



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

June 12, 2018

THE DIRECTOR

The Honorable Rodney Frelinghuysen
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Frelinghuysen:

On June 7, 2018, the Defense Appropriations Subcommittee considered the fiscal year (FY) 2019 Department of Defense (DOD) Appropriations bill. Overall, according to information provided in the Subcommittee press release, the bill decreases funding by \$0.9 billion below the FY 2019 Budget request of \$675.5 billion. The Administration appreciates the opportunity to weigh in on this bill.

The President's FY 2019 Budget request, as amended, accounts for the Bipartisan Budget Act of 2018 (BBA's) new Defense and non-Defense discretionary spending caps for FY 2019. As we have noted in previous letters as well as the FY 2019 Budget, the Administration strongly supports the overall defense levels included in the BBA. However, given the Nation's long-term fiscal constraints and the need to right-size the Federal Government, the Administration does not support spending at the BBA's non-Defense caps.

The Administration appreciates that the Subcommittee bill includes funding to build a more lethal, ready, and larger joint force, consistent with the National Defense Strategy (NDS). The bill also funds other critical priorities, including:

- **Pay Raise.** The bill provides the 2.6 percent pay raise for military personnel in calendar year 2019, as requested in the FY 2019 Budget.
- **End Strength.** The bill funds the Administration's FY 2019 Budget request to provide for 1,338,100 Active Component and 817,700 Reserve Component members.

However, the bill adds funding to increase production for multiple acquisition programs by making significant reductions in DOD's military personnel and operation and maintenance accounts. In addition, the bill underfunds key investments in critical areas supported in the FY 2019 Budget request while funding programs that are not in line with the overall FY 2019 Budget request and the NDS, including:

- **Littoral Combat Ships (LCS).** The bill provides \$1.6 billion for the procurement of three LCS, \$912 million above the FY 2019 Budget request for one LCS. These two additional ships are not needed. One LCS in FY 2019, when combined with the three funded in FY 2018, will keep both shipyards supplied with enough work to remain viable for the Frigate competition.

- Joint Surveillance Target Attack Radar System (JSTARS). The bill provides funding for the JSTARS recapitalization program, which the Administration did not request in the FY 2019 Budget.

As the Committee takes up the Defense Subcommittee bill, the Administration looks forward to working with you to address these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick Mulvaney", with a horizontal line drawn through it.

Mick Mulvaney
Director

cc: The Honorable Kay Granger
The Honorable Peter Visclosky

Identical Letter Sent to the Honorable Nita Lowey