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Congress of the United States

House of Representatives

Washington, DC 20515-3809

February 18, 2013

COMMITTEE ON ARMED SERVICES

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The Honorable Robert F. Hale
Undersecretary of Defense
1100 Defense Pentagon
Washington, DC 20301

Dear Undersecretary Hale:

In a January 10 letter to industry partners, NATO Medium Extended Air Defense System (MEADS) Management Agency General Manager Greg Kee announced his authorization of \$25 million in funding to the MEADS development program. "It is expected that you will be able to continue performance until at least 31 March 2013," Kee wrote to MEADS International. We are concerned that Mr. Kee's statement implies the Department's intent to contravene current law. Under current law, Fiscal Year (FY) 2012 funds for the MEADS System are final obligations for the program.

We respectfully remind the Department of Defense that Section 221 of the FY 2013 National Defense Authorization Act (NDAA) prohibits any funding in FY 2013 for this program. The FY 2013 NDAA also unequivocally states that no funds can be authorized for MEADS: "None of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2013 for the Department of Defense may be obligated or expended for the medium extended air defense system." We are troubled that you are setting a precedent of using previously appropriated FY 2012 funds as an attempt to circumvent the intent of the NDAA law.

We would also reference the October 4, 2012, letter from six members of the Senate Armed Services Committee to Secretary Panetta reiterating the prohibition on MEADS funding under the Continuing Resolution, as directed under Section 235 of the FY 2012 NDAA. Congress's intent on this subject is clear—we must stop wasteful spending on a program that will not be procured. The U.S. government has spent billions of dollars on MEADS since inception. Although original expectations projected completion in 2008, latest estimates indicate the program would not be functional until after 2018. Furthermore, the Secretary of the Army, John McHugh, echoed Congressional leaders at a hearing before the House Armed Services Committee: "The Army has invested over \$2 billion and that's only the partial cost of the program. Frankly, it was under performing."

We would like to know exactly how these funds were originally intended to be used, why they were not used for that purpose, and for what precise activities the program office intends to use these funds between January and March 31.

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Ending this wasteful program is especially necessary at a time when the Department of Defense must find ways to reduce spending and meet the obligation to find billions of dollars in cost savings. By complying with the NDAA, the Department of Defense will be able to save \$400 million.

Instead of trying to find ways around the NDAA law and trying to keep MEADS afloat, the Department should respect the law and focus on winding down this program. We appreciate your attention, and look forward to your prompt response and action into this matter.

Sincerely,



Bill Shuster
Member of Congress



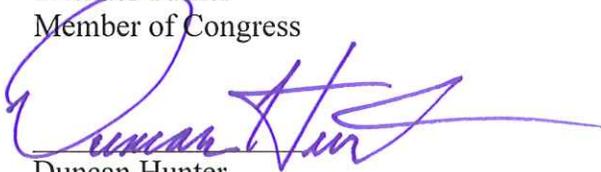
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