

THE WHITE HOUSE

WASHINGTON

June 29, 2017

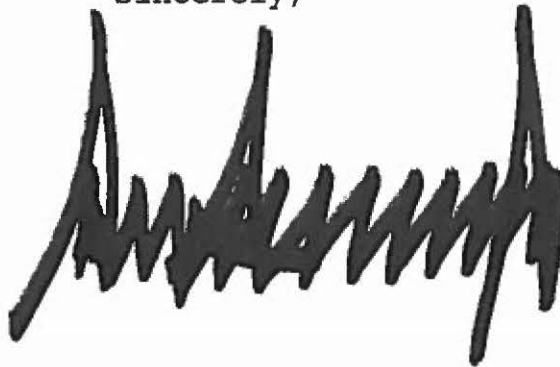
Dear Mr. Speaker:

I ask the Congress to consider the enclosed Fiscal Year (FY) 2018 Budget amendments for the Departments of Agriculture, Defense, Energy, Homeland Security, Housing and Urban Development, and Justice, as well as the Federal Communications Commission, the Federal Mediation and Conciliation Service, and the National Endowment for the Arts.

These amendments are necessary to correctly reflect the policies assumed in my FY 2018 Budget. The overall FY 2018 budget authority totals would not be affected by this request.

The details of these amendments are set forth in the enclosure from the Director of the Office of Management and Budget.

Sincerely,

A large, bold, handwritten signature in black ink, likely of Paul D. Ryan, written over a horizontal line.

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



THE DIRECTOR

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

June 28, 2017

The President  
The White House

Dear Mr. President:

Submitted for your consideration are amendments to your Fiscal Year (FY) 2018 Budget for the Departments of Agriculture, Defense, Energy, Homeland Security, Housing and Urban Development, and Justice, as well as the Federal Communications Commission, the Federal Mediation and Conciliation Service, and the National Endowment for the Arts.

These amendments are necessary to correctly reflect the policies assumed in your FY 2018 Budget. The overall FY 2018 budget authority totals would not be affected by this request.

Recommendation

I have reviewed this request and am satisfied that it is necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit the amendments to the Congress.

Sincerely,

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

Mick Mulvaney  
Director

Enclosures

Agency: DEPARTMENT OF AGRICULTURE  
Heading: TITLE VII—GENERAL PROVISIONS  
FY 2018  
Appendix Page: 176  
FY 2018  
Pending Request: —  
Proposed Amendment: Language  
Revised Request: —

(In the appropriations language under the above heading, in section 712, delete "\$888,529,000" and substitute \$878,255,000; and delete "(ix)" and substitute (x).)

This amendment would adjust the proposed FY 2018 section 32 Farm Bill authority limitation level to conform to the appropriate inflationary factor, and provide the correct subsection reference cited for section 14222 of Public Law 110-246. This amendment is necessary to reflect correctly the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

(In the appropriations language under the above heading, in section 715(a), delete "2016-2017" and substitute 2018-2019.)

This amendment would provide the correct time period for allowing States to grant an exemption from the whole grain requirements that took effect on or after July 1, 2014, and for sodium target waivers. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency: DEPARTMENT OF DEFENSE—MILITARY PROGRAMS  
Bureau: PROCUREMENT  
Heading: Aircraft Procurement, Navy  
FY 2018  
Appendix Page: 256  
FY 2018  
Pending Request: \$15,056,235,000  
Proposed Amendment: -\$100,000,000  
Revised Request: \$14,956,235,000

(In the appropriations language under the above heading, delete "\$15,056,235,000" and substitute \$14,956,235,000.)

This amendment would reduce funding for the F/A-18 Infrared Search and Track (IRST) system by \$100 million. This requested reduction would partially offset a corresponding increase to the Shipbuilding and Conversion, Navy account in order to provide for an additional Littoral Combat Ship in FY 2018. The offset is available due to the cancellation of the procurement for the Block I FA/18-IRST, which provides a limited capability compared to the more advanced Block II variant. The Navy will equip the full number of F/A-18s with the Block II IRST on the same schedule as currently planned. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

Taken together, the FY 2018 budget authority totals would not be affected by this amendment.

Agency: DEPARTMENT OF DEFENSE—MILITARY PROGRAMS  
Bureau: PROCUREMENT  
Heading: Shipbuilding and Conversion, Navy  
FY 2018  
Appendix Page: 259  
FY 2018  
Pending Request: \$19,903,682,000  
Proposed Amendment: \$499,925,000  
Revised Request: \$20,403,607,000

(In the appropriations language under the above heading, delete "\$19,903,682,000" and substitute \$20,403,607,000.)

This amendment would increase funding for the Shipbuilding and Conversion, Navy account by nearly \$500 million to provide for an additional Littoral Combat Ship (LCS) in FY 2018, for a total of two ships. This increase is fully offset by proposed reductions described in accompanying amendments to three Navy accounts: Aircraft Procurement; Other Procurement; and Research, Development, Test and Evaluation. This rate of shipbuilding is necessary to sustain the industrial base to preserve competition for the Frigate program and grow the fleet to meet operational requirements that exceed the capacity of today's fleet. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

Taken together, the FY 2018 budget authority totals would not be affected by this amendment.

Agency: DEPARTMENT OF DEFENSE—MILITARY PROGRAMS

Bureau: PROCUREMENT

Heading: Other Procurement, Navy

FY 2018  
Appendix Page: 260

FY 2018  
Pending Request: \$8,277,789,000

Proposed Amendment: -\$374,925,000

Revised Request: \$7,902,864,000

(In the appropriations language under the above heading, delete "\$8,277,789,000" and substitute \$7,902,864,000.)

This amendment would reduce the overall account total for Other Procurement, Navy by \$375 million. This reduction would partially offset a corresponding increase to the Shipbuilding and Conversion, Navy account in order to provide for an additional Littoral Combat Ship in FY 2018. This total offset is derived from within the account by: 1) reducing \$325 million in funding for an aircraft carrier reactor core, which is not needed in FY 2018, and will not impact the overall schedule for making the carrier available for operations; 2) reducing \$40 million in funding for dock landing ship modernization that is available due to recently identified opportunities to save on contract costs; and 3) reducing \$10 million in funding for the SPQ-9B radar that is available due to program underexecution.

This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

Taken together, the FY 2018 budget authority totals would not be affected by this amendment.

Agency:	DEPARTMENT OF DEFENSE—MILITARY PROGRAMS
Bureau:	RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
Heading:	Research, Development, Test and Evaluation, Navy
FY 2018 Appendix Page:	270
FY 2018 Pending Request:	\$17,675,035,000
Proposed Amendment:	-\$25,000,000
Revised Request:	\$17,650,035,000

(In the appropriations language under the above heading, delete "\$17,675,035,000" and substitute \$17,650,035,000.)

This amendment would reduce funding for Navy Energy by \$25 million. This requested reduction would partially offset a corresponding increase to the Shipbuilding and Conversion, Navy account in order to provide for an additional Littoral Combat Ship in FY 2018. The offset is available due to a change in program strategy, which maintains energy funding at previous execution levels. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

Taken together, the FY 2018 budget authority totals would not be affected by this amendment.

Agency: DEPARTMENT OF DEFENSE—MILITARY PROGRAMS

Heading: TITLE VIII—GENERAL PROVISIONS

FY 2018  
Appendix Page: 304

FY 2018  
Pending Request: —

Proposed Amendment: Language

Revised Request: —

(In the appropriations language under the above heading, in section 8049, delete "1934" and substitute 1034.)

This amendment would identify the correct section reference of the National Defense Authorization Act for Fiscal Year 2017. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

(In the appropriations language under the above heading, insert the following new section after section 8053:)

Sec. 8054. Of the amounts appropriated in this Act, the Secretary of Defense may use up to \$50,000,000 under the heading "Operation and Maintenance, Defense-Wide", and up to \$50,000,000 under the heading "Research, Development, Test and Evaluation, Defense-Wide" to develop, replace, and sustain Federal Government security and suitability background investigation information technology systems of the Office of Personnel Management or other Federal agency responsible for conducting such investigations: Provided, That the Secretary may transfer additional amounts into these headings or into "Procurement, Defense-Wide" using established reprogramming procedures prescribed in the Department of Defense Financial Management Regulation 7000.14-, Volume 3, Chapter 6, dated September 2015: Provided further, That such funds shall supplement, not supplant any other amounts made available to other Federal agencies for such purposes.

This amendment would insert appropriations language that was omitted inadvertently. The language would provide the Department of Defense the authority to develop, replace, and sustain information technology systems for the Office of Personnel Management's background investigations enterprise. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.



Agency: DEPARTMENT OF ENERGY  
Heading: GENERAL PROVISIONS—DEPARTMENT OF ENERGY  
FY 2018  
Appendix Page: 412  
FY 2018  
Pending Request: —  
Proposed Amendment: Language  
Revised Request: —

(In the appropriations language under the above heading, in section 308, in the second sentence add , to remain available until expended after "there is appropriated \$1,000,000 to the Fund"; in the third sentence add , to remain available until expended after "for carrying out the purposes of the Fund without further appropriation"; and delete the fourth sentence.)

This amendment would make available until expended the initial appropriation to the Uranium Lease and Take Back Revolving Fund and all future revenues credited to the account. In addition, the amendment deletes the fourth sentence, which was erroneously included. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency:	DEPARTMENT OF HOMELAND SECURITY
Bureau:	TRANSPORTATION SECURITY ADMINISTRATION
Heading:	Operations and Support
FY 2018 Appendix Page:	501
FY 2018 Pending Request:	\$7,019,065,000
Proposed Amendment:	-\$900,000
Revised Request:	\$7,018,165,000

(In the appropriations language under the above heading, delete "\$7,019,065,000" and substitute \$7,018,165,000, and delete "\$4,632,914,000" and substitute \$4,632,014,000.)

This amendment would decrease by \$900 thousand the amount proposed for the Operations and Support account within the Transportation Security Administration (TSA) in order to correctly reflect the policy assumed in the FY 2018 Budget. The additional \$900 thousand was inadvertently included in the Operations and Support account instead of in the Procurement, Construction, and Improvement account to pay for new TSA screening equipment. A corresponding increase is proposed in the Procurement, Construction, and Improvement account.

Taken together, the FY 2018 budget totals would not be affected by this amendment.

Agency: DEPARTMENT OF HOMELAND SECURITY  
Bureau: TRANSPORTATION SECURITY ADMINISTRATION  
Heading: Procurement, Construction, and Improvements  
FY 2018  
Appendix Page: 505  
FY 2018  
Pending Request: \$52,414,000  
Proposed Amendment: \$900,000  
Revised Request: \$53,314,000

(In the appropriations language under the above heading, delete "\$52,414,000" and substitute \$53,314,000.)

This amendment would increase by \$900 thousand the amount proposed for the Procurement, Construction, and Improvement account within the Transportation Security Administration (TSA) in order to correctly reflect the policy assumed in the FY 2018 Budget. The additional \$900 thousand would pay for new TSA screening equipment, which was inadvertently accounted for in the Operations and Support account. A corresponding decrease is proposed in the Operations and Support account.

Taken together, the FY 2018 budget totals would not be affected by this amendment.

Agency: DEPARTMENT OF HOMELAND SECURITY

Heading: Administrative Provisions

FY 2018  
Appendix Page: 535

FY 2018  
Pending Request: —

Proposed Amendment: Language

Revised Request: —

(In the appropriations language under the above heading, in section 306, insert and after "(2)," ; and delete ", and (7)".)

This amendment would eliminate inclusion of the Pre-Disaster Mitigation (PDM) Grant Program from language setting the non-Federal cost share of grants awarded under the "Federal Emergency Management Agency-Federal Assistance" account at 25 percent. The PDM Grant Program currently operates at a non-Federal cost share of 25 percent, so inclusion of the program is not necessary. In addition, the Administrator of the Federal Emergency Management Agency is currently authorized to reduce the PDM Grant Program cost share to 10 percent for impoverished small communities, which would be eliminated without the amendment. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency: DEPARTMENT OF HOMELAND SECURITY

Heading: GENERAL PROVISIONS

FY 2018  
Appendix Page: 545

FY 2018  
Pending Request: —

Proposed Amendment: Language

Revised Request: —

(In the appropriations language under the above heading, in section 524(e), delete "Public Law 109-90" and substitute Public Law 108-334.)

This amendment would correctly identify the Public Law that appropriated amounts proposed to be cancelled in the "Coast Guard, Alteration of Bridges" account. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency:	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Heading:	GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FY 2018 Appendix Page:	595
FY 2018 Pending Request:	—
Proposed Amendment:	Language
Revised Request:	—

(In the appropriations language under the above heading, in section 233, add of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1) and (e)(1)) after "under subsections 9(d)(1) and 9(e)(1)"

This amendment would provide the full legal citation that was inadvertently omitted from the language. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency:	DEPARTMENT OF JUSTICE
Heading:	GENERAL PROVISIONS—DEPARTMENT OF JUSTICE
FY 2018 Appendix Page:	725
FY 2018 Pending Request:	—
Proposed Amendment:	-\$144,768,000
Revised Request:	-\$144,768,000

(In the appropriations language under the above heading, in section 210(3), delete ", excluding amounts excepted or transferred under paragraph (2)," and substitute under such headings.)

This amendment would authorize a seven percent set-aside for tribal grants to be assessed against the Research, Evaluation, and Statistics account, which was inadvertently excluded. Existing language included in the FY 2018 Budget authorizes the set-aside to be assessed against the Juvenile Justice and State and Local Program accounts. This amendment is necessary to correctly reflect the policies proposed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

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

Sec. 220. Of the unobligated balances available in the Working Capital Fund, \$144,768,000 are hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

This amendment would add language that proposes to cancel \$145 million in unobligated balances available in the Department of Justice's Working Capital Fund, which was inadvertently omitted. The amendment is necessary to correctly reflect the policies proposed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency: FEDERAL COMMUNICATIONS COMMISSION

Heading: Administrative Provisions

FY 2018  
Appendix Page: 1161

FY 2018  
Pending Request: —

Proposed Amendment: Language

Revised Request: —

(In the appropriations language under the above heading, in section 501, delete "2018" and substitute 2019.)

The amendment would extend authorities provided by the Universal Service Antideficiency Temporary Suspension Act through December 31, 2019. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this language amendment.



Agency:	FEDERAL MEDIATION AND CONCILIATION SERVICE
Heading:	Salaries and Expenses
FY 2018 Appendix Page:	1170
FY 2018 Pending Request:	—
Proposed Amendment:	Language
Revised Request:	—

(In the appropriations language under the above heading, delete "2018" and substitute 2019.)

This amendment would adjust the fiscal year cited to provide two years to obligate funds for labor management grants. This amendment is necessary to correctly reflect the policy assumed in the FY 2018 Budget.

The proposed FY 2018 Budget totals would not be affected by this amendment.

Agency: NATIONAL ENDOWMENT FOR THE ARTS

Heading: Grants and Administration

FY 2018  
Appendix Page: 1191

FY 2018  
Pending Request: \$28,949,000

Proposed Amendment: \$70,429

Revised Request: \$29,019,429

(In the appropriations language under the above heading, delete "\$28,949,000" and substitute \$29,019,429.)

This amendment would increase by \$70 thousand the National Endowment for the Arts (NEA), Grants and Administration account to provide the correct estimated amount of funding needed for NEA close-out costs. This amendment is necessary to correctly reflect the policy proposed in the FY 2018 Budget.

The overall proposed FY 2018 Budget totals would not be affected by this amendment.