



NATIONAL DEFENSE
AUTHORIZATION ACT

REFORM AND REBUILD: The Next Steps
NATIONAL DEFENSE AUTHORIZATION ACT
FY-2019

The Constitution requires Congress to provide for the common defense, including specific direction to “raise and support Armies,” “provide and maintain a Navy,” and “make Rules for the Government and Regulation of the land and naval Forces.” For 57 years, the National Defense Authorization Act (NDAA) has been the primary way Congress executes this constitutional obligation.

America’s military is facing challenges on multiple fronts, including the troubling increase in serious training accidents; the re-emergence of competitors like Russia and China; the nuclear ambitions of Iran and North Korea; and the imperative to keep up the pressure on ISIS, al Qaeda, and other terrorist groups. **The Fiscal Year 2019 National Defense Authorization Act implements new reforms designed to speed decision making and improve military agility, while simultaneously restoring readiness and increasing capability and capacity in a force that has been asked to do too much with too little for too long.**

The Trump Administration has prioritized rebuilding the military. It issued a new National Security Strategy, National Defense Strategy, and a Nuclear Posture Review to address a world with a wider spectrum of serious threats than at any time in recent history. The FY19 NDAA Conference Report focuses rebuilding efforts on these new strategies.

The NDAA Conference Report complies with the bipartisan budget agreement and supports a base budget of **\$639.1 billion**, including **significant increases for improving the readiness of our military forces**. The conference report is the result of rigorous bipartisan oversight, numerous visits with military personnel and facilities across the country and around the world, and careful consideration of the testimony to the Committee by Secretary Mattis, Chairman Dunford, and other senior commanders and national security experts.

To help restore military readiness, the NDAA Conference Report authorizes **\$17.7 billion to begin to rehabilitate and replace worn out Army equipment**; **\$40.8 billion** to begin to **overcome the crisis in military aviation** by getting more aircraft in the air; **\$36.3 billion** to **restore America’s strength at sea**, and **\$23.5 billion** to sustain, repair and rebuild crumbling military buildings and other infrastructure.

TABLE 1: FY19 Funding Levels

DOD Discretionary Base Budget	\$616.9
DOE Discretionary Base Budget	21.9
Defense-Related Activities	0.3
FY19 Base Budget NDAA Topline	639.1
Overseas Contingency Operations	69.0
FY19 Discretionary Topline*	708.1
Defense Mandatory Spending **	8.9
FY19 NDAA Topline	717.0

**Does not include \$7.9 billion of authorizations not within HASC jurisdiction*

*** Includes statutory requirements for Concurrent Receipt; does not include \$0.6 billion outside HASC Jurisdiction*

CARING FOR TROOPS AND THEIR FAMILIES

While the world has grown more dangerous, our military has grown smaller. Rebuilding the U.S. military must begin with increasing the number of uniformed personnel. To reduce stress on the force, the NDAA Conference Report authorizes essential **increases in the size of the Army, Navy, Air Force, Naval and Air Reserve, and Air Guard** as requested by the Services.

Pay Raise

The Conferees agree that our personnel are our military's most valuable asset. The conference report **fully funds a 2.6% pay raise for our Servicemembers, which is the highest increase in nine years**. It also **extends special pay and bonuses for those in high demand fields**.

Recruit and Retain

Continuing to recruit and retain America's best and brightest in our Armed Forces remains paramount. The NDAA expands the Department's authority to award **constructive service credit** for those entering the military with advanced education, experience, and training to help the military compete with the private sector in recruiting talent with specialized skills. It also makes permanent the **Career Intermission Program**, which allows Servicemembers to take a break from active service to pursue personal interests, family needs, professional education, or career opportunities.

The NDAA also takes steps to address the ongoing pilot shortage, which is hampering readiness in every Service. The **NDAA requires the Air Force to evaluate all pilot staff requirements to maximize the time pilots spend in the cockpit and minimize their administrative responsibilities**. Similarly, the conference report **extends the National Guard recruiting pilot program**, which is designed to use retired senior enlisted members to fill recruiter positions so that current National Guard pilots and others can focus on their primary mission.

Supporting Military Families

The conferees recognize the importance of supporting the entire military family, both while in service and as members transition to civilian life. The NDAA provides additional assistance to military spouses seeking employment by enhancing the **My Career Advancement program** and requiring a report on the effect of frequent moves on spouses' careers. The bill also includes substantial **improvements to the transition assistance program** designed to provide training tailored to Servicemembers' post-separation plans.

Ensuring the country keeps faith with those who serve, and with their families, is a key priority for the conferees. The NDAA seeks to enhance ongoing Military Health System organizational reforms. The conference report ensures **no military medical treatment facility will be closed or downgraded** until after all these facilities are transitioned to the Defense Health Agency. It also requires a comprehensive review of both wounded warrior care and mental health services to ensure service members receive the best possible treatment.

The conferees are committed to taking additional steps to protect Servicemembers and their families from misconduct. The NDAA continues to provide oversight of critical issues including: **directing the Department of Defense to improve the process for reporting crimes to the FBI database**; requiring Department of Defense schools to **improve their tracking of juvenile misconduct**; and refining sexual assault prevention and response to better assist victims.

Additionally, the NDAA establishes a pilot program designed to **maximize opioid safety in the Military Health System** and requires DOD to establish a program that will share information with state prescription drug monitoring programs to ensure monitoring of controlled substances for service members and all other TRICARE beneficiaries.

Finally, the NDAA directs the Secretary of the Army to take steps **to extend the life of Arlington National Cemetery as an active cemetery well into the future.**

Honoring Those Who Have Served

As America approaches the 100th anniversary of the Armistice which ended World War I, the NDAA Conference Report **looks back on a century of military service** and focuses on the men and women who sacrificed to secure America's freedoms. Those sacrifices eventually built and secured a world order that raised living standards around the globe, gave millions a greater say in their government, and prevented another major conflict in the last seventy-three years. However, this global order is increasingly under threat from competitors like Russia and China. At the same time, far too many American veterans and their families believe their sacrifices have not been given the public recognition that they deserve. Chairman Thornberry agrees with President Trump that **it is appropriate to honor and celebrate 100 years of patriotic sacrifice in a way that expresses appreciation and admiration for our men and women in uniform, including a parade in the nation's capital and a national celebration for that purpose.** Chairman Thornberry also recognizes that our strength is and always has been in our people.

To ensure that veterans and those currently serving remain the parade's focus and that efforts to restore readiness are not slowed, the NDAA **prohibits the use of operational units or equipment in the parade if the Secretary of Defense believes such use will hamper readiness.** For too long our men and women in uniform have been victims of political discord. Honoring those who have served our nation over the past 100 years, including those who served in Korea, Vietnam, Iraq, and Afghanistan, should not be a political matter. **Veterans of those conflicts did not let politics stand in the way of their service to the country. No political interest or concern should stand in the way of expressing the country's gratitude and respect.**

RESTORING READINESS

In 2017, nearly four times as many members of the military died in training accidents as were killed in combat. In all, 21 Servicemembers died in combat while 80 died as a result of non-combat training-related accidents. **As of May 2018, 25 were killed in military aviation mishaps.** This tragic statistic is the latest in a chain of evidence that has led Chairman Thornberry and many members of the Armed Services Committee to believe that America's Military is **"at a crisis point."**

According to an investigation by the *Military Times* "accidents involving all of the military's manned fighter, bomber, helicopter, and cargo **warplanes rose by nearly 40 percent from fiscal years 2013-2017.**" The *Military Times* notes that 133 service members were killed as a result of those accidents.

This crisis is not limited to military aviation. Last summer, the Navy lost 17 Sailors in separate collisions involving the USS McCain and the USS Fitzgerald. Navy investigators later found that both accidents were related to ongoing Navy readiness problems.

Rebuilding the military so that our troops can safely meet current and future threats is the primary focus of the NDAA Conference Report. Expert testimony to the Armed Services Committee indicates that readiness challenges are too big to overcome in a single year. However, **the Committee believes that the conference report will begin to restore the military's strength while also ensuring training and readiness preparations are much safer.**

Increased Training

The NDAA begins with **increased funding for training in each Service.** This increase will allow the Army to conduct 20 Combat Training Center rotations in FY19, including four rotations for the Army National Guard, doubling the number of Brigade Combat Teams sent to the Center. It will also enable the Army to hold two Security Force Assistance Brigade (SFAB) culminating training events a year, enhancing the Army's combat capability and capacity. The conference report also enables the Marine Corps to continue maximizing the capacity of their full- spectrum collective training exercises that will help restore the capability of the Marine Air- Ground Task Force.

In addition to the President's Budget Request, the NDAA increased **funding for flying hours by \$17.8 million.** Allowing more time in the air will help reverse the tragic trend of military aviation accidents highlighted above.

Similarly, the NDAA **increases funding for other training operations.** This includes additional funds for simulations and full-spectrum training exercises while also preserving the ability of the Services to provide valuable small-unit training.

The Conference Report authorizes funding to **improve and modernize major combat range and test facilities** to include purchase of advanced threat radars. These upgrades will

improve test capabilities on a timeline that will aid the Air Force's development of next-generation equipment and aerial armament, and addresses limitations, which inhibit the nation's vital training ranges.

Aviation Readiness

The NDAA **facilitates efforts to better address the increased occurrences of physiological episodes (PEs)** in tactical and training aircraft. The bill requires the Secretary of the Navy and the Secretary of the Air Force to certify that any new aircraft will all have the most recent technological advancements necessary to mitigate PEs. The NDAA also includes an **additional \$5 million to help accelerate the development of the required technology.**

The NDAA authorizes **\$2.8 billion for the procurement of spare airplane parts** for the Navy, Marine Corps, and Air Force, including an additional \$92 million for spare parts for the F-35 Joint Strike Fighter.

Building on Committee oversight and prior National Defense Authorization Act legislation, the conference report continues to stress the importance of **modernizing the A-10 Warthog fleet.** It also includes an increase of \$65 million for A-10 wing replacement and directs the Air Force to consider using multi-year procurement contracts to generate better cost-savings.

Repairing Equipment

Testimony to the Committee and other oversight reveals that the lack of spare parts and aging or inefficient maintenance facilities also degrade readiness. Troops cannot train on equipment that does not work or that is poorly-maintained. Many important types of equipment are being used continually, complicating or preventing the performance of necessary maintenance. The NDAA authorizes **\$21.8 billion for equipment maintenance and \$3.7 billion for spare parts.** This is an increase of \$927.9 million over the FY18 Omnibus.

Readiness At Sea

The fatal accidents aboard the USS Fitzgerald and USS McCain highlight the Navy's readiness challenges. The Navy's investigation of these incidents found "fundamental failures to responsibly plan, prepare, and execute ship activities and to avoid undue operational risk."

Following these tragic accidents, the House Subcommittee on Readiness and the Subcommittee on Seapower and Projection Forces conducted a series of joint oversight activities examining the accidents and overall Navy readiness. As a result, the NDAA:

- Directs the Navy to review and provide to the Congress a plan to provide **clear chains of command** for operations, for building readiness, and for shipyard maintenance.
- Requires the GAO to study whether the Navy should establish **separate career paths for Surface Warfare Officers** to help produce crews that are properly trained, skilled and led.

- **Limits the time a Navy vessel is forward deployed** to no more than ten years.
- Ensures the Navy **retains sufficient ship repair capability** in the Western Pacific by prohibiting the redevelopment of the Former Ship Repair Facility on Guam.
- Requires the Secretary of the Navy to provide a report on ways to **optimize surface Navy vessel inspection crew certifications** to reduce redundancies and the burden on ship inspection visits.

Additionally, Committee oversight identified flaws in the Navy's readiness inspection process. Ships and crews often prepare to perform satisfactorily during pre-determined inspection periods rather than maintain a constant state of high readiness. To encourage more consistent readiness, and to eliminate the stress caused by inspection preparation, the NDAA **requires the Navy's Board of Inspection and Survey inspections to be conducted on a no-notice basis**. The bill also mandates that unclassified versions of those reports be made available to the public.

Finally, the Committee continues to be concerned about the stress on the Navy forces and families. **The Navy has been unable to meet Combatant Commander requirements because it has too few ships**. As a consequence, the Navy has occasionally extended the length of time that vessels are deployed. To partially address the vessel shortfall, the NDAA supports the **accelerated construction of the fourth Ford-class aircraft carrier**, construction of **two additional Littoral Combat Ships**, and options to build **two additional Virginia-class attack submarines** in fiscal years 2022 and 2023.

Building A Modern Force

Committee oversight demonstrates that maintaining outdated equipment is more expensive and puts troops at higher risk than procuring newer more capable systems. Further, as a result of constrained budgets, in the past the military postponed the purchase of modernized equipment in order to instead fund current operations and maintain readiness. Because of this, the NDAA supports the President's request to **buy new equipment to replace that which is too broken or too expensive to repair, or lacks modern capabilities required for use against strategic competitors and other current and emerging threats**. In some cases, the NDAA was able to add additional funds above the President's request. The NDAA:

- Authorizes \$225.3 million (an increase of \$203.4 million) for **Stryker A1 combat vehicles**, the most survivable and advanced version of the Stryker.
- Supports efforts to **modernize Army Armored Brigade Combat Team vehicles**, including 135 M1 Abrams tanks, 60 Bradley fighting vehicles, 197 Armored Multi-Purpose Vehicles, 38 Improved Recovery Vehicles, and 3,390 Joint Light Tactical Vehicles.
- Authorizes \$461.8 million (an increase of \$110 million) for the most modernized version of the **Paladin self-propelled howitzer**.
- Authorizes \$452.6 million (an additional \$168 million) to procure six additional **AH-64E new production attack helicopters** (the most modern version) for the Army National Guard in order to address current shortfalls.
- Authorizes multiyear procurement authorities for **F/A-18E/F Super Hornet aircraft, C-130 Super Hercules aircraft, E-2D Advanced Hawkeye aircraft**, and advanced

- missiles to generate better cost savings for the taxpayer and provide needed capability to the Navy;
- Supports the President’s budget request for **77 F-35 Joint Strike Fighters**. the conference report also authorizes the Department to procure additional F-35 aircraft, should additional funds become available utilizing cost savings and program efficiencies.
 - Authorizes an additional \$85 million for additional **UH-60M Black Hawk** utility helicopters (the most modern version) for the Army National Guard.
 - Fully funds the **B-21 Raider bomber program**.
 - Supports **15 KC-46 Pegasus** aircraft requested in the President’s budget request.
 - Authorizes \$161.5 million to support an additional **E-2D Advanced Hawkeye** aircraft.
 - Expands support for **legacy C-130 aircraft** with an additional \$129 million for engine upgrades.
 - Supports the President’s budget request to maintain the maximum production rate of **critical munitions**, such as small diameter bombs, joint direct attack munitions, hellfire missiles, advanced precision kill weapon systems, long range anti-ship missiles, advanced medium-range air-to-air missiles and torpedoes, and also authorizes additional funding to address critical need for more munitions.
 - Authorizes the fourth **Ford-class aircraft carrier**.
 - Supports funding for the **Columbia-class ballistic missile submarine**.
 - Authorizes \$1.56 billion (an addition of \$950 million) for three **Littoral Combat Ships**.
 - Authorizes an additional \$750 million **to more efficiently procure destroyers and amphibious ships**.
 - **Authorizes a total of six Polar Icebreakers** to assure United States commercial access to expanding Northern shipping lanes.
 - Mandates **retention of a United States Navy Hospital ship capability**.
 - Authorizes \$250 million to recapitalize the cable laying navy vessel, **USNS Zeus**.
 - Encourages recapitalization of the **Navy’s 43-year old auxiliary fleet**, which would help to transport Army and Marine Corps forces in times of conflict.
 - Encourages the rapid development and fielding of initial maneuver short range **air defense capabilities** as well as **capabilities to protect against “indirect fire;”** all of which are meant to address the challenge of defending against cruise missiles and other aerial threats.
 - In response to the critical advances Russia and China have made in developing their prompt global strike hypersonic weapons, the NDAA adds \$150 million to accelerate U.S. efforts to field a **conventional prompt strike capability** before FY22.

Airborne Intelligence Surveillance and Reconnaissance (ISR)

The NDAA strengthens and improves oversight of the Department’s investments in airborne Intelligence Surveillance and Reconnaissance (ISR) programs in order to more efficiently and effectively meet combatant commander requirements, to include:

- Holding the Secretary of the Air Force accountable for increasing current capacity and capabilities for the warfighter related to Battle-Management, Command and Control, and Ground-Moving Target Indicator intelligence capabilities, and **developing a plan to**

sustain legacy E-8C JSTARS aircraft until the Advanced Battle-Management System concept reaches a level of acceptable maturity and capability.

- An additional \$60 million to improve the capability of the Army's **Gray Eagle** unmanned air system platform.
- An additional \$105 million for **EQ-4 unmanned aircraft**; a critical warfighting capability for providing communications relay and high-altitude intelligence, surveillance, and reconnaissance for combatant commanders.

Electronic Warfare

Requires the Department of Defense to synchronize and unify efforts related to the **implementation of cyber and electronic warfare strategy and capabilities**. Two warfare areas in which our peer competitors are beginning to outpace U.S. capabilities, and for which the Department of Defense has struggled for years across the Services to implement capabilities coherently.

Rebuilding Infrastructure

As funding for the military has declined, the Services have diverted money away from buildings and other infrastructure in order to fund training and maintenance. As a result, a considerable amount of military infrastructure urgently needs repair. The President's Budget Request makes substantial infrastructure investments. Conferees agreed on the need for even more funding. The NDAA:

- Increases funds for **facilities sustainment by \$470.9 million**
- Authorizes for appropriation **\$11.3 billion for military construction**, including family housing, and other infrastructure projects.
- Adds **\$397.3 million for depot maintenance**.

Chairman Thornberry is concerned that the Department of Defense does not have a full and accurate accounting of its real property or a realistic assessment of its excess capacity. Secretary Mattis has testified that he does not believe the Department's existing assessments of its excess infrastructure are accurate. **The Department of Defense did not request a Base Realignment and Closure (BRAC) effort this year and the NDAA does not authorize one.**

However, the NDAA does recognize that there are small installations around the country that have outlasted their purpose and their continued operation places an undue burden on the taxpayers and on local communities. The bill includes a **new authority to close, with the consent of relevant state and local officials, such small installations where the Secretary of Defense can do so affordably.**

Expanding Agility

Slow decision--making and overly-bureaucratic processes drain our military's fighting strength and pose unacceptable risk to America's warfighters just as surely as inadequate training or poorly maintained equipment. The NDAA continues Chairman Thornberry's annual series of reforms to the Department of Defense. Past reforms have streamlined procurement processes, improved health care, and directed DOD enterprise data standards to

support well--informed decisions. The President's Budget Request indicates that **Chairman Thornberry's reforms are already saving the taxpayers billions, including \$1 billion in health care savings alone.**

The NDAA provides for a historic clarification of the acquisition process by **restructuring the United States Code** to logically assemble all acquisition-related statutes in one place for the first time since 1947. In so doing, the conference report also repeals dozens of obsolete provisions of law, prescriptive statutory requirements for positions and offices, and outdated reporting requirements. To further increase clarity and consistency, the NDAA provides for the separation of commercial items into either "commercial products" or "commercial services."

Reforming Bureaucracy

The NDAA also undertakes significant bureaucratic reforms. These reforms focus on a collection of Defense agencies that are not part of a Service and do not report directly to the Secretary of Defense. The almost 30 defense agencies and field activities which comprise this group (which is informally known as the "**4th Estate**") account for 20% of DOD's budget, 25% of the workforce, and have enormous influence on day-to-day operations.

The NDAA empowers the newly-created DOD Chief Management Officer (CMO) to eliminate redundancy and "back office" overhead in these agencies. The CMO will be charged with **finding efficiencies and reducing by 25% the budget of certain Department enterprise-wide activities**, including logistics, human resources, services contracting, and real property management. This must be done by 2020 and then the CMO must subsequently review these activities every five years. The Secretary and CMO will be given the responsibility to **review the function of each component of the 4th Estate to validate its usefulness to Servicemembers, or propose its streamlining or elimination.**

Accountability

Finally, this year's NDAA continues to emphasize **enhanced accountability**. For example, **it requires the Army Marketing Group** to implement measures to improve the effectiveness of its advertising and marketing campaign and to provide additional review and oversight of related contracts. In order to ensure these new accountability procedures are implemented, the NDAA withholds a portion of funding until required action is undertaken. The bill also requires DoD to establish a comprehensive plan for implementing the Department's **new harassment prevention and response policy** and to standardize reports of Senior Leader Misconduct. To ensure that the additional readiness resources are spent wisely, the NDAA includes a number of accountability and reporting requirements, including:

- An **enhanced quarterly readiness report** that includes measures of cyber and Space readiness.
- A new requirement for **combatant commanders to report their command's readiness to fight** an integrated air, ground, sea, Space, and cyber battle; and
- A new requirement for the **Government Accountability Office to measure readiness** trends compared to resources provided.

STRATEGIC READINESS

Nuclear Deterrence

Competitors like Russia and China are investing in new strategic weapons designed to challenge the credibility of our nuclear deterrent, undermine our missile defense capabilities, and erode the advantages we derive from Space. The NDAA Conference Report takes a comprehensive approach to ensuring our security by answering each one of those these challenges.

Russia and China are building new modern nuclear weapons. At the same time, America's nuclear deterrent has been neglected. The NDAA supports the efforts outlined in Secretary Mattis' Nuclear Posture Review and **makes critical investments to modernize America's nuclear deterrent and align it with modern threats**. Critics in the nuclear disarmament community falsely claim that the cost to maintain a robust deterrent is not worth the security it provides to the country. The Committee notes that under Secretary Mattis' plan spending to operate and restore the nuclear deterrent **will never exceed 7 percent of defense spending** - a reasonable expenditure when one considers that deterrence is the cornerstone of America's security. The NDAA:

- Supports the Nuclear Posture Review's recommendation to pursue a **lower-yield ballistic missile warhead to strengthen deterrence**.
- Supports the President's budget request to restore the nuclear arsenal and adds **\$142.2 million for the National Nuclear Security Administration's (NNSA) nuclear weapons activities** and defense nuclear nonproliferation program, including efforts to modernize the nuclear weapons stockpile and address NNSA's aging facilities and other infrastructure.
- Provides increased funding to accelerate two key Air Force nuclear modernization programs: **the Ground Based Strategic Deterrent** and the **Long Range Standoff cruise missile**.

Missile Defense

The threats from North Korea and Iran demonstrate that the time to debate the utility or practicality of missile defenses has passed. The NDAA:

- Supports the President's request for missile defense and adds **\$140 million to the Missile Defense Agency (MDA)** for development of critical directed energy and Space sensing projects, and the acceleration of hypersonic defense capabilities.
- Adds \$284 million to accelerate integration of **Patriot** (for lower altitudes) and **Terminal High Altitude Area Defense** (higher altitudes) missiles to meet the requirements of the Commander of U.S. Forces in Korea.
- Requires the director of MDA establish a **boost phase intercept program** using kinetic interceptors, initiate development of a missile defense tracking and discrimination Space sensor layer, and continue efforts to develop high power directed energy for missile defense applications.
- Requires the Director of MDA to continue development of the **homeland defense radar in Hawaii**, and that it be operationally capable by FY23.

- Provides increased funding to address **cyber threats** to our missile defense systems.
- Supports the President's request of \$500 million for co-development of missile defense systems with Israel, and co-production of **Iron Dome, David's Sling, and Arrow weapons systems**.

Space Warfighting

Russia and China are developing capabilities to **deny the United States the advantages we derive from operating in Space**. Equally concerning is the inability of the organizations responsible for the nation's national security-related Space activities to prepare for Space to become a warfighting domain and to adequately develop and/or acquire essential national security Space systems.

Efforts to reform the Department's approach to Space issues can be summarized in four equally important elements: acquisition reform, resources, cadre development, and joint warfighting. The NDAA comprehensively addresses each one of these to **ensure that our Servicemembers are ready to defend our vital national interests in Space**. The conference report also ensures that the Department's Space investments are being executed in a way to ensure increased agility, lethality, and accountability. The NDAA:

- Directs the Department of Defense to develop a plan to **establish a separate alternative process for Space-related acquisitions**.
- Directs the Secretary of the Air Force to develop a plan to improve the **quality of the Space cadre within the Air Force**.
- Establishes a **subunified command for Space** under United States Strategic Command for carrying out joint Space warfighting.
- Directs the Secretary of Defense to develop a space warfighting policy and plan that **identifies joint mission-essential tasks for Space as a warfighting domain**.
- Supports the President's request for **Next Generation Overhead Persistent Infrared, Protected Satellite Communications**, and the Air Force's Space launch efforts.

FACING NEW THREATS

The NDAA Conference Report includes threat-specific initiatives designed to maximize defense resources and keep America safe, making certain that the **Department of Defense has policies that ensure the nation’s forces are configured to best meet the threats we face**. As Secretary Mattis pointed out, while countries like Russia and China are reasserting their power and leveraging new technologies, “our competitive edge has eroded in every domain of warfare, air, land, sea, Space, and cyberspace, and it is continuing to erode.”

Emerging Technologies

America’s security is challenged by our strategic competitors’ advances in Artificial Intelligence, Quantum Sciences, Space and counter-Space capabilities, Cyber, Influence Operations, and Hypersonics, among others. To address these threats, the NDAA:

- Places emphasis on policy and programs to advance **Artificial Intelligence, machine learning, quantum sciences, and other critical national security technologies**;
- Establishes a **National Security Commission on Artificial Intelligence** to review advances in AI and associated technologies. The commission is authorized \$10 million to support its critical national security mandate.
- Provides additional funds to accelerate Artificial Intelligence and machine learning programs, as well as directed energy, and hypersonics programs;
- Fully supports innovation efforts of the **Defense Advanced Research Projects Agency**, and **Defense Innovation Unit Experimental** to ensure our technological superiority and dominance over current and future threats; and
- **Advances hypersonic and directed energy weapons research**, development, and transition efforts within DoD.

Cyber Policy and Operations

- **Strengthens cyber defense** against active, systematic and ongoing campaigns of cyber attacks by nation-states;
- **Prioritizes the readiness of U.S. Cyber Command**, cyber mission forces, and cyber warfare tools and capabilities, including initiatives to strengthen the cyber workforce;
- Provides a **pilot-authority to improve coordination between DOD and the Department of Homeland Security** to strengthen defense of critical infrastructure and networks.
- **Enhances resiliency of DoD networks**, weapons systems, supply chains, and capabilities;
- Affirms **the authority of the Secretary of Defense to conduct clandestine military activities and operations in cyberspace**;
- Clarifies cyberspace, cybersecurity, cyber warfare and cyber deterrence policy to **deter and respond to malicious cyber activities targeting the United States**;
- Requires the Department of Defense **to provide Congressional notification of cybersecurity breaches** and loss of controlled, unclassified information from cleared defense contractors;
- **Strengthens congressional oversight of sensitive cyber military operations** and cyber

- warfare tools and capabilities; and
- Includes several provisions to **further strengthen critical cybersecurity programs and initiatives** within the Department of Defense including Information Security Continuous Monitoring, cybersecurity assistance to small manufacturers and universities, and SharkSeer.

Countering Weapons of Mass Destruction

- Fully authorizes and strengthens Countering Weapons of Mass Destruction (CWMD) programs and activities, including the recommendation for the **appointment of a Principal Advisor for CWMD** to more effectively oversee policies and activities within the Department.
- Directs the Secretary to develop a plan to **streamline oversight of CWMD policies**, programs, and activities.
- Fully **authorizes the Joint Improvised-Threat Defeat Organization** and stabilizes the mission to defeat improvised threats by directing the Secretary to develop a plan to transition funding for this effort from overseas contingency operations to base appropriations.

Russia

The National Defense Strategy points out that Russia seeks to “shatter the North Atlantic Treaty Organization and change European and Middle East security and economic structures to its favor.” Russia has violated key arms control treaties, expanded and modernized its nuclear arsenal, tested counter-space weapons, and used emerging technologies to undermine its neighbors. In addition to measures listed above that restore overall military readiness in order to face emerging threats, the NDAA includes the following steps confront Russia’s misdeeds:

- **Provides flexibility for strategic partners and allies to move away from the use of Russian military equipment** to American equipment, while ensuring that U.S. defense and security interests remain protected, through a modified waiver under the Countering America’s Adversaries Through Sanctions Act.
- Restricts the Administration from voting to approve new sensor requests under the **Open Skies Treaty** and withholds funding for upgrades or recapitalization of U.S. Open Skies Treaty aircraft and sensors until the President makes certain certifications, including that the Russian Federation is taking steps to return to compliance with the treaty.
- **Funds research and development** to counter weapons being deployed by Russia that are in contravention of the Intermediate Nuclear Forces treaty, and requires the President to make a final determination regarding whether Russia is in material breach of the treaty.
- **Prohibits military-to-military cooperation with Russia.**
- **Prohibits U.S. government recognition of the absorption of Crimea** into the Russian Federation.
- Funds the President’s request for Ukraine, including **\$250 million for lethal defensive items.**
- Funds the President’s request for **\$6.3 billion for the European Deterrence Initiative**

to further increase number of U.S. troops in Europe, reassure U.S. partners and allies, and deter Russian aggression.

- Authorizes **U.S. Special Operations Command** programs and activities, including ongoing efforts in **Eastern Europe**.
- Instructs the President to designate an official on the staff of the National Security Council to **coordinate a whole-of-government response to malign foreign influence** campaigns against the United States.
- **Bolsters international partnerships** and provides additional funding for cyber warfare and influence operations to counter Russian aggression, cyber, and information warfare threats.

China

According to the National Defense Strategy, China is using an “all-of-nation long-term strategy” and “leveraging military modernization, influence operations, and predatory economics to coerce neighboring countries to reorder the Indo-Pacific region to their advantage.” It also classifies China as a strategic competitor that seeks to shape the world toward their authoritarian model through destabilizing activities that threaten the security of the United States and its allies. To counter this approach and reassure our allies and partners, the NDAA:

- **Prohibits any U.S. government agency from using risky technology produced by Huawei or ZTE**, two companies linked to the Chinese Communist Party’s intelligence apparatus. The NDAA also prohibits any entity doing business with the US Government from using Huawei or ZTE technology. The NDAA also prohibits the use in security related functions of equipment produced by several other Chinese companies with ties to the Chinese government (This Proposal enjoys wide bipartisan support and is in concert with recent unanimous regulatory actions by the Federal Communications Commission.)
- **Directs a whole-of-government strategy on China** to address the Chinese Communist Party’s use of political influence, economic tools, cyber activities, global infrastructure and development projects, and military activities against the United States and allies and partners.
- Requires the Secretary of Defense to submit a **5-year plan for an “Indo-Pacific Stability Initiative”** to bolsters DOD’s efforts to plan for and provide the necessary forces and military infrastructure, and logistics capabilities in the Indo-Pacific region.
- **Extends authority for the Maritime Security Initiative (MSI)** for an additional 5 years, re-designates the Southeast Asia MSI as the Indo-Pacific MSI, includes Bangladesh and Sri Lanka as recipient countries of assistance and training, and adds India as a covered country with the aim to increase maritime security and maritime domain awareness in the South China Sea and Indian Ocean.
- Requires a strategy with specific benchmarks toward **enhancing India’s status as major defense partner** and defense and security cooperation with India.
- **Prohibits China’s participation at the Rim of Pacific (RIMPAC) naval exercises** unless the Secretary provides a national security waiver or certification requirements to do so.
- **Requires a public report on the military and coercive activities of China** in the South

China Sea and encourages the Secretary of Defense to require the public release of information illustrating Chinese activities of concern.

- Supports **improving Taiwan’s defense capabilities** and force readiness, expands joint training, foreign military sales, the use of security cooperation authorities, and senior-level military-to- military engagements.
- **Modifies the annual report on Chinese military and security developments to include malign influence activities**, including efforts to influence media, cultural institutions, business, and academic and policy communities in the United States, and the use of nonmilitary tools, including predatory lending practices, to support its global security and military objectives.
- Limits **DOD funds for Chinese language programs at universities that host a Confucius Institute**.

North Korea

Although the recent summit and diplomatic talks between the United States and North Korea provides some basis for a possible agreement on denuclearization, North Korea is known for its dangerous and destabilizing development of nuclear weapons, ballistic missiles, and other weapons of mass destruction. According to the National Defense Strategy, North Korea seeks “a mixture of nuclear, biological, chemical, conventional, and unconventional weapons and a growing ballistic missile capability to gain coercive influence over South Korea, Japan, and the United States.” Accordingly, the NDAA:

- Expresses that the **United States stands behind its treaty obligations and extended nuclear deterrence commitments**, and that the presence of United States Forces on the Korean Peninsula should remain strong and enduring.
- **Prohibits the use of DoD funds to reduce the number of armed forces deployed to South Korea** below 22,000 unless the Secretary certifies that it is in the national security interest of the United States, the reduction will not significantly undermine the security of U.S. allies, and that allies (including South Korea and Japan) have been appropriately consulted.
- Directs the Department of Defense, in coordination with other agencies, to **report on the status of North Korea’s nuclear, missile, and other weapons of mass destruction** (including chemical and biological weapons), and in the case of an agreement between the United States and North Korea, to provide updates and verification assessments on any that have been verifiably dismantled, destroyed, or rendered permanently unusable.
- **Continues to strengthen our military capability to ensure US forces are ready** to defend ourselves and our allies in any scenario on the Korean Peninsula.
- Bolsters DOD’s efforts to plan for and provide the necessary forces, military infrastructure, and basing, logistics capabilities, and invests in **new missile defense capabilities** (as discussed above).
- Supports the President’s budget request for the **Army’s precision strike missile program**.

Counterterrorism

Even as America's Military prepares for new threats, we must also keep up the pressure on terrorist groups that threaten U.S. interests, including ISIS and al Qaeda. The NDAA:

- Authorizes the **Counter ISIS Train and Equip fund** to aid partners and allies fighting ISIS.
- **Extends the Syria Train and Equip Authority** through 2019 so that U.S. partners in Syria can consolidate gains against ISIS, and requires the President to submit an updated implementation plan.
- Authorizes **continued security cooperation with the Government of Iraq** to consolidate gains against ISIS.
- Maintains the **Coalition Support Fund** to reimburse partners and allies that contribute to U.S. counterterrorism efforts.
- **Supports the Afghan military** (particularly the Afghan Special Security Forces and the Afghan Air Force) in its fight against the Taliban, and ISIS Khorasan, by reauthorizing the Afghan Security Forces Fund.
- Authorizes **U.S. Special Operations Command** programs and activities, including ongoing efforts in **Iraq, Syria, Afghanistan, Yemen, and Somalia**.
- **Extends critical authorities for special operations.**
- **Improves congressional oversight of ongoing counterterrorism** and sensitive activities.
- **Expands border security authority so that Pakistan and Oman are eligible for U.S. assistance** in securing their borders against the threats posed by transnational terrorism.

Iran

The NDAA is designed to revitalize America's alliances, including as a bulwark against Iranian influence. The NDAA also ensures the U.S. military posture in the region will deter Iranian aggression, allows the Pentagon to plan for a robust defense against Iran, and increases pressure on Iran's proxy network in Syria, Iraq, Yemen, and elsewhere. The NDAA:

- Revitalizes partnerships in the region by authorizing DoD to create a **strategy to counter the destabilizing activities of Iran**. The NDAA also counters Iranian support for Iraq and ensures that U.S. support does not flow into the affiliates of the Iranian Revolutionary Guard Corps (the Quds Force) by extending the authority for the Counter ISIS fund which the Iraqi government uses in its fight against ISIS..
- Provides for a robust military posture in the region by increasing oversight of countermine assets, **accelerates the next Ford Class aircraft carrier** (as discussed above) to close the carrier gap in the Gulf, and increases regional missile defense cooperation and deployment.
- **Increases oversight of items essential to deterring Iran and other hostile actors**, including munitions stockpiles, Patriot missiles, cooperative efforts to counter Unmanned Aerial Systems, and missile defense of the United States.

SUPPORTS ALLIES AND PARTNERSHIPS

Security Cooperation

U.S. national security is bolstered by **ensuring that allies and partners can defend themselves**, operate alongside U.S. forces, and contribute to coalitions supporting U.S. objectives. Allies and partners must also be able to interoperate with the United States, conduct counterterrorism operations, and help to deter the malign influence of shared competitors and adversaries. The NDAA:

- Authorizes the **transfer of a U.S. Navy frigate to the Kingdom of Bahrain**.
- **Builds upon previous reforms** to ensure the security cooperation enterprise is efficient and effective.
- Continues to **improve the Foreign Military Sales process** to support U.S. security objectives and the defense industry.
- **Improves security cooperation to counter China's rising influence** in Africa, Southeast Asia, and other regions.
- **Provides flexibility for strategic partners and allies to move away from the use of Russian military equipment** to American equipment through a modified waiver under the Countering America's Adversaries Through Sanctions Act.
- Includes a Sense of Congress **calling on Turkey to release wrongfully detained U.S. citizens including Andrew Brunson and Serkan Golge**.

CFIUS Reform

For years, China has been using America's open economy against us. It has been leveraging our investments and stealing sensitive technology and information to overcome our military advantage. **The NDAA contains an agreement to modernize and strengthen the Committee on Foreign Investment in the United States** to more effectively guard against the risk to U.S. national security posed by certain types of foreign investment. It also **includes key reforms to our export controls** that will better protect emerging technology and intellectual property from Beijing and other potential adversaries.

- **Increases the CFIUS oversight of foreign investment** in U.S. businesses to protect national security.
- **Authorizes the disclosure of information** related to CFIUS's national security analysis to a U.S. government agency or a governmental entity of a U.S. ally or partner.
- Establishes **mandatory thresholds for declaring foreign investment** in U.S. businesses involving critical technologies, critical infrastructure, or sensitive personal data of U.S. citizens.
- Ensures that the **Department of Defense has a strong voice in ensuring appropriate national security review** of emerging technologies and other dual-use items.