

The U.S. Budgetary Costs of the Post-9/11 Wars

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Overview

The United States, over the last two decades, has already spent and the Biden administration has requested about \$5.8 trillion in reaction to the 9/11 attacks.² This includes the estimated direct and indirect costs of spending in the United States post-9/11 war zones, homeland security efforts for counterterrorism, and interest payments on war borrowing. Costs for medical care and disability payments for veterans is the largest long-term expense of the post-9/11 wars. As research by Linda Bilmes shows, future medical care and disability payments for veterans, over the next decades, will likely exceed \$2.2 trillion in federal spending. Including estimate future costs for veteran’s care, the total budgetary costs and future obligations of the post-9/11 wars is thus about \$8 trillion in current dollars.

Of course, this report on the budgetary impact of the counterterror wars is not the full story of the costs and consequences of the post-9/11 wars. Behind every one of these numbers are people—inspecting containers for possible weapons of mass destruction, deploying overseas, and caring for veterans. Included in these numbers is an acknowledgment of death: behind the decimal point of estimated total costs, \$704 million has been spent on death gratuities for the survivors of the 7,040 men and women in the military who were killed in the war zones. And there is also money the U.S. has provided in compensation to the civilians injured and killed in these wars.

This estimate includes the amount requested in May 2021 by the Biden administration for FY2022. It does not include the additional money members of Congress have suggested

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² All the costs reported here are in current dollars.

that they may appropriate for the DOD for the FY2022 request. Nor does it include all the money provided for humanitarian assistance and economic development aid in Afghanistan and Iraq.³ It does *not* include the future costs of interest payments on borrowing to pay for the post-9/11 wars after FY2023. It does not include spending by the dozens of United States allies, including Australia, Britain, Canada, Denmark, Italy, the Netherlands, Romania, Germany and France. If the U.S. had not had the support of those allies, it would likely have spent more on those wars (and arguably taken more casualties).⁴ This estimate also does not include spending by state and local governments within the U.S. for counterterrorism or services for post-9/11 war veterans.

There has been no single U.S. government estimate for the total costs of the post-9/11 wars. There are *partial* accounts of post-9/11 war costs. For example, starting in FY2017, the Department of Defense (DOD) has been required to report the estimated costs of the wars in Afghanistan, Iraq and Syria to each taxpayer and since then, the DOD regularly produces a tabulation of the “Estimated Cost to Each Taxpayer for the Wars in Afghanistan and Iraq.”⁵ In March of 2021, the Department of Defense concluded in their most recent public estimate that emergency/overseas contingency operations (OCO) spending for the wars in Iraq, Syria, and Afghanistan cost a total of \$1.596 Trillion, or \$8,094 per taxpayer through FY 2020. However, as the DOD notes, “these amounts exclude non-Department of Defense classified programs.”⁶ On August 16, 2021, as the U.S. exited Afghanistan, President Biden said, “We spent over a trillion dollars.”⁷ This is, of course, correct, — if we focus *only* on what the DOD was appropriated for the Afghanistan war and leave out other major costs, perhaps most importantly, the costs of caring for the post-9/11 war veterans.

One of the major purposes of the Costs of War Project has been to provide a more comprehensive view of federal war appropriations and expenses, to clarify the types of budgetary costs of the U.S. post-9/11 wars, how the post-9/11 operations have been funded, and the long-term implications of past and current operations on spending. The costs of the post-9/11 wars include direct appropriations for operations in the war zones, additional expenses incurred by the Department of Defense in the “base” military budget, spending to defend the “homeland,” and spending for veteran’s medical and disability care. Moreover, the costs associated with the wars include the interest payments made on borrowing to pay for the wars. Further, because the U.S. continues other counterterror operations, and the

³ For instance, this accounting of State Department spending does not include more than a billion dollars in USAID and State Department funds appropriated since 2002 for Development Assistance, Global Health Programs, Human Rights and Democracy, and Transition Initiatives in Afghanistan.

⁴ See Jason W. Davidson. (2021). “The Costs of War to United States Allies Since 9/11,” *Costs of War Project*, [https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/Davidson AlliesCostsofWar_Final.pdf](https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/Davidson%20AlliesCostsofWar_Final.pdf).

⁵ Public Law 114-328, the National Defense Authorization Act for Fiscal Year 2017.

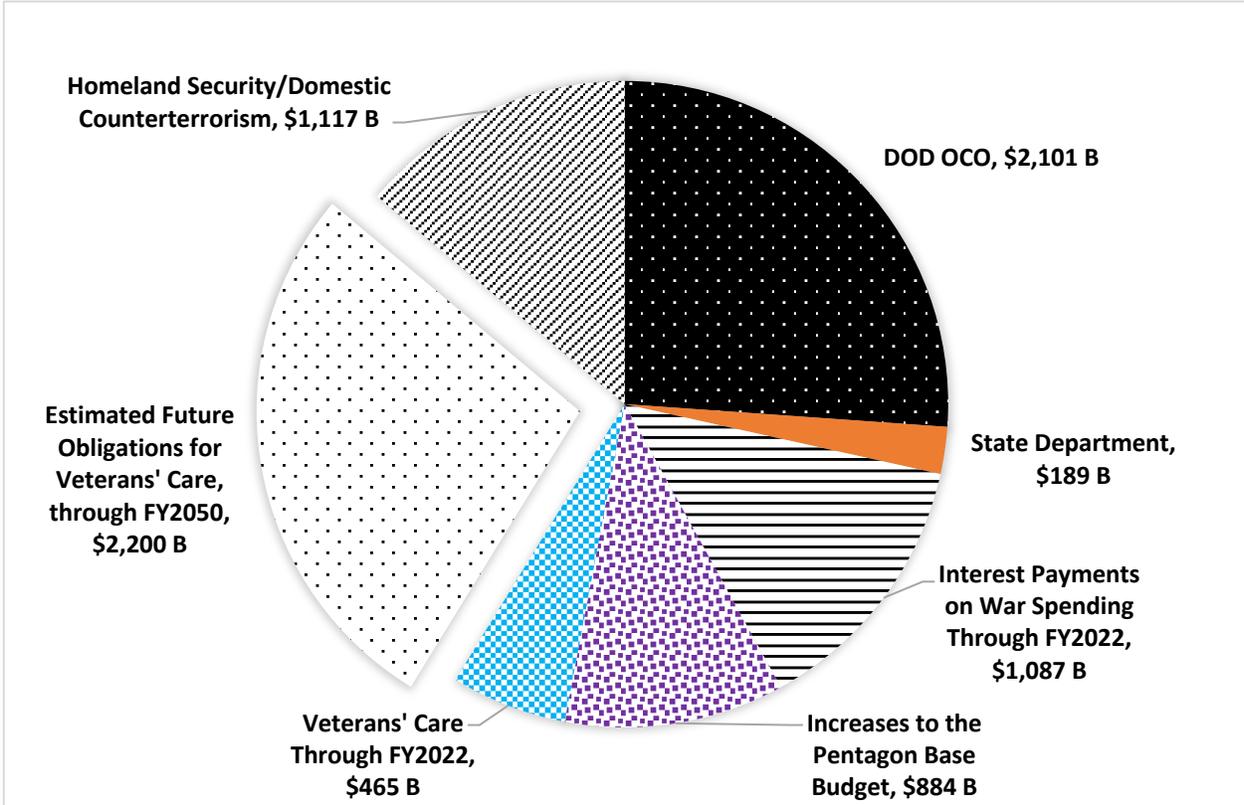
⁶ Department of Defense, “Estimated Costs to Each U.S. Taxpayer of Each of the Wars in Afghanistan, Iraq and Syria,” March 2021.

[https://comptroller.defense.gov/Portals/45/documents/Section1090Reports/Estimated Cost to Each U.S. Taxpayer of Each of the Wars in Afghanistan, Iraq and Syria dated March 2021.pdf](https://comptroller.defense.gov/Portals/45/documents/Section1090Reports/Estimated%20Cost%20to%20Each%20U.S.%20Taxpayer%20of%20Each%20of%20the%20Wars%20in%20Afghanistan,%20Iraq%20and%20Syria%20dated%20March%202021.pdf).

⁷ President Joseph Biden. (August 16, 2021). “Read the Full Transcript of President Biden’s Remarks on Afghanistan,” *The New York Times*. <https://www.nytimes.com/2021/08/16/us/politics/biden-taliban-afghanistan-speech.html>.

costs of caring for veterans and interest on borrowing will continue, the budgetary costs do not end when the fighting in the major war zones stops.

Figure 1. Post-9/11 War Related Spending FY2001-FY22 & Obligations for Future Veterans’ Care (in Current Dollars)



This estimate includes the figures for U.S. wars in the two major war zones and many small war zones. Not including the future obligations to care for veterans through 2050 or estimated homeland security spending, the war in Afghanistan and Pakistan, which is part of the same theater of operations, cost \$2.313 trillion through FY2022. The U.S. wars in Iraq and Syria cost \$2.058 trillion through FY2022.⁸ The post-9/11 wars and counterterror operations in other places, such as Somalia and other parts of Africa, cost about \$355 billion. (See Table 2 on p. 14 of this report).

The figures given here are a conservative *best estimate* through fiscal year 2022 in current dollars. At this writing the U.S. has said it will stay in Afghanistan until August 31, 2021 to evacuate all American citizens who wish to leave Afghanistan, and many of the Afghans who worked with them. The costs associated with a massive airlift effort in Afghanistan may increase the FY2021 costs of war in Afghanistan for the DOD and State Department. It is unclear how recent events in Afghanistan will affect the FY2022 budget requests for DOD and State.

⁸ Assuming Congress grants the Biden Administration requests for these wars.

This best estimate relies on public sources. The public and Congress has lost some transparency on government spending—in particular for the Department of Homeland Security. Where, as noted below, it is difficult to find information, the assumptions for the estimates are given in the footnotes and discussed in the text.

The numbers and occasionally categories are revised in the Costs of War estimates by this author when the U.S. government provides more precise, corrected, or comprehensive information.⁹ For example, this report relies on updated DOD spending data. The DOD has recently, as discussed below, used the categories of “OCO for base requirements,” and “enduring requirements,” which could apply to more than one war zone. Further, this report uses newer interest rate data in calculating the estimated interest on borrowing for emergency/overseas contingency operations (OCO) spending.¹⁰ Additionally, this report revises the estimate of increases to the Pentagon base budget given changes in the Department of Defense’s categories and patterns of military spending and the relations between the OCO budget and base military spending.

Context

On September 11, 2001, al Qaeda hijacked four American civilian aircraft and attacked New York’s World Trade Center and the Pentagon in assaults as shocking as they were horrific; nearly 3,000 people died, including those who resisted and brought down their plane in Pennsylvania. Many more were wounded. The next day, at their National Security Council meeting, participants decided that the threat would be defined, in Secretary of State Colin Powell’s words, as “terrorism in its broadest sense.” President Bush agreed: the U.S. would, “start with bin Laden” and move on.¹¹ As Vice President Dick Cheney said in public a few days after the attacks, “things have changed since last Tuesday. The world’s shifted in some respects . . . because of what happened in New York and what happened in Washington, it’s a qualitatively different set of circumstances.”¹² The U.S. responded by reorienting its national security strategy to focus on terrorism and “violent extremism” in wars fought by four United States presidents.

In 2010, economists Adam Rose and S. Brock Blomberg surveyed economists’ estimates of the total economic impact of the 9/11 attacks: the estimates ranged between \$35 billion and \$109 billion. Rose and Blomberg suggested that because the overall U.S. economy is

⁹ The work of Winslow Wheeler and Amy Belasco, and the analysis of other members of the Costs of War Project, notably the economists Linda Bilmes and Heidi Peltier, and the anthropologists Catherine Lutz, David Vine and Stephanie Savell have helped provide the essential context for the production of these estimates. The Costs of War Project will continue to refine its estimates as new information or clarifications are made available by the relevant U.S. government departments and agencies, and by the Congressional Research Service (CRS) and the Congressional Budget Office (CBO).

¹⁰ As noted above, interest rates fluctuate and U.S. debt is refinanced.

¹¹ Bob Woodward, *Bush at War* (New York: Simon and Schuster, 2002) p. 43.

¹² Vice President Cheney on NBC’s, “Meet the Press,” 16 September 2001. Transcript, *The Washington Post*, <http://www.washingtonpost.com/wp-srv/nation/specials/attacked/transcripts/cheney091601.html>.

resilient, the attacks were not as economically harmful as they might have been. However, Rose and Blomberg argued, “subsequent anti-terrorist initiatives at home and abroad were more costly than the direct damage caused by the attack.”¹³

Indeed, the U.S. reaction to the 9/11 attacks was comprehensive—a “global war on terror” abroad and mobilization of homeland security which included everything from increased border security on land, sea, and air, to research on potential bioweapons that terrorists might deploy, to the hardening of critical assets that might be subject to terrorist attack. The ripple effects of the war on terror in veterans spending have already been enormous and they will continue to grow because the post-9/11 war veterans are claiming disability benefits at very high rates. Further, the U.S. financed these wars in a way like no other war in U.S. history—going into deficit spending—rather than raising taxes or selling large numbers of war bonds.¹⁴

Optimistic assumptions have, from the beginning, been characteristic of the official estimates of the effectiveness, duration, budgetary costs, and the fiscal consequences of the post-9/11 wars. There were no public estimates for the costs of the Afghanistan war, little discussion of its escalation into Pakistan, and hardly any discussion of the escalation of the global war on terror into Africa and Asia. In mid-September 2002 Lawrence Lindsey, then President Bush's chief economic adviser, estimated that the “upper bound” costs of war against Iraq would be \$100 to \$200 billion. Overall, Lindsey suggested however that, “The successful prosecution of the war would be good for the economy.”¹⁵ On December 31, 2002, Mitch Daniels, then the director of the Office of Management and Budget estimated that the costs of war with Iraq would be \$50-60 billion.¹⁶ Neither Bush administration official provided details for the basis of their estimates.

There were other estimates of the costs of the major post 9/11 wars which took account of the likely much longer time-line of costs. In September 2002 U.S. House of Representatives Democratic Budget Committee staff estimated costs of \$48-93 Billion if ten year costs are included.¹⁷ Later in 2002, Yale economist William Nordhaus suggested that while the main component of costs could be higher oil prices if the war were to be protracted and difficult, a long war could cost \$140 billion in direct military spending and another \$615 billion to pay for occupation, peacekeeping, reconstruction and nation-building, and humanitarian

¹³ Adam Z. Rose and S. Brock Blomberg. (2010). “Total Economic Consequences of Terrorist Attacks: Insights from 9/11,” *Peace Economics, Peace Science and Public Policy*, vol. 16, no. 1.

¹⁴ Linda J. Bilmes. (2017). “The Credit Card Wars: Post-9/11 War Funding Policy in Historical Perspective”. Costs of War Project, <https://watson.brown.edu/costsofwar/files/cow/imce/papers/2017/Linda%20Bilmes%20Credit%20Card%20Wars%20FINAL.pdf>.

¹⁵ Lindsey, quoted in Wall Street Journal, 15 September 2002.

¹⁶ Elizabeth Bumiller. (December, 31 2002). “Threats and Responses: The Cost; White House Cuts Estimates of Cost of War with Iraq,” *The New York Times*.

¹⁷ Democratic Caucus of the House Budget Committee. (September 23, 2002). Assessing the Costs of Military Action Against Iraq: Using Desert Shield/Desert Storm as Basis for Estimates: An Analysis by the House Budget Committee Democratic Staff. <https://usiraq.procon.org/sourcefiles/DHBC.pdf>.

assistance.¹⁸ The most comprehensive estimate of the long-term budgetary costs of the wars—both of direct and indirect spending and other economic effects—is *The Three Trillion Dollar War* by Joseph E. Stiglitz and Linda J. Bilmes.¹⁹ The Stiglitz-Bilmes estimate was conservative in many respects. Due to their long duration, the costs of the post-9/11 wars have exceeded all these estimates.

Discussion of Best Estimates and Long-Term Trends

This research paper focuses on five broad categories of U.S. budgetary costs that were incurred in reaction to the 9/11 attacks or as a response to terrorism broadly understood. Table 1 summarizes these costs.

1. Emergency War/ “Overseas Contingency Operations” appropriations for the DOD and State Departments.
2. Estimated interest on borrowing for DOD and State Department OCO spending.
3. War-related increases to the DOD “base” budget due to the post-9/11 wars.
4. Medical and disability care for post-9/11 veterans and the associated cost of increasing the VA’s capacity to manage this care.
5. Homeland Security spending for preventing potential terrorist attacks and preparations for responding to those attacks, should they occur.

Table 1. Estimated Costs of Post 9-11 Wars, FY 2001-FY2022 and Future Veterans’ Costs, in Billions of Current Dollars, Rounded to the Nearest Billion

	\$ Billions
War/Overseas Contingency Operations (OCO) Appropriations	
Department of Defense (including \$42 billion request for FY2022) ²⁰	2,101
State Department/USAID (including an \$8 billion appropriation for FY2022) ²¹	189
Interest on Borrowing for DOD and State Dept. OCO Spending ²²	1,087

¹⁸ William D. Nordhaus. (2002). "The Economic Consequences of a War with Iraq," in American Academy of Arts and Sciences, *War With Iraq, Costs, Consequences, and Alternatives* (Cambridge: American Academy of Arts and Sciences). pp. 51-86.

¹⁹ Joseph E. Stiglitz and Linda J. Bilmes. (2008). *The Three Trillion Dollar War: The True Costs of the Iraq Conflict* (New York: Norton)

²⁰ All Emergency/Overseas Contingency Operations Appropriations. Source: Department of Defense, Undersecretary of Defense, Comptroller. <https://comptroller.defense.gov/Budget-Materials/>. Although it removed OCO as a category, the Biden administration FY2022 budget request identified \$42 billion in OCO.

²¹ For Afghanistan, Pakistan, Iraq and Syria. See Cory R. Gill, Marian Lawson, Emily Morgenstern, (March 18, 2021). Department of State, Foreign Operations, and Related Programs: FY2021 Budget and Appropriations,” *Congressional Research Service*, R46367. Sources include: McGarry and Morgenstern, *Overseas Contingency Operations Funding: Background and Status*,” and K. Alan Kronstadt, and Susan B. Epstein, (2019, March 12). *Direct Overt U.S. Aid Appropriations for and Military Reimbursements to Pakistan, FY 2002-FY2020*. CRS, <https://fas.org/sgp/crs/row/pakaid.pdf>. Special Inspector General for Afghanistan Reconstruction, Quarterly Reports, <https://www.sigar.mil/quarterlyreports/index.aspx?SSR=6>.

²² Source: Interest rate calculations by Heidi Peltier. For Peltier’s methods, see Heidi Peltier, (2020). *The Cost of Debt-financed War: Public Debt and Rising Interest for Post-9/11 War Spending*,” Costs of War Project. <https://watson.brown.edu/costsofwar/files/cow/imce/papers/2020/Peltier%202020%20->

Increases to DOD Base Budget Due to Post-9-11 Wars ²³	884
Post-9/11 Veterans' Medical and Disability Through FY2022 ²⁴	465
Homeland Security Prevention and Response to Terrorism ²⁵	1,117
Total War Appropriations and War-Related Spending through FY2022	\$5,843
Estimated Future Obligations for Veterans Medical and Disability, FY2023–FY2050 ²⁶	c.2,200
Total War-Related Spending through FY2022 and Estimated Obligations for Veterans' Care through 2050	\$8,043

The post-9/11 wars have largely been budgeted as emergency appropriations or “Overseas Contingency Operations.” These consist of U.S. Congressional appropriations for the Department of Defense (DOD) and State Department in the named operations in the major war zones of Afghanistan and Iraq, and in smaller war zones and areas where the U.S. has engaged in counterterrorism operations since 9/11.²⁷ Spending in the major war zones, discussed more fully below, accounts for about 92 percent of total DOD OCO spending. The rest of the OCO spending occurs in other geographic areas or is used to support operations in the major war zones. The DOD has taken to calling some of its OCO spending in the Central Command region “enduring” costs; these have been split evenly between the major war zones in the current estimate.

[%20The%20Cost%20of%20Debt-financed%20War.pdf](#). The OCO spending used here to calculate interest payments is conservative figure, based on the lower numbers reported by DOD and State for OCO; they do not include OCO for the base, which are later in the paper attributed to the war zones.

²³ These include: spending on other operations, such as Operation Noble Eagle after 2004; the effects of post-9/11 war related increased healthcare costs for active duty soldiers; and higher pay to attract and retain soldiers. This figure is estimated as a portion of the DOD OCO budget at 50 percent from FY2001–2011, 40 percent from FY 2012–2018, and 25 percent in FY2019 and 20 percent from FY2020–FY2022.

²⁴ Source: Bilmes estimate ranges from 2.2 to 2.5 trillion for 2001-2050. We know that this is an underestimate because the wars are not over — there will be more veterans in the VA System. Linda Bilmes. (August 18, 2021). “The Long-Term Costs of Caring for Veterans of the Iraq and Afghanistan Wars,” Costs of War Project.

https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/Costs%20of%20War_Bilmes_Long-Term%20Costs%20of%20Care%20for%20Vets_Aug%202021.pdf. Bilmes estimate is conservative, and does not include the costs of medical benefits for military contractors whose medical benefits may be cared for through the Defense Base Act and the Department of Labor. Also see Linda J. Bilmes. (2016). A Trust Fund for Veterans. *Democracy: A Journal of Ideas*, no. 39. Retrieved from

<http://democracyjournal.org/magazine/39/a-trust-fund-for-veterans/> and Linda J. Bilmes. (2013). *The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Cancel Out the Peace Dividend*. *Costs of War*,

<http://watson.brown.edu/costsofwar/files/cow/imce/papers/2013/The%20Financial%20Legacy%20of%20Iraq%20and%20Afghanistan.pdf>.

²⁵ As discussed below, the Office of Management and Budget and the Department of Homeland Security stopped reporting detailed information on U.S. spending on counterterrorism operations, in 2018. This estimate is based on DHS budgets as analyzed by the CRS and assuming that spending is consistent since 2017. See William L. Painter, 8 October 2019, *Selected Homeland Security Issues in the 116 Congress*, CRS.

²⁶ Source: Bilmes. (2021). “The Long-Term Costs of Caring for Veterans of the Iraq and Afghanistan Wars.”

²⁷ In 2012, the State Department also began to call its war related spending. Overseas Contingency Operations (OCO). During the Biden Administration, the category of OCO spending was eliminated and the DOD’s war spending was put into the base military budget. State Department spending in the war zones.

These wars were not financed by a war tax, or by selling large numbers of war bonds, and while the U.S. had a balanced budget in 2001, the U.S. began to run a budget deficit in 2002. As a result, the costs associated with the wars include interest payments on this debt. Interest rates have, for many years, been at historic lows and portions of the debt have been refinanced since the 2008 financial crisis on a rolling basis as it has been possible for the U.S. Treasury to do so. Further, it is important to note that an estimate of the future costs of interest over the next several decades are *not included* in this estimate because they are like estimated past interest payments, subject to refinancing and other factors which cannot be predicted. On the whole, however, the costs of interest on borrowing to pay for the wars will continue to be large unless or until Congress decides to pay for the post-9/11 wars through taxes or war bonds.

The Pentagon's "base" budget is intended to fund enduring costs of the Department of Defense and the armed services, that would be incurred even if the U.S. were not at war. The Pentagon's "base" budget includes costs of personnel, including health care, and the costs of research and development, procurement, operations, military construction and housing, and equipment maintenance. The long mobilization has contributed to increased spending in the base budget. Specifically, while Congress intended war spending to be separate from base military spending, war spending has tended to inflate base military spending. This is illustrated in Figure 2. Overall, the base military budget has more than doubled between Fiscal Year 2001 and 2022. So, even when spending on the post-9/11 wars and other military operations has declined, Department of Defense base budget spending has trended upward.

Part of the increase in base budget spending is perhaps driven by the rally around the flag effect—where members of Congress during the Bush and Obama administrations wanted to be seen to be supporting the U.S. troops as they engaged in war. For instance, President Obama requested \$663.8 billion in FY2010. Congress appropriated \$691 billion.²⁸ The practice of Congress awarding more money to the Pentagon than requested by Defense Department continued through the Trump Administration. In March 2018, for example, Congress appropriated \$61 billion more than the DOD requested.²⁹ In July 2021, members of the Senate indicated that they wanted to give more money to the DOD than the Biden Administration requested, perhaps as much as \$25 billion over the amount requested by Biden.³⁰

²⁸ Congressional Research Service, "Defense: FY2010 Authorization and Appropriations," CRS, R40567. https://www.everycrsreport.com/files/20091223_R40567_9861202e3d375ffb07ed5f7d6877e9828335aa51.pdf.

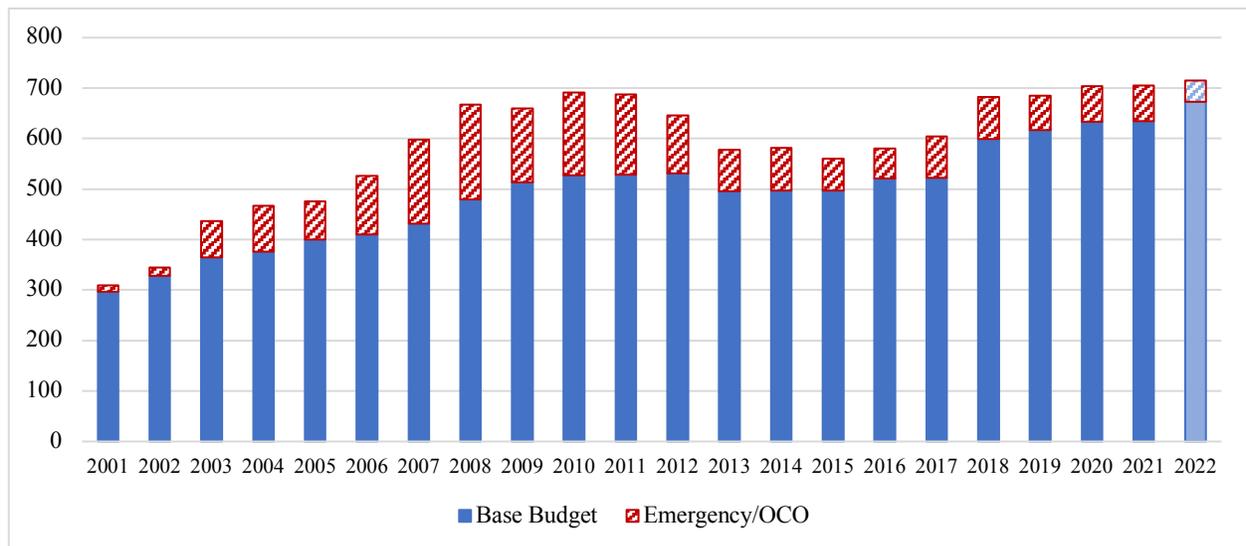
²⁹ Greg Myre. (March 26, 2018) "How the Pentagon Plans to Spend that Extra \$61 billion." National Public Radio, <https://www.npr.org/sections/parallels/2018/03/26/596129462/how-the-pentagon-plans-to-spend-that-extra-61-billion>.

³⁰ John M. Donnelly. (July 23, 2021). "Democratic Hawks Want to Go Bigger than Biden on Defense Spending," *Roll Call*, <https://www.rollcall.com/2021/07/23/democratic-hawks-want-to-go-bigger-than-biden-on-defense-spending/>. Leo Shane. (July 23, 2021). "Plan to Boost Biden's Defense Budget Could See Bipartisan Support," *Military Times*, <https://www.militarytimes.com/news/pentagon-congress/2021/07/21/plan-to-boost-bidens-defense-budget-could-see-bipartisan-support/>.

But additions to the base military budget have occurred—even as war spending has decreased—for four other reasons that are indirectly and directly related to the post-9/11 wars.

First, the military has devoted an increasingly large share of military spending to contractors who provide goods and services such as equipment maintenance, transportation, security, and food services. As Heidi Peltier shows, the costs of using contractors have more than doubled during the post-9/11 wars.³¹ While contractors make up an increasingly large part of the U.S. presence in the major war zones, they have also become a staple of operations within the continental United States and at other overseas bases. Indeed, spending on contracting has increased, even as direct war-related spending has declined.

Figure 2. U.S. DOD Base and OCO Spending in Billions of Current Dollars, FY 2001-2022*³²



**The Biden Administration identified \$42 Billion in OCO spending in the Base budget in its FY2022 request. It is unclear how the August 2021 events in Afghanistan will affect this request.*

Second, the U.S. has continued to “modernize” its military forces, procuring new technology, weapons, and weapons platforms to meet what it considers existing or potential threats. Further, some of the equipment that was destroyed, damaged, or used up during the wars has been repaired or replaced, sometimes with more expensive equipment in a process known as “reset.”

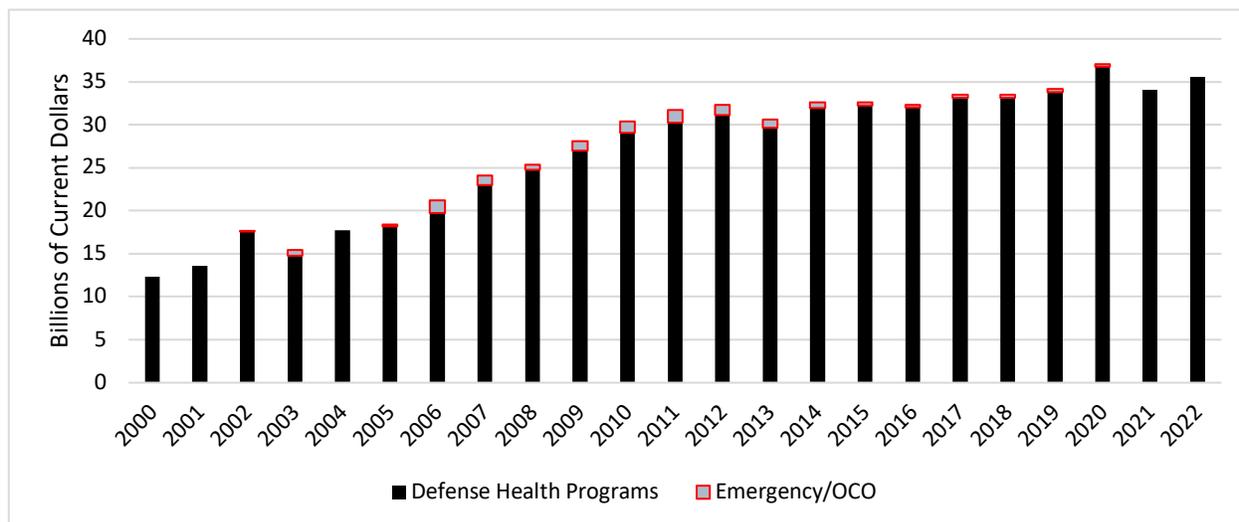
³¹ Heidi Peltier. (2020). “The Growth of the ‘Camo Economy’ and the Commercialization of the Post-9/11 Wars,” Costs of War,

<https://watson.brown.edu/costsofwar/files/cow/imce/papers/2020/Peltier%202020%20-%20Growth%20of%20Camo%20Economy%20-%20June%2030%202020%20-%20FINAL.pdf>.

³² Source: Comptroller of the Department of Defense, various years. <https://comptroller.defense.gov/Budget-Materials/>.

Third, while the United States was at war so long, personnel costs in the base budget grew. For instance, military pay increased 6.9 % in 2002, the largest percentage increase since the early 1980s.³³ Overall, between 2002 and 2018, regular military compensation (cash, allowances for food and housing, and tax advantages) grew by 20 percent for the active duty force.³⁴ When casualties during the Afghanistan and Iraq wars were high, enlistment rates were affected, and the use of bonuses for enlistment and retention have substantially increased.³⁵ Further, the costs of healthcare for service members and retirees grew. In fact, the Defense Health Program (DHP) budget more than doubled during this period: in current dollars DHP in FY 2001 was \$13.5 billion; by FY2021, it was \$34.1 billion.³⁶ The OCO budget paid for some of the healthcare costs of active duty personnel wounded in the war zones.³⁷ But, as the following figure illustrates, while the Defense Health Program was supplemented by OCO money, most of the increase in DHP spending occurred in the DHP base budget. See Figure 3.

Figure 3. Total DOD Defense Health Program Spending, Base and OCO, FY2000-FY2022³⁸



³³ See “United States Military Basic Pay History,” <https://www.navycs.com/charts/>. Also see Jim Absher, (January 28, 2021) “Historical Military Pay Tables,” *Military.Com*, <https://www.military.com/benefits/military-pay/charts/historical-military-pay-rates.html>.

³⁴ Congressional Budget Office, (January 2020) “Approaches to Changing Military Compensation,” <https://www.cbo.gov/system/files/2020-01/55648-CBO-military-compensation.pdf>.

³⁵ See Beth Asch, et al, (2010) *Cash Incentives and Military Enlistment, Attrition, and Reenlistment*, (Santa Monica: RAND Corporation). <https://apps.dtic.mil/sti/citations/ADA522744>.

³⁶ See Department of Defense, Defense Comptroller data, various years. <https://comptroller.defense.gov/Budget-Materials/>.

³⁷ Congressional Budget Office. (January 2014). “Approaches to Reducing Federal Spending on Military Health Care,” <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44993-militaryhealthcare.pdf>. Congressional Research Service. (June 15 2021). “FY2022 Budget Request for the Military Health System.” https://www.everycrsreport.com/files/2021-06-15_IF11856_2ee5b10639ee71e551b4d72f00dedab932dd2397.pdf.

³⁸ Source: Department of Defense Comptroller, FY2000-FY2022.

Finally, the dividing line between DOD OCO direct war spending and the base budget became increasingly fuzzy in two respects. During sequestration, as I discuss in greater detail below, OCO money was used to supplement the base budget, inflating the OCO budget. On the other hand, over time, some activities in the major war zones and smaller war operations (such as Operation Noble Eagle) came to be understood as enduring requirements and were normalized and institutionalized in the base budget.

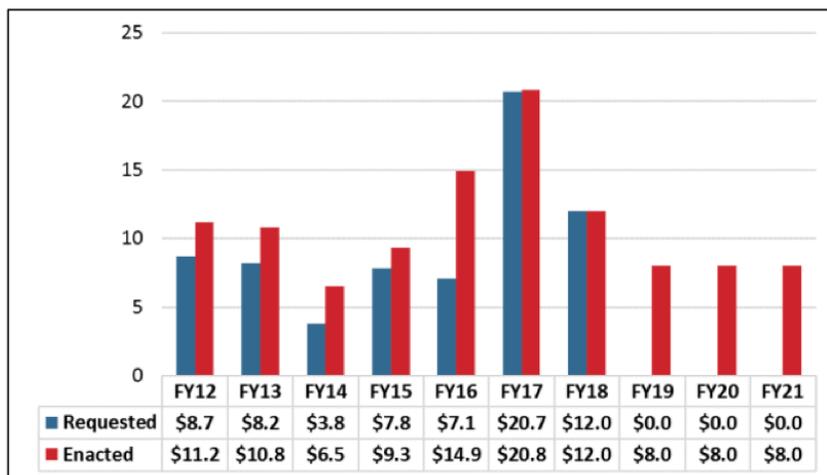
While the war zones and costs are sometimes named and included in accounts of spending, they are often not specified or enumerated in summary documents and some have been funded in both the base and the OCO budget. For example, the U.S. began a counterterrorism operation in the Philippines in October 2002 under the name Operation Enduring Freedom-Philippines that concluded in 2015. In September 2017, the U.S. began Operation Pacific Eagle-Philippines (OPE-P) as a named Overseas Contingency Operation. Since May 2019, OPE-P has been funded in part from the base budget and in part from the OCO budget. In FY2020, the DOD had committed \$85.6 million in spending from both the base and OCO accounts to the Philippines for OPE-P.³⁹

The Department of State's share of war-related spending is comparatively small. However, even as overall Department of State funding has declined compared to other budgets, Congress has been generous with OCO funding for the Department of State, frequently providing more money than the DOS requested. As the Congressional Research Service found, it is indeed rare in recent years for Congress to give the Department of State what it requests for war related Overseas Contingency Operations.⁴⁰ And as with the DOD, the State Department appears to have gotten around BCA restrictions between FY2012 and FY2021 by putting line items in the OCO account that should perhaps have been funded in the regular account. See Figure 4.

³⁹ DOD, Inspector General, (2020). "Operation Pacific Eagle-Philippines, Lead Inspector General Report to the United States Congress, July1, 2020-September 30,2 2020," p. 34.
https://oig.usaid.gov/sites/default/files/2020-11/OPE-P_Philippines%20Lead%20Inspector%20General%20Report%20to%20the%20Congress%20of%20the%20United%20States%2C%20July%201%2C%202020%20-%20September%2030%2C%202020_Q4_Sep2020.pdf

⁴⁰ Emily M. Morgenstern. (February 10, 2021.) "Foreign Affairs Overseas Contingency Operations (OCO) Funding: Background and Current Status," Congressional Research Service,
<https://fas.org/sgp/crs/row/IF10143.pdf>.

Figure 4. State Department Foreign Affairs OCO Funding FY2012-2021 Requested and Enacted, in Billions of U.S. Dollars⁴¹



The spending on the counterterrorism mission for homeland security, while never entirely transparent, has become increasingly difficult to track. While terrorism is central to many Department of Homeland Security missions, the DHS is not the only department that performs the missions associated with homeland security, and further, DHS passes some of its appropriations to other departments. For some years, the Department of Homeland Security budget highlighted expenditures for all counterterror missions, concatenating all agency expenditures using three categories: “Prevent and Disrupt Terrorist Attacks;” “Protect Americans, Critical Infrastructure and Resources;” and “Respond and Recover from Incidents.” The White House and Department of Homeland Security have recently stopped providing the breakdown of DHS expenditures by missions devoted to post-9/11 counterterrorism; as of the FY2018 budget request, the Department Homeland Security budget was no longer explained by the White House Office of Management and Budget.⁴² In more recent years, these accounting for these missions was essentially merged with other DHS missions and the DHS does not highlight its own or other agencies’ spending on these particular missions. William Painter of the Congressional Research Service noted in 2019:

Section 889 of the Homeland Security Act of 2002 required the President's annual budget request to include an analysis of homeland security funding across the federal

⁴¹ Source: From Emily M. Morgenstern. (February 10, 2021). “Foreign Affairs Overseas Contingency Operations (OCO) Funding: Background and Current Status,” Congressional Research Service. <https://fas.org/sgp/crs/row/IF10143.pdf>.

⁴² In 2017, White House Office of Management and Budget stated in its *Analytical Perspectives* on the budget that, “Previous Analytical Perspectives volumes included a ‘Homeland Security Funding Analysis’ chapter, and provided additional detailed information on the Internet address cited above and on the Budget CD-ROM. P.L. 115-31 eliminated the statutory requirement for this information. Therefore, this information is not included in this years’ Budget and it will not be included in future Budgets.” Office of Management and Budget. (2017). *Analytical Perspectives: Budget of the U.S. Government, Fiscal Year 2018*, <https://www.govinfo.gov/content/pkg/BUDGET-2018-PER/pdf/BUDGET-2018-PER.pdf>.

government—not just DHS. This requirement remained in effect through the FY2017 funding cycle. The resulting data series, which included agency-reported data on spending in three categories—preventing and disrupting terrorist attacks; protecting the American people, critical infrastructure, and key resources; and responding to and recovering from incidents—provides a limited snapshot of the scope of the federal government's investment in homeland security.

According to these data, from FY2003 through FY2017, the entire U.S. government directed roughly \$878 billion (in nominal dollars of budget authority) to those three mission sets. Annual budget authority rose from roughly \$41 billion in FY2003 to a peak in FY2009 of almost \$74 billion. After that peak, reported annual homeland security budget authority hovered between \$66 billion and \$73 billion. Thirty different agencies reported having some amount of homeland security budget authority.⁴³

The FY2020 budget summary for DHS implies that nearly all of what it does is related to counterterrorism: “Nefarious actors want to disrupt our way of life. Many are inciting chaos, instability, and violence. At the same time, the pace of innovation, our hyperconnectivity, and our digital dependence have opened cracks in our defenses, creating new vectors through which our enemies and adversaries can strike us. This is a volatile combination. The result is a world where threats are more numerous, more widely distributed, highly networked, increasingly adaptive, and incredibly difficult to root out. The ‘home game’ has merged with the ‘away game’ and DHS actions abroad are just as important as our security operations here at home.”⁴⁴ Further, DHS says, “Border security is national security.”⁴⁵ But of course, DHS does other things—including responding to disasters. Yet, because the counterterrorism mission has been institutionalized and merged with its main missions, it is difficult to find a coherent analysis of the incremental addition of the cost of counterterrorism within the DHS budget. This estimate is based on the publicly available evidence from previous years, and assumes continuity in spending for years where there is no transparency.

Overall, care for veterans consumes the largest share of the total costs of the post-9/11 wars. The estimate for future costs of veterans’ care is much higher than previous estimates because, as Dr. Linda Bilmes of Harvard University notes, veterans of the post-9/11 wars are already claiming higher levels of benefits than previously anticipated and their needs will grow as they age. Due to advances in trauma care, the post-9/11 wars have seen a nearly 45 percent increase in the number of soldiers who are surviving wounds that, in the past would, have killed them.⁴⁶ Further, the types of injuries and co-morbidities of these soldiers will

⁴³ William L. Painter. (February 28, 2019). “The Budget and Homeland Security: Homeland Security Issues in the 116th Congress,” CRS Insight, <https://fas.org/sgp/crs/homsec/IN11047.pdf>.

⁴⁴ Department of Homeland Security. (2019). *FY2020 Budget in Brief*, p. 1. https://www.dhs.gov/sites/default/files/publications/19_0318_MGMT_FY-2020-Budget-In-Brief.pdf.

⁴⁵ DHS, *FY2020 Budget in Brief*, p.2.

⁴⁶ See Tanisha M. Fazal. (2014). “Dead Wrong?: Battle Deaths, Military Medicine, and Exaggerated Reports of War’s Demise,” *International Security*, 39, 1: 95-125. Jeffrey T. Howard, Russ S. Kotwal, and Caryn A. Stern. (March 27 2019). “Use of Combat Casualty Care Data to Assess the U.S. Military Trauma System During the Afghanistan and Iraq Conflicts, 2001-2017,” *JAMA Surgery*, <https://jamanetwork.com/journals/jamasurgery/article-abstract/2729451>.

require increasingly complex and expensive care as they age. Thus, Bilmes notes, “as of 2021, some 40% of post-9/11 veterans had been granted a lifetime service-connected disability by the VA, based on the clinical severity of conditions they sustained or that worsened during their period of service.”⁴⁷

Spending in the Major Post-9/11 Wars: Afghanistan/Pakistan and Iraq and Syria

The U.S. military designates main war zones in Afghanistan, Pakistan, Iraq, and Syria as named operations and these Overseas Contingency Operations have changed names when the mission has changed. The longest war so far, in Afghanistan and Pakistan, has had two names: “Operation Enduring Freedom” designated the first phase of war in Afghanistan from October 2001; it was designated “Operation Freedom’s Sentinel” on 1 January 2015. The war in Iraq was designated “Operation Iraqi Freedom” from March 2003 to 31 August 2010, when it became “Operation New Dawn.” When the U.S. began to fight ISIS in Syria and Iraq in August 2014, this war was designated “Operation Inherent Resolve.” For ease of understanding, the costs are not labeled here by their OCO designation, but by major war zone—namely Afghanistan and Pakistan, and Iraq and later Iraq and Syria. In both major war zones, the end of combat operations has been declared several times

While the Iraq war was the most intense through most of the last 20 years (with OCO spending peaking in 2008 with during the surge), the spending for Afghanistan, where spending peaked in 2011, has surpassed Iraq War spending. The DOD and State Department total appropriated for Afghanistan and Pakistan through FY2021 was about at \$1 trillion. In its May 2021 budget request, the Biden administration has requested \$8.9 billion for FY2022. The total spent for Iraq and Syria through FY2021 is \$886 billion with \$5.4 billion requested by the Biden administration for FY2022. However, the costs of being at war for nearly 20 years are not confined to the costs of DOD and State Department spending. Table 2 provides a rough approximation of the portion of total war costs that are potentially attributable to each of the two major war zones—Afghanistan and Pakistan, and Iraq and Syria.

Table 2. Estimated Costs Attributed to the Major War Zones, FY2001-FY2022, in Billions of Current Dollars (Rounded to the Nearest Billion)⁴⁸

	Costs Attributed to Afghanistan/Pakistan War Zone	Cost Attributed to Iraq/ Syria War Zone	Costs Attributed to Other OCO War Zones
Overseas Contingency Operations (OCO)			
DOD OCO	\$ 1,055	\$ 918	\$128
State Dept. OCO	\$ 60	\$ 60	\$ 69

⁴⁷ See Linda Bilmes. 2021. “The Long-Term Costs of Caring for Veterans of the Iraq and Afghanistan Wars,” Costs of War Project.”

⁴⁸ Totals may not add due to rounding.

Portion of Interest on OCO Spending ⁴⁹	\$ 532	\$ 467	\$ 87
Portion of Estimated Increase in DOD Base Spending Due to War	\$ 433	\$ 380	\$ 71
Portion of Veterans' Care to Date	\$ 233	\$ 233	-
Approximate Share of Costs of Post-9/11 Wars Attributed to Major War Zone, NOT Including Future Veterans' Care	\$ 2,313	\$ 2,058	\$ 355
<i>Estimated Obligation for Future Veterans' Medical and Disability, FY2022-2050</i>	<i>\$1,100</i>	<i>\$1,100</i>	-
TOTAL Including Future Obligations for Veterans' Care	\$3,413	\$3,158	\$355

**Note: Table 2 does not include Homeland Security, which is included in the \$8 trillion total.*

For some categories—specifically, the share of Veterans and DHS spending due to each major war—the exact share for each warzone is impossible to calculate. For example, the Bureau of Labor Statistics shows that of the 4.59 million veterans of the post-9/11 era, 1.853 million veterans identified as having served in Iraq, Afghanistan, or both. Of this total, 507,000 served in both war zones, 980,000 served in Afghanistan, and 1.38 million served in Iraq.⁵⁰ However without access to the service records of each veteran it is impossible to determine the spending for medical and disability that should be attributed to each war zone. The rule of thumb used here is thus to ascribe 50 percent of the share of veterans' costs to each war zone. Because spending for counterterrorism by the DHS and other agencies is no longer detailed, the total for homeland security was already a soft number. Thus, this estimate attributed shares of spending for homeland security that are in line with the share of DOD spending for the war zones: c. 49 percent for Afghanistan and 43 percent for Iraq. The other 8 percent of OCO spending is for other geographic areas or OCO missions. These include the Counterterrorism Partnership Fund, European Deterrence Initiative, training and assistance, and other operations in more than 85 countries in the world.⁵¹

⁴⁹ Calculated as a share of the total of interest on borrowing for DOD and State Department OCO. Total interest that may be attributed to the post-9/11 OCO spending may be as much as is \$1,117 billion. If so, Afghanistan's share of total OCO is 49%; Iraq's share of total OCO is 43 %. Of course, spending for Afghanistan is not only larger, but it is the longer of the two wars, its' share of the interest is slightly larger than noted here.

⁵⁰ Bureau of Labor Statistics, "Employment Situation of Veterans, News Release" (March 18, 2021). https://www.bls.gov/news.release/vet.htm#cps_veterans.f.1.

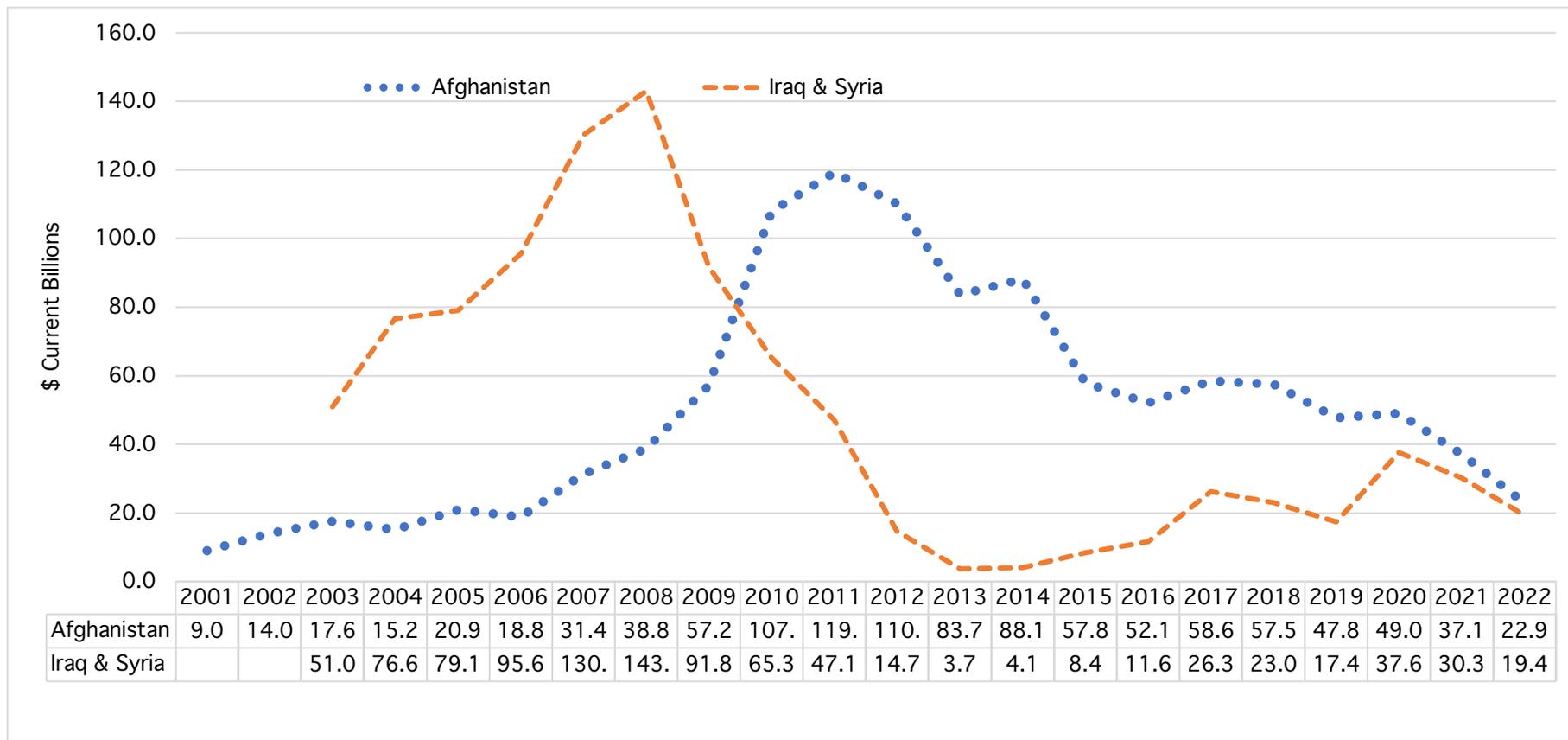
⁵¹ For a map and a summary of some of these operations, see Stephanie Savell, (2020). "U.S. Counterterrorism Operations, 2018-2020" Costs of War Project, <https://watson.brown.edu/costsofwar/files/cow/imce/papers/2021/US%20Counterterrorism%20Operations%202018-2020%2C%20Costs%20of%20War.pdf>.

These enormous sums include significant programs. The DOD spent more than \$83 billion in OCO spending for the Afghanistan Security Forces Fund, and the Train and Equip Funds provided money to equip, train and pay for the Afghan National Defense and Security Force. In addition, the U.S. also spent near \$9 billion on counternarcotics efforts in Afghanistan, as a way to reduce a source of income for the Taliban.

Figure 4 illustrates the trends in DOD and State Department OCO spending for the wars in Afghanistan and Iraq and Syria. The number for both FY2021 and FY2022 are likely to change given recent events in Afghanistan and the decision to fully withdraw from Iraq. Congress may appropriate more money to the DOD and State Department for evacuations in Afghanistan in FY2021, but may not appropriate as much money as requested for Afghanistan in FY2022. Within the larger named operations, there are activities in other geographic areas, in some cases far from the war zones, that directly support the named operations. For example, troops in the U.S. supported long sorties of B-52, B-1, and B-2 bombers to the war zones. Operation Enduring Freedom, focused on Afghanistan and Pakistan, included operations and troops stationed offshore and in Guantanamo Bay (Cuba), Djibouti, Eritrea, Ethiopia, Jordan, Kenya, Kyrgyzstan, Philippines, Seychelles, Sudan, Tajikistan, Turkey, Uzbekistan and Yemen.⁵² Similarly, Operation Iraqi Freedom and Operation Inherent Resolve in Iraq and Syria has also included military troops stationed off shore and in Bahrain, Cyprus, Egypt, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Turkey, and the United Arab Emirates.

⁵² The casualties for each named operation include those other locations. See, Department of Defense Casualty Status, <https://www.defense.gov/casualty.pdf>.

Figure 4. DOD and State Department OCO Appropriations by Major War Zone, FY2001-2021 and FY2022 Request in Billions of Current Dollars⁵³



⁵³ Appropriations for Major OCO in AfPak and Iraq/Syria. Including a 50 percent share of DOD OCO for Base and Enduring Requirements from FY2015-2022. Sources include: Department of Defense, Undersecretary of Defense, Comptroller, various years. <https://comptroller.defense.gov/Budget-Materials/>. Amy Belasco. (December 2014). *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*. Congressional Research Service (CRS); Brendan W. McGarry and Emily Morgenstern. (Updated 6 September 2019) *Overseas Contingency Operations Funding: Background and Status*, CRS; Office of the Undersecretary of Defense (Comptroller). Special Inspector General for Afghanistan Reconstruction, Quarterly Reports, <https://www.sigar.mil/quarterlyreports/index.aspx?SSR=6>.

The Need for Transparency, Clarity and Comprehensive Accounting

The U.S. government should ideally provide a comprehensive, detailed and clear accounting of the budgetary costs and implications of the post-9/11 wars. This lack of an official clear and comprehensive accounting is the result of two overlapping factors: first, the post-9/11 wars and the missions associated with them have been amorphous and shifting; and second, post-9/11 spending occurs in multiple departments, each of which may provide incomplete or obscure reporting of the costs. The U.S. government has also, at times, classified or removed information about operations and their associated budgets.

The Congressional Budget Office and the Congressional Research Service and Members of Congress have long expressed concern that DOD accounting practices are opaque, and that the distinction between enduring and emergency funding has not been well observed. They have regularly pointed out the use of OCO money to fund the activities that should be funded in the DOD base budget. In 2014, for instance, CRS analyst Amy Belasco, in a Congressional Research Service report on the costs of the post-9/11 wars said: “Since the 9/11 attacks, some observers have criticized war funding as ‘off-budget’ or a ‘slush fund’ appropriated largely in emergency supplemental acts or for “Overseas Contingency Operations” (OCO) where normal budget limits in annual budget resolutions or the Budget Control Act (BCA) do not apply.” Belasco continued, “In recent testimony on September 18, 2014, for example, former Secretary of Defense Chuck Hagel acknowledged these ambiguities, saying “there are a lot of different opinions about whether there should be an overseas contingency account or not and whether it’s a slush fund or not.”⁵⁴ A CBO report in 2018 noted that “As contingency operations have become the norm and DoD has adjusted its allocation of resources to accommodate them, it has become increasingly difficult to distinguish between the incremental costs of military conflicts and DoD’s regular, enduring costs.”⁵⁵ The CBO estimated that, from FY2006 to FY2018, \$53 billion in OCO funding was being used for activities that should have been funded in the base budget.⁵⁶

In early 2019 Christopher Mann of the Congressional Research Service noted, “Estimates of the cumulative costs of war are complicated by the use of OCO-designated funds for base budget activities.”⁵⁷ Further, Mann says, “The use of the OCO designation for funding both war and non-war requirements has created ambiguity about enduring costs unrelated to ongoing conflicts.”⁵⁸ Mann noted that, “No government-wide reporting consistently accounts for both DOD and non-DOD war costs.” This leaves a hole in our understanding of the total costs of the post-9/11 wars that allows for confusion and the assertion of figures such as DOD spending that can be mistaken for an assessment of the entire budgetary costs and consequences of the post-9/11 wars. Mann also correctly notes that, “As a consequence, independent analysts have come to different conclusions about the total amount.” Because

⁵⁴ Quoted in Belasco, Amy. (2014, December 8). The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11. *Congressional Research Service* (CRS) p. 20.

<https://web.archive.org/web/20150501203337/http://www.fas.org/sgp/crs/natsec/RL33110.pdf>

⁵⁵ CBO, Funding for Overseas Contingency Operations and its Impact on Defense Spending, p. 10.

⁵⁶ CBO, Funding for Overseas Contingency Operations and its Impact on Defense Spending, p. 2.

⁵⁷ Mann, *U.S. War Costs, Casualties, and Personnel Levels Since 9/11*.

⁵⁸ Mann, *U.S. War Costs, Casualties, and Personnel Levels Since 9/11*.

“widely varying estimates risk misleading the public and distracting from congressional priorities” Mann argues that a comprehensive accounting would be useful. “Congress may wish to require future reporting on war costs that consolidates interagency data (such as health care costs for combat veterans or international aid programs) in a standardized, authoritative collection.”⁵⁹ There is still, as of this writing, no such comprehensive accounting.⁶⁰

The Department of Defense is not internally consistent or clear about its spending on the post-9/11 wars: spending may shift from one budget to another *inside* the department, categories may be overly broad, or detailed reporting of a function may entirely disappear. For instance, Operation Noble Eagle, which began in September 2001 as an operation to defend the U.S. air space and bases, was funded in the emergency war budget through FY2004 and switched to the base budget in FY 2005. More significantly, the DOD’s own reports of war spending are inconsistent and the basis for accounting is sometimes not fully explained. For example, in the DOD’s March 2021 “Estimated Cost to Each Taxpayer for the Wars in Afghanistan and Iraq,” the DOD reports the annual cost for the war in Afghanistan as \$39.676 billion, and \$8.892 billion for Iraq and Syria for FY2020. It notes that “Estimated costs for Afghanistan include related regional costs that support combat operations in the U.S. Central Command area of responsibility.”⁶¹ This does not match the total funding as appropriated by Congress for Afghanistan as stated by the DOD’s Comptroller which reports \$17 billion and \$7 billion respectively for the Afghanistan, and Iraq and Syria, war zones.⁶² These two DOD reports differ from each other because they take different categories of functions and operations into account. Neither of these reports’ figures match the DOD’s Office of Lead Inspector General, “COP-OCO: FY 2021 Comprehensive Oversight Plan Overseas Contingency Operations.”⁶³ There was a more detailed breakdown of costs available from the DOD, but this has apparently not been produced since September 2019, and in any case, this breakdown also does not match other DOD reports.⁶⁴

⁵⁹ Christopher T. Mann, (18 April 2019). *U.S. War Costs, Casualties, and Personnel Levels Since 9/11*, CRS.

⁶⁰ The Congressional Research Service reports by Amy Belasco through 2014 and later, by others in CRS, have aimed to provide the best and most transparent accounting of the costs of the post-9/11 wars. Amy Belasco. (December 2014). *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*. Congressional Research Service (CRS); Brendan W. McGarry and Emily Morgenstern. (Updated 6 September 2019) *Overseas Contingency Operations Funding: Background and Status*, CRS.

⁶¹ Department of Defense, “Estimated Costs to Each U.S. Taxpayer of Each of the Wars in Afghanistan, Iraq and Syria,” March 2021.

https://comptroller.defense.gov/Portals/45/documents/Section1090Reports/Estimated_Cost_to_Each_U.S._Taxpayer_of_Each_of_the_Wars_in_Afghanistan,_Iraq_and_Syria_dated_March_2021.pdf

⁶² DOD Office of the Undersecretary of Defense, (Comptroller). (2020) “Defense Budget Overview,” Revised May 13, 2020.

https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2021/fy2021_Budget_Request_Overview_Book.pdf

⁶³ DOD Office of Lead Inspector General, “COP-OCO: FY 2021 Comprehensive Oversight Plan Overseas Contingency Operations.” October 2020. https://media.defense.gov/2021/Jan/22/2002569409/-1/-1/1/FY2021_LIG_COP_OCO_REPORT_PDF.

⁶⁴ See Department of Defense “FY2019 Quarter 4, Cost of War Update as of September 30, 2019,” <https://fas.org/man/eprint/cow/fy2019q4.pdf>. Also see the DOD’s Special Inspector General for Iraq Reconstruction which produced reports through September 2013, and the Special Inspector General for Afghanistan Reconstruction have also produced reports which are detailed. See SIGIR reports archived in

While we should know whether spending should be classified for one war zone or another, support and combat operations in the U.S., Europe or Central Command may serve multiple war zones and operations. For example, the U.S. base at Diego Garcia in the Indian Ocean has supported airstrikes in both Afghanistan and Iraq. Further, while the U.S. national security establishment certainly regards Pakistan as part of the area of operations for Afghanistan “Operation Enduring Freedom” and “Operation Freedom’s Sentinel,” DOD accounts enumerate the costs of operations in Pakistan and State Department spending related to Pakistan is not always included in accounts of direct war-related spending.

There has long been a certain fuzziness, mentioned above, about the use of OCO money, which was exacerbated after the 2011 Budget Control Act (BCA) set limits on defense and nondefense spending. While the Budget Control Act was in effect, OCO appropriated money was, for more than a decade, used to supplement the base DOD budget. This was not the intention of Congress.⁶⁵

<https://cybercemetery.unt.edu/archive/sigir/20131001084734/http://www.sigir.mil/directorates/audits/auditReports.html>. Special Inspector General for Afghanistan Reconstruction quarterly reports are found at, <https://www.sigar.mil/>.

⁶⁵ Specifically, these limits were enforced by “sequestration,” the automatic reduction of enacted appropriations in excess of the law’s prescribed levels. However, emergency appropriations for the DOD were not subject to the same detailed Congressional oversight and limits as appropriations for regular, or “base” budget non-emergency appropriations. In other words, spending designated as OCO was exempt from the base budget caps and sequestration. The limits imposed by the BCA expired in FY2022.

While the 2011 BCA was in effect, the DOD (and the State Department) appear to have charged additional expenses to the OCO budget that should have been funded through the base budget appropriation process. It appears that none of these transfers were explicitly requested by the DOD or authorized by Congress. In FY 2019, the Trump Administration made the practice of shifting emergency OCO appropriations into the base budget explicit when it introduced new ways of categorizing the Department of Defense spending related to the Overseas Contingency Operations. Some of the funding that was previously designated for specific military operations was moved during the Trump Administration into a category called “OCO for Enduring Theater Requirements and Related Missions” and another, “OCO for Base Requirements.” The DOD Comptroller explained:

“The FY 2020 OCO request is divided into three requirement categories – direct war, enduring, and OCO for base. Direct War Requirements (\$25.4 billion) – Reflects combat or combat support costs that are not expected to continue once combat operations end at major contingency locations. Includes in-country war support for Operation FREEDOM’S SENTINEL (OFS) in Afghanistan and Operation INHERENT RESOLVE (OIR) in Iraq and Syria. Funds partnership programs such as the Afghanistan Security Forces Fund (ASFF), the Counter-ISIS Train and Equip Fund (CTEF), the Coalition Support Fund (CSF), and Middle East border security.

OCO for Enduring Requirements (\$41.3 billion) – Reflects enduring in-theater and CONUS costs that will remain after combat operations end. These costs, historically funded in OCO, include overseas basing, depot maintenance, ship operations, and weapons system sustainment. It also includes the European Deterrence Initiative (EDI), the Ukraine Security Assistance Initiative (USAI), and Security Cooperation. Combined, enduring requirements and direct war requirements comprise “traditional” OCO.

OCO for Base Requirements (\$97.9 billion) – Reflects funding for base budget requirements, which support the National Defense Strategy, such as defense readiness, readiness enablers, and munitions, financed in the OCO budget to comply with the base budget defense caps included in current law.”

This practice of funding base requirements with the OCO budget was increasingly evident in the Trump Administration and has become explicit under the Biden administration. It has now led to normalization and institutionalization of spending in Pentagon’s “base” budget that was previously considered as part of the post-9/11 wars. Specifically, the DOD’s FY2019 request OCO for base was \$2.5 billion. The FY2020 budget request included \$97.5 billion in OCO funding for base budget requirements and \$35.3 billion for “Enduring Theater Requirements and Related Missions.” Another new DOD OCO category for FY2020 was “Emergency Requirements,” money intended for the Southern United States border wall and disaster relief for recent hurricanes. Thus, in FY 2020, only about \$25 billion of the \$173.8 billion OCO request were designated as for Operation Inherent Resolve in Iraq and Syrian and Operation Freedom’s Sentinel in Afghanistan. In the FY2020 request, the DOD Comptroller also applied some of these new categories retroactively to previous OCO funding—respectively \$2, \$8, \$18, and \$17 billion for Fiscal Years 2015 to 2019.⁶⁶ Again, these changes were specifically and explicitly intended to get around congressionally imposed limits on the base defense budget. The Department of Defense FY2020 request explicitly stated as much: “These base budget requirements are funded in the OCO budget due to limits on budget defense caps enacted in the Budget Control Act of 2011. As base budget funding at the Budget Control Act level is insufficient to execute the National Defense Strategy, additional resources are being requested in the OCO budget.”⁶⁷ The FY2020 OCO for base requirements request also, according to the Comptroller’s report “include ground, air, and ship operations, base support, maintenance, weapons system sustainment, munitions, and other readiness activities, which are needed to prepare warfighters for their next deployment. This OCO request for base requirements includes additional resources for non-DoD activities, which are described in detail under separate (classified) cover.”⁶⁸ The FY2021 DOD budget enacted \$16.5 billion in “OCO for Base Requirements.” The FY2022 DOD budget request seeks money for what the DOD describes as “enduring theater requirements” that “reflects enduring in-theater and Continental United States (CONUS) costs that will remain after combat operations end.”⁶⁹ These have been equally divided between the major war zones in this report because the size of the troop presence in each war zone was approximately the same over the last 3 years. The distinction between OCO and the base budget were eliminated in the FY2022 DOD budget request by the Biden administration.⁷⁰

Office of the Undersecretary of Defense (Comptroller). (2019). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 6-2.

⁶⁶ Office of the Undersecretary of Defense (Comptroller). (2019). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 6-4.

⁶⁷ Office of the Undersecretary of Defense (Comptroller). (2019). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 6-8.

⁶⁸ Office of the Undersecretary of Defense (Comptroller). (2019). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 6-8.

⁶⁹ Office of the Undersecretary of Defense (Comptroller). (2021). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 7-2.

⁷⁰ “To comply with the Office of Management and Budget direction in the Summary of the President’s Discretionary Funding Request, dated April 9, 2021, the Department of Defense (DoD) is shifting funds that had previously been designated as OCO to the base budget. The discretionary request also discontinues requests for OCO as a separate funding category, instead funding direct war costs and enduring operations in the DoD base budget, a significant budgetary reform.” Office of the Undersecretary of Defense (Comptroller). (2021). *Defense Budget Overview: United States Department of Defense Fiscal Year 2020 Budget Request*, p. 7-2.

One of the most important duties of any great nation when it goes to war is to have a clear-eyed discussion of the costs, risks and benefits of war. As I showed above, transparency around costs has diminished over time, not increased. The lack of clarity includes but extends beyond the budget. Some numbers simply disappear. The DOD has sometimes not clearly reported the number of personnel deployed in the war zones and the larger theater of operations. In 2017, the DOD stopped reporting the number of troops deployed in Afghanistan and Iraq although they continue to report the number of troops that were involved in the named operations and those supporting them in the U.S.⁷¹ Another loss of transparency occurred when the Department of Defense stopped reporting its air strikes and weapons releases in Afghanistan after February 2020.⁷²

In 2017, the DOD classified previously unclassified information about the Afghan National Defense and Security Forces. The DOD also classified some previously public data in 2015.⁷³ The classifications and restrictions make it difficult for Congress to evaluate policies and Special Inspector Generals to conduct oversight. As SIGAR noted in 2017, “None of the material now classified or otherwise restricted discloses information that could threaten the U.S. or Afghan missions (such as detailed strategy, plans, timelines, or tactics).” Further, “All of the data include key metrics and assessments that are essential to understanding mission success for the reconstruction of Afghanistan's security institutions and armed forces.” Special Inspector General for Afghanistan Reconstruction, John Sopko told Congress in 2020, “Every time we find something that looks like it’s going negative, it gets classified... Most of the [methods] of measuring success are now classified.”⁷⁴

But information does not have to disappear to be unavailable. It has sometimes been merged into larger categories that blurs distinct classifications. Determining the costs of medical care and disability compensation for Post-9/11 veterans has at times been complicated by the categories the Department of Veterans Affairs has used to denote post-9/11 veterans. For example, the VA categorizes the veterans of the post-9/11 wars in the same category as 1990 Gulf War veterans, with veterans from the entire period from 1990 to the present categorized as “Gulf War Era Veterans” in VA disability compensation records. In their FY2022 budget the VA estimated that Gulf War era veterans, who served from 2 August 1990 to the present would account for 51.9 percent of the veterans receiving compensation in 2022, an increase from 50.7 percent of all veterans receiving compensation

https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022_Budget_Request_Overview_Book.pdf

⁷¹ Heidi M. Peters, “Department of Defense Contractor and Troop Levels in Afghanistan and Iraq: 2007-2020,” Congressional Research Service, CRS Reports, R44116. February 22, 2021.

<https://fas.org/sgp/crs/natsec/R44116.pdf>

⁷² U.S. Airpower Summary, Combined Forces Air Component Commander 2013-2019 Airpower Statistics, <https://www.afcent.af.mil/Portals/82/Documents/Airpower%20summary/jan%202020%20Airpower%20Summary.pdf?ver=2020-02-13-032911-670>.

⁷³ See the Memo October 31, 2017, from the Research and Analysis Directorate, Office of Afghanistan Reconstruction to John Sopko, Special Inspector General for Afghanistan Reconstruction.

⁷⁴ Sopko quoted in Steve Beynon, “Are We Winning the Afghanistan War? That’s Classified Sopko Says,” *Stars and Stripes*, 11 February 2020. https://www.stripes.com/theaters/middle_east/are-we-winning-the-afghan-war-that-s-classified-sopko-says-1.618399.

in FY2020.⁷⁵ However, in 2021 the Bureau of Labor Statistics is clear about the that there are 4.5 million veterans who served in the U.S. military from September 2001 through August, 2020, and they classify these as “Gulf War Era II” veterans.⁷⁶

The Costs of War Project would welcome a full accounting and analysis from the Office of Management and Budget of the total costs of the post-9/11 wars, including the costs of veteran’s medical and disability care, the use of the war budgets, the effect of the overseas contingency operations spending on the DOD and State Department’s base budgets, the federal costs of counterterrorism efforts at home, a clear account of the cost-effectiveness of homeland security, and an estimate of the state and local costs of the post-9/11 wars and counterterror mobilization.

Conclusion

The U.S. responded to the 9/11 attacks through a military mobilization of unprecedented scope, scale, and duration. The costs of such a response will not end after U.S. troops withdraw from Afghanistan and Iraq. The U.S. continues to invest in war in other areas around the globe, devote a great deal of resources to counterterrorism at home, and must pay future costs—including for veterans’ disability and medical care and interest on borrowing to pay for the post-9/11 wars.

Every country goes to war believing that they can win, that the fighting and its consequences will be controllable, that the costs of war will be less expensive than diplomatic efforts or sanctions, and that there will be few casualties because they will take

⁷⁵ “Benefits in the compensation program are estimated to be dispersed to 5,033,113 Veterans and 443,407 Survivors in 2020 and 5,192,776 Veterans and 456,294 Survivors in 2021. The 2020 Veteran and Survivor caseload estimate is distributed among World War II and Prior (76,823), Korean Conflict (126,947), Vietnam Era (1,717,752), Gulf War (2,702,897), and Peacetime (852,101) periods of service.” Department of Veterans Affairs. (2019). *Volume III, Benefits and Burial Programs and Department Administration, 2020 Congressional Submission*, p. VBA-56.

<https://www.va.gov/budget/docs/summary/fy2020VAbudgetvolumeIIIbenefitsBurialProgramsAndDeptmentalAdministration.pdf>. “Benefits in the compensation program are estimated to be dispersed to 5,503,550 Veterans and 475,146 Survivors in 2022, and 5,724,030 Veterans and 492,868 Survivors in 2023. The 2022 Veteran and Survivor caseload estimate is distributed among World War II and Prior (49,527), Korean Conflict (107,584), Vietnam Era (1,835,934) Gulf War (3,087,762), and Peacetime (897,888) periods of service. Caseload for the older periods of service is steadily declining. The number of Veterans and Survivors of Veterans from the Gulf War Era who are receiving compensation benefits will continue to increase rapidly through the budget year.”

Department of Veterans Affairs. (2021). *Volume III, Benefits and Burial Programs and Department Administration, 2020 Congressional Submission*, p. VBA-59.

<https://www.va.gov/budget/docs/summary/fy2022VAbudgetvolumeIIIbenefitsBurialProgramsAndDeptmentalAdministration.pdf>.

⁷⁶ Bureau of Labor Statistics, “Employment Situation of Veterans, News Release” (March 18, 2021).

https://www.bls.gov/news.release/vet.htm#cps_veterans.f.1. “Veterans who served in Iraq, Afghanistan, or both are individuals who served in Iraq at any time since March 2003, in Afghanistan at any time since October 2001, or in both locations. Service in Iraq or Afghanistan is determined by answers to two questions: ‘Did you serve in Iraq, off the coast of Iraq, or did you fly missions over Iraq at any time since March 2003?’ and ‘Did you serve in Afghanistan, or did you fly missions over Afghanistan, at any time since October 2001?’”

great care to protect their own soldiers and the lives of innocent civilians. But war rarely goes as planned. When things don't go as planned, new increments of force are added—or surged—to the war zone on the theory that just a bit more force will make the difference. The costs in lives and treasure goes up as the level of force is ratcheted up. And war continues.

Democracy can sometimes take a beating during war. Operations may be shrouded in well-intentioned but perhaps unnecessary secrecy, and mistakes are generally swept under the rug or downplayed. Voices of caution or those who ask for more details about plans and alternatives are often ignored, derided, or silenced as citizens and decisionmakers rally around the flag and defer to generals in an atmosphere of fear and urgency. The Costs of War Project hopes that this accounting, and our other work, promotes transparency and facilitates informed conversations about current and future wars.