May 14, 2018

Honorable Mac Thornberry
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 and revenue effects of H.R. 5515, the National Defense Authorization Act for Fiscal Year 2019, as ordered reported by the House Committee on Armed Services on May 10, 2018. This preliminary estimate is based on the Committee Print 115-70 of H.R. 5515 that was posted to the website of the House Committee on Rules on May 11, 2018. CBO's complete cost estimate for H.R. 5515, including discretionary costs, will be provided shortly.

Several provisions of the legislation would have insignificant effects (some positive; some negative) on direct spending. Those budgetary changes would result primarily from provisions that would:

- Authorize the Department of Defense to accept and spend contributions for specific purposes,

- Increase eligibility for military retirement, and

- Change the timing of small amounts of outlays from appropriations that are currently available.

On a preliminary basis, CBO estimates that enacting H.R. 5515 would affect net direct spending by less than $500,000 over the 2019-2028 period.

The bill also would increase certain civil and criminal fines and would impose sanctions on entities that engage in certain transactions with Russia. Those fines and penalties, which are classified as revenues, would total less than $500,000 over the next 10 years, CBO estimates. Because enacting the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

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

Sincerely,

Keith Hall
Director

cc: Honorable Adam Smith
        Ranking Member