



## FY2022 NDAA: Strategic Context

November 3, 2021

The Biden Administration [stated](#) efforts to align spending priorities with the [President’s Interim National Security Strategic Guidance](#) (INSSG) helped shape its FY2022 defense budget request. By law, the President is required to submit to Congress a National Security Strategy (NSS; [50 U.S.C §3043](#)) and the Secretary of Defense a National Defense Strategy (NDS; [10 U.S.C. §113](#)). Officials [said](#) Secretary of Defense Lloyd J. Austin III may submit the NDS in early 2022. In March, the President released the [INSSG](#), which stated the United States faces “growing rivalry” with China, Russia, and other authoritarian states, and would “responsibly end America’s longest war in Afghanistan.”

Elements of the INSSG appear to [build upon](#) aspects of the Trump Administration’s strategic guidance documents, including the [2017 NSS](#) and [2018 NDS](#). The 2018 NDS [unclassified summary](#) emphasized retaining a U.S. strategic competitive edge relative to China and Russia over countering violent extremist organizations. This and the call for “increased and sustained investment” to counter evolving threats from China and Russia marked a change in emphasis from previous strategy documents.

The two approaches appear to differ in that the 2018 NDS did not address the question of pandemics or climate change as national security threats. The INSSG referenced “pandemics and other biological risks, the escalating climate crisis, cyber and digital threats, international economic disruptions, protracted humanitarian crises,” among other threats.

The INSSG pledged to prioritize “new resources for diplomacy and development” and identified defense priorities as follows:

- **Military personnel.** (“... we will continue to invest in the people who serve in our all-volunteer forces and their families.”);
- **Readiness.** (“We will sustain readiness and ensure that the U.S. Armed Forces remain the best trained and equipped force in the world.”);
- **Force structure.** (“... we will assess the appropriate structure, capabilities, and sizing of the force, and, working with the Congress, shift our emphasis from unneeded legacy platforms and weapons systems to free up resources for investments in the cutting-edge technologies and capabilities that will determine our military and national security advantage in the future.”);
- **Acquisition processes.** (“We will streamline the processes for developing, testing, acquiring, deploying, and securing these technologies.”);

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IN11788

- **DOD workforce.** (“We will ensure that we have the skilled workforce to acquire, integrate, and operate them.”);
- **Ethical technology use.** (“... we will shape ethical and normative frameworks to ensure these technologies are used responsibly.”);
- **Special operations forces.** (“We will maintain the proficiency of special operations forces to focus on crisis response and priority counterterrorism and unconventional warfare missions.”);
- **Gray-zone capabilities.** (“... we will develop capabilities to better compete and deter gray zone actions.”);
- **Climate resiliency.** (“We will prioritize defense investments in climate resiliency and clean energy.”); and
- **Equal opportunity.** (“We will work to ensure that the Department of Defense is a place of truly equal opportunity where our service members do not face discrimination or the scourge of sexual harassment and assault.”).

In 2018, the National Defense Strategy Commission, established by Section 942 of the National Defense Authorization Act for Fiscal Year 2017 (NDAA; P.L. 114-328) to provide an independent assessment of the NDS, [recommended](#) that policymakers increase defense spending by 3% to 5% per year in real terms (i.e., adjusting for inflation)—or alter expectations of the strategy and America’s global strategic objectives.

In [written responses](#) prepared for the Senate Armed Services Committee (SASC) in response to advance policy questions for his nomination as Defense Secretary, Austin wrote, “The most urgent challenge we face is the pandemic,” referring to the outbreak of the Coronavirus Disease 2019 (COVID-19). Austin described many of the concepts in the 2018 NDS as “fundamentally sound” and China as the “pacing threat in most areas.” He wrote the strategy “assumes sustained defense budget growth, but that has not fully materialized.” Austin pledged to undertake a comprehensive strategic review and called for DOD to be “prepared for modest growth in the coming years.” He added, “Given the fragile state of our economy and the large deficits required to combat the impact of COVID, I expect fiscal pressure going forward.” Austin also pledged to review U.S. nuclear posture and the Navy’s 30-year shipbuilding plan.

In [written responses](#) prepared for the same committee for her nomination as Deputy Defense Secretary, Kathleen H. Hicks made related points, writing, “in light of COVID-19’s ongoing impact, the Department must be fiscally pragmatic if it is to design a successful approach to strategic competition.” In a 2020 *Foreign Affairs* [article](#), Hicks argued DOD could reduce its annual costs by \$20 billion to \$30 billion without detracting from national security objectives “after some upfront investment.” In her written responses for the SASC, Hicks described some of the upfront investments that could yield future savings as “workforce incentives—from buy-outs to recruiting bonuses, investments in technologies such as artificial intelligence and robotics, and cyber defense.”

In debate over FY2022 defense authorization and appropriations legislation, some Members of Congress [proposed](#) increasing defense spending by 3% per year above inflation to prepare for long-term strategic competition with China and Russia. Other Members of Congress [recommended](#) decreasing defense spending to fund non-defense priorities, such as response to the COVID-19 pandemic.

Including amounts for national defense discretionary programs that are not in the jurisdiction of the Armed Services committees or do not require additional authorization, plus national defense mandatory programs, the total budget authority implication for the House-approved FY2022 National Defense Authorization Act (NDAA; H.R. 4350) is [\\$790.5 billion](#). That amount is \$25.0 billion (3%) more than the President’s request and \$38.1 billion (5%) more than [the FY2021 amount](#). Adjusting for inflation, that

amount is \$24.2 billion (3%) more than the FY2021 amount (in constant FY2022 dollars). The SASC-reported FY2022 NDAA (S. 2792) would authorize a similar increase relative to the President's request.

## Author Information

Brendan W. McGarry  
Analyst in U.S. Defense Budget

Kathleen J. McInnis  
Specialist in International Security

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