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COMMITTEE ON APPROPRIATIONS WASHINGTON, DC 20510-6025 http://appropriations.senate.gov

May 28, 2020

The Honorable Mark Esper Secretary of Defense The Pentagon Washington, DC 20301

CHARLES E. KIEFFER, MINORITY STAFF DIRECTOF

Dear Secretary Esper:

Two months ago, on March 27, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. This law provided \$10.6 billion to the Department of Defense to support the well-being of service members and their families, as well as the civilians and contractors supporting the Department. In addition, the funding provided to the Department also strengthens interagency efforts to address the pandemic in our country and abroad.

According to the latest financial reports provided to Congress, the Department has placed on contract only 23 percent of the funds provided nearly nine weeks ago. Furthermore, the Department of Defense has not yet provided a spend plan that describes how the remaining funds will be used.

We are concerned by the delays in providing this important information, the lack of transparency in the use of emergency funds appropriated to the Department, and troubling signs that funds appropriated for particular purposes, in some cases pursuant to the request of the Department, will instead be spent for other purposes. Lacking a spend plan, we are not even sure what those purposes may be.

For example, Congress provided \$1 billion to the Defense Production Act Title III account. To date, only \$167 million has been obligated to increase the industrial capacity of U.S. manufacturers to produce personal protective equipment and related items. Lacking further information from the Department on its plans for these funds, we are unable to answer simple questions such as whether the U.S. Government is doing everything in its power to address shortfalls in supplies which are not only needed at this moment, but also in preparation for a predicted second wave of coronavirus infections.

In addition, the CARES Act provided \$1.5 billion for deployments of the National Guard in support of State authorities, slightly more than the Administration requested for this purpose in March. After enactment, the Federal Emergency Management Agency (FEMA) assumed responsibility for reimbursing States for these National Guard deployments. This means that funding requested by the Department for a particular purpose, and approved by Congress to address that need, is now not needed by the Department of Defense. We do not understand why the Department requested these funds in the first place if FEMA was expected to pay those costs, nor do we know what they will be used for now.

We urge you to provide Congress and the American public with greater transparency on the use of the \$10.6 billion in taxpayer funds provided to the Department of Defense by releasing your spend plan for the money as soon as possible.

Sincerely,

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Richard J. Durbin Vice Chairman Subcommittee on Defense

Jack Reed Ranking Member Committee on Armed Services

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Jon Ukall

Tom Udall United States Senator

Tammy Baldwin United States Senator

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Patrick Leahy Vice Chairman Committee on Appropriations

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Brian Schatz United States Senator