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# **Fact Sheet: Selected Highlights of the FY2016 National Defense Authorization Act (H.R. 1735 and S. 1376)**

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Following are selected highlights of pending versions of the FY2016 National Defense Authorization Act (NDAA): H.R. 1735, passed by the House of Representatives on May 15, 2015, and S. 1376, reported by the Senate Armed Services Committee on May 19, 2015. This CRS Fact Sheet, based on the two bills and their respective committee reports (H.Rept. 114-102, and S.Rept. 114-49), is designed as a time-urgent product offering Members the best available information pending publication of a CRS report on the legislation.

**Table I. FY2016 National Defense Authorization Act Authorization Levels**

(amounts in millions of dollars of discretionary budget authority)

	<b>Budget Request</b> <i>(House report)</i>	<b>House-passed H.R. 1735</b>	<b>Budget Request</b> <i>(Senate Report)</i>	<b>Senate committee- reported S. 1376</b>	<b>Conference Report</b>
<b>Base Budget</b>					
Procurement	106,967.4	109,735.7	106,967.4	111,847.6	
Research and Development <sup>a</sup>	69,779.2	68,352.5	69,785.0	70,891.6	
Operation and Maintenance	176,517.2	136,562.8	176,517.2	134,071.1	
Military Personnel	136,734.7	136,443.2	136,734.7	135,480.2	
Defense Health Program and Other Authorizations	35,917.5	37,860.4	35,917.5	35,891.0	
Military Construction and Family Housing	8,306.5	7,151.0	8,306.5	8,305.6	
<b>Subtotal: DOD Base Budget</b>	<b>534,228.3</b>	<b>496,105.6</b>	<b>534,228.3</b>	<b>496,487.1</b>	
Atomic Energy Defense Activities <sup>b</sup>	19,031.5	18,856.2	19,002.3	18,735.5	
<b>TOTAL: National Defense Budget</b>	<b>553,254.0</b>	<b>514,961.8</b>	<b>553,230.6</b>	<b>515,222.6</b>	
<b>Function Base Budget</b>					
Overseas Contingency Operations (OCO)	50,949.6	50,949.1	50,949.6	50,901.3	
OCO Funding for items requested in the Base Budget	0.0	38,290.0 <sup>c</sup>	0.0	38,899.1 <sup>d</sup>	
<b>Subtotal: OCO</b>	<b>50,949.6</b>	<b>89,239.1</b>	<b>50,949.6</b>	<b>88,900.4</b>	
<b>GRAND TOTAL: FY2016 NDAA</b>	<b>604,203.6</b>	<b>604,200.9</b>	<b>604,180.2</b>	<b>604,123.0</b>	

**Sources:** H.Rept. 114-102, Report of the Committee on Armed Services of the House of Representatives on H.R. 1735, the National Defense Authorization Act for FY2016; and S.Rept. 114-49, Report of the Committee on Armed Services of the Senate on S. 1376, the National Defense Authorization Act for FY2016

**Notes:**

- a. The House bill did not consider \$5.8 million requested for one Army R&D program.
- b. Summary tables in the Senate report did not include \$29.2 million requested for the Defense Nuclear Facilities Safety board, although the Senate bill does authorize the requested amount.
- c. The OCO section of the House bill authorizes (a) 134 Operation and Maintenance (O&M) activities for which the Administration requested a total of \$38.3 billion in the base budget and (b) 10 military construction projects for which the Administration requested a total of \$532 million in the base budget.
- d. The OCO section of the Senate bill authorizes 15 O&M activities for which the Administration requested a total of \$38.9 billion in the base budget.

**Table 2. Selected Administration Policy and Cost-Cutting Proposals**

Administration Proposal	House committee-reported bill H.R. 1735	Senate committee-reported bill	Conference Report
1.3% <b>Raise in Military Basic Pay</b> in lieu of the 2.3% raise that would occur under existing law <sup>a</sup>	Report calls for 2.3% raise, but the bill includes no relevant provision	Authorizes 1.3% raise, as requested, for most personnel, but none for generals and admirals (Section 601)	
Reduce <b>Commissary Subsidy</b> by efficiencies and reduction of store hours but without closing stores <sup>a</sup>	Rejects proposal (Section 642); authorizes an additional \$322 million to continue current policy in FY2016	Authorizes some proposed efficiencies (Section 651); requires a plan for commissary privatization; authorizes no additional funds	
Slow rate of increase in <b>Housing Allowance</b> to eventually cover 95% of rental costs in lieu of current 99% coverage <sup>a</sup>	Rejects proposal; authorizes an additional \$400 million to continue current policy in FY2016	Authorizes proposed change (Section 602)	
Changes to <b>TRICARE</b> medical insurance including enrollment fee for <b>TRICARE-for-Life</b> (for retirees) and increased <b>pharmacy co-pays</b> for non-active duty beneficiaries	Authorizes none of the proposed changes	Authorizes certain increases in co-pays (Section 702); does not authorize TRICARE-for-Life enrollment fee	
Remove each of <b>11 Aegis cruisers</b> from service for a four-year modernization after which they would replace unmodernized cruisers as the latter retire	Requires that each of the cruisers being modernized in FY2016 be out of service for no more than two years (Section 1023)	Report directs the Navy to include in budget requests from FY2017 onward full funding for its overhaul plan	
Move all <b>Apache attack helicopters from National Guard units</b> to Army units; re-equip some of those Guard units with Black Hawk troop carriers <sup>b</sup>	Bars Apache moves until 60 days after a commission report (Section 1053); authorizes \$136.8 million to buy new Black Hawks and modernize old ones for Guard units	Extends by six months (through end of FY2016) current law barring transfer to Army of more than 48 helicopters (Section 1044)	
Continue mothballing <b>A-10 ground-attack aircraft</b> <sup>c</sup>	Bars retirement of A-10s (Section 133); reduces to 18 the number that can be sidelined (Section 132); authorizes an additional \$603.1 million to keep operating all other A-10s	Bars retirement of A-10s and requires that 171 A-10s be in combat-ready status, thus barring the sidelining of additional aircraft (Section 134); adds \$257 million for A-10 operations	

- a. For background, see CRS Report RL33446, *Military Pay: Key Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.
- b. For background, see CRS Report R43808, *Army Active Component (AC)/Reserve Component (RC) Force Mix: Considerations and Options for Congress*, by Andrew Feickert and Lawrence Kapp.
- c. For background, see CRS Report R43843, *Proposed Retirement of A-10 Aircraft: Background in Brief*, by Jeremiah Gertler.

**Table 3. Selected Congressional Budget Increases and Policy Additions**

Issue	House-passed H.R. 1735	Senate committee-reported bill	Conference Report
<b>F/A-18E/F</b> Navy fighters (none requested) <sup>a</sup>	Adds \$1.15 billion for 12 F/A-18E/Fs	Adds \$1.15 billion for 12 F-18E/Fs	
<b>F-35 Joint Strike Fighter</b> (\$11.0 billion requested for 57 planes) <sup>b</sup>	Adds \$1.0 billion for 6 Marine Corps versions (F-35B)	Adds \$1.05 billion for 6 Marine Corps versions (F-35B)	
<b>Shipbuilding</b> budget includes \$13.8 billion for 10 ships and components to be used in future construction of four more	Adds \$347 million for components to be used in future construction of two additional ships	Adds \$1.66 billion to accelerate work on three ships in the budget and to buy components for future construction of two more	
U.S.-built replacement for <b>Russian-built RD-180 rocket motor</b> for satellite launch vehicles	Adds \$184.4 million to development a replacement for RD-180 (Section 1603)	Modifies existing requirement to field a replacement engine by 2019 (Section 1606)	
Construction of a ballistic <b>missile defense site near the East Coast</b> (in addition to current sites in Alaska and California)	Adds \$30.0 million to plan and design East Coast site; requires deployment of SBX radar on East Coast (Section 1673)	Requires a plan to cut 2 years off construction time for a potential East Coast site but does not require deployment (Section 1641)	
Russian violation of 1989 <b>INF [Intermediate-range Nuclear Force] Treaty</b> (reported by Administration) <sup>d</sup>	Adds \$25 million to develop countermeasures; requires report on discussions with allies concerning collective response (Section 2143)	Requires notification to Congress if Russia is in violation and development of U.S. counter moves (Section 1661)	
Changes to <b>Military Retirement System</b> <sup>Error! Reference source not found.</sup> (no change proposed as part of the budget request)	Modifies the system for new servicemembers, with changes along the lines proposed by a national commission, including Thrift Savings Plan (Sections 631-634)	Modifies the system for new servicemembers, with changes along the lines proposed by a national commission, including Thrift Savings Plan (Sections 633-636)	
Lethal military assistance to <b>Ukraine</b>	Adds \$200 million to train and equip Ukrainian forces (Section 1532)	Authorizes military assistance and intelligence support to Ukraine (Section 1251) and adds \$200 million to do so	
Funds requested (\$600 million) to train and equip Syrian forces to oppose ISIL	Authorizes the request and requires that 25% of anti-ISIL funds for Iraq go to Kurdish and Sunni forces inside Iraq (Section 1223)	Authorizes the request	

a. For background, see CRS Report RL30624, *Navy F/A-18E/F and EA-18G Aircraft Program*, by Jeremiah Gertler.

b. For background, see CRS Report RL30563, *F-35 Joint Strike Fighter (JSF) Program*, by Jeremiah Gertler.

c. For background, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

d. For background, see CRS Report R43832, *Russian Compliance with the Intermediate Range Nuclear Forces (INF) Treaty: Background and Issues for Congress*, by Amy F. Woolf.

- e. CRS Insight IN10286, *FY2016 NDAA: A Comparison of House and Senate Provisions for Military Retirement Reform*, by Kristy N. Kamarck.

**Table 4. Selected Congressional Prohibitions and Budget Reductions**

Issue	House-passed H.R. 1735	Senate committee-reported bill	Conference Report
Funds cut from request on grounds that they <b>exceed the amount required</b> for a program in FY2016 or because of <b>unobligated balances</b>	Cuts \$2.6 billion to be made up for by unobligated balances appropriated in earlier budgets but not spent as planned	Cuts \$1.4 billion to be made up for by unobligated balances and \$490 million deemed in excess of the amounts required in FY2016	
<b>Fuel prices</b> assumed in budget request	Cuts \$1.6 billion on the assumption that fuel prices will be lower than assumed in budget	Cuts \$1.8 billion on the assumption that fuel prices will be lower than assumed in budget	
<b>Foreign currency assumptions</b>	Cuts \$1.4 billion on the assumption that purchase of goods and services by U.S. forces overseas will cost less than budget assumed (due to increased value of the dollar against foreign currencies)	Cuts \$891 million on the assumption that purchase of goods and services by U.S. forces overseas will cost less than budget assumed (due to increased value of the dollar against foreign currencies)	
Administration plan to reduce the size of <b>Administrative Headquarters by 20%</b> over 5 years	Requires a baseline accounting of headquarters budgets and personnel and a specific plan for reductions (Section 905)	Requires a 7.5% reduction in headquarters in FY2016 and in each of the following four years (Section 351) Cuts \$1.7 billion to match the required cutback	
<b>Long-range Strike Bomber</b> (\$1.25 billion requested for R&D) <sup>a</sup>	Cuts \$460 million because of changes in program's schedule	Cuts \$460 million because of changes in program's schedule	
<b>KC-46 tanker plane;</b> (\$2.35 billion requested to procure 12 planes and \$602 million for R&D) <sup>b</sup>	Cuts \$24 million from procurement request and \$200 million from R&D request because of changes in program's schedule	Cuts \$24 million from procurement request and \$200 million from R&D request because of changes in program's schedule	
Administration's effort to close the detention facility at <b>Guantanamo Bay, Cuba</b> <sup>c</sup>	Repeals provision of FY2015 NDAA that increased the President's discretion to transfer Guantanamo detainees to other places (Sections 1036-1038); Adds \$76 million for Guantanamo Bay barracks	Repeals provision of FY2015 NDAA that increased the President's discretion to transfer Guantanamo detainees to other places; Continues or makes more stringent other restrictions on movement of detainees, which would be relaxed if Congress approves a DOD plan to close Guantanamo Bay facility (Sections 1031-1035)	

a. For background, see CRS Report R43049, *U.S. Air Force Bomber Sustainment and Modernization: Background and Issues for Congress*, by Jeremiah Gertler.

b. For background, see CRS Report RL34398, *Air Force KC-46A Tanker Aircraft Program*, by Jeremiah Gertler.

- c. For background, see CRS Report R42143, *Wartime Detention Provisions in Recent Defense Authorization Legislation*, by Jennifer K. Elsea and Michael John Garcia.

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