



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 16, 1990

265943SS
FI 004-02

90 OCT 16 AM 10:24

MEMORANDUM FOR THE PRESIDENT

FROM: Richard G. Darman *RGD*
SUBJECT: Proposed Fiscal Year 1991 Supplemental
Appropriations Request for Operation Desert Shield

Attached for your consideration is a proposed fiscal year 1991 dire emergency supplemental appropriations request for the Department of Defense to cover additional costs for Operation Desert Shield.

The proposed supplemental request does not require offsets, because the Summit Agreement (to the extent that it is still operative!) takes into account the supplemental costs, and the supplemental request pertains solely to Operation Desert Shield.

This proposal would increase outlays by \$4.4 billion in fiscal year 1991.

Recommendation

We have carefully reviewed this proposal and are satisfied that it is necessary at this time. Therefore, we recommend you sign the attached letter transmitting the proposal to Congress.

Attachment

Jim -
This is still on hold. Do you want to talk w/ Secdef / Sumner?
John:
As continue to HOLD.
JG



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

The President

The White House

Submitted for your consideration is a dire emergency supplemental appropriations request for the Department of Defense to cover additional costs for Operation Desert Shield during fiscal year 1991. This request is for \$7,500,000,000 in new budget authority and \$7,500,000,000 in appropriations from the Defense Cooperation Account.

In accord with the Budget Summit Agreement, the proposed supplemental request does not require offsets, because the Summit Agreement takes into account the supplemental costs and does not require additional offsets for this Presidentially-determined dire emergency. As provided for in the Agreement, this supplemental request contains no extraneous matters. All matters pertain solely to Operation Desert Shield.

We have carefully reviewed this proposal and are satisfied that it is necessary at this time. Therefore, we recommend that it be transmitted to Congress.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "Richard G. Darman".

Richard G. Darman
Director

Enclosures

DEPARTMENT OF DEFENSE

Operation Desert Shield, Defense

For fiscal year 1991 incremental costs of Operation Desert Shield, \$15,000,000,000, of which \$7,500,000,000 shall be derived only from amounts available in the Defense Cooperation Account, established under section 2608 of title 10, United States Code. The Secretary of Defense may transfer funds made available herein to military personnel and operation and maintenance appropriations, at such times as he determines that funds are needed for incremental costs of Operation Desert Shield, in not to exceed the following amounts:

"Military Personnel, Army", \$860,400,000

"Military Personnel, Navy", \$280,700,000

"Military Personnel, Marine Corps", \$27,000,000

"Military Personnel, Air Force", \$412,000,000

"Operation and Maintenance, Army", \$7,693,500,000

"Operation and Maintenance, Navy", \$2,317,600,000

"Operation and Maintenance, Marine Corps", \$609,800,000

"Operation and Maintenance, Air Force", \$2,678,000,000

"Operation and Maintenance, Defense Agencies", \$121,000,000

to be merged with and to be available for the same purposes and the same time period as the appropriation to which transferred: Provided, That not more than the following amounts may be derived from the Defense Cooperation Account:

"Operation and Maintenance, Army", \$3,897,800,000

"Operation and Maintenance, Navy", \$1,435,600,000

"Operation and Maintenance, Marine Corps", \$355,800,000

"Operation and Maintenance, Air Force", \$1,810,800,000

These proposals would provide an additional \$15.0 billion to support military activities associated with Operation Desert Shield. The funds would be appropriated to a new account named Operation Desert Shield, Defense. Funds would be transferred to military personnel and operation and maintenance accounts as determined by the Secretary only for activities associated with Operation Desert Shield. These proposals would increase fiscal year 1991 outlays by \$4.4 billion.

THE WHITE HOUSE

WASHINGTON

The Speaker of the
House of Representatives

Sir:

I ask Congress to consider a dire emergency supplemental appropriations request for the Department of Defense to cover additional costs of Operation Desert Shield during fiscal year 1991. This request is for \$7,500,000,000 in new budget authority and \$7,500,000,000 in appropriations from the Defense Cooperation Account.

In accord with the Budget Summit Agreement, the proposed supplemental request does not require offsets, because the Summit Agreement takes into account the supplemental costs. As provided in the Agreement, this supplemental request contains no extraneous matters. All matters pertain solely to Operation Desert Shield.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely yours,



Enclosures

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

The President today approved and sent to Congress a fiscal year 1991 dire emergency supplemental request for \$7.5 billion in new appropriations and \$7.5 billion in appropriations from the Defense Cooperation Account for Operation Desert Shield. The funds in this account are derived from contributions from foreign sources to share the cost of U.S. military operations in the Persian Gulf.

In accord with the Budget Summit Agreement, the proposed supplemental request does not require offsets because the Summit Agreement takes into account the supplemental costs. As provided in the Agreement, this supplemental includes only provisions that directly support Operation Desert Shield.

#

UNCLAS
CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

URGENT

PRIORITY

ROUTINE

MODE

SECURE FAX # _____

ADMIN FAX # _____

RECORD # _____

PAGES _____

DTG _____

RELEASER _____

FROM/LOCATION

1. _____ John S. Gardner/WH

TO/LOCATION/TIME OF RECEIPT

1. _____ James W. Cicconi/with the President

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

INFORMATION ADDRESSES/LOCATION/TIME OF RECEIPT

1. _____

2. _____

SPECIAL INSTRUCTIONS/REMARKS:

Jim: NSC has cleared. JG

*Aircraft has put a hold on
this document until tomorrow.*

JG

UNCLAS
CLASSIFICATION