

**H.R. 8800—NATIONAL DEFENSE
AUTHORIZATION ACT FOR FISCAL YEAR 2027**

CHAIRMAN’S MARK

SUMMARY OF BILL LANGUAGE.....	1
BILL LANGUAGE.....	31
DIRECTIVE REPORT LANGUAGE.....	467
ADDENDUM: SUMMARY TABLES.....	500

- (3) an evaluation of the applicability of existing federal restrictions, including the Commerce Entity List, the Department's Chinese Military Companies list, and the Federal Communications Commission's Covered Equipment list; and
- (4) recommendations on whether statutory prohibition or mitigation measures are necessary to protect servicemembers and installation security.

Expanding the Defense Industrial Base through Balanced Compliance

The committee remains concerned that compliance burdens are a significant barrier to entry for potential defense contractors, particularly small- and medium-sized businesses. Companies are increasingly forced to choose between investing in innovation and maintaining compliance, contributing to attrition from the defense industrial base and reduced resilience across defense supply chains. At the same time, the committee emphasizes that the expansion of the defense industrial base must not come at the expense of security, accountability, or oversight.

The committee further notes that many compliance frameworks rely on episodic audits and point-in-time certifications that do not provide continuous insight into contractor readiness or supply chain risk. The committee encourages the Department to evaluate the use of qualified and trusted third-party commercial solutions to support continuous assessment and monitoring of contractor compliance, improve portfolio-level visibility into supply chain health, and enable more efficient attainment and maintenance of cybersecurity, workforce security, and cloud accreditation requirements.

Accordingly, the committee directs the Principal Director, Defense Pricing, Contracting, and Acquisition Policy, to provide a briefing to the House Committee on Armed Services not later than December 1, 2026, on the Department's approach to expanding and sustaining the defense industrial base while maintaining strong compliance and accountability standards. The briefing should include:

- (1) an assessment of how current compliance regimes impact innovation, sustainment, and the long-term viability of small- and medium-sized businesses, including an evaluation of the extent to which companies exit the defense ecosystem due to compliance requirements, security requirements, or other administrative burdens unique to participation in the defense industrial base;
- (2) a description of steps the Department is taking to encourage and sustain affordable compliance across prime contractors, subcontractors, and lower-tier suppliers; and
- (3) options for improving visibility into contractor and supply chain readiness without creating duplicative administrative burdens.

Foreign-Made Small Arms and Light Weapons

The committee directs the Secretary of Defense to submit a report to the congressional defense committees not later than March 15, 2027, on small arms and

light weapons that are used by members of the Armed Forces in performance of official duties. The report should include:

(1) the prevalence of Government-issued small arms and light weapons that are used by members of the Armed Forces in performance of official duties, and parts for such small arms and light weapons that were manufactured outside of the United States;

(2) the prevalence of Government-issued small arms and light weapons that are used by members of the Armed Forces in performance of official duties, and parts for such small arms and light weapons that were manufactured in the United States by a subsidiary of a foreign-owned entity; and

(3) any recommendations the Secretary has to change policies related to domestic sourcing preferences for the procurement of Government-issued small arms and light weapons.

Industrial Workforce for Composite Materials Manufacturing

The committee recognizes the importance of the Department of Defense's ongoing efforts to expand production capacity for precision-guided munitions and stresses that sustaining these efforts will require a sufficient pipeline of skilled industrial workers. The committee notes that advanced composite materials are a critical component of many precision-guided munition systems and is concerned that current workforce pipelines may not be producing enough technicians with the specialized skills required for modern composite fabrication.

The committee further notes that the Department has undertaken workforce development efforts through existing authorities, including within the Industrial Base Analysis and Sustainment program, to strengthen critical manufacturing skills. The committee underscores that the joint explanatory material accompanying the National Defense Authorization Act for Fiscal Year 2025 (Committee Print No. 2) encouraged the Department to assess the advisability and feasibility of establishing advanced technology centers at community colleges to support training in critical skills, including advanced composite material layup.

Accordingly, the committee directs the Assistant Secretary of Defense for Industrial Base Policy to provide a briefing to the House Committee on Armed Services not later than December 31, 2027, on the Department's efforts to address workforce shortages in advanced composite materials manufacturing relevant to precision-guided munition production. The briefing shall include the following:

(1) an assessment of current workforce gaps in advanced composite materials manufacturing relevant to precision-guided munition production;

(2) a description of existing Department of Defense programs, partnerships, and authorities being used to address such gaps;

(3) an assessment of the effectiveness of those efforts to date; and

(4) any additional actions the Department considers necessary to strengthen the pipeline of qualified technicians needed to support production requirements.