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OFFICE OF MANAGEMENT AND BUDGET
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President Submits \$74.7 Billion Supplemental Appropriations Request for Funding War on Terrorism
Provides Resources for Operation Iraqi Freedom, International assistance and Iraqi relief and reconstruction, Homeland Security, and Legislative Branch

Washington, DC - - President George W. Bush today submitted a proposal for \$74.7 billion in supplemental appropriations to Congress for funding the war on terrorism. The request would provide critical funds for Operation Iraqi Freedom, international assistance and Iraqi relief and reconstruction, homeland security, and the legislative branch.

“Today, I submit a request for 2003 supplemental appropriations to support Department of Defense operations in Iraq and to strengthen the capabilities of our friends and allies who will share the burden of military and stabilization activities. Disarming and liberating Iraq is a first step. This request also provides immediate humanitarian relief, support for reconstruction, and the development of a free-market democracy in Iraq. Finally, the request will enhance the safety and well-being of Americans at home and abroad with investments managed by the Department of State, the Department of Homeland Security, and other agencies,” said the President in his transmittal letter to Congress.

Summary of the President’s request:

- \$62.6 billion for operations in Iraq
- \$7.8 billion for International Assistance Programs and a new Iraq Relief and Reconstruction fund
- \$4.2 billion for Homeland Security
- \$125 million for the Legislative Branch

Defense.....\$62.6 billion

- \$62.6 billion for the Department of Defense and classified activities to address the costs related to military operations against Iraq and sustaining efforts in the continuing global war on terrorism. The request includes funds for preparatory costs already incurred, the estimated costs associated with military operations against Iraq, and replenishing munitions that are likely to be expended. The proposal also includes funds to support other nations in the global war on terrorism and the request is built on the key assumption that U.S. military action in Iraq will be swift and decisive. The Administration is seeking \$59.9 billion in funds in a consolidated emergency response account – the Defense Emergency Response Fund (DERF) – which will allow the maximum flexibility to promptly transfer funds as needed to the appropriate agency, service, or account as the war advances. More specifically, the request includes:
 - At least \$53.4 billion in DERF funds for Military Operations in Iraq. This amount would cover the costs associated with: support for active duty military personnel; the mobilization to active duty of Reserve and National Guard personnel to support military operations on a full time basis, including pay, travel, per diem, and health care; personnel necessary to maintain critical manning at authorized levels and special pays, such as Imminent Danger Pay, Family Separation Allowance, and Foreign Duty Pay; and, operations, such as incremental flying hours, ship steaming days, ground operations,

special airlift missions, increased associated ship and aircraft maintenance, associated logistics support, fuel purchases, base support, and reconstruction. These funds also will reimburse accounts used for projects completed or underway that were necessary to prepare for military action in Iraq.

- Up to \$3.7 billion in DERF funds for Munitions Replenishment. These funds would be used to replenish munitions expended during military operations in Iraq and in the global war on terrorism. These funds could be used to replace precision munitions, ammunition, and other conventional munitions in order to restore inventories to pre-conflict levels.
- At least \$1.7 billion in DERF funds for Classified Activities. These funds would cover the costs associated with classified activities undertaken in Iraq and in the global war on terrorism.
- Up to \$1.1 billion in DERF funds for Equipment Procurement and Research and Development. These funds would be used to develop, procure, and upgrade systems necessary to prosecute the global war on terrorism, including operations in Iraq. These systems include command, control, communications, computer and intelligence equipment, chemical and biological detection and decontamination gear, targeting devices, and spare and repair parts needed to keep pace with increased operational tempo.
- Funding in Other Defense Accounts (\$2.7 billion), including:
 - \$1.4 billion to Support Coalition Partners. These funds would assist key cooperating nations supporting military operations in Iraq and the global war on terrorism.
 - \$0.7 billion for Other Programs. These funds would cover the costs to repair potential damage to Iraqi oil facilities and assure an adequate internal distribution infrastructure. Funds would also continue U.S. efforts to support Colombia's unified campaign against narcotics trafficking and terrorist activities and would continue training of the Afghan National Army.
 - \$0.4 billion for Increased Costs of Fuel. This amount would cover the increased cost of fuel.
 - \$0.2 billion for Military Construction. These funds would be used to construct facilities in Guantanamo Bay, the government's focal point for the processing, interrogation, adjudication, and detention of detainees captured in the global war on terrorism. The funds also would cover construction of taxiways, parking aprons at Air Force facilities in the Middle East, and construction of housing and facilities for military and civilian personnel of coalition partners supporting the global war on terrorism.

International\$7.8 billion

- 7.8 billion for international assistance programs and a new Iraqi Relief and Reconstruction fund. More specifically, the request includes:
 - \$5.02 billion for International Assistance Programs to support key coalition partners in the conflict with Iraq and in the global war on terrorism, including:
 - \$2.1 billion for Foreign Military Financing. These funds will strengthen the forces of our partners and allies in military and stabilization operations in Iraq and the ongoing war on terrorism. \$1 billion would be made available for Israel to enhance security in light of threats posed by the war with Iraq.
 - \$2.4 billion for the Economic Support Fund (ESF). These funds would provide critical economic support to Jordan, Turkey, Afghanistan, and Egypt and support educational and economic opportunities in the Middle East. In addition, loan guarantees will be made available to Israel. Of the total requested for ESF, \$40 million would reimburse amounts used to preposition relief and reconstruction supplies and services prior to the conflict.
 - \$0.2 billion for Peacekeeping Operations. These funds would assist coalition partners and front line states supporting operations in Iraq, including funding for follow on stabilization activities.
 - \$150 million for the United States Emergency Fund for Complex Foreign Crises. This contingency fund would be used for a range of unforeseen needs including support for stabilization operations in Iraq. Use of this Fund would require a Presidential determination that a complex emergency exists and that it is in the national interest to use the Fund to respond to it.
 - \$120 million for International Disaster Assistance (\$80 million) and Child Survival and Health Programs Fund (\$40 million). These resources would reimburse these accounts for funds used to preposition people, supplies, and commodities prior to the conflict with Iraq.

- \$28 million for Nonproliferation, Anti-Terrorism, Demining and Related Programs. These funds would be used in Afghanistan for antiterrorism training, protection equipment, and demining, and for antiterrorism training programs in other countries.
- \$22 million for Operating Expenses of the Agency for International Development (USAID). These funds would help cover the cost of potential evacuations of USAID personnel, fund start-up costs for USAID operations in Iraq, and help cover costs of the USAID Inspector General for auditing reconstruction and relief activities in Iraq.
- \$30.5 million for the International Broadcasting Board of Governors to accelerate Middle East Television Network start-up and increase radio broadcasting to Iraq.
- \$2.4 billion for a new flexible account in the Executive Office of the President (EXOP) for Relief and Reconstruction in Iraq. This request would fund a new flexible account focused on Iraq relief and reconstruction. \$1.7 billion is requested to support reconstruction in the areas of health, water/sanitation, education, electricity, transportation, telecommunications, rule of law/governance, economic and financial policy, and agriculture. \$543 million is requested for humanitarian assistance to refugees, internally displaced persons, and vulnerable individuals, including humanitarian demining in and around Iraq. In addition, up to \$200 million will be available to replenish accounts drawn down to buy emergency food stocks for the Iraqi people. Flexible authorities for this account will allow quick transfer of funds to all agencies involved in relief and reconstruction as requirements are defined. These funds are in addition to reimbursements for costs already incurred to preposition relief supplies. The total commitment of resources for Iraq relief and reconstruction is approximately \$3.5 billion. This includes funds made available under the DoD heading for oil field repair, contingency accounts, and reimbursement for pre-positioning supplies.
- \$296 million for the Department of State for necessary operating costs, evacuation of U.S. citizens worldwide, and assistance for refugees or internally displaced persons due to the conflict with Iraq:
- \$101 million for Diplomatic and Consular Programs. These funds would provide for additional operating costs for the Department of State globally, in Iraq, and to enhance worldwide security programs.
- \$66 million for Emergencies in the Diplomatic and Consular Service. These funds would be used to evacuate U.S. government employees and private citizens and to provide additional services to American citizens should the need arise. Funds would be returned to the Treasury if unused by year's end.
- \$50 million for the U.S. Emergency Refugee and Migration Assistance Fund (ERMA). These funds would replenish resources to enable this account to respond to urgent, unforeseen refugee and migration events. ERMA funds were used to support international organizations' prepositioning of supplies related to potential conflict.
- \$34 million for the Andean Counterdrug Initiative. These funds would be used for needed security and counterdrug assistance in Colombia.
- \$25 million for International Narcotics Control and Law Enforcement. These funds would be used for border security requirements in Pakistan.
- \$20 million for Embassy Security, Construction and Maintenance. These funds would be used for immediate temporary facilities for State Department and other agency employees in Iraq.

Homeland Security.....\$4.2 billion

- \$4.2 billion to address Homeland Security Requirements, including:
- \$3.5 billion for the Department of Homeland Security. This would provide \$1.5 billion for prevention and response operations of departmental agencies, such as increased border and maritime operations, including Coast Guard support of the Department of Defense; and \$2.0 billion for Office for Domestic Preparedness assistance to state and local governments to support federally-coordinated terrorism preparedness and security enhancements at this time of heightened threat.

- \$500.0 million for the Department of Justice. These funds would support immediate and emerging terrorism-related prevention and response requirements, including additional intelligence and investigative activities.
- \$250.0 million for the Executive Office of the President’s Emergency Response Fund. These funds would support immediate and emerging terrorism-related prevention and response requirements throughout the federal government.

Specific homeland security requirements must be flexible enough to meet emerging threats or respond to attacks, so precise allocation of these funds cannot be determined in advance. Congressional notification would be provided 15 days prior to any anticipated allocation of funds.

Legislative Branch.....\$125 billion

- \$125 million for the Legislative Branch to provide funding for immediate or emerging terrorism-related prevention requirements throughout the Legislative Branch.

SUMMARY TABLE

PROSECUTING THE WAR \$62.6 billion

OPTEMPO to mobilize/deploy troops for six months including combat, stabilization and phased redeployment	\$53.4 billion
Support to Coalition partners	\$1.4 billion
Munitions & procurement	\$4.8 billion
Classified	\$1.7 billion
Other - Milcon/Fuel/Oil Field Repair	\$1.3 billion

RELIEF, RECONSTRUCTION & FOREIGN OPERATIONS \$7.8 billion

Iraq Relief & Reconstruction	\$2.45 billion
International assistance	\$5.02 billion
Jordan (\$700 m ESF \$406 million FMF)	
Israel (\$9 billion no cost loan guarantees, \$1b grant FMF)	
Turkey (\$1 billion grant ESF)	
Global War On Terrorism and support to front line States including: Eastern Europe, Middle East and Africa, Pakistan, Egypt, Afghanistan, Philippines, Colombia, Muslim Education/Outreach	
State Department-Embassy Security/Support	\$300 million

HOMELAND SECURITY \$4.2 billion

Department of Homeland Security	\$3.5 billion
War related prevention/response (\$1.5 billion)	
Office for Domestic Preparedness aid to state/local governments to support federally coordinated terrorism initiatives (\$2 billion)	
Department of Justice Counterterrorism Fund	\$500 million
Immediate/emerging prevention and response activities including intelligence and investigative activities	
Emergency Response Fund in the Executive Office of the President	\$250 million
Immediate/emerging federal prevention and response requirements	

LEGISLATIVE BRANCH \$125 million

TOTAL \$74.7 billion

Source: Office of Management and Budget – March 25, 2003