

FY 2018 Continuing Resolution (CR) Appropriations Issues (anomalies required for a CR through March)

Defense

| | |
|--|---|
| Department of Defense, New Starts and Production Rate Increases..... | 2 |
| Department of Defense, Shipbuilding..... | 2 |

Energy and Water Development, and Related Agencies

| | |
|--|---|
| Department of Energy, Weapons Activities Section 301(d) Waiver..... | 3 |
| Department of Energy, Southeastern Power Administration Program Direction..... | 3 |

Financial Services and General Government

| | |
|--|---|
| Department of the Treasury, Tax Reform Implementation..... | 4 |
| Small Business Administration, Disaster Loan Program..... | 4 |

Military Construction, Veterans Affairs and Related Agencies

| | |
|---|---|
| Department of Defense, Military Construction New Starts..... | 5 |
| Department of Veterans Affairs, National Cemetery Projects..... | 5 |

Notes: This package assumes that all of the anomalies included in the first CR through December 8th (Public Law 115-56), those enacted in Public Law 115-96 (through January 19th), those enacted in Public Law 115-120 (through February 8th), and those enacted in any subsequent 2018 CR prior to this submission will be retained, unless a stand-alone authorization was enacted subsequently that replaced the need for such an anomaly.

Drafted anomalies are assumed to be added as an amendment to Public Law 115-56, as amended. The language cites section 101 and 106 and assumes that section 101 refers to the "authority and conditions" section and that section 106 refers to the amended expiration date of the CR.

Defense

New Starts and Production Rate Increases

Sec. ____ . Notwithstanding sections 102 and 104, amounts made available and authority granted pursuant to section 101 for the Department of Defense may not be used for the initiation of new projects or the production of items not funded for production in fiscal year 2017 or prior years, or for the increase in production rates above those sustained with fiscal year 2017 funds, unless such requirements or increased production rates are provided for within amounts in the lowest of—

(a) the President's budget estimate for fiscal year 2018;

(b) the Department of Defense Appropriations Act, 2018, H.R. 3354, division I, as placed on the Senate Calendar on September 27, 2017;

(c) as of the date of enactment of this section, the most recent version of the Department of Defense Appropriations Act, 2018, as passed by the Senate, Senate Appropriations Committee, or Senate Appropriations Subcommittee on Defense; or

(d) the draft Senate Department of Defense Appropriations Act, 2018, as released on November 21, 2017.

Language is needed to authorize the Department of Defense (DOD) to undertake production increases and new start projects, programs, and activities during the period of the CR. This language would allow for new starts or increases in production rates that are provided within amounts contained in the President's FY 2018 Budget, by H.R. 3354 (115th Congress), or by the draft Senate Defense Appropriations Act, whichever is lowest. Without this anomaly, DOD would face delays in production, development, and fielding, significant increases in cost, diminished operational capability, and reduced private sector employment.

Shipbuilding

Sec. ____ . Notwithstanding sections 102 and 104, upon enactment of this Act, the Secretary of the Navy shall transfer the amount provided by section 101 under the heading "Shipbuilding and Conversion, Navy—Completion of Prior Year Shipbuilding Programs" to the following appropriations in the amount specified: Provided further, That the amount transferred shall be merged with and available for the same purposes as the appropriation to which transferred:

(a) Under the heading "Shipbuilding and Conversion, Navy", 2008/2018: Carrier Replacement Program \$20,000,000;

(b) Under the heading "Shipbuilding and Conversion, Navy", 2011/2018: LHA Replacement \$14,200,000;

(c) Under the heading "Shipbuilding and Conversion, Navy", 2012/2018: DDG-51 Destroyer \$19,436,000;

(d) Under the heading "Shipbuilding and Conversion, Navy", 2012/2018: Littoral Combat Ship \$6,394,000;

(e) Under the heading "Shipbuilding and Conversion, Navy", 2013/2018: DDG-51 Destroyer \$31,941,000;

(f) Under the heading "Shipbuilding and Conversion, Navy", 2014/2018: Littoral Combat Ship \$20,471,000; and

(g) Under the heading "Shipbuilding and Conversion, Navy", 2015/2018: LCAC \$5,100,000.

Language is needed to authorize funding in the Department of Defense, Shipbuilding and Conversion, Navy account for prior-year cost increases for shipbuilding programs such as the Carrier Replacement Program, LHA Replacement, DDG-51 Destroyer, Littoral Combat Ship, and the Landing Craft, Air Cushion (LCAC) . Without this anomaly, beginning in the second quarter of FY 2018, the funding shortfall could result in ship construction slowing or stopping, delivery slippage, and incurrence of additional costs.

Energy and Water Development, and Related Agencies

Weapons Activities Section 301(d) Waiver

Sec. ____ . Notwithstanding section 101, section 301(d) of division D of Public Law 115-31 shall not apply to amounts made available by this Act for "Department of Energy—Atomic Energy Defense Activities—National Nuclear Security Administration—Weapons Activities": Provided, That the Secretary of Energy shall notify the Committees on Appropriations of the House of Representatives and the Senate not later than 15 days after funds made available by this Act are allotted to a Department of Energy program, project, or activity at a rate for operations that differs from that provided in division D of Public Law 115-31 by more than \$5,000,000 or 10 percent.

Language is needed to waive the restrictions included in division D, section 301(d) of Public Law 115-31, so that the Department of Energy may reallocate funding needed during the period of the CR for Weapons Activities (WA). Attaining relief from section 301(d) would provide the Department the versatility to manage their WA programs, projects and the required resources in an efficient and effective manner. Without this anomaly, critical national security programs including the W80-4 Life Extension Program, the W88 Alteration 370 program, and the Chemical and Metallurgy Research Replacement project could risk significant delays.

Southeastern Power Administration Program Direction

Sec. ____ . Notwithstanding section 101, the matter preceding the first proviso and the first proviso under the heading "Power Marketing Administrations—Operation and Maintenance, Southeastern Power Administration" in division D of Public Law 115-31 shall be applied by substituting "\$6,379,000" for "\$1,000,000" each place it appears.

Language is needed to provide the Southeastern Power Administration with an additional rate for operations of \$5.4 million, including the authority to collect and spend fees for program direction at this higher rate during the period of the CR. In FY 2017, the Southeastern Power Administration requested a one-time lower appropriation and used prior year balances to maintain services. However, these prior year balances will be exhausted on March 15, 2018, and without an anomaly, Southeastern Power Administration will not have sufficient funding to continue mission operations.

Financial Services and General Government

Tax Reform Implementation

Sec. . In addition to amounts provided by section 101, amounts are provided for "Department of Treasury—Internal Revenue Service—Operations Support" at a rate for operations of \$90,000,000 for an additional amount for information technology costs associated with tax reform implementation; and such amounts may be apportioned up to the rate for operations necessary to carry out information technology activities associated with tax reform implementation.

Language is needed to provide the Internal Revenue Service at the Department of the Treasury an additional \$90 million during the period of the CR for information technology (IT) costs related to the implementation of the recently-enacted tax reform legislation. With hundreds of provisions intended to provide relief to American families and make America's businesses more competitive, the new law will require extensive administrative work in FY 2018. Treasury estimates that implementation of this legislation will cost \$397 million, including \$291 million for FY 2018 IT costs in the Operations Support account. This additional funding would cover the initial cost of information technology systems development, including program management, program integration, business scenarios and impact analysis, architecture development, and domain support.

Disaster Loan Program

Sec. . For an additional amount for the "Small Business Administration—Disaster Loans Program Account" for the cost of direct loans authorized by section 7(b) of the Small Business Act, \$225,000,000, to remain available until expended: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the amount designated under this heading as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates such amount and transmits such designation to the Congress.

Language is needed to provide an additional \$225 million for subsidy costs, designated as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the Small Business Administration's (SBA) disaster loan program. This language is only needed if the next disaster supplemental is not enacted prior to or concurrent with the next CR. SBA estimates its current disaster loan funding will be exhausted around the end of the current CR period. Without this anomaly or an enacted disaster supplemental, the disaster loan program will temporarily shut down

operations, delaying assistance to homeowners, renters, and businesses trying to recover from the hurricanes. The Administration's second supplemental proposal included \$1.652 billion to allow SBA to provide continued disaster assistance to areas affected by all three hurricanes.

Military Construction, Veterans Affairs and Related Agencies

Military Construction New Starts

Sec. ____ . Notwithstanding any other provision of law, funds made available by this joint resolution for military construction, land acquisition, and family housing projects and activities may be obligated and expended to carry out planning and design and military construction and family housing projects authorized by law: Provided, That funds and authority provided by this section may be used notwithstanding sections 102 and 104: Provided further, That such funds may be used only for projects for which funds are provided in both the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018—

(a) H.R. 2998, as reported to the House on June 22, 2017; and

(b) S. 1557, as reported to the Senate on July 13, 2017.

Language is needed to provide new start authority for the Department of Defense (DOD) to begin military construction projects that are authorized by law and for which funds are provided in both the House and Senate Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2018. Without this anomaly DOD would be unable to use any of the funds appropriated under the CR for new projects, and would face increased costs, delays in schedule, diminished readiness, and reduced private sector employment.

National Cemetery Projects

Sec. ____ . (a) Amounts made available by section 101 for "Department of Veterans Affairs—Departmental Administration—Construction, Major Projects" shall also be available for National Cemetery Projects identified in the Fiscal Year 2018 President's Budget, and such amounts may be apportioned up to the rate for operations needed for necessary expenses of such National Cemetery Projects.

(b) Amounts made available by section 101 for "Department of Veterans Affairs—Departmental Administration—Construction, Minor Projects" shall also be available for new National Cemetery gravesite expansion projects at existing cemeteries, and such amounts may be apportioned up to the rate for operations needed for necessary expenses of such National Cemetery gravesite expansion projects.

Because of requirements in authorizing legislation, language is needed to authorize the Department of Veterans Affairs to obligate funding provided by the CR to the Construction, Major Projects account for National Cemetery Projects identified in the FY 2018 Budget and to the Construction, Minor Projects account for new National Cemetery gravesite expansion projects at existing cemeteries. In addition, language is needed to authorize the Department of Veterans Affairs to obligate funding in both accounts at a rate for operations

necessary to finance these projects. Without this anomaly, there will be delays in awarding contracts for cemetery expansions and risk of delayed burials.