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

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(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 8800 – National Defense Authorization Act for Fiscal Year 2027
(Rep. Rogers, R-AL and one cosponsor)

The Administration acknowledges and appreciates the work of the House Committee on Armed Services (HASC) on H.R. 8800, the Fiscal Year (FY) 2027 National Defense Authorization Act (NDAA). The Administration appreciates the inclusion of numerous provisions that codify or support actions taken by the President and the Administration.

The President's FY 2027 Budget Request for the Department of War builds upon the historic $1 trillion topline achieved in FY 2026 by once again integrating both mandatory and discretionary spending into a single, paradigm-shifting $1.5 trillion topline. The President's Budget Request for the Department of War was informed by the 2026 National Defense Strategy (NDS), which calls on the Department of War to advance three key priorities: (1) re-establish deterrence; (2) rebuild our military; and (3) revive the warrior ethos. The Administration strongly urges Congress to adopt mandatory funding levels in the bill to accurately reflect the full President's Budget Request for Fiscal Year 2027.

The Administration appreciates the provisions in the bill that seek to deliver on the President's promise to achieve peace through strength. The Administration's position is that national security can only be achieved based upon the strong foundation of economic security and has, therefore, prioritized the rebuilding of the Nation's Defense Industrial Base, including our shipbuilding capacity. The President's Budget aims to allocate the Nation's resources in a deliberate and strategic fashion. The military of the future must be modernized and move away from some status quo systems – in turn, its industrial base must also move away from status quo processes. The Administration is pursuing flexible and efficient investment in capabilities designed for manufacturability, unmanned platforms, incorporation of artificial intelligence (AI), and use of advanced manufacturing techniques, many of which will come at lower costs. However, Americans live in a dynamic world where our adversaries don't operate on the Federal budget cycle. The Department of War needs to have the flexibility to respond to real-world developments in a timely fashion. To this end, the Administration strongly urges Congress to provide the requested $10 billion in General Transfer Authority in section 1001 of the bill.

The Administration appreciates that Congress supports the Administration's goal of rapid improvements in industrial capacity, acquisition, and warfighter capabilities in support of national security. While the Administration appreciates efforts by the House Committee on Armed Services to limit the inclusion of numerous problematic provisions aimed at restricting the Administration's ability to operate, the Administration has a number of concerns with certain provisions in H.R. 8800, several of which are set out below. The Administration expects to work with Congress to ensure these concerns are addressed before the NDAA for FY 2027 is presented to the President.

Battleship and Authorization of 18 Ships. The Administration appreciates that H.R. 8800 would provide authorization of the 18 ships requested in the Budget. These ships are a direct commitment to restoring America's maritime dominance and maritime industrial base. In addition, the Administration appreciates the bill's support of the Battleship program by fully authorizing the $1 billion in advance procurement necessary to accelerate the delivery to the Fleet. However, the Administration opposes the bill's excessive reporting requirements in section 131 regarding the Administration's priority Battleship program. The Administration strongly opposes any reporting requirements that delay the Battleship program without supporting national security requirements.

Foreign Shipbuilding and Direct Investment in Domestic Shipyards. The Administration strongly opposes section 1025, which would prohibit the use of funds for procurement of initial battle force ships to be built in a foreign shipyard, especially while, in accordance with the "Finland Model" first employed with the Coast Guard's medium icebreaker program, long-term investments are being made in an American brown or greenfield shipyard. This prohibition fails to seriously address the challenges posed by current shipbuilding backlogs across six major programs in our "prime" shipyards, and thus is inconsistent with the Administration's priority legislative proposal, which would authorize the Navy to contract to construct two surface combatant vessels and two non-combat auxiliary vessels in foreign shipyards for the purpose of driving significant and direct foreign investment into our domestic shipyards. Increasing United States shipbuilding, maintenance, and repair is key to meeting the national security requirements now and in the future. This bill's prohibition and lack of authorization of this requested authority is a direct decrement to the safety and security of the American people and our national economy for which this Administration is directly responsible, and impedes the Administration's efforts to expand domestic shipbuilding competition and capacity. In addition, it limits the flexibility of the United States in leveraging foreign shipyards that have specific advancements, strengths, and technology that serve a specific Department of War need. Access to these areas will expedite the growth of the United States shipbuilding industrial base and assist directly in meeting exigent national security objectives. The Coast Guard's Arctic Security Cutter program has already shown how experienced, specialized shipyards can contribute to our national security by demonstrating organizational and operational best practices that result in the reduction of error rates, ahead-of-schedule deliverables, and the modularization of components and subsystems that will make our fleet adaptable for future missions.

Restoring the Name "Department of War". The Administration strongly supports the inclusion of section 1091 in the bill, which would accomplish the final restoration of the name "Department of War," a clear recognition of the Department of War's focus on peace through strength and willingness to fight and win wars on behalf of our nation.

Golden Dome. The Administration strongly opposes section 1655, which would restrict and delay the Direct Report Program Manager of Golden Dome for America (GDA) in the delivery of the space-based interceptors layer of the GDA architecture.

Oversight of United States Military Posture Abroad. The Administration strongly opposes sections 1231, 1232, 1233, and 1247 which purport to restrict the President and the Secretary of War's decision-making ability with regard to U.S. global force posture at large, and creates duplicative congressional briefing requirements on the National Defense Strategy and force posture adjustments. We welcome the opportunity to engage Congress as the Department of War continually assesses its global posture.

Limitation on Modification or Consolidation of Geographic Combatant Commands. The Administration strongly objects to section 903, which would require the Department of War to submit plans and analysis to Congress 60 days prior to taking actions related to a geographic combatant command of the Department of War. Such a provision would severely complicate and constrain the ability of the President and the Secretary of War to manage the allocation of deployed forces expeditiously in a resource-constrained environment and thereby possibly jeopardize national security. Moreover, section 903 raises significant constitutional questions because it infringes on the President's role as Commander in Chief of the Armed Forces under Article II of the Constitution. We welcome the opportunity to engage with Congress as the Department of War assesses its global force posture.

Restrictions Related to Naming Certain Military Installations. The Administration opposes section 2828, which would limit or undermine the President's ability to name military installations and property. Such naming restrictions would raise separation of powers policy concerns insofar as they severely complicate and constrain the authority of the President as Commander in Chief of the Armed Forces, as well as the Secretary of War, to take actions to appropriately and respectfully name military installations based on military contributions. The Administration supports section 2826, which would designate the Department of the Army installation in Augusta, Georgia as "Fort Shughart Gordon."

Military Pay Raise. The Administration strongly supports the preservation of the President's authority to submit an alternative uniformed services basic pay raise consistent with 37 U.S.C. 1009. The Administration maintains that the President's FY 2027 Budget Request requested Targeted Pay Raise at 7 percent, 6 percent, or 5 percent, depending on Service member grade, is needed to appropriately compensate members for the sacrifice and rigor of their service to the Nation.

Acknowledgement of the Need to Codify the Maritime Action Plan. The Administration strongly supports the inclusion of legislative proposals that were produced in accordance with the Maritime Action Plan and language that identifies the importance of codifying the Maritime surge maintenance, repair, and production capacity available at public and private shipyards.

Defense Production Act Reauthorization. The Administration welcomes a multi-year extension of the Defense Production Act, and strongly encourages this extension to include substantial modernization reforms, in line with the administration's legislative proposal. These reforms should make DPA authorities faster, nimbler, and better-resourced to support development and maintenance of a U.S. industrial base that can mobilize for our national defense and respond appropriately to man-made and natural disasters or emergencies.

Ranks of Judge Advocates General. The Administration strongly opposes section 503, which would amend various sections of title 10 of the United States Code to require that Judge Advocates General and Deputy Judge Advocates General hold specified grades while serving in those positions. The Department of War opposes this provision that would severely constrain the Secretary of War and the secretaries of the military departments' prerogatives to best organize the leadership of the Armed Forces and manage their general officer populations in accordance with statutory caps.

Service Academy Professional Athlete Cap. The Administration strongly supports section 524, which would eliminate the cap on the number of cadets and midshipmen who may receive alternative service obligations to become professional athletes.

Reauthorization of the Cybersecurity Information Sharing Act of 2015. The Administration strongly supports inclusion of language that extends the Cybersecurity Information Sharing Act of 2015 to ensure that Federal and non-Federal entities can continue to communicate and deter cyber threats in a timely manner. The Administration looks forward to working with Congress on finalizing the exact language that will be included before the NDAA for FY 2027 is presented to the President.

DDG-51 and Submarine Tenders. The Administration supports the bill's authorization of an additional *Arleigh Burke*-class destroyer (DDG-51), which would be provided by incrementing the additional DDG-51. However, the Administration opposes decrementing by $800 million the Administration's request for fully funded Submarine Tenders and supports restoring such funding.

Counternarcotics and Secure Border. The Administration strongly supports the bill's support for essential border and counternarcotic missions, such as Operation Southern Spear, to protect our Nation's territorial integrity and counter drug trafficking by illicit networks. The Administration appreciates the bill's support for these missions and looks forward to working with Congress to ensure full funding for border and counternarcotics requirements to further enhance surveillance, intelligence sharing, and advanced capabilities to secure our border.

Multi-Year Procurements. The Administration appreciates Congress's support for multi-year procurement authorities for munitions and other critical weapons systems such as sections 127, 161, 162, 1839, 1840, which are critical to preserving readiness and strengthening the defense industrial base. We look forward to working with Congress to finalize the appropriate weapons systems and criteria for multi-year procurement authorities.

U.S. Space Force. The Administration appreciates that H.R. 8800 authorizes the full funding amounts for Space Force programs requested in the President's Budget, including launch infrastructure and the next-generation of space-based missile warning architecture. The Space Force Budget request bolsters U.S. space dominance in support of U.S. national security and strategic advantage, including Golden Dome for America.

Update of Policy on Autonomous and Artificial Intelligence-Enabled Systems. The Administration opposes section 1524, which imposes requirements for the update to the Department of War's policy on Autonomy in Weapon Systems that would be problematic to implement. The section includes imprecise language and mandates metrics for qualitative requirements, such as the degree of "human involvement," which are difficult to define and measure. It imposes similarly challenging requirements for metrics and other constraints on the use of AI in Decision Support Systems. The section would compel the Department of War to adopt an overly bureaucratic approach that would discourage innovation and hamper our ability to rapidly field new capabilities that will save American lives.

Expansion of Victim Access to Court of Appeals for the Armed Forces. The Administration supports the intent of section 547 to expand victim access to the Court of Appeals for the Armed Forces. However, the Administration urges revision of this provision to ensure workability in application under the Uniform Code of Military Justice (UCMJ). As drafted, this section would amend article 67 of the UCMJ (10 U.S.C. 867). The Department of War strongly recommends, consistent with its legislative proposal, that the section instead amend article 6b of the UCMJ (10 U.S.C. 806b).

Reorganization of Oversight of the Department of War Positioning, Navigation, and Timing Enterprise (PNT). The Administration opposes section 1602, which significantly undermines the Executive's prerogative to organize a Department or Agency to efficiently and effectively solve the Nation's most pressing military challenges. The Administration takes note of the utility provided by consolidating responsibilities for more responsive and agile support to the positioning, navigation, and timing enterprise. However, the Administration strongly opposes attaching riders that limit the travel of senior officials for meeting arbitrary budgetary request conditions, which is subject to a larger resourcing process with stakeholders outside the Department of War.

Joint Experimentation and Training Range Innovation Office. The Administration strongly opposes section 1053, which would establish an office within the Office of the Under Secretary of War for Research and Engineering responsible for centralizing efforts for joint experimentation and training ranges. The Under Secretary of War for Research and Engineering currently has the authority needed to integrate activities. Therefore, this amendment would be an unnecessary requirement. This provision would jeopardize current and future operations at our Nation's primary spaceport and as written will confuse well-established roles and responsibilities currently assigned to the 45th Space Launch Delta. The Administration strongly opposes transitioning operational control of the Eastern and Western ranges from the United States Space Force.

Uniform Requirements for Electronic Contract Writing Systems (CWS) and Acquisition Management Systems. The Administration strongly opposes section 807, which would impose unnecessary requirements on the Department of War to transition to contract writing systems which would drive duplicative cost, delay, and yield little to no benefit with regard to speed to contract award. The currently implemented CWS solutions meet the requirements. The Services conducted extensive source selection and evaluated the full scope of commercial capabilities available on the market when updating and upgrading their contract writing systems.

Defense Fuel Supply Chain. The Administration strongly supports the inclusion of provisions which would protect a critical component of the Department of War's defense fuel supply chain by ensuring the continued operation of the Santa Ynez Pipeline System, which transports domestically produced crude oil to refineries that supply Department of War installations. The Administration further supports including language that ensures that that no court may issue injunctions that impair military readiness, military fuel supply, or defense-related logistical support. Such provisions would ensure that the Department's defense fuel supply chain would be powered by American sources, not foreign adversaries.

Limitation on Suspension of Progress Payments. The Administration opposes section 806, which limits the ability of a Contracting Officer to motivate a contractor to correct poor performance when there has been a demonstrated failure to meet the requirements of the contract. The Administration opposes this section because it conflicts with the renewed focus on contractor accountability and prioritization of the warfighter. The Government must have the ability to hold underperforming contractors accountable for failure to deliver by allowing the Contracting Officer to suspend or withhold progress payments to drive behavior.

CFIUS Reform Bill. The Administration strongly supports the inclusion of language, in line with its legislative proposal, that will significantly increase CFIUS' authorities to identify and address malign foreign investment, focus Committee resources on the greatest national security threats, and streamline CFIUS operations to attract economically beneficial capital.

National Center for Conventional-Nuclear Integration (CNI). The Administration opposes section 1632, which would designate the Air Force Global Strike Command as the National Center for CNI. While the Administration supports the goal of advancing CNI capabilities, this provision is premature and would disrupt ongoing, successful integration efforts. It ignores and disrupts the Department of the Air Force's existing cross-command governance structures, diverts critical manpower away from actual CNI readiness and modernization, and restricts the ability of the Secretary of the Air Force and the Chief of Staff of the Air Force to effectively organize, train, and equip the force to meet evolving threats.

National Guard Equipment Readiness and Reimbursement. The Administration strongly objects to the lack of inclusion of the Administration-approved legislative proposal that directs funds reimbursed by states for loss, damage, or destruction of property issued by the United States to the National Guard to be credited to the Department of War for repair and maintenance of the assets employed. This proposal would raise maintenance readiness rates for equipment critical to domestic response and expeditionary missions.

Limitation on Availability of Funds for Deactivation of Expeditionary Combat Aviation Brigades. The Administration has concerns with section 1071, which would limit the Department of the Army from inactivating expeditionary combat aviation brigades in FY 2027 unless the Secretary of the Army submits a report and waits 90 days. The Administration supports the intent to ensure there are sufficient aviation capabilities to support all mission requirements, but it is imperative that the Secretary retains authority for organizing, equipping, and training the Army. Directing broad restrictions on unit organization and structure limits the flexibility of the Secretary to structure the aviation force to meet the needs of the Army in a manner that is efficient, cost effective, and meets national security objectives. The Army maintains sufficient capacity and capabilities with 12 Active Army Combat Aviation Brigades and an additional 10 Aviation Brigades in the Army National Guard.

Restrictions on Data Facility Equipment Placed on Facilities Leased from the Department of War. The Administration supports onshoring critical supply chains and expediting America's reindustrialization efforts. The Administration seeks to work with Congress to ensure the immediate and broad restrictions in section 2825 do not disincentivize the Department of War's and the Department of the Army's ability to attract private capital investment for projects that support the modernization and resiliency of the Organic Industrial Base.

Limitation on Use of Funds to Limit Collective Bargaining. The Administration opposes section 1115, which would directly undermine the authority of the President to manage the Executive Branch and implement national security policy as set forth in Executive Order 14251, "Exclusions From Federal Labor-Management Relations Programs" and Executive Order 14343, "Further Exclusions From the Federal Labor-Management Relations Program." The restriction proposed in section 1115 would effectively nullify the Executive Order, preventing the Department of War from operationalizing national security-based labor exclusions by prohibiting the Department of War from using appropriated funds to do so. This hinders the Administration's ability to effectively implement its labor relations strategy.

Prohibition on the Use of Funds for Terminating Workers or Carrying Out a Hiring Freeze, Reduction in Force, or Hiring Delay Without Cause. The Administration opposes sections 1116, 1117, 1121 and any other language which prevents the Executive Branch from achieving cost savings while reducing waste within the Federal Government. These provisions could raise constitutional concerns as an impediment to the President's supervision and control of the Executive Branch. Additionally, section 1121 provisions are unnecessary, as the Administration is committed to restoring and building out industrial capacity within our public shipyards. If the provisions are enacted, they would limit the Administration's ability to optimize efficiencies within the Department of War workforce.

End Strength Authorization. The Administration appreciates the full authorization in H.R. 8800 of the FY 2027 end strength levels requested in the President's Budget. After years of recruiting and retention challenges, the Department of War continues to realize recruiting and retention success under President Trump. This growth is critical to restoring the health and readiness of the Joint Force and our military families.

Combat Medicine and Military Health Enterprise. The Administration appreciates the adoption in section 724 of the President's Budget proposal to replace the Defense Health Program with two separate accounts, the Combat and Operational Medicine Program Account and the Private Sector Care Program Account. The section would fundamentally restructure how military health is presented, managed, and overseen, ensuring medicine is a distinct warfighting capability. This congressional action represents the most significant adoption of an Administration-proposed military health reform in approximately three decades.

Requirement for Contractors to Provide Reasonable Access to Repair Materials. The Administration appreciates the intent of right to repair language to ensure the Department has the information it needs to conduct maintenance, repair, and overhaul of critical systems. Furthermore, the Department appreciates the opportunity to continue working with Congress to refine the language. The Administration is committed to partnering with Congress to guarantee that any right to repair requirements included in the FY 2027 NDAA balance the Department's need for data delivery with preserving the intellectual capital of our industry partners.

Exemption from Trademark Licensing Fees for Certain Military Exchange Contractors. The Administration strongly opposes section 1891, which provides an exemption for military exchange contractors that would be exempt from paying trademark royalty fees when performing a contract of one year or longer with a military exchange. This proposal would substantially reduce the royalty fees collected by each of the military services. Because each of the military services uses trademark licensing fees to pay for its trademark activities under 10 U.S.C. 2260, this would create a significant financial strain on Department of War trademark operations. This section would also create additional auditing burdens in order to determine whether an entity would be exempt from paying royalty fees. Finally, this section would reduce the amount of money available for morale, welfare, and recreation activities for service members and their families.

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