



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

10/17/2017

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

As you negotiate the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, I want to highlight my concerns. Left unaddressed, these items impact my priorities of restoring military readiness while building a more lethal force, strengthening alliances, and bringing business reforms to the Department of Defense (DoD).

The defense caps mandated in the Budget Control Act (BCA) are my primary concern. As I have testified before your committee, no enemy in the field has done more to harm the warfighting readiness of our military than sequestration. Current caps continue to unnecessarily defer critical maintenance, limit aviation availability, delay modernization, and strain our men and women in uniform. Your continued strong leadership is needed to reverse these challenges.

I am troubled by the conventional approach applied to an unconventional problem in Senate Section 1621 dealing with military cyber organization and capabilities. The nature of cyber-attacks is ever evolving, and we need to maintain our ability to take decisive action against this increasingly dangerous threat. Section 1621(f) is particularly concerning as it would require the U.S. to notify foreign governments before we take steps to defeat certain cyber threats. We request removal of this section during conference.

An additional Base Realignment and Closure (BRAC) round, in my view, remains a significant opportunity. We have studied shortcomings of previous rounds and are confident the savings generated by a new BRAC in 2021 would save \$2 billion or more annually. These resources are urgently needed to fund readiness and modernization priorities.

Your commitment to reform is exemplary, as seen in the FY16 and FY17 NDAA's. The implementation of the reforms from these last two years is still underway, and adding further reorganization to on-going restructuring efforts is more change than we can effectively undertake. Additionally, in some key areas we still lack critical personnel. In my opinion, the changes required by Senate Sections 901 and 902, related to the establishment of a Department of Defense Chief Management Officer and Chief Information Warfare Officer, are premature. I ask for your help in allowing the Department time to onboard senior leaders, implement previously mandated changes, and bring needed reforms to the Department.

The following are additional areas of concern:

- Space Corps: I oppose the creation of a new military service and additional organizational layers at a time when we are focused on reducing overhead and integrating joint warfighting functions.
- Military Health System: I oppose Senate and House language regarding Military Health System reform in order to allow time to implement reforms required by previous NDAAs.
- TRICARE: I support the inclusion of reasonable pharmacy co-pays and the removal of grandfathering provisions on certain fees, as these provisions are estimated to generate approximately \$6 billion in required savings over the Future Years Defense Plan (FYDP).
- Relocation of Marines to Guam: I support the inclusion of language allowing additional H-2B workers to supplement the Guam or Commonwealth of the Northern Mariana Islands workforce on military construction projects. I oppose the conveyance of non-excess Navy land in Guam necessary for ship repair, as it poses security concerns to nearby U.S. Navy vessels.
- Military Construction: I oppose non-waivable 10 percent cost increase caps on military construction projects, which will result in expensive delays and limit the Department's flexibility to meet emergent warfighter and operational requirements.

These are challenging times, when leadership is essential. I look forward to working with you to advance our shared priorities.





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The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Senator Reed:

As you negotiate the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018, I want to highlight my concerns. Left unaddressed, these items impact my priorities of restoring military readiness while building a more lethal force, strengthening alliances, and bringing business reforms to the Department of Defense (DoD).

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10/17/2017

The Honorable William M. "Mac" Thornberry
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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The Honorable Adam Smith
Ranking Member
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Representative Smith:

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A handwritten signature in black ink, appearing to read "John M. ...". The signature is cursive and somewhat stylized, with a long horizontal line extending from the end.