

# TITLE III—OPERATION AND MAINTENANCE

## SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

### *Operation and maintenance funding (sec. 301)*

The House bill contained a provision (sec. 301) authorizing appropriations for fiscal

year 2014 for the use of the armed forces and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, as specified in the funding table in section 4301.

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

The agreement includes this provision.

**SUBTITLE B—ENERGY AND ENVIRONMENT**

*Deadline for submission of reports on proposed budgets for activities relating to operational energy strategy (sec. 311)*

The House bill contained a provision (sec. 311) that would amend section 138c(e) of title 10, United States Code, to revise the date of submission for the report on the proposed budgets that were not certified for that fiscal year.

The Senate committee-reported bill contained no similar provision.

The agreement includes this provision.

*Facilitation of interagency cooperation in conservation programs of the Departments of Defense, Agriculture, and Interior to avoid or reduce adverse impacts on military readiness activities (sec. 312)*

The House bill contained a provision (sec. 312) that would amend section 2684a of title 10, United States Code, to permit a recipient of funds under the Sikes Act to be able to use the funds for matching funds or cost-sharing requirements of conservation programs. This section would also expire the authority on October 1, 2019, but permit any agreements that were entered into prior to September 30, 2019, to continue according to its terms and conditions.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision.

*Reauthorization of Sikes Act (sec. 313)*

The House bill contained a provision (sec. 313) that would extend the authority of the Sikes Act through 2019.

The Senate committee-reported bill amendment contained no similar provision.

The agreement includes the House provision.

*Clarification of prohibition on disposing of waste in open-air burn pits (sec. 314)*

The House bill contained a provision (sec. 317) that would codify the definition of covered waste as it relates to the requirements established by section 317 of the National Defense Authorization Act for Fiscal Year 2010, title 10 of United States Code 2701 note (Public Law 111-84).

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with a technical amendment.

*Limitation on availability of funds for procurement of drop-in fuels (sec. 315)*

The House bill contained a provision (sec. 319) that would limit the Department of Defense's (DOD) ability to purchase or produce biofuels until the earlier of either the date on which the Budget Control Act of 2011 is no longer in effect, or the date on which the cost of biofuel is equal to the cost of conventional fuels. The provision would provide an exception for biofuel test and certification and research and development.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with a clarifying amendment that would prohibit DOD funds to be used for bulk purchases of drop-in fuel for operational purposes during fiscal year 2014, unless the cost of that drop-in fuel is cost competitive with traditional fuel, subject to a national security waiver. We note that the phrase "cost competitive" in this section generally refers

to prices that are equal to or lower than prices offered by competitors for similar goods or services. However, we note that terms and conditions for particular purchases may vary; in particular, long-term energy purchases are likely to have different pricing structures from short-term or spot-market purchases. Accordingly, some flexibility in the application of this phrase is anticipated, where necessary to address such differences. We understand that average prices over the period of a long-term contract would be cost competitive.

**SUBTITLE C—LOGISTICS AND SUSTAINMENT**

*Strategic policy for prepositioned materiel and equipment (sec. 321)*

The Senate committee-reported bill contained a provision (sec. 312) that would direct the Secretary of Defense to develop an overarching strategy, along with an implementation plan, to integrate and synchronize at a Department-wide level, the services' prepositioning programs. The strategy and implementation plan would ensure that the Department of Defense (DOD) prepositioning programs, both ground and afloat, align with national defense strategies and new DOD priorities, and emphasize joint oversight to maximize effectiveness and efficiencies in prepositioned materiel and equipment across the DOD.

The House bill contained no similar provision.

The agreement includes the Senate provision.

*Department of Defense manufacturing arsenal study and report (sec. 322)*

The House bill contained a provision (sec. 322) that would require the Secretary of Defense to review current and expected manufacturing requirements across the Department of Defense to identify critical manufacturing capabilities which could be executed by the government-owned arsenals, and to brief the results of the review to the congressional defense committees.

The Senate committee-reported bill contained a similar provision (sec. 311) that would require the Secretary of Defense, in consultation with the military services and defense agencies, to review current and expected manufacturing requirements for which there is no or limited domestic commercial source and which are appropriate for manufacturing within an arsenal owned by the United States in order to support critical manufacturing capabilities.

The agreement includes the Senate provision with an amendment that would require the Secretary of Defense to review arsenals owned by the United States in order to support critical manufacturing capabilities. The agreement also directs the Government Accountability Office to report and assess the Department's review with recommendations. *Consideration of Army arsenals' capabilities to fulfill manufacturing requirements (sec. 323)*

The House bill contained a provision (sec. 323) that would require program executive officers and program managers to solicit information from government-owned arsenals when undertaking a make-or-buy analysis, notify government-owned arsenals of the requirement, and allow arsenals that have the capability to fulfill a manufacturing requirement to submit a proposal for the requirement.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with a clarifying amendment.

*Strategic policy for the retrograde, reconstitution, and replacement of operating forces used to support overseas contingency operations (sec. 324)*

The Senate committee-reported bill contained a provision (sec. 322) that would direct

the Secretary of Defense to establish a policy setting forth the program and priorities of the Department of Defense for the retrograde, reconstitution, and replacement of units and materiel used to support overseas contingency operations. The provision directed that the policy shall take into account national security threats, the requirements of the combatant commands, the current readiness of the operational forces of the military departments, and risk associated with strategic depth and the time necessary to reestablish required personnel, equipment, and training readiness in such operating forces.

The House bill contained no similar provision.

The agreement includes the Senate provision with a technical amendment.

*Littoral Combat Ship Strategic Sustainment Plan (sec. 325)*

The House bill contained a provision (sec. 321) that would require the Secretary of the Navy to submit a strategic sustainment plan for the Littoral Combat Ship (LCS) program to the congressional defense committees.

The Senate committee-reported bill contained no similar provision.

The agreement includes the House provision with an amendment that would clarify that the strategic sustainment plan would have to identify specifically any contractor support needed by the LCS vessels when they are forward deployed.

*Strategy for improving asset tracking and in-transit visibility (sec. 326)*

The House bill contained a provision (sec. 836) that would direct the Secretary of Defense to improve the management of defense equipment and supplies throughout their lifecycles by adopting and implementing item unique identification, radio frequency identification, biometrics, and other automated information and data capture technologies for the tracking, management, and accountability for deployed assets.

The Senate committee-reported bill contained a similar provision (sec. 331) that would direct the Secretary of Defense to complete a comprehensive strategy and implementation plan for improving asset tracking and in-transit visibility across the Department of Defense.

The agreement includes the Senate provision with a clarifying amendment that would include an operational security assessment to ensure all DOD assets are appropriately protected during the execution of the comprehensive strategy and implementation plan.

We recognize the challenges in supply chain management, including asset tracking and in-transit visibility capabilities. We see this posing an acute near-term challenge, especially in light of the experience with retrograde operations from the Republic of Iraq and the on-going operations in the Islamic Republic of Afghanistan.

Furthermore, we note that supply chain management challenges have been an ongoing source of concern for the Department of Defense, from the emergence of the Government Accountability Office's high risk list in 1990, to the current need to achieve auditability and financial management goals set by the Secretary of Defense and Congress.

We believe that the strategy called for by this provision is an important step to improving the Department's supply chain management shortfalls. In developing and implementing this strategy, we urge the Department to look at how it can better leverage new technologies. For example, item unique identification, radio frequency identification, and biometrics could be more effectively used to interface with enterprise resource planning systems and improve the

tracking, management, and accountability for all Department assets.

SUBTITLE D—REPORTS

*Additional reporting requirements relating to personnel and unit readiness (sec. 331)*

The House bill contained a provision (sec. 331) that would amend the report required under section 482 of title 10, United States Code, to require the Secretary of Defense to report to the congressional defense committees on the ability of the geographic and functional combatant commanders to successfully meet their respective contingency and operational plans and key mission essential tasks.

The Senate committee-reported bill contained a similar provision (sec. 332) that would amend section 482 of title 10, United States Code, to update and streamline the quarterly readiness report to Congress.

The agreement includes the House provision with a clarifying amendment that would combine both provisions and would amend section 482 of title 10, United States Code.

*Modification of authorities on prioritization of funds for equipment readiness and strategic capability (sec. 332)*

The House bill contained a provision (sec. 332) that would repeal the requirement that the Comptroller General of the United States report on the Army's progress in moving to a modular force design.

The Senate committee-reported bill contained a similar provision (sec. 321) that would repeal the requirement for modularity reports by both the Army and the Government Accountability Office and would also add a requirement that the Marine Corps report budget information regarding funding for the reset of equipment and reconstitution of prepositioned stocks.

The agreement includes the Senate provision.

*Revision to requirement for annual submission of information regarding information technology capital assets (sec. 333)*

The House bill contained a provision (sec. 333) that would amend the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107-314; 10 U.S.C. 221 note) to align Department of Defense high-threshold information technology Capital Asset reporting with the Department's Major Automated Information Systems reporting and its Exhibit 300 reporting to the Office of Management and Budget.

The Senate committee-reported bill contained an identical provision (sec. 333).

The agreement includes this provision.

*Modification of annual corrosion control and prevention reporting requirements (sec. 334)*

The Senate committee-reported bill contained a provision (sec. 334) that would amend section 903(b)(5) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (P.L. 110-417; 10 U.S.C. 2228 note) to update the military departments' strategic plans with performance measures and show clear linkage to the Department of Defense's overarching goals and objectives as described in the Department's strategic plan for corrosion control and prevention.

The House bill contained no similar provision.

The agreement includes the Senate provision.

SUBTITLE E—LIMITATIONS AND EXTENSIONS OF AUTHORITY

*Certification for realignment of forces at Lajes Air Force Base, Azores (sec. 341)*

The House bill contained a provision (sec. 341) that would restrict the Secretary of the Air Force from reducing the force structure at Lajes Air Force Base, Azores, (Lajes) until 30 days after the European Infrastructure

Consolidation Assessment is completed and is briefed to the congressional defense committees.

The Senate committee-reported bill contains no similar provision.

The agreement includes a provision requiring that, prior to taking any action to realign forces at Lajes, the Secretary of Defense must certify to the congressional defense committees that the realignment is supported by a European Infrastructure Consolidation Assessment.

*Limitation on performance of Department of Defense flight demonstration teams outside the United States (sec. 342)*

The House bill contained a provision (sec. 342) that would prohibit the Secretary of Defense from using any fiscal year 2014 or 2015 funds to allow flight demonstration teams to perform at any location outside the United States.

The Senate committee-reported bill contained no similar provision. The Senate report accompanying S. 1197 (S. Rpt. 113-44) of the National Defense Authorization Act for Fiscal Year 2014 commented on Department of Defense (DOD) guidance prohibiting all aerial demonstrations, including flyovers, jump team demonstrations, and participation in civilian air shows and military open houses. The report observed that: (1) There may be certain circumstances where an exception to this general policy could provide some level of community engagement as a no-cost addition to activities that are required for training or readiness; and (2) DOD should reconsider whether this policy should be enforced on a blanket basis or whether the policy should allow for community engagement if that engagement can be completed as a no-cost adjunct to missions fulfilling other required operational or training activities.

The agreement includes the House provision with an amendment that would prohibit spending funds for performances of flight demonstration teams outside the United States if the Department has cancelled any performances of flight demonstration teams inside the United States by reason of insufficient funds due to a sequestration. We are intending that this provision cover the Air Force Thunderbirds, the Navy Blue Angels and the Army Golden Knights.

*Limitation on funding for United States Special Operations Command National Capital Region (sec. 343)*

The Senate committee-reported bill contained a provision (sec. 341) that would prohibit the expenditure of any funds for the U.S. Special Operations Command National Capital Region (USSOCOM-NCR) until 30 days after the Secretary of Defense provides the congressional defense committees a report which describes, at a minimum: (1) The purpose of the USSOCOM-NCR; (2) The activities to be performed by the USSOCOM-NCR; (3) An explanation of the impact of the USSOCOM-NCR on existing activities at USSOCOM headquarters; (4) A detailed breakout, by fiscal year, of the staffing and other costs associated with the USSOCOM-NCR over the future years defense program; (5) A description of the relationship between the USSOCOM-NCR and the Office of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (ASD SOLIC); (6) The role of the ASD SOLIC in providing oversight of USSOCOM-NCR activities; and (7) Any other matters the Secretary deems appropriate.

The House bill contained no similar provision.

The agreement includes the Senate provision.

*Limitation on availability of funds for Trans Regional Web Initiative (sec. 344)*

The Senate committee-reported bill contained a provision (sec. 343) that would prohibit the Secretary of Defense from expending any funds in Operation and Maintenance, defense-wide (OMDW), for the Trans Regional Web Initiative (TRWI).

The House bill contained no similar provision.

The agreement includes the Senate provision with an amendment that would prohibit the Secretary of Defense from expending more than \$2.0 million in OMDW for TRWI and restrict the use of such funds for the termination of the program as managed by U.S. Special Operations Command or for purposes of transitioning appropriate TRWI capabilities to other agencies.

In light of budget concerns for the U.S. Government, resource constraints for the Department of Defense, and shifts in the geopolitical environment and security strategies, we note our concern with regard to the Department's direction for strategically engaging in the information environment. We remain skeptical of the effectiveness of the websites established under the TRWI and believe that available resources may better be used to support tactical and operational military information support activities. We believe strategic information operations activities, like TRWI, may more appropriately be managed by other relevant U.S. Government agencies, with the Department of Defense focused on contributing to an inter-agency approach that is responsive to military-specific operational requirements.

If the Secretary of Defense deems it to be in the national security interests of the United States and appropriate under current fiscal pressures, we note the Department of Defense may use funds authorized by this Act for TRWI to conduct a pilot project using existing authorities with an appropriate U.S. Government agency, such as the Broadcasting Board of Governors. Such a pilot could be used to demonstrate the transition of appropriate TRWI capabilities to such agency and support the strategic information operations requirements of the Geographic Combatant Commanders. We believe that any such pilot should seek to demonstrate responsiveness to the time sensitive needs of the Department of Defense while integrating such activities with broader U.S. strategic communications objectives. Consistent with this provision, we expect that the Department of Defense will not request additional funding for TRWI in fiscal year 2015 and beyond.

SUBTITLE F—OTHER MATTERS

*Gifts made for the benefit of military musical units (sec. 351)*

The House bill contained a provision (sec. 599) that would amend section 974 of title 10, United States Code, to require that any gift made on the condition that the gift be used for the benefit of a military musical unit be credited to the appropriation or account providing the funds for such musical unit.

The Senate committee-reported bill contained no similar provision.

The agreement includes a provision that would authorize service secretaries to accept contributions of money, personal property, or services on the condition that such money, property, or services be used for the benefit of a military musical unit, and requiring that such contributions be credited to the appropriation or account for that musical unit.

*Revised policy on ground combat and camouflage utility uniforms (sec. 352)*

The House bill contained a provision (sec. 351) that would establish as national policy a

requirement for all the U.S. military services to use a joint combat camouflage uniform by October 1, 2018, with certain exceptions.

The Senate committee-reported bill contained a similar provision (sec. 351) that would direct the Secretary of Defense to reduce the separate development and fielding of service-specific combat and camouflage utility uniforms in order to collectively adopt and field the same combat and camouflage utility uniforms for use by all members of the Armed Forces.

The agreement includes the Senate provision with a clarifying amendment that would combine both provisions and eliminate the 2018 deadline.

We note the provision adopted makes it the policy of the United States for the Secretary of Defense to eliminate the development and fielding of Armed Force-specific combat and camouflage utility uniforms and families of uniforms, in order to adopt and field a common combat and camouflage utility uniform, or family of uniforms, for specific combat environments, to be used by all members of the Armed Forces. Each Armed Force will be prohibited from adopting new combat and camouflage utility uniforms unless: (1) All the Armed Forces adopt the same uniform or family of uniforms; (2) An Armed Force adopts a uniform currently in use by another Armed Force; or (3) The Secretary of Defense grants an exception, based on unique circumstances or operational requirements.

We note that exceptions granted to this policy include: (1) Combat and camouflage utility uniforms and families of uniforms for use by special operations personnel; (2) Engineering modifications to existing combat and camouflage utility uniforms and families of uniforms such as power harnessing or generating textiles, fire resistant fabrics, and anti-vector, anti-microbial, and antibacterial treatments; (3) Ancillary uniform items such as headwear, footwear, body armor, and other items designated by the secretaries of the military departments; (4) Vehicle crew uniforms; (5) Service-specific cosmetic modifications; or (6) existing Service-specific uniforms that meet operational requirements.

We note that a secretary of a military department may not prevent the secretary of another military department from authorizing the use of any combat or camouflage utility uniform or family of uniforms approved for use by an Armed Force under the jurisdiction of the secretary. Furthermore, the secretary of a military department shall formally register with the Joint Clothing and Textiles Governance Board all current and future combat uniforms, camouflage utility uniforms, and families of uniforms.

We also note that 60 days after the enactment of this Act, the Secretary of Defense shall issue implementation guidance that requires the secretaries of the military departments to: (1) Establish joint performance criteria for the design, development, fielding, and characteristics of combat and camouflage utility uniforms and families of uniforms and include that criteria in all new requirements documents; (2) Continue to work together to assess and develop new technologies that could be incorporated into future combat and camouflage utility uniforms and families of uniforms to improve warfighter survivability; (3) Ensure that new combat and camouflage utility uniforms and families of uniforms meet the geographic and operational requirements of the commanders of the combatant commands; and (4) Ensure that all new combat and camouflage utility uniforms and families of uniforms achieve interoperability with all components of individual warfighter systems, including body armor, organizational clothing and

equipment, and other individual protective systems.

We fully expect the Secretary of Defense to enforce this policy and not deviate from its intent to reduce the separate development and fielding of Armed Force-specific combat and camouflage uniforms and families of uniforms.

**LEGISLATIVE PROVISIONS NOT ADOPTED**  
*Authorization of appropriations for the Marine Corps Embassy Security Group*

The House bill contained a provision (sec. 302) that would increase funding for the Marine Corps Embassy Security Group by \$13.4 million.

The Senate committee-reported bill contained no similar provision.

The agreement does not include this provision.

We note the funding tables reflect an increase of \$35.0 million for the Marine Corps Embassy Security Group.

*Authorization of appropriations for Crisis Response Force*

The House bill contained a provision (sec. 303) that would increase funding for Crisis Response Force by \$10.6 million.

The Senate committee-reported bill contained no similar provision.

The agreement does not include this provision.

We note the funding tables reflect an increase of \$40.0 million for Crisis Response Force.

*Cooperative agreements under Sikes Act for land management related to Department of Defense readiness activities*

The House bill contained a provision (sec. 314) that would amend section 103A of the Sikes Act, section 670c-1 of title 16, United States Code, to permit lump sum payment and accrual of interest used for the purposes of the original agreement. This section would also permit the cooperative agreements to be used to acquire property or services for the direct benefit or use of the U.S. Government, and sets limitations on agreements that are not on military installations. Finally, this section would also expire the authority on October 1, 2019, but permit any agreements that were entered into prior to September 30, 2019, to continue according to its terms and conditions.

The Senate committee-reported bill amendment contained no similar provision.

The agreement does not contain this provision.

*Exclusions from definition of "chemical substance" under Toxic Substances Control Act*

The House bill contained a provision (sec. 315) that would modify section 2602(2)(B) of title 15, United States Code, to add to the exclusions any component of any article including shot, bullets and other projectiles, propellants when manufactured for or used in such an article, and primers.

The Senate committee-reported bill contained no similar provision.

The agreement does not contain the provision.

*Exemption of Department of Defense from alternative fuel procurement requirement*

The House bill contained a provision (sec. 316) that would amend section 526 of the Energy Independence Security Act (Section 42 of United States Code 17142) to exempt the Department of Defense from the requirements related to contracts for alternative or synthetic fuel in that section.

The Senate committee-reported bill contained no similar provision.

The agreement does not include this provision.

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

The House bill contained a provision (sec. 318) that would require the Department of

Defense to obtain a congressional authorization before entering into a contract for the planning, design, refurbishing, or construction of a biofuels refinery.

The Senate committee-reported bill contained no similar provision.

The agreement does not include this provision.

*Military readiness and southern sea otter conservation*

The House bill contained a provision (sec. 320) that would amend section 631 of title 10, United States Code, by adding a provision permitting the Secretary of the Defense to establish "Southern Sea Otter Military Readiness Areas." This provision would exempt southern sea otters from the Endangered Species Act of 1973 (16 U.S.C. 1533, 1538) and the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371, 1372).

The Senate committee-reported bill contained no similar provision.

The agreement does not contain this provision.

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

The House bill contained a provision (sec. 324) that would forbid a Department of Defense function performed by Department of Defense civilian employees and tied to a military base from being converted into a contractor function until the Secretary of Defense conducts an assessment to determine if the Department of Defense has carried out sufficient outreach programs to assist small businesses owned and controlled by women and socially and economically disadvantaged individuals.

The Senate committee-reported bill contained no similar provision.

The agreement does not contain this provision.

*Ordnance related records review and reporting requirement for Vieques and Culebra Islands, Puerto Rico*

The House bill contained a provision (sec. 334) that would require the Secretary of Defense conduct a review of all Department of Defense records detailing the historical use of military munitions and training on Vieques and Culebra Islands, Puerto Rico.

The Senate committee-reported bill contained no similar provision.

The agreement does not contain this provision.

We note that the Department of Defense, for land and water sites on Culebra Island for which the Department is responsible, has completed historical research under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) process and issued Preliminary Assessment reports concerning the Department's former use of sites on Culebra Island for live-fire training.

We also note that for these sites, the Army has completed site inspections and is currently conducting remedial investigations that will determine whether an environmental response action is required at specific sites.

Finally, we note that the Department of Defense is in the process of cleaning up portions of the former operational ranges on Vieques and also is conducting preliminary assessments, site inspections, and remedial investigations to determine whether a response action is required under CERCLA at Vieques. Therefore, we encourage the Department of Defense to work with the Commonwealth of Puerto Rico to ensure the documents and reports from the historical records reviews and investigations that the Department of Defense and the Army completed for those former military sites on

Culebra and Vieques are made available to the public.

*Authorization to institute a centralized, automated mail redirection system to improve the delivery of absentee ballots to military personnel serving outside the United States*

The Senate committee-reported bill contained a provision (sec. 352) that would authorize the Secretary of Defense to transfer up to \$4.5 million from defense-wide operation and maintenance to the Postal Service Fund for purposes of implementing the modernization of the U.S. Postal Service's mail delivery system to improve the delivery of absentee ballots to military personnel serving outside the United States.

The House bill contained no similar provision.

The agreement does not include this provision.

We understand that alternate funding has been used to modernize the U.S. Postal Service's mail delivery system to improve the delivery of absentee ballots to military personnel serving outside the United States.

TITLE IV—MILITARY PERSONNEL  
AUTHORIZATIONS

SUBTITLE A—ACTIVE FORCES

*End strengths for active forces (sec. 401)*

The House bill contained a provision (sec. 401) that would authorize the following end

strengths for active duty personnel of the armed forces as of September 30, 2014: Army, 520,000; Navy, 323,600; Marine Corps, 190,200; and Air Force, 327,600.

The Senate committee-reported bill contained an identical provision (sec. 401).

The agreement includes this provision.

End strength levels for the active forces for fiscal year 2014 are set forth in the following table: