



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

June 24, 2024
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8774 — Department of Defense Appropriations Act, 2025

(Rep. Cole, R-OK)

The Administration strongly opposes House passage of H.R. 8774, making appropriations for the Department of Defense for the fiscal year (FY) ending September 30, 2025 and for other purposes.

Earlier this year, the Administration and members of both parties in the Congress came together to pass bipartisan appropriations bills to fund programs that keep Americans safe and healthy, support our Service members, invest in education and affordable housing, and build on the economic progress of the past three and a half years. These appropriations bills are consistent with the agreement the President and House Republican leadership reached last year to avoid a first-ever default and protect the President's investment agenda and critical programs from deep cuts, using necessary adjustments to statutory caps.

Rather than respecting their agreement and taking the opportunity to engage in a productive, bipartisan appropriations process to build on last year's bills, House Republicans are again wasting time with partisan bills that would result in deep cuts to law enforcement, education, housing, healthcare, consumer safety, energy programs that lower utility bills and combat climate change, and essential nutrition services.

The draft bills also include numerous, partisan policy provisions with devastating consequences for the readiness and wellbeing of America's military and their families, including harming access to reproductive healthcare, threatening the health and safety of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex (LGBTQI+) Americans, endangering marriage equality, restricting telework for Defense Department employees, including a critical retention tool for military spouses working for the Federal Government, hindering critical climate change initiatives, and preventing the Administration from promoting diversity, equity, and inclusion, which make the Nation's military a more ready and lethal force.

The Administration stands ready to engage with both chambers of the Congress in a bipartisan appropriations process to enact responsible appropriations bills that fully fund the Department of Defense and other Federal agencies in a timely manner.

If the President were presented with H.R. 8774, he would veto it.

The Administration would like to take this opportunity to share additional views regarding the House Appropriations Committee's (Committee) version of the bill.

Department of Defense (DOD)

Policy Provisions. The Administration strongly opposes the numerous policy provisions that, if enacted, would impede the Department's ability to implement the *National Defense Strategy*, support the Nation's Service members and their families, harm long-term military readiness, and prevent the Department from recruiting a total force representative of America's diversity. Specifically, the Administration opposes those provisions that limit access to non-covered reproductive healthcare by Service members and their families, impede the ability of all Service members to serve to their fullest capacity, and undermine the United States' ability to fight foreign adversary disinformation. Including divisive policy provisions such as those in sections 8144, 8150, 8153, 8154, 8155, and 8158 within an appropriations bill also dramatically increases the threat of a continuing resolution, which would further damage America's national security.

Indo-Pacific Security Assistance Initiative (IPSAI). The Administration strongly urges the Congress to provide \$500 million for the IPSAI, as requested in the FY 2025 Budget, to deter conflict in the Indo-Pacific region by enhancing the self-defense capabilities of allies and partners. IPSAI would provide greater flexibility than current authorities for the Department to meet material and non-material demands of allies and partners, as well as bridge gaps in existing authorities.

Shipbuilding. The Administration strongly opposes the bill's failure to fully support the FY 2025 Budget request for shipbuilding by providing \$761 million less than the request and eliminating two ship procurements.

Civilian Personnel Reduction. The Administration strongly opposes the reduction in the bill of over \$900 million to civilian personnel funding. This reduction would degrade the Department's ability to execute its mission and operations, adversely impact readiness, and negatively affect civilian recruitment and retention, a vital piece of the total force. Civilians are a key element of the *National Defense Strategy* and a third of America's total force capability. They serve as operators in critical areas such as intelligence, foreign language, cyber operations, security cooperation, and logistics. Furthermore, civilians are an essential enabler of America's overall readiness and capability to deploy worldwide. The FY 2025 Budget request reflects critical civilian workforce enhancements in quality of life and resiliency initiatives to support the demands of defending national values and global objectives. While the cost of the workforce increases as a result of the civilian pay raise, which is critical to attract and retain the talent necessary to meet DOD's missions, the FY 2025 Budget request reflects a reduction in the overall size of the Department's civilian workforce. The level proposed by the bill, compounding the effects of the FY 2024 enacted level against the civilian workforce, would result in an untenable gap in mission support as DOD seeks to execute increasing statutory and real-world requirements and workload.

Ukraine Security Assistance Initiative (USAI). The Administration strongly opposes the elimination of funding for USAI. The USAI program is a central component of the Administration's strategy to help Ukraine fight back against Russia's unjust and unprovoked war on Ukraine. Eliminating all USAI funding would undermine U.S. national security, undercut Ukraine's ability to fight Russian aggression, and could cause

Russia and other would-be aggressors around the world to question America's commitment to a critical partner on the frontline of aggression.

Prohibition on DOD Support to the Department of Homeland Security (DHS). The Administration strongly opposes section 8157 of the bill, which would prohibit the Department from spending funds to provide assistance to DHS to house persons on a military installation located in the United States. Military installations have been a critical resource for DHS to shelter migrants during times of influx and to house Federal Emergency Management Agency (FEMA) responders during responses to major disasters. If this critical resource were made unavailable, migrants would potentially have to remain in U.S. Customs and Border Protection facilities, which are not designed or intended for long-term sheltering, and FEMA responders would have to pursue alternative housing, which is often more expensive and if farther from the disaster area, would impede their ability to provide life-saving rapid response.

Resiliency and Survivability. The Administration strongly opposes the reduction of \$621 million in the bill across DOD's accounts identified as climate change-related. This funding is requested to strengthen the resilience of mission critical energy, water, and other physical infrastructure against all hazards to ensure U.S. installations are ready to support homeland defense and overseas operations. In addition, the Administration strongly opposes section 8149 of the bill, which would prohibit the use of funds for certain emissions and climate data for Federal contract offers, and section 8160 of the bill, which would prevent the use of funds to implement various climate related Executive Orders.

Teleworking and Remote Working. The Administration strongly opposes section 8156 of the bill, which would prohibit the use of funds to pay for the costs of teleworking or remote working for any employee or contractor of DOD on a regular and recurring basis. Teleworking and remote working are essential for supporting key Administration, Departmental, and congressional objectives, including to promote career continuity for employees who are military spouses relocating due to their Service member spouse's assignments, and to aid in recruiting and retaining a national security workforce with specialized skills for hard-to-fill positions. Telework and remote work are also key forms of reasonable accommodation for employees with disabilities and critical to satisfying the Department's legal obligations under the Americans with Disabilities Act and the Rehabilitation Act. The *National Defense Strategy* is predicated on the Department's ability to cultivate the workforce it needs in order to build enduring advantages over competitors. While DOD continues to reflect relatively low numbers of telework and remote workers, restricting this flexibility would put the Department at a disadvantage in competing for top talent and would reduce the Department's ability to promote military spouse employment.

Transfer of Mexico from U.S. Northern Command to U.S. Southern Command (USSOUTHCOM) Area of Responsibility. The Administration strongly opposes section 8122 of the bill, which would provide that USSOUTHCOM assume combatant command responsibility for activities related to Mexico. Enactment of section 8122 would unduly impinge upon the President's authority, as Commander-in-Chief, to organize military command and control through approval of a Unified Command Plan consistent with title 10, United States Code, section 161. Changing USSOUTHCOM's area of responsibility

to encompass Mexico would also disrupt North America's unified defense approach and create a seam between two combatant commands on the U.S. border.

Junior Enlisted Basic Pay Increase. The Administration is strongly committed to taking care of the Nation's Service members and their families. The Administration greatly appreciates the Committee's support for the Administration's FY 2025 Budget proposal to increase the eligibility and payment thresholds for the Basic Needs Allowance (BNA) from 150 percent to 200 percent of the Federal Poverty Guidelines. The Administration also appreciates the Committee for supporting the President's FY 2025 Budget request for a basic pay raise of 4.5 percent for Service members. In January, Service members received a 5.2 percent basic pay increase, the largest since 2003, coupled with an average 5.4-percent increase in basic allowance for housing, and a 1.7-percent increase in basic allowance for subsistence. If the FY 2025 Budget request is enacted, Service members will have received a 15 percent basic pay increase in just three years. The Administration appreciates and shares the Committee's concern for the needs of the most junior enlisted members. That is why the President directed DOD's Fourteenth Quadrennial Review of Military Compensation to conduct a review of the military basic pay table to ensure it is structured to further strengthen Service members' economic security. The draft bill does not fully fund the additional 15 percent increase for junior enlisted personnel, which would cost over \$3.3 billion in FY 2025, on top of the Administration's proposed 4.5 percent basic pay increase. The Administration is concerned with the tradeoffs that would be required to do so within other parts of DOD. Further, the proposed changes ignore that the bill would lead to pay compression in other parts of the enlisted military basic pay table.

Guantánamo Bay Prohibitions. The Administration strongly opposes sections 8136, 8137, 8138, and 8139 of the bill, which would extend the prohibitions on the use of funds to: transfer Guantánamo Bay Detention Facility (GTMO) detainees to the United States (section 8136); transfer GTMO detainees to certain countries (section 8137); construct or modify facilities in the United States to house transferred GTMO detainees (section 8138); and close or realign United States Naval Station, Guantánamo Bay (section 8139). These provisions would interfere with the President's ability to determine the appropriate disposition of GTMO detainees and to make important foreign policy and national security determinations regarding whether and under what circumstances to transfer detainees to the custody or effective control of foreign countries.

Gaza Pier. The Administration strongly opposes section 8167 of the bill, which would prohibit the use of funds for the construction, maintenance, operation, or assembly of any pier or any structure built off the coast of Gaza. The maritime corridor is a valuable tool for the flow of humanitarian aid to the most critically vulnerable in Gaza, and this prohibition would remove a vital link in the humanitarian assistance chain.

Restrictions on Force Structure Decisions. The Administration opposes sections 8054, 8163, and 8074 of the bill, which would prohibit DOD from making force structure changes needed to divest certain platforms in order to prioritize investments in modernization, readiness, and other areas to ensure the Nation's force structure remains capable and relevant to current and future challenges. To prepare for future conflict, DOD must have the flexibility to divest from vulnerable and ineffective systems in order to field a more capable, modern force consistent with the *National Defense Strategy*. Also, making an exception to the prohibition on divesting C-40 aircraft under section 8054 only for aircraft the Secretary of the Air Force determines are unfit due to a Class A

mishap fails to account for aircraft unfit for any other reason, and for aircraft operated by another service.

C-40 Fleet. The Administration opposes the elimination of funds in the bill for C-40 fleet expansion. The C-40 fleet provides critical augmentation to the aging C-32 fleet that is the backbone of the Department's executive airlift. These aircraft support travel for the Vice President, First Lady, Secretary of State, Secretary of Defense, Chairman of the Joint Chiefs of Staff, and Members of Congress. The aircraft are often plagued by maintenance issues that prevent them from flying and supporting the travel requirements of senior leaders. Without procuring additional aircraft, the Department's ability to support travel for Members of Congress and other senior leaders, a capability already severely stressed, would be negatively impacted.

Presidential Aircraft Recapitalization. The Administration opposes the \$108 million reduction in the bill to the VC-25B Presidential Aircraft Recapitalization program. VC-25B is replacing the fleet of Air Force One aircraft, which faces capability gaps, rising maintenance costs, and parts obsolescence as it ages beyond 30 years. This 25 percent reduction to the program risks delays and cost increases for the VC-25B, as well as risks and costs to the Presidential air transport mission by extending use of the aging VC-25A.

Domestic Sourcing Restrictions. The Administration is committed to strengthening domestic manufacturing and supporting the Nation's industrial base by buying American goods and services. However, the Administration is concerned with language in sections 8093 and 8094 of the bill, which may be inconsistent with commitments under Reciprocal Defense Procurement (RDP) Agreements, and other provisions of law. Sections 8093 and 8094 would prohibit the use of funds for the acquisition of certain components under shipbuilding contracts unless those components are manufactured in the United States. This restriction could lead to operational challenges if components cannot be procured from domestic manufacturers, as the section in its current form does not allow for waivers or exceptions in the event of domestic nonavailability. The Department recommends modifying the language to enable the use of funds for components manufactured by or in ally or partner nations, consistent with RDP Agreements and other international commitments already in place with partner nations.

Executive Prohibition of DOD Reproductive Rights Policy. The Administration strongly opposes section 8150 of the bill, which would prohibit the Department from spending funds to support access to non-covered reproductive healthcare. Access to reproductive healthcare is critical to all Americans, including Service members and their families, and the Department's ability to recruit, retain, and maintain the readiness of a highly qualified force, of which nearly 20 percent are women. The Secretary of Defense's October 20, 2022 memorandum, Ensuring Access to Reproductive Health Care, and attendant policies were drafted and approved pursuant to a thoughtful and deliberate approach and are in full accordance with the law. Prohibiting the use of appropriated funds to implement these policies, as contemplated in section 8150, would, in effect, infringe on the Secretary of Defense's lawful authorities to promote a resilient military and lethal, ready force.

Gender Affirming Care. The Administration strongly opposes any provision that would inhibit DOD's ability to treat all persons equally under the law, no matter their gender identity or sexual orientation. The Administration strongly opposes section 8153, as it contradicts Executive Order (EO) 14004, "Enabling All Qualified Americans to Serve

Their Country in Uniform,” and EO 13988, “Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation,” which expands the discrimination protections previously offered solely on the basis of sex into the categories of gender identity and sexual orientation. By prohibiting the use of appropriated funds, DOD would be contravening clinical practice guidelines and clinical recommendations from peer-reviewed national and international professional societies, and be in direct violation of EO 13988 since the prohibition would be discriminatory on the basis of gender identity. DOD cannot treat certain beneficiaries differently than others receiving medically necessary care for comparable medical conditions.

Exceptional Family Member Program and Gender Transition. The Administration opposes section 8144 of the bill because it conflates the Exceptional Family Member Program (EFMP) with healthcare. EFMP identifies and enrolls families with special needs into the program, provides family support related to installation information and tools, and coordinates Service member assignments to ensure the special medical and educational needs of families are considered. EFMP does not provide healthcare, including the care identified in section 8144. This provision, if enacted, would be perceived by military families as discriminatory against a singular group; this would be exacerbated by the incorrect assumptions in the language that EFMP plays a decision-making role in the aforementioned services.

DOD’s Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan and EOs 13985, 14035, and 14091. The Administration strongly opposes section 8155 of the bill, which prohibits funds from being used for DOD’s DEIA Strategic Plan, Equity Action Plan, and EOs 13985, 14035, and 14091. Numerous administrations—both Republican and Democratic—have supported DEIA and equity-related programs over decades. Each iteration of DOD’s DEIA Strategic Plan and Equity Action Plan is intended to impact the total force by: 1) addressing identified barriers that prevent Service members, military families, and civilian employees from reaching their full potential; 2) identifying areas of talent improvement across the enterprise, including gender diversity, equity, and inclusion ; and 4) aligning efforts with the Department’s overarching mission by enabling the DOD workforce to deter war and ensure the Nation’s security. The U.S. Military is the best fighting force in the world and it is one of the most diverse fighting forces in the world. Efforts to undermine DOD’s inclusion policies would undermine its efforts to foster a stronger and more resilient fighting force. The information collected from these efforts helps the Department develop standards and programs consistent with best practices in the public and private sector to promote cohesive teams and provide all Service members and DOD civilian employees with the opportunity to succeed in full support of the DOD mission.

Chief Diversity Officer (CDIO), Inspector General for DEIA, and Senior Advisors for Diversity and Inclusion. The Administration strongly opposes section 8158 of the bill, which bans the use of funds for the CDIO, Inspector General for DEIA, and Senior Advisors for Diversity and Inclusion. Eliminating the DOD CDIO position would set DOD apart from other Federal agencies and leading private sector firms that have established a similar position to underline the importance of both leveraging the principles of diversity and inclusion to positively impact recruiting, hiring, advancement, and retention practices; and cultivating healthy workplace climates that are free from harassment and discrimination, where all individuals have equal opportunity to succeed, and that foster mission success across the enterprise. The Department is falling behind

industry peers with employee satisfaction of diversity and inclusion efforts. In addition, DEIA is highly valued by a new generation of workers. The elimination of the DOD CDIO contradicts the longstanding efforts of multiple administrations. Senior Diversity Officers and Advisors help leaders build strategies that better leverage the potential of all members of the DOD workforce to ensure that the most capable and skilled personnel have the equal opportunity to develop into the leaders needed to accomplish DOD missions. High-level strategy, plans, and policy must be leveraged to connect efforts directly to the mission and operational outcomes. Without guidance and direction from senior leaders, DEIA work would not be streamlined or supported by accountability structures needed to ensure its effectiveness and success. In addition, the DOD Inspector General for DEIA is required for the proper oversight, maintenance, and governance of DOD DEIA activities. Eliminating this oversight would inevitably harm the U.S. military by decreasing the effectiveness of programs designed to increase unit cohesion and moral, promote good order and discipline, and ensure that harassment and discrimination are not tolerated within the Department.

Constitutional Concerns

Certain provisions of the draft bill raise separation of powers and other constitutional concerns, including by conditioning the Executive's authority to take certain actions on receiving the approval of the House and Senate Committees on Appropriations. As the FY 2025 appropriations process moves forward, the Administration looks forward to working with the Congress to address these and other concerns.

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