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

July 24, 2017
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 3219 — Make America Secure Appropriations Act, 2018
(Rep. Frelinghuysen, R-NJ)

The Administration supports House passage of H.R. 3219, making appropriations for defense, military construction, Veterans Affairs, the Legislative Branch, energy and water development, and for other purposes for the fiscal year (FY) ending September 30, 2018.

This package is a strong step to fulfilling the President's promise to put the safety of the American people first. The bill ensures our security abroad by funding operations to defeat the Islamic State of Iraq and Syria (ISIS), rebuilding our military after years of neglect, and improving our missile defense capabilities to defend against threats from North Korea and other adversaries. It protects us at home by providing for construction of the border wall. It also keeps faith with those who defend us by generously funding care for our veterans. In addition, the bill makes major investments in our military and civilian infrastructure, supporting our economy while improving our security.

The Administration strongly supports the Committee's commitment to include the President's border wall proposal, which is a critical element of the President's strategy to secure the borders. This proposal provides $1.6 billion for physical barrier construction along the southwest border, including $784 million for 32 miles of new border fencing in Rio Grande Valley (RGV), Texas, $498 million for 28 miles of new levee wall in RGV, $251 million for 14 miles of secondary fencing in San Diego, California, and $38 million for program planning and management. Physical barriers are vital for border security because they deter, prevent, and deny potential illegal border crossings, for illegal alien movement generally and for human smuggling and drug smuggling specifically. The funding provided in the bill would allow Customs and Border Protection to make critical investments in the areas of the border with the highest current risk and the greatest current operational need. The Administration strongly supports these efforts.

The bill provides $667.7 billion for the Department of Defense, including $74.6 billion for Overseas Contingency Operations (OCO). The previous administration signed into law harmful cuts to defense spending. This Administration strongly supports restoring America's investment in defense. To ensure that our military is not rebuilt on the backs of future generations of Americans, however, the Administration strongly supports fiscally responsible reductions to spending elsewhere in the Federal Budget, as outlined in the FY 2018 Budget request.

Veterans' access to timely, high-quality healthcare and services is a top priority, and the Administration appreciates the bill's provision of $78.3 billion in discretionary funding for the Department of Veterans Affairs (VA), a $3.9 billion increase above FY 2017. This funding supports care for our veterans as well as crucial reforms to the VA to reduce the disability claims backlog and provide greater oversight and accountability.

If H.R. 3219 were presented to the President in its current form, his advisors would recommend that he sign the bill into law.

The Administration would like to take this opportunity to share additional views regarding the Committee's version of the bill. The Administration may also provide more detail regarding its views in the future, including constitutional concerns, on other provisions.

Division A – Department of Defense Appropriations Act, 2018

Department of Defense (DOD)

Base Realignment and Closure (BRAC). The Administration strongly objects to section 8113, which prohibits the use of appropriated funds for proposing, planning, or executing a new BRAC round. The Administration strongly urges the Congress to provide BRAC authorization as requested so that DOD can ensure it is not wasting resources on unneeded infrastructure. The Department estimates that a new BRAC round in 2021 would save an additional $2 billion or more annually—resources it could apply to higher priorities such as readiness and modernization.

Palau Compact Funding. The Administration strongly urges the Congress to include the $124 million requested to fulfill the entire remaining United States financial commitment to the Republic of Palau under the 2010 Compact Review Agreement (CRA). The CRA requires payment of United States commitments in full to enact the Agreement. Failure to fund the CRA could imperil ongoing national security initiatives with the Republic of Palau and jeopardize United States access and influence in a region that is increasingly contested by China.

Missile Defense Programs. The Administration objects to the reduction of $308 million to United States Ballistic Missile Defense programs during a period of escalating threats from North Korea to the homeland and allies of the United States.

Counter-ISIL Train and Equip Fund (CTEF). The Administration objects to the $112.5 million in rescissions to CTEF. These reductions would limit DOD's ability to quickly and effectively provide assistance to partners fighting ISIS, undermining the Administration's "by, with, and through" strategy to degrade, dismantle, and ultimately defeat ISIS.

Coalition Support Fund (CSF). The Administration objects to the $450 million in reductions, which includes a rescission to CSF. These reductions would limit DOD's ability to reimburse key partners in the fight against ISIS and other extremist groups in the region. The rescission, notably, would reduce funds available for programs that are already underway. Furthermore, the rescission would inhibit the Executive Branch's ability to conduct foreign policy, limit the Secretary of Defense's ability to act in the national security interest of the United States, and unnecessarily complicate relationships with key partners.

Innovation and Enhancing Combat Capability. The Administration objects to the reduction of $170 million to the Strategic Capabilities Office FY 2018 Budget request. Specifically, the Administration is concerned that this reduction would add considerable risk to the timely demonstration and transition of critical warfighter capabilities.

Division C – Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018

Department of Defense

Next National Geospatial-Intelligence Agency West (N2W) Campus. The Administration objects to the Committee's decision to reduce N2W by $181 million through an incremental funding approach and recommends that funding be provided at the FY 2018 Budget request level. The Administration is opposed to such use of incremental funding for military construction projects because it undermines program stability and cost discipline and could negatively impact other mission-critical priorities. In the case of this project, the National Geospatial-Intelligence Agency expects to obligate the full amount of the Budget request in FY 2018.

Division D – Energy and Water Development and Related Agencies Appropriations Act, 2018

Corps of Engineers

Agency Topline. The Administration appreciates the bill's investments in the Nation's water resources through the Corps of Engineers civil works program, but believes that funding should be limited to the amounts requested in the FY 2018 Budget. The Budget focused on investments to maintain the performance of the key features of existing water resources infrastructure that the Corps owns and operates and the navigation channels that serve the Nation's largest coastal ports. It also supports the construction of projects that would provide a high economic or environmental return to the Nation or that would address a significant risk to public safety.

Department of Energy

Mixed Oxide (MOX) Fuel Fabrication Facility Termination. The Administration strongly objects to continued construction of the Mixed Oxide (MOX) Fuel Fabrication Facility as directed in the bill. The project is unaffordable and risky. The most recent estimates, conducted by the Department of Energy and the Corps of Engineers, project $12 billion in remaining construction costs, and total construction costs of $17 billion when including $5 billion in sunk costs to date. In addition, the projected operating costs are between $800 million and $1 billion per year for nearly two decades. The alternative—dilute and dispose—is a proven approach with significantly less risk and expense, and can be implemented decades sooner than the MOX approach.

Excess Facilities. The Administration strongly opposes the $150 million reduction to the request to dispose of excess facilities at the Department of Energy sites that are not in the Environmental Management program. These resources are critical to addressing the increasing risks these facilities pose. The Administration urges the Congress to provide the requested $225 million to protect the health and safety of workers and the public, and support modernization of the nuclear security enterprise.

Nuclear Waste Management (Interim Storage and Yucca Mountain Licensing). While the Administration supports the inclusion of $120 million for nuclear waste management activities, the Administration strongly opposes the prohibition on using funds appropriated from the Nuclear Waste Fund for interim storage activities.

Applied Energy Programs. The Administration commends the Committee for beginning to shift the focus of applied energy research and development to earlier-stage activities where the Federal role is strongest, but strongly encourages the Congress to accelerate this shift and further reduce funding for costly later-stage development, commercialization, and deployment activities, some of which are unauthorized.

The Administration looks forward to working with the Congress as the FY 2018 appropriations process moves forward.

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