

FACT SHEET: Highlights of the Chairman's Mark **H.R. 1960 National Defense Authorization Act for Fiscal Year 2014**

The National Defense Authorization Act (NDAA) for Fiscal Year 2014 is the key mechanism to provide necessary authorities and funding for America's military. This is the fifty-second consecutive NDAA. Chairman McKeon's Mark meets our Committee's goal of providing for a strong defense in an era of uncertain and declining resources. The total amount authorized reflects the will of the House to provide our troops the resources they need to meet a dangerous world. However, the Chairman also recognizes that twin impacts of rapid defense cuts and FY13 sequestration, will force our warfighters to be not only keen stewards of our national security, but also the taxpayer dollar. To that end, the proposal supports and protects our warfighters and their families; addresses ongoing and emerging conflicts with resolve and accountability; protects America today while preparing for future threats; and finally controls costs while making wise choices with restrained resources. The House Armed Services Committee will meet at 10:00 AM on Wednesday, June 5th to consider the Chairman's proposal.

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. With this in mind, the Chairman's proposal fully complies with the House Budget which funds our national defense at pre-sequester levels while complying with the overall sequester budget cap of \$966 billion for discretionary funding. The Chairman supports the House budget effort to offset defense sequester through cuts in lesser priority programs.

AUTHORIZED FUNDING LEVELS: Consistent with the House budget, Chairman McKeon's proposal authorizes **\$552.1 billion** in spending for national defense and an additional **\$85.8 billion** for Overseas Contingency Operations. This is consistent with the levels authorized in the FY 13 NDAA for the base budget and **\$2.7 billion** less for war spending.

FY 14NDAA Funding Levels

Purpose	Amount (\$ billions)
DOD Discretionary Base Budget Request	\$526.6
DOE Discretionary Base Budget Request	\$17.8
FY14 Discretionary NDAA Topline	\$544.4*
Defense Mandatory Spending	\$7.7**
FY 14 NDAA Topline	\$552.6
Overseas Contingency Operations	\$85.8

*Does not include \$7.6 billion of authorizations not within the jurisdiction of the HASC

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

The President's budget request, as well as the House and Senate passed budgets each authorize national defense above the Budget Control Act (BCA); while none of them envision applying FY14 sequestration cuts to the military. Chairman McKeon's proposal is **consistent with the House passed budget** which was careful to identify other non-defense sources to accommodate the needed funding in national security accounts while also **reducing overall spending below the BCA cap**. The House budget passed with 221 Republican votes on March 21, 2013.

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 protecting them not only from foreign enemies intent on doing them harm, but from the unacceptable risk of sexual assault from within the force. Vital provisions include:

Troop Pay: reflecting the input of the Subcommittee on Military Personnel **supports current law, which mandates an automatic 1.8% annual increase** in troop pay.

TRICARE: HASC Members believe access to quality healthcare services during retirement is a benefit earned through prior service to our nation. Mindful of Congress' commitment to service members and their families, and endorsing the bi-partisan work of the military personnel subcommittee, the mark once again **rejects most Administration proposals to increase some TRICARE fees or establish new TRICARE fees.** The Committee has already put TRICARE on a sustainable path through reforms in several recent NDAs. Those reforms connect TRICARE fee increases to retiree cost of living increases. DoD's record of incorrectly calculating TRICARE costs and their repeated requests to transfer billions in unused funds out of the program to cover other underfunded defense priorities raises questions about repeated claims by the Department of Defense that the Defense Health Program is unsustainable.

Combatting Sexual Assault in the Military: HASC members are committed to making sexual assault prevention and prosecution a cornerstone of this legislation. As a proud Army grandfather, the Chairman well understands the Congress' responsibility to protect our forces from external and internal dangers. He embraces the substantial, bi-partisan reforms recommended by the subcommittee on military personnel; especially those measures introduced by Reps. Turner and Tsongas and Reps. Walorski, Noem, Castro and Sanchez.

These reforms would **strip commanders of their authority to dismiss a finding by a court martial-** a power they have held since the earliest days of our military. It would also **prohibit commanders from reducing guilty findings** to guilty of a lesser offence. Where servicemembers are found guilty of sexual assault related offenses, the proposal would **establish minimum sentencing guidelines.** Currently, such guidelines only exist in the military for the crimes of murder and espionage. Recognizing that victim support is as vital as prosecution, the mark proposal would **allow victims of sexual assault to apply for a permanent change of station or unit transfer,** while authorizing the Secretary of Defense to inform commanders of their authority to **remove or temporarily reassign servicemembers who are the alleged perpetrators of sexual assault.** The proposal requires the **provision of victims' counsels,** qualified and specially trained lawyers in each of the services, to be made available to provide legal assistance to the victims of sex-related offenses. The proposal **adds rape, sexual assault, or other sexual misconduct to the protected communications of service members** with a Member of Congress or an Inspector General. Finally, to ensure that the military is better positioned to deal with the crisis of sexual assault within its ranks, the proposal requires the Secretary of Defense to assess the current role and authorities of commanders in the administration of military justice and the investigation, prosecution, and adjudication of offenses under the Uniform Code of Military Justice; and directs GAO to review implementation of the Air Force corrective actions following the sexual misconduct at Lackland Air Force Base.

Gender-Neutral Standards: After a decade of honorable service in hostile environments, women have demonstrated a wide range of capabilities in combat operations. Chairman McKeon welcomes DoD's review of jobs within the military to see what new roles could be open to women. Chairman McKeon also appreciates the Department **using gender-neutral standards as a means of entrance to individual military specialties.** The proposal establishes the definition of a gender-neutral occupational standard that would be used by each military service to develop the standards required for all military career designators.

Protecting and Supporting Warfighters and Military Families: Other provisions in the mark are designed to protect warfighters and their families from external threats, while ensuring that units and families are supported and prepared for deployments. The mark requires a **minimum 180 day notification before deployment or the cancellation of a deployment** for the operational reserves. It also authorizes the commander of U.S. Special Forces Command to provide additional **family support services to U.S. Special Operations Forces and their families**. Finally, the Chairman's mark takes action on one of the most basic elements of protection provided to our troops- body armor. The mark **facilitates the development of ever more functional, lighter, and more protective body armor** by requiring each service to create a separate procurement budget line for personal protective equipment- thus making body armor a more traditional weapon system acquisition program that can build on successive generations of innovation and investment, rather than the ad hoc procedure now in place. The mark also requires the Secretary of Defense to conduct a comprehensive study and assessment on ways to **improve personal protective equipment for female service members**.

FACING CONFLICT WITH RESOLVE AND ACCOUNTABILITY

Chairman McKeon's proposal ensures that America's forces are ready, robust, flexible, and capable enough to face national security threats with resolve. The mark provides our warfighters with the resources and authorities they need to win the war in Afghanistan and to keep up pressure al Qaeda and its affiliates. It holds senior commanders, senior civilian officials, and the Commander-in-Chief accountable for their choices and actions in an ever changing and increasingly dangerous world.

Restoring Readiness To Our Armed Forces: The Chairman understands that to face any of the manifold challenges to America's security, our Armed Forces must first be at an acceptable state of readiness. While, successive rounds of budget cuts and sequestration have damaged readiness, **the systematic underfunding of contingency operations has forced readiness to historic lows and puts our warfighters at risk**. Heeding the repeated warnings of America's senior commanders, the **mark restores vital readiness accounts by replacing funds reprogrammed to cover underfunded combat operations** and addressing other vital operations and maintenance programs; while remaining consistent with House budget levels. **The mark exceeds the President's Overseas Contingency Operations (OCO) request by \$5 billion** and uses those and other funds to replenish readiness accounts raided in prior years to cover underfunded war costs. In so doing the mark is able to restore readiness rates from current 80% levels to more historically acceptable 90%. This includes restoring **Army and Air Force flying hours programs, facilities sustainment, ship depot maintenance for each service, Army OPTEMPO, ship depot maintenance, Navy critical spares and combat support forces** equipment and sustainment, and provides for the **stabilization of fuel rates**. While this action can forestall a real readiness crisis in America's Armed Forces, only a comprehensive solution to defense resources, strategy, and roles and missions, can fully resolve the issue.

Winning The War In Afghanistan: The mark reauthorizes vital authorities for our commanders on the ground and key programs to address the critical transition period between now and 2014. It also reauthorizes vital and associated **authorities for U.S. Special Operations Forces and counter-narcotics programs**. The most important element of the transition in Afghanistan is achieving a Bilateral Security Agreement (BSA) between the United States and the Government of Afghanistan. Chairman McKeon fully funds a series of important authorities that support the transition in Afghanistan and U.S. national security interests, including the Afghan Infrastructure Fund (AIF), the transition in Afghan Security Forces Fund (ASFF) and the Commander's Emergency Response Programs (CERP) However, the proposal **prohibits the use of the majority of the funds for those authorities until the Secretary of Defense certifies that U.S. priorities have been accommodated in a BSA**. Those priorities include critical protections for U.S. service members and U.S. interests. The Chairman's mark also

requires the Secretary to issue an **unclassified summary of information relating to detainees held at the detention center at Parwan, Afghanistan**. Recognizing that coalition forces are at particular risk as they withdraw from Afghanistan, the mark tasks GAO to **report on the composition of U.S. forces and their particular security requirements during the withdrawal of forces**. The mark calls on the **President to publicly announce the troop requirements and associated mission set for U.S. forces after 2014 as well as support for the ANSF**. Under the proposal the Secretary also would have to report to Congress on the **post-2014 strategy for Afghanistan**. The bi-annual "**1230 Report**" on progress in Afghanistan is expanded to include information about the drawdown of US forces, closure of coalition bases, and tasks that are being transitioned to other agencies. The Secretary will also have to report on conditions that Pakistan and other Afghan neighbors may be putting on the withdrawal of US equipment through their territory.

Pakistan: The mark recognizes the strategic value of our relationship with Pakistan, as well as the challenges that accompany it. The Chairman requires the Secretary to report on the **terms and agreements associated with the movement of U.S. supplies and equipment through ground lines of communication (GLOC) with Pakistan**. While the proposal reauthorizes important coalition support funds for Pakistan; **use of those funds will be restricted until the Secretary certifies that Pakistan is fully supporting the movement of supplies through the GLOCs in Pakistan**.

Terrorist Attack In Benghazi: While the House Armed Services Committee continues its inquiry into the tragic events in Benghazi on September 11-12, 2012, Chairman McKeon's proposal will ensure that DoD has begun to apply the lessons already learned. The Chairman will require two reports from the Secretary of Defense related to Benghazi, the first will examine **mission requirements and resources for the Commanders in Extremis Force and the Marine Corps FAST Teams**. The second will require the Department to **report on how force posture has changed** to better respond to similar events in the future. Mindful of the multiple crises, like Benghazi, where **forward basing** has been vital to the military's rapid response in defense of American interests, Chairman McKeon will require DoD to **report on the continued requirement of forward basing**- especially in Europe- in support of CENTCOM and AFRICOM missions.

Syria: Chairman McKeon remains concerned that the Administration's failure to identify key national security interests in the Syrian conflict has led to a hesitance to develop military options to respond to the Syrian crisis. The mark reflects Chairman McKeon's concern that by establishing red lines before developing credible military options, America's military may be unprepared if called upon to act. The proposal **requires the Department brief the Armed Services Committees on a variety of options in Syria and resources required to execute them**. The proposal also expresses a Sense of Congress that President Obama's publicly stated **red lines must be enforced**. Understanding that unilateral response to the Syrian crisis is not in America's best interest, the proposal **authorizes the Armed Forces to train and equip regional partners for WMD response**.

Iran: Chairman McKeon's proposal recognizes the continued threat posed by Iran. The annual Iran Military Power Report is expanded to include an **assessment of Iran's global network as well as American intelligence and capabilities gaps**. The proposal also requires a report on military partnerships with Gulf Cooperation Council (GCC) countries and the impact of shifting those programs from OCO funding to the DoD base budget. Finally, the proposal reflects a Sense of Congress that the United States strategic interests are best served with **more than one carrier in the Persian Gulf**.

North Korea: The Proposal reflects a Sense of Congress that North Korea's rogue actions are unacceptable and contrary to international peace and stability. It **extends the North Korea Military Power Report through 2017** and encourages the governments of Japan and South Korea to establish an information sharing agreement.

Accountability on the Battlefield: Chairman McKeon also holds the Commander – in –Chief accountable for his policies on the battlefield. The proposal requires the Secretary to **notify Congress of any new Status of Forces Agreements (SOFA)** or those that have been renewed, terminated, or amended. The Chairman also expands authorities **aimed at combating contracting with the enemy**, allowing programs that have worked well in the CENTCOM AOR to be implemented across all combatant commands. The proposal requires the Secretary to **assess the affiliates and adherents of al Qaeda** and the evolving threat they pose to U.S. national security. Finally, Chairman McKeon’s mark includes Vice Chairman Thornberry’s **Oversight of Sensitive Military Operations Act (OSMOA)** as a vehicle for formalized and stringent oversight of targeted lethal or capture operations by the Armed Forces overseas.

Accountability for Vital Strategic Programs and Assets: In order to maintain America’s vital strategic edge, Chairman McKeon’s proposal includes several provisions aimed at holding the Executive Branch accountable for critical systems. The proposal **prohibits the transfer of some missile defense technology to Russia** and strengthens congressional oversight of Administration efforts with regard to U.S.-Russia missile defense cooperation generally. The proposal also reforms DoD’s business process with commercial satellite companies ensuring **that strategic competitors do not gain inadvertent access to vital systems or information**. The proposal also **ensures the Air Force maintains the capability to deploy multiple nuclear warheads on intercontinental ballistic missiles**, should technical problems or deteriorating international relations require doing so.

Institutional Accountability: Chairman McKeon also holds national security institutions accountable to strict oversight, especially those who are playing vital roles in defending America against the terrorist threat. These measures embrace the work of the Subcommittee on Intelligence Emerging Threats and Capabilities and the Subcommittee on Strategic Forces. The proposal **limits the funding for the Defense Clandestine Service (DCS)** until the Secretary certifies that the program primarily fills DoD’s unique requirements. It requires a **policy governing defense intelligence priorities**. The proposal directs the Secretary of Defense to review the **future roles and missions of SOCOM and U.S. Special Operations Forces**. In response to gross violation of security at America’s nuclear facilities, the proposal implements several initiatives to **improve security at the National Nuclear Security Administration (NNSA)**, including requiring the NNSA Administrator to annually certify the security of nuclear weapons, materials, and classified information and providing enhanced accountability measures for federal employees that endanger security at the nation’s nuclear weapons facilities.

CONTROLLING COSTS AND MAKING WISE CHOICES

In an era of constrained resources, Chairman McKeon has made controlling costs a top priority. However, the mark guards against achieving false short term savings at the expense of vital long-term strategic capabilities.

Bureaucratic Reduction: The mark requires several steps toward reducing wasteful bureaucracy within DOD. His proposal requires the Secretary to develop a plan for the **future role of the Joint Improvised Explosive Device Defeat Organization (JIEDDO)**. Additionally the proposal requires the Secretary to **determine if the Air Sea Battle Office is duplicative** of efforts more efficiently carried out by the Joint Staff. Embracing efforts by the Subcommittee on Military Personnel, the proposal **reduces flag officer billets by 24**.

Platform Accountability: Chairman McKeon believes that the taxpayer must be protected against poor choices and cost overruns from troubled acquisition programs. To that end, the mark expresses concern with the design associated with the **Arleigh Burke class Destroyer Flight 3**, limits funding for the next stage of the Army’s **Ground Combat Vehicle** development until the Secretary of the Army submits a status report to Congress, and

requires the Secretary of the Army to report on a strategy to improve the fuel efficiency of the **M1 Abrams Tank**. Two acquisition programs, the **Littoral Combat Ship (LCS)** and the **F-35 Joint Strike Fighter (JCS)** also receive additional oversight. The mark requires an independent assessment of JSF software programs as well as a lifecycle sustainment plan. LCS also requires a lifetime sustainment plan as well as improved oversight.

LEED Standards: While the mark commends the Department for making energy efficiency a priority, the proposal prohibits the services from pursuing LEED standards if the investment is **not fully offset by the amount of energy conserved**.

Confidence in Cost Reports: Selected cost reports will be required to include data regarding confidence in data in an effort to predict cost overruns.

Efficiency Studies: The mark tasks GAO with carrying out several studies with an intent to reduce bureaucracy. GAO will examine **US Central Command** along with **all functional combatant commands** and propose changes to **check the expansion of headquarters staff**. GAO will apply the same approach to the Office of the **Secretary of Defense (OSD), The Joint Staff, (JCS), and the Service Secretaries**. The FY08 NDAA initiated roles and missions reviews by OSD, which have never been seriously attempted by the Department. Similarly, the required mission based budget has not been submitted for five years. GAO is tasked to examine contributing factors to this lack of compliance. Additionally, the proposal requires the DOD develop a strategy to **lower the cost, through multi-year procurement, of commercial satellite services**.

Naval Resources: The mark supports the retention of seven Navy cruisers and two amphibious ships proposed for early retirement.

Ground Based Interceptor: The mark will **streamline the acquisition of the 14 Ground Based Interceptors** announced by Secretary Hagel on March 15, 2013 saving the taxpayers hundreds of millions of dollars.

BRAC: Understanding that a round of base closures at this time would not only be costly, but reflect temporary budget pressures at the expense of long term strategic assets, the mark **prohibits DOD from proposing, planning, or initiating another round of BRAC**.

Training Ranges: Chairman McKeon recognizes that the twin pressures of defense cuts and sequestration have already taken a heavy toll on military training. The mark will **ensure DOD has continued access to military training ranges** such as Naval Air Weapons Station China Lake and Chocolate Mountain Aerial Gunnery Range.

Guantanamo Bay Cuba detention facilities: The mark would authorize the replacement of dilapidating, temporary facilities at Guantanamo Bay, Cuba to ensure that the detainees are provided adequate detention facilities and the **military personnel are provided sufficient quality of life supporting infrastructure**. The Chairman's mark maintains the **bi-partisan prohibition against transfer of detainees from Guantanamo Bay to the United States** or to countries with confirmed cases of transferred detainees returning to the fight. The Chairman also maintains a **certification requirement, with the option of a national security waiver, on detainee transfer to third countries designed to forestall reengagement**.

Executive Compensation Reform: The White House's formula for calculating allowable private sector compensation on DOD contracts has become dysfunctional and no longer meets the needs of industry or the taxpayer. Chairman McKeon proposes to **exclude the salaries of select contractors' top five earners from allowable expenses** on DOD contracts and **freeze the current employee compensation baseline, only adjusting for the economic cost index going forward**. The Chairman's mark rejects calls by some to cap

individual industry salaries at the President or Vice President's salary level. The Chairman believes this is an inappropriate and arbitrary comparison that will drive talent from the nation's defense industrial base. Instead reform should focus on reasonable expenses given the market conditions that determine what a contractor needs to pay to recruit and retain talent.

Industrial Base Matters: Chairman McKeon includes a new title in the bill to **protect and secure defense industrial base capacity and security**.

Armor Brigade Combat Team force structure and industrial base: The mark continues investments in the Army's combat vehicle industrial base by providing additional funding for **Abrams tank upgrades** and heavy equipment improved recovery vehicles. The additional funding will ensure we maintain a viable industrial base and **avoid unnecessary national risk from relying solely on foreign military sales** to sustain this critical national capability.

PROTECTING AMERICA TODAY WHILE PREPARING FOR FUTURE THREATS

The mark continues investments and oversight for vital systems while preserving our capacity to meet future challenges.

End Strength: Reflecting concerns that budgetary pressures will force each service to reduce their end strength too quickly and divest themselves of vital battlefield experience and know how, the mark will **ensure that end strength requests are within the limitations for reductions set by the FY13 NDAA**.

Intelligence, Surveillance, and Reconnaissance (ISR): Robust ISR capabilities are vital to current combat operations in Afghanistan, as well as emerging threats like the proliferation of al Qaeda affiliates in North Africa. To ensure that ISR resources are maximized, the mark requires the Secretary to submit a plan related to the **drawdown of defense intelligence assets in Afghanistan**; and prevents the premature retirement of **Global Hawk block 30** unmanned aircraft.

Missile Defense: Defending against ballistic or theater missile attack is an important priority for US National Security. The mark restricts the removal of **missile defense hardware from East Asia** while requiring analysis on **missile defense capabilities in Guam**, invests in proven and vital systems like **Iron Dome**, and provides significant resources above the President's request for other Israeli Cooperative Missile Defense programs, like Arrow 2, Arrow 3 and the David's Sling Weapons System. **Provides funding for the deployment of an East Coast missile defense site**, while the Missile Defense Agency undertakes siting and environmental studies. Chairman McKeon looks forward to supporting efforts to impose a mandate on the deployment of such a site, noting that both the Bush and Obama Administrations have supported an additional homeland missile defense site.

Cyber Threats: Recent reports only enhance the Committee's concerns about the threat posed by cyber attack. The mark would require DOD to conduct a **mission analysis for cyber operations** and examine the proper balance of cyber capabilities across national security organization as well as a report on **coordination of cyber and electronic warfare activities**. The mark would also require DOD to provide **congressional notification when investigations are initiated or completed** regarding network cyber intrusions that result in the compromise of critical information. Additionally, the mark would require the Defense Science Board to conduct an independent assessment of the organization, missions and authorities of U.S. Cyber Command, and require DOD to create **standards for cyber operations training**. Provides important **authorities to the Department of Energy**

to ensure the integrity of its information technology supply chain – this is similar to authority available to the Department of Defense and the Intelligence Community and is critical following the discovery of Chinese-supplied technology linked to the People’s Liberation Army at one of the nation’s most important nuclear weapons laboratories.

Prohibition Of Early retirement of Navy Cruisers and Amphibious Ships: The mark would prohibit the Department of the Navy from retiring certain ships that have over 10 years of hull life available and provide sufficient funds to modernize these ships.

National Guard and Reserve Equipment Modernization: The mark would continue the committee’s continued support of modernizing National Guard and Reserve Components by providing **additional funding in a National Guard and Reserve Component Equipment Account**.

Vital Platforms: The mark would continue investments in weapon systems vital to addressing future threats including supporting the Navy’s authorization request for a nuclear aircraft carrier (**CVN 78**); multi-year procurement for **E-2D Hawkeye** and **C-130J Super Hercules**; modernization of the **C-130H** aircraft for the National Guard and Reserve; support for **KC-46** tanker, the **Long Range Strike Bomber** (LRS-B), additional funding for advance procurement of the **F/A-18E/F Super Hornet** and the Marine Corps **Amphibious Combat Vehicle**, additional investment in the Air Force **MQ-9 Reaper** unmanned aerial systems, and addresses Air Force unfunded requirements for **engines for F-15E and F-16** fleets.