

May 29, 2003 8:38 AM

TO: Honorable Colin Powell (deliver by hand)
Honorable Condoleezza Rice

FROM: Donald Rumsfeld *DR*

SUBJECT: Cost of Iceland

Attached is a memo on the cost of Iceland. It is too much. We have to get it fixed.

Thanks.

Attach.
5/23/03 USD(C) memo to SecDef re: Iceland [U07840/03]

DHR:dh
052903-13

Iceland

29 May 03



5/23
1830



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

OFFICE OF THE
SECRETARY OF DEFENSE

2003 MAY 23 PM 2:33

SECDEF HAS SEEN

MAY 29 2003

May 23, 2003, 11:30 AM

INFO MEMO

FOR: SECRETARY OF DEFENSE

FROM: Dov S. Zakheim

SUBJECT: Iceland

- In response to your request regarding the annual costs to maintain U.S. forces in Iceland, the Department spends about \$225 million annually (\$59 million by the Air Force and \$166 million by the Navy) for Iceland support: \$121 million for base support, facility maintenance, and radar operation; \$12 million for family housing; and \$92 million for military personnel costs.
- The Department maintains 2,464 military and civilian personnel (642 Air Force and 1,822 Navy personnel) at the Naval Air Station Keflavik in Iceland, along with HH-60G search and rescue helicopters, a detachment of 4 deployed P-3s (rotating every 6 months), and an Aircraft Intermediate Maintenance operation.
- The Navy P-3s are a rotational detachment from a deployed squadron, split between U.S. Southern Command and U.S. European Command. The P-3 deployment cycle maintains a rotation base of three squadrons (one deployed, two in interdeployment training cycle).
- Under the Aerospace Expeditionary Force construct, the Air Force rotates four F-15s, one KC-135, and one HC-130 and crews to Iceland every 3 months.
- The mission of Naval Air Station Keflavik is to maintain and operate facilities, and provide services and materials to support aviation activities and Navy's operating forces. Iceland also provides the primary divert airfield for the North Atlantic.
- The Air Force uses the Navy's facilities and reimburses the Navy for the support provided. The Air Force operates the radars (\$17 million) for air control and defense. The radars feed the Icelandic air traffic control system.



Certified As Unclassified
January 9, 2009

IAW EO 12958, as amended
Chief, RDD, ESD

SPL ASSISTANT	Dorman
SP	CRADDOCK
EXCISE	5/23

U07840 /03

- Beginning in FY 2004, the annual cost for forces deployed to Iceland declines to \$160 million per year because the Air Force has not budgeted for Iceland support after FY 2003. The Air Force wanted to remove its forces from Iceland starting in FY 2002 but was directed to continue funding Icelandic support through FY 2003. The Navy has budgeted about \$160 million each year from FY 2004 and beyond for Icelandic operations.
- The Air Force believes that it can provide for Icelandic defense through force projection. Ending Icelandic support would save \$27 million annually (base support and radar costs) and would relieve pressure on the low density/high demand search and rescue crews and aircraft.

COORDINATION: None

