



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

July 22, 2002

**H.R. 4547**

**Cost of War Against Terrorism Authorization Act of 2002**

*As ordered reported by the House Committee on Armed Services on July 18, 2002*

**SUMMARY**

H.R. 4547 would authorize appropriations totaling \$10 billion for fiscal year 2003 for the Department of Defense (DoD) for the conduct of operations in continuation of the war on terrorism. It also contains several provisions that would affect military compensation and that would establish additional teams within the Army National Guard to provide support to civil authorities in the event of an attack involving a weapon of mass destruction. CBO estimates that appropriation of the authorized amounts for 2003 would result in additional outlays of \$9.9 billion over the 2003-2007 period. Because it would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

The bill also contains provisions that would raise the costs of discretionary defense programs over the 2004-2007 period. CBO estimates that those provisions would require additional appropriations of \$965 million over those four years.

H.R. 4547 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 4547 is shown in Table 1. The costs of this legislation fall within budget function 050 (national defense).

TABLE 1. BUDGETARY IMPACT OF H.R. 4547, THE COST OF WAR AGAINST TERRORISM AUTHORIZATION ACT OF 2002

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
<b>SPENDING SUBJECT TO APPROPRIATION</b>						
Spending Under Current Law for Emergency Response Activities						
Budget Authority <sup>a</sup>	3,396	0	0	0	0	0
Estimated Outlays <sup>b</sup>	10,674	3,259	1,340	371	134	67
Proposed Changes						
Authorization Level	0	10,000	0	0	0	0
Estimated Outlays	0	6,162	2,445	954	260	82
Spending Under H.R. 4547 for Emergency Response Activities						
Authorization Level <sup>a</sup>	3,396	10,000	0	0	0	0
Estimated Outlays <sup>b</sup>	10,674	9,421	3,785	1,325	394	149

NOTE: This table excludes estimated authorizations of appropriations for years after 2003. (Those additional authorizations are shown in Table 3.)

- a. The 2002 level is the amount appropriated to the Defense Emergency Response Fund to cover costs of the war; that appropriation is contained in the Emergency Supplemental Act, 2002 (Division B of Public Law 107-117).
- b. These figures include spending from emergency response appropriations in 2001 and 2002. They do not include the effect of pending appropriations for DoD in H.R. 4775, the 2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States, as passed by the House. If enacted, those appropriations would increase budget authority by \$15,799 million in 2002 and outlays by about \$15,710 million over the 2002-2007 period.

## BASIS OF ESTIMATE

The bill would specifically authorize appropriations totaling \$10 billion in 2003 (see Table 2). The estimate assumes that the amounts authorized for 2003 will be appropriated near the beginning of fiscal year 2003. Estimated outlays are based on historical spending patterns for similar activities.

TABLE 2. SPECIFIC AUTHORIZATIONS IN H.R. 4547

Category	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
<b>Military Personnel</b>					
Authorization Level	503	0	0	0	0
Estimated Outlays	476	24	2	1	0
<b>Operation and Maintenance</b>					
Authorization Level	855	0	0	0	0
Estimated Outlays	634	175	32	8	2
<b>Procurement</b>					
Authorization Level	3,612	0	0	0	0
Estimated Outlays	1,623	1,173	573	150	46
<b>Research, Development, Test, and Evaluation</b>					
Authorization Level	450	0	0	0	0
Estimated Outlays	232	180	31	6	1
<b>Military Construction</b>					
Authorization Level	35	0	0	0	0
Estimated Outlays	3	16	10	3	1
<b>War on Terrorism Operations Fund</b>					
Authorization Level	3,545	0	0	0	0
Estimated Outlays	2,891	500	106	25	9
<b>War on Terrorism Equipment Replacement and Enhancement Fund</b>					
Authorization Level	1,000	0	0	0	0
Estimated Outlays	303	377	200	67	23
<b>Total</b>					
Authorization Level	10,000	0	0	0	0
Estimated Outlays	6,162	2,445	954	260	82

The bill also contains provisions that would affect various costs, mostly for personnel, that would be covered by the fiscal year 2003 authorization and by authorizations in future years. Table 3 contains estimates of those amounts. In addition to the costs covered by the authorizations in the bill for 2003, these provisions would raise estimated costs by \$965 million over the 2004-2007 period. The following sections describe the provisions

identified in Table 3 and provide information about CBO's cost estimates for those provisions.

TABLE 3. ESTIMATED AUTHORIZATIONS OF APPROPRIATIONS FOR SELECTED PROVISIONS IN H.R. 4547

Category	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
<b>COMPENSATION AND BENEFITS (DoD)</b>					
Imminent Danger Pay	84	84	84	84	84
Other Hazardous Duty Incentive Pay	38	38	38	38	38
Family Separation Allowance	28	28	28	28	28
Crew Members Flight Pay	10	10	10	10	10
Death Gratuity	8	8	8	8	8
Career Enlisted Flyer Incentive Pay	7	7	7	7	7
Diving Duty Special Pay	4	4	4	4	4
Hazardous Duty Pay for Parachute Jumping	1	1	1	1	1
<b>OTHER PROVISIONS</b>					
Weapons of Mass Destruction Civil Support Teams	91	59	60	62	64
<b>TOTAL ESTIMATED AUTHORIZATIONS</b>					
Estimated Authorization Level	271	239	240	242	244

NOTE: For every item in this table, the 2003 levels are included in the amounts specifically authorized to be appropriated in the bill. Those amounts are shown in Table 2. Amounts shown in this table for 2004 through 2007 are not included in Table 1.

### Compensation and Benefits

H.R. 4547 contains several provisions that would increase certain pay and allowances for military personnel or their survivors that are linked to the special circumstances of war. For this estimate, CBO assumes that the number of servicemembers projected by DoD to receive these benefits in 2003 will remain the same for the 2004-2007 period. CBO notes that the number of servicemembers receiving these pays and benefits could increase or decrease depending on the level of U.S. military participation in the ongoing war on terrorism and future conflicts. Based on data provided by DoD, CBO estimates that the costs of these provisions would be as follows:

- Increasing imminent danger pay by \$100 a month would cost \$84 million a year and about \$420 million over the 2003-2007 period.
- Increasing other hazardous duty pay, including pay for demolition work and flight deck duty, by \$50 a month would cost \$38 million in 2003 and \$190 million over the five-year period.
- Increasing the family separation allowance by \$25 a month would cost \$28 million in 2003 and about \$140 million over the 2003-2007 period.
- Increasing flight pay for crew members by \$50 a month would cost \$10 million in 2003 and \$50 million over the five-year period.
- Increasing the death gratuity given to survivors of those killed on duty by \$6,000 would cost \$8 million in 2003 and \$40 million over the 2003-2007 period.
- Increasing career enlisted flying incentive pay by \$50 a month would cost \$7 million in 2003 and about \$35 million over the five-year period.
- Increasing diving pay by \$50 a month would cost \$4 million in 2003 and about \$20 million over the 2003-2007 period.
- Increasing hazardous duty pay for free-fall parachute jumping by \$50 a month would cost \$1 million in 2003 and \$5 million over the 2003-2007 period.

### **Weapons of Mass Destruction Civil Support Teams**

Section 301 would establish at least one Weapons of Mass Destruction Civil Support Team (WMD-CST) in each of the 50 states, the Virgin Islands, Guam, Puerto Rico, and the District of Columbia by September 30, 2003. A WMD-CST is an Army National Guard unit made up of 22 servicemembers who are specially trained to provide support to civil authorities in the event of an attack involving a weapon of mass destruction. DoD has created 32 of these teams under authorities provided in current law, two of which are located in the state of California. Therefore, CBO estimates that the department would need to stand up a total of 23 new teams under this provision.

Based on data provided by DoD, CBO estimates that it would cost about \$2.5 million in 2003 to train and operate each new WMD-CST. In addition, each new team would incur start-up cost in 2003 to purchase new equipment, such as mobile laboratories, which CBO estimates would cost about \$1.5 million a team. After adjusting for inflation, CBO estimates

that the cost to establish and operate the 23 new WMD-CSTs would total about \$91 million in 2003 and \$336 million over the 2003-2007 period.

**PAY-AS-YOU-GO CONSIDERATIONS** None.

**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 4546 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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