



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

Douglas W. Elmendorf, Director

June 18, 2009

Honorable Ike Skelton
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. 2647, the National Defense Authorization Act for Fiscal Year 2010, as ordered reported by the House Committee on Armed Services on June 16, 2009. CBO's complete cost estimate for H.R. 2647, including discretionary costs, will be provided shortly.

Based on legislative language for H.R. 2647 that was provided to CBO on June 15 and June 16, CBO estimates that only one provision would significantly affect direct spending. Section 422 would repeal section 1002 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417), which shifted 1 percent of military retirement payments scheduled to occur in September of 2013 to October of 2013. CBO estimates that repeal of section 1002 would shift \$43 million in outlays from fiscal year 2014 back to fiscal year 2013. That change would have no net effect on budget authority or outlays over the 2010-2014 period, or the 2010-2019 period. Enactment of the bill would not affect revenues.

Honorable Ike Skelton
Page 2

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

Sincerely,

for Robert A. Elmendorf

Douglas W. Elmendorf
Director

cc: Honorable Howard P. "Buck" McKeon
Ranking Member