



May 12, 2014

Honorable Howard P. “Buck” McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has completed a preliminary estimate of the direct spending effects of H.R. 4435, the Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, as ordered reported by the House Committee on Armed Services on May 8, 2014. CBO’s complete cost estimate for H.R. 4435, including discretionary costs, will be provided shortly.

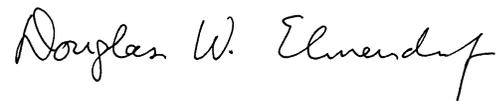
Based on legislative language for H.R. 4435, which was provided to CBO on May 9, 2014, CBO estimates that enacting this bill would decrease net direct spending by \$1 million in 2015, but increase such spending by \$1 million over the 2015-2024 period (see attached table). Because the bill would affect direct spending, pay-as-you-go procedures apply.

A provision to authorize special immigrant visas for certain Afghan allies would increase direct spending by \$70 million over that 10-year period. Those costs would be offset by a provision that would increase, by \$70 million, receipts from sales of material from the National Defense Stockpile. The bill also would require the Secretary of Defense to award the Purple Heart to certain service members who were killed or wounded in attacks in the United States that were motivated or inspired by foreign terrorist organizations. Enacting that provision would increase military retirement payments to some of those awardees by a total of about \$1 million over the 2015-2024 period.

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If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is David Newman.

Sincerely,

A handwritten signature in black ink that reads "Douglas W. Elmendorf". The signature is written in a cursive style with a large initial 'D' and 'E'.

Douglas W. Elmendorf
Director

Attachment

cc: Honorable Adam Smith
Ranking Member

PRELIMINARY ESTIMATE OF THE IMPACT OF H.R. 4435, THE HOWARD P. "BUCK" MCKEON NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2015, ON DIRECT SPENDING

	By Fiscal Year, in Millions of Dollars										2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024
Special Immigrant Visas for Afghan Allies												
Estimated Budget Authority	1	10	9	8	7	7	7	7	7	7	35	70
Estimated Outlays	1	10	9	8	7	7	7	7	7	7	35	70
National Defense Stockpile												
Estimated Budget Authority	-2	-40	-20	-8	0	0	0	0	0	0	-70	-70
Estimated Outlays	-2	-40	-20	-8	0	0	0	0	0	0	-70	-70
Purple Heart Awards												
Estimated Budget Authority	*	*	*	*	*	*	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	*	1
Total Changes in Direct Spending												
Estimated Budget Authority	-1	-30	-11	*	7	7	7	7	7	7	-35	1
Estimated Outlays	-1	-30	-11	*	7	7	7	7	7	7	-35	1

Note: * = less than \$500,000.