

COSTS OF US MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN

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Since the terrorist attacks of September 11, 2001, the United States Congress has appropriated some \$50 billion for military operations in Afghanistan and \$100 billion for operations in Iraq. These figures represent the incremental cost to the Department of Defense of conducting those operations - including the initial buildup of US forces, the conventional combat phases of the two wars, and the ongoing “stability” operations that continue to be carried out in both countries. They do not include funding for reconstruction and other non-military assistance (which totals some \$25 billion so far). On the other hand, the fact that US forces no longer have to enforce the no-fly zones in Iraq has yielded modest savings (perhaps \$1-2 billion a year), that marginally offset these costs.

Funding for the military operations in Afghanistan and Iraq has been provided through a series of emergency supplemental appropriations. The first of these was enacted shortly after the attacks of 9/11. The last was enacted in November 2003 and is intended to cover the cost associated with these operations through September 30, 2004 - the end of the federal government's fiscal year. Since US troops are expected to remain in Iraq and Afghanistan next year, more funding will clearly have to be provided at some point to cover those costs.

When the administration submitted its fiscal year 2005 budget request for national defense at the beginning of February, it decided not to include funding for these deployments. [This article was written before the Bush administration included a \$25 billion request for Iraq and Afghanistan in the DoD FY2005 budget. Experts agree that this sum is insufficient. - Ed.] The \$423 billion included in the regular annual appropriations request is intended to cover the cost of modernizing the US military, and manning and operating it at peacetime levels. It will not be required to absorb the extra costs incurred as a result of military operations in Iraq and Afghanistan. Those costs will be covered through another emergency supplemental appropriation, which the administration expects to submit to Congress in January 2005.

It is impossible to estimate precisely how much funding will be required to cover these costs, since it is unclear how large a US presence will be needed in Iraq and Afghanistan in 2005. However, given the administration's current plans and timetable for operations in those countries, a reasonable estimate might be \$30-50 billion. These figures are also consistent with a recent statement by Joshua Bolton, the Director of the Office of Management and Budget, that \$50 billion represents the “upper limit” of what is likely to be needed to cover the costs of military operations in 2005.

Estimating costs for the years beyond 2005 is, of course, even more speculative. The non-partisan CBO has provided estimates for the cost of four illustrative scenarios for the occupation of Iraq. Under the lowest cost scenario, the number of US troops in Iraq was assumed to decline from today's level of approximately 125,000 troops to 76,000 in 2005, with all US military personnel withdrawn by the end of 2007. By contrast, in the most costly scenario, the number of US troops was projected to fall to 50,000 by 2008 and stay at that level through 2013. Projected costs under the four scenarios, for the years beyond 2005, ranged from as little as \$11 billion to nearly \$130 billion. These estimates do not, however, include the cost of continuing operations in Afghanistan (currently running at about \$1 billion a month), or costs associated with classified intelligence activities.

Whatever the merits - on strategic and political grounds - of the US interventions in these two countries, the direct financial costs will be high. By the end of next year, total costs for the operations in Afghanistan and Iraq, for the Defense Department alone, will approach \$200 billion and, ultimately, total costs could well exceed \$300 billion.

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