



## Congress Completes FY 2018 NDAA Conference Report

Last week, the Conference Committee for H.R. 2810, the FY 2018 National Defense Authorization Act (NDAA) reached an agreement on a final bill bridging significantly different House and Senate versions. The House completed its work on the Conference Report on Tuesday by passing the measure 356-70. The Senate is expected to bring up the bill later this week. Despite tremendous legislative uncertainty in the 115th Congress, and the fact that the President’s budget was delivered to Congress later than usual (in May), this year might be the earliest that the NDAA was signed into law since the FY 2010 NDAA during the 111th Congress.

The FY 2018 NDAA provides \$700 billion for national defense, including \$634.2 billion in base funding and \$65.7 in Overseas Contingency Operations (OCO). Within the OCO authorization, \$48.9 billion will go toward operations and maintenance, while approximately \$16 billion is distributed to other “base” accounts. OCO funding is not subject to Budget Control Act caps. The bill also provides \$20.9 billion for Nuclear programs and defense-related programs through the Department of Energy.

Specifically, the bill authorizes \$147.6 billion for procurement - \$137.3 billion in the base bill and \$10.3 billion OCO, including \$11.4 billion for 90 F-35 aircraft (20 more than requested), nearly \$6 billion for Virginia-class submarines, \$5.2 billion for the DDG-51 Arleigh-Burke class destroyer, and nearly \$2 billion for 24 F-18 Super Hornets (10 more than requested).

For research and development (RDT&E) programs, the bill provides \$87 billion, including \$86.3 billion in base funding and \$648.4 million in the OCO account. The NDAA authorizes \$2 billion for the USAF’s B-21 Long Range Strike Bomber, \$628.9 million for the Navy’s Next Generation Jammer (NGJ), and \$417.2 million to recapitalize the JSTARS aircraft.

In total, the NDAA provides an increase of \$60 million for electronic warfare (EW) programs throughout the budget. The adjacent chart shows a breakdown and comparison of overall category funding in the NDAA through the legislative process.

### Wrapping Up NDAA

Year	Congress	Cleared Congress	Public Law
<b>FY 2018</b>	115th	??	??
<b>FY 2017</b>	114th	12/08/16	12/23/16
<b>FY 2016*</b>	114th	10/07/15	11/25/15
<b>FY 2015</b>	113th	12/11/14	12/19/14
<b>FY 2014</b>	113th	12/19/13	12/26/13
<b>FY 2013</b>	112th	12/21/12	01/02/13
<b>FY 2012</b>	112th	12/15/11	12/31/11
<b>FY 2011</b>	111th	12/22/10	01/07/11
<b>FY 2010</b>	111th	10/22/09	10/28/09
<b>FY 2009</b>	110th	09/27/08	10/14/08
<b>FY 2008</b>	110th	01/22/08	01/28/08

\* The FY 2016 NDAA cleared Congress on 10/7/15, but was vetoed by President Obama on 10/22/15. A resolved bill finally passed Congress and become public law on 11/25/15.

**Acquisition Reform**

According the House Armed Services Committee (HASC) [NDAA summary](#), for the third straight year, the bill contains significant acquisition reform provisions “further streamline

bureaucracy, drive efficiency through competition, and give the Pentagon the tools it needs to make better business decisions.” Specific reforms include establishing online marketplaces to purchase commercial off-the-self (COTS) items, simplifying acquisition and pricing data, establishing a pilot program for bid protests that would require certain losing bid protesters to reimburse the Department for costs of defending against programs, and setting a requirement to negotiate prices for intellectual property earlier in the acquisition process.

**Summary of Major Defense Budget Categories**

Category	Budget Request	House NDAA	Senate NDAA	Conference Report
<b>Total (base)</b>	\$574.6	\$592.8	\$610.9	\$613.3
<b>Procurement</b>	\$113.98	\$127.9	\$140.3	\$147.6
<b>R&amp;D</b>	\$82.7	\$84.1	\$86	\$86.3
<b>O&amp;M</b>	\$188.6	\$187.1	\$192.04	\$192.3
<b>OCO</b>	\$65	\$74.6	\$60.2	\$65.7

to

**The Way Ahead**

With the NDAA effectively out of the way, Congress now has to tackle a spending agreement before the current Continuing Resolution (CR) expires on December 8. Whether this agreement takes the form of another short-term or long-term CR, or an adjustment to the BCA spending caps is uncertain. It is important to note that the NDAA does not provide any actual funding, only the authority to spend money. Therefore, it is not subject to the BCA caps. However, as the first out of the gate, the NDAA can set a goal or expectation for defense appropriations and an increase to the budget cap on discretionary defense spending, which currently sits at \$549 billion for FY 18.

If Congress cannot agree to a bipartisan plan to increase discretionary spending caps, it may be forced to accept a long-term or year-long CR, which limits spending to prior year levels. However, since the defense spending cap for FY 17 was \$551 billion, such a CR would require downward adjustment to defense spending to not exceed the FY 18 cap.

**Items of Interest to the AOC**

- Provides for the appointment and responsibilities of the Chief Information Officer in the Department of Defense (Sec. 909). The Senate version contained a provision establishing the Chief Information Warfare Officer with additional and clarified responsibilities pertaining to cyber, electronic warfare and assured position, navigation, and timing capabilities (A-PNT). The Conference Report accepts, but amends, the Senate language to effectively elevate the existing Chief Information Officer (CIO) to a presidentially-appointed, senate-confirmed position. The bill also provides additional responsibilities related to budgets and standards and would authorize the CIO to evaluate and certify that Department



of Defense budgets are sufficient in meeting Department-wide requirements for the functional areas it oversees.

- Provides increased oversight of cyber operations and cyber programs and requires the Secretary of Defense to conduct a Cyber Posture Review to clarify US cyber deterrence policy and strategy;
- Provides \$8 billion for cyber operations, an increase of \$1.7 billion, to support offensive and defense cyber capabilities, including \$647 million to support US Cyber Command, an increase of 16 percent;
- Limits funding for the Army’s Warfighter Information Network-Tactical (WIN-T) programs and requires a report to Congress to include “How the Army will address the vulnerabilities identified . . . on the mobile, ad-hoc network against a modern peer adversary capable of cyber and electronic warfare detection and intrusion (Sec. 112, page 26).
- Authorizes \$5.8 million for the Army’s EW Planning and Management Tool (EW PMT)
- Authorizes \$16.9 million for the Army’s Family of Persistent Surveillance Capabilities;
- Provides \$240.43 in budget authority for SEWIP (AN/SLQ 32);
- Provides \$57.05 in funding authority for Electronic Warfare Development for USMC, including \$3 million plus-up for the Intrepid Tiger II (V)3 UH-1Y jettison capability, an unfunded requirement (Navy);
- Authorizes \$628.9 million for Next Generation Jammer, a \$4 million reduction from the budget request due to unjustified cost growth (Navy);
- Authorizes \$66.69 million for Next Generation Jammer Increment II;
- Authorizes \$209.8 million for the F-15 Eagle Passive-Active Warning Survivability System (EPAWSS);
- Establishes the Directed Energy Weapon System Prototyping and Demonstration Program
- Authorizes \$100 million for Defense-wide RDT&E funds for development of high-energy laser and high-power microwave weapons.

For additional information on specific program funding in the FY 2018 NDAA Conference Report, please contact Ken Miller, AOC Director for Advocacy and Outreach, at [kmiller@crows.org](mailto:kmiller@crows.org).