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REQUEST FOR ADDITIONAL FISCAL YEAR 2019 FUNDING FOR THE DEPARTMENT OF THE TREASURY'S DEPARTMENTAL OFFICES

COMMUNICATION

FROM

THE DIRECTOR, THE OFFICE OF MANAGEMENT AND BUDGET

TRANSMITTING

A REQUEST FOR ADDITIONAL FISCAL YEAR 2019 FUNDING IN THE AMOUNT OF $13 MILLION FOR THE DEPARTMENT OF THE TREASURY'S DEPARTMENTAL OFFICES

SEPTEMBER 24, 2018.—Referred to the Committee on Appropriations and ordered to be printed

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EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 24, 2018.

Hon. PAUL D. RYAN,
Speaker of the House of Representatives, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Protecting the Nation's most sensitive technology, critical infrastructure, and intellectual property from predatory foreign acquisition is essential to national security. The recent passage of the Foreign Investment Risk Review Modernization Act (FIRRMA) represents an historical legislative achievement that provides the Committee on Foreign Investment in the United States (CFIUS) the authorities and tools necessary to respond effectively to growing national security risks from foreign exploitation of certain investment structures that previously fell outside the Committee's jurisdiction.

At this time, the Administration is requesting additional fiscal year (FY) 2019 funding in the amount of $13 million for the Department of the Treasury's Departmental Offices. Of this amount, $11 million is needed to carry out direction from the President to implement FIRRMA promptly and enforce it rigorously, and $1.5 million is needed for the Office of Tax Policy to support formulation and analysis of certain tax regulations.

As Department of the Treasury and CFIUS agencies continue to review an unprecedented number of increasingly complex cases, the Department of the Treasury requires additional near-term resources to begin drafting FIRRMA regulations and swiftly exercise new "pilot program" authority to address concerns regarding certain investments in critical technologies. These funds would enhance the Department of the Treasury's Office of Investment Security's review, investigation, policy, mitigation, and enforcement capabilities, and allow its Office of General Counsel to provide appropriate legal support.

In short, additional FY 2019 funding would enable the Secretary of the Treasury, as CFIUS Chair, to more quickly certify that the necessary regulations, structures, personnel, and other resources are in place, and avoid needless delays in the applicability of certain FIRRMA provisions.

The Administration looks forward to working with the Congress to determine any funding necessary for agencies to implement FIRRMA and, as appropriate, to address such needs in FY 2019 appropriations negotiations or in FY 2020.

After the Administration finalized the FY 2019 Budget request, the Bipartisan Budget Act of 2018 was enacted, which significantly raised discretionary spending caps in FY 2018 and FY 2019. The FY 2019 Budget request included additional funding for a limited set of priorities, while holding non-Defense funding to $540 billion,

or $57 billion below the non-Defense cap. The funding requested for the Department of the Treasury here fits within FY 2019 spending levels and should be considered as one of those priorities.

Thank you for your consideration of this request. Additional details can be provided by Department of the Treasury and Office of Management and Budget staff The Administration looks forward to working with the Congress to further support this critical national security effort.

Sincerely,

MICK MULVANEY,
Director.

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