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Highlights

Highlights of [GAO-06-885T](#), a testimony to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

After the terrorist attacks of September 11, 2001, the President announced a Global War on Terrorism (GWOT), requiring the collective instruments of the entire federal government to counter the threat of terrorism. Ongoing military and diplomatic operations overseas, especially in Iraq and Afghanistan, constitute a key part of GWOT. These operations involve a wide variety of activities such as combating insurgents, civil affairs, capacity building, infrastructure reconstruction, and training military forces of other nations. The U.S. has reported substantial costs to date for GWOT related activities and can expect to incur significant costs for an unspecified time in the future, requiring decision makers to consider difficult trade-offs as the nation faces increasing long-range fiscal challenges.

GAO has issued several reports on current and future financial commitments required to support GWOT military operations, as well as diplomatic efforts to stabilize and rebuild Iraq. This testimony discusses (1) the funding Congress has appropriated to the Department of Defense (DOD) and other U.S. government agencies for GWOT-related military operations and reconstruction activities since 2001; (2) costs reported for these operations and activities and the reliability of DOD's reported costs, and (3) issues with estimating future U.S. financial commitments associated with continued involvement in GWOT.

www.gao.gov/cgi-bin/getrpt?GAO-06-885T.

To view the full product, including scope and methodology, click on the link above. For more information, contact Sharon L. Pickup at (202) 512-9619 or pickups@gao.gov.

GLOBAL WAR ON TERRORISM

Observations on Funding, Costs, and Future Commitments

What GAO Found

Since 2001, Congress has appropriated about \$430 billion to DOD and other government agencies for military and diplomatic efforts in support of GWOT. This funding has been provided through regular appropriations as well as supplemental appropriations, which are provided outside of the normal budget process. Since September 2001, DOD has received about \$386 billion for GWOT military operations. In addition, agencies including the Department of State, DOD, and the Agency for International Development have received since 2001 about \$44 billion to fund reconstruction and stabilization programs in Iraq (\$34.5 billion) and Afghanistan (\$9 billion) and an additional \$400 million to be used in both Iraq and Afghanistan.

Since 2001, U.S. government agencies have reported significant costs associated with GWOT, but GAO has concerns with the reliability of DOD's reported cost data. Through April 2006, DOD has reported about \$273 billion in incremental costs for GWOT-related operations overseas—costs that would not otherwise have been incurred. DOD's reported GWOT costs and appropriated amounts differ generally because DOD's cost reporting does not capture some items such as intelligence and Army modular force transformation. Also, DOD has not yet used funding made available for multiple years, such as procurement and military construction. GAO's prior work found numerous problems with DOD's processes for recording and reporting GWOT costs, including long-standing deficiencies in DOD's financial management systems and business processes, the use of estimates instead of actual cost data, and the lack of adequate supporting documentation. As a result, neither DOD nor the Congress reliably know how much the war is costing and how appropriated funds are being used or have historical data useful in considering future funding needs. GAO made several recommendations to improve the reliability and reporting of GWOT costs. In addition to reported costs for military operations, U.S. agencies have obligated about \$23 billion of \$30 billion received for Iraqi reconstruction and stabilization, as of January 2006.

U.S. commitments to GWOT will likely involve the continued investment of significant resources, requiring decision makers to consider difficult trade-offs as the nation faces increasing fiscal challenges in the years ahead; however, predicting future costs is difficult as they depend on several direct and indirect cost variables. For DOD, these include the extent and duration of military operations, force redeployment plans, and the amount of damaged or destroyed equipment needed to be repaired or replaced. Future cost variables for other U.S. government agencies include efforts to help form governments and build capable and loyal security forces in Afghanistan and Iraq, and meet the healthcare needs of veterans, including providing future disability payments and medical services.