

Republican Reforms and Policies in the FY26 NDAA

The FY26 Nation Defense Authorization Act (NDAA) contains major policy wins for House Republicans, strengthening our national security and supporting President Trump's America First defense policy. This memorandum by the Republican Policy Committee highlights a number of major wins in the NDAA.

Acquisition Reform

The FY 26 NDAA delivers the first comprehensive defense acquisition reform in decades with the *Streamlining Procurement for Effective Execution and Delivery (SPEED)* Act, which ensures the Pentagon can buy and field new technologies far faster, more efficiently, and at lower cost. The SPEED Act codifies reforms in EO 14265 Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base.

The SPEED Act creates a new accelerated requirements process designed to reduce decision timelines from years to as few as ninety days. Instead of relying on slow, customized systems, the Pentagon will be required to draw more heavily from innovative industry solutions and adopt commercial technologies whenever possible. The bill directs the Department to consider commercially available, off-the-shelf capabilities before launching costly custom development programs, thus reducing compliance burdens on small businesses and expanding access to cutting-edge private-sector innovation.

The legislation also modernizes the system by eliminating unnecessary red tape and simplifying regulations. It raises key dollar thresholds so smaller programs are not weighed down by excessive reporting; removes duplicative cost-reporting requirements that overlap with Generally Accepted Accounting Principles; and clarifies that consumption-based and subscription-based services should not be treated as advance payments requiring collateral.

The bill also establishes a Defense Industrial Resilience Consortium to solve problems regarding outdated or hard-to-find parts, fix weak and fragile supply chains, and address the decline in manufacturing sources. The bill requires the Department to use multi-year contracts more often to provide better planning, lower costs, and steady production. It also speeds up approval for parts made with new manufacturing methods, increases supply-chain transparency by creating a public database for compliance records, and directs the Department to remove rules that discourage companies from keeping or growing their surge production capacity.

The bill calls for expanding the Defense Innovation Unit's (DUI) Blue List to accelerate the purchase of U.S.-made drones, require a review of domestic shipbuilding and sealift capabilities, and create the BOOST Program within DIU to help move projects quicker from prototype stage to full use.

Outbound Investment Review

The FY26 NDAA places restrictions on the flow of American investment to Chinese military companies and critical technology sectors. According to Derek Scissors of the American Enterprise Institute, Americans have invested an average of over \$100 billion a year into China. The NDAA codifies many of the Treasury Department's existing limits on investments in areas such as quantum technologies and semiconductors. The bill also authorizes the Treasury Secretary to block or require notification of U.S. investments in sensitive technologies in China, including artificial intelligence, semiconductors, quantum technologies, high-performance computing, and hypersonics. In addition, the BIOSECURE Act strengthens protections for the U.S.

pharmaceutical supply chain and safeguards Americans' genetic information by preventing engagement with high-risk Chinese biotechnology companies.

Codification of President Trump's America First Defense Policy

The FY26 NDAA codifies all or parts of 15 executive orders issued by President Trump, including:

- EO 14185 Restoring America's Fighting Force
- EO 14151 Ending Radical and Wasteful Government DEI Programs and Preferencing
- Proclamation 10886 Declaring a National Emergency at the Southern Border of the United States
- EO 14165 Securing Our Borders
- <u>EO 14167</u> Clarifying the Military's Role in Protecting the Territorial Integrity of the United States
- EO 14265 Modernizing Defense Acquisitions and Supporting Innovation in the Defense Industrial Base
- EO 14186 Golden Dome for America
- EO 14299 Deploying Advanced Nuclear Reactor Technologies for National Security
- EO 14305 Restoring American Airspace Sovereignty
- EO 14307 Unleashing American Drone Dominance

Eliminating Woke Ideology and DEI

The FY26 NDAA includes a number of provisions countering woke ideology and diversity, equity, and inclusion (DEI) policies at the Department of Defense, allowing the Department and our warfighters to concentrate on the mission rather than divisive social issues. The bill permanently prohibits biological men from participating in women's sports teams at all military academies. It also permanently repeals all existing DEI offices in the Department and prevents any new ones from being established, as well as prohibits affirmative action in military promotions.

Countering Fentanyl

The FY26 NDAA imposes new sanctions with respect to the production and trafficking of fentanyl and other synthetic opioids into the United States. It also broadens the list of methamphetamine precursor chemicals tracked in the annual International Narcotics Control Strategy Report.

RPC Member Priorities:

The FY26 NDAA includes provisions led by a number of Republican Policy Committee members, a short summary of which is below.

Rep. Joe Wilson (SC-02)

Repeal of the Caesar Act

The Caesar Syria Civilian Protection Act of 2019 imposed secondary sanctions on Syria prohibiting international business with the country. This law, aimed at the previous Assad regime, has been waived twice by Secretary Rubio who has all issued a certification that Syria has met all conditions for the lifting of sanctions under the law. The White House and State Department have publicly asked for a repeal of the Caesar Act sanctions which prohibit international business with Syria.

The NDAA repeals the Caesar law while also putting in place a certification requirements that the Syrian government must meet including countering terrorism, peace with its neighbors, and protecting minorities. If the certification is not met for a full year, the President can impose targeted sanctions on individuals.

Conditionality on Security Assistance to Iraq

Iraq's security forces have increasingly become overrun by Iran-backed puppet militias, a fact that has been confirmed by the Inspector General of the Department of Defense. The FY26 NDAA conditions at least 50 percent of the funds for the Office of Security Cooperation in Iraq for fiscal year 2026 on the Secretary of Defense certifying to the House and Senate Armed Services Committees that the Government of Iraq has taken credible steps to:

- reduce the operational capacity of Iran-aligned militias that are not part of the Iraqi Security Forces;
- strengthen the Prime Minister's authority and command over the Iraqi Security Forces; and
- investigate and hold accountable militia members or security personnel operating outside the formal chain of command who attack U.S. or Iraqi personnel or engage in other illegal or destabilizing activities.

It also includes powerful funding limitations on taxpayer dollars from going to the Badr Organization or any Iran-backed militia in Iraq.

Rep. Sheri Biggs (SC-03)

Foreign Military Sales

The FY26 NDAA requires the Secretary of State, in consultation with the Secretary of Defense, to conduct an annual review of the foreign military sales-only list to identify items that should be eligible for sale through direct commercial sales. This streamlines the defense sales process by reducing dependence on the slower Foreign Military Sales (FMS) system, enabling quicker, more efficient delivery to allies and bolstering U.S. national and economic security.

Strategic Rail Corridor

The FY26 NDAA requires that Strategic Rail Corridor Network (STRACNET) assessments actively review the infrastructure's cyber and physical resilience to identify vulnerabilities, ensuring the rail network can transport and sustain armed forces for immediate mission readiness.

Rep. Jefferson Shreve (IN-06)

Countering Transnational Criminal Organizations in Mexico

The FY26 NDAA requires the State Department to develop a strategy for U.S. security assistance in Mexico to dismantle the cartels; increase the capacity of Mexico's military and public security institutions to degrade the cartels; and combat public corruption and impunity. The strategy must include priorities, milestones, and performance indicators to monitor and evaluate results of U.S. security assistance.

Cyber Attacks on Defense Critical Infrastructure

The FY26 NDAA requires the Secretary of Defense to conduct a study on the use of military capabilities to reduce the incentives for adversaries to targeting defense critical infrastructure in cyberspace. It also requires an assessment of potential DoD coordination with other Federal agencies, allies and partners of the U.S., industry, and academia to protect such infrastructure.