



January 21, 2010

Honorable John M. Spratt Jr.
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As you requested, the Congressional Budget Office (CBO) has analyzed both the funding needed to support an additional 30,000 troops in Afghanistan and the reduction in costs resulting from the ongoing withdrawal of U.S. forces from Iraq. The Department of Defense Appropriations Act, 2010 (Public Law 111-118) provides \$130 billion for war-related operations in 2010. Based on recent trends in spending on overseas operations, the Department of Defense (DoD) would probably require further appropriations in 2010 to support an additional 30,000 troops in Afghanistan as well as other war-related operations.

The Cost of Additional Forces in Afghanistan

CBO estimated the costs of increasing the number of troops in and around Afghanistan from about 70,000 at the end of fiscal year 2009 to about 100,000 by July of 2010, averaging 85,000 personnel for fiscal year 2010. The estimate assumes that the number of troops would begin to decline in August 2011 and that the additional personnel would be fully withdrawn by January 2012. On this timetable, an average of roughly 100,000 troops would be deployed in Afghanistan in fiscal year 2011. This scenario is consistent with the Administration's plans to increase the number of U.S. troops in Afghanistan by 30,000 and to maintain that larger force throughout most of fiscal year 2011.

Under that scenario, additional operating and personnel costs would total roughly \$30 billion over the two-year period of fiscal years 2010 and 2011 (see Table 1). Another \$1 billion in such costs would be incurred in the first quarter of fiscal year 2012 as the remaining additional personnel are withdrawn. About \$5 billion would probably be needed in fiscal years 2012 and 2013 to repair and replace equipment that was worn out, damaged, or destroyed during the deployment. In total, deploying an additional 30,000 personnel to Afghanistan would probably cost about \$36 billion over the four-year period of 2010 through 2013, CBO estimates.

Table 1. Estimated Budget Authority Associated with an Increase of 30,000 Troops in Afghanistan, Fiscal Years 2010-2013 (in billions of dollars)^a

	2010	2011	2012	2013	Total
Operations	6	12	1	0	19
Personnel	1	2	*	0	3
Other ^b	2	2	2	3	9
Force Protection ^c	<u>4</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total	13	17	3	3	36

Source: Congressional Budget Office.

Note: *= less than \$500 million.

- a. Assumes that increase is achieved by July 2010 and that the additional personnel are withdrawn by January 2012.
 - b. Includes funding for military intelligence programs, construction projects, support of coalition partners, the Commander's Emergency Response Program, and repairing and replacing equipment that has been worn out, damaged, or destroyed.
 - c. Includes funding for mine-resistant vehicles, body armor, mine countermeasures, and other protection systems.
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To construct this estimate, CBO analyzed the \$146 billion in appropriations provided in 2009 to support troops in and around Iraq and Afghanistan, and also analyzed reports of the Department of Defense's (DoD's) obligations in 2008 and 2009 for war-related activities in those regions. Costs per person in some categories, including operations, transportation, supplies, and services, were approximately 50 percent higher in Afghanistan than they were in Iraq. Costs per person in other categories, such as military compensation and equipment procurement, were roughly the same in both

regions. CBO estimated costs on the basis of the average number of personnel deployed during the year, rather than at a particular point in time.

To estimate the additional cost of increasing the number of personnel in Afghanistan by 30,000, CBO compared that scenario with one in which the number of troops remains at about 70,000 over the next two years. Funding under the scenario with the larger force would be about \$13 billion higher in 2010, \$17 billion higher in 2011, and higher by smaller amounts in 2012 and 2013, CBO estimates.

Of the 2010 amount, approximately \$6 billion would be used to operate and maintain military equipment (including purchases of fuel and spare parts), transport personnel and equipment to and from the region, maintain and run facilities, purchase services, train U.S. military personnel, and provide medical care. Incremental pay and benefits for service members would account for another \$1 billion; military intelligence activities, construction projects, support of coalition partners, and other related expenses would consume about \$2 billion. Equipment to protect U.S. troops, such as mine-resistant vehicles, body armor, weapons, communications equipment, and protective countermeasures, also would be necessary. Although that equipment would support forces deployed in 2010 and 2011, DoD would probably need the additional funding of about \$4 billion in 2010 to ensure that the equipment is available when those military units are sent to Afghanistan. The sum of these expenses is CBO's estimate of \$13 billion in added costs in 2010. CBO's estimate of \$17 billion in added costs for 2011 includes \$12 billion for operating costs, \$2 billion for pay and benefits, and \$3 billion for other costs.

The surge of troops in Afghanistan is beginning well into fiscal year 2010 and should be completed by the end of that fiscal year, resulting in an average increase of 15,000 personnel in fiscal year 2010 under the scenario CBO examined, even though the end state is an additional 30,000 personnel.¹ Thus, the incremental increase in operating costs in 2010 would be about half as large as the cost if additional personnel were deployed for an entire fiscal year. Indeed, CBO estimates that the costs for operations and military pay will be twice as high in fiscal year 2011 if that larger force is maintained for the entire year. However, other categories of funding

¹ Deploying 30,000 additional personnel on the schedule described above would result in an increase of 45,000 person-years over the 2010-2012 period, relative to a scenario in which the number of troops does not exceed 70,000.

involve purchasing equipment, which requires more funding earlier in the troop buildup.

The Administration also may decide to request funding to train and equip indigenous security forces in Afghanistan in addition to the \$6.6 billion that the Congress has provided for that purpose in 2010. However, CBO has not included additional funding for that purpose in this analysis, because those costs would not be a direct result of the decision to increase U.S. forces in Afghanistan.

Reduction in Costs for Iraq in Fiscal Years 2010 and 2011

At the end of fiscal year 2009, approximately 230,000 troops were deployed in and around Iraq and Afghanistan. Because of the many uncertainties surrounding the timing of troop deployments and withdrawals, CBO has formulated two alternative budget scenarios involving the deployment of U.S. forces in those theaters. Those scenarios demonstrate the effect on the deficit of varying the number of deployed troops and the pace of war-related operations over time. (In contrast to those scenarios, CBO's baseline spending projections simply extrapolate the appropriations provided in the current year for defense activities.)

To estimate the savings that would result from reducing forces in Iraq, CBO compared the costs projected in those two alternative budget scenarios. The number of personnel deployed to Afghanistan in fiscal years 2010 and 2011 follows the pattern described in the previous section and is roughly the same in both scenarios.² Thus, the difference in costs in those years between the two scenarios arises from differing assumptions regarding the number of troops in Iraq.

The number of personnel deployed in and around Iraq under the two scenarios differs substantially. Under the first scenario, CBO assumes that the number of personnel would drop to about 50,000 by the end of the current fiscal year, reducing the average number of troops from 175,000 in fiscal year 2009 to 115,000 in fiscal year 2010. The force level would remain at 50,000 throughout fiscal year 2011, and the withdrawal of the remaining personnel from Iraq would occur over a four-month period

² In the first scenario (described above), an additional 30,000 troops are deployed to Afghanistan in 2010 and are withdrawn by January 2012. In the second scenario, withdrawals begin in January 2012 and are completed by December of that year.

beginning in September 2011. That scenario is consistent with the Administration's plan to remove the majority of troops by the end of this fiscal year in advance of a complete withdrawal by January 2012. CBO estimates that implementing such a scenario would require \$16 billion in new funding in fiscal year 2010 (in addition to the \$130 billion that the Congress already provided in December 2009) and funding of about \$121 billion in 2011 to support operations in Iraq and Afghanistan (see Table 2). Similar costs could arise from a scenario featuring more personnel in Iraq and fewer in Afghanistan.

Table 2. Estimated Personnel and Budget Authority Associated with Alternate Paths for War-Related Spending, Fiscal Years 2010-2011

	2010 ^a	2011
Rapid Withdrawal from Iraq		
Average Personnel (Thousands)		
Afghanistan	85	100
Iraq	115	50
Budget Authority (Billions of Dollars)	146	121
Gradual Withdrawal from Iraq		
Average Personnel (Thousands)		
Afghanistan	85	100
Iraq	150	130
Budget Authority (Billions of Dollars)	166	158

Source: Congressional Budget Office.

a. Budget authority in 2010 includes the \$130 billion provided in the Department of Defense Appropriations Act, 2010 (Division A of Public Law 111-118).

The second scenario reflects the possibility that postponing Iraqi elections or continuing to support Iraqi security forces would delay the withdrawal of U.S. forces from that country. The number of troops declines to 145,000 by the end of fiscal year 2010 for an average of 150,000 for the year; the number then declines further in fiscal year 2011 to 125,000 by the end of that year for an average of 130,000. Implementing that scenario would

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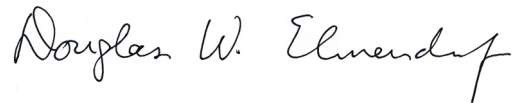
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require an additional \$36 billion of funding in fiscal year 2010 (beyond the \$130 billion that the Congress already provided) and funding of about \$158 billion in 2011, CBO estimates. As with the first scenario, similar costs could arise with different combinations of troop levels in Iraq and Afghanistan—for example, if troop levels in Afghanistan exceeded the 100,000 currently planned and forces in Iraq dropped below 150,000.

The personnel in Afghanistan are roughly the same for both scenarios in 2010 and 2011, while the personnel in Iraq differ by 35,000 in 2010 and 80,000 in 2011. Thus, the lower estimated funding in the first scenario (a difference of \$20 billion in 2010 and \$37 billion in 2011) is attributable to the assumption of a more rapid withdrawal from Iraq.

If you would like further details about this analysis, we would be happy to provide them. The CBO staff contact is David Newman.

Sincerely,



Douglas W. Elmendorf
Director

cc: Honorable Paul Ryan
Ranking Member

Honorable Ike Skelton
Chairman
Committee on Armed Services

Honorable Howard P. "Buck" McKeon
Ranking Member

Honorable John P. Murtha
Chair, Subcommittee on Defense
Committee on Appropriations

Honorable C.W. Bill Young
Ranking Member