



December 4, 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 an estimate of the direct spending and revenue effects of H.R. 3979, the Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015, as posted on the website of the House Committee on Rules on December 2, 2014, as Amended by H. Res. 770, with a Subsequent Amendment.

CBO estimates that enacting this bill would have an insignificant effect on direct spending in 2015, and decrease such spending by \$1.9 billion over the 2015-2024 period (see attached table). In addition, enacting the bill would reduce revenues by an insignificant amount over that same period. Because the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO has not completed an estimate of the discretionary costs of implementing H.R. 3979. Estimates for earlier versions of the bill can be found on CBO's website.<sup>1</sup>

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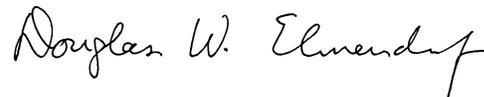
1. Congressional Budget Office, cost estimate for H.R. 4435, the Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015, as reported by the House Committee on Armed Services on May 13, 2014 (May 16, 2014) [www.cbo.gov/sites/default/files/hr4435.pdf](http://www.cbo.gov/sites/default/files/hr4435.pdf)

Congressional Budget Office, cost estimate for S. 2410, the Carl Levin National Defense Authorization Act for Fiscal Year 2015, as reported by the Senate Committee on Armed Services on June 2, 2014 (October 21, 2014) [www.cbo.gov/sites/default/files/cbofiles/attachments/s.2410.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/s.2410.pdf)

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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, flowing style.

Douglas W. Elmendorf  
Director

Attachment

cc: Honorable Adam Smith  
Ranking Member

Identical letter sent to the Honorable Carl Levin

# CBO Estimate of the Direct Spending Effects for H.R. 3979, the Carl Levin and Howard P. 'Buck' McKeon National Defense Authorization Act for Fiscal Year 2015, as posted on the Website of the House Committee on Rules on December 2, 2014, as Amended by H. Res. 770, with a Subsequent Amendment

By Fiscal Year, in Millions of Dollars

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015- 2019	2015- 2024
<b>Purple Heart Awards</b>												
Estimated Budget Authority	*	*	*	*	*	*	*	*	*	*	*	1
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	*	1
<b>Retired Pay for General and Flag Officers</b>												
Estimated Budget Authority	*	*	-1	-1	-2	-2	-3	-4	-5	-5	-4	-23
Estimated Outlays	*	*	-1	-1	-2	-2	-3	-4	-5	-5	-4	-23
<b>Payment by SBP to a Special Needs Trust</b>												
Estimated Budget Authority	5	10	15	16	15	16	17	17	19	20	61	150
Estimated Outlays	5	10	15	16	15	16	17	17	19	20	61	150
<b>Early Reserve Retirement</b>												
Estimated Budget Authority	*	*	1	1	2	3	3	4	6	7	4	27
Estimated Outlays	*	*	1	1	2	2	3	4	6	7	4	26
<b>TRICARE Pharmacy Benefit</b>												
Estimated Budget Authority	-84	-125	-131	-173	-242	-300	-372	-426	-326	-311	-755	-2,490
Estimated Outlays	-67	-113	-129	-166	-229	-289	-357	-416	-353	-317	-704	-2,436
<b>Inpatient Mental Health Coverage</b>												
Estimated Budget Authority	2	2	2	2	2	2	3	3	3	3	10	24
Estimated Outlays	2	2	2	2	2	2	3	3	3	3	10	24
<b>TRICARE Coverage for Emerging Products and Services</b>												
Estimated Budget Authority	0	5	5	10	10	15	15	15	15	15	30	105
Estimated Outlays	0	5	5	10	10	15	15	15	15	15	30	105
<b>Rehabilitation for Personnel with Severe Injuries or Illnesses</b>												
Estimated Budget Authority	1	1	*	-2	*	*	*	*	*	*	*	*
Estimated Outlays	1	1	*	-2	*	*	*	*	*	*	*	*
<b>Buy American Solar Panels</b>												
Estimated Budget Authority	*	*	*	*	*	*	*	*	*	*	1	2
Estimated Outlays	*	*	*	*	*	*	*	*	*	*	1	2
<b>Special Immigrant Visas for Afghan Allies</b>												
Estimated Budget Authority	12	39	36	32	31	28	28	29	28	27	150	290
Estimated Outlays	12	39	36	32	31	28	28	29	28	27	150	290
<b>Land Conveyance, Wainwright, Alaska</b>												
Estimated Budget Authority	-1	0	0	0	0	0	0	0	0	0	-1	-1
Estimated Outlays	-1	0	0	0	0	0	0	0	0	0	-1	-1
<b>Sealaska Land Entitlement Finalization</b>												
Estimated Budget Authority	0	0	*	*	*	*	*	1	1	1	*	3
Estimated Outlays	0	0	*	*	*	*	*	1	1	1	*	3

Continued

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By Fiscal Year, in Millions of Dollars

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015- 2019	2015- 2024
<b>Northern Nevada Land Conveyances</b>												
Estimated Budget Authority	-3	0	0	0	0	0	0	0	0	0	-3	-3
Estimated Outlays	-3	0	0	0	0	0	0	0	0	0	-3	-3
<b>Bureau of Land Management Permit Processing</b>												
Estimated Budget Authority	-1	8	3	-7	-7	-12	-12	-17	-17	-22	-4	-85
Estimated Outlays	-1	8	3	-7	-7	-12	-12	-17	-17	-22	-4	-85
<b>Cabin User and Transfer Fees</b>												
Estimated Budget Authority	6	2	-1	-1	-1	-1	-1	-1	-1	-1	5	-1
Estimated Outlays	6	2	-1	-1	-1	-1	-1	-1	-1	-1	5	-1
<b>National Historic Site Improvements</b>												
Estimated Budget Authority	3	0	0	0	0	0	0	0	0	0	3	3
Estimated Outlays	1	1	1	0	0	0	0	0	0	0	3	3
<b>Commemorative Coin for National Park Service</b>												
Estimated Budget Authority	0	-10	0	10	0	0	0	0	0	0	0	0
Estimated Outlays	0	-10	0	10	0	0	0	0	0	0	0	0
<b>Land Trust for Northern Cheyenne Tribe</b>												
Estimated Budget Authority	5	0	0	0	0	0	0	0	0	2	5	7
Estimated Outlays	5	0	0	0	0	0	0	0	0	2	5	7
<b>Groundfish Fishing Capacity Reduction Loan</b>												
Estimated Budget Authority	7	0	0	0	0	0	0	0	0	0	7	7
Estimated Outlays	7	0	0	0	0	0	0	0	0	0	7	7
<b>Payments In Lieu of Taxes</b>												
Budget Authority	33	37	0	0	0	0	0	0	0	0	70	70
Estimated Outlays	33	37	0	0	0	0	0	0	0	0	70	70
<b>Total Changes in Direct Spending</b>												
Estimated Budget Authority	-15	-31	-71	-113	-192	-251	-322	-379	-277	-264	-421	-1,914
Estimated Outlays	*	-18	-68	-106	-179	-241	-307	-369	-304	-270	-370	-1,861
<b>Memorandum:</b>												
<b>Changes in Direct Spending Except Title 30</b>												
Estimated Budget Authority	-64	-68	-73	-115	-184	-238	-309	-362	-260	-244	-503	-1,914
Estimated Outlays	-47	-56	-71	-108	-171	-228	-294	-352	-287	-250	-452	-1,861
<b>Changes in Direct Spending in Title 30</b>												
Estimated Budget Authority	49	37	2	2	-8	-13	-13	-17	-17	-20	82	*
Estimated Outlays	47	38	3	2	-8	-13	-13	-17	-17	-20	82	*

Notes: Numbers may not add up to totals because of rounding.

\* = between -\$500,000 and \$500,000.

SBP = Survivor Benefit Plan

In addition to the direct spending effects shown here, enacting H.R. 3979 would also decrease revenues by an insignificant amount.