



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

June 11, 2024
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8070 – Servicemember Quality of Life Improvement and National Defense Authorization Act for FY 2025

(Rep. Rogers, R-AL, and 14 cosponsors)

The Administration strongly supports enactment of a National Defense Authorization Act (NDAA) for a 64th consecutive year and is grateful for the strong, bipartisan work of the House Committee on Armed Services on behalf of America’s national defense.

For the third year in a row, the President’s Fiscal Year 2025 Budget Request for the Department of Defense (DoD) was informed by the 2022 National Defense Strategy (NDS), which calls on DoD to advance four key priorities: (1) defend the Homeland; (2) deter strategic attacks; (3) deter aggression while being prepared to prevail in conflict when necessary; and (4) build a resilient Joint Force and defense ecosystem. The Administration looks forward to continuing to work with Congress to set appropriate and responsible levels of defense and non-defense spending to support the security of the Nation, consistent with P.L. 118-5, the Fiscal Responsibility Act of 2023. Coupled with a strategically sound defense budget, a strong economy and investment in diplomacy, development, and economic statecraft are critical to ensuring that the Nation is positioned to respond to the myriad national security challenges we face today and will face in the future.

Taking care of the health, safety, and economic security of Servicemembers, their families, DoD civilian employees, and contractors is vital to ensuring a resilient and ready force. It is an Administration priority, and President Biden appreciates the bill’s support for the 4.5 percent pay raise for Servicemembers. The Administration also welcomes many of the proposed enhancements to the military justice system, and strongly supports expanding discretionary authority for special trial counsel regarding covered, known, and related offenses that occurred prior to December 28, 2023, including to account for the 2025 addition of sexual harassment as a covered offense.

In a time of rapidly evolving military capabilities and activities by our competitors – accelerated by emerging technologies and intensified by current and potential threats to strategic stability – America’s network of allies and partners continues to act as a force multiplier in support of U.S. national defense. Investments authorized in the NDAA in support of the Pacific Deterrence Initiative and the European Deterrence Initiative will help address the changing global landscape and prepare the country for future challenges and threats, alongside emerging challenges in the Middle East and on the African continent.

The Administration looks forward to working with Congress to address our concerns, a number of which are outlined below.

Shipbuilding and Submarine Industrial Base Funding. The Administration is disappointed with the Committee's failure to fully support the President's shipbuilding request, authorizing \$700 million less than was requested and cutting one ship. Further, the Administration strongly opposes Section 1018, which would authorize incremental funding of a second Virginia Class Submarine (VCS) in FY 2025, which industry is unable to produce on schedule. The Administration encourages Congress to fully support the near-term submarine industrial base (SIB) investments proposed in the President's FY 2025 Budget Request. These investments are critical to shore up the SIB, reduce the backlog in attack submarine production and sustainment, and meet the 2.33 VCS production rate needed to support the Navy's requirement and our commitment to the Australia-United Kingdom-United States security partnership (AUKUS). The authorization of incremental funding for a second VCS would result in a significant unplanned bill in FY 2026, competing for funding with additional SIB investments and Columbia Class Submarines. This will force the Navy to make reductions in other priorities to accommodate the balance of funds for the second FY 2025 VCS.

Additional Missile Defense Site for Protection of the Homeland. The Administration strongly opposes Section 1632, which would mandate establishment of a fully operational third continental interceptor site on the East Coast by 2030. There is no operational need for such a site to protect the Homeland against potential ballistic missiles originating from Iran or the Democratic People's Republic of Korea (DPRK). DoD has prioritized improving the probability of successfully intercepting missile threats by completing development of the Next Generation Interceptor (NGI), which will begin fielding in 20 available silos in Alaska in 2028. The NGI will protect all 50 states, the District of Columbia, the U.S. Virgin Islands, and Puerto Rico against existing threats from the DPRK and potential future threats. The Department will continue to monitor developments in these threats and evolutions in the capability of the nation's Ballistic Missile Defense System.

Terminal High-Altitude Aerial Defense (THAAD)-Integrated Battle Command System (IBCS) Integration Funding. The Administration strongly objects to the lack of authorization for ongoing efforts to integrate THAAD with the IBCS. Multiple analyses show that this integration is critical to improved performance of THAAD against more sophisticated threats and substantially benefits training and organization. By eliminating authority for this funding, the committee significantly reduces the capabilities combatant commanders have at their disposal to prosecute a campaign.

Price History Exception to Certified Pricing Data. The Administration strongly opposes Section 812, which would limit the Department's ability to require a prime contractor to obtain certified cost or pricing data from a subcontractor below \$5 million (increased from \$2 million). This would reduce the incentive for sole-source prime contractors to negotiate contracts with their subcontractors, such as for spare parts, to keep costs under control, creating unnecessary risk for taxpayers.

Establishment of the Drone Corps as a Basic Branch of the Army. The Administration strongly opposes Section 924, which would establish a Drone Corps as a basic branch of the Army. A Drone Corps would create an unwarranted degree of specialization and limit flexibility to employ evolving capabilities. Further, the Secretary of the Army already has the authority to create branches, as needed, and creating a branch through legislation would detract from the Army's flexibility in addressing current and future requirements.

New START Treaty Restrictions. The Administration strongly opposes section 1231, which would restrict DoD from providing Russia with notifications, biannual data exchange[s], inspection activities, or telemetric activities as required by the New START Treaty. Although the U.S. is not currently providing information or facilitating activities covered by section 1231 as lawful countermeasures to Russia's ongoing violations of the Treaty, this provision would unduly constrain the ability of the Executive Branch to adapt or loosen these countermeasures, as appropriate.

Basic Needs Allowance (BNA). The Administration appreciates Section 1804, which supports the FY 2025 Budget proposal to increase the eligibility and payment thresholds for the BNA from 150 percent to 200 percent of the Federal Poverty Guidelines. Such an increase will enable DoD to provide expanded payments to a targeted group of Servicemembers with the lowest household incomes. However, Section 621, which would exclude the value of the tax-free basic allowance for housing (BAH) from the calculation of the member's household gross income when determining eligibility for the BNA, would result in a much less targeted expansion of payments and come at a cost of \$2.8 billion in FY 2025 that is not provided. BAH is an important portion of a member's compensation. If this latter provision were enacted, it would cost DoD more than \$14.8 billion in FYs 2025-2029.

Prohibitions on Diversity, Equity, and Inclusion (DEI). The Administration strongly opposes Sections 573 and 1113(g)(3), which would limit the ability of DoD and Federal agencies to support and promote positive cultures that empower, respect, and value all employees and students. The prohibitions regarding DEI efforts would impede DoD's and Federal agencies' ability to recruit and retain the diverse perspectives, experiences, and skillsets that are foundational to the strength of the Federal workforce. Creating and supporting programs and policies that embrace DEI fosters workforce cultures that are inclusive of all individuals. Positive workplace culture is critical to meet our nation's national security objectives, provide better services to the American people, and promote innovation and mission achievement.

Junior Enlisted Basic Pay Increase. The Administration is strongly committed to taking care of our Servicemembers and their families, and appreciates the Committee's concern for the needs of the most junior enlisted members, but strongly opposes making a significant, permanent change to the basic pay schedule before the completion of the Fourteenth Quadrennial Review of Military Compensation (QRMC). In January, Servicemembers received a 5.2 percent basic pay increase, the largest since 2003, coupled with an average 5.4 percent increase in basic allowance for housing and a 1.7 percent increase in basic allowance for subsistence. The President's FY 2025 Budget Request includes a basic pay raise of 4.5 percent. If the President's FY 2025 request is enacted, Servicemembers will have received a 15 percent basic pay increase in just three years. The House proposed changes would lead to pay compression in some parts of the

enlisted military basic pay table. Section 1801 would cost over \$3.3 billion in FY 2025 and more than \$21.9 billion in FYs 2025-2029.

Modification of Humanitarian Assistance Authority. The Administration strongly opposes the 15-day notice requirement under Section 1701. This requirement would prevent DoD from rapidly responding to natural and manmade disasters to save lives. The U.S. military is frequently called upon when a humanitarian and foreign disaster crisis exceeds the capacity of the Department of State, U.S. Agency for International Development, and our allies and partners. DoD's unique capabilities are able to deliver vital assistance at speed and scale.

Prohibitions on Minimizing the Risk of Climate Change. The Administration strongly opposes Sections 312 and 318, which would prohibit the use of funds to recommend or require submission of certain emissions and climate data for federal contract offers, or to finalize or implement any rule based on the advanced notice of proposed rulemaking titled "Federal Acquisition Regulation: Minimizing the Risk of Climate Change in Federal Acquisitions." These provisions would prevent DoD from taking reasonable and manageable steps to address climate-related risks to its supply chains, counter to the interests of U.S. taxpayers.

Prohibition on Availability of Funds for Retirement of Guided Missile Cruisers. The Administration opposes Section 1020, which would limit the Navy's flexibility in exercising authority to decommission ships, including those that are not yet beyond their expected service life. Divesting ships on a case-by-case basis allows the Navy to prioritize investments. The USS Shiloh and USS Lake Erie are currently in a condition that renders modernization and restoration to full operational capability cost-prohibitive.

Reprioritization of Military Construction Funding to Unrequested Projects. The Administration opposes the realignment in Division D of military construction funding from priority projects to other projects. Contrary to the Administration's fiscally responsible policy to fully fund executable projects, the bill proposes to fund 20 military construction projects incrementally. This would effectively create an unfunded obligation of almost \$2.1 billion needed to successfully execute these projects over time and would divert those funds to projects that are either inexecutable in FY 2025 or of lower priority than the requested projects.

Prohibition on Realignment or Reduction of SOF End Strength Authorizations. The Administration opposes Section 1044, which would prevent reducing or realigning SOF end-strength authorizations for all of calendar years 2025 and 2026. This provision would constrain the ability of the Department's leadership to organize, train, and equip forces in support of the National Defense Strategy. Further, this provision would limit DoD's ability to shape the armed forces in response to emerging threats and dynamic needs.

Service Academies Appointments and Additional Appointees. The Administration opposes Section 547, which would restrict Service Academy appointments to composite numerical scores of merit. If this provision were enacted, it would limit the Service Academies from selecting the most qualified candidates and have adverse consequences on the ability to develop a class that is representative of the entire nation, to include meeting statutory obligations to represent congressional districts. The Academies currently use a range of factors to measure character,

work ethic, and leadership. Excluding these time-tested measures of performance would harm the Academies' consideration of enlisted applicants, children of deceased and disabled Veterans, recruited athletes, and non-traditional students such as those who are virtually educated or home-schooled, or who have studied abroad.

Expenditures on Leased Facilities and Real Property Usage in the National Capital Region (NCR). The Administration opposes Section 2838, which would require DoD to reduce its leased footprint within the NCR by 50 percent within the next 10 years. Such a reduction has no basis in analysis and could put mission essential tasks at risk. In the Joint Explanatory Statement accompanying the FY 2024 NDAA, Congress directed the Department to study its space utilization, a report that the Department will complete in September 2024. It is premature to set objectives prior to completing a fully informed analysis of DoD-owned space.

Air Force Process for Strategic Basing Actions. The Administration opposes Section 2831, which would dictate a rigid and inefficient process that would nearly eliminate senior military leader judgment from the process, decrease the ability to meet operational requirements, and lead to inconsistent strategic basing actions across the services. The Air Force is undergoing a rapid modernization effort to implement the NDS and counter the People's Republic of China's (PRC's) aggressive military buildup of forces in the Indo-Pacific region. This provision would significantly complicate and delay the deployment of critical Air Force capabilities, slow the basing process, and reduce readiness and resiliency of military bases and installations.

Modification of DoD Support to Stabilization Activities. The Administration opposes Section 1202, which would require that all DoD stabilization activity support be provided on a reimbursable basis. Limiting this authority to reimbursable logistics support, supplies, and services would reduce the flexibility and range of options by which senior policymakers can respond to stabilization challenges. Current statutes already prevent inappropriate use of this authority by requiring high-level consultations and concurrence among senior leaders, as well as notification to Congress, before its use. DoD support to stabilization activities is a critical facet of effective whole-of-government stabilization efforts, and enables implementation of the Global Fragility Act.

Prohibition of Cannabis Testing for Enlistment or Commission in Certain Armed Forces. The Administration appreciates Congress' desire to increase the available military accessions pool. However, the Administration opposes Section 532, which would prevent DoD from testing applicants for Δ 9-THC and Δ 8-THC contained in marijuana (cannabis). The use of marijuana by Servicemembers is a military readiness and safety concern.

Plan for Fielding Air Base Air Defense Sites at Air Force Installations. The Administration opposes Section 1055, which would require the Secretary of the Air Force to develop a plan and provide a briefing for fielding "Air Base Air Defense Sites" with prescriptive site-fielding requirements. Combatant commanders holistically assess overall force protection, including air and missile defense requirements, for facilities within their respective Areas of Responsibility and address those requirements through existing processes, including global force management and capabilities and needs assessments. Establishing separate "Air Base Air Defense Sites" for

Air Force installations and “other priority sites” risks misaligning resources from a more holistic and integrated force protection approach, resulting in suboptimal operational outcomes.

Guantanamo Bay (GTMO) Prohibitions. The Administration opposes Sections 1031, 1032, 1033, and 1034, which, respectively, would extend the prohibitions on the use of funds to transfer GTMO detainees to the U.S.; construct or modify facilities in the U.S. to house transferred GTMO detainees; transfer or release GTMO detainees to certain countries; and close or relinquish control of GTMO. These provisions would interfere with the President’s ability to determine the appropriate disposition of GTMO detainees and to make important foreign policy and national security determinations regarding whether and under what circumstances to transfer detainees to the custody or effective control of foreign countries.

Conflict of Interest Waivers. The Administration opposes Section 871, which would require approval at the level of the Deputy Secretary for an agency to exercise a waiver for certain conflicts of interest under the Federal Acquisitions Regulations. While all waivers require careful review and accountability, this requirement would create unnecessary mission disruption for many cases that do not warrant this level of scrutiny. We welcome the opportunity to work with Congress on a more tailored provision that focuses appropriate high-level review where warranted.

Restrictions on DoD Research with Certain Individuals and Institutions. The Administration objects to Sections 225, 226, and 1077, which would impose unreasonable security restrictions on research and create onerous restrictions on personnel. These sections would harm DoD’s ability to keep pace with technology by limiting the pool of scientists that the Department engages to conduct national security-related research. Additionally, these sections would diminish DoD’s ability to attract and retain top international talent vital to DoD’s research goals and critical to maintaining technological advantage to near-peer competitors. DoD continually reviews security risks and works to address foreign conflicts of interest that prevent inappropriate collaboration on projects the Department deems sensitive.

Prohibition on Admittance to National Security Laboratories and Nuclear Weapons Production Facilities. The Administration objects to Section 3111, which would prohibit citizens from the PRC and the Russian Federation from visiting national security laboratories or nuclear weapons production facilities. The provision would severely limit our ability to engage with Chinese and Russian experts on nonproliferation of biological, chemical, and nuclear weapons. The existing visitor-screening process at the national laboratories and nuclear weapons production facilities are specifically designed to screen for visitor threats and prevent access to protected information.

Countering Drone Threats in the United States. The Administration strongly urges Congress to pass a durable, multi-year reauthorization and expansion of counter-drone authority as part of the FY 2025 NDAA, consistent with our legislative proposal as well as the bipartisan H.R. 4333 and S. 1631, which we strongly support. Enacting this legislation is vital to protecting the Homeland of the United States from a myriad of drone threats and addressing major gaps in authorities. We look forward to working with the House and Senate to find common ground on this important priority.

Afghan Special Immigrant Visa (SIV). The Administration remains steadfast in its commitment to resettle Afghans who supported our mission in Afghanistan for two decades. Since Congress passed the Afghan Allies Protection Act in 2009, the U.S. Government has used the Afghan SIV Program to issue more than 125,000 Afghan SIVs to principal applicants and their eligible family members. This program has long-enjoyed bipartisan support, but despite the Administration's request to further increase the SIV cap in FY 2025 by 20,000, the Committee-reported bill does not provide such an increase. The Administration strongly urges Congress to continue to demonstrate our commitment to our Afghan partners by increasing the Afghan SIV cap in the final FY 2025 NDAA to ensure that visas remain available.

Support for Operations of Friendly Countries. The Administration strongly urges Congress to provide a two-year extension of the \$950 million cap on the aggregate value of all logistical support, supplies, and services provided to friendly foreign countries for the conduct of operations under Section 331 of Title 10, United States Code, through FY 2026. This authority is critical to the Department's efforts, and national security interests, including to counter global terrorist threats in the Middle East and Africa, confront Russian aggression, support the defense of Israel, and assist countries participating in the Multinational Security Support mission in Haiti.

Indo-Pacific Security Assistance Initiative (IPSAI). The Administration strongly urges Congress to provide the Secretary of Defense, with the concurrence of the Secretary of State, additional requested authority to deter conflict in the Indo-Pacific region by enhancing the self-defense capabilities of allies and partners. IPSAI would provide greater flexibility than current authorities for the Department to meet material and non-material demands of allies and partners, as well as bridge gaps in existing authorities.

Modification of Authority to Purchase Used Vessels Under the National Defense Sealift Fund. The Administration remains committed to immediate recapitalization of the sealift fleet to project power by delivering Army and Marine Corps equipment using the most cost-effective strategy of procuring used commercial ships. The Administration strongly urges support to provide the Secretary of Defense with the discretionary authority to purchase foreign-built used vessels, without limitation on the number, at the rate needed to recapitalize the Ready Reserve Force.

Reimbursing Cooperating Nations for Certain Support. The Administration strongly urges Congress to extend through December 31, 2025, DoD's authority to reimburse certain coalition nations for support provided to U.S. military operations in Afghanistan, Iraq, or Syria, and to increase the limit on the aggregate amount of payments available under the authority from \$15 million to \$75 million.

Significant Foreign Policy Provisions. The Administration is concerned that sections such as 1304 do not include a requirement for Secretary of State concurrence and would therefore provide the Secretary of State insufficient means to control the provision of assistance administered by the Secretary of Defense.

Employment Navigator and Partnership Pilot Program. The Administration is concerned about certain requirements of Section 565, including the contracting requirements that would reduce efficiency and limit the effectiveness of the program for transitioning Servicemembers. The Administration supports the intent of codifying the Employment Navigator and Partnership Pilot Program, and looks forward to working with Congress to address these concerns.