



August 7, 2018

FY2019 National Defense Authorization Act: An Overview of H.R. 5515

The FY2019 National Defense Authorization Act (NDAA) approved by Congress would authorize \$708.1 billion in discretionary appropriations for national defense-related activities of the Department of Defense (DOD) and other agencies. The bill (H.R. 5515) would authorize \$16 billion (2.3%) more than the amount authorized by the FY2018 NDAA (P.L. 115-91) and match the amount requested by the Administration.

The bill would authorize \$639.1 billion for so-called base budget activities—activities DOD and other agencies would pursue even if U.S. forces were not engaged in operations in Iraq, Syria, Afghanistan, and elsewhere. This figure includes \$616.9 billion for DOD, \$21.9 billion for defense-related atomic energy programs of the Department of Energy, and \$300 million for other defense-related activities.

The bill would also authorize additional DOD appropriations totaling \$69 billion—funding designated for Overseas Contingency Operations (OCO)—to cover the incremental cost of U.S. operations in the Middle East and South Asia as well as other costs Congress and President Donald Trump agree to designate for OCO.

The legislation would authorize a level of funding that is consistent with the spending limits (or caps) on defense activities originally established by the Budget Control Act

of 2011 (P.L. 112-25) and amended most recently by the Bipartisan Budget Act of 2018 (P.L. 115-123). The FY2019 defense spending cap is \$647 billion and applies to discretionary programs within the national defense budget function (excluding OCO). The cap 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 directly authorized by the NDAA is approximately \$639 billion.

On May 24, 2018, the House passed H.R. 5515, an amended version of the NDAA reported by the House Armed Services Committee. The Senate replaced the House-passed text of the bill with the text of S. 2987, the version of the NDAA reported by the Senate Armed Services Committee, and passed its amended version on June 18. The initial conference report to H.R. 5515 filed on July 23 required revision, so the House sent it back to conference. A new conference report filed on July 25 (H.Rept. 115-874) became the basis for further congressional action.

The House approved the final version of the bill on July 26 and the Senate passed it on August 1. The legislation, if signed by the President before October 1, would mark the first NDAA since the FY1997 version enacted prior to the start of the fiscal year.

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

National Defense Budget (Budget Subfunction)	2018 Enacted NDAA (P.L. 115-91)	FY2019 President's Budget Request	HASC-Reported H.R. 5515	SASC-Reported S. 2987	FY2019 Conference Authorized
DOD-Military (051)	605.5	617.1	616.7	617.6	616.9
Atomic Energy Defense Activities (053)	20.6	21.8	22.1	21.7	21.9
Defense-Related Activities (054)	0.3	0.2	0.3	n/a	0.3
Subtotal (Base Budget)	626.4	639.1	639.1	639.4	639.1
Overseas Contingency Operations (OCO)	65.7	69.0	69.0	68.5	69.0
Total (Base + OCO)	692.1	708.1	708.1	707.9	708.1

Source: FY2018 data from H.Rept. 115-404, *Conference Report to Accompany H.R. 2810*; FY2019 President's Budget Request and conference authorized data from H.Rept. 115-874, *Conference Report to Accompany H.R. 5515*; HASC-reported data from H.Rept. 115-676, *Report on H.R. 5515*; SASC-reported data from S.Rept. 115-262, *Report to Accompany S. 2987*.

Notes: Totals may not reconcile due to rounding.

Selected Highlights

Low-Yield Nuclear Warhead. The bill would authorize \$65 million, as requested, to develop a low-yield nuclear warhead for submarine-launched ballistic missiles. The Administration’s February 2018 Nuclear Posture Review called for “low-yield” nuclear options to preserve “credible deterrence against regional aggression.”

Pacific Ship Collisions Response. Parts of the bill respond to the two ship collisions in 2017 involving Pacific Fleet destroyers that resulted in the deaths of 17 U.S. sailors. Section 322 would require that Navy ships be subject to inspections with “minimal notice” to the crew. Section 323 would limit to 10 years the time that aircraft carriers, amphibious ships, cruisers, destroyers, frigates, and littoral combat ships can be based outside the United States.

Another Carrier. The bill would authorize procurement of a fourth Ford-class aircraft carrier (CVN-81). While it does not authorize appropriations for the ship, the legislation allows for the procurement to occur in conjunction with CVN-80. Lawmakers said a two-ship procurement “could result in significant cost savings.”

Selected Aircraft. The bill would authorize:

- \$7.6 billion in procurement (excluding advance procurement and modifications) for 77 F-35 Joint Strike Fighter aircraft, \$133 million less than the request.
- \$342 million in procurement for 14 MQ-9 Reaper drones, \$120 million and 6 aircraft more than the request to accelerate development of a network of sensors called Advanced Battle Management System to replace E-8 JSTARS surveillance planes.
- \$300 million in procurement to begin buying an unspecified number of new OA-X light attack aircraft, not included in the President’s request.

Selected Missiles. The bill would authorize:

- \$414 million in research, development, test, and evaluation (RDT&E) for the Ground Based Strategic Deterrent to replace the Minuteman III intercontinental ballistic missile, \$69 million more than the request.
- \$700 million in RDT&E for the Long Range Standoff Weapon to replace the AGM-86 nuclear cruise missile, \$85 million more than the request.

Fourth Estate. Section 921 of the bill would require the DOD Chief Management Officer to certify savings of least 25% by FY2020 from the business operations of defense agencies and field activities responsible for logistics, human resources, and other functions—which are sometimes referred to as the Pentagon’s Fourth Estate.

Officer Management Overhaul. Title 5 of the bill contains provisions that would modify key parts of the Defense Officer Personnel Management Act (DOPMA; P.L. 96-513) governing the appointment, promotion, and separation of military officers. Changes include allowing civilians with operationally relevant training or experience to enter the military up to the rank of O-6 and creating an “alternative promotion” process for officers in specialized fields.

Foreign Investment Reform

Title 17 of H.R. 5515 includes provisions designed to limit foreign access to sensitive U.S. technology, including the *Foreign Investment Risk Review Modernization Act of 2018*, which expands the purview of the Committee on Foreign Investment in the United States (CFIUS) to address national security concerns; and the *Export Controls Act of 2018*, which controls the export of certain “dual-use” and military items. For more information, see CRS Report RL33388, *The Committee on Foreign Investment in the United States (CFIUS)*, by James K. Jackson.

China. The bill would prohibit the heads of federal agencies from procuring telecommunications equipment or services from companies linked to the government of China—Huawei Technologies Company and ZTE Corporation, among others. It would also prohibit the obligation of funds for Chinese language instruction provided by Confucius Institutes, language and culture centers affiliated with China’s Ministry of Education.

Europe. The bill would authorize \$6.3 billion for the European Deterrence Initiative (EDI), plus an additional \$250 million for Ukraine security assistance that includes lethal defensive weapons, to counter Russian military aggression. The funding would remain designated for OCO rather than the base budget and mostly go toward repositioning a division-sized set of equipment in Europe and boosting the regional presence of U.S. forces.

Iraq and Syria. The bill would authorize \$1.4 billion for activities to counter the Islamic State of Iraq and Syria (ISIS) by training and equipping Iraqi Security Forces and vetted Syrian opposition forces. It would limit the use of roughly half of the \$850 million for Iraq until the Secretary of Defense submits a report to the congressional defense committees on the U.S. strategy in Iraq and all of the \$300 million for Syria until the President submits a report to congressional committees on the U.S. strategy in Syria.

Turkey. The bill would prohibit the delivery of any F-35s to Turkey (which plans to buy 100 of the aircraft) until the Secretary of Defense submits a report to congressional committees on the Turkish government’s plan to purchase the S-400 air and missile defense system from Russia.

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 IF10921, *FY2019 National Defense Authorization Act: An Overview of Senate Action*, by Brendan W. McGarry and Pat Towell

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

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