

June 29, 2018

FY2019 National Defense Authorization Act: An Overview of Senate Action

The FY2019 National Defense Authorization Act (NDAA) approved by the Senate on June 18, 2018, would authorize discretionary appropriations totaling \$708.4 billion for national defense-related activities of the Department of Defense (DOD) and other agencies.

The bill (H.R. 5515) would authorize \$16.3 billion (2.4%) more than the amount enacted in the FY2018 NDAA (P.L. 115-91) and \$0.3 billion more than the Administration requested for such programs in FY2019 (see **Table 1**).

Of the total, the bill would authorize \$639.9 billion for so-called *base budget* activities—activities DOD and other national defense-related agencies would pursue even if U.S. forces were not engaged in operations in Afghanistan, Iraq, Syria, and elsewhere. The bill would also authorize additional DOD appropriations totaling \$68.5 billion—to be designated as funding for *Overseas Contingency Operations* (OCO)—that would cover the incremental cost of those operations in the Middle East as well as other costs Congress and the President agree to designate as OCO.

The Senate Armed Services Committee reported the legislation (S. 2987) on June 5. The Senate took up and considered the House-passed NDAA (H.R. 5515) as a vehicle for its version, which was approved 85-10.

Consistent with Revised Spending Cap

The legislation would authorize a level of funding that is generally consistent with the spending limits (or *caps*) on national defense programs originally established by the Budget Control Act of 2011 (BCA; P.L. 112-25) and

amended most recently by the Bipartisan Budget Act of 2018 (BBA; P.L. 115-123). The cap applies to discretionary base budget appropriations for military programs of DOD, defense-related atomic energy programs of the Energy Department, and other defense-related programs. The FY2019 defense spending cap is \$647 billion. The figure includes programs outside the scope of the NDAA and for which the Administration requested approximately \$8 billion. Thus, the portion of the cap applicable to spending authorized by the NDAA is approximately \$639 billion.

Selected Highlights

- **Smaller End-Strength Increase.** The bill would authorize a \$3.1 billion reduction to DOD's base-budget for military personnel appropriations from the President's request. Almost \$1 billion of the total would come from decreasing the end-strength request; the bill would authorize an active-duty force of 1.3 million personnel, an increase of almost 7,000 from the FY2018 authorized level but a decrease of more than 8,600 from the request. Another \$1.9 billion would come from underutilized military pay accounts.
- **Investment Boost.** The bill would authorize an increase in DOD appropriations (base and OCO) for procurement (\$1.6 billion) and for research, development, test, and evaluation (\$1.2 billion) over the President's request.
- **Military Construction.** The bill would authorize \$780 million for military construction projects not included in the President's request.

Table 1. National Defense Authorizations
(in billions of dollars of discretionary budget authority)

National Defense Budget (Budget Sub-function)	FY2018 NDAA (P.L. 115-91)	FY2019 Request	FY2019 Senate- Passed	\$ Difference (FY2018/ FY2019 Senate- Passed)	% Difference (FY2018/ FY2019 Senate- passed)
DOD-Military (051)	605.5	617.1	617.6	12.2	2.0%
Atomic Energy Defense Activities (053)	20.6	21.8	21.7	1.1	5.6%
Defense-Related Activities (054)	0.3	0.2	0.5 ^a	0.2	66.9%
Subtotal (Base Budget)	626.4	639.1	639.9	13.5	2.2%
Overseas Contingency Operations (OCO)	65.7	69.0	68.5	2.7	4.2%
Total (Base + OCO)	692.1	708.1	708.4	16.3	2.4%

Sources: FY2018 data from H.Rept. 115-404, *Conference Report to Accompany the National Defense Authorization Act for FY2018* (H.R. 2810), at <https://www.congress.gov/115/crpt/hrpt404/CRPT-115hrpt404.pdf>; FY2019 data from Senate-passed H.R. 5515, *National Defense Authorization Act for Fiscal Year 2019*, at <https://www.congress.gov/bills/115th-congress/house-bill/5515/text>, Senate Armed Services Committee.

Notes: Numbers may not sum due to rounding.

a. The Senate approved an amendment authorizing \$500.6 million for the Maritime Administration's Maritime Security Program (MSP).

Organization and Personnel

The bill includes a number of provisions intended to develop policy guidance based on the National Defense Strategy (NDS).

- **Strategy Reports.** The bill would require the Secretary of Defense to annually submit three strategic guidance documents to support and implement the NDS: “Defense Planning Guidance,” “Contingency Planning Guidance” or “Guidance for the Employment of the Force,” and “Global Defense Posture Report.”
- **Leadership Changes.** The bill would create a new Assistant Secretary of Defense for Strategy, Plans, Assessments, Readiness and Capabilities and re-designate the position of Under Secretary of Defense for Personnel and Readiness as the Under Secretary of Defense for Personnel in part to clarify the latter’s role as the Chief Human Capital Officer.
- **Officer Management Overhaul.** The bill would modify laws governing the appointment, promotion, and separation of military officers. Changes include expanding constructive credit for higher rank upon initial appointment and creating competitive categories with tailored promotions and career lengths.
- **SOCOM Review.** The bill would require the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict to conduct a comprehensive review of U.S. Special Operations Command (SOCOM) to ensure special operations forces can counter future threats.
- **2.6% Military Pay Raise.** The bill would authorize funding for a 2.6% military pay raise, matching the President’s request and the largest since 2010.

Weapons and Equipment

- **Fewer F-35s.** The bill would authorize \$7.6 billion for 75 Joint Strike Fighter aircraft, two aircraft fewer than requested to realign the program toward sustainment.
- **Light Attack Aircraft.** The bill would authorize an additional \$350 million for the Air Force to buy new OA-X light-attack aircraft. It would also add \$65 million to replace wings on a portion of the A-10 fleet, bringing the total amount for A-10 upgrades to \$164 million.
- **Shipbuilding.** The bill would authorize \$23 billion for shipbuilding, \$1.2 billion more than the President’s request, for 10 ships and several future vessels as part of the Navy’s long-term plan to increase the size of the fleet from 284 to 355 ships.
- **Low-Yield Nuke.** The bill would add \$65 million to develop a new low-yield submarine-launched nuclear ballistic missile, as recommended by the Nuclear Posture Review, by modifying a number of existing W76-1 warheads into W76-2 warheads.
- **Cruise Missile Defense.** The bill would add \$500 million to accelerate deployment of technology to protect bases in Europe and Asia from cruise missile threats and direct the Army to buy a short-term solution.
- **Tactical Vehicles.** The bill would authorize a \$250 million decrease to the Joint Light Tactical Vehicle program from the President’s request. JLTV and others were identified as “not optimized for conflict between the United States and advanced peer competitors.”

Foreign Investment Reform

Title 17 of the Senate amendment to H.R. 5515 includes the *Foreign Investment Risk Review Modernization Act of 2018*. It would represent the most comprehensive reform of the foreign investment review process under the Committee on Foreign Investment in the United States (CFIUS) since the Foreign Investment and National Security Act (FINSIA). See CRS Report RL33388, *The Committee on Foreign Investment in the United States (CFIUS)*, by James K. Jackson.

- **ZTE Ban.** Section 891 of the bill would bar DOD from procuring telecommunications equipment or services from two companies linked to the government of China: Huawei Technologies Company and ZTE Corporation.
- **Space-Based Intercept.** The bill would direct the Missile Defense Agency to develop a hypersonic missile defense program, as well as a space-based sensor architecture and ballistic missile intercept layer.

Foreign Affairs

- **Afghanistan.** The bill would authorize \$5.2 billion for the Afghanistan Security Forces Fund, matching the President’s request.
- **Islamic State.** The bill would authorize \$1.4 billion for activities to counter the Islamic State, matching the President’s request. Some of the \$850 million to train and equip Iraqi Security Forces and all of the \$300 million to train and equip Syrian opposition forces would be contingent upon reporting requirements.
- **Syria.** The bill would create a Syria Study Group to “examine and make recommendations on the military and diplomatic strategy of the United States with respect to the conflict in Syria.”
- **Turkey.** The bill would prohibit transferring F-35s to Turkey (which plans to buy 100 of the aircraft) and would direct DOD to submit a plan to remove the country from the program. It would also recommend for the President to impose sanctions on the NATO ally if it purchases the S-400 air defense system from Russia.
- **Poland.** The bill would require DOD to submit a report on “the feasibility and advisability” of permanently stationing a U.S. Army brigade in Poland.
- **North Korea.** The bill would require DOD to submit a report on the status of North Korea’s nuclear program “to establish a baseline of progress for negotiations with respect to denuclearization.”

More Information

CRS In Focus IF10891, *FY2019 National Defense Authorization Act: An Overview of H.R. 5515, as Reported*, by Pat Towell

CRS In Focus IF10887, *The FY2019 Defense Budget Request: An Overview*, by Brendan W. McGarry

CRS Report R45013, *FY2018 National Defense Authorization Act*, coordinated by Pat Towell

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