



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 16, 2002

H.R. 3994 **Afghanistan Freedom Support Act of 2002**

*As ordered reported by the House Committee on International Relations
on March 20, 2002*

SUMMARY

H.R. 3994 would authorize economic and military assistance to the government of Afghanistan for 2002 through 2005. The bill would authorize the appropriation of \$1,050 million for humanitarian and economic assistance over the 2002-2005 period and an indefinite amount for military assistance. CBO estimates that implementing H.R. 3994 would cost \$1.2 billion over the 2002-2007 period, assuming the appropriation of the necessary funds. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 3994 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3994 is shown in the following table. This estimate assumes the legislation will be enacted before July 1, 2002. The estimate also assumes that the amounts authorized for 2002 would be provided in a supplemental appropriation by July 1, 2002, and that amounts authorized for 2003, 2004, and 2005 would be provided in annual appropriation acts by the start of each fiscal year. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Afghanistan						
Budget Authority/Estimated Authorization Level ^a	320	80	0	0	0	0
Estimated Outlays	268	162	51	12	3	1
Proposed Changes						
Estimated Authorization Level	255	400	400	300	0	0
Estimated Outlays	56	189	280	307	235	132
Spending Under H.R. 3994 for Afghanistan						
Estimated Authorization Level	572	480	400	300	.0	0
Estimated Outlays	324	351	331	319	238	133

a. The 2002 level is the amount appropriated for that year. The estimated authorization level for 2003 is for food-aid to Afghanistan.

BASIS OF ESTIMATE

In October 2001, the President announced that the United States would provide \$320 million for humanitarian assistance to the people of Afghanistan out of the Emergency Response Fund or other appropriations available for 2002. Most of those funds have been committed to specific activities. H.R. 3994 would authorize the appropriation of an additional \$200 million for humanitarian and economic assistance in 2002, \$300 million a year in 2003 and 2004, and \$250 million in 2005 for similar purposes. In addition, the bill would authorize the President to provide military assistance to the government of Afghanistan including the authority to use \$300 million from the resources of the Department of Defense.

Title I would authorize assistance for urgent humanitarian needs, assistance for repatriating and resettling refugees and internally displaced persons, funding for narcotics control programs, and other economic assistance to establish a viable nation-state with a market economy. The mix of programs that might be established to provide this assistance is not specified in the bill. Rather, the determination of the programs and spending levels would be left to the President based on policy choices that have not yet been made. For the purposes of this estimate, CBO assumes that the amounts authorized for 2002 are the same as the President's supplemental request for Afghanistan: \$80 million in economic support, \$60 million for international narcotics control and law enforcement, \$40 million in disaster

assistance, \$20 million for international peacekeeping operations, and \$5 million for administrative expenses. In 2003 through 2005, CBO assumes that the mix of programs will shift from fast-disbursing humanitarian relief to slower spending economic assistance.

The bill does not authorize a specific amount for military assistance in title II, instead the bill would authorize the President to provide defense articles, defense services, and military education and training services on such terms and conditions as he may determine. CBO assumes a funding level for 2002 equal to the President's supplemental request of \$50 million for foreign military financing for Afghanistan and total funding over the four-year period of \$300 million, an amount equal to the drawdown limit set by the bill. CBO estimated outlays for these programs using historical spending patterns for similar programs in other countries.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3994 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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