

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Operation and maintenance funding (sec. 301)

The committee recommends a provision that would authorize appropriations for operation and maintenance activities at the levels identified in section 4301 of division D of this Act.

Subtitle B—Logistics and Sustainment

Sustainment of critical manufacturing capabilities within Army arsenals (sec. 311)

The committee recommends a provision 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.

Strategic policy for prepositioned materiel and equipment (sec. 312)

The committee recommends a provision 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 program. The strategy and implementation plan would ensure that the Department of Defense's (DOD) prepositioning programs, both ground and afloat, align with national defense strategies, new DOD priorities, and emphasize joint oversight to maximize effectiveness and efficiencies in prepositioned materiel and equipment across the DOD.

The committee continues to believe in the strategic importance of the effective prepositioning of material and equipment in locations around the world, both ground and afloat, to facilitate and speed our response to crises or contingencies. Fiscal challenges require the DOD to carefully balance the investment in prepositioned materiel and equipment to achieve both national military objectives and other DOD priorities.

The committee understands that the DOD is committed to reconstituting prepositioned materiel and equipment but must balance these efforts with the Department's other priorities, such as restructuring capabilities within its prepositioned materiel and equipment and changes in its overseas military presence.

The committee is concerned that the DOD has not implemented an overarching strategy and joint service oversight framework for its prepositioning programs. As the DOD and the nation face fiscal constraints in the coming years, overarching strategic guidance

that emphasizes joint oversight of the DOD's prepositioning program is essential to reduce any unnecessary overlap, duplication, and inefficiencies among the services and to maximize cost savings while minimizing risks.

As far back as 2005, the Government Accountability Office (GAO) has reported that each of the services and the Defense Logistics Agency were planning the future of their prepositioning programs without the benefit of an integrated DOD-wide plan or joint doctrine to coordinate their efforts. The GAO has made several recommendations over the years for the DOD to develop overarching strategic guidance and improve the joint service oversight of its prepositioning programs. While the DOD has agreed with the need to develop department-wide strategic guidance, efforts to do so have not materialized.

Moreover, the committee is concerned that the DOD may be moving away from such efforts. For example, the DOD had previously stated that its Comprehensive Materiel Response Plan would provide the strategic guidance and that the Department would pursue opportunities for joint oversight as the GAO recommended. However, when the plan was approved in January 2013, it specifically excluded prepositioning. The committee believes that an increased emphasis on joint program management and oversight of prepositioned materiel and equipment would unify the DOD's prepositioning efforts in support of defense priorities, reduce unnecessary duplication, and achieve cost savings and efficiencies.

Extension and modification of authority for airlift transportation at Department of Defense rates for non-Department of Defense Federal cargoes (sec. 313)

The committee recommends a provision that would amend section 2642(a) of title 10, United States Code, to extend the authority to provide to other Federal agencies airlift transportation at the same rate the Department of Defense (DOD) charges its own units for similar transportation and to expand the authority to include all means of transportation, not just airlift. The Department currently uses this authority to: (1) provide transportation support to other departments and agencies to increase peacetime business; and (2) promote the improved use of airlift by filling excess capacity with paying cargo.

The proposal also would expand the authority to allow the use of extra capacity on strategic transportation assets of the military, to include aircraft and vessels, for transportation provided in support of foreign military sales. During peacetime operations, utilization of aircraft and vessels to meet training and readiness requirements is typically greater than actual cargo transportation requirements. Therefore, DOD can transport extra cargo at little or no increase in operating costs, making utilization of excess capacity by other federal agencies prudent. Additionally, use of such capacity for the shipment of items for other departments or agencies complements the training needs of DOD.

The provision would also extend the sunset date for this authority from October 28, 2014, until September 30, 2019.

Subtitle C—Readiness

Modification of authorities on prioritization of funds for equipment readiness and strategic capability (sec. 321)

The committee recommends a provision that would cancel the requirement for an annual report on the Army's transition to modular force structure. The provision would also cancel the review of the Army's modularity report by the Government Accountability Office.

Strategic policy for the retrograde, reconstitution, and replacement of operating forces used to support overseas contingency operations (sec. 322)

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

The provision would further direct that the required DOD implementation plan, and the annual updates to the initial plan for the following three years, shall be submitted to the congressional defense committees no later than 120 days after the date of the enactment of this Act.

The provision would also direct the Comptroller General to review the DOD implementation plan and policy and report to the congressional defense committees no later than 60 days after submission of the report or updates from the Secretary of Defense.

Lastly, the provision would encourage DOD to submit a classified annex to accompany the implementation plan and policy, where appropriate.

Subtitle D—Reports

Strategy for improving asset visibility and in-transit visibility (sec. 331)

The committee recommends a provision that would direct the Secretary of Defense to complete a comprehensive strategy and implementation plan for improving asset visibility tracking and in-transit visibility across the Department of Defense.

Changes to quarterly reports on personnel and unit readiness (sec. 332)

The committee recommends a provision that would amend section 482 of title 10, United States Code, to update and streamline the quarterly readiness report to Congress. The committee notes that in striking the term "borrowed personnel" the committee is referring to personnel assigned to a unit that may not have the rank,

school completed, or specialized training to be able to carry out the responsibilities for the assigned position.

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

The committee recommends a provision that would 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.

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

The committee notes that the military departments' corrosion control and prevention executives coordinate with the Department of Defense's (DOD) Corrosion Policy and Oversight Office on their respective strategic plans. The Government Accountability Office (GAO) has found that linking the military departments' strategic goals to those of the DOD should improve corrosion control and prevention efforts. However, the committee notes that the GAO also found that the military departments varied in the extent that their strategic plans show clear linkage to the 10 goals and objectives included in the DOD corrosion prevention and mitigation strategic plan. The committee notes the Army's strategic plan showed clear linkage to all 10 of the goals and objectives. Additionally, the committee notes that the GAO found no inconsistencies with DOD Instruction 5000.67, which establishes policy, assigns responsibilities, and provides guidance for managing programs to prevent or mitigate corrosion.

Accordingly, the committee recommends a provision that would modify 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 DOD's overarching goals and objectives as described in the DOD's strategic plan for corrosion control and prevention.

Subtitle E—Limitations and Extension of Authority

Limitation on funding for United States Special Operations Command National Capital Region (sec. 341)

The Commander of U.S. Special Operations Command (USSOCOM) testified before the committee that "USSOCOM is placing greater emphasis on its presence in the National Capital Region (NCR) to better support coordination and decision making with interagency partners. Thus, USSOCOM began to consolidate its presence in the NCR in early 2012. This is not a duplication of effort. We are focused instead on consolidating USSOCOM elements in the Washington, DC region under the leadership of the USSOCOM Vice-Commander—who resides in Washington." To support this effort, the budget request includes \$10.0 million in Operation and Maintenance, Defense-wide, to support the USSOCOM-NCR.

The committee supports efforts by USSOCOM to better coordinate its activities with interagency and multinational partners, most of whom are physically located in the NCR. However, the committee believes that current fiscal constraints dictate that the goals of the USSOCOM–NCR be achieved in a resource and manpower neutral manner. While this is the first year USSOCOM has requested funding for the USSOCOM–NCR in its budget request, USSOCOM–NCR activities have been underway for more than a year resulting in significant expenditures for leased facilities and contract support. To date, the committee has not received sufficient detail on the implementation plan for the USSOCOM–NCR and its associated costs, particularly in future years.

Therefore, the committee recommends a provision that would prohibit the expenditure of any funds for the 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.

Elsewhere in this title, the committee recommends a budget item related to the use of contractors to support the USSOCOM–NCR.

Limitation on funding for Regional Special Operations Coordination Centers (sec. 342)

The budget request included \$14.7 million for the establishment of Regional Special Operations Coordination Centers (RSCC) in Operation and Maintenance, Defense-wide. The committee recommends a provision that would prohibit the expenditure of any funds for the RSCCs in fiscal year 2014 and direct the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, in coordination with the Commander of U.S. Special Operations Command, not later than September 30, 2013, to submit a report to the congressional defense committees outlining, at a minimum: (1) the requirement and justification for the establishment of RSCCs; (2) the number and locations of planned RSCCs; (3) the projected cost to establish and maintain the proposed RSCCs in future years; (4) the relevance to and coordination with other multilateral engagement activities and academic institutes supported by the geographic combatant commanders and State Department; and (5) any legislative authorities that may be needed to establish RSCCs.

Elsewhere in this title, the committee recommends no funding for the RSCCs in fiscal year 2014.

Limitation on availability of funds for Trans Regional Web Initiative (TRWI) (sec. 343)

The budget request included \$19.7 million in Operation and Maintenance, Defense-wide (OMDW), for the Trans Regional Web Initiative (TRWI), a contractor operated and U.S. Special Operations Command (USSOCOM) funded strategic level military information support operations program. Under the TRWI, USSOCOM establishes and maintains news and information websites in support of certain geographic combatant command's (GCC) countering violent extremism objectives.

The committee supports the efforts of USSOCOM and the GCCs to conduct phase zero operations to counter violent extremism, but believes that the costs to operate the websites developed under the TRWI are excessive. The effectiveness of the websites is questionable and the performance metrics do not justify the expense. The committee believes USSOCOM resources are better used to support tactical and operational military information support activities. The committee acknowledges the utility of strategic level information operations activities, but believes they would be more appropriately funded and managed by the State Department and other relevant U.S. Government agencies, with support from USSOCOM, as necessary.

Therefore, the committee recommends a provision that would prohibit the Secretary of Defense from expending any funds in OMDW to continue the TRWI and the associated websites.

Subtitle F—Other Matters**Revised policy on ground combat and camouflage utility uniforms (sec. 351)**

Section 352 of the National Defense Authorization Act for Fiscal Year 2010 (P.L. 111–84) required the Government Accountability Office (GAO) to review the performance, interoperability, costs, logistics, and patents involved in the services' combat camouflage and utility uniforms. In April 2010, the GAO reported that since 2002, the services continued to develop unique combat and utility uniforms. The committee notes that prior to 2002, the services wore the same pattern and family of combat camouflage and utility uniforms. The GAO found no performance standards for specific combat environments, no criteria for evaluating the effectiveness of camouflage patterns, and no requirements for the services to test interoperability between their uniforms and other tactical gear, despite the DOD establishing a Joint Clothing and Textiles Governance Board in 2008.

The committee remains concerned that until this year, the Department of the Navy chose to equip its sailors and marines with different types of combat uniforms, providing significantly different levels of protection in combat environments.

The GAO recently identified that the DOD's fragmented approach to developing and acquiring combat uniforms could be more efficient, better protect service members, and result in up to \$82.0 million in development and acquisition cost savings through increased collaboration among the military services.

The committee continues to strongly urge the secretaries of the military departments to explore additional methods for sharing uniform technology across the services as they develop their combat and utility uniforms. The committee continues to believe that combat and utility uniforms should incorporate the most advanced levels of protection and should be available to all men and women in uniform, regardless of the military service in which they serve.

Accordingly, the committee recommends a provision 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 committee notes that the recommended provision would also restrict any military service from preventing another military service from authorizing the use of any combat or camouflage utility uniform. Additionally, after the date of enactment of this Act, each military service would be prohibited from adopting new designs for combat and camouflage utility uniforms, including uniforms reflecting changes to the fabric and camouflage patterns used in current combat and camouflage utility uniforms, unless the services adopt a uniform currently in use, all services adopt the same combat or camouflage utility uniform, or the Secretary of Defense determines that unique circumstances or requirements justify an exception to the policy.

Authorization to institute a centralized, automated mail re-direction system to improve the delivery of absentee ballots to military personnel serving outside the United States (sec. 352)

The committee recommends a provision that would allow 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 United States Postal Service's mail delivery system to improve the delivery of absentee ballots to military personnel serving outside the United States.

Budget Items

Army readiness funding increases

The budget request included \$35.0 billion in Operation and Maintenance, Army (OMA), of which \$888.1 million was for maneuver units, \$1.2 billion was for aviation assets, \$3.5 billion was for force readiness operations support, and \$1.4 billion was for land forces depot maintenance. The budget request also included \$7.0 billion in Operation and Maintenance, Army National Guard (OMARNG), of which \$712.1 million was for facilities sustainment, restoration, and modernization (FSRM). The budget request also included \$3.0 billion in Operation and Maintenance, Army Reserve (OMAR), of which \$294.1 million was for FSRM.

The Army has identified specific amounts in these readiness accounts that could help offset cuts as a result of sequestration. The committee notes that these recommended increases will improve the Army's fiscal year 2014 flying hour program and ground operations tempo requirements and enable units to conduct additional

training to restore readiness lost in fiscal year 2013. The committee also notes that the recommended increase in land forces depot maintenance will allow additional maintenance to occur on aviation assets, ground vehicles, missiles, electronics, and post-production software support. Additionally, the recommended increases for FSRM will increase funding to 90 percent of the fiscal year 2014 requirement for the Army National Guard and Army Reserve.

Accordingly, the committee recommends increases of \$195.9 million in OMA for maneuver units, \$15.8 million in OMA for aviation assets, \$209.9 million in OMA for force readiness operations support, \$200.0 million in OMA for land forces depot maintenance, \$74.2 million in OMARNG for FSRM, and \$36.4 million in OMAR for FSRM.

U.S. European Command funding decrease

The budget request included \$35.0 billion in Operation and Maintenance, Army (OMA), of which \$185.0 million was for combatant commanders core operations.

The committee is concerned that the funding increase in the fiscal year 2014 budget request for U.S. European Command's (EUCOM) information operations campaign is unjustified growth.

Accordingly, the committee recommends a decrease of \$5.0 million in OMA (subactivity 138) for EUCOM.

Navy readiness funding increases

The budget request included \$39.9 billion in Operation and Maintenance, Navy (OMN), of which \$4.9 billion was for mission and other flight operations, \$1.8 billion was for fleet air training, \$35.8 million was for aircraft depot operations support, \$3.8 billion was for mission and other ship operations, \$734.8 million was for ship operations support and training, \$5.1 billion was for ship depot maintenance, \$1.3 billion was for ship depot operations support, \$2.6 million was for depot operations support, and \$1.9 billion was for facilities sustainment, restoration, and modernization (FSRM). The budget request also included \$1.1 billion in Operation and Maintenance, Navy Reserve (OMNR), of which \$586.6 million was for mission and other flight operations and \$100.6 million was for aircraft depot maintenance.

The Navy has identified specific amounts in these readiness accounts that could help offset cuts as a result of sequestration. The committee notes that these recommended increases in funding will improve the Navy's fiscal year 2014 flying hour program, steaming days, depot maintenance, training, and FSRM to restore readiness lost in fiscal year 2013.

Accordingly, the committee recommends the following increases in OMN: \$32.5 million for mission and other flight operations, \$11.2 million in fleet air training, \$608,000 in aircraft depot operations support, \$99.5 million in mission and other ship operations, \$61.4 million in ship operations support and training, \$5.7 million in ship depot maintenance, \$126.2 million in ship depot operations support, \$660,000 in depot operations support, \$100.0 million in FSRM. The committee also recommends the following increases in OMNR: \$1.9 million in mission and other flight operations and \$8.9 million in aircraft depot maintenance.

Combatant Commanders Direct Mission Support

The budget request included \$199.1 million in Operation and Maintenance, Navy (OMN) for Combatant Commanders Direct Mission Support. Of this amount, \$3.0 million is for a classified U.S. Pacific Command (PACOM) program.

The committee recommends a decrease of \$3.0 million in OMN for the development of the program at PACOM.

Marine Corps readiness funding increases

The budget request included \$6.2 billion in Operation and Maintenance, Marine Corps (OMMC), of which \$223.3 million was for depot maintenance.

The Marine Corps has identified specific amounts in this readiness account that could help offset cuts as a result of sequestration. The committee notes that the recommended increase will improve the Marine Corp's critical depot maintenance requirement to 100 percent in order to restore readiness lost in fiscal year 2013.

Accordingly, the committee recommends an increase of \$56.0 million in OMMC for depot maintenance.

Air Force readiness funding increases

The budget request included \$37.2 billion in Operation and Maintenance, Air Force (OMAF), of which \$3.2 billion was for primary combat forces, \$1.5 billion was for air operations training, \$5.9 billion was for depot maintenance, and \$1.8 billion was for facilities sustainment, restoration and modernization (FSRM). The budget request also included \$3.1 billion in Operation and Maintenance, Air Force Reserve (OMAFR), of which \$89.7 million was for FSRM. The budget request also included \$6.5 billion in Operation and Maintenance, Air National Guard (OMANG), of which \$296.9 million was for FSRM.

The Air Force has identified specific amounts in these readiness accounts that could help offset fiscal year 2013 cuts as a result of sequestration. The committee notes that these recommended increases in amounts will improve the Air Force's fiscal year 2014 flying hour program, weapons systems sustainment, training ranges, and FSRM.

Accordingly, the committee recommends an increase in OMAF: \$220.0 million in primary combat forces, \$30.0 million in air operations training, \$210.0 million for depot maintenance, and \$75.0 million for FSRM. The committee also recommends an increase of \$8.7 million in OMAFR for FSRM and an increase of \$28.2 million in OMANG for FSRM.

Combatant Commanders Direct Mission Support

The budget request included \$1.1 billion in Operation and Maintenance, Air Force (OMAF) for Combatant Commanders Direct Mission Support. Of this amount, \$22.4 million is for a U.S. Central Command (CENTCOM) classified program.

The committee recommends a decrease of \$22.4 million in OMAF for this classified CENTCOM program.

Regional Special Operations Coordination Centers

The budget request included \$14.7 million for the establishment of Regional Special Operations Coordination Centers (RSCC) in Operation and Maintenance, Defense-wide (OMDW).

According to U.S. Special Operations Command (USSOCOM), the RSCCs would be partner-led multinational organizations designed to “promote partner-nation SOF [Special Operations Forces] capacity building through coordination, education, and information sharing.” These RSCCs would function as “regional operational-level hubs of the larger global SOF network to facilitate cooperation and interoperability among partner-nation SOF and SOF-like organizations.”

To date, the committee has not received appropriate justification and a plan for the establishment of the proposed RSCCs, particularly the costs to sustain RSCC operations in future years. The committee is concerned that the RSCCs may duplicate other efforts by the geographic combatant commanders (GCC), their subordinate component commands, existing GCC regional centers, and complicate diplomatic activities by the State Department and relevant chiefs of mission. In addition, the committee is concerned that the RSCCs as proposed by USSOCOM would be heavily reliant on contractors for planning, study, and engagement activities with funding for such contractors making up nearly the entire budget request for RSCCs in fiscal year 2014.

USSOCOM indicates that the RSCCs would be modeled, at least in-part, on the North Atlantic Treaty Organization (NATO) Special Operations Headquarters (NSHQ). The committee has been strongly supportive of the NSHQ and its efforts to enhance the capabilities and interoperability of NATO SOF. The efforts of the NSHQ have been especially evident in the increased participation and success of allied SOF in operations in Afghanistan. While the committee agrees there are important lessons to be learned from the NSHQ that can be applied in other regions, the committee believes the NSHQ is a flawed model for the proposed RSCCs. The NATO alliance is unique in the world and the NSHQ has been built on a foundation of longstanding multilateral agreements that underpin its activities.

Given the concerns outlined above, the committee recommends no funding in OMDW for the establishment of RSCCs by USSOCOM.

U.S. Special Operations Command—National Capital Region

The budget request included \$10.0 million for the establishment of a U.S. Special Operations Command—National Capital Region (USSOCOM–NCR) office in Operation and Maintenance, Defense-wide.

The committee supports efforts by USSOCOM to better coordinate its activities with interagency and multinational partners, most of whom are physically located in the NCR. However, the committee believes that current fiscal constraints dictate that the goals of the USSOCOM–NCR be achieved in a resource and manpower neutral manner. The committee is concerned that two-thirds of the requested funding for the USSOCOM–NCR in fiscal year 2014 would pay for contractor support. The committee believes

such a heavy reliance on contractors to implement the USSOCOM–NCR is inconsistent with the purpose of this effort.

Therefore, the committee recommends \$2.9 million for the USSOCOM–NCR, a reduction of \$7.1 million. The committee recommends a provision elsewhere in this title that would require the Secretary of Defense to provide a report to the congressional defense committees prior to the expenditure of any fiscal year 2014 funds for the USSOCOM–NCR.

Department of Defense STARBASE program

The budget request included no funding for the Department of Defense (DOD) STARBASE program. The purpose of STARBASE is to improve the knowledge and skills of students in kindergarten through 12th grade in science, technology, engineering, and math (STEM) subjects, and to motivate them to explore STEM as they continue their education. STARBASE currently operates at 76 locations in 40 states and the District of Columbia and Puerto Rico, primarily on military installations. To date, nearly 750,000 students have participated in the program. STARBASE is a highly effective program run by our dedicated service members and strengthens the relationships between the military, communities, and local school districts.

The committee notes that the budget request eliminated funding for this successful program due to a reorganization of STEM programs throughout the Federal Government, and believes that STARBASE should continue to be operated by DOD.

Therefore, the committee recommends an increase of \$21.7 million for the DOD STARBASE program.

Defense Security Cooperation Agency

The budget request included \$788.4 million in Operation and Maintenance, Defense-wide (OMDW) for the Defense Security Cooperation Agency (DSCA), of which \$85.9 million is to support the operation and maintenance budgets of the five regional centers for security studies. The five centers serve as a forum for bilateral and multilateral communication within a region. Their activities range from extended academic programs to conferences on topics such as regional security issues, defense planning, and civilian-military relations. The committee notes that the regional centers serve an important role in supporting the Secretary of Defense and the geographic combatant commanders, but the committee also notes that the budgets of these centers continue to grow—even after the Secretary of Defense’s efficiency initiative explicitly sought to reduce their budgets.

In addition, the DSCA budget also included \$34.8 million for the Combating Terrorism Fellowship Program (CTFP). While the committee remains supportive of this program, the committee is concerned about the expanding activities and increased operating costs of the CTFP at a time of fiscal challenges. The committee encourages the CTFP to focus its activities on: its core counterterrorism training and education; a limited number of regions where the threat posed by terrorism is the most significant; and efforts to offset rising costs such as increased use of virtual education opportunities and programs.

As such, the committee recommends an undistributed decrease of \$12.0 million to OMDW for the DSCA's budget request to support the five regional centers and a decrease of \$7.0 million for the CTFP.

The committee also directs the Under Secretary of Defense for Policy (USD(P)), the Chairman of the Joint Chiefs of Staff, and the geographic combatant commanders to conduct a review of the mission, mandate, curriculum, and other activities of the five regional centers to ensure that their ongoing and planned activities continue to directly support the theater security cooperation campaigns of their respective combatant commanders. The review shall also assess whether the current organizational construct and chain of command associated with the five regional centers is appropriate given the recent presidential guidance on security assistance. As part of the review, the committee urges the USD(P) to focus particular attention on the need to enhance engagement in areas of emerging security interests (e.g. the area of responsibility in U.S. Africa Command, U.S. Pacific Command, and U.S. Central Command) and promoting continued interoperability among International Security Assistance Force partners and capturing the lessons learned from coalition operations in Afghanistan.

Following the completion of this review—and no later than 90 days after enactment of this Act—the committee directs the USD(P) to provide a briefing to the Committees on Armed Services of the Senate and the House of Representatives.

The committee is aware that the Department has taken steps to establish a governance board to enhance its ability to oversee the centers and has set broad programmatic priorities, but has not yet fully developed an approach for measuring the centers' progress in meeting these priorities, including establishing measurable goals, related performance metrics, and a methodology for assessing performance of the centers. Therefore, as part of the aforementioned briefing, the committee directs the USD(P) to also provide information on the status of its efforts to measure the centers' progress.

Funding for impact aid

The amount authorized to be appropriated for Operation and Maintenance, Defense-wide, includes the following changes from the budget request. The provisions underlying these changes in funding levels are discussed in greater detail in title V of this committee report.

[Changes in millions of dollars]	
Impact aid for schools with military dependent students	25.0
Impact aid for children with severe disabilities	5.0
Total	30.0

Defense-wide funding decrease for ahead of need request

The budget request included \$371.6 million in Operation and Maintenance, Defense-wide (OMDW) for the Office of Economic Adjustment (OEA), of which \$273.3 million was for water and wastewater infrastructure improvements related to the relocation of marines to Guam.

Given the reevaluation of the relocation of marines to Guam, the committee remains concerned that the funds requested for the OEA

are ahead of need. Accordingly, the committee recommends a decrease of \$273.3 million in OMDW for the OEA.

Under Secretary of Defense for Policy funding decrease

The budget request included \$32.9 billion in Operation and Maintenance, Defense-wide (OMDW), of which \$66.0 million was for the Office of the Under Secretary of Defense for Policy (OUSD(P)).

In light of sequestration reductions and readiness concerns faced by the Department, the committee is concerned by the growth of the OUSD(P) budget request. The committee notes that nearly 50 percent of the OUSD(P) budget is dedicated to contractor support, which in the committee's view, is based on past staffing paradigms and is far too great. As the Department considers areas to make reductions within OUSD(P) to adjust for this cut, the committee expects that the first reductions should target the size and/or cost of the contractor workforce.

Accordingly, the committee recommends a decrease of \$7.0 million in OMDW for the OUSD(P).

Continuing support for Operation Observant Compass

The budget request included \$32.9 billion for Operation and Maintenance, Defense-wide, of which \$14.2 billion is for classified programs. Within that amount for classified programs, the request includes classified amounts to sustain intelligence, surveillance, and reconnaissance (ISR) support to U.S. Africa Command (AFRICOM).

The National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) included funds to enhance the ISR support to AFRICOM's Operation Observant Compass, an operation to support the efforts of Ugandan and other regional militaries to remove Joseph Kony and other senior leaders of the Lord's Resistance Army from the battlefield in Central Africa.

The budget request included funds for commercial aircraft with full motion video sensors. The committee notes that this capability is of limited utility in regions where there is dense canopy, and believes that the Department is paying more than it should for this capability.

The committee recommends a reduction of \$15.0 million to the request for full motion video surveillance and recommends \$40.0 million to sustain the congressionally mandated initiative.

Items of Special Interest

Additive manufacturing

The committee notes that the introduction of additive manufacturing, also known as third dimensional (3-D) printing, has the potential to contribute to Department of Defense (DOD) missions and capabilities with the effective and efficient use of lightweight materials, rapid production, and design innovation. The committee remains concerned that the long lead time often associated with spare parts can in some instances take multiple years to arrive at various DOD depots.

The committee notes that the potential to use ceramic composite materials could offer enhanced aircraft performance over metal alloys with higher temperatures ranges, less weight, and greater fuel efficiency. Similarly, a deployable 3-D printing capability could enable a forward operating base with an adaptive and onsite manufacturing capability with a reduced logistical burden. Furthermore, the DOD is providing funding to the recently established National Additive Manufacturing Innovation Institute (NAMII).

Accordingly, the committee directs the Secretary of Defense to prepare a briefing or a report to the committee no later than February 1, 2014 on the potential benefits and constraints of additive manufacturing, how the process could or could not contribute to DOD missions, and what technologies being developed at NAMII are being transitioned for DOD use.

Advanced situational awareness training

The committee understands that the Army has successfully introduced a program to train deploying units to detect changes in human behavior through the Advanced Situational Awareness Training module. The committee commends the Army for continuing to broaden and adapt its training efforts to best enable soldiers to react to the vast array of complex and asymmetrical threats often faced in a combat environment. The committee notes that training to increase situational awareness imparts enduring and important skills for individual soldiers and units, and encourages the Secretary of the Army to consider expanding this type of training to additional deploying units and at the appropriate advanced leadership courses.

Air show support by the Department of Defense

The Department of Defense issued guidance in early April 2013 prohibiting all aerial demonstrations, including flyovers, jump team demonstrations, and participation in civilian air shows and military open houses.

Many believe that this lack of community engagement may have negative consequences on military recruiting and local economies. The committee recognizes that the Department had to take serious steps in order to deal with the effects of sequestration in fiscal year 2013.

However, the committee has been informed that there are 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.

Therefore, the committee recommends that the Department of Defense 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.

Coal-to-liquid fuel technology developments

The Department of Defense (DOD), Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act of 2013 (Public Law 113-6) provided \$20.0 million in Air Force Re-

search, Development, Test and Evaluation (RDT&E) only for research that will improve emissions of coal-to-liquid (CTL) fuel to enable this technology to be a competitive alternative energy resource.

Accordingly, the committee directs the Secretary of the Air Force to provide a detailed spending plan to the committee for the CTL RDT&E program no later than July 31, 2013. Additionally, the committee directs the Secretary of Defense, in consultation with the Secretary of Energy, to report to the committee on the feasibility of potential technologies that could enable coal-based fuels to meet the requirements of the DOD consistent with section 526 of the Energy Independence and Security Act (EISA) of 2007 (Public Law 110-140). The report shall also include a proposal for joint research on those technologies that are most promising for the capture of carbon, reduction of greenhouse gas emissions, and other approaches that could enable coal-based fuels to be procured under section 526 of the EISA 2007. The DOD shall submit this report to the committee no later than February 1, 2014.

Combatant command support agent accounting

The committee notes the Operation and Maintenance budget justification material within the Air Force's Combatant Commander Direct Mission Support and Combatant Commander Core Operations (lines 130 and 140) accounts are a consolidation of multiple combatant commands' budgets under the purview of the Air Force as Combatant Commander Support Agent. The committee is concerned that due to this consolidation, the justification material lacks the level of detail necessary for this committee to make informed budget decisions.

Accordingly, the committee directs the services to annually deliver independent, detailed budget justification for each combatant command they are assigned Combatant Command Support Agent responsibility.

Comptroller General of the United States review of United States Central Command

Since fiscal year 2001, the resources provided to U.S. Central Command (CENTCOM) and its supporting military service components have grown dramatically to conduct and manage wars in Afghanistan and Iraq. According to Department of Defense (DOD) reports provided to Congress, the military and civilian manpower at CENTCOM has more than doubled since fiscal year 2001 and this does not include the contractors that support the headquarters. With the drawdown of operational forces from Iraq and ongoing drawdown from Afghanistan, it will be important to examine levels of headquarters manpower and mission support costs needed by CENTCOM and its respective service component commands to manage steady state operations.

As such, the committee directs the Comptroller General of the United States to undertake a review of CENTCOM to include the following items: (1) what have been the trends in manpower and mission support costs devoted to the headquarters of CENTCOM, subordinate commands, joint task forces, and service component commands since 2001; (2) what steps has DOD taken to reexamine

the size and structure of the headquarters of CENTCOM, subordinate commands, joint task forces, and service component commands in light of the significant drawdown of forces and operations in its area of responsibility and changing U.S. military strategy; (3) what are the future plans for CENTCOM and its service component commands, including any plans to maintain headquarters in forward locations such as Kuwait and Qatar; (4) what changes, if any, should be made to intelligence and other defense functions that support CENTCOM combat operations; (5) what personnel adjustments are recommended at senior levels to right size the command structure; and (6) any other items the Comptroller General determines to be appropriate while conducting this review, including relevant plans regarding right-sizing and properly posturing manpower at headquarters for steady state post-2014.

The Comptroller General shall provide the preliminary results of the study to the congressional defense committees by September 30, 2013, with a final report to follow as soon as practicable thereafter.

Consolidated guidance on equipment retrograde

The committee notes that the Office of the Secretary of Defense, the Joint Staff J-4, the military services, and other entities are developing consolidated guidance on equipment retrograde and disposition for equipment currently deployed for use in Operation Enduring Freedom and elsewhere throughout the U.S. Central Command area of responsibility. The committee notes that the consolidated guidance includes a process outline for transferring excess defense articles (EDA) to coalition partners via the existing Letter of Request/Letter of Acceptance process.

Accordingly, the committee directs the Office of the Secretary of Defense to prepare a briefing or a report to the committee on the progress of the consolidated guidance for equipment retrograde and EDA process no later than January 1, 2014.

Contingency basing

The committee notes the Department of Defense (DOD) issued a directive on January 10, 2013 which established a policy and assigned responsibility for DOD contingency basing outside the United States. The committee is encouraged by the DOD's intent to pursue increased effectiveness and efficiency in contingency basing to better assist the warfighter. The committee believes that contingency basing while often executed in an expedient fashion, should also take into account the sustainment cost of materials and seek opportunities to reduce the logistical and operational burden of the warfighter.

Accordingly, the committee directs the Secretary of Defense to notify the congressional defense committees of the decision to designate a senior official to be responsible for the oversight of all aspects of contingency basing policy, no later than March 1, 2014. Additionally, the committee directs the Secretary of Defense to prepare a briefing or a report to the committee no later than March 1, 2014 on the resourcing decisions and progress made regarding the action items published in enclosure 2 of the DOD Directive 3000.10.

Defense Institute of Security Assistance Management

The committee notes that the Defense Institute of Security Assistance Management (DISAM) is the only dedicated institution of the Department of Defense (DOD) for the education and training of U.S. and foreign nation personnel involved in the planning, management, and assessment of security cooperation and partner capacity-building programs conducted under the authorities of the Departments of Defense and State. DISAM is primarily funded via the Department of State authorities, and only in recent years has DISAM been resourced to support training and education on the planning, management, and assessment of DOD security cooperation efforts, including many title 10 programs (e.g., section 1206 train-and-equip authorities, DOD counternarcotics authorities, Joint Combined Exchange Training, and Latin America and African Cooperation authorities). As stated in the budget request, these title 10 programs are of particular importance to DOD in meeting the emergent needs of the geographic combatant commanders in support of theater security campaign plans and contingency operations.

However, the committee notes that despite the additional funding to incorporate title 10 authorities into the curriculum at DISAM, security assistance officers deployed overseas remain less informed of the flexible building partnership capacity programs that Congress has provided to DOD over the last decade.

As such, the committee directs the Under Secretary of Defense for Policy and the Vice Chairman of the Joint Chiefs of Staff to jointly conduct a full review of the security assistance curriculum at DISAM to ensure that DOD's title 10 programs, particularly DOD's counternarcotics authorities, are incorporated in the curriculum fully. Not later than 30 days following completion of this review, the committee directs the Under Secretary of Defense for Policy and the Vice Chairman of the Joint Chiefs of Staff to provide a briefing to the committee on their findings and recommendations.

Department of Defense and Department of Energy memorandum of understanding to enhance energy security

The committee remains encouraged by the memorandum of understanding (MOU) signed on July 22, 2010 by the Department of Defense (DOD) and Department of Energy concerning cooperation in a strategic partnership to enhance energy security. The committee notes that the MOU was to cover, but not limited to, efforts in the areas of energy efficiency, renewable energy, water efficiency, fossil fuels, alternative fuels, efficient transportation technologies and fueling infrastructure, grid security, smart grid, energy storage, waste-to-energy, basic science research, mobile/deployable power, small modular reactor nuclear energy, and related areas.

Accordingly, the committee directs the Secretary of Defense to prepare a briefing or a report to the committee no later than January 1, 2014 on the progress made to date regarding the MOU signed on July 22, 2010 to enhance energy security.

Energy metering

The committee notes that section 2828 of the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112–81) required the Secretary of the Navy to meter Navy piers so that the energy consumption of naval vessels while in port can be accurately measured and captured. The committee is encouraged by the utilities meter policy signed on April 16, 2013 which established a Department of Defense (DOD) policy to install advanced meters on individual DOD-owned facilities and directs the services to develop a meter data management plan. The committee is encouraged by the DOD’s intent to improve the management of energy and water consumption, improve mission assurance, and increase reliability. The committee recognizes that energy metering alone does not independently save energy or water, which is why the committee strongly encourages the DOD to ensure energy metering data is not only captured but used to implement greater efficiencies, inform decisions, optimize installation performance, and achieve results through better practices.

Accordingly, the committee directs the secretaries of the military departments to prepare a briefing or a report to the committee with finalized meter data management plans with proposed practices to achieve greater efficiencies no later than March 1, 2014.

Energy security assessments in the Quadrennial Defense Review

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 national defense strategy necessary to successfully execute the full range of missions called for in the national security strategy.

The committee believes a defense strategy should consider assured access to energy resources as essential to the Department of Defense’s ability to project power and provide combat capability for operations. In the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81), energy security was defined as “having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet mission essential requirements.”

The committee notes a forecast by the International Energy Agency (IEA) predicts that “by around 2020, the United States is projected to become the largest global oil producer (overtaking Saudi Arabia until the mid–2020s) and starts to see the impact of new fuel-efficiency measures in transport. The result is a continued fall in U.S. oil imports, to the extent that North America becomes a net oil exporter around 2030.” The IEA forecast goes on to say for all types of fuels: “But there is no immunity from global markets. No country is an energy ‘island’ and the interactions between different fuels, markets, and prices are intensifying.”

Accordingly, the committee directs the Secretary of Defense to ensure that the 2013 QDR assessment includes a review of the extent of defense resources and budgets that would be required to successfully carry out an energy security strategy.

Foreign exchange program for Reserve Officer Training Corps cadets and critical military language training

The committee is encouraged by the Army's efforts to establish a Reserve Officer Training Corps (ROTC) cadet foreign exchange program that seeks to enhance cultural understanding, foster regional expertise, and improve foreign language training among cadets in the ROTC. The committee is also encouraged by similar efforts to provide overseas professional development training and education, including opportunities for training in the joint, inter-agency, intergovernmental, and multinational environment with partner military service members at accredited universities. The committee recognizes the importance of short-term overseas training events in regions and cultures of strategic importance to the nation that could better prepare ROTC cadets to meet the future requirements of our combatant commanders' theater campaign plans.

Additionally, the committee encourages the Department of Defense and the Army to provide greater oversight and coordination to ensure the goals of these programs are in concert with the security cooperation strategy and national security objectives.

Full spectrum operations

The committee is encouraged by the Army and Marine Corps' proposal to plan for training for a full spectrum of operations in the fiscal year 2014 budget request. The committee notes that for more than a decade the services have been consumed with preparing and deploying forces for counterinsurgency operations in combat, leaving little time and resources to train for other contingencies. As combat operations decline, the committee encourages the secretaries of the military departments to ensure that sufficient training resources are dedicated to full spectrum operations when preparing the fiscal year 2015 budget request.

Government Accountability Office readiness analysis

The committee notes that the drawdown of forces first from Iraq and now from Afghanistan presents the Department of Defense (DOD) with a new set of challenges as it plans for an uncertain future with fewer resources. In its January 2012 strategic guidance, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* and related documents, DOD called for a smaller, lighter, and flexible joint force able to conduct a full range of activities but no longer sized to conduct large and protracted stability operations. The guidance also called for a rebalancing of forces to the Asia-Pacific region along with the Middle East and several other changes. In March 2013, the Secretary of Defense directed the Deputy Secretary of Defense to work with the Chairman of the Joint Chiefs of Staff to conduct a strategic choices and management review to examine the opportunities and challenges that underlie the defense strategy, posture, and investments, including all past assumptions and systems. The committee notes that shifts in strategy or assumptions can have a material impact on the way DOD portrays its readiness and the risks it faces.

Accordingly, to help inform the committee's oversight and its consideration of the Department's budget request, the committee di-

rects the Comptroller General of the United States to review the Department's readiness and the risks DOD faces and to report the results of this review to the congressional defense committees. The review should specifically address, but not be limited to:

- (1) the current and historical readiness status of each of the military services including any trends in reported readiness;
- (2) the current and historical readiness status of each of the current geographic and functional combatant commands, including any trends in reported readiness;
- (3) the key factors that impact readiness, and how these factors contributed to any reported changes in readiness between March 1, 2013, when sequestration went into effect, and the December 2013 readiness reports; and
- (4) changes in strategic and military risk levels between 2011 and 2014, including any changes in the way the Chairman of the Joint Chiefs of Staff evaluates and reports strategic and military risks.

The committee notes that in reporting on these four elements, the Comptroller General may take a phased approach, reporting on elements (1), (2), and (3) by March 15, 2014, and reporting on element (4) 45 days after DOD delivers the annual Chairman's Risk Assessment, as required by section 153 of title 10, United States Code, to the congressional defense committees.

Intergovernmental support agreements with state and local governments

The committee notes that section 331 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) provided expanded authorities to the Secretary of Defense to enter into intergovernmental service agreements with state and local governments in order to provide, receive, or share installation-support services if the Secretary determines that the agreement will serve the best interests of the Department of Defense (DOD) by enhancing mission effectiveness or creating efficiencies or economies of scale, including by reducing costs.

The committee directs the Secretary of Defense to report to the committee not later than February 1, 2014, regarding the status of the use of this authority to enter into such agreements. The report shall include:

- (1) a review of the policy adopted by DOD to guide the development of proposals to share installation support services;
- (2) a description of the structure and components of intergovernmental agreements, including the adherence to Federal Acquisition Regulations;
- (3) guidance for delegating authority to enter into such agreements to the installation level;
- (4) a list of any proposed locations and types of services that are being considered for the use of this authority; and
- (5) any other matters the Secretary deems appropriate.

Light-weight ammunition project under the Defense Production Act, Title III authority

The committee notes that under the Defense Production Act, Title III authority, one current project is developing a domestic pro-

duction capability for light-weight polymer-based ammunition. The committee believes that light-weight ammunition has the potential to decrease the individual load of the warfighter, increase mobility, decrease logistical burden, and reduce fuel consumption in military operations. The committee notes that traditional ammunition cartridges are produced using metallic-based materials such as steel, copper, aluminum, or brass. The committee understands that any new ammunition must meet all specifications for pressure, velocity, accuracy, and must be a drop-in replacement in terms of training, weapon function, lethality, storage, and transportation.

Accordingly, the committee directs the secretaries of the military departments to prepare a briefing or a report to the committee no later than February 1, 2014 on the pursuit of additional small arms and ammunition projects which could enhance combat capability, reduce logistical burdens, and improve efficiencies.

Marine Corps core depot maintenance policy

The committee understands that the Marine Corps policy on core depot maintenance workload is currently under revision. Accordingly, the committee directs the Marine Corps to prepare a briefing or a report to the committee on the status and progress of a finalized core depot maintenance policy no later than January 1, 2014.

Meals ready to eat war reserve

The committee is concerned that the Defense Logistics Agency's (DLA) potential reduction of its Meals Ready to Eat (MRE) war reserve may lower production in a manner that may negatively affect the industrial base which could threaten the DLA's ability to respond to contingency operation capabilities commensurate with service end strength. Therefore, the committee directs the DLA in consultation with the services, to develop a comprehensive strategic plan that ensures an adequate MRE inventory for each of the services that meets both DLA and service-specific requirements, maintains the appropriate levels of MRE war reserves, and provides for a surge capability to support unforeseen contingencies. The DLA shall report to the committee on this plan no later than 90 days after the enactment of this Act.

Mission compatibility reviews

The committee is concerned about the implementation of section 358 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383) and the Department of Defense's (DOD) collaboration with other involved agencies to ensure that the development of energy sources and the increased resiliency of the commercial electric grid may continue to move forward while protecting the missions of military test and training ranges and installations in the United States. The committee urges DOD to use a consistent standard and process pursuant to Federal Rule 32 CFR Part 211 for all mission compatibility reviews on public or private land and to review offshore energy projects using the same process. The committee directs the Secretary of Defense to provide the committee with a report that details the status of its review process on each of its applicants within 90 days of enactment of this Act.

Open pit burning of waste in Afghanistan

The committee notes with concern the recently released report by the Special Inspector General for Afghanistan Reconstruction (SIGAR) titled, "Forward Operating Base Salerno: Inadequate Planning Resulted in \$5 Million Spent for Unused Incinerators and the Continued Use of Potentially Hazardous Open-Air Burn Pit Operations," dated April 2013. In the report the SIGAR concluded, among other things, that Forward Operating Base (FOB) Salerno in Afghanistan constructed two waste incinerators that it has not and will not use. As a result, the FOB Salerno continues to use open pit burning to dispose of waste at the base.

Over the past several years, the committee has been concerned about the use of open pit burning to dispose of trash during contingency operations in Iraq and Afghanistan because of the potential effects the smoke from these pits can have on the health of personnel in the vicinity. As the SIGAR report sets forth, U.S. Central Command (CENTCOM) regulation 200-2, CENTCOM Contingency Environmental Guidance, dated January 3, 2011, requires that when a base exceeds 100 U.S. personnel for 90 days, it must develop a plan for installing waste disposal technologies, such as incinerators, so that open pit burning operations can cease. The SIGAR report shows that, despite efforts to eliminate open pit burning in favor of incinerators and other methods, some of those efforts have failed and open pit burning continues at some locations.

Accordingly, the committee directs the Secretary of Defense to report to the Committees on Armed Services of the Senate and of the House of Representatives by September 30, 2013, on the efforts to reduce reliance on open pit burning of waste at operating bases in Afghanistan. The report shall include:

- (1) a list of bases that have functioning incinerators installed and in use;
- (2) for those bases that do not have functioning incinerators in place, an explanation for each as to why incinerators are not in use;
- (3) a list of all bases or camps in Afghanistan at which the U.S. armed forces use open pit burning as the primary means of disposing of waste;
- (4) a plan for how the Secretary intends to bring operating bases in Afghanistan into full compliance with Department of Defense regulations and CENTCOM regulations regarding waste disposal; and
- (5) an assessment of incinerator technologies that are available to the Department of Defense for use in Afghanistan, including any such incinerator technologies that could also contribute to energy production, and any other waste-to-energy strategies.

Organizational clothing and equipment

The committee notes that a Department of Defense Inspector General (DOD IG) report dated February 22, 2013 found that over the last six years inadequate tracking and recovery procedures resulted in a loss of approximately \$20.0 million in unreturned organizational clothing and equipment (OCIE) for redeploying civilians

and contractors. The committee notes that this is the second report since 2010 regarding a lack of control over the tracking and recovery of OCIE.

Accordingly, the committee directs the Secretary of Defense to prepare a briefing or a report to the committee no later than February 1, 2014 on the corrective action taken, including a time-phased plan with measurable goals and metrics, to address the recommendations in report number DODIG-2013-050 regarding OCIE recovery from civilians and contractor employees.

Policies and procedures in handling of hazardous material shipments

The committee notes that the Comptroller General of the United States is in the process of conducting a comprehensive review of the policies and procedures by the Department of Defense in the handling of hazardous material shipments pursuant to section 363 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239), including the review of Transportation Protective Services (TPS) safety standards for commercial surface carriers transporting dangerous or sensitive cargo on public highways within the United States. Accordingly, the committee directs the Secretary of Defense to ensure that commercial TPS carrier safety performance standards measured by the Compliance, Safety, Accountability (CSA) Safety Measurement System (SMS) are not altered to less stringent safety standards during the duration of the Comptroller General review.

Readiness concerns under sequestration

The committee recognizes that the implementation of sequestration cuts to the Department of Defense (DOD) as a result of the Budget Control Act of 2011 poses significant risk to the readiness, training, and operational capability of our military forces. The committee remains concerned that the sequestration in fiscal year 2013, and the threat of sequestration in fiscal year 2014 and beyond forces the DOD to cutback combat training exercises, flying hours, steaming hours, and other military training. Other impacts include cancelling and delaying contracts, civilian employee furloughs, civilian hiring freezes, reductions or eliminations of temporary and term employees, deferred facilities maintenance, and the cancelling or postponing of maintenance for ships, aircraft, ground vehicles, and facilities. Additionally, many investment, acquisition, and research and development programs will be negatively impacted if sequestration remains in place. The committee understands from testimony by Department witnesses that the services have already reduced, canceled, or deferred a number of training exercises and scheduled maintenance activities as a result of the sequestration cuts.

The Chief of Staff of the Army testified that the Army has “curtailed training for 80 percent of the force, canceled six brigade combat training center rotations, and cut 37,000 flying hours, initiated termination of 3,100 temporary employees, canceled third and fourth quarter depot maintenance, and are planning to furlough its valued civilian work force.” The committee understands that along with a higher-than-expected operating tempo in Afghanistan, the

Army has an \$8.3 billion shortfall for the last 6 months of fiscal year 2013 in the base budget and a \$7.8 billion shortfall to overseas contingency operations. The committee notes that by the end of September 2013, only one-third of the Army's Active Duty units are expected to have acceptable readiness ratings.

The Chief of Naval Operations testified that the Navy plans to "reduce intermediate-level ship maintenance, defer an additional 84 aircraft and 184 engines for depot maintenance, and defer eight of 33 planned depot-level surface ship maintenance availabilities" and that "by the end of fiscal year 2013, a majority of our non-deployed ships and aviation squadrons—nearly two thirds of the fleet—will be less than fully mission capable and not certified for major combat operations." The committee understands the Navy faces a \$4.1 billion operation and maintenance (O&M) shortfall and has deferred \$1.2 billion in facilities maintenance.

The committee understands that the Marine Corps face a \$775.0 million shortfall in O&M during fiscal year 2013 as a result of sequestration. The Commandant of the Marine Corps testified that, "sequestration in fiscal year 2014 will mean that more than half of our non-forward-deployed ground and aviation units will have readiness ratings of C3 or below." The Assistant Commandant of the Marine Corps testified that, "44 scheduled aircraft depot inductions across all types, models, and series . . . will not occur as a result of sequestration reduction to the fiscal year 2013 budget." Additionally, the Assistant Commandant of the Marine Corps predicted that a year from now, air squadrons will have only about half of their aircraft ready.

The Secretary of the Air Force testified that sequestration, "required approximately \$10.0 billion in reductions to be taken in the last seven months of fiscal year 2013" and "impacts include reductions in weapons systems sustainment that will delay necessary maintenance, increase costs, and take perhaps 2 to 3 years to recover from repair backlogs." The Vice Chief of Staff of the Air Force testified that the Air Force has, "already ceased operations for one-third of our fighter and bomber force" and "will force us to induct 60 less airplanes and 35 less engines into depots" and "forced us to reduce approximately 200,000 flying hours in the last 6 months of the year" and to cut "220 energy projects in facilities sustainment, restoration, and modernization" due to sequestration.

The committee believes that sequestration cuts to the DOD are arbitrary and irrational. The committee notes that continued budget uncertainty further jeopardizes the DOD's ability to defend our Nation. Sequestration cuts increase operational and strategic risk by deferring vital maintenance and cancelling necessary training, and will cost the Nation more over time to recover from this damage.

Report by Installation Command on Kwajalein Atoll

The U.S. Army Space and Missile Defense Command recently signed a Memorandum of Understanding to have U.S. Army Installation Command maintain certain infrastructure at the Kwajalein Atoll. The committee is pleased with bringing the expertise of the Installation Command to help manage certain aspects of the Atoll's infrastructure. However, given the unique and important nature of

test facilities at the Atoll and its remoteness, the committee directs the Secretary of the Army to report on the Installation Command's long-term management plan for the Atoll. The report shall be due not later than April 30, 2014.

Report on the identification of a hollow force

The committee recognizes that the implementation of sequestration cuts to the Department of Defense (DOD) as a result of the Budget Control Act of 2011, poses significant risk to the readiness, training, and operational capability of our military forces and the potential of a hollow force.

Accordingly, not later than February 1, 2014, the Secretary of Defense shall, in consultation with the Joint Chiefs of Staff, submit to the committee a report on criteria and means for identifying the existence of a so-called "hollow force". The report shall include a definition of what constitutes a hollow force for each branch of the Armed Forces and a description of the criteria and metrics used to assess the existence and extent of a hollow force. The report shall also include for each military department, an assessment whether, and if so to what extent, its operating forces are hollow as determined using the above-cited criteria and metrics, and if such operating forces are hollow, a mitigation plan to restore those forces to an acceptable level of readiness such that they no longer meet the definition of a hollow force. The report shall also explain how the Department will use the Defense Readiness Reporting System and other readiness assessment and reporting systems to monitor and manage risk related to the hollowing of operating forces.

The committee notes that each Quarterly Readiness Report to Congress, as required by section 482 of title 10, United States Code, shall include a description and explanation for each service with respect to evidence and management of risk of operating forces becoming or having become hollow.

The committee also directs the Comptroller General to review the report required above and not later than March 15, 2014, provide the congressional defense committee as assessment of the elements of the report as established above.

Lastly, the committee notes that the report shall be submitted in unclassified form, but may include a classified annex.

Review of defense headquarters and combatant command resources

The committee notes the significant growth in the geographic combatant commands over the past decade and is concerned that the Department of Defense (DOD) should take steps to ensure adequate oversight of those commands. In its May 2013 report titled "Defense Headquarters: DOD Needs to Periodically Review and Improve Visibility of Combatant Command Resources" (GAO-13-293), the Government Accountability Office (GAO) found significant growth in the resources being devoted to the geographic combatant commands and weaknesses in the processes used by DOD to periodically evaluate the size and structure of the geographic combatant commands, as well as limitations in the information used to oversee the commands. The report also brought into focus a long-standing concern of the committee about DOD's reporting to Con-

gress; specifically, the report found that congressional oversight may be hampered because current budget justification documents do not specify the personnel and budget resources being devoted to each combatant command, among other limitations.

The trends reported by the Comptroller General are concerning in light of DOD's recent efforts to reduce headquarters and other overhead. Over the past decade (excluding U.S. Central Command due to the large-scale operations in that area of responsibility over the period), the geographic combatant commands authorized positions grew by nearly 50 percent and included more than 10,000 military and civilian positions in fiscal year 2012, plus an unknown number of supporting contractors and temporary personnel. Since 2008, their supporting service component commands grew by about 30 percent to about 7,800 authorized positions in fiscal year 2012. The cost to operate and support the commands has also ballooned. After adjusting for inflation, the costs to operate and support the headquarters of the combatant commands more than doubled since 2007 and now totaled more than \$1.1 billion annually. Costs to operate and support the headquarters of the service component commands also increased substantially since 2007 and totaled more than \$600.0 million annually.

GAO made four recommendations to improve processes for evaluating requirements and provide better visibility of personnel and resources. The committee was pleased to see that DOD concurred with three of the four recommendations, including providing region-by-region resource breakdowns in future budget justification documents. However, the Joint Staff non-concurred with a key recommendation that it take an active role in overseeing the size and structure of the combatant commands, including periodic reviews to ensure that the resources being devoted to the commands are commensurate with their assigned missions and priorities.

The committee urges the DOD to take steps to implement all of the recommendations of GAO and looks forward to reviewing the future budget justifications provided by DOD. If the Department concludes that the Joint Staff is the wrong entity to undertake periodic reviews and ensure that staffing and resource levels are appropriate, the committee directs the Secretary to establish alternative mechanisms for providing such oversight on a periodic basis.

Small modular reaction study

The committee continues to be concerned about the survivability, sustainability, and significant logistical costs of fuel and water associated with the support of deployed personnel at remote forward operating bases. The availability of deployable, cost-effective, regulated, and secure small modular reactors with a modest output electrical power (less than 10 megawatts) could improve combat capability and improve deployed conditions for the Department of Defense (DOD).

The committee understands the pursuit of such an endeavor invites ample concerns, not limited to: technical feasibility, policy oversight and regulation, robust safety and secure design features, logistics and resources, proliferation concerns, life cycle costs, deployment policies and transportability, personnel costs, and lessons learned from recent combat operations.

Therefore, the committee directs the DOD to submit a report to the congressional defense committees on the challenges, operational requirements, constraints, cost, and life cycle analysis for a small modular reactor of less than 10 megawatts no later than January 1, 2015.

Tungsten rhenium wire for Department of Defense requirements

The committee is aware that the manufacturing of tungsten and molybdenum powders, including tungsten rhenium (WRe) wire, is used in a variety of Department of Defense (DOD) applications. The committee is aware that currently there are not suitable substitutes available for WRe wire.

Accordingly, the committee directs the Secretary of Defense to report to the congressional defense committees no later than February 1, 2014, with a determination as to whether DOD has a sufficient supply of WRe wire to support DOD requirements. If not, the Secretary shall also submit a mitigation plan to ensure that DOD has a sufficient supply of WRe wire to support its requirements.

Unfunded requirements from the service chiefs

The committee remains concerned, particularly in light of sequestration, that after more than a dozen years of combat operations and high operations tempo, backlogs of deferred depot maintenance remain unexecuted. The committee understands that the Department of Defense (DOD) continues to face significant challenges with respect to competing budget priorities. The committee notes that a continued failure to address the depot maintenance backlog will jeopardize and erode materiel readiness, further reduce the expected service life of DOD equipment, increase long-term sustainment costs, and further increase strategic risk for the Nation.

Despite this depot maintenance backlog, DOD continues to underfund critical readiness accounts. In past years, the committee has been able to provide additional support and funding for DOD through unfunded requirements lists submitted by the service chiefs.

The committee continues to strongly urge DOD to identify and provide a list of service-specific unfunded requirements with each fiscal year's budget request.

United States Africa Command

United States Africa Command (AFRICOM) is the smallest of the Department of Defense's regionally-focused combatant commands with fewer than 5,000 service members on the continent of Africa, 54 countries and over 12 million square miles. The United States no longer has the luxury of ignoring Africa; and AFRICOM, while still a relatively new combatant command, has been thrust to the forefront of our Nation's security interests. Terrorist groups, including some affiliated with al Qaeda, are growing in numbers and capability, and have expanded their areas of operation. Many of our partners in the region, however, still lack the capacity to effectively combat these organizations and require further support. AFRICOM will be a vital component to this effort.

Despite the challenges within its area of responsibility and its massive size, AFRICOM suffers from persistent resource shortfalls. It has no assigned forces, lacks sufficient intelligence, surveillance and reconnaissance, and mobility support to meet theater requirements, and must rely on manpower from United States Central Command and United States European Command. This committee understands the need to properly resource AFRICOM and supports its efforts to build partnerships and combat the terrorist threat posed by violent extremists filtering down to Africa in response to successful U.S. and multilateral operations in other regions.