

THIS WEEK IN WASHINGTON

Week of June 5, 2017



This Week in Washington

Thanks for your continued interest in Washington, D.C. and This Week in Washington. We're grateful.

Congressional recess periods like we had last week are a time to back away, get a little rest and get even more perspective. Most Congressional staffers as well as folks in the advocacy and political communities who remain in Washington after Congress adjourns take a collective deep breath – then begin to organize their thoughts and plan for the next Congressional work period.

We focus this week on trade and defense. [Larry Smith](#) brings us up to date on trade and NAFTA news, and Jake Ostenson reports on a briefing by the Bipartisan Policy Group which featured Secretary of Commerce Wilbur Ross; Jack Gerard, CEO of the American Petroleum Institute; and Charles Bowling Jr., Chairman of the Corn Board of the National Corn Growers Association. [Al Jackson](#) provides a thorough review of the President's budget proposal for defense. [Dana Marston](#) shares an early look at data behind NAFTA renegotiations, growth in the trade deficit, and a calendar of upcoming hearings and markups. [Steve Gordon](#) summarizes where we are on key legislative proposals and talks about prospects and distractions in Heard on the Hill.

We appreciate your comments and suggestions. We read all and all are appreciated.

Heard on the Hill

By [Steve Gordon](#), Managing Director, Total Spectrum

ICYMI: Arizona Issues in the News

[Sen. John McCain will question former FBI Director James Comey at hearing](#)

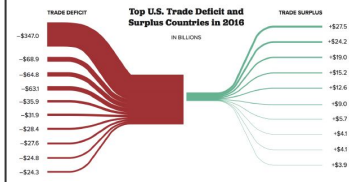
[UPS to bring 1,500 jobs to new facility near Loop 303 in Goodyear](#)

[Arizona Gov. Doug Ducey declares state of emergency over opioids](#)

[Arizona Joins Push for Rocky Point Cruise-Ship Port Funding](#)

Revisions to NAFTA

Click the image below for an update on the factors being weighed in looking at revisions to NAFTA.



noise. Some noise was designed to distract us from some of the news, and some of the noise was even meant to distract us from some of the noise. It's no wonder that we all needed time to organize our minds and refocus.

Our focus – from the beginning of this column – has been on the Administration's key legislative items that would impact members of the Arizona Chamber. Here's where we believe we are as we start June. [Read more.](#)

Defense Appropriations Update

By [Al Jackson](#), Principal at the Jackson Group and strategic consultant to Total Spectrum

According to the Trump Administration, the Fiscal-Year (FY) 2018 budget meets the goals set by Secretary of Defense Jim Mattis as it puts the department on track to “rebuild” the U.S. military. The FY 2018 budget request is the second in a three-step process to reinvigorate the military that has experienced budget cuts the last several years.

The first step was the \$30 billion supplemental appropriations request. The Consolidated Appropriations Act, 2017 (Public Law 115-31) included funding for approximately \$21 billion of the \$30 billion requested. The intent was to improve warfighter readiness in FY 2017. [Read more.](#)

Trade Update

By [Larry Smith](#), President Legislative Strategies Inc and Strategic Consultant to Total Spectrum

TPP

Vietnamese Prime Minister Nguyen Xuan Phuc visited Washington last week. He spoke to the U.S. Chamber of Commerce, met with President Trump at the White House, and had other meetings with U.S. officials including U.S. Trade Representative Lighthizer. What was notable was the absence of any talk about launching discussions about a bilateral trade agreement between Vietnam and the United States. Vietnam is one of five member TPP countries (Japan, Malaysia, New Zealand, and Brunei) that do not have existing bilateral agreements in place with the U.S.

At the meeting with President Trump, business trade deals between Vietnam and U.S. businesses were highlighted; highlighted in the range of \$8 billion with GE the prime winner with a \$5.5 billion contract for aircraft engines and maintenance. Given that the existing U.S. trade deficit with Vietnam is near of \$32 billion annually, these new contracts will help narrow the gap. The Prime Minister made it clear that Vietnam wants to purchase more U.S. made goods and services. Some trade observers believe this is more difficult to achieve without the TPP or a bilateral trade agreement with the U.S. [Read more.](#)

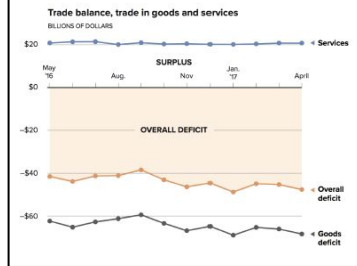
TRADE and NAFTA – Bipartisan Policy Institute Briefing

By Jake Ostenso, Total Spectrum

The Bipartisan Policy Institute is a non-profit organization that was founded by the late Senator Howard Baker (former

GROWS 5%

Click the image below for a look at the trade deficit's growth in April.



On the Calendar This Week (All Times ET)

Tuesday

9:30 a.m.

[Senate Armed Services hearing on the Air Force. Air Force Secretary Hether Wilson will testify.](#)

10 a.m.

[Senate Homeland Security hearing on the Department of Homeland Security's fiscal 2018 budget. DHS Secretary John Kelly will testify.](#)

10 a.m.

[Senate Appropriations Labor-HHS-Education Subcommittee hearing on the Education Department's fiscal 2018 budget. DeVos will testify.](#)

10 a.m.

[Senate Banking confirmation hearing on two nominations: Kevin Hassett to chair the Council of Economic Advisers and Pamela Patenaude to be deputy HUD secretary.](#)

2:30 p.m.

[Armed Services subcommittee hearing on the Marine Corps.](#)

Wednesday

10 a.m.

[House Homeland Security hearing on reauthorizing DHS and Trump's fiscal 2018 budget proposal.](#)

10 a.m.

[House Appropriations Labor-HHS-Education Subcommittee hearing on the Labor Department's fiscal 2018 budget. Labor Secretary Alexander Acosta will testify.](#)

10 a.m.

[Senate Commerce hearing on reauthorizing the Federal Aviation Administration. Transportation Secretary Elaine Chao will testify.](#)

10 a.m.

[Senate Finance confirmation hearing on three nominations: Eric Hagan to be deputy HHS secretary, David Malpass to be a Treasury under secretary and Bent McIntosh to be Treasury general counsel.](#)

(former Majority Leader), Senator Bob Dole (former Majority Leader), and Senator George Mitchell (former Majority Leader and recipient of the Presidential Medal of Freedom for negotiating peace in Ireland). The Institute works to suggest policy solutions that incorporate the best ideas of both parties.

On May 31st, the Bipartisan Policy Institute held a discussion about the upcoming NAFTA renegotiations and the effect that they might have on certain U.S. markets. The first part of the briefing featured Jack Gerard, Chief Executive Officer of the American Petroleum Institute and Charles Bowling Jr., Chairman of the Corn Board of the National Corn Growers Association. The second part was a discussion with Commerce Secretary Wilbur Ross.

Both Mr. Gerard and Mr. Bowling said that NAFTA has had an overwhelmingly positive effect on the industries that they represent.

Charles Bowling indicated that Mexico is the largest buyer of U.S. corn and that NAFTA allows Mexico to continue to be the largest buyer of U.S. corn. He mentioned multiple times that if NAFTA was no longer in place, countries such as Brazil and Argentina both would offer Mexico corn at a much lower price. Mr. Gerard also spoke about the success of the NAFTA agreement. He indicated that NAFTA has created not only a good deal of stability in the energy market, but also and significant interdependence between United States, Mexican, and Canadian energy markets, which has allowed Mexico and Canada to be more open to U.S. energy investments.

Mr. Gerard conceded that NAFTA could be strengthened. He mentioned that NAFTA was created before the tech boom, so a new agreement would need to include newer technologies, e-commerce, and look toward the future.

The second half of the event was an interview with Commerce Secretary Wilbur Ross. Secretary Ross stressed that the Trump Administration wants to renegotiate NAFTA rather than start from scratch, and said several times that the first rule of negotiating is "do no harm." Secretary Ross noted that NAFTA does not currently cover technology and financial services, and said that these and other topics that were not originally covered by NAFTA will be the easiest areas to negotiate with Canada and Mexico.

[confirmation hearing on three nominations: Brock Long to be FEMA administrator, Russel Vought for deputy Office of Management and Budget director and Neomi Rao as OMG's Office of Information and Regulatory Affairs administrator.](#)

10:30 a.m.

[Senate Appropriations Defense Subcommittee hearing on the Army's fiscal 2018 budget. Acting Army Secretary Robert Speer will testify.](#)

2:30 p.m.

[Senate Appropriations Transportation-HUD Subcommittee hearing on the Department of Housing and Urban Development's fiscal 2018 budget HUD Secretary Ben Carson will testify.](#)

Thursday

9:30 a.m.

[House Appropriations Interior-Environment Subcommittee hearing on the Interior Department's fiscal 2018 budget Interior Secretary Ryan Zinke will testify.](#)

9:30 a.m.

[Senate Armed Services hearing on the Navy. Acting Navy Secretary Sean Stacklev and Marine Corps Commandant Gen. Robert Nedler will testify.](#)

10 a.m.

[House Appropriations Transportation-HUD Subcommittee hearing on HUD's budget. Carson will testify.](#)

10 a.m.

[House Appropriations Agriculture-FDA Subcommittee hearing on the Commodity Futures Trading Commission's fiscal 2018 budget. Acting CFTC Chairman Christopher Giancarlo will testify.](#)

10 a.m.

[Senate Intelligence open hearing on Russia's efforts to meddle in the 2016 election. Former FBI Director James Comey will testify.](#)

10 a.m.

[Senate Finance hearing on Trump's fiscal 2018 budget proposal Health and Human Services Secretary Tom Price will testify.](#)

10 a.m.

[Senate Appropriations Commerce-Justice-Science Subcommittee hearing on the Commerce Department's fiscal 2018 budget. Commerce Secretary Wilbur Ross will testify.](#)

10 a.m.

[Senate Appropriations Labor-HHS-Education Subcommittee hearing on the Labor Department's fiscal 2018 budget. Acosta will testify.](#)

HHS Fiscal 2018 Budget. Price will testify.

Friday

8 a.m.

House Appropriations Homeland Security Subcommittee hearing on the fiscal 2018 budget for Immigration and Customs Enforcement and Customs and Border Protection. Acting ICE Director Thomas Homan and acting Border Patrol Chief Carla Provost will testify.

This e-newsletter is produced by Total Spectrum SGA for members of the Arizona Chamber of Commerce & Industry. The views expressed herein may include subjective commentary and analysis that are the views of the editors and authors alone and do not reflect the views of the Chamber or its members. Information in this e-newsletter is obtained from sources believed to be reliable, but that cannot be guaranteed as independently investigated or verified. Information in this e-newsletter is not an endorsement, advertisement, recommendation, or any type of advice, political, legal, financial, or otherwise. With questions about the content of this e-newsletter, please contact the Arizona Chamber.



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azchamber.com.

Trade Update, continued.

NAFTA

There is a lot of back-and-forth between the three parties as to when the NAFTA negotiations will begin, as well as a target date for its conclusion. The starting point is fairly simple. Under U.S. law, the earliest the U.S. can engage in the discussions is August 16th. What drew everyone's attention was a report out of Mexico that Economy Secretary Ildefonso Guajardo, when speaking to a business group, said he and Ambassador Lighthizer had agreed on a target date of December 15th for concluding the talks. The feeling was that this would give legislatures in both countries sufficient time to complete action on the treaty well in advance of Mexico's presidential election in July 2018. Once this word got out, USTR denied there was such an agreement on the December 15th date, but that the Trump Administration's "position continues to be that NAFTA negotiations should move expeditiously toward a conclusion."

So, what does the timetable really look like, given we have three countries at the table and each with their own domestic political issues that impact the process? The Canadian Press,

Heard on the Hill, continued.

Health Care

The House of Representatives passed a bill that a few Republicans liked, a few more Republicans disliked, and many Republicans voted for because they wanted to keep the process going – but nobody loved it. Then they punted health care to the Senate.

Several months ago we outlined the five points that get to the ultimate question of health care: how much coverage for how many people at what cost – and who is going to pay for it.

- Is the purchase of health insurance a privilege or a right? Did Obamacare already resolve this question?
- Should we continue to expand the purchase of health care throughout our society?
- How do we balance age groups in the exchanges?
- How do we keep the cost of insurance and deductibles down while covering as many people as possible?
- How should the federal government deal with Medicaid expansion states? and with those that did not expand Medicaid?

provided a helpful rundown of the various milestones affecting the process. Their take:

May: Countries consulting domestic actors as they prepare negotiating positions. Formal consultations well underway in Mexico and only beginning in the U.S.

June: Canada begins its formal consultations. The Canadian government will soon announce that it will invite submissions from Canadians as it prepares for the negotiations. Informal consultations with industry and labor groups have been happening for months. Minister Freeland must also deliver a memorandum to the cabinet and receive a mandate to lead Canada’s negotiating team.

June 27: The USTR holds a public hearing in Washington, where American stakeholders will share their ideas for the talks. The U.S. has a detailed consultation process that involves committees of the House and the Senate, and with American businesses.

July 17: Around this date the U.S. must publish a detailed summary of its objectives for these negotiations. Under U.S. law, the document must appear on a publicly available website and be regularly updated thereafter. August 16: Negotiations can begin any time after this date, which marks the end of the 90 day consultation period required by U.S. law. At that point, U.S. negotiators are finally allowed to sit with their foreign peers.

Fall 2017: Mexico’s presidential primaries begin, and it’s decision time for the man leading Mexico’s NAFTA negotiations. Foreign Minister Luis Videgaray will have to decide whether he intends to turn his focus to seeking the presidential nomination for his party, the ruling PRI.

Winter, 2018: The Mexican and U.S. governments have said they want negotiations wrapped up by the first quarter of 2018. Otherwise they risk affecting – and being affected by – Mexico’s presidential election. The current front-runner in the polls, Andres Manuel Lopez Obrador, is a left-wing, Trump bashing NAFTA critic. Numerous observers have called this an impossible deadline.

June 30, 2018: The current fast-track law expires. It could be extended for three years – as long as the president requests it, and if there is no resolution disavowing it from either the U. S. House or Senate. The law is considered a must for concluding any trade deal with the United States. Under this legislation, American lawmakers forgo their constitutional right to amend a treaty, and agree to pass or reject it with a simple majority vote.

bill, and another group of senators have formed a health care task force. There has indeed been some movement on how to reduce premiums, and there seems to be general agreement that there must be more generous tax subsidies than the House provided. The thorniest issues include when to roll back Medicaid expansion and how to handle Medicaid overall.

Majority Leader Mitch McConnell is forcing the Senate to deal with health care – up or down, one way or the other. The goal is to vote on a bill in the Senate by the end of June and conference with the House in July. But if the Senate is unable to come together on a health care bill, the Republican Senate leaders prefer to move on to tax reform than waste time on a dog that won’t hunt.

Budget/Appropriations

The next hurdle is in September, when they have to pass legislation to increase the debt limit. Minority Leader Nancy Pelosi said Monday that House Democrats wouldn’t vote to raise the debt limit if the tax bill is not revenue neutral. Watch for the very real possibility of a continuing resolution to keep Congressional funding at current levels.

Infrastructure

This coming week is the Trump Administration’s Infrastructure Week. The President yesterday rolled out his plan to put the air traffic control into a private, non-governmental entity – a plan that was largely drafted by Congressman Bill Shuster, Chairman of the House Transportation Committee. President Trump will also highlight this week infrastructure ideas on waterways and plans to help rural America. The Administration released a fact sheet last month, and additional information is expected on the Administration’s infrastructure plan has been promised. But it’s clear that the plan will ultimately lean heavily on public-private partnerships – which can work very well in the cities but do not work in rural America.

We’ll review the President’s plan and outline the potential for it next week in This Week.

Trade/ NAFTA

Larry Smith, Dana Marston, and Jake Ostenso each contributed information for This Week on trade and NAFTA. I attended last week’s Arizona Mexico Commission Summit, and will highlight key aspects of it next week.

Defense

Al Jackson has written an extensive article outlining the Administration’s defense budget. His next article will detail what’s possible from the House and the Senate.

election. After that, there's a five-month lame duck period as the incoming government waits to take office.

This timetable by the Canadian Press tells us several things. First, there is a real fear that NAFTA will become an explosive political issue in Mexico's presidential election just as it was in the U.S. presidential election. Second, the timetable is extremely tight given that talks cannot begin until mid-August. And third, the potential presidential aspirations of Mexico's lead negotiator could further complicate an already delicate situation among the three countries. If Foreign Minister Videgaray decides to run for the presidency, he cannot be perceived as being weak when negotiating with the United States, and to a lesser extent, Canada.

If you throw all of these political unknowns into a paper bag along with the competing domestic business interests from the three countries, shake it up and dump the contents out on a table, it's impossible to tell what kind of mess we will have. Welcome to the NAFTA negotiations for 2017 and possibly 2018.

reforming the excessive regulations in each department.

This Week's Distraction

Former FBI Director Jim Comey will testify before the Senate Intelligence Committee this Thursday. Both the media and the press are ballyhooing this public hearing – and it's sure to take all the oxygen out of Washington.

Republican Members of Congress are quietly concerned about the Administration. Only about 20% of the key jobs in the Administration that need Senate confirmation have been filled, and the White House has not taken a strong leadership role in developing, promoting, and negotiating key legislation.

ICYMI - In Case You Missed It

The economy added 138,000 jobs in May, down from 174,000 in April. Unemployment fell to 4.3%. Analysts had expected the economy to create 185,000 jobs and an unemployment rate of 4.4%

Defense, continued.

The second step - the FY 2018 budget request, which is \$52 billion or 9.8 percent above the current cap imposed by the Budget Control Act of 2011 (BCA). The additional funding in FY 2018 will continue rebuilding our war-fighting readiness, as it's the administrations top priority in FY 2018. Following in the steps of the Fiscal Year 2017 Consolidated Appropriations Act, the FY 2018 request prioritizes readiness by directing funding to specific items including end strength, training, maintenance, and munitions.

The Administration believes that our defense readiness has degraded over time, and it will take years of higher funding delivered on time to properly restore readiness. According to the FY 2018 budget proposal, the third step in rebuilding the U.S. Armed Forces will be the budget in FY 2019 and beyond.

The FY 2019 budget will be the first budget to be informed by the new National Defense Strategy that the Department is currently developing. This strategy will inform the nature and size of the future force, and therefore the investments necessary to achieve that force. With the strategy in hand, the Department will be able to determine the specific budget necessary to continue rebuilding capacity and lethality across the Joint Force.

- Sustaining increased manning levels for the Army and Marine Corps as directed by the National Defense Authorization Act for FY 2017;
- Additional funding for operating forces, logistics, maintenance, training, and spares;
- Additional shipyard capacity and aviation depot maintenance for the Navy, as well as increased funding for spares, training targets, and ranges;
- Increased unit and flight training for the Army;
- Increased sustainment and related accounts to accelerate Air Force readiness recovery; and
- Targeted new-end strength increases for the Air Force and Navy specifically to address readiness challenges.

The FY 2018 budget proposal also contains a provision seeking support from Congress to begin another round of base closures (BRAC).

The budget request for FY 2018, although robust at \$574.5 billion, is well short of what the House and Senate Armed Services Committees' leadership are seeking. Reaction was prompt and not positive.

“While I support President Trump’s commitment and intent to rebuild the military, this budget request will not be enough to do what he has said is needed to improve military capabilities and readiness,” Rep. Mike Turner said in a statement. “After years of underfunding and failed assumptions by the Obama Administration, these increases aren’t enough to begin the process to reverse the damage that has been done to our military.” Turner said he supported the \$640 billion figure supported by Sen. John McCain (R-AZ) and Rep. Mac Thornberry (R-TX), chairs of the Senate and House Armed Services committees.

Congressman Rob Wittman (R-VA), Chairman of the House Armed Services Seapower and Projection Forces Subcommittee, also said the Trump Administration budget request was too low. “The proposed \$600 billion budget for the Department of Defense falls short of what is required to re-build our military, to modernize our worn-out equipment, and to support the force we need to deter conflict. I believe that \$640 billion is the proper level of funding needed to ensure our military can respond to threats and keep our nation safe,” Wittman said in a statement. “A funding level short of \$640 billion means that priorities such as raising the Marine Corps’ end strength to a force of 185,000, increasing our fleet to include 12 aircraft carriers, and continuing support to critical Air Force programs will be at risk.” Reaction from Senate and House Appropriations Committee leadership was

issues before the Congress including tax reform, border security, and healthcare.

The most notable shift in this budget is to research and development for new technology. It seeks \$82.7 billion, a significant increase of about 18 percent from 2017, which is \$52 billion more than the military would have received under the Budget Control Act. The president is also seeking \$64.6 billion for Overseas Contingency Operations (OCO), the part of the budget exempt from the BCA limits. Congress may make up the difference with a boost to the OCO account.

The Pentagon continues to be fiscally squeezed by rising personnel costs, operations and maintenance expenses, which leaves little room for big investments in new weapons. Procurement funding would grow modestly to \$114.9 billion, compared to \$110.7 billion last year. Including both the base request and OCO, the Pentagon would invest \$208.6 billion in modernization, research, development, testing, and evaluation (RDT&E) and procurement in 2018. The budget earmarks \$208.6 billion for acquisition funding. In that request, \$125.2 billion would be allocated to procurement, leaving \$83.3 for RDT&E. Major defense acquisition programs take up \$94.9 billion, or 45.4 percent of that total.

A breakdown of each service is highlighted below:

Army

The Army's FY 2018 budget request totaling \$166.1 billion between the base budget and OCO funding supports the President's priorities for an increased defense capability and aligns with the Secretary of Defense's guidance provided earlier this year to seek to achieve Program Balance in the FY 2018 budget request. This amount represents a \$5.1 billion increase over the Army's FY 2017 budget request, including the FY 2017 Request for Additional Appropriations. The FY 2018 budget request highlights the threats posed in North Korea & Indo-Asia Pacific (71,000 soldiers), Russia (approximately 33,000 soldiers support United States European Command (EUCOM) efforts to deter aggression, reinforce NATO and ensure America's safety and security), Africa (7,000 soldiers) and the Middle East (29,000 soldiers).

Sustainment and readiness are at the heart of the FY 2018 budget as it relates to the Army. In an attempt to reverse the previous administration's desire to reduce the size of the Army, the FY 2017 NDAA authorized a Total Army end strength of 1,018,000 soldiers, a start to ensure the Army has fully manned formations. The FY 2018 budget proposal

The aviation portfolio supports the recommendations of the National Commission of the Future of the Army to retain more Apache units. To implement the Commission's recommendations, the Army is procuring the required new build Apache aircraft by slowing the modernization of the existing AH-64 Apache remanufacturing program and new build UH-60 Blackhawk procurements. This strategy extends the modernization timeline for Apaches from FY 2026 to FY 2028 and Blackhawks from FY 2028 to FY 2030. The Army is pursuing a rapid solution for aircraft survivability given the proliferation of anti-aircraft weapons on the battlefield. The Army's base request of \$4.1 billion increases the Army's capacity and capability in its aviation portfolio to address near term threats and improve overall aircraft survivability.

Navy

The FY 2018 baseline budget submission of \$171.5 billion for the Department of the Navy (DON) is an increase of \$6.5 billion (4 percent) from the FY 2017 budget request. The budget provides for a deployable battle force of 292 ships in FY 2018. This level of operational funding supports 11 aircraft carriers and 32 large amphibious ships that serve as the foundation upon which our carrier and amphibious ready groups are based.

- Twelve battle force ships will be delivered in FY 2018: two Nuclear Attack Submarines (SSN), four Littoral Combat Ships (LCS), two Expeditionary Fast Transports (EPF), one Expeditionary Sea Base, two Destroyers (DDG), and one Zumwalt Class Destroyer (DDG 1000).
- Ship procurement funds eight new-construction ships in FY 2018: one Aircraft Carrier (CVN), two SSNs, two DDGs, one LCS/FF, one T-ATS, and one T-AO(X).
- Aircraft procurement funds 91 airframes in FY 2018.
- Major aviation procurement in FY 2018 includes: 24 F-35B/C Lightning II, 14 F/A-18E/F Super Hornets, five E-2D Advanced Hawkeye, seven P-8A Poseidon, two KC-130J Hercules, 22 AH-1Z/UH-1Y, four CH-53K King Stallion, six MV-22 Osprey, four RQ-21A Blackjack, and three MQ-4C Triton.

Air Force

The Air Force sees significant increases in RDT&E and procurement, as the F-35 continues to receive strong support. Legacy aircraft such as the F-16 and F-15 are also being supported through significant increases in sustainment funding, thereby recognizing the contribution of these aircraft to readiness.

production of critical munitions. Since operations countering ISIS began in August 2014, the Air Force has expended over 50,000 weapons, drawing down the current inventory levels. The FY 2018 budget funds Air Intercept Missile (AIM)-9X Block II and AIM-120D development, integration, and production. Cyber security also receives substantial increases. The FY 2018 budget also addresses Air Force pilot and maintainer shortfalls. Tanker recapitalization remains one of the Air Force's top three acquisition priorities, and the FY 2018 budget request continues to support the KC-46A Pegasus program. The current plan will deliver 93 aircraft by the end of calendar year 2022 and procure a total of 179 KC-46 aircraft. The FY 2018 budget request continues funding C-17 Globemaster III and C-5 Galaxy avionics upgrades to bring them into compliance with federally-mandated air traffic control and communications standards. The FY 2018 budget request sustains focus on enhancing ISR capabilities against high-end threats while maintaining investment in medium-altitude, permissive ISR to sustain capacity for ongoing combatant command operations.

The FY 2018 budget request includes a commitment to enhance the remotely piloted aircraft (RPA) enterprise to meet operational and training demands. The effort includes funding manpower, equipment, and basing actions to enhance training and quality of life to improve retention and ensure a stable, robust MQ-9 Reaper enterprise. As a summary, the themes of the Trump Fiscal 2018 budget are to restore readiness, plug holes and fix the perceived damage from the Obama-era budget cuts.

My next report will deal with the Appropriations process in Congress.