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REQUEST FOR FY 2005 BUDGET AMENDMENT

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

REQUEST FOR AN FY 2005 BUDGET AMENDMENT TO ESTABLISH A CONTINGENT EMERGENCY RESERVE FUND TO SUPPORT OPERATIONS IN IRAQ AND AFGHANISTAN



MAY 17, 2004.—Referred to the Committee on Appropriations and ordered to be printed

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THE WHITE HOUSE,
Washington, May 12, 2004.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I ask the Congress to consider the enclosed FY 2005 budget amendment to establish a $25 billion contingent emergency reserve fund to support operations in Iraq and Afghanistan.

Although we do not know the precise costs for operations next year, developments on the ground in Iraq indicate the need to plan for contingencies. We plan to pursue a full FY 2005 supplemental request when we can better estimate precise costs. In the meantime, this reserve fund will ensure that our men and women in uniform continue to have the resources they need when they need them.

I have pledged to our troops that they will have all the resources they need to accomplish this vital mission, and I urge the Congress to approve this reserve fund.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

GEORGE W. BUSH.

Enclosure.

Estimate No. 5, 108th Cong., 2d Sess.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, May 12, 2004.

The PRESIDENT,
The White House.

Submitted for your consideration is a request for an FY 2005 budget amendment to establish a $25 billion contingent emergency reserve fund to support operations in Iraq and Afghanistan.

The Department of Defense developed this recommendation following discussions with our commanders in Iraq and Afghanistan. Developments on the ground and uncertainty when Congress would be in session to consider an FY 2005 supplemental indicate that the availability of a reserve fund may be necessary to ensure there is no disruption in funding and resources for our armed forces.

Following Congressional action, the contingent emergency reserve fund would be available only if you make a subsequent request designating all or some of these funds as an emergency and essential to operations in Iraq and Afghanistan. The funds would not be available for reconstruction activities. While the funds initially would be allocated into the Iraq Freedom Fund across the military services, the amendment would provide flexibility to transfer funds if necessary. The contingent emergency reserve fund would be available beginning in FY 2005. The Department believes it has the resources it needs for FY 2004, assuming it has sufficient flexibility to transfer funds between accounts.

The costs of continued operations over the next year cannot be estimated with precision at this time. The contingent emergency reserve fund would be accessed should there be a need for additional resources. We plan to submit a full supplemental request in early 2005 when the Department of Defense will have better information on required resources. Until then, the reserve fund will ensure that our troops will have the necessary resources when they need them. Funds spent from the reserve would reduce the cost of a full FY 2005 supplemental request.

Recommendation

Attached for your consideration is legislative language that would establish this fund. We understand that both the House and the Senate Armed Services Committees have indicated an interest in authorizing this fund in their FY 2005 Department of Defense Authorization bills. This legislative language could be adapted to authorize this fund.

I have reviewed this proposal and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Defense in recommending that you transmit the proposal to the Congress.

Sincerely,

JOSHUA B. BOLTEN,
Director.

Enclosure.

DEPARTMENT OF DEFENSE

IRAQ FREEDOM FUND

CONTINGENT EMERGENCY RESERVE

(INCLUDING TRANSFER OF FUNDS)

For additional expenses, not otherwise provided for, necessary to support operations in Iraq or Afghanistan, $25,000,000,000, available October 1, 2005, and to remain available until expended: Provided, That the funds made available under this heading shall be available only to the extent that an official budget request for all or part of the funds is transmitted by the President to the Congress and includes designation of the amount of that request as an emergency and essential to support activities and agencies in Iraq or Afghanistan: Provided further, That funds made available under this heading, may be available for transfer for the following activities:

Up to $14,000,000,000 for "Operation and Maintenance, Army";

Up to $1,000,000,000 for "Operation and Maintenance, Navy";

Up to $2,000,000,000 for "Operation and Maintenance, Marine Corps";

Up to $1,000,000,000 for "Operation and Maintenance, Air Force";

Up to $2,000,000,000 for "Operation and Maintenance, Defense-Wide";

Up to $5,000,000,000 may be used to reimburse other appropriations or funds of the Department of Defense and classified programs:

Provided further, That in addition to the transfer authorized in the previous proviso, after consultation with the Director of the Office of Management and Budget, the Secretary of Defense may transfer the funds provided herein to any appropriation or fund of the Department of Defense or classified programs, to be merged with and available for the same purposes and for the same time period as the appropriation to which transferred: Provided further, the Secretary of Defense shall notify the Committees on Appropriations and the Authorizing Committees five days prior to the transfer of funds made available under the previous proviso: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense.

This request for $25 billion for the Iraq Freedom Fund would provide the resources necessary to ensure there is no disruption in funding and resources for our armed forces. The funds would only be available to the Department of Defense and classified programs to support operations in Iraq and Afghanistan and would only be available if the President makes an emergency determination that additional resources are needed for essential war costs. Funds would be available for all service operation and maintenance ac-

counts as well as emerging needs. The amendment provides flexibility to transfer funds across accounts and services if there is a need.

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