

TITLE III—OPERATION AND MAINTENANCE

SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

Authorization of appropriations (sec. 301)

The House bill contained a provision (sec. 301) that would authorize the appropriations for operation and maintenance activities at the levels identified in section 4301 of division D of this Act.

The Senate bill contained an identical provision (sec. 301).

The agreement includes this provision.

SUBTITLE B—ENERGY AND THE ENVIRONMENT

Limitation on procurement of drop-in fuels (sec. 311)

The House bill contained a provision (sec. 311) that would amend subchapter II of chapter 173 of title 10, United States Code, to prohibit Department of Defense funds to be used for bulk purchases of drop-in fuel for operational purposes, unless the cost of that drop-in fuel is cost-competitive with traditional fuel, subject to a national security waiver.

The Senate amendment contained no similar provision.

The Senate recesses.

Southern Sea Otter Military Readiness Areas (sec. 312)

The House bill contained a provision (sec. 312) that would amend chapter 631 of title 10, United States Code, by adding a new section directing the Secretary of the Navy to establish "Southern Sea Otter Military Readiness Areas" for national defense purposes. The provision would also repeal section 1 of Public Law 99-625 (16 U.S.C. 1536 note).

The Senate amendment contained a similar provision (sec. 313).

The Senate recesses with an amendment that excludes the repeal of section 1 of Public Law 99-625 (16 U.S.C. 1536 note).

Modification of energy management reporting requirements (sec. 313)

The Senate amendment contained a provision (sec. 311) that would amend section 2925(a) of title 10, United States Code, by striking a subsection listing renewable energy credits (RECs) and clarifying and strengthening the reporting requirements on commercial and non-commercial utility outages.

The House bill contained no similar provision.

The House recesses.

Revision to scope of statutorily required review of projects relating to potential obstructions to aviation so as to apply only to energy projects (sec. 314)

The House bill contained a provision (sec. 313) that would amend section 358 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383) to expand coverage of the Siting Clearinghouse to requests for informal reviews by Indian tribes and landowners, clarify that

information received from private entities is not publicly releasable, eliminate categories of adverse risk, and limit applicability of section to only energy projects.

The Senate amendment contained a similar provision (sec. 353) that would amend section 358 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 to expand the coverage of the Department of Defense (DOD) Siting Clearinghouse to requests for informal reviews from Indian tribes and landowners, clarify that information received from private entities is not publicly releasable, eliminate categories of adverse risk. The Senate provision would maintain the coverage of the Department of Defense (DOD) Siting Clearinghouse for non-energy projects.

The Senate recesses with a clarifying amendment.

Exclusions from definition of "chemical substance" under Toxic Substances Control Act (sec. 315)

The House bill contained a provision (sec. 314) that would modify section 2602(2)(B) of title 15, United States Code, to add to the exclusions any component of any article, including shot, bullets and other projectiles, propellants when manufactured for or used in such an article, and primers.

The Senate amendment contained no similar provision.

The Senate recesses with an amendment limiting the provision to shot shells, cartridges, and components of shot shells and cartridges.

SUBTITLE C—LOGISTICS AND SUSTAINMENT

Repeal of limitation on authority to enter into a contract for the sustainment, maintenance, repair, or overhaul of the F117 engine (sec. 322)

The House bill contained a provision (sec. 323) that would amend Section 341 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291).

The Senate amendment contained a similar provision (sec. 321) that would repeal Section 341 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291).

The House recesses.

Pilot programs for availability of working capital funds for product improvements (sec. 323)

The House bill contained a provision (sec. 324) that would require the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, the Assistant Secretary of the Navy for Research, Development, and Acquisition, and the Assistant Secretary of the Air Force for Acquisition to each initiate a pilot program pursuant to section 330 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 68), as amended by section 332 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239; 126 Stat. 1697).

The Senate amendment contained no similar provision.
The Senate recesses.

SUBTITLE D—REPORTS

Modification of annual report on prepositioned materiel and equipment (sec. 331)

The Senate amendment contained a provision (sec. 331) that would amend Section 2229a(a)(8) of title 10, United States Code. The House bill contained no similar provision.
The House recesses.

Report on merger of Office of Assistant Secretary for Operational Energy Plans and Deputy Under Secretary for Installations and Environment (sec. 332)

The House bill contained a provision (sec. 318) that would require the Secretary of Defense to submit to Congress a report on the merger of the Office of the Assistant Secretary of Defense for Operational Energy Plans and the Office of the Deputy Under Secretary of Defense for Installations and Environment.

The Senate amendment contained no similar provision.
The Senate recesses.

Report on equipment purchased noncompetitively from foreign entities (sec. 333)

The House bill contained a provision (sec. 325) that would require the Secretary of Defense to submit a report to the congressional defense committees on contracts awarded to foreign entities.

The Senate amendment contained no similar provision.
The Senate recesses with a clarifying amendment.

SUBTITLE E—OTHER MATTERS

Prohibition on contracts making payments for honoring members of the Armed Forces at sporting events (sec. 341)

The House bill contained a provision (sec. 1098) that provided a sense of the Congress in regard to a private organization utilizing funds from the Department of Defense for the purpose of promoting or honoring the military.

The Senate amendment contained a similar provision (sec. 342a) and included a prohibition on the Department of Defense from entering into any such contracts.

The House recedes with a clarifying amendment.

We urge any organization, including the National Football League and other professional sports leagues, that has accepted taxpayer funds to honor members of the Armed Forces to consider directing an equivalent amount of funding in the form of a donation to a charitable organization that supports members of the Armed Forces, veterans, and their families. We also urge the Department of Defense to redirect any funds that would have been used for the aforementioned purposes to the post-traumatic stress disorder research and treatment for members of the Armed Forces.

Military animals: transfer and adoption (sec. 342)

The House bill contained a provision (sec. 594) that would amend Section 2583 of title 10, United States Code, in regard to military working dogs.

The Senate amendment contained a similar provision (sec. 352).

The Senate recedes with a clarifying amendment.

Temporary authority to extend contracts and leases under the ARMS Initiative (sec. 343)

The House bill contained a provision (sec. 335) that would allow contracts or subcontracts entered into pursuant to section 4554(a)(3)(A) of title 10, United States Code, on or before the date that is 5 years after the date of the enactment of this Act to include an option to extend the term of the contract or subcontract for an additional 25 years.

The Senate amendment contained an identical provision (sec. 343).

The agreement includes this provision.

Improvements to Department of Defense excess property disposal (sec. 344)

The House bill contained a provision (sec. 333) that would require the Secretary of Defense to submit to the congressional defense committees a plan for the improved management and oversight of the systems, processes, and controls involved in the disposition of excess non-mission essential equipment and materiel by the Defense Logistics Agency Disposition Services.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Limitation on use of funds for Department of Defense sponsorships, advertising, or marketing associated with sports-related organizations or sporting events (sec. 345)

The Senate amendment contained a provision (sec. 342) that would prohibit the Department of Defense from using any funds authorized to be appropriated for sponsorship, advertising, or marketing associated with a sports-related organization or sporting event until a review of current contracts and task orders for such events was completed.

The House bill contained no similar provision.

The House recedes with a technical amendment.

We are concerned with the Department's level of oversight of the sponsorship, advertising, and marketing associated with sports-related organizations and events executed by each of the military services, especially with the National Guard. Therefore, we direct the Secretary of Defense and the service secretaries to ensure the proper oversight mechanisms are in place to provide proper oversight and approval of these programs.

Additional requirements for streamlining of Department of Defense management headquarters (sec. 346)

The House bill contained a provision (sec. 905) that would express a series of findings and the sense of Congress on the commitment of the Department of Defense to reduce its headquarters budgets and personnel by 20 percent and to achieve \$10.0 billion in cost savings over 5 years. It would also amend section 904 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66), which requires the Secretary of Defense to develop a plan for streamlining Department of Defense management headquarters, by requiring an accurate baseline accounting of defense headquarters budgets and personnel, and more specific information on actual and planned reductions in

management headquarters. In addition, this section would further modify section 904 of Public Law 113-66 to require the Department to implement its planned reduction in management headquarters budgets and personnel for certain organizations in the National Capital Region. Lastly, it would clarify that civilian employees funded from working-capital funds are not subject to the reduction requirement.

The Senate amendment contained a similar provision (sec. 351) that would cut 30 percent from the budgets of headquarters activities over the next 4 years and require the Secretary of Defense to perform a comprehensive review of these activities and consider elimination, consolidation, and downsizing where appropriate.

The Senate recedes with an amendment that would require the Department to plan and budget for \$10.0 billion in cost savings in its headquarters, administrative and support activities between fiscal year 2015 and 2019. The amendment would also require at least a 25 percent reduction to headquarters activities, which would count towards the \$10.0 billion savings. Finally, the amendment would require a comprehensive review of headquarters, administrative and support functions with an eye towards streamlining and consolidating these functions across the Department of Defense.

We believe that the Secretary must credit the reductions, as having been accomplished in earlier fiscal years in accordance with the December 2013 Directive, as part of the baseline amount under this section for all of the Department of Defense headquarters and the specific baseline amounts for each such headquarters activity.

LEGISLATIVE PROVISIONS NOT ADOPTED

Additional authorization of appropriations for the Office of Economic Adjustment

The House bill contained a provision (sec. 302) that would authorize \$25.0 million for transportation projects on local roads that would help mitigate traffic congestion associated with the military facility.

The Senate amendment contained no similar provision.

The House recedes.

We note that the Defense Access Road program provides such funds around military installations where warranted.

Report on efforts to reduce high energy costs at military installations

The Senate amendment contained a provision (sec. 312) that would require the Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the assistant secretaries responsible for energy installations and environment for the military services and the Defense Logistics Agency, to conduct an assessment of the efforts to achieve cost savings at military installations with high energy costs.

The House bill contained no similar provision.

The Senate recesses.

We encourage the Assistant Secretary of Defense for Energy, Installations, and Environment to include in the Department's Annual Energy Management Report an assessment of cost reduction efforts by military installations with high energy costs to include state and local partnership opportunities.

Exemption of Department of Defense from alternative fuel procurement

The House bill contained a provision (sec. 315) that would amend section 526 of the Energy Independence and Security Act of 2007 (Public Law 110-140) to exempt the Department of Defense from the requirements related to contracts for alternative or synthetic fuel in that section.

The Senate amendment contained no similar provision.

The House recesses.

Limitation on plan, design, refurbishing, or construction of biofuels refineries

The House bill contained a provision (sec. 316) that would require the Department of Defense to obtain a congressional authorization before entering into a contract for the planning, design, refurbishing, or construction of a biofuels refinery.

The Senate amendment contained no similar provision.

The House recesses.

Comprehensive study on impact of proposed ozone rule

The House bill contained a provision (sec. 317) that would require the Department of Defense to conduct a comprehensive study on the impact of any final rule to the National Ambient Air Quality Standards for Ozone on military readiness.

The Senate amendment contained no similar provision.

The House recesses.

Assignment of certain new requirements based on determinations of cost-efficiency

The House bill contained a provision (sec. 321) that would assign certain new work requirements based on determinations of cost-efficiency.

The Senate amendment contained no similar provision.

The House recesses.

We note that sec. 321 is one of three provisions, along with sections 717 and 907, that we considered that cited Department of Defense Instruction (DODI) 7041.04, "Estimating and Comparing the Full Costs of Civilian and Active-Duty Military Manpower and Contract Support," as the prescribed methodology for making cost comparisons between DOD workforce sectors if the work is not inherently governmental or otherwise exempt from private-sector performance. We also note that the Senate Committee on Armed Services included in Senate Report 114-49 language directing the Secretary of Defense to submit a report setting forth the results of a study comparing the fully burdened cost of performance by Department of Defense (DOD) civilians and contractors.

We recognize that the costing methodology in DODI 7041.04, while validated by the DOD Office of Cost Assessment and Program Evaluation (CAPE), "continues to have certain limitations," as reported by the Government Accountability Office in GAO-13-792, "Opportunities Exist to Further Improve DOD's Methodology for Estimating the Costs of Its Workforces." In the same report, GAO raised questions "about the extent to which ... officials throughout DOD are aware of a requirement to use the methodology for decisions other than in-sourcing."

In light of these findings, we direct the Secretary of Defense, in responding to the reporting requirement in Senate Report 114-49 referenced above, to address the following additional items: (1) What steps has the Department taken to comply with the recommendations in GAO-13-792 for improving the costing methodology in DODI 7041.04; (2) What guidance has the Office of the Secretary of Defense issued to military components and defense agencies regarding the use of the cost-comparison process to make workforce mix decisions; (3) What roles do CAPE and the Office of the DOD Comptroller play in the cost-comparison process, both prior to workforce sourcing decisions being made and in tracking workforce sourcing outcomes; (4) What is the Office of the Secretary of Defense doing to ensure the skills, training, or experience needed to effectively perform manpower cost comparisons are available in the DOD workforce, including completion of the competency gap assessments cited in GAO-13-188, "Critical Skills and Competency Assessments Should

Help Guide DOD Civilian Workforce Decisions"; and (5) How will the findings in the report required in Senate Report 114-49 be used to improve and correct current limitations of the cost-comparison process outlined in DODI 7041.04?

Access to wireless high-speed Internet and network connections for certain members of the Armed Forces deployed overseas

The House bill contained a provision (sec. 334) that would require the Secretary of Defense to enter into contracts with third-party vendors to provide wireless high-speed Internet and network connections for certain members of the Armed Forces deployed overseas.

The Senate amendment contained no similar provision.
The House recesses.

Assessment of outreach for small business concerns owned and controlled by women and minorities required before conversion of certain functions to contractor performance

The House bill contained a provision (sec. 336) that would limit the conversion of a function to performance by a contractor until an assessment has been made as to whether the Department has carried out sufficient outreach programs to assist small business concerns owned and controlled by women (as such term is defined in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D))) and small business concerns owned and controlled by socially and economically disadvantaged individuals (as such term is defined in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C))) that are located in the geographic area near the military base.

The Senate amendment contained no similar provision.
The House recesses.

Pilot program on intensive instruction in certain Asian languages

The Senate amendment contained a provision (sec. 354) authorizing the Secretary of Defense, in consultation with the National Education Board, to carry out a pilot program to assess the feasibility and advisability of providing scholarships in accordance with the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) to individuals for intensive language instruction in a covered Asian language where deficiencies exist.

The House bill contained no similar provision.
The Senate recesses.

We note the need for intensive Asian language training, and direct the Secretary of Defense to provide the defense committees with a briefing no later than April 15, 2016, on the steps Department of Defense is taking to meet that need within the context of the Administration's policy to rebalance to the Asia-Pacific region.

Sense of Senate on finding efficiencies within the working-capital fund activities of the Department of Defense

The Senate amendment contained a provision (sec. 1005) that would provide a sense of the Senate for the Secretary of Defense to ensure a strong organic industrial base workforce.

The House bill contained no similar provision.

The agreement does not include this provision.

We note that the Secretary of Defense should continue to optimize existing workload plans to ensure a strong organic industrial base workforce.