

BACKGROUND

FUNDING FOR DEFENSE, HOMELAND SECURITY AND COMBATING TERRORISM SINCE 9-11: WHERE HAS ALL THE MONEY GONE?

By Steven M. Kosiak

The tragic events of September 11, 2001 have had a significant impact on federal spending related to defense, homeland security and combating terrorism. The purpose of this backgrounder is to provide an estimate of just how much funding for these missions has been increased since 9-11, and to specify, to the extent possible, how that funding has been allocated.¹

It is impossible to say precisely how much of the increase in spending that has occurred since 9-11 is attributable to the terrorist attacks themselves. Other factors have undoubtedly contributed to the growth in spending as well. However, the terrorist attacks of 9-11 have clearly been the most significant cause of the increase. Consistent with this fact, programs and activities related to homeland security and combating terrorism have been the main beneficiaries of the spending increases implemented since 9-11. But they have not been the only beneficiaries. In particular, some Department of Defense (DoD) programs and activities that are unrelated, or only indirectly related, to these missions have also benefited substantially.

In brief, this analysis finds that:

- Since the terrorist attacks of 9-11, US funding related to defense, homeland security and combating terrorism has been increased by some \$145-160 billion. This figure represents the level of funding provided over the fiscal year (FY) 2001-03 period that is *above what would have been projected to have been spent in these areas, over these years, had funding simply been increased at the rate of inflation.*
- Assuming Congress approves the level of funding requested for homeland security and combating terrorism in the administration's FY 2003 budget request for non-defense departments and agencies when it reconvenes early in 2003, annual funding for these programs will be about \$18 billion higher than it was prior to 9-11. This represents a real (inflation-adjusted) increase of about 240 percent.
- DoD's FY 2003 budget is about \$48 billion higher than the last pre-911 annual defense budget. This represents a real increase of 15 percent. Only about one-third of this increase appears to be for programs and activities closely related to homeland security and combating terrorism.
- The bulk of the funding increases for homeland security and combating terrorism provided for FY 2001 and FY 2002 were included in three large emergency supplemental appropriations, which together contained some \$64 billion. DoD has received about \$30 billion, or 47 percent of the funding provided in these supplementals. The next largest recipients have been the Federal Emergency Management Agency (FEMA) (\$11 billion) and the Department of Transportation (\$7 billion).

- Most of the emergency funding provided to non-DoD departments and agencies has been used to help recover from the attacks of 9-11 and for victim relief, or to improve aviation security and security at critical, non-DoD facilities located around the world. Altogether, these activities have absorbed at least \$25 billion of the emergency funding provided since 9-11.
- In recent years, DoD has received about one-third of the federal funding for homeland security and combating terrorism provided through the regular annual appropriations bills. The next largest recipients of non-emergency funding for homeland security and combating terrorism in recent years have been the Departments of Transportation and Justice.
- Programs and activities closely related to homeland security and combating terrorism continue to absorb a relatively small share of DoD's overall budget. The Office of Management and Budget's (OMB's) and DoD's own estimates suggest that DoD will spend roughly \$20-30 billion on these activities in FY 2003. This is equivalent to some 5-10 percent of the recently enacted FY 2003 defense budget. Moreover, some of this funding may be provided in a future FY 2003 supplemental appropriation.
- If policymakers are to effectively determine how much funding needs to be provided for homeland security and combating terrorism in the future, the administration will have to begin providing substantially more detailed, comprehensive, and clear data and cost estimates concerning these missions than it has to date.

OVERALL FUNDING INCREASES

Since the terrorist attacks of September 11, 2001, US funding related to defense, homeland security and combating terrorism has been increased substantially. Assuming that Congress approves the level of funding requested for homeland security and combating terrorism in the president's FY 2003 budget request for non-defense departments and agencies when it reconvenes early in 2003, the total increase since 9-11 would amount to about \$160 billion. On the other hand, if those programs and activities were instead funded only at their current levels through the remainder of FY 2003, the total increase since 9-11 would amount to about \$145 billion.

These estimates represent the additional amount of federal funding for defense, homeland security and combating terrorism provided *above and beyond what would have been projected to have been spent in these areas had funding simply been increased at the rate of inflation*. As such, they reflect increases in real purchasing power, and not merely nominal dollar increases. In other words, over the FY 2001-03 period, a total of \$145-160 billion more has been provided for these broad mission areas than would have been needed to simply keep pace with inflation. Table 1 summarizes the different components of the \$160 billion estimate.

These estimates may overstate the impact of 9-11 on funding for defense, homeland security and combating terrorism. This is because the starting point for the inflation-adjusted baseline used in this analysis was calculated using the levels of funding provided in the FY 2001 annual appropriations bills. Arguably, a better starting point would be the levels of funding provided in the FY 2002 annual appropriations bills. This is because it is likely that increases in some or all of these areas would have been enacted in the FY 2002 annual appropriations bills even absent the terrorist attacks of 9-11. The administration had requested funding increases for many of these programs and activities in its initial

FY 2002 budget requests, which were submitted to Congress more than six months before 9-11. In particular, it had requested a substantial increase in funding for defense (though this request did not include large increases in funding for DoD programs and activities related to homeland security or combating terrorism).

Table 1: Funding for Defense, Homeland Security and Combating Terrorism since 9-11
(in billions of dollars)

	FY 2001	FY 2002	FY 2003	FY 01-03
Actual/Requested Funding				
Homeland Security & Combating Terrorism*	45	71	56	172
Department of Defense**	301	327	364	991
Pre-9-11 Inflation-Adjusted Baseline				
Homeland Security & Combating Terrorism	20	20	21	61
Department of Defense	301	310	317	927
Difference				
Homeland Security & Combating Terrorism	25	51	35	111
Department of Defense	0	17	48	64
Subtotal	25	68	82	175
Adjustment for DoD Overlap	0	-1	-14	-15
Total Real Growth Since 9-11	25	67	68	160

* See table 2.

** Excludes funding provided in post-911 emergency supplemental appropriations.

Sources: CSBA based on OMB, DoD, CBO and CRS data.

Since the funding levels proposed, prior to 9-11, for FY 2002 were substantially higher than the levels enacted in the FY 2001 annual appropriations bills, choosing an FY 2002 inflation-adjusted baseline instead would lessen the apparent impact of 9-11 on spending. Specifically, if FY 2002 were used as the starting point for the inflation-adjusted baseline rather than FY 2001, the total increase in funding for defense, homeland security and combating terrorism would amount to some \$105-120 billion. In the end, however, although there is no “right answer,” choosing the FY 2001 inflation-adjusted baseline appears to be the sounder approach. This is for the simple reason that, while the administration had *proposed* FY 2002 funding increases, prior to 9-11, for defense and some programs related to homeland security and combating terrorism, most of these bills were not enacted until *after* September 11, 2001.

FUNDING FOR HOMELAND SECURITY AND COMBATING TERRORISM

Precisely estimating funding levels for homeland security and combating terrorism is difficult, among other things, because it is not always clear which federal programs and activities should be included in these totals. The definition used in this analysis includes funding identified as related to homeland security and combating terrorism in a variety of administration and congressional documents.

In keeping with the administration's use of the term "homeland security," the estimates provided in this analysis focus on efforts related to preventing terrorist attacks within the United States, reducing America's vulnerability to terrorism, minimizing the damage from such attacks, and improving our ability to recover from and respond to terrorist attacks.² It does not include funding for some programs and activities aimed at countering potential threats to the US homeland that might be posed by another state, but are unlikely to be posed by terrorist groups.³ However, again consistent with the administration's definition, as used here, "combating terrorism" includes efforts to combat terrorism overseas. It also includes the cost of fighting the war in Afghanistan, which is included in some, but not all, administration descriptions of the cost of combating terrorism.

According to OMB estimates, prior to the terrorist attacks of 9-11, the administration and Congress had provided about \$20 billion for homeland security and combating terrorism in FY 2001.⁴ Soon after the attack, Congress provided an additional \$20 billion in funding through an emergency supplemental appropriation (P.L. 107-38), bringing total FY 2001 funding to \$40 billion. OMB estimates that the regular annual appropriations bills for FY 2002 included some \$24 billion for homeland security and combating terrorism.⁵ In December 2001, Congress passed another emergency supplemental appropriation bill (P.L. 107-117), signed by the president in January 2002, that included an additional \$20 billion in FY 2002 funding related to these missions.⁶ Most recently, in the summer of 2002, Congress and the administration enacted yet another emergency supplemental appropriation bill (P.L. 107-206) that included some \$24 billion in additional FY 2002 funding.⁷ Thus, altogether, Congress and the administration appropriated about \$68 billion in funding for homeland security and combating terrorism in FY 2002.⁸ In addition, legislation enacted by Congress affecting direct federal spending provided another \$11 billion in funding related to 9-11 over the FY 2001-03 period.⁹

Table 2 provides a rough breakdown of overall federal funding for homeland security and combating terrorism over the FY 2001-2003 period.¹⁰ The figures for FY 2003, in particular, are tentative. Among other things, they assume that when Congress reconvenes in January it will approve funding levels for domestic homeland security and combating terrorism activities that are close to the levels included in the administration's FY 2003 request (US domestic departments and agencies are currently being funded through a stop-gap continuing resolution). Altogether, as illustrated in Table 1, the level of funding provided for these missions over the FY 2001-03 period is likely to be about \$111 billion more than would have been provided over this period had funding simply been increased at the rate of inflation.

Table 2: Federal Funding for Homeland Security and Combating Terrorism, by Year
(Budget Authority in Billions of Dollars)

	FY 2001	FY 2002	FY 2003*
Annual Appropriations			
OMB Estimate of Federal Funding	20.0	24.2	44.8
Other DoD Funding (not including in OMB estimate)**	0.0	0.0	8.2
Subtotal	20.0	24.2	53.0
Emergency Supplemental Appropriations			
September 2001	20.0	0.0	0.0
January 2002	0.0	20.0	0.0
August 2002	0.0	24.0	0.0
Subtotal	20.0	44.0	0.0
Total Discretionary	40.0	68.2	53.0
Direct Spending***	5.2	3.0	2.7
Total Spending	45.2	71.2	55.7

* Level of funding requested for FY 2003.

** This is the \$20.1 billion request for the Defense Emergency Response Fund, excluding funding for combat air patrols (which is included in the OMB estimate), funding related to the Nuclear Posture Review and the \$10 billion requested for a war reserve fund.

*** Primarily funding for the Air Transportation Safety and System Stability Act.

Sources: CSBA based on OMB, DoD, CBO and CRS data.

SUPPLEMENTAL APPROPRIATIONS

The \$64 billion provided in the three emergency supplemental appropriations enacted since 9-11 has been allocated to a broad range of departments and agencies for use in a wide range of missions. Just under half of this funding, about \$30 billion, was provided to DoD. The next largest amounts were allocated to the FEMA (about \$11 billion), and the Departments of Transportation (\$7 billion), Health and Human Services (HHS) (\$3 billion), Housing and Urban Development (HUD) (\$3 billion), and Justice (\$3 billion).¹¹ (See Table 3 for further breakdown of funding by agency).

Table 3: Emergency Funding Related to Homeland Security and Combating Terrorism, by Agency
(in billions of dollars)

Agency	ETR*	Aug-02 Supplemental	Total
Defense	17.2	13.4	30.6
FEMA	6.6	3.1	9.7
Transportation	1.9	5.5	7.5
HHS	2.9	0.0	2.9
HUD	2.7	0.0	2.7
Justice	2.2	0.5	2.7
Foreign Operations/Intl Asst	1.0	0.9	1.8
Energy	0.4	0.2	0.6
Treasury	0.7	0.0	0.7
State	0.4	0.3	0.7
Other	3.9	0.1	4.1
Total**	40.0	24.0	64.0

* Emergency Threat Response Act. This includes funding provided in both the September 2001 and January 2002 emergency supplemental appropriations.

** Totals may not add up due to rounding.

Sources: CSBA based on OMB, DoD, CBO and CRS data.

The administration has not yet provided a detailed breakdown of the major missions to which the \$64 billion in supplemental appropriations has been allocated. Roughly, however, it appears that this funding has been allocated in the following manner¹²:

- Defense and Intelligence Activities (\$30 billion, or 47 percent).** This funding includes about \$16 billion to pay FY 2002 operations and support (O&S) costs related to ongoing military operations in Afghanistan and elsewhere, including some homeland security activities, such as flying combat air patrols over US cities, and mobilizing National Guard and Reserve personnel.¹³ DoD has not indicated how much of this funding is attributable to the war in Afghanistan vice homeland security or other related operations. However, a reasonable estimate is that FY 2002 O&S costs associated with the war in Afghanistan will total some \$9 billion.¹⁴ This suggests that the O&S costs for homeland security and other related missions may amount to some \$7 billion in FY 2002. The remaining \$14 billion in emergency funding provided to DoD is allocated to a variety of different activities. This includes some \$1.5 billion to repair and upgrade the Pentagon, \$1.4 billion for enhanced physical security measures for US forces and military facilities, \$2.4 billion for munitions and offensive counterterrorism activities, and \$8 billion for command, control, communications,

intelligence and classified activities. It is unclear how much of these non-O&S costs for munitions, intelligence and other activities are related to executing the war in Afghanistan.

- **Recovery from Attacks and Victim Relief (\$16 billion, or 25 percent).** Some \$12.5 billion of the funding in this category is to cover the cost of removing debris from and rebuilding equipment and infrastructure damaged in the attacks of 9-11, in New York. Another \$3.5 billion is for assistance to individuals, families and businesses that were affected by those attacks.
- **Improved Aviation and Other Security (\$9 billion, or 14 percent).** About half of this funding is for improving security at US airports and aboard US commercial aircraft. The other half of this funding is directed at strengthening security at critical, non-DoD, facilities located around the world (funding to improve security at DoD facilities is included in the Defense category, above).
- **Bioterrorism (\$3 billion, or 5 percent).** This funding pays for various programs and activities designed to counter or protect against the potential threat to civilian populations posed by biological and chemical weapons, and related threats.
- **Other (\$6 billion, or 9 percent).** These funds support a wide range of different programs and activities, such as humanitarian assistance to Afghanistan and other states in Central Asia, security assistance to frontline states involved in the war on terrorism, public diplomacy (e.g., US broadcasts to people in Central Asia), investigation and law enforcement activities related to the attacks of 9-11, and training and other technical assistance aimed at improving the ability the United States to respond to a future attacks. (See Table 4 for a further breakdown of funding by mission.)

Table 4: Emergency Funding Related to Homeland Security and Combating Terrorism, by Mission
(in billions of dollars)

Mission	ETR*	Aug-02 Supplemental	Total
Bioterrorism		0.1	3.3
Defense	3.2	13.4	30.6
Humanitarian Assistance	17.2	0.1	0.9
International Sec Assist	0.8	1.1	1.9
Investigation and Law Enf	0.8	0.0	2.4
Preparedness	2.4	0.5	0.9
Public Diplomacy	0.4	0.0	0.0
Recovery from Attacks	-	5.4	12.6
Security--Infrastructure & Personnel	7.2	0.9	4.5
Security--Aviation	3.6	3.2	4.4
Victim Relief	1.2	0.1	3.7
Other	3.6	-0.8	-0.8
	-		
Total**	40.0	24.0	64.0

* Emergency Threat Response Act. This includes funding provided in both the September 2001 and January 2002 emergency supplemental appropriations.

** Totals may not add up due to rounding.

Sources: CSBA based on OMB, DoD, CBO and CRS data.

ANNUAL APPROPRIATIONS ACTS

In addition to the funding provided in recent emergency supplemental appropriations, funding related to homeland security and combating terrorism is provided through a wide range of annual appropriations measures. As indicated in Table 2, funding for homeland security and combating terrorism provided through annual appropriations measures grew from about \$20 billion in FY 2001, the last pre-911 budget, to as much as \$53 billion in FY 2003.¹⁵ Funding for these missions in the annual appropriations bills is split among 27 different federal departments and agencies.¹⁶

OMB acknowledges that its estimate of funding for homeland security and combating terrorism does not include the cost of some important activities related to the war on terrorism. In particular, it omits costs associated with recovering from the terrorist attacks of 9-11,¹⁷ and the cost of direct military action, such as the war in Afghanistan.¹⁸ OMB does not clearly explain which programs and activities it *does* include in its estimate. However, in general it appears that OMB includes those activities that are intended to improve the country's ability to protect against and thwart future attacks, and would

continue to be funded even after current military operations in Afghanistan and elsewhere are completed.

About one-third, or \$14 billion, of the \$45 billion in FY 2003 funding identified by OMB as related to homeland security and combating terrorism is allocated to DoD and intelligence agency activities.¹⁹ Some \$7.8 billion of this funding is intended to pay for homeland security activities, and about \$6.4 billion for combating terrorism overseas.²⁰ Most of the former funding is for physical security measures at military bases in the United States, while most of the latter funding is for physical security at overseas bases or for intelligence activities aimed at countering terrorist organizations overseas (but, as noted above, excluding those costs associated with continuing operations in Afghanistan).

Under the administration's FY 2003 request the next largest recipients of funding for homeland security and combating terrorism in the regular annual appropriations bills would be the Departments of Transportation (\$7 billion), Justice (\$7 billion), and HHS (\$4 billion), FEMA (\$4 billion), and the Departments of Treasury (\$3 billion), State (\$2 billion), and Energy (\$2 billion). Overall, about \$37.8 billion of the FY 2003 request is provided for homeland security, and some \$8.5 billion is provided for combating terrorism overseas. Some 44 percent of the \$45 billion identified by OMB is allocated to investigative activities, 33 percent to physical security measures, 17 percent to preparing and responding to future terrorist attacks, and six percent to research and development activities related to homeland security and combating terrorism.

Since, as noted earlier, the administration and Congress have not yet agreed upon the final budget levels for FY 2003 for domestic departments and agencies, it is possible that the funding levels ultimately approved for these programs and activities will differ significantly from those outlined here. However, given Republican control of both houses of Congress and the strong bipartisan support that exists for homeland security and combating terrorism, the funding levels and allocations specified in the administration's budget request probably provide the best indication of how much and how the money for these missions will be spent in FY 2003.

Table 5, below, shows which missions related to homeland security and combating terrorism would benefit most from the budget increases enacted since 9-11, assuming the final levels approved for FY 2003 are close to the levels included in the administration's request. The greatest growth has been in activities related to preparing and responding to terrorist incidents and R&D. Funding for these missions has grown in real terms by 509 percent and 385 percent, respectively, since FY 2001. However, the largest shares of funding remain focused on physical security and investigation, intelligence and offensive activities.

ADDITIONAL DoD FUNDING FOR HOMELAND SECURITY AND COMBATING TERRORISM

As noted above, OMB's estimate apparently does not include all of the funding in the FY 2003 defense appropriations bill that is related to the war on terrorism. In addition to the \$14.3 billion for DoD and intelligence activities included in OMB's estimate, the FY 2003 request included about \$20.1 billion for the Defense Emergency Response Fund (DERF). As much as \$18.2 billion of this funding was apparently not included in OMB's estimate, but is, according to DoD, related to the war on terrorism. This includes \$10 billion the administration proposed to use to cover the costs of continued military operations in Afghanistan or elsewhere, and about \$8 billion for other programs and activities that DoD

has identified as related to the war on terrorism.²¹ This latter funding included some \$3 billion for command, control, communications and intelligence activities, \$1.7 billion for munitions and other offensive counterterrorism activities and \$2.7 billion for enhanced physical protection measures for US forces and military bases. The proposed \$10 billion war reserve was rejected by Congress. But most of the remaining funding appears to have been approved. This suggests that the total level of funding provided to DoD for missions related to homeland security and combating terrorism is likely to amount to some \$22 billion in FY 2003.

Table 5: Non-Emergency Funding for Homeland Security and Combating Terrorism, by Mission

	FY 2001	FY 2002	FY 2003*
Physical Security of Government and Populace	7.3	9.6	14.6
<i>real increase compared to FY 2001</i>		30%	97%
Investigation, Intelligence & Offensive Activities	10.9	12.3	19.6
<i>real increase compared to FY 2001</i>		11%	77%
Preparing & Responding to Terrorist Incidents	1.2	1.6	7.7
<i>real increase compared to FY 2001</i>		24%	509%
Research & Development	0.6	0.8	2.9
<i>real increase compared to FY 2001</i>		33%	385%
Total	20.0	24.2	44.8
<i>real increase compared to FY 2001</i>		19%	120%

* Level of funding requested for FY 2003.

Sources: CSBA based on OMB, DoD, CBO and CRS data.

OVERALL DOD FUNDING SINCE 9-11

As the discussion above indicates, DoD accounts for a significant portion of what the administration defines as funding for homeland security and combating terrorism. Altogether, DoD has accounted for nearly half of all the emergency funding provided since 9-11 and absorbs about one-third of all funding for these missions provided in regular annual appropriations bills. At roughly \$22 billion, the level of funding for homeland security and combating terrorism in FY 2003 is some \$14 billion more than would have been provided in FY 2003 had funding for these missions simply been increased at the rate of inflation.²² That is a substantial increase. However, over that same period, DoD's overall budget increased by significantly more. The recently enacted FY 2003 defense budget is about \$48 billion above the FY 2001 inflation-adjusted baseline.

The portion of DoD's funding increase that has not been allocated directly to homeland security and combating terrorism has been used to support a wide variety of other programs and activities. Much of it has been absorbed by improvements in military pay and higher operations and maintenance (O&M) costs. Among the fastest growing segments of the defense budget has been military health care. These costs have grown in part because of the expansion of health care benefits for military retirees, and in part because of the same factors that have pushed up health care costs in the civilian market. Another major beneficiary of the boost in DoD funding since 9-11 has been military research and development. FY 2003 funding for defense R&D is about \$15 billion above the FY 2001 inflation-adjusted baseline for defense R&D. Among the greatest beneficiaries of this funding growth have been ballistic missile defense programs, funding for which has grown by over \$2 billion since FY 2001. The other main

beneficiaries are long-planned next-generation weapons programs, such as the F-22 fighter, the F-35 fighter and the Comanche helicopter, which are undergoing engineering and manufacturing development (EMD), the last phase of R&D prior to production. It is unclear precisely how much of the increase in funding for defense R&D since 9-11 has been allocated to programs related to homeland security and combating terrorism, but it appears likely that such programs account for only a relatively modest share of the increase.

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¹ Estimates provided in this analysis were derived based on a variety of sources, including Office of Management and Budget (OMB), “Unclassified Report on Government-Wide Spending to Combat Terrorism,” June 24, 2002, Dan L. Crippen, Letter to the Honorable John M. Spratt, Jr., concerning federal spending since the terrorist attacks of September 11, 2001, and Amy Belasco and Larry Nowels, “Supplemental Appropriations for FY 2002: Combating Terrorism and Other Issues,” CRS, August 9, 2002.

² This definition is, for example, consistent with the goals for homeland security described in the administration’s July 2002 report on homeland security. Office of Homeland Security, *National Strategy for Homeland Security*, (Washington, DC: July 2002), p. vii.

³ For example, the estimates in this analysis do not include funding for ballistic missile defense activities.

⁴ OMB, “Unclassified Report on Government-Wide Spending to Combat Terrorism,” June 24, 2002, p. 15.

⁵ Ibid.

⁶ In P.L. 107-38, Congress approved \$40 billion in emergency funding. Of this total, \$10 billion was available immediately and \$10 billion became available 15 days after OMB notified Congress how the funds would be spent. This \$20 billion is scored as FY 2001 budget authority (BA). However, the second \$20 billion only became available after the administration submitted another supplemental appropriations request to Congress and that request was approved by Congress and signed by the president. In other words, the initial emergency supplemental appropriation essentially provided the administration with \$20 billion, and permission to seek another \$20 billion. This second supplemental, enacted in January 2002, is scored as FY 2002 appropriations

⁷ The supplemental appropriations bill passed by Congress provided about \$29 billion. This included about \$5 billion in contingent emergency funding that could be spent only if the President subsequently designated all \$5 billion as emergency spending. Soon after the bill was passed, the President announced that he would *not* do so. Thus, the supplemental effectively provides some \$24 billion.

⁸ In addition to funding provided through emergency supplemental appropriations, about \$740 million was added to the 13 regular FY 2002 annual appropriations bills in response to the attacks of 9-11. See Congressional Budget Office (CBO) Dan L. Crippen, Letter to the Honorable John M. Spratt, Jr., concerning federal spending the terrorist attacks of September 11,

2001, p. 1. It is assumed in this analysis that all of this funding is included in OMB's FY 2002 estimate of the funding for homeland security and combating terrorism that is provided through regular annual appropriations bills.

⁹ The vast majority of this funding will be provided as a result of The Air Transportation Safety and System Stabilization Act (P.L. 107-42), which is intended to provide compensation payments to victims and their families and financial assistance to distressed airlines. CBO, Letter to Spratt, p. 2.

¹⁰ In addition to \$64 billion provided through three emergency supplemental appropriations, Congress added about \$700 million in funding related to homeland security and combating terrorism to the some of the 13 regular FY 2002 annual appropriations bills it enacted in the immediate aftermath of 9-11.

¹¹ The breakdown of emergency funding by agency included in this analysis is derived primarily from figures provided by the Congressional Research Service (CRS) and CBO. See, Amy Belasco and Larry Nowels, "Supplemental Appropriations for FY 2002: Combating Terrorism and Other Issues," CRS, August 9, 2002, pp. 9 and 53-91; and CBO, Table 1.

¹² The breakdown of emergency funding by mission included in this analysis is derived primarily from figures provided by CRS. See Belasco and Nowels, "Supplemental Appropriations for FY 2002," pp. 9, 53-91.

¹³ DoD, "FY 2002 Supplemental Request to Continue the Global War on Terrorism," March 2002, p. 7.

¹⁴ CBO estimated at the beginning of this year that the war in Afghanistan would cost about \$10.2 billion in FY 2002, excluding any costs associated with the National Foreign Intelligence Program (NFIP), which is classified. See Letter to the Honorable Pete V. Domenici, Ranking Member, Committee on the Budget, United States Senate, April 10, 2002, pp. 1-2. It is assumed here that about \$9 billion of this cost is related to O&S programs and activities (defined here to include mainly operations and maintenance activities, and military personnel compensation and benefits), and about \$1 billion reflects the cost of expended munitions and lost equipment. This estimate is based on the assumption that half of the \$2 billion CBO estimated would be accounted for by the cost of replacing expended munitions and lost equipment, and repairing equipment used in the conflict, would be absorbed by the last of these activities (equipment repair is an O&S activity), and that (consistent with CBO's analysis) O&S costs would also account for the conflicts remaining \$8 billion in identifiable costs.

¹⁵ OMB, "Unclassified Report on Government-Wide Spending to Combat Terrorism," p. 15.

¹⁶ Ibid.

¹⁷ Ibid., p. 8.

¹⁸ Ibid., p. 10.

¹⁹ Ibid., p. 15.

²⁰ Ibid., pp. 14-15.

²¹ The \$18 billion total cited here excludes some \$1.2 billion in DERF funding for combat air patrol missions over US cities (which appears to be included in OMB's estimate of FY 2003 funding for Homeland Security and Combating Terrorism) and \$685 million in DERF funding related to the Nuclear Posture Review.

²² The \$22 billion estimate assumes that the FY 2002 defense appropriations bill included the \$14 billion in funding for homeland security and combating terrorism identified by OMB in the administration's FY 2003 request, plus some \$8.2 billion in other DoD funding included in the administration's request.