



July 12, 2016

Dear Conferee,

On behalf of the millions of members our organizations represent, we urge you to reject an arbitrary deadline for spending the Overseas Contingency Operations (OCO) account funding in the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017.

H.R. 4909, the House of Representatives version of the NDAA, sets April 30, 2017 as the deadline for using OCO funds authorized in the bill. Coupled with the debt limit expiration March 15, this deadline for spending those dollars sets up an unnecessary budget crisis for the next president. This provision clearly is intended to be used as a cudgel to abandon fiscal discipline.

If all FY17 OCO funds are spent little more than half-way through the fiscal year, an emergency supplemental appropriation would be required to continue funding OCO. Like OCO, emergency supplementals are not subject to the caps imposed by the Budget Control Act (BCA) of 2011. In addition, the funding parity model established in the BCA makes it likely that overall spending would be increased in a fiscally irresponsible manner, abandoning all pretense of budgetary discipline. The deadline would also hinder the Pentagon's ability to allocate funds appropriately to support our war efforts. Instead, the deadline requires the military services to "use it or lose it."

As you know, OCO funds are generally intended to be spent in the fiscal year for which they are appropriated. Considering the final FY17 authorization and appropriations bills will likely not be enacted until late 2016, this provision would force the Pentagon to set spend rates that are potentially not executable, particularly in personnel spending.

OCO is already a budget gimmick that has created a slush fund for increased spending. This deadline provision raises the budgetary stakes and could lead to increased across-the-board spending. This is not smart fiscal policy, and we urge all conferees to reject this arbitrary deadline.

Sincerely,

Americans for Prosperity

Americans for Tax Reform

Campaign for Liberty

Center for Freedom and Prosperity

Coalition to Reduce Spending

Concerned Veterans for America

Council for Citizens Against Government
Waste

DownsizeDC.org

Free the People

FreedomWorks

Frontiers of Freedom

Less Government

London Center for Policy Research

National Taxpayers Union

R Street

Taxpayers for Common Sense

Taxpayers Protection Alliance

Tea Party Nation