

U.S. Senate Committee on Armed Services

Carl Levin, Chairman
John McCain, Ranking Member

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SENATE COMMITTEE ON ARMED SERVICES COMPLETES MARKUP OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013

WASHINGTON -- Senator Carl Levin (D-MI), Chairman of the Committee on Armed Services, announced today that the committee has completed its markup of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013. The bill authorizes funding for the Department of Defense (DOD) and the national security programs of the Department of Energy (DOE).

“With unanimous approval of this bill, the Armed Services Committee has continued its bipartisan tradition of strong support for national security, and for our troops and their families,” Levin said. “I want to thank Senator McCain for his support throughout the markup process that helped report out a bill with the unanimous vote of our Members.”

Senator Levin continued, “The committee has approved a bill that maintains a strong, flexible national defense, and also exercises careful stewardship of taxpayer dollars, remaining within the topline of the president’s budget request.”

Ranking Member Senator John McCain (R-AZ) said, “I voted in favor of the Fiscal Year 2013 National Defense Authorization bill approved today by the Senate Armed Services Committee. This bill represents a truly bipartisan effort to support our warfighters and maintain the readiness of the Armed Forces of the United States in difficult budget circumstances.”

MAJOR HIGHLIGHTS

Note: This section describes major provisions contained in the markup agreement. Some items are repeated in the Detailed Description section following these major highlights.

- 1. Improve the quality of life of the men and women of the all-volunteer force (active duty, National Guard and Reserves) and their families, as well as Department of Defense civilian personnel, through fair pay, policies and benefits, and address the needs of the wounded, ill, and injured service members and their families.**

- Authorizes fiscal year 2013 active-duty end strengths for the Army of 552,100; the Navy, 322,700; the Marine Corps, 197,300; and the Air Force, 329,597.
- Authorizes active duty and reserve component end strengths in line with the President's request, with the exception of additional personnel required to meet Air Force force structure changes adopted by the committee.
- Authorizes a 1.7 percent across-the-board pay raise for all members of the uniformed services, consistent with the President's request.
- Establishes the Military Compensation and Retirement Modernization Commission to review elements of military compensation and retirement benefits to ensure the long-term viability of the All-Volunteer Force, enable a high quality of life for military families, and to modernize and achieve sustainability of the compensation and retirement systems, while grandfathering current service members and retirees.
- Does not authorize Department of Defense proposals that would establish enrollment fees for TRICARE Standard and TRICARE for Life and increase TRICARE deductibles and the annual catastrophic cap.
- Does not prohibit the Department from instituting proposed TRICARE pharmacy copayment changes, which do not require legislation.

2. Provide our service men and women with the resources, training, technology, equipment (especially force protection) and authorities they need to succeed in combat, counterinsurgency, and stability operations.

- Authorizes \$1.7 billion to support the ongoing activities of the Joint Improvised Explosive Device Defeat Organization.
- Extends a number of authorities that our military commanders continue to need in Afghanistan, including:
 - Reauthorizing the use of funds to support the reintegration of insurgent fighters back into Afghan society.
 - Provides \$200.0 million for the Commanders' Emergency Response Program (CERP) to enable military commanders to fund small-scale humanitarian projects that help secure the support of the Afghan people.
 - Provides \$350.0 million for the Afghanistan Infrastructure Fund to support infrastructure projects that are high-priority for the civil-military campaign, particularly the electrification of the Kandahar area.
- Ground Soldier System (GSS) Nett Warrior — fully supports the budget request of \$103.3 million for GSS/Nett Warrior procurement.

3. Enhance the capability of the U.S. Armed Forces to support the Afghanistan National Security Forces (ANSF) and Afghan Local Police as the lead responsibility

for security throughout Afghanistan transitions to the ANSF.

- Fully funds the \$5.7 billion requested for the Afghanistan Security Forces Fund to build the capacity of the Afghan Army and Police so those forces can transition to taking the security lead throughout Afghanistan by 2014.
- Provides for using the Afghanistan Security Forces Fund to build the capacity of the Afghan government guard force responsible for replacing private security contractors in protecting development projects and convoys across Afghanistan.
- Calls for an independent assessment of the size and structure of the Afghanistan National Security Forces necessary for those forces to be able to ensure that Afghanistan never again serves as a safe haven for terrorists that threaten Afghanistan, the region, and the world.

4. Address the threats from nuclear weapons and materials by strengthening nonproliferation programs, maintaining a credible nuclear deterrent, reducing the size of the nuclear weapons stockpile, and ensuring the safety, security and reliability of the stockpile, the delivery systems and the nuclear infrastructure.

- Authorizes \$2.5 billion for nuclear non-proliferation at the Department of Energy and \$519 million at the Department of Defense for nuclear, chemical and biological non-proliferation activities, while funding nuclear modernization activities at the Department of Energy at \$7.6 billion.
- Includes language reaffirming that the Committee is committed to honoring the nuclear modernization commitments made under the New START Treaty, and provides funding and authorities to restore key facilities and programs. Provides the Department of Defense a limited transfer authority to the Department of Energy for fulfilling this important commitment.

5. Improve the ability of the armed forces to counter nontraditional threats, focusing on terrorism, cyber warfare, and the proliferation of weapons of mass destruction and their means of delivery.

- Authorizes an increase of \$159.5 million to fulfill the unfunded requirement identified by the Commander of U.S. Special Operations Command for additional High-Definition Intelligence, Surveillance, and Reconnaissance capabilities.
- Authorizes \$9.7 billion for missile defense, the overall level requested in the budget request, including an increase of \$100.0 million for additional Terminal High Altitude Area Defense (THAAD) interceptors.

6. Enhance the capability of the security forces of allied and friendly nations to defeat al Qaeda, its affiliates, and other violent extremist organizations.

- Modifies the Joint Combined Exchange Training authority to support more persistent engagement with foreign partner nation security forces by: 1) stating the purpose of such training is for the benefit of both U.S. and foreign partner security forces and 2)

authorizing unspecified minor military construction, up to \$250,000, for projects that directly support such training. The provision would also require coordination with the Secretary of State, consistent with current practice.

- Extends DOD's authority to train and equip certain security forces in Yemen to counter al Qaeda in the Arabian Peninsula and certain security forces in East Africa to counter al Qaeda affiliates and elements of al Shabaab. \$75.0 million is available to the Department for capacity building efforts in Yemen and East Africa, respectively.
- Provides \$50.0 million to enhance and expand intelligence, surveillance, and reconnaissance support to Operation Observant Compass – DOD's ongoing operation to support central African forces conducting operations against the Lord's Resistance Army.
- Makes permanent the authority of the Secretary of Defense to provide up to \$50.0 million per year to support the North Atlantic Treaty Organization Special Operations Headquarters.

7. Seek to reduce our Nation's strategic risk by taking action aimed at restoring, as soon as possible, the readiness of the military services to conduct the full range of their assigned missions.

- Directs the DOD to review the allocation system for Facilities Sustainment, Restoration, and Modernization funding to ensure parity in the distribution of funds among the military departments and adequate adjustments for unique facility requirements, including joint bases and historical preservation.
- Directs the DOD to examine and quantify the existing deferred depot maintenance backlogs of the services and provide a plan to the congressional defense committees to address any backlogs.
- Directs the DOD to identify critical manufacturing capabilities and capacities that should be government owned and government operated.
- Streamlines the National Defense Stockpile by authorize the President to delegate release authority to the Undersecretary of Defense for Acquisition, Technology, and Logistics.

8. Terminate troubled or unnecessary programs and activities, identify efficiencies, and reduce defense expenditures in light of the Nation's budget deficit problems. Ensure the future capability, viability, and fiscal sustainability of the all-volunteer force.

- Establishes the Military Compensation and Retirement Modernization Commission to review elements of military compensation and retirement benefits to ensure the long-term viability of the All-Volunteer Force, enable a high quality of life for military families, and to modernize and achieve sustainability of the compensation and retirement systems, while grandfathering current service members and retirees.

- Cuts more than \$660.0 million from the President’s budget for military construction and family housing projects.
 - More than \$200.0 million in incrementally funded projects to improve efficiency and prevent waste through more efficient cash flow of large projects.
 - Declines to authorize the requested additional rounds of Base Realignment and Closure (BRAC).
 - Continues the prohibition on military construction on Guam until certain conditions are met.
 - Requires DOD to keep committees apprised of progress on the realignment in the Asia Pacific, urges DOD to expedite required environmental studies, and directs the Government Accountability Office (GAO) to assess cost associated with the recently announced U.S.-Japan joint plan for Okinawa realignment.
 - Recommends a \$200.0 million undistributed reduction in funding for Joint Improvised Explosive Device Defeat Organization (JIEDDO) because of duplication of effort with the military services, excessive contractor support costs, and organizational inefficiencies.
 - Prohibits the obligation or expenditure of fiscal year 2013 funds for the Medium Extended Air Defense System (MEADS).
 - Adds \$20.75 million for the DOD Corrosion Prevention and Control shortfall in funding requirements identified by the Department of Defense. DOD estimates that corrosion in military equipment costs the Services over \$22.0 billion per year; expenditures in this area have yielded an estimated 14:1 return on investment by reducing the bill for repair and replacement of corroded systems and parts.
 - Adds \$59.1 million for the DOD IG, to enable the IG to continue growth designed to provide more effective oversight and help identify waste, fraud, and abuse in DOD programs, especially in the area of procurement. DOD IG reviews resulted in an estimated \$2.6 billion savings in FY11 – a return on investment of \$8.79 for every \$1 spent.
- 9. Emphasize the reduction of dependency on fossil fuels and seek greater energy security and independence, and pursue technological advances in traditional and alternative energy storage, power systems, operational energy tactical advantages, renewable energy production, and more energy efficient ground, air, and naval systems.**
- Requires DOD to issue guidance for financing renewable energy projects.
 - Authorizes \$150.0 million for the Energy Conservation Investment Program.
 - Authorizes \$200.0 million in funding for the Defense Research and Development (R&D) Rapid Innovation Program to aid in technology transition across a broad spectrum of technologies, including those which will improve energy efficiency, enhance energy

security, and reduce the Department's dependence on fossil fuels.

10. Promote aggressive and thorough oversight of the Department's programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations.

- Precludes the Air Force from divesting, retiring or transferring aircraft assigned to the Air National Guard and Air Force Reserve during fiscal year 2013.
- Creates a commission to study the appropriate makeup of the Air Force, considering that the Department of the Air Force draws upon active-duty forces, the Air Force Reserve, and the Air National Guard. The commission would be made up of 8 members with 4 appointed by the President, and 4 appointed by the Chairmen and Ranking Members of the Senate and House Committees on Armed Services. The commission would be required to produce a report not later than March 31, 2013.
- Requires the Secretary of Defense (SECDEF) to submit a detailed report to the Committees on Armed Services of the Senate and the House on the impact on the Department of Defense of the sequestration of funds authorized and appropriated for fiscal year 2013, if sequestration is automatically triggered on January 2, 2013, as required by the Budget Control Act.
- Requires the Secretary of Defense to implement a plan to achieve savings in the DOD civilian employee workforce and service contractor workforce over the next 5 years that are no less than the savings achieved by the 5 percent reduction to military end strengths.
- Codify the 2014 goal for the Department of Defense to achieve an auditable statement of budgetary resources.
- Implements the recommendations of the Commission on Wartime Contracting in Iraq and Afghanistan to provide for better management and oversight of contracting on the battlefield.
- Repeals provisions of last year's National Defense Authorization Act that threatened to upset the delicate balance between the public sector and the private sector in the maintenance and repair of military systems.
- Improves the cost-effectiveness of DOD contracting by strictly limiting the use of cost-type contracts for the production of major weapon systems, lowering the cap on allowable contractor pay to \$237,000, and enhancing protections for contractor employee whistleblowers.
- Requires the Secretary of Defense to conduct a sustainability assessment before initiating certain large-scale capital projects overseas that are for the direct benefit of the host nation.

DETAILED DESCRIPTION BY SUBCOMMITTEE

FUNDING LEVELS

The President's budget request for national defense discretionary programs within the jurisdiction of the Committee on Armed Services for fiscal year 2013 was \$631.6 billion and was in three parts:

- \$525.3 billion for the base budget of the DOD;
- \$88.5 billion for overseas contingency operations (OCO), which funds the war in Afghanistan; and
- \$17.8 billion for national security programs in the DOE and the Defense Nuclear Facilities Safety Board.

The bill authorizes \$631.4 billion for national defense programs. The bill authorizes \$498.0 million more than was requested for the base budget of DOD and \$301.0 million less than was requested for OCO. The bill authorizes \$431.0 million less than the requested level of funding for national security programs of the DOE.

SUBCOMMITTEE ON PERSONNEL

Subcommittee Chairman Jim Webb (D-VA) and Ranking Member Lindsey Graham (R-SC) continued to focus the Subcommittee on Personnel's attention on improving the quality of life of the men and women of the armed forces and their families, as well as Department of Defense civilian personnel, through fair pay, policies, and benefits, including first rate health care, while addressing the needs of wounded, ill, and injured service members and their families. The subcommittee included the following funding and legislative provisions:

Highlights

- Authorizes fiscal year 2013 active-duty end strengths for the Army of 552,100; the Navy, 322,700; the Marine Corps, 197,300; and the Air Force, 329,597.
- Authorizes active duty and reserve component end strengths in line with the President's request, with the exception of additional personnel required to meet Air Force force structure changes adopted by the committee.
- Authorizes a 1.7% across-the-board pay raise for all members of the uniformed services, consistent with the President's request.
- Establishes the Military Compensation and Retirement Modernization Commission to review elements of military compensation and retirement benefits to ensure the long-term viability of the All-Volunteer Force, enable a high quality of life for military families, and to modernize and achieve sustainability of the compensation and retirement systems, while grandfathering current service members and retirees.
- Does not authorize Department of Defense proposals that would establish enrollment fees for TRICARE Standard and TRICARE for Life and increase TRICARE deductibles and the annual catastrophic cap.

- Does not prohibit the Department from instituting proposed TRICARE pharmacy copayment changes, which do not require legislation.

Personnel Subcommittee Summary

End Strength

- Authorizes fiscal year 2013 active-duty end strengths for the Army of 552,100; the Navy, 322,700; the Marine Corps, 197,300; and the Air Force, 329,597.
- Authorizes active duty and reserve component end strengths in line with the President's request, with the exception of additional personnel required to meet Air Force force structure changes adopted by the committee.
- Directs the Secretary of Defense to include with his budget submission in each of fiscal years 2014 through 2017 a statement of estimated unit and individual dwell to deployment ratios for both active and reserve component personnel for that fiscal year based on expected operational demand and requested end strength levels, and to identify Army and Marine Corps military occupational specialties that did not meet service dwell time goals in the previous year.
- Directs the Secretary of Defense to include with the budget submission in each of fiscal years 2014 through 2017 an assessment of whether requested reductions in active-duty end strength are reversible within a year, including through increased use of the reserve components, if demand assumptions prove incorrect and additional active forces are needed during that fiscal year.

Military Personnel Policy

- Clarifies and enhances the role of the Staff Judge Advocate to the Commandant of the Marine Corps.
- Authorizes promotion of certain medical student officers attending the Uniformed Services University of the Health Sciences or participating in the armed forces Health Professions Scholarship and Financial Assistance Program.
- Increases from 30 to 33 years the total active military service a Navy warrant officer may serve before being statutorily retired for length of service.
- Extends until December 31, 2018, the authority to convene selection boards to consider the discharge of regular officers below the grade of lieutenant colonel or commander who have served on active duty for at least 1 year in their current grade, are not on a promotion list, and are not eligible for retirement.
- Authorizes lawful permanent residents to be eligible for appointment as an officer into the National Guard.

- Authorizes members of the Selected Reserve to fulfill a mandatory service obligation incurred by virtue of a fellowship, scholarship, or grant by serving on active duty for a period of at least three times the length of the period of the education or training, or in the Selected Reserve for a period of at least five times the length of the period of the education or training.
- Modifies the Career Intermission Pilot Program to include full-time active guard and reserve members in the eligible population.
- Codifies the Suicide Prevention and Resilience Program for reserve component members.
- Repeals the requirement that at least 50 percent of Reserve Officers' Training Corps cadets and midshipmen qualify for in-state tuition rates.
- Requires a Comptroller General report on whether the Reserve Officers' Training Corps programs of the military services effectively meet current and projected officer requirements.
- Repeals the requirement that the Secretary of Defense publish in the Federal Register every 6 months a list of each institution of higher education that is ineligible for contracts and grants because of that institution's policies or practices relative to the establishment of Reserve Officers' Training Corps programs, retaining the requirement to publish notice of any determination that results in a denial of federal funding.
- Modifies the requirement that the Secretary of Defense develop and implement a plan to establish and support not less than 3,700 Junior Reserve Officers' Training Corps (JROTC) units by September 20, 2020, to a requirement for not less than 3,000, and not more than 3,700, JROTC units.
- Consolidates military department authority to issue arms, tentage, and equipment to educational institutions without Junior Reserve Officer Training Corps units.
- Expands the scope of providers that may conduct pre-administrative separation medical examinations for post-traumatic stress disorder to include licensed clinical social workers and psychiatric nurse practitioners.
- Directs the Secretary of Defense to report by February 1, 2013, on the implementation of recent policy changes made by the Department of Defense relative to the assignment of women in the military, on his assessment of other options to further increase service opportunities by women, on the current practice of the Department in recording and characterizing combat-related service by women, and to provide recommendations for further statutory or regulatory changes to increase career and service opportunities for women in the armed forces.
- Requires the Secretary of Defense to develop and implement a plan to accurately measure the efforts of the Department to achieve the goal of having a sustainable and

dynamic pipeline that yields a diverse officer and enlisted corps for the armed forces reflective of the U.S. population eligible for military service.

- Authorizes the Secretary of the Navy to enter into contracts, cooperative agreements, and leases with the Naval Academy Athletic Association for the purpose of supporting the athletic and physical fitness programs of the Naval Academy.
- Clarifies that primary next of kin, other family members, and escorts of family members of service members who die while located or serving overseas are authorized users of the Fisher House for the Families of the Fallen and Meditation Pavilion at Dover Air Force Base, Delaware.
- Expands certain Department of Defense authorities to accept gifts and services.
- Authorizes the Senior Level Course of the School of Advanced Military Studies of the Army Command and General Staff College to offer Joint Professional Military Education Phase II instruction and credit.
- Authorizes all instructor assignments for joint training and education to be considered joint duty positions.
- Directs the Chairman of the Joint Chiefs of Staff to provide to the Committees on Armed Services of the Senate and House of Representatives an assessment of the Joint Professional Military Education (JPME) institutions' implementation of the Chairman's annual guidance on JPME.
- Authorizes enlisted members of the Army, Navy, and Marine Corps participating or serving as instructors in joint-service medical training and education to participate in associate degree programs of the Community College of the Air Force.
- Requires the Uniform Code of Military Justice Code Committee to provide certain additional information in its annual report.
- Commends the American Bar Association's Military Pro Bono Project, and directs the DOD General Counsel to identify ways to expand DOD support in a budget-neutral manner.
- Directs the Secretary of Defense to request the views and recommendations of the Council of Governors regarding legislative proposals that would prohibit State courts from considering the absence of a service member by reason of deployment, or the possibility of deployment, in determining the best interests of the child in cases involving child custody.
- Requires the Secretary of Defense to make certain modifications to the Department of Defense comprehensive policy on sexual assault prevention and response to incorporate the legislative proposals of the Department.
- Directs the Secretary of Defense to provide the Committees on Armed Services of the Senate and House of Representatives a report on the Department of Defense Inspector

General's implementation of Government Accountability Office recommendations to enhance oversight of sexual assault investigations.

- Authorizes the service secretaries, upon the request of a service member, to retain on active duty or return to active duty a reserve component member who claims to be a victim of sexual assault while on active duty in order to complete a line of duty determination.
- Requires the service secretaries, in consultation with their service chiefs, to submit a report to Congress on hazing in the military services.
- Requires the Deputy Assistant Secretary of Defense for Prisoner of War/Missing Personnel Affairs to conduct periodic briefings for families of missing persons on Department activities to account for those persons.
- Authorizes \$25.0 million in supplemental impact aid to local educational agencies with military dependent children and \$5.0 million in impact aid for schools with military dependent children with severe disabilities.
- Authorizes enrollment in Department of Defense elementary and secondary schools (DDESS) of dependents who have left a school overseas pursuant to an authorized departure or evacuation order, and whose safe haven location is within commuting distance of a DDESS school.
- Requires the Secretary of Defense, in coordination with the service secretaries, to submit to Congress a report on the advisability of modifying the criteria for the award of the Purple Heart to military personnel, and the Defense Medal of Freedom to civilian personnel, who are killed or wounded in a terrorist attack within the United States inspired by ideological, political, or religious beliefs that give rise to terrorism.
- Requires the service secretaries to submit to Congress quarterly reports in 2013 and 2014 on members of the regular components who were involuntarily separated from active duty.
- Encourages the Department of Defense to identify and develop methods to assess the inventory of talents and abilities of departing service members to match them with viable post-service career opportunities.
- Encourages the Department of Defense to evaluate the requirement for and sufficiency of graduate programs for military and civilian personnel in engineering, applied sciences, and management.
- Directs the Secretary of Defense to report on issues that exist in prosecuting synthetic drug offenses and whether synthetic drug compounds should be listed as controlled substances in the Uniform Code of Military Justice.
- Recognizes the contributions of military working dogs.

- Requires the Secretary of Defense to develop a plan to accurately measure the efforts of the Department to increase diversity in the armed forces.
- Directs the Secretary of Defense to establish standards on the use of social media.
- Requires the Secretary of Defense to submit a report on a plan to improve the completeness and accuracy of the data in the Defense Enrollment Eligibility Reporting System.
- Amends the formula utilized to calculate impact aid payments in order to alleviate delays in local educational agencies receiving impact aid funds.
- Expresses a sense of the Senate that instructor assignments at the service academies should be considered as joint duty assignments.
- Directs the Secretary of Defense to report on recruiting young people with computer skills for military service in career fields specializing in cyber warfare.
- Authorizes veterans to participate in the Transition Assistance Program for 1 year after discharge.
- Requires the Secretary of Defense to report on the practicability and advisability of extending additional rights to victims involved in cases tried by courts-martial pursuant to the federal Crime Victim's Rights Act.
- Recognizes the value of special courses at the Army's Military Police School at Fort Leonard Wood and other Army sexual assault training programs and encourage other services to adopt these best practices.
- Authorizes the Secretary of Defense to establish and maintain a National Language Service Corps.
- Expresses the sense of Congress regarding support for a Yellow Ribbon Day.

Military Pay and Compensation

- Authorizes \$135.1 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
- Authorizes a 1.7 percent across-the-board pay raise for all members of the uniformed services, consistent with the President's request.
- Reauthorizes over 30 types of bonuses and special pays aimed at encouraging enlistment, reenlistment, and continued service by active-duty and reserve component military personnel.
- Establishes the Military Compensation and Retirement Modernization Commission to review elements of military compensation and retirement benefits to ensure the long-

term viability of the All-Volunteer Force, enable a high quality of life for military families, and to modernize and achieve sustainability of the compensation and retirement systems, while grandfathering current service members and retirees.

- Clarifies that the basic allowance for housing for full-time National Guard members shall be based on their duty location and may not be modified upon the transition of a member between active duty and full-time National Guard duty, so long as the transition occurs without a break in active service.
- Authorizes the payment of travel and transportation allowances for certain members of the Selected Reserve, their dependents, and household effects when the member is involuntarily separated due to force structure reductions between October 1, 2012, and December 31, 2018, and fills a critical vacancy in another unit of the Selected Reserve that is at least 150 miles from the member's residence.
- Amends the authority to pay transitional compensation to victims of dependent abuse to include children who were carried during pregnancy at the time of a dependent abuse offense within the program and to clarify that spouses and dependents who are not residing with the service member at the time of such abuse offenses are eligible for the compensation.
- Increases the maximum annual amount of the officer affiliation bonus for officers in the Selected Reserve from \$10,000 to \$20,000.
- Increases the maximum amount of the incentive bonus to convert military occupational specialty to ease personnel shortages from \$2,000 to \$4,000 for reserve component members.
- Repeals the automatic enrollment of service members as a dependent under the Family Servicemembers' Group Life Insurance program when they are insured on their own behalf under the Servicemembers' Group Life Insurance program.
- Clarifies that military retirees who have elected to participate in the Survivor Benefit Plan (SBP) and who subsequently elect to waive their military retired pay in favor of a survivor annuity under the Federal Employees Retirement System do not have to continue paying premiums under SBP.
- Strengthens protections on extension of certain consumer credit for members of the armed forces by requiring the Secretary of Defense to include vehicle title and payday loans, regardless of duration and whether they are open or closed end, within the definition of "consumer credit" under the statute, by requiring the Secretary to consult with federal regulators at least once every 2 years, and by providing a private right of action under the statute.
- Codifies the authority of the Secretary of Defense to establish a program to provide transportation to active and reserve component members, retirees, and dependents on Department of Defense aircraft on a space-available basis beginning January 1, 2014 or such earlier date as the Secretary determines pursuant to regulation.

Health Care

- Authorizes \$32.9 billion for the Defense Health Program.
- Does not authorize Department of Defense proposals that would establish enrollment fees for TRICARE Standard and TRICARE for Life, and increase TRICARE deductibles and the annual catastrophic cap.
- Does not prohibit the Department from instituting proposed TRICARE pharmacy copayment changes, which do not require legislation.
- Authorizes TRICARE Standard coverage for up to 180 days for members of the Selected Reserve who are involuntarily separated without cause under other than adverse conditions.
- Modifies the requirements concerning mental health assessments for members of the armed forces deploying in support of a contingency operation.
- Authorizes the Department of Defense to place select over-the-counter drugs on the uniform formulary, to make such drugs available to eligible beneficiaries, and to establish a copayment for these drugs.
- Clarifies that subcontractors providing health care under personal services contracts are covered for medical malpractice purposes under the Federal Tort Claims Act in the same manner as government employees providing the same services.
- Requires the Secretary of Defense, in consultation with the service secretaries, to report to Congress on the adequacy and effectiveness of the policies, procedures, and systems of the Department in providing support to service members who experience traumatic injury as a result of a vaccination required by the Department.
- Directs the Comptroller General to conduct a comprehensive review of the Department's private sector care contracts.
- Amends an existing annual reporting requirement on evaluation of the TRICARE program to include reporting on access, cost, and quality for military dependent children and military dependents with disabilities and special needs.
- Requires the Secretary of Defense to report to Congress on the implementation of recommended improvements to hearing loss programs.
- Requires the Secretary of Defense to report on plans to streamline DOD programs that address psychological health and traumatic brain injury.
- Encourages the Secretary of Defense to continue to work toward increased efficiencies to reduce health care cost growth.
- Requires service secretaries to report on performance data on warriors in transition programs.

- Directs the Secretary of Defense to report on prostheses and prosthetic sockets for military amputees.
- Authorizes DOD to pay for abortions in cases of rape or incest.
- Authorizes DOD to provide fertility preservation treatments for service members who have been diagnosed with a condition where the recommended course of treatment could cause infertility.
- Directs the Secretary of Defense, in conjunction with the Director of the Office of Personnel Management, to report on a comparison of compensation and classification authorities available to and exercised by the DOD and the Department of Veterans Affairs for certain health care occupations.
- Expresses the committee's belief that any delegation of authority by the Secretary of Defense with regard to entering into cooperative health care agreements with local entities should be exercised with appropriate oversight.
- Directs the Secretary of Defense to conduct a comprehensive review of medication therapy management.
- Authorizes the Secretary of Defense to carry out a research program with community partners to enhance DOD efforts in research, treatment, education, and outreach on mental health, substance use disorders, and traumatic brain injury in Guard and reserve members, their families, and their caregivers.

Civilian Personnel

- Extends for 1 year temporary discretionary authority for federal agencies to grant allowances, benefits, and gratuities comparable to those provided to members of the Foreign Service to an agency's civilian employees on official duty in a combat zone.
- Authorizes the transport at government expense of family household pets of government employees during evacuations from permanent stations in foreign locations.
- Directs the Under Secretary of Defense for Personnel and Readiness to review the requirements for the strategic workforce plan and the process used to develop and implement the plan and to identify steps, including any recommended legislative changes, that may be needed to streamline the planning process, enhance the utility of the plan, and ensure that it is implemented by the military departments and defense agencies in an operationally effective manner.
- Codifies and expands authority for non-competitive hiring in the civilian workforce of certain military spouses.
- Increases the number of personnel at the Defense Advanced Research Projects Agency that can be hired with certain flexible hiring authorities.

Armed Forces Retirement Home

- Authorizes \$67.6 million to be appropriated for the Armed Forces Retirement Home.

SUBCOMMITTEE ON AIRLAND

Under the leadership of Chairman Joseph Lieberman (I-CT) and Ranking Member Scott Brown (R-MA), the Subcommittee on Airland followed Chairman Levin's full committee markup guidelines, in particular to provide what is needed to succeed in combat and stability operations, to restore the readiness of Army ground forces, and Air Force and Navy tactical air systems, to enhance the capability of the armed forces to conduct operations across the spectrum of peace and conflict, and to improve efficiency of programs and apply the savings toward high-priority programs. Specifically, the subcommittee included the following budget recommendations and legislative provisions:

National Guard & Reserves

The committee adopted language that would establish a National Commission on the Structure of the Air Force. The committee was unhappy with the lack of analysis and justification for the Air Force's proposals letting force structure reductions fall more heavily on the Air National Guard.

The Commission would consist of eight members, four appointed by the President (one of whom would be the Chairman of the Reserve Forces Policy Board) and four appointed by leadership of the Committees on Armed Services of the Senate and the House of Representatives.

The Commission would be required to report to the Congress by March 31, 2013, in time to inform congressional action on the fiscal year 2014 budget request.

The Commission would be required to base their recommendations on objective criteria and give particular consideration to identifying a structure that—

- (A) meets current and anticipated requirements of the combatant commands;
- (B) achieves an appropriate balance between the regular and reserve components of the Air Force, taking advantage of the unique strengths and capabilities of each;
- (C) ensures that the reserve components of the Air Force have the capacity needed to support current and anticipated homeland defense and disaster assistance missions in the United States;
- (D) provides for sufficient numbers of regular members of the Air Force to provide a base of trained personnel from which the personnel of the reserve components of the Air Force could be recruited;
- (E) maintains a peacetime rotation force to avoid exceeding operational tempo goals of 1:2 for regular members of the Air Forces and 1:5 for members of the reserve components of the Air Force; and
- (F) maximizes achievable costs savings.

In the meantime, during fiscal year 2013, the Air Force would be precluded from divesting, retiring or transferring aircraft assigned to the Air National Guard and Air Force Reserve.

The Secretary of the Air Force would also be “strongly encouraged” to suspend other, non-aircraft force structure adjustments while we wait on the Commission recommendations.

The Committee added \$1.4 billion to cover costs of these restorations, in order to avoid creating a hollow Air Force resulting from a restoration of Air Force personnel and aircraft without sufficient money in the Air Force budget to pay the additional personnel and aircraft.

For the longer term, and to cover other potential situations beyond the current Air Force proposal, the committee also included language requiring the Government Accountability Office (GAO) to submit a report including objective criteria to be used by the DOD to make decisions relating to realignments of units employed at military installations that are not covered by the requirements of the Base Realignment and Closure (BRAC) legislation. GAO would be required to submit that report also on March 31, 2013.

Army

- Authorizes a 5-year multiyear procurement contract for the Army CH-47 Chinook helicopter beginning in FY 2013. The Army projects that a multiyear procurement contract will save 10 percent of cost compared to annual contracts. The committee also recommends fully supporting the budget request of \$1.4 billion for CH-47 Chinook procurement.
- Ground Combat Vehicle (GCV) — fully supports the budget request of \$639.9 million for the GCV development.
- Paladin Integrated Management program — fully supports the budget request of \$373.9 million (research and procurement) for continued development and prototyping of the next generation Paladin self-propelled artillery system.
- Stryker – fully supports the budget request of \$318.0 million to procure 58 Stryker vehicles specially designed and built for the detection of nuclear, chemical, and biological agents.
- UH-60 Black Hawk – fully supports the budget request of \$1.3 billion for UH-60 Blackhawk procurement. There are no funds requested or recommended in the Overseas Contingency Operations account for UH-60 Black Hawk helicopters. Authority for Multiyear Procurement (fiscal year 2012-2016) was provided in the FY2012 NDAA.
- UH-72A Light Utility Helicopter (LUH) – fully supports the budget request of \$272.0 million for LUH procurement. Army production and purchase of LUH helicopters ends in fiscal year 2015.
- AH-64 Apache Block III – fully supports base budget request of \$984.9 million for remanufactured and new production Apache Block III attack helicopters. Also recommends cutting \$71.0 million in the Overseas Contingency Operations account for two new build aircraft war loss replacements. Procurement of two aircraft that will not

go on contract until fiscal year 2014 or deliver until fiscal year 2015, or later, is not a legitimate war loss replacement. Congress denied a similar request last year for one aircraft in the Overseas Contingency Operations account.

- M1 Abrams tank upgrade program – adds \$91.0 million only for advanced procurement of long-lead materials for 33 additional tanks that would set the conditions to sustain tank production, if necessary, through all of fiscal year 2014. Potential foreign military tank sales and upgrades appear likely to mitigate a potential gap in fiscal year 2014 and fiscal year 2015 tank production at the Army’s tank plant in Ohio. Additional funds allows the Army to acquire long-lead materials to upgrade 33 tanks, in addition to the 25 tanks already programmed, and set the conditions to preserve minimum industrial capability, if necessary, through all of fiscal year 2014.
- M88A2 Advanced Recovery Vehicle - adds \$123.0 million for 35 additional M88A2 advanced recovery vehicles to mitigate the risk of the suspension of armored vehicle production through fiscal year 2013.

Joint Tactical Radio System (JTRS) – authorizes the budget request of \$482.2 million in procurement and \$116.0 million for research, development, test, and evaluation (RDT&E) for the JTRS rifleman and manpack radios, but prohibits the obligation of any funds for full rate production of these radios until the Department certifies that there is an approved acquisition strategy that promotes full and open competition.

- Ground Soldier System (GSS) Nett Warrior — fully supports the budget request of \$103.3 million for GSS/Nett Warrior procurement.

Air Force and Naval Aviation

- F-18 – Adds \$60.0 million to the request for advance procurement for holding open the option of buying more aircraft in fiscal year 2014. The budget request included \$3.1 billion to purchase 26 F/A-18E/F aircraft and 12 EA-18G aircraft.
- Joint Strike Fighter (JSF) – fully supports the budget request for procurement of Navy (\$3.2 billion) and Air Force (\$3.7 billion) JSF aircraft.
- F-15 and F-22 modifications – fully supports the budget request for modifications of F-15 (\$148.4 million) and F-22 (\$283.9 million) fighter aircraft.
- C-130J – fully supports the budget request of \$527.1 million for C/HC/MC-130J cargo aircraft.
- C-130 modifications – cuts \$207.2 million in prior year funds from procurement and \$6.5 million from prior year R&D funds due to C-130 Avionics Modernization Program program termination.
- HH-60M – fully supports the budget request of \$60.6 million for HH-60M helicopters.

- Common vertical lift support platform – cuts \$52.8 million from prior years to reflect program termination.
- Light attack armed reconnaissance aircraft (LAAR) – cuts \$115.0 million from prior years due to termination of the LAAR aircraft program.
- Light mobility aircraft– cuts \$65.3 million from prior years due to program termination.
- KC-46A tanker – cuts \$87.1 million of \$1,815.6 million requested to continue development of the KC-46A, the next-generation aerial refueling aircraft. The program office received fiscal year 2010 and fiscal year 2011 Tanker Replacement Transfer Fund funds in fiscal year 2011 that provided \$135.0 million more RDT&E funding than the Air Force believed it needed during that period. The Department of the Air Force applied \$47.9 million of the \$135.0 million to small business innovation research activities, leaving \$87.1 million of the \$135.0 million in excess fiscal year 2011 funding available to cover fiscal year 2012 activities.
- E-8 Joint Surveillance/Target Attack Radar System – increases the modification budget by \$12.0 million to restart the production line for the re-engining program. Re-engining the E-8 would lead to improvements in mission capability and safety of flight margins. If, as indicated by the Air Force, re-engining would actually pay back the investment costs in savings in operating and support costs, it would make economic sense as well.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

The Subcommittee on Emerging Threats and Capabilities, under the leadership of Chairman Kay Hagan (D-NC) and Ranking Member Rob Portman (R-OH), focused on improving DOD capabilities to protect the Nation against emerging threats, including terrorism and the proliferation of weapons of mass destruction, and helping to transform U.S. forces to meet future threats. The subcommittee authorized increased investments in cutting-edge science and technology programs, and for unfunded requirements identified by special operations forces, and recommended improvements in programs to combat terrorism and violent extremism. Specifically, the subcommittee included the following funding and legislative provisions:

Special Operations

- Authorizes \$10.5 billion for U.S. Special Operations Command (USSOCOM).
- Authorizes an increase of \$159.5 million to fulfill the unfunded requirement identified by the Commander of USSOCOM for additional High-Definition Intelligence, Surveillance, and Reconnaissance capabilities.
- Requires the Secretary of Defense, as part of the fiscal year 2014 budget request, to provide a plan for transitioning appropriate funds from the overseas contingency operations budget to the base budget to preserve enduring special operations capabilities.
- Requires a report and quarterly updates on the Shallow Water Combat Submersible program due to cost and schedule overruns associated with the program.

Nonproliferation and Threat Reduction Programs

- Authorizes funding for U.S. scientists to work with scientists in countries of proliferation concern, to gain transparency and insight in these countries as well as to share best practices on non-proliferation. Requires a review of funding, threat assessments of countries of concern, and metrics to measure success and to ensure that programs close down in such countries when their work is complete.
- Extends by 2 years the date by which the Mixed Oxide Fuel Facility at the Savannah River Nuclear Site in South Carolina must be achieving target levels of plutonium disposition.
- Authorizes \$519.0 million for the DOD Cooperative Threat Reduction Program and \$2.5 billion for DOE nonproliferation programs, the amount requested in the budget.

Assistance and Training

- Extends DOD's authority for 2 fiscal years to train and equip certain security forces in Yemen to counter al Qaeda in the Arabian Peninsula and certain security forces in East Africa to counter al Qaeda affiliates and elements of al Shabaab. \$75.0 million is available to the Department for capacity building efforts in Yemen and East Africa, respectively.
- Authorizes the "Section 1206" Global Train and Equip program for 1 additional year.
- Modifies the Joint Combined Exchange Training authority to support more persistent engagement with foreign partner nation security forces by: 1) stating the purpose of such training is for the benefit of both U.S. and foreign partner security forces, and 2) authorizing unspecified minor military construction, up to \$250,000, for projects that directly support such training. The provision would also require coordination with the Secretary of State, consistent with current practice.
- Encourages the Department to make better use of existing authorities – including the Global Security Contingency Fund, "section 1206" global train and equip authority, and DOD counternarcotics authorities – to support persistent and enduring security force assistance activities by special operations forces with foreign partner nation security forces.
- Requires the Defense Policy Board (DPB) to review DOD's efforts to build the capacity of and partner with foreign security forces. Also requires the Secretary of Defense, in coordination with the Chairman of the Joint Chiefs of Staff, to report to Congress on the DOD's strategic guidance, taking into account the DPB findings, for the Department's partnering and capacity-building efforts in support of national defense and security strategies.
- Requires a report by the Government Accountability Office on the Department's plan for building and sustaining security force assistance within the general purpose and special operations forces.

- Makes permanent the authority of the Secretary of Defense to provide up to \$50.0 million per year to support the North Atlantic Treaty Organization Special Operations Headquarters.
- Fences 50 percent of the fiscal year 2013 funds authorized for the State Partnership Program until an Anti-Deficiency Act investigation is completed and the Secretary of Defense makes any necessary modification to the program as a result of the findings of the investigation.

Improvised Explosive Device Defeat

- Authorizes \$1.7 billion to support the ongoing activities of the JIEDDO.
- Recommends a \$200.0 million undistributed reduction in funding for JIEDDO because of duplication of effort with the military services, excessive contractor support costs, and organizational inefficiencies.
- Authorizes the Secretary of Defense to support efforts in Pakistan to counter the flow of improvised explosive device chemical precursors.
- Requires a report on any duplication of efforts on counter-improvised explosive device (IED) and other activities between the Joint IED Defeat Organization, U.S. Special Operations Command, and the Combatting Terrorism Technology Support (CTTS) and Special Operations/Low Intensity Conflict Advanced Development programs. Reduces CTTS funding by \$11.0 million due to duplicative counter-IED efforts.

Research, Development, Test, & Evaluation (including Science & Technology)

- Provides \$200.0 million in funding for the Defense R&D Rapid Innovation Program, a competitive, merit-based program designed to fund innovative technologies, reduce acquisition or life cycle costs, address technical risks, improve the timeliness of test and evaluation outcomes, and rapidly insert technologies needed to meet critical national security needs. Recommended focus areas include:
 - Enhancing energy security and independence;
 - Developing, utilizing, and maintaining advanced materials;
 - Improving manufacturing technologies and capabilities;
 - Advancing microelectronics; and
 - Developing cybersecurity tools.
- Expresses the sense of Congress that: 1) the DOD should make every reasonable and practical effort to increase the number of U.S. citizens who pursue advanced degrees in science, technology, engineering, and mathematics; and 2) DOD should investigate innovative mechanisms to access the pool of talent of non-U.S. citizens with advanced scientific and technical degrees from U.S. institutions of higher learning.

- Establishes an Advanced Rotorcraft Initiative and directs DOD to develop a strategy on the use of integrated platform design teams and agile prototyping approaches for the development of advanced rotorcraft capabilities.
- Directs the DOD Chief Information Officer to conduct a Department-wide inventory of software licenses and determine license utilization rates and current and future license needs in order to avoid unnecessary duplication and inefficiencies.
- Prohibits DOD from spending any funds on the Next Generation Foundry of the Defense Microelectronics Activity until DOD develops and delivers to Congress a microelectronics strategy.
- Requires the Department to assess its testing infrastructure and workforce requirements to support hypersonics RDT&E.
- Calls for the Department to determine which entity will have oversight of cyber test and evaluation range infrastructure, funding, and personnel.
- Provides guidance to the DOD to improve the performance or clarify the objectives of efforts in areas such as defense microelectronics, advanced manufacturing, anti-corrosion coatings, advanced aircraft engines, robotics, and applied mathematics and computational sciences.

DOD Counternarcotics Program

- Renews two longstanding counternarcotics train and equip programs, including:
 - Authority for a joint task force conducting counternarcotics training and assistance to a foreign government to also provide counterterrorism training and assistance; and
 - Authority to provide support to the Colombia unified counterterrorism and counternarcotics program.
- Authorizes approximately \$1.5 billion for the DOD counternarcotics program across the base budget and Overseas Contingency Operations budget.

Chemical and Biological Matters

- Authorizes \$1.4 billion for the Chemical and Biological Defense Program, the amount requested in the budget.
- Authorizes \$1.5 billion for chemical demilitarization programs, the amount requested in the budget.
- Authorizes DOD to consider the use of supplemental technologies for chemical demilitarization at the Pueblo, Colorado and Blue Grass, Kentucky facilities, to permit safe destruction of problematic munitions.

SUBCOMMITTEE ON STRATEGIC FORCES

Under the leadership of the Chairman Ben Nelson (D-NE), and Ranking Member Jeff Sessions (R-AL), the Subcommittee on Strategic Forces reviewed DOD programs for national security space, strategic forces, ballistic missile defenses, intelligence, security, and reconnaissance, and cyber security, as well as DOE nuclear and environmental management programs. Specifically, the subcommittee included the following funding and legislative provisions:

Ballistic Missile Defense

- Expresses the sense of Congress regarding the policies and programs of the Department of Defense for homeland missile defense, including improvements to the Ground-based Midcourse Defense system and to the homeland defense hedging posture. Requires a report on the status of efforts to improve the U.S. homeland missile defense capability.
- Expresses the sense of Congress regarding the policies and programs of the Department of Defense for regional missile defense and requires a report on the status and progress of regional missile defense programs, including the European Phased Adaptive Approach and other U.S. regional efforts.
- Expresses the sense of Congress regarding efforts of the United States to pursue missile defense cooperation with Russia that would enhance the security of the United States, its NATO allies, and Russia, particularly against missile threats from Iran.
- Authorizes \$210.0 million of fiscal year 2013 funding to provide to the Government of Israel to procure additional “Iron Dome” short-range rocket defense systems.
- Prohibits the obligation or expenditure of fiscal year 2013 funds for the MEADS, and authorizes no funds for MEADS, a reduction of \$400.9 million.
- Authorizes the requested overall level of \$9.7 billion for missile defense, including \$8.2 billion for the Missile Defense Agency (MDA) and \$1.5 billion for Army and related missile defense programs.
- Authorizes an increase of \$100.0 million for procurement of additional Terminal High Altitude Area Defense (THAAD) interceptors. This would bring the fiscal year funding for THAAD interceptor procurement to \$560.7 million.
- Authorizes an increase of \$100.0 million to accelerate and enhance joint U.S.-Israeli cooperative missile defense programs, including \$20.0 million for improving the Arrow Weapon System; \$20.0 million for development of the Arrow-3 upper-tier interceptor; and \$60.0 million for development of the “David’s Sling” short-range missile defense system.

Strategic Systems

- Includes a provision that requires the Nuclear Weapons Council to report to Congress on the definition of a common W88 / W78 warhead that will be used for phase 6.1 and 6.2A studies.
- Ensures that before any major satellite acquisition program is undertaken schedules are developed that integrate the satellite and its ground systems.
- Strikes redundant report on global positioning systems already accomplished in other interagency documents.
- Requires the Director of the Congressional Budget Office (CBO) to estimate over a 10 year window the costs at the Department of Energy and the DOD on maintaining and modernizing nuclear warheads and their delivery systems.
- Requires the Nuclear Weapons Council (NWC) to oversee the Nuclear Command, Control and Communications System, certify the budget of the National Nuclear Security Administration (NNSA) to meet stockpile and stockpile stewardship requirements and report to Congress whenever an authorization or appropriation bill reported out of Committee falls below the President's budget request level on any significant impacts.
- Requires the NWC to determine the feasibility of further consolidations to the NNSA complex and, if feasible, requires in its report a proposed process. The provision requires the report to be submitted before construction begins on the Uranium Processing Building and Chemistry and Metallurgy Research building (phase CD-3).
- Requires the Department of Defense to reconsider its decision to restructure the B-52 Combat Communications System and report back to the congressional defense committee within 180 days after enactment on options to keep the original implementation plan intact.

Space Programs

- Moves the Operationally Responsive Space (ORS) Office from reporting to the Executive Agent for Space to the Commander of Air Force Space and Missile Center; requires the Office to be geographically separate from the headquarters Space and Missile Center; has the Program Element Officer for Space as the acquisition executive for ORS; establishes an Executive Committee of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)), Commander U.S. Strategic Command (STRATCOM), Commander AF Space Command and the Executive Agent for Space and authorizes a transfer up to \$60.0 million in FY 2012 funds (subject to appropriation acts) from the Weather Satellite Follow on program for the ORS Office to build a low cost high technology readiness level weather satellite.
- Authorizes private entities using DOD ranges or launch facilities to contribute up-keep and maintenance of the ranges and facilities.
- Authorizes the Air Force to procure block buys of satellites 5 and 6 over 6 years, including advanced procurement of \$3.9 billion.

- Ensures the Department of Defense is represented adequately at all dispute resolution forums for spectrum that it must relocate from.
- Restores \$10.0 million proposed by the DOD to be taken from the ORS program, adds \$35.0 million to restore funding at \$45.0 million to continue working with the combatant commands (COCOM)s, and U.S. Pacific Command (PACOM) in particular, on low cost responsive satellites similar to ORS-1.
- Increases the funding by \$35.0 million to \$45.0 million for the Space Test Program, to the level of effort in past years to continue providing access to space for innovative new satellites.

Cyber Security

- Includes a provision requiring the consolidation of DOD networks to improve security and management, and to free up personnel for re-assignment to Cyber Command's offensive missions, which are understaffed.
- Includes a provision requiring DOD officials to improve security, quality, and competition in the acquisition of software.
- Includes a provision requiring DOD officials to develop a strategy to acquire next-generation host-based cybersecurity tools and capabilities.

Intelligence

- Global Hawk – upholds the termination of the Global Hawk Block 30 unmanned aerial vehicles. Recovers large unexpended balances in the Air Force that were appropriated for the terminated portion of the program (\$545.0 million) in fiscal year 2011 and fiscal year 2012. These funds were authorized to pay for priorities in the fiscal year 2013 budget.
- Commercial Electro-Optical Imagery – includes a provision to restore \$125.0 million in Operation and Maintenance (O&M) funding to buy commercial imagery at fiscal year 2012 levels, and to mandate a studies by the Joint Staff and CBO on the requirements for, and the role of, commercial imagery.
- Provides \$50.0 million to enhance and expand intelligence, surveillance, and reconnaissance support to Operation Observant Compass – DOD's ongoing operation to support central African forces conducting operations against the Lord's Resistance Army.
- Includes a provision to promote greater interagency collaboration on integrating unmanned aerial vehicles into the National Airspace System.
- Includes a provision that would constrain growth in human intelligence personnel, require an independent cost estimate of the Defense Clandestine Service, and require a report on human intelligence management improvements.

- Includes a provision requiring the leadership of the Air Force to correct adverse trends in the promotion and education rates of unmanned aerial vehicle pilots.
- Establishes a requirement for competition in the development, maintenance, upgrade, and new procurement of data links employed across the Department.

Department of Energy Programs

- Restores to fiscal year 2013, the proposed deferral by “at least 5 years” of the Chemistry and Materials Research Replacement (CMRR-NF) building, requiring the NNSA to use \$150.0 million from funds authorized and appropriated for fiscal year 2013, requires the facility to be operational by the end of 2024.
- Puts Legislative cost caps on the CMRR-NF building at \$3.7 billion and the first phase of the Uranium Processing Facility project for building 9212 at \$4.2 billion.
- Repeals an annual workforce restructuring report, the DOE has not requested funds associated with this report since 2007.
- Includes a provision that, under existing hiring caps, gives the Administrator of the NNSA an increase in the number of hires from 300 to 700 akin to authorities used by the Nuclear Regulatory Commission for contracting, scientific, engineering and technical personnel.
- Requires the Secretary of Energy to submit to the congressional defense committees a report on actions required to transition, to the maximum extent practicable, the regulation of non-nuclear operations of the National Nuclear Security Administration over a period of 5 years to federal agencies other than the DOE. The report shall be prepared using the widest possible public input.
- Requires the NNSA to publish to the greatest extent practicable, in a common format, the performance evaluations of the Management and Operations Contractors at NNSA facilities.
- Amends section 142 of the Atomic Energy Act to restore some data that was classified as formerly restricted data to restricted data.
- Requires the Secretary of Energy to submit Selected Acquisition Reports based on DOD requirements in 10 U.S.C. 2432 and Independent Cost Estimate of nuclear weapon life extension programs before entering phase 6.2A (design engineering) and 6.4 (production).
- Requires quarterly reporting of obligation, unexpended and expended balances of the National Nuclear Security Administration and the Department of Energy Office of Environmental Management.
- Requires the NWC to report to the congressional defense committees on the feasibility of consolidation in the National Nuclear Security Administration Complex. No funds may be spent on phase CD-3 (start of construction) of the Chemistry and Metallurgy Research

Replacement building, Department of Energy Project 04-D-125 until such report is transmitted to the congressional defense committees

- Authorizes Atomic Energy Defense Activities at the President's request of \$17.4 billion.
- Authorizes an additional \$25.0 million to the W-76 refurbishment program due to a budgeting error by the NNSA while decreasing the Office of the NNSA Administrator due to a double counting of network integration funds.
- Authorizes an additional \$38.9 million to the *Ohio*-class replacement Naval Reactor program.

Defense Nuclear Facilities Safety Board

- Authorizes funding at \$29.4 million.

SUBCOMMITTEE ON SEAPOWER

Under the leadership of the Chairman Jack Reed (D-RI) and Ranking Member Roger F. Wicker (R-MS), the Subcommittee on Seapower focused on the needs of the Navy, Marine Corps, and strategic mobility forces. The subcommittee put particular emphasis on supporting marine and naval forces engaged in combat operations, improving efficiencies, and applying the savings to higher-priority programs. Specifically, the subcommittee included the following funding and legislative provisions:

- Approves multiyear procurement authority for the following weapons systems:
 - V-22 tilt-rotor aircraft;
 - *Virginia*-class submarines; and
 - *Arleigh Burke*-class destroyers.
- Adds \$777.8 million for advance procurement for attack submarines and authorize the Navy to employ incremental funding to buy an additional submarine in fiscal year 2014.
- Allows the Navy to incrementally fund *Ford*-class aircraft carriers over 6 years, rather than the currently allowed 5-year period.
- Fences one-half of the funding to the second *Ford*-class aircraft carrier, pending a report on how the Navy and the contractor are going to apply lessons learned from the first ship in the class on building the second ship, and how the Navy and contractor will use better construction management to reduce the cost of the ship. In addition, requires the Secretary of the Navy to recertify the statutory cost-cap for the second *Ford*-class aircraft carrier to help ensure that the Navy and the contractor will build CVN-79 within the amount permitted by law.
- Allows the Navy to fund the costs of the refueling complex overhaul for the aircraft carrier USS *Abraham Lincoln* incrementally over a 2 year period.

- Provides authority to exchange AEGIS weapons systems between the Missile Defense Agency's Phased Adaptive Approach program and the AEGIS destroyer program to help MDA meet its schedule, without delaying the AEGIS destroyer schedule.
- Incorporates two legislative provisions regarding mission modules for the Littoral Combat Ship:
 - Require the Navy to submit a report describing plans to develop and test mission modules in the proper sequence, to demonstrate that modules will achieve specified capabilities, and to demonstrate survivability soon enough to minimize cost of concurrency.
 - Designate the mission module program as a major defense acquisition program (MDAP) to help improve Congress' ability to subject the overall effort to strong oversight. In addition, directs the Secretary of the Navy to provide quarterly estimates as to the cost, schedule and performance of completing the development and production of each mission module variant.
- Allows the Air Force to retire all C-5A aircraft by reducing the number of strategic airlift aircraft the Air Force is required to maintain.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Subcommittee Chairman Claire McCaskill (D-MO) and Ranking Member Kelly Ayotte (R-NH) focused the subcommittee's efforts on: (1) improving the readiness of our armed forces; (2) ensuring that members of the armed forces and their families have access to appropriate facilities, including family housing; and (3) addressing problems in the management and efficiency of DOD. The subcommittee included the following funding and legislative provisions:

Operations & Maintenance and Procurement Funding Items

- Cuts \$200.0 million from excess unobligated balances to encourage better stewardship of taxpayer dollars, based on analysis from the GAO.
- Cuts \$200.0 million from the Commanders' Emergency Response Program (CERP) for use in Afghanistan based on reduced requirements in connection with the U.S. force drawdown.
- Cuts \$139.4 million from the Office of Economic Adjustment for Guam socioeconomic projects without detailed justification and ahead of need.
- Cuts \$178.9 million from Army and Marine Corps' ammunition procurement accounts, based on analysis from the GAO, which it judges to be excess of need.
- Cuts \$88.3 million from Marine Corps' ammunition procurement accounts, based on analysis from the GAO, which it judges to be excess of need in prior-year funding.
- Cuts \$8.1 million from Army O&M, because funding was requested in anticipation of building museum exhibits, which appear to be ahead of need.

- Adds \$59.1 million for the DOD Inspector General (IG), to enable the IG to continue growth designed to provide more effective oversight and help identify waste, fraud, and abuse in DOD programs, especially in the area of procurement. DOD IG reviews resulted in an estimated \$2.6 billion savings in FY 2011 – a return on investment of \$8.79 for every \$1 spent.
- Adds \$20.75 million for the DOD Corrosion Prevention and Control shortfall in funding requirements identified by the Department of Defense. DOD estimates that corrosion in military equipment costs the services over \$22.0 billion per year; expenditures in this area have yielded an estimated 14:1 return on investment by reducing the bill for repair and replacement of corroded systems and parts.

Military Construction and Basing Issues

- Cuts more than \$660.0 million from the President’s budget for military construction and family housing projects.
 - More than \$200.0 million in incrementally funded projects to improve efficiency and prevent waste through more efficient cash flow of large projects.
- Extends the prohibition on funds for the realignment of Marine Corps’ forces from Okinawa to Guam or other Pacific locations until the Commander of U.S. Pacific Command provides an assessment of the strategic and logistical resources the distributed laydown requires to meet contingency operations plans. The Secretary of Defense must also submit a master plan to Congress detailing construction costs and schedule of all projects necessary to realize the Commandant’s distributed force lay-down, and the Secretary of the Navy must provide a plan detailing necessary repairs and restorations to Marine Corps Air Station Futenma.
- Continues the committee’s focus on the U.S. force posture in the Asia-Pacific region, including the realignment of Marines from Okinawa to other locations, by including report language that requires DOD to keep committees apprised of progress on the realignment, urges DOD to expedite required environmental studies, and directs GAO to assess cost associated with the recently announced U.S.-Japan joint plan for Okinawa realignment.
- Declines to authorize additional rounds of BRAC but does require the GAO to review the systems and processes by which the DOD determines that infrastructure is excess to needs.
- Reauthorizes Contingency Construction Authority that allows the Department to reprogram O&M funds for military construction to meet temporary operational requirements during a time of declared war, national emergency or contingency operation until September 2013.
- Requires a GAO report on the objective criteria to be used by DOD to make decisions relating to realignments of units at military installations that are not covered by the BRAC statute.

- Provides a 1-year moratorium on force structure changes that would alter a military installations status in regards to the BRAC statute thresholds.
- Requires a GAO report on the construction or renovation of DOD facilities using in-kind payments.
- Requires DOD to issue guidance for financing renewable energy projects.
- Authorizes \$150.0 million for the Energy Conservation Investment Program.

Acquisition Policy Provisions

- Prohibits the use of cost-type contracts for the production of major weapon systems, with very limited exceptions.
- Restricts the use of “pass-through” contracts by requiring that at least 50 percent of the work on any service contract be performed by the prime contractor or by a subcontractor identified in the contract.
- Lowers the cap on contractor pay that is allowable for DOD reimbursement from \$750,000 to \$237,000.
- Requires DOD to review its existing profit guidelines and revise them as necessary to ensure an appropriate link between contractor profits and contractor performance.
- Includes a series of wartime contracting provisions drawn from the McCaskill-Webb bill implementing the recommendations of the Commission on Wartime Contracting in Iraq and Afghanistan.
- Enhances protections for contractor employee whistleblowers that blow the whistle on waste, fraud, and abuse on DOD contracts.
- Gives DOD authority to require contractors to provide additional cost data on spare and repair parts for weapon systems, where needed to ensure reasonable pricing.
- Clarifies that DOD auditors have a right of access to contractor internal audit reports for the purpose of evaluating the efficacy of contractor internal controls.

Defense Management Provisions

- Requires a 5 percent reduction, over 5 years, in both the DOD civilian employee workforce and the DOD service contractor workforce.
- Repeals provisions of last year’s National Defense Authorization Act that threatened to upset the delicate balance between the public sector and the private sector in the maintenance and repair of military systems.

- Codifies the 2014 deadline for DOD to achieve an auditable statement of budgetary resources.

Environmental Provisions

- Fully funds DOD environmental restoration programs to help ensure active and former contaminated sites are restored to acceptable levels in a timely manner.
- Requires DOD to issue defense-wide guidance on the tracking and handling of possible environmental contamination exposures on military installations, as recommended by GAO.
- Requires the SECDEF to report to the committee regarding actions taken on Defense Science Board recommendations relating to climate change.

Readiness-Related Legislative Provisions

- Require the DOD to provide additional information corrosion projects including validated returns on investment.
- Streamline the National Defense Stockpile by authorizing the President to delegate release authority to the Under Secretary of Defense for Acquisition, Technology, and Logistics.
- Modify the deadline for the annual report on prepositioned materiel and equipment conducted by the GAO.
- Prohibits fiscal year 2013 funding for the production or purchase of an alternative fuel if the cost of producing or purchasing the alternative fuel exceeds the cost of traditional fossil fuel, with an exception for the DOD to complete engine or fleet certification for 50/50 fuel blends using RDT&E funds.
- Prohibits the DOD from entering into a contract to plan, design, or construct a biofuels refinery or any other facility or infrastructure used to refine biofuels, unless specifically authorized by law.

GENERAL PROVISIONS

- Requires the Secretary of Defense to submit a report to the Committees on Armed Services of the Senate and the House a detailed report on the impact on the Department of Defense of the sequestration of funds authorized and appropriated for fiscal year 2013, if sequestration is automatically triggered on January 2, 2013, as required by the Budget Control Act. The report is to include an assessment of the potential impact on readiness; the ability of the Department to carry out the National Military Strategy; and a list of the programs, projects and activities that would be reduced or terminated.
- Fully funds the President's request of \$5.7 billion request for the Afghanistan Security Forces Fund to build the capacity of the Afghan National Security Forces so those forces can transition to taking the security lead throughout Afghanistan by 2014.

- Extends several authorities that our military commanders continue to need in Afghanistan, including:
 - Reauthorizes the use of DOD funds to support a program to reintegrate insurgent fighters into Afghan society at the requested level of \$35.0 million;
 - Reauthorizes CERP, at \$200.0 million, a reduction of \$200.0 million below the request of \$400.0 million. CERP enables our military commanders to fund small-scale humanitarian projects that directly benefit the Afghan people to help secure their support.
 - Reauthorizes the Afghanistan Infrastructure Fund at \$350.0 million, a reduction of \$50.0 million from the request of \$400.0 million. The Afghanistan Infrastructure Fund supports high-priority, large-scale infrastructure projects that support the civil-military campaign, particularly the Kandahar electrification project.
- Calls for an independent assessment of the size and structure requirements of the Afghanistan National Security Forces necessary for those forces to be able to ensure that their country never again serves as a safe haven for terrorists that threaten Afghanistan, the region, and the world.
- Requires the Secretary of Defense to develop a strategy for helping the Government of Afghanistan provide security for Afghan presidential elections in 2014, including steps to protect the ability of Afghan women to participate in voting.
- Authorizes \$1.75 billion in Coalition Support Funds to reimburse cooperating nations supporting the effort in Afghanistan, but limits the availability of such funds to reimburse Pakistan until the Secretary of Defense certifies that Pakistan meets certain criteria, including not supporting or providing safe haven to insurgents attacking U.S., Afghan, and coalition forces in Afghanistan, and not imprisoning Dr. Shakil Afridi, the doctor who helped locate Osama Bin Laden. The Secretary of Defense may waive these certification requirements if in the U.S. national security interest. The provision also makes clear that no Coalition Support Fund payments may be made to reimburse Pakistan for claims relating to the period when the lines of supply through Pakistan to Afghanistan remain closed.
- Extends funding to support the activities of the Office of Security Cooperation in Iraq, the office within the U.S. Embassy which oversees Foreign Military Sales to Iraq.
- Authorizes U.S. participation in the Air Transport and Air Refueling Exchange of Services program with our European allies for the multilateral exchange of air cargo and air refueling services to expand opportunities for efficiencies and increased transportation capacity.
- Authorizes the participation of a limited number of U.S. military personnel on the staff of Headquarters Eurocorps only in support of that corps' activities in a North Atlantic Treaty Organization capacity.

- The bill does not contain new detainee provisions except to extend for 1 year certain provisions of last year's agreement on detainees that would otherwise expire.
- Modifies the requirements of the annual DOD report on China's military and security developments

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