

Brother, Can you Spare a Dime?
Iraq War Spending in Fiscal Year 2007
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\$99.7 billion dollars. That's what the Pentagon is seeking in additional "supplemental" war funding for 2007—for the wars in Iraq and Afghanistan and for the so-called "global war on terror".

The Pentagon submitted this request to the White House on December 7. After reviewing the request, the White House will submit a new supplemental spending bill to Congress in early 2007—most likely during the first week of February.

This \$99.7 billion is on top of the \$70 billion already approved by Congress for Fiscal Year 2007 (which runs from October 1, 2006 through September 30, 2007). At least \$75 billion of the \$99.7 billion will be for the war in and occupation of Iraq.

Now is the time to lobby Senators and Representatives to vote against the supplemental spending bill. Now is the time to prepare for civil disobedience—an extralegal form of lobbying—in the offices of those Senators and Representatives who do not publicly pledge to vote against the supplemental spending bill. Voices for Creative Nonviolence is organizing one such effort of sustained nonviolent civil disobedience to end war funding, called the Occupation Project (website: www.vcnv.org or email occupationproject@vcnv.org for more information). The Declaration of Peace (www.declarationofpeace.org) is also continuing to organize nonviolent civil disobedience to end Iraq war funding.

Supporters of the supplemental spending bill are certain to argue that these funds are necessary to ensure that U.S. soldiers in Iraq have the weapons, body armor and other supplies necessary to ensure their own safety and well-being. Let us begin to break down this myth by digging into the raw numbers of past supplemental spending bills which have funded the war in and occupation of Iraq.

Supplemental spending bills can be broken into three major categories of funding: Personnel; Operations and Maintenance; and Procurement. The remainder of this writing takes a look at these three areas of spending. The numbers that follow are drawn from the various House-Senate Conference Committee reports which accompanied each appropriation of funds.

Personnel

Personnel costs have actually been the most consistent in spending levels over these past three fiscal years (2004 to 2006). In 2004, personnel costs were \$17.8 billion; in 2005, \$18.7 billion; and in 2006, \$16.5 billion. These costs do not include the base rate of pay for Army, Air Force, Navy and Marines who are deployed to Iraq (the base rate of pay is included in the regular

appropriations bill). Items included in this category are: special pays like foreign language proficiency; costs associated with stop-loss orders (forcing people to serve beyond their original end-date for enlistment); hazardous duty pay; increased life insurance payouts; and the like. Personnel costs do include the base rate of pay plus any special pays for members of the Reserves and National Guards who are on active duty.

The Bridge Fund for 2007 (passed in December 2006), provides \$5.4 billion to fund personnel costs. That's \$11.1 billion less than in 2006. However, a new supplemental spending bill is not the only way to make up the difference. For example, withdrawing U.S. service members from Iraq would end the necessity of any of these special duty pays or wartime incremental costs. Assuming the U.S. withdraws from Iraq, which we should press for every single day, the difference can also be made up by Congress passing another resolution which would direct the Pentagon to shift funding within its regular budget to ensure that no service member loses pay because of insufficient funds. Such a resolution should be separate and distinct from a supplemental spending bill to ensure on-going war funding is not included in the measure.

Procurement

Procurement—the purchasing of new equipment, ammunition and weapons to replace used or worn-out items—is the second largest portion of the supplemental spending requests. Like Personnel costs, Procurement costs have also been relatively consistent. In 2004, the military received \$5.5 billion for to purchase weapons and ammunition. In 2005, it received \$18.8 billion; and in 2006, it received \$23 billion.

The Bridge Fund passed for 2007 allocated \$19.7 billion for procurement—just shy of the \$23 billion appropriated in FY 2006. According to the Associated Press, the Pentagon's request for supplemental funding will include an additional \$26.7 billion to replace and repair equipment damaged or destroyed in the Iraq and Afghanistan wars.[1] It is not clear from the AP story how much of this \$26.7 billion will be budgeted under “procurement” and how much under “operation and maintenance”. But what is clear is that the amount appropriated for procurement of new equipment, ammunition and weapons will be higher this fiscal year than it has ever been for these wars.

The argument is made that it is necessary to purchase new equipment, weapons and ammunition so that soldiers in Iraq aren't left without the necessary material to defend themselves. This is a specious argument and without merit.

When Congress appropriates money for procurement, it always authorizes use of the funds for up to three years into the future. The reason? It takes anywhere from 1 to 3 years from the time money is appropriated, to the time contracts are signed to produce the material, to the time the equipment is produced to the time it is at long last in the field and in the hands of soldiers.

So, the \$19.7 billion already approved for FY 2007 will in fact be available for purchasing weapons which don't become available to U.S. soldiers until 2008, 2009 or 2010.

Two reports from the U.S. Government Accountability Office (GAO) and the Congressional Research Service (CRS) present a picture of how procurement funds are rolled over from one fiscal year into the next.

The GAO reported that as of June 2006, \$2.17 billion remained to be spent of the \$6.8 billion appropriated in the fall of 2005 for FY 2006. In June 2006, Congress appropriated an additional \$14.7 billion for FY 2006. [2] This means that, as of June 2006, \$16.8 billion remained to be spent of funds appropriated for procurement during FY 2006—with it most likely being rolled over into FY 2007.

The November 2006 GAO report states: "...given that at the time of this report DOD had only reported obligations through June 2006, we were unable to determine how much funding would remain at the end of the fiscal year. Since it is likely that much of the procurement funding from fiscal year 2006 will remain available in fiscal year 2007, knowledge of what those available amounts are and how DOD plans to spend them would assist congressional decision makers in determining DOD's future funding needs." [3]

Indeed, in May 2006 the Congressional Research Service reported that: "About \$6 billion of procurement monies appropriated in FY2005 remain to be obligated in FY2006. In addition, much of the \$8 billion for procurement in the FY 2006 bridge fund is probably still available. If DOD receives an additional \$16.4 billion in the FY 2006 supplemental, DOD would have as much as \$30 billion in procurement monies to spend in FY 2006 in addition to its baseline budget." [4]

The argument may be made that funds must be appropriated to procure new equipment and weapons systems to replace that used or destroyed in the war. But that argument falls apart when it is used to assert that the funds must be appropriated in order to make sure that soldiers in the field today have the necessary military equipment to fight a war. That simply is not true. As noted by the Congressional Research Service it takes anywhere from 1 to 3 years from the money is appropriated by Congress until the equipment is available for use in the field. [5]

Also, it must be remembered that Congress has already appropriated more funds for procurement than any other year except for last year and that procurement money remains from last year for use this year. Any new procurement money simply keeps the war going for another 3 years.

Operations & Maintenance

The Operations and Maintenance budget is that portion of war spending which has shown the greatest growth in spending.

In FY 2004, the first full year of the Iraq war, \$37.2 billion was appropriated for Operations & Maintenance. This grew to \$46.5 billion in FY 2005, a 25% increase. In 2006, funding for O&M jumped to \$59.6 billion. That's a 60% increase in just 2 years time (FY 2004 to FY 2006).

Already, Congress has appropriated \$41 billion for Operations & Maintenance for FY 2007, exclusive of funds appropriated for the Afghanistan and Iraq Security Forces funds. According to the Associated Press, the White House will be seeking an additional \$41.5 billion for “ongoing military operations”. It is not specified how much will be for personnel costs and how much for actual “operations and maintenance”. However, as noted above, the personnel costs have remained relatively stable over the course of the war. Currently, \$11.1 billion less has been appropriated for personnel costs in FY 2007 compared to the total appropriations for FY 2006.

What all this means is that total funding for Operations and Maintenance in FY 2007 will likely be at least \$71.4 billion—a 19.8 percent increase over FY 2006 and a stunning 92 percent increase from FY 2004 to FY 2007.

The Department of Defense buries how the funds allocated for Operations and Maintenance are being used. The U.S. Government Accountability Office reported in November 2006 that “...in fiscal year 2005, close to 26 percent of obligations reported in the operation and maintenance account were in ‘other supplies and equipment’ and ‘other services and miscellaneous contracts.’ This trend has continued in fiscal year 2006.” [6]

Without any transparency in reporting, the Department of Defense is left free to expend funds with little oversight and, evidently, no requirement to justify what may well end up being a 92 percent increase in annual spending on Operation & Maintenance from FY 2004 to FY 2007.

ENDNOTES:

1. Andrew Taylor, the Associated Press, “AP: The Pentagon Wants \$99.7B More for Wars”, Washingtonpost.com, December 21, 2006
2. U.S. Government Accountability Office, “Global War on Terrorism: Fiscal Year 2006 Obligation Rates Are Within Funding Levels and Significant Multiyear Procurement Funds Will Likely Remain Available for Use in Fiscal Year 2007”, GAO Report #GAO-07-76, November 2006, p. 5.
3. Ibid, p. 5.
4. Congressional Research Service, “CRS Report for Congress: FY 2006 Supplemental Appropriations: Iraq and Other International Activities; Additional Hurricane Katrina Relief”, May 23, 2006, p. 33.
5. Ibid, p. 22, footnote number 22.
6. Government Accountability Office, p. 19.

	FY 2004 TOTAL	FY 2005 TOTAL	FY 2006 TOTAL	FY 2007 BRIDGE
PERSONNEL		(Bridge & Supplemental)	(Bridge & Supplemental)	(passed - fall 2006)
Army	\$12,858,870,000	\$14,524,908,000	\$11,300,718,000	\$4,346,710,000
Navy	\$816,100,000	\$562,808,000	\$1,465,474,000	\$143,296,000
Marine Corps	\$753,190,000	\$1,599,753,000	\$1,295,872,000	\$145,576,000
Air Force	\$3,384,700,000	\$1,664,843,000	\$1,663,713,000	\$351,788,000
Army Reserve	\$0	\$39,627,000	\$279,325,000	\$87,756,000
Navy Reserve	\$0	\$9,411,000	\$120,712,000	\$0
Marine Corps Reserve	\$0	\$4,015,000	\$10,627,000	\$15,420,000
Air Force Reserve	\$0	\$130,000	\$1,940,000	\$0
Army National Guard	\$0	\$291,100,000	\$345,950,000	\$295,959,000
Air Force National Guard	\$0	\$91,000	\$4,400,000	\$0
Subtotal	\$17,812,860,000	\$18,696,686,000	\$16,488,731,000	\$5,386,505,000
OPERATION & MAINTENANCE				
Army	\$23,997,064,000	\$30,530,304,000	\$39,193,296,000	\$28,364,102,000
Navy	\$1,956,258,000	\$3,397,574,000	\$4,507,193,000	\$1,615,288,000
Marine Corps	\$1,198,981,000	\$2,647,464,000	\$3,473,037,000	\$2,689,006,000
Air Force	\$5,416,368,000	\$6,046,053,000	\$8,060,157,000	\$2,688,189,000
Defense-Wide	\$4,355,452,000	\$3,446,265,000	\$3,635,677,000	\$2,774,963,000
Army Reserve	\$0	\$26,354,000	\$148,300,000	\$211,600,000
Navy Reserve	\$0	\$75,164,000	\$84,909,000	\$9,886,000
Marine Corps Reserve	\$16,000,000	\$24,920,000	\$115,825,000	\$48,000,000
Air Force Reserve	\$53,000,000	\$0	\$23,563,000	\$65,000,000
Army National Guard	\$0	\$326,850,000	\$361,600,000	\$424,000,000
Air National Guard	\$214,000,000	\$0	\$37,600,000	\$200,000,000
Iraq Freedom Fund	\$1,988,600,000	\$3,800,000,000	\$4,658,686,000	\$50,000,000
Former USSR Threat Reduction	\$0	\$0	\$44,500,000	\$0
Afghanistan Security Forces Fund	\$0	\$1,285,000,000	\$1,908,133,000	\$1,500,000,000

Iraq Security Forces Fund	\$0	\$5,700,000,000	\$3,007,000	\$1,700,000,000
Joint IED Defeat	\$0	\$0	\$1,985,089,000	\$1,920,700,000
Overseas Humanitarian Aid	\$35,500,000	\$0	\$0	\$0
O & M Subtotal	\$39,231,223,000	\$57,305,948,000	\$68,240,572,000	\$44,260,734,000
O & M Subtotal for U.S. Services Only	\$37,207,123,000	\$46,520,948,000	\$61,626,246,000	\$41,010,734,000
PROCUREMENT				
Army - aircraft	\$0	\$458,677,000	\$577,100,000	\$1,461,300,000
Army -- missile	\$0	\$310,250,000	\$258,300,000	\$0
Army - WTCV	\$101,600,000	\$2,601,187,000	\$2,627,641,000	\$3,393,230,000
Army - ammunition	\$0	\$642,800,000	\$1,102,679,000	\$237,750,000
Army - other	\$1,143,687,000	\$7,005,505,000	\$8,994,545,000	\$5,003,995,000
Navy - aircraft	\$158,600,000	\$279,295,000	\$655,706,000	\$486,881,000
Navy - weapons	\$0	\$66,000,000	\$172,100,000	\$109,400,000
Navy & Marine Corps - ammunition	\$0	\$169,635,000	\$362,141,000	\$0
Navy - other	\$76,357,000	\$78,397,000	\$103,740,000	\$319,965,000
Marine Corps	\$123,397,000	\$3,433,042,000	\$4,287,612,000	\$4,898,269,000
Air Force - aircraft	\$53,972,000	\$277,309,000	\$790,115,000	\$2,291,300,000
Air Force - missile	\$20,450,000	\$0	\$17,000,000	\$32,650,000
Air Force -- ammunition	\$0	\$6,998,000	\$29,047,000	\$0
Air Force - other	\$3,438,006,000	\$2,687,560,000	\$1,518,091,000	\$1,317,607,000
Defense-wide	\$418,635,000	\$695,939,000	\$513,428,000	\$145,555,000
National Guard & Reserve Equip	\$0	\$50,000,000	\$1,000,000,000	\$0
Subtotal	\$5,534,704,000	\$18,762,594,000	\$23,009,245,000	\$19,697,902,000
TOTALS	\$62,578,787,000	\$94,765,228,000	\$107,738,548,000	\$69,345,141,000

The dollar amounts in this chart are derived from the various House-Senate Conference Committee Reports which accompanied each appropriation of funds for the wars in Iraq and Afghanistan.