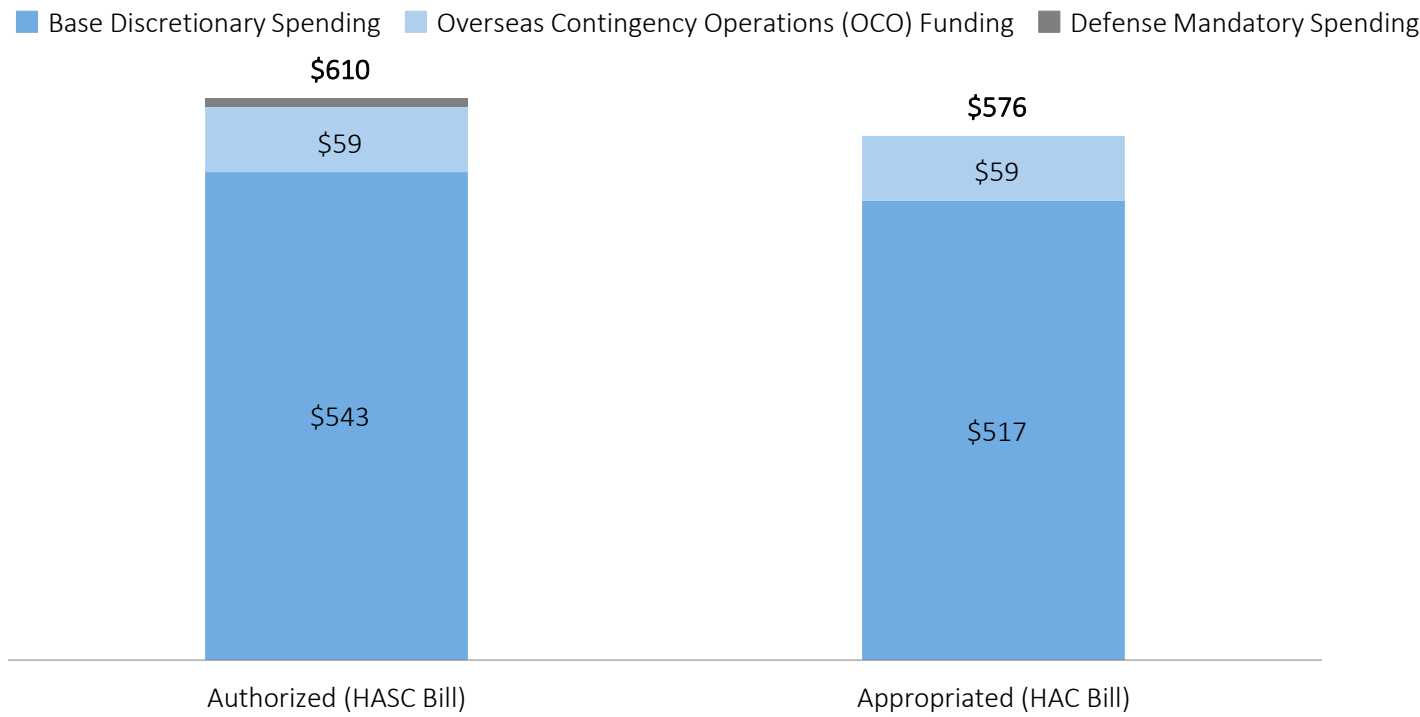


House Armed Service and Appropriations Committees Pass Defense Bills

Amount of Authorized and Appropriated Funds in House Bills Respectfully

Includes Base, Overseas Contingency Operations Funding, and Defense Mandatory Spending in Billions of Dollars



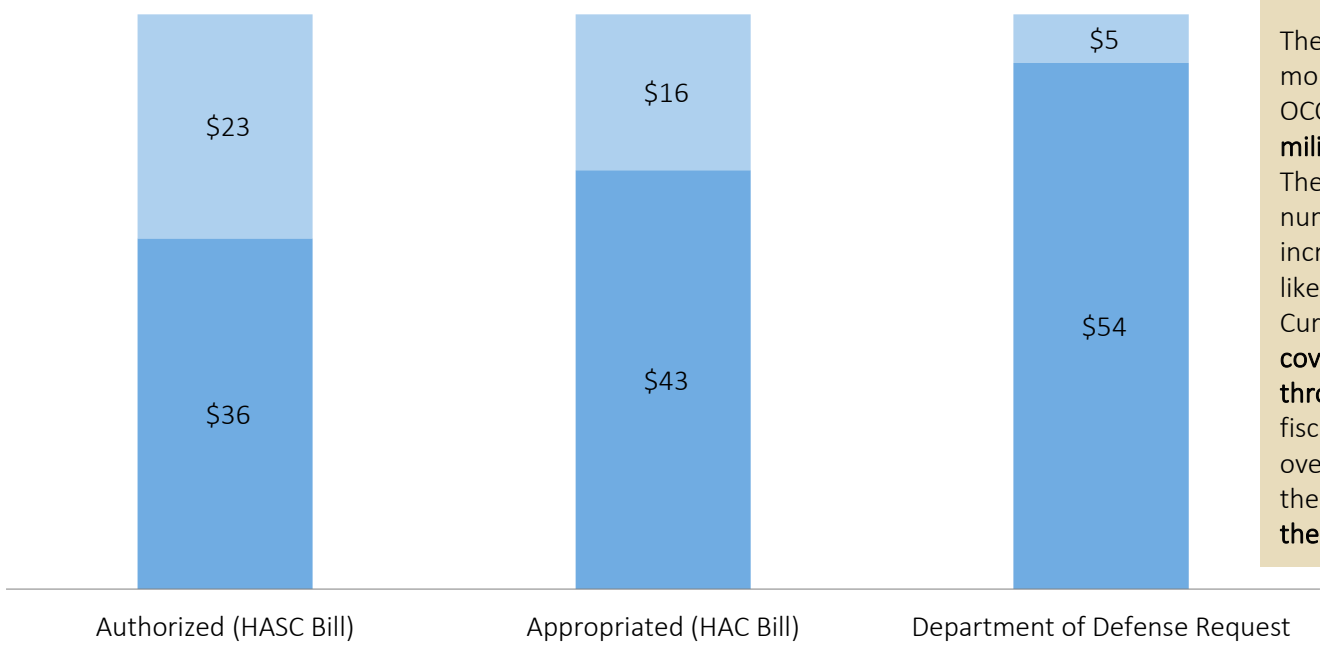
Sources: House Armed Services Committee, "H.R. Report 114-537: National Defense Authorization Act of Fiscal Year 2017: Report of the Committee on Armed Services on H.R. 4909," May 4, 2016; Rebecca Kheel, "House Panel Advances \$575B Defense Bill," The Hill, May 17, 2016.

White House Threatens to Veto House Defense Bills Over Not Fully Funding Overseas Contingency Operations

Amount of Requested, Authorized and Appropriated OCO Funds

Measured in Billions of Dollars

■ Overseas Contingency Operations (OCO) ■ Base Budget Funding Moved to OCO Fund



Reasons Behind White House Veto and House OCO Base Budget Funding

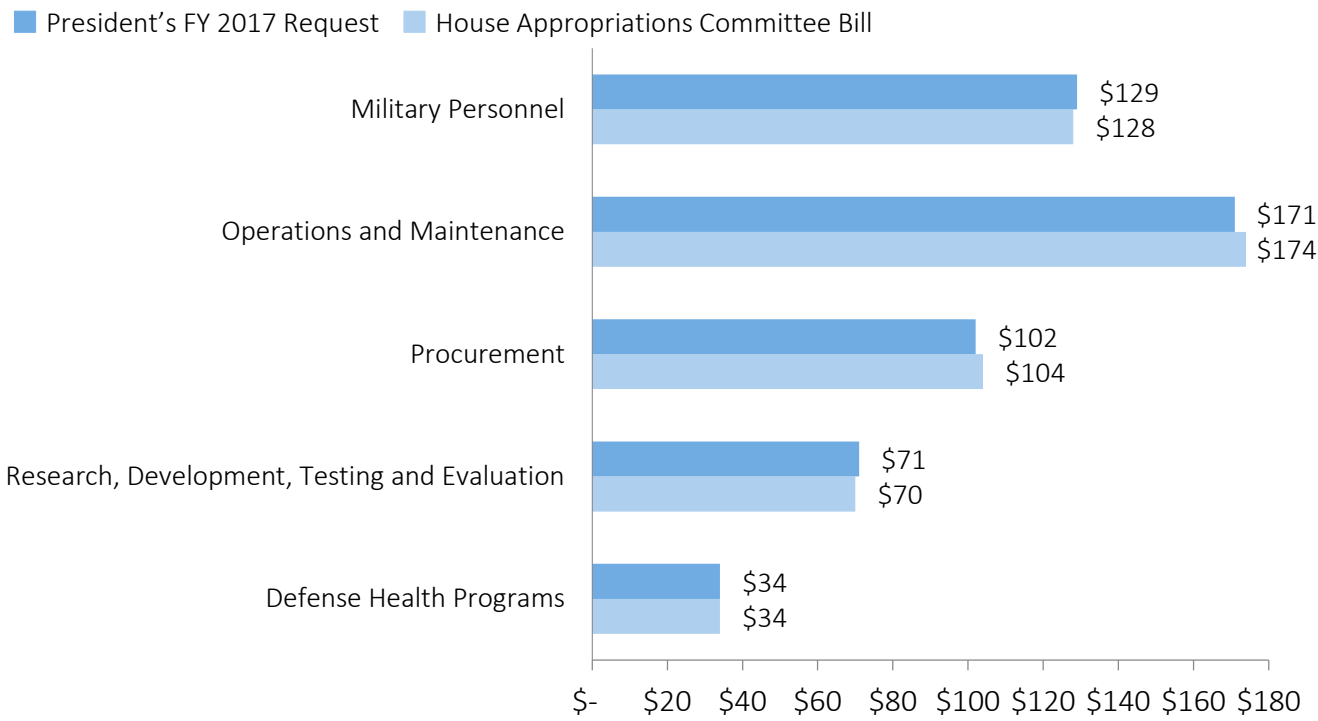
The House defense bills have shifted more base budget funding into the OCO fund to sustain higher levels of military personnel and equipment. The House argues these increased numbers are necessary to address increased national security threats like ISIL and Russian aggression. Currently, the House’s OCO funding covers overseas operations only through April 2017 instead of the full fiscal year. This lack of full funding for overseas operations has resulted in the White House threatening to veto the House bill.

Sources: Kristina Wong, “White House Issues Veto Threat Over House Defense Policy Bill,” The Hill, May 16, 2016; House Armed Services Committee, “H.R. Report 114-537: National Defense Authorization Act of Fiscal Year 2017: Report of the Committee on Armed Services on H.R. 4909,” May 4, 2016; House Appropriations Subcommittee on Defense, “House Appropriations Committee Releases the Fiscal Year 2017 Defense Bill,” May 10, 2016; Rebecca Kheel, “Senate Panel Approves \$602B Defense Bill,” The Hill, May 12, 2016.

President’s Budget Request and House Appropriations Base Budget Are Largely the Same Across Categories

Amount of Appropriated Funds By Major Category, in Billions of Dollars

Only Includes Base Budget

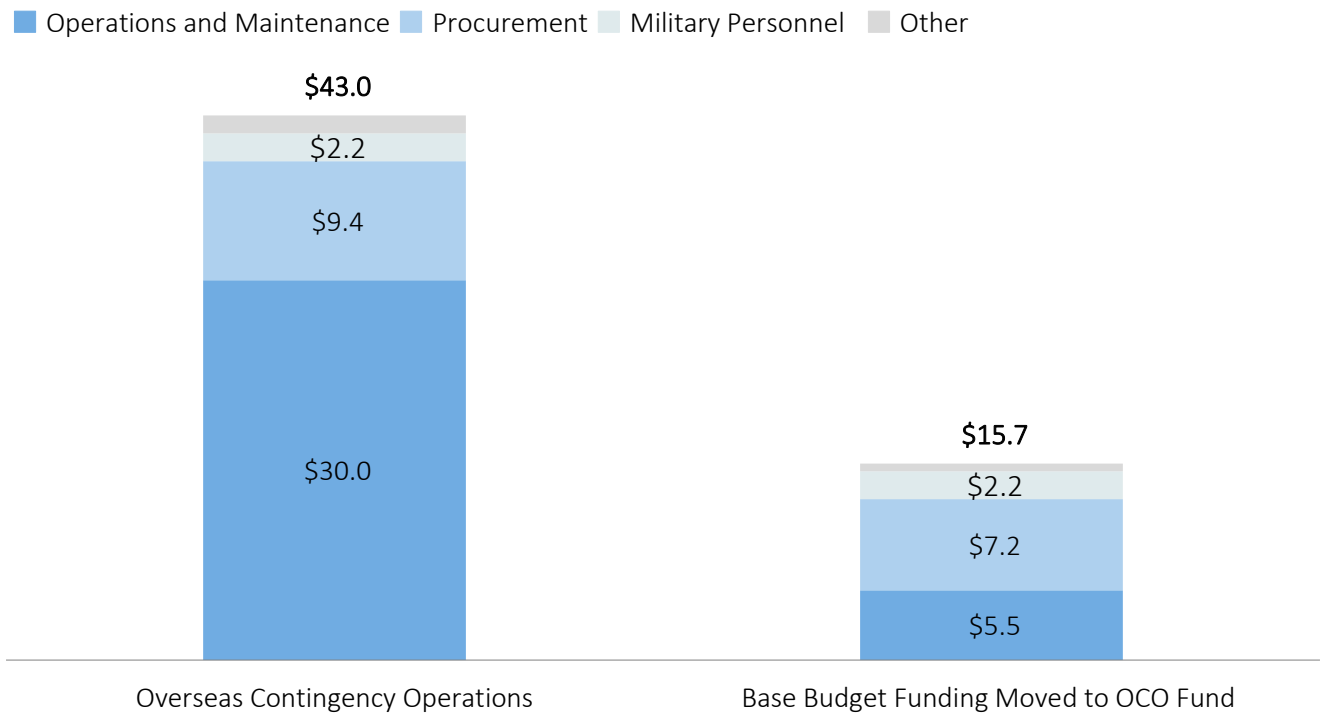


Sources: House Appropriations Committee, "Department of Defense Appropriations Bill, Fiscal Year 2017: Full Committee Print," May 17, 2016.

Much of the Base Budget Funding in OCO Fund is for Operations, Maintenance and Procurement

House Appropriations OCO Fund Spending Broken Down by Category

Measured in Billions of Dollars



Sources: House Appropriations Committee, "Department of Defense Appropriations Bill, Fiscal Year 2017: Full Committee Print," May 17, 2016.