

Legislative Bulletin.....June 16, 2009

H.R. 2346—FY 2009 Supplemental Appropriations Act Conference Report

BY THE NUMBERS:

In millions

	Request	Senate	House	Conference
FY 2009 Defense Funding	73,541	77,161	81,300	77,161
FY 2009 Non-Defense Funding	11,404	14,122	15,417	28,690
Total	84,945	91,283	96,717	105,851

Background: On June 30, 2008, President Bush signed into law [H.R. 2642H](#), the FY 2008 Supplemental Appropriations Act. This legislation provided \$65.9 billion of war funding for FY 2009. President Obama’s initial budget for FY 2009-2019, released in February, called for \$75.5 billion of additional FY 2009 war spending. On May 14, 2009, the House passed H.R. 2346, providing \$96.7 billion of appropriations. The conference report the House will consider today, including the President’s non-war funding supplemental request, exceeds the President’s original request by \$20.9 billion or 24.6%.

Budget Compliance: The legislation designates the entire \$105.8 billion as emergency spending to avoid the discretionary cap set by the budget resolution. The budget resolution set no limit on

Conservative Concerns

Take-Away Points

- Excess Spending.** The conference report, at \$105.8 billion, spends \$9.1 billion more than the House-passed version (despite spending \$4.1 billion less within the Department of Defense), and \$14.5 billion more than the Senate-passed version of the legislation. Non-war spending in the conference report includes: \$5 billion for the IMF (to provide \$108 billion of loan guarantees), \$420 million for Mexico, \$13.2 million for the Essential Air Service, and \$1 billion for the “cash for clunkers” program.
- IMF Funding.** The conference report appropriates \$5 billion to make available \$108 billion in loans for the IMF. This “global bailout” will require the federal government to borrow money (from the Chinese, for example) to then lend it to the IMF.
- Funding for the West Bank and Gaza.** The conference report provides a total of \$660 million for the West Bank and Gaza. Some conservatives may believe that this money could fall into the hands of Hamas, since it controls much of civil society in Gaza.
- Release of Detainee Photos.** The conference report does not include language in the Senate-passed bill (the Lieberman/Graham Amendment) to prevent the release of detainee photos.

For more details on these concerns, see below.

Order of Business: The conference report is scheduled to be considered on Tuesday, June 16, 2009, under a closed rule (H.Res. 545) that waives all points of order and provides one hour of general debate.

Spending Levels:

Department of Defense, FY 2009 Funding Levels:

In millions

Department of Defense	House	Conference
Procurement	23,045	25,846
Operations & Maintenance	33,789	32,547
Military Personnel	17,944	18,726
Research, Development, Test and Evaluation	722	833
Revolving and Management Funds	847	862
Other Department of Defense Programs	7,404	2,302
Total	81,300	77,161

Non-Department of Defense, FY 2009 Funding Levels:

In millions

	House	Conference
Agriculture		
Public Law 480 Title II Grants	500	700
Commerce		
Economic Development Administration	----	40
Justice		
Detention Trustee	----	60
Legal Activities	7	2
U.S. Attorneys	----	15
U.S. Marshal Service	----	10
National Security Division	1	1
FBI	----	35
Drug Enforcement Administration	----	20
ATF	4	14
Federal Prison System	5	5
Army Corps		
Operation and Maintenance	----	43
Flood Control and Coastal Emergencies	----	754
Energy		
Nuclear Nonproliferation	55	55
National Nuclear Security Administration	----	30
General Government		
National Security Council	3	3
The Judiciary	----	10
Financial Crisis Inquiry Commission	----	8
Securities and Exchange Commission	----	10
Homeland Security		
U.S. Customs and Border Protection	----	113
Air and Marine Interdiction	----	5
Coast Guard	----	140
FEMA	----	30
Interior and Environment		
Wildfire Management	250	250
Health and Human Services		
Refugee and Entrant Assistance	82	----
Public Health and Social Services Emergency	1,850	7,650
Legislative Branch		
U.S. Capitol Policy, Radio System	72	72
Congressional Budget Office	2	2
Military Construction		
Army	1,407	1,326
Navy and Marine Corps	236	236
Air Force	279	282
Defense-wide	1,087	652

NATO Security Investment Program	100	100
Base Closure Account	263	263
State, Foreign Operations and Related Programs		
Diplomatic and Consular Programs	1,016	998
Office of Inspector General	7	24
Embassy Security, Construction, and Maintenance	990	922
International Peacekeeping	837	721
U.S. Agency for International Development	205	210
Bilateral Economic Assistance	4,575	6,576
International Narcotics Control, Law Enforcement	484	488
Nonproliferation, Anti-Terrorism, Demining	----	102
Migration and Refugee Assistance	----	390
United Nations Relief and Works Agency	----	119
International Security Assistance	1,831	3,645
Transportation		
Essential Air Service	----	13
“Cash for Clunkers”	----	1,000
Other		
IMF	----	5,000
Total	15,417	28,690

Items of Note:

Wildland Fire Management: The bill includes a total of \$250 million for wildland fire management—the same as the President’s request, and the same as the House-passed version.

Pandemic Flu Response: The legislation provides a total of \$7.65 billion for pandemic flu response, \$5.8 billion above the House-passed version.

Capitol Police Radio System: The bill provides \$71.6 million for the Capitol Police to buy and install a new radio system, the same as the House-passed version.

International Peacekeeping: The bill provides \$721 million (compared to \$837 million in the House-passed version) for international United Nations peacekeeping activities in the Central African Republic and Chad, as well as the United Nations Mission in the Democratic Republic of Congo.

West Bank and Gaza: The legislation provides a total of \$660 million for the West Bank and Gaza. The legislation states that none of the funds in the bill may be made available for assistance to Hamas, or to any power-sharing agreement with Hamas. However, many conservatives may believe that this language will not be sufficient to keep the money out of the hands of terrorists, since Hamas controls much of civil society in Gaza. Of the \$660 million,

\$119 million is for the United Nations Relief and Works Agency (UNRWA), an organization with a strong anti-Israel posture.

Israel: The conference report provides \$555 million for Israel for the Foreign Military Financing Program.

Global Fund to Fight AIDS: The conference report provides \$100 million (the same as the House-passed version) for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The President did not request supplemental funding for this program. The Global Fund was created in 2002 as an international funding instrument that could consolidate donations from government and private sources to address the AIDS pandemic, tuberculosis, and malaria on a global scale. There is documentation proving that the Global Fund may be granting money to organizations such as Marie Stopes (the UK equivalent to Planned Parenthood), the United Nations Population Fund (which supports China's "one-child" policy), as well as the Chinese Health Department itself (supporting the "one-child" policy). Due to the lack of accountability and transparency in the Global Fund, U.S. foreign aid dollars cannot be tracked through the program.

Essential Air Service: The conference report provides \$13.2 million for the Essential Air Service (EAS) program. This program subsidizes flights that are often more empty than full, with taxpayers footing up to 93% of the cost of a flight (see this [article](#)). Past RSC budgets proposed to eliminate funding for this program.

Aid to Developing Countries Affected by the Global Financial Crisis: The legislation provides \$256 million (compared to \$300 million in the House-passed bill) for developing countries that are affected by the global economic crisis.

Aid to Nation of Georgia: The conference report provides \$242 million in foreign aid for the nation of Georgia.

Aid to Mexico: The legislation provides a total of \$420 million (compared to \$470 million in the House-passed bill) of aid to the Mexican government to combat drug trafficking and organized crime.

Pakistan Counterinsurgency Capability Fund: The legislation provides \$700 million for the Pakistan Counterinsurgency Capability Fund. The President requested that this funding be provided under the Department of Defense, but H.R. 2346 provides the funding under the Secretary of State.

Guantanamo Bay: The legislation requires the President (not later than 60 days after the date of enactment, and every 90 days thereafter) to submit a report to the Congress on "the prisoner population at the detention facility at Naval Station Guantanamo Bay, Cuba." The report is to include:

- The name and country of country origin of each detainee at the detention facility at Naval Station Guantanamo Bay, Cuba.

- A current summary of the evidence, intelligence, and information used to justify the detention of each detainee.
- An accounting of all the measures taken to transfer each detainee to the individual's country of citizenship or another country.
- A current description of the number of individuals released or transferred from the Naval Station Guantanamo Bay who are confirmed or suspected of returning to terrorist activities after release or transfer from Naval Station Guantanamo Bay.
- An assessment of any efforts by al Qaeda to recruit detainees released from detention at Naval Station Guantanamo Bay.

“Cash for Clunkers”: The conference report provides \$1 billion for the “Consumer Assistance to Recycle and Save Act of 2009.” This provides vouchers of between \$3,500 and \$4,500 to purchase a more fuel efficient vehicle upon trading in their old one. For more information on the so-called “cash for clunkers” program, see the RSC Legislative Bulletin on the House-passed version of the bill [here](#).

IMF Funding: The conference report appropriates \$5 billion to make available \$108 billion in loans to the IMF. This “global bailout” will require the federal government to borrow money (from the Chinese, for example) to then lend it to the IMF. The IMF has a large bureaucracy (2,600 employees), and some conservatives have expressed concerns that it is moving away from its purpose as the lender of last resort, and increasing its role as a development agency. The conference report also authorizes the Secretary of the Treasury to agree to the sale of nearly 13 million ounces of IMF gold to in effect create an endowment for itself—which would make the institution less accountable to the U.S. and other member nations.

Possible Conservative Concerns: Some conservatives may be concerned with different aspects of this legislation, including but not limited to:

- **Excess Spending.** H.R. 2346 includes more than \$28.7 billion of non-war spending that is not offset with spending reductions elsewhere. Overall, the legislation exceeds the President's *original* request by \$20.9 billion or 24.6%. Non-war spending in the conference report includes: \$5 billion for the IMF (to provide loan guarantees of \$108 billion), \$420 million for Mexico, \$13.2 million for the Essential Air Service, \$256 million to aid developing countries affected by the financial crisis, and \$1 billion for the “cash for clunkers” program.
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Committee Action: H.R. 2346 was reported out of the House Appropriations Committee as an original measure on May 12, 2009. The legislation was considered by the House on May 14, 2009, and passed by a vote of [368-60](#). The legislation passed the Senate on May 21, 2009 by a vote of 86-3.

Cost to Taxpayers: The bill appropriates a total of \$105.8 billion in FY 2009.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes, the bill includes \$105.8 billion of new spending.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No CBO score is available listing any possible mandates.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: The [conference report](#), on page 143, discloses thirteen earmarks.

Constitutional Authority: The conference report does not include a statement of constitutional authority. However, in the House-passed version of the legislation, the House Appropriations Committee cited Clause 7 of Section 9 of Article I of the Constitution (the power of Congress to appropriate money). The committee did not cite constitutional authority for the various spending items themselves.

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