



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

February 8, 2018  
(Senate)

## **STATEMENT OF ADMINISTRATION POLICY**

### **Senate Amendment to H.R. 1892—Bipartisan Budget Act of 2018** **(Sen. McConnell, R-KY)**

The Administration supports Senate passage of the substitute amendment to H.R. 1892, the Bipartisan Budget Act of 2018. This amendment raises the defense spending caps for fiscal year (FY) 2018 and FY 2019, a key step toward fulfilling the President's promise to rebuild America's military and ensure funding would be provided to support the enacted National Defense Authorization Act for Fiscal Year 2018 (NDAA).

After years of dangerous spending reductions and an unpredictable budgetary environment perpetuated by numerous continuing resolutions, the Bipartisan Budget Act lays the groundwork for full funding of America's national defense, within the framework of the Administration's National Security and Defense Strategies and the NDAA. Passage of this legislation would ensure America is prepared to deter and, if necessary, defeat the full spectrum of threats from rival powers, rogue states, and terrorist organizations like the Islamic State of Iraq and Syria.

The Bipartisan Budget Act lays the groundwork for higher investments in several Administration priorities, including infrastructure and combating the opioid epidemic, and the Administration looks forward to working with the Congress to reflect the Administration's detailed funding priorities for the remainder of FY 2018 and for FY 2019 for both defense and non-defense needs.

At the same time, it is critical that the Congress work to decrease non-defense spending in other areas to reduce America's growing national debt. The Bipartisan Budget Act provides non-defense discretionary spending levels higher than the Administration deems necessary. Additionally, although the Bipartisan Budget Act does include some spending reductions, the Administration has proposed hundreds of billions of dollars in additional spending reductions that the Congress should also enact without delay in order to improve our fiscal state.

Further, the Administration recognizes the Congress's desire to provide significant funding for victims of the recent hurricanes and wildfires, as provided in the Bipartisan Budget Act and previously in the House-passed supplemental bill (H.R. 4667). The Administration looks forward to working with the Congress to ensure that adequate oversight is exercised over disaster-related funds to ensure that these funds reach the communities devastated by natural disasters and are not misapplied.

The Administration supports other components of the Bipartisan Budget Act, including greater certainty for the Children's Health Insurance Program, an extension of funding for Community Health Centers, and repeal of Obamacare's Independent Payment Advisory Board (IPAB). The IPAB authority allows an unelected, unaccountable board to undertake major changes to the Medicare program. The repeal of IPAB furthers the President's goal of repealing and replacing Obamacare.

The Administration also supports suspending the debt limit until March 2019 to provide the certainty to markets around the world that the United States will honor its obligations.

Furthermore, the Administration is concerned with future extensions of special interest tax deductions and benefits in the wake of tax cuts and reforms that were enacted in December 2017.

The President's top priority is to keep the Nation safe from those who wish to harm it, both at home and abroad. To do so, the United States military needs the resources provided in the Bipartisan Budget Act, which have previously been supported on a bipartisan basis in the NDAA and in multiple bills passed by the House.

If the Bipartisan Budget Act of 2018 were presented to the President in its current form, his advisors would recommend that he sign it into law.

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