



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

June 24, 2009
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 2647 - National Defense Authorization Act for Fiscal Year 2010

(Rep. Skelton, D-Missouri, and 1 cosponsor)

The Administration supports House passage of H.R. 2647, the National Defense Authorization Act for Fiscal Year 2010. The Administration appreciates the House Armed Services Committee's continued strong support of our national defense, including its support for the Department's topline budget requests for both the base budget and for overseas contingency operations.

The Administration appreciates, among other things, the leadership of the Committee in supporting many of the President's initiatives to terminate or reduce programs that have troubled histories, or that failed to demonstrate adequate performance when compared to other programs and activities needed to carry out U.S. national security objectives. In addition, the Administration welcomes the Committee's support for the Secretary of Defense's plan to increase the size of the civilian acquisition workforce and reduce the Department's reliance on contractors for critical acquisition functions. Also, the Administration appreciates that the Committee included authorities that are important to field commanders, such as the Commanders' Emergency Response Program and the authority to reimburse coalition partners.

While there are many areas of agreement with the Committee, the Administration nonetheless has serious concerns with a number of provisions that could constrain the ability of the Armed Forces to carry out their missions, that depart from Secretary Gates' decisions reflected in the President's Fiscal Year 2010 Budget which carefully balanced fiscal constraints, program performance, strategic needs and capabilities, or that raise other issues. The Administration looks forward to working with the Congress to address these concerns, some of which are outlined below, and to refine this legislation to align it more closely with national defense priorities.

F-22 Advance Procurement: The Administration strongly objects to the provisions in the bill authorizing \$369 million in advanced procurement funds for F-22s in FY 2011. The collective judgment of the Service Chiefs and Secretaries of the military departments suggests that a final program of record of 187 F-22s is sufficient to meet operational requirements. If the final bill presented to the President contains this provision, the President's senior advisors would recommend a veto.

F-35 Joint Strike Fighter Program: The Administration strongly objects to the addition of \$603 million for development and procurement of the alternative engine program, and the requirement for the Department to fund the alternative engine program in future budget requests to the President. These changes will delay the fielding of the Joint Strike Fighter (JSF) capability and capacity, adversely impacting the Department's overall strike fighter inventory. In addition, the

Administration objects to provisions of the bill that mandate an alternative engine program for the JSF. The current engine is performing well with more than 11,000 test hours. Expenditures on a second engine are unnecessary and impede the progress of the overall JSF program. Alleged risks of a fleet-wide grounding due to a single engine are exaggerated. The Air Force currently has several fleets that operate on a single-engine source. The Administration also objects to the limit on the obligation of overall JSF development funding to 75% of the amount authorized until Department of Defense (DOD) has obligated all funds provided in FY 2010 for the alternative engine program. If the final bill presented to the President would seriously disrupt the F-35 program, the President's senior advisors would recommend a veto.

Missile Defense: The Administration thanks the Committee for authorizing the President's full funding request of \$9.3 billion for missile defense programs, including \$7.8 billion for the Missile Defense Agency. These programs will protect the United States, our deployed forces, and allies against emerging missile threats. However, the Administration has concerns with provisions limiting U.S. engagements with NATO and European allies regarding missile defenses.

Building Partner Capacity: The Administration urges the inclusion of its proposals to build the capacity of partner-nation special and conventional forces in order to enhance and increase coalition participation in Afghanistan and Iraq. These initiatives will directly reduce the pressure on U.S. forces. These limited, one-year proposals, developed in close partnership with the Department of State, are necessary for timely implementation of our new Afghanistan policy. Without these authorities, the United States would lose precious time in increasing the capacity and participation of our partners in that conflict and put additional U.S. personnel at risk. The Administration also urges that authority for the "Section 1207" reconstruction stabilization assistance be funded as requested.

Strategic Airlift: The Administration objects to provisions in the bill that require the Air Force to maintain a strategic airlift fleet of 316 aircraft. The Department assesses aircraft requirement based on capability, not aircraft numbers. The restriction impairs the Department's ability to manage the fleet and respond to combatant commanders' request for forces. The Administration objects to restrictions on C-5 retirements for the same reason.

Futenma Replacement Facility, Okinawa: The Administration objects to Section 2836, which would limit the Secretary's authority to exercise reasonable judgment regarding airfield operations at the Futenma Replacement Facility (FRF), which is planned for construction on Okinawa. The current FRF configuration was agreed to during bilateral negotiations with the government of Japan, and this provision places the resulting International Agreement at risk.

National Security Personnel System: The Administration objects to Section 1112 because legislative action on the National Security Personnel System (NSPS) is premature given the ongoing review by DOD and the Office of Personnel Management (OPM). This review will produce findings and recommendations that will help DOD and OPM, working with the Congress, make informed decisions about the future of the program. Of great concern is the provision prohibiting DOD from adding any person to a position under NSPS after June 16, 2009, which will cause significant, undue disruption to organizations currently operating under NSPS, potentially delaying the filling of thousands of positions and harming the Department's in-sourcing efforts.

Defense Civilian Intelligence Personnel System: The Administration is concerned that Section 1113, which prohibits new Defense Civilian Intelligence Personnel System (DCIPS) conversions and mandates termination of the entire system, will prevent the Intelligence Community from transforming itself into a single enterprise that can recruit and retain a competitive workforce to meet our national security needs. DCIPS is part of a broader effort to reward employee performance, called the National Intelligence Civilian Compensation Program (NICCP), which is modeled after the successful program within the National Geospatial-Intelligence Agency.

Aircraft Retirements: The Administration objects to provisions of the bill that restrict aircraft retirements. The Air Force has provided its analysis supporting accelerated aircraft retirements with the Congress. Retirements accompanied by modifications and other enablers provide a smaller, but more flexible, lethal, and capable force. The Air Force has provided a base-by-base summary of the restructuring, including mission end states. The restrictions currently in the bill will impair the Department's ability to manage its fleet and manpower to accomplish national priority missions.

Extended Range Multi-Purpose (ER/MP) Unmanned Aerial Vehicle: The Administration objects to a reduction of \$163 million to the Extended Range Multi-Purpose Unmanned Aerial Vehicle program, which would result in a 50-percent cut of the ER/MP systems planned for FY 2010. The ER/MP is an Intelligence, Surveillance and Reconnaissance asset critical for force protection and current operations.

Full Funding: The Administration is concerned that H.R. 2647 authorizes incremental funding of Military Construction projects, and authorizes the Navy to use advance procurement funds to begin construction of aircraft carriers. As a matter of fiscal prudence, the Administration encourages full funding of these programs, consistent with the President's Budget.

Defense Environmental Cleanup: The Administration objects to the \$471 million reduction for the Department of Energy's Environmental Management program. This reduction will significantly impede progress in cleaning up the legacy of waste and contamination resulting from nuclear weapons production.

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