SEC. ___. ADDITIONAL AUTHORITIES FOR THE DEPARTMENT OF DEFENSE OFFICE OF STRATEGIC CAPITAL.

(a) NEW AUTHORITIES.—Section 149 of title 10, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (l); and

(2) by inserting after subsection (e) the following new subsections:

"(f) Fees.—

"(1) The Director may charge fees for services, including for project-specific transaction costs and direct costs, associated with administering the programs under this section, and may set those fees at a level that will ensure recovery of the full costs of such administration. Amounts received from fees charged under the preceding sentence shall be credited to the Credit Program Account established under subsection (e)(5) and shall remain available until expended.

"(2)(A) Except as provided in subparagraph (B), the authority under paragraph (1) to charge fees shall expire on the date specified in subsection (e)(9) for the expiration of the authority of the Director to make new loans and provide new loan guarantees under subsection (e).

"(B) With respect to loan and loan guarantee assets under this section that are outstanding as of the expiration date under subparagraph (A), the authority of the Director to charge and collect fees and cost-reimbursements in servicing, monitoring, and protecting such assets shall remain in effect and shall continue for the life of those assets.

"(g) ACCEPTING SERVICES.—The Director may accept and use payment for services such as legal, financial, technical or professional services provided to the Office associated with administering programs under this section.

"(h) CONFIDENTIALITY OF RECORDS.—No provision of law (including section 552 of title 5 and section 3506(b)(2)(B) of title 44) may be construed to require the disclosure of any information received from, or about, a party outside the Government in connection with the programs authorized by this section. This subsection is a statutory exemption from disclosure, as described in section 552(b)(3) of title 5.

"(i) PRESUMPTION OF COMPLIANCE.—Each loan or guarantee contract executed by the Director shall be conclusively presumed to be issued in compliance with the requirements and conditions of this section.

"(j) DIRECTOR AUTHORITY IN CASE OF BANKRUPTCY OR DEFAULT.—The Director may exercise any priority of the United States in collecting debts from bankrupt, insolvent, or decedents' estates.

"(k) WORKOUT AUTHORITIES IN CASES OF DEFAULT.—In connection with the collection or compromise of any obligation held by or assigned to the Office, or to the Department of Defense, or any component of the Department of Defense, on behalf of the Office, the Director—

"(1) may acquire, hold, or dispose of, any real, personal, or mixed, tangible or intangible property, or any rights or interests in such property, upon such terms and conditions as the Director may determine;

"(2) notwithstanding sections 3711(a)(2), (d)(2) and (g)(1) of title 31, or of any successor legislation or related regulation, may collect the obligation and may compromise, such obligation, including any legal or equitable rights accruing to the Office; and

"(3) may accept cash gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, for the purpose of covering the costs of technical experts, including counsel, the Office incurs in underwriting, processing, extending, and monitoring direct and guaranteed loans.".

(b) DETERMINATIONS OF LOAN DEFAULT UNDER PILOT PROGRAM ON CAPITAL ASSISTANCE TO SUPPORT DEFENSE INVESTMENT IN THE INDUSTRIAL BASE.—Subsection (e)(3)(A)(ii)(VI) of such section is amended by striking "Secretary" and inserting "Director".

[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 149 of title 10, United States Code, to provide additional authorities for the Office of Strategic Capital of the Department of Defense. The new authorities are proposed to be added as a series of new subsections described below.

(f) Fee authority and (g) Acceptance of services/gifts to pay for fees

This provision (which is substantively similar to what was included in the House-passed FY 2025 Defense Appropriations bill) allows the Office of Strategic Capital (OSC) to charge fees (or contractually require outside parties to pay directly) to cover the costs of transactions with private sector partners. In the private sector, it is routine for the parties receiving project financing (in this case, the parties receiving government-backed loans/loan guarantees, not OSC) to cover the lender's cost of originating the loan, such as legal, engineering, or environmental costs. By allowing OSC to charge fees to cover these transactional costs, this will reduce the need for additional appropriations from Congress, thus relieving the taxpayer of covering the costs of authorized transactions at OSC.

There are two types of "fee authority": one is the ability to assess fees, such as a credit risk premium, towards the cost of the capital for the borrower, which OSC is currently authorized to charge under the Fair Credit Reporting Act. However, OSC seeks the ability to collect fees for project specific transaction expenses including the costs of originating, administering, and servicing loans, such as legal, engineering, environmental assessment costs, travel, and other professional services. This is in line with private sector norms that borrowers pay these fees and bear these costs. It also shifts costs to the private sector in the event that the loan or guaranty does not close.

Having fee authority would put OSC on parity with other government lending agencies, as other federal credit programs have the authority to recoup taxpayer costs of loan origination and monitoring. For example:

- The Export-Import Bank's Charter provides "general banking authority" which allows it to carry out these activities; and

- The Development Finance Corporation also has authority to charge and collect fees for providing services in amounts to be determined by the corporation (22 U.S.C. 9634), including charging for administrative expenses.

Subparagraph (f)(2)(A) clarifies that the authority to collect fees for the administration of new loans expires with the sunset date of the loan pilot program authority at (e)(9). Paragraph (f)(2)(B) allows the Office to continue to collect fees and expend funds to cover administrative costs for the duration of the loan, which may endure beyond the sunset date of the pilot program.

(h) FOIA Exemption

This section would create an explicit exemption for OSC from disclosure of applicant, recipient, or partner information under the Freedom of Information Act (FOIA). Existing categories of exemptions such as proprietary data and trade secrets are narrowly defined by case law and may not automatically apply to OSC. Under the exemption category in 5 U.S.C. 552(b)(3), agencies may withhold information if it is specifically exempted from disclosure by another statute, and the language of the statue must clearly state that the information will not be disclosed. Explicit FOIA exemptions exist for DoD programs including the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, and for Cooperative Research and Development Agreements (CRADAs), which have explicit statutory exemptions under (b)(3) to protect confidential commercial or financial data, similar to the records that OSC is seeking to protect (See: 15 U.S.C. 638 (k)(4) and 15 U.S.C. 3710a(c)(7)). An explicit FOIA exemption under b(3) would exempt OSC records obtained from outside parties from the scope of FOIA entirely and would permit OSC to assure outside parties that their trade secrets and confidential information can be safely shared with OSC.

(i) Presumption of Compliance

The proposal is modeled after the Foreign Assistance Act of 1961, which provides the Development Finance Corporation (DFC) with the same authorities and guardrails. It provides private sector parties certainty at financial close as to the validity of any contract entered by the Office. This provision is especially important in the context of the DoD because parties are not accustomed to seeing DoD as a lender; therefore legal assurances as to the validity of contract under OSC's statutory authority are crucial to increasing market confidence and expediting transactions.

(j) Director Authority in Case of Bankruptcy or Default

This provision allows OSC to collect assets in the event of a default of a loan, thus allowing taxpayers to recoup the full or partial amount of the loan. This provides explicit recognition that loans made by OSC should be in line with the overall rights of the U.S. government in collections and assets that may have entered bankruptcy. This language is the same authority the Development Finance Corporation (DFC) enjoys per 22 U.S.C. 9632.

(k) Workout Authorities in Cases of Default

These provisions provide explicit authorities that are needed in the event of loans or loan guarantees going into default. Explicit enactment of these authorities ensures the office does not have uncertainty with respect to actions it may need to take to recover or collect on assets. The DFC has this authority in 22 U.S.C. 9632(a)14.

(e)(3)(A)(ii)(VI) Technical change from "Secretary" to "Director"

This is a technical change to the existing pilot program authorizing the Director, and not the Secretary, to determine if there is a default on a guaranteed loan. Determining default is an objective criterion, and demands a level of proximity and detail more appropriate at the OSC Director level, and devolving the determination to this level would ease and speed decision-making and the recovery of taxpayer dollars in the event of a default. OSC's credit professionals would establish that the conditions for default exist and would in turn present to the Director to make the formal determination.

Resource Information: This proposal has no significant impact on the use of resources requested within the Fiscal Year (FY) 2026 President's Budget. The proposal, over time, will result in savings that private sector parties, supported by the program, will offset its costs.

Changes to existing law: This proposal would amend section 149 of title 10, United States Code, as follows:

§149. Office of Strategic Capital

(a) ESTABLISHMENT.—There is in the Office of the Secretary of Defense an office to be known as the Office of Strategic Capital (in this section referred to as the "Office").

(b) DIRECTOR.—The Office shall be headed by a Director (in this section referred to as the "Director"), who shall be appointed by the Secretary from among employees in Senior Executive Service positions (as defined in section 3132 of Title 5), or from outside the civil service who have successfully held equivalent positions.

(c) DUTIES.—The Office shall—

(1) develop, integrate, and implement capital investment strategies proven in the commercial sector to shape and scale investment in critical technologies and assets;

(2) identify and prioritize promising critical technologies and assets that require capital assistance and have the potential to benefit the Department of Defense; and

(3) make eligible investments in such technologies and assets, such as supply chain technologies not always supported through direct investment.

(d) NON-FEDERAL FUNDING REQUIREMENTS FOR CERTAIN INVESTMENTS.—In the case of an eligible investment made through a direct loan, not less than 80 percent of the total capital

provided for the specific technology to be funded by the investment shall be derived from non-Federal sources as of the time of the investment.

(e) PILOT PROGRAM ON CAPITAL ASSISTANCE TO SUPPORT DEFENSE INVESTMENT IN THE INDUSTRIAL BASE.—

(1) To the extent and in such amounts as specifically provided in advance in appropriations Acts for the purposes detailed in this subsection, the Secretary of Defense, acting through the Director, may carry out a pilot program under this subsection to provide capital assistance to eligible entities for eligible investments to develop technologies that support the duties and elements of the Office and meet the needs of the Department of Defense.

(2)(A) An eligible entity seeking capital assistance for an eligible investment under this subsection shall submit to the Director an application at such time, in such manner, and containing such information as the Director may require. ‘

(B) The Director shall establish criteria for selecting among eligible investments for which applications are submitted under subparagraph (A). The criteria shall include—

(i) the extent to which an investment supports the national security or economic interests of the United States;

(ii) the likelihood that capital assistance provided for an investment would enable the investment to proceed sooner than the investment would otherwise be able to proceed; and

(iii) the creditworthiness of an investment.

(3)(A)(i) To the extent and in such amounts as specifically provided in advance in appropriations Acts for the purposes detailed in this subsection, the Director may provide loans or loan guarantees to finance or refinance the costs of an eligible investment selected pursuant to paragraph (2)(B).

(ii)(I)(aa) Except as provided under item (bb), the interest rate on a loan provided under clause (i) shall be not less than the yield on marketable United States Treasury securities of a similar maturity to the maturity of the loan on the date of execution of the loan agreement.

(bb) The Director may waive the requirement under item (aa) with respect to an investment if the investment is determined by the Secretary of Defense to be vital to the national security of the United States.

(cc) The Director shall establish separate and distinct criteria for interest rates for loan guarantees with private sector lending institutions.

(II) The final maturity date of a loan provided under clause (i) shall be not later than 50 years after the date on which the loan was provided.

(III) A loan provided under clause (i) may be paid earlier than is provided for under the loan agreement without a penalty.

(IV)(aa) A loan provided under clause (i) shall not be subordinated to the claims of any holder of investment obligations in the event of bankruptcy, insolvency, or liquidation of the obligor.

(bb) The Director may waive the requirement under item (aa) with respect to the investment in order to mitigate risks to loan repayment.

(V) The Director may sell to another entity or reoffer into the capital markets a loan provided under clause (i) if the Director determines that the sale or reoffering can be made on favorable terms.

(VI) Any loan guarantee provided under clause (i) shall specify the percentage of the principal amount guaranteed. If the ~~Secretary~~ **Director** determines that the obligor of a loan guaranteed by the Department of Defense defaults on the loan, the Director shall pay the holder, or such other party, as specified in the loan guarantee agreement.

(VII) The Director shall establish a credit rating system to ensure a reasonable assurance of repayment. The system may include use of existing credit rating agencies where appropriate.

(VIII) Loans and loan guarantees provided under clause (i) shall be subject to such other terms and conditions and contain such other covenants, representations, warranties, and requirements (including requirements for audits) as the Secretary determines appropriate.

(IX) Loans and loan guarantees provided under clause (i) shall be subject to the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(B) Subject to appropriations Acts, the Director may provide technical assistance with respect to developing and financing investments to eligible entities seeking capital assistance for eligible investments and eligible entities receiving capital assistance under this subsection.

(C)(i) To the extent and in such amounts as specifically provided in advance in appropriations Acts for the purposes detailed in this subsection, the Director shall provide to an eligible investment selected pursuant to paragraph (2)(B) the amount of capital assistance necessary to carry out the investment.

(ii) All financial transactions conducted under this subsection shall be conducted in United States dollars.

(4) The requirements of subsection (d) shall apply to eligible investments under this subsection.

(5)(A)(i) There is established in the Treasury of the United States a Department of Defense Credit Program Account to make and guarantee loans under this subsection in accordance with section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(ii) The Credit Program Account shall consist of amounts appropriated pursuant to the authorization of appropriations.

(B) To the extent and in such amounts as specifically provided in advance in appropriations Acts for the purposes detailed in this subsection, the Director is authorized to pay, from amounts in the Department of Defense Credit Program Account—

(i) the cost, as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a), of loans and loan guarantees and other capital assistance;

(ii) administrative expenses associated with activities under this subsection;

(iii) project-specific transaction costs; and

(iv) the cost of providing support authorized by this subsection.

(6) The Secretary of Defense may prescribe such regulations as the Secretary determines to be appropriate to carry out this subsection.

(7) Not later than the first Monday in February of a fiscal year, the Secretary of Defense shall submit to the congressional defense committees an annual report describing activities carried out pursuant to this subsection in the preceding fiscal year and the goals of the Department of Defense in accordance with this subsection for the next fiscal year.

(8) The Secretary of Defense shall notify the congressional defense committees not later than 30 days after a use of loans, loan guarantees, or technical assistance under this subsection.

(9)(A) The authority of the Director to make new loans and provide new loan guarantees under subparagraph (A)(i) of paragraph (3) shall expire on October 1, 2028. Any loans or loan guarantees provided under such subparagraph that are outstanding as of such date shall continue to be subject to the terms, conditions, and other requirements of this subsection.

(B) The authority of the Director to provide technical assistance to eligible entities under subparagraph (B) of paragraph (3) shall expire on October 1, 2028.

(f) FEES.—

(1) The Director may charge fees for services associated with administering the programs under this section and may set those fees at a level that will ensure recovery of the full costs of such administration. Amounts received from fees charged under the preceding sentence for project-specific transaction costs and other direct costs shall be credited to the Credit Program Account established under subsection (e)(5) and shall remain available until expended.

(2)(A) Except as provided in subparagraph (B), the authority under paragraph (1) to charge fees shall expire on the date specified in subsection (e)(9) for the expiration of the authority of the Director to make new loans and provide new loan guarantees under subsection (e).

(B) With respect to loan and loan guarantee assets under this section that are outstanding as of the expiration date under subparagraph (A), the authority of the Director to charge and collect fees and cost-reimbursements in servicing, monitoring, and protecting such assets shall remain in effect and shall continue for the life of those assets.

(g) ACCEPTING SERVICES – The Director may accept and use payment for services such as legal, financial, technical or professional services provided to the Office associated with administering programs under this section.

(h) EXCLUSION FROM DISCLOSURE REQUIREMENTS .—No provision of law, including section 552 of title 5, may be construed to require the disclosure of information received from parties outside the Government in connection with the programs authorized by this section.

(i) PRESUMPTION OF COMPLIANCE.—Each loan or guarantee contract executed by the Director shall be conclusively presumed to be issued in compliance with the section (d).

(j) DIRECTOR AUTHORITY IN CASE OF BANKRUPTCY OR DEFAULT.—The Director may exercise any priority of the United States in collecting debts from bankrupt, insolvent, or decedents' estates.

(k) WORKOUT AUTHORITIES IN CASES OF DEFAULT .—In connection with the collection or compromise of any obligation held by or assigned to the Office, or to the Department of Defense, or any component of the Department of Defense, on behalf of the Office, the Director—

(1) may acquire, hold, or dispose of, any real, personal, or mixed, tangible or intangible property, or any rights or interests in such property, upon such terms and conditions as the Director may determine;

(2) notwithstanding sections 3711(a)(2), (d)(2) and (g)(1) of title 31, or of any successor legislation or related regulation, may collect the obligation and may compromise, such obligation, including any legal or equitable rights accruing to the Office; and

(3) may accept cash gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, for the purpose of covering the costs of technical experts, including counsel, the Office incurs in underwriting, processing, extending, and monitoring direct and guaranteed loans.

~~(l)~~ (*l*) DEFINITIONS.—In this section:

(1) The term "capital assistance" means a loan, loan guarantee, or technical assistance.

(2) The term "covered technology category" means the following:

(A) Advanced bulk materials.
(B) Advanced manufacturing.
(C) Autonomous mobile robots.
(D) Battery storage.
(E) Biochemicals.
(F) Bioenergetics.
(G) Biomass.
(H) Cybersecurity.
(I) Data fabric.
(J) Decision science.
(K) Edge computing.
(L) External communication.
(M) Hydrogen generation and storage.
(N) Mesh networks.
(O) Microelectronics assembly, testing, or packaging.
(P) Microelectronics design and development.
(Q) Microelectronics fabrication.
(R) Microelectronics manufacturing equipment.
(S) Microelectronics materials.
(T) Nanomaterials and metamaterials.
(U) Open RAN.
(V) Optical communications.
(W) Sensor hardware.
(X) Solar.
(Y) Space launch.
(Z) Spacecraft.
(AA) Space-enabled services and equipment.
(BB) Synthetic biology.
(CC) Quantum computing.
(DD) Quantum security.

(EE) Quantum sensing.
(FF) Strategic maritime infrastructure.
(GG) Critical minerals and materials.

(3) The term "eligible entity" means—
(A) an individual;
(B) a corporation;
(C) a partnership, which may include a public-private partnership, limited partnership, or general partnership;
(D) a joint venture;
(E) a trust;
(F) a State, including a political subdivision or any other instrumentality of a State;
(G) a Tribal government or consortium of Tribal governments;
(H) any other governmental entity or public agency in the United States, including a special purpose district or public authority, including a port authority;
(I) a multi-State or multi-jurisdictional group of public entities; or
(J) a strategic alliance among two or more entities described in subparagraphs (A) through (I).

(4) The term "eligible investment" means an investment, in the form of capital assistance provided to an eligible entity, for a technology that—
(A) is in a covered technology category; and
(B) is not a technology that solely has defense applications.

(5) The term "obligor" means a party that is primarily liable for payment of the principal or interest on a loan.'

SEC. ___. CONSOLIDATION OF REPORTING REQUIREMENTS APPLICABLE TO ALL-DOMAIN ANOMALY RESOLUTION OFFICE.

(a) CONSOLIDATION.—Section 413 of the Intelligence Authorization Act for Fiscal Year 2022 (division X of Public Law 117-103; 50 U.S.C. 3373a) is amended—

(1) in subsection (a), by striking "makes such data" and all that follows through the period and inserting "make such data available immediately, in a manner that protects intelligence sources and methods, to the All-domain Anomaly Resolution Office established by the Secretary of Defense in accordance with section 1683 of the National Defense Authorization Act for Fiscal Year 2022 (50 U.S.C. 3373).";

(2) by striking "(a) AVAILABILITY OF DATA ON UNIDENTIFIED AERIAL PHENOMENA.—"; and

(3) by striking subsections (b) and (c).

(b) SECTION HEADING.—The heading of such section is amended by striking "**UNIDENTIFIED AERIAL PHENOMENA TASK FORCE"** and inserting **"ALL-DOMAIN ANOMALY RESOLUTION OFFICE**".

[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 seeks to improve efficiency by consolidating reporting requirements for the All-domain Anomaly Resolution Office (AARO). This proposal would modify 50 U.S.C. 3373a to (1) make conforming edits to reflect that AARO has succeeded the Unidentified Aerial Phenomenon Task Force, and to (2) rescind the requirement for quarterly reports, and (3) subsection (c)(1), the definition of "appropriate congressional committees." The reporting requirement within Sec. 3373a duplicates existing reporting requirements and supplemental briefings required by 50 U.S.C. 3373(l)(1), the definition of "appropriate congressional committees" is duplicative of the definition in 50 U.S.C. 3373.

This amendment would not alter the current requirements for AARO's annual reports and semiannual briefings to Congress established in 50 U.S.C. 3373. The proposal would eliminate a quarterly briefing requirement that is nearly entirely fulfilled by the annual and semiannual obligations AARO fulfills.

Preparing quarterly reports impacts AARO's ability to focus on its mission areas; namely, the analysis and resolution of UAP reported to the office. By consolidating the current quarterly requirement into its annual report, AARO will be better positioned to offer comprehensive and high-quality updates to Congress. The change would preserve the requirement to provide regular updates to Congress while reducing the Department's reporting burden.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2026 President's Budget.

Changes to Existing Law: This proposal would amend section 413 of the Intelligence Authorization Act for Fiscal Year 2022 (division X of Public Law 117-103; 50 U.S.C. 3373a) as follows:

SEC. 413. SUPPORT FOR AND OVERSIGHT OF ~~UNIDENTIFIED AERIAL PHENOMENA TASK FORCE~~ ALL-DOMAIN ANOMALY RESOLUTION OFFICE.

~~(a) AVAILABILITY OF DATA ON UNIDENTIFIED AERIAL PHENOMENA.—~~The Director of National Intelligence and the Secretary of Defense shall jointly require that each element of the intelligence community and component of the Department of Defense with data relating to unidentified aerial phenomena ~~makes~~ make such data available immediately, in a manner that protects intelligence sources and methods, to the ~~Unidentified Aerial Phenomena Task Force, or successor entity, and to the National Air and Space Intelligence Center~~ All-domain Anomaly Resolution Office established by the Secretary of Defense in accordance with section 1683 of the National Defense Authorization Act for Fiscal Year 2022 (50 U.S.C. 3373).

~~(b) QUARTERLY REPORTS.—~~

~~(1) IN GENERAL.—Not later than 90 days after March 15, 2022, and not less frequently than quarterly annually thereafter, the Unidentified Aerial Phenomena Task Force, or successor entity, consistent with the protection of intelligence sources and methods, shall submit to the appropriate congressional committees a report on the findings of the Unidentified Aerial Phenomena Task Force, or successor entity.~~

~~(2) CONTENTS.—Each report submitted under paragraph (1) shall include, at a minimum, the following:~~

~~(A) All reported unidentified aerial phenomena-related events that occurred during the period covered by the report.~~

~~(B) All reported unidentified aerial phenomena-related events that occurred during a period other than the period covered by the report but were not included in an earlier report.~~

~~(3) FORM.—Each report submitted under paragraph (1) shall be submitted in classified form.~~

~~(c) DEFINITIONS.—In this section:~~

~~(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the following:~~

~~(A) The congressional intelligence committees.~~

~~(B) The Committees on Armed Services of the House of Representatives and the Senate.~~

~~(2) UNIDENTIFIED AERIAL PHENOMENA TASK FORCE.—The term "Unidentified Aerial Phenomena Task Force" means the task force established by the Department of Defense on August 4, 2020, to be led by the Department of the Navy, under the Office of the Under Secretary of Defense for Intelligence and Security.~~

SEC. ___. COUNTER-TERRORISM SUPPORT.

(a) MODIFICATION OF AUTHORITY FOR GOVERNMENTS OF LEBANON AND EGYPT .—Subsection (a)(1) of section 1226 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114– 92; 22 U.S.C. 2151 note) is amended—

(1) in subparagraph (B), by striking "with Syria" and inserting "with any other country"; and

(2) in subparagraph (C), by striking "with Libya" and inserting "with any other country".

(b) SUPPORT TO GOVERNMENT OF LEBANON.—Subsection (c)(2) of such section is amended by adding at the end the following new sentence: "Such support may be used only to promote the ability of the armed forces of Lebanon to counter the threat posed by Lebanese Hezbollah, Hamas, ISIS, and any other terrorist organization that threaten the security of Lebanon and its neighbors.".

(c) EXTENSION OF AUTHORITY.—Subsection (h) of such section is amended by striking "December 31, 2025" and inserting "December 31, 2026".

Section-by-Section Analysis

This proposal would amend section 1226 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114– 92; 22 U.S. Code 2151 note) which authorizes Department of Defense support, on a reimbursable basis, to certain governments for border security operations.

Subsection (a) of the proposal would revise the existing authority for the provision of such support to Lebanon and Egypt, currently limited to support for increased border security along certain of their borders only. The proposal (1) would remove the restriction for support to Lebanon's border with Syria so the authority would be applicable to all of Lebanon's borders, and (2) would remove the restriction for support to Egypt's border with Libya so the authority would be applicable to all of Egypt's borders.

Subsection (b) of the proposal specify that the purpose of providing assistance to Lebanon is to promote the Lebanese Armed Forces ability to interdict illicit transfers to terrorist organizations.

Subsection (c) of the proposal would extend the authority under section 1226 to provide support to the governments of Jordan, Lebanon, Egypt, Tunisia, Oman, Pakistan, Tajikistan, Uzbekistan, and Turkmenistan from December 31, 2025, to December 31, 2026.

Resource Information: The resources impacted by this proposal are reflected in the table below and are included within the Fiscal Year (FY) 2026 President's Budget.

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)**
Border Security	$192.3					Operation and Maintenance, Defense-wide	04	4GTD	
Total	$192.3								

Changes to Existing Law: This proposal would amend section 1226 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114– 92; 22 U.S. Code 2151) as follows:

SEC. 1226. SUPPORT TO CERTAIN GOVERNMENTS FOR BORDER SECURITY OPERATIONS.

(a) AUTHORITY TO PROVIDE SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense, with the concurrence of the Secretary of State, is authorized to provide support on a reimbursement basis as follows:

(A) To the Government of Jordan for purposes of supporting and enhancing efforts of the armed forces of Jordan to increase security and sustain increased security along the border of Jordan with Syria and Iraq.

(B) To the Government of Lebanon for purposes of supporting and enhancing efforts of the armed forces of Lebanon to increase security and sustain increased security along the border of Lebanon with ~~Syria~~ **any other country**.

(C) To the Government of Egypt for purposes of supporting and enhancing efforts of the armed forces of Egypt to increase security and sustain increased security along the border of Egypt with ~~Libya~~ **any other country**.

(D) To the Government of Tunisia for purposes of supporting and enhancing efforts of the armed forces of Tunisia to increase security and sustain increased security along the border of Tunisia with Libya.

(E) To the Government of Oman for purposes of supporting and enhancing efforts of the armed forces of Oman to increase security and sustain increased security along the border of Oman with Yemen.

(F) To the Government of Pakistan for purposes of supporting and enhancing efforts of the armed forces of Pakistan to increase security and sustain increased security along the border of Pakistan with Afghanistan.

(G) To the Government of Tajikistan for purposes of supporting and enhancing efforts of the armed forces of Tajikistan to increase security and sustain increased security along the border of Tajikistan and Afghanistan.

(H) To the Government of Uzbekistan for purposes of supporting and enhancing efforts of the armed forces of Uzbekistan to increase security and sustain increased security along the border of Uzbekistan and Afghanistan.

(I) To the Government of Turkmenistan for purposes of supporting and enhancing efforts of the armed forces of Turkmenistan to increase security and sustain increased security along the border of Turkmenistan and Afghanistan.

(2) FREQUENCY.—Support may be provided under this subsection on a quarterly basis.

(b) FUNDS AVAILABLE FOR SUPPORT.—Amounts to provide support under the authority of subsection (a) may be derived only from amounts authorized to be appropriated and available for operation and maintenance, Defense-wide.

(c) LIMITATIONS.—

(1) LIMITATION ON AMOUNT.—The total amount of support provided under the authority of subsection (a) may not exceed $150,000,000 for any country specified in subsection (a) in any fiscal year.

(2) SUPPORT TO THE GOVERNMENT OF LEBANON.—Support provided under the authority of subsection (a) to the Government of Lebanon may be used only for the armed forces of Lebanon, and may not be used for or to reimburse Hezbollah or any forces other than the armed forces of Lebanon. **Such support may be used only to promote the ability of the armed forces of Lebanon to counter the threat posed by Lebanese Hezbollah, Hamas, ISIS, and any other terrorist organization that threatens the security of Lebanon and its neighbors.**

(3) PROHIBITION ON CONTRACTUAL OBLIGATIONS.—The Secretary of Defense may not enter into any contractual obligation to provide support under the authority of subsection (a).

(4) DETERMINATION REQUIRED.—The Secretary of Defense may not provide support to a country specified in subsection (a) if the Secretary determines that the government of such country fails to increase security and sustain increased security along the border of the country as specified in subsection (a)(1).

(d) NOTICE AND CERTIFICATION BEFORE EXERCISE.—Not later than 15 days before providing support under the authority of subsection (a) to a country that has not previously received such support, the Secretary of Defense, in consultation with the Secretary of State, shall submit to the specified congressional committees a report that—

(1) sets forth a full description of the support to be provided, including—

(A) the purpose of such support;

(B) the amount of support to be provided; and

(C) the anticipated duration of the provision of such support; and

(2) includes a certification that—

(A) the recipient country has taken demonstrable steps to increase security along the border specified for such country in subsection (a); and

(B) the provision of such support is in the interest of United States national security.

(e) LIMITATION ON REIMBURSEMENT OF PAKISTAN PENDING CERTIFICATION.—No amount of reimbursement support under subsection (a)(1)(F) is authorized to be disbursed to the Government of Pakistan unless the Secretary of Defense certifies to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] that the following conditions are met:

(1) The military and security operations of Pakistan pertaining to border security and ancillary activities for which reimbursement is sought have been coordinated with United States military representatives in advance of the execution of such operations and activities.

(2) The goals and desired outcomes of each such operation or activity have been established and agreed upon in advance by the United States and Pakistan.

(3) A process exists to verify the achievement of the goals and desired outcomes established in accordance with paragraph (2).

(f) QUARTERLY REPORTS.—Not later than 30 days after the end of each fiscal quarter, the Secretary of Defense shall submit to the specified congressional committees a report on reimbursements pursuant to subsection (a) during the preceding fiscal quarter that includes—

(1) an identification of each country reimbursed;

(2) the date of each reimbursement;

(3) a description of any partner nation border security efforts for which reimbursement was provided;

(4) an assessment of the value of partner nation border security efforts for which reimbursement was provided;

(5) the total amounts of reimbursement provided to each partner nation in the preceding four fiscal quarters; and

(6) such other matters as the Secretary considers appropriate.

(g) SPECIFIED CONGRESSIONAL COMMITTEES.—In the section, the term "specified congressional committees" means—

(1) the congressional defense committees; and

(2) the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

(h) EXPIRATION OF AUTHORITY.—No support may be provided under the authority of subsection (a) after December 31, ~~2025~~ **2026**.

SEC. ___. EXTENSION OF AUTHORITY FOR REIMBURSEMENT OF CERTAIN COALITION NATIONS FOR SUPPORT PROVIDED TO UNITED STATES MILITARY OPERATIONS.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 1233 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 393) is amended in the matter preceding paragraph (1) by striking "beginning on October 1, 2024, and ending on December 31, 2025" and inserting "beginning on October 1, 2025, and ending on December 31, 2026".

(b) EXTENSION OF LIMITATION ON AMOUNT.—Subsection (d)(1) of such section is amended by striking "beginning on October 1, 2024, and ending on December 31, 2025" and inserting "beginning on October 1, 2025, and ending on December 31, 2026".

[Note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text above would amend existing law.]

Section-by-Section Analysis

This proposal would extend through December 31, 2026, the current authority to use funds made available for the Department of Defense for operation and maintenance, Defense-wide activities: (1) to reimburse any key cooperating nation (other than Pakistan) for certain support provided by that nation to U.S. military operations in Afghanistan, Iraq, or Syria; and (2) to provide certain assistance to any key cooperating nation supporting United States military operations in Afghanistan, Iraq, or Syria, subject to the conditions and limitations in the statute.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2026 President's Budget. No resources have been budgeted for this authority for FY 2026; however, the Department would like to extend the Secretary's authority for potential reimbursement via reprogrammed funds at a later date.

Changes to Existing Law: This proposal would make the following changes to section 1233 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 393):

SEC. 1233. REIMBURSEMENT OF CERTAIN COALITION NATIONS FOR SUPPORT PROVIDED TO UNITED STATES MILITARY OPERATIONS.

(a) AUTHORITY.—From funds made available for the Department of Defense for the period beginning on October 1, ~~2024~~ 2025, and ending on December 31, ~~2025~~ 2026, for operation and maintenance, Defense-wide activities, the Secretary of Defense may reimburse any key cooperating nation (other than Pakistan) for—

(1) logistical and military support provided by that nation to or in connection with United States military operations in Afghanistan, Iraq, or Syria; and

(2) logistical, military, and other support, including access, provided by that nation to or in connection with United States military operations described in paragraph (1).

(b) OTHER SUPPORT.—Using funds described in subsection (a)(2), the Secretary of Defense may also assist any key cooperating nation supporting United States military operations in Afghanistan, Iraq, or Syria through the following:

(1) The provision of specialized training to personnel of that nation in connection with such operations, including training of such personnel before deployment in connection with such operations.

(2) The procurement and provision of supplies to that nation in connection with such operations.

(3) The procurement of specialized equipment and the loaning of such specialized equipment to that nation on a non-reimbursable basis in connection with such operations.

(c) AMOUNTS OF REIMBURSEMENT.—

(1) IN GENERAL.—Reimbursement authorized by subsection (a) may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State and in consultation with the Director of the Office of Management and Budget, may determine, based on documentation determined by the Secretary of Defense to adequately account for the support provided.

(2) SUPPORT.—Support authorized by subsection (b) may be provided in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State and in consultation with the Director of the Office of Management and Budget, considers appropriate.

(d) LIMITATIONS.—

(1) LIMITATION ON AMOUNT.— The aggregate amount of reimbursements made under subsection (a) and support provided under subsection (b) during the period beginning on October 1, ~~2024~~ 2025, and ending on December 31, ~~2025~~ 2026, may not exceed $75,000,000.

(2) PROHIBITION ON CONTRACTUAL OBLIGATIONS TO MAKE PAYMENTS.—The Secretary of Defense may not enter into any contractual obligation to make a reimbursement under the authority in subsection (a).

(e) NOTICE TO CONGRESS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of Defense shall notify the appropriate congressional committees not later than 15 days before making any reimbursement under the authority in subsection (a) or providing any support under the authority in subsection (b).

(2) EXCEPTION.—The requirement to provide notice under paragraph (1) shall not apply with respect to a reimbursement for access based on an international agreement.

(f) QUARTERLY REPORTS.—The Secretary of Defense shall submit to the appropriate congressional committees on a quarterly basis a report on any reimbursements made under the authority in subsection (a), and any support provided under the authority in subsection (b), during such quarter.

(g) DEFINITION.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

(2) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

SEC. ___. IMPROVED IMPLEMENTATION OF FINANCIAL RELIEF FOR AMERICAN CIVILIANS TREATED IN MILITARY MEDICAL TREATMENT FACILITIES.

(a) AUTHORITY FOR ADMINISTRATION BY OTHER FEDERAL AGENCIES.—Subsection (c) of section 1079b of title 10, United States Code, is amended by striking paragraph (4).

(b) AUTHORITY TO FOREGO BILLING CERTAIN PATIENTS.—Such section is further amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) AUTHORITY TO FOREGO BILLING CERTAIN PATIENTS.—The Secretary of Defense may determine not to charge a civilian who is a citizen of the United States and is not a covered beneficiary (or the civilian's insurer) fees representing the costs, as determined by the Secretary, of trauma and other medical care provided to such civilian before October 25, 2019. Such a determination may be made on a case-by-case basis or on a class-wide basis.".

[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 aims to strengthen the medical debt relief procedures contained in section 1079b of title 10, United States Code. The proposal includes two key provisions:

- **Preventing Surprise Billing**: This proposal would address the unintended consequence of patients receiving unexpected medical bills years after treatment due to the transition of Military Treatment Facilities (MTFs) to the Defense Health Agency (DHA) in October 2019. At that time, some MTFs lacked the staffing to generate timely bills. Billing patients now, years later, is impractical and potentially harmful. For insured patients, insurance claim filing deadlines have long passed. For uninsured patients, these delayed bills could create significant financial hardship. Granting the Secretary authority to waive these bills would prevent unfair financial burdens and align with the spirit of

patient protection. Furthermore, the current statute's relief provisions are inapplicable as the care predates the June 21, 2023, effective date.

- **Allows Administration by Other Federal Agencies**: DHA has a crucial, long-standing partnership with the Department of the Treasury's Centralized Receivables Service to manage civilian debts. Section 1079b would inadvertently prohibit this essential collaboration. This partnership is vital for DHA's effective implementation of the statute and ensures efficient management of civilian medical debts. Maintaining this established relationship is critical for successful execution of the billing process.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2026 President's Budget.

Changes to Existing Law: This proposal would amend section 1079b of title 10, United States Code, as follows:

Title 10, United States Code

§ 1079b. Procedures for charging fees for care provided to civilians; retention and use of fees collected

(a) REQUIREMENT TO IMPLEMENT PROCEDURES.—The Secretary of Defense shall implement procedures under which a military medical treatment facility may charge civilians who are not covered beneficiaries (or their insurers) fees representing the costs, as determined by the Secretary, of trauma and other medical care provided to such civilians.

(b) WAIVER OF FEES.—The Director of the Defense Health Agency may issue a waiver for a fee that would otherwise be charged under the procedures implemented under subsection (a) to a civilian provided medical care who is not a covered beneficiary if the provision of such care enhances the knowledge, skills, and abilities of health care providers, as determined by the Director of the Defense Health Agency.

(c) MODIFIED PAYMENT PLAN FOR CERTAIN CIVILIANS.—(1)(A) If a civilian specified in subsection (a) is covered by a covered payer at the time care under this section is provided, the civilian shall only be responsible to pay the standard copays, coinsurance, deductibles, or nominal fees that are otherwise applicable under the covered payer plan. (B) Except with respect to the copays, coinsurance, deductibles, and nominal fees specified in subparagraph (A)—

(i) the Secretary of Defense may bill only the covered payer for care provided to a civilian described in subparagraph (A); and

(ii) payment received by the Secretary from the covered payer of a civilian for care provided under this section that is provided to the civilian shall be considered payment in full for such care.

(2) If a civilian specified in subsection (a) does not meet the criteria under paragraph (1), is underinsured, or has a remaining balance and is at risk of financial harm, the Director of the Defense Health Agency shall reduce each fee that would otherwise be charged to the civilian

under this section according to a sliding fee discount program, as prescribed by the Director of the Defense Health Agency.

(3) If a civilian specified in subsection (a) does not meet the criteria under paragraph (1) or (2), the Director of the Defense Health Agency shall implement an additional catastrophic waiver to prevent severe financial harm.

~~(4) The modified payment plan under this subsection may not be administered by a Federal agency other than the Department of Defense.~~

(d) AUTHORITY TO FOREGO BILLING CERTAIN PATIENTS.—The Secretary of Defense may determine not to charge a civilian who is a citizen of the United States and is not a covered beneficiary (or the civilian's insurer) fees representing the costs, as determined by the Secretary, of trauma and other medical care provided to such civilian before October 25, 2019. Such a determination may be made on a case-by-case basis or on a class-wide basis.

~~(d)~~(e) USE OF FEES COLLECTED.-A military medical treatment facility may retain and use the amounts collected under subsection (a) for—

(1) trauma consortium activities;

(2) administrative, operating, and equipment costs; and

(3) readiness training.

~~(e)~~(f) DEFINITIONS.—In this section:

(1) The term "covered payer" means a third-party payer or other insurance, medical service, or health plan.

(2) The terms "third-party payer" and "insurance, medical service, or health plan" have the meaning given those terms in section 1095(h) of this title.

SEC. ___. ONE-YEAR EXTENSION OF CERTAIN EXPIRING BONUS AND SPECIAL PAY AUTHORITIES.

(a) AUTHORITIES RELATING TO RESERVE FORCES.—Section 910(g) of title 37, United States Code, relating to income replacement payments for reserve component members experiencing extended and frequent mobilization for active duty service, is amended by striking "December 31, 2025" and inserting "December 31, 2026".

(b) TITLE 10 AUTHORITIES RELATING TO HEALTH CARE PROFESSIONALS.—The following sections of title 10, United States Code, are amended by striking "December 31, 2025" and inserting "December 31, 2026":

(1) Section 2130a(a)(1), relating to nurse officer candidate accession program.

(2) Section 16302(d), relating to repayment of education loans for certain health professionals who serve in the Selected Reserve.

(c) AUTHORITIES RELATING TO NUCLEAR OFFICERS.—Section 333(i) of title 37, United States Code, is amended by striking "December 31, 2025" and inserting "December 31, 2026".

(d) AUTHORITIES RELATING TO TITLE 37 CONSOLIDATED SPECIAL PAY, INCENTIVE PAY, AND BONUS AUTHORITIES.—The following sections of title 37, United States Code, are amended by striking "December 31, 2025" and inserting "December 31, 2026":

(1) Section 331(h), relating to general bonus authority for enlisted members.

(2) Section 332(g), relating to general bonus authority for officers.

(3) Section 334(i), relating to special aviation incentive pay and bonus authorities for officers.

(4) Section 335(k), relating to special bonus and incentive pay authorities for officers in health professions.

(5) Section 336(g), relating to contracting bonus for cadets and midshipmen enrolled in the Senior Reserve Officers' Training Corps.

(6) Section 351(h), relating to hazardous duty pay.

(7) Section 352(g), relating to assignment pay or special duty pay.

(8) Section 353(i), relating to skill incentive pay or proficiency bonus.

(9) Section 355(h), relating to retention incentives for members qualified in critical military skills or assigned to high priority units.

(e) AUTHORITY TO PROVIDE TEMPORARY INCREASE IN RATES OF BASIC ALLOWANCE FOR HOUSING.—Section 403(b) of title 37, United States Code, is amended—

(1) in paragraph (7)(E), relating to an area covered by a major disaster declaration or containing an installation experiencing an influx of military personnel, by striking "December 31, 2025" and inserting "December 31, 2026"; and

(2) in paragraph (8)(C), relating to an area where actual housing costs differ from current rates by more than 20 percent, by striking "December 31, 2025" and inserting "December 31, 2026".

Section-by-Section Analysis

This proposal would extend certain expiring bonus and special pay authorities.

Subsection (a) of this proposal would extend income replacement payments for reserve component members experiencing extended and frequent mobilization for active duty service through December 31, 2026. The Department of Defense and Congress recognize the prudence of this incentive, which compensates an involuntarily mobilized Reserve Service member in an amount equal to the monthly income differential between the member's average monthly civilian income and the member's total monthly military compensation.

Subsection (b) of this proposal would extend two critical recruitment and retention incentive programs for Reserve component health care professionals through December 31, 2026. The Reserve components historically have found it challenging to meet the required manning in the health care professions. These incentives, which target nurse and critical health

care profession skills, are essential to meet required manning levels. The financial assistance and health professions loan repayment programs have proven to be powerful recruiting tools for attracting young health professionals trained in specialty areas that are critically short in the Selected Reserve. Extending these authorities is critical to the continued success of recruiting young, skilled health professionals into the Selected Reserve.

Subsection (c) of this proposal would extend accession and retention incentives for nuclear-qualified officers through December 31, 2026. These incentives enable the Navy to attract and retain the qualified personnel required to maintain the operational readiness and unparalleled safety record of the nuclear-powered submarines and aircraft carriers, which comprise over 40% of the Navy's major combatants. Due to extremely high training costs and regulatory requirements for experienced supervisors, these incentives provide the surest and most cost-effective means to maintain the required quantity and quality of these officers.

The nuclear officer bonus and nuclear officer incentive pay (NOIP) program is structured to provide career-long retention of officers in whom the Navy has made a considerable training investment and who have continually demonstrated superior technical and management ability. The scope of the program is limited to the number of officers required to fill critical nuclear supervisory billets, and eligibility is strictly limited to those officers who continue to meet competitive career milestones. The technical, leadership, and management expertise developed in the Naval Nuclear Propulsion Program (NNPP) is highly valued in the civilian workforce, which makes the retention of these officers a continuing challenge.

Subsection (d) of this proposal would extend through December 31, 2026, the consolidated special and incentive pay authorities added to subchapter II of chapter 5 of title 37, United States Code, by the National Defense Authorization Act for Fiscal Year 2008. Experience shows that retention of members in critical skills would be unacceptably low without these incentives, which in turn would generate substantially greater costs associated with recruiting and developing replacements. The Department of Defense and the Congress have long recognized the cost-effectiveness of financial incentives in supporting effective staffing in such critical military skills, assignments, and high priority units.

Subsection (e) of this proposal would extend through December 31, 2026, the Secretary of Defense authorities to prescribe a temporary increase in the rates of basic allowance for housing. Subsection (b)(7) of section 403 of title 37, United States Code, may apply if the military housing area or portion thereof is located in an area covered by a declaration by the President that a major disaster exists or contains one or more military installations that are experiencing a sudden increase in the number of members of the armed forces assigned to the installation. Subsection (b)(8) of such section may apply if the costs for rental housing increase more than 20 percent above the current basic allowance for housing rates.

EXTENSION AUTHORITIES FOR RESERVE FORCES:

Resource Information: This proposal has no significant impact on the use of resources requested within the Fiscal Year (FY) 2026 Budget Estimates. The authority is needed if and

when the military departments need to involuntarily mobilize reserve component members when a crisis develops.

EXTENSION OF TITLE 10 AUTHORITIES RELATING TO HEALTH CARE PROFESSIONALS:

Resource Information: The tables below reflect the best estimate of resources requested within the FY 2026 Budget Estimates request that are impacted by this proposal. This section will extend critical accession and retention incentive programs, which the military departments fund annually.

NUMBER OF PERSONNEL AFFECTED									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Army	0	0	0	0	0	Military Personnel, Army	01	40	
Army Res	648	648	648	648	648	Reserve Personnel, Army	01	120	
Army National Guard	286	286	286	286	286	National Guard Personnel, Army	01	90	
Navy	0	0	0	0	0	Military Personnel, Navy;	01	40	
Navy Res	176	176	176	176	176	Reserve Personnel, Navy	01	120	
Air Force	0	0	0	0	0	Military Personnel, Air Force	01	40	
AF Res	114	114	114	114	114	Reserve Personnel, Air Force	01	120	
Air National Guard	0	0	0	0	0	National Guard Personnel, Air Force	01	90	
Total	1,224	1,224	1,224	1,224	1,224				

RESOURCE REQUIREMENTS ($MILLIONS)									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Army	0	0	0	0	0	Military Personnel, Army	01	40	
Army Res	$13.4	$13.4	$13.4	$13.4	$13.4	Reserve Personnel, Army	01	120	
Army National Guard	$10.6	$10.6	$10.6	$10.6	$10.6	National Guard Personnel, Army	01	90	
Navy	0	0	0	0	0	Military Personnel, Navy;	01	40	
Navy Res	$3.1	$3.1	$3.1	$3.1	$3.1	Reserve Personnel, Navy	01	120	

Air Force	0	0	0	0	0	Military Personnel, Air Force	01	40	
AF Res	$3.1	$3.1	$3.1	$3.1	$3.1	Reserve Personnel, Air Force	01	120	
Air National Guard	0	0	0	0	0	National Guard Personnel, Air Force	01	90	
Total	$30.3	$30.3	$30.3	$30.3	$30.3				

Values reflect FY2026 estimate in the Services FY2026 Budget Estimate.

EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS:

Resource Information: The tables below reflect the best estimate of resources requested within the FY 2026 Budget Estimates request that are impacted by this proposal. This section will extend the critical accession and retention incentive programs the Navy funds each year. The Army and Air Force are not authorized in the statute to pay these bonuses.

NUMBER OF PERSONNEL AFFECTED									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Navy	4,179	4,179	4,179	4,179	4,179	Military Personnel, Navy	01, 03	40 (for 01); 90 (for 02); 110 (for 03)	
Navy Res	0	0	0	0	0	Reserve Personnel, Navy	01	90	
Total	4,179	4,179	4,179	4,179	4,179				

RESOURCE REQUIREMENTS ($MILLIONS)									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Navy	$103.6	$103.6	$103.6	$103.6	$103.6	Military Personnel, Navy	01, 03	40 (for 01); 90 (for 02); 110 (for 03)	
Navy Res	$0	$0	$0	$0	$0	Reserve Personnel, Navy	01	90	
Total	$103.6	$103.6	$103.6	$103.6	$103.6				

Values reflect FY2026 estimate in the Services FY2026 Budget Estimates.

EXTENSION OF AUTHORITIES RELATING TO CONSOLIDATED SPECIAL PAY, INCENTIVE PAY, AND BONUS AUTHORITIES.

Resource Information: The tables below reflect the best estimate of resources requested within the FY 2026 Budget Estimates request that are impacted by this proposal. This section will extend the consolidated special and incentive programs the military departments fund each year. These pays consist of enlisted and officer bonuses, aviation bonuses and incentives, non-physician health professions pays, hazardous duty pays, assignment and special duty pays, skill incentive pays, and critical skill retention bonuses. This section does not include the nuclear officer pays, which are located above.

NUMBER OF PERSONNEL AFFECTED									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Army	246,327	246,327	246,327	246,327	246,327	Military Personnel, Army	01, 02	35 & 40 (for 01), 85 & 90 (for 02)	
*ARNG	47,586	47,586	47,586	47,586	47,586	National Guard Personnel, Army	01	90	
*USAR	24,201	24,201	24,201	24,201	24,201	Reserve Personnel, Army	01	90	
Navy	361,924	361,924	361,924	361,924	361,924	Military Personnel, Navy	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*USNR	16,072	16,072	16,072	16,072	16,072	Reserve Personnel, Navy	01	90	
Marine Corps	46,047	46,047	46,047	46,047	46,047	Military Personnel, Marine Corps	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*USMCR	2,427	2,427	2,427	2,427	2,427	Reserve Personnel, Marine Corps	01	90	
Air Force	147,845	147,845	147,845	147,845	147,845	Military Personnel, Air Force	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*Air National Guard	19,913	19,913	19,913	19,913	19,913	National Guard Personnel, Air Force	01	120	
*AF Res	11,298	11,298	11,298	11,298	11,298	Reserve Personnel, Air Force	01	90	
Space Force	6,559	6,559	6,559	6,559	6,559	Military Personnel, Air Force	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*Total	930,199	930,199	930,199	930,199	930,199				

RESOURCE REQUIREMENTS ($ MILLIONS)									
Program	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**Appropriation To**	**Budget Activity**	**BLI/SAG**	**Program Element**
Army	$1,518.9	$1,518.9	$1,518.9	$1,518.9	$1,518.9	Military Personnel, Army	01, 02	35 & 40 (for 01), 85 & 90 (for 02)	
*ARNG	$306.8	$306.8	$306.8	$306.8	$306.8	National Guard Personnel, Army	01	90	
*USAR	$230.0	$230.0	$230.0	$230.0	$230.0	Reserve Personnel, Army	01	90	
Navy	$2,315.6	$2,315.6	$2,315.6	$2,315.6	$2,315.6	Military Personnel, Navy	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*USNR	$120.6	$120.6	$120.6	$120.6	$120.6	Reserve Personnel, Navy	01	90	
Marine Corps	$304	$304	$304	$304	$304	Military Personnel, Marine Corps	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*USMCR	$28.6	$28.6	$28.6	$28.6	$28.6	Reserve Personnel, Marine Corps	01	90	
Air Force	$1,373	$1,373	$1,373	$1,373	$1,373	Military Personnel, Air Force	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*Air National Guard	$204.6	$204.6	$204.6	$204.6	$204.6	National Guard Personnel, Air Force	01	90	
*AF Res	$105.7	$105.7	$105.7	$105.7	$105.7	Reserve Personnel, Air Force	01	120	
Space Force	$49.5	$49.5	$49.5	$49.5	$49.5	Military Personnel, Air Force	01, 02	35 & 40 (for 01); 85 & 90 (for 02)	
*Total	$6,557.4	$6,557.4	$6,557.4	$6,557.4	$6,557.4				

Values reflect FY2026 estimate in the Services FY2026 Budget Estimate.
*** These values do not include Reserve Component incentive pays because they are not reported in the Reserve Components FY2026 Budget Estimates.**

EXTENSION OF AUTHORITY TO PROVIDE TEMPORARY INCREASE IN RATES OF BASIC ALLOWANCE FOR HOUSING:

Resource information: This proposal has no significant impact on the use of resources requested within the FY 2026 Budget Estimates. However, the authority is required in cases of

disasters or for locations where rental housing costs increase more than 20 percent above the current basic allowance for housing rates. This section will extend the Secretary of Defense authorities to temporarily increase basic allowance for housing rates.

Changes to Existing Laws: This proposal would amend titles 10 and 37, United States Code, as follows:

TITLE 10, UNITED STATES CODE

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§ 2130a. Financial assistance: nurse officer candidates

(a) BONUS AUTHORIZED.—(1) A person described in subsection (b) who, during the period beginning on November 29, 1989, and ending on ~~December 31, 2025~~ December 31, 2026, executes a written agreement in accordance with subsection (c) to accept an appointment as a nurse officer may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus of not more than $40,000. The bonus shall be paid in periodic installments, as determined by the Secretary concerned at the time the agreement is accepted, except that the first installment may not exceed $20,000.

(2) In addition to the accession bonus payable under paragraph (1), a person selected under such paragraph shall be entitled to a monthly stipend in an amount not to exceed the stipend rate in effect under section 2121(d) of this title for each month the individual is enrolled as a full-time student in an accredited baccalaureate degree program in nursing at a civilian educational institution by the Secretary selecting the person. The continuation bonus may be paid for not more than 24 months.

*****

§ 16302. Education loan repayment program: health professions officers serving in Selected Reserve with wartime critical medical skill shortages

*****

(d) The authority provided in this section shall apply only in the case of a person first appointed as a commissioned officer before ~~December 31, 2025~~ December 31, 2026.

*****

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TITLE 37, UNITED STATES CODE

*****

§ 331. General bonus authority for enlisted members

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(h) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 332. General bonus authority for officers

*****

(g) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 333. Special bonus and incentive pay authorities for nuclear officers

*****

(i) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 334. Special aviation incentive pay and bonus authorities for officers

*****

(i) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 335. Special bonus and incentive pay authorities for officers in health professions

*****

(k) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 336. Contracting bonus for cadets and midshipmen enrolled in the Senior Reserve Officers' Training Corps

*****

(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after ~~December 31, 2025~~ December 31, 2026.

*****

§ 351. Hazardous duty pay

*****

(h) TERMINATION OF AUTHORITY.—No hazardous duty pay under this section may be paid after ~~December 31, 2025~~ December 31, 2026.

*****

§ 352. Assignment pay or special duty pay

*****

(g) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 353. Skill incentive pay or proficiency bonus

*****

(i) TERMINATION OF AUTHORITY.—No agreement may be entered into under this section after ~~December 31, 2025~~ December 31, 2026.

*****

§ 355. Special pay: retention incentives for members qualified in critical military skills or assigned to high priority units

*****

(h) TERMINATION OF BONUS AUTHORITY.—No bonus may be paid under this section with respect to any reenlistment, or voluntary extension of an enlistment, in the armed forces entered into after ~~December 31, 2025~~ December 31, 2026, and no agreement under this section may be entered into after that date.

*****

§ 403. Basic allowance for housing

*****

(b) BASIC ALLOWANCE FOR HOUSING INSIDE THE UNITED STATES.—(1) ***

*****

(7)(A) ***

*****

(E) An increase in the rates of basic allowance for housing for an area may not be prescribed under this paragraph or continue after ~~December 31, 2025~~ December 31, 2026.

*****

(8)(A) ***

*****

(C) This paragraph shall cease to be effective on ~~December 31, 2025~~ December 31, 2026.

*****

§ 910. Replacement of lost income: involuntarily mobilized reserve component members subject to extended and frequent active duty service

*****

(g) TERMINATION.—No payment shall be made to a member under this section for months beginning after ~~December 31, 2025~~ December 31, 2026, unless the entitlement of the member to payments under this section is commenced on or before that date.

*****

SEC. ___. PILOT PROGRAM TO EXPEDITE ENVIRONMENTAL, CULTURAL, AND HISTORIC PRESERVATION REVIEWS OF PRIORITY MILITARY PROJECTS AND PROGRAMS IN HAWAII, GUAM, AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) AGREEMENTS AUTHORIZED.—

(1) AGREEMENTS WITH FEDERAL AGENCIES.—(A) The Secretary of Defense or the Secretary of a military department may enter into an agreement with the National Marine Fisheries Service or the United States Fish and Wildlife Service for the purpose of expediting a review process under a law referred to in subparagraph (B) for a priority military project or program, as designated by the Secretary, to be carried out in the State of Hawaii, on Guam, or in the Commonwealth of the Northern Mariana Islands.

(B) The laws referred to in this subparagraph are the following:

(i) The Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

(ii) The Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

(iii) The Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

(iv) The Migratory Bird Treaty Act (16 U.S.C. 703 et seq.).

(2) AGREEMENTS WITH HAWAII AND TERRITORIAL REGULATORY AGENCIES.—The Secretary of Defense or the Secretary of a military department may enter into an agreement with a State of Hawaii or territorial regulatory agency for the purpose of expediting a State of Hawaii or territorial environmental review, consultation, approval process, or a review process under division A of subtitle III of title 54, United States Code (popularly referred to as the "National Historic Preservation Act") for a priority

military project or program, as designated by the Secretary, to be carried out in the State of Hawaii, on Guam, or in the Commonwealth of the Northern Mariana Islands.

(b) FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Under the terms and conditions of an agreement entered into under subsection (a)(1) or (a)(2), the Secretary of Defense or the Secretary of a military department may provide to a covered agency direct financial assistance for the payment of all or a portion of the estimated or actual eligible expenses of expediting a review process for the project or program concerned.

(2) AGREEMENT WITH STATE OF HAWAII AND TERRITORIAL REGULATORY AGENCIES.—Under the terms and conditions of an agreement entered into under subsection (a)(2), in addition to the direct financial assistance described in paragraph (1), the Secretary may provide to a State of Hawaii or territorial regulatory agency indirect financial assistance to technically assist the agency, including in connection with obtaining a decision required for the project or program concerned, through—

(A) the assignment of civilian, contractor, or military personnel; and

(B) contracts and cooperative agreements entered into with third parties.

(c) LIMITATION.—The Secretary of Defense or the Secretary of a military department may enter into an agreement with a covered agency under subsection (a)(1) or (a)(2) with respect to a project or program only if—

(1) the Secretary determines that it is in the interest of national defense to carry out a review process for the project or program within a particular period of time; and

(2) the head of the covered agency provides notice to the Secretary that the covered agency does not have sufficient funds or adequate personnel to carry out the review process within such period without the receipt of assistance under the agreement.

(d) SOURCE OF FUNDS.—The Secretary of Defense or the Secretary of a military department may use funds available for operation and maintenance to provide direct or indirect financial assistance pursuant to an agreement under this section.

(e) PROHIBITIONS.—Financial assistance provided to a State of Hawaii or territorial regulatory agency under subsection (b)(1) or (b)(2) may not be used to support permitting or approval processes or for an activity described in section 2701 of title 10, United States Code.

(f) DEFINITIONS.—In this section:

(1) COVERED AGENCY.—The term "covered agency" means the National Marine Fisheries Service, the United States Fish and Wildlife Service, and a State of Hawaii or territorial regulatory agency.

(2) ELIGIBLE EXPENSE.—The term "eligible expense", with respect to a review process, includes an expense for—

(A) support of or participation in military planning activities that precede the initiation of the review process;

(B) activities directly related to the review process, including any associated consultation process; and

(C) development of programmatic agreements.

(3) REVIEW PROCESS.—The term "review process" means the process of reviewing the potential environmental, cultural, or historic preservation impacts of a project or program to determine whether the project or program meets the requirements

of a law referred to in subsection (a)(1) or (a)(2), including requirements for consultations, planning, permits, and approvals.

(4) STATE OF HAWAII OR TERRITORIAL REGULATORY AGENCY.—The term "State of Hawaii or territorial regulatory agency" means an environmental regulatory agency, or a territory or State historic preservation office, that has jurisdiction in Hawaii, on Guam, or in the Commonwealth of the Northern Mariana Islands.

(g) SUNSET.—The authority under this section shall terminate on September 30, 2031.

[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 establish a pilot program to authorize the Secretary of Defense or the Secretary of a military department to enter into an agreement with the National Marine Fisheries Service (NMFS) or the United States Fish and Wildlife Service (USFWS) to expedite a review process under the Marine Mammal Protection Act of 1972, the Endangered Species Act of 1973, the Magnuson-Stevens Fishery Conservation and Management Act, or the Migratory Bird Treaty Act of for a priority military project or program to be carried out in Hawaii, on Guam, or in the Commonwealth of the Northern Mariana Islands (CNMI). In addition, this proposal would authorize the Secretary of Defense or the Secretary of a military department to enter into an agreement with a territorial regulatory agency to expedite a review process under the National Historic Preservation Act of 1966 for a priority military project or program to be carried out on Guam or in the CNMI. Delays associated with the completion of these reviews present an increasingly unreasonable risk that the military departments will be unable to conduct critical operational testing and training activities throughout the area of responsibility or carry out military construction projects on Guam and in the CNMI.

The proposal consists of the following provisions:

- Subsection (a)(1) authorizes the Secretary of Defense or the Secretary of a military department to enter into agreements with the National Marine Fisheries Service or the United States Fish and Wildlife Service to expedite reviews under the Marine Mammal Protection Act of 1972, the Endangered Species Act of 1973, the Magnuson-Stevens Fishery Conservation and Management Act, and the Migratory Bird Treaty Act for a project or program to be carried out by a military department in Hawaii, on Guam, or in the CNMI.
- Subsection (a)(2) authorizes the Secretary of Defense or the Secretary of a military department to enter into agreements with a State of Hawaii or territorial regulatory agency to expedite a review under division A of subtitle III of title 54 United States Code (commonly referred to as the National Historic Preservation

Act) for a project or program to be carried out by a military department in Hawaii, on Guam, or in the CNMI.

- Subsection (b)(1) authorizes payment of direct financial assistance to the National Marine Fisheries Service, the United States Fish and Wildlife Service, and a territorial regulatory agency for all or a portion of the estimated or actual costs of undertaking an expedited review for a project or program described in subsection (a)(1) or (a)(2).
- Subsection (b)(2) authorizes payment of indirect financial assistance to a State of Hawaii or territorial regulatory agency for a broader scope of technical assistance activities, including any required approvals, for a project or program described in subsection (a)(2) and specifies methods for providing the technical assistance.
- Subsection (d) authorizes the use of military operation and maintenance funds to pay for direct or indirect financial assistance provided under the pilot program.
- Subsection (e) prohibits a State of Hawaii or territorial regulatory agency from using direct financial assistance provided under the pilot program for an activity described in section 2701 of title 10, United States Code.
- Subsection (f) contains definitions for the terms used in the section.
- Subsection (h) terminates the pilot program on September 30, 2031.

Currently, the military departments do not have the authority to enter into agreements with the NMFS or the USFWS and do not have adequate authority with respect to territorial environmental enforcement agencies or historic preservations offices to ensure these agencies can meet a military department's requirements for completing an expedited environmental review, planning, consultation, permitting, and approval process within a specific period of time. These agencies are subject to significant constraints, including the review of competing non-Department of Defense (DoD) Federal agency actions, which often impact their ability to meet such requirements. These constraints have placed the military departments in the frequent position of having to prioritize their actions for the NMFS or the USFWS, often with adverse impacts to certain project or program schedules. This problem is particularly acute with respect to DoD priority posture projects and military readiness activities in Hawaii, on Guam, and in the CNMI, where the rapidly growing volume and scope of environmental reviews being required by DoD is already overwhelming agency review capacities. With respect to territorial regulatory agencies, the problem is even more acute, with territorial regulatory agencies often understaffed and unable to attract employees due to the volume of DoD work occurring in the area and the higher salary scales available on DoD projects.

This proposal, which is modeled off of the authority provided to the Secretary of Transportation under section 1312 of the Fixing America's Surface Transportation Act (FAST Act; Public Law 114–94), would authorize a military department to enter into an agreement with the NMFS, the USFWS, and territorial regulatory agencies to expedite a review process for a project or program undertaken by the military department. The total amount to be paid is limited to the amount determined by the head of the military department concerned to expedite the environmental review or other process. This proposal will allow the military departments to ensure that the NMFS, the USFWS, and territorial regulatory agencies have the ability to complete expedited historic and environmental reviews or other processes for projects or programs undertaken by the military departments in Hawaii, on Guam, or in the CNMI. This

proposal will prevent further regulatory delays to military projects and programs in those areas, where such delays are already impacting military mission. The authority provided by this proposal will allow the military departments to increase regulatory capacity to expedite reviews and prevent further adverse impacts to the national defense.

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)**
Army	1	1	1	1	1	Operation & Maintenance, Army	04	431	N/A
Navy	1	1	1	1	1	Operation & Maintenance, Navy	04	4A1M	N/A
Air Force	1	1	1	1	1	Operation & Maintenance, Air Force	04	042A	N/A
Total	3	3	3	3	3				

Changes to Existing Law: This proposal would not change the text of any existing provision of law.

SEC. ___. REPEAL OF PILOT PROGRAM AUTHORIZING OVERHEAD COST REIMBURSEMENTS FROM MAJOR RANGE AND TEST FACILITY BASE USERS AT CERTAIN DEPARTMENT OF THE AIR FORCE INSTALLATIONS.

Section 2862 of the National Defense Authorization Act for Fiscal Year 2022 (Public Law 117-81; 10 U.S.C. 9771 note prec.) is repealed.

[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 repeal section 2862 of the National Defense Authorization for Fiscal Year 2022, which allows Air Force test ranges to charge test program customers additional overhead costs for maintenance and facility upgrades in addition to the cost of the actual test event. This provision could motivate hypersonics programs to conduct fewer tests due to the additional charges allowed by the provision, on top of direct test costs. The Department should not deter critical systems from testing as much as necessary to advance the technology and demonstrate capabilities, by allowing overhead cost pass-through to test customers. This proposal removes the Air Force pilot program that exempts certain facilities from the proven Major Range and Test Facility Base (MRTFB) charge model, through which range upgrades and maintenance costs are planned and budgeted.

Congress originally created the Major Range and Test Facility Base (MRTFB) charge model in section 232 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2003 (Public Law 107-314) specifically to solve the challenge of inadequate testing due to programs being charged for many overhead and indirect costs, including maintenance of test facilities. The MRTFB charge model required the Military Services or the Office of the Secretary of Defense to cover all capital improvements and maintenance costs so that weapon development programs only had to pay the direct costs associated with each test event.

Section 2862 of the NDAA for FY 2022 (Public Law 117-81), as amended by section 2871 of the NDAA for FY 2024 (Public Law 118-31), allows Air Force installation commanders participating in the pilot program established by section 2862 to include the cost of maintenance in the fee schedule for users of the MRTFB.

The Department understands that increased demand for testing has resulted in a corresponding increase in maintenance costs and that Congress would like to provide additional mechanisms to address this challenge. The Test Resource Management Center has been working with the Air Force to appropriately budget for future maintenance needs based on projected use.

This approach allows the Military Services and Defense Agencies to accurately budget for and use limited testing resources with maximum efficacy.

Requiring the Military Service and Defense Agency customers to pay for a portion of the maintenance of the MRTFB facilities participating in the pilot program will either necessitate funding of their test budgets at a much higher level or, if these programs' budgets remain flat, dramatically reduce the number of tests the programs can conduct. Reduced testing will increase risk and delay the fielding of critical offensive and defensive capabilities, with impacts to hypersonics programs. To avoid that outcome, testing budgets that use pilot program facilities would have to be tripled to maintain current projections for test needs.

Resource Information: This proposal has no impact on the use of resources requested within the FY 2026 President's Budget.

Changes to Existing Law: This proposal would repeal section 2862 of the National Defense Authorization Act for Fiscal Year 2022 (Public Law 117-81; 10 U.S.C. 9771 note prec.) as follows:

~~**SEC. 2862. PILOT PROGRAM TO AUGMENT SUSTAINMENT WITH MAINTENANCE COST REIMBURSEMENTS FROM MAJOR RANGE AND TEST FACILITY BASE USERS AT INSTALLATIONS OF THE DEPARTMENT OF THE AIR FORCE.**~~

~~(a) PILOT PROGRAM REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Air Force shall establish a pilot program to authorize installations of the Department of the Air Force to establish a reimbursable account for the purpose of being reimbursed for the use of Major Range and Test Facility Base facilities on such installation.~~

~~(b) INSTALLATIONS SELECTED.—The Secretary of the Air Force shall select not more than two installations of the Department of the Air Force to participate in the pilot program from among any such installations that are part of the Air Force Flight Test Center construct, have Major Range and Test Facility Base facilities, and are currently funded for Facility, Sustainment, Restoration, and Modernization (FSRM) through the Research, Development, Test, and Evaluation account of the Department of the Air Force.~~

~~(c) OVERSIGHT OF FUNDS.—~~

~~(1) USE OF AMOUNTS.—The commander of an installation selected to participate in the pilot program may obligate or expend amounts reimbursed under the pilot program for projects at the installation.~~

~~(2) DESIGNATION OF MAINTENANCE COSTS.—~~

~~(A) IN GENERAL.—The commander of an installation selected to participate in the pilot program may designate the appropriate amount of maintenance cost reimbursements to be charged to users of Major Range and Test Facility Base facilities under the pilot program.~~

(B) USE OF MAINTENANCE COST REIMBURSEMENTS.—Maintenance cost reimbursements under subparagraph (A) for an installation may be used either solely or in combination with funds otherwise made available to satisfy the costs of maintenance projects at the installation.

(3) OVERSIGHT.—The commander of an installation selected to participate in the pilot program shall have direct oversight over amounts reimbursed to the installation under the pilot program for Facility, Sustainment, Restoration, and Modernization.

(d) BRIEFING AND REPORT.—

(1) BRIEFING.—Not later than 30 days after establishing the pilot program, the Secretary of the Air Force shall brief the congressional defense committees on the pilot program.

(2) ANNUAL REPORT.—Not later than one year after establishing the pilot program under subsection (a), and annually thereafter through the year following termination of the pilot program, the Secretary of the Air Force shall submit to the congressional defense committees a report on the pilot program.

(e) TREATMENT OF REIMBURSEMENTS.—Funds otherwise made available to participants in the pilot program may not be reduced by amounts reimbursed under the pilot program for Facility, Sustainment, Restoration, and Modernization.

(f) TERMINATION.—The pilot program shall terminate on December 1, 2027.

SEC. ___. REPEAL OF REPORTING, BRIEFING, AND NOTIFICATION REQUIREMENTS RELATED TO DEPARTMENT OF DEFENSE EXECUTE ORDERS.

(a) REPORTING REQUIREMENTS.—Section 1744(c) of the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116-92; 10 U.S.C. 113 note) is repealed.

(b) BRIEFING AND NOTIFICATION REQUIREMENTS.—Section 1067 of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (Public Law 118-159; 138 Stat. 2066) is repealed.

[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 1744 of Public Law 116-92, the National Defense Authorization Act for Fiscal Year 2020, by repealing subsection (c) and would repeal section 1067 of the Fiscal Year 2025 National Defense Authorization Act (Public Law 118-159) (FY25 NDAA), thereby relieving the Department of Defense from requirements to provide to the congressional defense committees with a quarterly comprehensive report identifying and summarizing all execute orders approved by the Secretary or the commander of a combatant command in effect as of the date of the report and new briefing and notification requirements related to execute orders.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2026 President's Budget.

Changes to Existing Law: This proposal would amend the National Defense Authorization Act for Fiscal Year 2020 (Public Law 116-92) and the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (Public Law 118-159) as follows:

National Defense Authorization Act for Fiscal Year 2020
(Public Law 116-92)

SEC. 1744. OVERSIGHT OF DEPARTMENT OF DEFENSE EXECUTE ORDERS.

(a) REVIEW OF EXECUTE ORDERS.—Not later than 30 days after receiving a written request by the Chairman or Ranking Member of a congressional defense committee, the Secretary of Defense shall provide the committee, including appropriately designated staff of the committee, with—

(1) an execute order approved by the Secretary or the commander of a combatant command for review; and

(2) a detailed briefing on such execute order.

(b) EXCEPTION.—

(1) IN GENERAL.—In extraordinary circumstances necessary to protect operations security or the sensitivity of the execute order, the Secretary may limit review of an execute order. A determination that extraordinary circumstances exist for purposes of this paragraph may only be made by the Secretary and the decision to limit the review of an execute order may not be delegated.

(2) SUMMARY AND OTHER INFORMATION.—In extraordinary circumstances described in paragraph (1) with respect to an execute order, within 30 days of receiving a written request under subsection (a), the Secretary shall provide to the committee concerned, including appropriately designated staff of the committee—

(A) a written explanation of the extraordinary circumstances that led to the determination by the Secretary to limit review of the execute order; and

(B) a detailed summary of the execute order and other information necessary for the conduct of the oversight duties of the committee.

~~(c) QUARTERLY REPORT.—Not later than 30 days after the date on which the budget of the President is submitted to Congress under section 1105(a) of title 31, United States Code, for fiscal year 2021 and every 90 days thereafter, the Secretary of Defense shall submit to the congressional defense committees a comprehensive report identifying and summarizing all execute orders approved by the Secretary or the commander of a combatant command in effect for the Department of Defense as of the date of the report.~~

Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (Public Law 118-159)

~~SEC. 1067. CONGRESSIONAL NOTICE REGARDING EXECUTE ORDERS ISSUED AT THE DIRECTION OF THE PRESIDENT OR THE SECRETARY OF DEFENSE.~~

~~(a) BRIEFINGS REQUIRED.—~~

~~(1) IN GENERAL.—The Secretary of Defense shall provide to the congressional defense committees semiannual briefings on execute orders issued at the direction of the President or the Secretary of Defense and related activities conducted by the Department of Defense until the termination date under paragraph (2).~~

~~(2) TERMINATION DATE.—The requirement to provide briefings under this subsection shall terminate on the date that is five years after the date of the enactment of this Act.~~

~~(b) BRIEFING ELEMENTS.—Each briefing under subsection (a) shall include the following:~~

~~(1) An overview of each extant execute order issued at the direction of the President or the Secretary of Defense.~~

~~(2) An update on activity within each combatant command that is conducted pursuant to an execute order issued at the direction of the President or the Secretary of Defense.~~

(3) A review of the legal issues, authorities, and governance mechanisms (including such legal issues, authorities, and governance mechanisms concerning the use of force) that are associated with each execute order described in paragraph (1) and the activities described in paragraph (2).

(4) Any other matters the Secretary considers appropriate.

(c) DISCLOSURE AND NOTICE REQUIREMENTS.—

(1) INITIAL NOTICE.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall provide to the congressional defense committees a copy of each extant execute order issued at the direction of the President or the Secretary of Defense.

(2) NOTICE OF ISSUANCE OR REVISION.—Not later than 15 days after the issuance or revision of any execute order issued at the direction of the President or the Secretary of Defense, the Secretary of Defense shall provide to the congressional defense committees a copy of the new or revised execute order.

(3) NOTICE OF TERMINATIONS.—Not later than 15 days after the date on which any execute order that was issued at the direction of the President or the Secretary of Defense is terminated or rescinded, the Secretary of Defense shall notify the congressional defense committees in writing of the termination or rescission of the execute order.