

# TITLE III—OPERATION AND MAINTENANCE

## OVERVIEW

While the Bipartisan Budget Act of 2013 (division A of Public Law 113–67) and the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66) made notable progress in restoring critical levels of military readiness to more acceptable levels, challenges to full-spectrum readiness remain in fiscal year 2015. Department of Defense officials have highlighted persistent shortfalls in almost every area of operation and maintenance, the main funding component for force readiness, stating that, “despite progress in buying back lost readiness, current resources force a compromise of

future and non-deployed readiness to support today's forward operations. This has led to increased risk in the military departments' ability to meet new requirements or additional rotations that are beyond the scope of their currently planned training and deployment requirements."

To continue reducing risk and improving the readiness of the force, the bill would authorize additional budget authority for multiple unfunded priorities of the military departments, to include the restoration of funding for operational tempo, flying hour programs, facilities sustainment, and depot maintenance. The bill would also authorize additional budget authority for readiness initiatives such as corrosion prevention, control, and mitigation.

The Army has been in a state of continuous war for the past 13 years, the longest in the Nation's history. The Army also supports operations and worldwide requirements with more than 168,000 soldiers deployed or forward stationed in nearly 150 countries. This high operational tempo and a primary focus on counterinsurgency operations, coupled with tighter budgets, sequestration, and a shrinking force, will continue to challenge the Army's ability to provide a sufficient number of Brigade Combat Teams (BCTs) trained for decisive action, an issue that must be addressed. While facing this challenge the Army must also find a way to reset and reconstitute the force, responsibly draw down operations in the Islamic Republic of Afghanistan, and fully develop its role under the Defense Strategic Guidance. The Army must also find a way to keep the National Guard and the Army Reserve as viable components of the total Army.

The Navy has experienced 13-plus years of sustained combat operations, the last seven of which have seen a significant part of the force operating above a tempo level that is sustainable for the long term, and this elevated pace of operations is expected to persist in light of the combatant commander demand for maritime assets. The stress induced by this demanding operational tempo is reflected in a gradual, but persistent, decline in fleet readiness for non-deployed forces. Fiscal challenges and a limited budget continue to create backlogs for Navy maintenance, specifically in aircraft maintenance, and fiscal instabilities have resulted in de-scoped ship maintenance availabilities from the previous fiscal year. When coupled with the impacts of the sustained surge, which has taxed both equipment and personnel at rates significantly higher than anticipated, the tenuous progress the Navy has made over the past 2 years to reverse degraded surface fleet material readiness is threatened.

Despite slight improvements in Marine Corps readiness levels resulting from the ongoing drawdown of forces in Afghanistan, the Marine Corps will continue to be challenged in meeting global commitments, reconstituting the force, and sustaining high operational tempo as it downsizes to 182,000 personnel and faces a dramatic increase in demand for Marine capabilities around the world. In particular, the Marine Corps will be challenged to meet new crisis response force presence demands in Europe, South America, and the Middle East in support of Department of State and Department of Defense missions as well as the expansion of critical legacy mis-

sions such as the Marine Security Guard program, which is slated to grow at an increasing number of high-risk embassies.

The Air Force is still slowly recovering from the recent impacts of sequestration which led to one-third of Air Force fighter and bomber squadrons standing down, curtailment of training and lost qualifications, and adverse impacts on officer development. The Air Force's recovery will remain challenged with high operational tempo beyond the end of major combat operations in Afghanistan. The committee is concerned about Air Force estimates that it will be approximately 2023 before the Air Force fully recovers and operational risk is adequately addressed. The committee is concerned about the recovery of the Air Force, as its Flying Hour Program is currently operating at full capacity, leaving no ability to buy-down current backlogs in training.

The operation and maintenance funding authorized by this title seeks to address many of these areas of concern. It addresses depleted force readiness levels and related high levels of assumed risk and makes several requests of the Department of Defense to report on plans to address acutely challenged areas and return the force to full-spectrum readiness.

## ITEMS OF SPECIAL INTEREST

### BUDGET REQUEST ADJUSTMENTS

#### Base Realignment and Closure 2018

The budget request included \$4.8 million, in Operation and Maintenance, Defense-wide, to support a request to conduct a new round of Base Realignment and Closure (BRAC) to align infrastructure with planned force structure changes. The requested funds would be used to develop recommendations and to manage BRAC efforts.

The committee recommends no funds to support the development of infrastructure recommendations prepared in the context of a new BRAC authorization.

#### Corrosion Prevention

The committee commends the Department of Defense on the formulation of policy and guidance to address corrosion, which costs the military departments more than \$20.0 billion annually and leads to decreased readiness, increased manpower requirements, and significantly higher life-cycle sustainment costs. However, despite addressing the issue in the committee report (H. Rept. 113-102) accompanying the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66), the committee is concerned about the pace of acquisition of proven anti-corrosion products and the resulting impacts on sustainment costs. The committee is also concerned about the impact inadequate resourcing may have on the pace of anti-corrosion technology development. Therefore, the committee directs the Secretary of Defense to provide a briefing to the House Committee on Armed Services by March 1, 2015, on the implementation of corrosion prevention measures both within the military departments and the Corrosion Prevention Program Office.

Further, the budget request contained \$4.8 million in operation and maintenance funding for the Corrosion Prevention Program in addition to military department and departmental research efforts to combat corrosion, which the committee believes to be inadequate. The committee recommends an additional \$20.0 million to be divided equally among the military departments' corrosion prevention efforts and the defense-wide Corrosion Prevention Program.

#### Marine Corps Special Purpose Marine Air-Ground Task Forces

The committee recognizes the importance of Marine Corps Special Purpose Marine Air-Ground Task Forces (SPMAGTFs) in meeting emerging combatant commander operational and force-presence requirements. The committee understands that the Marine Corps intends to expand the current SPMAGTF-Crisis Response capability at Moron Air Base in Spain and stand up an additional SPMAGTF in both the U.S. Southern Command (SOUTHCOM) and U.S. Central Command (CENTCOM) areas of responsibility focused on crisis response, contingency, offensive and defensive, security, humanitarian, and non-combatant evacuation operations.

However, the committee is concerned that for the second fiscal year in a row the President's budget request failed to fully fund these critical requirements in the base budget. The committee notes that it authorized an additional \$40.6 million in fiscal year 2014 to help the Marine Corps fund this emerging requirement.

The fiscal year 2015 budget request contained \$905.7 million in Operation and Maintenance, Marine Corps, for Marine Operating Forces which compose the core elements of the MAGTF and SPMAGTF. Elsewhere in this Act, the committee would authorize \$939.5 million, an increase of \$33.8 million, for Marine Operating Forces to support the operation and maintenance costs of creating the Special Purpose Marine Air-Ground Task Force-CENTCOM and the Special Purpose Marine Air-Ground Task Force-SOUTHCOM.

However, the committee expects the Marine Corps to fully fund all SPMAGTF operations in future fiscal year base budgets.

#### Support for International Sporting Competitions

The budget request contained \$10.0 million for Support for International Sporting Competitions (SISC). This is a no-year appropriation.

The committee understands that the Department of Defense is working with Special Olympics International, Special Olympics North America, and the Games Organizing Committee for the 2015 Special Olympics World Summer Games in Los Angeles to determine the potential scope and scale of the Department's support. The Department expects it will spend between \$1.0 million and \$3.0 million in SISC funding to support the 2015 Special Olympics World Summer Games in Los Angeles.

The committee notes that as of March 2014, there is an obligated balance of \$3.8 million in this account, as well as \$4.3 million in allocated but unobligated funds. These unobligated funds were previously allocated for certain sporting events that have since con-

cluded; therefore, the funds are available for the next set of “logistical and security support for international sporting competitions,” which is the purpose of this fund.

Due to the availability of unobligated funds currently within the account, the committee recommends a decrease of \$4.3 million from the President’s budget request.

#### ENERGY ISSUES

##### Comptroller General Utilities Disruption and Energy Security Mandate

United States military installations consume large amounts of energy and water to maintain effective installation operations and ensure mission readiness and capability. At the same time, U.S. utilities systems may be at risk from civilian power grid failures due to natural or manmade threats, including cyber threats and electromagnetic pulse events. The United States experienced significant power disruptions from severe weather events in 2012, including Hurricane Sandy which affected the northeast region, and the derecho which affected the mid-Atlantic, including the National Capital Region, as well as late winter storms in February-March 2014 that left hundreds of thousands of customers without power in areas from the Northeast through the Midwest and parts of the Deep South. These weather events affected installations, housing, military logistics centers, training centers, military commands, and other critical military activities. As such the committee is concerned that the impact of such disruptions to an installation’s electricity, potable water, and wastewater services has a direct impact on critical mission readiness. It is vital that military installations have the ability to maintain effective operations and energy security despite such disruptions.

The committee is encouraged that the Department of Defense and the military services are focusing on the potential for utilities service disruptions to impact installation mission capability and consequently to ensure the ability of the installations to nonetheless maintain operations. Still, it is not clear what efforts the Department is undertaking to ensure and promote energy security across its facilities. Accordingly, the committee directs the Comptroller General of the United States to undertake a study of the status of the Department’s and the military services’ actions to ensure mission capability and energy security in the event of potentially significant and long-term disruptions to electric, potable water, and wastewater services at domestic and overseas military installations. The study should address the following questions:

(1) What is the status of water and energy security plans, strategies, and related guidance to the military departments and the installations to ensure mission capability through the continued provision of electricity, potable water, and wastewater services in the event of natural or manmade disruptions?

(2) To what extent were domestic military installations able to maintain effective mission capability during natural or manmade utility service disruptions since 2012?

(3) How are the military departments and installations planning to continue ensuring mission capability and energy security despite

the threat to electric, potable water, and wastewater services posed by natural or manmade service disruptions? The Comptroller General should report the results of this study to the congressional defense committees by March 2, 2015.

#### Marine Hydrokinetic Technology

The committee commends the Navy for efforts to assess ocean energy technologies, as defined in the Energy Independence and Security Act of 2007 (Public Law 110–140), and encourages the Navy to continue its work with the Department of Energy and designated National Marine Renewable Energy Centers for marine hydrokinetic demonstration activities at or near Department of Defense facilities. Waves, tidal and ocean currents have the potential to significantly contribute to the country’s electricity production, and ultimately, help the Department of Defense reduce its energy costs on military installations. The committee recognizes the Navy’s efforts to further test, research, develop, and deploy maritime security systems, at-sea surveillance and communications systems, and advance opportunities to reduce the cost of energy and increase energy security at Department of Defense facilities. Therefore, the committee urges the Navy to continue their efforts in ocean energy research and development where cost effective.

#### Unmanned Aerial Vehicles Energy Efficiencies

The committee directs the Secretary of Defense to conduct a review of the energy efficiency initiatives, including non-conventional power sources, of unmanned aerial vehicles to extend range and endurance and increase speed. The review should also include an assessment on how the adoption of autonomous technology could reduce the demand for energy and logistics. The Secretary should submit the results of the review to the Committees on Armed Services of the Senate and the House of Representatives not later than April 1, 2015.

### LOGISTICS AND SUSTAINMENT ISSUES

#### Army Workload and Performance System

The Government Accountability Office (GAO) recently issued a report criticizing the Army’s management of the Army Workload and Performance System (AWPS), the Army manpower requirements determination tool, and related matters. Remarkably, the Army failed to provide any responses to GAO’s findings. This report noted that the Army failed to submit annual progress reports regarding implementation of AWPS master plan or catalog any revisions of the master plan to Congress as required by the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107). The initial master plans submitted to the committee were responsive and compelling and evidenced high-level interest within the Department of the Army. As a result, the committee concluded from those early reports and system demonstrations that the Army was serious about installing time, workload, and performance management systems across the Army infrastructure for all categories of labor, including logistics and sustainment.

While the committee commends the Secretary of the Army for his recently released responses concerning the GAO report on AWPS and its coverage of important segments of the issues, the committee concludes that the Army's failure to comply with the directives in Public Law 107-107 requires a re-evaluation of how to complete this departmental task. The committee recommends that a high-priority Secretariat-level project office and reporting structure be established with sufficient authority to implement the original, responsive master plan and its revisions. Further, the Secretary should affix responsibility for an inclusive, annual master plan implementation reporting process.

The committee expects the Government Accountability Office, as required by law, to evaluate the master plan and report to Congress on the Army's progress. As stated in previous committee reports (as well as Army reports), evaluation should include not only implementation throughout Army commands and infrastructure, but also assess whether budget submissions are supported by this data. In the committee report (H. Rept 104-131) accompanying the National Defense Authorization Act for Fiscal Year 1996 (Public 104-106), the committee noted that the evaluation should include corporate-level systems and integration. Additionally, the committee directs the Comptroller General of the United States, as part of this ongoing work, to examine and report to the House Committee on Armed Services on how the workload and manpower data provided through the AWPS system could improve reporting and transparency for 50/50 workload reporting, including all maintenance activity in acquisition organizations, as well as Army Materiel Command.

#### Auditability of Data Used to Measure Depot Maintenance Workload Distribution

The committee has become aware that, apart from the Army, the military departments have not involved their audit agencies in validating the data submitted for incorporation into the annual report to Congress required by section 2466 of title 10, United States Code, also known as the "50/50 report," for several years. The committee is troubled by the finding that in the limited number of cases where auditors have been involved in reviewing these data, they identified significant errors. The committee is also aware that in some instances, the data included for submission related to depot-level workloads performed under contractor logistics support, interim contractor support, or other contractual arrangements are generated through the use of algorithms or other forms of cost estimation. In some cases, these estimates appear to have been generated using insufficiently rigorous methodologies.

These findings lead the committee to conclude the fidelity of the data supporting the annual "50/50 report" is questionable and could be distorting the true distribution of workload between the public and private sectors, reducing the committee's confidence in the report's accuracy and completeness, as well as inhibiting the military services from making fully informed decisions regarding source of repair in the context of section 2466 of title 10, United States Code.

The January 14, 2014, guidance titled “Reporting Guidance for the FY2013–2015 Report to Congress on the Distribution of Department of Defense Depot Maintenance Workloads,” issued by the Assistant Secretary of Defense for Logistics and Materiel Readiness, states that “Military departments and Agencies shall obtain the assistance of internal audit agencies or an Office of the Secretary of Defense (OSD)-agreed upon third party to conduct detailed reviews to validate the process for capturing depot maintenance expenditure data by reporting organizations.” The committee notes that this reporting guidance reflects a change from prior guidance, which did not include process validation, only data validation prior to OSD submission. In the committee’s view, it is imperative that the data submitted to the Congress be validated. Moreover, the committee believes that participation of the military departments’ audit agencies in validating the data submitted for the “50/50 report” will provide the greatest assurance that what is reported represents an accurate and complete picture of the distribution of depot-level workload between the public and private sectors.

Accordingly, the committee directs the military departments and defense agencies to comply with the guidance to the fullest extent, and, to the degree that it is practicable, ensure direct military department audit agency involvement in this effort. Specifically, this effort should provide assurance that the data submitted for inclusion in the “50/50 report” is accurate and complete. The Secretary of Defense, in the next two annual reports to Congress required under section 2466 of title 10, United States Code, should include a description of the efforts made by each of the military departments and defense agencies to comply with the validation requirement. The committee notes that if voluntary compliance is not evidenced, the committee will consider statutory enforcement.

#### Comptroller General Review of Forward Deployed Naval Forces and Associated Sustainment Issues

Forward presence is critical to the Navy’s goals of building partnerships, deterring aggression without escalation, defusing threats, and containing conflict without regional disruption. Naval forces provide forward presence through a combination of rotational deployments from the United States, Forward Deployed Naval Forces (FDNF) in Japan, Guam, the Kingdom of Spain, and the Italian Republic, and forward stationing ships in places such as the Kingdom of Bahrain, the Republic of Singapore, and Diego Garcia. The Navy’s ability to implement these concepts depends on U.S. bases and strategic partnerships overseas that provide places where forces can rest, repair, refuel, and resupply. In the FDNF construct, the ships, crews and families all reside in the host nation. This construct is in contrast to forward stationing, where the ship’s families reside in the United States and the crew rotates to the ship’s overseas location for deployment.

The committee seeks a more detailed understanding of the Navy’s decision-making process to designate ships to be either FDNF or forward stationed and the relative costs and benefits of each approach. The committee directs the Comptroller General of the United States to provide a report to the congressional defense

committees by February 27, 2015. The report should include a review and analysis of:

(1) The Navy's process for determining the homeport locations of naval vessels, including FDNF;

(2) The Navy's process for stationing naval vessels outside the United States;

(3) How the Navy calculates deployment costs of vessels homeported inside and outside the United States;

(4) The extent to which the Navy has utilized rotational crewing to meet forward presence requirements;

(5) The operational availability achieved by rotational crewing, the savings achieved, and the limitations associated with directed rotational crewing;

(6) The operational support and sustainment effects of deploying U.S.-based vessels to a forward operating station as opposed to homeporting vessels outside the United States, including costs of complying with section 7310 of title 10, United States Code, maintenance requirements;

(7) The infrastructure requirements, as well as host-nation acceptance requirements to ensure the assets are received overseas; and

(8) Any other issue that the Comptroller General determines appropriate.

#### Department of Defense Inspector General Determination of Fair and Reasonable Cost of Spare Parts

The committee has received testimony that sustainment of military equipment is the most expensive phase of the Department of Defense's acquisition process. The committee is alarmed by frequent reports from the Department of Defense Inspector General (DODIG) and the Government Accountability Office (GAO) that the Department has paid hundreds of millions of dollars above what are considered fair and reasonable prices for weapon system spare parts and is missing opportunities for significant savings.

Accordingly, the committee directs the Department of Defense Inspector General to perform a comprehensive audit to determine if current Department of Defense guidance is sufficient to obtain fair and reasonable prices for equipment spare parts. The audit should assess the extent to which the Defense Logistics Agency (DLA) and the military departments have put in place metrics for measuring:

(1) Guidance and efforts to improve demand forecasting are effective for ensuring appropriate and adequate provision of spare parts and other supplies needed to keep military equipment ready and operating; and

(2) Inventory management cost efficiency.

The DODIG should also assess the costs the Department of Defense has incurred by paying prices beyond what is fair and reasonable for spare parts and other supplies. The DODIG's audit should assess the prevalence of disparities between prices deemed to be fair and reasonable and those prices paid by the DLA and the military departments for spare parts or supplies, and potential cost savings if the parts or other supplies had been obtained by DLA and the military departments instead of through a performance-based logistics support contract. The DODIG should provide a re-

port on the results of the audit to the congressional defense committees not later than February 28, 2015.

#### Eligibility and Performance of Carriers Who Transport Hazardous Materials for the Department of Defense

The Department of Defense every year facilitates nearly 70,000 separate shipments of security sensitive material. Trucks carrying these shipments travel tens of thousands of miles on U.S. interstates, highways, and local thoroughfares across all 50 States. Materials that are transported include missiles, arms/weapons, ammunition, explosives, radioactive material, and classified items. Shipments are executed under the Transportation Protective Services (TPS) program which requires stringent safety and security standards for operators who are licensed to do business with the program.

The Government Accountability Office (GAO) conducted a comprehensive review of the policies and procedures used 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). In its report to the committee, the GAO stated that the Safety Measurement System scores used by the Department to determine safety performance of its TPS carriers “should not be used to draw safety conclusions about a carrier’s safety condition. As a result, the Department may not be using the most reliable data from the Compliance, Safety, Accountability’s Safety Measurement System to determine which carriers should be eligible for the [TPS] program.”

As a result of this finding, and to ensure the safety and security of Department of Defense’s shipments of sensitive arms, ammunition, and explosives, the committee directs the Commander, U.S. Transportation Command, to examine the data limitations of the Department of Transportation Federal Motor Carrier Safety Administration’s Safety and Accountability program and report to the House Armed Services Committee by December 15, 2014, on what changes, if any, should be made to the process used by the Department of Defense to determine hazardous material carrier eligibility and evaluate performance of carriers within the TPS program. Additionally, the Commander, U.S. Transportation Command, is directed to provide a briefing to the House Armed Services Committee by September 30, 2015, on the progress made to implement the changes.

#### F117 Engine Sustainment Strategy

The budget request contained \$778.0 million for F117 engine maintenance, repair, and overhaul (MRO) activities.

The committee notes that the Department of the Air Force has struggled to reign in F117 engine MRO costs. The committee is concerned that the Secretary of the Air Force cannot sufficiently determine whether the Department is paying a fair and reasonable cost for F117 MRO because of limited performance and cost data available to the Department as a result of the F117 MRO contract structure and administration. As a result, the committee encouraged the Air Force to seek a competitive strategy for F117 MRO,

specifically competition for repair, overhaul, supply chain management, and systems engineering support activities. The Air Force determined that prospective vendors had the potential to use commercial data to derive F117 rates and factors, and that vendors illustrated avenues to procure parts from the original equipment manufacturer (OEM) of the F117 engine. Furthermore, the F117 engine is 91 percent similar in design to the PW2000 commercial engine, and the PW2000/F117 manuals are similar for overhaul and component repair.

In fall 2013, the Air Force attempted competition through issuance of a request for proposals but subsequently determined that proposals received were deemed not viable due to proposed costs. In performing a root-cause analysis, the Department determined that immediate competition was not possible because supply chain management competition was not feasible, vendors would need 3 to 5 years of F117 engine usage data, and engine OEMs have become increasingly more involved in after-market sales by offering life-cycle support programs.

The committee notes that the Air Force plans to consider an alternative MRO strategy that has the potential to reduce sustainment costs of the F117 engine, but the committee remains concerned that the Air Force may be limited in determining whether F117 sustainment costs are fair and reasonable as compared to commercial-derivative PW2000 engine MRO costs being borne in the private sector.

Therefore, the committee encourages the Secretary of the Air Force to continue pursuit of an F117 MRO sustainment strategy that will achieve measurable cost reduction and sufficient insight to OEM sustainment data and metrics in order to determine cost fairness and reasonableness of the F117 sustainment program execution. The committee also encourages the Secretary of the Air Force to re-evaluate the necessity for contracting with the prime system vendor for F117 MRO activities to determine whether process and cost efficiencies could be gained by contracting directly with the F117 OEM. The committee also includes a provision elsewhere in this act that would prohibit the F117 Milestone Decision Authority from approving entry into subsequent F117 sustainment contracts without the required MRO data that provide the Secretary of the Air Force sufficient insight to determine whether the Secretary is outlaying fair and reasonable costs to own and operate the F117 engine as compared to commercial-derivative PW2000 ownership MRO costs in the private sector.

#### Manufacturing Infrastructure Investment

The committee is aware of the unique challenges and varied relationships associated with the broad range of customers who have for decades supported the continued combat vehicle production capability at the Joint Systems Manufacturing Center (JSMC). As a government-owned, contractor-operated facility, JSMC represents a unique, long-term fiscal challenge for the U.S. Army for the continued maintenance and periodic upgrade of the facility, which has a deferred maintenance and repair projects list totaling over \$40.0 million. Production Base Support funding over the past several years has been insufficient to support minimum JSMC mainte-

nance requirements, including correcting critical safety and environmental deficiencies.

The Department of the Army must ensure the facility is properly resourced to efficiently and effectively meet the Army's tank and other combat vehicle production-related requirements, Foreign Military Sales (FMS), and Direct Commercial Sales for the foreseeable future. The committee understands the difficulty in determining how the Department should share the operational support costs associated with the JSMC across the broad range of current and future customers. For example, future FMS programs could generate more than \$10.0 million in facilities usage fees. The committee believes reinvestment of these funds could help remediate facilities maintenance deficiencies and subsequently benefit all current and future JSMC customers.

Therefore, the committee directs the Secretary of the Army to submit a report to the Senate Committee on Armed Services and the House Committee on Armed Services not later than February 9, 2015, on the Army's analysis, plans, and/or recommendations, to include potential legislative proposals, on how the operational costs associated with the Joint Systems Manufacturing Center could be equitably applied so that the facility can remain viable and relevant.

#### Public-Private Partnerships at Centers of Industrial and Technical Excellence

The committee recognizes the mutual benefits to both the organic and commercial industrial base of partnering activities especially in a resource-constrained environment. The committee also believes that full visibility into the scope and scale of partnerships is critical for proper oversight of industrial base sustainment. As a result, the committee is concerned about the lack of visibility into the Department of Defense's public-private partnership activities authorized by section 2474 of title 10, United States Code. The committee directs the Secretary of Defense to deliver to the congressional defense committees by January 5, 2015, a report on all partnerships entered into pursuant to section 2474 of title 10, United States Code, in fiscal year 2014 and for the preceding three fiscal years. The report at a minimum should include the location of work performed under the partnership, the commercial and organic entities comprising the partnership, the length of the partnership, and a description of the work performed by the partnership.

#### Report on the Department of Defense's Transportation of Hazardous Materials

The Department of Defense transports more than 1.5 million hazardous material (HAZMAT) shipments each year. These shipments can be high-risk as well as highly sensitive and, if improperly handled, labeled, or packaged could result in the loss of life, property damage, and harm to national security interests. A complex framework of statutes and regulations governs the Department's handling, labeling, and packaging of hazardous material shipments. The Government Accountability Office (GAO) recently reported on challenges the Department has experienced in imple-

menting these regulations, which can adversely affect the safe, timely, and cost-effective transportation of hazardous materials. For example, in some cases Department of Defense installations did not provide carriers transporting sensitive arms, ammunition and explosives hazardous materials with timely access to secure hold areas or assist them in locating the nearest alternate means to secure those shipments, leaving these items in the public domain longer than necessary. Accordingly, the committee encourages the Department to develop a process to identify and implement the necessary corrective actions to ensure that its installations provide secure hold as required. Additionally, GAO found a substantial number of hazardous material shipments were not documented and packaged in accordance with regulations and other guidance, which resulted in delays. The committee is concerned about costs (and potential operational impacts) that may be incurred by the Department as a result of these delays or whether any materials were unnecessarily shipped through the more expensive Transportation Protective Services program because they were improperly identified as sensitive items.

Therefore, the committee directs the Secretary of Defense to provide a report to the Senate Committee on Armed Services and the House Committee on Armed Services by December 1, 2014, on the Department of Defense's transportation of hazardous materials. That report should also be provided to the Comptroller General of the United States at that time. Specifically, the report should include, but is not limited to, a discussion of:

(1) The root causes of improper documentation and packaging of HAZMAT throughout the Department of Defense transportation system;

(2) The extent to which Transportation Protective Services are being used to transport HAZMAT shipments that could safely and securely be transported using less costly means;

(3) Any needed corrective actions and an action plan with associated milestones to implement those corrective actions.

After the Secretary provides the report to Congress, the Comptroller General of the United States should conduct a review of the report and provide a preliminary briefing to the Committees on Armed Services of the Senate and the House of Representatives by March 15, 2015, with a final report or reports to follow within 120 days.

#### Report on the Eligibility and Performance of Carriers Who Transport Security-Sensitive Materials for the Department of Defense

The Department of Defense every year facilitates nearly 70,000 separate shipments of security sensitive material. Trucks carrying these shipments travel millions of miles on U.S. interstates, highways, and local thoroughfares across all 50 States. Examples of materials that are transported include missiles, arms/weapons, ammunition, explosives, radioactive material, and classified items. These shipments are executed under the Transportation Protective Services (TPS) program which requires stringent safety and security standards for operators who are approved to do business with the program. However, a comprehensive study of the necessary

safety standards, technology, and public liability of carriers in the TPS program has not been conducted.

Therefore, the committee directs the Comptroller General of the United States to provide a report to the Senate Committee on Armed Services and the House Committee on Armed Services by December 15, 2014. That report should include, but is not limited to, the following:

(1) An assessment of whether there is sufficient data in the Department of Transportation Federal Motor Carrier Safety Administration's Compliance, Safety, and Accountability program to evaluate carrier safety performance and what additional data may be necessary;

(2) A determination of what additional standards should apply to the process used by the Department of Defense to decide Transportation Protective Services carrier eligibility and evaluate performance of the TPS program;

(3) An assessment of whether proven safety technologies recommended by the National Transportation Safety Board (e.g., roll stability control systems, forward collision warning systems, electronic logging devices) should be mandated for trucks transporting TPS shipments in order to reduce the risk of a catastrophic accident or damage to materials;

(4) An assessment of whether minimum public liability and property damage insurance should be increased for TPS carriers; and

(5) An assessment of whether TPS carriers need to staff 24 hour call centers to monitor operations and assist in emergencies.

#### Submarine Propeller Repair and Overhaul

The committee understands the Navy continues to request partial funding to support submarine propeller repair and overhaul (SPRO) in the Overseas Contingency Operations account, rather than planning for full funding based on true historical and current year SPRO expenditures within the Navy's annual defense budget. Additionally, the committee remains concerned with the Navy's ongoing proposed "repair only" approach to SPRO. The committee directs the Secretary of the Navy to re-evaluate this plan and report to the Committee on Armed Services of the House of Representatives by December 15, 2014, on an approach, to include both fiscal year 2015 and Future Years Defense Program funding, that addresses the ongoing mix of both propeller repair and overhaul needs.

#### Sustainment of Deployed Terminal High-Altitude Area Defense

The committee commends the Department of Defense for its rapid and successful deployment of an Army Air and Missile Defense Task Force (AMDTF) and Terminal High-Altitude Area Defense (THAAD) missile defense battery to Guam last spring in response to the Democratic People's Republic of Korea's aggressive posture. The committee notes that Army Chief of Staff, General Raymond Odierno, in testimony before the committee, stated that the Army is working on plans to sustain a long-term presence of a THAAD battery and an AMDTF on Guam to provide necessary protection of military manpower, assets, and civilians. In order to

better understand the requirements to sustain an AMDTF and THAAD battery on Guam, the committee directs the Secretary of the Army, in consultation with the Chief of the National Guard Bureau, to report to the committee by January 31, 2015, on the following requirements related to THAAD sustainment:

- (1) An accounting of force structure needed, including potential Army National Guard or Army Reserve force structure;
- (2) Potential military construction needed for force protection and other sustainment issues;
- (3) Estimated military personnel and operation and maintenance costs; and
- (4) Any legal, statutory, or authority challenges associated with sustaining an AMDTF and THAAD battery on Guam.

#### READINESS ISSUES

##### Adequacy of Airlift and Refueling Capabilities in the Western Pacific

Recognizing the strategic importance of the Department of Defense's efforts to rebalance forces to the Asia-Pacific region, the committee continues to question the adequacy of airlift and refueling capabilities in that region. U.S. Pacific Command (PACOM) must accomplish a variety of missions and requirements in a geographic area of responsibility that spans almost 9,000 miles from Hawaii in the Pacific Ocean to the Republic of Maldives in the Indian Ocean. Airlift and refueling capabilities play a critical role in supporting and sustaining forward-deployed forces in the Asia-Pacific region.

The committee is concerned about the ability of the U.S. Air Force to provide sustained airlift to support ground forces and equipment in the region to meet current and emerging requirements. Particularly, the committee is concerned about the cost of the current rotational tanker presence in the western Pacific. Given current budget constraints and the risk in the readiness accounts, the committee is concerned that rotational presence may not be the most fiscally prudent means of meeting airlift and refueling requirements, especially in light of the potential for sustained sequestration. The committee, therefore, directs the Commander, U.S. Pacific Command, in consultation with the Commander, Pacific Air Forces, to brief the committee by March 30, 2015, on airlift and tanker capabilities in the Pacific Command area of responsibility. At a minimum, the briefing should include:

- (1) The cost of current rotational tanker presence in the western Pacific;
- (2) The cost of permanently stationing tankers in the western Pacific to meet current operational requirements; and
- (3) Plans for future beddown of permanent and rotational airlift and tanker assets in the western Pacific to meet Pacific Command operational requirements.

##### Advanced Situational Awareness Training Assessment

The committee is aware that the Army continues to successfully incorporate training modules to detect changes in human behavior

through Advanced Situational Awareness Training (ASAT). The committee recognizes the benefits of such training and the enhancement to mission effectiveness, decisive advantage, enhanced use of existing optical equipment, and reduction of civilian casualties that it can help provide. The committee believes the benefits of situational awareness training are significant enough to warrant a long-term assessment of ASAT training requirements and a plan for possible future institutionalization.

The committee directs the Secretary of the Army to conduct an assessment of ASAT training and brief the House Committee on Armed Services on the results not later than October 1, 2014. This assessment and briefing should specifically include current ASAT training requirements, the cost and time required to institutionalize an ASAT training program across the Army, and quantifiable training benefits achieved by ASAT training to date.

#### Army Aviation Range Safety Improvements

The committee is concerned that low-altitude radar coverage deficiencies at Army aviation training ranges are creating undue risk. These aviation safety hazards contributed to a mid-air collision in December 2011, resulting in the loss of all crew members. The committee commends the Army for working to mitigate this risk with the installation of wide-area multilateration systems. Multilateration systems provide improved situational awareness in all weather conditions, are highly scalable, more affordable than traditional radars, have been proven in commercial aviation, and provide accurate tracking and data capture for training operations and after-action reports. Multilateration systems are capable of precision surveillance and identification of all transponder-equipped aircraft at all altitudes.

The committee encourages the Army to continue fielding wide-area multilateration systems on its training ranges to provide aviators with realistic operational scenarios and to enhance safety for aviators and civilians who live in proximity to military training areas.

#### Army Aviation Training

The committee notes the continued demand for Army aviation capabilities on the battlefield and the importance of providing real-world training to Army aviators throughout the program of instruction at the Army Aviation Center of Excellence. The committee recognizes the training, cost, and performance benefits of instructing Army aviators on aircraft that operate more similarly to the Army's current fleet of dual-engine, glass cockpit, four-blade combat helicopters.

#### Commercially Augmented Tactical Airborne Training

The committee is aware of the historical utilization of contracted fighter aircraft to enhance and augment training. The roles of these aircraft range from replicating adversaries with high-end electronic warfare capabilities, to developing air battle manager skills, to conducting joint terminal attack controller training. Using commercially provided assets to augment airborne tactical training

can prolong the service life of U.S. military aircraft and reduce the number of training support missions flown by military aviators.

The committee is also aware that additional contracted tactical training capacity exists and that there may be potential for additional savings or cost avoidance through the increased utilization of that capacity. Given the increased need to maximize efficiencies in training in order to preserve readiness and assets, the committee encourages the military departments to utilize, to the maximum extent practical, commercially provided tactical airborne training augmentation.

#### Common Range Integrated Instrumentation System

The committee is concerned by the proliferation of more advanced threats to U.S. Armed Forces and the lack of more advanced instrumentation to support aviation combat training. These increasingly complex weapons threats require equally complex next-generation capabilities that can provide realistic training while at the same time reducing cost of current “live-fly” exercises. The Common Range Integrated Instrumentation System has demonstrated critical attributes including: an integrated multi-level security that will enable seamless communications between legacy and next-generation aircraft as well as between U.S. and coalition forces; flexible architectures that enable live, virtual constructive training capability; and a network architecture that is deployable, both ashore and at sea. Accordingly, the committee encourages the Department of Defense to make maximum reuse of mature, scalable, and secure technologies developed for the test range community when considering their applicability and affordability for military training ranges.

#### Comptroller General Report on Readiness Metrics

For decades the Department of Defense has used “C-ratings,” which measure unit resources and training against doctrinal wartime missions, to measure the readiness of its forces. However, to support the recent missions in the Republic of Iraq and the Islamic Republic of Afghanistan, units have repeatedly been reconfigured and task-organized or called upon to execute missions that differed from their core doctrinal mission statements. To better portray readiness in this new environment, the Department has added “assigned mission” and “capability” ratings to its traditional C-ratings. The military departments and combatant commands also began reporting readiness assessment levels (RA-levels) to portray their strategic readiness. While the combination of traditional and newer readiness metrics have allowed the Department to portray its readiness for a much wider range of missions than in the past, the metrics do not fully account for the time component of readiness. Traditional C-ratings and assigned mission ratings tend to emphasize readiness at a particular point in time (the day the rating is completed). Capability and RA-ratings have an implicit time component because they measure readiness against timelines that are laid out in operations and contingency plans. However, the committee has observed that none of the metrics clearly answer the question of when forces will be ready. Over the past decade, when

the committee has asked that question, the ubiquitous response has been that most units will be ready “just in time.”

With the prolonged growth of non-discretionary spending placing continued fiscal pressure on the defense budget, the “just-in-time” answer does little to help decisionmakers minimize risk while preparing for a future that, in the words of the Chairman of the Joint Chiefs of Staff, is “dangerous and uncertain.” Because units from different military departments can often provide similar, if not identical, capabilities, the committee believes the Department’s leadership and the Congress need to understand differences in both the speed and cost at which the military departments can provide ready forces to meet combatant commander requirements so they can prioritize resources and minimize risk.

To help inform the committee’s oversight and its consideration of the President’s budget request, the committee directs the Comptroller General of the United States to review the Department of Defense’s readiness. The review should include, but not be limited to:

(1) The current readiness of the military departments and combatant commands, as reported in their December 2013 readiness reports;

(2) A description of the key factors that are affecting the readiness of the military departments and the combatant commands, as well as a description of the steps being taken to address or mitigate the impact of those factors;

(3) An analysis of the extent to which “time” is or has been incorporated as a quantitative or qualitative component of current and past readiness metrics; and

(4) A description of any efforts the military departments, the combatant commands, the Joint Staff, or the Office of the Secretary of Defense have made to modify their readiness metrics or add any additional metrics to better address the question of when units or commands will be ready.

The committee directs the Comptroller General to provide a preliminary briefing on these four elements to the congressional defense committees by February 15, 2015, with a report or reports to follow.

#### OTHER MATTERS

##### Arctic Center of Excellence

The committee notes that the Department of the Navy released its Arctic Roadmap for 2014–2030, which provides near-term, mid-term, and far-term direction to enhance the Navy’s ability to operate in the Arctic region. The committee notes the roadmap includes an implementation plan that provides a timeline and identifies organizations to lead specific actions recommended by the roadmap. One of these actions includes identifying requirements in fiscal year 2015 to establish an Arctic Center of Excellence, as well as developing an Arctic engagement plan focusing on partnerships with international, interagency and private sector stakeholders that enhance security. The committee believes that the establishment of such a center would support the Navy’s focus areas identified in the roadmap. In developing the requirements for such a center, the

committee encourages the Department to consider, among other things, how such a center could support Arctic-related training, operations, maritime domain awareness, scientific research, and technology development. When considering potential locations the Department should consider candidates that can effectively bring together elements from the Department of Defense, Department of Homeland Security, academia, and other public and private stakeholders who can contribute to advancing U.S. interests in the Arctic.

#### Army Combat Shirt Fielding Strategy

The committee notes the Army Combat Shirt (ACS) is a field-tested and Army-authorized combat shirt approved for combat operations. The ACS is worn, in most cases, as the base layer for the Army's interceptor body armor system, and provides soldiers with a highly breathable, moisture wicking clothing option with a flame resistance capability.

The committee commends the Army's efforts to develop and field high performance flame resistant clothing to deploying soldiers through the rapid fielding initiative. The committee also notes that the ACS remains coded for wartime use only. The committee believes the same high performance and flame resistant protection capabilities provided by the ACS in combat operations could also be applied for domestic training and field exercises in the United States.

The committee directs the Secretary of the Army, in consultation with the Chief of Staff of the Army, to provide a briefing to the House Committee on Armed Services by October 1, 2014, on steps being taken to evaluate the ACS and other flame resistant combat uniforms items to describe (a) the near-term policy for authorizing use in appropriate field exercises and training scenarios at unit commander's discretion; and (b) the advisability and feasibility of implementing a long-term fielding plan for incorporating the ACS and other flame resistant combat uniforms as organizational equipment in appropriate units and in sizes and designs specific to female soldiers.

#### Briefing on Invasive Species Management

The committee notes that in the fall of 2013, the coconut rhinoceros beetle, an invasive species to the Hawaiian Islands and Guam, was discovered on the island of Oahu and has been found on Guam since 2007. While it is unknown how the species came to Hawaii or Guam, the committee is aware that a coconut rhinoceros beetle population was identified on Joint Base Pearl Harbor-Hickam, which is in close proximity to Honolulu International Airport. Since discovering the existence of this invasive species on Hawaii, the committee notes that the Department of Agriculture has been leading the effort, jointly with the Department of Defense and appropriate State agencies, to eliminate breeding sites, and monitor and control the spread of the coconut rhinoceros beetle on the island of Oahu.

In addition to the more immediate response, the committee notes that the Department of Defense is already addressing invasive spe-

cies through other mechanisms. Specifically, the Department of the Navy is supporting efforts to develop the Micronesian Biosecurity Plan, jointly with the Department of Agriculture, and the governments of the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. In preparing the plan, the partners evaluated invasive species risks to marine, terrestrial, and freshwater ecosystems, to include the coconut rhinoceros beetle. Additionally, for invasive species management, the committee notes that Joint Base Pearl Harbor-Hickam and Joint Region Marianas maintain an Integrated Natural Resources Management Plan which includes measures to prevent the proliferation of invasive species.

The committee encourages the Department of the Navy to continue its work with the Department of Agriculture, as well as State and local entities, to monitor and contain any further spread of the coconut rhinoceros beetle within Hawaii and Guam. The committee directs the Secretary of the Navy to provide a briefing to the committee not later than September 1, 2014, regarding the status of the coconut rhinoceros beetle on Joint Base Pearl Harbor-Hickam and Joint Region Marianas and steps the Department of the Navy has taken, working with partners, to control, mitigate, or eradicate the species or its habitat.

#### Cold-Weather Protective Clothing

The committee is concerned that the use of end-of-year funding for the acquisition of cold-weather clothing, glove systems, and equipment for training, and for cold-weather combat negatively affect military readiness and the defense industrial base. Accordingly, the committee directs the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House of Representatives, not later than September 30, 2014, a report describing the Department's efforts to provide the Active and Reserve Components with the cold-weather clothing, glove systems, and equipment required for training and deployments. The committee directs the Secretary to include in the report an update on the funding needed to meet Active and Reserve Component requirements for cold-weather clothing, glove systems, and equipment in fiscal years 2015 and 2016. The report should also include an acquisition strategy and spending plan outlining the projected schedule for the obligation of funds to acquire the necessary equipment.

#### Comptroller General Review of Department of Defense's Arctic Capabilities

In its 2012 report on Arctic capabilities, the Government Accountability Office noted that while the Department of Defense has undertaken some efforts to assess the capabilities needed to meet national security objectives in the Arctic, it is unclear whether the Department will be in a position to provide needed capabilities in a timely and efficient manner. Pursuant to the recommendations in that GAO report that the Department of Defense develop a risk-based investment strategy and collaborate with other interagency stakeholders to identify longer term needs, the Department pub-

lished an Arctic Strategy in November 2013. In that strategy, the Department identified a number of investments that will need to be made over time while noting the risk that investments in Arctic capabilities may not compete successfully against other priorities. Therefore, the committee directs the Comptroller General of the United States to provide to the congressional defense committees a review addressing:

(1) The process used by the Department of Defense to identify and develop the capabilities required for the Arctic mission to include identifying the supporting force structure, personnel, training, equipment, and infrastructure;

(2) The extent to which the Department has identified any capability gaps; and developed mitigation plans and timelines to address those gaps;

(3) How the Department of Defense is collaborating with other agencies such as the Coast Guard to identify and address longer-term needs in the Arctic; and

(4) Any additional information the Comptroller General deems appropriate in the context of that review.

The committee directs the Comptroller General to provide a preliminary briefing to the House Armed Services Committee on the review by February 6, 2015 with a report to follow within 90 days.

#### Comptroller General Review of Process for the Disposition of Excess Defense Articles

The Department of Defense is a large provider of surplus personal property and equipment that goes to local governments, fire and police departments, Veterans Service Organizations, hospitals, and many other local entities. The transfer of surplus personal property and equipment to other Federal agencies and local and State governments by the Department provides a significant savings of American taxpayer dollars. As budgetary resources continue to shrink, it is imperative that American tax dollars are well spent and managed and re-utilization within the Department of Defense is maximized. Furthermore, it is important that any surplus personal property and equipment that is being sold through the Department of Defense surplus property sales program is done in accordance with laws relating to the disposition of excess and surplus property. As surplus personal property and equipment become more valuable, the Department of Defense and the Defense Logistics Agency (DLA) should have procedures and protocols to ensure that fair market value for surplus personal property and equipment is being received. If the Department is not receiving fair market value for surplus personal property and equipment being sold, this could be a serious financial loss to the American taxpayer.

To ensure that the taxpayer is getting the greatest financial benefit out of surplus equipment originally purchased with tax dollars, the committee directs the Comptroller General of the United States to review and report to the congressional defense committees on the Department of Defense's and the Defense Logistics Agency's excess and surplus personal property programs, including their programs that provide excess or surplus personal property and equipment to other Federal agencies and to local and State governments and on their programs that sell surplus personal property and

equipment. The review should include, but not be limited to, an examination of:

(1) The methods DLA uses to provide visibility of available excess property and equipment to interested agencies and provide access for physical inspection of the property and equipment;

(2) Instances in which Department of Defense property and equipment that have been declared excess, and that are desirable for use by other Federal agencies and by State or local governments, are transferred to a commercial vendor for sale;

(3) The process DLA uses to code property and equipment for disposition, particularly instances in which property and equipment that have been coded for return to military units are transferred to a commercial vendor for sale; and

(4) The costs that DLA incurs by destroying appropriately coded property and equipment that otherwise could be demilitarized and made available to interested Federal agencies or State and local governments.

(5) Instances where the Department did not receive fair market value for excess or surplus personal property and equipment transferred to a commercial vendor for sale.

The Comptroller General should provide a preliminary briefing to the congressional defense committees by March 15, 2015, with a final report or reports to follow.

#### Office of Net Assessment

The budget request contained \$8.9 million within Operation and Maintenance, Defense-wide, for the Office of the Secretary of Defense for the Office of Net Assessment (ONA).

The committee notes that the Department of Defense continues to decrement the proposed funding for the office. The committee is concerned that this decrement, in conjunction with the Secretary of Defense's plan to realign the office under the Office of the Under Secretary of Defense for Policy, may limit the ability and flexibility of ONA to conduct long-range comparative assessments. The office has a long history of providing alternative analyses and strategies that challenge the "group think" that can often pervade the Department of Defense. The committee believes that the growing array of complex security challenges facing the United States, as highlighted in the 2014 Quadrennial Defense Review, coupled with a constrained budget environment, will only create greater demand for the unconventional thinking and solutions that the Office is capable of providing.

One such challenge is in the area of space deterrence, and elsewhere in this Act, the committee includes a provision that would require the office to conduct a study of potential alternate defense and deterrent strategies in response to the existing and projected counterspace capabilities of the People's Republic of China and the Russian Federation.

The committee therefore recommends \$18.9 million, an increase of \$10.0 million, for fiscal year 2015 for the Office of Net Assessment. This recommended authorization is reflected in a new funding line for the Office of Net Assessment within Operation and Maintenance, Defense-wide, as shown in section 4301 of this Act.

Also, elsewhere in this Act, the committee includes a provision that would codify the Office within chapter 4 of title 10, United States Code, and establish a dedicated program element for budgeting purposes. The committee believes the office must remain an independent organization within the Department reporting directly to the Secretary. However, the committee also recognizes that improvements can be made within the Department to ensure the office's assessments better inform and influence its overall strategy and policy. Therefore, the committee directs the Secretary of Defense to submit to the House Committee on Armed Services, not later than September 5, 2014, a plan for how the Department can better leverage the Office as well as a description of the activities, deliverables, and allocation of funds planned for the Office of Net Assessment for fiscal year 2015.

#### Regional Special Operations Forces Coordination Centers

The budget request contained \$3.6 million for the Concept Development, Study and Planning for Future Regional Special Operations Forces Coordination Centers (RSCC) within Operation and Maintenance, Defense-wide.

The committee notes that this request is unwarranted and ahead of need given the statutory limitation on the establishment of an RSCC or similar entity by U.S. Special Operations Command within a regional geographic combatant commander's (GCC) area of responsibility, in accordance with section 1244 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66). The committee also notes that section 1244 of Public Law 113-66 required that the Secretary of Defense submit a report to certain congressional committees within 180 days after the date of enactment of Public Law 113-66, outlining RSCC requirements and anticipated legislative authorities that may be needed to support such requirements. The committee notes with concern that this report has yet to be delivered. The committee furthermore believes that any RSCC-like initiatives or requirements should be put forth by regional GCCs to ensure such initiatives are linked comprehensively to all regional plans, requirements, and activities. The committee therefore denies the requested amount of \$3.6 million for the Concept Development, Study and Planning for Future Regional Special Operations Forces Coordination Centers and redirects this funding to more direct operational readiness requirements within Operation and Maintenance, Defense-wide, for the Flying Hours Program for U.S. Special Operations Command. Furthermore, the committee encourages the Secretary of Defense to provide the report as mandated in Public Law 113-66.

#### Report on Emerging Technologies for Flame Resistant Uniforms

The military services currently have validated requirements for flame-resistant uniforms for personnel in specific military occupational specialties and for personnel deploying to hostile environments. The committee believes the current flame-resistant requirements are appropriate and not in need of modification. However, the committee is concerned that the military services are not adequately exploring emerging flame-resistant capabilities and tech-

nology that may allow the services to expand protection to additional service members at a reduced cost.

The committee notes that the high material costs associated with flame-resistant uniforms and accessories have historically limited the distribution of such uniforms to military units that are preparing to deploy, are currently deployed, and to those serving in certain military occupational specialties. The committee understands that service members in such units require flame-resistant uniforms because of the high risk of burn injury posed by the contemporary operational environment. While the committee understands that these service members have an increased risk of sustaining a burn injury, the committee believes that other service members in training and domestic operations are also at-risk of sustaining burn-related injuries. The committee is concerned that flame-resistant uniforms are not available to these service members due to the cost-prohibitive nature of the current uniforms.

Therefore, the committee directs the Secretary of Defense to conduct a study on emerging flame-resistant technologies and evaluate whether these technologies can provide cost-effective protection to a wider range of service members. The secretary shall report the findings of the assessment to the congressional defense committees within 180 days after the enactment of this Act.

#### Training, Travel, and Conference Restrictions

The committee commends the Department of Defense for its efforts to reduce unnecessary expenses. However, the committee remains concerned that the Department will exclude strategic locations in its efforts to curtail training, travel, and conference costs. The committee encourages the Department to take appropriate action to reduce costs and recommends the Department not exclude specific geographical areas for training, travel, and conferences, including those critical to our national security strategy or those aligned with the Department's strategic guidance.

#### U.S. Special Operations Command National Capital Region Office

The budget request contained \$5.0 million for the U.S. Special Operations Command National Capital Region (USSOCOM-NCR) office within Operation and Maintenance, Defense-wide.

The committee notes that this funding would have provided for an additional USSOCOM Washington, DC-based coordination office. The committee understands, however, that based on further analysis, USSOCOM has discontinued efforts to develop and implement its concept for the USSOCOM-NCR office, and that the Secretary of Defense has endorsed this decision. The committee further understands that USSOCOM will continue to maintain its USSOCOM Washington office at the Pentagon, and that it will sustain its current support to the interagency and planning process.

Therefore, since the USSOCOM-NCR requirement is no longer valid, the committee denies the requested \$5.0 million for the office and redirects this funding to more direct operational readiness requirements within Operation and Maintenance, Defense-wide, Flying Hours Program for U.S. Special Operations Command.

United States Special Operations Command Preservation of the  
Force and Families Program

The budget request included \$67.0 million within Operation and Maintenance, Defense-wide, to support the U.S. Special Operations Command (USSOCOM) Preservation of the Force and Families (POTFF) program. Of this amount, \$48.3 million supports the Human Performance Program (HPP) within POTFF. The budget request also included \$14.8 million within Operation and Maintenance, Defense-wide, for USSOCOM Behavioral Health and Warrior Care Management Program through the Defense Health Program. The committee recognizes the tremendous sacrifices made by the men and women within the Special Operations Forces (SOF) and their families after more than 12 years of war. The committee has always made the care of all service members and their families its highest priority, including members of SOF. The committee notes with concern, however, that suicide rates for SOF have continued to increase since calendar year 2010, and that for the past 2 years, suicide rates within USSOCOM have surpassed those of the military services.

The committee understands that most suicide prevention programs within USSOCOM have focused on training and awareness, and that USSOCOM is preparing to expand a pilot peer-to-peer training program. The committee also understands and is supportive of the many service-provided suicide prevention programs that USSOCOM has utilized at the component level. While action taken by USSOCOM has been positive, the committee is concerned that targeted suicide prevention programs within the command remain nascent and slow-moving given the troubling suicide statistics across the forces. The committee notes that USSOCOM only recently signed and promulgated a force-wide Suicide Prevention Policy Memorandum dated March 31, 2014, and that, according to USSOCOM, "suicide prevention efforts have been minimal and met as unfunded requirements."

The committee is also concerned that, given these increased rates of suicides across the force, the POTFF program lacks a distinct focus on suicide prevention programs and places too much costly emphasis on the Human Performance Program geared towards improving physical readiness with costly military construction and multi-year service contracts for physical therapists, strength and conditioning specialists, athletic trainers, and sports dieticians. The committee notes that these activities, while related holistically to the well-being and mental health of SOF, will likely do little to immediately address the high number of suicides currently impacting the force. Furthermore, the present POTFF focus on human performance and physical readiness places an over-reliance on contracts that are unsustainable and cost-prohibitive across the Future Years Defense Program, diverting resources otherwise required to immediately address suicides across the force. The committee notes that of the \$67.0 million requested for POTFF, only \$7.2 million was to support the Psychological Performance Program to promote, maintain, and restore the psychological and behavioral health of SOF.

Therefore, of the \$67.0 million within Operation and Maintenance, Defense-wide, to support the USSOCOM Preservation of the Force and Families program, the committee recommends \$25.0 million to support Human Performance Program, a reduction of \$23.3 million, and \$38.1 million to support USSOCOM Behavioral Health and Warrior Care Management Program, an increase of \$23.3 million. In addition, the committee also recommends the full amount of \$7.2 million for the Psychological Performance Program within POTFF. Elsewhere in this Act, the committee includes a provision that would require a comprehensive review and assessment on prevention of suicides among members of U.S. Special Operations Forces.

#### United States Special Operations Command Proposed Sponsorship of U.S. Naval Ship Sumner

The committee is aware that the United States Special Operations Command (USSOCOM) recently requested transfer of sponsorship of the United States Naval Ship (USNS) Sumner (T-AGS 61) from the Military Sealift Command to USSOCOM to support near-term maritime requirements for United States Southern Command. The committee is also aware that USSOCOM has initiated a new-start procurement using current fiscal year 2014 funds to begin modifications to USNS Sumner estimated at \$8.9 million. The budget request for fiscal year 2015 included \$20.3 million in Operation and Maintenance, Defense-wide, to further modify and operate USNS Sumner within the United States Southern Command area of operations.

The committee is concerned that the proposed transfer of sponsorship of USNS Sumner to USSOCOM and proposed command and control relationships are without precedent, and that projected costs for the current fiscal year and across the Future Years Defense Program will far exceed current estimates. Further, the committee has concerns that the requirement is being funded only by USSOCOM Major Force Program-11 (MFP-11) funds which are limited by section 167 of title 10, United States Code, to provide only the incremental funding and acquisition of special operations-peculiar material, supplies, and services. Since the committee understands that this platform will be used to also support the geographic combatant commander theater campaign plans such as counter-narcotics, humanitarian assistance, and security force assistance, the committee believes that MFP-11 funding is an inappropriate source for these costly modifications and operations, and that MFP-11 is being used to supplant activities that should be provided for by the services and the geographic combatant commander.

Therefore, the committee directs the Secretary of Defense to provide a briefing to the congressional defense committees by August 1, 2014, on the proposed transfer of the USNS Sumner from Military Sealift Command to USSOCOM. The briefing at a minimum should outline:

- (1) The validated requirement as defined by the geographic combatant commander;
- (2) Anticipated costs across the Future Years Defense Program and funding sources;

(3) Reason for the use of USNS Sumner, to include a business case analysis discussing efficiencies and cost savings; and

(4) Any other matters the Secretary deems appropriate.

Furthermore, given these concerns, the committee denies the requested amount of \$20.3 million in Operation and Maintenance, Defense-wide, to further modify and operate USNS Sumner and redirects this funding to more direct operational readiness requirements within Operation and Maintenance, Defense-wide, Flying Hours Program for USSOCOM.

#### Waste Disposal Technologies in Contingency Operations

The committee notes that the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84) required the Secretary of Defense to prescribe regulations prohibiting the disposal of covered waste in open-air burn pits during contingency operations, except when no alternative disposal method is feasible. The committee further notes that the Report to Congress on the Use of Open-Air Burn Pits by the United States Armed Forces, submitted on May 12, 2010, pursuant to Public Law 111–84, stated that “The introduction of incinerators, plus other thermal (to include waste-to-energy) and non-thermal waste disposal options, are intended to eventually displace the use of burn pits.” The report concluded, “DoD must continue to explore viable technical solutions for waste reduction and waste disposal in all categories—solid, medical, and hazardous—and then make such solutions available through easily acquired commercial or DoD provided equipment.” To that end, the committee is aware that the final burn pit that was being operated in Islamic Republic of Afghanistan in compliance with Department of Defense and U.S. Central Command policies, as required by Public Law 111–84, was closed in April 2014. Remaining U.S. locations within Afghanistan utilize a combination of landfills, incinerators, and removal of waste by local nationals.

The committee is also aware that the Special Inspector General for Afghanistan Reconstruction (SIGAR) has observed problems associated with incinerators that have been installed in Afghanistan. Such problems include poor construction, planning and design, and coordination between contracts for constructing the incinerators and for operating and maintaining them. The committee understands that the Department of Defense is assessing commercial incinerator and other waste-disposal technologies to determine the feasibility for use at bases of varying size, maturity, and duration. Therefore, the committee directs the Under Secretary of Defense for Acquisition, Technology and Logistics to provide a briefing for the House Committee on Armed Services not later than March 2, 2015, on the lessons learned related to waste-disposal methods in contingency operations and provide an update on the Department’s assessment of waste-disposal technologies, to include those that would provide an efficient, reliable and deployable capability that adheres to electrical and construction standards that ensure life, safety, and health of U.S. personnel.

## LEGISLATIVE PROVISIONS

## SUBTITLE A—AUTHORIZATION OF APPROPRIATIONS

## Section 301—Operation and Maintenance Funding

This section would authorize appropriations for operation and maintenance activities at the levels identified in section 4301 of division D of this Act.

## SUBTITLE B—ENERGY AND ENVIRONMENTAL PROVISIONS

## Section 311—Elimination of Fiscal Year Limitation on Prohibition of Payment of Fines and Penalties from the Environmental Restoration Account, Defense

This section would eliminate a sunset date for the requirement for the Department of Defense to obtain congressional authorization before paying fines and penalties under the requirement set forth in section 2703 of title 10, United States Code. The current requirement for congressional authorization does not apply to funds authorized to be appropriated to the Environmental Restoration Account, Defense after fiscal year 2010. This section would strike any such date limitation.

## Section 312—Biannual Certification by Commanders of the Combatant Commands Relating to the Prohibition on the Disposal of Waste in Open-Air Burn Pits

This section would require the combatant commanders to submit a biannual certification to the Committees on Armed Services of the Senate and the House of Representatives that covered waste under the jurisdiction of the commander has not been disposed of in violation of the regulations set forth in section 317 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84). This section also prescribes additional details required in instances of noncompliance.

## Section 313—Exclusions from Definition of “Chemical Substance” Under Toxic Substances Control Act and Report on Lead Ammunition

This section 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. This section would also require the Secretary of the Army to submit a report to the congressional defense committees not later than September 30, 2015, that would detail the costs for the procurement of small arms alternative lead ammunition and the qualification of non-lead alternatives, and include an assessment of which non-lead variants of ammunition exist.

Section 314—Exemption of Department of Defense from  
Alternative Fuel Procurement Requirement

This section would amend section 526 of the Energy Independence and Security Act of 2007 (Public Law 110–140) to exempt the Department of Defense from the requirements related to contracts for alternative or synthetic fuel in that section.

Section 315—Congressional Notice of Bulk Purchase of Alternative  
Fuels for Operational Use

This section would require the Secretary of Defense to notify the congressional defense committees 60 days before the bulk purchase of alternative fuels intended for operational use.

Section 316—Limitation on Procurement of Biofuels

This section would limit the Department of Defense’s ability to purchase or produce biofuels until the earlier of either the date on which the Budget Control Act of 2011 (Public Law 112–25) is no longer in effect, or the date on which the cost of biofuel is equal to the cost of conventional fuels. This section would provide an exception for biofuel test and certification and research and development.

Section 317—Limitation on Plan, Design, Refurbishing, or  
Construction of Biofuels Refineries

This section 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.

SUBTITLE C—LOGISTICS AND SUSTAINMENT

Section 321—Additional Requirement for Strategic Policy on  
Prepositioning of Materiel and Equipment

This section would amend the strategic policy on prepositioned materiel and equipment required by section 2229(a) of title 10, United States Code, to ensure newly established crisis response elements are considered when developing goals, assessing challenges, and synchronizing requirements.

Section 322—Comptroller General Reports on Department of De-  
fense Prepositioning Strategic Policy and Plan for Prepositioned  
Stocks

This section would modify the reporting requirement in section 321 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66) to run through 2017, 3 years following the initial report due in 2014, for a total of four reports over 4 years.

Section 323—Pilot Program on Provision of Logistic Support for the  
Conveyance of Excess Defense Articles to Allied Forces

This section would create a 2-year pilot program allowing the Secretary of Defense to provide logistics support for the conveyance

of excess defense articles to allied forces participating in bilateral or multilateral training activities with the Armed Forces of the United States. This authority would be subject to funding limitations and would expire on September 30, 2016. The Secretary of Defense would be required to provide a report on the use of the authority to certain congressional committees at the end of any calendar year during which the Secretary carried out the pilot program.

#### SUBTITLE D—REPORTS

##### Section 331—Repeal of Annual Report on Department of Defense Operation and Financial Support for Military Museums

This section would repeal an annual report by the Secretary of Defense on Department of Defense operations and financial support for military museums required by section 489 of title 10, United States Code.

##### Section 332—Report on Enduring Requirements and Activities Currently Funded Through Amounts Authorized to Be Appropriated for Overseas Contingency Operations

This section would require the Secretary of Defense to submit to the congressional defense committees concurrent with the President's budget for fiscal year 2016, pursuant to section 1105 of title 31, United States Code, a one-time assessment of enduring mission requirements, equipping, training, sustainment, and other operation and maintenance-related activities of each military department, combat support agency, and the Department of Defense currently funded through the Overseas Contingency Operations (OCO) budget. The provision also requires associated funding information and a 3-year migration plan to move enduring requirements funding into the base budget.

The committee is concerned about the large portion of enduring activities, training, sustainment, and other military requirements being funded through amounts authorized to be appropriated for OCO. The committee believes the Department of Defense is accepting high levels of risk in continuing to fund non-contingency related activities through the OCO budget and has not fully articulated the scope of enduring OCO-funded activities or a clear path forward in migrating enduring requirement resources to the base budget.

##### Section 333—Army Assessment of the Regionally Aligned Force

This section would require the Secretary of the Army to submit a strategic assessment of the regionally aligned force to the congressional defense committees concurrent with the submission of the President's budget for fiscal year 2016 pursuant to section 1105 of title 31, United States Code.

The committee supports the U.S. Army's regionally aligned force (RAF) concept, but has concerns about the institutionalization of pre-deployment training, incorporation of lessons learned, and the adequate coordination of activities between contractors, Special Operations Forces, Army RAF units, and joint exercise partners. The

committee is also concerned about the complexity of utilizing multiple funding authorities to support RAF activities and impacts associated with the long-term commitment of RAF forces to meet security cooperation requirements. The committee believes better coordination and long-term planning are needed to ensure RAF units maintain high levels of core mission readiness while supporting geographic combatant commander requirements.

The committee notes that while elsewhere in this report, the committee also directs the Comptroller General of the United States to assess the RAF concept, more specifically its employment in the U.S. Africa Command area of responsibility, the committee expects the assessment required by this section to be a separate and distinct forward-looking, internal assessment of the RAF concept, yet inform the Comptroller General's work.

#### Section 334—Report on Impacts of Funding Reductions on Military Readiness

This section would require the Under Secretary of Defense (Comptroller) to report to the congressional defense committees the readiness and cost impacts of the reductions in operation and maintenance funding required in section 4301 of this Act.

#### SUBTITLE E—LIMITATIONS AND EXTENSIONS OF AUTHORITY

#### Section 341—Limitation on Authority to Enter into a Contract for the Sustainment, Maintenance, Repair, or Overhaul of the F117 Engine

This section would prohibit the Secretary of the Air Force from entering into a subsequent contract for the sustainment, maintenance, repair, and overhaul of the F117 engine until the Under Secretary of Defense for Acquisition, Technology and Logistics certifies to the congressional defense committees that the Secretary of the Air Force has structured the contract in such a way that provides the Secretary required insight into all aspects of F117 component and subcomponent historical usage, cost, service-life, and supply chain management data sufficient to determine that the Secretary is paying a fair and reasonable price for F117 sustainment as compared to the PW2000 commercial-derivative sustainment price in the private sector. This section would also allow the Secretary to waive this limitation if the Secretary determines such waiver is in the interests of national security.

#### SUBTITLE F—OTHER MATTERS

#### Section 351—Clarification of Authority Relating to Provision of Installation-Support Services Through Intergovernmental Support Agreements

This section would transfer and redesignate section 2336 of title 10, United States Code, to chapter 159 of such title. This section would also define an intergovernmental support agreement and provide other technical changes.

Section 352—Sense of Congress on Access to Training Ranges  
within United States Pacific Command Area of Responsibility

This section would express the sense of Congress regarding access to training ranges within U.S. Pacific Command's area of responsibility.

Section 353—Management of Conventional Ammunition Inventory

This section would designate an authoritative database on conventional ammunition and broaden the existing military service annual reporting requirements on conventional ammunition.