



October 16, 2014

The Honorable Carl M. Levin  
 Chairman  
 Senate Committee on Armed Services  
 Russell Senate Office Building, Room 228  
 Washington, D.C. 20510

The Honorable James M. Inhofe  
 Ranking Member  
 Senate Committee on Armed Services  
 Russell Senate Office Building, Room 228  
 Washington, D.C. 20510

The Honorable Howard “Buck” McKeon  
 Chairman  
 House Committee on Armed Services  
 2120 Rayburn House Office Building  
 Washington, D.C. 20515

The Honorable Adam Smith  
 Ranking Member  
 House Committee on Armed Services  
 2120 Rayburn House Office Building  
 Washington, D.C. 20515

Dear Chairmen and Ranking Members,

As you prepare for final, bicameral consideration of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, the undersigned groups appreciate your consideration of the following recommendations. Doing so will help the Department of Defense save valuable resources in an era of budgetary constraint.

Overseas Contingency Operations

As you know, the Pentagon delayed its Fiscal Year 2015 Overseas Contingency Operations (OCO) budget request by several months. As a result, both the House and Senate versions of the NDAA included OCO “placeholders” that do not reflect the Pentagon’s eventual budget request for Fiscal Year 2015. In recent years, the Department of Defense has used the OCO account to avoid the budget caps mandated by the Budget Control Act (P.L. 112–25) and subsequent deficit reduction legislation by transferring base budget programs and funding to OCO accounts. For example, the OCO budget request for Fiscal Year 2015 is roughly \$35 billion above the amount required to sustain operations in Afghanistan.

For the remainder of Fiscal Year 2015, the OCO account should be authorized no more than the President’s robust budget request. Congress should stop overfunding the OCO account, which abets fiscally irresponsible expenditures.

F-35 Joint Strike Fighter

We urge you to reject any increases above the House and Senate NDAA authorized levels for procurement of 34 F-35 Joint Strike Fighters. This program is drastically over budget, years behind schedule, and suffers from high levels of concurrency. The undersigned groups have deep concerns with this program and strongly urge that no more than the President’s budget request should be authorized in Fiscal Year 2015.

## Littoral Combat Ship

We recommend that you follow the House NDAA's (lower) recommendation to authorize two Littoral Combat Ships (LCS) in Fiscal Year 2015. The Senate Armed Services Committee authorized an additional third LCS. The future of this program is very much in doubt as the Pentagon analyzes a series of alternatives. It makes little sense to authorize additional vessels until a new course has been set.

## M1 Abrams Upgrades

The Pentagon requested \$237 million in procurement for M1 Abrams modifications. The Senate NDAA recommends an increase of \$24 million in unrequested funding while the House NDAA would authorize an additional \$120 million in unrequested funding. We urge you to authorize the M1 Abrams at no higher than the Senate level.

## We support the following policy provisions included in the House version

**SEC. 125. Limitation on Availability of Funds for Mission Modules for Littoral Combat Ship:** This amendment limits funds for mission modules until the Navy submits milestone goals for cost, schedule, and performance.

**SEC. 332. Report on Enduring Requirements and Activities Currently Funded Through Amounts Authorized to be Appropriated for Overseas Contingency Operations:** Requires a report listing the enduring mission requirements that are funded by overseas contingency appropriations and a three year plan to fund these requirements and activities without overseas contingency funding.

**SEC. 508. Compliance with Efficiencies Directive:** Requires DOD to fulfill former Secretary of Defense Robert Gates' Efficiency Initiative relating to the number of general and flag officers by reducing approximately 33 positions through attrition by the end of 2015.

**SEC. 602. No Fiscal Year 2015 Increase in Basic Pay for General and Flag Officers:** Freezes pay for general and flag officers.

**SEC. 1005. Report on Auditable Financial Statements:** Requires the Pentagon to provide a progress update ranking all military departments and agencies in order of how close they are to achieving audit-readiness.

**SEC. 1220B. Review Process for Use of United States Funds for Construction Projects in Afghanistan That Cannot Be Physically Accessed by United States Government Civilian Personnel:** Requires a review of any reconstruction project over \$500,000 in Afghanistan that cannot be physically inspected by the United States.

**SEC. 1523. Limitation on Use Of Funds For The Afghanistan Infrastructure Fund:** Prohibits additional funding of the Afghanistan Infrastructure Fund until previously unobligated funds have been spent.

**SEC. 1524. Codification of Office of Management and Budget Criteria:** Codifies criteria developed by OMB in 2010 to clarify when military spending should be designated as contingency operations and properly be part of the Overseas Contingency Operation budget.

**SEC. 1640. Annual Congressional Budget Office Review of Cost Estimates for Nuclear Weapons:** Requires CBO to provide nuclear weapons budget cost estimates annually.

**SEC. 1642. Sense of Congress on Procurement and Deployment of Capability Enhancement II Exoatmospheric Kill Vehicle:** Encourages the Secretary of Defense to conduct successful operationally realistic tests before purchasing additional GMD interceptors.

**We support the following policy provisions included in the Senate version**

**SEC. 1226. Prohibition On Use Of Funds For Certain Programs And Projects Of The Department Of Defense In Afghanistan That Cannot Be Safely Accessed By United States Government Personnel:** Prohibits funds for infrastructure projects in Afghanistan if military or civilian personnel with authority to conduct oversight of such program or project cannot safely access such program or project.

**SEC. 1521. Plan For Transition Of Funding Of United States Special Operations Command From Supplemental Funding For Overseas Contingency Operations To Recurring Funding For Future-Years Defense Programs:** Requires a plan to transition funding for U.S. Special Operations Command from the OCO account to the Pentagon's base budget.

As you prepare the final version of the National Defense Authorization Act for Fiscal Year 2015, we hope you will consider the aforementioned recommendations that will help enhance fiscal responsibility, improve defense acquisition, and strengthen accountability in the Pentagon's budget.

Sincerely,

Americans for Tax Reform  
Campaign for Liberty  
Center for Foreign and Defense Policy  
Center for International Policy  
Coalition to Reduce Spending  
Cost of Government Center  
Council for a Livable World  
Downsize DC  
Friends Committee on National Legislation  
London Center for Policy Research  
National Priorities Project  
National Security Network

National Taxpayers Union  
NETWORK, A National Catholic Social Justice Lobby  
Peace Action  
Peace Action West  
Project On Government Oversight  
Republican Liberty Caucus  
R Street Institute  
Taxpayers for Common Sense  
Taxpayers Protection Alliance  
USAction  
Win Without War  
Women's Action for New Directions

CC: Members of the House and Senate Armed Services Committee