

Department of Defense Appropriations Bill, 2017 Omnibus Agreement Summary

The Fiscal Year 2017 Department of Defense agreement provides \$516.1 billion in base Defense funding and \$61.8 billion for Overseas Contingency Operations (OCO). By comparison, the FY2017 budget request for Fiscal Year 2017 included \$517.7 billion in base funding and \$58.6 billion for OCO.

The amount provided for OCO is \$3.2 billion higher than the Senate version of the Defense appropriations bill in order to pay for unfunded mandates required by passage of the National Defense Authorization Act of 2017. OCO funding will enable the DoD to meet emerging threats and support ongoing military operations in Afghanistan and against the Islamic State of Iraq and the Levant (ISIL). The bill also fully supports the request for the European Reassurance Initiative.

Highlights of the FY2017 Defense Appropriations Bill

Readiness – \$208.6 billion in base and OCO funding for operation and maintenance accounts, which will enable the Services to continue addressing the most severe training and maintenance deficiencies while reconstituting the force to become a more capable over the next several years. Within this amount, \$582 million is provided above the request for operational support related to the authorized end strength increases, and \$144 million in additional funds is for facility sustainment, restoration, and modernization programs. The bill also includes an additional \$800 million for the Services to improve military readiness, including increased training, depot maintenance, and base operations support.

Shipbuilding – \$21.2 billion for Navy shipbuilding programs, an increase of \$2.8 billion and three ships above the request. In total, the bill funds the construction of ten new ships: two Virginia class submarines, three DDG-51 destroyers, three Littoral Combat Ships, one LHA amphibious assault ship and one LPD amphibious transport dock. Additionally, the bill funds advance procurement activities for the Ohio replacement submarine and aircraft carrier replacement programs.

The recommendation also provides advanced procurement funding to accelerate new construction of a polar icebreaker ship. In August 2015, President Obama announced plans to accelerate planned icebreaker construction from 2022 to 2020 to help meet our economic, commercial, maritime, and national security needs. Recognizing the strategic importance of polar operations to our Nation's security and prosperity, the agreement provides \$150 million to buy long-lead time material for the first Polar Icebreaker Recapitalization ship, which is currently scheduled for award in FY2019. The last icebreaker produced by the U.S. government was funded in the Department of Defense Appropriations Act, 1990 (Public Law 101-165).

Aircraft Procurement – The agreement addresses several unfunded requirements across the Services through the procurement of multiple air frames, including the following amounts not requested in the FY2017 budget proposal:

- \$979 million for 12 F-18 aircraft (Navy);
- \$754 million for four F-35 carrier variants (Navy & Marine Corps) and two F-35 vertical take-off variants (Marine Corps);
- \$495 million for five F-35 conventional variants (Air Force);
- \$340 million for 25 Blackhawk helicopters (15 Army Guard and 10 Army active component);
- \$207 million for two C-40 aircraft (Navy Reserve);
- \$195 million for 12 MQ-1C Grey Eagle unmanned aircraft (Army);
- \$190 million for five Apache attack helicopters (Army);
- \$187 million for 28 Lakota helicopters (Army);
- \$160 million for two C-130J aircraft (Air Guard);
- \$148 million for two MV-22 helicopters (Marine Corps);
- \$123 million for one CV-22 aircraft and Special Operations modifications (Air Force Special Operations Command);
- \$103 million for Compass Call aircraft replacement (Air Force); and
- \$75 million for UH-1N replacement helicopters (Air Force).

The bill also provides an additional \$205 million for Marine Corps aviation spares and repair parts to address maintenance and readiness issues.

Missile Defense – \$600.7 million, \$454 million above the FY2017 request for Israeli missile defense programs. This funding level follows the amount sought by the Government of Israel. The bill also adds \$333 million for other Missile Defense Agency programs and fully funds a request to start development of two prototype airborne laser demonstrations.

Navy Weapons – \$219 million, including \$56 million above the FY2017 request, for the procurement of additional Tomahawk missiles, an investment that supports a high-value Navy program. The agreement also provides \$67 million for modernization of Ticonderoga-class guided missile cruiser weapons.

National Guard and Reserve Equipment – \$750 million for the National Guard and Reserve Equipment Account to support the highest priorities of the Chiefs of the reserve components and ensure full interoperability with the active duty force. The agreement also includes \$60 million for additional Army Guard and Reserve Humvee Ambulances.

Military Personnel and Pay – The agreement fully funds pay and benefits for 1,305,900 active duty and 813,200 reserve component troops, a total end strength increase of 36,000 military personnel over the budget request. The agreement also provides funding for a 2.6 percent pay raise for all military personnel, as authorized by Congress.

Troops and Families – The bill maintains a strong commitment to taking care of troops and their families by supporting quality of life programs such as Morale, Welfare and Recreation and childcare. An additional \$25 million above the FY2017 request is provided for the continued implementation of the Sexual Assault Special Victims’ Counsel Program across the Services.

Basic Research Investments – \$175 million above the FY2017 request for basic (non-medical) research for the Army, Navy, Air Force, and DoD.

Defense Health – \$34 billion for the Defense Health Program, which provides medical services for military personnel and their families, continues advancements in medical research, modernizes and maintains medical infrastructure, and implements the next generation of electronic health records. This amount includes an additional \$1.4 billion for Defense medical research efforts, a 6.9 percent increase over last year’s bill, including \$300 million for the competitively awarded peer-reviewed medical research program and \$265 million for the Department to advance its own medical research priorities.

Program Reductions and Rescissions – The agreement recommends reductions and rescissions in prior year funds from more than 800 programs, resulting in \$18.3 billion in savings. Other major funding offsets include: \$1.2 billion due to lower than anticipated fuel costs; and \$336 million from Working Capital Fund cash balances. The agreement reinvests those funds to support unfunded requirements identified by the Services as well as readiness and military modernization priorities.

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