On September 23rd, the House passed the National Defense Authorization Act for Fiscal Year 2022 eliminating over 400 amendments and requesting approximately $768 billion for the national defense budget; a $24 billion increase to topline spending over the administration’s budget proposal, which now awaits Senate approval. This legislation does not include a separate Overseas Contingency Operations (OCO) request, which means all war-related costs will come out of this budget. If approved, this represents an increase in DoD funding of $24 billion.

**Procurement**

The Army and Air Force will continue working with industry partners to develop a

multicarrier spread spectrum protected waveform designed to resolve gaps in

wideband tactical data link terminals that are critical to Unmanned Aerial Systems

(UAS) operations in highly contested environments.[[1]](#footnote-1) The House has requested $30M to be allocated for the research and development of next generation UAS propulsion.[[2]](#footnote-2)

The Missile Defense Agency is to develop a reliable missile defense interceptor for the Ground-Base Midcourse Defense System[[3]](#footnote-3) for which $50M would be allocated.[[4]](#footnote-4)

The Secretary of the Air Force is to divest 18 KC-135s from active duty to facilitate the acceleration of KC-46 and states the Air National Guard will not receive F-35s until the Air Force has received an increased amount of them. The budget request contained $9.97B for the procurement of 80 F-35s for the Air Force, Navy, and Marine Corps. Additional funding shall go to the Air Force to acquire 12 F-15EX.

The Bill would permit the Secretary of the Army to enter into multiple multiyear contracts for the procurement of AH-64E Apache helicopters and for the procurement of UH-60M and HH-60M Black Hawk helicopters. The Soldier Enhancement Program calls for the identification, research, development, and evaluation of commercially available off-the-shelf items and software applications to accelerate the Army’s ability to modernize weapons and equipment used by soldiers, including lighter more lethal weapons, lighter load-bearing equipment, field gear, combat clothing, survivability items, communications equipment, and etc. At the start of FY 2023, the Navy would be permitted to enter into multiple multiyear contracts for the procurement of no more than 15 Arleigh Burke class Flight III guided missile destroyers.[[5]](#footnote-5)

Additional program recommendation include the purchase of 12 F/A-18E/F Super Hornet aircraft in fiscal year 2022 to mitigate the Navy’s strike-fighter shortfall, budget support for continued development of the T-7A training aircraft program, funding for development of the Air Force and Navy Next Generation Air Dominance capabilities, increased funding for the Air Force’s Adaptive Engine Transition Program propulsion system for tactical fighter aircraft and calls for additional funding to achieve the procurement of Additional Civil Air Patrol aircraft, CH-47F Block II Chinook helicopters, CH-53K heavy lift helicopter, Hydra 70 Rockets, M-SHORAD, 92 Amphibious Combat Vehicle Family of Vehicles, and Stryker and Armored Multi-Purpose Vehicles (AMPV).

**Industrial Base**

A Commission on Planning, Programming, Budgeting, and Execution (PPBE) Reform was established in the NDAA FY22’s Rules Committee to review and assess DOD’s PPBE process. The bill calls for the DOD Comptroller, Chief Information Officer (CIO), and Chief Data Officer to submit a plan to consolidate the IT systems used to manage data and support the PPBE process. The House increased the $2M budget the NDAA for FY2020 gave the Pilot Program for Development of Technology Enhanced Capabilities with Partnership Intermediaries to $20M.[[6]](#footnote-6) This would allow for other DOD entities authorized to make awards under the Small Business Innovation Research program to transfer funding to the Commander of the U.S. Special Operations Command to use in the pilot and to extend activity through September 30, 2025. Section 846 of this draft requires the establishment of a grant program to assist domestic businesses with costs associated with developing standards, to include the cost of research, skill development, standard proposal development, and meetings.

Certain contactors will be required to submit annual reports regarding the diversity and inclusion standards met within their workforce; this data will be collected and consolidated to track the progress across the industrial base.

**Research and Development**

An additional $4.37 billion over the administration’s budget proposal was approved for investing in key research and development (R&D) priorities, a 32 percent increase in defense-wide R&D. STEM programs would receive an increase in funding of more than $1 billion in an effort to modernize DoD across all domains and capabilities. This effort focuses on science and technology programs that fund cutting-edge research and prototyping activities at universities, small businesses, defense labs, and industry in areas of AI, microelectronics, advanced materials, 5G, and biotechnology. The Bill calls for the Secretary of Defense to coordinate with the Secretary of Energy on research and development of alternative technologies and methods for extracting, processing, and recycling critical minerals. The Under Secretary of Defense for Research and Engineering is called to conduct an analysis comparing the research and development efforts of the U.S. and China on a number of critical technologies for the U.S. military. A reliance reduction plan is a suggested tool to reduce U.S. dependency on supplies and minerals from adversaries in the defense supply chain. Before developing the plan, the Secretary of Defense shall determine if materials for which a source is located is controlled by an adversary can be acquired from domestic suppliers or allies and partners.

The committee has laid out concerns for the DOD’s ability to recruit and retain specialized personnel. Their version of the NDAA calls for the Secretary of Defense to submit a report by April 1, 2022 listing the degrees, certificates, and certifications of critically needed and lacking specializations, including science, technology, engineering, mathematics, cyber security, artificial intelligence, quantum computing, and language-based security.

Increased investments will be made in critical areas of research and development, including

biotechnology, directed energy, and the electromagnetic spectrum. $446 million shall be allocated to basic and applied research, $50 million for improvement of directed energy beam control, $200 million for bio-enabled and bio-inspired approaches to scalable production of materials and components, $140 million for research into Position, Navigation, and Timing (PNT) modernization and resiliency, $68 million for spectrum innovation, $43 million for undersea warfare research, $24 million for climate research, $20 million for improved R&D partnerships with allies, and $20 million for the Defense University Research Instrumentation Program.

**Regional Highlights**

*Middle East*

Before the Taliban overthrew the Afghan government, the administration requested $3.3 billion to support the Afghan-led reconciliation activities.[[7]](#footnote-7) The House Authorizes $500 million for relocation support for SIVs and at-risk Afghans. Assistance to vetted Syrian groups shall be extended and modified. Security cooperation with Iraq shall also be extended and modified. The U.S. supports Saudi and coalition offensive operations against the Houthis and their obstruction of humanitarian aid.

*Indo Pacific*

The Pacific Deterrence Initiative was extended and modified in the NDAA’s Rules Committee. More than $700 million has been approved for unfunded requirements identified by the Commander of U.S. Indo-Pacific Command. Future investments under this initiative will focus on military and non-military infrastructure in the Indo-Pacific region to aid military operations and challenge predatory Chinese infrastructure practices. The U.S. will maintain the ability of the US Armed Forces to deny a fait accompli against Taiwan to ensure the People’s Republic of China will not use military force to impede Taiwan’s sovereignty. The Secretary of Defense has been called to provide Congress a report on the feasibility and prudence of establishing improved military-to-military communications with China in times of crisis and a report on cooperation between the National Guard and Taiwan, as well as increased overall defense cooperation with Taiwan. An assessment on the extent of security cooperation between China and Russia is also required. Section 2511 would authorize the Secretary of Defense to accept six military construction projects worth $505.2 million if agreed to by the Republic of Korea for required in-kind contributions.[[8]](#footnote-8)

*Europe and the Russian Federation*

Use of funds for an activity that recognizes Russia’s claims to Crimea are prohibited. Multilateral training shall be provided for select countries in Eastern Europe. The Secretary of Defense will report on challenges faced by the U.S. military when moving through Europe, Chinese investments in critical infrastructure, such as port facilities. $300 million was approved for the Ukraine Security Assistance Initiative (USAI), to promote the advancement of the Ukrainian Armed Forces in their deterrence of Russia.

*Arctic*

The Arctic Security Initiative is included to advance U.S. objectives in the Arctic.[[9]](#footnote-9) By February 15, 2022, an assessment will be conducted by the Commander of the U.S. Northern Command in consultation with U.S. European Command and U.S. Indo-Pacific Command, military serves, and defense agencies on activities and resources required for FY 2023-2027 to maintain a military advantage over great power competitors in the arctic region.

**NATO**

The U.S. is renewing its commitment to its defense alliances and partnerships in the European Theater by upholding obligations to the North Atlantic Treaty Organization (NATO). Congress believes maintaining security in the Baltic region is critical to maintaining the security of the NATO alliance, which is necessary to deter Russian aggression. The Secretary of Defense will contribute to NATO’s Security Investment Program.

**National Nuclear Security Administration**

The National Nuclear Security Administration’s (NNSA) budget remains stagnant at $20 billion in FY22. Regardless, NNSA is undergoing the largest workforce expansion in decades with plans to hire thousands of employees each year.

**Strategic Planning**

A Commission on the National Defense Strategy is called for to provide an independent review and assessment of joint force requirements for 3D terrain data to achieve Combined Joint All-Domain Command and Control and a determination of whether One World Terrain 3D geospatial data meets current requirements. The Secretary of Defense will submit a report on activities and DOD programs in place to implement the irregular warfare strategy consistent with the 2019 Irregular Warfare Annex to the NDS.

**Counterterrorism**

The House approves restrictions on Guantanamo’s detention facility to remain in place through December 21, 2022, specifically bans on the transfer of detainees to the U.S., on the use of DOD funds to construct or modify facilities on U.S. soil for detainees, on the use of DOD funds to transfer detainees to specific countries (Libya, Somalia, Syria and Yemen), and on the use of DOD funds to close Guantanamo.

**Cooperative Threat Reduction**

Approximately $344.8 billion shall be allocated for the Cooperative Threat Reduction (CTR) program, as suggested by the Report of the Committee of Armed Services, to thwart the proliferation of nuclear, chemical and biological threats globally through FY 2024.

**Energy and Environment**

The Secretary of Defense and the Secretaries of the military departments are to incorporate consideration of the risks related to installation resilience in certain strategies of the Department of Defense.[[10]](#footnote-10) The DOD is called to assess its inventory of data centers and set energy and water targets for various centers. The DOD shall also institute a moratorium on incineration of materials containing or contaminated by perfluoroalkyl substances, polyfluoroalkyl substances, or aqueous film forming foam

until the Secretary certifies that the Department has implemented the

Environmental Protection Agency's guidance for disposal.

**F-35 Sustainment**

By March 1 of 2022, 2023, 2024, and 2025, the Comptroller General of the U.S. shall conduct an annual review of the DOD’s sustainment efforts of the F-35. The NDAA prohibits the DOD from entering into a performance-based logistics contract for the F-35 unless sustainment cost metrics are met. The Air Force, Marine Corp and Navy will have until 2028 to ensure sustainment costs are aligned to the preset affordability targets. The House Armed Services Committee has also directed the Joint Program Office to draft a plan explaining how it will integrate Adaptive Engine Transition Program (AETP) engines into the F-35A Lighting II fighter jets by 2027.

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