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Calling Balls and Strikes on the Compromise FY26 NDAA

TOPLINE: House and Senate leadership has published a newly negotiated version of the Fiscal Year 2026 National Defense Authorization Act, which could become law later this month. Below is AAF's analysis of the good and the bad in the latest version of NDAA bill text.

THE GOOD:

- **Boosting Funding Over 3% of GDP:** America has long needed to get serious about increases in military spending. The negotiated version provides \$901 billion for our military, an additional \$8 billion topline increase over President Trump's initial ask.
- **Projecting Power in Europe & South Korea:** Prohibits reduction of troops in critical areas.
- **Renewed Focus on Indo-Pacific:** Extends the Pacific Deterrence Initiative and builds on counter-CCP relations with Taiwan Security Cooperation Initiative and joint exercises.
- **Continued Support for Ukraine:** Further extension of the Ukraine Security Assistance Initiative, which provides an additional \$400 million in security assistance to Ukraine's military and intelligence support.
- **Avoiding Controversial IVF Policy:** The compromise version stripped out the Senate's controversial proposal to expand Tricare to include IVF coverage. Many pro-life Americans are opposed to IVF because the standard process destroys human embryos. *[BAD: Legislators missed an easy and ethical opportunity to support servicemember families by covering out-of-network NaPro fertility-preserving [surgical procedures](#).]*
- **Live and Let DEI:** The compromise version codifies Trump EOs on DEI and improves on the Senate version by including the House's ban on men competing in women's sports at the service academies. *[BAD: it did not retain House language barring funding for gender transition procedures and the display of the pride flag at Department of War facilities.]*
- **No to Collective Bargaining:** The compromise version stripped out the House's misguided proposal to reinstate union privileges that Trump revoked for DoW civilians.

THE BAD:

- **No Limits on Adversaries' Access to Advanced Chips:** HFAC Chairman Brian Mast's proposal to treat Nvidia's H200 series and other chips that will be integrated into Chinese weapons systems like other arms transfers did not make the final version.
- **Naval Gap:** While the Secretary of the Navy is ordered to "develop and implement a strategy for investing in and supporting maritime industrial base to address cost and schedule challenges," the NDAA's \$26B in authorized funding is insufficient to the task. The cost of one Ford-class carrier is approximately \$13 billion.

BOTTOMLINE: The United States needs a strong military, now more than ever. This NDAA is aggressive in its increase of spending levels, moving towards the new 5% GDP spending goal set by President Trump. A strong defense is critical for countering the growing CCP threat.

