

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In accordance with the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11), I am notifying you, on behalf of the Secretary of Defense, of the Department's intent to transfer \$2,271.4 million from the Iraqi Freedom Fund (IFF) to various funds and appropriation accounts as detailed in Enclosure 1. Enclosure 2 provides a summary of the \$239 million transfer from the Natural Resources Risk Remediation Fund to the Army.

This is DoD's second congressional notification of transfers from the IFF. Once we make these funding transfers, the balance in the IFF will be \$11,636.3 million.

We are available to provide any additional information you or your staff may require. A similar letter is being sent to the Chairmen and Ranking Members of the other congressional Defense Committees.

Sincerely,

Dov S. Zakheim

Enclosures:
As stated

cc: The Honorable Ike Skelton
Ranking Member

Transfers from the
Iraqi Freedom Fund (IFF)

Natural Resources Risk Remediation Fund \$238,995,000

Funds are to be transferred from the IFF to the Natural Resources Risk Remediation Fund for expenses incurred in and around Iraq for emergency fire fighting, to repair damaged oil facilities and related infrastructure, and to preserve a distribution capability.

Defense Working Capital Fund \$600,000,000

Funds are to be transferred from the IFF to the Defense Working Capital Fund for increased fuel costs in support of military operations in Iraq (Operation Iraqi Freedom).

Operation and Maintenance, Army \$206,400,000
Budget Activity 1: Operating Forces

Funds are to be transferred from the IFF to the Operation and Maintenance, Army appropriation for expenses incurred by the Office of the Coalition

*backfill
from prior obligations
(checked more
than this)*

Provision Authority (CPA) (\$161.4 million) and for anticipated costs to be incurred in reconstituting and training an interim Iraqi military capability that will contribute to the territorial defense of Iraq and will be available to help Coalition Forces to conduct stability operations to provide a secure environment for the Iraqi people (\$45 million). The Administrator of the CPA intends to use seized or vested assets to pay the salaries of and to provide direct support (e.g., equipment, clothing, and food) to the New Iraqi Army.

Coast Guard Operating Expenses \$304,000,000

Funds are to be transferred from the IFF to the Coast Guard Operating Expenses appropriation for costs incurred in and around Iraq by the United States Coast Guard in Operation Iraqi Freedom.

Defense Security Cooperation Agency \$800,000,000
O&M, Defense-Wide, Budget Activity 4: Administration & Services Activities

Funds are to be transfers from the IFF to the Operation and Maintenance, Defense-Wide (O&M, Defense-Wide) appropriation for payments to reimburse cooperating nations for logistical and military support, as authorized in section 1310 of Public Law 108-11.

National Imagery and Mapping Agency \$122,000,000
O&M, Defense-Wide, Budget Activity 4: Administration & Services Activities

Funds are to be transferred from the IFF to the O&M, Defense-Wide appropriation for costs incurred in support of Operation Iraqi Freedom.

Total Transfers from the IFF \$2,271,395,000
Transfers from the
Natural Resources Risk Remediation Fund (NRRRF)

Operation and Maintenance, Army \$238,995,000

Funds are to be transfers to the Operation and Maintenance, Army for expenses incurred in and around Iraq for emergency fire fighting, to repair damaged oil facilities and related infrastructure, and to preserve a distribution capability..

Total Transfers from the NRRRF \$238,995,000

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