

FACT SHEET: Highlights of the Chairman's Mark H.R. 4435 National Defense Authorization Act For Fiscal Year 2015

The National Defense Authorization Act (NDAA) for Fiscal Year 2015 is the key mechanism to provide necessary authorities and funding for America's Military. This is the fifty-third consecutive NDAA. Chairman McKeon's Mark meets the Committee's goal of providing for the common defense in an era of declining resources; though he recognizes that meeting this goal is becoming increasingly difficult as funding becomes increasingly scarce. As always, the Chairman's Mark balances the dual stewardship of the taxpayer dollar and vital national security requirements. To that end, Chairman McKeon's proposal balances the force with constrained resources; supports and protects our war fighters and their families; enforces both responsible policy as well as accountability for an enduring mission in Afghanistan, begins the process of reforming Department of Defense institutions and processes; and assures that America's Armed Forces maintain the vital global presence that allows them to face current threats and prepare for new ones. The House Armed Services Committee will meet at 10:00 AM on Wednesday, May 7th to consider the Chairman's proposal.

National Security Resources For A Dangerous World

Members of the House Armed Services Committee share Americans' concerns not only for their national security, but also their economic security. Chairman McKeon is also mindful that if national security resources continue on the current trajectory, they will be insufficient to meet the threats we face. While this proposal makes difficult choices, if trends are not reversed Congress will be called upon to make impossible choices in the years to come.

AUTHORIZED FUNDING LEVELS: Consistent with the House budget, Chairman McKeon's proposal authorizes **\$521.3 billion** in spending for national defense and an additional **\$79.4 billion** for Overseas Contingency Operations (OCO). This is consistent with the President's budget and the bi-partisan budget agreements reached last year. Chairman McKeon notes however, that it is \$45 billion less than in the President's projected FY14 budget request and \$30.7 billion less than the enacted FY14 NDAA.

TABLE I: FY15 NDAA Funding Levels

Purpose	Amount (\$ billions)
DOD Discretionary Base Budget Request	\$495.8
DOE Discretionary Base Budget Request	\$17.9
FY 15 Discretionary NDAA Topline	\$513.4*
Defense Mandatory Spending	\$7.9**
FY 15 NDAA Topline	\$521.3
Overseas Contingency Operations	\$79.4

* Does not include \$7.8 billion of authorizations not within HASC jurisdiction

** Includes statutory requirements for Concurrent Receipt; does not include \$0.6 billion of obligations outside HASC jurisdiction.

Balancing The Force With Constrained Resources

This year’s budget request reflects years of compounding resource cuts to national security. Indeed, President Obama has directed over **\$1 trillion in cuts** to the military since he took office. Funding in the President’s FY15 budget request is **\$45 billion less** than called for in his FY14 budget. The President’s budget request accommodated those cuts by dramatically reducing the size of the military, increasing out of pocket expenses for military families, and cutting vital programs. In developing this proposal, Chairman McKeon, together with Members from both parties, worked hard to find savings in less critical areas that do not pose the threat of irrevocable damage to the force or the potential to harm recruiting or retention. Still, at current resource levels tough choices must be made.

In determining these priorities, the Chairman and Committee were informed by Unfunded Requirements (UFR) lists provided by service chiefs and combatant commanders, as well as substantial oversight and a robust round of posture hearings that included the Department’s senior leadership. These lists helped Members understand what areas of risk were insufficiently addressed by the President’s budget and guided their efforts to mitigate that risk. In most cases this involved tough choices between important programs and vital ones.

TABLE II: Savings Achieved And Resources Restored Or Added

Savings Achieved	Resources Added
Littoral Combat Ship - \$350 million	CVN - 73 Refuel - \$796.2 million
DOE Uranium Enrichment Fund - \$100 million	Readiness Programs - \$1 billion
Unobligated Balance Program - \$2.2 billion	Abrams Tank Upgrades - \$120 million
KC 146 A (from 7 to 6) - \$226.3 million	Hercules Vehicle - \$72 million
Currency Exchange Account - \$427.2 million	Stryker Vehicle - \$76 million
Warfighter Information Network-Tactical - \$125 million	Body Armor - \$80 million
Joint Tactical Radio System - \$50 million	Amphibious Combat Vehicle - \$85.1 million
Joint IED Defeat Organization - \$49.5 million *	EA-18 G - \$450 million (5 aircraft)
DDG-1000 - \$54 million	Medium and Heavy Tactical Vehicles - \$100 million
Moored Training Ship - \$220 million	Grey Eagle Program - \$49 million
Standard Boats - \$49 million	Tomahawk Missiles - \$82 million (96 missiles)
Indirect Fire Protection Cap - \$25 million	C-130 Programs - \$88.4 million
B2 Research and Development - \$29.4 million	Ejection Seat Improvements - \$10.5 million
Marine Corps Museum - \$9 million	Additional Competition Launch - \$135 million
BRAC Planning and Analysis - \$4.8 million	RD-180 Replacement - \$220 million
Military Construction - \$24.5 million	Israeli Cooperative Missile Defense- \$348 million
Service Contracts- Facilities - \$419 million	Global Threat Reduction Initiative - \$80 million
Service Contracts - Other - \$398.5 million	Defense Nuclear Non-Proliferation R&D - \$70 million
UCLASS - \$203 million	MOX - \$120 million
JPALS - \$27 million	NNSA Weapons Account - \$143.7 million
Implementation of rejected benefit reforms - \$88 million	LPD 28 - \$800 million
Office of Economic Adjustment - \$80.6 million	CPI -1 adjustment - \$534.9 million
Counter Fire Radars - \$50 million	Commissaries - \$100 million
IFPC 2- \$25 million	Military Health System Modernization - \$92 million
CMWS - \$47 million	Ballistic Missile Defense - \$53 million
C-5M - \$50 million	AGOR Ships - \$20 million
Various early to need requests - \$256 million	Triton Sensor Development - \$32.4 million
	East Coast Missile Defense MilCon - \$20 million

* Savings from JIEDDO were applied to other force protection measures.

BRAC: For several years, the Administration has asserted the need for one or more rounds of base closure to shed excess capacity and conserve resources. Once again, the **Committee rejects the proposed BRAC round**. The Committee maintains its long held concern that BRAC rounds do not

yield true savings but rather impose large up front costs only then to shift property between federal agencies. The Chairman also believes that a BRAC round is inappropriate at a time when the final size of the military and the structure needed to support it is still in flux. The Chairman requires the Department to report on several BRAC related topics, including a report on excess capacity, a report on the property disposal process, and assessment of each prior BRAC round - listing by acre property disposals and acreage left to dispose of, an assessment of land sale revenues, the cost of environmental cleanup and caretaker services, and how much remediation is left to do.

Support And Protect America's Warfighters And Military Families

Chairman McKeon's proposal provides our warfighters and their families with the care and support they need, deserve, and have earned, while continuing the Committee's longstanding efforts to end sexual assault within the military. The proposal also rebukes the President for his efforts to increase out of pocket costs for military families.

Military Compensation Commission and the President's Proposed Benefit Cuts: In his FY12 budget proposal, the President made cuts to TRICARE and spent the savings on other programs. In the FY12 NDAA, the Committee fully restored those cuts through reforms to other programs and admonished the President not to take similar action in the future. In his FY13 budget request, once again, the President proposed compensation cuts and spent the savings in other areas. In the FY13 NDAA the Committee restored half of the funding, and required the President to find other sources for the remaining funds. The FY13 NDAA also established a **military compensation commission** to examine a range of reforms and report back to Congress. Members in both parties have consistently stated that they are unwilling to make piecemeal compensation reforms, nor are they willing to make reforms until the commission provides its report to the committee.

Again in FY14 the President proposed TRICARE cuts and reduced the military's pay raise from 1.8% to 1%. Once again, Congress rejected the TRICARE cuts and worked to restore the program with other funds.

In the FY15 budget request, the President proposed his most sweeping compensation cuts to date, including TRICARE, Housing Allowances, and Commissary benefits. When combined with a reduction in the annual troop pay increase, these cuts result in thousands of dollars of additional out-of-pocket expenses for military families. **Chairman McKeon categorically rejects these cuts.** He continues to believe military compensation reform should be addressed comprehensively and should be informed by the recommendations of the commission.

Since the President needs legislative relief to permit his proposed compensation cuts, he remains legally bound to provide established benefits to the military community. The Chairman's mark does not attempt to offset these programs. In light of Congress' consistent opposition to premature, ill advised cuts to warfighters' pay and benefits, Chairman McKeon expects the President to find an alternate solution.

Troop Pay: Reflecting the input of the Subcommittee on Military Personnel, Chairman McKeon **supports current law, which mandates an automatic 1.8% annual increase** in troop pay. The President retains his executive authority to make reductions to this pay rate without congressional

authorization. The Chairman's mark does uphold the President's request, endorsed by senior military leadership, for a **pay freeze for General and Flag Officers** for FY15.

Combatting Sexual Assault in the Military: The FY14 NDAA included substantial bi-partisan reforms aimed at preventing sexual assault in the military, supporting victims, and prosecuting offenders. Chairman McKeon appreciates the continued focus on this effort led by Rep. Michael Turner (R-OH) and Rep. Nikki Tsongas (D-MA) with significant contributions from Reps Susan Davis (D-CA), Jackie Walorski (R-IN), and Joe Wilson (R-SC). The Chairman's proposal would **eliminate the "good soldier defense"** - a consideration of general military character toward the probability of innocence in sexual assault prosecutions. The proposal also calls for a **review of the terms of discharge** for those who are victims of sexual offenses, to ensure that they have not been persecuted for reporting crimes. Victims would also be consulted as to their preference for prosecuting offenders by court-martial or through civilian channels.

Commissaries: While the Chairman rejects cuts to compensation programs that result in increased out of pocket costs for military families, as a former retail entrepreneur he understands that efficiencies can be made that reduce the cost of the program without increasing prices. To that end, the Chairman's mark requires the Department of Defense to consult with outside experts in retail grocery sales to find efficiencies in the commissary system.

Military Suicide: The Committee remains troubled by the prevalence of suicide within the military community. While the Chairman is cautiously encouraged by the decline in suicide rates in the general force, he shares Military Personnel Subcommittee Chairman Wilson's concern about rates of **suicide among military families**. Chairman McKeon fully supports the Subcommittee's direction to the Secretary of Defense that he track that issue closely. Chairman McKeon is also concerned about the growth in the suicide rate in the special operations community and a number of provisions in the bill are designed to help reverse this trend. Working with Chairman Wilson and Vice Chairman Thornberry, McKeon's proposal authorizes a total of **\$45.3 million dollars towards behavioral and psychological health programs** and efforts specifically for Special Operations Forces. Included is an increase in funding for the **USSOCOM Behavioral Health and Warrior Care Management Program** from \$14.8 million to \$38.1 million to immediately increase the number of embedded behavioral health care providers including psychologists, social workers, nurse case managers, and operational psychologists. The USSOCOM Psychological Performance Program will be fully funded at the \$7.2 million dollar requested level.

Military Readiness: Support for warfighters and their families goes beyond benefits and extends to ensuring that anyone going into harms way is properly trained and equipped. Chairman McKeon shares the concern expressed by many Members and our nation's senior commanders about **eroding readiness**. His proposal builds on the work done by Chairman Rob Wittman (R-VA) and the Subcommittee on Readiness, addressing critical readiness gaps associated with **depot maintenance, flying hour programs and base operations support** caused by sequestration and repeated resource cuts. The Chairman remains concerned however that if resource trends are not reversed soon, any tentative gains in these accounts will be diminished or eliminated, placing our Soldiers, Sailors, Airmen and Marines at risk once again in terms of appropriate combat readiness levels.

Afghanistan: Responsibility and Accountability for an Enduring Mission

Chairman McKeon returned from his March 2014 trip to Afghanistan encouraged by the progress coalition forces are making there, but increasingly troubled by the President's unwillingness to promote the success of his own strategy and the uncertainty associated with the President's indecision on the way forward. The United States continues to have vital interests in the stability of Afghanistan. Abandoning our Afghan allies now would open the country to being an al Qaeda safe haven once again. A destabilized Afghanistan, in the Chairman's view, would only further destabilize a vital region already troubled by nuclear proliferation, ethnic conflict, and terrorists who continue to attempt to attack the United States.

In particular, the Chairman remains convinced that the Administration's unwillingness to declare appropriate force levels for an enduring mission in Afghanistan post-2014 is a major contributor to instability and hinders progress.

The Chairman's proposal expresses Congress' **support for Operation Resolute Support**, including sufficient forces to support Afghan National Security Forces (ANSF), execute a robust Counterterrorism mission, and provide for force protection of U.S. personnel. The proposal also expresses support for the **Bilateral Security Agreement (BSA)**. While the Chairman's Mark cannot and does not direct force levels, Chairman McKeon and many members of the Committee are aware that this mission cannot be carried out with fewer than 10,000 U.S. troops. Separately, the Chairman expresses Congress' view that the **counternarcotics mission** be included in the core enduring mission set.

To maintain appropriate **Congressional Oversight** the Chairman proposes establishing the "1230 Report" on **Progress Toward Security and Stability in Afghanistan** for the post-2014 environment. The mark also extends the **Commander's Emergency Response Program (CERP)** in Afghanistan, requires a plan for **monitoring DoD funded construction activities** in Afghanistan post-2014, and requires a report on the **financial management capacity of the Afghan ministries of Defense and Interior**.

The success and stability of Afghanistan is tied to the success of the Afghan National Security Forces. Therefore, Chairman McKeon requires the Secretary of Defense to submit an **ANSF sustainment plan** through the end of FY18.

While Chairman McKeon is encouraged by the recent round of Afghan elections and the progress made by Coalition and Afghan forces, he remains troubled by some issues. The illegal taxes assessed by Afghanistan on those foreign activities promoting Afghan progress, security, and stability are particularly egregious. Therefore, his proposal directs DoD to **withhold DoD assistance to Afghanistan in an amount equal to 150% of the taxes assessed**.

Overseas Contingency Operations Funding: Finally, Chairman McKeon remains concerned that in an era of declining resources, many **enduring requirements** beyond the Afghanistan mission continue to be funded through the **Overseas Contingency Operations** account- this includes bases in the Middle East addressed elsewhere in this summary. As both the base budget and OCO are reduced, compounding pressures are placed on vital programs. The Chairman mandates a report on enduring requirements currently funded through OCO.

Reforming the Department Of Defense

Members of the Committee are aware that even if the trend of repeated resource cuts is ended, funding for the troops is likely to remain flat or grow slowly for many years to come. It is more essential than ever that all Department of Defense processes and institutions become as efficient as possible. Congress must help DoD get more defense for the dollar. That is why Chairman McKeon asked HASC Vice Chairman Thornberry to lead a comprehensive reform effort. The Committee believes that lasting reform will only be successful if it is crafted by a solid partnership between the House, Senate, Department of Defense, and Defense Industry. Many of the DoD reform efforts included in the Chairman's mark are informed by the beginning stages of this bi-partisan effort.

Institutional Reform: The Chairman's proposal restores the **Office of Net Assessment (ONA)** to its independent status, with the Office reporting directly to the Secretary of Defense. The Secretary is tasked to report on how ONA can be better utilized across the Department. The Chairman's proposal increases the ONA budget for FY15 by \$10 million to \$18.9 million. Chairman McKeon also directs the Secretary of Defense to report on combining **combatant command back office functions** to achieve greater efficiencies and cost savings. The Mark would also task GAO to assess DoD's headquarter reduction efforts, building off its previous work conducted for the committee on examining growth in DOD headquarters.

Acquisition Reform: Vice Chairman Thornberry's acquisition reform effort aims to identify and drive out those disincentives that increase cost and schedule of major programs and delay delivery of capabilities to the warfighter. Additionally, the reform effort identifies **services contracting** as an area where major improvements can be made. While the FY08 NDAA established the requirement for an annual inventory of services contracts, the Department has yet to fully implement this requirement. The Chairman's Mark encourages the Secretary to **improve data collection for services contracting** and conduct better analysis of the data to identify waste. GAO is tasked to report on opportunities to **improve services contract processes**.

As a result of the Thornberry reform effort, the **Director of Operational Test and Evaluation (DOT&E)** is directed to consider the potential for increase in program cost estimates or delays in schedule estimates in the implementation of policies, procedures, and activities related to operational test and evaluation.

Security Reform: The committee is deeply concerned about the grave impact to our national security caused by the unauthorized disclosure of classified information. Such disclosures not only jeopardize U.S. military operations, capabilities, and technology, they ultimately lead to the loss of lives. The Chairman's Mark, therefore, directs the Secretary of Defense to provide the committee with frequent reports on its damage assessment resulting from these unauthorized disclosures and steps the Department is taking to mitigate the damage.

Strategy Reform: Chairman McKeon remains dissatisfied with the inadequate **Quadrennial Defense Review** delivered to Congress earlier this year. Contrary to statutory requirements, 2014 QDR focused largely on the near-term, and it contained a strategy that assumes increased risk to the force, without specifying the resources required to execute the strategy at a low-to-moderate level of risk. In his Mark, Chairman McKeon follows through on his commitment to require DoD to resubmit the QDR

consistent with the law. Chairman McKeon will **restrict 25% of OSD Policy funding** until the revised QDR is submitted.

The Chairman also believes that the time has come to **reform the QDR process**. In this week's markup, he and Ranking Member Smith (D-WA) will introduce a bipartisan amendment to overhaul the QDR. A new **Defense Strategy Review** will require tradeoff analyses between missions, risks, and resources, to better inform decisions on the longer-term direction of the Nation's forces, their missions and capabilities, and needed resources. It will also reshape the role of the independent **National Defense Panel** and require a separate **Quadrennial Threats and Trends Report** to inform the Review process.

Facing Current Threats And Preparing For New Challenges

While QDR reform will assist future congresses in dedicating resources to meet strategic requirements, Chairman McKeon's proposal makes tough choices to secure America's vital interests today, while preserving the capacity and flexibility to meet future threats.

Vital Platforms: Building on the work of the Seapower and Projection Forces, Readiness and Tactical Air and Land Forces Subcommittees, Chairman McKeon's proposal funds important platforms, preserves the industrial base, restores readiness, and invests in the future. This includes supporting the **refueling of the USS George Washington**, a carrier with 25 years of useful life left, and incremental funding for a new **San Antonio Class Amphibious Ship**. Chairman McKeon supports the efforts of the Subcommittees on Readiness, Seapower and Projection Forces, and Tactical Air and Land Forces as they have worked to identify and support critical programs ([Read the Subcommittee Marks here](#)).

The President's budget request forces Congress to make tough choices between important programs. While the Chairman was able to fund many important programs with savings from across the defense enterprise, there simply was not enough to save every program. Chairman McKeon recognizes the need for continued production of the **EA-18G Growler** but was only able to fund five additional aircraft. Similarly, Chairman McKeon appreciates the decisive **impact the A-10** has had over the last decade and a half of conflict. His proposal dictates that the A-10 not be retired unless placed in Type 1000 storage to facilitate its quick return to the force should resource trends improve.

The Chairman also makes prudent investments designed to preserve the integrity of the industrial base while delivering needed equipment to all elements of our forces. These include Abrams tank upgrades, the Hercules and Stryker vehicles, tactical wheeled vehicles and the Grey Eagle program.

National Guard: In the aftermath of the 9/11 attacks, America's citizen soldiers have made repeated, heroic sacrifices in service to their country. Their service has made the Guard more than an operational reserve, but also a strategic resource. As funding cuts force difficult choices, members of the Committee are working to preserve the appropriate balance between the active force and the National Guard and Reserve. Chairman McKeon appreciates the work Rep. Wilson (R-SC), Chairman of the Subcommittee on Military Personnel has already done to find this balance in his mark. The Chairman understands that Rep. Wilson and Rep. Enyart (D-IL) will offer additional joint efforts on the Active / Guard balance via amendment during full committee markup. The Chairman welcomes their proposal and looks forward to the debate.

Asia Rebalance: Chairman McKeon remains concerned about our nation's posture and presence in the Asia-Pacific region to deter aggression and reassure allies and partners. He appreciates the bipartisan work of the Seapower Subcommittee Chairman Forbes (R-VA) and Rep. Hanabusa (D-HI) in leading a special oversight effort into the Asia rebalance, which led to their introduction of standalone legislation in the House last month. The Chairman understands that in addition to the components reflected in his mark, Rep. Forbes and Rep. Hanabusa intend to offer amendments from this legislation at the full committee markup this week and he welcomes their contributions.

Defeating al Qaeda: As the mission in Afghanistan transitions and the military rebalances towards Asia, Chairman McKeon remains concerned about the persistent al Qaeda threat. His mark requires a report on the **strategy to continue to deny safe havens to al Qaeda**. The Chairman maintains prohibitions associated with the **Guantanamo Bay Detention Facility**, including the **bi-partisan prohibitions on the transfer of detainees to the United States** and on the construction of terrorist detention facilities in the United States.

The FY14 NDAA included provisions crafted by Vice Chairman Thornberry designed to enhance oversight and accountability for targeted operations overseas, the Oversight of Sensitive Military Operations Act (OSMOA). The Chairman and Vice Chairman appreciate the collaborative spirit in which DoD has undertaken its compliance with many of the requirements established by OSMOA. However, some vital reporting elements remain outstanding. The Chairman's Mark fences 25% of the funds for the Assistant Secretary for Special Operations and Low Intensity Conflict until such time as that report is received.

Stability in the Middle East: The Chairman's proposal reflects his belief that an **enduring presence in the Middle East** is vital, to include maintaining a robust forward presence and posture to support our allies in partners in the region and to deter Iran. The Mark expresses congressional concern that many vital bases are funded through OCO funding and not supported by status of forces agreements (SOFA), and therefore urges the President to shift to an enduring posture in the Middle East and seek SOFA agreements with GCC states. The Chairman's Mark recognizes the President's determination that **Egypt** is progressing in their democratic transition and supports his decision to deliver ten Apache helicopters to Egypt for counterterrorism operations. The proposal reflects congressional concern regarding the influx of foreign fighters in **Syria** and the committee's belief that "prudent planning" to support regional allies impacted by the Syria conflict is warranted. The proposal also reflects the committee's belief that an American presence in the **Arabian Gulf** is vital to deter **Iran** as well as its belief that any negotiations with Iran must address the military aspects of their nuclear program.

Africa: Chairman McKeon believes that U.S. Africa Command (AFRICOM) is on the front lines of the next phase of the terrorist threat, and his Mark seeks to reinforce AFRICOM's capabilities while also demanding accountability. The proposal recognizes the contributions **Djibouti** has made as a key strategic partner and establishes a number of programs to ensure the relationship is enduring. The proposal requires a report on the "**new normal**" and general mission requirements for AFRICOM, as well as a report on the readiness implications of the Army's **Regionally Aligned Brigade** concept in Africa.

Europe and Russia: Chairman McKeon appreciates the work of Rep. Turner (R-OH) and Rep. Rogers (R-AL) in being diligent stewards of America's force posture in Europe, which is critical to our ability to deter an increasingly aggressive Russia and reassure our allies and partners in Europe. The

Chairman's proposal incorporates many elements of their standalone legislation and joins them in condemning Russia for its aggressive actions. The proposal **prohibits U.S. military contact and cooperation** with the Russian military until the Secretary of Defense certifies the Russian military is no longer illegally occupying Crimea, no longer acting inconsistently with the Intermediate-range Nuclear Force (INF) treaty, and is in compliance with the Conventional Armed Forces in Europe (CFE) treaty. The National Nuclear Security Administration (NNSA) is barred from transferring technology with Russia until the Secretary of Energy makes the same certifications.

The Chairman's proposal also condemns Russian aggression towards Ukraine and reaffirms the United States commitment to Article V of NATO. The Chairman requires the Secretary of Defense to develop a plan to provide assistance to the European and Eurasian militaries to enhance their defensive capabilities and posture. The Chairman's Mark increases the budget for the DOD's Warsaw Initiative Fund/Partnership for Peace (WIF/PfP) program from \$24.4 million to \$34.4 million to enable U.S. European Command, through military exercises and defense reform efforts, to build the capacity of PfP militaries in order to promote regional stability and to deter Russian aggression. It also cuts all funding for the DOD Cooperative Threat Reduction program and NNSA's non-proliferation activities with Russia.

The Chairman's mark also supports language in the Strategic Forces subcommittee Mark that will safeguard U.S. national security from Russian Federation proposals to misuse the Treaty on Open Skies in ways that create substantial risk for the American people and their allies in Europe.

Proximity Encroachment: Concerned that foreign-controlled entities may be acquiring property near critical military assets, installations, and training facilities with the intent to monitor our activities, the Chairman requires a DoD study that looks at gaps and vulnerabilities in the interagency process for public property estate transactions. GAO is tasked to provide a sufficiency review of the DoD study.

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Provided By The House Armed Services Committee