Congress of the United States
Washington, DC 20515

FOR IMMEDIATE RELEASE
December 21, 2006

Contact: Stu Nagurka (Conrad) (202) 224-7436
Betsy Holahan (Gregg) (202) 224-6011
Chuck Fant (Spratt) (202) 226-2651

Bipartisan Budget Leaders Urge President to Budget for War

Budget Committee Chairman & Ranking Members Say War Costs Should Be Part of Regular Budget Submission

Washington, D.C. - As the White House prepares its annual budget submission to Congress, Congressional budget leaders want the Bush administration to include the full costs of the Iraq and Afghanistan military operations in its regular budget submission.

In a letter to President Bush today, Senate Budget Committee Chairman Judd Gregg, R-NH, incoming Senate Budget Committee Chairman Kent Conrad, D-ND, and incoming House Budget Committee Chairman John Spratt, D-SC, cited a public law, signed by the President earlier this year, requiring his regular budget to include full-year funding for the war.

The three budget leaders and others in Congress have grown increasingly concerned with the Bush administration's practice of funding the war outside of the regular budget process, using emergency supplemental appropriations. In their letter to the President, they explain why they find continued reliance on supplemental appropriations so problematic: "[I]t has skewed deficit projections, minimized the rational tradeoffs in the budget, and obscured oversight of war costs."

Senators Gregg, Conrad and Representative Spratt point out in their letter that the Iraqi Study Group (ISG) also weighed in on the war funding issue in its recent report. One of the ISG's 79 recommendations specifically called for the President's annual budget request to include full costs for the war, and noted that "the normal budget process should not be circumvented."

"The ever-expanding 'shadow budget' of supplementals and bridge funds disrupts the Pentagon's financial management process and congressional oversight of defense spending," the three members write in the letter to the President. "Full disclosure of war requirements and costs in your FY 2008 budget would be a step toward fiscal responsibility and a sign that your Administration intends to work closely with Congress on vital issues related to the wars in Iraq and Afghanistan."

The full letter to the President follows:

Dear Mr. President:

In the Defense Authorization Act for fiscal year 2007 (PL 109-364), Congress directed that your budget for fiscal year 2008 include full funding of the costs of ongoing operations in Iraq and Afghanistan. As the bipartisan, bicameral leadership of the Congressional Budget Committees, we write to underscore the importance of this directive. In addition, we urge you to include in

PRINTED ON RECYCLED PAPER

your budget the best possible projection of war costs beyond 2008, and to specify war costs with the same level of detail as items in the regular budget in order to make transparent the incremental cost of each operation.

Thus far, nearly all of the funding for operations in Iraq and Afghanistan has been obtained through supplemental appropriations. This has been problematic for several reasons: it has skewed deficit projections, minimized the rational tradeoffs in the budget, and obscured oversight of war costs. We believe that when troops are deployed, they should have our unstinting support; but we also believe that Congress should be able to examine supplemental requests and see that our forces are receiving the support they need, and that funds are not being diverted to other unrelated needs. Including in the budget the best feasible projection of war requirements and providing the same level of specificity for supplemental war costs as for regular items in the budget would help solve these problems.

Including war costs in the regular budget is consistent with historical practice. Nearly all funding for the Korean War was provided through regular appropriations after FY 1951. Similarly, all funding for the Vietnam War after FY 1970 was provided in regular appropriations. From FY 1997 on, funding for ongoing military operations in Southwest Asia and in Bosnia was also requested in the regular budget process.

After its in-depth analysis, the Iraqi Study Group reaffirmed Congress's direction to budget for war costs. In Recommendation 72 of their report, the group stated:

> Costs for the war in Iraq should be included in the president's annual budget request, starting in FY 2008: the war is in its fourth year, and the normal budget process should not be circumvented. Funding requests for the war in Iraq should be presented clearly to Congress and the American people. Congress must carry out its constitutional responsibility to review budget request for the war in Iraq carefully and to conduct oversight.

The ever-expanding "shadow budget" of supplementals and bridge funds disrupts the Pentagon's financial management process and congressional oversight of defense spending as well. Full disclosure of war requirements and costs in your FY 2008 budget would be a step toward fiscal responsibility and a sign that your Administration intends to work closely with Congress on vital issues related to the wars in Iraq and Afghanistan.

Sincerely,

JUDD GREGG Chairman Senate Budget Committee	KENT CONRAD Ranking Member Senate Budget Committee	JOHN SPRATT Ranking Member House Budget Committee

###