

1 **SEC. ____ . AUTHORITY TO BUILD CAPACITY FOR SPACE DOMAIN AWARENESS**
2 **AND SPACE OPERATIONS.**

3 Section 333(a) of title 10, United States Code, is amended by adding at the end the
4 following new paragraph:

5 “(10) Space domain awareness and space operations.”.

[Please note: The “Changes to Existing Law” section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would amend section 333 of title 10, United States Code, to include authority to build foreign partner capacity for space domain awareness and space operations. The addition would provide valuable support to Department of Defense (DoD) efforts to clarify its authority to conduct space-related activities to build partnership capacity (BPC).

Building off clear imperatives from the 2022 National Security Strategy (NSS) and National Defense Strategy (NDS), particularly in response to the increasing pace and scope of malign space activity by China and Russia, the United States began to revise fundamentally our national approach in the space domain. A Space Strategic Review conducted by the Secretary of Defense and Director of National Intelligence identified key gaps in the Department’s posture, including that it needed to improve significantly its approach to, and ability to work more closely and more actively with all tiers of international allies and partners in the space domain. These conclusions were endorsed by national leadership.

DoD, and by extension the United States, will be challenged to fulfill the imperatives laid out in these strategies without improving not just our own capabilities to defend and to operate in space, but also those of our allies and partners, who present us with a strategic advantage over adversaries. Leveraging the contributions of our allies and partners requires us first to help them strengthen their ability to operate in today’s contested space environment, either alone or in concert with us. Space-related BPC is a high priority for the Department; however, current efforts are hindered by a lack of clearly applicable authority.

While some space-based capabilities such as geospatial intelligence, surveillance, and reconnaissance, global positioning, and satellite communications are covered under the current authority because they have primary effects on the current approved mission areas, such as maritime and border security operations, section 333 does not allow for BPC efforts that are for the specific purpose of building capacity in the space domain that do not have primary effects on the current mission sets authorized under section 333.

The proposed amendment would clarify that section 333 is applicable to DoD’s BPC activities that are designed to build partners’ ability to operate in the space domain. Given our global,

interconnected nature, it is essential that partners not only raise their space capability foundations, but also develop and employ more advanced capabilities to protect and defend their national space capabilities which if unprotected can reduce the resiliency and redundancy they offer the U.S. space architecture.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2026 President’s Budget that are impacted by this proposal.

RESOURCE IMPACT (\$MILLIONS)									
Program	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Appropriation	Budget Activity	BLI/SAG	Program Element (for all RDT&E programs)
International Security Cooperation Programs (ISCP)	\$1,237	\$1,263	\$1,290	\$1,317	\$1,345	0100	04	4GTD	1002201T
Total	\$1,237	\$1,263	\$1,290	\$1,317	\$1,345				

Changes to Existing Law: This proposal would make the following changes to section 333 of title 10, United States Code:

§ 333. Foreign security forces: authority to build capacity

(a) **AUTHORITY.**—The Secretary of Defense is authorized to conduct or support a program or programs to provide training and equipment to the national security forces of one or more foreign countries for the purpose of building the capacity of such forces to conduct one or more of the following:

- (1) Counterterrorism operations.
- (2) Counter-weapons of mass destruction operations.
- (3) Counter-illicit drug trafficking operations.
- (4) Counter-transnational organized crime operations.
- (5) Maritime and border security operations.
- (6) Military intelligence operations.
- (7) Air domain awareness operations
- (8) Operations or activities that contribute to an existing international coalition operation that is determined by the Secretary to be in the national interest of the United States.
- (9) Cyberspace security and defensive cyberspace operations.
- (10) Space domain awareness and space operations.

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1 **SEC. ____ . CONTRACT AUTHORITY FOR COLUMBIA CLASS SUBMARINE PROGRAM.**

2 (a) CONTRACT AUTHORITY.—The Secretary of the Navy may enter into a contract, beginning
3 with fiscal year 2026, for the procurement of up to five Columbia class submarines.

4 (b) INCREMENTAL FUNDING.—With respect to a contract entered into under subsection (a), the
5 Secretary of the Navy may use up to three years of incremental funding for each submarine to make
6 payments under the contract.

7 (c) LIABILITY.—Any contract entered into under subsection (a) shall provide that—

8 (1) any obligation of the United States to make a payment under the contract is subject to
9 the availability of appropriations for that purpose; and

10 (2) the total liability of the Federal Government for termination of any contract entered
11 into shall be limited to the total amount of funding obligated to the contract at time of
12 termination.

13 (d) INCREMENTAL FUNDING AUTHORITY.—Section 2218a(h)(1)(B) of title 10, United States
14 Code, is amended—

15 (1) by striking “the first two”; and

16 (2) by inserting “, each incrementally funded up to three years” before the period.

Section-by-Section Analysis

This proposal would permit the Navy to enter into one contract for up to five COLUMBIA class submarines (SSBN 828 through up to SSBN 832), providing industrial base stability, production efficiencies, and cost savings when compared to the estimated cost of an annual procurement with options. This contract approach is aimed at minimizing the impact on the Department of the Navy’s Shipbuilding and Conversion, Navy (SCN) account through construction efficiencies and workforce stability, as well as reducing schedule risk. This contracting authority would provide the prime contractor and vendor base with a reasonable advance assurance of authority to buy up to five ships and associated material, while also limiting the Government’s liability to the funds obligated to the contract in the event of termination. Providing such assurances to both the prime contractor and sub-vendors will strengthen the submarine industrial base and give confidence to companies to make long-term investments in both facilities and labor. Such assurances, combined with various advanced construction and continuous production initiatives already underway, further stabilize production lines, allowing for construction efficiencies and cost savings. Long-term investments in the labor force further de-risks schedule by reducing ramp-up/ramp-down costs related to hiring and training.

Subsection (a) of the proposal would permit the award of a contract in Fiscal Year (FY) 2026, enabling SSBN 828 ship construction and continuing Advance Procurement/Advance Construction funding in FY 2026 for up to four additional SSBNs.

Subsection (b) of the proposal would permit the Secretary of the Navy to incrementally fund over three years the contract using full funding for COLUMBIA Class SSBN 828 in FY 2026 and do the same for up to four additional ships in subsequent years. Instead of authorizing the entire amount needed to construct each ship in the year of full construction authorization, incremental full funding allows the Navy to spread that cost out over three years, facilitating shipbuilding efforts to support the Navy the nation needs. Continuing this strategy would further reduce the pressure on the Navy's shipbuilding account.

Subsection (c) of the proposal would ensure that the Government's liability for the procurement is limited to funding that is obligated to the contract at the time of termination.

Subsection (d) of the proposal would amend subsection (h) of section 2218a, title 10, United States Code, National Sea-Based Deterrence Fund, to allow the Secretary of the Navy to enter into incrementally funded contracts for construction of all Columbia class submarines by removing the existing limitation enter into incrementally funded contracts for only the first two submarines. This modification also limits the duration of incremental funding for construction of each ship to no more than three years.

Resource Information: The table below reflects the resources requested within the Fiscal Year (FY) 2026 President's Budget that are impacted by this proposal. The budget request assumes approximately 50 percent of full funding for SSBN 826 and approximately eight percent savings resulting from material procurement through a clear demand signal to the industrial base and production efficiencies. In the event this legislative proposal is not enacted, increases in required funding will be necessary.

The resources reflected in the tables below show the total funding requested in FY 2026 and a comparison of funding required for a contract for SSBN 828 with options for up to four SSBNs without incremental funding and funding required for a single contract for up to five ships with three-year incremental funding.

	FY 2026 Discretionary	FY 2026 Mandatory	FY 2026 Total	Appropriation From	Budget Activity	Dash-1 Line Item	Program Element
Advanced Procurement	\$5,066	\$1,926	\$6,992	Shipbuilding and Conversion Navy (SCN)	1	1045C	0101221N
Full Funding	\$3,929	-	\$3,929	Shipbuilding and Conversion Navy (SCN)	1	1045	0101221N
Total	\$8,995	\$1,926	\$10,920	Shipbuilding and Conversion Navy (SCN)	1	1045 (Advance Procurement and Shipbuilding and Conversion Navy)	0101221N

CLB SCN (\$M)	FY 2026	Total
Quantity	1	Up to 5
Contract for SSBN 828 with options for up to four additional SSBNs without incremental funding	\$11,119	Up to \$45,642
Single contract for SSBN 828 plus up to four additional SSBNs without incremental funding	\$10,549	Up to \$42,827
Single contract for SSBN 828 up to SSBN 832 with three-year incremental funding	\$7,421	Up to \$42,827

To allow comparison, the table above shows SCN required for up to five SSBNs.

Changes to Existing Law: This proposal would amend section 2218a(h)(1)(B) of title 10, United States Code, as follows:

§2218a. National Sea-Based Deterrence Fund

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the "National Sea-Based Deterrence Fund".

(b) ADMINISTRATION OF FUND.—The Secretary of Defense shall administer the Fund consistent with the provisions of this section.

(c) FUND PURPOSES.—(1) Funds in the Fund shall be available for obligation and expenditure only for construction (including design of vessels), purchase, alteration, and conversion of national sea-based deterrence vessels.

(2) Funds in the Fund may not be used for a purpose or program unless the purpose or program is authorized by law.

(d) DEPOSITS.—***

(e) EXPIRATION OF FUNDS AFTER 5 YEARS.—***

(f) AUTHORITY TO ENTER INTO ECONOMIC ORDER QUANTITY CONTRACTS.—***

(g) AUTHORITY TO BEGIN MANUFACTURING AND FABRICATION EFFORTS PRIOR TO SHIP AUTHORIZATION.—

(h) AUTHORITY TO USE INCREMENTAL FUNDING TO ENTER INTO CONTRACTS FOR CERTAIN ITEMS.—(1) The Secretary of the Navy may use funds deposited into the Fund to enter into incrementally funded contracts for—

(A) advance procurement of high value, long lead time items for nuclear powered vessels to better support construction schedules and achieve cost savings through schedule reductions and properly phased installment payments; and

(B) construction of ~~the first two~~ Columbia class submarines, each incrementally funded up to three years.

(2) A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose, and that total liability to the Government for termination of any contract entered into shall be limited to the total amount of funding obligated at time of termination.

(i) AUTHORITY FOR MULTIYEAR PROCUREMENT OF CRITICAL COMPONENTS TO SUPPORT CONTINUOUS PRODUCTION.—***

(j) BUDGET REQUESTS.—***

(k) DEFINITIONS.—***