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# **FY2023 National Defense Authorization Act: Overview of Funding Authorizations**

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## **FY2023 National Defense Authorization Act: Overview of Funding Authorizations**

The National Defense Authorization Act (NDAA) is policy legislation typically introduced and reported each year by the House and Senate Committees on Armed Services (also known as the House Armed Services Committee, or HASC, and the Senate Armed Services Committee, or SASC). The act primarily sets policy and authorizes appropriations for activities of the U.S. Department of Defense (DOD) and national security programs of the U.S. Department of Energy (DOE). Fiscal Year (FY) 2023 marked the 62<sup>nd</sup> consecutive year for which Congress enacted an annual defense authorization.

On March 28, 2022, President Joseph R. Biden submitted to Congress a budget request for FY2023 that included \$827.0 billion for national defense-related activities, including discretionary and mandatory programs. Of that amount, \$802.4 billion fell within the scope of the National Defense Authorization Act for Fiscal Year 2023 (FY2023 NDAA; H.R. 7900; S. 4543; H.R. 7776; P.L. 117-263), with \$772.5 billion for DOD activities, \$29.5 billion for DOE activities, and \$0.4 billion for other defense-related activities. The requested amount within the scope of the FY2023 NDAA was \$34.2 billion (4.4%) more than the FY2022 authorized amount.

On July 14, 2022, the House passed a version of the NDAA (H.R. 7900) that would have authorized \$839.3 billion—\$37 billion (4.6%) more than the President’s request. On July 18, 2022, the SASC reported a version of the bill (S. 4543) that would have authorized \$846.9 billion—\$44.5 billion (5.6%) more than the President’s request. On December 23, 2022, President Biden signed into law the FY2023 NDAA, which authorized \$847.3 billion—\$45.0 billion (5.6%) more than the request.

The FY2023 NDAA authorized more funding than the President requested for most DOD appropriation titles, with \$18.9 billion more—the largest increase of any title, in terms of dollar amount—for procurement programs (e.g., Navy ships and aircraft, Air Force aircraft; Army missiles and tracked vehicles, among other programs). Among the programs for which Congress authorized additional funding were DDG-51 Arleigh Burke-class destroyer, Patriot air and missile defense system, and F-35 fighter aircraft. The legislation authorized \$1.9 billion less funding than requested for military personnel (e.g., pay and allowances), driven in part by Army recruiting shortfalls. The legislation supported a 4.6% military pay raise, in line with the formula in law.

Following Russia’s renewed invasion of Ukraine in February 2022, the FY2023 NDAA authorized funding for activities in support of the European Deterrence Initiative (EDI), including \$800 million for the Ukraine Security Assistance Initiative, through which DOD provides lethal equipment and other support to the Ukrainian military and security forces. The legislation also authorized \$11.5 billion for activities in support of the Pacific Deterrence Initiative (PDI), an effort intended to strengthen U.S. defense posture in the Indo-Pacific region, primarily west of the International Date Line.

Among the issues debated by one or both chambers during consideration of the bill but not included in the enacted version were provisions that would have repealed military abortion restrictions.

This report compares authorizations for major defense appropriations titles, programs, and policy matters in the Biden Administration’s FY2023 budget request, House-passed and SASC-reported versions of the FY2023 NDAA, and enacted legislation. This report also provides references to other CRS reports that provide in-depth analysis and contextual information on certain defense and foreign policy issues.

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## Introduction

The National Defense Authorization Act (NDAA) is a defense policy bill, typically introduced and reported each year by the House and Senate Committees on Armed Services (also known as the House Armed Services Committee, or HASC, and the Senate Armed Services Committee, or SASC). Unlike an appropriations act, the NDAA generally does not provide funding (i.e., *budget authority*).<sup>1</sup> Rather, the legislation sets policy and authorizes appropriations for the U.S. Department of Defense (DOD), nuclear weapons and reactor programs of the U.S. Department of Energy (DOE), and certain other defense-related activities.

The NDAA is a vehicle through which Congress fulfills its responsibility as mandated in Article I, Section 8, of the U.S. Constitution. This section of the Constitution provides Congress the authority to “provide for the common Defence,” “raise and support Armies,” “provide and maintain a Navy,” and “make Rules for the ... Regulation of the land and naval Forces,” among other powers.<sup>2</sup>

As a policy bill, the legislation establishes or continues defense programs, projects, or activities, and provides guidance on how appropriated funds are to be used in carrying out those efforts. While the NDAA does not provide budget authority, historically it has provided an indicator of congressional intent on funding for particular programs. The bill authorizes funding for DOD activities at the same level of detail at which budget authority is provided by the corresponding defense appropriations and military construction appropriations acts. Despite a statutory requirement for annual authorization of appropriations for defense programs,<sup>3</sup> the U.S. Government Accountability Office (GAO) has concluded that Congress is free to deviate from authorized amounts in subsequent appropriations.<sup>4</sup> According to GAO, “If Congress appropriates money to the Defense Department in violation of 10 U.S.C. §114, there are no practical consequences. The appropriation is just as valid, and just as available for obligation, as if section 114 had been satisfied or did not exist.”<sup>5</sup> As defense authorization and appropriations legislation can differ on a line-item level, an authorization of appropriations in the NDAA may be considered a funding indicator rather than a ceiling.<sup>6</sup>

The NDAA has a history of regular enactment; FY2023 marked the 62<sup>nd</sup> consecutive year for which Congress enacted an annual defense authorization.<sup>7</sup> Because of this history of regular enactment, the bill sometimes serves as a vehicle for legislation originating in committees other than HASC or SASC. This report focuses on defense-related matters and authorizations of appropriations in the FY2023 NDAA (i.e., Division A through Division D of P.L. 117-263). For

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<sup>1</sup> *Budget authority* is authority provided by law to a federal agency to obligate money for goods and services. For more information, see U.S. Government Accountability Office (GAO), *A Glossary of Terms Used in the Federal Budget Process*, September 2005, p. 20, at <https://www.gao.gov/assets/gao-05-734sp.pdf>.

<sup>2</sup> Congress.gov, *Constitution Annotated: Analysis and Interpretation of the U.S. Constitution*, Article 1, Section 8, “Overview of Congress’s Enumerated Powers,” at [https://constitution.congress.gov/browse/essay/artI-S8-1/ALDE\\_00000259/](https://constitution.congress.gov/browse/essay/artI-S8-1/ALDE_00000259/).

<sup>3</sup> 10 U.S.C. §114.

<sup>4</sup> GAO, *Principles of Appropriations Law* [“The Red Book”], Chapter 2, “The Legal Framework,” Fourth Edition, 2016 Revision (GAO-16-464SP), p. 2-56, at <https://www.gao.gov/assets/2019-11/675709.pdf>.

<sup>5</sup> *Ibid.*

<sup>6</sup> For more information on the federal budget process, see CRS Report R46240, *Introduction to the Federal Budget Process*. For more information on the differences between authorizations and appropriations, see CRS Report R46497, *Authorizations and the Appropriations Process*.

<sup>7</sup> For more information, see CRS Report 98-756, *Defense Authorization and Appropriations Bills: FY1961-FY2021*.

more background information on the NDAA, see CRS In Focus IF10515, *Defense Primer: The NDAA Process* and CRS In Focus IF10516, *Defense Primer: Navigating the NDAA*. For historical information on defense authorizations, see CRS Report 98-756, *Defense Authorization and Appropriations Bills: FY1961-FY2021*.

For more information on non-Department of Defense matters in the legislation (Division E), including Veterans Affairs matters, see CRS Report R47423, *Department of Veterans Affairs FY2023 Appropriations*.<sup>8</sup> For more information on the Intelligence Authorization Act for Fiscal Year 2023 (Division F), see CRS Report R44381, *Intelligence Community Spending Trends*. For more information on Homeland Security matters (Division G), see CRS Report R47584, *Department of Homeland Security Appropriations: FY2023 Provisions*. For more information on Water Resources matters (Division H), see CRS Insight IN11965, *Water Resources Development Act of 2022 (WRDA 2022)*. For more information on Department of State Authorizations (Division I), see CRS In Focus IF10293, *Foreign Relations Reauthorization: Background and Issues*. For more information on oceans and atmosphere-related matters (Division J), see CRS In Focus IF12156, *National Oceanic and Atmospheric Administration (NOAA) FY2023 Budget Request and Appropriations*. For more information on selected provisions of the Don Young Coast Guard Authorization Act of 2022 (Division K), see CRS In Focus IF12088, *Legislation Partially Addresses Fatal “Duck Boat” Accidents*.

## Bill Overview

This section of the report provides an overview of legislative activity on the FY2023 NDAA, including certain congressional actions with respect to the House-passed, SASC-reported, and enacted versions of the bill.

## Summary of Discretionary Authorizations

The majority (97%) of funding requested in the national defense budget function (050) for FY2023 fell within the scope of the NDAA.<sup>9</sup> The legislation authorizes discretionary funding for programs in the DOD-military (051) and atomic energy defense activities (053) subfunctions; and certain programs in the defense-related activities (054) subfunction (e.g., the U.S. Department of Transportation Maritime Administration Maritime Security Program and Tanker Security Program).<sup>10</sup>

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<sup>8</sup> Division E included eight titles covering a range of policy topics, including: Veterans Affairs Matters (Title LI), Inspector General Independence and Empowerment Matters (Title LII), Oversight and Reform Matters (Title LIII), 21st Century Assistive Technology Act (Title LIV), Foreign Affairs Matters (Title LV), Transportation and Infrastructure (Title LVI), Financial Services Matters (Title LVII), and Financial Data Transparency (Title LVIII). To reach a CRS expert for any of these topics, please contact the author.

<sup>9</sup> White House Office of Management and Budget (OMB), Fiscal Year 2023, Budget of the U.S. Government website, Analytical Perspectives, Table 25-1. Budget Authority and Outlays by Function, Category, and Program, at <https://www.govinfo.gov/content/pkg/BUDGET-2023-PER/pdf/BUDGET-2023-PER-8-5-1.pdf>; and explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2*, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2172-2173 (hereafter the FY2023 NDAA explanatory statement).

<sup>10</sup> The SASC-reported version of the NDAA typically does not authorize appropriations for the Department of Transportation Maritime Administration Maritime Security Program and Tanker Security Program; however, the HASC-reported version and the enacted version of the NDAA typically do.

Of the \$813.4 billion in discretionary funding requested in the FY2023 President’s budget for programs, projects, and activities within the national defense budget function,<sup>11</sup> \$802.4 billion fell within the scope of the FY2023 NDAA.<sup>12</sup> During deliberation of the FY2023 NDAA, Congress considered whether to authorize between \$37.0 billion (4.6%) and \$44.9 billion (5.6%) more than the President requested.<sup>13</sup> The enacted version of the legislation authorized \$45.0 billion (5.6%) more than the request.<sup>14</sup> See **Table 1** and **Figure 1**.

**Table 1. Summary of Funding Authorizations in FY2023 NDAA**  
(in billions of dollars of discretionary budget authority)

Title	FY2022 NDAA (P.L. 117-81)	FY2023 Request <sup>a</sup>	House-passed (H.R. 7900)	SASC-reported (S. 4543)	FY2023 NDAA (P.L. 117-263)
Procurement	\$146.88	\$144.22	\$160.20	\$157.98	\$163.15
Research and Development	\$117.73	\$130.10	\$138.64	\$137.75	\$138.86
Operation and Maintenance	\$255.40	\$271.22	\$274.27	\$282.56	\$278.79
Military Personnel	\$166.90	\$173.88	\$174.54	\$179.76	\$172.02
Defense Health Program and Other DOD	\$39.72	\$40.91	\$44.31	\$41.78	\$44.36
Military Construction and Family Housing	\$13.35	\$12.15	\$16.47	\$17.33	\$19.49
<b>Subtotal, Department of Defense-Military (051)</b>	<b>\$739.99</b>	<b>\$772.48</b>	<b>\$808.43</b>	<b>\$817.15</b>	<b>\$816.68</b>
<b>Subtotal, Atomic Energy Defense Programs (053)</b>	<b>\$27.84</b>	<b>\$29.50</b>	<b>\$30.54</b>	<b>\$29.71</b>	<b>\$30.27</b>

<sup>11</sup> OMB, *Budget of the United States Government, Fiscal Year 2023*, Analytical Perspectives, “Table 25-1. Budget Authority and Outlays by Function, Category, and Program,” March 28, 2022, archived at <https://www.govinfo.gov/content/pkg/BUDGET-2023-PER/pdf/BUDGET-2023-PER-8-5-1.pdf>. For more information on the national defense budget function, see CRS In Focus IF10618, *Defense Primer: The National Defense Budget Function (050)*.

<sup>12</sup> The remainder of funding requested for national defense was for discretionary programs not within the jurisdiction of the HASC or SASC, discretionary programs not requiring additional authorization, or previously authorized mandatory programs. For more information, see the FY2023 NDAA explanatory statement, pp. 2172-2173.

<sup>13</sup> H.Rept. 117-397 (Part 1) to accompany H.R. 7900, pp. 405-410; S.Rept. 117-130 to accompany S. 4543, pp. 380-383; and FY2023 NDAA explanatory statement, pp. 2168-2173. Note the \$44.9 billion figure is from the SASC report, which excludes \$0.38 billion requested for defense-related activities (054).

<sup>14</sup> Ibid.

Title	FY2022 NDAA (P.L. 117-81)	FY2023 Request <sup>a</sup>	House-passed (H.R. 7900)	SASC- reported (S. 4543)	FY2023 NDAA (P.L. 117-263)
<b>Subtotal, Defense- Related Activities (054)</b>	<b>\$0.38</b>	<b>\$0.38</b>	<b>\$0.38</b>	<i>n/a<sup>b</sup></i>	<b>\$0.38</b>
<b>Total</b>	<b>\$768.21</b>	<b>\$802.36</b>	<b>\$839.35</b>	<b>\$846.87</b>	<b>\$847.32</b>

**Source:** Explanatory statement accompanying P.L. 117-81 in U.S. Congress, House Committee on Armed Services, *National Defense Authorization Act for Fiscal Year 2022, Legislative Text and Joint Explanatory Statement to Accompany S. 1605*, P.L. 117-81, committee print, 117<sup>th</sup> Congress, 1<sup>st</sup> sess., December 2021, 47-742, pp. 1269-1275; H.Rept. 117-397 (Part 1) to accompany H.R. 7900, pp. 405-410; S.Rept. 117-130 to accompany S. 4543, pp. 380-383; and the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2168-2173.

**Note:** Totals may not sum due to rounding. Dollars rounded to nearest hundredth.

- a. Amounts in this column are those in H.Rept. 117-397 (Part 1) to accompany H.R. 7900, pp. 405-410.
- b. The SASC-reported version of the NDAA typically does not authorize appropriations for the Department of Transportation Maritime Administration Maritime Security Program and Tanker Security Program; however, the HASC-reported version and the enacted version of the NDAA typically do.

### House-passed NDAA

H.R. 7900 would have authorized \$839.3 billion—\$37 billion (4.6%) more than requested.<sup>15</sup> The legislation would have authorized additional funding for each DOD appropriation title.

During the HASC markup of the legislation, Representative Jared F. Golden offered an amendment to increase funding authorized in the bill by \$37 billion.<sup>16</sup> Representative Golden said, “We need only look to world events in Ukraine, read reports regarding China’s plans and actions in the South China Sea, or simply read the latest headlines about Iranian nuclear ambitions and North Korean missile tests, as well as ongoing terrorist threats in order to see why this funding is necessary to meet the security challenges of our time.”<sup>17</sup> In the same speech, Representative Golden also said inflationary pressures were hampering the military’s ability to procure equipment, invest in emerging technologies, and pay and support personnel. The committee agreed to the amendment, 42-17.<sup>18</sup> Among those on the committee who voted for the amendment was, for example, Representative Mike Rogers, then the Ranking Member of HASC, who said the amendment would fund “critically needed priorities from our service chiefs and combatant commanders that were left unfunded by the President’s budget.”<sup>19</sup> Among those on the committee who voted against the amendment was, for example, Representative Adam Smith, then the Chair of HASC, who said, “I care as much about how the money is spent ... as I do about how much is spent. And I think making sure that the Pentagon has some fiscal discipline and is forced

<sup>15</sup> H.Rept. 117-397, p. 409.

<sup>16</sup> *Ibid.*, p. 602.

<sup>17</sup> Representative Jared Golden, as quoted in “House Armed Services Committee Holds Markup on the National Defense Authorization Act for Fiscal 2023, Part 1,” *Congressional Quarterly*, June 22, 2022, at <https://plus.cq.com/doc/congressionaltranscripts-751493473>.

<sup>18</sup> H.Rept. 117-397, p. 602.

<sup>19</sup> Representative Mike Rogers, as quoted in “House Armed Services Committee Holds Markup on the National Defense Authorization Act for Fiscal 2023, Part 1,” *Congressional Quarterly*, June 22, 2022, at <https://plus.cq.com/doc/congressionaltranscripts-751493473>.



to make tough decisions and not just always rely on another pot of money coming along is crucial to modernization.”<sup>20</sup>

During debate of the legislation on the House floor, Representative Barbara Lee offered an amendment that would have reduced funding authorized by H.R. 7900 to the level requested in the President’s budget.<sup>21</sup> Representative Lee said, “Americans are demanding that Congress rebalance our priorities and invest in the biggest challenges which we face. This \$37 billion could be better spent ... to extend the child and earned income tax credit, improve healthcare access, and pay for Medicare hearing benefits for seniors.”<sup>22</sup> The House did not agree to the amendment, 151-277.<sup>23</sup> Representative Lee also offered an amendment that would have decreased funding authorized in H.R. 7900 by \$100 billion, excluding amounts for personnel, civilian pay and benefits, and the Defense Health Program.<sup>24</sup> The House did not agree to the amendment, 78-350.<sup>25</sup>

In response to the House-passed legislation, the White House pledged to work with Congress to set “appropriate and responsible levels” of defense and non-defense spending.<sup>26</sup> In addition to a “strategically sound” defense budget and strong economy, the White House described investments in diplomacy, development, and economic statecraft as critical for responding to national security challenges.<sup>27</sup>

### ***SASC-reported NDAA***

The SASC-reported version of the bill (S. 4543), would have authorized \$846.9 billion—\$44.9 billion (5.6%) more than the President’s request.<sup>28</sup> The legislation would have authorized additional funding for each DOD appropriation title.

The committee considered a motion to “include a provision that would raise the topline for inflation costs and for other purposes.”<sup>29</sup> In announcing the SASC’s completion of marking up its version of the bill, Senator James M. Inhofe, then the Ranking Member of the committee, said, “I am especially proud that for the second year in a row, the committee almost unanimously voted to approve my amendment with the Chairman that would boost the defense budget.”<sup>30</sup> Senator Inhofe described the funding increase as “a demonstration of our commitment to our men and women in uniform and our willingness to compete, deter, and if necessary, defeat any adversaries

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<sup>20</sup> Representative Adam Smith, as quoted in “House Armed Services Committee Holds Markup on the National Defense Authorization Act for Fiscal 2023, Part 1,” *Congressional Quarterly*, June 22, 2022, at <https://plus.cq.com/doc/congressionaltranscripts-751493473>.

<sup>21</sup> Rep. Barbara Lee, “Amendment No 14 Offered by Ms. Lee of California,” remarks in the House, *Congressional Record*, daily edition, vol. 168 (July 13, 2022), p. H6269.

<sup>22</sup> *Ibid.*

<sup>23</sup> H.Amdt. 254 to H.R. 7900.

<sup>24</sup> Rep. Barbara Lee, “Amendment No 13 Offered by Ms. Lee of California,” remarks in the House, *Congressional Record*, daily edition, vol. 168 (July 13, 2022), pp. H6267-H6268.

<sup>25</sup> H.Amdt. 253 to H.R. 7900.

<sup>26</sup> White House, “Statement of Administration Policy, H.R. 7900 – National Defense Authorization Act for Fiscal Year 2023,” July 12, 2022, at <https://www.whitehouse.gov/wp-content/uploads/2022/07/H.R.-7900-NDAA-SAP.pdf>.

<sup>27</sup> *Ibid.*

<sup>28</sup> S.Rept. 117-130, pp. 380-383.

<sup>29</sup> *Ibid.*, p. 556.

<sup>30</sup> Senate Armed Services Committee (SASC), “SASC Completes Markup of Fiscal Year 2023 National Defense Authorization Act,” press release, June 16, 2022, at <https://www.armed-services.senate.gov/press-releases/sasc-completes-markup-of-fiscal-year-2023-national-defense-authorization-act>.

who might threaten our American values and our way of life.”<sup>31</sup> The committee adopted the amendment, 25-1.<sup>32</sup> Senator Elizabeth Warren opposed the amendment.<sup>33</sup> Senator Warren has previously said, “America’s spending priorities are completely misaligned with the threats Americans are actually facing, the things are quite literally endangering their lives—like COVID-19 and the climate crisis.”<sup>34</sup>

### *Enacted NDAA*

The enacted version of the legislation authorized \$847.3 billion—\$45.0 billion (5.6%) more than requested.<sup>35</sup> The legislation authorized additional funding for most DOD appropriation titles, with \$18.9 billion more—the largest increase of any title, in terms of dollar amount—for procurement programs (e.g., Navy ships and aircraft; Air Force aircraft; Army missiles and tracked vehicles, among other programs).<sup>36</sup> The legislation authorized \$1.9 billion less funding than requested for military personnel (e.g., pays and allowances), driven in part by the reduction to Army active component authorized end-strength of 21,000 soldiers below the Biden Administration’s request, following the service’s recruiting shortfalls in FY2022.<sup>37</sup>

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<sup>31</sup> Ibid.

<sup>32</sup> S.Rept. 117-130, p. 556.

<sup>33</sup> Ibid.

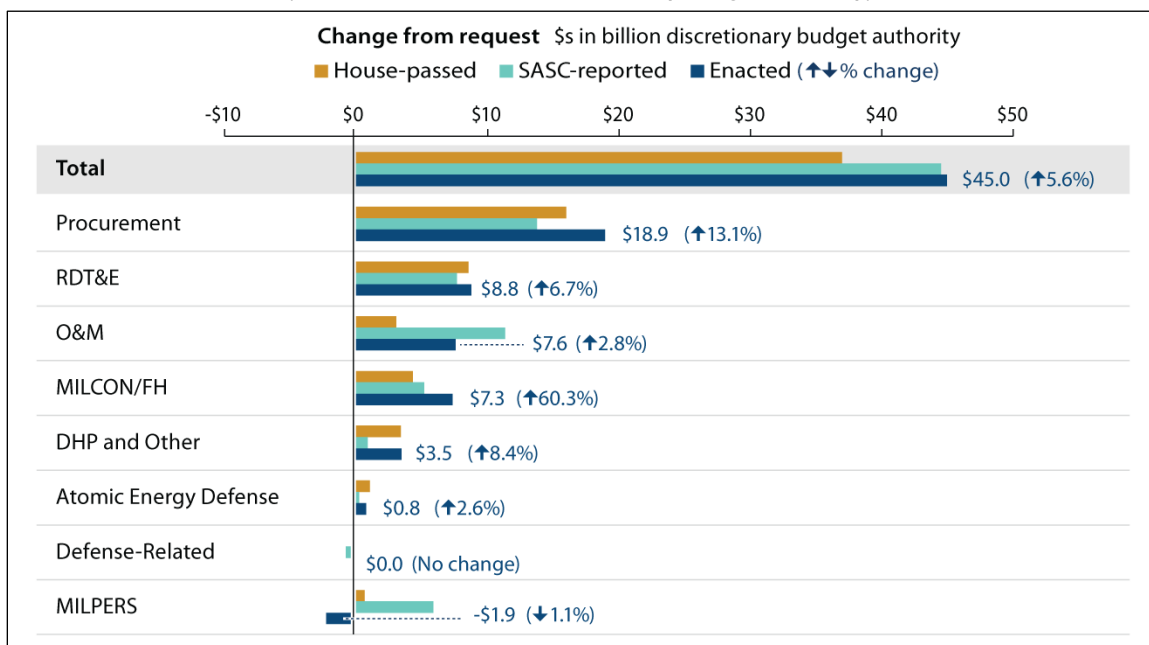
<sup>34</sup> Senator Elizabeth Warren, “Warren Delivers Floor Speech in Opposition to the National Defense Authorization Act,” November 18, 2021, at <https://www.warren.senate.gov/newsroom/press-releases/warren-delivers-floor-speech-in-opposition-to-the-national-defense-authorization-act>.

<sup>35</sup> FY2023 NDAA explanatory statement, pp. 2168-2173.

<sup>36</sup> Ibid., p. 2169.

<sup>37</sup> Ibid. For more information on end-strengths authorized in the legislation, see the “Military End-Strength” section below. For news articles on the U.S. military recruiting shortfalls, see, for example, Roxana Tiron, “US Military Faces Biggest Recruiting Hurdles in 50 Years,” *Bloomberg Government*, September 21, 2022, at <https://about.bgov.com/news/us-military-services-face-biggest-recruiting-hurdles-in-50-years/>.

**Figure I. Changes to Requested Funding Authorizations in Proposed and Enacted Versions of the FY2023 NDAA, by Selected Titles**  
(in billions of dollars of discretionary budget authority)



**Source:** H.Rept. 117-397 (Part I) to accompany H.R. 7900, pp. 405-410; S.Rept. 117-130 to accompany S. 4543, pp. 380-383; and the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2168-2173.

**Notes:** Proc. is procurement (Division A, Title I); RDT&E is research, development, test, and evaluation (Division A, Title II); O&M is operation and maintenance (Division A, Title III); MILPERS is military personnel (Division A, Title IV); DHP is Defense Health Program and Other Authorizations (Division A, Title XIV); MILCON/FH is military construction and family housing (Division B).

## Legislative Activity<sup>38</sup>

By law, the President is to send a federal budget request to Congress by the first Monday in February.<sup>39</sup> In practice, it is sometimes delayed.<sup>40</sup> On March 28, 2022, President Biden submitted the FY2023 budget request, including proposed funding for national defense-related activities.<sup>41</sup>

**Table 2** shows the status of legislative activity on the FY2023 NDAA.

<sup>38</sup> This section was coordinated with Valerie Heitshusen, Specialist on Congress and the Legislative Process.

<sup>39</sup> 31 U.S.C. §1105(a).

<sup>40</sup> For more information, see GPO, *Budget of the United States Government*, at <https://www.govinfo.gov/app/collection/budget>. See also CRS Report RS20752, *Submission of the President's Budget in Transition Years*, by Taylor N. Riccard.

<sup>41</sup> OMB, *Budget of the United States Government, Fiscal Year 2023*, March 28, 2022, archived at <https://www.govinfo.gov/app/collection/budget/2023>.

**Table 2. FY2023 NDAA: Status of Legislative Activity**

House				Senate				Public Law
Bill #, Date Reported	Report #, Date	Vote # (yeas-nays), Date Passed	HASC-SASC Negotiated Proposal	Bill #, Date Reported	Report #, Date	Vote # (yeas-nays), Date Passed	HASC-SASC Negotiated Proposal	P.L. #, Date Signed
H.R. 7900, 7/1/22	H.Rept. 117-397, 7/1/22	350 (329-101), 7/14/22	H.R. 7900, 7/1/22					
				S. 4543, 7/18/22	S.Rept. 117-130, 7/18/22			
House amendment to the Senate amendment to H.R. 7776, 12/8/22		516 (350-80), 12/8/22 (H.Res. 1512) <sup>a</sup>	Explanatory statement <sup>b</sup>	House amendment to the Senate amendment to H.R. 7776, 12/8/22		396 (83-11), 12/15/22	Explanatory statement <sup>b</sup>	P.L. 117-263, 12/23/22

**Source:** CRS analysis of selected actions in Congress.gov.

**Notes:**

- a. On December 8, 2022, the House voted 350-80 in favor of the bicameral agreement on the FY2023 NDAA by adopting H.Res. 1512.
- b. The explanatory statement to accompany the FY2023 NDAA (P.L. 117-263) was initially published in the House, *Congressional Record*, daily edition, vol. 168, no. 191, book 3 (December 8, 2022), at <https://www.congress.gov/117/crec/2022/12/08/168/191/CREC-2022-12-08-bk3.pdf>. It was later published in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, Public Law 117-263, Book 2 of 2*, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665. This CRS report refers to the explanatory statement published in the committee print.

**House-passed NDAA**

In the House, on June 6-8, 2022, in preparation of subcommittee and full committee markups, the HASC’s seven subcommittees<sup>42</sup> released draft legislative proposals (known as *marks*) for matters to be considered in the FY2023 NDAA under their respective jurisdictions.<sup>43</sup> On June 8-9, the

<sup>42</sup> The seven HASC subcommittees were Tactical Air and Land Forces; Military Personnel; Readiness; Seapower and Projection Forces; Strategic Forces; Intelligence and Special Operations; and Cyber, Innovative Technologies, and Information Systems. Jurisdiction and membership of HASC and its subcommittees are available at HASC, *Rules of the Committee on Armed Services 117<sup>th</sup> Congress*, archived at <https://web.archive.org/web/20220416001328/https://armedservices.house.gov/committee-rules%230D456DEB-8D11-4DF4-A8E3-D4D778DFDA61>.

<sup>43</sup> The following committee press releases link to individual subcommittee marks: HASC, “Subcommittee on Cyber, Innovative Technologies, and Information Systems Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023,” June 6, 2022; “Subcommittee on Strategic Forces Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023,” June 7, 2022; “Subcommittee on Seapower and Projection Forces Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023,” June 7, 2022; “Subcommittee on Military Personnel Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023,” June 7, 2022; “Subcommittee on Readiness Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023,” June 8, 2022; “Subcommittee on Tactical Air (continued...)”

HASC subcommittees considered and reported their marks to the full committee.<sup>44</sup> On June 20, Representative Adam Smith, then Chair of HASC, released his draft legislative proposals (i.e., *Chairman's mark*) for portions of the bill not in the subcommittee marks.<sup>45</sup> On June 22, HASC began considering and marking up the legislation.<sup>46</sup> On June 23, the committee voted 57-1 to order H.R. 7900 reported to the House with an amendment in the nature of a substitute reflecting the product of the two-day markup.<sup>47</sup> On July 1, the committee filed its report, H.Rept. 117-397, to accompany the legislation.<sup>48</sup> On July 7, the committee filed a supplemental report that included the Congressional Budget Office's cost estimate for the bill.<sup>49</sup> On July 12, the House Rules Committee met to report a structured rule for the House to consider H.R. 7900 and other legislation.<sup>50</sup> On July 13-14, the House debated and considered amendments to H.R. 7900.<sup>51</sup> On July 14, the House passed the measure, as amended, by a vote of 329-101.<sup>52</sup>

### SASC-reported NDAA

In the Senate, on June 13-14, the seven subcommittees of the Senate Armed Services Committee (SASC) marked up draft legislative proposals with recommendations for matters to be considered under their respective jurisdictions.<sup>53</sup> As in previous years, two of the markups were held in open sessions (Subcommittee on Readiness and Management Support, and Subcommittee on Personnel) and five were closed.<sup>54</sup> On June 15-16, the full committee considered the legislation in a closed session.<sup>55</sup> On June 16, Senators Jack Reed and James Inhofe, Chair and then-Ranking

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and Land Forces Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023," June 8, 2022; and "Subcommittee on Intelligence and Special Operations Mark for H.R. 7900 National Defense Authorization Act for Fiscal Year 2023," June 8, 2022.

<sup>44</sup> The following list of includes embedded links to each subcommittee's mark as reported to the full committee: Subcommittee on Cyber, Innovative Technologies, and Information Systems; Subcommittee on Strategic Forces; Subcommittee on Seapower and Projection Forces; Subcommittee on Military Personnel; Subcommittee on Readiness; Subcommittee on Tactical Air and Land Forces; and Subcommittee on Intelligence and Special Operations.

<sup>45</sup> HASC, "Chairman Smith Releases Mark for FY23 NDAA," press release, June 20, 2022, archived at <https://web.archive.org/web/20220630015735/https://armedservices.house.gov/press-releases?ID=5EFC4D38-C0A1-46CE-930F-B266E0CFD395>.

<sup>46</sup> HASC, Hearings website, accessed August 1, 2022, at <https://armedservices.house.gov/hearings>.

<sup>47</sup> HASC, Hearings website, accessed August 1, 2022, at <https://armedservices.house.gov/hearings>; H.R. 7900 actions on Congress.gov; and HASC, "Chairman Smith on the Armed Services Committee's Passage of the FY23 NDAA," press release, June 23, 2022, archived at <https://web.archive.org/web/20220630015000/https://armedservices.house.gov/press-releases?ID=EDEEB4C7-13C7-444F-B3C4-3E514AA54E6C>.

<sup>48</sup> H.R. 7900 actions on Congress.gov.

<sup>49</sup> H.Rept. 117-397, Part 2.

<sup>50</sup> See House Committee on Rules, H.R. 7900 - National Defense Authorization Act for Fiscal Year 2023 website, accessed August 1, 2022, at <https://rules.house.gov/bill/117/hr-7900>.

<sup>51</sup> See House, *Congressional Record*, vol. 168, no. 115 (July 13, 2022), pp. H6025-H6285, H6302-H6333, H6339-H6508; and vol. 168, no. 116 (July 14, 2021), pp. H6514-H6605.

<sup>52</sup> H.R. 7900 actions on Congress.gov.

<sup>53</sup> SASC, "Closed: Schedule for Armed Services Subcommittee Markups of the National Defense Authorization Act for Fiscal Year 2023," press release, June 13, 2022, archived at [https://web.archive.org/web/20220610031511/https://www.armed-services.senate.gov/hearings/schedule-for-armed-services-subcommittee-markups\\_of-the-national-defense-authorization-act-for-fiscal-year-2023](https://web.archive.org/web/20220610031511/https://www.armed-services.senate.gov/hearings/schedule-for-armed-services-subcommittee-markups_of-the-national-defense-authorization-act-for-fiscal-year-2023).

<sup>54</sup> Ibid.

<sup>55</sup> SASC, "Closed: Schedule for Armed Services Full Committee Markup of the National Defense Authorization Act for Fiscal Year 2023," press release, June 15, 2022, archived at [https://web.archive.org/web/20220610205219/https://www.armed-services.senate.gov/hearings/schedule-for-armed-services-full-committee-markup-of-the\\_national-defense-authorization-act-for-fiscal-year-2023](https://web.archive.org/web/20220610205219/https://www.armed-services.senate.gov/hearings/schedule-for-armed-services-full-committee-markup-of-the_national-defense-authorization-act-for-fiscal-year-2023).

Member, respectively, of SASC, announced the committee voted 23-3 to order reported an original bill reflecting changes adopted in markup.<sup>56</sup> On July 18, SASC reported S. 4543 and filed the accompanying report S.Rept. 117-130. The Senate did not consider S. 4543.<sup>57</sup> On October 11, the Senate proceeded to consider H.R. 7900, to which Senator Reed then offered a complete substitute amendment (S.Amdt. 5499, as modified) based on the text of S. 4543 and additional proposals.

### *Enacted NDAA*

Similar to the FY2022 NDAA (P.L. 117-81), the House and Senate did not reach a stage at which a conference committee could be established to reconcile two versions of the bill. Instead, HASC and SASC leaders negotiated a bicameral agreement based on the two versions. On December 6, 2022, the committees announced the release of the agreement,<sup>58</sup> which was to be considered as a House amendment to a Senate amendment to an unrelated bill, H.R. 7776.<sup>59</sup> On December 8, an explanatory statement to accompany the House amendment was published in Part 3 of the House section of the *Congressional Record*.<sup>60</sup> The final text of the FY2023 NDAA provided that this statement was to be treated as if it were the formal joint explanatory statement issued by a conference committee.<sup>61</sup> The same day, the House voted 350-80 to adopt H.Res. 1512, by which the House agreed to the House amendment and returned the bill to the Senate.<sup>62</sup> On December 15, the Senate voted 83-11 to agree to the House amendment without any changes, allowing the measure to be enrolled for presentation to the President.<sup>63</sup> On December 23, President Biden signed the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 into law (P.L. 117-263). Because the chambers did not establish a conference committee to negotiate a final version of H.R. 7776, there was no conference report for the legislation. Instead, the HASC published a two-part, 2,445-page committee print containing the legislative text and joint explanatory statement.<sup>64</sup>

<sup>56</sup> SASC, “SASC Completes Markup of Fiscal Year 2023 National Defense Authorization Act,” press release, June 16, 2022, archived at <https://web.archive.org/web/20220616223723/https://www.armed-services.senate.gov/press-releases/sasc-completes-markup-of-fiscal-year-2023-national-defense-authorization-act>.

<sup>57</sup> SASC, “Reed and Inhofe File Fiscal Year 2023 National Defense Authorization Act,” press release, July 18, 2022, archived at <https://web.archive.org/web/20220718211339/https://www.armed-services.senate.gov/press-releases/reed-and-inhofe-file-fiscal-year-2023-national-defense-authorization-act>.

<sup>58</sup> HASC, “HASC and SASC Release Text of FY23 NDAA Agreement,” December 6, 2022, archived at <https://web.archive.org/web/20221207070322/https://armedservices.house.gov/press-releases?ID=656B5467-1CE9-48BB-9D14-807B192D8933>.

<sup>59</sup> House Rules Committee Print 117-70, *Text of the House Amendment to the Senate Amendment to H.R. 7776 [Showing the text of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023]*, December 6, 2022, at <https://docs.house.gov/bills/thisweek/20221205/BILLS-117HR7776EAS-RCP117-70.pdf>.

<sup>60</sup> The explanatory statement to accompany the FY2023 NDAA (P.L. 117-263) was initially published in the House, *Congressional Record*, daily edition, vol. 168, no. 191, book 3 (December 8, 2022), at <https://www.congress.gov/117/crec/2022/12/08/168/191/CREC-2022-12-08-bk3.pdf>. It was later published in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2*, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665. This CRS report refers to the explanatory statement published in the committee print.

<sup>61</sup> P.L. 117-263, §5.

<sup>62</sup> House of Representatives Roll Call vote number 516 to H.Res. 1512, at <https://clerk.house.gov/Votes/2022516>.

<sup>63</sup> Senate Roll Call vote number 396 to H.R. 7776, at [https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1172/vote\\_117\\_2\\_00396.htm](https://www.senate.gov/legislative/LIS/roll_call_votes/vote1172/vote_117_2_00396.htm).

<sup>64</sup> U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for* (continued...)

## Selected Budget Issues for Congress

This section of the report focuses on selected defense-related matters and authorizations of appropriations in the FY2023 NDAA, including those that were the subject of debate between the House and Senate or Congress and the Biden Administration; that received a high level of media or constituent interest; or that were impacted by global events.

### Inflation Effects

The FY2023 President's budget request, including the DOD portion of the request, assumed an estimated inflation rate of 2.2% in FY2023, beginning October 1, 2022.<sup>65</sup> According to DOD, the department's FY2023 budget request recognized "inflationary impacts driven in part by the COVID-19 pandemic's disruption of global supply chains and Russia's unjustified and unprovoked invasion of Ukraine."<sup>66</sup>

During consideration of the FY2023 NDAA, Congress expressed interest in how relatively high levels of inflation had affected costs for DOD programs, projects, and activities.<sup>67</sup> According to HASC, H.R. 7900 would have authorized more funding than requested to address various inflation-related effects, including a 2.4% pay bonus for enlisted personnel (\$800 million),<sup>68</sup> \$500 million in housing allowances to address rising cost of rent, \$750 million in commissary funding to cover increasing costs of food and other necessities, \$2.5 billion to address rising fuel costs, and \$3.8 billion to cover increasing military construction costs.<sup>69</sup> According to SASC, S. 4543 would have authorized \$13 billion more than requested for "inflation effects."<sup>70</sup>

The FY2023 NDAA authorized \$18.9 billion more than requested for inflation-related effects.<sup>71</sup> According to SASC, this amount included \$12.6 billion for inflation impacts on purchases; \$3.8

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Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 1 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess, January 2023, 50-485; and James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665.

<sup>65</sup> CRS analysis of OMB, *Budget of the United States Government, Fiscal Year 2023*, Historical Tables, Table 10.1, GDP (Chained) Price Index deflator, archived at <https://www.govinfo.gov/content/pkg/BUDGET-2023-TAB/xls/BUDGET-2023-TAB-11-1.xlsx>, using FY2022 and FY2023 estimates. The percentage change between the FY2023 deflator of 1.2466 and the FY2022 deflator of 1.2200 is 2.18%.

<sup>66</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. 1-3, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_Budget_Request_Overview_Book.pdf).

<sup>67</sup> According to the consumer price index (CPI), inflation was measured at a seasonally adjusted 6.4% for the year 2022 ending in December, when the FY2023 NDAA was enacted. That was less than the June 2022 peak of 9.0% but more than the 2011-2020 average of 1.7%. For more information on inflation, see CRS Insight IN12091, *Will Inflation Continue to Fall?*, by Lida R. Weinstock and Marc Labonte. For more background and analysis on inflation, see CRS Report R47273, *Inflation in the U.S. Economy: Causes and Policy Options*, by Marc Labonte and Lida R. Weinstock.

<sup>68</sup> H.Rept. 117-397, p. 540.

<sup>69</sup> HASC, Summary of the National Defense Authorization Act (NDAA) for Fiscal Year 2023 (H.R. 7900) website, July 14, 2022, at <https://armedservices.house.gov/sites/republicans.armedservices.house.gov/files/FY23%20NDAA%20Highlights%20.pdf>.

<sup>70</sup> S.Rept. 117-130, p. 11.

<sup>71</sup> CRS analysis of FY2023 NDAA explanatory statement, pp. 2175, 2177, 2178, 2181, 2187, 2190, 2193, 2194, 2195, 2201, 2203, 2208, 2010, 2011, 2012, 2214, 2218, 2234, 2249, 2266, 2271, 2289, 2290, 2295, 2296, 2298, 2304, 2306, 2307, 2308, 2312, 2313, 2314, 2315, 2321, 2322, 2323, 2324, 2325, 2327, 2328, 2329, 2333, 2337, 2342, 2345, 2346, 2350, 2351, 2352, 2354, 2355, 2356, 2358.

billion for inflation impacts on military construction projects; and \$2.5 billion for inflation impacts on fuel purchases.<sup>72</sup> The enacted legislation did not include inflation-related bonus pay as proposed in the House-passed version of the bill.<sup>73</sup> Section 1003 of the legislation required the Secretary of Defense to submit a report to the congressional defense committees on observed and anticipated budgetary effects related to inflation, including information on inflation-related effects at the account level, requests for economic price adjustments or contract modifications, and changes to cost estimation practices.<sup>74</sup>

## Procurement-Related Matters

The NDAA typically authorizes procurement funding for DOD weapons acquisition programs in Division A, Title I, “Procurement.”<sup>75</sup> Procurement accounts typically fund the purchase of new equipment and modifications to existing weapons, including ships, aircraft, military satellites, ground combat vehicles, munitions, and various other products and services.

The FY2023 DOD budget request for procurement was related in part to proposals to slightly reduce the overall size of the Armed Forces and certain elements of force structure in FY2023.<sup>76</sup> DOD proposed for FY2023 combat force structure reductions of 12 battle force ships in the Navy,<sup>77</sup> an infantry battalion in the Marine Corps active component, 116 aircraft in the Air Force active component, 44 aircraft in the Air Force Reserve, and 78 aircraft in the Air National Guard.<sup>78</sup>

Compared to the \$144.2 billion requested in the DOD budget for procurement in Title I, the legislation authorized \$163.1 billion—\$18.9 billion (13.1%) more than requested.<sup>79</sup> The legislation authorized changes to 207 (25%) of 826 procurement line items.<sup>80</sup> These adjustments included increases to certain items requested in the budget or additions for items not requested in the budget to 127 line items totaling \$20.6 billion.<sup>81</sup> These changes were partially offset by decreases to 80 line items totaling \$1.6 billion.<sup>82</sup>

**Figure 2** shows procurement line items in the enacted FY2023 NDAA with the largest authorized changes, in terms of dollar value, from requested amounts.

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<sup>72</sup> SASC, “Summary of the Fiscal Year 2023 National Defense Authorization Act,” December 6, 2022, archived at [https://web.archive.org/web/20221207041034/https://www.armed-services.senate.gov/imo/media/doc/fy23\\_ndaa\\_agreement\\_summary.pdf](https://web.archive.org/web/20221207041034/https://www.armed-services.senate.gov/imo/media/doc/fy23_ndaa_agreement_summary.pdf).

<sup>73</sup> FY2023 NDAA explanatory statement, p. 1930.

<sup>74</sup> P.L. 117-263, §1003; 136 Stat. 2761.

<sup>75</sup> For more information, see CRS In Focus IF10599, *Defense Primer: Procurement*, by Alexandra G. Neenan.

<sup>76</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, pp. A-4 to A-5.

<sup>77</sup> For more background and analysis on Navy force structure, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

<sup>78</sup> *Ibid.*, p. A-4.

<sup>79</sup> FY2023 NDAA explanatory statement, p. 2169.

<sup>80</sup> CRS analysis of *ibid.*, pp. 2174-2218.

<sup>81</sup> *Ibid.*

<sup>82</sup> *Ibid.*



**Figure 2. Changes to Requested Funding Authorizations for Selected Procurement Line Items in the FY2023 NDAA**  
(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
DDG-51 [destroyer]	\$2,440
Patriot Mods [missile modifications]	\$940
Undistributed ("Inflation effects") [SCN]	\$839
F-35 [F-35A fighter aircraft]	\$773
F/A-18E/F [fighter aircraft]	\$666
Expeditionary Fast Transport (EFP) [ship]	\$645
Undistributed ("Inflation effects") [APAF]	\$633
Abrams Upgrade Program [tank]	\$622
Compass Call [EC-37B aircraft]	\$554
Undistributed ("Inflation effects") [APN]	\$491
Armored Multi-Purpose Vehicle (AMPV)	\$400
Space Development Agency Launch [realignment]	\$400
DDG 1000 Class [destroyer] Support Equipment	-\$30
C-5 [transport aircraft]	-\$30
National Security Space Launch	-\$31
Next Generation Squad Weapon [rifle] Ammunition	-\$32
Synthetic Training Environment [realignment]	-\$36
AGM-183A [ARRW; hypersonic glide vehicle]	-\$47
JASSM [cruise missile]	-\$58
FFG-Frigate [advance procurement]	-\$75
Terrestrial Layer Systems [electronic attack]	-\$81
Titan [intelligence ground station]	-\$85
Joint Strike Fighter CV [F-35C advance procurement]	-\$163
F-35 [F-35A advance procurement]	-\$414

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2174-2218.

**Notes:** SCN is Shipbuilding and Conversion, Navy; APAF is Aircraft Procurement, Air Force; APN is Aircraft Procurement, Navy; ARRW is Air-launched Rapid Response Weapon; JASSM is Joint Air-to-Surface Standoff Missile; CV is Carrier Variant. Realignment refers to some or all funds moved to one or more line items (in the same or other titles).

### Additional DDG-51 Arleigh Burke-Class Destroyer

The FY2023 NDAA authorized \$2.4 billion more than requested in the Shipbuilding and Conversion, Navy account for the “DDG-51” Arleigh Burke-class guided missile destroyer, a surface combatant capable of conducting a range of offensive and defensive operations.<sup>83</sup> The change included funding to procure a third destroyer in FY2023 (\$2.2 billion for “One additional ship”) and associated infrastructure (\$250 million for “Large Surface Combatant Shipyard

<sup>83</sup> For more background and analysis on the DDG-51 program, see CRS Report RL32109, *Navy DDG-51 and DDG-1000 Destroyer Programs: Background and Issues for Congress*, by Ronald O'Rourke.

Infrastructure”).<sup>84</sup> The Administration had “strongly” opposed incrementally funding a third destroyer in FY2023.<sup>85</sup>

### Advance Procurement for LPD-17 San Antonio-Class Amphibious Ship

The legislation authorized \$250 million more than requested in the Shipbuilding and Conversion, Navy account for *advance procurement* of a San Antonio-class amphibious ship designated Landing Platform Dock (LPD)-33, which is the fourth LPD-17 Flight II class ship.<sup>86</sup> In general, advance procurement refers to funding for components of a unit before purchasing the unit itself.<sup>87</sup> The Marine Corps had included such funding on a list of unfunded priorities.<sup>88</sup> The Administration had opposed authorizing such funding, in part to focus instead on “investing in the right mix of capabilities, including future amphibious platforms, to deliver the ships the Joint Force needs to campaign in the Indo-Pacific region and implement 2022 NDS,” referring to the Secretary of Defense’s 2022 National Defense Strategy.<sup>89</sup>

### Patriot Air and Missile Defense System Modifications

The legislation authorized \$940 million more than requested in the Missile Procurement, Army account for “Patriot Mods,” or modifications to the air and missile defense system known as Patriot, a truck-mounted surface-to-air missile system capable of intercepting cruise missiles, ballistic missiles, and aircraft.<sup>90</sup> The change included \$700 million for two additional fire units (each consisting of a radar set, engagement control station, and launchers),<sup>91</sup> as well as a capability (i.e., Dismounted-Patriot Information Coordination Center) to relocate the control station from a vehicle to an external shelter.<sup>92</sup> The change also included \$240 million to expand production of the most advanced interceptor missiles, known as Patriot Advanced Capability-3 (PAC-3) missile segment enhancement.<sup>93</sup>

<sup>84</sup> FY2023 NDAA explanatory statement, p. 2194. For more information on DOD maintenance depots, including naval shipyards, see CRS In Focus IF11466, *Defense Primer: Department of Defense Maintenance Depots*, by Luke A. Nicastro and Cameron M. Keys.

<sup>85</sup> White House, “Statement of Administration Policy, H.R. 7900 – National Defense Authorization Act for Fiscal Year 2023,” July 12, 2022, p. 4.

<sup>86</sup> For more background and analysis on amphibious ships, see CRS Report R43543, *Navy LPD-17 Flight II and LHA Amphibious Ship Programs: Background and Issues for Congress*, by Ronald O’Rourke.

<sup>87</sup> For a brief overview of advance procurement, see CRS In Focus IF10599, *Defense Primer: Procurement*, by Alexandra G. Neenan. For a more extended discussion of advance procurement in the context of multiyear procurement (MYP), see CRS Report R41909, *Multiyear Procurement (MYP) and Block Buy Contracting in Defense Acquisition: Background and Issues for Congress*, by Ronald O’Rourke.

<sup>88</sup> See, for example, an unofficial version of the Marine Corps unfunded priorities list on the FY23 Unfunded Priorities Lists website, Taxpayers for Common Sense, at <https://www.taxpayer.net/wp-content/uploads/2023/06/FY2023-Unfunded-Priorities-List.pdf>. For more information on unfunded priorities lists, see CRS In Focus IF11964, *Defense Primer: Department of Defense Unfunded Priorities*, by Brendan W. McGarry.

<sup>89</sup> White House, “Statement of Administration Policy, S. 4543 – James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” October 18, 2022, p. 5, at <https://www.whitehouse.gov/wp-content/uploads/2022/10/S4543-NDAA-SAP.pdf>.

<sup>90</sup> For more information on the Patriot system, see CRS In Focus IF12297, *PATRIOT Air and Missile Defense System for Ukraine*, by Andrew Feickert.

<sup>91</sup> DOD, Department of the Army, Patriot Advanced Capability-3 (PAC-3) website.

<sup>92</sup> DOD, “3rd Battalion, 2nd Air Defense Artillery prepares for deployment,” press release, January 11, 2018.

<sup>93</sup> FY2023 NDAA explanatory statement, p. 2176.

## Ukraine-Related Authorities, Including Multi-Year Procurement (MYP) for Selected Munitions

The Administration had requested two new authorities—the Critical Munitions Acquisition Fund and the Defense Exportability Transfer Account—based on findings from support provided to Ukraine since February 2022.<sup>94</sup> The Critical Munitions Acquisition Fund was intended to serve as a “revolving fund to maintain continuous orders of munitions that the Administration considers critical.”<sup>95</sup> Without such an authority, according to the Administration, manufacturers were “likely to be challenged to meet surges in demand, creating long lead-times for the delivery of critical munitions or weapon systems early in crises.”<sup>96</sup> The Defense Exportability Transfer Account was intended to “develop protection strategies for DoD systems identified for possible future export; to design and incorporate exportability features into such systems during research and development; and to integrate design features to enhance interoperability of such systems with those of friendly foreign countries.”<sup>97</sup>

Section 1706 of the House-passed H.R. 7900 would have amended 10 U.S.C. §222c to require an explanation of the implementation guidance developed by the Under Secretary of Defense for Acquisition and Sustainment for the process used by the Armed Forces to develop munitions requirements.<sup>98</sup> It also would have required establishment of a critical munitions reserve.<sup>99</sup>

Section 6233 of the Senate amendment to H.R. 7900 would have provided temporary authorizations related to Ukraine and addressed other DOD acquisition matters.<sup>100</sup>

Section 1244 of the enacted NDAA included an amended version of the Senate provision, including temporary authorizations for covered agreements related to Ukraine, modification of cooperative logistics support agreements with NATO countries, and multi-year procurement authority for certain artillery rounds, missiles, and launchers.<sup>101</sup> In the accompanying explanatory statement, conferees said:

We recognize that the [DOD] would benefit from temporary acquisition flexibilities to increase the Department’s stocks of critical munitions, provide material and related services to allies and partners that have supported Ukraine, and provide material and services to Ukraine. We also support enabling the Secretary of Defense to enter into cooperative acquisition agreements through the [NATO] Support and Procurement Organization. Finally, we believe providing multi-year procurement authority for certain munitions programs is essential to increase the Department’s stocks of such munitions,

<sup>94</sup> White House, “Statement of Administration Policy, H.R. 7900 – National Defense Authorization Act for Fiscal Year 2023,” July 12, 2022, p. 2.

<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Ibid.

<sup>98</sup> H.R. 7900, §1706; and H.Rept. 117-397, p. 362.

<sup>99</sup> Ibid.

<sup>100</sup> Senate Amendment (S. Amdt.) 5499 to H.R. 7900, §6233, at <https://www.congress.gov/amendment/117/senate-amendment/5499>.

<sup>101</sup> P.L. 117-263, §1244. The quantities and types of systems included: 864,000 XM1128, XM1113, M107, and M795 (155mm rounds); 12,000 AGM-179 Joint Air-to-Ground Missiles (JAGM); 700 M142 High Mobility Artillery Rocket Systems (HIMARS); 1,700 MGM-140 Army Tactical Missile Systems (ATACMS); 2,600 Harpoons; 1,250 Naval Strike Missiles; 106,000 Guided Multiple Launch Rocket Systems (GMLRS); 3,850 PATRIOT Advanced Capability-3 (PAC-3) Missile Segment Enhancement (MSE); 5,600 FIM-92 Stinger; 28,300 FGM-148 Javelin; 5,100 AIM-120 Advanced Medium-Range Air-to-Air Missile (AMRAAM); 2,250,000 Modular Artillery Charge System (MACS); 12,050 155m Excalibur M982A1; 950 Long Range Anti-Ship Missiles (LRASM); 3,100 Joint Air-to-Surface Standoff Missiles (JASSM); 1,500 Standard Missile-6 Missiles (SM-6); and 5,100 Sidewinder Missiles (AIM-9X).

improve warfighting readiness, provide the defense industrial base with predictable production opportunities and firm contractual commitments, ensure consistent funding across the Department's Future Years Defense Program, increase and expand defense industrial capacity, and coordinate the timing and funding for capital expenditures with defense contractors.<sup>102</sup>

The explanatory statement directed DOD officials to notify the congressional defense committees within 30 days of using any of the temporary authorities.<sup>103</sup> The Department of Defense Appropriations Act, 2023 did not provide for multiyear procurement of munitions.<sup>104</sup>

## RDT&E-Related Authorizations

The NDAA typically authorizes research and development-related funding for DOD weapons acquisition programs in Division A, Title II, "Research, Development, Test, and Evaluation" (RDT&E).<sup>105</sup> RDT&E accounts typically fund the development and application of scientific knowledge to generate and test prototypes of new military equipment and upgrades to existing equipment, military software, and digital technology, among other items.<sup>106</sup>

Compared to the \$130.10 billion requested in the DOD budget for RDT&E in Title II, the enacted NDAA authorized \$138.9 billion—\$8.8 billion (6.7%) more than requested for such activities.<sup>107</sup> The legislation authorized changes to 240 (25%) of 959 RDT&E line items.<sup>108</sup> These adjustments included increases or additions to 178 line items totaling \$13.7 billion.<sup>109</sup> These changes were partially offset by decreases to 62 line items totaling \$5.0 billion.<sup>110</sup>

**Figure 3** shows RDT&E line items in the enacted FY2023 NDAA with the largest authorized changes, in terms of dollar value, from requested amounts.

<sup>102</sup> FY2023 NDAA explanatory statement, p. 2051.

<sup>103</sup> Ibid.

<sup>104</sup> P.L. 117-328, §8010; 136 Stat. 4587-4588, provided funding "for multiyear procurement contracts for up to 15 DDG-51 Arleigh Burke Class Guided Missile Destroyers." Neither the bill text nor the accompanying explanatory statement, as published in U.S. Congress, House Committee on Appropriations, *Consolidated Appropriations Act, 2023*, H.R. 2617/P.L. 117-328 [*Legislative Text and Explanatory Statement*], Book 1 of 2, Divisions A-F, committee print, 117th Cong., 2nd sess., 2023, 50-347, referenced multiyear procurement authority for munitions. An explanatory statement accompanying a draft version of the FY2023 defense appropriations bill (S. 4663) released by the Senate Appropriations Committee majority staff stated that multiyear procurement contracts and other potential authorities and funds to address challenges associated with production of munitions and large-caliber munitions were not "included in the fiscal year 2023 President's budget request, and that most acquisition program managers did not recommend their use. Instead, the Department's proposed solution relies on seeking unprecedented acquisition and funding flexibilities without providing specific details. In the Committee's view, such proposals are an inadequate substitute for strategic assessment and investment across portfolios and programs over the Future Years Defense Program [FYDP]." For more information, see Senate Appropriations Committee, *Explanatory Statement for the Department of Defense Appropriations Bill, 2023* [draft], p. 6.

<sup>105</sup> For more information on DOD RDT&E funding, see CRS In Focus IF10553, *Defense Primer: RDT&E*, by John F. Sargent Jr. For broader trends in federal R&D funding, see CRS Report R47564, *Federal Research and Development (R&D) Funding: FY2024*, coordinated by John F. Sargent Jr.

<sup>106</sup> For additional background and analysis on the DOD budget, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>107</sup> FY2023 NDAA explanatory statement, p. 2169.

<sup>108</sup> CRS analysis of *ibid.*, pp. 2218-2290.

<sup>109</sup> Ibid.

<sup>110</sup> Ibid.

**Figure 3. Changes to Requested Funding Authorizations for Selected RDT&E Line Items in the FY2023 NDAA**

(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
Next-Gen OPIR-Geo	\$1,714
Undistributed ("Inflation effects") [RDTE, AF]	\$1,001
Next-Gen OPIR-Polar	\$899
Undistributed ("Inflation effects") [RDTE, DW]	\$850
Next-Gen OPIR-Ground	\$613
Undistributed ("Inflation effects") [RDTE, SF]	\$539
Defense-Wide MSTP	\$487
Undistributed ("Inflation effects") [RDTE, N]	\$409
Undistributed ("Inflation effects") [RDTE, A]	\$396
Classified Programs	\$333
Hypersonics Prototyping [HACM]	\$317
AWACS [E-7 Wedgetail aircraft]	\$300
B-52 Squadrons	-\$36
Distributed Cyber Warfare Ops [realignment]	-\$37
Chemical and Biological Defense	-\$39
Future AF Integrated Technology Demos	-\$45
Tech Transition Program	-\$47
APFIT	-\$100
VC-25B [presidential transport aircraft]	-\$100
Long Range Strike-Bomber	-\$110
Next Generation Jammer	-\$150
Hypersonics Prototyping [realignment]	-\$270
Resilient Missile Warning Tracking [realignment]	-\$391
Next-Gen OPIR [realignment]	-\$3,226

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2218-2290.

**Notes:** Next-Gen OPIR is Next-Generation Overhead Persistent Infrared; HACM is Hypersonic Attack Cruise Missile; AWACS is Airborne Warning and Control System; APFIT is Accelerate the Procurement and Fielding of Innovative Technologies; RDT&E is Research, Development, Test, and Evaluation; MSTP is Manufacturing Science and Technology Program; AF is Air Force; DW is Defense-Wide; SF is Space Force; N is Navy; A is Army. Realignment refers to some or all funds moved to one or more line items.

### Next-Generation Overhead Persistent Infrared (OPIR) Missile Warning System

The legislation authorized a realignment of funding in the RDT&E, Space Force account to develop a missile warning system known as the Next-Generation Overhead Persistent Infrared (Next-Gen OPIR).<sup>111</sup> The system, a successor to the Space-Based Infrared System (SBIRS), is designed to provide additional coverage of all phases of missile warning and tracking of advanced missile threats, including hypersonic missile systems.<sup>112</sup> The realignment involved authorizing funding in multiple line items rather than one line item, including \$1.7 billion for “Next-Gen OPIR—Geo” to develop satellites in geosynchronous orbit (GEO), \$899.2 million for “Next-Gen

<sup>111</sup> FY2023 NDAA explanatory statement, p. 2268.

<sup>112</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2023 Budget Request*, p. 7-4, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_Weapons.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_Weapons.pdf).

OPIR—Polar” to develop polar satellites in highly elliptical orbit (HEO); and \$612.5 million for “Next-Gen OPIR—Ground” to develop an integrated ground station.<sup>113</sup>

### Hypersonic Attack Cruise Missile

The legislation authorized \$316.9 million more than requested in the RDT&E, Air Force account for “Hypersonics Prototyping—Hypersonic Attack Cruise Missile (HACM).”<sup>114</sup> Initiated by the U.S. Air Force in 2022, the effort seeks to develop a long-range prompt strike capability for fighter and bomber aircraft.<sup>115</sup> To develop a prototype, the Air Force seeks to integrate technologies developed by the Air Force and the Defense Advanced Research Projects Agency (DARPA).<sup>116</sup>

### Hypersonic Defense Glide Phase Interceptor (GPI)

The legislation authorized \$292.5 million more than requested in the RDT&E, Defense-Wide account for a hypersonic missile defense capability known as the Glide Phase Interceptor (GPI).<sup>117</sup> A successor to an effort initiated in 2018 by the Missile Defense Agency, GPI is seeks to develop an interceptor capable of countering a hypersonic missile during the glide phase, the longest phase of flight.<sup>118</sup> The White House had opposed authorizing such funding because “the technological maturity of GPI is currently too low to support such an acceleration, and the Department is investing heavily in other near-term counter-hypersonic capabilities, such as the SM-6 and non-traditional approaches.”<sup>119</sup> SM-6 refers to the ship-launched Standard Missile-6 designed to destroy aircraft, ballistic missiles, and ships. The Navy has reportedly described an upgraded version of the defensive missile, known as the SM-6 Block IB, as a “multi-domain, multi-mission offensive kinetic capability.”<sup>120</sup>

### E-7 Airborne Warning and Control System (AWACS)

The legislation authorized \$300 million more than requested in the RDT&E, Air Force account to accelerate development of an E-7 aircraft to replace the E-3 airborne warning and control system (AWACS) aircraft.<sup>121</sup> The U.S. Air Force had identified \$370.5 million in savings for FY2023 by divesting 15 E-3 aircraft to invest in a follow-on system beginning in FY2023.<sup>122</sup>

<sup>113</sup> Ibid.; and FY2023 NDAA explanatory statement, p. 2268.

<sup>114</sup> FY2023 NDAA explanatory statement, p. 2254.

<sup>115</sup> For more background and analysis on hypersonic programs, see CRS Report R45811, *Hypersonic Weapons: Background and Issues for Congress*, by Kelley M. Sayler.

<sup>116</sup> DOD, *Department of the Air Force, Department of Defense Fiscal Year (FY) 2023 Budget Estimates, April 2022, Air Force, Justification Book Volume 2 of 4, Research, Development, Test, and Evaluation, Air Force, Vol-2*, pp. 257-264 (of the PDF).

<sup>117</sup> FY2023 NDAA explanatory statement, p. 2280.

<sup>118</sup> For more background on hypersonic missile defense, see CRS In Focus IF11623, *Hypersonic Missile Defense: Issues for Congress*, by Kelley M. Sayler.

<sup>119</sup> White House, “Statement of Administration Policy, S. 4543 – James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” October 18, 2022, p. 6.

<sup>120</sup> Jason Sherman, “DOD to break out SM-6 reporting of new hypersonic strike and defense missiles,” *Inside Defense*, September 27, 2023, at <https://insidedefense.com/daily-news/dod-break-out-sm-6-reporting-new-hypersonic-strike-and-defense-missiles>.

<sup>121</sup> FY2023 NDAA explanatory statement, p. 2261.

<sup>122</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense Fiscal Year 2023 Budget Request*, p. 4-15.

## RDT&E Earmarks

For RDT&E accounts, the enacted NDAA authorized a combined total of \$69.4 million in funding for 24 earmarks, or Community Project Funding items.<sup>123</sup> Most recipients of such projects were universities.<sup>124</sup> The legislation authorized funding for a range of research topics, including \$4 million for each of the following projects: autonomous systems research and workforce diversity at Benedict College, SC; persistent maritime surveillance at Florida Atlantic University, FL; high-energy density and high-power density lithium ion battery magazines at Auburn University, AL; antennae systems for massive data transmissions, and additive manufacturing and ultra-high performance concrete at Florida International University, FL; and aviation training at Atlantic County Economic Alliance, NJ.

## Operation and Maintenance (O&M)-Related Matters

The NDAA typically authorizes appropriations for most DOD Operation and Maintenance (O&M) activities in Division A, Title III.<sup>125</sup> O&M accounts cover the operating costs of the active and reserve components of the armed services, including fuel; supplies; spare parts; routine maintenance of aircraft, ships, ground vehicles, electronic equipment, and facilities;<sup>126</sup> recruiting; training; professional education; administrative activities; and headquarters and supply operations.<sup>127</sup> O&M accounts also fund the pay and benefits of DOD civilian employees; various overseas activities; and environmental restoration activities; among other efforts. DOD has identified certain O&M line items as related to military readiness, which DOD defines as “the ability of military forces to fight and meet the demands of assigned missions.”<sup>128</sup>

Compared to the \$271.2 billion requested in the DOD budget for O&M activities in Title III, the FY2023 NDAA authorized \$278.8 billion—\$7.6 billion (2.8%) more than requested.<sup>129</sup> The legislation authorized changes to 123 (38%) of 328 O&M line items.<sup>130</sup> These adjustments included increases or additions to 74 line items totaling \$8.9 billion.<sup>131</sup> These changes were partially offset by decreases to 49 line items totaling \$1.3 billion.<sup>132</sup>

<sup>123</sup> FY2023 NDAA explanatory statement, pp. 2442-2443. For additional background and analysis on congressional earmarks, see CRS Report RS22866, *Earmark Disclosure Rules in the House: Member and Committee Requirements*, by Megan S. Lynch; and CRS Report RS22867, *Earmark Disclosure Rules in the Senate: Member and Committee Requirements*, by Megan S. Lynch.

<sup>124</sup> For more information, see CRS In Focus IF10553, *Defense Primer: RDT&E*, by John F. Sargent Jr.

<sup>125</sup> See, for example, P.L. 117-263, Title III; 136 Stat. 2498. Another NDAA title typically authorizes appropriations for the Defense Health Program and certain other activities funded in DOD O&M accounts. See, for example, P.L. 117-263, Title XIV; 136 Stat. 2867.

<sup>126</sup> Facility maintenance is typically referred to as Facilities Sustainment, Restoration, and Modernization (FSRM) or Sustainment, Restoration, and Modernization (SRM). For more information on how O&M funding is sometimes used for this purpose, see CRS Report R44710, *Military Construction: Authorities and Processes*, by Andrew Tilghman.

<sup>127</sup> For additional background and analysis, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>128</sup> DOD, *DOD Dictionary of Military and Associated Terms*, March 2017 edition, p. 195, at <https://www.tradoc.army.mil/wp-content/uploads/2020/10/AD1029823-DOD-Dictionary-of-Military-and-Associated-Terms-2017.pdf>. For additional background and analysis on the topic of DOD readiness, see CRS Report R46559, *The Fundamentals of Military Readiness*, by G. James Herrera, Summary and Appendix C.

<sup>129</sup> FY2023 NDAA explanatory statement, p. 2169.

<sup>130</sup> CRS analysis of *ibid.*, pp. 2290-2325.

<sup>131</sup> *Ibid.*

<sup>132</sup> *Ibid.*

Figure 4 shows O&M line items in the enacted FY2023 NDAA with the largest authorized changes, in terms of dollar value, from requested amounts.

**Figure 4. Changes to Requested Funding Authorizations for Selected O&M Line Items in the FY2023 NDAA**

(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
Undistributed (e.g., "inflation effects") [Navy]	\$1,048
Undistributed (e.g., "inflation effects") [Air Force]	\$834
Ukraine Security Assistance Initiative (USAI)	\$800
Undistributed (e.g., "inflation effects") [Army]	\$791
FSRM [Army]	\$554
FSRM [Air Force]	\$514
SRM [Navy]	\$435
Ship Depot Operations Support [Navy]	\$396
Ship Depot Maintenance [Navy]	\$345
Undistributed (e.g., "inflation effects") [DW]	\$308
Depot Purchase Equipment Maintenance [Air Force]	\$265
Mission and Other Ship Operations (Navy)	\$170
Administration [Space Force]	-\$34
Aviation Assets [Army]	-\$35
CTEF-Iraq	-\$36
Flying Hour Program [Air Force]	-\$38
Base Support [Air Force]	-\$40
Land Forces Operations Support [Army]	-\$40
Base Operations Support [Army]	-\$44
Mission and Other Flight Operations [Navy]	-\$74
Administration [Navy]	-\$75
Maneuver Units [Army]	-\$130
Combat Enhancement Forces [Air Force]	-\$160
Defense Security Cooperation Agency [USAI realignment]	-\$172

**Source:** CRS analysis of the explanatory statement accompanying the P.L. 117-263 in U.S. Congress, House Committee on Armed Services, James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, *Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2290-2325.

**Notes:** FSRM is facility sustainment, restoration, and modernization; SRM is sustainment, restoration, and modernization; CTEF is Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund. DOD requested \$300 million for USAI as part of EDI; however, this requested funding was not reflected in the line item for "Ukraine Security Assistance" in the explanatory statement funding table.

### European Deterrence Initiative (EDI) and Ukraine Security Assistance Initiative (USAI)<sup>133</sup>

For FY2023, DOD requested a total of \$4.18 billion, mostly in O&M accounts, for activities associated with the European Deterrence Initiative (EDI).<sup>134</sup> According to DOD, funding for EDI is intended to "maintain a credible force posture in response to the European security

<sup>133</sup> This section was coordinated with Paul Belkin, Analyst in European Affairs; and Christina L. Arabia, Analyst in Security Assistance, Security Cooperation and the Global Arms Trade.

<sup>134</sup> DOD, *European Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller)*, April 2022, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_EDI\\_JBook.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_EDI_JBook.pdf), p. 3.



environment.”<sup>135</sup> The Obama Administration proposed the initial iteration of EDI following Russia’s 2014 invasion and occupation of Ukraine’s Crimea region.<sup>136</sup> Of the total requested for EDI in FY2023, \$300 million was for Ukraine Security Assistance Initiative (USAI), through which DOD and the U.S. Department of State provide intelligence support, personnel training, lethal equipment and logistics support, supplies and other service to the Ukrainian military and security forces.<sup>137</sup> Following Russia’s February 2022 renewed invasion of Ukraine, DOD has generally used USAI funding to procure newly manufactured weapons for Ukraine and Presidential Drawdown Authority (PDA) to transfer weapons from existing defense stocks to Ukraine.<sup>138</sup>

While DOD publishes a separate budget document on EDI as part of its annual budget request, it does not request such funding in a dedicated account or fund. Rather, DOD requests funding that supports EDI as a subset of certain line items within existing accounts. For example, DOD requested FY2023 funding for EDI across 234 existing line items, mostly in O&M accounts but also in Procurement, MILPERS, and MILCON accounts.<sup>139</sup>

In annual defense authorizations and appropriations acts or their accompanying reports, Congress does not typically identify a total amount of funding for EDI, though it does for USAI. The enacted FY2023 NDAA and the accompanying explanatory statement did not identify a total amount authorized for activities associated with EDI; SASC stated the legislation authorized the requested level of funding for such activities.<sup>140</sup> For USAI, Section 1241 of the legislation extended and authorized \$800 million in FY2023—\$500 million (167%) more than requested.<sup>141</sup> FY2023 appropriations acts, including emergency funding provided in supplemental appropriations acts, provided a total of \$12.3 billion for USAI in FY2023.<sup>142</sup>

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<sup>135</sup> Ibid., p. 2.

<sup>136</sup> For more information on EDI, see CRS In Focus IF10946, *The European Deterrence Initiative: A Budgetary Overview*, by Paul Belkin.

<sup>137</sup> DOD, *European Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, p. 3.

<sup>138</sup> For more information on U.S. security assistance to Ukraine, see CRS In Focus IF12040, *U.S. Security Assistance to Ukraine*, by Christina L. Arabia, Andrew S. Bowen, and Cory Welt.

<sup>139</sup> CRS analysis of DOD, *European Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, pp. 21-30.

<sup>140</sup> SASC, “Summary of the Fiscal Year 2023 National Defense Authorization Act,” December 6, 2022, archived at [https://web.archive.org/web/20221207041034/https://www.armed-services.senate.gov/imo/media/doc/fy23\\_ndaa\\_agreement\\_summary.pdf](https://web.archive.org/web/20221207041034/https://www.armed-services.senate.gov/imo/media/doc/fy23_ndaa_agreement_summary.pdf).

<sup>141</sup> P.L. 117-263, §1241; 136 Stat. 2841; and FY2023 NDAA explanatory statement, p. 2169. The department requested \$300 million for USAI as part of EDI, according to DOD, *European Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, p. 3. This funding was not reflected as requested in the “Ukraine Security Assistance” line item, according to the FY2023 NDAA explanatory statement, p. 2169.

<sup>142</sup> FY2023 figure of \$12.3 billion for USAI includes supplemental appropriations of \$3 billion in P.L. 117-180, 136 Stat. 2128; regular appropriations of \$0.3 billion in P.L. 117-328, 136 Stat. 4614; and supplemental appropriations of \$9 billion in P.L. 117-328, 136 Stat. 5190. For more information on DOD supplemental funding for Ukraine, see CRS Insight IN12107, *Department of Defense Supplemental Funding for Ukraine: A Summary*, by Brendan W. McGarry.

## Pacific Deterrence Initiative (PDI)<sup>143</sup>

DOD requested a total of \$6.1 billion, with more than a third of the requested funding in O&M accounts, for activities associated with the Pacific Deterrence Initiative (PDI) in FY2023.<sup>144</sup> The initiative is an effort intended to strengthen U.S. defense posture in the Indo-Pacific region, primarily west of the International Date Line.<sup>145</sup> Congress has previously criticized DOD for requesting funding for PDI with an emphasis on weapon systems rather than force posture, capabilities, and activities in the region.<sup>146</sup>

While DOD publishes a separate budget document on PDI as part of its annual budget request, it does not request such funding in a separate account or fund. Rather, DOD requests funding that supports PDI as a subset of line items within certain existing accounts. For example, DOD requested FY2023 funding for PDI across 118 existing line items, including O&M, Procurement, RDT&E, and MILCON accounts.<sup>147</sup>

Section 1254 of the enacted NDAA extended and modified PDI.<sup>148</sup> The accompanying explanatory statement identified a total of \$11.5 billion in authorizations associated with PDI—\$5.4 billion (88%) more than requested.<sup>149</sup> The provision included language requiring DOD to submit a budget document that incorporates an independent assessment of PDI funding requirements from the Commander of the U.S. Indo-Pacific Command (INDO-PACOM). In the explanatory statement accompanying the legislation, Congress noted its “strong support for the PDI as means to prioritize Department of Defense efforts in support of enhancing U.S. deterrence and defense posture, reassuring allies and partners, and increasing readiness and capability in the Indo-Pacific region.”<sup>150</sup>

## Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF)<sup>151</sup>

DOD requested a total of \$541.7 million for the Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF) in FY2023.<sup>152</sup> The fund is intended to help maintain the security of

<sup>143</sup> This section was coordinated with Luke A. Nicastro, Analyst in U.S. Defense Infrastructure Policy.

<sup>144</sup> DOD, *Pacific Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, p. 5, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_Pacific\\_Deterrence\\_Initiative.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_Pacific_Deterrence_Initiative.pdf).

<sup>145</sup> For more information on PDI, see CRS In Focus IF12303, *The Pacific Deterrence Initiative: A Budgetary Overview*, by Luke A. Nicastro.

<sup>146</sup> See, for example, the explanatory statement to accompany the FY2022 NDAA (P.L. 117-81) in U.S. Congress, House Committee on Armed Services, *National Defense Authorization Act for Fiscal Year 2022, Legislative Text and Joint Explanatory Statement to Accompany S. 1605*, P.L. 117-81, committee print, 117<sup>th</sup> Cong., 1<sup>st</sup> sess., 47-742, December 2021, pp. 1154-1159, at <https://www.congress.gov/117/cprt/HPRT47742/CPRT-117HPRT47742.pdf>.

<sup>147</sup> DOD, *Pacific Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, pp. 9-27.

<sup>148</sup> P.L. 117-263, §1254; 136 Stat. 2850.

<sup>149</sup> As previously discussed, the department requested \$6.1 billion for PDI in FY2023, according to DOD, *Pacific Deterrence Initiative, Department of Defense Budget Fiscal Year (FY) 2023, Office of the Under Secretary of Defense (Comptroller), April 2022*, p. 5. The FY2023 NDAA authorized a total of \$11.5 billion for PDI, according to the FY2023 NDAA explanatory statement, pp. 2054-2059. (The latter did not list FY2023 requested amounts for PDI.)

<sup>150</sup> *Ibid.*, p. 2054. For more background and analysis on DOD infrastructure in the Indo-Pacific region, see CRS Report R47589, *U.S. Defense Infrastructure in the Indo-Pacific: Background and Issues for Congress*, by Luke A. Nicastro.

<sup>151</sup> This section was coordinated with Clayton Thomas, Specialist in Middle Eastern Affairs.

<sup>152</sup> DOD, *Office of the Secretary of Defense, Department of Defense Budget, Fiscal Year (FY) 2023, April 2022, Justification for FY 2023 Overseas Operations, Counter-Islamic State of Iraq and Syria (ISIS) Train and Equip Fund (CTEF)*, p. 3, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_CTEF\\_J-Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_CTEF_J-Book.pdf).

territory liberated from ISIS and counter future ISIS threats by training, equipping, and providing operational assistance to vetted partner forces.<sup>153</sup> Most of the funding was requested for stipends for partner forces.<sup>154</sup>

Section 1233 of the enacted FY2023 NDAA extended authority to provide assistance to vetted Syrian groups and individuals.<sup>155</sup> Section 1234 of the legislation extended and modified authority to provide assistance to counter the Islamic State of Iraq and Syria.<sup>156</sup> The legislation authorized \$502.9 million for CTEF in FY2023—\$38.8 million (7%) less than requested.<sup>157</sup> The decreased authorizations for Iraq and Syria were attributed to “unjustified requests.”<sup>158</sup> In the explanatory statement accompanying the legislation, Congress noted its concern that the Secretary of Defense had not submitted a description of the current status, capabilities, and operational capacity of remaining Islamic State of Iraq and Syria elements active in Iraq and Syria, among other information.<sup>159</sup>

## Weapon System Divestments

DOD had estimated saving a total of \$2.7 billion in FY2023 by divesting certain weapon systems and other “reprioritization” initiatives.<sup>160</sup> Among other efforts, this figure included \$1.7 billion in Air Force initiatives (e.g., retiring or deactivating a certain number of aircraft, including 15 E-3 airborne warning and control system aircraft); and \$1.0 billion in Navy initiatives (e.g., stopping development of a new nuclear-armed sea-launched cruise missile, or SLCM-N; decommissioning six Littoral Combat Ships, or LCS, and five Ticonderoga-class guided-missile cruisers; reducing crews for certain LCSs).<sup>161</sup>

Some provisions in the FY2023 NDAA authorized reductions to minimum inventory requirements, while others prohibited or limited the ability of DOD officials to divest weapon systems. For example, Section 141 reduced the minimum total aircraft inventory requirement of the A-10 ground attack aircraft.<sup>162</sup> Section 143 prohibited the retirement of F-22 fighter aircraft through FY2027, with exceptions.<sup>163</sup> Section 149 of the legislation conditioned the divestment of certain E-3 aircraft on the submittal of an acquisition strategy or the awarding of a contract for the E-7 successor aircraft.<sup>164</sup> Section 1029 of the enacted NDAA allowed for the retirement of four LCSs, but prohibited the retirement of certain other vessels.<sup>165</sup>

The Administration had “strongly” opposed provisions that would limit weapon systems divestments, arguing in part that, “requiring the Department to maintain a minimum inventory of

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<sup>153</sup> Ibid.

<sup>154</sup> Ibid., pp. 4, 17.

<sup>155</sup> P.L. 117-263, §1233; 136 Stat. 2838.

<sup>156</sup> Ibid., §1234; 136 Stat. 2838.

<sup>157</sup> FY2023 NDAA explanatory statement, p. 2298.

<sup>158</sup> Ibid.

<sup>159</sup> Ibid., pp. 2047-2048. For more information on the Islamic State, see CRS In Focus IF10328, *The Islamic State*, by Clayton Thomas.

<sup>160</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense Fiscal Year 2023 Budget Request*, pp. 4-13 to 4-16.

<sup>161</sup> Ibid.

<sup>162</sup> P.L. 117-263, §141; 136 Stat. 2452.

<sup>163</sup> Ibid., §143; 136 Stat. 2453.

<sup>164</sup> P.L. 117-263, §149; 136 Stat. 2455.

<sup>165</sup> Ibid., §1029; 136 Stat. 2768.

major platforms limits the Secretary’s ability to optimize future force structure, increases the long-term cost of sustaining the force, and further delays necessary efforts to keep pace with the People’s Republic of China’s challenge in key warfighting areas.”<sup>166</sup>

### Red Hill Recovery Fund<sup>167</sup>

DOD requested \$1 billion for FY2023 to establish a Red Hill Recovery Fund to “address the health, environmental, and national security needs of the community and the Department” related to fuel leaks and water contamination issues at the underground Red Hill Bulk Fuel Storage Facility in Hawaii.<sup>168</sup> The U.S. Navy and Defense Logistics Agency (DLA) administer the facility, which dates to the World War II-era, as part of Joint Base Pearl Harbor-Hickam.<sup>169</sup> The White House supported authorization of the fund to “enable continued support of activities taken to comply with State of Hawaii Department of Health laws, or otherwise determined to be appropriate, including activities relating to improvements of infrastructure and defueling.”<sup>170</sup>

Since at least the FY2015 NDAA, Congress has included bill or report language in annual defense authorization legislation to address fuel tank leaks, environmental contamination, and impacts on drinking water sources at Red Hill. Section 4301 of the enacted FY2023 NDAA authorized the requested level of funding for the Red Hill Recovery Fund.<sup>171</sup> Sections 331 through 337 of the legislation addressed Red Hill-related matters, including requiring the Secretary of the Navy to defuel the facility,<sup>172</sup> and authorizing the Secretary of Defense to close the facility.<sup>173</sup>

After defueling of the tanks, the U.S. Navy and DLA would be required to carry out additional activities to decommission the tanks and continue the investigation and remediation of contamination in groundwater, pursuant to federal and state regulations applicable to underground storage tanks. These activities may continue beyond the operational closure of the facility and present longer-term funding needs. The U.S. Environmental Protection Agency and Hawaii State Department of Health maintain responsibility for overseeing the compliance of the U.S. Navy and DLA with these regulatory requirements.<sup>174</sup>

<sup>166</sup> White House, “Statement of Administration Policy, H.R. 7900 – National Defense Authorization Act for Fiscal Year 2023,” July 12, 2022, p. 2.

<sup>167</sup> This section was coordinated with David M. Bearden, Specialist in Environmental Policy.

<sup>168</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, March 2022, Defense Budget Overview [Budget Briefing], United States Department of Defense Fiscal Year 2023 Budget Request*, p. 22, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023\\_Budget\\_Request.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2023/FY2023_Budget_Request.pdf).

<sup>169</sup> For information on the operational history of the Red Hill facility, see Commander Navy Region Hawaii, “About Red Hill,” at <https://cnrh.cnrc.navy.mil/Operations-and-Management/Red-Hill/About-Red-Hill/>.

<sup>170</sup> White House, “Statement of Administration Policy, S. 4543 – James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” October 18, 2022.

<sup>171</sup> P.L. 117-263, §4301; 136 Stat. 3171.

<sup>172</sup> *Ibid.*, §§331-337; 136 Stat. 2521-2527.

<sup>173</sup> *Ibid.*, §332; 136 Stat. 2522.

<sup>174</sup> For more information on these regulatory requirements and the status of U.S. Navy and DLA compliance, see U.S. Environmental Protection Agency, “Red Hill Bulk Fuel Storage Facility in Hawai’i,” at <https://www.epa.gov/red-hill/>; and Hawaii State Department of Health, “U.S. Navy Red Hill Bulk Fuel Storage Facility,” at <https://health.hawaii.gov/ust/ust-home-test/ust-red-hill-project-main/>.

## Military Personnel (MILPERS) and Related Matters

The NDAA typically authorizes in Division A, Title IV a military end-strength for each DOD component and appropriations for Military Personnel (MILPERS) compensation.<sup>175</sup> MILPERS accounts fund cash compensation for military personnel, including basic pay, housing allowances, and special pays and bonuses for which some personnel are eligible.<sup>176</sup> MILPERS accounts also fund permanent change of station (PCS) travel and other expenses, as well as retirement-related compensation, including military retired pay, Thrift Savings Plan contributions, and the retiree health care plan known as TRICARE for Life.<sup>177</sup>

Of the \$173.9 billion requested in the DOD budget for MILPERS activities in Title IV,<sup>178</sup> the enacted NDAA authorized \$172.0 billion—\$1.9 billion (1.1%) less than requested.<sup>179</sup> The MILPERS funding request was based in part on proposals to slightly reduce the overall size of the Armed Forces and certain elements of force structure in FY2023.<sup>180</sup>

The legislation authorized \$2.2 billion less than requested for “Army end strength reduction” amid recruiting shortfalls, and \$700 million less than requested for “historical underexecution,” which generally refers to past spending that was lower than projected.<sup>181</sup> These decreases were partially offset by increases for the Basic Allowance for Housing (\$494 million), Air Force personnel in E-3 and medical billets (\$234 million), Navy personnel (\$190 million); certain special incentive pays (\$100 million); the Basic Needs Allowance (\$12 million); and a home leave demonstration program (\$10 million).<sup>182</sup>

**Figure 5** shows MILPERS line items in the enacted FY2023 NDAA with authorized changes, in terms of dollar value, from requested amounts.

<sup>175</sup> See, for example, P.L. 117-263, Title IV; 136 Stat. 2551.

<sup>176</sup> For additional background and analysis, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>177</sup> Funding tables in reports accompanying the NDAA typically include amounts for the Medicare Eligible Retiree Health Care Fund to pay for the TRICARE for Life medical insurance program for certain military retirees. Discretionary funding for TRICARE for Life is not provided by the annual defense appropriations act; it is automatically appropriated each year on the basis of permanent law (10 U.S.C. §§1111-1117).

<sup>178</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. A-5.

<sup>179</sup> FY2023 NDAA explanatory statement, p. 2170.

<sup>180</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, pp. A-4 to A-5.

<sup>181</sup> FY2023 NDAA explanatory statement, p. 2326.

<sup>182</sup> *Ibid.* P.L. 117-263, §603 contained provisions related to “Cold weather duty: authorization of assignment or special duty pay; travel allowance for members of the Armed Forces assigned to Alaska.”

**Figure 5. Changes to Requested Funding Authorizations for MILPERS Line Items in the FY2023 NDAA**

(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
Additional BAH Absorption Restoration (2%)	\$250
BAH Absorption Restoration (1%)	\$244
Air Force end strength (E-3 Sentry AWACS and medical billets)	\$234
Military Personnel, Navy (Restore Navy Force Structure Cuts)	\$190
Additional special incentive pays	\$100
Basic needs allowance	\$12
Home leave demonstration program	\$10
Historical underexecution	-\$700
Army end strength reduction	-\$2,200

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2290-2325.

**Notes:** BAH is Basic Allowance for Housing; AWACS is Airborne Warning and Control System.

### Military End-Strength<sup>183</sup>

DOD requested an overall military end-strength of 2,122,900 personnel in the active and reserve components for FY2023<sup>184</sup>—24,640 (1.1%) fewer personnel than the FY2022 authorized level.<sup>185</sup> Approximately half (-12,000) of the requested end-strength reduction relative to the FY2022 authorized level came from the Army active component. Factors influencing the department’s requested end-strengths may vary, from recruiting challenges affecting the services, particularly the Army,<sup>186</sup> to strategic guidance emphasizing investments in higher-end capabilities over force size.<sup>187</sup>

The enacted FY2023 NDAA authorized an overall military end-strength of 2,087,344 personnel in the DOD active and reserve components for FY2023—35,556 (1.7%) fewer personnel than requested. Reductions in the Army (-21,000 soldiers), Army Reserve (-12,500), Army National Guard (-11,000), and Navy Reserve (-700) were partially offset by increases in the Navy (+7,700) and the Air Force (+1,944). See **Table 4**.

<sup>183</sup> For additional background and analysis on military end-strengths, see CRS Insight IN11994, *FY2023 NDAA: Active Component End-Strength*; CRS Report R43808, *Army Active Component (AC)/Reserve Component (RC) Force Mix: Considerations and Options for Congress*; and CRS Report R44612, *How Big Should the Army Be? Considerations for Congress*.

<sup>184</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, pp. A-4 to A-5.

<sup>185</sup> P.L. 117-81, §§401, 411; 135 Stat. 1673, 1674.

<sup>186</sup> See, for example, Lolita C. Baldor, “Army misses recruiting goal by 15,000 soldiers,” Associated Press, October 2, 2022, at <https://www.armytimes.com/news/your-army/2022/10/02/army-misses-recruiting-goal-by-15000-soldiers/>; and Thomas Spoehr, *The Incredible Shrinking Army: NDAA End Strength Levels Are a Mistake*, The Heritage Foundation, January 4, 2023, at <https://www.heritage.org/defense/commentary/the-incredible-shrinking-army-ndaa-end-strength-levels-are-mistake>.

<sup>187</sup> See, for example, Mark F. Cancian, *Force Structure in the National Defense Strategy: Highly Capable but Smaller and Less Global*, Center for Strategic and International Studies, October 31, 2022, at <https://www.csis.org/analysis/force-structure-national-defense-strategy-highly-capable-smaller-and-less-global>.

**Table 3. Military End-Strengths Authorized in the FY2023 NDAA**  
(number of personnel)

Component	FY2022 Authorized (P.L. 117-81)	FY2023 Request	House-passed (H.R. 7900)	SASC-reported (S. 4543)	FY2023 NDAA (P.L. 117-263)
Army	485,000	473,000	473,000	473,000	452,000
Navy	346,920	346,300	348,220	354,000	354,000
Marine Corps	178,500	177,000	177,000	177,000	177,000
Air Force	329,220	323,400	323,400	325,344	325,344
Space Force	8,400	8,600	8,600	8,600	8,600
<b>Subtotal, DOD Active Components</b>	<b>1,348,040</b>	<b>1,328,300</b>	<b>1,330,220</b>	<b>1,337,944</b>	<b>1,316,944</b>
Army National Guard	336,000	336,000	336,000	336,000	325,000
Army Reserve	189,500	189,500	189,500	189,500	177,000
Navy Reserve	58,600	57,700	57,700	57,700	57,000
Marine Corps Reserve	36,800	33,000	33,000	33,000	33,000
Air National Guard	108,300	108,400	108,400	108,400	108,400
Air Force Reserve	70,300	70,000	70,000	70,000	70,000
<b>Subtotal, DOD Reserve Components</b>	<b>799,500</b>	<b>794,600</b>	<b>794,600</b>	<b>794,600</b>	<b>770,400</b>
Coast Guard Reserve	7,000	7,000	7,000	7,000	7,000
<b>Total (DOD)</b>	<b>2,147,540</b>	<b>2,122,900</b>	<b>2,124,820</b>	<b>2,132,544</b>	<b>2,087,344</b>

**Source:** DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, pp. A-4 to A-5; H.R. 7900, §§401, 411; S. 4543, §§401, 411; and P.L. 117-263, §§401, 411.

**Notes:** The Coast Guard is part of the Department of Homeland Security.

### Military Pay Raise

Existing law provides a permanent formula for an automatic annual increase in military basic pay based on the annual increase in the Employment Cost Index (ECI).<sup>188</sup> The statutory formula relies on the ECI for wages and salaries of private industry workers based on surveys conducted by the U.S. Department of Labor’s Bureau of Labor Statistics. DOD requested a 4.6% increase in basic pay for FY2023, in line with the formula in current law.<sup>189</sup>

<sup>188</sup> 37 U.S.C. §1009.

<sup>189</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. 4-22. For additional background (continued...)

The enacted FY2023 NDAA did not contain provisions specifying an alternate adjustment to basic pay, leaving the 4.6% automatic increase in place.<sup>190</sup>

### Childcare<sup>191</sup>

DOD requested \$1.9 billion in FY2023 for childcare and youth programs.<sup>192</sup> The department operates an employer-sponsored childcare program that serves approximately 200,000 children of servicemembers and DOD civilians, and employs 20,000 childcare workers—making it the largest such program in the United States.<sup>193</sup>

The enacted FY2023 NDAA adopted multiple provisions related to childcare matters. Section 577 of the legislation required secretaries of the military departments to promote awareness of fee assistance benefits through which the department may subsidize the cost of private daycare to military families.<sup>194</sup> Section 627 authorized a five-year pilot program to reimburse certain travel and transportation costs for a child provider resulting from a relocation of a military family.<sup>195</sup> Other sections addressed staffing, capacity, and infrastructure-related matters at Childhood Development Centers (CDCs).<sup>196</sup>

### Cyber Personnel<sup>197</sup>

DOD requested funding for FY2023 to transfer certain missions, resources, and personnel from military departments and DOD organizations to U.S. Cyber Command (CYBERCOM),<sup>198</sup> the functional combatant command tasked with coordinating offensive and defensive operations in cyberspace and securing DOD informational networks.<sup>199</sup>

The enacted FY2023 NDAA adopted multiple provisions related to cyber personnel policies, particularly related to reserve component and civilian staffing; reviews of cyber personnel policies, strategy and planning; and cyber-related education and training.<sup>200</sup> Section 901 of the legislation established a new position, Assistant Secretary of Defense for Cyber Policy, in the Office of the Secretary of Defense, to provide “overall supervision of policy of the Department of

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and analysis on the military pay raise, see CRS In Focus IF10260, *Defense Primer: Military Pay Raise*; CRS Video WVB00429, *Pay and Allowances of the Armed Forces*; and CRS Report RL33446, *Military Pay: Key Questions and Answers*.

<sup>190</sup> HASC, “Final Text Summary of the National Defense Authorization Act for Fiscal Year 2023,” December 6, 2022; and SASC, “Summary of the Fiscal Year 2023 National Defense Authorization Act,” December 6, 2022.

<sup>191</sup> This section was coordinated with Kristy N. Kamarck, Specialist in Military Personnel Policy.

<sup>192</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. 4-30.

<sup>193</sup> For more information on military childcare, see CRS Report R45288, *Military Child Development Program: Background and Issues*, by Kristy N. Kamarck.

<sup>194</sup> P.L. 117-263, §577; 136 Stat. 2606.

<sup>195</sup> *Ibid.*, §627; 136 Stat. 2630.

<sup>196</sup> For more information on these and other provisions, see CRS Insight IN11998, *FY2023 NDAA: Military Child Care Programs*, by Kristy N. Kamarck and Andrew Tilghman.

<sup>197</sup> This section was coordinated with Kristy N. Kamarck, Specialist in Military Personnel Policy.

<sup>198</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. 2-12.

<sup>199</sup> DOD, U.S. Cyber Command, About website, at <https://www.cybercom.mil/About/Mission-and-Vision/>.

<sup>200</sup> For more information on these provisions, see CRS Report R47270, *FY2023 NDAA: Cyber Personnel Policies*, by Kristy N. Kamarck and Catherine A. Theohary.



Defense for cyber.”<sup>201</sup> Section 1532 of the legislation directed the Secretary of the Navy to establish by October 1, 2025, a Cyber Warfare Operations career field for uniformed personnel (separate from the existing cryptologic warfare and cryptologic technician career fields).<sup>202</sup> Section 1531 added a new statutory authority, 10 U.S.C. §1124a, to authorize the Secretary of Defense and the Secretaries of the military departments to provide a cash award of up to \$2,500 for a servicemember who took effective action against a cyberthreat.<sup>203</sup>

### Selective Service and Draft Registration<sup>204</sup>

The enacted FY2023 NDAA did not include provisions proposed in the Senate Armed Services Committee-reported version of the legislation (S. 4543, §§521, 522) that would have required women to register for the draft and made other changes to the Military Selective Service Act (MSSA; 50 U.S.C. §§3801 et seq.).<sup>205</sup>

### Other Authorizations<sup>206</sup>

The NDAA typically authorizes appropriations for the Defense Health Program, working capital funds,<sup>207</sup> and certain other activities as part of Other Authorizations in Division A, Title XIV. While these activities are typically funded in DOD Operation and Maintenance (O&M) accounts, they can also include Procurement and Research, Development, Test, and Evaluation (RDT&E) funding.<sup>208</sup>

Compared to the \$40.9 billion requested in the DOD budget for Other Authorizations, the enacted NDAA authorized \$44.4 billion—\$3.5 billion (8.4%) more than requested.<sup>209</sup> The legislation authorized changes to 14 (35%) of 40 such line items. These adjustments included increases to nine line items totaling \$3.6 billion. These changes were partially offset by decreases to five line items totaling \$99.1 million.

**Figure 6** shows Other Authorizations line items in the FY2023 NDAA with authorized changes, in terms of dollar value, from requested amounts.

<sup>201</sup> P.L. 117-263, §901; 136 Stat. 2747.

<sup>202</sup> P.L. 117-263, §1532; 136 Stat. 2901.

<sup>203</sup> *Ibid.*, §1531; 136 Stat. 2900.

<sup>204</sup> This section was coordinated with Kristy N. Kamarck, Specialist in Military Personnel Policy.

<sup>205</sup> For more information on these provisions, see CRS Insight IN11973, *FY2023 NDAA: Selective Service and Draft Registration*, by Kristy N. Kamarck. For additional background and analysis on selective service, see CRS Insight IN11973, *FY2023 NDAA: Selective Service and Draft Registration*, by Kristy N. Kamarck and CRS Report R44452, *The Selective Service System and Draft Registration: Issues for Congress*.

<sup>206</sup> This section was coordinated with Bryce H. P. Mendez, Specialist in Defense Health Care Policy; and Kristy N. Kamarck, Specialist in Military Personnel Policy.

<sup>207</sup> In general, working capital funds are intended to provide price stability for budgeting purposes and support business-like activities of DOD components (e.g., bulk fuel purchases). For more information on defense working capital funds, see CRS In Focus IF11233, *Defense Primer: Defense Working Capital Funds*, by Cameron M. Keys and Brendan W. McGarry.

<sup>208</sup> For more information, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>209</sup> FY2023 NDAA explanatory statement, p. 2170.

**Figure 6. Changes to Requested Funding Authorizations for Selected Other Authorizations Line Items in the FY2023 NDAA**

(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
Working Capital Fund ("Fuel inflation")	\$2,500
National Defense Stockpile	\$750
Commissaries ("Program increase")	\$224
Munitions Destruction ("Inflation effects")	\$29
Counter-Drug ("Inflation effects")	\$19
DHP, R&D Advanced Development	\$13
DHP, Education and Training	\$7
DHP, R&D Research	\$5
Inspector General ("Inflation effects")	\$5
DHP, Base Operations/Communications	-\$3
DHP, Information Management	-\$3
DHP, Private-Sector Care	-\$13
DHP, In-House Care	-\$40
DHP, Consolidated Health Support	-\$40

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2326-2330.

**Notes:** Working Capital Fund is short for Working Capital Fund Support; National Defense Stockpile is short for National Defense Stockpile Transaction Fund; Commissaries is short for Defense Commissary Agency; Munitions Destruction is short for Chemical Demilitarization and Munitions Destruction; Counter-Drug is short for Drug Interdiction and Counter-Drug Activities; DHP is Defense Health Program; and Inspector General is short for Office of the Inspector General.

## Fuel Inflation

The legislation authorized \$2.5 billion more than requested for the Defense-Wide Working Capital Fund, for “fuel inflation.”<sup>210</sup> In January 2022, DOD Comptroller Michael J. McCord testified that higher-than-anticipated inflation was “eating into our resources,” and cited two fuel price increases that generated a \$1.5 billion bill for the services.<sup>211</sup>

## National Defense Stockpile Transaction Fund

DOD requested \$253.5 million for the National Defense Stockpile Transaction Fund in FY2023, comprising \$213.5 million to acquire and stockpile high-priority critical materials and \$40 million for operations.<sup>212</sup> The fund is a type of revolving fund managed by the DLA to acquire and retain strategic and critical materials in the National Defense Stockpile (NDS).<sup>213</sup> Like other

<sup>210</sup> FY2023 NDAA explanatory statement, p. 2327.

<sup>211</sup> Testimony of Michael McCord, Under Secretary of Defense (Comptroller) and Chief Financial Officer, House Appropriations Committee, Subcommittee on Defense, *Full-Year Funding vs. Continuing Resolution Funding*, January 12, 2022, at <https://docs.house.gov/meetings/AP/AP02/20220112/114316/HHRG-117-AP02-Wstate-McCordM-20220112.pdf>.

<sup>212</sup> *Ibid.*; and FY2023 NDAA explanatory statement, p. 2327.

<sup>213</sup> DOD, *Department of Defense Revolving Funds, Justification/Overview Fiscal Year 2023 Budget Estimates*, April 2022, pp. 41-47, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2023/budget\\_justification/pdfs/06\\_Defense\\_Working\\_Capital\\_Fund/DoD\\_Revolving\\_Funds\\_J-Book\\_fy2023.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2023/budget_justification/pdfs/06_Defense_Working_Capital_Fund/DoD_Revolving_Funds_J-Book_fy2023.pdf). For more information on the National Defense Stockpile, (continued...)

revolving funds, the fund is intended to operate as a self-supported entity, for example, by selling excess stockpile materials to fund operations and the acquisition of other strategic and critical materials.<sup>214</sup> According to DOD, the fund’s balance and assets “have been significantly diminished over the past two decades due to Congressionally mandated sales and cash transfers to the U.S General Treasury.”<sup>215</sup>

The enacted FY2023 NDAA authorized \$1.0 billion for the fund, \$750 million (296%, or nearly four times) more than requested.<sup>216</sup> The change was described in part as a program increase to “strengthen and implement the domestic industrial base for rare earth metallization related to permanent magnet production and related projects.”<sup>217</sup> Sections 1411 through 1415 of the legislation addressed various matters related to the National Defense Stockpile.<sup>218</sup> Section 1414 authorized the National Defense Stockpile Manager to use the funding to acquire seven specific materials and any additional materials identified as stockpile requirements.<sup>219</sup> Section 8034 of the Department of Defense Appropriations Act, 2023 provided \$93.5 million for the fund.<sup>220</sup>

## Defense Health Program

DOD’s Defense Health Program is part of a system that serves 9.6 million eligible beneficiaries including servicemembers, retirees, and dependents—making it one of the largest health care institutions in the country.<sup>221</sup> DOD requested \$36.9 billion in discretionary funding for the department’s Defense Health Program, the largest part of the Unified Medical Budget (UMB), and certain other activities in FY2023, mostly for private-sector care.<sup>222</sup> The department attributed a slight increase in requested overall UMB funding in part to rising healthcare costs in the private sector; it also anticipated decreasing requirements related to Coronavirus Disease 2019 (COVID-19).<sup>223</sup> The department previously proposed reducing medical military end-strength to better align the workforce with operational requirements.<sup>224</sup> For FY2023, the department proposed delaying

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see CRS In Focus IF11543, *Defense Primer: The Defense Logistics Agency*, by Cameron M. Keys; and CRS Report R47833, *Emergency Access to Strategic and Critical Materials: The National Defense Stockpile*, by Cameron M. Keys.

<sup>214</sup> DOD, *Department of Defense Revolving Funds, Justification/Overview Fiscal Year 2023 Budget Estimates, April 2022*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2023/budget\\_justification/pdfs/06\\_Defense\\_Working\\_Capital\\_Fund/DoD\\_Revolving\\_Funds\\_J-Book\\_fy2023.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2023/budget_justification/pdfs/06_Defense_Working_Capital_Fund/DoD_Revolving_Funds_J-Book_fy2023.pdf). p. 41. For more information on DOD working capital funds, see CRS In Focus IF11233, *Defense Primer: Defense Working Capital Funds*, by Cameron M. Keys and Brendan W. McGarry.

<sup>215</sup> *Ibid.*

<sup>216</sup> FY2023 NDAA explanatory statement, p. 2327.

<sup>217</sup> *Ibid.*

<sup>218</sup> P.L. 117-263, §§1411-1415; 136 Stat. 2869-2873.

<sup>219</sup> *Ibid.*, §1414; 136 Stat. 2873. For more information on this provision, see CRS Insight IN12041, *FY2023 NDAA: National Defense Stockpile*, by Luke A. Nicastro and Andrew Tilghman.

<sup>220</sup> P.L. 117-328, §8034; 136 Stat. 4594.

<sup>221</sup> For additional information, see CRS In Focus IF10530, *Defense Primer: Military Health System*, by Bryce H. P. Mendez.

<sup>222</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, p. 4-27. The DHP is part of a larger Unified Medical Budget of \$55.8 billion, which excludes an additional \$12.6 billion in Treasury receipts for Medicare-eligible retirees. For more information on the Military Health System, see CRS In Focus IF12087, *FY2023 Budget Request for the Military Health System*, by Bryce H. P. Mendez.

<sup>223</sup> *Ibid.*, p. 4-27.

<sup>224</sup> See, for example, CRS Insight IN11115, *DOD’s Proposal to Reduce Military Medical End Strength*, by Bryce H. P. Mendez.

planned medical military end-strength reductions by a year to “adjust divestiture ramps to address any updates in operational plans and/or national security and defense strategies and match congressional direction, while also integrating mitigation plans between the Services and the Defense Health Agency.”<sup>225</sup>

The enacted FY2023 NDAA authorized \$36.9 billion in discretionary funding for the department’s Defense Health Program and certain other activities—\$74.6 million, or 0.2%, less than requested, with less funding authorized than requested for consolidated health support and in-house care, among other categories.<sup>226</sup>

### ***Medical End-Strength***

Section 741 of the enacted FY2023 NDAA prohibited the Secretary of Defense and the secretaries of the military departments from reducing military medical end-strength authorizations, with certain exceptions.<sup>227</sup>

### ***TRICARE for Reservists***

Section 702 of the enacted FY2023 NDAA extended certain transitional health care benefits to National Guard members separating from a period of more than 30 consecutive days of full-time Guard duty in response to a national emergency.<sup>228</sup> Section 707 of the legislation authorized the Secretary of Defense to conduct a study on the feasibility and potential cost effects of expanding eligibility for a premium-based health plan called TRICARE Reserve Select (TRS) and dental insurance through the TRICARE Dental Program (TDP) to all Selected Reserve members, their dependent family members, and nondependent children under 26 years old.<sup>229</sup>

### ***Military Abortion Restrictions***

The enacted FY2023 NDAA did not include legislation introduced in the House and the Senate (H.R. 7945 and S. 4354, respectively) to repeal 10 U.S.C. § 1093, which restricts the use of DOD funds and facilities to perform certain abortions.<sup>230</sup>

## **Military Construction (MILCON) and Related Matters<sup>231</sup>**

The NDAA typically authorizes appropriations for DOD military construction (MILCON) and family housing programs, projects, and activities in Division B of the legislation. DOD military construction accounts fund military construction projects; major infrastructure improvements;

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<sup>225</sup> DOD, *Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, April 2022, Defense Budget Overview, United States Department of Defense, Fiscal Year 2023 Budget Request*, pp. 4-28 to 4-29.

<sup>226</sup> FY2023 NDAA explanatory statement, p. 2329.

<sup>227</sup> P.L. 117-263, §741; 136 Stat. 2676.

<sup>228</sup> *Ibid.*, §702; 136 Stat. 2647.

<sup>229</sup> *Ibid.*, §707; 136 Stat. 2652. For more information on this provision and the previous provision, see CRS Insight IN11991, *FY2023 NDAA: TRICARE for Reservists*, by Bryce H. P. Mendez.

<sup>230</sup> For more information on these bills and related provisions, see CRS Insight IN11960, *FY2023 NDAA: Military Abortion Policies*, by Kristy N. Kamarck and Bryce H. P. Mendez.

<sup>231</sup> This section was coordinated with Andrew Tilghman, Analyst in U.S. Defense Infrastructure Policy. For more information on MILCON and family housing provisions in proposed versions of the FY2023 NDAA, see CRS Insight IN11993, *FY2023 NDAA: Military Construction Authorizations*, by Andrew Tilghman and CRS Insight IN12033, *FY2023 NDAA: Military Housing*, by Andrew Tilghman.

land acquisition; construction and operation of military family housing;<sup>232</sup> privatized housing through the Family Housing Improvement Fund and the Military Unaccompanied Housing Improvement Fund; construction and environmental cleanup projects required by the base closure and realignment commission (BRAC) process; and contributions to the North Atlantic Treaty Organization (NATO) Security Investment Program, which funds infrastructure projects and cost-sharing expenses for collective defense.<sup>233</sup>

Compared to the \$12.15 billion requested for MILCON projects in Division B, the enacted NDAA authorized \$19.49 billion—\$7.33 billion (60.3%) more than requested.<sup>234</sup> The legislation authorized changes to 334 (62%) of 532 MILCON line items.<sup>235</sup> These adjustments included increases or additions to 306 line items totaling \$9.6 billion.<sup>236</sup> These changes were partially offset by decreases to 28 line items totaling \$2.2 billion.<sup>237</sup>

**Figure 7** shows MILCON line items in the enacted FY2023 NDAA with the largest authorized changes, in terms of dollar value, from requested amounts.

**Figure 7. Changes to Requested Funding Authorizations for Selected Military Construction (MILCON) Line Items in the FY2023 NDAA**

(in millions of dollars of budget authority)

LINE ITEM (Location, if specific)	AUTHORIZED CHANGE (Budget authority, \$ in millions)
FY22 Inflation Effects (MCA)	\$541
FY22 Inflation Effects (MCN)	\$515
Joint Intelligence Analysis Complex (Royal Air Force, Molesworth UK)	\$421
FY23 Inflation Effects (MCAF)	\$309
FY23 Inflation Effects (MCN)	\$298
FY22 Inflation Effects (MCAF)	\$292
FY21 Inflation Effects (MCA)	\$252
Natural Disaster Recovery (Offutt Air Force Base, NE)	\$235
FY22 Inflation Effects (MCDW)	\$234
FY21 Inflation Effects (FHA)	\$203
GBSD Maintenance Facility (Vandenberg Space Force Base, CA)	-\$75
PDI: Infantry Battalion Facility (MCB Camp Blaz, Guam)	-\$80
Aircraft Maintenance Hangar (INC) (MCAS Cherry Point, NC)	-\$85
Basic Military Training Recruit Dormitory 8 (INC) (Joint Base, San Antonio, TX)	-\$90
PDI: 9th Engineer Support Battalion Facility (Camp Blaz, Guam)	-\$90
Range Simulation Training and Operations Facility (MCAGC, Twentynine Palms, CA)	-\$110
F-35C Aircraft Maintenance Hangar and Airfield Pave (NAS Lemoore, CA)	-\$160
Dry Dock 3 Replacement (INC) (Joint Base, Pearl-Harbor-Hickam, HI (MCN))	-\$175
Nuclear Regional Maintenance Facility (Naval Submarine Base, Kings Bay, GA)	-\$200
Energy Resilience and Conservation Investment Program	-\$329

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative*

<sup>232</sup> For more background on military family housing, see CRS Report R47728, *Military Housing*, by Andrew Tilghman.

<sup>233</sup> For additional background and analysis, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell. For more information on the military construction process, see CRS Report R44710, *Military Construction: Authorities and Processes*, by Andrew Tilghman. For more background and analysis of military housing programs, see CRS Report R47728, *Military Housing*, by Andrew Tilghman.

<sup>234</sup> FY2023 NDAA explanatory statement, pp. 2170-2171.

<sup>235</sup> CRS analysis of *ibid.*, pp. 2330-2361.

<sup>236</sup> *Ibid.*

<sup>237</sup> *Ibid.*

*Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2330-2361.*

**Notes:** MCA is Military Construction, Army; MCN is Military Construction, Navy; MCAF is Military Construction, Air Force; MCDW is Military Construction, Defense-Wide; FHA is Family Housing, Army; INC is increment; MCB is Marine Corps Base; MCAS is Marine Corps Air Station; MCAGC Marine Corps Air Ground Combat Center; NAS is Naval Air Station.

## Selected Adjustments to MILCON Projects

The largest authorized additions to MILCON line items were to cover the effects of inflation on MILCON projects, including the costs associated with completing Army, Navy, Air Force, and Defense-Wide projects from FY2021, FY2022, and FY2023.<sup>238</sup> Other large authorized additions included:

- \$421 million for the Air Force to complete a joint intelligence analysis complex at Royal Air Force Molesworth in the United Kingdom;<sup>239</sup>
- \$235 million for the Air Force to complete natural disaster recovery efforts at Offutt Air Force Base, NE, following the 2019 flood that damaged the installation;<sup>240</sup> and
- \$141.5 million for the Navy to construct an advanced helicopter training system hangar at Naval Air Station Whiting Field, FL.<sup>241</sup>

The largest authorized decreases to MILCON line items included:

- \$329 million less funding than requested for the Defense-Wide Energy Resilience and Conservation Investment Program (the legislation instead authorized amounts on an installation-by-installation basis);<sup>242</sup>
- \$200 million less than requested for the Navy to construct a Nuclear Regional Maintenance Facility at Naval Submarine Base Kings Bay, GA;<sup>243</sup> and
- \$175 million less than requested for the Navy to incrementally replace Dry Dock 3 at Joint Base Pearl Harbor-Hickam, HI.<sup>244</sup>

The Biden Administration said authorizing funding for MILCON projects at levels less than requested runs contrary to the policy of fully funding such projects and, in effect, creates an unfunded obligation that requires future funding.<sup>245</sup>

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<sup>238</sup> See, for example, *ibid.*, p. 2333.

<sup>239</sup> *Ibid.*, p. 2341. An element of this and other authorized projects were included on unofficial versions of department unfunded priorities lists. See, for example, FY23 Unfunded Priorities Lists website, Taxpayers for Common Sense, at <https://www.taxpayer.net/wp-content/uploads/2023/06/FY2023-Unfunded-Priorities-List.pdf>. For more information on unfunded priorities lists, see CRS In Focus IF11964, *Defense Primer: Department of Defense Unfunded Priorities*, by Brendan W. McGarry.

<sup>240</sup> *Ibid.*, p. 2340.

<sup>241</sup> *Ibid.*, p. 2334.

<sup>242</sup> *Ibid.*, p. 2346.

<sup>243</sup> *Ibid.*, p. 2334.

<sup>244</sup> *Ibid.*, p. 2335.

<sup>245</sup> See, for example, White House, “Statement of Administration Policy, S. 4543 – James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” October 18, 2022, p. 3.

## MILCON Earmarks

For MILCON accounts, the enacted NDAA authorized a combined total of \$907.2 million for 41 Community Project Funding Items.<sup>246</sup> The legislation authorized funding for a range of projects, including the \$235 million to complete natural disaster recovery efforts at Offutt Air Force Base, NE; \$89 million to acquire land and build a remote experimental site and lab in Maui, HI, for Kirtland Air Force Base, NM; and \$75.7 million for a consolidated communications facility at Patrick Space Force Base, FL.<sup>247</sup>

## Atomic Energy Defense Activities

The NDAA typically authorizes appropriations for U.S. Department of Energy (DOE) atomic energy defense programs and other defense-related activities in Division C of the legislation. While DOD oversees the development and operation of the missiles, ships, and aircraft that deliver nuclear warheads, DOE's National Nuclear Security Administration (NNSA) oversees the development of the warheads themselves, as well as nonnuclear components (e.g., firing systems and high explosives).<sup>248</sup>

Compared to the \$29.5 billion requested in the DOE budget for atomic energy defense programs, projects, and activities in Division C, the enacted NDAA authorized \$30.3 billion—\$768.6 million (2.6%) more than requested for such efforts.<sup>249</sup> The legislation authorized changes to 25 (17%) of 149 atomic energy defense program line items. These adjustments included increases or additions to 23 line items totaling \$1.2 billion. These changes were partially offset by decreases to two line items totaling \$432 million.

**Figure 8** shows atomic energy defense activities in the enacted FY2023 NDAA with the largest changes, in terms of dollar value, from requested amounts.

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<sup>246</sup> FY2023 NDAA explanatory statement, pp. 2443-2445. CRS identified three items listed for more than one Member and excluded these from the combined totals. For additional background and analysis on congressional earmarks, see CRS Report RS22866, *Earmark Disclosure Rules in the House: Member and Committee Requirements*, by Megan S. Lynch; and CRS Report RS22867, *Earmark Disclosure Rules in the Senate: Member and Committee Requirements*, by Megan S. Lynch.

<sup>247</sup> *Ibid.*

<sup>248</sup> For more background and analysis on nuclear weapons activities, see CRS Report R47657, *Energy and Water Development Appropriations for Nuclear Weapons Activities: In Brief*, by Alexandra G. Neenan and Mary Beth D. Nikitin.

<sup>249</sup> FY2023 NDAA explanatory statement, p. 2171.

**Figure 8. Changes to Requested Funding Authorizations for Selected Atomic Energy Defense Activities in the FY2023 NDAA**  
(in millions of dollars of budget authority)

LINE ITEM	AUTHORIZED CHANGE (Budget authority, \$ in millions)
21-D-511, Savannah River Plutonium Processing Facility, SRS	\$500
Advanced simulation and computing	\$100
River corridor and other cleanup operations	\$86
Inertial confinement fusion	\$80
Radioactive liquid tank waste stabilization	\$79
Assessment Science	\$60
Maintenance and Repair of Facilities	\$45
Savannah River risk management operations	\$44
01-D-16D, High-level waste facility	\$43
21-D-510, HE Synthesis, Formulation, and Production, PX	\$25
Central plateau remediation	\$22
W80-4 ALT SLCM	\$20
Nuclear Fuels Development	\$20
Rad liquid tank waste stabilization and disposition	\$10
15-D-301, HE Science & Engineering Facility, PX	\$10
LLNL Excess Facilities D&D	\$10
Weapon technology and manufacturing	\$10
Secondary Capability Modernization	\$8
Operations of facilities	\$8
17-D-710, West end protected area reduction project, Y-12	\$8
Program increase	\$6
OR Nuclear Facility D&D	\$5
NA-82 Counterproliferation classified program increase	\$2
NNSA Bioassurance Program	-\$15
Federal contribution to the Uranium Enrichment D&D Fund	-\$417

**Source:** CRS analysis of the explanatory statement accompanying P.L. 117-263 in U.S. Congress, House Committee on Armed Services, James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, *Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776*, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, pp. 2362-2373.

**Notes:** SRS is Savannah River Site; HE is High-Explosive; PX is Pantex Plant; W80-4 ALT SLCM refers to an alteration to the W80-4 nuclear warhead to be deployed on a new Sea-Launched Cruise Missile; LLNL is Lawrence Livermore National Laboratory; D&D is decontamination and decommissioning; NNSA is National Nuclear Security Administration. While the FY2023 NDAA did not authorize any funding within this account or a separate account, the Energy and Water Development and Related Agencies Appropriations Act, 2023 (P.L. 117-328, Division D, Title III; 136 Stat. 4639), authorized a transfer of \$586 million, above the President’s budget request of \$417 million, from the Defense Environmental Cleanup account to the Uranium Enrichment Decontamination and Decommissioning Fund.

### Savannah River Plutonium Processing Facility<sup>250</sup>

The FY2023 NNSA budget requested \$700 million to modernize, or upgrade, the Savannah River Plutonium Processing Facility, SC, to support production of plutonium pits (i.e., bowling ball-sized hollow spheres of plutonium in a warhead that, when uniformly compressed, cause a nuclear explosion).<sup>251</sup> The project, which involves repurposing a partially completed facility to

<sup>250</sup> This section was coordinated with Mark Holt, Specialist in Energy Policy.

<sup>251</sup> U.S. Department of Energy (DOE), *Department of Energy, FY 2023 Congressional Budget Request, National Nuclear Security Administration, Federal Salaries and Expenses, Weapons Activities, Defense Nuclear Nonproliferation, Naval Reactors*, April 2022, Office of Chief Financial Officer, Volume 1, p. 246, at (continued...)



achieve a production target of 50 plutonium pits per year, is part of a broader effort to reconstitute pit production fabrication facilities at Savannah River and Los Alamos National Laboratory, NM, to produce a combined total of at least 80 pits per year by around 2030.<sup>252</sup> The legislation authorized \$500 million more than NNSA requested to modernize the Savannah River Plutonium Processing Facility, SC.<sup>253</sup> The authorized increases included \$200 million for long lead procurement (i.e., materials purchased in advance) of gloveboxes (i.e., specialized enclosures to protect workers handling nuclear materials), \$165 million for demolition of a building used to produce a type of nuclear fuel known as mixed oxide (MOX), \$100 million for long lead items (i.e., materials purchased in advance), and \$35 million for site preparation work.<sup>254</sup>

### W80-4 Warhead for Nuclear Sea-Launched Cruise Missile (SLCM-N)<sup>255</sup>

The legislation authorized \$20 million in unrequested funding for the NNSA to continue research and development of an alteration to the W80-4 nuclear warhead that could be deployed by the Navy on a new Sea-Launched Cruise Missile (W80-4 ALT SLCM).<sup>256</sup> The Biden Administration “strongly” opposed authorizing funding for both the nuclear sea-launched cruise missile (SLCM-N) and its associated warhead, given what is asserted was “sufficient current and planned capabilities for deterring an adversary’s limited nuclear use.”<sup>257</sup>

### Uranium Enrichment Decontamination and Decommissioning Fund<sup>258</sup>

The FY2023 President’s budget requested \$6.9 billion for the DOE’s Office of Environmental Management, including \$417.0 million for transfer to the Uranium Enrichment Decontamination and Decommissioning Fund.<sup>259</sup> The fund, authorized in 1992 in part to pay for closure and cleanup of federal uranium enrichment plants,<sup>260</sup> falls outside the national defense budget function.<sup>261</sup> In the report accompanying the SASC-reported version of the FY2023 NDAA, the committee recommended not authorizing the \$417 million requested for transfer to the fund and, noting similar legislative language adopted in the past, stated, “the Administration should propose to directly contribute to this fund rather than use the Office of Environmental Management’s

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<https://www.energy.gov/sites/default/files/2022-05/doe-fy2023-budget-volume-1.pdf>. See also Los Alamos National Laboratory, Pit production explained, December 13, 2021, at <https://discover.lanl.gov/publications/national-security-science/2021-winter/pit-production-explained/>.

<sup>252</sup> Ibid. See also GAO, *Nuclear Weapons: NNSA Does Not Have a Comprehensive Schedule or Cost Estimate for Pit Production Capability*, GAO-23-104661, January 12, 2023, at <https://www.gao.gov/products/gao-23-104661>.

<sup>253</sup> FY2023 NDAA explanatory statement, p. 2364.

<sup>254</sup> Ibid.

<sup>255</sup> This section was coordinated with Alexandra G. Neenan, Analyst in U.S. Defense Acquisition Policy.

<sup>256</sup> Ibid., p. 2363.

<sup>257</sup> White House, “Statement of Administration Policy, S. 4543 – James M. Inhofe National Defense Authorization Act for Fiscal Year 2023,” October 18, 2022, p. 5.

<sup>258</sup> This section was coordinated with Lance N. Larson, Analyst in Environmental Policy.

<sup>259</sup> DOE, *Department of Energy, FY 2023 Congressional Budget Request, Environmental Management, April 2022, Office of the Chief Financial Officer, Volume 6*, p. 4, <https://www.energy.gov/sites/default/files/2022-09/doe-fy2023-budget-volume-6-em-v3.pdf>.

<sup>260</sup> The Energy Policy Act of 1992 (P.L. 102-486; Title XI). For more information on the fund, see CRS In Focus IF11372, *Uranium Enrichment Decontamination and Decommissioning Fund: Status and Funding Issues*, by Lance N. Larson.

<sup>261</sup> OMB, President’s Budget website, Supplemental Materials, Public Budget Database, Budget Authority spreadsheet, at [https://www.whitehouse.gov/wp-content/uploads/2023/03/budauth\\_fy2024.xlsx](https://www.whitehouse.gov/wp-content/uploads/2023/03/budauth_fy2024.xlsx).

budget as a contribution source.”<sup>262</sup> While the FY2023 NDAA did not authorize any funding within this account or a separate account, the Energy and Water Development and Related Agencies Appropriations Act, 2023 authorized a transfer of \$586 million, above the President’s budget request of \$417 million, from the Defense Environmental Cleanup account to the Uranium Enrichment Decontamination and Decommissioning Fund.<sup>263</sup>

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<sup>262</sup> S.Rept. 117-130, p. 363.

<sup>263</sup> P.L. 117-328, Division D, Title III; 136 Stat. 4639.

## Appendix. Selected Historical Data

Table A-1 shows the change from requested to authorized funding in the NDAA over the past decade.

**Table A-1. Requested and Authorized Funding in the NDAA, FY2014-FY2023**  
(in billions of dollars of discretionary budget authority)

Fiscal Year	Public Law (P.L.)	Request	Authorized	Change from Request (\$)	Change from Request (%)
2014	P.L. 113-66	\$625.15 <sup>a</sup>	\$625.14 <sup>a</sup>	-\$0.01	0.0%
2015	P.L. 113-291	\$577.15 <sup>b</sup>	\$577.15 <sup>b</sup>	\$0.00	0.0%
2016	P.L. 114-92	\$604.21 <sup>c</sup>	\$599.21 <sup>c</sup>	-\$5.00	-0.8%
2017	P.L. 114-328	\$607.98 <sup>d</sup>	\$611.17 <sup>d</sup>	\$3.19	0.5%
2018	P.L. 115-91	\$665.72 <sup>e</sup>	\$692.10 <sup>e</sup>	\$26.38	4.0%
2019	P.L. 115-232	\$708.11 <sup>f</sup>	\$708.10 <sup>f</sup>	-\$0.01	0.0%
2020	P.L. 116-92	\$741.93 <sup>g</sup>	\$729.93 <sup>g</sup>	-\$12.0	-1.6%
2021	P.L. 116-283	\$731.61 <sup>h</sup>	\$731.61 <sup>h</sup>	\$0.00	0.0%
2022	P.L. 117-81	\$743.09 <sup>i</sup>	\$768.21 <sup>i</sup>	\$25.12	3.4%
2023	P.L. 117-263	\$802.36 <sup>j</sup>	\$847.32 <sup>j</sup>	\$44.96	5.6%

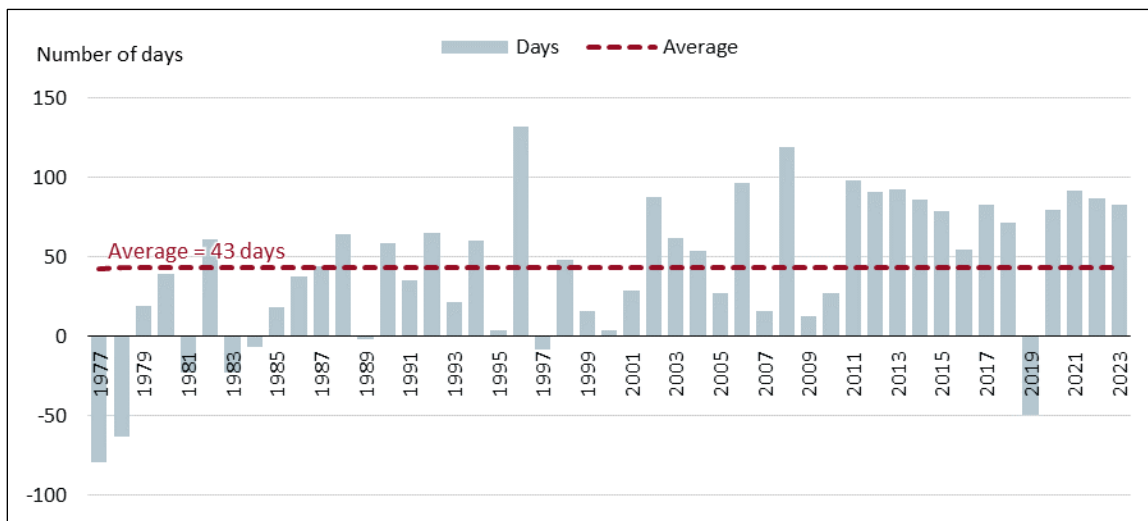
**Source:** CRS analysis of funding tables in conference reports or explanatory statements accompanying National Defense Authorization Acts. Amounts include funding for Department of Defense-Military, atomic energy defense programs, defense-related activities and, from FY2014 to FY2021, funding designated for Overseas Contingency Operations (OCO).

**Note:** Dollars rounded to nearest hundredth; percentages rounded to nearest tenth. The “% Change” column is the percentage change between authorized and requested amounts. Links to reports or explanatory statements are embedded in the page numbers below.

- a. Explanatory statement to accompany the National Defense Authorization Act for Fiscal Year 2014 (P.L. 113-66) in Committee Print No. 2, December 2013, p. 780;
- b. Explanatory statement to accompany the National Defense Authorization Act for Fiscal Year 2015 (P.L. 113-291) in Committee Print No. 4, December 2014, p. 994;
- c. Explanatory statement to accompany the National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92) in Committee Print No. 2, November 2015, p. 887;
- d. Conference report (H.Rept. 114-840) to accompany the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328), p. 1332;
- e. Conference report (H.Rept. 115-404) to accompany the National Defense Authorization Act for Fiscal Year 2018 (P.L. 115-91), p. 1111;
- f. Conference report (H.Rept. 115-863) to accompany the National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232), p. 1143;
- g. Conference report (H.Rept. 116-333) to accompany the National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92), p. 1545;
- h. Conference report (H.Rept. 116-617) to accompany the National Defense Authorization Act for Fiscal Year FY2021 (P.L. 116-283), p. 1938;
- i. Explanatory statement to accompany the National Defense Authorization Act for Fiscal Year 2022 (P.L. 117-81) in Part 2 of the House section of the *Congressional Record*, December 7, 2021, p. H7364;
- j. Explanatory statement to accompany P.L. 117-263 in U.S. Congress, House Committee on Armed Services, *James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Legislative Text and Joint Explanatory Statement to Accompany H.R. 7776, P.L. 117-263, Book 2 of 2, committee print, 118<sup>th</sup> Congress, 1<sup>st</sup> sess., January 2023, 50-665, p. 2172.*

**Figure A-1** shows the number of days between the start of the fiscal year and enactment of the annual defense authorization act since FY1977, when the federal government transitioned to a fiscal year beginning October 1, 1976.

**Figure A-1. Days between Start of Fiscal Year and Enactment of Annual Defense Authorization Acts, FY1977-FY2023**  
(in days)



**Source:** CRS analysis of dates of enactment of public law from CRS Report 98-756, *Defense Authorization and Appropriations Bills: FY1961-FY2021*, by Barbara Salazar Torreon and Sofia Plagakis; P.L. 117-81; and P.L. 117-263

**Notes:** Positive values indicate number of days between start of the fiscal year and enactment of annual defense authorization acts. Thus, the figure shows that since FY1977 annual defense authorization legislation has been enacted, on average, 43 days after the beginning of the fiscal year (i.e., early November). Negative values indicate number of days between enactment of annual defense authorization acts and start of fiscal year. Annual defense authorization legislation for the fiscal years 1979, 1989, 1996, 2008, 2016, and 2021 was enacted over a presidential veto.

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