



FY2008 Supplemental Appropriations for Global War on Terror Military Operations, International Affairs, and Other Purposes

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Summary

During the 1st session of the 110th Congress, in calendar year 2007, the Administration requested emergency FY2008 supplemental appropriations of \$196.5 billion to cover costs of military operations in Iraq and Afghanistan, for war-related and other international affairs programs, and for some other activities. The request included \$189.3 billion for the Department of Defense, \$6.9 billion for international affairs, and \$325 million for other agencies.

Through the end of December 2007, Congress provided \$86.8 billion in emergency funds for the Defense Department and \$2.4 billion for international affairs, though only \$1.5 billion of that is now being counted against the Administration request. These amounts were included in three bills –

- The first FY2008 continuing resolution, H.J.Res. 52, P.L. 110-92, enacted on September 29, 2007, included \$5.2 billion in emergency funding for Mine Resistant Ambush Protected (MRAP) vehicles;
- The regular FY2008 defense appropriations act, H.R. 3222, P.L. 110-116, enacted on November 13, 2007, provided \$11.6 billion more in emergency funding for MRAPs;
- The FY2008 consolidated appropriations act, H.R. 2764, P.L. 110-161, enacted on December 26, 2007, included \$70 billion in emergency funding for defense and \$2.4 billion for international affairs, of which \$1.5 billion is allocated to requested programs.

Approval of these measures left unresolved the status of \$102.5 billion in FY2008 emergency funding for the Department of Defense, \$5.4 billion for international affairs, and somewhat under \$300 million for other programs. Congress is expected to consider these amounts in a second FY2008 supplemental appropriations bill in the spring of 2008. For congressional action on that measure, see CRS Report RL34451, *FY2008 Spring Supplemental Appropriations and FY2009 Bridge Appropriations for Military Operations, International Affairs, and Other Purposes (P.L. 110-252)*, by (name redacted) et al.

Through the fall of 2007, congressional action on supplemental FY2008 funding was embroiled in the ongoing debate over Iraq policy. Initially, in mid-November, the House approved a bill, H.R. 4156, providing \$50 billion for military operations, but the bill required that troop withdrawals from Iraq begin within sixty days and that the President prepare a plan for withdrawing most troops by December 2008. That bill failed when the Senate refused to close debate. In mid-December, the initial House-passed consolidated appropriations bill included \$31 billion for military operations, but prohibited use those funds in Iraq except for force protection. The Senate took up that bill and substituted a measure providing \$70 billion without conditions. The House then approved the Senate bill, which became law.

This CRS report reviews congressional action on FY2008 supplemental appropriations through December 2007. It will not be updated.

Contents

Most Recent Developments.....	1
Review of Congressional Action on FY2008 Supplemental Appropriations Through December 2007	2
Administration Request.....	2
FY2007 Supplemental Appropriations.....	3
Congressional Action through December 2007 on FY2008 Supplemental Appropriations	3
How Long Omnibus Appropriations Would Extend Army and Marine Corps Operations	5
\$70 Billion “Bridge Fund” Will Allow the Army to Operate into June Without Additional Funding	6
The Recurring Debate over the Impact of Delays in Providing Supplemental Appropriations	7
Supplemental Funding for International Affairs in the Final Consolidated Appropriations Bill.....	8
FY2008 Defense Supplemental/ Bridge Fund Alternatives.....	9
A Comparison of Iraq Policy Provisions Considered in Action on FY2008 Supplemental Appropriations.....	12
Iraq Policy Provisions in the House-Passed Bridge Fund, H.R. 4156	12
Senate Rejection of the Levin-Reed and Feingold Amendments.....	13
Iraq Policy Provisions in the Enacted \$70 Billion Bridge Fund	14
Overview of FY2008 Supplemental Defense, International Affairs, and Other Funding Requests	14
Emergency Spending Designation	17
Supplemental Appropriations for Other Programs.....	18
Summary of FY2008 Defense Supplemental Appropriations.....	18
Highlights of the FY2008 Defense Supplemental Request	19
Why War-Related Supplemental Requests Have Grown	20
Selected Elements of the Amended Defense Request.....	22
International Affairs Emergency Supplemental Request.....	23
State Department Operations	24
Congressional Action on State Department Operations.....	25
Foreign Operations.....	26
Congressional Action on Foreign Operations	26
Iraq Reconstruction Assistance	28
Administration Supplemental Request for Iraq Reconstruction	29
Congressional Action on Iraq Reconstruction in FY2008 Consolidated Appropriations	30
Pending FY2008 Supplemental	31
Afghanistan	32
Background.....	32
The FY2008 original and amended emergency supplemental request	32
Pakistan	34
The FY2008 original and amended supplemental request.....	35
Sudan.....	35

FY2008 additional emergency supplemental request	35
Mexico and Central America	36
West Bank and Gaza	36
North Korea.....	37
Other Humanitarian Assistance.....	37

Tables

Table 1. Months of Army and Marine Corp Funding Available from Regular and Emergency FY2008 Defense Appropriations.....	6
Table 2. Congressional Action on FY2008 Supplemental Defense Appropriations, H.R. 4156 and H.R. 2764.....	9
Table 3. Initial and Amended FY2008 Supplemental Defense, International Affairs and Other Funding Requests	15
Table 4. Regular and Supplemental/Bridge Appropriations for the Department of Defense, FY2000 to FY2008	19
Table 5. War-Related Supplemental Appropriations/ Bridge Funds by Account, FY2005- FY2008.....	20
Table 6. War-Related Supplemental Appropriations/ Bridge Funds by Functional Category, FY2006-FY2008.....	21
Table 7. FY2008 Emergency Supplemental State Department	25
Table 8. FY2008 Foreign Operations Emergency Supplemental	27
Table 9. FY2008 Emergency Supplemental Appropriations for Iraq Reconstruction	31
Table 10. Afghanistan Reconstruction Assistance, FY2008.....	34
Table 11. Sudan Emergency Supplemental, FY2008	36

Appendixes

Appendix. FY2008 Emergency Supplemental Request, State Department and Foreign Operations	38
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Contacts

Author Contact Information	40
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Most Recent Developments

During the first session of the 110th Congress, the Administration requested \$196.5 billion in emergency supplemental appropriations for Fiscal Year (FY) 2008, including \$189.3 billion for military operations, \$6.9 billion for international affairs, and \$325 million for other purposes. Through the end of December, 2007, Congress had approved \$86.8 billion of the total requested for defense and about \$1.5 billion of the amount requested for international affairs. Of the President's total emergency request, \$102.5 billion for defense and \$5.4 billion for international affairs remain outstanding. Congress is expected to consider these remaining requests in a spring 2008 supplemental appropriations bill.¹

The Administration initially requested emergency supplemental FY2008 appropriations for military operations in Iraq, Afghanistan, and elsewhere along with its regular FY2008 budget request in February 2007. It submitted an additional request for \$5.3 billion in emergency funding for MRAP vehicles in July, 2007, and \$45 billion budget amendment for emergency defense and international affairs funding in October, 2007.

Congress began to consider FY2008 supplemental appropriations in earnest in the fall of 2007. Throughout the fall, a key issue was what impact a continued delay in providing funding for overseas military operations would have on the Army and Marine Corps. Congress approved the regular FY2008 defense appropriations act, P.L. 110-116, in November. The Army and Marine Corps used money in the regular bill to finance both day-to-day peacetime activities and also war-related operations. The high pace of operations in Iraq, however, meant that amounts in the base budget for Army and Marine Corps operation and maintenance, in particular, were being drained very quickly. Administration officials complained that, without supplemental funding, the Army would run out of money by February and the Marine Corps by early April.

A key issue then became how long the Army and Marine Corps could extend operations in advance of supplemental funding, either with transfers of funds from other accounts or by slowing the pace of peacetime operations. The Defense Department could also have extended operations by invoking the "Feed and Forage Act," which allows funding for some purposes in advance of appropriations, or by using other measures.

Congressional approval of a \$70 billion "bridge fund" for military operations at least temporarily resolved the issue. Although the bill provided only about 37% of the total amount the Administration had requested, it included most of what the Defense Department had requested for the full year in Army and Marine Corp operation and maintenance and military personnel accounts. Defense officials now estimate that funding provided in the consolidated FY2008 appropriations act, P.L. 110-161, for Army military personnel and operation and maintenance, together with amounts provided in the regular FY2008 defense appropriations act, P.L. 110-116, will last until about the middle of June for personnel and until the end of June or early July for operation and maintenance. The Defense Department could extend operations further either by slowing the pace of obligations or by using available authority to transfer funds from other

¹ For a review of action on remaining FY2008 supplemental appropriations, see CRS Report RL34451, *FY2008 Spring Supplemental Appropriations and FY2009 Bridge Appropriations for Military Operations, International Affairs, and Other Purposes (P.L. 110-252)*, by (name redacted) et al.

accounts to the Army – up to \$11.4 billion in transfer authority is available.² It could also invoke the Feed and Forage Act or use other standing authorities to extend operations further.³

Review of Congressional Action on FY2008 Supplemental Appropriations Through December 2007

Administration Request

The Administration submitted requests for FY2008 emergency supplemental appropriations in three blocks.

- Along with the regular FY2008 budget that the White House sent to Congress on February 5, 2007, the Administration requested \$141.7 billion in emergency supplemental funding for the Defense Department, \$3.3 billion for the State Department and international affairs, and \$325 million for other agencies. By submitting the defense request along with the President's FY2008 budget, the Administration complied with Section 1008 of the FY2007 national defense authorization act (P.L. 109-364), which required the President's budget to include a request for estimated full year costs of operations in Iraq and Afghanistan and a detailed justification of the funds. The request constituted a Defense Department estimate of the full-year costs of continuing operations in Iraq and Afghanistan at about the same pace as in 2006. The Defense Department acknowledged that the estimate was only a rough, straight-line projection of current costs. By the time the budget was submitted, the Administration was proposing a surge in troops to Iraq that was not reflected in the budget, however, and it was expected that the Administration would later provide revised cost projections.
- On July 31, 2007, the White House requested an additional \$5.3 billion for the Department of Defense to procure, outfit, and deploy 1,520 Mine Resistant Ambush Protected (MRAP) vehicles for the Army and Marine Corps.
- On October 22, the White House sent Congress an amendment to the FY2008 budget requesting an additional \$45.9 billion for military operations, economic and reconstruction assistance, embassy security, and other activities mainly related to ongoing conflicts in Iraq, Afghanistan, and elsewhere. The request

² The regular FY2008 defense appropriations bill provides \$3.7 billion of general transfer authority which, subject to approval by the congressional defense committees, can be used to shift funds between accounts. The consolidated appropriations act provides \$3.7 billion in the Iraqi Freedom Fund, which may be transferred to personnel, operation and maintenance, or other accounts for operations either in Iraq or in Afghanistan and then transferred back again. The consolidated appropriations act also provides authority, again subject to congressional approval, to transfer up to \$4.0 billion of the \$70 billion in emergency defense funding in the bill between accounts.

³ See below for a further discussion, and also see CRS Report RL34275, *How Long Can the Defense Department Finance FY2008 Operations in Advance of Supplemental Appropriations?*, by (name redacted) and (name redacted) and CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by (name redacted).

included \$42.3 billion for the Department of Defense for military operations and \$3.6 billion for international affairs programs.⁴

In all, the Administration requested \$195.6 billion in emergency supplemental appropriations for FY2008, mainly for military operations in Iraq, Afghanistan and elsewhere and for related foreign affairs programs.

FY2007 Supplemental Appropriations

For the first several months of calendar year 2007, the main focus of congressional debate over Iraq policy was not on FY2008 funding, but on supplemental appropriations for FY2007. On March 9, the Administration submitted a revised request for FY2007 supplemental appropriations. On May 1, the President vetoed an initial FY2007 supplemental appropriations bill, H.R. 1591, because of Iraq policy provisions. Congress approved a compromise FY2007 supplemental appropriations bill, H.R. 2206, on May 24, and the President signed it into law, P.L. 110-28, on May 25. The bill provided \$99.5 billion for the Department of Defense, \$6.1 billion for international affairs, and \$14.5 billion for domestic programs (for a full discussion, see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, coordinated by (name redacted), updated July 2, 2007). The defense funding in the bill was in addition to a \$70 billion “bridge fund” that Congress included in the regular FY2007 defense appropriations act.

Congressional Action through December 2007 on FY2008 Supplemental Appropriations

Congressional action on FY2008 emergency supplemental funding began in September and was not completed until the very end of the session shortly before Christmas. Congress quickly provided funds for MRAP vehicles, and then debated several different measures to provide partial year funding for overseas operations.

- At the end of September, Congress included \$5.2 billion in emergency funding for Mine Resistant Ambush Protected (MRAP) vehicles (most of the amount requested in July) in a provision attached to the first FY2008 continuing resolution, H.J.Res. 52, P.L. 110-92, that the President signed on September 29, 2007.
- On November 8, 2007, the House and Senate approved a conference agreement on the FY2008 defense appropriations bill, H.R. 3222,⁵ and the President signed the bill into law, P.L. 110-116, on November 13. The measure provided \$460 billion for baseline Defense Department activities in FY2008, including \$27.4

⁴ For the overall request see White House Office of Management and Budget, “FY 2008 Emergency Budget Amendments: Operation Iraqi Freedom, Operation Enduring Freedom, and Selected Other International Activities,” October 22, 2007, on line at http://www.whitehouse.gov/omb/budget/amendments/amendment_10_22_07.pdf. For an overview of the defense request, see Department of Defense, *FY2008 Global War on Terror Amendment*, October 2007, on line at http://www.defenselink.mil/comptroller/defbudget/fy2008/Supplemental/FY2008_October_Global_War_On_Terror_Amendment.pdf.

⁵ See CRS Report RL33999, *Defense: FY2008 Authorization and Appropriations*, by (name redacted), (name redacted), and (name redacted).

billion for Army and \$4.8 billion for Marine Corps operation and maintenance, which may be used to finance both peacetime activities and military operations abroad. The bill also provided an additional \$11.6 billion in emergency funding for MRAP vehicles. Except for the MRAP money, however, the bill did not include funding to cover additional costs associated with ongoing military operations in Iraq, Afghanistan, and elsewhere.

- On November 14, 2007, by a vote of 218-203, the House approved a bill, H.R. 4156, entitled the “Orderly and Responsible Iraq Redeployment Appropriations Act, 2008,” to provide \$50 billion for U.S. military operations in Iraq, Afghanistan, and elsewhere. The bill included enough money in Army and Marine Corps operating accounts to sustain military operations in Iraq and elsewhere through about April 2008. It also (1) required the President to commence the withdrawal of U.S. forces from Iraq within 30 days of enactment of the legislation and to provide within 60 days a plan for withdrawing most troops from Iraq by December 15, 2008; (2) limited the mission of remaining U.S. forces in Iraq to force protection, training, and pursuit of international terrorists; (3) prohibited deployment of units that are not fully trained and equipped; and (4) extended prohibitions on torture to all U.S. government agencies.
- On November 16, 2007, by a vote of 53-45, with 60 votes required, the Senate refused to close debate on a motion to proceed to consideration of H.R. 4156 as passed by the House, effectively killing the measure. The Senate also rejected, by a vote of 45-53, a motion to proceed to consideration of H.R. 2340, a substitute offered by Senator McConnell, to provide \$70 billion for the Defense Department without requiring withdrawal from Iraq. (Ultimately, however, with some revisions in the allocation of funds, the McConnell amendment was approved as part of the final consolidated appropriations act – see below.)
- Meanwhile, in a November 15, 2007, Pentagon press conference, Secretary of Defense Robert Gates warned that the Army and Marine Corps would have to begin implementing steps to limit operations unless Congress approved additional funding very soon.⁶ Without additional money, he said, the Army, would have to cease operations at all Army bases by mid-February 2008, which would require furloughs of about 100,000 government employees and a like number of contractor personnel. Plans would have to begin to be implemented in mid-December, he said. On November 20, the Defense Department announced that it was transferring \$4.5 billion of funds to the Army and to the Joint IED Defeat Organization to extend their operations. The Army, DOD said, would only be able to operate with available funds, including the transfer, until February 23. Senior defense officials continued to warn that the Army and Marine Corps would have to halt all but essential operations very soon unless Congress approved additional funding.
- On December 17, 2007, the House brought up the foreign operations appropriations bill, H.R. 2764, that had earlier been passed by the House and

⁶ Department of Defense, “DoD News Briefing with Secretary of Defense Gates and Chairman of the Joint Chiefs of Staff Adm. Mullen from the Pentagon Briefing Room, Arlington, Va.,” November 15, 2007 at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4089>.

then amended by the Senate, as a vehicle for FY2008 “omnibus” or “consolidated” appropriations. The House approved two amendments to the Senate-passed bill. The first amendment, approved by a vote of 253-154, struck the Senate foreign operations language and inserted the text of conference agreements on 11 of the 12 FY2008 appropriations bills. In all, it provided \$485 billion in regular and emergency appropriations for programs covered by all of the regular, annual appropriations bills except for defense. The second amendment, approved by a vote of 206-201, provided \$31 billion in emergency defense appropriations, mostly restricted to Operation Enduring Freedom (OEF), which encompasses operations in Afghanistan and elsewhere, excluding Iraq. Funding for Army and Marine Corps operation and maintenance was made available only for OEF, except for amounts for force protection that could be allocated to any area.

- On December 18, 2007, the Senate took up the House-passed bill and, by a vote of 70-25, adopted an amendment by Senator McConnell to delete the House-passed \$31 billion for OEF and to provide, instead, \$70 billion in emergency supplemental appropriations for the Department of Defense for overseas operations, without limits on where the money could be used and without requiring a withdrawal of forces from Iraq.
- On December 19, 2007, the House considered H.R. 2764 as amended by the Senate. By a vote of 272-142, the House approved a motion to agree to the Senate amendment to the House-passed bill, thus clearing the measure for the President.
- The President signed the consolidated appropriations bill into law, P.L. 110-161, on December 26, 2007.

How Long Omnibus Appropriations Would Extend Army and Marine Corps Operations⁷

Congress’s agreement to provide \$70 billion for overseas military operations resolved, at least for a few months, a dispute over war funding that had led the Defense Department to announce plans to shut down Army and Marine Corps operations early in 2008. In the absence of supplemental appropriations, the Defense Department warned that money for Army operations would run out the end of February and for the Marine Corps in March, even after a transfer of \$4.1 billion to the Army. On November 15, 2007, Secretary of Defense Gates said that the Defense Department would have to “cease operations at all Army bases by mid-February next year,” which would result in furloughs of 100,000 civilian and another 100,000 contractor personnel.⁸

⁷ For a full discussion of how long available funds will sustain operations in FY2008, and of alternatives for extending operations, see CRS Report CRS Report RL34275, *How Long Can the Defense Department Finance FY2008 Operations in Advance of Supplemental Appropriations?*, by (name redacted) and (name redacted).

⁸ Department of Defense, “DoD News Briefing with Secretary of Defense Gates and Chairman of the Joint Chiefs of Staff Adm. Mullen from the Pentagon Briefing Room, Arlington, Va.,” November 15, 2007, on line at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4089>.

\$70 Billion “Bridge Fund” Will Allow the Army to Operate into June Without Additional Funding

The \$70 billion for defense in the consolidated appropriations act averted the need for a shutdown until a least June 2008. It provided \$35.2 billion for Army and \$4.0 billion for Marine Corp operation and maintenance accounts. These amounts were in addition to \$27.4 billion for the Army and \$4.8 billion for the Marine Corps in the regular FY2008 Defense Appropriations Act (P.L. 110-116). The supplemental funding, added to regular appropriations, provides enough money to sustain Army operations until about the end of June 2008 and Marine Corp operations until the about end of August at projected rates of obligation. The Army now says that it will exhaust the funds in its military personnel account by the middle of June, before it runs out of operation and maintenance money (see **Table 1** for a calculation of the amount of time that appropriated amounts will last without transfers of funds or other measures to extend operations).

Table 1. Months of Army and Marine Corp Funding Available from Regular and Emergency FY2008 Defense Appropriations

(amounts in millions of dollars)

	(1) FY2008 Base Budget Defense Appropriations	(2) FY2008 Emergency Appropriations	(3) FY2008 Total Appropriations (1) + (2)	(4) Average Funding Per Month	(5) Months of Funding Available (3) ÷ (4)	(6) Month Funding Would Run Out
Army Military Personnel	\$ 31,535	\$ 783	\$ 32,318	\$ 3,662	8.8	Mid-June
Army Operation and Maintenance	\$ 27,362	\$ 35,152	\$ 62,514	\$ 6,988	8.9	End-June
Marine Corps Military Personnel	\$ 10,280	\$ 56	\$ 10,336	\$ 1,006	10.3	Early-August
Marine Corps Operation and Maintenance	\$ 4,792	\$ 3,966	\$ 8,758	\$ 803	10.9	End-August

Source: CRS calculations based on FY2008 appropriations bills and FY2008 DOD budget request. Average funding per month is the rate at which DOD would use up the amount of regular and emergency appropriations it requested – i.e., it is the total requested for the year divided by 12 months. Actual monthly obligations of funds may vary substantially from the average, however, particularly if the services defer funding in order to stretch funding further.

The Defense Department may be able to extend operations further, either by transferring funds from other accounts to the Army and Marine Corps or, for the O&M accounts, by slowing the pace of Army and Marine Corps operations. DOD has available at least \$11.4 billion of authority to transfer funds between accounts, including \$3.7 billion in general transfer authority provided in the regular FY2008 defense appropriations act, \$3.7 billion appropriated to the Iraqi Freedom Fund and available for transfer to personnel, O&M, or other accounts for operations in Iraq and Afghanistan, and \$4.0 billion of authority to transfer funds provided as defense emergency appropriations provisions in the consolidated appropriations act. Additional amounts may be available in cash balances of DOD working capital funds. Transfers could conceivably extend

Army operations for as much as another month without slowing down operations, although this would reduce DOD's financial flexibility to respond to other unexpected needs. The Defense Department could also extend operations by invoking the Feed and Forage Act, or by using other authority to allocate financing of support activities among the services.⁹

The Recurring Debate over the Impact of Delays in Providing Supplemental Appropriations

While Congress's agreement to provide a \$70 billion FY2008 bridge fund resolved the debate temporarily, it does not settle the underlying controversy. A recurring issue for Congress has been how much flexibility the Defense Department has to delay, if not to avoid entirely, shutting down operations when Congress does not provide full-year defense appropriations. In the absence of supplemental appropriations, the Defense Department may rely on funds in the regular defense appropriations acts to finance both day-to-day peacetime activities and war-related operations abroad. In FY2008, CRS calculated that these funds would be exhausted by February for the Army and by early April for the Marine Corps, which is about what the Defense Department projected. DOD's proposed transfer of \$4.1 billion to the Army would have extend its operations for another two to three weeks.¹⁰

Without supplemental appropriations, the Defense Department could have extended operations for about another month by transferring limited additional amounts to the Army and Marine Corps and by slowing down spending. The Defense Department might have been able to sustain operations longer by invoking the Feed and Forage Act¹¹ or by using novel, unprecedented measures, such as assigning the Navy and Air Force to pay costs of Army support operations abroad.

Each of these alternatives might have extended operations for some time, but each has limits and disadvantages as well. Use of additional sources of funding for transfers would reduce DOD's financial flexibility. Steps to slow down obligations of funds might disrupt day-to-day operations. Use of the Feed and Forage Act to finance ongoing military operations has, in the past, led legislators to worry that it weakens congressional war powers. And the extensive use of Navy and Air Force funds to support Army operations might erode congressional controls on the use of funds. The potentially disruptive effects of these measures must be weighed against the potentially disruptive effects of initiating a process to furlough personnel sooner than might otherwise be necessary.

⁹ See CRS Report RL34275, cited above, for a discussion of these alternatives.

¹⁰ *Ibid.*

¹¹ The "Feed and Forage Act," now codified at Title 41 U.S. Code Section 11, permits the Defense Department to obligate funds in advance of appropriations for specific purposes, including clothing, subsistence, quarters, fuel, and transportation. In the past, it has been used to sustain overseas military operations in advance of appropriations. See CRS Report RL34275, cited above, for a full discussion.

Supplemental Funding for International Affairs in the Final Consolidated Appropriations Bill

The FY2008 state department, foreign operations appropriations bill is one of 11 regular FY2008 appropriations bills that were incorporated into the consolidated appropriations act, H.R. 2764, P.L. 110-161. The bill provides not only regular FY2008 appropriations for international affairs, but also emergency supplemental funds, including part of the \$6.9 billion that the Administration requested.

In all, the consolidated appropriations act provides \$1,473.8 million for programs in the Administration's overall FY2008 emergency request for international affairs, of which \$965 million is for the State Department and \$508.8 million is for foreign operations are. This leaves \$5.4 billion of the request still to be considered.¹²

Supplemental funds for State Department accounts in the consolidated appropriations act include:

- \$781.6 million for Diplomatic and Consular Programs—\$575.0 million for operations and \$206.6 million for worldwide security protection;
- \$468.0 million for Contributions to International Peacekeeping for activities in Darfur, all of which the State Department counts for requested emergency programs;
- \$12.0 million for International Broadcasting, all of which the State Department counts for requested emergency programs.

Supplemental funds for Foreign Operations accounts include:

- \$115 million for Global Health & Child Survival;
- \$110 million for International Disaster Assistance; (IDA had been requested for activities in Iraq);
- \$20.8 million for USAID Operating Expenses for Iraq;
- \$542.6 million for Economic Support Fund; ESF had been requested for Iraq Afghanistan, the West Bank and Gaza, Pakistan, North Korea, and Sudan;
- \$200 million for Migration and Refugee Assistance; MRA had been requested for refugee situations in Iraq and the West Bank and Gaza;
- \$100 million for Foreign Military Financing; and
- \$35 million for Peacekeeping Operations.

¹² In all, the consolidated appropriations act provided \$2.385 billion in emergency funding for international affairs programs, including \$1.262 billion for the State Department and \$1.123 billion for foreign operations. The State Department, with the concurrence of the appropriations committees, allocated about \$1 billion to programs not in the Administration's \$6.9 billion emergency request. For information specifically on the international affairs provisions of the bill, see CRS Report RL34276, *FY2008 Emergency Supplemental Appropriations for International Affairs*, by (name redacted), (name redacted), and (name redacted).

For a summary table that compares funding in the House bill to the request, see **Appendix**. For a discussion of funding for specific programs compared to the request, see “International Affairs Emergency Supplemental Request,” below.

FY2008 Defense Supplemental/ Bridge Fund Alternatives

Table 2 provides a summary of the main FY2008 defense supplemental appropriations or “bridge fund” proposals, including the Administration request; the November 14, House-passed bridge fund, H.R. 4156; the December 17 House-passed \$31 billion Operation Enduring Freedom supplemental in the FY2008 consolidated appropriations bill, H.R. 2764; and the final, enacted amount in the McConnell \$70 billion bridge fund as approved in the Senate on December 18 and in the House on December 19 and as signed into law by the President on December 26.

Table 2. Congressional Action on FY2008 Supplemental Defense Appropriations, H.R. 4156 and H.R. 2764

(amounts in millions of dollars)

	Amended Request	House-Passed Bridge Fund H.R. 4156	Percent of Request	House-Passed Operation Enduring Freedom Emergency Appropriations H.R. 2764 Division L	Percent of Request	Enacted McConnell Substitute H.R. 2764 Division L	Percent of Request
	Amount	Amount		Amount		Amount	
Military Personnel	17,839.5	1,003.4	5.6%	330.5	1.9%	1,072.2	6.0%
Army	12,317.6	713.7	5.8%	311.5	2.5%	782.5	6.4%
Navy	791.7	95.6	12.1%	—	—	95.6	12.1%
Marine Corps	1,790.0	56.1	3.1%	19.1	1.1%	56.1	3.1%
Air Force	1,415.9	138.0	9.7%	—	—	138.0	9.7%
Army Reserve	299.2	—	—	—	—	—	—
Navy Reserve	70.0	—	—	—	—	—	—
Marine Corps Reserve	15.4	—	—	—	—	—	—
Air Force Reserve	3.0	—	—	—	—	—	—
Army National Guard	1,136.7	—	—	—	—	—	—
Operation and Maintenance	84,310.4	37,399.2	44.4%	21,441.7	25.4%	50,233.3	59.6%

	Amended Request	House-Passed Bridge Fund H.R. 4156		House-Passed Operation Enduring Freedom Emergency Appropriations H.R. 2764 Division L		Enacted McConnell Substitute H.R. 2764 Division L	
	Amount	Amount	Percent of Request	Amount	Percent of Request	Amount	Percent of Request
Army	54,933.4	27,429.5	49.9%	17,798.0	32.4%	35,152.4	64.0%
Navy	6,252.7	2,071.6	33.1%	350.0	5.6%	3,664.0	58.6%
Marine Corps	4,674.7	2,429.3	52.0%	2,010.7	43.0%	3,965.6	84.8%
Air Force	10,809.7	3,582.6	33.1%	800.0	7.4%	4,778.0	44.2%
Defense-Wide	6,402.8	1,330.5	20.8%	483.0	7.5%	2,117.0	33.1%
Inspector General	4.4	—	—	—	—	—	—
Army Reserve	196.7	61.2	31.1%	—	—	77.7	39.5%
Navy Reserve	83.4	47.5	56.9%	—	—	41.7	49.9%
Marine Corps Reserve	68.2	26.2	38.4%	—	—	46.2	67.7%
Air Force Reserve	24.3	8.1	33.3%	—	—	12.1	50.0%
Army National Guard	757.0	378.4	50.0%	—	—	327.0	43.2%
Air National Guard	103.3	34.4	33.3%	—	—	51.6	50.0%
Drug Interdiction & Counter-Drug Activities	257.6	—	—	—	—	192.6	74.8%
Afghanistan Security Forces Fund	2,700.0	500.0	18.5%	2,530.0	93.7%	1,350.0	50.0%
Iraq Security Forces Fund	3,000.0	500.0	16.7%	—	—	1,500.0	50.0%
Iraq Freedom Fund	207.5	3,168.0	1526.7%	—	—	3,747.3	1805.9%
Joint IED Defeat Fund	4,269.0	1,638.5	38.4%	4,269.0	100.0%	4,269.0	100.0%
Procurement	67,321.4	5,141.8	7.6%	2,345.0	3.5%	6,059.9	9.0%
							Army
Aircraft	2,125.5	302.2	14.2%	—	—	943.6	44.4%
Missile	641.8	—	—	—	—	—	—

	<u>Amended Request</u>	<u>House-Passed Bridge Fund H.R. 4156</u>		<u>House-Passed Operation Enduring Freedom Emergency Appropriations H.R. 2764 Division L</u>		<u>Enacted McConnell Substitute H.R. 2764 Division L</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Percent of Request</u>	<u>Amount</u>	<u>Percent of Request</u>	<u>Amount</u>	<u>Percent of Request</u>
Weapons & Tracked Combat Vehicles	7,289.7	1,574.2	21.6%	1,176.0	16.1%	1,429.4	19.6%
Ammunition	513.6	154.0	30.0%	—	—	154.0	30.0%
Other Procurement Army	34,931.6	1,976.1	5.7%	524.8	1.5%	2,027.8	5.8%
							Navy
Aircraft	3,908.5	25.3	0.6%	—	—	48.5	1.2%
Missile	318.3	—	—	—	—	—	—
Ammunition Navy & Marine Corps	609.9	—	—	—	—	304.9	50.0%
Other Procurement Navy	1,870.6	88.3	4.7%	—	—	91.5	4.9%
Marine Corps	5,519.7	729.2	13.2%	644.2	11.7%	703.3	12.7%
							Air Force
Aircraft	3,946.2	147.8	3.7%	—	—	51.4	1.3%
Missiles	1.8	—	—	—	—	—	—
Ammunition	104.4	—	—	—	—	—	—
Other Procurement Air Force	4,621.7	42.1	0.9%	—	—	30.7	0.7%
Defense-Wide	768.2	102.6	13.4%	—	—	274.7	35.8%
Rapid Acquisition Fund	150.0	—	—	—	—	—	—
Defense Health Program	1,137.4	649.0	57.1%	114.6	10.1%	575.7	50.6%
Research, Development, Test, & Evaluation	3,872.2	—	—	—	—	—	—

	<u>Amended Request</u>	<u>House-Passed Bridge Fund H.R. 4156</u>		<u>House-Passed Operation Enduring Freedom Emergency Appropriations H.R. 2764 Division L</u>		<u>Enacted McConnell Substitute H.R. 2764 Division L</u>	
	Amount	Amount	Percent of Request	Amount	Percent of Request	Amount	Percent of Request
Military Construction	2,426.8	—	—	—	—	—	—
Family Housing	11.8	—	—	—	—	—	—
Revolving & Management Funds	1,962.8	—	—	—	—	1,000.0	50.9%
Grand Total in Bill	189,316.4	50,000.0	26.4%	31,030.7	16.4%	70,000.0	37.0%

Sources: Request from Department of Defense, Fiscal Year (FY) 2008 Amendment Global War on Terror Request: Exhibits for FY2008, October 2007. Bridge fund amounts by CRS from text of H.R. 4156 as passed by the House; H.R. 2764 from House Rules Committee; McConnell substitute from Senate Amendment 3874 of December 18, 2007.

Note: This table does not reflect \$16.8 billion provided in the first continuing resolution, H.J.Res. 52, P.L. 110-92, and in the regular FY2008 defense appropriations act, H.R. 3222, P.L. 110-116, for Mine Resistant Ambush Protected (MRAP) vehicles. In all, Congress has provided \$86.6 billion in emergency FY2008 defense appropriations.

A Comparison of Iraq Policy Provisions Considered in Action on FY2008 Supplemental Appropriations

The original, House-passed bridge fund, H.R. 4156, required a plan to withdraw most U.S. military forces from Iraq by December 2008. The final, \$70 billion emergency funding legislation includes various reporting requirements, but no change in Iraq policy. Other Iraq policy amendments were proposed as amendments over the course of congressional debate. What follows is a brief overview of major Iraq policy provisions included in the original House-passed bill and considered in subsequent congressional action.

Iraq Policy Provisions in the House-Passed Bridge Fund, H.R. 4156

The \$50 billion bridge fund that the House approved on November 14, 2007, included a requirement that the President begin to withdraw troops from Iraq within 30 days of enactment, and it set a target date of December 15, 2008, as a goal for completing the withdrawal. It permitted a residual force to remain in Iraq for protection of U.S. missions and personnel, training, and targeted attacks on terrorist groups. The measure also included a requirement that deployed units be fully ready and it extended prohibitions on torture that now apply to the military services to all agencies of government.

On key Iraq-policy and related matters, H.R. 4156 –

- Stated the sense of Congress that the war in Iraq should end as quickly and safely as possible and troops brought home;
- Extended prohibitions on the use of torture by Defense Department personnel to other government agencies;
- Prohibited the use of funds in the bill to deploy any unit abroad unless the President certifies 15 days in advance that the unit is “fully mission capable;”
- Required the President within 30 days to begin an immediate and orderly redeployment of U.S. forces from Iraq;
- Stated that the withdrawal from Iraq should be accompanied by a comprehensive strategy to work with neighbors and the international community to bring stability to Iraq;
- Set December 15, 2008, as a goal for completing the transition of U.S. armed forces to a limited presence, though the date is not a firm deadline;
- Restricted missions after the transition to protecting U.S. facilities, armed forces, and civilians; providing limited training and related assistance to Iraqi security forces; and engaging in targeted counter-terrorism operations against al Qaeda and other terrorist organizations in Iraq;
- Required quarterly reports beginning February 1, 2008, on plans to achieve the transition of the U.S. mission in Iraq;
- Said that congressional consideration of additional funding shall not begin until the first quarterly report on the transition of U.S. forces is submitted;
- Required by February 15, 2008, a comprehensive regional stability plan for the Middle East;
- Required additional quarterly reports, beginning on January 15, 2008 and continuing through the remainder of the fiscal year, that would establish performance measures for military and political stability in Iraq and specify a timetable for achieving the goals.

Senate Rejection of the Levin-Reed and Feingold Amendments

On December 18, Senators Levin, Reed, Voinovich, Hagel, Snowe, Reid, and Salazar offered an amendment to Senator McConnell’s bridge fund amendment that would have added language expressing the sense of Congress that the U.S. mission in Iraq should shift by the end of 2008 to one of training, equipping, and supporting Iraqi security forces. The amendment would have inserted a new section, saying,

Sec. – It is the sense of Congress that the missions of the United States Armed Forces in Iraq should be transitioned to the more limited set of missions laid out by the President in his September 13, 2007, address to the Nation, that is, to counterterrorism operations and

training, equipping, and supporting Iraqi forces, in addition to the necessary mission of force protection, with the goal of completing that transition by the end of 2008.¹³

By a vote of 50-45, with 60 votes required, the Senate failed to approve the measure (though a majority supported it), and it was subsequently withdrawn. The breakdown of the vote was the same as on earlier Iraq amendments in July, reflecting no change in Senate support for, and opposition to, the war in Iraq.

Earlier on December 18, Senators Feingold, Reid, Leahy, Dodd, Boxer, Kennedy, Kerry, Harkin, Whitehouse, Wyden, Durbin, Schumer, Obama, Sanders, Menendez, Lautenberg, and Brown, offered an amendment that would have required the President to begin withdrawing troops from Iraq within 90 days and that would have cut off funding for operations in Iraq after nine months from the date of enactment of the legislation.¹⁴ By a voter of 24-71, with 60 votes required, the Senate refused to approve the measure, and it was then withdrawn.

Iraq Policy Provisions in the Enacted \$70 Billion Bridge Fund

The \$70 billion “bridge fund” that Congress ultimately approved for FY2008 does not include language requiring the withdrawal of U.S. forces from Iraq. Instead, Section 609 of the measure required the Secretary of Defense to provide an extensive report on “Progress Toward Stability in Iraq” within 60 days of enactment of the legislation and every 90 days thereafter. The Administration interpreted these reporting requirements as being fulfilled by ongoing quarterly reports on stability and security in Iraq. Among other things, the report is required to include an explanation of “[t]he criteria the Administration will use to determine when it is safe to begin withdrawing United States forces from Iraq.”¹⁵

Overview of FY2008 Supplemental Defense, International Affairs, and Other Funding Requests

Taken together, the Administration requested a total of \$196.5 billion in “additional” or “supplemental” appropriations for military operations, international affairs, and other activities in FY2008. Most of the money was requested in the Administration’s original budget for FY2008, submitted in February 2007. The request included \$141.7 billion for military operations abroad, \$3.3 billion in emergency funds for international affairs programs, and \$325 million in emergency funding for other agencies, including the Department of Energy for counter-proliferation programs, the Coast Guard, and the Department of Justice.

¹³ Senate Amendment 3867 to Senate Amendment 3874, *Congressional Record*, December 18, 2007, p. S15930.

¹⁴ Senate Amendment 3875 to Senate Amendment 3874, *Congressional Record*, December 18, 2007, p. S15845.

¹⁵ Quarterly reports on “Measuring Security and Stability in Iraq,” were initially required by report language H.Rept. 109-72, the conference report, on FY2005 emergency supplemental appropriations for defense, the global war on terror, and tsunami relief, H.R. 1278 (which became P.L. 109-13). The reporting requirement was refined and enacted into law as Section 9010 of the FY2007 defense appropriations act, P.L. 109-298, and the reports are sometimes referred to as the Section 9010 reports. Quarterly reports are available on line at http://www.defenselink.mil/home/features/Iraq_Reports/index.html.

Subsequently, on July 31, the White House sent Congress a budget amendment requesting \$5.3 billion for mine resistant ambush protected (MRAP) vehicle procurement and deployment. And on October 22, the White House sent Congress a budget amendment requesting an additional \$45.9 billion in FY2008 for military operations abroad and for a variety of international affairs programs. In all, the Administration asked for a total of \$189.3 billion in FY2008 for military operations, \$6.9 billion in supplemental funding for a variety of international affairs programs, and \$325 million for other agencies. **Table 3** provides a summary of supplemental requests in February, July, and October.

Table 3. Initial and Amended FY2008 Supplemental Defense, International Affairs and Other Funding Requests

(amounts in millions of dollars)

	Initial February Request	July MRAP Amendment	October Amendment	Total Request
Department of Defense (Including Other Agency Intelligence Amounts)				
Military Personnel	17,070.3	—	700.5	17,770.8
Operation and Maintenance	71,415.3	748.0	8,729.5	80,892.8
Procurement	32,880.3	4,562.0	26,598.5	64,040.8
Research and Development	1,957.3	30.0	603.3	2,590.6
Military Construction	907.9	—	955.6	1,863.5
Iraq Freedom Fund/Joint IED Defeat	4,108.0	—	369.0	4,477.0
Defense Health Program	1,023.8	—	—	1,023.8
Iraq and Afghan Security Forces	4,700.0	—	1,000.0	5,700.0
Working Capital Fund	1,681.4	—	—	1,681.4
Subtotal Department of Defense	135,744.3	5,340.0	38,956.4	180,040.7
Non-DoD Classified & Additional Funds	5,920.6	—	3,355.0	9,275.6
Total Defense-Related	141,664.9	5,340.0	42,311.4	189,316.3
International Affairs				
Department of Agriculture				
P.L. 480 Food Aid	—	—	350.0	350.0
Department of State and Foreign Operations				
Diplomatic and Consular Programs	1,881.6	—	401.4	2,283.0
Embassy Security, Construction, & Maintenance	—	—	160.0	160.0
Contributions to International Organizations	53.0	—	—	53.0
Contributions for International Peacekeeping	—	—	723.6	723.6
Migration and Refugee Assistance	35.0	—	195.0	230.0

	Initial February Request	July MRAP Amendment	October Amendment	Total Request
International Narcotics Control & Law Enforcement [details in brackets are non-additive]	159.0		575.0	734.0
[Iraq Criminal Justice Programs]	[159.0]	—	—	[159.0]
[Mexico Counternarcotics and Law Enforcement]	—	—	[500.0]	[500.0]
[Central America Counternarcotics and Law Enforcement]	—	—	[50.0]	[50.0]
[Palestinian Authority Security Capabilities]	—	—	[25.0]	[25.0]
Economic Support Fund [details in brackets are non-additive]	1,111.0		1,106.0	2,217.0
[Iraq Reconstruction]	[772.0]	—	—	[772.0]
[Afghanistan Reconstruction]	[339.0]	—	[495.0]	[834.0]
[Iraq Private Sector Assistance]	—	—	[25.0]	[25.0]
[Pakistan Tribal Areas Plan]	—	—	[60.0]	[60.0]
[North Korea Assistance]	—	—	[106.0]	[106.0]
[Palestinian Authority]	—	—	[350.0]	[350.0]
[Sudan Elections]	—	—	[70.0]	[70.0]
Nonproliferation, Anti-Terrorism, Demining, and Related Programs	—	—	5.0	5.0
International Disaster and Famine Assistance	—	—	80.0	80.0
AID Operating Expenses, Security	61.8	—	—	61.8
Total, International Affairs	3,301.4	—	3,596.0	6,897.4
Other Agencies				
Department of Energy				
Defense Nuclear Nonproliferation	63.0	—	—	63.0
Department of Homeland Security				
Coast Guard Operating Expenses	120.0	—	—	120.0
Department of Justice				
Iraq and Afghanistan Training and Investigations	4.1	—	—	4.1
Afghanistan Marshall Training and Assistance	14.9	—	—	14.9
FBI Counterterrorism Intelligence & Training	101.1	—	—	101.1
DEA Operation Breakthrough & Other	8.5	—	—	8.5

	Initial February Request	July MRAP Amendment	October Amendment	Total Request
Bureau of Alcohol, Tobacco, Firearms, and Explosives Iraq Operations	4.0	—	—	4.0
Federal Prison System Counterterrorism	9.1	—	—	9.1
Total, Other Agencies	324.7	—	—	324.7
Grand Total, All Requests	145,291.0	5,340.0	45,907.4	196,538.4

Sources: February request from Office of Management and Budget, *Budget of the U.S. Government: Appendix, February 2007*, pp. 1141-1178. Amendments from Office of Management and Budget, “FY2007 and FY2008 Supplementals, Amendments, and Releases,” at <http://www.whitehouse.gov/omb/budget/amendments.htm>.

Note: Amounts shown in brackets “[...]” are non-additive details of total amounts shown for each account.

Emergency Spending Designation

The Administration requested all of these funds, including the amounts in the February budget and in the subsequent July and October budget amendments, with legislative language that would designate the amounts as “emergency” spending.¹⁶ The intention was to exempt the funds from caps on spending in the FY2008 congressional budget resolution. Section 204 of the FY2008 budget resolution, S.Con.Res. 21, provides that amounts designated as necessary to meet emergency requirements “shall not be counted” against caps on discretionary spending act in the House and shall not be subject to points of order for exceeding spending limits in the Senate.

Technically, however, the terms “emergency” or “emergency appropriations” may not apply to all of the money Congress may ultimately provide, particularly for ongoing war-related expenses. While S.Con.Res. 21 exempts emergency amounts from caps on spending, it also includes a restrictive definition of emergency spending that might permit a point of order to be raised in the Senate against a measure that designates funds for ongoing activities, including the war, as an emergency.¹⁷ Instead, the budget resolution permits limits on overall funding to be adjusted by up to \$124.2 billion for “overseas deployments and related activities.” That designation, rather than “emergency” appropriations, may be invoked to permit some of the requested spending to be considered without raising a point of order for exceeding budget limits in the Senate.¹⁸

¹⁶ The “emergency” language is requested as a general provision in OMB’s February budget appendix, and the President’s cover letter conveying the October 22 request designates all of the requested funds as emergency appropriations.

¹⁷ Section 206(a)(6)(A) requires that emergency funding must be

“(i) necessary, essential, or vital (not merely useful or beneficial);

“(ii) sudden, quickly coming into being, and not building up over time;

“(iii) an urgent, pressing, and compelling need requiring immediate action;

“(iv) ... unforeseen, unpredictable, and unanticipated; and

“(v) not permanent, temporary in nature.”

¹⁸ Moreover, an “emergency” designation by the President is no longer required. The President was, in the past, required to agree with Congress to designate funds as “emergency” appropriations in order to avoid triggering an (continued...)

Supplemental Appropriations for Other Programs

Supplemental appropriations bills frequently provide substantially more money than the White House requests, and bills sometimes become vehicles for significant legislative initiatives as well. The FY2007 supplemental, for example, H.R. 2206, P.L. 110-28, included substantial amounts for disaster relief, farm programs, low-income energy assistance, and the SCHIP children's health insurance program. It also included a measure to increase the minimum wage.

It was widely expected that the appropriations committee would include additional "emergency" funds for Hurricane Katrina recovery and for other purposes in any FY2008 supplemental appropriations bill for the war. With the prospect that the war supplemental would be delayed until January or later, however, appropriators decided not to wait to address hurricane recovery and other issues, and instead provided funding for several non-defense programs in the second FY2008 continuing resolution (CR).

The second CR, which funds activities of the government from November 17 through December 14, 2007, was attached to the FY2008 defense appropriations bill, H.R. 3222, P.L. 110-116, which the President signed into law on November 13. The continuing resolution included

- \$2.9 billion in additional funds for veterans health programs,
- \$3 billion in community development funds for Louisiana to help residents return to their homes,
- \$2.9 billion for the Federal Emergency Management Agency Disaster Relief Fund, and
- \$500 million for wildfire management.

Summary of FY2008 Defense Supplemental Appropriations

As noted above, in the first continuing resolution and in the FY2008 defense appropriations bill, Congress provided \$16.8 billion for MRAPs. The FY2008 continuing resolution, H.J.Res. 52, P.L. 110-92, that was signed into law on September 29, provided \$5.2 billion for production and deployment of Mine Resistant Ambush Protected (MRAP) vehicles for the Army and Marine Corps. This is almost all of the amount that was requested in the Administration's July 31 budget amendment. The FY2008 defense appropriations bill, H.R. 3222, P.L. 110-116, that was signed into law on includes \$11.6 billion for MRAPs, all designated as emergency appropriations.

The \$70 billion bridge fund in the omnibus appropriations bill that the President signed on December 26 includes

- \$39 billion for Army and Marine Corps operation and maintenance;
- \$11 billion for O&M for the Navy, Air Force, and other components;
- \$1.35 billion to train and equip Afghan security forces and \$1.5 billion for Iraqi forces;

(...continued)

automatic cut in spending if outlays exceeded statutory limits. But legislative caps on spending expired after FY2002.

- \$3.7 billion for the Iraqi Freedom Fund, which provides flexibility to shift funds to meet evolving needs;
- \$4.3 billion, the entire amount requested, for joint IED defense; and
- \$6.1 billion for weapons procurement, less than 10% of the \$67 billion requested.

The bill also permits up to \$4 billion to be transferred between accounts in the bridge fund. This may provide additional flexibility for the Defense Department to finance operations in the future if funding is again delayed.

Highlights of the FY2008 Defense Supplemental Request

The \$189.3 billion requested for military operations in FY2008 continues a trend of perennially larger and larger amounts of money being provided to the Defense Department through supplemental appropriations that are over and above also-increasing “base” budgets for defense. In all, supplemental appropriations for DOD, together with war-related “bridge” funds provided as separate titles of regular annual defense appropriations bills since FY2005, have grown from \$62.6 billion in FY2003, the year of the Iraq invasion, to \$101.9 billion in FY2005, to \$124.0 billion in FY2006, to \$171.3 billion in FY2007, and now still higher (see **Table 4**).

Table 4. Regular and Supplemental/Bridge Appropriations for the Department of Defense, FY2000 to FY2008

(budget authority in millions of dollars)

	Total DOD Appropriations	Regular Appropriations	Supplemental/Bridge Appropriations
FY2000	290,339	281,785	8,554
FY2001	318,678	299,320	19,358
FY2002	344,904	328,668	16,236
FY2003	437,714	375,133	62,581
FY2004	447,933	378,406	69,527
FY2005	506,864	404,945	101,919
FY2006	593,780	469,753	124,027
FY2007	608,252	430,600	171,289
FY2008 (request)	672,289	482,973	189,316

Source: CRS from Office of Management and Budget and House and Senate Appropriations Committee data.

Why War-Related Supplemental Requests Have Grown¹⁹

The increases in funding for the war cannot be attributed to the pace of military operations. Though the number of troops deployed in Iraq and Afghanistan has fluctuated over time, and there was a “surge” of troops into Iraq in 2007, overall troop levels have remained relatively stable. Instead, the increases are due in large part to the growth of investments to repair or replace equipment lost or worn out in military operations and also to upgrade equipment across for ground forces.

As **Table 5** shows, the largest increases in funding have been for weapons procurement, which has grown from about \$19 billion in FY2005 to a requested \$64 billion in the amended FY2008 request. Operation and maintenance funding has grown also, much of that to repair equipment. And there have been increases, as well, in funding to train and equip Afghan and Iraqi military forces. Supplementals have also been used to finance costs of reorganizing the Army into a modular, brigade-centered force and to pay for initial costs of increasing the Army and Marine Corps by 92,000 troops by 2011.

Table 5. War-Related Supplemental Appropriations/ Bridge Funds by Account, FY2005-FY2008

(amounts in millions of dollars)

	Enacted FY2005	Enacted FY2006	Enacted FY2007	Amended Request FY2008
Military Personnel	18,696.7	16,423.3	17,746.1	17,770.7
Operation and Maintenance	46,520.9	59,230.0	72,257.7	80,892.8
Procurement	18,762.6	20,373.8	42,025.5	64,040.8
Research and Development	587.3	125.2	635.8	2,590.6
Military Construction	1,128.1	214.8	1,670.2	1,863.5
IFF/JIEDDO	3,800.0	3,318.1	4,759.1	4,477.0
Defense Health Program	893.6	1,153.6	2,091.2	1,023.8
Iraq and Afghan Security Forces	6,985.0	4,915.1	12,948.7	5,700.0
Working Capital Fund	3,021.7	3,033.1	1,120.5	1,681.4
Subtotal	100,395.8	108,787.0	155,254.8	180,040.6
Non-DoD Classified/Other Emergency	492.4	5,740.3	14,244.8	9,275.6
Total	100,888.3	114,527.3	169,499.6	189,316.3

¹⁹ For a much more extensive discussion of trends in supplemental appropriations, see CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by (name redacted), particularly the section entitled “Trends in War Funding.” Also see CRS Report RL33999, *Defense: FY2008 Authorization and Appropriations*, by (name redacted), (name redacted), and (name redacted), particularly the section entitled “Issues in the FY2008 Global War on Terror Request.”

Sources: FY2007 and FY2008 from Department of Defense, *FY2008 Global War on Terror Amendment*, October 2007; FY2006 from Department of Defense, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007; FY2005 CRS from House and Senate Appropriations Committee data.

Table 6 shows the trend in funding according to functional categories that the Defense Department has used. DOD’s functional breakdown shows large increases in funding for force protection and smaller increases in support to foreign security forces. The largest increases, however, have been for what the Defense Department refers to as “reconstitution.” Early in the war, the Defense Department did not support Army requests for funding to reconstitute the force, with Secretary Rumsfeld and other officials citing uncertainty about what was needed. Congress, however, insisted on adding funds for new equipment and asked the Army to provide information on its requirements.

**Table 6. War-Related Supplemental Appropriations/
Bridge Funds by Functional Category, FY2006-FY2008**
(amounts in millions of dollars)

	Enacted FY2006	Enacted FY2007	Amended Request FY2008
Continuing the Fight			
Operations (Includes Plus-Up)	67,158.0	76,148.4	76,868.7
Force Protection	5,358.5	13,349.8	30,461.0
IED Defeat	3,318.1	4,400.0	4,269.0
Military Intelligence Program	1,499.7	3,443.7	3,706.0
Iraq Security Forces	3,007.0	5,542.9	3,000.0
Afghan Security Forces	1,908.0	7,406.4	2,700.0
Coalition Support	1,200.0	1,422.2	1,700.0
CERP	923.0	956.4	1,219.4
Military Construction	214.8	940.0	1,694.5
Factory Restart	—	50.0	100.0
Provincial Reconstruction Teams	5,000.0	100.0	—
Reconstituting the Force			
Reconstitution	19,199.8	36,349.1	46,366.8
Enhancing Ground Forces			
BCTs / RCT	—	3,647.1	1,557.2
Grow the Force	—	1,498.8	—
Restore the Force	—	—	5,403.9
Strengthening the Army Guard and Reserve	—	—	994.2
Non-DOD Classified & Additional Requests	5,740.3	14,244.8	9,275.6
Total	114,527.2	169,499.6	189,316.3

Sources: FY2007 and FY2008 from Department of Defense, *FY2008 Global War on Terror Amendment*, October 2007; FY2006 from Department of Defense, *FY2007 Emergency Supplemental Request for the Global War on Terror*, February 2007.

Traditionally, the term “reconstitution” has been used to refer to repairing and replacing equipment lost or worn out in combat in order to restore the force to approximately its pre-war condition. Secretary of Defense Rumsfeld, however, preferred to use the term “reset” to describe what was needed. To reset the force meant to return the force, not to its prewar condition, but to the condition that it would have been in had planned changes in the force been carried on in the absence of a conflict. The intent was not to add to funding requirements, but to refine and perhaps reduce them. Secretary Rumsfeld argued, for example, that there was not necessarily a need to restore stocks of Army prepositioned equipment to prewar levels because plans to reduce overseas deployments might reduce prepositioning requirements.

Now, the Defense Department has resumed using the term “reconstitution,” but the concept appears to encompass much more than just restoring the force. In particular, it appears to encompass substantial upgrades to the force, especially for the Army and Marine Corps. The upgrades include measures to fix preexisting shortfalls in some kinds of equipment, to add substantially to transportation and communications equipment in combat units to reflect lessons about the way units have operated in the war, and to more fully equip later deploying units with the same equipment used in the theater in order to improve training. A large amount has also been devoted to more fully equipping Guard and reserve units that, in the past, were outfitted with older equipment retired from the active duty force, but that have now become part of the rotation base for overseas operations and, so are seen to need newer weapons and support systems. Taken together, these steps to upgrade the force explain much of the increase in spending.

Congress has generally supported steps to upgrade ground forces, and legislators have questioned only a relatively small share of requested increases in equipment funding. In action on the FY2007 war supplemental, for example, there were questions about the rationale for an Air Force request for two F-35 Joint Strike Fighters, on which production is just beginning, to replace F-15 and F-16 aircraft lost in combat operations, and a Navy request for one V-22 tilt rotor aircraft to replace lost helicopters. In the end, the Administration withdrew those requests in a budget amendment that realigned funding to reflect costs of the troop surge.²⁰

Selected Elements of the Amended Defense Request

Funding for MRAPs is the largest single item in the amended defense request, and Congress has already responded by providing virtually all of the money requested. A few other elements of the amended request stand out.

- **Costs of the troop surge:** The October 22 budget amendment included \$6.3 billion to cover costs of maintaining five additional Army brigade combat teams (BCTs) and one Marine regimental combat team (RCT) in Iraq through December 2007 and then returning to pre-surge levels. The budget assumes that the additional units will be withdrawn beginning in January and that the force will be reduced to the pre-surge level of 15 brigades by July.

²⁰ See Office of Management and Budget, “FY2007 Supplemental Revisions: Department of Defense (Global War on Terror),” March 9, 2007. The amendment is available on line at http://www.whitehouse.gov/omb/budget/amendments/amendment_3_9_07.pdf.

- Other Iraq- and Afghanistan-related increases: The October 22 budget amendment included \$1 billion in additional money for Iraqi security forces and \$100 million to expand a program to reopen factories in Iraq. It also included \$242 million for the Commanders Emergency Response Program²¹ for Afghanistan. And it includes \$956 million, in addition to \$739 million requested in February, to construct facilities and roads in Iraq and Afghanistan.
- Additional funds for reconstitution: Aside from MRAPs, the largest element of the October budget amendment is an addition of \$8.8 billion to the \$37.6 billion requested in February to repair, replace, and replenish equipment and supplies. The budget amendment includes \$1 billion to improve Navy P-3 aircraft radar detection equipment and smaller amounts for a wide range of other programs.
- Restock inventories of equipment in non-deploying units: Under the title “Restore the Force,” in addition to funds for reconstitution, the October budget amendment includes \$5.4 billion to restock equipment inventories of combat support and combat service support (CS/CSS) units that have had equipment taken away in order to equip deployed and next-to-deploy combat and support units. Defense Department officials have said that is only part of the amount needed to make up shortfalls of inventories due to cross-leveling of equipment as units have prepared to deploy.²²
- Other requests: The budget amendment includes \$2.5 billion for a variety of other initiatives. These include \$762 million for fuel price increases; \$416 million to accelerate the date for completing construction of facilities to replace the Walter Reed Army hospital from May 2011 to October 2010; \$504 million for to improve other Army medical facilities and services; and about \$800 million for soldier and family support programs, including programs to support soldiers returning from combat tours.

International Affairs Emergency Supplemental Request

On February 6, 2007, the Administration sent to Congress its regular FY2008 budget that included \$35.1 billion for international affairs. At the same time, the President sent Congress an FY2008 emergency supplemental request of \$3.301 billion for international affairs. On October 22, 2007, the Administration amended its supplemental request with \$3.596 billion in additional spending. The total FY2008 emergency supplemental request for international affairs spending amounts to \$6.897 billion. While the largest portion of the total request is for State Department operations and foreign assistance in Iraq and Afghanistan, it also includes sizeable requests for programs in Mexico, the West Bank and Gaza, North Korea, Sudan, and Pakistan.

The State Department estimated emergency supplemental funding needs of \$3.220 billion for Diplomatic and Consular Programs (DCP) in Iraq and Afghanistan, Worldwide Security Upgrades in Afghanistan, staff housing in Afghanistan, Contributions to International Organizations, and

²¹ CERP allows field commanders to provide money for relatively small, local development projects.

²² Source: Oral communication from Department of Defense Comptroller official, October 23, 2007.

Contributions to International Peacekeeping Activities (CIPA) for Darfur. Two-thirds (\$2.1 billion) of the State Department request was for Diplomatic and Consular Program funding for Iraq Operations. Foreign Operations comprise \$3.678 billion, including \$350 million for P.L. 480 food assistance. Nearly half of the total foreign operations package was allocated for assistance in Iraq and Afghanistan.

The Bush Administration has increasingly requested emergency supplemental funds for international affairs budgets. Some budget experts and others have criticized the Administration for relying too heavily on supplementals, and that some items, particularly relating to Iraq and Afghanistan, have become routine and should be incorporated into the regular appropriations cycle. The Administration counters that given the nature of rapidly changing overseas events and unforeseen emergencies, it is necessary to make emergency supplemental requests for what it claims are unexpected and non-recurring expenses.

State Department Operations²³

In February 2007, the original FY2008 State Department portion of the emergency supplemental request consisted of \$1.882 billion for Diplomatic and Consular Programs, all for operations in Iraq, and \$53 million for Contributions to International Organizations (CIO). The Administration amended this supplemental, adding nearly \$1.3 billion: \$401.4 million for Diplomatic and Consular Programs (DCP), \$160 million for Embassy Security, Construction, and Maintenance (ESCM), and \$723.6 million for Contributions for International Peacekeeping Activities (CIPA). Total emergency funds requested for FY2008 for the State Department's Administration of Foreign Affairs equal \$3.220 billion in addition to the regular budget request of \$7.317 billion for the Administration of Foreign Affairs (**Table 7**).

The Mission in Iraq consists of about 1,000 direct-hire Americans representing 12 U.S. government agencies.²⁴ For the Diplomatic and Consular Programs account, the Department requested a total of \$2.283 billion, of which \$2.120.6 billion was for emergency needs in Iraq. In addition, \$402.6 million of carryover funds were available, for a total of \$2.523 billion for Iraq operations. Of this sum, \$978.7 million would pay for security needs, such as local guards (\$151.6 million), compound guards (\$164.0 million), regional security (\$167.3 million), personal security details (\$301.4 million), armored vehicles (\$41.2 million), physical and technical security, such as vehicle barriers and bomb detective dogs (\$8.7 million), equipment, such as bullet proof vests, ammunition, and masks (\$6.4 million), other support, such as special agents traveling to Iraq and counterterrorism training (\$28.1 million), and overhead cover protection to bolster rooftops (\$110.0 million). Another \$907.1 million would go toward Provincial Reconstruction Teams (PRTs), paying salaries (\$187.6 million), operations (\$63.8 million), living accommodations and medical support (\$72.1 million), information technology (\$60.3 million), vehicles (\$3.3 million), security (\$516.8 million) and leases of space in Baghdad (\$3.2 million).

The Administration also sought \$162.4 million for worldwide security upgrades in Afghanistan. Of this amount, \$80 million would pay for securing facilities, including overhead (roof) protection; \$38 million would be for high threat protection teams and support for the election process; \$36.5 million would fund unbudgeted security costs for other agencies; and \$7.9 million

²³ Prepared by (name redacted), Specialist in Foreign Policy.

²⁴ For more information, see CRS Report RS21867, *U.S. Embassy in Iraq*, by (name redacted).

would buy fully armored vehicles for the embassy and PRTs. Other expenses covered by the FY2008 emergency supplemental request for the Department of State included \$160 million for U.S. staff housing in Afghanistan under the Embassy Security, Construction, and Maintenance account, \$53 million for U.S. assessments for U.N. activities related to combat terrorism, and \$723.6 million for U.S. Contributions for International Peacekeeping activities in Darfur.

Table 7. FY2008 Emergency Supplemental State Department
(millions of U.S. dollars)

Activity	Regular Request FY2008	Total FY2008 Supp. Request	Final Supp. H.R. 2764 P.L. 110-161	State Dept FY08 Supp. Allocation ^a	State Dept Pending FY08 Supp. Request
Total State Operations	7,317.1^b	3,219.6	1,261.6	965.0	2,254.6
Diplomatic & Consular	4,942.7	2,283.0	781.6	575.0	1,708.0
Programs Iraq Operations	—	(2,120.6)	(575.0)	(575.0)	(1,545.6)
Worldwide Security Protection	(964.8)	(162.4)	(206.6)	(0.0)	(162.4)
Embassy Security, Construction & Maintenance	1,599.4 ^c	160.0	—	0.0	160.0
Contributions to International Organizations	1,354.4	53.0	—	0.0	53.0
Contributions to International Peacekeeping	1,107.0	723.6	468.0	390.0	333.6
Broadcasting	668.2	—	12.0	12.0	—
Total	9,003.5	3,219.6	1,261.6	977.0	2,254.6

- a. These numbers differ from those in P.L. 110-161 because the Department of State applied some of the supplemental funding to FY2008 base funds or because, in some cases, Congress provided supplementals for activities not requested by the Administration.
- b. Includes other funds not listed in this table.
- c. Includes worldwide security upgrade funds for embassies.

Congressional Action on State Department Operations

Congress provided both regular funding and supplemental funding for the Department of State and the Broadcasting Board of Governors (BBG) in Division J of the Consolidated Appropriation Act (P.L. 110-161). The enacted law contains \$1.262 billion in supplemental funds for the Department of State—\$781.6 million for State’s Diplomatic and Consular Programs (D&CP) and \$468.0 million for U.S. Contributions to International Peacekeeping (CIPA). In both accounts, the emergency supplemental amounts are significantly less than what the Administration had requested. Of the \$781.6 million for D&CP, \$575.0 million is specified for Iraq operations and

\$206.6 million is for worldwide security protection (WSP). According to State Department officials, the Department applied the \$206 million to the FY2008 base request, resulting in \$162.4 million to be still pending for WSP in Afghanistan. The appropriation does not require any specific allocation for the CIPA emergency supplemental funds, although the measure states that “not less than \$550.4 million be used to establish a new United Nations/African Union hybrid peacekeeping mission to Darfur (UNAMID).” According to Department of State officials, \$390 million is allocated for Darfur and \$78 million for FY2008 U.N. Peacekeeping funds. Still pending is \$333.6 million for Darfur, according to Department sources.

Emergency supplemental funds for the BBG total \$12.0 million in the consolidated appropriation. No funds for international broadcasting were requested in the Administration’s emergency supplemental request. While the provision lists general funding allocations for BBG, no requirements for specific allocation of the supplemental funds is mentioned.

Foreign Operations²⁵

The Foreign Operations portion, totaling \$3.678 billion, of the supplemental request was sent to Congress in two tranches. A \$1.367 billion request accompanied the President’s budget on February 6, 2007. An amended request for \$2.311 billion, including P.L. 480 food aid, was sent to Congress on October 22nd. Approximately one-third of the request was made up of \$2.217 billion in Economic Support Funds (ESF) for Iraq (\$797 million), Afghanistan (\$834 million), West Bank and Gaza (\$350 million), North Korea (\$106 million), Sudan (\$70 million) and Pakistan (\$60 million). (See **Table 8** for full request.)

Anti-narcotics emergency supplemental funding for FY2008 totaled a requested \$734 million, the largest portion allocated for Mexico and Central America (\$550 million). Migration and Refugee Assistance (MRA) totaled \$230 million, mainly for Iraqi and Palestinian refugees. International Disaster and Famine Assistance (IDFA), totaling \$80 million, would fund programs in Iraq to assist internally displaced persons (IDPs). The request also includes \$5 million for the Afghanistan Presidential Protection Service from the Nonproliferation, Anti-terrorism, Demining and Related Programs (NADR) account. A \$350 million request for P.L. 480 food aid would support programs in the Horn of Africa, Kenya, Sudan, and a \$30 million contingency fund to anticipate future needs elsewhere.

Congressional Action on Foreign Operations

Congress approved \$1.123 billion in emergency supplemental funds for foreign operations in the omnibus bill in addition to regular FY2008 funding. In many instances, the amounts approved for emergency funds are less than that requested, making it difficult to ascertain what parts of the request will be funded. For example, the White House had requested approximately \$2.2 billion in ESF funds for six recipients, but the legislation is not explicit, in every instance, as to where these funds should be directed, presumably leaving some discretion to the Administration. Supplemental funds approved by Congress include

- \$115 million for Global Health & Child Survival (no CSH funds were requested);

²⁵ Prepared by (name redacted), Specialist in Foreign Assistance.

- \$110 million for International Disaster Assistance (\$80 million had been requested for activities in Iraq);
- \$20.8 million for USAID Operating Expenses (\$61.8 million was requested for operations in Iraq and Afghanistan);
- \$542.6 million for Economic Support Fund (\$2.2 billion had been requested for Iraq Afghanistan, the West Bank and Gaza, Pakistan, North Korea, and Sudan);
- \$200 million for Migration and Refugee Assistance for Iraqi refugees and Palestinian refugees in Lebanon, and the West Bank and Gaza (\$230 million was requested);
- \$100 million for Foreign Military Financing (no FMF funds were requested); and
- \$35 million for Peacekeeping Operations (no PKO funds were requested).

No supplemental funds were provided for counter-narcotics programs requested for Mexico and Central America, and the West Bank and Gaza.

Table 8. FY2008 Foreign Operations Emergency Supplemental

(millions of U.S. dollars)

Country/Account	FY2008 Regular Request	Total Supp. Request	Final Supp. ^b H.R. 2764 P.L. 110-161	FY08 Supp. Allocation	Pending FY08 Supp. Request
Afghanistan	1,067.1^a	839.0	na	—	839.0
ESF	693.0	834.0			
NADR	21.7	5.0			
USAID Operating Expenses	—	(16.0)			
Iraq	391.8^a	956.0	na	—	956.0
ESF	298.0	797.0			
INCLE	75.8	159.0			
Mexico—Central America Initiative	220.4^a	550.0	0.0	—	550.0
INCLE	31.7	550.0			
West Bank/Gaza	77.0^a	375.0	na	155.0	220.0
INCLE	3.5	25.0		—	
ESF	63.5	350.0		155.0	
Pakistan	785.0^a	60.0	na	—	60.0
ESF	382.9	60.0			
North Korea	2.0	106.0	na	53.0	53.0
ESF	2.0	106.0		53.0	53.0
Sudan	679.2^a	70.0	na	—	70.0

Country/Account	FY2008 Regular Request	Total Supp. Request	Final Supp.^b H.R. 2764 P.L. 110-161	FY08 Supp. Allocation	Pending FY08 Supp. Request
ESF	245.9	70.0			70.0
Horn of Africa/Kenya	—	(110.0)		—	(110.0)
PL480	7.0	(110.0)	0.0		
Southern Africa	—	(135.0)		—	(135.0)
PL480	—	(135.0)	0.0		
Migration/refugee	773.5	230.0	200.0	200.0	30.0
Intern'l Disaster Assist.	297.3	80.0	80.0	80.0	—
PL480	1,219.4	350.0	0.0	—	350.0
USAID Operating Expenses	609.0	61.8	na	20.8	41.0
Total	6,121.7	3,677.8	1,123.4	508.8	3,169.0

Notes: Figures do not include State Department Operations.

Acronyms: ESF-Economic Support Fund; INCLE-International Narcotics Control and Law Enforcement; IDFA-International Disaster and Famine Assistance; MRA-Migration and Refugee Assistance; NADR-Nonproliferation, Anti-terrorism, Demining, and Related Programs; and PL480-Food for Peace; USAID-U.S. Agency for International Development.

- a. Country totals include other accounts for which supplemental funds were not requested.
- b. Some supplemental funds were not designated in the Joint Explanatory Statement accompanying H.R. 2764 with regard to destination, and are marked as "na." As more information becomes available, this table will be updated.

Iraq Reconstruction Assistance²⁶

Until the passage of the omnibus FY2008 appropriations bill, nearly \$42 billion in U.S. funds had been appropriated to support all facets of Iraq reconstruction. Almost all this funding was appropriated in annual supplemental legislation. For FY2008, the Administration made no request for security assistance in its regular Defense budget proposal, but asked for roughly \$392 million under State and Foreign Operations appropriations. In both the June 2007-approved House and September 2007-approved Senate versions of the FY2008 State and Foreign Operations legislation (H.R. 2764), Congress rejected the Administration request for Iraq. Therefore, funding for Iraq reconstruction in FY2008 was expected to come almost entirely from an emergency supplemental measure.

²⁶ Prepared by (name redacted), Specialist in Foreign Affairs. For more detailed discussion of the U.S. program of assistance to Iraq, see CRS Report RL31833, *Iraq: Reconstruction Assistance*, by (name redacted).

Administration Supplemental Request for Iraq Reconstruction

The Administration's FY2008 emergency supplemental appropriations request, revised on October 22, 2007, included \$4.9 billion in funding for Iraq reconstruction. Reconstruction aid has two main components—security aid funded with Department of Defense (DOD) appropriations and political/economic/social sector assistance funded with State and Foreign Operations appropriations.

The request for DOD reconstruction appropriations totaled about \$3.7 billion. It would chiefly fund the training and equipping of Iraqi troops under the Iraq Security Forces Fund (ISFF) and reconstruction grants provided under the Commander's Emergency Response Program (CERP). The CERP allows military commanders to support a wide variety of economic activities at the local level, from renovating health clinics to digging wells to painting schools, provided in the form of small grants. CERP also funds some infrastructure efforts no longer supported with other U.S. assistance, such as repair or provision of electric generators and construction of sewer systems. Commanders are able to identify needs and dispense aid with few bureaucratic encumbrances. More recently, the CERP has paid salaries to the so-called Sons of Iraq (formerly known as the Concerned Local Citizens), mostly Sunnis who are joining with U.S. forces to provide security.

The October budget revision added a \$100 million request to the DOD-funded Iraq Freedom Fund account for the Task Force to Improve Business and Stability Operations in Iraq. The Task Force, funded at \$50 million under the previous supplemental appropriations legislation, seeks to stimulate the economy and create employment for Iraqi citizens by rehabilitating some of the roughly 200 state-owned enterprises that comprised a large portion of the Iraqi economy prior to the U.S. occupation. News reports have suggested some difficulty with the program, resulting from the lack of electricity, the insecure environment, and a lack of enthusiasm from U.S. companies that had been expected to invest in the facilities, among other reasons.²⁷

Under the State and Foreign Operations appropriations budget, the FY2008 emergency supplemental request would direct \$1.2 billion toward Iraq—\$797 million in the Economic Support Fund (ESF), \$159 million in the International Narcotics and Law Enforcement (INCLE), and \$195 million in the Migration and Refugee Assistance (MRA), and \$80 million in the International Disaster and Famine Assistance (IDFA) accounts. ESF is the primary source of funding for the assistance provided by the Provincial Reconstruction Teams (PRTs), which have grown under the surge to 31, including 13 newly established ePRTs (embedded PRTs) embedded with U.S. combat battalions and concentrated mostly in Baghdad and Anbar province. The ePRTs are intended to help stabilize areas secured by U.S. and Iraqi forces by supporting local small-scale, employment-generating, economic projects, using ESF-funded community development grants, job training and micro-loan programs, among other activities. PRTs also utilize ESF to increase the capacities of local government officials to spend Iraqi-owned capital funds allocated by the Iraqi government for infrastructure programs. At the national level, ESF supports Ministerial capacity development, agriculture and private sector reform, and the strengthening of democratization efforts.

²⁷ "U.S. Falters in Bid to Boost Iraqi Business," *Washington Post*, August 24, 2007; "In Iraq, One Man's Mission Impossible," *CNN Money.com*, September 4, 2007.

The October budget revision added another \$25 million to the ESF supplemental request and proposed authorization language to allow the Administration to establish a new Iraq enterprise fund based on the model created for east Europe and the former Soviet Union. Enterprise funds are U.S. government-funded private sector-run bodies that primarily provide loans or equity investments to small and medium business. In the former communist countries, enterprise funds also encouraged growth of the private sector, including support for mortgage lending markets and establishment of private equity funds. The most successful example, the Polish Fund, made many profitable investments, helping companies grow that otherwise were unable to obtain financial support in the period just after the fall of communism. Some of the funds, however, have been much less successful, either by taking on poor investment risks, or unable to locate promising businesses because of the poor business climate or competition from other private sector funding sources. Some observers question the usefulness of the funds because their ostensible development purpose seems often to conflict with pressures for economic profit.

The INCLE account largely would support rule of law and corrections programs. The Administration request was expected to fund prison construction, something that Congress has sometimes cut from previous requests. The request was also intended to extend judicial reform and anticorruption efforts to the provinces. The MRA request would address the continuing refugee crisis in the region; an estimated 2.0 million Iraqis have fled the country and another 2.2 million have been displaced due to sectarian violence and instability. The IDA program would provide medical care, food, shelter and other relief to refugees and displaced people.

FY2008 emergency funds were also requested for operational costs (not included in the reconstruction aid total) for staffing and administering reconstruction programs: \$679 million for PRT and \$45.8 million for USAID operations.

Congressional Action on Iraq Reconstruction in FY2008 Consolidated Appropriations

In its consideration of the regular and supplemental requests for Iraq reconstruction, Congress treated the two facets of reconstruction—security and economic—quite differently. On the one hand, Congress did provide a substantial part—\$1.9 billion—of the Administration’s \$3.7 billion Defense appropriations supplemental request for security reconstruction aid. It appropriated half of the request for the Iraq Security Forces Fund and nearly half of the request for the CERP.

On the other hand, with a few discrete exceptions—all involving humanitarian programs—Congress, in section 699K of Division J (the State and Foreign Operations part of the omnibus appropriations), specifically rejected almost all regular or supplemental economic assistance to Iraq, providing only about \$250 million. It approved efforts to fund humanitarian demining (\$16 million, drawing on regular NADR funds), assist refugees and internally displaced persons (drawing on supplemental MRA funds), and offer disaster relief (drawing on supplemental IDFA funds), and it provided \$5 million for the Marla Ruzicka War Victims Fund, and \$10 million for the rescue of Iraqi scholars (drawing on regular ESF funds, but the latter reportedly not yet allocated).

In the end, Congress appropriated 24% of the total International Affairs budget supplemental request for Iraq reconstruction, which, with FY2008 regular and DOD emergency appropriations brings Iraq reconstruction funding since 2003 to \$44.8 billion. However, until the 2nd tranche of the supplemental is considered, U.S. funding for PRT operations and programs and a wide range

of other programs designed to support the surge and enhance the capacity of the Iraqi government to address its own needs will have to rely on available FY2007 funds.

Pending FY2008 Supplemental

The Administration is seeking the remainder of its emergency Iraq reconstruction aid request—about \$1 billion in unenacted Foreign Operations appropriations and \$2 billion in unenacted Defense appropriations—when the 2nd tranche is deliberated in Spring 2008.

Table 9. FY2008 Emergency Supplemental Appropriations for Iraq Reconstruction

(millions of U.S. dollars)

International Affairs (Budget Function 150 Accounts)			
	Administration Request	H.R. 2764 (P.L. 110-161) Emergency Allocation	Pending FY2008 Supp.
Economic Support Fund (ESF)	797.0	5.0	797.0
International Narcotics Control and Law Enforcement (INCLE)	159.0	0.0	159.0
Migration and Refugee Assistance (MRA)	195.0	149.5 ^a	30.0
International Disaster Assistance (IDA)	80.0	80.0 ^b	—
TOTAL 150 Account	1,231.0	234.5	986.0
Department of Defense (Budget Function 050 Accounts)			
Iraq Security Forces Fund (ISFF)	3,000.0	1,500.0	1,500.0
Commander's Emergency Response Program (CERP)	609.7 ^c	370.0 ^d	359.7 ^e
Iraq Freedom Fund (for Task Force to Improve Business)	100.0	—	100.0
TOTAL 050 Account	3,709.7	1,870.0	1,959.7
GRAND TOTAL 150 & 050	4,940.0^f	2,104.5	2,945.7^f

Sources: Department of State and DOD FY2008 Congressional Budget Justifications; H.R. 2764.

- a. H.R. 2764 provides \$200 million for MRA account (total account request was \$230 million).
- b. H.R. 2764 provides \$110 million for Iraq and other countries affected by disasters. Total IDFA account request was \$80 million.
- c. The total CERP request of \$1,219.4 million is for both Iraq and Afghanistan. The amount included here assumes that at least half will be used in Iraq.
- d. Congress appropriated up to \$500 million for the CERP. According to the SIGIR, Iraq has been allocated \$370 million as of end January 2008.
- e. The total unenacted FY2008 CERP request of \$719.4 million is for both Iraq and Afghanistan. The amount included here assumes that at least half of the request is for Iraq.
- f. Not included are requests of \$45.8 million in USAID Iraq operational expenses (OE) and \$679 million for PRT OE. H.R. 2764 provided USAID with \$20.8 million in OE.

Afghanistan²⁸

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 have started to enjoy new personal freedoms, particularly in the northern and western regions of the country, that were forbidden under the Taliban. Women are beginning to participate in economic and political life, including as ministers, provincial governors, and senior levels of the new parliament. The next elections are planned for 2009.

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 military commanders have had recent successes in counter-insurgency operations, but the Taliban continues to present a considerable threat to peace and security in parts of Afghanistan. Slow reconstruction, corruption, and the failure to extend Afghan government authority into rural areas and provinces, particularly in the south and east, have contributed to the Taliban resurgence. Political leadership in the more stable northern part of the country have registered concerns about distribution of reconstruction funding. 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 said that some Taliban commanders are operating across the border from Pakistan, putting them outside the reach of U.S./NATO forces in Afghanistan. In 2007, the Administration unveiled the Reconstruction Opportunity Zones (ROZ) in Afghanistan and the border regions with Pakistan, an initiative to stimulate economic activity in underdeveloped, isolated regions.

The United States and partner stabilization measures focus on strengthening the central government and its security forces and on promoting reconstruction while combating the renewed insurgent challenge. As part of this effort, the international community has been running PRTs to secure reconstruction. Despite these efforts, weak provincial governance is seen as a key obstacle to a democratic Afghanistan and continues to pose a threat to reconstruction and stabilization efforts.

The FY2008 original and amended emergency supplemental request

The Administration requested \$339 million in ESF for Afghanistan reconstruction assistance in the FY2008 emergency supplemental in February 2007. Other parts of the supplement request for Afghanistan included increases in embassy operations and security. The Administration amended the FY2008 supplemental request in October 2007 for a total request of \$839 million for

²⁸ Prepared by (name redacted), Specialist in International Humanitarian Policy, and (name redacted), Specialist in Middle Eastern Affairs.

reconstruction, which included several provisions intended to continue U.S. efforts to stabilize Afghanistan and continue economic reconstruction efforts.²⁹

The FY2008 Consolidated Appropriations Act funded most government operations for which regular FY2008 appropriations bills—11 in all—had not been enacted. Although emergency funds for military operations in Afghanistan were appropriated as part of the bridge supplemental in the Consolidated Appropriations Act (\$1.753 million), the supplemental request of \$839 for reconstruction was not appropriated.

Key elements of the FY2008 emergency supplemental requests include funding for the ESF. In addition to the \$339 million for ESF in the initial supplemental request, the amended supplemental included additional funding for democratic governance and reconstruction efforts to continue security and development strategy, which would be allocated as follows:

- \$275 million to strengthen provincial governance and responsiveness to the Afghan people. Funding would support a wide range of programs, preparation activities for the 2009 election and ongoing programs, such as the National Solidarity Program (\$40 million), the Afghanistan Reconstruction Fund (\$25 million), and the Provincial Governance Fund (\$50 million);
- \$50 million as part of an effort to invest in basic social services, such as health and education, particularly in rural areas; and
- \$170 million for economic growth and infrastructure, including the development of power sector projects (\$115 million); road projects (\$50 million) focused on those segments that are of strategic military importance and provide key connections between the central and provincial government capitals; and funding to support Reconstruction Opportunity Zones (\$5 million) in designated economically isolated areas and to create employment alternatives.

In addition to ESF funding, the request includes:

- \$5 million in Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) to support the Afghan leadership through the Presidential Protection Service.

²⁹ Funding figures obtained from the *FY2008 Revised Emergency Proposal* dated October 22, 2007; the proposed *Budget for Fiscal Year 2008* (“*Additional 2007 and 2008 Proposals*”) submitted in February 2007; and the *Supplemental Appropriations Justification Fiscal Year 2008* prepared by the Department of State and USAID.

Table 10. Afghanistan Reconstruction Assistance, FY2008

(millions of U.S. dollars)

Activity (appropriation account)	Total FY2008 Supp. Request	Final Supp. H.R. 2764 P.L. 110-161	Pending FY2008 Supp. Request
Infrastructure aid (ESF)	834.0	—	834.0
Nonproliferation (NADR)	5.0	—	5.0
Total	839.0	—	839.0

Source: FY2008-FY2009 budget materials.

Notes: Data in this table reflect ongoing and FY2008 proposed funding for programs the same as or similar to those requested in the FY2007 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 Afghanistan.

Acronyms: ESF-Economic Support Fund, NADR-Nonproliferation, Anti-terrorism, Demining, and Related Programs.

Pakistan³⁰

The Federally Administered Tribal Areas (FATA) are considered strategically important to combating terrorism while continued terrorist and militant activities in the frontier region remain a threat to the United States and its interests in Afghanistan. The Government of Pakistan has developed a FATA Sustainable Development Plan to be implemented over 10 years. In support of this plan, the State Department and the U.S. Agency for International Development have put forward a five-year \$750 million development assistance strategy for the frontier region (a pledge of \$150 million per year) that complements the Government of Pakistan's plan.³¹ The U.S. objectives are to improve economic and social conditions in the FATA in order to address the region's use by terrorists and militants. Programs would include governance, health and education services, and economic development, such as agricultural productivity, infrastructure rehabilitation, credit, and vocational training.

On November 3, 2007, President Musharraf imposed emergency rule and suspended Pakistan's constitution. In light of these events, the Administration announced a review of U.S. assistance. However, no action was taken in 2007 and in February 2008, Pakistan held what was reported to be a reasonably credible national election that seated a new civilian government. On April 9, 2008, Secretary of State Condoleezza Rice determined that a democratically elected government had taken office in Pakistan on March 25, 2008, which permitted the removal of coup-related sanctions on Pakistan and the resumption of assistance.

³⁰ Prepared by (name redacted), Specialist in International Humanitarian Policy.

³¹ For more detail on Pakistan, see CRS Report RL33498, *Pakistan-U.S. Relations*, by (name redacted).

The FY2008 original and amended supplemental request

The Administration did not request funding for Pakistan in its original FY2008 emergency supplemental request in February 2007. In the FY2008 regular budget, the President asked for \$90 million for the frontier region development plan, which left a gap of \$60 million in the overall U.S. pledge of \$150 million. The FY2008 amended supplemental request for \$60 million for ESF would address this funding gap and meet the full pledge as follows: Investment in governance and planning (\$13 million); health and education programs (\$15 million); and local economic development (\$32 million). The \$60 million emergency supplemental request is in addition to the regular appropriations from various accounts in the FY2008 budget.

Sudan³²

No funding was requested for Sudan in the original FY2008 emergency supplemental in February 2007. The Administration sought a total of \$868.6 million in the amended emergency supplemental for Sudan, most of which was for humanitarian and peacekeeping support in the Darfur region. Under the Consolidated Appropriations Act, Sudan received \$334.8 million in the regular FY2008 budget and also \$468 for the African Union/United Nations Hybrid Operation in Darfur (UNAMID) peacekeeping mission.

FY2008 additional emergency supplemental request

Major elements of the FY2008 amended emergency supplemental included the following:

- A \$70 million request in ESF for Sudan to support upcoming national elections that are to take place before July 2009, as determined in the 2005 Comprehensive Peace Agreement between north and south Sudan. The assistance will focus on strengthening political parties, drafting the electoral law, supporting an electoral commission, promoting civic education, and supporting election-related institutions and processes. The United Nations estimates that the elections could cost nearly \$400 million because of the logistical hurdles in conducting elections in a post-conflict environment. \$70 million remains in the pending FY2008 emergency supplemental; and
- \$723.6 million in support of the African Union/United Nations Hybrid Operation in Darfur (UNAMID) in the amended FY2008 supplemental. In the Consolidated Appropriations, \$468 million was appropriated; \$333.6 remains in the pending FY2008 emergency supplemental.

³² Prepared by (name redacted), Specialist in International Humanitarian Policy.

Table 11. Sudan Emergency Supplemental, FY2008
(millions of U.S. dollars)

Activity (appropriation account)	FY2008 Supp. Request Total	Final Supp. H.R. 2764 P.L. 110-161	Pending FY2008 Supp. Request
UNAMID (CIPA)	723.6	468.0	333.6
Economic Support Fund (ESF)	70.0	—	70.0
Total	\$868.6		\$403.6

Source: FY2008- FY2009 budget materials.

Notes: The **Total** line does not represent total aid or mission operations for Sudan.

Acronyms: CIPA-Contributions to International Peacekeeping Activities; ESF-Economic Support Fund.

Mexico and Central America³³

The emergency supplemental request included \$550 million to meet the first installment of a reportedly \$1 billion-plus anti-narcotics package for the Mexico and Central America Security Initiative. Composed entirely of funds from the International Narcotics Control and Law Enforcement Account (INCLE), the initiative is to address criminal gang and drug trafficking activities and to support improved justice systems and rule of law programs. Mexico would see \$500 million of the initial package for border security technology and transport for law enforcement and to improve judicial and prison systems. Countries in Central America would receive \$50 million to improve border security, deter the smuggling of drugs, arms, and persons, and improve the justice sector and gang prevention programs. Regular funding for Mexico totaled \$65.4 million in FY2007 and a requested \$45.1 million in FY2008. The countries of Central America received \$134.8 million in FY2007 and are proposed to receive \$146.5 million in FY2008. Congress did not include this request in the FY2008 omnibus act.

West Bank and Gaza³⁴

The FY2008 emergency supplemental request included \$375 million to support the Palestinian Authority (PA) government. The focus is on rule of law, economic growth, and governance issues. The supplemental request was in addition to \$77 million requested in the regular FY2008 budget and comes after a new PA government was formed without Hamas control. Consisting largely of ESF funds, \$40 million is to address governance issues, \$20 million would improve health care services, \$130 million is to support job creation, infrastructure, trade and investment, and agriculture programs, and \$150 million would consist of budget support in the form of a cash transfer. An additional \$25 million in INCLE funds would be used to train and equip the

³³ Prepared by (name redacted), Specialist in Foreign Assistance. For more information, see CRS Report RL34215, *Mexico's Drug Cartels*, by (name redacted), and CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by (name redacted) and (name redacted).

³⁴ For more information, see CRS Report RL34074, *The Palestinian Territories: Background and U.S. Relations*, by (name redacted), and CRS Report RS22966, *Foreign Aid to the Palestinians*, by (name redacted).

Presidential Guards and National Security Force, and \$35 million in MRA funds would be for Palestinian refugees in the West Bank and Gaza and in refugee camps in Lebanon.

Congress included \$542.6 million in emergency ESF and allocated \$155 million of those funds to the West bank and Gaza. No emergency INCLE funds were provided. A total of \$200 million in emergency MRA was provided; the request was \$230 million, which included \$35 million for the West Bank and Gaza.

North Korea³⁵

The Administration proposed \$106 million in ESF funds for North Korea as a result of commitments made as part of the Six Party Talks. In February 2007, North Korea agreed to shut down and eventually abandon the Yongbyon nuclear facility, to allow International Atomic Energy Agency monitors back in the country and to disable all existing nuclear facilities. In return, the United States and other Six Party Talks members (South Korea, China, Russia and Japan) agreed to provide 1 million metric tons of heavy fuel oil, or the equivalent in other assistance, as North Korea meets its commitments. The U.S. share is one-quarter of the 1 million metric tons, or equivalent assistance. The total cost for the U.S. commitment is \$131 million. The President authorized \$25 million in FY2007 supplemental funds, leaving \$106 million that would be provided with the FY2008 supplemental funding.

The omnibus bill provided \$53 million in ESF funds for North Korea but does not designate them as emergency.

Other Humanitarian Assistance³⁶

Although proposed aid packages for specific countries anticipate and identify some humanitarian needs, the Administration also seeks funding for what it describes as unmet or unforeseen humanitarian needs, including \$350 million in additional P.L. 480 - Title II assistance to meet emergency food needs in the Darfur region of Sudan and eastern Chad and elsewhere worldwide, including places such as southern Africa, and the Horn of Africa and Kenya.

In addition, the Administration's original request asked for \$230 million for Migration and Refugee Assistance (MRA) for anticipated and unanticipated refugee and migration emergencies, of which \$195 million was requested for humanitarian assistance to Iraqi refugees. This was an increase of \$160 million for Iraqi refugees; \$35 million was requested in the earlier version of the FY2008 emergency supplemental request. In addition, \$35 million was requested for the emergency needs of Palestinian refugees in Gaza and West Bank, and for Palestinian refugee camps in Lebanon. \$200 million was appropriated for MRA in the Consolidated Appropriations Act, of which \$195 was allocated for Iraqi refugees. \$30 million (of the original \$230 million request) remains as part of the pending FY2008 supplemental request for assistance to Iraqi refugees.

³⁵ For more information, see CRS Report RL33590, *North Korea's Nuclear Weapons Development and Diplomacy*, by (name redacted).

³⁶ Prepared by (name redacted), Specialist in International Humanitarian Policy.

Appendix. FY2008 Emergency Supplemental Request, State Department and Foreign Operations

(millions of U.S. dollars)

Account	FY2008 Base Request	FY2008 Total Supp. Funds Requested	FY08 Supp. Funds enacted in P.L. 110-161	State Dept FY08 Supp. Estimate	State Dept. Pending FY08 Supp. estimates
State Department					
Diplomatic & Consular Programs	4,942.7	2,283.0	781.6		
Embassy Security, Construction, Maintenance	792.5	160.0	—		
Contributions to International Organizations	1,354.4	53.0	—		
Contributions to International Peacekeeping	1,107.0	723.6	468.0		
Board for International Broadcasting	618.8	—	12.0		
Total, State Department	8,196.6	3,219.6	1,261.6		
Foreign Operations					
Economic Support Fund	3,319.6	2,217.0	542.6		
International Narcotics Control/Law Enforcement	634.6	734.0	—		
Nonproliferation, Anti-Terrorism, Demining	464.0	5.0	—		
Migration and Refugee Assistance	773.5	230.0	200.0		
International Disaster Assistance ^a	297.3	80.0	110.0		
USAID Operating Expenses	609.0	61.8	20.8		
Global Health/Child Survival	—	—	115.0		
Foreign Military Financing	—	—	100.0		
Peacekeeping Operations	—	—	35.0		
Total, Foreign Operations	6,098.0	3,327.8	1,123.4		

Account	FY2008 Base Request	FY2008 Total Supp. Funds Requested	FY08 Supp. Funds enacted in P.L. 110-161	State Dept FY08 Supp. Estimate	State Dept. Pending FY08 Supp. estimates
Total, State and Foreign Operations	14,294.6	6,547.4	2,385.0		
P.L. 480 Food Aid	1,319.4	350.0	—		

Notes: Table does not include all accounts in the State Department, Foreign Operations, and Related Programs appropriations bills. Accounts listed are those for which emergency supplemental funds were requested.

- a. The International Disaster Assistance account was previously called International Disaster and Famine Assistance.

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