

## Bin Laden's Death Won't End His Toll on American Taxpayers

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May 12 (Bloomberg) -- Even in death, Osama bin Laden will be taking revenge on American taxpayers for years to come.

The U.S. government spent \$2 trillion combating bin Laden over the past decade, more than 20 percent of the nation's \$9.68 trillion public debt. That money paid for wars in Afghanistan and Iraq, as well as additional military, intelligence and homeland security spending above pre-Sept. 11 trends, according to a Bloomberg analysis.

This year alone, taxpayers are spending more than \$45 billion in interest on the money borrowed to battle al-Qaeda, the analysis shows.

The financial bleeding won't stop with bin Laden's demise. One of every four dollars in red ink the U.S. expects to incur in the fiscal year beginning Oct. 1 will result from \$285 billion in annual spending triggered by the terrorist scion of a wealthy Saudi family.

Without bin Laden, "we would have accumulated less debt, be spending less on interest and we would be on a lower spending path going forward," said Dean Baker, co-director of the Center for Economic and Policy Research, a research organization in Washington.

Along with the dollars-and-cents toll, bin Laden has left behind a less quantifiable imprint on American life. Thousands of families have suffered grievous loss from the Sept. 11 attacks and the two wars. U.S. government buildings in Washington and around the world have grown to resemble fortified bunkers. And the line between government power and individual liberty was redrawn as agencies gained new powers to combat a novel threat.

### Costs 'Ad Infinitum'

The complete figure may be higher than the Bloomberg analysis. Mark Zandi, chief economist of Moody's Analytics Inc., said bin Laden cost the U.S. government and businesses \$2.5 trillion, or \$250 billion each year. "I think a prudent planner would anticipate these costs continuing ad infinitum into the future," he said in an e-mail.

Indeed, the meter didn't stop running May 2 when bin Laden's corpse slipped into the Arabian Sea. Next year alone, the U.S. plans to spend an additional \$118 billion on military operations in Afghanistan and Iraq. Additional fiscal 2012 spending that can be attributed to bin Laden includes an extra \$14 billion for homeland security, about \$125 billion for the Pentagon excluding the two wars, expanded intelligence spending and increased aid to Pakistan, according to the Bloomberg analysis.

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"There are a lot of legacy costs," said Jon Meacham, editor of "Beyond Bin Laden," an instant book from Random House.

### Pentagon Budget

As the U.S. celebrates the demise of the number-one figure on the FBI's "Most Wanted Terrorists" list, the future spending that can be attributed to bin Laden far exceeds direct war costs. Gordon Adams, who oversaw national security budgeting at the Office of Management and Budget during the Clinton administration, said roughly \$125 billion of the Pentagon's \$553 billion fiscal 2012 budget request represents unnecessary spending justified by claims of war-time need.

"That's a tax which would not have happened without Osama bin Laden," Adams, a professor at American University's School of International Service, said in a telephone interview.

The bin Laden tax has been levied every year for the past decade. Pentagon spending -- excluding the wars in Iraq and Afghanistan -- between fiscal 2002 and today was \$742 billion higher than the Congressional Budget Office's January 2001 baseline forecast.

Amid a wartime atmosphere, military spending requests faced less scrutiny both within the Pentagon and in Congress, Adams said. Programs launched with modest initial funding often live on, their costs ballooning with the years.

### Nigeria Surveillance

A Pentagon counterterrorism training and equipment initiative known as the Section 1206 program, which has funneled aid to 53 countries, swelled from \$100 million in fiscal 2006 to \$500 million in the Obama administration's request for fiscal year 2012, which starts Oct. 1.

Under the program, Nigeria got maritime surveillance gear to monitor traffic in the Gulf of Guinea and Lebanon obtained parts for UH-1H helicopters, which it used to quash an uprising in the Nahr al-Barid refugee camp. "It's used for every purpose you can imagine," Adams said.

The U.S. added 92,000 soldiers to its ground forces in the decade following the Sept. 11 attacks. Each 10,000 people added to the military's ranks means an extra \$1 billion in annual spending, according to Adams. So the ground force expansion inspired by bin Laden will impose an additional \$9 billion annually, he said.

### Intelligence Tripled

The military wasn't alone in securing expanded financial resources because of bin Laden. The budget for U.S. intelligence agencies tripled over the past 12 years, representing an average annual increase of 9.6 percent.

While it is difficult to determine how much of the incremental increase in can be directly linked to bin Laden, the amount is undoubtedly sizable. In October 2010, the director of national intelligence, James Clapper, said the intelligence budget for fiscal 2009 was \$80.1 billion, including \$27 billion for military intelligence. Michael O'Hanlon, a Brookings Institution defense expert, estimated that \$25 billion to \$30

billion of annual intelligence spending can be laid at bin Laden's feet.

"A large portion of that cost growth is from 9/11," said O'Hanlon, a former national security analyst with the Congressional Budget Office.

### Homeland Security

The government's finances also will groan beneath the weight of the Department of Homeland Security, the 216,000- employee bureaucracy created to protect Americans from additional terrorist attacks. Over the past nine years, the department spent about \$123 billion more than if the 22 component agencies' pre-Sept. 11 spending trends had continued, according to data compiled by Bloomberg.

That is an extra \$14 billion annually U.S. taxpayers can attribute to bin Laden -- or 24 percent of the \$57 billion the department is seeking for the 2012 fiscal year.

Some enduring costs will amount to no more than inconvenience. Less than six months before the Sept. 11 attacks, a House committee held a hearing to consider reopening Pennsylvania Avenue in front of the White House. The street closure, instituted as a temporary measure after the 1995 Oklahoma City bombing, was made permanent after al-Qaeda's attacks, and Washington drivers have adjusted.

### Airport Lines

Likewise, though travelers fume in airport security lines while stripping off shoes and belts and fumbling with three- ounce cosmetics containers, the economic consequences are negligible, according to Nariman Behravesh, chief economist of IHS Insight, an economic and financial analysis and forecasting company. "This is a huge, diversified economy which can absorb this stuff without too much pain," he said.

Bin Laden's imprint on American society, however, extends beyond finances. Through May 2, 11,191 members of the U.S. military have been wounded in the war in Afghanistan, including 35 percent so severely as to preclude their return to combat.

In coming years, those who saw loved ones injured or killed in the Sept. 11 attacks, or in the wars that followed, will still bear daily pain.

Public buildings, which before the rise of al-Qaeda were designed as artistic statements, will continue to resemble bunkers. And small erosions of personal liberty, conceded in the interests of security, may yet deepen.

### Duct Tape

Not since the early days of the Cold War, when the Soviet Union threatened, has an enemy so bedeviled Americans and their leaders. Where once children prepared for nuclear war with "duck and cover" drills, Americans after Sept. 11 stockpiled duct tape and canned food.

The post-Sept. 11 drive for security changed the look of the U.S. capital, transforming it into a garrison city bristling with metal barriers, stone bollards and closed-circuit cameras. To enter even the most unimportant office building, people grew accustomed to handing over photo identification and signing

their names.

If these requirements seemed longer on ritual than reward, they nonetheless spread. Likewise, the government expanded its powers in response to the threat conjured by bin Laden.

In 2010, federal officials filed 1,579 requests with the Foreign Intelligence Surveillance Court -- or six requests each working day and 50 percent more than in 2001 -- for electronic surveillance or physical searches. The 11-judge federal court, established to adjudicate surveillance requests regarding suspected foreign agents, approved every one of the government's requests, according to an April 29 Justice Department report to Congress.

### 'Pre-Emptive' Surveillance

Julian Sanchez, a research analyst at the Cato Institute, a libertarian-oriented policy center in Washington, said the proliferation of wiretap requests represented a break with practices in place before the Sept. 11 attacks. "We've seen a shift from the traditional American model of surveillance of particular individuals on the basis of individualized suspicion to a broader pre-emptive model," he said.

Separately, the FBI issued so-called national security letters, which require businesses to provide federal investigators with an individual's records, including telecommunications and financial data.

Investigators last year sought the records of 14,212 Americans, more than in the previous two years combined. Civil liberties advocates see the national security letters, which don't require a judge's approval, as a dangerously broad power. "We would be in pretty serious trouble if there were 14,000 terrorists in the United States," said Sanchez.

For all bin Laden's financial and human impact, however, the al-Qaeda leader failed in his ultimate goal of humbling the world's lone superpower. Today's \$15 trillion U.S. economy, for example, is 18 percent larger than in 2001, after adjusting for inflation.

### Economy Survives

Indeed, said Meacham, the genius of the American experiment lies in the country's ability to withstand sharp blows without fracturing. He noted that President Barack Obama, who as a candidate criticized the national security policies of his predecessor, George W. Bush, largely embraced them once he took office.

That development, akin to President Dwight D. Eisenhower's acceptance of the New Deal in the 1950s, has helped steady the country amid turbulent times.

"We're on this new road that's been created. We'll veer a little left. We'll veer a little right," Meacham said. "But the road has been laid out."

--With assistance from Robert Levinson and Kevin Brancato in Washington. Editors: Steven Komarow, Leslie Hoffeecker

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