

Accountability lacking in supplemental appropriations practices

February 28, 2005

Dear Senator/Representative:

The Administration's \$81 billion request for war-related costs in Iraq and Afghanistan is poor budgetary practice that obscures the Pentagon's true fiscal picture and erodes Congress's oversight capabilities.

The Pentagon has padded this budget with tens of billions of dollars not related to combat operations in Iraq and Afghanistan. It is a fiscal sleight-of-hand that Congress ought to reject.

Traditionally, supplemental spending requests have funded unanticipated emergency needs that the normal annual federal budget process cannot accommodate. But the Administration's recent request includes billions for such things as Army modernization programs, day-to-day Pentagon operations, weapons purchases, and additional troops that should be funded through its annual budget.

Supplemental spending requests also lack the usual detail used to justify the federal government's annual budget request, making accounting more difficult. Moreover, supplemental funding is left out of the deficit projections that accompany the annual budget.

This method of budgeting hides the true size of the deficit, and it makes it extremely difficult for Congress to track how these funds are being allocated. Members of Congress should insist on better Pentagon budgeting practices and not simply sign a blank check.

The Pentagon's costs for military operations in Iraq and Afghanistan have been relatively stable for the last two fiscal years -- \$64 billion in FY'03 and \$66 billion in FY'04. Further, the Pentagon estimates that it is currently spending roughly \$5.6 billion monthly to fund operations in Iraq and Afghanistan, or about \$67 billion annually. Yet including the \$25 billion in supplemental funding already appropriated for FY'05, the total request for FY'05 is over \$100 billion, or roughly \$35 billion above previous levels, for a force that's basically the same size. While some additional spending is to be expected due to such factors as higher personnel costs for greater numbers of guard and reserve units and higher operations and maintenance costs for aging equipment, such increases can't account for all \$35 billion.

A Pentagon blank check leads to lack of congressional oversight. Unlike the annual budget request, supplemental spending requests arrive with little detail about how the money will actually be allocated. The services argue that emergency funding requests are by necessity vague because they need maximum flexibility to meet as-yet undefined requirements. Yet there is a fine line between "flexibility" and "carte blanche."

The practice of funding non-emergency initiatives through supplemental spending legislation erodes Congress's oversight ability.

- **We urge you to request that the Department of Defense provide additional detail about how it plans to spend the funds in this supplemental.**
- **We also hope that you will insist that future supplemental requests include such detail and are limited to unanticipated emergency needs that the normal annual federal budget process cannot accommodate.**

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