

THE WHITE HOUSE

WASHINGTON

November 6, 2017

Dear Mr. Speaker:

I ask the Congress to consider the enclosed Fiscal Year (FY) 2018 Budget amendments for the Department of Defense (DOD). The request includes an additional \$4.0 billion to support urgent missile defeat and defense enhancements to counter the threat from North Korea, \$0.7 billion to repair damage to U.S. Navy ships, and \$1.2 billion in support of my Administration's South Asia strategy.

This request supports additional efforts to detect, defeat, and defend against any North Korean use of ballistic missiles against the United States, its deployed forces, allies, or partners. The request also includes costs necessary to repair damage to and restore the operational readiness of the USS *John S. McCain* and the USS *Fitzgerald*. These ships provide critical naval presence and additional ballistic missile defense capabilities in the Asia-Pacific theater. My Administration requests that the funding requested for missile defense and Navy ship repairs be designated as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (the "Act").

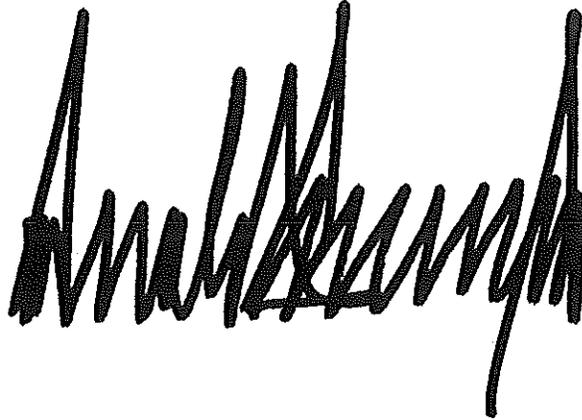
This request also includes costs associated with increased U.S. troop levels in Afghanistan in support of my Administration's South Asia strategy. The additional resources would enable DOD to deploy an additional 3,500 troops, and includes funding for urgent needs and special operations forces capabilities. My Administration requests that the funding to support the South Asia strategy be designated as Overseas Contingency Operations pursuant to section 251(b)(2)(A)(ii) of the Act.

In addition, I ask the Congress to act on the FY 2018 Budget request for the border wall of \$1.6 billion within the Department of Homeland Security Customs and Border Protection

(CBP) Procurement, Construction, and Improvements account. Providing for the safety and security of the American people is my top priority. That priority is reflected in both the enclosed DOD Budget amendments and the border wall request, which provides the down payment on what CBP needs to secure the southwest border.

The details of the DOD Budget amendments are set forth in the enclosure from the Director of the Office of Management and Budget. The border wall request was set forth in the FY 2018 Budget request.

Sincerely,

A large, bold, handwritten signature in black ink, appearing to be the name of the sender, written in a cursive style.

The Honorable Paul D. Ryan
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



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

THE DIRECTOR

November 3, 2017

The President
The White House

Dear Mr. President:

Submitted for your consideration are amendments to your Fiscal Year (FY) 2018 Budget for the Department of Defense (DOD), including: \$4.0 billion to support urgent missile defeat and defense enhancements to counter the threat from North Korea; \$0.7 billion to repair damage to the USS *John S. McCain* and the USS *Fitzgerald*; and \$1.2 billion for increased U.S. troop levels in Afghanistan, in support of the Administration's South Asia strategy. These amendments increase the proposed FY 2018 Budget total by \$5.9 billion for DOD, including \$4.7 billion designated as an emergency requirement and \$1.2 billion designated as Overseas Contingency Operations.

The enclosed materials summarize the amendments to the FY 2018 Budget and describe a new authority for military construction that the Administration requires as part of this request.

The funding amounts proposed for missile defeat and defense enhancements are requested to be designated as emergency requirements pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA). This request supports additional, accelerated, and priority efforts to increase the capability and capacity of the United States to detect, defeat, and defend against any North Korean use of ballistic missiles against the United States, its deployed forces, allies, and partners. This includes current and projected threats to the U.S. homeland, Guam, South Korea, and Japan. The emergency portion of this request also includes costs necessary to repair damage to and restore the operational readiness of the USS *John S. McCain* and the USS *Fitzgerald*. These ships provide critical naval presence and additional ballistic missile defense capabilities in the Asia-Pacific theater.

The funding amounts proposed for increased U.S. troop levels in Afghanistan in support of the Administration's South Asia strategy are requested to be designated as Overseas Contingency Operations pursuant to section 251(b)(2)(A)(ii) of BBEDCA. These additional resources would enable DOD to deploy an additional 3,500 troops and includes funding for Joint Urgent Operational Needs (JUONS) and special operations forces (SOF) capabilities.

The major categories of funding are highlighted below:

DOD – Emergency Requirements

- \$2.1 billion for missile defense, including for the following critical capability and capacity increases:
 - Construction of an additional Ground-Based Interceptor (GBI) field at Fort Greely, Alaska, along with associated equipment;
 - Initial procurement funding for the eventual purchase of 20 new GBIs;
 - Procurement of 16 Standard Missile-3 Block IIA interceptors;
 - Procurement of 50 Terminal High Altitude Area Defense interceptors; and
 - Other discrimination and shooter capabilities.
- \$839 million for combined missile detection, disruption/defeat, and defense, including the procurement of 147 Missile Segment Enhancement missiles and a variety of multi-role capabilities.
- \$214 million for missile detection, including radar upgrades and intelligence and reconnaissance capabilities.
- \$116 million for missile disruption and defeat, including long-range strike capabilities.
- \$743 million for other associated missile defeat and defense activities.
- \$674 million in Navy operation and maintenance funding to repair damage to the USS *John S. McCain* and the USS *Fitzgerald*, which provide critical naval presence and additional ballistic missile defense capabilities in the Asia-Pacific theater.

DOD – Overseas Contingency Operations

- \$985 million for Army, Marine Corps, Air Force, and Defense-Wide military personnel and operation and maintenance funding to increase deployments for Operation Freedom's Sentinel (OFS), including personnel, intelligence, transportation, communications, facilities, and base support.
- \$76 million for Navy operation and maintenance funding, including intelligence, surveillance, and reconnaissance to support increased OFS deployments and JUONS.
- \$75 million for procurement of Navy JUONS and SOF capabilities.
- \$5 million for Marine Corps procurement based on increased expenditure of munitions.
- \$44 million for other associated activities.

Recommendation

I have reviewed this request and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Defense in recommending that you transmit the proposals to the Congress.

Border Wall

In addition, I recommend that you reiterate your FY 2018 Budget request of \$1.6 billion for the border wall in the transmission of the DOD Budget Amendments to the Congress. The entire package will reflect your top priority of providing for the safety and security of the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick Mulvaney" with a stylized flourish at the end.

Mick Mulvaney
Director

Enclosures

Agency: DEPARTMENT OF DEFENSE—MILITARY PROGRAMS

Bureau: MILITARY CONSTRUCTION

Heading: Military Construction, Defense-Wide

FY 2018 Budget
Appendix Page: 276

FY 2018
Pending Request: ---

Proposed Amendment: \$200,000,000

Revised Request: \$200,000,000

(In the appropriations language under the above heading, add the following new paragraph at the end:)

For an additional amount for "Military Construction, Defense-Wide", \$200,000,000, to remain available until September 30, 2022: Provided, That such amount shall be used to carry out a missile field construction project in Alaska, not otherwise authorized by law: Provided further, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the amount designated under this heading as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates such amount and transmits such designation to the Congress.

This amendment would provide \$200 million for the Military Construction, Defense-Wide account, which is requested to be designated as an emergency requirement. This requested amount would fund the construction of Missile Field No. 4 at Ft. Greely, Alaska to provide the ballistic missile defense system with increased ground-based interceptor capabilities to enhance homeland defense.

Department of Defense
FY 2018 Budget Request for Emergency Requirements
(Dollars in Thousands)

<u>Appropriation Account Title</u>	<u>FY 2018 President's Budget (no Emergency Request)</u>	<u>FY 2018 Budget Amendment - Emergency</u>	<u>FY 2018 Total Request Emergency</u>
<u>Defense Bill Appropriations</u>			
<u>Operation and Maintenance</u>			
Operation and Maintenance, Navy	-	+ 673,500	673,500
Operation and Maintenance, Air Force	-	+ 18,750	18,750
Operation and Maintenance, Defense-Wide	-	+ 23,735	23,735
Operation and Maintenance Total	-	+ 715,985	715,985
<u>Procurement</u>			
Missile Procurement, Army	-	+ 884,000	884,000
Missile Procurement, Air Force	-	+ 12,000	12,000
Other Procurement, Air Force	-	+ 288,055	288,055
Procurement, Defense-Wide	-	+ 1,239,140	1,239,140
Procurement Total	-	+ 2,423,195	2,423,195
<u>Research, Development, Test and Evaluation</u>			
Research, Development, Test and Evaluation, Army	-	+ 20,700	20,700
Research, Development, Test and Evaluation, Navy	-	+ 60,000	60,000
Research, Development, Test and Evaluation, Air Force	-	+ 255,744	255,744
Research, Development, Test and Evaluation, Defense-Wide	-	+ 1,010,220	1,010,220
Research, Development, Test and Evaluation Total	-	+ 1,346,664	1,346,664
Total - Defense Bill	-	+ 4,485,844	4,485,844

Department of Defense
FY 2018 Budget Request for Emergency Requirements
(Dollars in Thousands)

<u>Appropriation Account Title</u>	<u>FY 2018 President's Budget (no Emergency Request)</u>	<u>FY 2018 Budget Amendment - Emergency</u>	<u>FY 2018 Total Request - Emergency</u>
<u>Military Construction Bill Appropriations</u>			
<u>Military Construction</u>			
Military Construction, Defense-Wide	-	+ 200,000	200,000
Military Construction Total	-	+ 200,000	200,000
Total - Military Construction Bill	-	+ 200,000	200,000
Total Department of Defense	-	+ 4,685,844	4,685,844

Department of Defense
 FY 2018 Budget Request for Overseas Contingency Operations
 (Dollars in Thousands)

<u>Appropriation Account Title</u>	<u>FY 2018 President's Budget - OCO</u>	<u>FY 2018 Budget Amendment - OCO</u>	<u>FY 2018 Total Request - OCO</u>
<u>Defense Bill Appropriations</u>			
<u>Military Personnel</u>			
Military Personnel, Army	2,635,317	+ 48,377	2,683,694
Military Personnel, Navy	377,857	-	377,857
Military Personnel, Marine Corps	103,800	+ 179	103,979
Military Personnel, Air Force	912,779	+ 1,340	914,119
Reserve Personnel, Army	24,942	-	24,942
Reserve Personnel, Navy	9,091	-	9,091
Reserve Personnel, Marine Corps	2,328	-	2,328
Reserve Personnel, Air Force	20,569	-	20,569
National Guard Personnel, Army	184,589	-	184,589
National Guard Personnel, Air Force	5,004	-	5,004
<u>Military Personnel Total</u>	<u>4,276,276</u>	<u>+ 49,896</u>	<u>4,326,172</u>

Department of Defense
FY 2018 Budget Request for Overseas Contingency Operations
(Dollars in Thousands)

<u>Appropriation Account Title</u>	<u>FY 2018 President's Budget - OCO</u>	<u>FY 2018 Budget Amendment - OCO</u>	<u>FY 2018 Total Request - OCO</u>
<u>Operation and Maintenance</u>			
Operation and Maintenance, Army	16,126,403	+ 872,491	16,998,894
Operation and Maintenance, Navy	5,875,015	+ 76,274	5,951,289
Operation and Maintenance, Marine Corps	1,116,640	+ 24,734	1,141,374
Operation and Maintenance, Air Force	10,266,295	-	10,266,295
Operation and Maintenance, Defense-Wide	7,712,080	+ 81,164	7,793,244
Office of the Inspector General	24,692	-	24,692
Operation and Maintenance, Army Reserve	24,699	-	24,699
Operation and Maintenance, Navy Reserve	23,980	-	23,980
Operation and Maintenance, Marine Corps Reserve	3,367	-	3,367
Operation and Maintenance, Air Force Reserve	58,523	-	58,523
Operation and Maintenance, Army National Guard	108,111	-	108,111
Operation and Maintenance, Air National Guard	15,400	-	15,400
Drug Interdiction and Counter-Drug Activities, Defense	196,300	-	196,300
Defense Health Program	395,805	-	395,805
Afghanistan Security Forces Fund	4,937,515	-	4,937,515
Counter-Islamic State of Iraq and Syria Train and Equip Fund	1,769,000	-	1,769,000
<u>Operation and Maintenance Total</u>	<u>48,653,825</u>	<u>+ 1,054,663</u>	<u>49,708,488</u>

Department of Defense
FY 2018 Budget Request for Overseas Contingency Operations
(Dollars in Thousands)

<u>Appropriation Account Title</u>	<u>FY 2018 President's Budget - OCO</u>	<u>FY 2018 Budget Amendment - OCO</u>	<u>FY 2018 Total Request - OCO</u>
<u>Procurement</u>			
Aircraft Procurement, Army	424,686	-	424,686
Missile Procurement, Army	559,283	-	559,283
Procurement of Weapons and Tracked Combat Vehicles, Army	1,191,139	-	1,191,139
Procurement of Ammunition, Army	193,436	-	193,436
Other Procurement, Army	405,575	-	405,575
Joint Improvised-Threat Defeat Fund	483,058	-	483,058
Aircraft Procurement, Navy	157,300	-	157,300
Weapons Procurement, Navy	152,373	-	152,373
Procurement of Ammunition, Navy and Marine Corps	225,587	+ 10,853	236,440
Other Procurement, Navy	220,059	+ 31,500	251,559
Procurement, Marine Corps	65,274	-	65,274
Aircraft Procurement, Air Force	740,778	-	740,778
Missile Procurement, Air Force	395,400	-	395,400
Space Procurement, Air Force	2,256	-	2,256
Procurement of Ammunition, Air Force	501,509	-	501,509
Other Procurement, Air Force	4,008,887	-	4,008,887
Procurement, Defense-Wide	518,026	-	518,026
Procurement Total	10,244,626	+ 42,353	10,286,979
<u>Research, Development, Test and Evaluation</u>			
Research, Development, Test and Evaluation, Army	119,368	-	119,368
Research, Development, Test and Evaluation, Navy	130,365	+ 37,200	167,565
Research, Development, Test and Evaluation, Air Force	135,358	-	135,358
Research, Development, Test and Evaluation, Defense-Wide	226,096	-	226,096
Research, Development, Test and Evaluation Total	611,187	+ 37,200	648,387

Department of Defense
 FY 2018 Budget Request for Overseas Contingency Operations
 (Dollars in Thousands)

<u>Appropriation Account Title</u>	FY 2018 President's Budget - OCO	FY 2018 Budget Amendment - OCO	FY 2018 Total Request - OCO
<u>Revolving and Management Funds</u>			
Defense Working Capital Funds	148,956	-	148,956
Revolving and Management Funds Total	148,956	-	148,956
Total - Defense Bill	63,934,870	+ 1,184,112	65,118,982
<u>Military Construction Bill Appropriations</u>			
<u>Military Construction</u>			
Military Construction, Army	139,700	-	139,700
Military Construction, Navy and Marine Corps	18,500	-	18,500
Military Construction, Air Force	478,030	-	478,030
Military Construction, Defense-Wide	1,900	-	1,900
Military Construction Total	638,130	-	638,130
Total - Military Construction Bill	638,130	-	638,130
Total - Department of Defense	64,573,000	+ 1,184,112	65,757,112