



DEPUTY SECRETARY OF DEFENSE
1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010

Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Room 1016 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Lewis:

I am writing you to follow up on the Secretary's letter of May 5 regarding the Department's financial posture and the urgent need for Congress to pass supplemental funding legislation for the Global War on Terror (GWOT).

As briefed to senior Congressional staff last week, absent additional Congressional action, the Army will run out of Military Personnel funds by mid-June and Operation and Maintenance (O&M) funds by early July. Funding for civilian personnel is included in the O&M account. Also included within the O&M account is the authority to continue the Commander's Emergency Response Program (CERP) activities in Central Command. CERP funding is a critical enabler that our ground force commanders are using on a daily basis in Iraq and Afghanistan to shape the strategic environment. This authority will be fully expended in June, and reprogramming actions cannot extend this particular authority.

If GWOT supplemental legislation is not enacted by Memorial Day, then the Department will submit to the Congress two reprogramming actions on May 27. These reprogramming actions for personnel and for O&M accounts will finance Army operations until late July by borrowing money from other Services. By that point in late July, the entire Department will be in extremis, having exhausted all avenues of funding and will be unable to make payroll for both military and civilian personnel throughout the Department. Service members, including those engaged in Iraq and Afghanistan, would continue to serve but without pay since military personnel accounts would be exhausted.

Further, at that time, O&M funding would also be depleted, and DoD activities around the globe would be reduced to essential activities. Additionally, other measures would need to be taken, such as civilian furloughs and limits on non-essential operations. These highly disruptive steps would have to begin well before late July.



While the Department has the reprogramming recourse on May 27th as discussed, if legislation is not passed by Memorial Day, the Department will still be operating with less than the desired effectiveness and efficiency. Therefore, I urge you to provide the essential GWOT funding before the Memorial Day recess.

Sincerely,

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5-15-08