



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
November 14, 2005

THE DIRECTOR

The Honorable Jerry Lewis  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on H.R. 2863, the FY 2006 Department of Defense (DOD) Appropriations Bill, as passed by the House and the Senate. The Administration appreciates the opportunity to present its views as the conference version of the bill is developed.

The Administration appreciates the continued support from the House and Senate for our national defense and Global War on Terror priorities. The Administration is committed to working with Congress to ensure the overall FY 2006 discretionary spending limit is not breached; that the Department of Defense is adequately funded; and that non-security-related spending is reduced below last year's level.

The Administration is concerned that the Conference allocation reduces the President's request by \$4.5 billion. This cut could either result in deterioration of our force readiness or may require base DOD needs to be inappropriately funded through future supplemental requests. Base funding requirements should not be shifted to supplemental bills as a way to increase non-security-related discretionary spending.

The Administration looks forward to working with Congress to ensure that there is no interruption of resources for the Global War on Terror in FY 2006, and that the bridge fund provided in this bill is allocated in the most effective way to meet the needs of the commanders in the field. In particular, the Administration appreciates the Senate's provision of \$8.6 billion in additional procurement for urgent Army and Marine Corps force protection needs and for rapidly implementing the Army's Modularity program. The Administration urges the conferees to approve the full \$4 billion in General Transfer Authority requested by the President. This higher amount is essential for the Department to address its most pressing requirements during this time of war. The Administration also urges inclusion of sufficient funding to enable the Department to continue its efforts to defeat improvised explosive devices.

#### Military Personnel Accounts

The Administration appreciates the inclusion of funding to support a military pay raise of 3.1 percent in both the House and Senate versions of the bill. The Administration opposes the Senate reduction to the base military personnel accounts by more than \$2.5 billion. A reduction of this magnitude would lead to a shortfall in military personnel accounts. In addition, the Administration opposes a provision in the Senate-passed bill that would provide full civilian pay to Federal-employee military reservists and result in activated reservists earning more than other active-duty personnel of the same rank, based solely on their civilian jobs. This provision would increase costs and have a negative impact on morale and unit cohesion.