

FACT SHEET: Highlights of the NDAA

National Defense Authorization Act For Fiscal Year 2015

The National Defense Authorization Act (NDAA) for Fiscal Year 2015 is the key mechanism to provide necessary authorities and funding for America's military. This is the fifty-third consecutive NDAA. The bill provides for the common defense in an era of declining resources; though Members recognize that meeting this goal is becoming increasingly difficult as funding becomes increasingly scarce. As always, Armed Services members balance the dual stewardship of the taxpayer dollar and vital national security requirements. To that end, the NDAA balances the force with constrained resources; supports and protects our war fighters and their families; enforces both responsible policy as well as accountability an enduring missions in Afghanistan, and the current mission in Iraq and Syria, begins the process of reforming Department of Defense institutions and processes; and helps assure that America's Armed Forces maintain the vital global presence that allows them to face current threats and prepare for new ones. The House Armed Services Committee approved the NDAA on Thursday, May 8th, by a vote of 61-0.

Process: This legislation is substantially based on two bills (1) HR 4435, the National Defense Authorization Act which passed the House on May 22nd by a vote of 325-98, and (2) S. 2410 a product of the Senate Armed Services Committee which passed on the same day by a vote of 25-1. Because passing this legislation by the end of the calendar year is vital, these two products were merged through a series of negotiations at all levels of the House and Senate. Negotiators also considered, and in many cases included, a number of proposals offered by members of both parties that were filed for consideration by the full Senate. This legislation represents the broad bi-partisan consensus about America's national security challenges, goals, resources, and policies.

National Security Resources For A Dangerous World

Armed Services Committee Members share Americans' concerns for their national security, but also their economic security. Chairman McKeon is also mindful that if national security resources continue on the current trajectory, they will be insufficient to meet the threats we face. While this proposal makes difficult choices, if trends are not reversed Congress will be called upon to make impossible choices in the years to come.

AUTHORIZED FUNDING LEVELS: Consistent with the House budget, reflecting the Ryan-Murray budget agreement last year, the NDAA authorizes **\$521.3 billion** in base discretionary spending for national defense. This is consistent with the levels for national defense in the House-passed FY15 budget and the Republican Study Committee substitute. In addition, the NDAA authorizes **\$63.7 billion** for Overseas Contingency Operations (OCO). OCO funding reflects the President's initial request for \$58.6 billion, belatedly made after the House had passed the NDAA, and his additional request of \$5.1 billion to primarily cover counter-ISIL operations. OCO funding is \$15.7 billion below the \$79.4 billion authorized by the House. The FY15 NDAA is \$48.0 billion less than the enacted FY14 NDAA.

TABLE I: FY15 NDAA Funding Levels

Purpose	Amount (\$ billions)
DOD Discretionary Base Budget Request	\$495.5
DOE Discretionary Base Budget Request	\$17.9
FY 15 Discretionary NDAA Topline	\$513.4*
Defense Mandatory Spending	\$7.1**
FY 15 NDAA Topline	\$520.5
Overseas Contingency Operations	\$63.7***

* Does not include \$7.8 billion of authorizations not within HASC jurisdiction

** Includes statutory requirements for Concurrent Receipt; does not include \$0.6 billion of obligations outside HASC jurisdiction.

***Includes the Administration's supplemental requests in November for National Defense totaling \$5.1 billion

Balancing The Force With Constrained Resources

This year's budget request reflects years of compounding resource cuts to national security. Indeed, President Obama has directed over **\$1 trillion in cuts** to the military since he took office. The President's FY15 base budget request is **\$31 billion less** than called for in his FY14 budget. His request paid for the cuts by dramatically reducing the size of the military, increasing out of pocket expenses for military families, and cutting vital programs. Armed Services Members are not prepared to accept a smaller less capable force at this time. Members from both parties worked hard to find savings in less critical areas that do not pose the threat of irrevocable damage to the force or the potential to harm recruiting or retention. Still, at current resource levels, tough choices must be made.

In determining these priorities, Armed Services Members were informed by Unfunded Requirements (UFR) lists provided by service chiefs and combatant commanders, as well as substantial oversight and a robust round of posture hearings that included the Department's senior leadership. These lists helped Members understand what areas of risk were insufficiently addressed by the President's budget and guided their efforts to mitigate that risk. In most cases this involved tough choices between important programs and vital ones.

TABLE II: Savings Achieved And Resources Restored Or Added

Savings Achieved	Resources Added
Counterterrorism Partnership Fund Early to Need - \$2,700 million	National Guard and Reserve Component Equipment - \$1,250 million
Unobligated Balance Program - \$1,657.9 million	LPD 28 - \$800 million
Civilian Personnel Under Execution - \$500.7 million	CVN - 73 Refuel - \$795.1 million
Various unjustified program growth - \$472 million	Depot Maintenance - \$666.2 million
DOE Uranium Enrichment Fund - \$443 million	EA-18G - \$450 million (5 aircraft)
Various early to need/schedule delays - \$303.8 million	Israeli Cooperative Missile Defense - \$348.8 million
Foreign Currency Exchange Account - \$225.7 million	A-10 - \$331.1 million
Warfighter Information Network- Tactical - \$125 million	Rocket Propulsion System - \$220 million
Implementation of rejected benefit reforms - \$114.7 million	CPI-1 Adjustment - \$215.3 million
Center for Cyber Studies Building - \$90.1 million	Capital Improvement Program - \$179.5 million
Office of Economic Adjustment - \$80.6 million	Fissile materials disposition - \$145 million
Joint Urgent Operational Needs Fund - \$70 million	Abrams Tank Upgrades - \$120 million
Medical Center Replacement at Rhine Ordnance Barracks - \$70 million	Facilities Sustainment - \$103.7 million
Joint Tactical Radio System - \$50 million	MQ-9 Reapers - \$103.2 million
Counterfire Radars - \$50 million	ARNG UH-60 Modernization - \$103 million (6 aircraft)
C-5M - \$50 million	Medium and Heavy Tactical Vehicles - \$100 million
Joint IED Defeat Organization - \$49.6 million	Commissaries - \$100 million
CMWS - \$47 million	Ballistic Missile Defense - \$99 million
MC-12 - \$40.5 million	Military Health System Modernization - \$92 million
RQ-4 Milestone C Delay - \$35 million	C-130 Program - \$88.4 million
Small Diameter Bomb Milestone C Delay - \$30 million	Tomahawk Missiles - \$82 million (96 missiles)
Indirect Fire Protection Cap - \$25 million	Body Armor - \$80 million
NNSA Administrative Salaries and Expenses - \$24 million	Basic Research programs - \$80 million
B2 Research and Development - \$20 million	Hercules Vehicle - \$75.9 million
Precision Guided Kits - \$20 million	AWACS - \$59.5 million
JPALS - \$13 million	SOF Flying Hours and Training - \$56.4 million
Aerostat Joint Project Office - \$12.5 million	Stryker Vehicle - \$50 million
International Material Protection & Cooperation - \$10.8 million	Global Threat Reduction Initiative - \$50 million
Marine Corps Museum - \$9.1 million	Grey Eagle Program - \$49 million

Savings Achieved	Resources Added
Expeditionary Fire Support System - \$5.1 million	Bradley Fighting Vehicle - \$37 million
BRAC Planning and Analysis - \$4.8 million	Crisis Response Operations - \$33.8 million
	Defense Nuclear Non-Proliferation - \$32.6 million
	Impact Aid - \$30 million
	AGOR Ships - \$20 million
	Ejection Seat Improvements - \$6 million

BRAC: For several years, the Administration has asserted the need for one or more rounds of base closure to shed excess capacity and conserve resources. Once again, the **NDAA does not reflect the proposed BRAC round**. Many members maintain a long held concern that BRAC rounds do not yield true savings but rather impose large up front costs only then to shift property between federal agencies. Chairman McKeon believes that a BRAC round is inappropriate at a time when the final size of the military and the structure needed to support it is still in flux.

Support And Protect America's Warfighters And Military Families

The NDAA provides our warfighters and their families with the care and support they need, deserve, and have earned, while continuing efforts to end sexual assault within the military.

Military Compensation Commission and the President's Proposed Benefit Cuts: In his FY12 budget proposal, the President made cuts to TRICARE and spent the savings on other programs. In the FY12 NDAA, the House Armed Services Committee fully restored those cuts through reforms to other programs and admonished the President not to take similar action in the future. In his FY13 budget request, once again, the President proposed compensation cuts and spent the savings in other areas. The FY13 NDAA restored half of the funding, and required the President to find other sources for the remaining funds. The FY13 NDAA also established a **military compensation commission** to examine a range of reforms and report back to Congress. Members in both parties have consistently stated that they are unwilling to make piecemeal compensation reforms, nor are they willing to make reforms until the commission provides its report to the committee.

Consistent with past NDAA's, a desire to wait for comprehensive recommendations from the commission, and his longstanding position that promises made to military forces must be kept, Chairman McKeon did not accept the significant increases requested by the Department of Defense for military pharmaceutical co-pays. Instead, a limited, \$3 increase in select pharmacy co-pays is approved. There will be no increase in mail-order generic pharmaceuticals. Consideration of any further increases is postponed until after the Military Compensation and Retirement Modernization Commission reports in February of 2015.

Troop Pay & Allowances: The NDAA supports current law, which is intended to ensure pay for our troops keeps pace with the civilian sector, but provides the President with latitude to make exceptions. The President has notified Congress he intends to use his authority to set the 2015 military pay increase at 1 percent. The NDAA upholds the President's request, endorsed by senior military leadership, for a **pay freeze for General and Flag Officers** for FY15 and includes a Senate provision that removes a retirement incentive for general officers that was added by Congress in 2006. The NDAA rejects the Pentagon's request for a 5% reduction in basic allowance for housing (BAH) and replaces it with a 1% decrease. This change will not affect veteran's

benefits. Consideration of any further changes is postponed until after the Military Compensation and Retirement Modernization Commission reports in February of 2015.

Combatting Sexual Assault in the Military: The FY14 NDAA included substantial bi-partisan reforms aimed at preventing sexual assault in the military, supporting victims, and prosecuting offenders. Chairman McKeon appreciates the continued focus on this effort led by Rep. Michael Turner (R-OH) and Rep. Niki Tsongas (D-MA) with significant contributions from Reps Susan Davis (D-CA), Jackie Walorski (R-IN), and Joe Wilson (R-SC). The NDAA **eliminates the “good soldier defense”** - a consideration of general military character toward the probability of innocence in sexual assault prosecutions. Victims would also be consulted as to their preference for prosecuting offenders by court-martial or through civilian channels.

Commissaries: While the NDAA rejects cuts to compensation programs that result in increased out of pocket costs for military families, as a former retail entrepreneur Chairman McKeon understands that efficiencies can be made that reduce the cost of the program without increasing prices. The NDAA requires the Department of Defense to consult with outside experts in retail grocery sales to find efficiencies in the commissary system.

Purple Heart: The NDAA provides authorization for **awarding the Purple Heart** to members of the armed forces killed or wounded in a domestic attack inspired by a foreign terrorist organization- like **the attack at Ft. Hood. This effort was led for many years by Rep. John Carter (R-TX).**

Religious Liberties: Building on the service member and chaplain religious liberties protections enacted in the FY13 and FY14 NDAA's, the House-passed NDAA required the Air Force to rewrite its regulations to comply with the new law. The House effort was successful and the Air Force released those new religious liberties regulations in November.

Military Suicide: Armed Services Members remain troubled by the prevalence of suicide within the military community. While Members are cautiously encouraged by the decline in suicide rates in the general force, rates of suicide among military families continue to be a cause of concern. The NDAA directs the Secretary of Defense to track that issue closely. Members are also concerned about the growth in the suicide rate in the special operations community and a number of provisions in the bill are designed to help reverse this trend. Building on the work of Chairman Wilson and Vice Chairman Thornberry, the NDAA authorizes an additional \$18.8 million towards behavioral and psychological health programs and efforts specifically for Special Operations Forces.

Military Readiness: Support for warfighters and their families go beyond benefits. It mandates that anyone going into harms way is properly trained and equipped. Our military is experiencing ever growing challenges maintaining readiness as a result of sequestration, leading to a system of tiered readiness where only deploying military personnel are fully trained and ready to deploy. To address this concern the NDAA builds on the work done by Chairman Rob Wittman (R-VA) and the Subcommittee on Readiness to provide over \$212 billion for operation and maintenance requirements funding activities such as ship refueling and overhaul, depot maintenance, and facilities sustainment. The NDAA further addresses critical readiness gaps associated with **depot maintenance, flying hour programs and base operations support** caused by sequestration and repeated resource cuts. These are achieved by diverting funds from lower priority items. Members remain concerned however that if resource trends are not reversed soon, any tentative gains in these accounts will be diminished or eliminated. Consistently failing to meet appropriate levels of combat readiness places our troops at risk.

To help Congress better understand the effects of budgetary decisions, the NDAA streamlines and enhances **readiness reports** delivered to the Armed Services Committees. New reports will be focused on current missions and their impacts on potential future wartime missions, combat support functions like intelligence, logistics, and other vital skill sets that are in high demand. The NDAA also includes authorization for a pilot

program that would increase the re-utilization of excess equipment in Afghanistan by enabling the transport to key partners for use in other missions, such as those against ISIL.

Defeating ISIL and Other Terrorist Organizations

Defeating the Islamic State in Iraq and the Levant (ISIL) is an urgent priority. Chairman McKeon and many Armed Services Members support decisive action to defeat this threat, and they remain concerned that the President's strategy is insufficient to meet this objective. While the NDAA authorizes a number of specific activities, none of these can be considered as a broader authorization to use military force (AUMF) against ISIL. Chairman McKeon continues to believe that an AUMF should be stand alone legislation that is carried in the new Congress.

Supplemental OCO Request: In a supplemental request, President Obama identified \$5.0 billion needed to continue operations against ISIL: \$3.4 billion for sustaining U.S. operations associated with Operation Inherent Resolve and \$1.6 billion to train and equip Iraqi and Peshmerga security forces.

The NDAA authorizes the \$3.4 billion request for sustaining U.S. personnel forward-deployed to the Middle East, providing enablers such as intelligence, surveillance, and reconnaissance platforms, replenishing munitions expended while conducting airstrikes against ISIL, and financing operations and maintenance costs for air, ground and naval operations to date.

Iraq Train and Equip: The NDAA authorizes the President's \$1.6 billion request to train and equip Iraqi security forces. Armed Services Members believe we must re-build the capability and capacity of our Iraqi partners in the region so they can sustain the long-term fight to defeat ISIL and provide security and stability to the Iraqi people, so that large numbers of U.S. combat forces are not required. This authorization is not provided under the 2002 Iraq AUMF and subsequent Iraq training authorities had expired or been repealed. The NDAA authorizes this funding for a two-year program with robust oversight and notification requirements. The provision authorizes significant support for the Peshmerga, Sunni tribes, and other forces beyond the traditional Iraqi Security Forces. Under the provision the Iraqi government must share 40% of train and equip costs.

Syria Train and Equip: The NDAA extends the McKeon amendment to the CR to train and equip moderate Syrian forces to combat ISIL. Since the CR passed in September, the HASC has conducted oversight through hearings and briefings to understand how the mission would be executed and the planning conducted to date. The NDAA adopts some clarifying language requested by DOD to facilitate execution of the mission. Reprogramming authority is provided, but the NDAA does not authorize any new funds for this mission, and would require subsequent approval by the national security committees.

Counter Terrorism Partnerships Fund (CTPF) In his original OCO request this summer the President also identified a \$4 billion requirement for the CTPF. At the time, Armed Services Members were concerned that while this was identified as a need in the larger OCO budget, no specific requirements or funding lines were identified to sustain the request. Members were further concerned that the CTPF's mission was too loosely defined to be successful. The NDAA authorizes \$1.3 billion for a 2 year program to build partner anti-terrorism capacity in the Middle East and Africa, except for Iraq (which is funded elsewhere in the OCO request), and to allow U.S. forces to providing enabling support to foreign partners undertaking counterterrorism activities. The NDAA requires DoD to execute these funds using existing authorities and strengthens congressional oversight of the fund through a detailed spend plan and reprogramming requirements.

Special Operations Combating Terrorism Authority: The NDAA authorizes and extends a critical special operations counterterrorism authority – the so-called 1208 authority – which permits special operations forces

to work with indigenous or surrogate forces in support of ongoing U.S. operations. The authority is utilized throughout the Middle East and Africa, and the NDAA would extend the authority through 2017 and raise the authorized amount from \$50 million to \$75 million. The NDAA also provides the Commander of United States Special Operations Command with enhanced rapid acquisition authority.

Afghanistan: Responsibility and Accountability for an Enduring Mission

Armed Services Members have been encouraged by the progress coalition forces are making in Afghanistan, but increasingly troubled by the President's unwillingness to promote the success of his own strategy and the uncertainty associated with the President's indecision on the way forward. The United States continues to have vital interests in the stability of Afghanistan. Abandoning our Afghan allies now would open the country to being an al Qaeda safe haven once again. Further civil strife in Afghanistan would only worsen a critical region already troubled by nuclear proliferation, ethnic conflict, and terrorists who continue to attempt to attack the United States. Chairman McKeon remains convinced that the Administration's unwillingness to declare appropriate force levels for an enduring mission in Afghanistan post-2014 is a major contributor to instability and hinders progress. Chairman McKeon believes that the President should follow the recommendations of his commanders and have a conditions-based approach for any post-2014 drawdown.

The NDAA expresses Congress' support for the stability and sovereignty of Afghanistan. The NDAA also states that Afghanistan remains a top priority of the United States and that the United States should help Afghanistan ensure that its territory is not used by al-Qaeda, the Haqqani Network, or other violent extremist groups to launch attacks against the United States or its interests; and that the post-2014 mission to train, advise, and assist the Afghan National Security Forces (ANSF) and conduct counterterrorism operations is a key step to maintaining the significant gains achieved in Afghanistan. Chairman McKeon believes that a drawdown in Afghanistan cannot occur on an arbitrary timetable; therefore, the NDAA expresses that any drawdown of post-2014 U.S. forces should be considered in relation to the security conditions on the ground at the time of the drawdown and the recommendation of senior U.S. military commanders.

To maintain appropriate Congressional Oversight the NDAA establishes a **report on post-2014 Afghanistan**. It also extends the **Commander's Emergency Response Program (CERP)** in Afghanistan, requires a plan for **monitoring DoD funded construction activities** in Afghanistan post-2014, and requires a report on the **financial management capacity of the Afghan ministries of Defense and Interior**.

The success and stability of Afghanistan is tied to the success of the Afghan National Security Forces. Therefore, the NDAA requires the Secretary of Defense to submit an **ANSF sustainment plan** through the end of FY18.

Reforming the Department Of Defense

Armed Services Members are aware that even if the trend of repeated resource cuts is ended, funding for the troops is likely to remain flat or grow slowly for many years to come. It is more essential than ever that all Department of Defense processes and institutions become as efficient as possible. Congress must help DoD get more defense for the dollar. That is why Chairman McKeon asked HASC Vice Chairman Thornberry to lead a comprehensive reform effort. Lasting reform will only be successful if it is crafted by a solid partnership between the House, Senate, Department of Defense, and Defense Industry.

Institutional Reform: The NDAA restores the **Office of Net Assessment** (ONA) to its independent status, with the Office reporting directly to the Secretary of Defense. The NDAA increases the ONA budget for FY15 by \$10 million to \$18.9 million. The Secretary of Defense is directed to report on the feasibility of reducing or consolidating **combatant command functions** by FY20 and a plan to implement a periodic review and analysis of management headquarters. The NDAA would also task GAO to assess DoD's headquarter reduction efforts, building off its previous work conducted for the committee on examining growth in DOD headquarters.

Acquisition Reform: Vice Chairman Thornberry's acquisition reform effort aims to identify and drive out disincentives that increase cost and schedule of major programs and delay delivery of capabilities to the warfighter. The reform effort identifies **services contracting** as an area where major improvements can be made. While the FY08 NDAA established the requirement for an annual inventory of services contracts, the Department has yet to fully implement this requirement. The NDAA directs the Under Secretary for Acquisition, Technology, and Logistics, and the senior acquisition executives for the Navy and the Air Force, to issue policies to the Defense agencies and the military services **implementing a standard checklist** to be completed before the issuance of a solicitation for any new contract for services or exercising an option under an existing contract for servicing. The NDAA also requires that the Comptroller General submit a report on Defense agencies' and military services' implementation of such a checklist by January 30, 2016.

Armed Services Members believe that in order to control the cost of defense acquisitions, each element of the acquisition system is responsible for considering the potential increases in cost and time when implementing policies, procedures, and activities. This includes budget, requirements, acquisition, and operational test communities. Each of these organizations should take appropriate action to balance its responsibilities with the need to avoid unnecessarily increasing program cost or impending program schedules. The NDAA includes a requirement for the Comptroller General to conduct a review of cases in which the program office believe that **the Director of Operational Test and Evaluation** has required testing above the required test plan.

Security Reform: The Committee is deeply concerned about the grave impact to our national security caused by the unauthorized disclosure of classified information. Such disclosures not only jeopardize U.S. military operations, capabilities, and technology, they ultimately lead to the loss of lives. The NDAA, therefore, directs the Secretary of Defense to provide the defense committees with frequent reports on DoD's damage assessment resulting from these unauthorized disclosures and steps the Department is taking to mitigate the damage.

Strategy Reform: Chairman McKeon remains dissatisfied with the inadequate **Quadrennial Defense Review** delivered to Congress earlier this year. Contrary to statutory requirements, 2014 QDR focused largely on the near-term, and it contained a strategy that assumes increased risk to the force, without specifying the resources required to execute the strategy at a low-to-moderate level of risk. Armed Services Members believe that the time has come to **reform the QDR process** to make it a more useful oversight tool. The NDAA includes a provision introduced by Chairman McKeon and Ranking Member Smith (D-WA) designed to overhaul the QDR. A new **Defense Strategy Review** will require tradeoff analyses between missions, risks, and resources to better inform decisions on the longer-term direction of America's national security infrastructure. The NDAA also reshapes the role of the independent **National Defense Panel**.

Facing Current Threats And Preparing For New Challenges

While QDR reform will assist future congresses in dedicating resources to meet strategic requirements, the NDAA makes tough choices to secure America's vital interests today, while preserving the capacity and flexibility to meet future threats.

Vital Platforms: Building on the work of the Seapower and Projection Forces, Readiness and Tactical Air and Land Forces Subcommittees, as well as profound concern of the Members, the NDAA funds important platforms, preserves the industrial base, restores readiness, and invests in the future. This includes supporting the **refueling of the USS George Washington**, a carrier with 25 years of useful life left, and incremental funding for a new **San Antonio Class Amphibious Ship**. The NDAA supports the efforts of the Subcommittees on Readiness, Seapower and Projection Forces, and Tactical Air and Land Forces as they have worked to identify and support critical programs.

The President's budget request forces Congress to make tough choices between important programs. While the NDAA was able to fund many important programs with savings from across the defense enterprise, there simply was not enough to save every program. While not permanent solutions, those savings allow Congress to avert irreparable harm to the force for one more year, which includes limited purchase of **EA-18G Growlers**, **AWACS** aircraft, and additional **MQ-9 Reapers**. The NDAA also requires the modernization of two class cruisers, while prohibiting the "lay up" of half the cruiser fleet.

Armed Services members recognize the limited maintenance manpower capacity in the Air Force's tactical fighter programs, which has become acute during Operation Inherent Resolve. Accordingly the House-Senate agreement includes a provision **prohibiting the retirement of any A-10 aircraft** in FY15, while allowing the Secretary of Defense to place up to 36 aircraft into a back-up inventory status subject to a review by DoD's Cost Assessment and Program Evaluation directorate and a certification by the Secretary of Defense. GAO is also tasked to review the A-10 program.

The NDAA also makes prudent investments designed to preserve the integrity of the industrial base while delivering needed equipment to all elements of our forces. These include Abrams tank upgrades, the Hercules and Stryker vehicles, tactical wheeled vehicles and the Grey Eagle program.

National Guard: In the aftermath of the 9/11 attacks, America's citizen soldiers have made repeated, heroic sacrifices in service to their country. Their service has made the Guard more than an operational reserve, but also a strategic resource. As funding cuts force difficult choices, Armed Services Members are working to preserve the appropriate balance between the active force and the National Guard and Reserve. Chairman McKeon appreciates the work Rep. Wilson (R-SC), Chairman of the Subcommittee on Military Personnel, did to find this balance in his mark. Consistent with the House passed NDAA, Armed Services Members include a provision that would establish a National Commission on the Future of the Army and **prevent the transfer of any National Guard Apache helicopters in FY15**. The provision also clarifies the limitations on the authority of the Secretary of Defense and the Secretary of the Army with respect to the potential transfer of up to 48 AH-62 Apache attack helicopters in FY16 from the Army National Guard (ARNG) to the regular Army pending certification from the Secretary of Defense. The NDAA includes a provision brought forward by Rep. Wilson (R-SC) and Rep. Enyart (D-IL) that commissions **GAO to study the appropriate balance** between the Active force and the Guard. National Guard end strength reductions, as well as the re-distribution of important Guard aviation assets are blocked in FY15. While this provision allows Congress time to study the issue in-depth, unless resource trends change, Active and Guard force structure will both take heavy cuts in FY16.

Armed Services Members remain concerned about the quality and quantity needed to sustain and modernize the National Guard and Reserve Components as an operational and strategic reserve – including the **Aerospace Control Alert (ACA)**, given uncertain and declining resources. Therefore, the agreement includes an additional \$1.25 billion to address the modernization shortfalls for critical dual-use **National Guard and Reserve Component equipment**.

Biofuels: The NDAA prohibits funds to be used for large-scale purchases of **biofuels**, unless they are cost competitive. The NDAA also requires DoD to provide a business case analysis to Congress before constructing a biofuel refinery.

New Authorities for Human Rights Vetting and Training: The NDAA codifies within Title 10 a longstanding policy within the Department of Defense that prohibits providing assistance to a foreign security force that has committed a gross violation of human rights, and also establishes a new authority that permits the Secretary of Defense, with the concurrence of the Secretary of State, to conduct human rights training with foreign partners. These two provisions combined ensure that our engagement with foreign partners and related assistance programs are positioned to further enhance U.S. national security interests and human rights.

Strengthening Defense Intelligence: The NDAA includes several provisions to strengthen the Defense Intelligence enterprise and operational capabilities, including: a comprehensive review and assessment of intelligence activities and programs of United States Special Operations Command and special operations forces to ensure proper resourcing, authorities, and emphases; and directing an annual briefing on Combatant Commander intelligence, surveillance, and reconnaissance (ISR) requirements, and a strategy to address those requirements, to ensure proper capabilities and resourcing in future years.

Strengthening Cyber Operations and Information Technology Management: The NDAA takes a number of steps to strengthen the tools of the Department for cyber operations and information technology management. For example, it directs the President to maintain a list of nation-states or individuals that engage in economic or industrial espionage using cyber tools, and allows for the President to impose sanctions on such individuals or nation-states. It also directs the Secretary of Defense to designate an executive agency for cyber test ranges, and another for cyber training ranges, in order to better coordinate and resource these important ranges. It would also require the development of a Major Force Program for cyber to better account for the budgeting and resourcing of cyber operations capabilities. The NDAA would also require mandatory reporting on penetrations of operationally critical contractor networks, as well as development and implementation of operational metrics for the performance of the Joint Information Environment.

Asia Rebalance: Armed Services Members remain concerned about our nation's posture and presence in the Asia-Pacific region to deter aggression and reassure allies and partners. The bi-partisan work of the Seapower Subcommittee Chairman Forbes (R-VA) and Rep. Hanabusa (D-HI) in leading a special oversight effort into the Asia rebalance, led to their introduction of standalone legislation in the House (H.R. 4495). Much of this legislation is incorporated in the NDAA, to include the requirement for a DoD study on Taiwan's defense capabilities, an independent assessment on countering anti-access area denial capabilities, and a sense of Congress on the importance of our security relationships with Japan and the Republic of Korea.

Defeating al Qaeda: As the mission in Afghanistan transitions and the military rebalances towards Asia, Members are concerned about the persistent al Qaeda threat. The NDAA requires a report on the **national security planning guidance to continue to deny safe havens to al Qaeda**, and an independent assessment of al Qaeda, its affiliates, associated groups, and adherents.

Guantanamo Bay: The NDAA maintains prohibitions associated with the **Guantanamo Bay Detention Facility**, including the **bi-partisan prohibitions on the transfer of detainees to the United States** and on the construction of terrorist detention facilities in the United States.

Stability in the Middle East: The NDAA reflects the Chairman's belief that an **enduring presence in the Middle East** is vital, to include maintaining a robust forward presence and posture to support our allies in partners in the region and to deter Iran. The NDAA expresses congressional belief that the U.S. should

maintain a robust forward presence and posture to support US allies and partners in the Arabian Gulf region- to include basing that enables U.S. operations in Afghanistan, Iraq, and Syria; and to deter Iran.

Israel: The NDAA invests in vital systems like Iron Dome, including reaffirming the requirement for **U.S. based co-production**, and provides significant resources above the President's request for other Israeli Cooperative Missile Defense programs.

Africa: The NDAA recognizes that U.S. Africa Command (AFRICOM) is on the front lines of the next phase of the terrorist threat, and seeks to reinforce AFRICOM's capabilities while also demanding accountability. Members recognized the contributions **Djibouti** has made as a key strategic partner and establishes a number of programs to ensure the relationship is enduring. The bill requires a report on the "**new normal**" and general mission requirements for AFRICOM and the Marine Security Guard program, as well as a report on the readiness implications of the Army's **Regionally Aligned Brigade** concept in Africa.

Europe and Russia: Chairman McKeon appreciates the work of Rep. Turner (R-OH) and Rep. Rogers (R-AL) in being diligent stewards of America's force posture in Europe, which is critical to our ability to deter an increasingly aggressive Russia and reassure our allies and partners in Europe. The NDAA **prohibits U.S. military cooperation** with the Russian military until the Secretary of Defense certifies the Russian military is no longer illegally occupying Crimea, and is abiding by the terms of the Minsk Protocol regarding the ceasefire in eastern Ukraine. The National Nuclear Security Administration (NNSA) is barred from transferring military-grade technology with Russia.

The NDAA requires the Secretary of Defense to provide a report on Congress on a strategy and plans to enhance security and stability in Europe, including reassuring NATO members of U.S. commitments to collective self-defense and enhancing U.S. security cooperation with NATO partner nations. The NDAA expresses the Sense of Congress that **lethal and nonlethal assistance should be provided to Ukraine**, and requires the Secretary of Defense to submit a report on such assistance that has been requested by and provided to Ukraine. The NDAA increases the budget for the DOD's Warsaw Initiative Fund/Partnership for Peace (WIF/PfP) program from \$24.4 million to \$34.4 million to enable U.S. European Command, through military exercises and defense reform efforts, to build the capacity of PfP militaries in order to promote regional stability and to deter Russian aggression.

The NDAA authorizes \$1 billion for the **European Reassurance Initiative**, including \$75 million for programs, activities, and assistance to support Ukraine.

The NDAA includes language in the Strategic Forces subcommittee Mark that will safeguard U.S. national security from Russian Federation proposals to misuse the Treaty on Open Skies in ways that create substantial risk for the American people and their allies in Europe.

The NDAA supports the effective, efficient, and expedient transition from the use of Russian rocket engines to a domestic alternative for **national security space launches**. It authorizes \$220 million for the development of a U.S. next generation propulsion system by 2019, as well as includes a prohibition on the Secretary of Defense for buying launch services using Russian rocket engines other than those already under contract as of February 1, 2014.

Nuclear Enterprise: Chairman McKeon was pleased that the Administration agreed, in its proposed nuclear force structure under the New START treaty released this spring, to retain all 450 intercontinental **ballistic missile silos** in at least a "warm" status that enables them to become operational at a future date. The NDAA ensures this commitment is for the long-term by requiring these silos stay "warm" until at least the end of New START. This requirement will facilitate silo maintenance, ease deployment of a follow-on missile, complicate adversary targeting, and is a low-cost means of improving national security. The NDAA continues previous

efforts to **right-size the federal workforce at the National Nuclear Security Administration (NNSA)** and streamline bureaucracy. The bill includes language that lowers the statutory cap on federal employees at NNSA by more than 7% to a total of 1,690 positions.

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