

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

OVERVIEW

The committee supports the budget request for the authorized end strengths for the Armed Forces in fiscal year 2012. The budget request reduces the end strength of the Active Duty Army by 7,400 personnel to 562,000, which is a planned reduction of the temporary end strength increase authorized in the Ike Skelton Na-

tional Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383). Notwithstanding support for the Army's reduction, the committee remains concerned with the continued impact of the high number of non-deployable soldiers on Army readiness, individual dwell time, and the Army's ability to ensure deploying units are fully manned. Based on data provided to the committee by the Army during briefings, 17 percent, which is approximately 20,000 personnel, of soldiers in the Army's deploying combat units are not deployable, and this figure is growing at an unsustainable rate. In addition, there are approximately 9,000 soldiers processing through the Permanent Disability Evaluation System after being found medically unfit for service. The Army could potentially face a deployable inventory deficit of 30,000 soldiers for its mission requirements by fiscal year 2017 if these challenges are not addressed. While the Army could take measures to partially reduce the number of non-deployable personnel in its combat units, the committee believes that more dramatic measures will be required to reform the Permanent Disability Evaluation System, which still requires disabled soldiers to remain on Active Duty for 1 year or more as they are processed through the system.

The committee is also concerned with the Navy's request of a reduction in the active authorized end strength by 3,000 sailors. The Navy has been challenged over the past several years as sailors deployed as individual augmentees to overseas contingency operations to execute non-traditional Navy missions, which has drained needed manpower from the fleet. The Navy has undertaken an efficiency task to increase readiness in the fleet by eliminating approximately 7,200 shore billets and assigning those personnel to sea billets. The committee will closely monitor this process as well as the Navy's reduction of manpower and the impact on operations and requirements.

The Secretary of Defense, as part of an additional \$78-billion efficiencies reduction in the Department budget top line, has proposed to significantly reduce the size of the active Army by 27,000 soldiers and the active Marine Corps by 15,300 Marines beginning in fiscal year 2015 through fiscal year 2016. The committee is concerned the impact this force reduction will have on individual dwell time on both services, especially for the Army since this reduction of 27,000 soldiers is in addition to a planned reduction of 22,000 temporary end strength by fiscal year 2013. The committee has heard repeatedly in hearings and briefings over the past several years that achieving an individual dwell time ratio of 1 to 3 is critical to maintaining the health of the Active Component Army and Marine Corps and their families. In his statement for the record submitted to the committee during the fiscal year 2012 Department of Defense posture hearing, the Chairman of the Joint Chiefs of Staff stated that, "For our Army combat units, we do not expect to begin to reach our interim goal of 1:2 deploy-to-dwell ratios until 2012." This appears to be the best ratio that can be obtained for the foreseeable future; and the new standard. The projected force reductions are based on an assumption that the combat commitment in the Islamic Republic of Afghanistan would be significantly reduced by the end of 2014. It remains unclear to the committee what the level of forces in Afghanistan would need to be reduced in order to allow the force reduction to begin without an adverse

impact on troops and their families. More importantly, the manpower reductions appear to have no relationship to the requirements of overall national military strategy or to future war fighting requirements.

The committee is committed to working with the Department to ensure that the proper analysis of end strength requirements is completed prior to the proposed reductions beginning. It is imperative the military maintain sufficient manpower to support current and future requirements that have been generated by a Nation at war for almost 10 years.

LEGISLATIVE PROVISIONS

SUBTITLE A—ACTIVE FORCES

Section 401—End Strengths for Active Forces

This section would authorize the following end strengths for Active Duty personnel of the Armed Forces as of September 30, 2012:

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Request	FY 2011 Au- thorized
Army	569,400	562,000	562,000	0	-7,400
Navy	328,700	325,700	325,739	39	-2,961
USMC	202,100	202,100	202,100	0	0
Air Force	332,200	332,800	332,800	0	600
DOD	1,432,400	1,422,600	1,422,639	39	-9,761

Section 402—Revision in Permanent Active Duty End Strength Minimum Levels

This section would establish new minimum Active Duty end strengths for the Army, Navy, Marine Corps, and Air Force as of September 30, 2012. The committee recommends 562,000 as the minimum Active Duty end strength for the Army, 325,739 as the minimum Active Duty end strength for the Navy, 202,100 as the minimum Active Duty end strength for the Marine Corps, and 332,800 as the minimum Active Duty end strength for the Air Force.

SUBTITLE B—RESERVE FORCES

Section 411—End Strengths for Selected Reserve

This section would authorize the following end strengths for Selected Reserve personnel, including the end strength for Reserves on Active Duty in support of the Reserves, as of September 30, 2012:

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Request	FY 2011 Au- thorized
Army National Guard	358,200	358,200	358,200	0	0

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Request	FY 2011 Au- thorized
Army Reserve	205,000	205,000	205,000	0	0
Navy Reserve	65,500	66,200	66,200	0	700
Marine Corps Reserve	39,600	39,600	39,600	0	0
Air National Guard	106,700	106,700	106,700	0	0
Air Force Reserve	71,200	71,400	71,400	0	200
DOD Total	846,200	847,100	847,100	0	900
Coast Guard Reserve	10,000	10,000	10,000	0	0

Section 412—End Strengths for Reserves on Active Duty in Support of the Reserves

This section would authorize the following end strengths for Reserves on Active Duty in support of the Reserves as of September 30, 2012:

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Re- quest	FY 2011 Au- thorized
Army National Guard	32,060	32,060	32,060	0	0
Army Reserve	16,261	16,261	16,261	0	0
Naval Reserve	10,688	10,337	10,337	0	-351
Marine Corps Reserve	2,261	2,261	2,261	0	0
Air National Guard	14,584	14,833	14,833	0	249
Air Force Reserve	2,992	2,662	2,662	0	-330
DOD Total	78,846	78,414	78,414	0	-432

Section 413—End Strengths for Military Technicians (Dual Status)

This section would authorize the following end strengths for military technicians (dual status) as of September 30, 2012:

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Re- quest	FY 2011 Au- thorized
Army Reserve	8,395	8,395	8,395	0	0
Army National Guard	27,210	27,210	27,210	0	0
Air Force Reserve	10,720	10,777	10,777	0	57
Air National Guard	22,394	22,509	22,509	0	115
DOD Total	68,719	68,891	68,891	0	172

Section 414—Fiscal Year 2012 Limitation on Number of Non-Dual Status Technicians

This section would establish the maximum end strengths for the Reserve Components of the Army and Air Force for non-dual status technicians as of September 30, 2012:

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Re- quest	FY 2011 Au- thorized
Army National Guard	1,600	1,600	1,600	0	0
Air National Guard	350	350	350	0	0
Army Reserve	595	595	595	0	0
Air Force Reserve	90	90	90	0	0
DOD Total	2,635	2,635	2,635	0	0

Section 415—Maximum Number of Reserve Personnel Authorized To Be on Active Duty for Operational Support

This section would authorize, as required by section 115(b) of title 10, United States Code, the maximum number of Reserve Component personnel who may be on Active Duty or full-time National Guard duty during fiscal year 2012 to provide operational support. The personnel authorized here do not count against the end strengths authorized by section 401 or section 412 of this Act unless the duration on Active Duty exceeds the limitations in section 115(b)(2) of title 10, United States Code.

Service	FY 2011 Authorized	FY 2012		Change from	
		Request	Committee Rec- ommenda- tion	FY 2012 Re- quest	FY 2011 Au- thorized
Army National Guard	17,000	17,000	17,000	0	0
Army Reserve	13,000	13,000	13,000	0	0
Naval Reserve	6,200	6,200	6,200	0	0
Marine Corps Reserve	3,000	3,000	3,000	0	0
Air National Guard	16,000	16,000	16,000	0	0
Air Force Reserve	14,000	14,000	14,000	0	0
DOD Total	69,200	69,200	69,200	0	0

SUBTITLE C—AUTHORIZATION OF APPROPRIATIONS

Section 421—Military Personnel

This section would authorize appropriations for military personnel at the levels identified in the funding table in section 4401 of division D of this Act.

TITLE V—MILITARY PERSONNEL POLICY

OVERVIEW

The committee recognizes that after almost 10 years of war, the Department of Defense must remain flexible and continue to adapt its policies to maintain a viable All-Volunteer Force. The committee continues its efforts to provide needed flexibility to the Department in order to manage the total force. For example, the committee has included several provisions which enhance the management of the Reserve Component and increase the flexibility of the Marine Corps to manage its field grade officers. The committee also supports the need to provide flexibility for individuals during their military career and has extended authorities for service members

to pause their active service in order to meet personal or professional needs and then return to active service.

In addition, the committee has proposed reductions to the statutory authorizations in the numbers of general and flag officers on active duty, complementing the efforts of the Secretary of Defense to reduce such officers across the Department. Further, the committee has provided funds to support local educational agencies heavily impacted by military dependent enrollments.

The committee also recognizes the selfless sacrifices that our military men and women and their families are making on behalf of the Nation and has included provisions that would improve the overall well being and readiness of the force. Just as important as those still serving, the committee believes its commitment to our service members does not end once they are out of the military. The committee has included several provisions to improve the oversight and function of Arlington National Cemetery, Virginia, and the Armed Forces Retirement Home. The Department of Defense and the military services have a history of partnering with local communities through community service projects, mentorship programs, and education programs to enhance the community and maintain a civic relationship with communities that support its installations. The committee commends the military services and the Department of Defense for their efforts and encourages the Department to continue to seek ways to expand these partnerships.

ITEMS OF SPECIAL INTEREST

Community College of the Air Force

The Community College of the Air Force provides enlisted members of the U.S. Air Force the opportunity to earn their associate degree in a variety of areas. The committee believes that program and funding efficiencies may be gained by allowing enlisted members from the other services to participate in this program. The committee requests the Secretary of Defense to review the feasibility and cost of allowing enlisted members from the other services, including the U.S. Coast Guard, to participate in the Community College of the Air Force's associate degree program, and to provide a briefing on the findings to the Senate Committee on Armed Services and the House Committee on Armed Services within 180 days after the date of enactment of this Act.

Critical Language Training at Reserve Officer Training Programs and Senior Military Colleges

The committee believes foreign language skills are critical to national security and has provided the Department of Defense the flexibility to establish programs to ensure a viable pool of foreign language speaking service members and national security personnel. Section 529 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) authorized the Secretary of Defense to establish language training centers of excellence at universities, senior military colleges, and other institutions of higher learning to develop a foundation of expertise in critical and strategic languages and regional studies. The military is increasingly placed in roles where language skills are critical in day-to-day op-

erations. Therefore, the committee recommends the Secretary of Defense to develop a program to establish language training centers, and also encourage the Secretary of Defense to include the Reserve Officer Training Corps and senior military college programs within the National Security Education Program.

Expanding the Use of On-Line Education in the Department of Defense Educational Activity

The Department of Defense Education Activity (DODEA) educates eligible Department of Defense military and civilian dependents from pre-kindergarten through 12th grade in schools located overseas and in the U.S. and its territories and possessions. The committee recognizes that the technology to support successful on-line education exists in the civilian education sector and is concerned that DODEA may not be taking full advantage of online school programs that already exist and are successfully serving current military families. Therefore, the committee directs the Secretary of Defense to study the potential cost-savings and achievement benefits of introducing a K-12 online learning environment into the DODEA school system, and to report his findings to the committee by April 1, 2012. The report shall identify existing on-line educational opportunities for DODEA students, alternative on-line school opportunities currently used by military families, and recommendations, as appropriate, for enhancing and funding DODEA's expansion of the use of online education.

Review for Hispanic American Service Cross Recipients

In the committee report (H. Rept. 111-491) accompanying the National Defense Authorization Act for Fiscal Year 2011, the committee noted that it believes that the statutory authority to conduct a review for Hispanic American service cross recipients from World War I exists in underlying law, section 552 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107). In H. Rept. 111-491, the committee directed the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to provide the Senate Committee on Armed Services and House Committee on Armed Services notification of the reviews conducted within 180 days of the date of enactment of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383). The committee anticipates receiving notification on this subject in June and looks forward to a full report on the actions that they have taken to ensure that the service of Hispanic American World War I veterans is properly recognized.

Use of Electronic Media for Family Support Programs

The committee continues to encourage the Secretary of Defense and the Secretaries of the military departments to provide service members and their families a balance between work and family life and to promote quality of life programs. Given the high operations tempo experienced by many service members during the past nearly 10 years of war, the committee believes it is critical that widely dispersed military families far removed from military installations, particularly families of Reserve Component service members, have access to the tools necessary to effectively manage their lives dur-

ing times of stress. Assistance in personal finance, stress management, grief counseling, and general morale and wellbeing management is a critical component of family support initiatives. The committee understands that these types of support services can be provided through a variety of cost-effective media options, to include audio books, compact disks, digital video disks, and other electronic media delivered through the Internet. Further, the committee believes that programs using such media options offer a flexible capability to target needed services to specific families on demand over a wide geographic area in a cost-effective manner. Accordingly, the committee directs the Secretary of Defense to submit to the congressional defense committees a report, by March 31, 2012, on the current use of electronic media for delivering family support programs within the Department of Defense, the potential for greater use of commercially procured electronic media to support family programs, a survey of vendors capable of providing such services who are already sanctioned by the General Services Administration, and the Secretary's view of the propriety and cost-effectiveness of increasing the use of electronic media to support family programs.

Wounded Warrior Implementation

Section 511 of the National Defense Authorization Act of 2008 (Public Law 110-181) provided the authority enabling military technicians (dual status) to continue to be employed as technicians when the loss of their military membership in the Selected Reserve is the result of a combat-related disability. The National Guard Bureau issued implementing instruction in June 2009 to the state-level National Guard Headquarters. Unfortunately, the implementation guidance may not have been distributed to all pertinent levels of personnel and dual-status technicians may not have been informed of this program. Therefore, the committee directs the National Guard Bureau to reissue the implementing instructions to the state and territory headquarters with additional guidance to ensure the information is disseminated to the lowest level possible.

LEGISLATIVE PROVISIONS

SUBTITLE A—OFFICER PERSONNEL POLICY GENERALLY

Section 501—Increase in Authorized Strengths for Marine Corps Officers on Active Duty in Grades of Major, Lieutenant Colonel, and Colonel

This section would increase the grade table allowance for Marine Corps officers serving on active duty in grades major, lieutenant colonel, and colonel. For example, with an officer strength of 17,500, the Marine Corps could promote 485 additional officers to the grade of major, 286 additional officers to the grade of lieutenant colonel, and 37 additional officers to the grade of colonel.

Section 502—General Officer and Flag Officer Reform

This section would eliminate 14 authorizations for general and flag officers in joint duty assignments and add up to 7 officers serving in intelligence positions to count against the joint duty assign-

ment limit. This section would also eliminate 11 Air Force general officer authorizations and would require that the superintendents of the service academies be counted against their respective service's general and flag officer limits. This section would require that the directed changes take place between January 1, 2012, and October 1, 2013. The committee applauds the efforts of the Secretary of Defense to reduce the number of general and flag officers on active duty, which numbered 967 as of July 2010, by 102 over the next 2 years. However, the committee was disappointed that the Secretary made no substantial proposal in the budget request to reduce the statutory limits imposed not only on the number of general and flag officers on active duty, but also on the statutory limits on the number of general and flag officers serving in each grade. For example, at present, the military services are statutorily authorized to have as many as 658 general and flag officers on active duty to meet in-service requirements, as well as up to another 324 general and flag officers for joint duty assignments. In addition, the numbers of general and flag officers actually on active duty are increased because several are excluded from counting against the statutory limits. Such exemptions include the superintendents of the military service academies, the general and flag officers assigned to the Defense Intelligence Agency, the Central Intelligence Agency, the Office of the Director of National Intelligence, and the Attending Physician to Congress. The effect of allowing the statutory limits and exemptions to remain in place would be to create what the committee believes is excessive room for the military services and the joint commands to generate future increases in the number of general and flag officers on active duty, notwithstanding the policy controls that the Secretary of Defense intends to impose to limit future growth.

SUBTITLE B—RESERVE COMPONENT MANAGEMENT

Section 511—Leadership of National Guard Bureau

This section would establish the position of and criteria for the Vice Chief of the National Guard Bureau, with the officer holding that position, following appointment by the President and with the advice and consent of the Senate, to serve in the grade of lieutenant general. This section would require that both the Chief and Vice Chief of the National Guard Bureau be designated by the Secretary of Defense as general officers to be counted against the pool of general and flag officers in joint duty assignments established by section 526(b) of title 10, United States Code. This section would also establish a chain of succession for both the Chief and Vice Chief of the National Guard Bureau should either or both be absent or disabled. Finally, this section would authorize the incumbent holding the position of Director of the Joint Staff of the National Guard Bureau to continue to serve in the current grade of major general as the acting vice chief until the appointment of an officer to be the vice chief.

Section 512—Preseparation Counseling for Members of the Reserve Components

This section would amend section 1142 of title 10, United States Code, to require individual preseparation counseling be made available to members of the Reserve Component. This service is currently available for service members whose discharge from active duty is anticipated as of a specific date. This section would also clarify the 90-day requirement for preseparation counseling for Reserve Component members who have less than 90-days before release from active duty due to operational requirements. This allows preseparation counseling to begin as soon as possible within the remaining period of service.

Section 513—Clarification of Applicability of Authority for Deferral of Mandatory Separation of Military Technicians (Dual Status) until Age 60

This section would amend section 10216(f) of title 10, United States Code, to clarify that the Secretary of the Army and the Secretary of the Air Force may each implement policies to allow military technicians (dual status) who reach their mandatory separation date before age 60 the ability to apply for continued service. This section would also amend section 10218(a)(3)(A)(i) of title 10, United States Code, to clarify that if a military technician (dual status) is given the opportunity to apply for continued service and is found to be qualified, the Secretary concerned may appoint the technician to another position as a military technician (dual status).

Section 514—Modification of Eligibility for Consideration for Promotion for Reserve Officers Employed as Military Technicians (Dual Status)

This section would remove from promotion eligibility those Reserve officers of the Army and Air Force employed as dual status military technicians who had been retained on the Reserve Active-status list beyond the mandatory removal date normally required after reaching their maximum number of years of service.

SUBTITLE C—GENERAL SERVICE AUTHORITIES

Section 521—Findings regarding Unique Nature, Demands, and Hardships of Military Service

This section would state the findings of Congress with regard to the nature, demands, and hardships of military service. This section would state that there is no constitutional right to serve in the military; military operations often require extraordinary sacrifices, to include the ultimate sacrifice; successful units are characterized by high morale, good order and discipline, and unit cohesion; military living and working conditions are often Spartan and primitive characterized by forced intimacy and little privacy; and the Armed Forces must maintain policies that allow for recruiting of persons who can be expected to maintain the high standards for morale, good order and discipline, and unit cohesion.

Section 522—Policy Addressing Dwell Time and Measurement and Data Collection regarding Unit Operating Tempo and Personnel Tempo

This section would amend section 991 of title 10, United States Code, to require the Secretary of Defense to prescribe a policy that addresses dwell time for members of the Armed Forces. This section would also require the Secretary of Defense to establish a system for tracking and recording the number of days each member of the Armed Forces is deployed, prescribe policies and procedures for measuring operating tempo and personnel tempo, and maintain a central data collection repository to provide information for research, analysis, interagency reporting, and evaluation of programs and policies. This section would define the term “dwell time”.

Section 523—Authorized Leave Available for Members of the Armed Forces Upon Birth or Adoption of a Child

This section would increase the number of days of non-chargeable leave from 21 to 42 that a service member may be granted following adoption of a child, if the service member is the primary caregiver of the child. The section would also provide that the other service member of a dual military couple may also be awarded 10 days of non-chargeable leave that may be taken at the same time as the primary caregiver is on adoption leave. This section would bring the adoption leave authority in line with the non-chargeable leave provided to service members who delivered a newborn child and dual military couples who were able to conceive a child naturally.

Section 524—Extension of Authority To Conduct Programs on Career Flexibility To Enhance Retention of Members of the Armed Forces

This section would extend from December 31, 2012, to December 31, 2015, the authority for the Secretaries of the military departments to inactivate service members from active duty in order to allow them to meet personal or professional needs and return them to active duty following the period of inactivation.

Section 525—Policy on Military Recruitment and Enlistment of Graduates of Secondary Schools

This section would require a secretary of the military department to treat persons who receive a diploma from a legally operating secondary school or otherwise completes a program of secondary education in compliance with the education laws of the State in which the person resides the same as a person who receives a diploma from a secondary school, as defined by section 7801 of title 20, United States Code. This section would also require the Secretary of Defense to prescribe a policy on recruitment and enlistment that incorporates following: (1) Means for identifying qualified persons to enlist; (2) Means for assessing how qualified persons fulfill their enlistment obligation; and (3) Means for maintaining data by each diploma source which can be used to analyze attrition rates. As a part of the policy, this section would require the Secretary of each military department to develop a recruitment plan that includes a

marketing strategy for potential recruits with all types of secondary education credentials, and to develop a communication plan to ensure the policy and recruitment plan are understood by military recruiters.

The committee understands the Department of Defense's current recruiting policy is based on attrition data rather than secondary education diploma source. The committee believes the current policy needs to be revised to account for both the increasing numbers and the quality of alternative delivery methods of secondary education content, such as charter schools, online high schools, homeschooling, and hybrid schools. The committee also recognizes and encourages the Department of Defense, as well as the military services to continue to develop assessments and tools to better predict performance, behaviors, and attitudes in order to minimize attrition.

Section 526—Navy Recruiting and Advertising

This section would add \$983,000 to Operations and Maintenance, Navy, Line 440 for Recruiting and Advertising for the professional development of youths, ages 11 to 17, to promote interest and skill in seamanship and aviation while instilling qualities that mold strong moral character.

SUBTITLE D—MILITARY JUSTICE AND LEGAL MATTERS

Section 531—Procedures for Judicial Review of Military Personnel Decisions Relating To Correction of Military Records

This section would establish guidelines for judicial review of decisions by the boards for correction of military records operated by the Secretaries of the military departments. The guidelines would ensure that boards for correction of military records issue concise written statements that consist of the factual and legal basis for decisions that deny requested actions, along with a statement of the procedures and timing associated with seeking a judicial review. Further, the guidelines would require that judicial review be pursued within 1 year of a final decision by a board for correction of military records. The guidelines would also ensure that service members seek review of their issues in the most efficient manner possible that reduces costs for both the individual and the Government.

Section 532—Clarification of Application and Extent of Direct Acceptance of Gifts Authority

This section would expand the eligibility of members of the Armed Forces and Department of Defense to receive gifts from non-profit organizations, private parties, and other sources outside the Department of Defense. The expansion would make eligible all members of the Armed Forces serving in a combat operation or a combat zone designated by the Secretary of Defense. Under current law, only those persons with a combat-related injury are eligible. This section would also require that the regulations prescribed by the Secretary of Defense would apply retroactively to injuries and illnesses incurred on or after September 11, 2001.

Section 533—Additional Condition on Repeal of Don't Ask, Don't Tell Policy

This section would amend the Don't Ask, Don't Tell Repeal Act of 2010 (Public Law 111–321) to require the Chief of Staff of the Army, the Chief Naval Operations, the Commandant of the Marine Corps, and the Chief of Staff of the Air Force to submit to the congressional defense committees their written certification that repeal of the Don't Ask, Don't Tell law specified in section 654 of title 10, United States Code, will not degrade the readiness, effectiveness, cohesion, and morale of combat arms units and personnel of their respective armed force that are engaged in combat, deployed to a combat theater, or preparing for deployment to a combat theater.

Section 534—Military Regulations Regarding Marriage

This section would affirm the policy of section 3 of the Defense of Marriage Act (1 U.S.C. 7) that the word “marriage” included in any ruling, regulation, or interpretation of the Department of Defense applicable to a service member or civilian employee of the Department of Defense shall mean only a legal union between one man and one woman.

Section 535—Use of Military Installations as Site for Marriage Ceremonies and Participation of Chaplains and Other Military and Civilian Personnel in Their Official Capacity

This section would establish that marriages performed on DOD installations or marriages involving the participation of DOD military or civilian personnel in an official capacity, to include chaplains, must comply with the Defense of Marriage Act (1 U.S.C. 7), which defines marriage as only the legal union between one man and one woman.

SUBTITLE E—MEMBER EDUCATION AND TRAINING OPPORTUNITIES AND ADMINISTRATION

Section 541—Improved Access to Apprenticeship Programs for Members of the Armed Forces who Are Being Separated from Active Duty or Retired

This section would amend section 1144 of title 10, United States Code, to allow the secretary concerned to permit a member of the Armed Forces to participate in an apprenticeship program that provides employment skills training and assists them in transitioning into new careers in civilian life.

Section 542—Expansion of Reserve Health Professionals Stipend Program To Include Students in Mental Health Degree Programs in Critical Wartime Specialties

This section would expand the categories of health professional students eligible to receive a stipend to include students enrolled in an institution in a course of study that results in a degree in clinical psychology or social work.

Section 543—Administration of United States Air Force Institute of Technology

This section would amend chapter 901 of title 10, United States Code, by adding a new section establishing a position of commandant of the United States Air Force Institute of Technology who is either an active duty officer of the Air Force in a grade not below the grade of colonel or a civilian who was retired from the Air Force in the grade not below the grade of brigadier general. This section would also establish a position of Provost and Academic Dean at the United States Air Force Institute of Technology.

Section 544—Appointments to Military Service Academies from Nominations Made by the Governor of Puerto Rico

This section would amend section 4342(a)(7) of title 10, United States Code, to increase the number of nominations to the military service academies by the Governor of Puerto Rico from 1 to 3.

Section 545—Temporary Authority To Waive Maximum Age Limitation on Admission to United States Military Academy, United States Naval Academy, and United States Air Force Academy

This section would authorize the secretary of a military department to waive the maximum age limitation for admission to a military service academy from 23 to 26 for an otherwise qualified candidate. The candidate must be either (a) an enlisted member of the Armed Forces who was prevented from being admitted to a military service academy before they reached the maximum age as a result of service in a theater of operation for Operation Iraqi Freedom, Operation Enduring Freedom, or Operation New Dawn; or (b) a candidate who possess an exceptional record that sets them apart from other candidates, as determined by the secretary concerned. This section would limit the number of candidates admitted to each academy under this waiver authority to five per academic year. The Secretary of each military department shall track the number of graduates using this waiver authority who remain in the Armed Forces beyond the active duty service obligation. This section would require the secretary concerned is required to submit a report to the congressional defense committees by April 1, 2016, that displays the number of applications for waivers, the number of waivers granted by the secretary, the number admitted to the academy utilizing the waiver, and the number of graduates who were enlisted prior to admission to an academy that have remained in the service past their active duty service obligation, beginning with the class of 2009.

Section 546—Education and Employment Advocacy Program for Wounded Members of the Armed Forces

This section would add \$15,000,000 to Operations and Maintenance, Defense Wide, Office of the Secretary of Defense, Line 260 for the purpose of an Education and Employment Advocacy pilot program to engage Wounded Warriors early in their recovery.

SUBTITLE F—ARMY NATIONAL MILITARY CEMETERIES

Section 551—Army National Military Cemeteries

This section would establish the general authority of the Secretary of the Army to develop, operate, manage, administer, oversee, and fund the Army National Military Cemeteries, consisting of Arlington National Cemetery, Virginia, and the U.S. Soldiers' and Airmen's Home National Cemetery, District of Columbia, in a manner and to standards that fully honor the service and sacrifices of the deceased members of the Armed Forces whose last resting places are in the respective cemeteries. This section would require the Secretary to promulgate regulations and policies for the Army National Military Cemeteries, to include eligibility for interment and inurnment, and mandate that annual budget requests for the cemeteries be provided to the congressional defense committees, the Senate Committee on Veterans' Affairs, and the House Committee on Veterans' Affairs. In promulgating eligibility regulations for interments and inurnments, the Secretary should ensure that they are consistent with the relevant provisions of title 38, United States Code. This section would place the cemeteries under the direct jurisdiction of Headquarters, Department of the Army, and authorize the position and set forth the responsibilities of the Executive Director of the cemeteries, who would report directly to the Secretary of the Army. This section would also require that by 1 June 2012 there be an operational electronic database at Arlington National Cemetery for recordkeeping and full accounting of all records of each specific gravesite and niche location at that cemetery and the identification of the individual interred or inurned at each specific gravesite and niche location. This section would also specify the qualifications, duties, and supervisory chain for the superintendents of the respective cemeteries. Additionally, this section would require the Secretary of the Army to appoint an Advisory Committee on Arlington National Cemetery to provide periodic consultation and advice on the administration of Arlington National Cemetery, as well as on the erection of memorials and master planning for the cemetery. The committee urges the Secretary to include a representative from the National Cemetery Administration, Department of Veterans Affairs, as a member of the Advisory Committee to facilitate consistency and enable best practices to be interchanged. Finally, this section would require not only the Secretary of the Army to periodically inspect the cemeteries, but would also direct the Inspector General of the Department of Defense to inspect the cemeteries during fiscal years 2012 and 2014. The Secretary would be required to provide the congressional defense committees a plan for corrective actions not later than 120 days following any inspection directed by the Secretary or conducted by the Inspector General.

Section 552—Inspector General of the Department of Defense
Inspection of Military Cemeteries

This section would require the Inspector General of the Department of Defense to inspect the cemeteries at the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy to determine: the adequacy of

and adherence to the statutes, policies, and regulations governing those cemeteries; the adequacy of the system employed to fully account for and accurately identify the remains interred or inurned in each; the history and adequacy of the oversight efforts of the Secretaries of the military departments who have jurisdiction for these cemeteries; and other matters. This section would also require the Inspector General to follow-up on that part of the 2010 report of the special inspection of Arlington National Cemetery pertaining to the Soldiers' and Airmen's National Cemetery. The follow-up inspection would be to determine whether the Secretary of the Army has fully and completely addressed the issues raised and the recommendations made in the 2010 report. This section would require the Secretaries of the military departments to submit a report to the Senate Committee on Armed Services and the House Committee on Armed Services by March 31, 2012, on the findings and recommendations of the inspection of their respective cemeteries, together with a plan for corrective action. Finally, this section would require the Inspector General of the Department of Defense to inspect a statistically valid sample of the other cemeteries, both inside and outside the United States, that are under the jurisdiction of the Secretaries of the military departments. The purpose would be to assess the adequacy of and adherence to the statutes, policies, and regulations governing the management, oversight, operations, and interments and inurnments by those cemeteries. This section would also require the Inspector General to submit a report to the Senate Committee on Armed Services and the House Committee on Armed Services by December 31, 2012, on the findings of these inspections, and then the Secretaries of the military services would be required to submit a plan for corrective actions to the same committees by April 1, 2013.

SUBTITLE G—ARMED FORCES RETIREMENT HOME

Section 561—Control and Administration by Secretary of Defense

This section would establish that the administration of the Armed Forces Retirement Home, to include the provision of health care and medical care for the residents, is a responsibility of the Secretary of Defense.

Section 562—Senior Medical Advisor Oversight of Health Care Provided to Residents of Armed Forces Retirement Home

This section would clarify the oversight responsibilities and reporting requirements of the Senior Medical Advisor with regard to the health care provided to the residents of the Armed Forces Retirement Home.

Section 563—Establishment of the Armed Forces Retirement Home Advisory Council and Resident Advisory Committees

This section would establish one Armed Forces Retirement Home Advisory Council, replacing the local boards established for each of the two facilities of the Armed Forces Retirement Home. This section would specify the required expertise of the members of the advisory council and require the Secretary of Defense to designate a member to be the chairperson of the advisory council, who would

be responsible for the operation of the council. This section also would require resident advisory committees at each facility of the Armed Forces Retirement Home. These committees, consisting of residents elected by the residents of each facility, would serve as a forum for ideas, recommendations, and issues to be discussed with the management of each facility.

Section 564—Administrators, Ombudsmen, and Staff of Facilities

This section would eliminate the positions of deputy director and associate director in each facility and establish the position of ombudsman. The ombudsman of each facility would have the authority to communicate with the administrator of the facility, the Chief Operating Officer of the Retirement Home, the Senior Medical Advisor, the Inspector General of the Department of Defense, and the Under Secretary of Defense for Personnel and Readiness. This section also would make a technical change in the title of the person responsible for the operations of each facility of the Armed Forces Retirement Home from “Director” to “Administrator”.

Section 565—Revision of Fee Requirements

This section would repeal the obsolete transitional fee requirements for the Armed Forces Retirement Home and establish permanent fee requirements.

Section 566—Revision of Inspection Requirements

This section would revise the interval of inspections that the Inspector General of the Department of Defense would be required to make of each facility of the Armed Forces Retirement Home from annually to not less often than every 3 years. This section also would clarify requirements for reporting and corrective actions.

Section 567—Repeal of Obsolete Transitional Provisions and Technical, Conforming, and Clerical Amendments

This section would clarify that former members of the Coast Guard are eligible to be residents of the Armed Forces Retirement Home and that senior personnel officer and senior enlisted members of the Coast Guard are eligible to serve on the Armed Forces Retirement Home Advisory Council. This section also would repeal obsolete transitional provisions enacted as part of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107), and make technical, conforming and clerical amendments.

SUBTITLE H—MILITARY FAMILY READINESS MATTERS

Section 571—Revision to Membership of Department of Defense Military Family Readiness Council

This section would clarify the appointment options for family member representatives serving on the Department of Defense Military Family Readiness Council to include parents of members of the military services and would further designate Reserve Component representation on the council.

Section 572—Continuation of Authority To Assist Local Educational Agencies that Benefit Dependents of Members of the Armed Forces and Department of Defense Civilian Employees

This section would provide \$30.0 million for assistance to local educational agencies that have military dependent students comprising at least 20 percent of the students in average daily attendance per year. The section would also provide \$10.0 million for assistance to local educational agencies that experience significant increases and decreases in the average daily attendance of military dependent students due to the military force structure changes, the relocation of military forces from one base to another, and from base closures and realignments.

Section 573—Protection of Child Custody Arrangements for Parents who Are Members of the Armed Forces

This section would amend title 2 of the Service Members Civil Relief Act (50 U.S.C. app. 521) to require a court that issued a temporary custody order based solely on a service member being deployed or anticipating deployment to reinstate the custody order that was in effect immediately preceding the temporary order unless the court finds reinstatement is not in the best interest of the child. This section would also prohibit courts from using deployment or the possibility of deployment against a service member when determining the best interest of a child.

Section 574—Center for Military Family and Community Outreach

This section would authorize the Secretary of the Army to establish a Center for Military Family and Community Outreach in cooperation with an historically black university to train social work students, social work faculty members and social workers to understand military life and enhance their competencies in providing services to military families.

This section would also add \$1,000,000 to Operation and Maintenance, Army to establish a Center for Military Family and Community Outreach.

Section 575—Mental Health Support for Military Personnel and Families

This section would add \$3,000,000 to Operation and Maintenance, Marine Corps for a collaborative program to train active duty military personnel to recognize combat stress disorder, suicide risk, substance addiction, risk-taking behaviors and family violence.

Section 576—Report on Department of Defense Autism Pilot Projects

This section would require the Secretary of Defense to submit a report on any pilot projects that the Department of Defense is conducting on autism services to the Committee on Armed Services of the Senate and the House of Representatives.

SUBTITLE I—IMPROVED SEXUAL ASSAULT PREVENTION AND
RESPONSE IN THE ARMED FORCES

Section 581—Director of Sexual Assault Prevention and Response
Office

This section would require that the director of the Sexual Assault Prevention and Response Office be a general or flag officer or an employee of the Department of Defense in a comparable senior executive service position.

Section 582—Sexual Assault Response Coordinators and Sexual
Assault Victim Advocates

This section would require a full time Sexual Assault Response Coordinator and a full time Sexual Assault Victim Advocate be assigned to each brigade or equivalent unit level of the armed forces. This section would also require the Secretary of Defense to establish a training and certification program for Sexual Assault Response Coordinators and Sexual Assault Victim Advocates.

This section would also add \$45,000,000 to Operation and Maintenance for Defense Wide Activities for Sexual Assault Response Coordinators and Sexual Assault Victim Advocates and sexual assault prevention training and education, to be committed, obligated, or expended based on merit-based selection procedures or on competitive procedures.

Section 583—Sexual Assault Victims Access to Legal Counsel and
Services of Sexual Assault Response Coordinators and Sexual As-
sault Victim Advocates

This section would entitle a member of the Armed Forces who is the victim of a sexual assault to legal assistance provided by a military legal assistance counsel who is certified as competent to provide such duties and assistance provided by a qualified Sexual Assault Victim Advocate. This section would also entitle a dependent of a member of the Armed Forces who is the victim of a sexual assault and resides on or in the vicinity of a military installation, to the extent practicable, legal assistance provided by a military legal assistance counsel who is certified as competent to provide such duties as well as assistance provided by a qualified Sexual Assault Victim Advocate. This section would also require the Secretary of Defense to implement a Sexual Assault Response Coordinator-led process by which a member or dependent who is the victim of a sexual assault may decline to participate in the investigation of the sexual assault.

Section 584—Privilege in Cases Arising Under Uniform Code of
Military Justice Against Disclosure of Communications Between
Sexual Assault Victims and Sexual Assault Response Coordina-
tors, Victim Advocates and Certain Other Persons

This section would create a confidentiality privilege in military tribunals for communication between sexual assault victims and Sexual Assault Response Coordinators, Sexual Assault Victims Advocates, and DOD SAFE Help line personnel.

Section 585—Maintenance of Records Prepared in Connection with Sexual Assaults Involving Members of the Armed Forces or Dependents of Members

This section would require the Department of Defense to maintain records relating to sexual assault involving members of the Armed Forces or their dependents for not less than 100 years and provide the victim permanent access to the records maintained by the Department. In addition, this section would require that the victim be provided a copy of the court-martial proceedings in certain circumstances.

Section 586—Expedited Consideration and Priority for Application for Consideration of a Permanent Change of Station or Unit Transfer Based on Humanitarian Conditions for Victim of Sexual Assault

This section would require the secretary concerned to expedite the consideration and approval of an application for a permanent change of station or unit transfer submitted by a member of the Armed Forces who is a victim of sexual assault.

Section 587—Training and Education Programs for Sexual Assault Prevention and Response Program

This section would require the Secretary of each military department to provide sexual assault training and education for members of the armed forces at each level of professional military education. This section would also require sexual assault training and education for civilian employees.

This section would also add \$45,000,000 to Operation and Maintenance for Defense Wide Activities for Sexual Assault Response Coordinators and Sexual Assault Victim Advocates and sexual assault prevention training and education, to be committed, obligated, or expended based on merit-based selection procedures or on competitive procedures.

SUBTITLE J—OTHER MATTERS

Section 591—Limitations on Authority To Provide Support and Services for Certain Organizations and Activities Outside Department of Defense

This section would amend section 2012 of title 10, United States Code, to require the service secretary concerned to request funds for projects under this authority in the annual budget submission to Congress. This section also would limit the annual obligation of funds to \$10.0 million, beginning in fiscal year 2012. The heavy reliance on the Reserve Component over the past 10 years has reduced the need for sustainment training requirements of the Reserve Component.

Section 592—Display of State, District of Columbia, and Territorial Flags by Armed Forces

This section would amend section 2249b of title 10, United States Code, by adding a new subsection requiring the Secretary of Defense to ensure that whenever the official flags of all 50 states are

displayed by the armed forces, the flags of the District of Columbia and the territories of the United States shall also be displayed.

Section 593—Military Adaptive Sports Program

This section would authorize the Secretary of Defense to establish a military adaptive sports program to provide adaptive sports programs to eligible wounded and injured members of the Armed Forces.

Section 594—Wounded Warrior Careers Program

This section would require the Secretary of Defense to carry out a career-development program with the Education and Employment Initiative for severely wounded warriors of the armed forces and their spouses. This section would also require the Secretary of Defense to submit to the congressional defense committees plans for a cost-benefit analysis of the results of the services provided to severely wounded warriors and their families.

This section would add \$1,000,000 to Operation and Maintenance, Defense-Wide to carry out a career program for severely wounded warriors and their families.

Section 595—Comptroller General Study of Military Necessity of Selective Service System and Alternatives

This section would require the Comptroller General of the United States to study the criticality of the Selective Service System to the Department of Defense in meeting future manpower needs of the Armed Forces that are in excess of the ability of an all-volunteer force to provide and to determine the fiscal and national security impacts of disestablishing the Selective Service System. In addition, the section would require the study to assess alternatives to disestablishing the Selective Service System, as well as alternatives to registration for Selective Service. The Comptroller General's report of the study would be due not later than March 31, 2012, to the Senate Committee on Armed Services and the House Committee on Armed Services.

Section 596—Sense of Congress Regarding Playing of Bugle Call Commonly Known as “Taps” at Military Funerals, Memorial Services and Wreath Laying Ceremonies

This section expresses the sense of Congress that the bugle call known as Taps should be sounded by a live solo bugler at a military funeral, memorial service or wreath laying ceremonies.

Section 597—Sense of Congress Regarding Support for Yellow Ribbon Day

This section would provide a sense of Congress supporting the goals and ideals of Yellow Ribbon Day in honor of members of the Armed Forces who are serving overseas apart from their families and loved ones.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

OVERVIEW

The committee continues to believe that robust and flexible compensation programs are central to maintaining a high quality, combat ready force. Accordingly, the committee recommends an across-the-board pay raise of 1.6 percent to ensure that military pay rates keep pace with pay raise levels in the private sector, as measured by the Employment Cost Index. The committee recommends that the authorities for a wide array of bonuses, special and incentive pays, and other compensation benefits set to expire on December 31, 2011, be extended for an additional year.

The committee also recommends a series of provisions that would consolidate and simplify travel and transportation authorities to enhance the utility, flexibility, efficiency, and relevancy of the law in response to a complex and changing travel and transportation environment.

ITEMS OF SPECIAL INTEREST

Commissary and Exchange Privileges for Non-Department of Defense Federal Employees Overseas

The committee is aware of interest in extending shopping privileges at military commissaries and exchanges to non-Department of Defense (DOD) government agency employees serving at locations outside the United States, and particularly those serving in U.S. territories and possessions (the territory of Guam, the Commonwealth of Puerto Rico, the United States Virgin Islands, the territory of American Samoa, and the Commonwealth of the Northern Mariana Islands). The committee recognizes that current policies generally restrict the access of non-DOD employees serving outside the United States. The committee understands that the limited exceptions to the rule are confined to employees serving at the location outside the United States on transportation agreements as defined in 41 CFR 302–2.12. The committee believes that it may be cost efficient and in the best interests of U.S. missions outside the United States for all Federal employees to have access to available military commissaries and exchanges when the employee’s agency reimburses the cost of extending such privileges to the Department of Defense. Accordingly, the committee directs the Secretary of Defense to submit a report to the congressional defense committees by March 31, 2012, on the feasibility, propriety, and cost of a proposal for non-DOD Federal agencies to reimburse the Department of Defense for the cost of extending commissary and exchange privileges to employees of the agency serving outside the United States on transportation agreements.

Consolidation of Disability Evaluation System

The committee is encouraged by the initial feedback that the Department of Defense Integrated Disability Evaluation System has reduced the time required to deliver benefits from the Department of Veterans Affairs to wounded warriors. However, the committee

remains concerned that service members with similar disabilities are receiving disparate disability ratings because of different standards, policies, and procedures used by the Physical Evaluation Boards operated by the military departments. The committee believes that achieving consistent disability ratings regardless of service is an important objective that will ensure service members are treated equitably. The committee believes that one method for ensuring such consistent outcomes is to operate a consolidated disability evaluation system within the Department of Defense. Accordingly, the committee directs the Secretary of Defense to submit a report to the congressional defense committees by August 1, 2012, on the feasibility, propriety, cost, and recommended legislation to implement such a consolidated disability evaluation system, if the Secretary determines that recommended legislation is appropriate and necessary.

Tax Increase Prevention and Reconciliation Act

The committee recognizes that the members of the Armed Forces and their families endure many financial hardships as a result of the intense operations tempo required to support ongoing military operations in the Republic of Iraq and the Islamic Republic of Afghanistan. The committee believes that one of the most important benefits military families receive is the savings provided by the Defense Commissary Agency (DeCA), the military exchanges, and other nonappropriated fund instrumentalities of the Armed Forces. The committee notes that the implementation of the Tax Increase Prevention and Reconciliation Act of 2005 (Public Law 109–222) requires a 3-percent withholding tax to be collected from contractors doing business with the Government. The committee understands that one of the major consequences of the implementation of the Tax Increase Prevention and Reconciliation Act of 2005 will be higher prices that manufacturers will charge for goods sold to all nonappropriated fund instrumentalities of the Armed Forces to help offset the 3-percent withholding tax.

The committee remains convinced that the Secretary of the Treasury, through the resources of the Internal Revenue Service, has the ability to certify that the limited number of manufacturers that customarily contract with nonappropriated fund instrumentalities are not delinquent in paying taxes. The committee believes that the judicious use of the Internal Revenue Service's capability to determine the tax status of manufacturers can be used to exempt DeCA, the Army and Air Force Exchange Service, the Navy Exchange Service Command, the Marine Corps Exchange, the Veterans Canteen Service, the Coast Guard Exchange Service, and all morale, welfare, and recreation nonappropriated fund instrumentalities from the requirement to implement the Tax Increase Prevention and Reconciliation Act of 2005 without a loss of revenue to the U.S. Government.

LEGISLATIVE PROVISIONS

SUBTITLE A—PAY AND ALLOWANCES

Section 601—Fiscal Year 2012 Increase in Military Basic Pay

This section would increase basic pay for members of the uniform services by 1.6 percent, effective January 1, 2012. This raise would match the pay raise rate in the private sector as measured by the Employment Cost Index.

Section 602—Resumption of Authority To Provide Temporary Increase in Rates of Basic Allowance for Housing Under Certain Circumstances

This section would extend the authority for the Secretary of Defense to temporarily increase the basic allowance for housing rates in an area where the housing market has been disrupted by one or more bases experiencing significant growth in assigned military personnel or a major disaster until December 31, 2012.

Section 603—Lodging Accommodations for Members Assigned to Duty in Connection with Commissioning or Fitting Out of a Ship

This section would expand the authority of the Secretary of the Navy to provide lodging or compensation for housing to enlisted service members when such members are deprived of their quarters onboard ships that are under construction or repair. This section would provide the Secretary special authority for compensation of service members deprived of their quarters onboard a ship under construction at shipyards affected by the Base Realignment and Closure 2005 activities, specifying the shipyard at Pascagoula, Mississippi, and Bath, Maine.

SUBTITLE B—BONUSES AND SPECIAL AND INCENTIVE PAYS

Section 611—One-Year Extension of Certain Bonus and Special Pay Authorities for Reserve Forces

This section would extend the authority for the Selected Reserve reenlistment bonus, the Selected Reserve affiliation or enlistment bonus, special pay for enlisted members assigned to certain high-priority units, the Ready Reserve enlistment bonus for persons without prior service, the Ready Reserve enlistment and reenlistment bonus for persons with prior service, the Selected Reserve enlistment and reenlistment bonus for persons with prior service, and income replacement payments for Reserve Component members experiencing extended and frequent mobilization for active duty service until December 31, 2012.

Section 612—One-Year Extension of Certain Bonus and Special Pay Authorities for Health Care Professionals

This section would extend the authority for the nurse officer candidate accession program, repayment of educational loans for certain health professionals who serve in the Selected Reserve, the accession and retention bonuses for psychologists, the accession bonus for registered nurses, the incentive special pay for nurse an-

esthetists, the special pay for Selected Reserve health care professionals in critically short wartime specialties, the accession bonus for dental officers, the accession bonus for pharmacy officers, the accession bonus for medical officers in critically short wartime specialties, and the accession bonus for dental specialist officers in critically short wartime specialties until December 31, 2012.

Section 613—One-Year Extension of Special Pay and Bonus Authorities for Nuclear Officers

This section would extend the authority for the special pay for nuclear-qualified officers extending a period of active service, nuclear career accession bonus, and the nuclear career annual incentive bonus until December 31, 2012.

Section 614—One-Year Extension of Authorities Relating to Title 37 Consolidated Special Pay, Incentive Pay, and Bonus Authorities

This section would extend the authority for the general bonus authority for enlisted members, the general bonus authority for officers, the special bonus and incentive pay authority for nuclear officers, special aviation incentive pay and bonus authorities, the special health professions incentive pay and bonus authorities, hazardous duty pay, assignment pay or special duty pay, skill incentive pay or proficiency bonus, and the retention bonus for members with critical military skills or assigned to high-priority units until December 31, 2012.

Section 615—One-Year Extension of Authorities Relating to Payment of Other Title 37 Bonuses and Special Pays

This section would extend the authority for the aviation officer retention bonus, assignment incentive pay, the reenlistment bonus for active members, the enlistment bonus for active members, the accession bonus for new officers in critical skills, the incentive bonus for conversion to military occupational specialty to ease personnel shortage, the incentive bonus for transfer between Armed Forces, and the accession bonus for officer candidates until December 31, 2012.

Section 616—One-Year Extension of Authorities Relating to Payment of Referral Bonuses

This section would extend the authority for the health professions referral bonus and the Army referral bonus until December 31, 2012.

SUBTITLE C—TRAVEL AND TRANSPORTATION ALLOWANCES
GENERALLY

Section 621—One-Year Extension of Authority To Reimburse Travel Expenses for Inactive-Duty Training outside of Normal Commuting Distance

This section would extend the authority for the secretary concerned to reimburse members of the Selected Reserve for travel expenses resulting from inactive-duty training when the location of

the training is outside normal commuting distance from the member's permanent residence until December 31, 2012.

Section 622—Mandatory Provision of Travel and Transportation Allowances for Non-Medical Attendants for Seriously Ill and Wounded Members of the Armed Forces

This section would require the Secretaries concerned to provide non-medical attendants a per diem allowance or reimbursement for the actual and necessary expenses of the travel, or a combination of the two, to support their travel when performing non-medical attendant duties. This section would result in the addition of a new budget item to section 4401 of division D relating to military personnel accounts for non-medical attendant per diem in the amount of \$20,000,000.

SUBTITLE D—CONSOLIDATION AND REFORM OF TRAVEL AND TRANSPORTATION AUTHORITIES

Section 631—Purpose

This section would define the purpose of this subtitle is to consolidate and reform travel and transportation authorities in chapter 8 of title 37, United States Code, as required to address the complexities and changing nature of travel. This section would state that this initiative would meet mission needs and the needs of the members of the uniformed services by providing the Secretary of Defense and the secretaries concerned the authority to prescribe and implement travel and transportation policy that is simple, efficient, relevant, and flexible.

Section 632—Consolidation and Reform of Travel and Transportation Authorities of the Uniformed Services

This section would provide the definitions, the general authorities, and, where required, more specific authorities that would be the guidelines used by the Secretary of Defense and the secretaries concerned to prescribe travel and transportation programs. This section would also authorize the Secretary of Defense to conduct pilot programs to test alternative methods for performing and reimbursing travel, for limiting the need for travel, and for reducing the environmental impact of travel. This section would also provide administrative guidelines for implementing the reform initiative, to include the need to issue regulations.

Section 633—Old-Law Travel and Transportation Authorities Transition Expiration Date and Transfer of Current Sections

This section would transfer 32 existing travel and transportation authorities from chapter 7 of Title 37, United States Code, to chapter 8 of title 37, and redesignate each section with a new number.

Section 634—Addition of Sunset Provision to Old-Law Travel and Transportation Authorities

This section would amend each of the redesignated sections that would be installed in chapter 8 of title 37, United States Code, to reflect the existence of a transition expiration date by which the

Secretary of Defense would be required to terminate use of the authorities provided within those sections.

Section 635—Technical and Clerical Amendments

This section would make the technical and clerical amendments necessary to facilitate the transfer of the redesignated sections from chapter 7 of title 37, United States Code to chapter 8 of title 37.

Section 636—Transition Provisions

This section would require the Secretary of Defense to develop a plan to transition all travel and transportation programs to operate under the authorities provided in the consolidation and reform authorities provided in subchapter I and subchapter II of chapter 8 of title 37, United States Code. This section would also provide the Secretary of Defense and the secretaries concerned the authority to modify current law to facilitate the transition process. Finally, this section would establish a transition period termination date as the end of a 10-year period beginning on the first day of the first month beginning after the date of enactment of this Act.

SUBTITLE E—COMMISSARY AND NONAPPROPRIATED FUND INSTRUMENTALITY BENEFITS AND OPERATIONS

Section 641—Expansion of Use of Uniform Funding Authority To Include Permanent Change of Station and Temporary Duty Lodging Programs Operated Through Nonappropriated Fund Instrumentalities

This section would expand the use of the uniform funding authority authorized for morale, welfare, and recreation programs operated through nonappropriated fund instrumentalities to include permanent change of station and temporary duty lodging programs. This would allow the lodging facilities to consolidate and simplify their business practices and accounting systems by managing appropriated funds in accordance with the procedures, policy, and laws applicable to the expenditure of nonappropriated funds.

Section 642—Contracting Authority for Nonappropriated Fund Instrumentalities To Provide and Obtain Goods and Services

This section would clarify that nonappropriated fund instrumentalities may enter into single-year or multi-year contracts with another element of the Department of Defense, another Federal agency, or a private-sector agency to provide or obtain goods and services beneficial to the military community and the effective management of such instrumentalities. This section also would authorize nonappropriated fund instrumentalities to participate in partnerships with private entities to provide programs at no cost to the Government on military installations using Government facilities and other Government support resources.

Section 643—Designation of Fisher House for the Families of the Fallen and Meditation Pavilion at Dover Air Force Base as a Fisher House

This section would deem that the Fisher House for the Families of the Fallen and Meditation Pavilion at Dover Air Force Base, Delaware, shall be considered a Fisher House for all other purposes established in law with regard to Fisher Houses and Fisher Suites.

Section 644—Discretion of the Secretary of the Navy To Select Categories of Merchandise To Be Sold by Ship Stores Afloat

This section would grant the Secretary of the Navy the authority to use his discretion in determining what products will be sold by Navy ship stores.

Section 645—Access of Military Exchange Stores System to Credit Available Through Federal Financing Bank

This section would authorize the Army and Air Force Exchange Service, Navy Exchange Service Command, and Marine Corps exchanges to borrow funding for business operations from the Federal Financing Bank.

Section 646—Enhanced Commissary Stores Pilot Program

This section would authorize the Defense Commissary Service to operate an enhanced commissary store at a military installation designated for closure or adverse realignment under a base closure law. Such stores would be empowered to sell alcoholic beverages, tobacco products, and other products to be determined at prices at least 10 percent below the local community prices. The Secretary of Defense would be authorized to retain profits from the sale of such goods to offset the cost of operating the enhanced commissary store. Such enhanced commissary stores would be authorized to operate between October 1, 2011 and December 31, 2013. This section would result in the addition of a new budget item to section 4501 of division D relating to Working Capital Fund for Defense Commissary Agency to support the operation of an enhanced commissary store in the amount of \$2,000,000.

SUBTITLE F—DISABILITY, RETIRED PAY AND SURVIVOR BENEFITS

Section 651—Monthly Amount and Duration of Special Survivor Indemnity Allowance for Widows and Widowers of Deceased Members of the Armed Forces Affected by Required Survivor Benefit Plan Annuity Offset for Dependency and Indemnity Compensation

This section would increase existing monthly amounts and establish additional monthly amounts paid under the Special Survivor Indemnity Allowance to surviving spouses or former spouses of deceased service members who are denied the full amount of their annuity under the Survivor Benefit Program (SBP) due to the offset required by the receipt of Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs. The section would also extend the termination date for the Special Survivor

Annuity Allowance authority from October 1, 2017 to October 1, 2021.

This “widows’ tax” has long denied surviving family members the payment of their SBP benefits earned by the service of their spouses and paid for through premium reductions to retired pay. This section would provide an incremental step in the continuing effort to eliminate the DIC offset against SBP annuities. This section would provide the following monthly amounts for the Special Survivor Indemnity Allowance, to include increases through fiscal year 2017 and newly established amounts for fiscal years 2018–2021:

Fiscal year 2013 from \$90 to \$163;
 Fiscal year 2014 from \$150 to \$200;
 Fiscal year 2015 from \$200 to \$215;
 Fiscal year 2016 from \$275 to \$282;
 Fiscal year 2017 from \$310 to \$314;
 Fiscal year 2018 set at \$9;
 Fiscal year 2019 set at \$15;
 Fiscal year 2020 set at \$20; and
 Fiscal year 2021 set at \$27.

SUBTITLE G—OTHER MATTERS

Section 661—Reimbursement of American National Red Cross for Humanitarian Support and Other Services Provided to Members of the Armed Forces and Their Dependents

This section would authorize the Secretary of Defense or the Secretary of a military department to reimburse the American National Red Cross for humanitarian support or other services approved by the Secretary that are provided to members of the Army, Navy, Air Force, and Marine Corps and their dependents. This section would result in the addition of a new budget item to section 4301 of division D relating to operation and maintenance for Defense-wide activities for reimbursement of the American

TITLE VII—HEALTH CARE PROVISIONS

OVERVIEW

The committee remains committed to ensuring that members of the Armed Forces, retirees, survivors, and their families have access to quality health care. The committee understands the challenge facing the Department of Defense as the cost of health care continues to grow. The committee recognizes that there are several factors that contribute to the cost growth of the Defense Health Program including the increased cost of health care in general, the increased number of wounded and injured service members as a result of the unprecedented survival rate from wounds on the battlefield, and the congressionally mandated expansion of health care benefits that are commensurate with the service of all components of the military services. However, the committee believes that even in the face of the growing cost of military health care, the military health system must provide for medical readiness and force health protection for our men and women in uniform and ensure that all other beneficiaries receive health care services. It is imperative

that as the Nation continues to fight the global war on terrorism, the Department of Defense provides world-class health care for our wounded service members regardless of whether their wounds are physical or emotional.

Sadly, the committee notes that members of the Armed Forces, particularly in the Reserve Components, continue to struggle with mental health issues that can ultimately result in suicide. Members of the Reserve Components often reside in rural communities and may not have access to mental health care. The committee recommends legislation to expand the capacity of the military health system to provide mental health care to members of the Reserve Components at the location of the unit during scheduled unit training and to provide training on suicide prevention and response. In addition, the committee recommends that the Department undertake several projects that would further advance the knowledge and understanding of traumatic brain injury and combat related mental health issues to enhance the care provided to members of the Armed Forces.

The committee is concerned that when the Department of Defense and the Department of Veterans Affairs pursue joint or combined health care operations, an insufficient amount of joint strategic analysis and planning is done. The committee includes a provision that would require the Secretary of Defense to submit a report to Congress addressing architecture to guide the transition for future projects among other information regarding the Department of Defense process before funds may be expended for future electronic health records.

Finally, for the past few years, Congress has encouraged the Department of Defense to improve the health status of the beneficiary population and improve the cost-effectiveness of the care provided to beneficiaries by adopting proven practices. The committee notes that the designated providers, a series of health plans that have been part of the Military Health System for 30 years, have a proven record of excellence in disease management and prevention initiatives that improve health outcomes and satisfaction for military beneficiaries. The committee urges the Department to use this program as a model for strengthening and improving the health status of military beneficiaries.

ITEMS OF SPECIAL INTEREST

Automated Patient Management System for Air Evacuation

The Committee remains committed to military medical research to further enhance the survivability of wounded and injured servicemembers during transport from a combat theater to definitive medical care. The Committee is aware that the Department of Defense has gained enormous experience in providing a seamless continuum of critical care to injured warfighters, creating a model used worldwide for damage control and intensive care. This care may begin on the battlefield, extend through air transport to intermediate care centers such as Landstuhl Army Medical Center in Germany, and culminate in the continental United States. The Committee understands the challenges encountered while ensuring optimal resuscitation are numerous, particularly in regard to curtailing the progression of shock and providing timely counter-

measures to minimize further complications. The Committee urges the Department of Defense to continue efforts to develop an automated feedback loop resuscitation platform with the end goal of providing automated, optimal resuscitation during medical air evacuation.

Clarification on Competition for Medical Research Consultation and Education

The committee is aware of concern regarding section 178 of title 10, United States Code, which provides a special status relationship between a non-profit organization and the Department of Defense. The committee understands that this special status only applies to cooperative agreements with the Uniformed Services University of the Health Sciences. Other military health system medical research, consultation, and education activities should be conducted under competitive procedures. The committee directs the Secretary of Defense to review the current processes and procedures of the various military health systems to ensure that fair and open competition for medical research, consultation, and education are being conducted, and submit a report on the results of the review to the Senate Committee on Armed Services and the House Committee on Armed Services by March 31, 2012.

Clinical Social Workers

The committee remains concerned about the increasing number of service members and their families who require mental health services. The committee is aware that the Department of Defense and the military services employ several methods to recruit, retain, and train mental health professionals to provide the necessary mental health care. In particular, the committee understands that clinically-trained social workers are uniquely qualified to address the mental health needs of individuals and families. The committee encourages the Department and the military services to continue to explore strategies to rapidly increase the number of mental health professionals, including clinically-trained social workers. The committee further encourages the Department and the military services to explore the possibility of collaborative programs with educational institutions to train mental health professionals.

Cost Share for Acute Care Prescriptions under the TRICARE Pharmacy Program

The Committee is concerned that the Department of Defense proposal to increase the cost share for prescriptions at retail pharmacies will affect the ability of TRICARE beneficiaries, particularly those who live in areas distant from a military treatment facility, to receive prescriptions needed for acute medical conditions in the medically necessary timeframe. The Committee directs the Secretary of Defense to study the feasibility of maintaining the same cost share for the initial dispensing of acute care medications filled outside of a military treatment facility as if it were dispensed through the TRICARE Mail Order Pharmacy. The committee further directs the Secretary of Defense to submit a report on the findings and recommendations by March 30, 2012.

Expansion of Spinal Cord Injury Research Program

The committee recognizes spinal cord injuries are a serious combat-related condition affecting our servicemembers in Iraq and Afghanistan. Congress established the Spinal Cord Injury Research Program in 2009 (Public Law 110-329) to support research into regenerating and repairing damaged spinal cords and improving rehabilitation therapies. Much of this research has focused on the acute-phase of spinal cord injuries, but more work must be done on the regeneration of chronic spinal cord injuries.

The committee, therefore, directs the Secretary of Defense to foster research relating to developing treatments that could be applied during the chronic post-injury period of a spinal cord injury event, in addition to research currently being conducted on acute injuries.

Mental Health and Traumatic Brain Injury

The committee continues to support the national effort to identify and treat post-traumatic stress disorder and traumatic brain injury occurring in members of the Armed Forces as a result of combat. The committee is aware of the challenges the Department of Defense continues to face in providing mental health care to service members and their families, as well as diagnosing and treating traumatic brain injury. The committee notes the diverse range of evolving concepts and technologies from the Nation's academic, scientific, and public health base that directly relate to mental health and traumatic brain injury. Therefore, the committee directs the Secretary of Defense to complete within 6 years after the date of enactment of this Act the following:

(1) A 5-year pilot program under which the Secretary of Defense should establish a process to provide payment for any treatments demonstrated to be effective, including diagnostic testing of traumatic brain injury or post-traumatic stress disorder received by members of the Armed Forces in health care facilities other than military treatment facilities.

(2) A neurophotonics program to develop tools for understanding, diagnosing, and treating traumatic brain injury and chronic traumatic encephalopathy.

(3) A program to use mindfulness-based cognitive skills training to help service members cope with stress and provide greater cognitive resources to improve adaptive functioning during deployment.

(4) A program to train behavioral health professionals within the military health system to use biofeedback and other exposure therapies to treat service members with post-traumatic stress disorder and related anxiety disorders.

Orthopedic Research for Extremity Injury

The committee is aware of the increasing number and constantly evolving nature of blast injuries as a result of current military operations. The committee understands that technologies for treating blast-related battle injuries affecting the extremities continue to advance the care of these injuries. Therefore, the committee urges the Department of Defense to continue to invest in orthopedic research to provide military medical providers with the cutting-edge tools and technologies needed to treat injured service members.

Physical Rehabilitation of Wounded Warriors

The committee commends the Department of Defense for continuing to advance the treatment and rehabilitation of wounded warriors. The committee notes that the Department has been a leader in identifying innovative devices and technologies that assist in rehabilitating wounded and injured service members and ultimately help improve their lives and the well being of the troops. Further, the committee is aware that treating wounded and injured service members with physical therapy is a critical component of a comprehensive medical treatment plan. As such, the committee encourages the Secretary of Defense to investigate new and emerging medical physical therapy devices and technologies that could be used to improve the rehabilitation of wounded warriors.

Recommendations for Cost Savings Under the TRICARE Pharmacy Program

The committee is committed to partnering with the Department of Defense to reduce the cost of prescription drugs under the TRICARE Pharmacy Program. The committee understands that increasing use of generic drugs will reduce cost due to the substantial difference in price between brand and generic drugs. For the same drug product, generic drugs on average cost 20 percent less than the price of brand drugs. Additionally, the committee notes that a number of high-use drugs are coming off patent in the next 2 years, increasing the opportunity for more cost-savings. Therefore, the committee urges the Department to raise its generic drug dispensing rate.

Use of Simulation Technology in Medical Training

The committee is aware that the Department of Defense currently supplements combat trauma training with the use of live animals, known as “live tissue training”, when no suitable simulation technology or alternative exists. The committee notes that this advanced training has contributed directly to the high survival rate for combat wounded service members, which has increased significantly compared to survival rates in past conflicts. According to the Department, simulators currently lack sufficient realism and the ability to replicate combat wounds and the associated emotional stressors combat medics face on the battlefield. In addition, simulators require rigorous verification and validation, which can only be achieved through empirical data collection. The committee also notes that the Department’s use of live tissue training is strictly regulated by a number of Federal laws and policies, and is accredited by the Association for the Assessment and Accreditation of Laboratory Animal Care, an international non-profit organization that promotes the humane use of animals in science.

On September 5, 2008, the Under Secretary of Defense for Acquisition, Technology, and Logistics established the Use of Live Animals in Medical Education and Training Joint Analysis Team (ULAMET JAT) to address the use of live animals for DOD medical readiness training. ULAMET JAT, in its final report, found that several critical, high stakes medical procedures cannot be taught at present using simulation, including the treatment of certain penetrating chest wounds, amputation, and hemostasis. ULAMET JAT

further noted in its final report that “live animal training is the singular opportunity to experience management of injuries in a living system prior to deployment to a combat zone. The next opportunity to use these skills very likely will be treating combat wounded.” ULAMET JAT’s final report also made nine recommendations related to the Department’s policies on the use of animals in combat trauma training and plans to validate and adopt alternatives as they become viable, including simulation technologies.

The committee believes that the use of animals in combat trauma training remains appropriate for critical, high-risk medical procedures, until such time that alternatives are developed, to provide combat medics an equal or better training experience that more closely replicates the combat wounds and emotional stressors encountered on the battlefield. However, the committee believes that the Department should continue to aggressively pursue alternatives to the use of live animals in combat trauma training.

Therefore, the committee directs the Secretary of Defense to finalize and implement a strategy for the development of future technology to further refine, reduce, and replace the use of live animals in medical education and training. This implementation strategy should leverage the Department’s science and technology and research, development, testing, and evaluation organizations, as well as private industry, to develop additional advanced training simulators and training aids, including animal-alternative training, to offer the most realistic, practical, transferable, and cost-effective training to all medical personnel. The Secretary is further directed to provide a briefing to the Senate Committee on Armed Services and the House Committee on Armed Services within 90 days after the date of enactment of this Act, on this implementation strategy and the status of the recommendations contained within ULAMET JAT’s final report.

LEGISLATIVE PROVISIONS

SUBTITLE A—IMPROVEMENTS TO HEALTH BENEFITS

Section 701—Annual Enrollment Fees for Certain Retirees and Dependents

This section would express the sense of Congress that career members of the uniformed services and their families make extraordinary sacrifices to protect freedom for all Americans and that those sacrifices constitute pre-payment for health care during retirement. This section would also limit any annual increase in TRICARE Prime enrollment fees to the amount equal to the percentage by which retiree pay is increased beginning October 1, 2012.

Section 702—Provision of Food to Certain Members and Dependents Not Receiving Inpatient Care in Military Medical Treatment Facilities

This section would authorize the Secretary of Defense to provide food and beverages at no cost to certain individuals receiving outpatient medical care at a military treatment facility, or is a family member providing care to an infant receiving inpatient medical care at a military treatment facility.

Section 703—Behavioral Health Support for Members of the Reserve Components of the Armed Forces

This section would require the Secretary of Defense to provide access to mental health assessments to members of the Reserve Components during scheduled unit training and assemblies. In addition, the Secretary would be required to provide psychological health programs and training on suicide prevention and post-suicide response.

Section 704—Transition Enrollment of Uniformed Services Family Health Plan Medicare-Eligible Retirees to TRICARE for Life

This section would prohibit a Medicare eligible military retiree from enrolling in the managed care program of a designated provider after September 30, 2012.

SUBTITLE B—HEALTH CARE ADMINISTRATION

Section 711—Unified Medical Command

This section would require the Secretary of Defense to establish a unified medical command to provide medical services to the Armed Forces and other health care beneficiaries of the Department of Defense as defined in chapter 55 of title 10, United States Code. This section would also require the Secretary to develop a comprehensive plan to establish a unified medical command.

Section 712—Limitation on Availability of Funds for the Future Electronic Health Records Program

This section would limit the amount of funds the Secretary of Defense may obligate or expend for future electronic health programs until 30 days after the date that the Secretary submits a report to the congressional defense committees that addresses: the architecture to guide the transition of the electronic health records of the Department of Defense to a future state that is cost-effective and interoperable; a process for selecting investments in information technology; the report required by section 715 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383); and the effectiveness of the Interagency Program Office.

SUBTITLE C—OTHER MATTERS

Section 721—Review of Women-Specific Health Services and Treatment for Female Members of the Armed Forces

This section would require the Secretary of Defense to conduct a comprehensive review on the availability, efficacy, and adequacy of health care services for female members of the Armed Forces. The results of the review shall be submitted to the congressional defense committees by March 31, 2012.

Section 722—Comptroller General Reviews of Department of Defense—Department of Veterans Affairs Medical Facility Demonstration Project

This section would reduce the frequency of reviews conducted by the Comptroller General of the United States as required by section 1701 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84).

Section 723—Comptroller General Report on Contracted Health Care Staffing for Military Medical Treatment Facilities

This section would require the Comptroller General of the United States to conduct a review of the contracting practices used by the military departments to provide health care professional services to members of the Armed Forces, dependents, and retirees. The Comptroller General is required to submit the findings of this review to the Senate Committee on Armed Services and the House Committee on Armed Services by March 31, 2013.

Section 724—Treatment of Wounded Warriors

This section would add \$3,000,000 to Research, Development, Test and Evaluation, Army, for rapid clinical evaluation and deployment of novel treatment strategies for wounded service members with an emphasis on musculo-skeletal injuries.

Section 725—Cooperative Health Care Agreements

This section would add \$500,000 to the Defense Health Program for cooperative health care agreements between military installations and local or regional health care systems.

Section 726—Prostate Cancer Imaging Research Initiative

This section would add \$2,000,000 to Research, Development, Test and Evaluation, Defense Health Program for prostate cancer imaging research.

Section 727—Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury

This section would add \$2,000,000 to the Defense Health Program for the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury to enhance efforts to disseminate post-deployment mental health information.

Section 728—Collaborative Military-Civilian Trauma Training Programs

This section would add \$3,000,000 to the Defense Health Program for collaborative military-civilian trauma training programs between military installations and local or regional health care systems.

Section 729—Traumatic Brain Injury

This section would add \$1,000,000 to the Defense Health Program to develop national medical guidelines regarding the post-acute rehabilitation of individuals with traumatic brain injury.

Section 730—Competitive Programs for Alcohol and Substance Abuse Disorders

This section would add \$5,000,000 to the Defense Health Program to support a competitive program for translational research centers tasked with addressing alcohol and substance abuse issues.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

OVERVIEW

The committee continues its robust oversight of the acquisition system of the Department of Defense and closely monitors implementation of the Weapon Systems Acquisition Reform Act of 2009 (Public Law 111–23) and the Improve Acquisition Act of 2010 (Public Law 111–383). The committee recommends several authorities to assist the DOD in managing contracts in support of contingency operations in the Islamic Republic of Afghanistan and the Republic of Iraq. The committee also includes a provision to require sustainment planning earlier in the development of a weapon system with the intent to reduce total-ownership costs and improve system performance. The committee addresses a variety of other matters of acquisition policy, to include matters related to the industrial base and strategic materials.

ITEMS OF SPECIAL INTEREST

Acquisition Involving Federal Prison Industries

The committee continues to be concerned that in implementing section 827 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181) the Department of Defense (DOD) is not complying with the intent of the law. The committee report (H. Rept. 111–491) accompanying the National Defense Authorization Act for Fiscal Year 2011 required the Secretary of Defense to: review the list of product categories used in complying with section 827 of Public Law 110–181 to ensure that these categories contain similar market participants and are consistent with the need to protect the Department’s access to the commercial market; to establish consistent dates for the publication of an updated list; and to notify industry of such dates. In the same report, the committee also directed the Secretary to conduct a comprehensive review of contract awards made to Federal Prison Industries (FPI) to ensure that non-competitive awards are not being made to FPI inappropriately. The committee directs the Secretary to brief the congressional defense committee on the progress of the review and any changes made to DOD policy, regulation or processes determined to be necessary as a result of the review by July 30, 2011.

Aircraft Specialty Metal Content

The committee directs the Secretary of Defense, for each military unique aircraft and engine procured by the Department of Defense in fiscal year 2012, to assess the extent to which such aircraft or engine includes specialty metal not melted or produced in the United States. The Secretary of Defense should submit a report of

the findings of the assessment to the Senate Committee on Armed Services and the House Committee on Armed Services by October 30, 2012. The assessment should include a description by aircraft or engine type of the average amount of specialty metal contained in such aircraft or engine that was not melted or produced in the United States, expressed as a percentage of the total specialty metal content of the aircraft or engine, and an itemized description of the use of specialty metal not melted or produced in the United States for each aircraft or engine type, including specific references to the exceptions provided by section 2533b of title 10, United States Code, per component or subsystem containing specialty metal not melted or produced in the United States.

Army Contract Bundling

The committee is concerned that Army contracting officers are consolidating contracts, particularly for base support functions, which have traditionally been provided by small businesses. The committee believes that providing business opportunities to small businesses, including those owned by veterans and service-disabled veterans, is critical to our national economy and to the local communities in which Army installations are located. The committee is concerned that consolidation of contracts currently awarded to small and disadvantaged businesses may be a result of a shortfall of Army contracting personnel and may result in negative effects in the long-term. The committee is aware that section 313 of the Small Business Jobs Act of 2010 (Public Law 111–240) states that “the head of a federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the federal agency with a total value of more than \$2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the federal agency, before carrying out the acquisition strategy (A) conducts market research; (B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; (C) makes a written determination that the consolidation of contract requirements is necessary and justified; (D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and (E) certifies to the head of the federal agency that steps will be taken to include small business concerns in the acquisition strategy.”

Therefore, the committee directs the Secretary of the Army to review Department of the Army contracting actions to ensure compliance with the provisions of the Small Business Jobs Act of 2010, and to brief the congressional defense committees on the findings of the review by December 1, 2011. The review shall include an assessment of the Army’s processes to allow opportunities for small businesses to provide goods and services in response to Army requirements, and shall identify challenges facing the Army acquisition workforce, including any shortage of trained personnel to administer contracts.

Beryllium Stockpile Modernization

Since 2005, the Department of Defense has supported a public-private partnership for the construction of a modern high purity beryllium refinery under title 3 of the Defense Production Act of

1950 (Public Law 81–774). High purity beryllium has been identified as “both a strategic and critical material” by the Department of Defense Strategic Materials Protection Board.

With the beryllium refinery currently starting production, the committee encourages the Department to reevaluate and modernize its beryllium inventory in the National Defense Stockpile. Much of the beryllium currently in the stockpile is either obsolete or in a non-economic form. The committee encourages the Department to consider upgrading its beryllium inventory, in accordance with the recommendation of the former National Materials Advisory Board, to a rotating buffer stockpile which will enable the forms of beryllium in the stockpile to be updated on a continual basis. Such an approach would ensure that the stockpile always contains the grades of beryllium needed to meet critical defense needs and does not become obsolete.

Common Database for Tracking Contracts and Contractor Personnel in Iraq and Afghanistan

Section 861 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181), as amended by section 813 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84) required the Secretary of Defense, the Secretary of State, and the Administrator, United States Agency for International Development (USAID) to enter into a memorandum of understanding regarding matters relating to contracts in the Republic of Iraq and the Islamic Republic of Afghanistan. Among the matters to be addressed in this memorandum, section 861 of Public Law 110–181 required the agencies to identify and implement a common database for tracking contracts and contractor personnel in Iraq and Afghanistan across the three agencies. In response, the agencies agreed through a series of memoranda of understanding to use the Department of Defense’s Synchronized Predeployment Operational Tracker (SPOT) system as the common database.

The committee is concerned that, while progress has been made, the Department of Defense, the Department of State, and USAID have still not fully implemented the requirements of section 861 of Public Law 110–181. The committee is pleased to note that the SPOT database has been modified to accept aggregate-level data on the number of personnel employed by nongovernmental organizations (NGO), alleviating the concerns of the NGOs that providing the U.S. Government detailed personal information for their Iraqi and Afghan employees puts the neutrality of the NGOs at risk and endangers the safety and security of these local national employees. The committee emphasizes that the statute only requires an accounting of total numbers of personnel, unless those personnel are performing private security functions. However, the committee remains concerned that 4 years after enactment of section 861 the SPOT database still does not include all of the information required, including basic financial information on contracts in Iraq and Afghanistan and the number of personnel killed or wounded while working on such contracts. The committee encourages the Department of Defense, the Department of State, and USAID to work together to quickly resolve these outstanding statutory requirements.

The Government Accountability Office and the Special Inspector General for Afghanistan Reconstruction have stressed to the committee that a complete and fully functional common database would not only improve interagency coordination and management of contracts, but also improve transparency, oversight, and audits of Government spending. The committee agrees, and emphasizes that an accurate and complete common database is not only required by section 861 of Public Law 110–181, but is also in the best interest of the agencies, Congress, and the public.

Competition in Construction Acquisition Programs

The committee is concerned that the Department of Defense has inappropriately advocated a construction acquisition program that values speed in execution over savings. The committee notes that the Naval Facilities Engineering Command has awarded a global Multiple Award Task Order Contract, which may serve to expedite construction processes but also creates barriers to competition, increases the overall cost to construction, and may aggregate the overall risk to the project. While this contracting approach is appropriate in some emergency situations that require speed in execution, the committee believes that this approach is inappropriate for routine construction requirements.

The committee is concerned that construction contracts such as the Navy's global Multiple Award Task Order Contract impede the Department in receiving the best construction contract pricing because it does not allow consideration of locally based, task order type construction contracts. Furthermore, the committee is concerned that the Department is not complying with congressional intent to foster the participation of small business concerns as prime contractors, subcontractors, and suppliers, and may not be in compliance with Federal Acquisition Regulations regarding small business concerns and contract bundling determination and justification.

The committee believes that the Department should minimize barriers to competition and ensure the widest participation of construction contractors to the military construction programs in order to ensure best value for the taxpayer. Therefore, the committee directs the Secretary of Defense to conduct a review of this issue and provide a report on the findings to the congressional defense committees by October 1, 2011. The review shall include, as a minimum:

- (1) A cost benefit analysis of the regional task order construction contracts compared with a locally based, task order contract or a single construction project acquisition process. Such an assessment should include a review of potential construction contractors that are eliminated from competition and the potential savings that would be expected by an expanded contractor field participating in the construction acquisition process;
- (2) An assessment of the programs or policies to determine if there are statutory or regulatory barriers in providing a locally based construction contract;
- (3) An assessment of the Naval Facilities Engineering Command's Multiple Award Task Order Contract to determine

compliance with Federal Acquisition Regulations related to contract bundling and small business considerations; and

(4) An assessment on the construction contract bundling definitions to determine whether an expansion of the definition is appropriate to ensure small business equities are adequately protected.

Cost Escalators in Major Weapons Systems Life Cycle Cost Estimations

The committee is aware that cost escalators such as inflation, geopolitical risk, and market influences affect long-term cost considerations for major weapons systems. The committee believes that accurate appraisals of life cycle cost escalations, based on current and reliable economic indicators, are critical to effective programmatic evaluation and overall efficiency. The committee is concerned that methods currently employed by the Department of Defense to assess the costs of acquiring, developing, producing, operating, sustaining, and disposing of major weapons systems, their subsystems, and components are insufficient to produce realistic life cycle cost assessments. Therefore, the committee directs the Secretary of Defense to conduct a review of the Department's methods for estimating the life cycle costs of major weapons programs, including its standards and procedures for assessing and maintaining currency of cost escalators, and to brief the congressional defense committees on the findings of that review on, or before, September 30, 2011.

Defense Contract Audit Agency Improvements

The committee is concerned over the continuing staffing shortages and audit backlogs experienced by the Defense Contract Audit Agency (DCAA), which have resulted in significant delays in conducting audits and could negatively impact the acquisition process. Not only do delays hinder the Federal Government's ability to recoup any monies owed to it, the delays also potentially limit competition by limiting the ability of companies to participate in the Federal Government contracting process. The committee has heard from small, medium, and large contractors regarding the lack of timeliness of audits and the decreasing quality of those audits. In particular, contractors have voiced concern over the elimination of "inadequate-in-part" findings in favor of the use of "pass-fail" audits which do not distinguish between minor and major violations. The committee is aware that unintended consequences may result from such actions. Contractors have informed the committee that it may take several months, or years, for DCAA to revalidate the corrections a contractor has taken to fix any inadequacies found in a contractor's business system; such delays affect the ability of contractors to receive payment on current contracts or to submit bids on future contracts, as they may be deemed non-responsive if their systems have not been approved.

The committee believes that improved communication is one step to addressing the problems that contractors have raised and commends DCAA for publishing a revised "rules of engagement" which encourages timely and meaningful communication with contractors regarding scope and any initial findings. In addition, the committee

is aware that DCAA has undertaken other efforts aimed at improving the collaboration between DCAA and the Defense Contract Management Agency and to better realign the resources between the two agencies. While the committee commends DCAA for taking these steps to improve its audit capabilities, the committee is concerned that as part of the Secretary of Defense's efficiencies initiative, DCAA has been tasked to reduce administrative support staff and revalidate its requirement for additional auditors over the next 5 years. The committee cautions the Secretary that although short-term savings may be generated by a reduction in staff support, it may result in hampering efforts to improve DCAA performance and may actually result in an increase of costs to the Department.

The committee directs the Director of the Defense Contract Audit Agency to review the decision to eliminate the use of inadequate-in-part findings in favor of instituting a pass-fail standard, and to make recommendations for improvements in the timeliness of the evaluation and the re-evaluation of contractor business systems. In addition, the Director should provide a briefing to the congressional defense committees by December 15, 2011 on the results of the evaluation as well as the recommendations to improve timeliness, reduce backlog, and improve audit quality.

Nunn-McCurdy Breach Due to a Quantity Reduction

The committee is aware that the Department of Defense submitted a legislative proposal to Congress for fiscal year 2012 that would amend section 2433a of title 10, United States Code, to reduce some of the requirements the Department must perform in the event it is determined that a critical cost threshold breach (referred to as a Nunn-McCurdy breach) was caused primarily by changes in the quantity of items to be procured. The proposal would eliminate the requirement for written certification by the Secretary of Defense to Congress that, among other things, continuation of the program is essential to national security, there are no lower cost alternatives to the program which will provide acceptable capability to meet the requirement, and the new cost estimates for the program have been deemed reasonable by the Director of Cost Assessment and Program Evaluation (CAPE).

The committee is aware that in order to make the determination that the breach was caused primarily by changes in quantity of the items to be procured, the Director of Performance Assessments and Root Cause Analyses would still be required to conduct a root cause analysis. Additionally, the Director of CAPE would still be required to quantify the cost impact of the causal effects. Therefore, the committee believes that little efficiency would be gained by the Department's proposal and that the Secretary's certification and delivery of the root cause analysis and supporting reassessment documentation to Congress is not unduly burdensome and is necessary for congressional oversight. Moreover, in the event that a program's cost increases enough to trigger a Nunn-McCurdy breach, the committee believes that the Secretary is obligated to determine whether there are lower cost alternatives to the program which would provide acceptable capability, regardless of the underlying reason for the cost increase. Therefore, the committee has not included this proposed provision in this Act.

Pilot Programs for Rapid Acquisition of Information Technology

The committee is encouraged by Department of Defense efforts to develop a rapid acquisition process for information technology (IT) as required by section 804 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84). The committee understands that creating and implementing the processes and structures to manage complex IT systems is a deliberate process, but should nonetheless allow for the flexibility to experiment with various options before codifying the result. The committee is concerned that the current development process has limited the ability to conduct pilot projects that would provide real-world experience with different management options and has unnecessarily slowed down IT acquisition reform.

Therefore, the committee encourages the Department to expand the number and types of pilot projects it conducts to inform the current acquisition reform process. For example, pilot projects should be expanded beyond business systems to include other existing programs, such as the Joint Space Operations Center Mission System or the Navy's Next Generation Enterprise Network. The committee believes that this could provide information to show how rapid IT acquisition could function for command and control systems or enterprise data services.

Small Business Subcontracting Goals

The committee notes that while current statutes and regulations require set-asides for small business subcontracts, prime contractors are prohibited from accounting for the total dollar amount flowing to small businesses. Currently, if a contractor that is not a small business is identified as the primary first-tier subcontractor, a prime contractor is prevented from reporting any of the other subcontract dollars that may flow to small businesses; this occurs regardless of whether small business subcontractors comprise either the remainder of the first tier or all other subcontracting tiers. The committee believes that allowing prime contractors to report small business subcontracting at all tiers would demonstrate the full extent of small business participation on Department of Defense contracts. Therefore, the committee directs the Secretary of Defense to develop procedures for fully accounting for small business participation at all tiers on a Department of Defense contract, and to publish such procedures in the Defense Federal Acquisition Regulation if the Secretary determines that to be necessary to fully implement such procedures. The Department shall ensure that the procedures fully account for small business participation, but do not permit duplicate reporting of small business participation. The Department shall provide to the Senate Committee on Armed Services and the House Committee on Armed Services a copy of the subcontracting accounting procedures and any proposed regulation by March 30, 2012.

LEGISLATIVE PROVISIONS

SUBTITLE A—ACQUISITION POLICY AND MANAGEMENT

Section 801—Requirements Relating to Core Logistics Capabilities for Milestone A and Milestone B and Elimination of References to Key Decision Points A and B

This section would amend section 2366a and 2366b of title 10, United States Code, to require the Milestone Decision Authority to certify that a preliminary analysis of core logistics capabilities for each major weapons system has been performed as entrance criteria for entering the technology development phase of a major defense acquisition program (milestone A) and that the core logistics requirements and associated sustaining workloads for the weapons system have been determined as entrance criteria for entering the engineering and manufacturing development phase (milestone B). This section also would require certification that relevant sustainment criteria and alternatives were sufficiently evaluated and addressed in the initial capabilities document to support an analysis of alternatives and the development of key performance parameters for sustainment of the program throughout its projected life cycle. Furthermore, this section would require certification that life-cycle sustainment planning has identified and evaluated relevant sustainment costs through development, production, operation, sustainment, and disposal of the program, and any alternatives, and that such costs are reasonable and have been accurately estimated.

The committee is aware that the Secretary issued formal guidance on the operation of the defense acquisition system on October 18, 2010, which directed space systems to be subject to milestone A and milestone B requirements. Therefore, this section also would strike references to “key decisions points” in section 2366a and 2366b of title 10, United States Code.

Section 802—Revision to Law Relating to Disclosures to Litigation Support Contractors

This section would amend title 10, United States Code, to include a new section relating to the disclosure of confidential commercial, financial or proprietary information, technical data, or other privileged information to a litigation support contractor for the sole purpose of providing litigation support. This section would require the litigation support contractor to execute a contract with the Government agreeing to or acknowledging that any information furnished will be used only for the purpose stated in the contract, that the litigation support contractor will take all precautions necessary to protect the sensitive information, that the sensitive information will not be used by the litigation support contractor to compete against the third party for contracts, and that a violation of any of the above would be basis for the Government to terminate the contract. This section would also repeal a superseded provision in section 2320 of title 10, United States Code.

Section 803—Extension of Applicability of the Senior Executive Benchmark Compensation Amount for Purposes of Allowable Cost Limitations under Defense Contracts

This section would amend section 2324 of title 10, United States Code, by expanding the existing executive compensation cap to apply to any individual performing on a contract rather than certain management employees. The committee is aware that the Defense Contract Audit Agency has shown that there are lower-level executives not subject to the cap and non-executive employees who receive compensation in excess of the benchmark compensation amount. The committee believes that this section would reduce the risk of excessive individual compensation charged to defense contracts.

Section 804—Supplier Risk Management

This section would require the Secretary of Defense to manage supplier risk by directing contracting personnel to use a business credit reporting bureau, or other objective sources of business information, to evaluate supplier risk on all Department of Defense (DOD) contract actions. This section also would require the use of automated, off-the-shelf products to identify suppliers by location and to monitor suppliers for events that may affect their performance, such as a merger or acquisition, or bankruptcy filing.

The committee notes that while the Federal Acquisition Regulation requires that Federal contracting officials determine contractor responsibility prior to contract award, adherence within the Department to this requirement has been inconsistent, often varying both among, and within, individual contracting offices. In addition, the evaluation of supplier risk traditionally has been treated as a one-time event, rather than an ongoing responsibility. As a result, DOD contracting personnel frequently have limited or belated visibility into changes occurring after contract award that could impact a supplier's ability to meet their requirements.

The committee notes that commercial firms increasingly have sought solutions to manage supplier risk throughout the contract lifecycle. In addition, the committee is aware that the Department of Veterans Affairs has employed a business credit reporting system to assist its acquisition personnel with contractor responsibility determinations. The committee believes that such a supplier risk management initiative would benefit the Department of Defense through cost avoidance (by reducing its exposure to high-risk suppliers), increased efficiency, and a greater return on investment.

The committee also believes that such a tool could be implemented in a manner that focuses on those suppliers that are most likely to be a risk, and could also allow the Department of Defense to evaluate supplier risk with lower-tier suppliers.

Section 805—Extension of Availability of Funds in the Defense Acquisition Workforce Development Fund

This section would make technical amendments to section 1705 of title 10, United States Code, the Defense Acquisition Workforce Development Fund (DAWDF). The committee notes that this section would enable all funds credited, transferred, appropriated, or

deposited to the DAWDF to remain available for expenditure in the fiscal year for which it is credited and the 2 succeeding fiscal years.

Section 806—Defense Contract Audit Agency Annual Report

This section would require the Director of the Defense Contract Audit Agency to submit an annual report that summarizes its audit activities during the previous fiscal year, including significant problems, abuses, and deficiencies, a statistical table showing the total number of audit reports, the length of time taken for each audit, and the questioned dollar value, as well as recommendations for corrective actions. The report also would include a summary of any backlog of pending contractor audits and a rationale for the cause of the backlog. This section would require the annual report to be provided to the congressional defense committees by March 30 of each year and be made available on a public website within 60 days after receipt of the report by Congress. The committee believes that this section would increase transparency and accountability, and facilitate congressional oversight of the Defense Contract Audit Agency.

SUBTITLE B—AMENDMENTS TO GENERAL CONTRACTING AUTHORITIES, PROCEDURES, AND LIMITATIONS

Section 811—Calculation of Time Period Relating to Report on Critical Changes in Major Automated Information Systems

This section would amend the requirement for when a critical change report would be needed for a Major Automated Information System (MAIS). Currently, a report is required when a MAIS investment has failed to achieve a full deployment decision within 5 years after funds were first obligated for the program. This section would amend that to require a critical change report within 5 years after contract award. This section would also specify that any time under which the contract award is under protest would not be counted against this 5-year limit.

Section 812—Change in Deadline for Submission of Selected Acquisition Reports from 60 to 45 days

This section would amend section 2432(f) of title 10, United States Code, to require the comprehensive annual Selected Acquisition Reports to be delivered to Congress not later than 45 days after the end of the first quarter of the fiscal year. The committee believes that this will enhance congressional oversight.

Section 813—Extension of Sunset Date for Certain Protests of Task and Deliver Order Contracts

This section would amend section 4106(f) of title 41, United States Code, to extend the sunset date to September 20, 2016. The committee is aware that section 843 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181) temporarily expanded the Government Accountability Office's (GAO) jurisdiction to hear bid protests by authorizing it to hear protests on task and delivery orders valued in excess of \$10.0 million. The authority was provided with a sunset in 2011 in order to allow Congress to evaluate the effectiveness of the expanded jurisdiction and

gauge the impact of increased workload on GAO. Section 825 of the Ike Skelton National Defense Authorization Act for fiscal year 2011 (Public Law 111–383) extended the sunset date for bid protests on task and delivery orders for defense acquisitions until September 30, 2016. However, section 825 did not address civilian agency acquisitions.

Section 814—Clarification of Department of Defense Authority To Purchase Right-Hand Drive Passenger Sedans

This section would amend section 2253 of title 10, United States Code, to clarify the cost threshold of \$30,000 per vehicle applies specifically to right-hand drive passenger sedans and does not apply to right-hand drive vehicles such as ambulances, fire trucks, or buses.

Section 815—Amendment Relating to Buying Tents, Tarpaulins, or Covers from American Sources

This section would amend section 2533a of title 10, United States Code, to clarify that the domestic source requirement for tents, tarpaulins, or covers includes the materials and components of tents, tarpaulins, or covers.

Section 816—Para-Aramid Fibers and Yarns

This section would eliminate the authority of the Secretary of Defense to procure articles containing para-aramid fibers and yarns manufactured in certain foreign countries, by repealing section 807 of the Strom Thurmond National Defense Authorization Act for Fiscal year 1999 (Public Law 105–261). This section also would prohibit the Department of Defense from issuing a solicitation requiring proposals submitted pursuant to such solicitation to include the use of para-aramid fibers and yarns.

Section 817—Repeal of Sunset of Authority to Procure Fire Resistant Rayon Fiber from Foreign Sources for the Production of Uniforms

This section would make permanent the authority to procure fire resistant rayon fiber for the production of uniforms from foreign sources by striking subsection (f) of section 829 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181), as amended by section 821 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383).

SUBTITLE C—PROVISIONS RELATING TO CONTRACTS IN SUPPORT OF CONTINGENCY OPERATIONS IN IRAQ OR AFGHANISTAN

Section 821—Restrictions on Awarding Contracts in Support of Contingency Operations in Iraq or Afghanistan to Adverse Entities

This section would allow the Secretary of Defense to void a contract, or require the prime contractor to void a subcontract under a contract, in support of contingency operations in the Republic of Iraq or the Islamic Republic of Afghanistan, if the Secretary determines that a foreign entity or foreign individual performing on the contract, or a task or delivery order, is directly engaged in hos-

ilities or is substantially supporting forces that are engaged in hostilities against the U.S. or its coalition partners.

Section 822—Authority To Use Higher Thresholds for Procurements in Support of Contingency Operations

This section would allow the Secretary of Defense to apply a simplified acquisition threshold of \$1.0 million and micro-purchase threshold of \$25,000 for contracting activities supporting contingency operations in the Republic of Iraq or the Islamic Republic of Afghanistan, regardless of the location of the contracting activity.

Section 823—Authority To Examine Records of Foreign Contractors Performing Contracts in Support of Contingency Operations in Iraq or Afghanistan

This section would allow the Secretary of Defense to examine the records of a foreign contractor, or a foreign subcontractor, performing a contract in support of contingency operations in the Republic of Iraq or the Islamic Republic of Afghanistan. This authority would not apply if the contract was being performed by a contractor or a subcontractor that is a foreign government, or agency of a foreign government, or if precluded by applicable laws. This section also would require the Secretary to issue guidance, not later than 30 days after the date of enactment of this Act, to implement this section.

Section 824—Definitions

This section would define certain terms used in this subtitle.

SUBTITLE D—DEFENSE INDUSTRIAL BASE MATTERS

Section 831—Assessment of the Defense Industrial Base Pilot Program

This section would require the Secretary of Defense to submit a report to the congressional defense committees assessing the defense industrial base pilot program of the Department of Defense by March 1, 2012.

Section 832—Department of Defense Assessment of Industrial Base for Potential Shortfalls

This section would require the Secretary of Defense to conduct an assessment of the U.S. industrial base to identify potential gaps that might affect military readiness. Such assessment would be required within 180 days after the date of enactment of this Act. In addition, the Comptroller General of the United States would be required to review the Secretary of Defense's assessment, including completeness of the report and the reasonableness of the methodology and recommendations.

The Department of Defense relies on thousands of suppliers to ensure that it has the weapons, supporting equipment, and raw materials it needs to support current and future conflicts against conventional opponents. However, the committee is concerned that increasing globalization in the defense industry presents uncertainty in the ability of the United States to maintain a reliable and

sufficient supplier base in the event of such conflicts. In addition, defense industry prime contractors are relying more on subcontractors, including commercial suppliers, which can limit the visibility into the lower tiers of the supplier base. The committee notes that studies by the Government Accountability Office have found that the Department lacks a framework and consistent approach for managing supplier base concerns such as counterfeit parts in the supply chain, and reliance on rare earth materials from the People's Republic of China in military equipment and systems. Furthermore, the committee is concerned that the Department has not taken steps to identify supplier-base availability for defense needs beyond a 5-year time frame. Therefore, the committee encourages the Secretary of Defense to address these deficiencies in the required report and to provide a specific assessment of the vulnerabilities posed to defense systems as a result of potential counterfeiting of sub-components manufactured in China.

Section 833—Comptroller General Assessment of Government Competition in the Department of Defense Industrial Base

This section would require the Comptroller General of the United States to conduct an assessment of government mandated and supported competition in the Department of Defense industrial base. This section also would require the Comptroller General to submit a report on the findings and recommendations of the assessment to the chairmen and ranking members of the Senate Committee on Armed Services and the House Committee on Armed Services by April 1, 2012.

Section 834—Report on Impact of Foreign Boycotts on the Defense Industrial Base

This section would require the Comptroller General of the United States to submit to the congressional defense committees, the House Committee on Foreign Affairs, and the Senate Committee on Foreign Relations, not later than February 1, 2012, a report setting forth an assessment of the impact of foreign boycotts on the defense industrial base. The report shall include a summary of foreign boycotts that posed a material risk to the defense industrial base from January 2008 to the date of enactment of this Act; the apparent objectives of each such boycott; an assessment of the harm to the defense industrial base as a result of each such boycott; an assessment of the sufficiency of the efforts of the Department of Defense and Department of State to mitigate the material risks of each such foreign boycott on the defense industrial base; and recommendations to reduce the material risks of foreign boycotts. This section also would prohibit the Comptroller General from publicly disclosing the names of any person, organization, or entity involved in, or affected by, such boycotts without express written permission.

Section 835—Rare Earth Material Inventory Plan

This section would require the Administrator, Defense Logistics Agency Strategic Materials to develop a plan to establish an inventory of rare earth materials needed to ensure the long-term availability of such materials. Among other matters, the Administrator

would be required to identify and describe the steps necessary to create an inventory of rare earth materials to support national defense requirements and ensure reliable sources, provide a detailed cost-benefit analysis of creating such an inventory, provide an analysis of the potential market effects associated with creating such an inventory, and identify and describe the steps necessary to develop and maintain a competitive multi-source supply chain for rare earth materials. This section would require the Administrator to submit the plan to the Secretary of Defense within 180 days following the date of enactment of this Act, and require the Secretary to determine whether to execute the plan. The Secretary would be required to submit that determination, along with the plan, to the congressional defense committees within 90 days of receiving the plan from the Administrator.

SUBTITLE E—OTHER MATTERS

Section 841—Miscellaneous Amendments to Public Law 111–383 Relating to Acquisition

This section would make three amendments to the Ike Skelton National Defense Authorization Act for fiscal year 2011 (Public Law 111–383) relating to acquisition. This section would strike the requirement in section 804 that the acquisition process for rapid fielding of capabilities in response to urgent operational needs may only be applied for capabilities that can appropriately be acquired under fixed price contracts. This section also would strike the requirement in section 812 for the Secretary of Defense to issue guidance requiring the use of manufacturing readiness levels as a basis for measuring, assessing, reporting, and communicating manufacturing readiness and risk. This section also would amend section 1073 by allowing, rather than directing, the Secretary of Defense to establish a defense research and development rapid innovation program.

Section 842—Procurement of Photovoltaic Devices

This section would amend section 846 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383) to clarify that, for the purposes of that section, the Department of Defense is deemed to own a photovoltaic device if the device is installed on Department of Defense property or in a facility owned or leased by or for the Department of Defense. This section also would clarify the definition of photovoltaic devices.

Section 843—Clarification of Jurisdiction of the United States District Courts To Hear Bid Protest Disputes Involving Maritime Contracts

This section would amend section 1491(b) of title 28, United States Code, by establishing the U. S. Court of Federal Claims as the exclusive Federal court forum for bid protests.

Section 844—Exemption of Department of Defense from Alternative Fuel Procurement Requirement

This section would amend section 526 of the Energy Independence and Security Act (42 U.S.C. 17142) to exempt the Department

of Defense from the requirements related to contracts for alternative or synthetic fuel in that section.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

ITEMS OF SPECIAL INTEREST

Conduct of the Quadrennial Roles and Missions Review

The committee found the completeness of the 2008 Quadrennial Roles and Missions Review (QRMR) lacking. In addition, the accompanying report delivered to Congress in January 2009 failed to comply with the requirements of section 118b of title 10, United States Code. Rather than using the QRMR as an opportunity to conduct a comprehensive assessment of the roles and missions of the Armed Forces with the intent to identify capability gaps and areas of unnecessary duplication, the 2008 review appeared to simply endorse the status quo. Furthermore, rather than conducting a complete review, the Secretary of Defense chose to only examine select areas of interest. The review only focused on the Department's planned investments to meet asymmetric challenges and did little to evaluate the conventional force structure or need for legacy hardware programs. The committee notes that many of the conclusions of the review have proven faulty, such as the determination that assigning the C-27J to both the Air Force and the Army provided the "most value to the joint force." The committee also notes that the Department has not complied with the requirement in section 222 of title 10, United States Code, to present the future-years budget by core mission areas. The committee includes a provision elsewhere in this title that would require the inclusion of budget justification materials associated with the core competencies of the military services, and would further require the Comptroller General of the United States to assess the sufficiency of the Department's budget justification materials.

The committee urges the Secretary of Defense to take a more comprehensive approach to the 2011 QRMR and to comply with congressional intent in conducting the review. The committee believes the QRMR, if conducted as intended, would provide a solid basis for reducing waste while also improving the joint warfighting capability of the Department.

Influence of Budget on Quadrennial Defense Review

The committee has previously expressed concern regarding the influence of defense budgets on the "Quadrennial Defense Review" (QDR), conducted pursuant to section 118 of title 10, United States Code. Section 118 requires this comprehensive examination of the national defense strategy, force structure, force modernization plans, infrastructure, budget plans, and other elements of the defense program and policies be conducted every four years. Paragraph (b)(3) of section 118 requires that the QDR identify the budget plan that would be "required to provide sufficient resources to execute successfully the full range of missions called for in that national defense strategy at a low-to-moderate level of risk." Likewise, paragraph (b)(4) of section 118 requires that the QDR's rec-

ommendations, “are not constrained to comply with the budget submitted to Congress by the President . . .”.

The committee notes that in the past representatives of the Department of Defense have indicated that the QDR is not budget constrained; rather, it is budget informed. While the committee acknowledges that ultimately resources must shape any strategy, the committee believes that the QDR should be based upon a process unconstrained by budgetary influences so that such influences do not determine or limit its outcome. Therefore, the committee directs the Secretary of Defense, or his designee, to brief the committee no later than September 30, 2012 on the steps the Department will take during conduct of the QDR in fiscal year 2013 to ensure that the next QDR fulfills all statutory requirements, including those related to budget plans, and in particular the steps that the Department will take to ensure the QDR is not constrained to comply with the budget submitted by the President pursuant to section 1105 of title 31, United States Code.

Information Operations and Strategic Communications

The committee continues to support information operations (IO) and strategic communications (SC) as important tools for countering enemy narratives, as well as engaging with the global community. The committee is aware that the January 2011 Secretary of Defense memo on IO and SC has contributed significantly to improving the management structure and budgeting process for IO and SC functions within the Department of Defense.

The committee believes that the realignment of IO and SC responsibilities to the Under Secretary of Defense for Policy is critical for breaking down the traditional organizational stovepipes of IO and bridging those elements with the emerging instruments of influence under SC. The committee also recognizes the improvement of the budget justification material related to IO and SC, which greatly improves the oversight and management of those activities.

The committee also encourages the Department of Defense to continue to pursue workforce development opportunities that bring together diverse skill sets and career specialties. For example, the Department should do more to integrate social science skills, cultural intelligence, and human terrain understanding to the IO and SC field. The committee also believes that as the Joint Chiefs of Staff evaluate joint SC and IO training and education curricula, it ensures that it maintains and sustains existing centers of excellence.

Management of Information Technology

The committee recognizes that the acquisition and management of information technology (IT) systems and services is highly complex. The budget request contained \$38.4 billion for IT alone, and included funds to develop items ranging from avionics to logistics to command and control to desktop computing. Managing such a complex enterprise has traditionally been a challenge for the Department.

The committee is concerned that recent organizational changes within the Department that are a part of the Secretary of Defense’s efficiency initiatives may in fact hamper management of Depart-

ment of Defense IT. For example, the committee believes that the decision to eliminate core management and oversight functions within the office of the Assistant Secretary of Defense for Networks and Information Integration and the Business Transformation Office appears to have been made without adequate planning, or justification. Furthermore, the rationale for eliminating these functions at a time when IT reform and consolidation is being contemplated to generate cost savings is counterintuitive to the committee.

The committee believes that the Department must maintain responsibility and oversight of its IT programs as well as sufficient numbers of experienced and trained acquisition professionals if they are to succeed.

NATO Cooperative Cyber Defense Center of Excellence

The committee is aware that the North Atlantic Treaty Organization (NATO) has accredited a Cooperative Cyber Defense Center of Excellence (CCD COE) to enhance the capability, cooperation, and information sharing among NATO member nations and partners in cyber defense through education, research and development, lessons learned, and consultation. The Center represents the main source of expertise in the field of cooperative cyber defense within NATO and the committee recognizes the importance of this organization in linking U.S. and European initiatives to improve cyber defense capabilities. The committee encourages the Department of Defense to provide more support to the Center by increasing the number of personnel exchanges, and supporting additional cooperative workshops and other initiatives. The committee believes that this could help support our foreign partners build their own cyber operations capabilities, as well as boost U.S. capacity in this area.

Office of Cyberthreat Analysis

The committee is aware that the Defense Intelligence Agency has established the Office of Cyberthreat Analysis to provide an all-source analysis capability focused on threats in cyberspace. The office provides a range of support functions to the entire defense community, including: all-source defense analysis of cyberthreats to the Nation; target development; exercise planning; battle damage assessment; and counterintelligence investigations and operations, including supply chain risk management.

The committee is concerned that this office has not been sufficiently staffed to complete the tasks assigned. For instance, the growing importance of conducting supply chain risk assessments and vulnerability assessments on specific acquisition programs are likely to drive the needs for the limited numbers of personnel, making it difficult to carry out other missions. Therefore, the committee directs the Under Secretary of Defense for Intelligence, in coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Commander, U.S. Cyber Command to assess the sufficiency of the workforce assigned to the Office of Cyberthreat Analysis compared to the missions assigned to it. The Under Secretary of Defense for Intelligence shall submit a report on this assessment to the Senate Committee on Armed Services

and the House Committee on Armed Services by 90 days after the enactment of this Act.

Protection of Sensitive Information

The committee understands that numerous directives, memoranda, and other instructions guide the policy and processes of properly safeguarding information. The committee believes one very important source of guidance is the June 2006 Office of Management and Budget (OMB) memorandum titled, "Protection of Sensitive Agency Information" (OMB Memorandum M-06-16) as the memorandum directs government agencies to emplace specific safeguards that conform with National Institute of Standards and Technology procedures for the protection of remote information.

The committee is concerned that the safeguards directed to be emplaced have not been fully implemented or incorporated into existing Department of Defense procedures. Accordingly, the committee encourages the Department to review the guidance directed in the OMB memorandum and ensure that those safeguards are instituted within the Department of Defense.

Report on Contractors at the Defense Intelligence Agency

In subtitle D of title IX of this Act, the committee recommends several provisions on total force management within the Department of Defense, including section 934 which would amend an annual reporting requirement by the Secretary of Defense contained in section 115a of title 10, United States Code, on defense manpower requirements, to include an estimate for contractor requirements for support services. This provision would facilitate an improved awareness of the Department of Defense requirements being performed by contractors.

The committee is particularly interested in understanding the use of contractors by the defense intelligence community, starting with the Defense Intelligence Agency, and the manpower mix criteria used to determine which defense intelligence functions should be performed by contractors and which functions should be performed by military members or Government civilians.

The committee, therefore, directs the Director of the Defense Intelligence Agency to submit to the congressional defense committees a report on how the Defense Intelligence Agency plans to implement subtitle D of title IX of this Act by December 9, 2011. The report also shall include an identification of the current contractor workforce, current and planned use of contractors by the Defense Intelligence Agency, and the manpower mix criteria used to determine which defense intelligence functions are performed by contractors and which functions are performed by military members or Government civilians. The report shall be provided in unclassified form, but may include a classified annex if descriptions of the use of contractors or criteria are classified.

Report on Increasing Competition for Space Launch

The committee is pleased that highly reliable space launch vehicles in the Evolved Expendable Launch Vehicle (EELV) program have resulted in over 30 successful launches since 2002. However, the committee believes that the Department of Defense should pro-

vide expanded opportunities for competition in support of its space launch requirements, including competition in the EELV program. The committee further believes that the Department of Defense should establish clear criteria that new providers of space launch capabilities would be expected to meet in order to become qualified competitors for launching defense payloads.

The committee directs the Secretary of Defense to provide the congressional defense committees with a report detailing how it intends to incorporate new providers of space launch capabilities into its space launch acquisition plans while preserving mission assurance, identify potential cost savings, and identify the criteria required for new entrants wishing to bid on opportunities to provide launch services for defense payloads.

Research and Development Assessments in Quadrennial Defense Review and the Responsibilities of the Chairman of the Joint Chiefs of Staff

The committee notes that the Secretary of Defense is required every 4 years to conduct a Quadrennial Defense Review (QDR), pursuant to section 118 of title 10, United States Code. The QDR is intended to provide a strategic review of force modernization plans and to define sufficient force modernization plans necessary to execute successfully the full range of missions called for in the national defense strategy. The committee believes an essential element of any force modernization plan is the research and development plan necessary to deliver future capabilities. As well, while the exact military capabilities required in 20 years may be difficult to predict, adequate research and development in the near-term creates options for decision makers in the long-term. The committee believes the QDR was intended to identify such prudent hedges against future, ill-defined threats. Therefore, the committee encourages the Secretary of Defense to identify the assumptions used in future QDRs related to research and development and the core capabilities relating to research, development, test, and evaluation required to support the national defense.

The committee also notes that the Chairman of the Joint Chiefs of Staff has a key role in advising the Secretary on requirements, programs, and budgets, and the committee believes this role should include advice on research and development. Specifically, paragraph (a)(4) of section 153 of title 10, United States Code, requires the Chairman to advise the Secretary on the priorities of the requirements identified by the combatant commanders. The committee is aware that the combatant commanders often include science and technology priorities in their respective integrated priority lists. As a result, the committee believes it is important for the Chairman to include in his advice to the Secretary the research and development needs of the combatant commanders and to maintain situational awareness of technological innovations that could pose challenges to U.S. national security.

Total Force Management

The committee is concerned that the Department of Defense's recent focus on efficiencies without a thorough business case analysis and risk assessment potentially undermines the Department's abil-

ity to appropriately plan and budget for its total manpower requirements. The committee believes that the Department of Defense (DOD) should aggressively undertake a more holistic approach to its requirements in order to achieve the appropriate balance in its total workforce, rather than managing simply to an arbitrary civilian authorization level.

Total force management would improve personnel requirements determination and planning to facilitate decisions on which sector is most appropriate to perform that requirement with consideration of the distinct value of each component of the plan, whether military (Active and Reserve Components), civilian, or contractor personnel. For example, the military provides an expeditionary capability with specialized training in combat, combat support, and combat service support capabilities; civilian personnel provide needed oversight and direction, continuity of operations, and specialized enduring skills that do not require expeditionary, combat, or combat-related competencies; and contractor personnel provide specialized skills and surge capabilities that do not require the command and control or transparency to the public required by military and civilian personnel.

The committee notes that several tools are available to facilitate total force management decisions. These include the strategic civilian human capital plan (10 U.S.C. 115b), service contracting inventory (10 U.S.C. 2330a), inclusion of contractor services support work in the annual budget displays (10 U.S.C. 235), and the list of commercial activities required by the Federal Activities Inventory Reform Act (Public Law 105-270). In addition, section 129, title 10, United State Code, requires that the Department of Defense civilian workforce be managed on the basis of workload rather than any arbitrary constraints or limitations. Furthermore, the committee notes that sections 2461 and 2463 of title 10, United States Code, outline the procedures for the conversion of functions to performance by either DOD civilian personnel or contractor personnel; these procedures are tools that allow the Department to “right size” its workforce where appropriate. The committee notes that these tools should be used only in response to changes in the Department’s mission or if insufficient strategic human capital planning was done prior to workforce decisions being made initially.

Therefore, elsewhere in this title the committee includes a provision that would require the Secretary of Defense to develop a total force management plan that would provide the means to establish the appropriate mix of manpower, military, civilian, and contractor personnel, to perform the mission of the Department of Defense. Risk mitigation should take precedence over cost when necessary to maintain appropriate manpower to support the Department’s operations and readiness to perform the core missions of the Armed Forces.

LEGISLATIVE PROVISIONS

SUBTITLE A—DEPARTMENT OF DEFENSE MANAGEMENT

Section 901—Revision of Defense Business System Requirements

This section would update the structure and process of the defense business systems investment review boards, including clarifying responsibilities based on recent reorganization within the Department of Defense. This section would also consolidate reporting by the Department of Defense Deputy chief management officers and the reports required by the Chief Management Officer of the military departments required by section 908 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417).

Section 902—Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps

This section would re-designate the Department of the Navy as the Department of the Navy and the Marine Corps and change the title of its secretary to the Secretary of the Navy and Marine Corps. This section would formally recognize the responsibility of the Office of the Secretary of the Navy over both the Navy and Marine Corps and the Marine Corps' status as an equal partner with the Navy.

SUBTITLE B—SPACE ACTIVITIES

Section 911—Notification Requirement for Harmful Interference to Department of Defense Global Positioning System

This section would require the Secretary of Defense to provide a notification to Congress upon such a determination that a space-based or terrestrial-based commercial communications service will cause or is causing widespread harmful interference with Global Positioning System (GPS) receivers of the Department of Defense (DOD). The notification would include a summary of the reasons for such harmful interference, the entity causing the interference, and the magnitude and duration of the interference.

The committee is aware that the Federal Communications Commission (FCC) issued a conditional order to a commercial communications company on January 26, 2011, authorizing it to provide broadband voice and data communications services that potentially interfere with GPS. The committee recognizes that the Armed Forces are highly dependent on GPS capabilities and services. The committee believes that any space-based or terrestrial-based commercial communications service that has the potential to interfere with GPS should not receive final authorization to provide service within the United States by the FCC unless and until the potential interference with GPS is resolved.

Such commercial services are planned to be transmitted from 40,000 land-based towers across the United States. The committee understands, based on information received from the Air Force, that the signal strength of such service is estimated to be one billion times more powerful than the GPS signal. Though the commercial service would broadcast on a frequency adjacent to GPS, it

may still overwhelm GPS receivers, potentially causing a denial of service for millions of users in the United States relying on GPS navigation and timing services. Such users included the military, emergency responders, maritime and aeronautical emergency communication systems, banking transactions, air traffic and ground transportation systems, and myriad commercial applications.

The committee understands that the Deputy Secretary of Defense sent a letter to the Chairman of the Federal Communications Commission on January 12, 2011, highlighting the “strong potential for interference to . . . critical national security systems,” and “strongly recommend[ing] deferral of final action on [the FCC order and authorization] until the proper interference analysis and mitigation studies can be conducted.”

The committee is aware of several other letters of concern regarding potential GPS interference, including: a December 28, 2010, multi-agency memorandum to the Chairman of the Interdepartment Radio Advisory Committee (IRAC) signed by officials from the military departments of the Army, Navy, and Air Force, the Department of Transportation, the Department of Commerce, the National Aeronautics and Space Administration, the Department of the Interior, and Department of Homeland Security; a January 12, 2011, letter to the Chairman of the Federal Communications Commission from the Assistant Secretary of Commerce for Communications and Information; and a March 25, 2011, letter co-signed by the Deputy Secretary of Defense and the Deputy Secretary of Transportation.

The committee understands that the authorization of commercial communications service is conditional “upon the completion of the process for addressing interference concerns relating to GPS” undertaken by a technical working group whose analysis of potential interference with GPS devices and recommendations to mitigate such interference is due to be submitted to the FCC no later than June 15, 2011.

The committee is concerned about the impact on U.S. national security resulting from potential harmful interference with GPS. The committee recognizes the extent to which the military is reliant on GPS and notes the military’s current inventory of nearly one million GPS receivers. Thousands of GPS receivers are integrated into weapons systems, aircraft, ships, and vehicles. GPS is crucial in such areas as blue force tracking, precision munitions employment, combat search and rescue, close air support, logistics, and communications.

The committee understands that the FCC did not conduct a study on potential interference prior to the January 26, 2011, order and authorization. The committee is disappointed that the FCC proceeded with the order and authorization prior to any study and resolution of the GPS interference issue. Furthermore, the committee understands that the Department of Defense has not determined whether it can mitigate the interference and questions whether sufficient analysis and mitigating measures can be identified and implemented by June 15, 2011. The committee believes the burden of proof for non-interference should be placed on the commercial communications company and believes the FCC should indefinitely postpone final decision until the harmful interference

issue has been resolved, with the full coordination and approval of the Department of Defense.

The committee reminds the Secretary of Defense of the authority in section 2281 of title 10, United States Code, which states that the Secretary “may not agree to any restriction on the Global Positioning System . . . that would adversely affect the military potential of the Global Positioning System.” The committee intends to work with the Secretary of Defense to mitigate the effects of any harmful interference with GPS on the military.

SUBTITLE C—INTELLIGENCE-RELATED MATTERS

Section 921—Report on Implementation of Recommendations by Comptroller General on Intelligence Information Sharing

This section would direct the Secretary of Defense to provide a report to the congressional defense committees, the House Permanent Select Committee on Intelligence, and the Senate Select Committee on Intelligence on actions taken to implement the recommendation of the Government Accountability Office (GAO) report, “Intelligence, Surveillance, and Reconnaissance: Establishing Guidance, Timelines, and Accountability for Integrating Intelligence Data Would Improve Information Sharing” (GAO-10-265NI). GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Intelligence, in coordination with the Chairman of the Joint Chiefs of Staff and the Secretaries of the military services, develop intelligence information sharing guidance, such as a concept of operations, and to provide such direction and prioritization to improve intelligence community information sharing. In addition, this section directs the Comptroller General of the United States to review the Under Secretary’s report to determine whether it is consistent with and adequate to address its recommendation.

The committee is concerned about the extent to which Department of Defense intelligence, surveillance, and reconnaissance efforts are managed in accordance with overarching direction and priorities for sharing intelligence information across the defense intelligence community. The committee encourages the Secretary of Defense to implement the recommendation. The committee also requests that GAO provide it with an update regarding its conclusions from this review as soon as practicable.

Section 922—Insider Threat Detection

This section would require the Secretary of Defense to establish a program for enhanced information sharing protection and insider threat mitigation for the information systems of the Department of Defense in order to detect unauthorized access to, use of, or transmission of, classified or controlled unclassified information.

The committee is concerned with the acute damage to national security of recent unauthorized releases of classified information from the Department of Defense and other Government information systems. The committee notes that the impact of these releases will continue for many years, to the detriment of existing operations in the Islamic Republic of Afghanistan, as well as the rep-

utation and credibility of the United States in international affairs now and in the future.

The committee recognizes that the Department is responding seriously to this event and is implementing safeguards to prevent such a breach again. While the Department should continue to pursue technical security measures, the committee is concerned that the human dimension is not receiving sufficient attention. The committee therefore encourages the Department to conduct a comprehensive analysis of the means by which to detect, respond and mitigate the threat posed by trusted persons inside the organization who would purposely compromise the security of the network (otherwise known as the “insider threat”).

Furthermore, the committee is concerned that the technological and procedural responses may be having a negative impact on the productivity and effectiveness of forces supporting ongoing operations in areas of hostility. The committee cautions the Department to pay special consideration in how technological or procedural fixes are implemented in operational areas of hostility to ensure that these concerns do not become a significant problem.

SUBTITLE D—TOTAL FORCE MANAGEMENT

Section 931—General Policy for Total Force Management

This section would amend section 129a of title 10, United States Code to require the Secretary of Defense to develop and implement a total force management plan that would determine the appropriate manpower mix of military (Active and Reserve Components), civilian and contractor personnel necessary to accomplish the mission of the Department of Defense (DOD). Overall responsibility for establishing the policies and procedures to implement such a plan would be given to the Under Secretary of Defense for Personnel and Readiness, with responsibility for requirements determination, planning and programming being given to the manpower and force structure authorities for each DOD component.

The committee is aware that DOD Instruction 1100.2 requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to obtain a written statement from each requiring official regarding decisions to contract for support. This section would codify that requirement and also would require the Under Secretary of Defense for Acquisition, Technology, and Logistics to ensure that the policies and procedures governing the acquisition process are consistent with those developed to implement the total force management plan. Furthermore, to ensure that budget decisions are developed in line with these policies, the Under Secretary of Defense (Comptroller) would be required to justify in the annual budget submission any budget decision that may inhibit implementation of the total force management plan.

The committee notes that manpower and force structure personnel should have a greater role in requirements determination, planning, programming, and budgeting. This is intended to ensure that all aspects of the Department of Defense workforce (military, civilian and contractor personnel) are utilized in a balanced and rational fashion.

Section 932—Revisions to Department of Defense Civilian Personnel Management Constraints

This section would amend section 129 of title 10, United States Code, to require that the civilian personnel of the Department of Defense (DOD) are managed on the basis of workload and in support of the total force management plan developed in accordance with section 129a, as would be amended by this Act. This change would reinforce the committee's position that manpower requirements should be based on mission requirements and not arbitrary cost savings that ignore the workload needs of the DOD components.

Section 933—Additional Amendments Relating to Total Force Management

This section would amend section 113 of title 10, United States Code, to include an accounting for contractors in the Secretary of Defense annual report to Congress on expenditures, work, and accomplishments of the Department of Defense. The inclusion of contractors in this report would facilitate improved awareness of the role of contractors in accomplishing the mission of the Department. In addition, this section would amend section 1597 of title 10, United States Code, to require that the guidelines put in place related to civilian personnel reductions comply with the total force management plan required by section 129a, title 10, United States Code, as would be amended by this act.

This section also would amend section 863 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383), to include considerations relating to policy for total force management required by section 129a of title 10, United States Code, in the implementation plan required for establishment of requirements processes for the acquisition of services. The committee believes that this is necessary in order to align the processes for the acquisition of services with the manpower requirements determination process required by section 129a.

Section 934—Amendments to Annual Defense Manpower Requirements Report

This section would amend section 115a of title 10, United States Code, to revise the annual defense manpower requirements report to include a projection of the annual Department of Defense (DOD) civilian personnel requirements for the next fiscal year, and the strength levels of the previous year. This change reflects the recognition that DOD civilian personnel should be managed by workload requirements, which may fluctuate during a given year and should be accommodated as necessary. In addition, this section would require the inclusion of an estimate for contractor requirements for support services, as outlined in each military department's service contractor inventory as required by section 2330a of title 10, United States Code. The inclusion of contractors in this report would facilitate an improved awareness of the Department of Defense requirements being performance by contractors.

Section 935—Revisions to Strategic Workforce Plan

This section would amend section 115b of title 10, United States Code to achieve the following outcomes in Department of Defense (DOD) civilian workforce planning requirements:

- (1) Reduce costs associated with planning and allow the Department to improve its implementation efforts by moving from an annual to a biennial report;
- (2) Align the workforce planning assessment period to correspond with existing DOD budget and manpower planning cycles upon which workforce requirements, authorizations, and forecasts are based; and
- (3) Require that the assessment of the appropriate mix of military, civilian, and contractor personnel is aligned with the total force management plan developed in accordance with section 129a, title 10, United States Code, as would be amended by this Act.

While the committee recommends these changes in order to align the Department's strategic civilian workforce plans with existing budget and manpower planning structures and provide time to implement planned strategies, it remains concerned that the Department has not fully complied with the requirements outlined in section 115b of title 10, United States Code. According to a September 2010 report by the Government Accountability Office (GAO-10-814R), this could result in the Department relying on "incomplete information concerning the size, composition and needs of the civilian workforce. In particular, the Department may not be able to determine whether its investment in strategies to improve the civilian workforce is effective and efficient." Therefore, the committee urges the Department to develop performance measures to assess its progress and guide its civilian workforce planning.

Section 936—Technical Amendments to Requirement for Inventory of Contracts for Services

This section would amend section 2330a(c) of title 10, United States Code, to provide additional clarity regarding the types of contracted services to be inventoried and the manner in which contractor full-time equivalents are captured. In addition, this section would more clearly delineate the statutory responsibilities and roles in developing guidance and implementing particular aspects of the statute. This section also would direct the Under Secretary of Defense for Personnel and Readiness and the Under Secretary of Defense (Comptroller) to develop and promulgate guidance specific to the review requirements outlined in paragraph (e) of 2330a of title 10, United States Code. This clarification is intended to ensure that the Department of Defense's total force manpower management equities are fully represented.

Section 937—Modification of Temporary Suspension of Public-Private Competitions for Conversion of Department of Defense Functions to Contractor Performance

This section would lift the temporary suspension of Department of Defense public-private competitions that was included in section 325 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84). Section 325 temporarily suspended the au-

thority to initiate public-private competitions until the Secretary of Defense provided a report to Congress on the conduct of such competitions and certified compliance with certain statutory requirements. This section would eliminate the compliance certification and lift the suspension 30 days after receipt by Congress of the Secretary of Defense report, and after an assessment of the report is conducted by the Comptroller General of the United States.

The committee notes that the moratorium already could have been lifted if the Department had complied with the requirements of Section 325 under the time frame outlined in that section. However, the committee is taking this action to ensure that the report is delivered promptly so that the Department can reinstate the public-private competition process once the reporting requirements are complied with.

Section 938—Preliminary Planning for Department of Defense Public-Private Competitions

This section would amend section 2461 of title 10, United States Code, to place the responsibility to issue and maintain guidance and procedures for preliminary planning for public-private competitions with the Under Secretary of Defense for Personnel and Readiness. Currently all elements of public-private competitions are the responsibility of the Under Secretary of Defense for Acquisition, Technology, and Logistics. However, the committee believes that preliminary planning for public-private competitions should include an increased and more active role for the manpower and personnel communities, which have greater expertise in determining manpower requirements, whether military, civilian, or contractor personnel. While the committee believes that the manpower and personnel communities should remain actively engaged throughout the entirety of the process, the conduct of the acquisition component of the competition remains the responsibility of the Under Secretary of Defense for Acquisition, Technology, and Logistics, which has the requisite acquisition expertise. However, the committee recommends the Under Secretary of Defense for Acquisition, Technology, and Logistics realign responsibility for public-private competitions from the Deputy Under Secretary for Installations and Environment to the Director for Defense Procurement and Acquisition Policy.

Section 939—Conversion of Certain Functions from Contractor Performance to Performance by Department of Defense Civilian Employees

This section would amend section 2463 of title 10, United States Code, to require the conversion of any inherently governmental function to performance by Department of Defense (DOD) civilian employees. The committee notes that this requirement was not specifically included in section 2463 when it was enacted originally because it was presumed that such functions were not being performed by contractors. However, the committee is aware that was a false presumption. For example, according to a report by the Government Accountability Office, “Defense Acquisitions: Further Action Needed to Better Implement Requirements for Conducting Inventory of Service Contract Activities, January 2011”, within the

Department of the Army, more than 2,000 contractor full-time equivalents are performing work that is inherently governmental, and an additional 45,934 Army contractors are performing activities deemed closely associated with inherently governmental functions. The committee finds this troubling and urges the military services, particularly the Army, to convert such functions immediately to performance by DOD civilian employees.

In addition, this section would require a cost analysis and a savings differential before converting certain commercial functions to performance by DOD civilian employees. This requirement would be applied for the conversion of functions that are not inherently governmental. This section also would require procedures to be developed to notify a contractor of the intent to insource a contract on which the contractor is currently performing; a copy of the notification would be provided to the congressional defense committees. The intent of the notification is to provide fair notice to affected contractors but not to delay or stop an insourcing initiative.

Section 940—Assessment of Appropriate Department of Defense and Contractor Personnel for the Defense Medical Readiness Training Institute

This section would require the Secretary of Defense to conduct an assessment of the appropriate mix of military, civilian, and contractor personnel to carry out mission and functions of the Defense Medical Readiness Training Institute. This assessment would be carried out in accordance with sections 129 and 129a of title 10, United States Code, as would be amended by this Act.

SUBTITLE E—QUADRENNIAL ROLES AND MISSIONS AND RELATED MATTERS

Section 951—Transfer of Provisions Relating to Quadrennial Roles and Missions Review

This section would amend title 10, United States Code, to transfer the requirement for the Chairman of the Joint Chiefs of Staff to conduct an assessment of roles and missions of the Armed Forces from section 118b to section 153, and to enhance the Chairman's role in advising the Secretary of Defense on the assignment of functions of the Armed Forces in order to obtain maximum efficiency and effectiveness of the Armed Forces.

Section 952—Revisions to Quadrennial Roles and Missions Review

This section would amend section 118b of title 10, United States Code, to enhance the requirements of the Quadrennial Roles and Missions Review by requiring the review to include an assessment of the functions and capabilities of the Department of Defense and its major components to achieve the objectives of the national defense strategy and the national military strategy.

Section 953—Amendment to Presentation of Future-Years Budget and Comptroller General Report on Budget Justification Material

This section would amend section 944 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181) to include the functions of each of the armed forces as identified under

the most recent Quadrennial Roles and Missions Review pursuant to section 118b of title 10, United States Code. This section also would require the Comptroller General of the United States to review the sufficiency of Department of Defense regulations, policies, and guidance governing the construction of budget exhibits and to provide recommendations to improve the consistency, clarity, accuracy, and completeness of the Department of Defense's budget justification material.

Section 954—Chairman of the Joint Chiefs of Staff Assessment of Contingency Plans

This section would amend paragraph (b)(1) of section 153 of title 10, United States Code, to require the Chairman of the Joint Chiefs of Staff to submit to Congress, as part of the Chairman's assessment of risks under the National Military Strategy submitted pursuant to paragraph (b)(2) of such section, an assessment of the critical deficiencies and strengths in force capabilities (including manpower, logistics, intelligence, and mobility support) identified during the preparation and review of contingency plans of each geographic combatant commander, and assess the effect of such deficiencies and strengths on meeting national security objectives, policy, and strategic plans. The committee notes that the Chairman of the Joint Chiefs of Staff is already required to advise the Secretary of Defense on such information, in accordance with Department of Defense Directive 5100.01. This section would further amend paragraph (b)(2) of section 153 of title 10, United States Code, to require the Secretary of Defense to submit to Congress a plan for mitigating a critical deficiency in force capability for a contingency plan, as identified by the Chairman in paragraph (b)(1) of such section, as amended.

Section 955—Quadrennial Defense Review

This section would express the sense of Congress that the quadrennial defense review is a critical strategic document and should be based upon a process unconstrained by budgetary influences so that such influences do not determine or limit its outcome. This section would also amend paragraph (4) of section 118(b) of title 10, United States Code, to clarify that each quadrennial defense review shall be conducted so as to make recommendations that are not constrained to comply with and are fully independent of the budget submitted to Congress by the President, pursuant to section 1105 of title 31, United States Code, in order to allow Congress to determine the level of acceptable risk to execute the missions associated with the national defense strategy within appropriated funds.

TITLE XLIV—MILITARY PERSONNEL

SEC. 4401. MILITARY PERSONNEL.

SEC. 4401. MILITARY PERSONNEL (In Thousands of Dollars)

Item	FY 2012 Request	House Change	House Authorized
MILITARY PERSONNEL	142,828,848	-664,690	142,164,158
Increase in Authorized Strengths for Marine Corps Officers on Active Duty in Field Grades (Section 501) ..		6,000	
Retain Carrier Air Wing Staff (Section 1095)		2,310	
Travel and Transportation Allowances for Non-Medical Attendants		20,000	
Unobligated Balances (Section 421)		[-693,000]	