



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

May 17, 2016  
(House Rules)

**STATEMENT OF ADMINISTRATION POLICY**  
**H.R. 4974 – Military Construction and Veterans Affairs, and Related Agencies**  
**Appropriations Act, 2017**  
(Rep. Rogers, R-KY)

This Statement of Administration Policy provides views on H.R. 4974, making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year (FY) ending September 30, 2017, and for other purposes.

The Administration welcomes the bill's investments in military infrastructure, housing, and services for men and women in our Armed Forces and their families. In addition, the Administration appreciates the Committee's commitment to fund the benefits and services our veterans have earned, and provide the requested advanced appropriations. However, the bill does not fully fund the FY 2017 Budget request for the Department of Veterans Affairs (VA), and includes objectionable restrictions on performance awards for VA Senior Executive Service civil servants. In addition, the Administration strongly objects to the bill's unwarranted restrictions on the use of funds to construct, renovate, or expand any facility in the United States to house individuals held in the detention facility at Guantanamo Bay, as these restrictions further impede the Executive Branch's efforts to responsibly close the facility.

In October 2015, the President worked with congressional leaders from both parties to secure the Bipartisan Budget Act of 2015 (BBA), which partially reversed harmful sequestration cuts slated for FY 2017. By providing fully-paid-for equal dollar increases for defense and non-defense spending, the BBA allows for investments in FY 2017 that create jobs, support middle-class families, contribute to long-term growth, and safeguard national security. The Administration looks forward to working with the Congress to enact appropriations that are consistent with that agreement, and fully support economic growth, opportunity, and our national security priorities. However, the Administration strongly objects to the inclusion of problematic ideological provisions that are beyond the scope of funding legislation. If the final bill that is presented to the President includes such provisions, the President's senior advisors would recommend that he veto the bill.

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

*Military Construction.* The Administration appreciates the Committee's support for the Department of Defense's military construction and family housing requirements.

*Detainee Matters.* The Administration strongly objects to section 512 of the bill, which prohibits the use of funds to construct, renovate, or expand any facility in the United States to house individuals held in the detention facility at Guantanamo Bay. This provision would constrain the flexibility that the Executive Branch needs to determine the appropriate disposition of detainees,

based on the facts and circumstances of each case and our national security interests. The Administration also objects to section 136 of the bill, which prohibits the use of funds to carry out realignment of the U.S. Naval Station, Guantanamo Bay. While this provision is intended to preserve U.S. control of the U.S. Naval Station, it may restrict the Administration's ability to relocate the functions and civilian personnel positions in support of the detainee mission.

*Veterans Affairs Funding.* The Administration objects to the \$1.5 billion reduction from the FY 2017 Budget request for VA, including a decrease of \$1.2 billion from the request for Medical Care. This reduction would negatively impact veterans' access to medical care and reduce VA's ability to maintain medical facility infrastructure and activate new and replacement facilities with sufficient staff and equipment. In addition, the bill does not include the request for general transfer authority, which would provide VA needed funding flexibility to address high priority needs.

*Veterans Affairs Senior Executive Service (SES) Performance Award Restrictions.* The Administration objects to section 237 of the bill, which would prohibit performance awards for VA SES civil servants. This provision would decrease morale among VA's workforce, disadvantage high-performing SES employees, and could prevent VA from attracting and retaining top talent committed to serving veterans.

*Digital Accountability and Transparency Act of 2014 (DATA Act).* The Administration appreciates that the Committee fully funded the FY 2017 Budget request for VA to implement the DATA Act. This funding supports efforts to provide more transparent Federal spending data, such as updating information technology systems, changing business processes, and linking financial and Federal award data with the Award ID.

*U.S. Digital Service Team.* The Administration appreciates that the Committee fully funded the FY 2017 Budget request for VA to develop a U.S. Digital Service team. This funding supports efforts to improve digital services that have the greatest impact on citizens and businesses.

### Constitutional Concerns

Additional provisions in the bill raise constitutional concerns. For instance, section 113 of the bill may interfere with the President's authority as Commander-in-Chief, and sections 201, 202, 219, 225, 229, 230, 231, and language in title II under the headings "Information Technology Systems" and "Construction, Major Projects" raise separation of powers concerns.

The Administration looks forward to working with the Congress as the FY 2017 appropriations process moves forward.

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