

CRITICAL DEFENSE PRIORITIES FOR THE FY27 NDAA

Below is FDD Action's guide to critical provisions we support in the House and Senate versions of the must-pass annual NDAA for Fiscal Year 2027.

Bill text: [House \(H.R. 8800\)](#) · [Senate \(S. 4784\)](#) · [Senate Manager's Amendment \(S. Amdt. 6691\)](#)

BOTTOM LINE UP FRONT

FDD Action strongly supports multiple provisions in the House and Senate versions of the National Defense Authorization Act for Fiscal Year 2027 ([H.R. 8800](#) / [S. 4784](#)).

FDD Action also urges Members of Congress to support the topline of approximately \$1.14 trillion authorized for national defense in both bills. That is the same level requested by the administration and roughly \$250 billion above the amount authorized for FY 2026.

Below is a comprehensive overview of provisions FDD Action has endorsed, organized by issue. While FDD Action supports all the provisions identified below, we've noted where especially critical provisions have our strong support.

Note: The provisions below also include those in the Senate manager's amendment ([S. Amdt. 6691](#)) submitted on July 14, 2026. The House passed its version of the NDAA on July 22, 2026; the Senate version awaits further floor action.

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STRONGLY SUPPORT

Especially critical provisions

01 DEGRADING THE IRANIAN THREAT APPARATUS AND SUPPORTING ISRAEL

Iran remains the foremost driver of instability in the Middle East. Tehran has fortified its nuclear sites, disrupted shipping in the Strait of Hormuz, armed its proxies, and brutally repressed its own people. The regime is behind sabotage plots, cyberattacks, and hybrid operations against Israel, the United States, and regional allies. The provisions in this section deepen U.S.-Israel defense cooperation and give the Pentagon additional tools to deter and degrade the regime and its proxies.

1.1 COUNTERING THE REGIME IN IRAN

HOUSE	SENATE	PROVISION
§ 1216	—	Extending Aid Conditions for Iraqi Security Forces This provision extends conditions on assistance to Iraqi security forces to guard against diversion to Iran-aligned militias operating inside Iraq’s formal security structure.
§ 1217	—	Prohibition on Transfers to the Badr Organization This provision prohibits U.S. funding to Iran’s oldest and most powerful Iraqi proxy militia, which coordinates directly with Iran’s Islamic Revolutionary Guard Corps and Iran’s proxy in Lebanon, Hezbollah.
§ 1653	§ 1538	STRONGLY SUPPORT Middle East Integrated Air and Missile Defense Strengthening these defenses is critical to countering Iran’s expanding ballistic missile and drone arsenal. The House provision updates the U.S.-led command and control strategy by incorporating lessons from recent Iranian attacks. The Senate provision requires an assessment of current capabilities and a strategy to deepen regional cooperation on acquisition, production, and interceptor replenishment.
—	§ 1211	Assistance to Lebanon for Countering Hezbollah, Terrorist Groups This provision authorizes and directs assistance to the Lebanese Armed Forces specifically tied to degrading Hezbollah’s military infrastructure.
—	§§ 6052, 6810 Mgr. Amdt.	Deterring External Threats and Ensuring Robust Responses to Egregious and Nefarious Criminal Endeavors (DETERRENCE) Act The DETERRENCE Act increases criminal penalties for individuals involved in assassination schemes in the United States on behalf of foreign adversaries like Iran. These amplified punishments aim to hold accountable and deter criminals who participate in these foreign schemes.

1.2 SUPPORT FOR ISRAEL

HOUSE	SENATE	PROVISION
§ 219	§ 1217	STRONGLY SUPPORT U.S.-Israel Defense Technology Cooperation Initiative From cybersecurity and AI to electronic warfare, these provisions expand and accelerate bilateral defense technology research, development, testing, evaluation, and industrial cooperation.
§ 1221	§ 6201 Mgr. Amdt.	STRONGLY SUPPORT Extension of War Reserve Stockpile Allies-Israel (WRSA-I) This prepositioned stockpile allows the United States to act rapidly in the Middle East unencumbered by what could otherwise be lengthy supply and logistics delays. Its extension and modernization ensure its future use for sustaining U.S. military operations and Israel’s security.
§ 1222	§ 1215	U.S.-Israel Subterranean Cooperation This provision continues monitoring of subterranean tunnels used for terrorism and places additional emphasis on joint efforts to destroy and counter them.
§ 1223	§ 1216	U.S.-Israel Cooperation to Counter Unmanned Systems This provision supports efforts to cooperate on addressing drone threats in the air, land, and sea domains.

HOUSE	SENATE	PROVISION
§ 1254	—	Study and Report on International Security Measures on the Gaza-Egypt Border This provision requires a study and report on international security measures implemented on the Gaza-Egypt border, examining mechanisms for preventing smuggling, weapons transfers, and other security threats in the region.
§ 1707	§ 1204	STRONGLY SUPPORT Abraham Accords Defense Cooperation Initiative This provision establishes a defense cooperation initiative with Abraham Accords signatories and other countries normalizing relations with Israel. Not only would it help build a unified regional architecture against Iran, but it would also incentivize other Arab nations to normalize relations.
§ 4201	—	\$50 Million for U.S.-Israel Emerging Technologies Cooperation (RDT&E) This provision allocates \$50 million to support defense collaboration between the two countries on initiatives such as AI, automation, cybersecurity, and directed energy.
—	§ 845	Report on Feasibility of U.S.-Israel Strategic Partnership on Defense Industrial Priorities This provision requires a report on ways to enhance communication and coordination on defense-industrial prioritization for the joint production and delivery of defense-critical items.
—	§ 1531	STRONGLY SUPPORT Iron Dome and Israeli Cooperative Missile Defense Co-developing and co-producing missile defense systems like Iron Dome, David’s Sling, and Arrow-3 represents a shared strategic investment in defending against threats ranging from short-range rockets to long-range ballistic missiles. This provision authorizes \$20 million for Iron Dome, \$30 million for David’s Sling, and \$150 million for the Arrow-3 interceptor.

Additional measures we support: Sense of Congress on International Defense Exhibitions (House § 1218).

02 COUNTERING CHINA, DEFENDING TAIWAN, AND SUPPORTING U.S. ALLIES IN THE PACIFIC

2.1 AI, SEMICONDUCTORS, AND EXPORT CONTROLS

HOUSE	SENATE	PROVISION
—	§ 1248	Annual Assessment on American AI Chips and Chinese Military Capabilities This provision requires annual DOD reports assessing how advanced U.S.-origin AI chips acquired by China contribute to its military capabilities and threaten U.S. AI leadership, including policy recommendations.
—	§§ 6040, 6081-6086, 6243 Mgr. Amdt.	STRONGLY SUPPORT MATCH Act, Chip Security Act, and AI OVERWATCH Act These provisions address vulnerabilities that allow Beijing to access the chips critical to America's AI advantage. The MATCH Act aligns allied export controls to block China's indigenous production of advanced AI chips. The Chip Security Act requires advanced chip manufacturers to implement security measures to prevent America's advanced AI chips from being diverted to our adversaries. The AI OVERWATCH Act strengthens congressional oversight over the export of America's most advanced chips.

2.2 TAIWAN DEFENSE AND SECURITY COOPERATION

HOUSE	SENATE	PROVISION
§ 1246	§ 1233	Taiwan Security Cooperation Initiative These provisions authorize new funding to this existing DOD initiative. The House version simply authorizes up to \$1 billion for FY27. The Senate version authorizes up to \$1.5 billion for FY27 and reshapes the program, renaming it the First Island Chain initiative, extending it to the Philippines, and extending the authority to the end of 2032.
§ 1249B	—	Strategic U.S.-Taiwan Partnership on Defense Industrial Priorities This provision tasks the Defense Innovation Unit with aligning U.S. and Taiwanese defense-industrial priorities and deepening the industrial base cooperation necessary to sustain Taiwan's self-defense production during a crisis.
§ 1249C	—	Joint U.S.-Taiwan RDT&E Program This provision establishes a joint Research, Development, Test, and Evaluation (RDT&E) program to co-develop defense technologies with Taiwan, building on prior uncrewed-systems cooperation.
§ 1255	—	Annual Report on Taiwan Capabilities This provision extends the annual reporting requirement for a joint report by the secretaries of State and Defense on Taiwan's military capabilities, technological developments, and intelligence support needs.
§ 1712	—	STRONGLY SUPPORT Taiwan-Five Eyes Cyber Defense Cooperation This provision strengthens Taiwan's cyber resilience by requiring a strategy to support Taiwan's cyber defense through Five Eyes coordination, including multilateral cyber-defense exercises.
—	§ 1250	STRONGLY SUPPORT War Reserve Stockpile Allies-Taiwan Modeled on the decades-old stockpile prepositioned in Israel, the stockpile this provision establishes in Taiwan addresses concerns that the island could be cut off from resupply during a Chinese blockade.
—	§ 608 Mgr. Amdt.	China-Taiwan Strategic Warning Task Force This provision establishes a Director of National Intelligence-led task force uniting U.S. intelligence agencies to detect and warn of potential Chinese military aggression against Taiwan. This would centralize early-warning efforts to prevent a strategic surprise.
—	§§ 8711-8716 Mgr. Amdt.	Deter PRC Aggression Against Taiwan Act These provisions establish a PRC Sanctions Task Force to identify sanctions targets should China attempt a military or political takeover of Taiwan.

2.3 SECURING SUPPLY CHAINS FROM CHINA

HOUSE	SENATE	PROVISION
§ 875	—	Limiting DOD Solar Equipment Purchases From Foreign Entities of Concern This provision prohibits DOD from buying solar panels and inverters from Chinese and other foreign entities of concern, reducing supply chain reliance on adversary-made energy equipment.
§ 1089AA	—	STRONGLY SUPPORT Determination on Risk of Unmanned Ground Vehicle Systems This provision requires the Pentagon to determine whether certain PRC-made ground robots operating on U.S. networks pose an unacceptable risk to U.S. national security or safety. This determination would set the stage for more aggressive policy action, if needed.
§ 1814	§ 846	Prohibition on DOD Use of Chinese-Manufactured Optical Fiber These provisions prohibit DOD from procuring or using optical fiber produced by PRC entities in the department’s information networks and communications systems. The Senate provision goes beyond the House’s to extend the prohibition to all DOD contractors and subcontractors.
—	§ 880	Prohibition on DOD Acquisition of PRC Modems and Routers This provision prohibits DOD from acquiring modems or routers from companies owned or controlled by the Chinese government.
—	§ 609 Mgr. Amdt.	Limitations Relating to Chinese Products and Services This provision bars the intelligence community from using any blacklisted Chinese entities’ products or services and extends an FBI-only procurement restriction on Chinese IT products to the entire intelligence community.
—	§ 6059A Mgr. Amdt.	STRONGLY SUPPORT Findings on Security of Connected Vehicles This provision establishes congressional findings on the national security risk posed by Chinese-manufactured connected-vehicle technology, laying the groundwork for future restrictions on these vehicles.

2.4 COUNTERING CHINESE AGGRESSION GLOBALLY

HOUSE	SENATE	PROVISION
§ 1242	§ 1232	Extension and Modification of the Pacific Deterrence Initiative The Pacific Deterrence Initiative (PDI) is a critical DOD framework designed to bolster deterrence capabilities against China’s growing military assertiveness in the Indo-Pacific region. This provision extends PDI’s investments in combat-ready forces, infrastructure resilience, and allied interoperability across the Indo-Pacific.
§ 1245	§ 1237	Annual Report on PRC Military Power These provisions prevent the sunset of DOD’s annual report on China’s military modernization and strategic posture. The House version improves the report by expanding it to cover the Chinese military’s complicity in forced labor, the role of Chinese cyber capabilities in a conflict with the United States and Taiwan, Chinese biotechnology developments, and Chinese military cooperation with U.S. adversaries. Meanwhile, the Senate version extends the reporting requirement further, to 2032.
§§ 1243, 1244	§§ 843, 849	Extension and Modification to Public Reporting of CMCs in the United States These provisions would expand and clarify the definitions and criteria for evaluating which entities the Secretary of Defense determines to be a Chinese Military Company (CMC). They would also extend the annual reporting requirement for these identified CMCs through 2035.
§ 1722	§§ 8771-8772 Mgr. Amdt.	Countering China’s Control of the Caucasus Act The provision, which passed the House by voice vote in June 2026, requires a report examining the penetration by Chinese and Russian elements and their assets into Georgia, as well as the development of a five-year U.S. strategy to enhance bilateral relations with Georgia and determine whether the United States should continue to invest in its partnership with Georgia.
—	§ 1246	Strategy for Indo-Pacific Cyber Cooperation This provision requires DOD to develop a strategy for coordinating cyber defense efforts with allies and partners in the Indo-Pacific region through 2040.

HOUSE	SENATE	PROVISION
—	§ 1266	Briefing on Cuba’s Military and Intelligence Presence in the Western Hemisphere This provision directs DOD to report on Cuba’s military and intelligence activities in the Western Hemisphere. This includes its regional facilities and relationships, cooperation with China, and terrorist-group ties.
—	§ 1536	Comprehensive Integrated Air and Missile Defense Sensor Coverage of Guam This provision requires DOD to, within 90 days of enactment, begin the actions needed to bring the Aegis Guam System to full operational capability by September 30, 2030. That includes two AN/TPY-6 radars for 360-degree sensor coverage of Guam against Chinese threats.
—	§§ 8751-8764 Mgr. Amdt.	Strategic Subsea Cables Act These provisions protect undersea cable infrastructure from Chinese interference by enhancing international engagement on these cables’ security, installation, maintenance, and repair.

Additional measures we support: Barring DOD Purchases of Foreign-Adversary Humanoid Robots (House § 163); Extension and Modification of Indo-Pacific Maritime Security Initiative (House § 1248); Plan to Counter China in the Freely Associated States (House § 1249); Plan for Taiwan’s Full Participation in Rim of the Pacific Exercise (House § 1249D); Annual Report on PRC Space Capabilities (House § 1249E); Sense of Congress on AUKUS Partnership (House § 1737); Procurement Ban Review for Designated Chinese Military Companies (House § 1812); Restrictions on DOD Procurement of Chinese Drone Components (Senate § 847); Oversight of U.S. Military Posture on the Korean Peninsula (Senate § 1235); Strategy for South China Sea Crisis Management (Senate § 1238); DOD Western Hemisphere Strategy (Senate § 1261).

03 SUPPORTING UKRAINE AND OPPOSING RUSSIA’S MALIGN ACTIVITIES

3.1 SUPPORTING UKRAINE

HOUSE	SENATE	PROVISION
—	§ 1224	STRONGLY SUPPORT U.S.-Ukraine Strategic Defense Innovation Working Group By identifying Ukrainian unmanned systems and counter-drone technologies for co-development, co-production, and rapid U.S. acquisition, this joint working group would allow the United States to quickly benefit from Ukraine’s battlefield innovation and ensure both countries are equipped to confront emerging threats.
—	§ 1226	STRONGLY SUPPORT USAI Extension and Modification This provision extends USAI through 2029 and nearly doubles authorized annual funding to \$750 million, providing sustained military assistance and expanded capabilities for Ukrainian forces.
—	§ 8792 Mgr. Amdt.	Establishment of Ukraine Lessons Learned Task Force This provision establishes a task force to identify, evaluate, and synthesize operational practices and defense strategies employed by Ukraine and assess their applicability to U.S. military operations.

3.2 COUNTERING RUSSIA

HOUSE	SENATE	PROVISION
§ 1251	—	Oversight of U.S.-Russia Military-to-Military Exchanges and Contacts This provision requires quarterly DOD reports detailing all military-to-military exchanges and contacts between DOD and the Russian government, including assessments of the benefits each side expects to gain.
§ 1252	—	STRONGLY SUPPORT Report on Russian Targeting of Ukrainian Religious Sites This report would help expose how Russia’s attacks on Ukraine’s religious life are part of a deliberate campaign to destroy Ukrainian culture and identity.
—	§§ 8700-8710E Mgr. Amdt.	STRONGLY SUPPORT Sanctioning Harborers and Dodgers of Western (SHADOW) Sanctions Act Russia evades Western sanctions through a shadow fleet of oil tankers that helps it sell oil, acquire military equipment, and bankroll its war machine. This provision authorizes sanctions on shadow fleet vessels, owners, operators, insurers, and facilitators.

3.3 NATO AND EUROPEAN SECURITY

HOUSE	SENATE	PROVISION
§ 1231	—	NATO Arms Sales and Weapons System Transfers This provision requires DOD to consider whether a NATO member meets the 2% defense-spending benchmark when approving arms sales and weapon-system transfers.
§§ 1232, 1233, 1236	§§ 1222, 1229	Oversight of U.S. Military Posture in Europe These provisions would keep Congress closely involved in any decision to scale back U.S. forces in Europe. They would limit cuts to troops, equipment, and facilities until the Pentagon justifies them, and they would require a report and an independent GAO review of the analysis behind posture changes made since January 20, 2025.

Additional measures we support: Poland Defense Industrial Cooperation (House § 1234); Report on Options to Strengthen Moldova’s Air Defense (House § 1239A); Report on Modernization of the Aegis Ashore in Romania (House § 1658); Prohibition on Removing Army Prepositioned Stocks From Europe (Senate § 1033); Extending Prohibition on Recognizing Russian Sovereignty of Ukrainian Territory (Senate § 1221); Ukraine Intelligence Support (Senate § 1223); Notification of Russian Gray Zone Activities Against NATO Allies (Senate § 1225); Syncing Defense Readiness With NATO Allies (Senate § 1227); Easing Transfers of U.S. Rocket Artillery Among Baltic States (Senate Manager’s Amdt § 6221).

04 STRENGTHENING THE U.S. MILITARY AND DEFENSE INDUSTRIAL BASE

4.1 MUNITIONS AND INDUSTRIAL CAPACITY

HOUSE	SENATE	PROVISION
§ 141	—	Setting Minimum USAF Fighter Aircraft Levels This provision sets minimum inventory levels for Air Force fighter aircraft and authorizes increased procurement of F-15EX jets.
§ 244	§ 212	Developing Alternative Low-Cost, Mass-Produced Weapon Systems These provisions direct DOD to fast-track acquiring lower-cost alternative weapons across multiple categories including missile systems, air defense interceptors, and autonomous systems.
§ 1663	—	Diversifying the Solid Rocket Motor Industrial Base This provision fast-tracks the approval of new solid rocket motor suppliers and requires that certain munitions draw their motors from at least two suppliers.
§ 1817	—	STRONGLY SUPPORT Integration of Foreign Military Sales (FMS) Demand Into Industrial Base Planning This provision requires projected FMS demand to be factored into industrial base assessments, munitions production planning, and sustainment and capacity decisions. This would help expand production capacity, stabilize critical suppliers, and incentivize capital investment in defense production.
§§ 1839, 1840	§ 801	STRONGLY SUPPORT Multiyear Procurement Authority These provisions authorize multiyear procurement for more than 35 distinct munitions, missiles, platforms, and component systems. The committees should adopt the broadest version of this authority in each case and reconcile differences in contract-length caps and certification requirements to preserve executive branch flexibility and congressional oversight.
§ 1841	—	STRONGLY SUPPORT Increased Maximum Production Capacity Plans for Key Munitions and Weapons Systems This provision requires a report on increased maximum production capacity for each authorized munition and weapon system in House §§ 1839 and 1840, improving congressional oversight.
§ 1842	—	Managing and Mitigating Risks in Major Munitions Programs This provision requires DOD to consider alternative designs, such as low-cost and mass-produced munitions, when meeting its requirements for major munitions programs.

4.2 SECURING BASES, LOGISTICS, AND INFRASTRUCTURE

HOUSE	SENATE	PROVISION
§ 353	—	Screening Defense Freight Carriers for Chinese Military Ties This provision requires motor carriers hauling DOD cargo to certify they are not owned or controlled by Chinese military companies.
§ 1504	—	Integrating Critical Infrastructure Security into Combatant Command Planning This provision directs the Secretary of Defense to have combatant commanders incorporate the security of critical infrastructure and its control systems into defense planning, training, and readiness exercises.
§ 1609A	—	STRONGLY SUPPORT GPS Modernization This provision requires an accelerated modernization of the GPS enterprise to enhance its resilience and security, given its centrality to U.S. national security and commerce.
§ 1657	—	Assessment of Resilient Missile Defense Sensing Architectures This provision requires DOD to report on its strategy for fielding resilient, distributed missile defense sensors that can survive attacks and degradations.

HOUSE	SENATE	PROVISION
§ 1711	—	STRONGLY SUPPORT Assessing Logistics and Transportation Threats at Military Bases This provision requires assessments of military bases heavily tied to commercial logistics and transportation and mandates risk-based mitigation plans to protect critical logistics nodes from attacks that could disrupt military readiness.
—	§ 2872	Plan to Remediate Foreign-Adversary Equipment and Facilities on the Power Grid This provision requires DOD to submit a plan to find and remove remotely accessible power grid equipment owned or controlled by foreign adversaries like China, focusing on the power supply to military bases and defense infrastructure.

4.3 EXPANDING ALLIED DEFENSE COOPERATION

HOUSE	SENATE	PROVISION
§ 1201	§ 1035	Increased Funding for Irregular Warfare Operations Support These provisions raise the \$20 million annual cap on DOD support to foreign and irregular forces that facilitate U.S. irregular warfare operations to \$50 million (House) or \$30 million (Senate). The Senate version also adds oversight requirements for sensitive activities.
§ 1205	—	Establishing Foreign Partnership Programs on Military Trauma Care and Research This provision authorizes DOD to establish partnership programs with foreign militaries on military trauma care and research.
§ 1725	—	Opposing ICC Warrants for Servicemembers This provision urges the secretaries of Defense and State to press partner nations at major ally forums not to enforce International Criminal Court (ICC) warrants against U.S. and allied military personnel.
§ 1736	—	UNLOCK AUKUS Act This provision makes Missile Technology Control Regime-controlled missile technology, including guided weapons and hypersonics, eligible for license-free transfer to Australia and the UK under the existing AUKUS exemption.
—	§ 1268	Enhancing U.S.-Morocco Defense Cooperation This provision directs DOD to submit a plan to enhance U.S. defense cooperation with Morocco, consistent with the April 2026 U.S.-Morocco Defense Cooperation Roadmap, which DOD must also submit to Congress.

4.4 DEFENSE SUPPLY CHAIN ILLUMINATION AND RESILIENCE

HOUSE	SENATE	PROVISION
§ 172	—	STRONGLY SUPPORT Assessment of DOD Display Supply Chain Vulnerabilities China dominates the global display industry. This assessment would reveal where U.S. weapons systems and platforms are vulnerable to supply chain disruptions, whether due to overdependence on adversaries like China or on at-risk countries like Taiwan. It would also recommend ways to reduce foreign dependence.
§ 785	—	Assessing Military Medical Supply Chains' Reliance on China This provision requires DOD to assess risk to its medical supply chain, flag products dependent on China for key ingredients, and report strategies to reduce that reliance.
§ 1805	—	Modified Strategy to Eliminate Sourcing of Computer Displays From Foreign Adversaries This provision adds certification requirements to an existing strategy aimed at reducing DOD dependence on foreign sourcing of computer displays, particularly from nations of concern.
§ 1810	—	STRONGLY SUPPORT Defense Supply Chain Intelligence and Risk Response Program This provision requires establishing a pilot program to evaluate hardware and software to counter the impact of foreign actors on critical equipment in U.S. supply chains.

HOUSE	SENATE	PROVISION
§ 1818	—	Feasibility of Bills of Materials Rules for Defense Acquisition This provision requires DOD to study and report to Congress on whether to require contractors selling defense systems to submit “bills of materials,” detailed inventories of the systems’ software, hardware, AI, and cryptography, to improve supply-chain security in defense acquisition.
—	§ 819	STRONGLY SUPPORT Audit and Mitigation of Covered Cellular Modules in DOD Systems and Infrastructure Smart devices rely on cellular modules to connect to the internet, but China dominates the global market for these modules. This provision addresses that supply chain risk by requiring regular DOD-wide audits to identify Chinese-made cellular modules and reports on steps to remove them and/or mitigate the associated risks.
—	§ 875	Expediting Secondary-Source Qualification for Defense Supply Items This provision creates a fast-track process to approve backup suppliers for defense parts, easing single-source dependence and strengthening supply-chain resilience, with guaranteed contracts for suppliers that share full technical data.

Additional measures we support: Army Report on 155mm Artillery Production (House § 112); Backing Domestic M795 155mm Artillery Shell Production and Stockpiles (House § 113); Report on Accelerating U.S. Indo-Pacific Command Force Posture (House § 345); Assessment of Antisemitism in the Service Academies (House § 596); Consolidating DOD Procurement Bans on Foreign Adversaries (Senate § 811); Streamlining Army Acquisition of Cheap Intermediate-Range Strike Weapons (House § 872); DOD Contractor Disclosure of China Operations (Senate § 883); Audit of CCP-Linked Participation in DOD Contracts and Supply Chains (House § 1089O); Assessing DOD Medical Supply Chain Reliance on China (House § 1819); Adding Shipbuilding and Advanced Chip Packaging to Industrial Base Fund (House § 1831); Helping Small Businesses Win DOD Emerging-Tech Contracts (House § 1874); Report on Counterintelligence Risks from Real Estate Transactions Near Military Sites (House § 2829); Shipbuilding and Harbor Infrastructure for Prosperity and Security (SHIPS) for America Act (House Title XXXVI); \$2.5 Million for Adaptive Electronic Warfare-Resilient and Quantum-Secure Autonomy Small UAS Architecture Testing Pilot Program (RDT&E) (House § 4201); \$2.5 Million for Semiconductor Antitampering and Authenticity Validation Pilot Program (RDT&E) (House § 4201); Report on Annual Multiyear Procurement Deals (Senate § 803); Quarterly Reports on Drone Incursions Over Military Installations, Sensitive Sites, and the Border (Senate § 1045); Expanding the Military’s Authority to Build Partner Capacity (Senate § 1203); Report on Supply Risks for Critical Refining Chemicals (Senate Manager’s Amdt § 6021).

05 INCREASING U.S. ECONOMIC SECURITY

HOUSE	SENATE	PROVISION
\$ 878	—	STRONGLY SUPPORT Blocking Foreign Adversaries From DOD Payment Processing This provision bars the Pentagon from contracting for payment processing equipment or services with retailers that rely on technology controlled by a foreign adversary. It also requires a review of whether existing DOD retailers providing payment processing use this covered technology and forces them to drop it, if so. This would help prevent adversaries from accessing sensitive information.
\$ 1816	\$ 842	Establishing a DOD Office to Counter Foreign-Adversary Investment Risk This provision directs DOD to designate an office to identify and manage risks from foreign adversary investment in the defense industrial base. The office would monitor ownership changes, share risk data with contractors, and flag hidden adversary stakes in suppliers.
—	\$ 815	Restricting Stock Buybacks and Dividends by Defense Contractors This provision bars DOD from contracting with companies unless they agree not to buy back stock, pay dividends to shareholders, or make other capital distributions. The Secretary can waive this for contractors that commit to an approved defense-investment plan.
—	\$ 901	STRONGLY SUPPORT Economic Defense Unit Codification By codifying DOD's Economic Defense Unit, defining its mission, clarifying its authorities, and ensuring congressional oversight, this provision empowers Washington to fight back against China's economic warfare.
—	\$ 902	Extension of the Strategic Capital Pilot Program This provision provides a ten-year extension of the Office of Strategic Capital's capital assistance pilot program, which uses loans and loan guarantees to steer private investment toward defense-critical technologies.
—	\$ 1055	Economic Defense Unit Briefings and Funding Conditions This provision requires quarterly briefings on the Economic Defense Unit's activities. It restricts DOD funding for the unit until the first briefing is provided, the Secretary of Defense submits a review of all DOD equity investments, and the Secretary certifies that DOD holds no board seats or voting control in any entity where it holds equity.
—	\$ 6031 Mgr. Amdt.	STRONGLY SUPPORT Manifest Modernization Act By extending the public-disclosure rule that has long applied to ocean shipping to include aircraft, truck, and rail manifests, this provision closes a smuggling loophole exploited for sanctions evasion, drug trafficking, and the movement of goods made with forced labor.
—	\$ 8616 Mgr. Amdt.	Reorganizing Inspector General Oversight of Foreign Assistance This provision renames the USAID Inspector General as the Inspector General for Foreign Assistance, housed in the State Department, and expands its jurisdiction to all non-defense foreign assistance.

5.1 CRITICAL MINERALS

HOUSE	SENATE	PROVISION
\$ 1413	—	Critical Minerals Traceability Pilot Program This provision directs the Defense Logistics Agency to establish a pilot program to develop systems for tracing critical minerals from extraction to end use. This would help the Pentagon rapidly mobilize and allocate critical minerals in an emergency.
\$\$ 1414, 1823	—	STRONGLY SUPPORT Critical Minerals Procurement and Combatant Command Management These provisions strengthen U.S. critical minerals security by decentralizing procurement and management authorities. Specifically, they require studies on the feasibility of granting executive agencies government-wide authority to procure and resell critical minerals and of enabling combatant commanders to independently acquire and dispose of them for operational resilience.

5.2 DRUG TRAFFICKING AND CARTEL OPERATIONS

HOUSE	SENATE	PROVISION
§ 1738	—	STRONGLY SUPPORT Annual Report on Military Power and Illicit Activities of Certain Sanctioned Drug Cartels This provision requires a report on the military power and illicit activities of drug cartels sanctioned for terrorism or drug trafficking, as well as recommendations to disrupt them. This report would inform lawmakers about the cartels that fuel opioid deaths and regional instability.
—	§ 6241 Mgr. Amdt.	Extension of Fentanyl Sanctions Act This provision extends the Fentanyl Sanctions Act through 2033, ensuring law enforcement and sanctions officials continue to have the additional authorities to punish those involved in synthetic opioid trafficking.

Additional measures we support: Lengthening GAO Reporting on Critical-Materials Procurement Rules (House § 1806); Authorizing DOD Equity Stakes in Critical Minerals and Batteries (Senate § 1051); Screening Companies for Foreign Ownership Before DOD Takes Equity Stakes (Senate § 1052); Launching an Americas Defense Initiative Targeting Drug Cartels (Senate § 1063); Report on Cartel Capabilities and Illicit Activities (Senate § 1263); Extending the Joint Counter-Cartel Task Force Through 2030 (Senate § 1267); DOD Supply Chain Dependence Report on PRC-Processed Critical Materials (House § 1847).

06 TECHNOLOGY AND CYBERSECURITY

6.1 CYBER DEFENSE

HOUSE	SENATE	PROVISION
§ 1508	—	STRONGLY SUPPORT Cyber Incident Reporting Requirements for Operationally Critical Contractors This provision allows DOD to mitigate cyber threats early by requiring operationally critical contractors to quickly report cyber incidents to the Pentagon. These contractors must also report any hardware, software, firmware, or embedded technology tied to a PRC entity within 72 hours of discovery.
§ 1542	§ 1605	Reports on Cyber Operational Readiness Assessment Program This provision requires DOD to submit reports on the Cyber Operational Readiness Assessment program, which gauges how well DOD networks can withstand, contain, and recover from cyberattacks. These reports would identify what vulnerabilities were found, explain how they are being fixed, and assess operational resilience.
§ 1619	—	Assessment of Foreign Adversary-Controlled Digital Platforms This provision requires DOD to assess and report the risks that foreign adversary-controlled digital platforms, such as social media apps like TikTok, pose to operational security, force protection, military personnel, and military installations.
§ 1706	—	STRONGLY SUPPORT Cybersecurity Act Reauthorization Beyond reauthorizing the law, this provision updates the cybersecurity information-sharing framework to reflect changes in the cyber threat environment.
—	§ 1611	Broadening Cyber Command's Private-Sector Coordination This provision lets Cyber Command coordinate with private-sector companies beyond the tech sector, extends the program through 2031, and adds a prioritization report.
—	§ 1626	Offsetting Cybersecurity Certification Costs for Small, New Defense Contractors This provision creates a grant program to help small businesses and new defense contractors afford cybersecurity certifications required to do business with DOD.

6.2 CYBER WORKFORCE

HOUSE	SENATE	PROVISION
§ 1506	—	Civilian Cybersecurity Reserve Corps Pilot Program This provision directs DOD to run a small pilot program evaluating whether to establish a civilian cybersecurity reserve corps that could surge expert civilian manpower during major cyber incidents.
—	§ 1601	Study of Military Cyber Advisor Roles and Authorities This provision requires an independent study of the services' top cyber advisors, including how they're organized and whether they have the authorities needed to effectively protect DOD networks.
—	§ 1628	Adding Operational Technology to the Cyber Scholarship Program This provision expands DOD's cyber scholarship program to include training in operational technology (industrial control systems).
—	§ 1633	Pilot Program on DOD Partnerships With Top Cybersecurity Universities This provision establishes a pilot program pairing DOD cyber units with leading universities to improve military cyber training and create direct pathways for graduates into federal cyber careers.

6.3 AI SECURITY

HOUSE	SENATE	PROVISION
§ 1522	—	Prohibiting Certain AI Companies’ Products From DOD Systems This provision strengthens the existing ban on DeepSeek and related AI in DOD systems by requiring the Secretary of Defense to issue guidance on identifying AI companies of concern and removing their products. It further gives contractors 90 days after that guidance is issued to comply.
—	§ 1642	Security Standards for DOD AI Agents This provision requires DOD to develop and issue binding security standards by December 2027 for its AI agents.
—	§§ 1650, 1652	STRONGLY SUPPORT AI Sourcing Requirements and Functional Bill of Materials These provisions protect American AI use from foreign adversary threats by requiring AI outputs to disclose their sources, including foreign propaganda, and requiring DOD contractors that sell AI goods and services to submit an inventory of each system’s software, data, and hardware.
—	Title LXVII (§§ 6701-6706) Mgr. Amdt.	STRONGLY SUPPORT Blocking Large-scale Adversarial Distillation Efforts (BLADE) Act As Chinese entities use model extraction attacks to distill the capabilities of America’s top AI models, this provision would expose and punish those actors, safeguarding America’s AI dominance.

6.4 INFORMATION OPERATIONS

HOUSE	SENATE	PROVISION
§§ 1054, 1089C, 1099	—	STRONGLY SUPPORT Information Operations These provisions strengthen America’s ability to go on the offensive in the information environment. Sec. 1054 establishes an Army Information Operations Center of Excellence for advancing information operations across operational and tactical levels. Sec. 1089C requires a feasibility study on whether lower-level commanders should have authority to approve tactical information operations. Sec. 1099 requires the Secretary of Defense to determine whether to designate information as a warfighting domain alongside land, air, sea, space, and cyber.
—	§ 6244 Mgr. Amdt.	Open Technology Fund Reauthorization Act This provision reauthorizes the Open Technology Fund, which supports internet freedom worldwide.

Additional measures we support: Expanding and Extending the Weapon-System Cyber-Hardening Demonstration (House § 216); Strategy for AI Adoption and Integration (House § 258); DOD AI Incident and Vulnerability Reporting Program (House § 1502); Requiring IT Vendors to Disclose Vulnerabilities to DOD First (House § 1526).

07 COMBATING MALIGN FOREIGN INFLUENCE IN THE U.S.

HOUSE	SENATE	PROVISION
\$ 579F	—	STRONGLY SUPPORT Withholding Funds From Schools With Confucius Institutes and Classrooms This provision conditions DOD-connected education funding on schools severing ties with Confucius Institutes and Classrooms linked to the Chinese Communist Party, closing a vector for influencing the next generation.
\$ 1099L	\$\$ 6035, 6807 Mgr. Amdt.	STRONGLY SUPPORT REVOKE Act, PAID OFF Act, and CLEAR Path Act This legislative package tackles foreign adversary influence on U.S. national security policymaking. The REVOKE Act revokes security clearances for individuals who have lobbied on behalf of Chinese military companies. The PAID OFF Act closes loopholes that allow unregistered agents of foreign adversaries to lobby in the United States. The CLEAR Path Act expands existing State Department post-employment restrictions to ban agency heads, deputies, and Senate-confirmed officials from lobbying for foreign adversaries.
—	\$\$ 220, 224	STRONGLY SUPPORT DOD Research Security These provisions prevent U.S. adversaries from infiltrating university research programs and accessing sensitive defense-related innovation. Sec. 220 codifies a research security program to protect DOD-funded research and bars DOD-funded universities from contracting with adversary entities. Sec. 224 extends a prohibition on using DOD funds for university research collaborations with blacklisted foreign institutions.
—	\$ 820	Improving Transparency of Foreign Influence on DOD Contractors This provision requires more DOD contractors to disclose foreign influence by applying current requirements to report foreign ownership, control, or influence to DOD contracts and subcontracts starting at \$500,000 in value.

ABOUT FDD ACTION

FDD Action is a non-profit, non-partisan 501(c)(4) organization established to advocate for effective policies to promote U.S. national security and defend free nations. FDD Action serves as a trusted resource for congressional offices and executive branch policymakers navigating complex national security challenges, leveraging a team with decades of experience on Capitol Hill and in the policy arena.

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