

Fiscal Year 2017 National Defense Authorization Act Summary

The FY2017 NDAA authorizes roughly \$543.4 billion in base budget authority and \$67.8 billion for Overseas Contingency Operations (OCO) for a total \$611.2 billion in discretionary budget authority. The base budget authority includes roughly \$523.7 billion for the Department of Defense (DOD), roughly \$19.4 billion for the defense-related activities of the Department of Energy (DOE), and nearly \$300 million for other defense-related activities. In total, this amounts to \$3.2 billion above the levels set by the Balanced Budget Act (BBA).

Key Provisions

Raises military pay by 2.1%, \$330 million above the President's request for an increase of 1.6%.

Provides investments in capabilities for power projection, counterterrorism, deterrence, ground combat, sea power, and air superiority to help maintain the U.S. military's advantages in the twenty-first century.

Fully funds cybersecurity and cyberspace operations at \$6.7 billion and elevates Cyber Command to a combatant command to better defend against cyberattacks.

Discrimination

Does <u>not</u> include House bill Section 1094 ("Russell Amendment") language that would have allowed discrimination against LGBT and other individuals by federal contractors and grant recipients.

Endangered Species

Does <u>not</u> include any provisions that were originally in the House bill which would have impacted the status of the Greater Sage Grouse (House Section 2864), the Lesser Prairie Chicken (House Section 2865), and the American Burying Beetle (House Section 2866) under the Endangered Species Act.

California Guard Bonuses

Directs DOD to complete a review of all California Guard members who were impacted by the California Guard Bonus scandal. Creates tools to begin resolving this issue by providing authorities to alleviate any financial hardship for California Guardsmen who were unaware they were erroneously paid bonuses from 2004 to 2010.

Workplace Safety and the Minimum Wage

Does <u>not</u> include House bill Section 1095, which would have blocked enforcement of the "Fair Pay and Safe Workplaces" Executive Order.

Does <u>not</u> include Senate bill Section 862, which would have exempted DOD from minimum wage, paid sick leave, and labor rights executive orders.

Does <u>not</u> include House bill Section 3512, which would have changed the definition of a recreation vessel and would have excluded a large number of injured workers from coverage under the Longshore and Harbor Workers Compensation Act (LHWCA).

Climate Change

Does <u>not</u> include House bill Section 315, which would have prohibited funds for certain elements of Executive Orders that deal with greenhouse gas emissions and require federal agencies to take specific actions to prepare for the impacts of climate change.

Immigration

Does <u>not</u> prohibit unused military facilities from being made available to house unaccompanied undocumented minors. Requires certification that facilities made available would not negatively affect military training, operations, readiness, or other military requirements.

Women's Military Service Memorials and Museums

Authorizes the Secretary of Defense to provide up to \$5 million in financial support for the acquisition, installation, and maintenance of exhibits, facilities, historical displays, programs, military service memorials, and museums that highlight the role of women in the military.

Veterans' Employment

Does <u>not</u> include language limiting the use of veterans' preference in hiring for federal civilian employment, but does require the secretaries of Defense, Labor, and Veterans Affairs to coordinate a report on how the current process works and the impacts of preferential hiring on veterans and non-veterans.

Iraq and Syria

Provides nearly \$1.2 billion to fund counter-ISIL efforts.

Provides authority to train and assist vetted Syrian opposition forces through December 31, 2018, and maintains congressional oversight over those efforts.

Europe and Israel

Provides \$3.4 billion for the European Reassurance Initiative to bolster relationships with European allies and partners and to deter Russian aggression.

Provides \$350 million to train and equip Ukrainian security forces.

Supports the phased adaptive approach to missile defense in Europe and strong international cooperation with allies, including \$600 million for missile defense for Israel, an increase of \$455 million over the budget request.

Afghanistan

Authorizes a target of \$25 million for the advancement of women in the Afghan National Defense and Security Forces.

Renews authority to issue special visas through 2020 for Afghans who supported U.S. efforts in Afghanistan and increases the number of available visas by 1,500 visas.

Security Cooperation

Creates a new chapter in title 10 on security cooperation, and transfers, modifies, and codifies security cooperation-related provisions into this new chapter. Includes provisions to consolidate a single "train-and-equip" authority, require an assessment, monitoring, and evaluation program, consolidate reporting requirements, and require an annual security cooperation budget after FY 2018.

Detention Facility at Guantanamo Bay, Cuba (GTMO)

Maintains the existing level of restrictions on the closure of the detention facility at Guantanamo Bay (GTMO) by extending the current prohibitions on transfers of detainees into the United States, and on the construction or modification of facilities within the United States to house GTMO detainees.

Defense Engagement with Cuba

Limits defense engagement with Cuba for FY2017 with narrow exceptions unless the Secretary of Defense and Secretary of State certify that certain conditions have been met.

Force Structure

Requires an end-strength increase of 36,000 for the Active and Reserve Components, at an additional cost of approximately \$3 billion.

BRAC

Does not authorize a new Base Realignment and Closure Round (BRAC).

Acquisition Provisions

The Senate NDAA proposed elimination of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD AT&L), with most of those functions devolving to the military services. It also proposed creating a new Under Secretary of Defense for Research and Development, focused on technology innovation in the DOD. The conference report instead effectively splits the duties of the USD AT&L into two new Under Secretaries: an Under Secretary of Defense for Acquisition & Sustainment that remains the senior DOD acquisition official and an Under Secretary of Defense for Research and Engineering whose duties focus on technology innovation. The conference report also delays implementation of these changes by one year, to February 2018.

Retains the Director of Operational Test & Evaluation with all current authorities.

Enhances and expands rapid acquisition authorities.

Makes progress toward DOD audit readiness by providing new authorities for the closing out of old DOD contracts.

Clarifies DOD acquisition rules regarding commercial item purchases and the use of undefinitized contracts.

Does not include mandates for fixed-price contracts or penalties for their use in acquisition.

Does not include prohibitions on Bid & Proposal or Independent R&D costs in DOD contracts.

Does not include mandates for new cost accounting standards or a new bid protest process.

Subcommittee Portions

Military Personnel Provisions

Raises military pay by 2.1%, \$330 million above the President's request for an increase of 1.6%.

Authorizes an extension of a wide array of bonuses, special pays, and incentive pays for our men and women in uniform.

Directs DOD to complete a review of all California Guard members who were impacted by the California Guard Bonus scandal. Creates tools to begin resolving this issue by providing authorities to alleviate any financial hardship for California Guardsmen who were unaware they were erroneously paid bonuses from 2004 to 2010.

Decreases the overall General and Flag officer numbers by 110, but still increases the number of Marine General Officer positions by one.

Requires an end-strength increase of 36,000 for the Active and Reserve Components, at an additional cost of approximately \$3 billion. Unfortunately, if a FY17 Defense Appropriations bill is passed that does not include the funding to cover this increase, the military services will be forced to reprogram the funds from other priorities or execute painful, last-minute end-strength reductions and force dedicated servicemembers out of the military.

Requires a review of the service records of Asian American and Native American Pacific Islander veterans from the Korean war and Vietnam war to determine whether racial bias unjustly prevented them from receiving Medals of Honor.

Family Readiness

Authorizes up to 12 weeks of leave for the primary caregiver in connection with the birth of a child; authorizes up to 6 weeks of leave for the primary caregiver in the case of adoption of a child; and authorizes up to 21 days leave for the secondary caregiver in the case of the birth of a child or adoption of a child.

Enacts the reforms known as Talia's Law, which would require the notification of State Child Protective Services when there is suspected child abuse and neglect on military installations.

Continues the Special Survivor Indemnity Allowance (SSIA) for widows until May 2018 at the current amount of \$310 per month. Unfortunately, this fix is only temporary and will need to be addressed again before it expires.

Directs the Secretary of Defense to submit a report to Congress on DOD's efforts to prevent, educate about, and treat prescription opioid drug abuse.

Provides \$30 million in Supplemental Impact Aid, and an additional \$5 million in Impact Aid for children with severe disabilities, to support DOD assistance of local education agencies that have been impacted by the enrollment of dependent children of servicemembers.

Adds \$20 million for the STARBASE program, which supports military STEM education for atrisk youth.

Sexual Assault, Hazing Prevention, and the Uniform Code of Military Justice

Extends the requirement for the DOD Sexual Assault Prevention and Response Office's annual report (SAPRO report) on sexual assault on in the military.

Requires the DOD Family Advocacy Program, which addresses domestic abuse in the military, to submit a report to Congress and coordinate its submission with the SAPRO report.

Requires the use of metrics to evaluate DOD's efforts to respond to retaliation in connection with reports of sexual assault in the Armed Forces.

Requires DOD to standardize a system to collect reports of hazing, and requires improved training to better assist members in recognizing, preventing, and responding to hazing.

Modernizes the Uniform Code of Military Justice (UCMJ) based on recommendations developed over two years of work by the Military Justice Working Group, including:

- Improves transparency by providing public access to court documents and pleadings.
- Improves visibility of sentencing dates by replacing unitary sentencing with offense-based sentencing.
- Expands the statute of limitations for child abuse.
- Creates several new offenses, including a prohibition on retaliation and a prohibition on inappropriate relationships between a military recruit or trainee and a person of special trust.

TRICARE

Provides reforms to the Military Health System by standardizing Military Treatment Facilities across the services and increasing access for beneficiaries.

Improves access to care for TRICARE beneficiaries by requiring DOD to ensure extended clinic hours for urgent care and primary care services.

Eliminates prior authorization for outpatient services, including urgent care.

Requires the establishment of a formal Joint Trauma System to ensure the preservation of critical warfighting medical skills.

Reforms TRICARE by formalizing the system into an HMO and PPO system, but unfortunately establishes two fee structures for the next fifty years, one that applies to current retirees and one that applies to future retirees, creating inequity in a defined benefit for military retirees.

Intelligence and Emerging Threats Provisions

Cybersecurity and Cyber Operations

Fully funds cybersecurity and cyberspace operations at \$6.7 billion.

Elevates Cyber Command from a subunified command under STRATCOM to a combatant command, enabling it to better synchronize and conduct cyber operations using the proper statutory authorities.

Provides full funding for Cyber Mission Force development and operations.

Provides authority for DOD to immediately implement practices to hire persons with cyber expertise.

Special Operations Forces

Increases congressional oversight of Special Operations Command and associated activities.

Strengthens the role of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict to allow for effective execution of assigned functions and responsibilities.

Makes permanent a key authority, referred to as "Section 1208," for conducting counter-terrorism operations in partnership with indigenous forces in support of U.S. counterterrorism objectives. This authority is critical to the global fight against Al Qaida and other non-state actors.

Codifies Joint Combined Training Exercise authority. Such exercises, conducted in conjunction with partner nations, increase special operations forces' readiness while strengthening partner capacity.

Safeguarding Technological Superiority

Provides DOD with better buying power authorities to acquire innovative commercial items and build relationships with non-traditional defense contractors.

Provides DOD laboratories and test centers with authority to operate in a manner conducive to retaining and recruiting the most qualified workforce, and innovative management practices.

Makes permanent the authority for the Small Business Innovative Research Program.

Threats Posed by Biological Weapons and Toxins

Mandates a National Biodefense Strategy from the executive branch, as outlined by the Blue Ribbon Study Panel.

Requires the implementation of the recommendations from the DOD panel that investigated DOD's accidental shipment of live anthrax last year to promote safety, standards, protocols, procedures, and accountability at facilities that handle such agents and toxins.

Increases congressional oversight of DOD's handling of select biological agents and toxins, such as anthrax.

Authorities to Respond to Additional Challenges

Authorizes and provides resources for the inter-agency Global Engagement Center, established at the Department of State by Executive Order, to strengthen counter-propaganda efforts against terrorist groups and nation-state actors such as the Islamic State in Iraq and Syria (ISIS) and Russia.

Extends the Joint Improvised Device Threat Agency fund; broadens the Joint Improvised Threat Defeat Agency's authority to pursue precursor materials outside of Afghanistan and Pakistan; allows for counter-IED training of allies; and supports the transition of the agency to the Defense Threat Reduction Agency.

Readiness Provisions

Addresses a number of readiness shortfalls through the following increases in O&M funding:

- Adds \$54.6 million above the President's budget to support an eleventh Army Combat Aviation Brigade;
- Adds \$120 million above the President's budget for Active Army, Guard, and Reserve home station training;
- Adds \$25 million above the President's budget for Army prepositioned stocks;
- Adds \$110.9 million above the President's budget for Army flying hour program and flight training;
- Adds \$279.2 above the President's budget for Air Force weapons system sustainment;
- Adds \$811.5 million above the President's budget for Navy and Marine Corps aviation and ship readiness, including depot-level maintenance;

Adds \$58 million above the President's budget for Marine Corps training exercises.

Installations

- Facility Investments: Authorizes \$7.7 billion in base funding for military construction, family housing, and implementation of previous Base Realignment and Closure Rounds (\$265.5 million above the budget request). Also authorizes \$134 million, as requested in the President's budget, for military construction projects in support of the European Reassurance Initiative and overseas contingencies.
- Guam: Authorizes the Secretary of Defense to provide funding to implement public infrastructure investments, specifically for wastewater infrastructure and a cultural artifact repository, necessary to support the relocation of U.S. Marines from Okinawa. The agreement also fully funds the President's budget request for military construction projects on Guam to support the Air Force's Pacific Airpower Resiliency program and the realignment of U.S. Marines from Okinawa.
- Facility Conversion Projects: Provides the Department of Defense with additional flexibility to manage and optimize its existing infrastructure by allowing O&M funding to be used to convert existing facilities for another military purpose rather than building new facilities or using military construction funding.
- Laboratory Revitalization Projects: Increases the minor military construction cap for laboratory revitalization projects to \$6 million and extends this special authority until 2025. This extends a program that was scheduled to expire in 2018 and provides DOD with additional flexibility to address infrastructure shortfalls in DOD laboratories.
- **BRAC:** Does not authorize a new Base Realignment and Closure Round (BRAC) that was requested by the Department of Defense.
- Support to the Women, Infants, and Children (WIC) Program: Authorizes the secretary of a military department to allot space and services on military installations, at no charge, to local agencies administering WIC programs to servicemembers and their families.
- Women's Military Service Memorials and Museums: Authorizes the Secretary of Defense to provide up to \$5 million in financial support for the acquisition, installation, and maintenance of exhibits, facilities, historical displays, programs, military service memorials, and museums that highlight the role of women in the military.

Energy

• Sec. 526 EISA: Authorizes the Secretary of Defense to waive the requirement under section 526 of the Energy Independence and Security Act of 2007, which currently restricts federal agencies from entering into contracts to buy alternative fuels that are

more polluting than conventional fuels, if the Secretary determines that such a waiver is in the national security interests of the United States.

- **Energy Resiliency:** Expands authorities under the Energy Conservation Investment Program (ECIP) to allow for investments in infrastructure projects supporting energy resiliency or energy security for the Department of Defense.
- Climate Change: Does not include Section 315 from the House bill, which would have prohibited funds for certain elements of Executive Orders that deal with greenhouse gas emissions and require federal agencies to take specific actions to prepare for the impacts of climate change. Instead, includes a non-binding provision expressing the sense of Congress that Department of Defense decisions relating to energy efficiency, energy use, and climate change in Fiscal Year 2017 should prioritize the support and enhancement of combat capabilities, seek efficiency and efficacy, and be done in a manner that best serves the national security interests of the United States.
- **LNG:** Does <u>not</u> include House bill Section 1090, which would have changed the LNG permitting process.

Environment

- Endangered Species: Does not include any provisions that were originally in the House bill which would have impacted the status of the Greater Sage Grouse (House Section 2864), the Lesser Prairie Chicken (House Section 2865), and the American Burying Beetle (House Section 2866) under the Endangered Species Act.
- Readiness Environmental Protection Initiative (REPI): Provides an additional \$14.98 million above the budget request for the Readiness Environmental Protection Initiative.

Civilian Employment Provisions

Extends authority to provide allowances, benefits, and gratuities to DOD civilian personnel on official duty in Pakistan or a combat zone for an additional year.

Helps civilian employees of the Defense Department relocate to parts of the United States outside their current commuting area by authorizing advanced payment of their basic pay.

Does <u>not</u> include language limiting the use of veterans' preference in hiring for federal civilian employment, but does require the secretaries of Defense, Labor, and Veterans Affairs to coordinate a report on how the current process works and the impacts of preferential hiring on veterans and non-veterans.

Provides military depots, shipyards, and arsenals with direct-hire authority to enhance the ability to bring temporary and term employees into the permanent workforce in order to alleviate skilled workforce shortages.

Provides DOD with authority to hire students currently participating in DOD internship programs directly into the permanent DOD workforce in order to optimize the experience they have already gained.

Services Contracts

Includes multiple provisions to provide greater accountability over the billions of dollars DOD spends annually for services contracts.

Seapower and Projection Forces Provisions

Authorizes funds for construction of the first Ohio Replacement Submarine (Columbia-class submarine) in the National Sea Based Deterrence Fund at the amount requested in the President's Budget, and expands the authorities in the National Sea Based Deterrence Fund to include "continuous production" of the common missile compartment for Columbia-class submarines.

- Includes \$433 million for an additional LPD or L(X)R amphibious ship.
- Includes \$3.18 billion for two Virginia-class submarines, the level requested in the President's budget.
- Includes an additional \$85 million for advanced procurement of Virginia-class submarines.
- Includes \$3.26 billion for two DDG-51 Arleigh Burke-class destroyers, the level requested in the President's budget, as well as additional funding for the third FY16 destroyer.
- Includes \$1.1 billion for two Littoral Combat Ships, the level requested in the President's budget.
- Includes \$1.6 billion for the LHA-8 amphibious ship, the level requested in the President's budget.
- Authorizes and funds \$36 million for the construction of a National Security Multi-Mission Vessel.
- Includes \$2.88 billion for 15 KC-46A tanker aircraft, the level requested in the President's budget.
- Includes \$1.36 billion for B-21 Long-Range Strike Bomber (Raider) development, the level requested in the President's budget.

- Includes \$351 million for Presidential Aircraft Replacement (PAR) development, the level requested in the President's budget.
- Includes \$1.86 billion for eleven P-8 Poseidon aircraft, the level requested in the President's budget.
- Includes \$916 million for six E-2D Hawkeye aircraft, the level requested in the President's budget.

Tactical Air and Land Forces Provisions

Mandates an independent review of Navy F-18 oxygen and environmental system performance. The F-18 fleet has experienced very high levels of physiological events over the past four years. The NDAA mandates an internal Navy independent team be established to review the current status of the F-18's problems, and potential engineering and other solutions to protect aviator health and safety.

Authorizes multi-year procurement contracts for AH-64 Apache and UH-60 Blackhawk helicopters.

Prohibits retirement of A-10 aircraft until after F-35 initial operational test and evaluation results are known.

Mandates Army and Marine Corps establishment of combat vehicle fire protection standards.

Army programs:

- Includes \$803 million for 48 AH-64 Apache helicopters, the level in the President's budget request.
- Includes \$755 million for 36 UH-60 Blackhawk helicopters, the level in the President's budget request.
- Includes \$556 million for 22 CH-47 Chinook helicopters, the level in the President's budget request.
- Includes \$433 million for Army Stryker vehicle upgrades, a reduction of \$11 million from the President's budget request.
- Includes \$480 million for M1 Abrams tank upgrades, the level in the President's budget request.
- Includes \$273 million for M2 Bradley upgrades, the level in the President's budget request.

- Includes \$469 million for Paladin PIM artillery program, the level in the President's budget request.
- Includes \$2 million for JLENS (the "Runaway Blimp") program, a cut of \$40 million.
- The conference report does not include any additional funds to cover Army unfunded requirements related to Army aviation restructure initiative (ARI).

Navy/Marine Corps programs:

- Includes \$890 million for four F-35C aircraft, the level in the President's budget request.
- Includes \$2 billion for 16 F-35B aircraft, the level in the President's budget request.
- Includes \$1 billion for F-35 development and testing, the level in the President's budget request.
- Includes \$1.3 billion for 16 V-22 aircraft, the level in the President's budget request.
- Includes \$757 million for 24 H-1 upgrades, the level in the President's budget request.
- Includes \$396 million for 2 MQ-4C aircraft, the level in the President's budget request.
- Includes \$373 million for CH-53K helicopter development, a cut of \$31.5 million.
- The conference report does not include any additional funds for V-22, F/A-18, F-35B, or F-35C unfunded requirements.

Air Force programs:

- Includes \$4.2 billion for 43 F-34A aircraft, a cut of \$213 million.
- Includes \$450 million for F-35 development and testing, the level in the President's budget request.
- Includes \$304 million for the HH-60 CSAR Recap development program, a cut of \$15 million.
- Includes \$128 million for the E-8 JSTARS Recap development program, the level in the President's budget request.
- The conference report does not include any additional funds for F-35A unfunded requirements.

Strategic Forces Provisions

Space

Allows United Launch Alliance to use 18 Russian RD-180 engines for national security space launches in FY17-FY22.

Specifies that the funding for a new rocket propulsion system is for the development of a rocket propulsion system and the interfaces to, or the integration of, a launch vehicle, and that if the engine development is on track, 31% of the funding can be used for investment in a new launch vehicle, upper stage, or infrastructure if total appropriations for launch investment are \$320 million or below; if appropriations are higher than \$320 million, any additional funds over \$220 million can be used for investment in a new launch vehicle, upper stage, or infrastructure.

Fences funding for the OCX program until Nunn-McCurdy certification is submitted and certain briefings are given to Congress.

Requires an interagency plan and analysis of alternatives on precision, navigation, and timing for GPS back-up, and requires relevant departments to designate one official in charge of each agency's efforts.

Requires a commercial SATCOM pathfinder program to accommodate the order-of-magnitude increase in capacity or cost effectiveness to begin in FY17.

Mandates a plan to move the development and acquisition of a weather satellite from the Air Force to the National Reconnaissance Office (NRO) unless the Air Force establishes a program to develop and acquire a satellite for DOD cloud characterization and theater weather imagery requirements.

Limits funds for the Joint Space Operations Center until the Air Force and STRATCOM submit a report on increment 3 acquisition, including requirements, cost and schedule, and evaluation of commercial capabilities.

Prohibits DOD use of GLONASS or BeiDou in FY17 and FY18, with the possibility of a waiver for national security and to mitigate exigent operational concerns.

Missile Defense

Supports the phased adaptive approach to missile defense in Europe, U.S. missile defense, and strong international cooperation with allies, including \$600 million for missile defense for Israel (including Arrow, David's Sling, and Iron Dome), an increase of \$455 million over the budget request.

Prevents closing or reducing manning of Aegis Ashore in Hawaii, and mandates commencement of the environmental assessment necessary to acquire medium-range discrimination radar to improve missile defense.

Requires semi-annual notification on missile defense tests and costs.

Requires a review of the missile defeat strategy for right- and left-of-launch missile defense, including the role of deterrence and missile defeat posture, capability, and force structure; the requirements process, costs, and options for affecting the offense-defense cost curve; and the role of international cooperation.

Fences 25% of funds for Lower Tier Air and Missile Defense System RDT&E, with conditions for lifting the limitation of funds, in order to accelerate deployment prior to the late 2020s.

Replaces the National Missile Defense Policy Act of 1999 with new policy language to the effect that the United States should maintain and improve an effective, robust layered missile defense system capable of defending the United States and its allies against an increasingly complex ballistic missile threat.

Allows, but does not require, a space-based interceptor program.

Nuclear Weapons

Fully funds and authorizes small increases for nuclear weapons activities and nuclear non-proliferation programs.

Authorizes funding for nuclear clean-up activities and provides a funding increase for clean-up of the Hanford Site.

Prohibits use of FY17 and FY18 funds for retention or development of an option for a mobile variant of the Ground-Based Strategic Deterrent (new ICBM) program.

Requires sanctions for entities that enable countries to violate arms control treaties.

Requires a nuclear detection and verification plan.

Prohibits funding for nuclear threat reduction in Russia, with waiver authority if certification that an urgent nuclear-related threat has emerged is submitted to Congress.

Limits funding for extension of the New START Treaty until reporting requirements are met.

Restricts nuclear weapons dismantlement by prohibiting the 20% acceleration of dismantlement by 2022 of nuclear weapons retired prior to 2009, but allows the dismantling of W84 nuclear cruise missile warheads.

Forces the construction of MOX, requires the Department of Energy to use an owner-agent, and requires an independent assessment of contract mechanisms and costs to continue construction, management, and operations.

Limits U.S. participation in approving certification of Open Skies Treaty sensors, and fences 65% of funding until reports are submitted.

Authorizes \$5 million from the Defense Nuclear Nonproliferation account to continue beginning to study the viability of low-enriched uranium for use in naval reactors.

###