

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
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STATEMENT BY SENATOR KENT CONRAD (D-ND)
ON CBO'S NEW ESTIMATE OF WAR COSTS
– Total Could Exceed Half a Trillion Dollars –

CBO's new estimate of the cost of military operations in Iraq, Afghanistan, and for Operation Noble Eagle (military homeland defense activities) sheds new light on the budgetary impact of these operations. Because of the Bush administration's inability to get significant financial or military contributions from the international community, the bulk of the cost for these operations is being carried by American taxpayers.

In the short-term, CBO's estimate shows that the war in Iraq, Afghanistan, and for Operation Noble Eagle will likely cost the Pentagon \$55-\$60 billion in 2005, not including costs for reconstruction activities. This is more than double the \$25 billion in additional funds belatedly requested by the Bush administration in May. Instead of hiding these costs from the American people until after the election, the administration should acknowledge that significant additional resources will be necessary.

Over the ten-year period, CBO's estimate shows that these operations could involve substantial additional costs to American taxpayers for years to come – ranging from \$180 billion to almost \$400 billion under different scenarios. Under one CBO scenario – with troop levels in Iraq continuing at about their current level for the next two years and then reducing gradually through 2010 – CBO estimates a cost of about \$392 billion over the 2005-2014 period – again, not including reconstruction costs.

None of these potential costs were reflected in the President's budget submitted in February. He included no additional resources for the military for the war in Iraq, Afghanistan, and for Operation Noble Eagle beyond October 1, 2004. Only in May did the President request an additional \$25 billion for 2005, which will clearly not be enough to meet the growing needs of our military.

It is also important to remember that we have already spent billions of dollars on these operations since 2001. Combining funds already expended with CBO's estimates for possible additional costs over the 2005-2014 period, total costs could be between \$350 billion and \$560 billion.

If nothing else, CBO's estimate confirms that the Bush administration continues to badly underestimate the cost of these operations. It is long past time for President Bush to come straight with the American people about the financial commitment that will be necessary to win these wars.

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