army data, CRS estimates, like the Army, finds that Army O&M costs could be covered until about the end of June 2007 with the current slowdown and if the \$1.6 billion transfer is approved. Other potential options rather than \$1.6 billion, it could last until early July, and if it received \$7.4 billion, the maximum possible, it could last through July. This would require, however, that the Army use all funds in its regular FY2007 budget, war funds in the FY2007 bridge fund, and move \$7.4 billion from procurement, RDT&E or areas to operations.⁴⁰

Using much or all DOD's transfer authority could reduce or eliminate DOD flexibility to move funds between accounts after enactment for other higher priority needs making it difficult to make other program adjustments during the year. Congress could alleviate these Army concerns by providing for the "restoral" of funds transferred in the FY2007 supplemental, an approach used previously in the FY2005 Supplemental.

Make-up of the FY2007 Supplemental

DOD's FY2007 request adds to the \$70 billion in war funding already received in the bridge fund that was included in DOD's regular appropriations (Title IX, P.L. 109-289). **Table 3**, above, shows amounts provided from FY2004 to the FY2007 bridge fund, the amount requested in the FY2007 Supplemental, and the total for FY2007 if the supplemental request is approved. Funding levels are shown for standard titles of defense appropriations bills and for various new accounts set up for special purposes since the 9/11 attacks.

³⁷ Army Budget Office, "OMA FY07 Spending Projections," February 5, 2007

³⁸ Department of the Army, "Information for Members of Congress: Funding Needs Prompt Army Spending Constraints," 16 April 2007.

³⁹ See H.Rept. 109-676, p. 357 and H.Rept. 109-359, p. 468.

⁴⁰ This CRS estimate assumes that Congress approves transfers that tap some of the \$7.4 billion in transfer authority in the FY2007 bridge fund and for DOD's regular FY2007 funds (see sections 9003 and 8005, P.L. 109-289). The CRS and Army estimates indicating that the Army could last through June assumes the \$12.7 billion remaining, monthly obligations of about \$6 billion, temporary savings from slower obligations of \$3.7 billion and the transfer into O&M Army of the \$1.6 billion requested.

With the exception of fairly stable funding for military personnel, the FY2007 amounts requested by DOD would provide for major increases in annual funding levels, including:

- a 25% increase in annual operating costs — from \$61.5 billion to \$77.4 billion;
- close to a doubling in procurement costs — from \$23 billion to \$43 billion;
- a ten-fold increase in military construction from \$200 million to almost \$2 billion;
- over a threefold increase in monies to train and equip Afghan security forces for a total of \$7.4 billion this year;
- an 80% increase in monies to train and equip Iraqi security forces to \$5.5 billion;
- a 30% increase in the joint fund set up to find responses to meet the threat from improvised explosive devices (IEDs); and
- a doubling to almost \$2 billion for support to Pakistan and other allies for support in the global war on terror (GWOT).

DOD's Justification for the FY2007 Supplemental

According to the Department of Defense, the main goals of the FY2007 Supplemental are to provide for:

- incremental pay, benefits, and support of about 320,000 military personnel who conduct military operations for OIF and OEF;
- reconstitution or reset — the repair and replacement of war-worn equipment;
- force protection and defeat of IEDs;
- a temporary “plus-up” of 21,500 troops in Iraq and sending an additional aircraft carrier group in the Gulf;
- accelerated conversion of Army and Marine Corps (MC) units to new standard configurations;
- additional equipment and infrastructure to permanently expand the size of the Army and Marine Corps by 2012;
- equipping and training Afghan and Iraqi security forces
- reimbursing coalition partners working with U.S. military forces;
- funds for small-scale reconstruction projects administered by individual commanders;
- military construction in Iraq, Afghanistan and Djibouti; and
- classified programs.

Using these categories, **Table 4**, below shows the amounts enacted in FY2006, the FY2007 bridge, the FY2007 Supplemental request, the total requested for FY2007, and the annual change.⁴¹

⁴¹ From DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/]

**Table 4. Department of Defense FY2007 War Request:
FY2006 and FY2007 Bridge, and FY2007 Request**

(billions of dollars)

Program	FY2006 Enacted	FY2007 Bridge	FY2007 Supp. ¹	FY2007 Total with Request	Percent Change FY06- FY07
Incremental Pay and Benefits and operating and support Costs	67.2	30.5	39.2	69.8	4%
Temporary Troop Plus-up and Higher Naval Presence	0.0	0.0	5.6	5.6	NA
Accelerating Modularity	5.0	0.0	3.6	3.6	-28%
Infrastructure and equipment for permanent Increase in Army and Marine Corps	0.0	0.0	1.7	1.7	NA
Reconstitution or Reset	19.2	23.6	13.9	37.6	96%
Force Protection	5.4	3.4	8.0	11.3	111%
Joint Improvised Explosive Device Defeat Fund	3.3	1.9	2.4	4.4	31%
Equip and Train Afghan and Iraq Security Forces	4.9	3.2	9.7	12.9	163%
Coalition Support	1.2	0.9	1.0	1.9	58%
Commanders Emergency Response Fund	0.9	0.5	0.5	1.0	6%
Military Construction Overseas in Iraq and Afghanistan	0.2	0.0	1.1	1.1	423%
Military Intelligence	1.5	0.8	2.7	3.5	135%
Non-DOD Classified	5.6	5.1	3.6	8.8	57%
Regional War on Terror	0.0	0.0	0.3	0.3	NA
GRAND TOTAL	114.4	70.0	93.4	163.4	43%

Sources: Department of Defense, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007, available online at [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]. DOD excludes in its calculation of war costs \$1.5 billion provided in FY2006 appropriation to make up for the increase in fuel prices in DOD's baseline program.

Military Personnel and Operations Request

According to DOD, funding for pay and operations supports about 312,000 troops conducting OIF and OEF operations including about 140,000 in Iraq and 20,000 in Afghanistan.⁴² This figure of 312,000 military personnel for both

⁴¹ (...continued)

FY2007_Emergency_Supplemental_Request_for_the_GWOT.pdf]

⁴² DOD, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007; [http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_ (continued...)]

operations is higher than generally cited by DOD witnesses, and presumably includes not only “boots on the ground,” but about 110,000 additional troops deployed in the region or for other counter terror operations, and another 50,000 activated reservists in the United States who are either training up to deploy, backfilling positions for active-duty troops or providing enhanced security at defense installations.⁴³

Recently, DOD appears to have expanded the types of operating expenses that are considered war-related, now allowing the services to request additional funds for some base support costs not in the theater of operations, arguing that there are additional costs associated with deploying forces. For example, the Army includes \$2 billion for this type of base support including additional security guards in bases in Europe and the United States. Some might question this rationale. Base support costs could also be lower in some cases because deployed troops do not use base services.

DOD has also included in the FY2007 supplemental request \$500 million to expand its inventory of spare and repair parts. This may reflect a judgment that the services should be prepared to conduct large-scale contingency operations for a longer period than had earlier been planned. This may be one more reflection of DOD’s decision to expand the scope of costs permitted in supplemental requests to include costs of the “long war on terror” and not just emergency war costs.

Temporary Troop “Surge” and Increased Naval Presence: Amended Request

The FY2007 Supplemental amended request includes \$6.0 billion to pay for the president’s proposal, announced on January 10, 2007, to increase troops in Iraq by 21,500 and to heighten the U.S. naval presence in the Gulf by deploying an additional aircraft carrier and a Marine Expeditionary Force. This initiative is already underway. The amended request adds funds for about 4,600 support troops and contract support, which is partially offset by a reduction in the estimated cost of the additional naval deployments.⁴⁴ The additional support troops reflects recent controversy raised by a CBO estimate that suggested that DOD had not provided for support forces (see below).

Unless Congress enacts specific restrictions, the president can use currently available DOD funds to conduct military operations including the deployment of

⁴² (...continued)

Emergency_Supplemental_Request_for_the_GWOT.pdf], p. 16. hereinafter, DOD, *FY2007 Supplemental*.

⁴³ These figures reflect CRS calculations from data on average troop strength compiled by the Defense Manpower Data Center as of November 2006.

⁴⁴ The request would add 1,600 support troops, 2,200 additional military police to handle more detainees, contract support, and additional force protection and vehicles; see OMB, Estimate No. 3, “Amendment to FY2007 Supplemental for Additional Troops with Offsets,” March 9, 2007, p. 1-2; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf].

additional troops because funds are appropriated for particular types of expenses — e.g., military personnel costs — rather than designated for particular operations. This gives the president leeway to conduct military operations as he sees fit. (See above for a discussion of ways to restrict military operations.)

Because these additional expenses were not part of plans when the funds were appropriated last year, DOD will likely use up its available funds sooner than anticipated. The amended FY2007 Supplemental request includes \$5.3 billion for the troop increase plus \$695 million for the additional carrier group (funded in military personnel and operation and maintenance accounts). Assuming the FY2007 supplemental is enacted, DOD can restore funds to other activities whose funding was temporarily tapped to pay for the “surge” or “plus-up.”

A recently published CBO estimate projected that the troop increase alone was likely to cost from \$9 billion to \$13 billion if peak troop levels were sustained for four months rather than the \$3.1 billion proposed by DOD.⁴⁵ The higher CBO estimate assumes that DOD would also need to deploy not only 21,500 combat troops, but from 15,000 to 28,000 support troops.⁴⁶ Most recently, Deputy Secretary of Defense Gordon England told the House Budget Committee that the surge would require 4,000 additional troops at a cost of about \$1 billion through September 30.⁴⁷

CBO also estimated that the cost could range from \$20 billion to \$27 billion if the higher troop levels were sustained for 12 months rather than the temporary increase proposed by the President, again with the range reflecting different assumptions about the number of support troops needed for each combat troop.⁴⁸ Recently, General Petraeus, now in charge in Iraq, acknowledged that the additional troops “would need to be sustained certainly some time well beyond the summer,” so CBO’s alternate estimate that the higher levels would be sustained for 12 months could be more realistic than the short time proposed by the president.⁴⁹

The FY2007 Supplemental request for \$1.5 billion for deploying an additional carrier strike group to the Gulf was reduced to \$695 million in the amended request.

⁴⁵ Congressional Budget Office, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007. Available online at [<http://www.cbo.gov/ftpdocs/77xx/doc7778/TroopIncrease.pdf>].

⁴⁶ CBO, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007, p. 4; [<http://www.cbo.gov/ftpdocs/77xx/doc7778/TroopIncrease.pdf>]. This estimate assumes that peak levels are sustained for four months. The range in the estimate reflects two alternative planning assumptions — one that about one support troop would be needed for each combat troop (a relatively lean assumption that could fit a temporary increase) and the other that about 1.4 support troops would be needed for each combat troop (the standard Army planning assumptions).

⁴⁷ Scott Cox, “England: DOD Likely to Reprogram Funding for Surge Support Personnel,” Gallery Watch.com, March 6, 2007.

⁴⁸ CBO, “Cost Estimate for Troop Increase Proposed by the President,” February 1, 2007, p. 4.

⁴⁹ Reuters, “U.S. Commander Says No Military Solution To Iraq,” March 8, 2007.

Some would argue that naval presence is the everyday mission of the Navy, so that providing funds in an emergency supplemental is not appropriate. Last year, Congress questioned a proposal by the Navy to shift the cost of some steaming days from its regular budget to the supplemental — the Navy included funding in its regular budget for 37 days rather than the 51 days per quarter that has been the standard for many years. Congress restored that funding to the base defense budget and took an offset within the supplemental request for baseline regular training. This cost shifting could be considered inconsistent with DOD financial regulations that require that war-related costs be confined to activities that would not occur without the contingency.

The Navy's reduction in its estimate of the cost of moving one carrier group from the Pacific to the Gulf and for deploying its replacement from \$1.5 billion to \$695 million as a result of refining its cost estimate appears to acknowledge that the original estimate was excessive — equal to about half of the Navy cost for steaming hours for its entire fleet of 302 ships.⁵⁰

Proposal to Increase Permanently the Size of the Army and Marine Corps

In previous annual supplemental appropriations bills, Congress has provided funding to cover costs of keeping additional active duty troops in the force over and above the pre-Iraq end-strength levels of the Army and the Marine Corps. In all, the two services have kept as many as 30,000 additional troops in the force in order to reduce demands on personnel and, in the case of the Army, to ease strains as it reorganized into a modular, brigade-based force structure.

DOD referred to the additional troops as “over strength,” and it requested funding in supplementals to cover the cost of recruiting and retaining additional personnel above the Army's pre-war end strength of 482,000 and the Marine Corps pre-war end strength of 175,000. DOD argued that these increases were strictly war-related and temporary — a way to reduce the stress on forces. In January 2007, however, the president announced plans to permanently increase the size of the Army and Marine Corps by 92,000 over the next six years including the additional almost-30,000 Army and Marine Corps personnel already on board.

The FY2007 supplemental includes a total of \$4.9 billion to cover the military personnel cost of additional troops plus \$1.7 billion for equipment and infrastructure for the forces to be added in FY2007 and in following years (\$1.1 billion in procurement and \$600 million in military construction). DOD promises, however, that funding to equip future increases in the force will be requested in the regular, base budgets of the Army and Marine Corps starting in FY2009.

The proposal to add permanently to the size of the force marks a major change in Administration policy. Its purpose is not to help in Iraq, however — most of the additional forces are in future years when it is assumed that the U.S. military

⁵⁰ See Office of the Secretary of Defense, *Operation and Maintenance Overview*,” Fiscal Year 2007 Budget Estimates, February 2006, p. 158.

presence in Iraq will be considerably lower. Instead, it reflects a new, more demanding requirement for the number of troops that the United States should be able to deploy abroad in major stability operations presumably close to today's levels.

For an option roughly equivalent to the president's proposal — adding two divisions to the Army — in the past CBO estimated that the cost would be an additional \$90 billion between FY2008 and FY2017.⁵¹ Congress may consider whether this plan is appropriately a war expense or whether it should be debated within the context of DOD's regular budget.

Regional War on Terror

DOD's original request included \$305 million for a newly-named "Regional War on Terror," referring to counter terror operations outside of Iraq and Afghanistan including in the Philippines, the Caribbean, Central America, Southern Cone countries, North Africa and support for Northern Command for its support of first responders.⁵² The amended request withdraws these funds.

New Authorities for DOD Requested

The amended request asks for an additional \$359 million in the Iraq Freedom Fund that would be used:

- to support Provincial Reconstruction teams (\$150 million); and
- to restart businesses in Iraq (\$100 million) through a Task Force to Improve Business and Stability Operations in Iraq; and
- to provide economic assistance to the Federally Administered Tribal Areas in Pakistan (through the State Department).

The request asks for additional authority for DOD to conduct help Iraq re-start factories that could be controversial.

Accelerating the Creation of Modular Units

The distinction between war-related and regular funding has also been made murky by DOD requests to treat conversion of Army and Marine Corps units to new standard configurations — known as modularity and restructuring — as a war requirement. For example, at DOD's request, Congress, with some reluctance, agreed to provide \$5 billion in the FY2005 and the FY2006 supplementals for converting units with the understanding that DOD would move these funds back to its regular budget in later years. (This funding of modularity effectively gave the Army \$5 billion per year in additional funding in its regular budget for those two

⁵¹ CBO, *Budget Options*, February 2007, pp. 9-10; [<http://www.cbo.gov/ftpdocs/78xx/doc7821/02-23-BudgetOptions.pdf>].

⁵² DOD, *FY2007 Supplemental*, p. 74.

years.) To implement this decision, DOD set aside \$25 billion for the Army in future years to cover the cost of modularity.⁵³

The FY2007 supplemental, however, again requests \$3.6 billion to convert two Army brigade teams to the new modular design and to create additional Marine Corps battalions. Costs include \$900 million for military personnel, \$300 million for O&M, \$2.3 billion for procurement and \$100 million for military construction.⁵⁴ As before, Congress is being asked to finance reorganization of the Army and the Marine Corps with supplemental funds rather than in the regular defense budget.

DOD argues that these costs should be considered war-related because the addition of modular units makes it easier to rotate units to the war zone and hence extends the time between deployments giving soldiers more time at home (“dwell time”) which would reduce stress on forces, and thus improve readiness. This conclusion has been questioned in studies by both CBO and the RAND. Both studies found that modularity would only marginally improve force rotation schedules, suggesting that the entire modularity initiative would only make available an additional 6,000 to 7,000 troops.⁵⁵

One question for Congress may be whether DOD can quantify how much the time at home for soldiers increased beyond original plans because of previous supplemental funding for modularity, and what the effect is expected to be of the \$3.6 billion requested in the FY2007 Supplemental.

Front Loading Reconstitution or Reset

Another potentially controversial request in the FY2007 Supplemental is \$14 billion that DOD has requested for reset — the replacement of war-worn equipment. That request appears to “front load” (or fund in advance) DOD’s reset requirements, as OMB Director Portman acknowledged in recent testimony.⁵⁶ During final consideration of the FY2007 DOD appropriations bill, Congress added funds to the Title IX bridge fund that covers war costs to ensure that DOD’s reset requirements were fully met. As a result, that bill included \$23.7 billion for Army and Marine Corps reset costs, which is the entire amount that the services said was needed to

⁵³ Program Budget Decision 753, “Other Secretary of Defense Decisions,” December 23, 2004, p. 1.

⁵⁴ DOD, *FY2007 Supplemental*, p. 86.

⁵⁵ The RAND study argued that the types of units created were not those most needed and CBO found that the number of additional troops available would be only 6,000 to 7,000. RAND, *Stretched Thin: Army Forces for Sustained Operations*, July 15, 2005; [http://www.rand.org/pubs/monographs/2005/RAND_MG362.pdf]. CBO, *An Analysis of the Military’s Ability to Sustain an Occupation in Iraq: an Update*, October 5, 2005; [<http://www.cbo.gov/ftpdocs/66xx/doc6682/10-05-05-IraqLetter.pdf>].

⁵⁶ Testimony of OMB Director Portman before the House Budget Committee, *Hearing on the FY2008 DOD Budget*, February 6, 2007, p. 41 of transcript.

meet their FY2007 requirements and cover previously unfunded FY2006 requirements.⁵⁷

Reset is defined as the “process of bringing a unit back to full readiness once it has been rotated out of a combat operation,” by repairing and replacing equipment and resting and retraining troops.⁵⁸ Within DOD’s financial regulations, “reconstitution” or “reset” is defined as the “supplies [that] must be replaced and equipment repaired when troops and/or equipment are redeployed or rotated.”⁵⁹

Reset and reconstitution (which appear to be used interchangeably) therefore refer to the repair and replacement of war-worn equipment. Typically, about half of the total has been for repair (funded in O&M) and half for replacement (funded in procurement). Actual battle losses made up only about 10%, or \$1.5 billion of the Army’s total reset requirement in FY2006, with the remainder due to additional wear and tear on equipment to added equipment requirements. Equipment is replaced, not only when it is destroyed, but also when the services decide it is uneconomical to repair it (“washouts”). Recently, the services have also included in reset requests funds for recapitalization (rebuilding and upgrading equipment), for adding modifications to current equipment, and for buying new versions of equipment. This constitutes a substantial expansion of the traditional definition of reset. Between FY2002 and the FY2007 bridge fund, the Army and Marine Corps have received a total of \$50.2 billion for reset under this broad definition.⁶⁰

DOD support documents say that the FY2007 Supplemental includes \$14 billion for reconstitution — all procurement funds. This appears to include funds for additional war losses, for anticipated replacement of equipment for future wear and tear, and for upgrading equipment in all of the services. The FY2007 Supplemental does not reflect additional funds to repair equipment.

If reset requirements were fully-funded in the FY2007 bridge fund, then it is not clear why DOD should request additional funds in the FY2007 Supplemental. Further evidence of the front loading of requirements is the inclusion in the FY2007

⁵⁷ See table inserted by Senator Stevens in *Congressional Record*, August 2, 2006, p. S8571 showing \$23.7 billion for reset including \$4.9 billion for an unfunded FY2006 requirement; see also DOD’s *Report to Congress, Long-Term Equipment Repair Costs*, September 2006.

⁵⁸ Office of the Secretary of Defense, Report to Congress, *Ground Force Equipment Repair, Replacement, and Recapitalization Requirements Resulting from Sustained Combat Operations*, April 2005, p. 8; see also GAO-06-604T, *Defense Logistics: Preliminary Observations on Equipment Reset Challenges and Issues for the Army and Marine Corps*, p. 3.

⁵⁹ DOD, *Financial Management Regulations*, Volume 12, Chapter 23, p. 23-27; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf].

⁶⁰ Army officials have frequently cited a figure of \$12 billion to \$13 billion a year for reset costs for the Army “as long as the conflict lasts at the current level and “for a minimum of two to three years beyond.” This includes both repair (funded in O&M) and replacement (funded in Procurement) of equipment. See statement of Peter J. Schoomaker, Chief of Staff, Department of the Army, before the House Armed Services Committee, “Reset Strategies for Ground Equipment and Rotor Craft,” June 27, 2006, p. 2

Supplemental of additional amounts for many of the same items funded in the FY2007 bridge fund.

The FY2007 Supplemental includes funds “recapitalization” even when recapitalization programs are ongoing and pre-dated OEF/OIF operations. The request includes large amounts, for example, for Bradley fighting vehicle recapitalization and M-1A2 SEP (System Enhancement Program) tank upgrades. Examples of front loading of reset in the FY2007 Supplemental include the following items (bridge funding shown in brackets) :

- \$520 million for Bradley base sustainment (\$1.4 billion in bridge);
- \$1.6 billion for the Family of Medium Tactical Vehicles (\$795 million in bridge);
- \$533 million for SINCGARS Family radios (\$125 million in bridge);
- \$573 million for Family of Heavy Tactical Vehicles (648 million in bridge);
- \$300 million for Marine Corps radio systems (\$850 million in bridge);
- \$45 million for Family of Construction Vehicles (\$98 million in bridge).

One reason for concern about front loading of reset requirements is the uncertainty of estimates of requirements, uncertainty acknowledged by DOD in a report to Congress last fall.⁶¹ Although it is to be expected that reset requirements will grow as equipment is stressed by operations, the validity of specific estimates has not been established. Recently, GAO testified that until FY2007, the Army could not track reset expenditures sufficiently to ensure that funds appropriated for reset were in fact spent for that purpose.⁶² Without tracking of reset underway, DOD will have difficulty knowing whether the items included as reset were in fact, those that broke down and were repaired or replaced. A question for Congress may be whether front loading these costs is advisable given the uncertainty of requirements.

Reset requirements may also be uncertain because the number of troops and intensity of operations may change, as DOD has also acknowledged. In an earlier estimate last spring, the Army estimated that reset requirements would decrease from \$13 billion a year to \$10.5 billion a year for the next two years and then decline to \$2 billion a year if troops were withdrawn over a two-year period.⁶³ Earlier estimates of cost were also lower. In March 2005, for example, CBO estimated that annual repair and replacement costs would run about \$8 billion a year for all four services

⁶¹ See Office of the Secretary of Defense, *Report to Congress: Long-Term Equipment Repair Costs*, September 2006; see p. 4 in the Executive Summary, which states “Future Reset costs will continue to change over time as battle losses and equipment Reset requirements continue to accrue.”

⁶² GAO-07-439T, Testimony of William Solis before the Subcommittee on Readiness and Air and Land Forces, House Armed Services Committee, January 31, 2007, p. 2 and 3.

⁶³ Army Briefing, “Army equipment Reset Update,” May 18, 2006, p. 8.

(about \$6 billion to \$7 billion for the Army and Marine Corps) based on the then-current pace of operations and service data.⁶⁴

Another question that has been raised about reset requirements is whether it is appropriate for the services to replace equipment that is no longer being produced with new items that are just beginning or have not yet begun production. DOD's regulations caution the services not to request "accelerations of baseline procurement end items" for contingencies unless specifically approved by the Office of the Secretary of Defense, presumably on an exception basis.⁶⁵

Yet, the Air Force includes \$389 million for two JSF Joint Strike Fighters, \$146 million for CV-22 Ospreys and \$388 million for C-130J aircraft, all new systems just beginning or not yet in production.⁶⁶ DOD argues that in cases when an item is no longer in production, it is appropriate to request such replacements. The Administration's amended requests cuts these programs probably recognizing congressional scepticism about this argument.

Other, similar examples include the Navy request for \$450 million for EA-18G electronic warfare aircraft and \$71 million for MV-22 aircraft, both new aircraft just beginning production. In its March 9, 2007 amendment, the Administration withdrew its request for five of the six EA-18G aircraft requested. Some might argue that it is questionable whether these types of requests qualify as an emergency requirement closely tied to war operations since the equipment ordered would not be delivered for about three years.⁶⁷

It appears that the FY2007 request includes substantial funds for major platforms intended to anticipated losses from the stress of war operations as well as replacement gear that would not be needed this year and many modifications designed to improve capability. While such requests would fit the new guidance to accelerate acquiring new capabilities anticipated to be needed for the longer war, such requests may not be directly linked to OIF/OEF operations.

⁶⁴ CBO Testimony by Douglas Holtz-Eakin, Director, "The Potential Costs Resulting from Increased Usage of Military Equipment in Ongoing Operations," before the Subcommittee on Readiness, House Armed Services Committee April 6, 2005, p. 2. At the time, CBO had estimates similar to the services for the amount of accrued costs for reset.

⁶⁵ DOD, *Financial Management Regulations*, Volume 12, Chapter 23, p. 23-27; [http://www.dod.mil/comptroller/fmr/12/12_23.pdf].

⁶⁶ Production of Navy JSF aircraft begins in FY2008; advance procurement begins in FY2007; see Air Force GWOT justification materials.

⁶⁷ For equipment requested in the FY2007 Supplemental, see DOD, *FY2007 Emergency Supplemental Request, Procurement, P-1 Exhibit*, February 2007; [[http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT/FY_2007_Emergency_Supplemental_Request_\(Atch\).pdf](http://www.dod.mil/comptroller/defbudget/fy2008/fy2007_supplemental/FY2007_Emergency_Supplemental_Request_for_the_GWOT/FY_2007_Emergency_Supplemental_Request_(Atch).pdf)]

Equipping and Training Afghan and Iraqi Security Forces

In addition to funds already provided in the FY2007 bridge funds and other funds still available from FY2006 appropriations, the FY2007 Supplemental request includes \$5.9 billion to equip and train Afghan security forces and \$3.8 billion for Iraqi security forces. If these funds are approved, the total to train and equip Afghan and Iraqi security forces would more than double from \$4.9 billion in FY2006 to \$12.9 billion in FY2007.

Between FY2006 and FY2007, annual appropriations would grow from \$1.9 billion to \$7.4 billion for Afghan forces and from \$3.0 billion to \$5.5 billion for Iraqi forces if the FY2007 supplemental is approved. In addition to programmatic issues, Congress may consider whether such steep increases can be absorbed effectively. As of November 2006, DOD had available — from either FY2006 or FY2007 bridge funds — \$4.1 billion for Afghan security forces and \$3.8 billion for Iraq security forces.⁶⁸ Taking these unobligated funds into account, the total available for Afghan security forces would be \$10 billion, and for Iraqi forces, \$7 billion, over the next year and a half if Congress approves DOD's request.⁶⁹

From FY2003 through the FY2007 bridge fund, Congress has appropriated \$15.4 billion to train and equip Iraqi forces and at least \$4.7 billion for Afghan forces.⁷⁰ DOD reports that the United States and coalition forces have trained 328,500 Iraqi security forces and 112,000 Afghan army and police forces. The additional funds for Afghanistan are intended to increase the number trained, equipped, sustained, and housed from 115,000 to 152,000 presumably at a cost of the additional \$10 billion available. For Iraq, funding would improve logistical capabilities and enhance Air Force and naval capabilities.⁷¹

Amendment to Restore FY2007 Funding for Base Realignment and Closure

On March 9, the White House submitted two formal amendments to its FY2007 supplemental request. One amendment, discussed above, is to add \$3.2 billion for 4,700 additional troops in Iraq, 7,200 additional troops in Afghanistan, additional armor protected vehicles, medical support for returning military personnel, and some other purposes. Costs are offset mainly by reducing funding for F-35 and EA-18G aircraft.

A second amendment is to add \$3.1 billion to finance FY2007 base realignment and closure (BRAC) costs that Congress did not fund in military construction section of the full-year FY2007 continuing resolution (H.J.Res. 20, P.L. 110-5). The

⁶⁸ CRS calculations based on Defense Finance and Accounting Service (DFAS), *Supplemental & Cost of War Execution Reports*, September 2006 and November 2006.

⁶⁹ Funds are available for obligation for two years.

⁷⁰ Total includes \$5 billion appropriated for Iraq training in FY2004 to the State Department. Afghanistan has received funding for its training through other accounts.

⁷¹ DOD, *FY2007 Supplemental*, pp. 38ff and pp. 50ff.

amendment also proposes \$3.1 billion of offsetting rescissions entirely from domestic appropriations accounts. The proposal to take the offsets in domestic funds may become a significant political issue. In effect, the White House is challenging Congress on the whole process through which emergency supplemental funding has come to be used to ease restrictions on overall discretionary funding. By eliminating BRAC funding from the continuing resolution, Congress was able to increase non-defense appropriations without exceeding budget resolution caps. To restore BRAC funding as emergency supplemental appropriations would be, in effect, to use defense emergency spending to allow an increase in non-defense programs. The White House budget amendment constitutes an objection to the continued use of emergency funding to avoid budget constraints.

FY2007 International Affairs Supplemental

Overview

In recent years, supplemental appropriations have become a significant source of additional funds for international affairs (150 account) programs at a time when regular appropriations have been constrained by budget pressures. Supplemental funding has been used not only to support expanded U.S. efforts in Iraq and Afghanistan, but also to respond to international crises and natural disasters.

In response, there has been some criticism that the Administration has relied too heavily on supplementals and that some items should be incorporated into the regular appropriations cycle. The Administration counters that given the nature of rapidly changing overseas events and unforeseen contingencies, it is necessary to make supplemental requests for unexpected and non-recurring expenses. Since FY1999, after the bombings of two U.S. Embassies in Africa in August 1998, Congress has approved Foreign Operations supplemental appropriations exceeding \$1 billion each year. The Bush Administration's supplemental request for international affairs totaled \$6.3 billion in FY2005 and \$4.2 billion in FY2006, amounting to about 13% and 21%, respectively, of the regularly-enacted foreign affairs budgets.

The FY2007 supplemental request of \$5.993 billion for international affairs represents about 20% of the FY2007 enacted international affairs funding. Of the nearly \$6 billion for international affairs spending, \$4.8 billion is proposed for foreign assistance programs, while \$1.18 billion would fund State Department operations, public diplomacy, and broadcasting programs.

Within the foreign assistance part of the supplemental request, security and reconstruction in Iraq and Afghanistan dominate, with \$2.3 billion for Iraq and \$721 million for Afghanistan. The supplemental request for Iraq is in addition to \$749 million requested in the FY2007 regular budget, for a total of \$3 billion.⁷² If

⁷² Because the FY2007 Continuing Resolution (P.L. 109-289 as amended by P.L. 110-5) was enacted late in the fiscal year, estimates of country level funding are not yet available for FY2007. This analysis is based on the FY2007 request. As Iraq and Afghanistan are
(continued...)

Congress approves the FY2007 supplemental request, amounts for Iraq would represent nearly 11% of total foreign aid funds in 2007. Similarly, the Administration's funding request for Afghanistan of \$1.1 billion in the regular FY2007 budget would total \$1.768 billion with the supplemental, representing 6% of the total foreign aid budget.

Other significant bilateral assistance funding is requested for Kosovo, Lebanon, and Sudan. Additional supplemental funds for humanitarian assistance, migration assistance, peacekeeping operations, and food aid are also sought for a number of countries. The supplemental request also includes \$161 million to address the potential for a global avian influenza pandemic.

For State Department operations, the Administration's FY2007 supplemental request of \$1.17 billion would be largely for activities and the U.S. Mission in Iraq. Another \$10 million for the Broadcasting Board of Governors would be for expanded broadcasting in Arabic on the U.S.-established Alhurra Television into 22 Middle East countries.

The conference agreement (H.Rept. 110-107) provides a total of \$6.20 billion, an amount that is \$203 million above the request. Of the total, \$4.9 billion would fund foreign assistance, including P.L. 480 food aid, and \$1.3 billion would fund State Department operations and international broadcasting.

The House FY2007 supplemental bill included a total of \$6.34 billion — \$5.01 billion for foreign assistance and \$1.33 billion for the State Department operations and international broadcasting. This represents about \$347 million more than the Administration's supplemental request for international affairs accounts. The Senate FY2007 supplemental bill included a total of about \$6.25 billion — \$5.1 billion for foreign assistance and \$1.15 billion for State Department operations and international broadcasting.

Iraq Reconstruction Assistance⁷³

The Administration's FY2007 supplemental request would provide a total of \$6.6 billion for Iraq reconstruction (see **Table 5**). Over \$4 billion of this sum is out of the Defense appropriations (050 account) portion of the request and would support the equipping and training of Iraqi security forces (\$3.8 billion for the Iraq Security Forces Fund) as well as provide U.S. troops with the capability to fund small-scale, grassroots development projects rapidly in an effort to stabilize areas of military operation (\$350 million in the Commander's Emergency Response Program — CERP). An Administration revision to the original request would support a scheme to rehabilitate Iraqi State-owned enterprises (\$100 million in the Iraq Freedom Fund).

⁷² (...continued)

considered critical programs by the Administration, and because the CR did not contain specific limitations on funds to Iraq and Afghanistan, it is reasonable to assume that final levels will be similar to the request.

⁷³ Prepared by Curt Tarnoff, Specialist in Foreign Affairs.

The remaining \$2.3 billion is requested under six foreign operations (150) accounts meeting a variety of economic reconstruction and humanitarian objectives. Most of this funding — \$2.1 billion — falls under the Economic Support Fund and would continue existing efforts to encourage private sector and agricultural policy reform, strengthen civil society, foster democratization, and assist the national ministry staff in the performance of their duties.

Table 5. FY2007 Supplemental Appropriations for Iraq Reconstruction

International Affairs (Budget Function 150 Accounts)		
	Administration Request	H.R. 1591 Conference Report
Economic Support Fund (ESF):	\$2,072 million: of which —	\$1,574 million: of which —
— PRTs, CAPs, and CSP (community stabilization program)	\$1,254 million	\$1,159 million
— Economic programs, agriculture reform, private sector reform;	\$100 million	\$147.4 million
— National Capacity Development, regulatory reform, civil society	\$290 million	\$267 million
— Democracy	\$428 million	—
Democracy Fund	—	\$250 million
International Narcotics Control and Law Enforcement (INCLE)	\$200 million	\$150 million
Non-Proliferation, Anti-Terrorism, Demining, and Related Programs (NADR)	\$7 million	\$7 million
Migration and Refugee Assistance (MRA)	\$15 million	\$45 million
Treasury	\$2.75 million	\$2.75 million
International Disaster and Famine Assistance (IDFA)	\$45 million	\$45 million
TOTAL 150 Account	\$2,341.75 million	\$2,073.75 million
Department of Defense (Budget Function 050 Accounts) *		
Iraq Security Forces Fund (ISFF)	\$3,842.3 million	\$3,842.3 million
Commander's Emergency Response Program (CERP)	\$350 million	\$350.4 million
Iraq Freedom Fund: for Iraqi State-owned enterprises	\$100 million	\$50 million
GRAND TOTAL 150 & 050	\$6,634.05 million	\$6,316.45 million

Sources: Department of State and Department of Defense FY2008 Congressional Budget Justifications and H.R. 1591 Conference Report.

***Note:** Department of Defense program funding is also discussed in the parts of this report that address the DOD supplemental request and amounts are shown in other tables there.

More than half of the proposed ESF funds appear intended to directly assist the President's new strategy for Iraq. As announced in early January, the reconstruction

component of that strategy would double the number of Provincial Reconstruction Teams (PRTs) from 10 to 20 and increase the number of U.S. civilian staff for them from 250 to at least 400.⁷⁴ The PRTs, composed of State Department, U.S. Agency for International Development (USAID), Department of Defense (DOD), and other agency staff, work with the Iraqi provincial governments to identify projects that can be implemented with U.S. funding, and, at the same time, they seek to strengthen the capacity of Iraqi officials to meet local needs. In essence, the new strategy envisions that, as U.S. and Iraqi military forces clear an area of Baghdad or Anbar province, PRT staff would immediately work with local Iraqis to further stabilize the area by drawing on all available spigots of U.S. and Iraqi government funding to create jobs and meet other basic needs.

The President's plan would increase PRTs in Baghdad from one to six and in Anbar province from one to three. To enhance U.S. civilian staff security and improve program effectiveness, greater effort would be made to integrate U.S. civilian teams with U.S. military battalions. The military's CERP, and USAID's Community Stabilization Program (CSP) and Community Action Program (CAP) funded by the FY2007 Supplemental would help support activities identified by the PRTs, as would the infusion of \$10 billion in promised funds from the Iraqi government. The FY2007 supplemental would provide funds to the PRTs for the kinds of grassroots activities they have supported elsewhere, such as improvements to community infrastructure, job training, vocational education, and micro-loans.

Security and staffing problems encountered by already existing PRTs, however, could possibly hinder the effectiveness of an expanded PRT program. In October 2006, the Special Inspector General for Iraq Reconstruction (SIGIR) asserted that, due to security constraints on travel outside their compounds, many PRT staff could not regularly meet with local government officials to carry out their capacity-building chores, and a former PRT staff member claims that local Iraqis are too intimidated by insurgent threats to meet with U.S. staff. The State Department's Coordinator for Iraq, David Satterfield, asserts that the SIGIR views on this issue do not reflect current reality.⁷⁵ Most observers, however, would not dispute that the ability of U.S. and Iraqi troops to secure and hold new areas of operation is key to the success of expanded civilian PRT efforts.

A second issue that might affect the success of the PRT expansion is the availability of U.S. civilian staff. In the past, DOD military civil affairs personnel filled slots for which U.S. civilians could not be recruited. However, the SIGIR has suggested that the need for required specialized skills for such posts as local government, economic, and agricultural advisers is still not being fully met with this approach. Although Secretary Rice has asserted that most positions are filled, it has been reported that about 129 of the new PRT posts are going to be occupied temporarily by military personnel until State is able to recruit sufficient numbers of

⁷⁴ State Department Iraq Coordinator David Satterfield has said the staff increases from 290 to 600. Teleconference, February 7, 2007.

⁷⁵ SIGIR, *Status of the Provincial Reconstruction Team Program in Iraq*, 06-034, October 29, 2006; "Ex-Envoy Says Iraq Rebuilding Plan Won't Work," *Reuters*, February 17, 2007; Teleconference of Ambassador Satterfield, February 7, 2007.

civilian contract personnel. As many as 269 such personnel are expected to be needed eventually.⁷⁶

Associated with the reconstruction assistance program is an additional funding request (not included in the table) within the State Department account to cover the operational costs of both the PRTs (\$414.1 million) and the Special Inspector General for Iraq Reconstruction (SIGIR) (\$35 million).

On March 9, the Administration submitted a revision to its original supplemental request, including funds under the Iraq Freedom Fund account within the DOD portion of the request that would support reconstruction programs and operations. An additional \$150 million to support PRT operational costs would go to providing transportation, force protection, and body armor to all PRT personnel co-located with U.S. military as well as special pay and benefits for the 129 DOD-sponsored PRT temporary personnel noted above. A DOD plan to rehabilitate more than 140 of the nearly 200 state-owned enterprises that composed a large portion of the Iraqi economy prior to the U.S. occupation would be supported by \$100 million. Soon after the occupation began, the Coalition Provisional Authority, hoping to create a free-market economy, attempted to privatize these enterprises, but gave up when the turnover to sovereignty was accelerated. The Department of Defense expects that the revitalized factories will generate employment for as many as 150,000 Iraqis. U.S. assistance will provide necessary machines, tools and generators.

Congressional Action. The House-passed measure, H.R. 1591, would provide \$6,329.05 for Iraq reconstruction, a cut of \$305 million from the Administration request. The cuts occur in three accounts. The ESF account is decreased by \$185 million — \$100 million from the PRTs, \$30 million from the Community Stabilization Program (CSP), and \$80 million from the proposed political development activities.⁷⁷ H.R. 1591 adds \$25 million to USAID's Community Action Program (CAP). A \$20 million cut in INCLE funds is aimed at the requested construction of prison facilities. The revised Iraq Freedom Fund \$100 million request to assist Iraqi state-owned enterprises is neither funded nor addressed.

The House-passed legislation would impose conditions on the availability of appropriated reconstruction funds under the ISFF, ESF, and INCLE accounts. Half of the appropriated funds would be withheld unless the President certified by October 1, 2007, that, among other things, the Government of Iraq had enacted the hydro-carbon law, taken specific steps toward provincial and local elections, reformed de-Baathification laws, and begun expenditure of the promised \$10 billion Iraqi funds for reconstruction. ESF funds supporting the CAP and CSP programs as well as

⁷⁶ Testimony of Secretary Rice to Senate Foreign Relations Committee, January 11, 2007; "Pentagon Agrees to Help Fill State Department's Iraq Reconstruction Jobs on Temporary Basis," *New York Times*, February 20, 2007; Teleconference of Ambassador Satterfield, February 7, 2007.

⁷⁷ It should be noted, however, that bill language would permit the Secretary of Defense to move as much as \$100 million from the Operation and Maintenance, Defense-Wide account to ESF in support of the PRTs.

democratization activities, however, would be excepted from the certification requirement.

The bill would require the appointment by the President of a Coordinator for Iraq Assistance. The Coordinator would develop and implement an assistance strategy, coordinate assistance implemented by multiple U.S. departments and agencies, work with Iraq to achieve benchmarks, coordinate with other donors, and ensure adequate management and accountability. Currently there are three individuals who play roles that could be described as coordinating — the Coordinator for Iraq policy in Washington (David Satterfield), the Iraq Reconstruction Management Office (IRMO) head within the U.S. embassy who is expected to set requirements and priorities for reconstruction (Ambassador Joseph Saloom), and the newly appointed Coordinator for Economic Transition in Iraq expected to help the Iraqis use their resources in conjunction with U.S. assistance to meet Iraqi reconstruction needs (Ambassador Timothy Carney).

The request for operational costs associated with Iraq reconstruction would be changed by the House measure. PRT operational support contained in the Administration's revised request for the DOD Iraq Freedom Fund is neither funded nor addressed. PRT operational funding under the State Department would be cut by \$33.3 million to \$380.8 million, while the appropriation for the SIGIR would increase by \$10.5 million to \$45.5 million. The legislation would also extend the life-span of the SIGIR by including, for the purpose of calculating its termination date, FY2007 and FY2008 reconstruction funds from any account in the definition of the IRRF. Currently, the SIGIR terminates ten months after 80% of the IRRF and FY2006 funds are expended. The House Appropriations Committee's report notes that it intends FY2007 supplemental funds to be under the oversight jurisdiction of the SIGIR. However, H.R. 1591 does not accordingly amend the SIGIR's current authorization.

In a March 19 Statement of Administration Policy, the Administration objected to the House-proposed cuts in PRT programs and operations, arguing that PRT activities are necessary to create a self-reliant Iraq. The Administration also opposed a provision establishing an Iraq reconstruction coordinator, noting that a coordinator already exists.

The Senate-passed version of the FY2007 Supplemental would provide \$6,491.05, \$143 million less than the Administration request. Four accounts are changed from the request. The Committee provides \$1.524 billion in ESF, \$548 million less than the request. Most notably, the Committee cuts \$60 million from the PRTs, adds \$50 million to the CAP, and cuts \$518 million from political, mostly democracy, activities. Compensating to some extent for the political cuts, however, is the addition to the Democracy Fund, not requested by the Administration, of \$385 million for democracy activities in Iraq. When this Fund is taken into account, the cut in broad ESF-type activities is \$160 million less than the request.

In addition, the INCLE account is set at \$150 million — with \$50 million cut from prison construction. The MRA account is increased by \$50 million to a level of \$65 million in view of the recent increases in displaced people. And IDFA is increased by \$20 million to a level of \$65 million. Unlike the House, the Senate bill

matches the Administration revised request for \$100 million under the Iraq Freedom Fund to support Iraqi state-owned enterprises. The Senate measure contains the same conditions on providing most economic assistance as the House version. The Senate bill reconfigures the termination date of the SIGIR to include FY2007 funds, but, unlike the House, does not include FY2008 funds. Like the House, the Senate Committee report supports the extension of the SIGIR's oversight authority without providing the legislative language to accomplish that end.

With regard to operational costs, the Senate bill cut the State portion of PRT costs by \$41.4 million to a level of \$372.7 million, but agreed to the revised request of \$150 million under the DOD Iraq Freedom Fund for PRT support costs. The Senate met the Administration request for the SIGIR and added \$3 million for the USAID Inspector General's activities in Iraq. In its report, the Senate Appropriations Committee also noted its support for a longer-term presence in Iraq by the GAO.

The conference report on H.R. 1591 filed on April 24 would provide a total of \$6.3 billion in Iraq reconstruction assistance, \$316 million less than the Administration request (see **Table 5**). The bill matches the Administration request for both the ISFF and the CERP. Among the most significant differences between the request and the conference report is a cut of roughly \$248 million from proposed political, social, and economic assistance programs that would be funded under ESF in the Administration proposal and under ESF and the Democracy Fund in H.R. 1591. Within these accounts, PRT programs are cut by \$100 million to \$620 million, National Capacity Development by \$40 million to \$140 million, and Policy and Regulatory Reform by \$50 million to a level of \$60 million. The conferees oppose any direct support to Iraqi political parties and, accordingly, have zeroed out funds for the Political Participation Fund and the National Institutions Fund. H.R. 1591 increases funding from the Administration request for the USAID Community Action Program (CAP) by \$45 million to a level of \$95 million and provides an unrequested \$67.6 million for civil society development. It also supports economic and social development programs run by NGOs with \$57.4 million, funds which are to be allocated by the Chief of the U.S. Mission. Of the \$250 million for Iraq that goes to the Democracy Fund, \$190 million is to be allocated by the State Department's Bureau of Democracy, Human Rights, and Labor and \$60 million is under USAID control. The bill also would cut by half the \$100 million request for DOD support to Iraqi state-owned enterprises.

The conference report maintains House language, noted above, calling for establishment of a Coordinator for Iraq Reconstruction. It also contains House conditions on availability of half of the ESF and INCLE funding pending a certification of Iraqi progress on specific points, but removes the ISFF from the certification requirement and deletes a specific date by which the requirement must be met.

With regard to operational costs, the conference report cuts the DOD Iraq Freedom Fund support for PRTs by \$50 million to a level of \$100 million and deletes the House provision that would allow DOD to transfer \$100 million from the Operation and Maintenance, Defense-Wide account to PRTs. It fully funds the SIGIR request at \$35 million. It cuts the overall State operational request for the

embassy and PRTs by \$74 million, but does not earmark a portion of the \$750 million total to set apart funds available for the PRTs.

Afghanistan⁷⁸

Background. Afghanistan's political transition was completed with the convening of a parliament in December 2005, but in 2006 insurgent threats to Afghanistan's government escalated to the point that some experts began questioning the success of U.S. stabilization efforts. In the political process, a new constitution was adopted in January 2004, successful presidential elections were held on October 9, 2004, and parliamentary elections took place on September 18, 2005. The parliament has become an arena for factions that have fought each other for nearly three decades to debate and peacefully resolve differences. Afghan citizens are enjoying new personal freedoms, particularly in the northern and western regions of the country, that were forbidden under the Taliban. Women are participating in economic and political life, including as ministers, provincial governors, and senior levels of the new parliament.

The insurgency led by remnants of the former Taliban regime escalated in 2006, after several years in which it appeared the Taliban was mostly defeated. U.S. and NATO commanders anticipate a Taliban "spring offensive" and are moving to try to preempt it. Contributing to the Taliban resurgence has been popular frustration with slow reconstruction, official corruption, and the failure to extend Afghan government authority into rural areas and provinces, particularly in the south and east. In addition, narcotics trafficking is resisting counter-measures, and independent militias remain throughout the country, although many have been disarmed. The Afghan government and U.S. officials have also said that some Taliban commanders are operating from Pakistan, putting them outside the reach of U.S./NATO forces in Afghanistan.

U.S. and partner stabilization measures focus on strengthening the central government and its security forces and on promoting reconstructing while combating the renewed insurgent challenge. As part of this effort, the international community has been running PRTs to secure reconstruction (Provincial Reconstruction Teams, PRTs).

FY2007 Supplemental Request. The Administration is requesting a total of \$720.9 million in supplemental funds for Afghanistan, which include several provisions intended to continue U.S. efforts to stabilize Afghanistan and continue economic reconstruction efforts.

Key elements of the FY2007 supplemental request are:

- \$653 million in Economic Support Funds (ESF) for reconstruction efforts to continue security and development strategy. The ESF funding focuses primarily on reconstruction efforts in provinces in

⁷⁸ Prepared by Rhoda Margesson, Specialist in Foreign Affairs and Kenneth Katzman, Specialist in Middle Eastern Affairs.

the south and southeastern regions that have been affected by the recent increased threats by the insurgency and Taliban. Specific efforts include emergency power sector projects; building roads; expanding rural development projects; and expanding governance initiatives. Support for democratic governance, reconstruction and development programs are seen as critical to the counterinsurgency effort. The Administration is also developing a new initiative, Reconstruction Opportunity Zones (ROZ) in Afghanistan and border regions with Pakistan to stimulate economic activity in underdeveloped, isolated regions.

The \$653 million would be allocated as follows:

- \$382 million would be made available for infrastructure, including road projects (\$342 million) focused on those segments that are of strategic military importance and provide key connections between the central and provincial government capitals; and the development of power sector projects (\$40 million);
- \$133 million would be used as part of an effort to improve livelihoods in the counter-narcotics strategy. Alternative economic development initiatives (\$120 million) would be expanded to rural areas likely to increase poppy cultivation; and \$13 million would be for agriculture;
- \$138 million would be used to strengthen provincial governance, particularly through the Provincial Reconstruction Teams (PRTs) as follows: \$117 million for PRTs including \$82 million for infrastructure, tools, and training and \$35 million for PRT governance; and \$21 million for capacity building in governance.

In addition to the ESF funding, the request includes:

- \$47.155 million to support Diplomatic and Consular Programs (DCP) in Afghanistan as part of a worldwide security upgrade in the Global War on Terror;
- \$15 million in Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) to support the Afghan leadership through the Presidential Protection Service; and
- \$5.7 million for FY2007 security requirements for U.S. Agency for International Development (USAID) operations in Afghanistan.

Congressional Action. The House-passed supplemental recommends a total of \$743 million in ESF funding for Afghanistan (which is \$90 million above the Administration's request) with the following proposed changes:

- \$292 million to develop infrastructure (\$50 million less than the Administration's request for road projects);

- \$173 million to improve livelihoods (\$40 million more than the request for rural development); and
- \$238 to strengthen provincial governance (\$100 million more than the request, directed toward PRTs – total PRT funding increased to \$217 million).

The House bill also provides \$94.5 million for International Narcotics Control and Law Enforcement (INCLE) activities in Afghanistan specifically for counternarcotics, Afghan police training, and development of justice institutions. The Administration's request did not include funding in this account. In its report, the Committee expressed its belief that these activities are central to the reconstruction and stabilization strategy in Afghanistan and requested that the State Department report to the committee on planned expenditures for the INCLE account.

In its report, the House Appropriations Committee also expressed its concerns about the increasing attacks by the Taliban and Al Qaeda, what appear to be record levels of poppy cultivation, and the links between opium production and the financing of terrorist groups. The committee identified rural development projects and the PRTs as two important mechanisms for promoting stabilization, security and the reach of the central government. While funding for infrastructure projects continues to be critical, the committee also noted that there should be more investment by other donors in these kinds of programs.

The Senate supplemental recommends a total of \$686 million in ESF funding for Afghanistan (which is \$33 million above the Administration's request) with the following proposed changes:

- \$125 million to improve livelihoods (\$5 million more than the request for alternative economic development initiatives); and \$25 million for agriculture (\$12 million more than the request);
- \$144 to strengthen provincial governance, with \$104 million for PRTs (\$22 million more than the request for PRT infrastructure, tools and training) and \$40 million for the PRT governance program (\$5 million more than the request); and no funding under governance building capacity (\$21 million less than the request), but the Senate Appropriations Committee notes that \$25 million is recommended for the Democracy Fund (below);
- \$10 million for a Civilian Assistance Program (not funded in the request) for civilians suffering loss from military operations.

The Senate bill also recommends:

- \$55 million to support DCP in Afghanistan (7.845 more than the request) of which \$13 million is for armored vehicles and \$42 million is for local guards in Kabul; and

- USAID operating expenses (\$5.7 million) remain unchanged from the request, but the bill recommends \$1 million be added for the USAID Office of the Inspector General (not included in the request).

In addition to the ESF and other programs in the request for Afghanistan, the Senate bill recommends adding \$62 million in programs as follows:

- \$25 million for the Democracy Fund for programs on democracy, human rights, governance, and rule of law (an increase of \$4 million over the governance building capacity of \$21 million in the request under ESF);
- \$18 million for Migration and Refugee Assistance (MRA);
- \$18 million for International Disaster and Famine Assistance (IDFA) for Internally Displaced Persons Assistance, particularly in and around Kabul.

The Conference agreement recommends a total of \$737 in ESF funding (\$84 million above the request) as follows:

- \$40 million for new power generation (same as the request)
- \$314 million for rural road rebuilding (\$28 million below the request)
- \$155 million for rural development (\$35 million above the request)
- \$19 million for agriculture (\$6 million above the request)
- \$174 million for PRTs (\$57 million above the request)
- \$25 million for governance capacity building (\$4 million above the request)
- \$10 million for a Civilian Assistance Program (not in the request)

In addition to the ESF and other programs in the request for Afghanistan, the Conference agreement recommends adding the following:

- \$79 million to support DCP in Afghanistan (\$31.8 million more than the request);
- \$16 million for Migration and Refugee Assistance (MRA);
- \$16 million for International Disaster and Famine Assistance (IDFA) for Internally Displaced Persons Assistance, particularly in and around Kabul; and
- \$47 million for International Narcotics Control and Law Enforcement (INCLE) activities in Afghanistan.

Table 6. Afghanistan Aid
(millions of dollars)

Activity (appropriation account) ^a	FY2007 Base Estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2007 Supp Conf
Infrastructure aid (ESF)	230.0	653.0	743.0	686.0	737.0
Afghan refugees (MRA)	38.0			18.0	16.0
IDFA				18.0	16.0
Democracy Fund				25.0	
U.S. mission security (DCP)	82.0	47.2	47.2	55.0	79.0
USAID mission security (OE)	13.3	5.7	5.7	6.7	5.7
NADR		15.0	15.0	15.0	15.0
INCLE			94.5		47.0
Total	363.3	720.9	905.4	823.7	915.7

Source: FY2007 budget materials.

Notes: Data in this table reflect ongoing and FY2007 proposed funding for programs the same as or similar to those requested in the FY2006 supplemental. The **total** line does not represent total aid or mission operations for Afghanistan. Excluded from this table is proposed funding requested for FBI operations in both Iraq and Afghanistan.

ESF = economic Support Fund, MRA=Migration and Refugee Assistance, DCP=Diplomatic and Consular Programs, OE=operating expenses, NADR=Non-proliferation, Anti-terrorism, Demining, and Related Programs, and INCLE=International Narcotics Control and Law Enforcement

P.L. 480 - Title II emergency food aid funds are included in a total appropriation of \$200 million available for missions in Afghanistan and parts of Africa.

Sudan — Darfur and Other Sudan⁷⁹

The Administration seeks a total of \$361.9 million in supplemental funds for Sudan, most of which would be for humanitarian and peacekeeping support in the Darfur region.

Darfur Crisis. The crisis in Darfur began in February 2003, when two rebel groups emerged to challenge the National Islamic Front (NIF) government in Darfur. The Sudan Liberation Army (SLA) and the Justice and Equality Movement (JEM) claim that the government of Sudan discriminates against Muslim African ethnic groups in Darfur and has systematically targeted these ethnic groups since the early 1990s. The conflict in Darfur burgeoned when the government of Sudan and its allied militia began a campaign of terror against civilians in an effort to crush the

⁷⁹ Prepared by Rhoda Margesson, Specialist in Foreign Affairs and Ted Dagne, Specialist in International Relations.

rebellion and to punish the core constituencies of the rebels. Since 2003, an estimated 300,000-400,000 civilians have been killed, more than two million have been displaced and more than half of the population has been affected directly and is dependent on international support. The atrocities against civilians continue in Darfur, according to U.N. reports, U.S. officials, and human rights groups. Congress and the Bush Administration have called the atrocities genocide. The African Union has deployed an estimated 7,700 peacekeeping troops, including military observers and civilian police.

Major elements of the FY2007 supplemental request include:

- \$40 million in International Disaster and Famine Assistance (IDFA) funding for immediate, life-saving needs of victims of the Darfur crisis, including health care, access to water and sanitation, and shelter;
- \$150 million for additional food assistance (P.L. 480, Title II) in Sudan and Eastern Chad;
- \$150 million in support of Darfur peacekeeping, including the African Union Mission in Sudan (AMIS). As part of the supplemental request, and to maintain the flexibility to fund AMIS or provide support for transition of AMIS to a United Nations peacekeeping force, the Administration is requesting transfer authority from Contributions for International Peacekeeping Activities (CIPA) to Peacekeeping Operations (PKO); and
- \$21.9 million in support of U.S. Mission Security within State Department's Diplomatic and Consular Programs (DCP), both Ongoing Operations and Worldwide Security Upgrades.

In addition to these funds specifically for Sudan, the FY2007 supplemental request also includes \$30 million in Emergency Refugee and Migration Assistance (ERMA) funds for a number of crises. Some of these funds could support planning for Darfur refugee flows to Chad. The request also includes \$128 million to support anticipated international peacekeeping missions in Africa, which could also focus on Darfur.

Congressional Action. The House supplemental bill appears to recommend the same funding levels put forward in the Administration's request for Sudan.

The Senate FY2007 Supplemental makes a few changes as follows:

- \$49 million in International Disaster and Famine Assistance (IDFA) funding for Sudan (\$9 million above the request); and
- \$16.9 million in support of U.S. Mission Security within State Department's Diplomatic and Consular Programs (DCP), both Ongoing Operations and Worldwide Security Upgrades (\$5 million less than the request).

It is presumed that \$150 million for additional food assistance (P.L. 480, Title II) in Sudan and Eastern Chad, and \$150 million in support of Darfur peacekeeping, including the African Union Mission in Sudan (AMIS), remain unchanged from the request.

The conference agreement recommends changes as follows:

- \$44 million in International Disaster and Famine Assistance (IDFA) funding for Sudan (\$4 million above the request); and
- \$19.4 million in support of U.S. Mission Security within State Department's Diplomatic and Consular Programs (DCP), both Ongoing Operations and Worldwide Security Upgrades (\$2.5 million less than the request); and

It is presumed that \$150 million for additional food assistance (P.L. 480, Title II) in Sudan and Eastern Chad, and \$150 million in support of Darfur peacekeeping, including the African Union Mission in Sudan (AMIS), remain unchanged from the request.

Table 7. Sudan Supplemental
(millions of dollars)

Activity (appropriation account) ^a	FY2007 Base Estimate	FY2007 Supp. Request	FY2007 Supp. House	FY2007 Supp. Senate	FY2007 Supp Conf
Humanitarian relief (IDFA)		40.0	40.0	49.0	44.0
Refugees in Darfur & Chad (MRA)					
PL480, Title II food aid		150.0	150.0	150.0	150.0
AMIS (PKO)		150.0	150.0	150.0	150.0
U.N. peacekeeping mission/Darfur (CIPA)		0.0	0.0		
U.S. Mission Security (DCP)		21.9	21.9	16.9	19.4
Total		\$361.9	\$361.9	\$365.9	\$363.4

Source: FY2007 budget materials.

As part of the supplemental request, the Administration is requesting transfer authority from CIPA to PKO.

Notes: Data in this table reflect ongoing funding for programs the same as or similar to those requested in the FY2006 supplemental. The **Total** line does not represent total aid or mission operations for Sudan.

ERMA funds include a total appropriation of \$30 million available for places such as Somalia, Chad, West Bank/Gaza, Iraq and Sri Lanka. The funds could also support planning for Darfur refugee flows to Chad.

PKO funds include an additional appropriation of \$128 million to support anticipated peacekeeping in Africa, including Darfur.

Other Foreign Aid and Humanitarian Assistance⁸⁰

In addition to amounts provided for Iraq, Afghanistan, and Sudan, the request includes \$2.69 billion in funding for other countries and activities from a variety of accounts.

Lebanon. Following the Israeli-Hamas-Hezbollah conflict during the summer of 2006, the Administration is requesting \$585.5 million for Lebanon. The largest portion is \$300 million in Economic Support Funds (ESF) of which \$250 million would be for budget support and the remainder for post-conflict reconstruction. The request also includes \$220 million in Foreign Military Financing to train and equip the Lebanese Armed Forces (LAF) in support of the U.N. Security Council Resolution 1701 that calls for performance standards for the LAF. A third component is \$60 million in International Narcotics Control and Law Enforcement (INCLE) funds to support the Internal Security Forces (ISF) that is in charge of guarding Lebanon's ports, airports, and borders. An additional \$5.5 million is requested from the Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR) account for a terrorist interdiction program. As part of the State Department's Contributions to International Peacekeeping Activities, \$184 million would be used to contribute to the U.N. Interim Force in Lebanon (UNIFIL).

Congressional Action. The conference agreement provides \$295 million in ESF funds, a \$5 million reduction from the request, of which \$250 million is designated as budget support, and \$45 million for project assistance. An additional \$5 million is provided for Lebanon from the Democracy Fund account. \$60 million is provided in narcotics (INCLE) funding as requested. The conference agreement also included \$220 million in FMF funds, the same as the request. Under Contributions to International Peacekeeping Activities, the conference agreement provides \$184 million, as requested, for the U.N. Interim Force in Lebanon.

Section 1803 of the bill limits the release of ESF, FMF and INCLE funds contingent on certain reports and certifications. To release ESF funds, the Secretary must report on Lebanon's economic reform plan and benchmarks on cash transfer assistance, similar to the House-passed language. To release FMF and INCLE funds, the Secretary must report on procedures established to determine the eligibility of members and units of the armed forces and police forces of Lebanon to participate in training and assistance programs. A certification is required prior to the initial obligation of FMF and NADR funds that all practicable efforts have been made to ensure that assistance does not go to any individual, or private or government entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activities. Also required is a report on Lebanon's actions to implement section 14 of U.N. Security Council Resolution 1701 of August 2006 that restricts arms shipments from Syria into Lebanon.

⁸⁰ Unless otherwise noted, these sections were prepared by Connie Veillette, Specialist in Foreign Affairs.

The House bill approved the Administration's request for Lebanon, but included report language for the release of funds. It provided \$300 million in ESF, the same as the request, but the report expressed concern about using foreign assistance for budget support. In order to release ESF funds for a cash transfer to provide budget support, the Secretary of State must report to the Committees on Appropriations on the Memorandum of Agreement between the United States and Lebanon on the country's economic reform plan and benchmarks upon which cash transfer assistance will be conditioned. The Secretary must also report that there are procedures in place to ensure that no funds are provided to individuals or organizations that have known links to terrorist organizations, including Hezbollah.

The report recommended that \$10 million of FY2007 ESF funds be used for scholarships and support for American educational institutions in Lebanon. Also included was the \$220 million request for FMF funds for the Lebanese Armed Forces. The House bill provided the \$60 million requested from the INCLE account, and \$5.5 million from the NADR account. Military assistance as well as narcotics assistance were conditioned on a report from the Secretary of State that vetting procedures are in place to determine eligibility to participate in U.S. training and assistance programs. Finally, the House approved the Administration's request of \$184 million for UNIFIL. Unrelated to the funding provisions, report language requested the Secretary of State to report no later than 45 days after enactment on the steps the Lebanese government is taking to implement Section 14 of U.N. Security Council Resolution 1701.

The Senate bill reduced the Administration's ESF request by \$35 million by deleting funds for certain democracy assistance programs. These funds were transferred to a separate Democracy Fund. The bill matched the Administration's request for FMF, INCLE, and NADR accounts. The Senate bill also required a certification in order to release FMF and NADR funds. The Secretary of State must certify to the Committees on Appropriations that all practicable efforts have been made to ensure that assistance does not go to any individual or entity that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity. The Senate bill also approved the request for a \$184 million contribution to the U.N. Interim Force in Lebanon.

Kosovo.⁸¹ The FY2007 supplemental request includes \$279 million for Kosovo under the Support for East European Democracy (SEED) Act to support the outcome of a U.N.-led process to determine Kosovo's status. In February, U.N. Special Envoy Martti Ahtisaari presented a settlement proposal for a form of internationally supervised independence in Kosovo with expanded rights for Kosovo's Serbian minority communities. Serbia's swift rejection of the plan, on the one hand, and early Kosovar Albanian grass roots-led protests against delays to or conditions on full independence, on the other hand, point to a high potential for unrest in the province. The U.N. Security Council may begin to consider the Ahtisaari plan in late March, although the timing of a vote in the Council on a new resolution on Kosovo is not yet clear. Presuming a political settlement is achieved, a transition period of several months is expected to follow.

⁸¹ Prepared by Julie Kim, Specialist in International Relations.

The requested supplemental funds for FY2007 are intended to support Kosovo's immediate needs in the areas of governance, rule of law, infrastructure development, and new international civilian missions in Kosovo, among other programs. DOD costs for U.S. participation in a follow-on NATO peacekeeping operation in Kosovo are not included in this request. The Administration justifies the need for supplemental funding for Kosovo based on its expectation that Kosovo's status will be settled "early this year ... outside of the normal budget process." It claims that the European Union and the IFIs will contribute most of the international assistance for Kosovo, which it says could amount to as much as \$2 billion (of which the \$279 million from the United States would amount to approximately 14%).

Congressional Action. The conference agreement provides \$229 million from the SEED account, a reduction of \$50 million. It adopts the House language with regard to reporting requirements.

The House bill provided \$239 million for Kosovo from the SEED account, a \$40 million reduction from the request. Included also was report language requiring a report within 45 days of enactment on the outcome of the Kosovo Donors Conference that should include a list of funds pledged by the United States and other donors. The Senate bill provided \$214 million for Kosovo from the SEED account, and \$15 million from the Democracy Fund, for a total \$50 million reduction from the request.

Humanitarian Assistance.⁸² Beyond the proposed aid packages for specific countries, the Administration also seeks funding support for humanitarian assistance in a range of anticipated and unanticipated crises:

- \$200 million in additional P.L. 480 - Title II assistance to meet emergency food needs elsewhere worldwide, including places such as Afghanistan (particularly in the north due to drought conditions), southern Africa, Zimbabwe and parts of the Horn of Africa (for both drought conditions and rising insecurity);
- \$65 million for International Disaster and Famine Assistance (IDFA) to support unanticipated humanitarian assistance or to replenish costs as a result of crises in Iraq (\$45 million) and Somalia (\$20 million);
- \$71.5 million for Migration and Refugee Assistance (MRA) for unanticipated refugee and migration emergencies, including return operations in Burundi and the Democratic Republic of Congo (DRC) (\$16.5 million) where repatriation programs are under way. The funds would help resettle some of the more than 370,000 Burundi refugees and 400,000 DRC refugees; assistance to Iraqi refugees and conflict victims (\$15 million); and the emergency needs of Palestinian refugees (\$40 million); and

⁸² Prepared by Rhoda Margesson, Specialist in Foreign Affairs.

- \$30 million for Emergency Refugee and Migration Assistance (ERMA) for unanticipated emergencies in Somalia, Chad, West Bank/Gaza, Iraq, and Sri Lanka. These funds would also support contingency planning for increased Darfur refugees fleeing to Chad. Current ERMA levels are reported to be at their lowest in a decade with \$6.2 million remaining, which is predicted to be insufficient to respond to the needs required.

Congressional Action. The House supplemental recommends changes to the P.L. 480, IDFA, MRA, ERMA allocations as follows:

- \$300 million in additional P.L. 480, Title II assistance;
- \$95 million for IDFA, (in addition to \$40 million proposed for Sudan) which is \$30 million above the Administration's request, with \$75 million for unanticipated emergencies including replenishing costs incurred from humanitarian crises in Iraq. The House Appropriations Committee expressed its concern about the deteriorating situations in Chad and the Central African Republic and asked for USAID and the State Department to consult with the Committee about the status. It also expressed its support for a resolution to the conflict in northern Uganda;
- \$111.5 million for MRA which is \$40 million more than the Administration's request — \$15 million is recommended to assist Iraqi refugees; the other \$96.5 million would be for unanticipated humanitarian emergencies. The House Appropriations Committee recognized that the number of refugees in neighboring countries could increase. It also highlighted its concerns about progress in Burundi and the DRC and the increasing needs of Palestinian refugees; and
- \$35 million for ERMA (which is \$5 million above the request) to address unanticipated emergency needs.

The Senate supplemental recommends changes to specific allocations as follows:

- \$325 million in additional P.L. 480 - Title II assistance to meet emergency food needs elsewhere worldwide, including places such as Afghanistan, Chad, and other Africa nations. It is presumed that this is in addition to \$150 million for Sudan (same as the amount in the request);
- \$120 million for IDFA, (in addition to \$49 million proposed for Sudan and \$18 million proposed for Afghanistan) — which is a total of \$82 million above the Administration's request — for unanticipated emergencies including the humanitarian crises in Iraq (\$65 million, which is \$20 million above the request), Chad (\$10 million), Democratic Republic of Congo (\$10 million), Uganda (\$10

million), and Somalia (\$25 million, which is \$5 million above the request);

- \$125 million for MRA (in addition to \$18 million proposed for Afghanistan) which is \$71.5 million more than the Administration's request — \$65 million is recommended to assist Iraqi refugees (an increase of \$50 million over the request, with not less than \$5 million to support resettlement programs for Iraqi scholars); return operations in Burundi and the Democratic Republic of Congo (DRC) which is the same as the request (\$16.5 million) and the emergency needs of Palestinian refugees (\$43.5 million), which is 3.5 million above the request.
- \$55 million for ERMA (which is \$25 million above the request) to replenish the emergency fund.

The Conference agreement recommends changes to specific total allocations as follows:

- \$310 million in additional P.L. 480 - Title II assistance to meet emergency food needs elsewhere worldwide, including places such as Afghanistan, Chad, and other Africa nations (\$110 million more than the request.) It is presumed that this is in addition to \$150 million for Sudan (same as the amount in the request);
- \$165 million for IDFA, (\$44 million for Sudan; \$45 million for Iraq; \$16 million for Afghanistan; \$20 million for Sudan and \$40 million for unanticipated emergencies in countries such as the Central African Republic, Chad, the Democratic Republic of the Congo, and Uganda);
- \$130.5 million for MRA (\$45 million is recommended to assist Iraqi refugees with not less than \$5 million to support resettlement programs for Iraqi scholars; \$16 million for Afghanistan; and \$69.5 million for unanticipated emergencies); and
- \$55 million for ERMA to replenish the emergency fund.

Peacekeeping Activities. The President also requested FY2007 supplemental funding for the Contributions to International Peacekeeping Activities (CIPA) and the Peacekeeping Operations (PKO) accounts. The CIPA supplemental of \$200 million was to pay U.S. assessed contributions for "unforeseen" U.N. peacekeeping expenses: \$184 million for the expanded force in Lebanon (UNIFIL) and \$16 million for the U.N. operation in Timor Leste (UNMIT). The PKO supplemental request of \$278 million was to support peacekeeping efforts in Darfur through the African Union Mission in Sudan (AMIS) – \$150 million – and support peacekeeping needs in Chad and Somalia – \$128 million. The request stipulated that up to \$128 million of the total may be transferred to CIPA, for assessed costs of U.N. peacekeeping operations. "The requested transfer authority would provide the flexibility to fund either a United Nations peacekeeping mission to Chad and Somalia

or to support the efforts of African regional security organizations such as the African Union."

Congressional Action. The House-passed supplemental appropriations bill provides \$288 million for the CIPA account and \$225 million for the PKO account, but without the requested authority to transfer up to \$128 million from the PKO to the CIPA account. The Senate bill provides \$200 million for the CIPA account and \$323 million for the PKO account and includes authority to transfer up to \$128 million to the CIPA account. The PKO section of the Senate bill also includes a requirement that not less than \$45 million shall be made available for assistance for Liberia for security sector reform.

Avian Influenza.⁸³ The Administration is requesting \$161 million in Child Survival and Health (CSH) funds to expand efforts to prevent the spread of the avian influenza virus and the emergence of a virus that could cause a global pandemic. Continuing outbreaks of the H5N1 virus have been reported in Asia, Europe and Africa over the winter with indications that the virus continues to change rapidly. The first six months of 2006 saw a seasonal surge in outbreaks that affected 53 countries.

Congressional Action. The conference agreement provides the \$161 million request and retains Senate language giving the President authority to use Millennium Challenge Corporation and Global HIV/AIDS Initiative funds for avian flu programs. The conference agreement also retains House language directing the State Department to report within 45 days of enactment on planned expenditures by category of funds available in FY2006 and FY2007. Both House- and Senate-passed bills included full funding for the request.

Other Assistance. In addition to amounts requested by the Administration, both House and Senate bills included provisions for other assistance.

- **Jordan.** The conference agreement provides \$10.3 billion in ESF for Jordan for programs to improve basic education, health, water, and sanitation services in communities that have seen an influx of Iraqi refugees. Also provided is \$25 million in NADR funds for border security programs, and \$45 million in FMF funds. The House bill had added \$40 million in FMF funds, and \$60 million in NADR funds, the latter for border security activities. The Senate provided authority to transfer up to \$100 million in ESF funds to support security programs.
- **Liberia.** The conference agreement provides \$5 million in NADR funds for Presidential Personal Security. The House had provided the same amount, but from the ESF account. The conference agreement also included \$40 million in Peacekeeping Operations (PKO) to support security sector reform. The House bill had added \$35 million in PKO funds while the Senate provided \$45 million.

⁸³ Prepared by Connie Veillette, Specialist in Foreign Affairs.

- **Democracy Fund.** The conference agreement provides \$260 million for a Democracy Fund, of which \$250 million would support programs in Iraq, \$5 million in Lebanon, and \$5 million in Somalia. Other democracy programs would be funded from other accounts as requested by the Administration. The Senate bill had provided a total of \$465 million by designating funds from other accounts, such as ESF, for democracy promotion programs. The House bill had approved democracy funding from the accounts in which they were requested.
- **USAID Inspector General.** The conference agreement provides \$3.5 million, the same as that recommended by the House. The Senate bill had included \$4 million of which \$3 million is for Iraq programs, and \$1 million for Afghanistan programs.
- **INCLE Rescission.** The conference agreement retains the Senate's rescission of \$13 million in narcotics funds appropriated in P.L. 109-234 for the procurement of maritime patrol aircraft for the Colombian Navy.
- **Pakistan.** The conference agreement does not include \$110 million in ESF funds for economic and security programs as proposed by the Senate.
- **Sudan.** The conference agreement provides \$44 million for Sudan in International Disaster and Famine Assistance. The Senate bill had provided \$49 million, and the House \$40 million. The Senate and House bills had included \$150 million for Peacekeeping Operations to support the Africa Union Mission in Sudan (AMIS). The conference agreement provides a total of \$230 million for peacekeeping, of which \$40 million is designated for Liberia. The agreement calls on the Secretary of State to report on a spending plan on strengthening the personal security of the President of South Sudan, and endorses House report language directing the Secretary of State to report on the implementation of the AMIS mandate and to provide a timetable for a hybrid U.N./AMIS peacekeeping force in Darfur.
- **International Disaster and Famine Assistance (IDFA).** The conference agreement provides \$165 million in disaster funding, of which \$45 million is for Iraq, \$44 million for Sudan, \$20 million for Somalia, and \$16 million to aid internally displaced persons in and near Kabul, Afghanistan. The remaining \$40 million is for unmet or unforeseen humanitarian assistance in various countries, including the Central African Republic, Chad, the Democratic Republic of Congo, and Uganda. The Senate bill had provided \$187 million in IDFA funds, an increase of \$82 million over the request. The Senate bill had designated \$10 million for Chad, \$10 million for the Democratic Republic of the Congo, \$10 million for Uganda, and \$25

million for Somalia. The House bill had include \$135 million for IDFA, \$30 million above the request, and requested reports on Chad, and expressed concern with the conflict in northern Uganda.

- **Economic Support Fund.** The conference report provides \$2.649 billion, including \$1.574 billion for Iraq and \$737 million for Afghanistan. The Senate bill had provided \$2.602 billion but transferred \$465 million in ESF funds designated for democracy promotion programs to the Democracy Fund. The House bill provided \$2.953 billion, a reduction of \$182 million from the request. The conference report directs \$3 million for the Sierra Leone Special Court, \$5 million for elections in Nepal, \$15 million for governance programs in the Democratic Republic of the Congo, \$2 million for the Uganda peace process, \$3 million for health and environment programs in Vietnam, and \$5 million for reconstruction programs in the Philippines.

Table 8. Foreign Operations FY2007 Supplemental Appropriations by Account
(millions of dollars)

Activity	FY2007 Base estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2007 Conf Report
Child Survival/Health	1,718.2	161.0	161.0	161.0	161.0
Economic Support Funds	2,455.0	3,025.0	2,953.0	2,602.2	2,649.3
Migration/Refugee Ass't.*	887.9	101.5	146.5	198.0	185.5
Foreign Military Financing	4,550.8	220.0	260.0	220.0	265.0
Disaster/Famine Assistance	361.0	105.0	135.0	187.0	165.0
Narcotics/Law Enforcement	472.0	260.0	334.5	210.0	257.0
Non-Proliferation, Anti-Terrorism, Demining	406.0	27.5	87.5	27.5	57.5
Peacekeeping Operations (PKO)	223.3	278.0	225.0	323.0	230.0
P.L. 480, Title II	1,215.0	350.0	450.0	475.0	460.0
USAID Operating Expenses	624.0	5.7	10.7	5.7	8.7
Treasury Technical Ass't.	20.0	2.8	2.8	2.8	2.8
E. Europe/Baltics Ass't.	273.9	279.0	239.0	214.0	229.0
USAID IG	—	—	3.5	4.0	3.5
Democracy Fund	—	—	—	465.0	260.0
Rescission (INCLE)	—	—	—	(13.0)	(13.0)
Total Foreign Operations	13,207.1	4,815.5	5,008.5	5,082.2	4,921.3

Source: U.S. Department of State Congressional Budget Justification, Foreign Operations, FY2008, H.R. 1591/H.Rept. 110-107, and CRS calculations.

* Includes both Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA) accounts.

State Department and International Broadcasting⁸⁴

In addition to the more than \$10 billion estimated FY2007 regular budget for the Department of State and International Broadcasting, the Administration is requesting \$1.168 billion in the FY2007 supplemental request for the Department of State and \$10 million for International Broadcasting (see **Table 9**). The Department is seeking most of its FY2007 supplemental funds for State's Administration of Foreign Affairs (\$968 million). The Diplomatic and Consular Programs account would receive the most (\$913 million) for additional funding of Iraq Operations, Ongoing Operations, and Worldwide Security Upgrades. The bulk of D&CP funds (\$823.9 million) would pay for Iraq Operations — U.S. activities, security, and the U.S. Mission in Iraq.

About half of the Iraq Operations funds would be for setting up new Provincial Reconstruction Teams. A total of \$414.1 million would be for expanding from the current number of 10 PRTs to as many as 18 to 21 teams. The cost would pay for PRT personnel, support and security. (For more detail on PRT funding, see the earlier section on Iraq Reconstruction and Assistance.)

The U.S. Mission in Iraq employs more than 1,000 American and locally engaged staff representing about a dozen agencies. The FY2007 supplemental includes \$47.6 million for U.S. Mission Operations, \$72.5 million for logistics support for the mission, \$8.9 million for mission information technology, and \$15 million for installation of overhead cover and other physical security measures.

State's request for supplemental funds for Ongoing Operations within the D&CP account would consist of \$21.9 million for public diplomacy activities to combat violent extremism by funding exchanges and foreign language Websites that would promote American and Muslim dialogue. The Ongoing Operations request also includes \$1.9 million to support diplomatic, reconstruction, and stabilization efforts in Sudan.

The State Department FY2007 supplemental request includes \$67.155 million for Worldwide Security Upgrades in Afghanistan and Sudan, \$20 million for international exchanges to combat violent extremism, and \$200 million for U.S. contributions for International Peacekeeping Activities in Lebanon and Timor Leste. In addition, in the supplemental request for State Department funds is \$35 million for the Office of Inspector General to be transferred to the Special Inspector General for Iraq Reconstruction (SIGIR).

The Broadcasting Board of Governors oversees all nonmilitary U.S. international broadcasting activities. The FY2007 Supplemental request includes \$10 million for expanded broadcasting in Arabic on the U.S.-established Alhurra Television into 22 countries in the Middle East.

Congressional Action. The conference agreement provides a total of \$1.275 billion for State Department operations and broadcasting. For Diplomatic and

⁸⁴ Prepared by Susan B. Epstein, Specialist in Foreign Policy and Trade.

Consular Programs, it includes \$870.7 million, of which \$750 million would support operations in Iraq, and \$96.5 million would support World Wide Security Upgrades. The Inspector General's Office would receive \$36.5 million, of which \$35 million would be transferred to the Special Inspector General for Iraq Reconstruction (SIGIR), with the remainder for oversight work in Iraq and Afghanistan. The agreement allows the transfer of \$258,000 to the U.S. Commission on International Religious Freedom, as proposed by the House. Other items in the conference agreement include:

- Educational and Cultural Exchange Programs would receive \$20 million;
- Contributions to International Organizations would receive \$50 million to pay arrears to organizations that are involved in efforts to combat international terrorism, and to prevent the spread of avian influenza;
- Provides \$288 million for assessed costs of U.N. Peacekeeping operations, of which \$184 million is for the U.N. Interim Force in Lebanon, \$16 million for the U.N. Mission in Timor Leste, and \$88 million for a potential U.N. mission in Chad.
- Provides \$10 million for International Broadcasting Operations for expanding broadcasting on Alhurra Television, as provided in both House and Senate bills.
- Allows the use of \$50 million in Diplomatic and Consular Programs for a civilian reserve corps, subject to authorization.

The House FY2007 supplemental bill had set funding for State's Administrations of Foreign Affairs at \$1,033.8, \$65.8 million more than the Administration requested. Of that amount, \$967 million was for D&CP, \$46.8 million for the Office of Inspector General (of which \$45.5 million would be transferred to SIGIR), and \$20 million for international exchanges, as requested.

Of the \$967 million for D&CP, \$790.6 million was be for Iraq operations as follows: \$380.789 million for setting up new PRTs in Iraq, \$265.827 million for security costs of the U.S. Mission in Iraq, \$72.505 million for logistics support in Iraq, \$47.646 million for mission operations, \$15 million for overhead cover, and \$8.874 million for mission information technology. Also in the House D&CP funding was \$24.158 million for ongoing operations, as compared with the \$21.9 million requested, and \$102.2 million for worldwide security upgrades, \$35 million more than was requested.

The House Report (H.Rept. 110-60) stated that \$395 million in funds for D&CP Iraq operations will be withheld until the Committee receives and approves a detailed plan for expenditure of the funds. Furthermore, the Committee directs the Department of State to report within 45 days of enactment of this act on how it would spend the public diplomacy funds.

The House bill also provided \$288 million for Contributions to International Peacekeeping, \$88 million more than requested. The amount included \$184 million for the U.N. Interim Force in Lebanon (UNIFIL), \$16 million for the U.N. Mission in Timor Lest (UNMIT) and \$88 million for a possible mission in Chad.

Similar to the Administration request, the House FY2007 supplemental bill would also provide \$10 million for expanding broadcasting on Alhurra Television.

The Senate FY2007 supplemental bill provided \$815.8 million for D&CP. This is \$97.2 million below the Administration request and \$151.2 million below the House level. Included was \$723.9 million for Iraq operations, \$21.9 million for ongoing operations (\$20 million for public diplomacy and \$1.9 million for ongoing operations), and \$70 million for worldwide security upgrades. Included in the \$723.9 million for Iraq operations was: \$42.9 million for mission support, \$265.8 million for mission security, \$7.987 million for information technology, \$12 million for overhead security, and \$372.7 million for PRTs. The Senate Committee would not provide \$50 million for temporary housing outside the compound, requesting a plan to house people inside the compound. And it would not provide \$5 million for travel costs of U.S. dignitaries within Sudan, saying that this funding would normally be in the regular appropriation request.

The Senate bill also provided \$36.5 million for the Office of Inspector General of which \$35 million is for the SIGIR, \$59 million for U.S. Contributions to International Organizations and \$200 million for Contributions to International Peacekeeping. In addition, the Senate bill provided \$10 million to the Broadcasting Board of Governors for expanding Alhurra TV listenership.

Both House and Senate bills provided up to \$50 million within D&CP and (in the Senate bill) ESF to establish and maintain a civilian reserve corps. The House version stipulates that no funds may be spent without specific authorization by Congress. In the Senate version funding does not require authorization, but is subject to regular notification of the appropriation committees.

**Table 9. State Department and International Broadcasting
FY2007 Supplemental Appropriations**

(millions of dollars)

Activity	FY2007 Base Estimate	FY2007 Supp Request	FY2007 Supp House	FY2007 Supp Senate	FY2007 Conf Rept	FY2008 Base Request
Administration of Foreign Affairs	6,502.5	968.0	1,033.8	877.3	927.2	7,317.1
Diplomatic & Consular Programs	4,314.0	913.0	967.0	815.8	870.7	4,942.7
Iraq Operations	—	823.9	864.8	723.9	750.0	—
Ongoing Operations	—	21.9	24.2	21.9	—	—
Worldwide Security Upgrades	795.2	67.2	102.2	70.0	96.5	964.8
Office of Inspector General	30.9	35.0	46.8	36.5	36.5	32.5
Educational & cultural exchange programs	445.3	20.0	20.0	25.0	20.0	486.4
International Orgs	2,286.6	200.0	288.0	259.0	338.0	2,461.4
Contributions to Int'l Orgs	1,151.3	—	—	59.0	50.0	1,354.4
Contributions to Int'l Peacekeeping	1,135.3	200.0	288.0	200.0	288.0	1,107.0
Other	171.7	—	—	—	—	235.3
Total State Approps	8,960.8	1,168.0	1,321.8	1,136.3	1,265.2	10,013.8
Total Int'l Broadcasting	644.0	10.0	10.0	10.0	10.0	668.2
Total State and Broadcasting	9,604.8	1,178.0	1,331.8	1,146.3	1,275.2	10,682.0

Source: Department of State's Budget in Brief, FY2008 and House FY2007 supplemental bill, Full Committee Print, March 15, 2007, Senate bill and Committee Report, as of March 23, 2007, and Conference Report, House Rept. 110-107.

Liquidation of TSA Contract and Grant Obligations⁸⁵

On January 10, 2007, the President transmitted to Congress a request to transfer \$195 million in unobligated balances to resolve insufficiently funded Transportation Security Administration (TSA) contract and grant obligations incurred during FY2002 and FY2003. These obligations, which were made in violation of the Antideficiency Act (ADA), were uncovered by the TSA in the summer of 2006 during a comprehensive financial review, and this violation was formally reported to the President and the Congress on December 3, 2006.

⁸⁵ Prepared by Bart Elias, Specialist in Aviation Security, Safety and Technology Policy, Resource, Science, and Industry Division.

Investigation has revealed that the deficiency resulted from erroneous voucher entries made during the TSA's migration from the Department of Transportation to the newly formed Department of Homeland Security (DHS) in 2003, and the DHS has found no evidence that the violation was intentional. The Office of Management and Budget (OMB) has indicated that the TSA has taken steps to improve internal control processes, and OMB will continue to monitor the TSA implementation of its corrective action plans to minimize the potential for future deficiency violations.

In order to correct the deficiency and ensure that adequate funding for future contract and grant obligations are available, the President has requested a transfer of \$195 million, \$175 million from the Aviation Security account and \$20 million from the Transportation Security Support account, to be transferred to the TSA's Expenses account. As indicated by the OMB, this proposed transfer, which requires statutory authority, would not increase FY2007 budget authority and would not increase the deficit.

Ongoing Katrina Recovery Measures

As part of its package of FY2007 supplemental appropriations requests, the Administration asked for \$3.4 billion for the Federal Emergency Management Agency (FEMA) Disaster Relief Fund (DRF) to continue Katrina recovery efforts. The funding is requested for expenses through December 2007 for housing assistance and for grants for public infrastructure repair and replacement in Gulf Coast region.⁸⁶ In the FY2006 supplemental, P.L. 109-234, Congress provided \$6.0 billion for FEMA activities funded through the DRF.

Congressional Action. The House-passed version of the FY2007 supplemental appropriations bill approved the \$3.4 billion requested for FEMA and added \$3.0 billion for other hurricane relief measures. The largest addition was \$1.3 billion for the Corps of Engineers to continue repairs and accelerate completion of flood and storm damage reduction projects in the New Orleans and south Louisiana area. Previously appropriated funds are insufficient to complete these activities due to increased costs, improved data on costs, and other factors. In its March 19 Statement of Administration Policy (SAP) on the supplemental, the White House objected to the added funds. The Administration argues that these activities should be funded by reallocating previously appropriated, but unobligated, FY2006 supplemental funds for other Corps flood and storm damage reduction projects in the area. The SAP also opposes measures in the bill that would exempt Gulf states from some matching requirements for FEMA grants.

The Senate version of the FY2007 supplemental appropriations bill also approved the \$3.4 billion requested for FEMA; in addition, it provided \$3.6 billion for other hurricane relief measures. The largest addition was \$1.7 billion for the Corps of Engineers to continue repairs and accelerate completion of flood and storm damage reduction projects in the New Orleans and south Louisiana and coastal

⁸⁶ For the formal request, see Office of Management and Budget, *Budget of the United States Government for Fiscal Year 2008: Appendix*, pp. 1164-1165.

Mississippi area. The bill provided direction to the Corps regarding both reimbursement for certain Katrina-related repair and rebuilding costs, use of previously-appropriated recovery funds, and studies related to specific studies related to coastal Louisiana's hurricane protection. The bill also waived for FY2008 a restriction that federal appropriations can not be used for individual Corps projects with current cost estimates that exceed 20% of their authorized appropriations amounts without congressional authorization.

The conference report includes a total of \$6.785 billion for Gulf Coast Recovery, of which \$1.4 billion is provided to the Corps of Engineers to continue repairs and accelerate completion of flood and storm damage reduction projects in the New Orleans and south Louisiana and coastal Mississippi area. The conference report also provides direction to the Corps regarding reimbursement for certain Katrina-related repair and rebuilding costs, use of previously-appropriated recovery funds, and studies related to specific studies related to coastal Louisiana's hurricane protection.

Unrequested Funding for Domestic Programs

Supplemental appropriations bills traditionally become vehicles for Congress to provide funds for high priority programs for which the Administration did not request money. The House and Senate supplemental bills both additional funds for state children's health insurance, low-income home energy assistance, homeland security initiatives, avian flu preparedness, and agricultural disaster relief, among other things. In all, the House bill includes \$3.7 billion agricultural disaster relief, \$2.5 billion for homeland security, and \$3.0 billion for other programs. The Senate bill provides \$4.2 for agricultural disaster relief, \$2.0 billion for homeland security, and, and \$3.1 billion for other programs. **Table 1**, above, shows amounts for the major additions. Appendix **Table A-1** provides more detail.

The conference agreement provides over \$10 billion for domestic programs for which the Administration requested no funds. The unrequested domestic funding includes \$1.8 billion for veterans health, \$2.25 billion for homeland security, \$663 million for pandemic flu preparedness, \$3.5 billion for agricultural disaster relief (though the agreement drops controversial small amounts for spinach growers and peanut storage), \$650 million for state children's health insurance, \$500 million for fire fighting, \$425 million for secure rural schools, and \$400 million for low-income energy assistance.

In its March 19 Statement of Administration Policy on the House bill, the White House complained that the bill contains "billions in unrequested spending that is largely unjustified and non-emergency." The message warned that the President would veto the bill because of "excessive and extraneous non-emergency spending."

The Minimum Wage and Other Policy Riders

Supplemental appropriations bills also often include policy measures that are attached in order to bypass procedural hurdles, particularly in the Senate, that may be delaying progress through the regular legislative process. Both the House and the Senate added provisions to increase the minimum wage to the FY2007 supplemental, a measure that has been delayed in the Senate.

The Senate also agreed to an amendment by Senator Wyden that would reauthorize a modified version of the Secure Rural Schools and Community Self-Determination Act of 2000 (P.L. 106-393), which expired at the end of FY2006. (See CRS Report RL33822, *The Secure Rural Schools and Community Self-Determination Act of 2000: Forest Service Payments to Counties*, by Ross W. Gorte.) This program provides an alternative system to compensate counties for the tax-exempt status of certain federal lands. The Senate amendment would provide total payments of about \$2.3 billion for FY2007-FY2011. The amendment also includes language that *may* provide mandatory spending for the Payments In Lieu of Taxes (PILT) program for FY2008-FY2012. (See CRS Report RL31392, *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by M. Lynn Corn.)

The conference agreement includes an increase in the minimum wage along with a package of \$4.8 billion over ten years of offsetting tax cuts for small businesses. The agreement does not include the Senate reauthorization of the Secure Rural Schools Act, but it does allow payments under the act to continue as in FY2006 and it appropriates \$425 million for any shortfalls in payments.

For Additional Reading

CRS Multi-Media Presentation MM70099, *FY2008 Defense Budget: Issues for Congress — Seminar Slides*, by Stephen Daggett, Ronald O'Rourke, David F. Burrelli, and Amy Belasco.

CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

CRS Report RL31833, *Iraq: Reconstruction Assistance*, by Curt Tarnoff.

CRS Report RS21867, *U.S. Embassy in Iraq*, by Susan B. Epstein.

CRS Report RL31701, *Iraq: U.S. Military Operations*, by Steve Bowman.

CRS Report RL31339, *Iraq: Post-Saddam Governance and Security*, by Kenneth Katzman.

CRS Report RL30588, *Afghanistan: Post-War Governance, Security, and U.S. Policy*, by Kenneth Katzman.

CRS Report RL33851, *Afghan Refugees: Current Status and Future Prospects*, by Rhoda Margesson.

CRS Report RL33503, *U.S. and Coalition Military Operations in Afghanistan: Issues for Congress*, by Andrew Feickert.

CRS Report RS21922, *Afghanistan: Elections, Constitution, and Government*, by Kenneth Katzman.

CRS Report RL33837, *Congressional Authority To Limit U.S. Military Operations in Iraq*, by Jennifer K. Elsea and Thomas J. Nicola.

CRS Report RL33803, *Congressional Restrictions on U.S. Military Operations in Vietnam, Cambodia, Laos, Somalia, and Kosovo: Funding and Non-Funding Approaches*, by Amy Belasco, Lynn J. Cunningham, Hannah Fischer, and Larry A. Niksch.

CRS Report RS20775, *Congressional Use of Funding Cutoffs Since 1970 Involving U.S. Military Forces and Overseas Deployments*, by Richard F. Grimmett.

CRS Report RL31693, *U.S. Armed Forces Abroad: Selected Congressional Votes Since 1982*, by Lisa Mages.

CRS Report RL31370, *State Department and Related Agencies: FY2006 and FY2007 Appropriations and FY2008 Request*, by Susan B. Epstein.

Appendix. Additional Tables

**Table A-1. FY2007 Supplemental Appropriations:
Congressional Action by Title and Account**
(millions of dollars)

Appropriations Subcommittee/Title/Account	Request	House	Senate	Conference	Change to Request
Title I: Global War on Terror	99,615.4	109,600.8	107,118.1	109,294.9	+9,679.4
Department of Agriculture, P.L. 480	350.0	450.0	557.0	500.0	+150.0
P.L. 480 Title II Grants	350.0	450.0	475.0	460.0	+110.0
Bill Emerson Humanitarian Trust	--	--	82.0	40.0	+40.0
Department of Justice	173.5	158.9	445.7	316.0	+142.5
Office of the Inspector General	--	--	0.5	--	--
General Legal Activities	4.1	1.6	4.1	1.6	-2.4
U.S. Attorneys	5.0	5.0	12.5	5.0	--
Marshalls Service	14.9	2.8	32.5	6.5	-8.5
National Security Division	1.7	1.7	1.7	1.7	--
Federal Bureau of Investigation	118.3	118.3	348.3	268.0	+149.7
Drug Enforcement Administration	8.5	8.5	25.1	12.2	+3.7
Bureau of Alcohol, Tobacco & Firearms	4.0	4.0	4.0	4.0	--
Federal Prison System	17.0	17.0	17.0	17.0	--
Department of Defense	91,529.0	95,529.7	93,532.8	95,528.7	+3,999.7
Military Personnel	12,144.7	13,566.9	13,435.4	13,508.0	+1,363.3
Operation & Maintenance	50,316.1	52,500.0	48,784.5	50,430.0	+113.9
Procurement	24,900.0	24,813.7	26,007.6	25,592.2	+692.2
RDT&E	1,447.7	1,035.4	1,190.5	1,098.7	-349.0
Revolving & Management Funds	1,320.5	1,320.5	1,320.5	1,320.5	--
Defense Health	1,073.1	2,789.7	2,466.8	3,251.9	+2,178.7
Drug Interdiction	259.1	259.1	254.7	254.7	-4.5
Intelligence Community Mgmt Acct	66.7	57.4	71.7	71.7	+5.0
General Provisions	1.0	2.0	1.0	1.0	--
Contractor Efficiency	--	-815.0	--	--	--
Department of Energy	63.0	150.0	63.0	150.0	+87.0
Defense Nuclear Nonproliferation	63.0	150.0	63.0	150.0	+87.0
Department of Homeland Security	--	2,500.0	2,000.0	2,250.0	+2,250.0
Departmental Management/Analysis & Operations	--	35.0	--	15.0	+15.0
Customs and Border Protection	--	250.0	215.0	235.0	+235.0
Immigration and Customs Enforcement	--	--	20.0	10.0	+10.0
Aviation Security/Air Marshalls/TSA	--	1,250.0	675.0	978.0	+978.0
Coast Guard [transfer from Navy]	--	[120.3]	[120.3]	[120.3]	[+120.3]
Chief Medical Officer/Infrastructure Protection	--	25.0	36.0	52.0	+52.0
Federal Emergency Management Agency/Management	--	540.0	975.0	677.5	+677.5
United States Citizenship and Immigration Services	--	--	25.0	10.0	+10.0
Federal Law Enforcement Training Center [transfer, non-add]	--	[1.0]	--	[5.0]	[+5.0]
Science and Technology	--	--	15.0	10.0	+10.0
Domestic Nuclear Detection Office	--	400.0	39.0	262.5	+262.5

Appropriations Subcommittee/Title/Account	Request	House	Senate	Conference	Change to Request
Legislative Branch	--	6.4	0.4	6.8	+6.8
House Allowances & Expenses	--	6.4	--	6.4	+6.4
Government Accountability Office	--	--	0.4	0.4	+0.4
Military Construction	1,854.0	4,915.5	4,780.8	4,807.0	+2,953.0
Army	1,381.3	1,329.2	1,261.4	1,255.9	-125.4
Navy & Marine Corps	412.5	389.3	347.9	371.0	-41.5
Air Force	60.2	60.2	34.7	43.3	-16.9
Base Closure 2005 (in Title II in Senate)	--	3,136.8	3,136.8	3,136.8	+3,136.8
Department of State Administration of Foreign Affairs	968.0	1,033.8	862.3	927.2	-40.8
Diplomatic and Consular Programs	913.0	967.0	815.8	870.7	-42.3
Inspector General	35.0	46.8	36.5	36.5	+1.5
Education & Cultural Exchange	20.0	20.0	10.0	20.0	--
Emergencies in Diplomatic and Consular Service (By transfer)	--	--	[20.0]	[20.0]	[+20.0]
International Organizations	200.0	288.0	259.0	338.0	+138.0
Contributions for International Organizations	--	--	59.0	50.0	+50.0
International Peacekeeping Contributions	200.0	288.0	200.0	288.0	+88.0
International Peacekeeping Contributions (By transfer)	--	--	[128.0]	--	--
Broadcasting Board of Governors	10.0	10.0	10.0	10.0	--
International Broadcasting Operations	10.0	10.0	10.0	10.0	--
Bilateral Economic Assistance	3,575.7	3,502.2	3,173.9	3,216.5	-359.2
USAID Child Survival and Disease Programs	161.0	161.0	161.0	161.0	--
USAID International Disaster & Famine Asst.	105.0	135.0	187.0	165.0	+60.0
USAID Operating Expenses	5.7	10.7	5.7	8.7	+3.0
USAID Inspector General	--	3.5	4.0	3.5	+3.5
Economic Support Fund	3,025.0	2,953.0	2,602.2	2,649.3	-375.7
Asst. for Eastern Europe & Baltic States	279.0	239.0	214.0	229.0	-50.0
Other Department of State	389.0	568.5	887.5	747.0	+358.0
Democracy Fund	--	--	465.0	260.0	+260.0
International Narcotics Control	260.0	334.5	210.0	257.0	-3.0
International Narcotics Control Rescissions	--	--	-13.0	-13.0	-13.0
Migration & Refugee Asst.	71.5	111.5	143.0	130.5	+59.0
Emergency Refugee & Migration Asst. Fund	30.0	35.0	55.0	55.0	+25.0
Nonproliferation, Antiterrorism, Demining and Related	27.5	87.5	27.5	57.5	+30.0
Department of the Treasury	5.3	2.8	2.8	2.8	-2.5
International Affairs Technical Assistance	2.8	2.8	2.8	2.8	--
Departmental Administration	2.5	--	--	--	-2.5
Military Assistance	498.0	485.0	543.0	495.0	-3.0
Foreign Military Financing Program	220.0	260.0	220.0	265.0	+45.0
Peacekeeping Operations	278.0	225.0	323.0	230.0	-48.0
Title II: Additional Hurricane Disaster Relief and Recovery	3,400.0	6,357.4	6,899.7	6,785.0	+3,385.0
Department of Agriculture	--	140.0	115.0	115.0	+115.0
Livestock Assistance	--	25.0	--	--	--
Irrigated Crops	--	15.0	--	--	--
Citrus	--	100.0	--	--	--
Forestry Conservation	--	--	115.0	115.0	+115.0
Department of Justice	--	--	170.0	50.0	+50.0
State and Local Law Enforcement Asst: Hurricane Recovery	--	--	70.0	50.0	+50.0

Appropriations Subcommittee/Title/Account	Request	House	Senate	Conference	Change to Request
State and Local Law Enforcement Asst: Conventions	--	--	100.0	--	--
Department of Commerce	--	120.0	221.9	110.0	+110.0
National Oceanographic and Atmospheric Administration	--	120.0	221.9	110.0	+110.0
National Aeronautics and Space Administration	--	35.0	--	35.0	+35.0
Exploration Capabilities	--	35.0	--	35.0	+35.0
Corps of Engineers	--	1,337.1	1,557.7	1,433.0	+1,433.0
Construction	-270.0	37.1	150.0	25.3	+295.3
Flood Control	270.0	1,300.0	1,407.7	1,407.7	+1,137.7
Small Business Administration	--	25.1	50.1	--	--
Disaster Loans [by transfer, non-add]	--	25.1	25.1	[25.1]	[+25.1]
Economic Injury Disaster Loans [by transfer, non-add]	--	--	25.0	[25.0]	[+25.0]
Department of Homeland Security	3,400.0	4,630.0	4,630.0	4,930.0	+1,530.0
Inspector General (transfer, non-add)	--	[4.0]	--	[4.0]	[+4.0]
FEMA Disaster Relief	3,400.0	4,310.0	4,310.0	4,610.0	+1,210.0
Community Disaster Loan Act	--	320.0	320.0	320.0	+320.0
Department of the Interior	--	--	15.0	10.0	+10.0
National Park Service Historic Preservation Fund	--	--	15.0	10.0	+10.0
Department of Education	--	60.0	60.0	60.0	+60.0
Higher Education	--	30.0	30.0	30.0	+30.0
Hurricane Education Recovery	--	30.0	30.0	30.0	+30.0
Department of Transportation	--	--	75.0	35.0	+35.0
Federal Highway Administration Emergency Relief	--	--	--	682.9	+682.9
Federal Highway Administration Rescission of Contract Authority	--	--	--	-682.9	-682.9
Federal Transit Administration Formula Grants	--	--	75.0	35.0	-40.0
Department of Housing and Urban Development	--	10.2	5.0	7.0	+7.0
Disaster Voucher Program	--	80.0	--	--	--
Rescission of Unobligated Balances	--	-80.0	--	--	--
Office of Inspector General	--	10.2	5.0	7.0	+7.0
Title III: Other Emergency Appropriations	--	4,145.3	4,011.3	4,133.2	+4,133.2
Department of Commerce	--	60.4	--	60.4	+60.4
National Oceanographics and Atmospheric Administration	--	60.4	--	60.4	+60.4
Corps of Engineers	--	--	153.0	153.0	+153.0
Operation & Maintenance	--	--	3.0	3.0	+3.0
Flood Control & Coastal Emergencies	--	--	150.0	150.0	+150.0
Department of the Interior Board of Reclamation	--	--	18.0	18.0	+18.0
Water and Related Resources	--	--	18.0	18.0	+18.0
Department of the Interior	--	113.2	113.2	113.2	+113.2
Bureau of Land Management Wildland Fire Management	--	100.0	100.0	100.0	+100.0
Fish and Wildlife Service Resource Management	--	7.4	7.4	7.4	+7.4
National Park Service	--	0.5	0.5	0.5	+0.5
U.S. Geological Survey	--	5.3	5.3	5.3	+5.3
Department of Agriculture	--	800.0	412.0	837.0	+837.0
National Forest System	--	--	12.0	12.0	+12.0
Forest Services Wildland Fire Management	--	400.0	400.0	400.0	+400.0

Appropriations Subcommittee/Title/Account	Request	House	Senate	Conference	Change to Request
Secure Rural Schools	--	400.0	--	425.0	+425.0
Department of Health and Human Services	--	1,419.7	1,523.0	1,113.0	+1,113.0
Disease Control Research and Training	--	--	13.0	13.0	+13.0
CDC/Occupational Safety & Health 9/11	--	--	3.6	50.0	+50.0
Low Income Energy Home Energy Assistance	--	400.0	640.0	400.0	+400.0
Public Health & Social Services Emergency Fund	--	969.7	820.0	625.0	+625.0
Covered Countermeasue Process Fund	--	50.0	50.0	25.0	+25.0
Department of Labor Rescissions	--	--	-3.6	-8.6	-8.6
Department of Education Drug Free Schools	--	--	--	8.6	+8.6
Legislative Branch	--	50.0	25.0	50.0	+50.0
Capitol Power Plant	--	50.0	25.0	50.0	+50.0
Department of Veterans Affairs	--	1,702.1	1,767.1	1,788.6	+1,788.6
Benefits Administration/Pensions	--	20.0	--	--	--
Veterans Health	--	1,301.3	1,329.1	1,344.3	+1,344.3
Departmental Administration	--	380.8	438.0	444.3	+444.3
Title IV: Other Matters	--	38.2	103.0	67.0	+67.0
Department of Agriculture	--	48.0	--	37.5	+37.5
Farm Service Agency	--	48.0	75.0	37.5	+37.5
Trade Adjustment Assistance Rescission	--	--	-75.0	--	--
Department of Homeland Security	--	-20.0	100.0	30.0	+30.0
Coast Guard Retired Pay	--	--	100.0	30.0	+30.0
Rescission of Unobligated Balances	--	-20.0	--	-30.9	-30.9
Coast Guard Acquisition, Construction, and Improvements	--	--	--	30.0	+30.0
Office of the Under Secretary for Management	--	--	--	0.9	+0.9
Department of Health and Human Services	--	--	-2.0	-0.7	-0.7
Indian Health Service	--	[-7.3]			--
Indian Health Facilities	--	[7.3]			--
National Institute of Allergy and Infectious Diseases	--	[-49.5]	[-49.5]	[-49.5]	[-49.5]
NIH Office of the Director	--	--		[-49.5]	[-49.5]
Public Health & Social Services Emergency Fund	--	[49.5]	[49.5]	[99.0]	[+99.0]
National Council on Disability	--	--	--	0.3	+0.3
General Provisions/Rescissions	--	--	-2.0	-1.0	-1.0
Legislative Branch	--	0.2	--	0.2	+0.2
Payments to Widows and Heirs	--	0.2	--	0.2	+0.2
Capitol Guide Service Special Services Office	--	--	3.5	--	--
Capitol Guide Service Rescission	--	--	-3.5	--	--
Department of State	--	10.0	--	--	--
U.S. Mexico Boundary & Water Commission	--	10.0	--	--	--
Department of Housing and Urban Development	--	--	--	--	--
Office of Federal Housing Enterprise Oversight	--	7.6	4.8	6.2	+6.2
Offsetting Collections	--	-7.6	-4.8	-6.2	-6.2
The Judiciary	--	--	5.0	--	--
Judicial Cost of Living Adjustment	--	--	5.0	--	--
Title V: Agricultural Assistance	--	3,726.0	4,192.0	3,500.0	+3,500.0
Crop Disaster Assistance	--	1,808.0	2,090.0	1,850.0	+1,850.0
Livestock Compensation Program	--	1,480.0	1,507.0	1,380.0	+1,380.0
Livestock Indemnity Payments	--	31.0	33.0	33.0	+33.0
Emergency Conservation Program	--	20.0	35.0	20.0	+20.0

Appropriations Subcommittee/Title/Account	Request	House	Senate	Conference	Change to Request
National Dairy Market Loss Payment Program	--	283.0	31.0	31.0	+31.0
Dairy Assistance	--	--	95.0	20.0	+20.0
Low-Income Migrant and Seasonal Farmworkers	--	--	--	21.0	+21.0
Conservation Security Program	--	--	115.0	115.0	+115.0
Farm Service Agency Salaries and Expenses	--	--	30.0	30.0	+30.0
Ewe Lamb Replacement	--	--	13.0	--	--
Flooded Crop and Grazing Land	--	--	6.0	--	--
Sugar Beet and Sugar Cane Disaster Assistance	--	--	27.0	--	--
Spinach	--	25.0	--	--	--
Small Business Economic Loss Grant Program	--	--	100.0	--	--
Tree Assistance	--	--	40.0	--	--
Emergency Watershed Protection	--	--	50.0	--	--
Peanut Storage	--	74.0	--	--	--
Aquaculture	--	5.0	--	--	--
Insect Infestations	--	--	20.0	--	--
Title VI: Elimination of SCHIP Shortfall and Other Matters	--	448.0	448.0	393.0	+393.0
Department of Health and Human Services	--	448.0	448.0	393.0	+393.0
State Childrens Health Insurance Program	--	735.0	448.0	646.0	+646.0
Impact of SCHIP Funding on Medicaid	--	-287.0	--	-250.0	-250.0
Medicaid Regulation Offsets	--	--	--	-3.0	-3.0
Title VII: Minimum Wage Increase and Tax Relief	--	--	35.0	--	--
Minimum Wage and Tax Relief	--	--	35.0	--	--
Grand Total	103,015.4	124,315.6	122,807.1	124,173.0	+21,157.6

Sources: Congressional Reports on H.R. 1591: House Report, H.Rept. 110-60; Senate Report, S.Rept. 110-37; conference agreement, H.Rept. 110-107.

Table A-2. Floor Amendments in the Senate

#	Amendment Purpose	Sponsor	Amendment Status
641	In the nature of a substitute.	Byrd	Mar 26, 2007 Amendment SA 641 By unanimous consent, considered as original text for the purpose of further amendment Mar 29, 2007 Amendment SA 641 (section 3001 within the substitute) ruled out of order by the chair.
643	To strike language that would tie the hands of the Commander-in-Chief by imposing an arbitrary timetable for the withdrawal of U.S. forces from Iraq, thereby undermining the position of American Armed Forces and jeopardizing the successful conclusion of Operation Iraqi Freedom.	Cochran	Mar 27, 2007 Amendment SA 643 not agreed to in Senate by Yea-Nay Vote. 48 - 50. Record Vote Number: 116.
648	To remove \$100 million in funding for the Republican and Democrat party conventions in 2008.	Coburn	Mar 28, 2007 Amendment SA 648 not agreed to in Senate by Yea-Nay. 45 - 51. Record Vote Number: 121.
649	To remove a \$2 million earmark for the University of Vermont.	Coburn	Mar 29, 2007 Amendment SA 649 agreed to in Senate by Voice Vote.
655	To authorize the conveyance of a parcel of land for use for purposes of a prison in the State of Texas.	Hutchison	Mar 28, 2007 Amendment SA 655 agreed to in Senate by Voice Vote.
656	To require timely public disclosure of Government reports submitted to Congress, and for other purposes.	Coburn	Mar 29, 2007 Proposed amendment SA 656 withdrawn in Senate.
657	To provide farm assistance in a fiscally responsible manner.	Coburn	Mar 28, 2007 Amendment SA 657 not agreed to in Senate by Yea-Nay Vote. 23 - 74. Record Vote Number: 120.
664	To appropriate an additional \$58,000,000 for Defense Health Program for additional mental health and related personnel, an additional \$10,000,000 for operation and maintenance for each of the military departments for improved physical disability evaluations of members of the Armed Forces, and an additional \$15,000,000 for Defense Health Program for women's mental health services.	Obama	Mar 29, 2007 Proposed amendment SA 664 withdrawn in Senate.

#	Amendment Purpose	Sponsor	Amendment Status
666	To link award fees under Department of Homeland Security contracts to successful acquisition outcomes under such contracts.	Clinton	Mar 28, 2007 Amendment SA 666 agreed to in Senate by Voice Vote.
674	To require the reports on the progress of the Government of Iraq in meeting benchmarks to be submitted jointly by the Commander, Multi-National Forces-Iraq, and the United States Ambassador to Iraq.	Cochran	Mar 28, 2007 Amendment SA 674 agreed to in Senate by Voice Vote.
680	To provide for an increase in the Federal minimum wage, and for other purposes.	Kennedy	Mar 27, 2007 Amendment SA 680 agreed to in Senate by Unanimous Consent.
685	To provide for a prohibition relative to the Armed Forces Institute of Pathology.	Kennedy	Mar 28, 2007 Amendment SA 685 as modified agreed to in Senate by Voice Vote.
687	To improve programs for small business concerns that employ Reservists, and for other purposes.	Kerry	Mar 28, 2007 Amendment SA 687 as modified agreed to in Senate by Voice Vote.
690	To provide that, of the funds appropriated by this Act under the headings "DIPLOMATIC AND CONSULAR PROGRAMS" and "ECONOMIC SUPPORT FUND" (except for the Community Action Program), up to \$50,000,000 may be made available to support and maintain a civilian reserve corps.	Lugar	Mar 29, 2007 Amendment SA 690 agreed to in Senate by Unanimous Consent.
692	To prohibit the use of funds for military operations in Iran.	Webb	Mar 29, 2007 Proposed amendment SA 692 withdrawn in Senate.
697	To provide for an independent assessment of the capabilities of the Iraqi Security Forces.	Warner	Mar 28, 2007 Amendment SA 697 as modified agreed to in Senate by Unanimous Consent.
704	To prohibit the use of funds to make payments to certain spinach growers and first handlers.	DeMint	Mar 29, 2007 Amendment SA 704 agreed to in Senate by Yea-Nay Vote. 97 - 0. Record Vote Number: 123.
707	To provide a Sense of Congress relative to additional policy and requirements on Iraq.	Hagel	Mar 28, 2007 Proposed amendment SA 707 withdrawn in Senate.
709	To reauthorize the secure rural schools and community self-determination program and to provide funding for the payments in lieu of taxes program.	Wyden	Mar 28, 2007 Amendment SA 709 agreed to in Senate by Yea-Nay Vote. 74 - 23. Record Vote Number: 118.

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#	Amendment Purpose	Sponsor	Amendment Status
716	To reauthorize the secure rural schools and community self-determination program and to provide funding for the payments in lieu of taxes program.	Burr	Mar 28, 2007 Amendment SA 716 not agreed to in Senate by Yea-Nay Vote. 8 - 89. Record Vote Number: 119.
717	to make certain provisions inapplicable.	Coburn	Mar 29, 2007 Proposed amendment SA 717 withdrawn in Senate.
718	to make certain provisions inapplicable.	Coburn	Mar 29, 2007 Proposed amendment SA 718 withdrawn in Senate.
727	To make a technical correction regarding the availability of funds from the Iraq Freedom Fund.	Stevens	Mar 28, 2007 Amendment SA 727 agreed to in Senate by Voice Vote.
732	Provides a technical correction.	Landrieu	Mar 28, 2007 Amendment SA 732 as modified agreed to in Senate by Voice Vote.
737	To provide funds for the weatherization assistance program.	Sanders	Mar 29, 2007 Amendment SA 737 as modified agreed to in Senate by Voice Vote.
739	To appropriate an additional \$1,500,000,000 for Procurement, Marine Corps, to accelerate the procurement of an additional 2,500 Mine Resistant Ambush Protected vehicles for the Armed Forces.	Biden	Mar 29, 2007 Amendment SA 739 agreed to in Senate by Yea-Nay Vote. 98 - 0. Record Vote Number: 124.
752	To provide additional funding for certain programs under the Adam Walsh Child Safety and Protection Act of 2006, by increasing funding for the United States Marshals Service to track down convicted sex offenders who have failed to register as a sex offender as required by law and by increasing funding for United States attorneys to prosecute child exploitation and child pornography cases as part of Project Safe Childhood.	Ensign	Mar 29, 2007 Amendment SA 752 as modified agreed to in Senate by Yea-Nay Vote. 93 - 0. Record Vote Number: 122.
755	To provide a cost of living adjustment for the Federal judiciary.	Leahy	Mar 28, 2007 Amendment SA 755 as modified agreed to in Senate by Unanimous Consent.
772	To relieve burdens on small business concerns operating on Federal disaster projects and for other purposes.	Snowe	Mar 28, 2007 Amendment SA 772 agreed to in Senate by Voice Vote.

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#	Amendment Purpose	Sponsor	Amendment Status
776	To provide funds to recruit and retain teachers, principals, and other school leader to areas impacted by Hurricane Katrina or Hurricane Rita.	Landrieu	Mar 28, 2007 Amendment SA 776 agreed to in Senate by Voice Vote.
793	To provide effective rural and small community assistance by the Environmental Protection Agency.	Klobuchar	Mar 28, 2007 Amendment SA 793 agreed to in Senate by Voice Vote.
798	To provide for an increase in the Federal minimum wage, and for other purposes.	Grassley	Mar 27, 2007 Amendment SA 798 agreed to in Senate by Unanimous Consent.
807	To increase by \$5,000,000 the amount available for the Department of Homeland Security for State and Local Programs and make the increase available for the Domestic Preparedness Equipment Technical Assistance Program and to provide an offset.	Pryor	Mar 28, 2007 Amendment SA 807 agreed to in Senate by Voice.
823	To establish the enactment date for the provisions inserted into the bill by amendment # SA 690.	Reid	Mar 29, 2007 Proposed amendment SA 823 withdrawn in Senate.
835	To provide for a hospital in Cass County, Minnesota and Kemper County, Mississippi.	Coleman	Mar 28, 2007 Amendment SA 835 as modified agreed to in Senate by Unanimous Consent.

Table A-3. War-Related Appropriations, FY2005-FY2007 Supplemental Request
(in billions of dollars)

TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 3-9-07 ^c	Total FY2007: Enacted and Amended FY07 Supp Request ^b	House Action	Senate Action	Conference
SUMMARY								
TOTAL REGULAR ACCOUNTS	90.909	103.709	64.665	80.928	145.378	85.551	85.694	85.817
TOTAL SPECIAL ACCOUNTS	10.735	11.532	5.171	12.747	17.917	14.837	12.637	14.537
TOTAL DOD (Function 051)	101.644	115.241	69.835	93.315	163.296	100.388	98.331	100.340
DEFENSE-RELATED	0.250	0.159	0.019	0.248	0.267	0.057	0.072	0.072
TOTAL NATIONAL DEFENSE (Function 050)	101.895	115.400	69.855	93.563	163.563	100.445	98.403	100.425
FUNDING BY ACCOUNT								
Military Personnel^d	19.733	16.729	5.387	12.350	17.736	13.567	13.435	13.508
Army	15.069	11.984	4.730	9.094	13.824	9.605	9.492	9.546
Navy	0.573	1.592	0.143	0.765	0.908	1.183	1.178	1.186
Marine Corps	1.604	1.310	0.161	1.387	1.548	1.511	1.496	1.501
Air Force	2.487	1.843	0.352	1.104	1.456	1.268	1.269	1.274
Operation and Maintenance^d	47.852	60.040	39.090	37.771	76.961	37.922	36.402	36.148
Army	31.506	39.765	29.000	20.581	49.581	21.105	20.531	20.531

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 3-9-07 ^c	Total FY2007: Enacted and Amended FY07 Supp Request ^b	House Action	Senate Action	Conference
Navy	3.595	4.659	1.625	5.152	6.777	5.226	4.976	4.788
Marine Corps	2.682	3.592	2.737	1.415	4.152	1.517	1.115	1.160
Air Force	6.579	8.382	2.953	7.084	10.038	6.958	6.734	6.699
O&M Defensewide	3.490	3.642	2.775	3.279	6.054	2.856	2.791	2.714
Other Defense Programs	1.195	1.415	0.100	1.123	1.123	2.790	2.467	3.252
Defense Health	0.953	1.232	0.000	1.073	1.073	2.790	2.467	3.252
Medical Support Fund (new 2-yr transfer acc't)				0.050	0.050	0.000	0.000	0.000
Other O&M (DODIF, Counterdrug)	0.242	0.183	0.100	0.259	0.359	0.259	0.254	0.255
Working Capital Funds	3.022	3.033	0.000	1.321	1.321	1.321	1.321	1.321
Def. Working Capital Fund	2.989	3.033	0.000	1.316	1.316	1.316	1.316	1.316
Nat'l Def. Sealift Fd.	0.032	0.000	0.000	0.005	0.005	0.005	0.005	0.005
Procurement	17.300	21.496	19.680	24.817	44.642	24.814	24.597	25.682
Army Total	10.306	13.560	10.096	15.918	26.015	14.975	15.402	15.893
Aircraft	0.465	0.577	1.461	0.628	2.089	0.462	0.620	0.620
Missile Proc	0.310	0.258	0.000	0.160	0.160	0.160	0.111	0.111
Weapons & Tracked Vehicles	2.601	2.628	3.393	3.502	6.868	3.474	3.400	3.404
Ammunition	0.643	1.103	0.238	0.682	0.919	0.682	0.682	0.682

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 3-9-07 ^c	Total FY2007: Enacted and Amended FY07 Supp Request ^b	House Action	Senate Action	Conference
Other	6.287	8.995	5.004	10.947	15.951	10.197	10.589	11.076
Navy/Marine Corps Procurement Total	3.852	5.581	5.942	3.864	9.806	4.150	3.713	4.415
Aircraft	0.275	0.656	0.487	0.731	1.218	0.996	0.964	1.090
Ammunition	0.170	0.362	0.128	0.160	0.288	0.160	0.160	0.160
Weapons	0.066	0.172	0.109	0.172	0.281	0.172	0.164	0.164
Other	0.078	0.104	0.320	0.745	1.065	0.937	0.723	0.749
Marine Corps	3.263	4.288	4.898	2.056	6.954	1.885	1.703	2.253
Air Force Procurement Total	3.142	2.354	3.642	4.055	7.697	4.753	3.579	4.393
Aircraft	0.424	0.790	2.291	1.726	4.018	2.475	1.432	2.106
Missiles	0.014	0.017	0.033	0.140	0.173	0.140	0.079	0.095
Ammunition	0.007	0.029	0.000	0.096	0.096	0.096	0.096	0.096
Other	2.697	1.518	1.318	2.093	3.410	2.042	1.972	2.096
Procurement Defensewide	0.691	0.513	0.146	0.979	1.125	0.935	0.903	0.980
Research, Development, Test & Evaluation Total	0.637	0.761	0.408	1.448	1.855	1.035	1.190	1.099
Army	0.037	0.068	0.000	0.116	0.116	0.061	0.126	0.100
Navy	0.204	0.125	0.231	0.460	0.691	0.296	0.308	0.299
AF	0.143	0.395	0.037	0.221	0.258	0.133	0.234	0.187
Defensewide	0.254	0.174	0.140	0.651	0.791	0.546	0.523	0.513

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 3-9-07 ^c	Total FY2007: Enacted and Amended FY07 Supp Request ^b	House Action	Senate Action	Conference
Military Construction	1.170	0.235	0.000	1.740	1.740	4.916	4.781	4.807
Army	0.882	0.187	0.000	1.289	1.289	1.329	1.261	1.256
Navy & Marine Corps	0.140	0.028	0.000	0.390	0.390	0.390	0.348	0.371
Air Force	0.149	0.000	0.000	0.060	0.060	0.060	0.035	0.043
Defense wide	0.000	0.021	0.000	0.000	0.000	0.000	0.000	0.000
Special Funds and Caps	10.735	11.532	5.171	12.747	17.918	14.837	12.637	14.537
Iraq Freedom Fund including	3.750	4.659	0.050	0.566	0.616	0.156	0.456	0.356
Redevelopment of Iraqi Industry	0.000	0.000	0.000	[.100]	[.100]	[0]	[.100]	[.050]
Transfer to Economic Support Fund for Pakistan	0.000	0.000	0.000	[.110]	[.110]	[0]	[0]	[0]
Transfer to Economic Support Fund	[0]	[0]	[0]	[0]	[0]	[0]	[0]	[.110]
Afghan Security Forces Fund	1.285	1.908	1.500	5.906	7.406	5.906	5.906	5.906
Iraq Security Forces Fund	5.700	3.007	1.700	3.842	5.542	3.842	3.842	3.842
Joint Improvised Explosive Device Defeat Fund	0.000	1.958	1.921	2.433	4.354	2.433	2.433	2.433
Cmdrs Emerg. Response Prg (CERP)	[.800]	[.923]	[.500]	[.456]	[.956]	[.456]	[.456]	[.456]
Coalition Support Cap	[1.220]	[1.545]	[.900]	[1.000]	[1.900]	[.300]	[.200]	[.200]
Strategic Readiness Reserve Fund	0.000	0.000	0.000	0.000	0.000	2.500	0.000	2.000

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TITLE AND ACCOUNT	Total FY2005 (P.L.108-287, P.L.109-13 ^a)	Total FY2006 (P.L.109-148, P.L.109-234) ^a	FY2007 Bridge (P.L.109- 289) ^a	FY2007 Request as of 3-9-07 ^c	Total FY2007: Enacted and Amended FY07 Supp Request ^b	House Action	Senate Action	Conference
Transfer limit for Title IX and Supplementals	[3.000]	[4.500]	[3.000]	[3.500]	[6.500]	[3.500]	[3.500]	[3.500]
Transfer limit for regular DOD funds	[6.185]	[5.000]	[5.000]	[4.500]	[8.000]	[0]	[0]	[0]
Defense-related Programs	0.250	0.159	0.019	0.248	0.267	0.057	0.072	.072
Coast Gd transfer (in O&M Navy)	0.000	[.175]	[.090]	[.120]	[.210]	[.100]	[.100]	[.100]
Intell. Comm. Mgt. Account	0.250	0.159	0.019	0.067	0.086	0.057	0.072	0.072
Defense Nuclear Non proliferation	0.000	0.000	0.000	0.063	0.063	0.000	0.000	0.000
Salaries & Expenses, FBI	0.000	0.000	0.000	0.118	0.118	0.000	0.000	0.000

Notes and Sources:

- a. CRS calculations using conference reports and public laws for enacted bridge funds and supplementals; for FY2005, includes \$23 billion of bridge fund in FY2005 and allocates \$1.9 billion obligated in FY2004 to that year; includes \$2.1 billion obligated for enhanced security (Operation Noble Eagle) in FY2005 and \$800 million obligated in FY2006; includes \$1.5 billion transferred for war in FY2005.
- b. Reflects *FY2008 Budget Appendix* for FY2007 Supplemental, and Administration's Amended Request of March 9, 2007; see OMB, FY2008 Budget Appendix, "Other Materials: FY2007 Supplemental and FY2008," 2-5-07; [<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sup.pdf>]. For amended request, see OMB, Amendment to FY2007 Supplemental for Additional Troops with offsets from Supplemental, March 9, 2007; [http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf]. This is the request figure used by the conferees; see *H.Rept. 110-107*, Conference Report on H.R. 1591, 4-24-07.
- c. Conferees require \$110 million transfer to Economic Support Fund, Department of State from Military Personnel Army (\$70 million); National Guard Personnel, Army (\$13 million) and Defense Health Program (\$27 million).