



Highlights of [GAO-03-1088](#), a report to congressional committees

MILITARY OPERATIONS

Fiscal Year 2003 Obligations Are Substantial, but May Result in Less Obligations Than Expected

Why GAO Did This Study

The Global War on Terrorism (GWOT)—principally involving operations in Afghanistan and Iraq—is being funded in fiscal year 2003 by Congress’s appropriation of almost \$69 billion, including almost \$16 billion in a transfer fund called the Iraqi Freedom Fund. To assist Congress in its oversight of funding for GWOT, GAO examined the obligation of GWOT funds and the implications for additional funding in fiscal year 2003 and the President’s request for fiscal year 2004 funds for several operations in Southwest Asia that were canceled after the budget was submitted.

What GAO Recommends

GAO recommends that the Department of Defense (DOD) take several actions to ensure that the fiscal year 2003 funds appropriated for GWOT are fully utilized, including that the Secretary of Defense review the services’ spending plans before transferring additional funds from the Iraqi Freedom Fund to ensure the funds will be obligated as planned. GAO also suggests that, given the results of this review, Congress not provide the \$1.4 billion requested by the President for DOD in fiscal year 2004 for continued support of Operations Desert Spring and Northern and Southern Watch since DOD canceled them. GAO made changes to its recommendations based on DOD’s comments on a draft of this report and DOD now agrees with the revised recommendations.

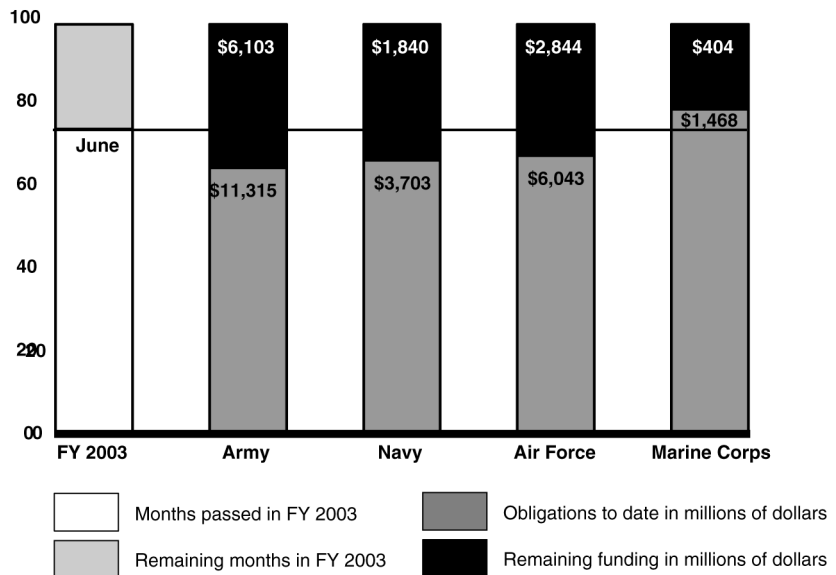
www.gao.gov/cgi-bin/getrpt?GAO-03-1088.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Neal Curtin at (757) 552-8100 or curtinn@gao.gov.

What GAO Found

While funds obligated by DOD for GWOT, including the war with Iraq, in fiscal year 2003 are substantial—about \$39 billion through June 2003—the funds appropriated by Congress appear to be sufficient for fiscal year 2003, and some of the services may not obligate all of the funds they were appropriated for fiscal year 2003. For example, at the end of June 2003, with 75 percent of the fiscal year completed, the services’ percentage of GWOT operation and maintenance funds that had been obligated ranged from a low of 65 percent for the Army to a high of 78 percent for the Marine Corps (see chart below). In contrast, the percentage of military personnel funds obligated by the three-fourths of-the-fiscal-year mark by the services ranged from 72 to 75 percent of GWOT appropriations.

Obligations of GWOT Operation and Maintenance Funds, through June 2003
Percent of total



Source: GAO’s analysis of DOD data.

The military services believe they will obligate all the fiscal year 2003 funds appropriated to them. In addition, the services have received billions of dollars more in transfers from the Iraqi Freedom Fund. But GAO’s analysis suggests that they may not need all the funds transferred as well as further transfers in fiscal year 2003 for operation and maintenance, since considerable unobligated fiscal year 2003 funds remain in their direct appropriations.

Since DOD terminated Operations Desert Spring and Northern and Southern Watch in Southwest Asia in March 2003, the funds (\$1.4 billion) that were included in the President’s fiscal year 2004 budget to support those operations next year may no longer be necessary.