

Overall Summary: FY17 Omnibus

The omnibus bill provides \$593 billion, an increase of \$19.9 billion over the fiscal year 2016 enacted level and \$16.3 billion more than the Obama Administration's request. This includes \$516.1 billion in base discretionary funding, \$2B over FY2016, and \$76.6B Overseas Contingency Operations (OCO) funding. It includes \$14.8 billion in new funding requested by the Trump Administration. With the \$5.8 billion in supplemental funding enacted in the Continuing Resolution that passed in December, the total Defense funding for fiscal year 2017 is \$598.5 billion, an increase of \$25.7 billion over fiscal year 2016 and \$22.1B more than the original request (figure does not include non-DOD defense spending like the nuclear programs in DOE). Of that, according to the Congressional summary, \$7.3B of that is devoted to readiness shortfalls. The bill must pass both houses of Congress before Friday and is on track to do so. Includes a 2.1% across the board raise.

- From *USNI News*: In all, the Navy and Marine Corps received \$16.1 billion for aircraft compared to their requested \$14.1 billion, or two billion more; \$21.2 billion for ships compared to the requested \$18.4 billion, or \$2.8 billion more than requested; \$3.27 billion for weapons compared to the requested \$3.21 billion, or \$58 million more; \$634 million for ammunition compared to the requested \$664 million, or \$30 million less than requested; and \$1.31 billion for Marine Corps-specific gear – ground vehicles and communications gear, for example – compared to the \$1.36 billion request, or \$55 million less than requested.

Navy

- Navy received \$48.8B for procurement (vice \$44B request)
- Navy receives a \$21.2-billion shipbuilding account (SCN Budget), well above the recent average and matching the Navy League's recommended funding level for FY17. This bill procures 13 ships (three more than the original request; the third destroyer, third LCS, and LPD-29 were added by Congress):
 - 3 DDG-51 Arleigh Burke-class guided missile destroyers
 - 3 Littoral Combat Ships
 - 2 Virginia-class attack submarines
 - 1 LHA-8 amphibious assault ship (LHA-8)
 - 1 San Antonio-class amphibious transport dock (LPD-29)
 - 2 ship-to-shore connectors
 - 1 moored training ship
- Includes \$150M for joint Navy-Coast Guard program to set requirements and acquisition strategy for the USCG heavy polar icebreaker. The icebreaker will be procured in 2019, this funding is for advance procurement of long lead time materials.
- Navy receives \$16.1-billion in aircraft procurement.

- 12 additional F/A-18E-F Super Hornets (14 already in request)
- Adds two F-35C Joint Strike Fighters
- 11 P-8A Poseidons
- Readiness:
 - Adds \$5.3M for H-1 helicopter readiness
 - Adds \$1.2M for MV-22 readiness
 - Adds \$6.8M for KC-130J readiness
 - Adds \$14.5 million in ship depot maintenance funds
 - Adds \$2.5 million in additional ship depot operations support funding
- RDTE:
 - Adds \$20M for power projection applied research
 - Adds \$17M for Future Naval Capabilities Advanced Technology Development
 - Adds \$20M to research aircraft carrier construction cost reduction initiatives
- \$1.22M for Naval Sea Cadet Corps

USMC

- Increases USMC end strength by 1K to a total of 185,000 active duty Marines
- Adds two F-35B Joint Strike Fighters
- Adds two V-22s
- Additional LHA and LPD as mentioned above
- Increases in some aircraft procurement line items to boost H-1 and CH-53E readiness.
- Senate Appropriations Committee bill summary: “includes a total of \$205.5 million to increase spare parts purchases to help raise aviation readiness” even though overall Operations & Maintenance funding for Navy and USMC is down vice request. Spares are added in the Aircraft Procurement account.
- RDTE: \$20 million increase for Marine Corps landing force technology, \$19 million to accelerate research and development for the LX(R) amphibious dock landing ship replacement design.

Coast Guard

- \$10.5B for the Coast Guard total
 - An increase of \$344M over the budget request and \$467.3 below the FY2016 level.
 - Includes 1.6% military pay raise
- \$7.1B in **operating expenses**, including \$4.5M to increase the staffing of USCG Cyber Command and to establish a Cyber Protection Team, \$5M for the National Coast Guard Museum, \$4.8M for procurement of small response boats.

- Operating Expenses is \$18.1M over FY2016, \$92.8M over the budget request
- **ACI Account** increased by \$233M for a total of \$1.37B, still far below the \$2B/year they need.
 - Increases funding for Aircraft, including \$111.8M for HC-130J acquisition/conversion/sustainment vice a \$2.8M request (adds a fully-missionized HC-130J aircraft), and nearly doubles the request for HH-65 conversion/sustainment projects.
 - Moves \$ for polar icebreaker request to Navy dollars, but still includes \$25M of USCG money for the project for a total of \$55M in USCG money for FY17.
 - Reduces OPC funds by \$25M; only explanation is looking to OMB to reduce bureaucratic restrictions to reduce waste.
 - Includes funding for 10th NSC
 - Funds the procurement of 6 FRCs
 - Increases funds for in-service vessel sustainment by \$15M
 - Increases shore facilities and aids to navigation funds by \$48M
 - Puts forward funds for initial survey and design work for Great Lakes icebreaking capacity and the inland river tender fleet.

Merchant Marine

- The legislation includes \$523M for the Maritime Administration, \$123M above FY2016.
- The Maritime Security Program is funded at the full authorized level of \$300 million, matching the authorized—and Navy League recommended--amount.
- NSMMV is funded at \$6M
- \$10M for small shipyard grants, over a \$0 budget request and \$5M over FY2016 levels.
- \$3M for the Title XI Maritime Guaranteed Program for administrative purposes. This is slightly below the FY2016 enacted and matches the original President's Budget request.
- \$34M for disposal of obsolete vessels of the National Defense Reserve fleet, an increase over FY2016 enacted and the FY2017 request.
- Funds Food for Peace at \$1.466B, with a one-time \$134 million increase for famine crises, and \$202 million for McGovern-Dole Program for the remainder of FY 2017. Appropriations staff have confirmed there will be a one-time \$300 million additional plus-up of Food for Peace from the Overseas Contingency Operations account, for a total of \$1.9 billion, which is a substantial increase from last year's \$1.7 billion and a notable rejection of the cuts proposed by the Administration.
- Official summary from Chairman Rodney Frelinghuysen has encouraging language linking Food for Peace to the "Buy American, Hire American" goal of the Administration.

Reports and texts can be found here: <https://rules.house.gov/bill/115/hr-244> (Division C: DOD, Division F: Homeland Security, Division K: Transportation) and links to official Congressional summaries can be found here: <http://appropriations.house.gov/news/documentsingle.aspx?DocumentID=394859>