

PRESS RELEASE

U.S. Senate Committee on Armed Services

Carl Levin, Chairman
John McCain, Ranking Member

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**SENATE ARMED SERVICES COMMITTEE COMPLETES CONFERENCE OF
NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012**

WASHINGTON -- Senator Carl Levin (D-MI), Chairman of the Armed Services Committee, announced today that the committee has completed its conference of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2012. The bill authorizes funding for the Department of Defense (DOD) and the national security programs of the Department of Energy (DOE).

“The conference report on the National Defense Authorization Act for Fiscal Year 2012 which was adopted today enables the Congress to pass this Act for the fiftieth consecutive year. Although the conference agreement authorizes \$26.6 billion less than the budget request, I am confident that it provides adequate support for the men and women of the armed forces and their families and provides them with the means to accomplish their missions,” Senator Levin said.

“The conference report approved this evening is vitally important to our nation’s defense, provides for our men and women in uniform, and ensures that our military has the essential resources, training, technology and equipment to succeed in protecting our national security interests around the world,” said Senator McCain. “This legislation is the product of 11 months of hard work and hundreds of hours of hearings and meetings by House and Senate members and staff. I am proud of the bipartisan spirit that has once again characterized this process, and allowed us to address some difficult issues, including terrorist detainees, Iran sanctions, the F-35 program and aid to Pakistan. The fact that all 26 members of the conference committee have signed on to this bill shows that there is bipartisan agreement that this legislation addresses and satisfies the Administration's concerns related to the detainee provisions that were fully debated in Congress in recent weeks. I deeply appreciate the hard work and dedication of my friend Chairman Levin, whose leadership has been essential to continuing the tradition of deliberate review and oversight that the Defense Authorization Bill has provided our nation’s military for over fifty years without fail.”

Senator Levin added, “I want to commend my Senate partner Senator McCain for his hard work and cooperation. I am particularly pleased that we have dealt successfully with the difficult issues relating to detainees, Iran sanctions, counterfeit electronic parts, F-35 contracting, and a

host of additional matters that are discussed below. The detainee provisions in particular have been written to be doubly sure there is no interference with civilian interrogations and other law enforcement activities and to ensure the President has the flexibility he needs to use the most appropriate tools in each case.”

MAJOR HIGHLIGHTS

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

- The detainee provisions of the conference report would:
 - Reaffirm the military’s existing authority to detain individuals captured in the course of hostilities conducted pursuant to the Authorization for the Use of Military Force. No change has been made to the Senate version of this provision, which confirms that nothing in the provision may be “construed to affect existing law or authorities relating to the detention of United States citizens, lawful resident aliens of the United States, or any other persons who are captured or arrested in the United States.”
 - Require military detention – subject to a Presidential waiver – for foreign al Qaeda terrorists who attack the United States. This provision specifically exempts United States citizens and lawful resident aliens, authorizes transfer of detainees to civilian custody for trial in civilian court, and leaves it up to the President to establish procedures for determining how and when persons determined to be subject to military custody would be transferred, and to ensure that such determinations do not interfere with ongoing intelligence, surveillance, or interrogation operations. Language added in conference confirms that nothing in the provision may be “construed to affect the existing criminal enforcement and national security authorities of the Federal Bureau of Investigation or any other domestic law enforcement agency with regard to a covered person, regardless whether such covered person is held in military custody.”
 - Require the Attorney General to consult with the Secretary of Defense before prosecuting a foreign al Qaeda terrorist who is determined to be covered under the previous section, or any other person who is held in military custody outside the United States, on whether the more appropriate forum for trial is a federal court or a military commission and whether the individual should be held in civilian or military custody pending trial.
 - Extend for 1 year the certification requirement for the transfer of GITMO detainees to foreign countries, subject to a national security waiver (which was not available under previous law).
 - Extend for 1 year the existing prohibition on the use of DOD funds to build facilities in the United States to house GITMO detainees.
 - Extend for 1 year the existing prohibition on transferring or releasing GITMO detainees inside the United States.
 - Require DOD to issue procedures to clarify certain aspects of the review process established for GITMO detainees and ensure that the Secretary of Defense has final responsibility for any release or transfer decision.

- Require DOD to establish procedures, including a military judge and a military lawyer, for determining the status of detainees who will be held in long-term custody pursuant to the AUMF.
 - Require DOD to develop and submit to Congress a protocol addressing policies and procedures governing communications to and from GITMO detainees, and related issues.
 - Clarify procedures for guilty pleas in trials by military commission.
- The conference report requires an independent study by a non-governmental entity to assess the U.S. military's security posture in the United States Pacific Command area of responsibility.
 - The conference report includes a powerful new regime of sanctions against the financial sector of Iran, including the Central Bank of Iran. These sanctions would, among other actions, require foreign financial institutions to choose between maintaining ties with the U.S. financial system or doing business with the Central Bank of Iran, especially for the purchase of Iranian petroleum and petroleum products. The conference report includes four modifications to the Senate language, but preserves the scope and implementation timeline of the Senate provision.
 - *Detection and Avoidance of Counterfeit Parts:* The conference report contains critical provisions to help keep counterfeit electronic parts out of the defense supply chain and provide proper accountability when suspect parts make it through, including:
 - Clarifying acquisition rules to ensure that the cost of replacement and rework required by the use of suspect counterfeit parts is paid by the contractor, not the taxpayer.
 - Requiring DOD and DOD suppliers, whenever possible, to purchase electronic parts from manufacturers and their authorized dealers, or from trusted suppliers.
 - Requiring DOD officials and DOD contractors who become aware of counterfeit parts in the supply chain to provide written notification to the government.
 - Requiring large DOD contractors to establish systems to detect and avoid counterfeit parts.
 - Requiring DOD to adopt policies and procedures to detect and avoid counterfeit parts that it purchases directly, and to act on reports of counterfeit parts.
 - Requiring the Secretary of Homeland Security to consult with the Secretary of Defense on the sources of counterfeit electronic parts in the military supply chain and establish a risk-based program of enhanced inspection of imported electronic parts.
 - Authorizing Customs to share information from electronic parts inspected at the border with manufacturers to help determine whether parts are counterfeit.
 - Strengthening penalties for counterfeiting military goods or services.
 - Requires that the F-35 contract for the sixth lot of aircraft Low Rate Initial Production (LRIP 6) and all subsequent LRIP contracts is a fixed price contract with the contractor assuming full responsibility for any costs above the target cost specified in the contract.

- Requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to produce a report on plans for implementing provisions of the Weapon Systems Acquisition Reform Act of 2009 for the F-35 Joint Strike Fighter (JSF) program.

1. Improves the quality of life of the men and women of the all-volunteer force (active duty, National Guard and Reserves) and their families through fair pay, policies and benefits, including first rate health care, and addresses the needs of the wounded, ill, and injured service members and their families.

- Authorizes \$142.0 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
- Authorizes a 1.6 percent across-the-board pay raise for all members of the uniformed services, consistent with the President's request.
- Authorizes a voluntary retirement incentive payment and reinstates temporary early retirement authority.
- Does not prohibit pharmacy copayment changes.
- Does not prohibit TRICARE Prime enrollment fee increases in fiscal year 2012 and limits annual increases of the fee to the amount equal to the percentage increase in retired pay beginning on October 1, 2012.
- Requires that individuals newly enrolled in the Uniformed Services Family Health Plan after September 30, 2012 transition to TRICARE for Life once they become Medicare-eligible due to age.
- Prohibits the denial of reenlistment of a service member who has been determined by a Physical Evaluation Board (PEB) to be fit for duty but who is subsequently determined to be unsuitable for continued military service for conditions considered by the PEB.
- Amends Article 120 of the Uniform Code of Military Justice (UCMJ) relating to the offenses of rape, sexual assault, and other sexual misconduct, to create three separate articles of the UCMJ to correct deficiencies in existing law.
- Authorizes \$40.0 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.

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

- Provides \$2.6 billion for the Mine Resistant Ambush Protected Vehicle (MRAP) fund that funds the development, testing, production, and sustainment of the MRAP vehicles

and new MRAP All-Terrain Vehicles (known as the M-ATV).

- Authorizes \$10.4 billion for U.S. Special Operations Command, approximately \$530 million above fiscal year 2011 requested levels.
- Authorizes more than \$2.5 billion for DOD's counter-improvised explosive device (IED) activities.

3. Enhances the capability of the armed forces to conduct counterinsurgency operations and applies the lessons of Iraq to Afghanistan, as appropriate.

- Extends, through fiscal year 2015, the authority of U.S. Special Operations Forces to provide support to regular forces, irregular forces, and individuals aiding U.S. special operations to combat terrorism and increases the annual authorized level of funding from \$45.0 million to \$50.0 million

4. Addresses the threats from nuclear weapons and materials by strengthening and accelerating 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 \$2.3 billion for the National Nuclear Security Administration (NNSA) and DOD to expand threat reduction activities, including securing vulnerable fissile material in 4 years and increasing focus on preventing proliferation globally by expanding threat reduction partnerships.
- Authorizes \$500.0 million for the Cooperative Threat Reduction Program at the Department of Defense.
- Supports joint U.S. and Russian efforts to destroy 34 metric tons each of weapons usable plutonium by fully funding the U.S. plutonium disposition program.
- Authorizes \$7.3 billion for NNSA to ensure that a substantially reduced nuclear stockpile is safe, secure, and reliable.
- Authorizes \$29.1 million for the Defense Nuclear Facilities Safety Board an increase of \$4.2 million and directs the Government Accountability Office (GAO) to conduct a review of external oversight options for Department of Energy defense nuclear facilities.
- Authorizes \$1.2 billion for development of the *Ohio*-class replacement program and reactor development, SSBN(X), to modernize the sea-based leg of the nuclear deterrent system.
- Permits the Department of Defense to retire six B-1 bomber aircraft following submission of a retirement plan and a plan to modernize the remaining aircraft.

- Provide transfer authority to transfer up to \$125.0 million from DOD to the NNSA to supplement the nuclear weapons modernization program.
- 5. Improves the ability of the armed forces to counter nontraditional threats, focusing on terrorism, the proliferation of weapons of mass destruction, and their means of delivery.**
- Authorizes \$606.9 million to procure 100 Stryker vehicles especially designed and built for the detection of nuclear, chemical, and biological agents.
- 6. Enhances the capability of the security forces of allied and friendly nations to defeat al Qaeda, its affiliates, and other violent extremist organizations.**
- Authorizes \$700 million for capacity building activities, which includes \$350 million for section 1206 train and equip; \$150 million for two targeted authorities for East Africa and Yemen; and \$200 million from the Department of Defense for the Global Security Contingency Fund.
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 - Authorizes \$524.0 million to support the operations and activities of the Office of Security Cooperation in Iraq and related security assistance teams to oversee foreign military sales to the Iraqi security forces.
- 7. Seeks 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.**
- Adds \$255.0 million to upgrade 49 additional M1A2 tanks allowing the Army to upgrade a total of 70 tanks and preserve minimum industrial capability through FY 2012.
 - Fully supports the budget request of \$167.0 million (research and procurement) for continued development and prototyping of the next generation Paladin self-propelled artillery system.
 - Authorizes \$449.4 million for the Army's next generation armored Ground Combat Vehicle (GCV) development.
 - Authorizes \$152.2 million to continued Army and Marine Corps development of the Joint Light Tactical Vehicle.
 - Adds \$43.4 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 \$6.5 billion savings in FY10 – a return on investment of \$22 for every \$1 spent.

- Adds \$32.1 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 57:1 return on investment by reducing the bill for repair and replacement of corroded systems and parts.
- Adds \$150.0 million for Navy ship depot maintenance to restore readiness.

8. Terminates troubled programs and activities, improves efficiencies, and applies the savings to higher-priority programs.

- Cuts approximately \$1.7 billion from the President's budget for military construction and family housing projects.
 - More than \$500.0 million in incrementally funded projects to improve efficiency and prevent waste through more efficient cash flow of large projects.
 - Approximately \$180.0 million in overseas military construction deemed unnecessary or ahead of need.
 - Approximately \$150.0 million in projects requested for the realignment of USMC forces from Okinawa to Guam as projects are not necessary in this fiscal year
- Eliminates the funding request of \$539.6 million for the Airborne Common Sensor / Enhanced Medium Altitude Reconnaissance and Surveillance System (EMARSS) .
- Cuts \$192.3 million from related Brigade Combat Team Modernization (BCTM) projects due to Early-Infantry Brigade Combat Team program termination.
- Cuts \$297.7 million of \$775.8 million in the Army budget request for the Joint Tactical Radio System due to program delays with the Ground Mobile Radio and Airborne, Maritime/Fixed radios.
- Requires the Department of the Navy to restructure plans to replace the cancelled Expeditionary Fighting Vehicle System and to report on requirements for the Amphibious Combat Vehicle alternatives before launching into a Marine Personnel Carrier acquisition program.
- Consistent with the recommendations of military commanders, cuts \$1.6 billion from the budget request for the Afghanistan Security Forces Fund to a level of \$11.2 billion for building the capacity of the Afghan Army and police forces.
- Cuts \$5.0 billion from Overseas Contingency Operations funding to reflect the drawdown of U.S. forces in operations in Afghanistan.

9. Emphasizes the reduction of dependency on fossil fuels and seek greater energy security and independence and pursues technological advances in traditional and alternative energy storage, power systems, renewable energy production, and more energy efficient ground, air, and naval systems.

- Establish interim goals for DOD's use of renewable energy to make it more likely that the Department will be able to meet the current statutory objective of using at least 25 percent renewable energy by 2025.
- Clarify the Secretary of Defense's authority to accept voluntary financial contributions to offset the cost of mitigation measures taken in the event of adverse impacts on military operations from the development of wind turbines and high power lines in the vicinity of military bases.
- Require commanders of military installations inside the United States to develop plans to minimize the effects in the event of a disruption of services by a utility company.
- Directs the Secretary of the Army to submit an investment plan for implementation of the Army's Net Zero pilot programs.
- Authorizes \$200.0 million in funding for the Rapid Innovation Program, which among other areas, can be used for increased investments in technologies that will improve energy efficiency, enhance energy security, and reduce the Department's dependence on fossil fuels.
- Transfers \$27.0 million for the Marine Corps Expeditionary Energy Office, as requested by the Marine Corps, to reduce logistical resupply convoys, increase energy efficiency, and reduce risk to Marines in combat.

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

- Freezes 75 percent of the fiscal year 2012 funds available for the Medium Extended Air Defense System (MEADS) until the Secretary of Defense submits a plan to use such funds as final obligations for the program, either for a smaller restructured program, or for paying contract termination costs.
- Freezes DOD spending on contract services at FY10 levels, comparable to the freeze on the civilian employee workforce, requires DOD to seek lower overhead and labor rates in contracts for services, and institutes contracting improvements.
- Cuts \$684.0 million from excess unobligated balances to encourage better stewardship of taxpayer dollars, based on analysis from GAO.
- Requires the Comptroller General to review the validity and reliability of the Defense Department's analytical methodology for estimating the cost of overseas basing of U.S. forces around the world.
- Requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to

produce a report on plans for implementing provisions of the Weapon Systems Acquisition Reform Act of 2009 for the F-35 Joint Strike Fighter (JSF) program.

- Protects DOD's supply chain from the flood of counterfeit electronic parts from China and elsewhere that puts our military systems at risk and costs American taxpayers a fortune by improving systems for avoiding, detecting, and reporting cases of counterfeit parts, requiring a new program of enhanced inspections of imported electronic parts, and ensuring that the cost of replacing counterfeit parts in defense systems is paid by the contractors who supply them, not taxpayers.

• **DETAILED DESCRIPTION BY SUBCOMMITTEE**

FUNDING LEVELS

The President's budget request for national defense discretionary programs within the jurisdiction of the Committees on Armed Services of the Senate and the House of Representatives for fiscal year 2012 was \$689.0 billion and included \$553.0 billion for the base budget of the DOD, \$117.8 billion for overseas contingency operations (OCO), which funds the wars in Iraq and Afghanistan, and \$18.1 billion for national security programs in the DOE and the Defense Nuclear Facilities Safety Board.

The agreement authorizes \$662.4 billion for National Defense programs, (\$26.6 billion less than the request). The agreement authorizes \$530.0 billion for the base budget of DOD (\$23.1 billion less than the request), \$115.5 billion for OCO (\$2.4 billion less than the request) and \$16.9 billion for DOE (\$1.1 billion less than the request). The agreement authorizes the requested level for the Defense Nuclear Facilities Safety Board.

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 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:

End Strength

- Authorizes fiscal year 2012 active-duty end strengths for the Army of 562,000; the Navy, 325,700; the Marine Corps, 202,100; and the Air Force, 332,800.
- Authorizes reserve component military end strengths in line with President's request.

Military Personnel Policy

- Increases authorized strengths for active-duty Marine Corps officers in the grades of major, lieutenant colonel, and colonel.
- Reduces and modifies general and flag authorizations.
- Authorizes the Secretary of Defense to assign a graduate of the National Defense University who is not designated as a joint qualified officer to a joint assignment other than a joint duty assignment.
- Authorizes a voluntary retirement incentive payment for retirement eligible officers and reinstates temporary early retirement authority.
- Includes the Chief of the National Guard Bureau as a member of the Joint Chiefs of Staff and re-designates the position of the Director of the Joint Staff of the National Guard Bureau as the Vice Chief of the National Guard Bureau.
- Modifies the timeframe during which pre-separation counseling must be provided to a reserve component member being demobilized to less than 90 days of projected discharge when operational requirements warrant.
- Clarifies the authority of the Secretary of the Army and the Secretary of the Air Force to defer the mandatory separation of military technicians (dual status) until age 60.
- Authorizes the Secretary of Defense to order members of the Army Reserve, Navy Reserve, Marine Corps Reserve, and Air Force Reserve to active duty for up to 120 days in response to a Governor's request for assistance in responding to a major disaster or emergency.
- Authorizes the service secretaries to order reserve component members to active duty for not more than 365 consecutive days for preplanned and budgeted missions in support of a combatant command.
- Clarifies that reserve officers employed as military technicians (dual status) who have been retained beyond their mandatory removal date for years of service are ineligible for consideration for promotion by a mandatory promotion board.
- Requires that whenever officers of the armed forces are considered for appointment to the position of Commander, Army North Command or Commander, Air Force North Command, fully qualified officers of the National Guard and Reserves must be considered for these positions.
- Directs the Secretary of Defense to conduct an independent study on the feasibility and advisability of terminating the military technician program as a distinct personnel management category.

- Expresses a sense of Congress on the unique nature, demands, and hardships of military service.
- Requires the Secretary of Defense to prescribe a policy addressing dwell time for members of the armed forces and to establish a system for tracking and recording the number of days each service member is deployed, prescribe policies and procedures for measuring operations tempo and personnel tempo, and maintain a central data collection repository to provide information for research, analysis, interagency reporting, and evaluation of programs and policies.
- Extends whistleblower protection to communications regarding threats that indicate a determination or intent to kill or cause serious bodily injury to service members or civilians or damage to military, federal, or civilian property.
- Requires the Secretary of Defense, rather than the service secretaries, to provide notice to Congress on favorable recommendations in response to Congressional requests for award of the Medal of Honor.
- Expands from 3 months to 1 year the period prior to the expiration of an enlistment term during which a service member may be discharged without loss of benefits, except that the member would not be entitled to pay and allowances for the period not served.
- Extends authority to provide voluntary separation pay and benefits to eligible members of the armed forces who are voluntarily separated from active duty.
- Prohibits the denial of reenlistment of a service member who has been determined by a PEB to be fit for duty but who is subsequently determined to be unsuitable for continued military service for conditions considered by the PEB.
- Expands the individuals authorized to direct the disposition of remains of a deceased service member to include the individual identified by the decedent on the record of emergency data.
- Extends for 3 years authority to conduct pilot programs on career flexibility to enhance retention of service members.
- Requires that graduates of secondary school programs that comply with State education laws be considered the same as graduates of traditional secondary schools for the purposes of qualifying for recruitment and enlistment in the armed forces.
- Enhances suicide prevention programs by requiring that suicide prevention information and resources be provided to service members from their initial enlistment or appointment through their final retirement or separation.

- Amends Article 120 of the UCMJ relating to the offenses of rape, sexual assault, and other sexual misconduct, to create three separate articles of the UCMJ to correct deficiencies in existing law.
- Authorizes the issuance of subpoenas duces tecum to compel production of documents and other tangible evidence for investigations pursuant to Article 32(b) of the Uniform Code of Military Justice.
- Authorizes service members who incur an injury or illness on or after September 11, 2001, in an operation or area designated as a combat operation or a combat zone to accept certain gifts.
- Provides that a military chaplain who, as a matter of conscience or moral principle, does not wish to perform a marriage may not be required to do so.
- Authorizes service secretaries to carry out one or more programs to provide service members with job training and employment skills training to help prepare them for employment in the civilian sector.
- Authorizes the service secretaries to waive the maximum age limitation for admission of enlisted members of the armed forces to the service academies, for up to five enlisted members per academic year, who otherwise meet the eligibility requirements for admission but who were prevented from being admitted before reaching the maximum age as a result of service on active duty in Iraq or Afghanistan.
- Enhances the administration of the Air Force Institute of Technology.
- Authorizes the Secretary of the Air Force to allow seriously wounded, ill, or injured former or retired enlisted service members to continue their participation in associate degree programs of the Community College of the Air Force in order to complete a degree program interrupted by separation or retirement.
- Authorizes the service secretaries to pay a stipend to individuals who agree to be an officer in the Selected Reserve and who are pursuing or will pursue a course of study leading to a degree in clinical psychology.
- Authorizes the Secretary of Defense to administer and fund the Troops-to-Teacher Program during fiscal year 2012 and requires a report to Congress on the effectiveness of the program.
- Requires the Secretary of Defense to carry out a pilot program to assess the feasibility and advisability of permitting enlisted service members to obtain civilian credentialing or licensing for skills required for military occupational specialties or qualification for duty specialty codes.

- Requires the Secretary of Defense to provide a report assessing various criteria relating to certain education assistance programs of the Department of Defense.
- Authorizes \$40.0 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.
- Extends rights under the Uniformed Services Employment and Reemployment Rights Act to certain National Guard duty under title 32 when such service was authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by federal funds.
- Expands Operation Hero Miles programs to include as a benefit points or awards for free or reduced accommodations at hotels or other commercial facilities.
- Requires access of sexual assault victims to legal assistance and services of Sexual Assault Response Coordinators and Sexual Assault Victim Advocates.
- Requires expedited consideration of a sexual assault victim's application for permanent change of station or unit transfer.
- Requires that the Director of Sexual Assault Prevention and Response Office be a general or flag officer or a member of the Senior Executive Service.
- Requires that at least one full-time Sexual Assault Response Coordinator and at least one full-time Sexual Assault Victim Advocate be assigned to each brigade or equivalent unit level.
- Requires service secretaries to develop a curriculum to provide sexual assault prevention and response training and education for service members and civilian employees to strengthen individual knowledge, skills, and capacity to prevent and respond to sexual assault.
- Requires the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, to develop a comprehensive policy on the retention of and access to evidence and records relating to sexual assaults involving service members.
- Authorizes the Secretary of Defense to carry out reintegration and post-isolation support activities for certain persons returned to the control of U.S. authorities following captivity.
- Authorizes the Secretary of Defense to establish a military adaptive sports program for service members who are eligible to participate in adaptive sports because of an injury or wound incurred in the line of duty.

- Enhances the Yellow Ribbon Reintegration Program to improve the processes for determining best practices for information dispersal and outreach services, and to improve collaboration with State programs.
- Requires the Secretary of the Army to develop, operate, manage, administer, oversee, and fund Army National Military Cemeteries, including Arlington National Cemetery.
- Requires the Inspector General of each military department to inspect each military cemetery under the jurisdiction of that department.
- Authorizes the award of the Distinguished Service Cross for Captain Frederick L. Spaulding for acts of valor during the Vietnam War.
- Authorizes the award of the Medal of Honor to Emil Kapaun for acts of valor during the Korean War.
- Requires the Secretary of the Army and the Secretary of the Navy to review the service of certain Jewish American World War I veterans to determine whether the veteran should be posthumously awarded the Medal of Honor.
- Requires a report on a process to expedite the disability determination for service members with certain disabling conditions.
- Directs the Comptroller General to study the military necessity of the Selective Service System and alternatives.
- Requires the Secretary of Defense and the Secretary of the Navy to evaluate the issues surrounding the remains of sailors buried in Tripoli, Libya from the Barbary Wars, and to make recommendations concerning the feasibility of exhuming and repatriating those remains.

Military Pay and Compensation

- Authorizes \$142.0 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.
- Authorizes a 1.6 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. Does not extend authority to pay the Army referral bonus or the health professions referral bonus.

- Requires hostile fire and imminent danger pay be prorated according to the number of days spent in a qualifying area rather than be paid on a monthly basis.
- Authorizes the payment of the death gratuity benefit for members who die in their personnel residences between periods of drill on an inactive-duty training drill weekend.
- Makes the mandatory high-deployment allowance permissive.
- Consolidates and reforms the existing statutory authorizations related to travel and transportation allowances for members of the uniformed services, their dependents, other family members, and other authorized travelers of the Department of Defense.
- Requires the Secretary of Defense to provide a report on basic allowance for housing for National Guard members transitioning between full-time National Guard duty under title 32, United States Code, and active duty under title 10, United States Code.
- Requires the Surgeons General of the Army, Navy, and Air Force to report to Congress on their staffing needs and to provide recommendations on additional recruiting incentives needed to encourage experienced health care professionals to join the active or reserve components.
- Requires the Comptroller General to study and report on the Department's space-available travel program, including a review of the cost and capacity of the system, a discussion of logistical and management issues, and an assessment of the effect on the cost and capacity of the program if the program were extended to un-remarried widows of active and reserve component members, and expanded for gray area retirees to include overseas travel.

Health Care

- Authorizes \$31.8 billion for the Defense Health Program.
- Does not prohibit pharmacy copayment changes.
- Does not prohibit TRICARE Prime enrollment fee increases in fiscal year 2012 and limits annual increases of the fee to the amount equal to the percentage increase in retired pay beginning on October 1, 2012.
- Requires the Secretary of Defense to provide person-to-person mental health assessments for each service member who is deployed in support of a contingency operation at specified times before and after the deployment.
- Authorizes the Secretary of Defense to provide members of the reserve components performing inactive duty training during scheduled unit training assemblies access to mental health assessments with a licensed mental health professional.

- Authorizes the Secretary of Defense to provide food and beverages at no cost to certain members and dependents not receiving inpatient care in military medical treatment facilities who are unable to purchase food and beverages because of the care they are receiving or because they are providing care to an infant.
- Clarifies that the 180-day period of eligibility for TRICARE under the Transition Assistance Management Program for reserve component members who are extended on active duty after service in support of a contingency operation begins when the member is separated from active duty at the end of the extended active duty.
- Authorizes the Secretary of Defense to provide an active-duty service member with a severe injury or illness with rehabilitative equipment.
- Prohibits Medicare eligible military retirees from enrolling the Uniformed Services Family Health Plan after September 30, 2012.
- Requires the Secretary of Defense to prescribe improved regulations for commander and supervisor referrals for mental health evaluations of service members.
- Extends the time limit for submittal of TRICARE claims for care provided outside the United States from 1 to 5 years.
- Authorizes the Department of Defense to exempt for State licensure requirements civilian health care professionals credentialed and privileged at a federal health care institution, regardless of where the health care professional or the patient are located, so long as the practice is within the scope of the authorized federal duties.
- Clarifies that medical quality assurance records are limited to records of any peer review activity by or for the Department of Defense to assess the quality of medical care.
- Requires that, in determining whether TRICARE network providers are subcontractors for the purposes of the Federal Acquisition Regulations or any other law, a TRICARE support contract which includes a requirement to establish, manage, or maintain a network of providers shall not be considered to be a contract for the performance of health care services or supplies.
- Prohibits the Secretary from proceeding with restricting of the military health care system until GAO assesses a report by the Secretary of Defense on options developed and considered for governance of the military health system.
- Limits funds for the future electronic health records program until the Secretary of Defense submits a report to Congress on this program.

- Authorizes the Secretary of Defense to enter into partnerships to enable coordinated rapid clinical evaluation and application of evidence-based treatment strategies for wounded service members, with emphasis on musculoskeletal injuries.
- Requires the Secretary of Defense to submit a report to Congress assessing the benefits of neuroimaging research to identify and improve the diagnosis of post-traumatic stress disorder.
- Requires the Secretary of Defense to submit a report to Congress on the management of concussion and mild traumatic brain injury in the deployment setting in accordance with DOD policy.
- Requires the Comptroller General to review and report on women-specific health services and treatment for service members.
- Requires the Comptroller General to report to Congress on the contracting activities of the military departments with respect to providing health care professional services to service members, dependents, and retirees.
- Authorizes the Secretary of Defense to pay travel expenses for command-sponsored dependents of service members assigned to remote overseas areas to travel to the United States to receive obstetrical anesthesia services for childbirth under certain circumstances.
- Extends the length of time the Department of Defense is required to report on access to health care under TRICARE Standard and TRICARE Extra from 2011 to 2015 and modifies the frequency of GAO reports on the adequacy and number of health care providers under Standard and Extra from a bi-annual to a biennial basis.
- Modifies the frequency of Comptroller General reviews of the executive agreement on the North Chicago and Great Lakes joint medical facility demonstration project from five annually to three periodically.
- Authorizes the Secretary of Defense to transfer \$135.6 million into the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund for the operation of the Captain James A. Lovell Federal Health Care Center or other facilities designated as combined federal medical facilities.

Civilian Personnel

- Repeals the sunset provision relating to direct hire authority at demonstration laboratories.
- Extends through calendar year 2012 the authority of the head of an executive agency to waive the limitations on the aggregate of basic and premium pay that may be paid to a federal civilian employee who performs work in certain overseas locations in

support of a contingency operation or an operation in response to a declared emergency.

- Authorizes highly qualified experts assigned in support of a contingency operation to receive similar benefits and compensation as other federal civilian employees serving in support of a contingency operation.
- Requires agency heads to provide for the assignment of a post-combat case coordinator for any employee of the agency who suffers an injury or disability while in the performance of the employee's duties as a result of a war-risk hazard or as a result of capture, detention, or other restraint by a hostile force or individual.
- Authorizes federal agency heads to waive maximum limit of age for federal law enforcement and fire fighter positions in certain circumstances.
- Expresses the sense of Congress that the Office of Personnel Management and the Department of Defense should develop procedures for determining locality pay for Department of Defense employees in circumstances unique to the employee.
- Requires federal agencies which operate internship programs to appoint an internship coordinator and that the Office of Personnel Management shall make publicly available on its website information on the availability of federal internship programs.
- Authorizes the experimental personnel management program for scientific and experimental personnel until 2016 and authorizes 10 new positions for the Defense Advanced Research Projects Agency.
- Authorizes each service secretary to employ without pay up to 10 persons of outstanding experience and ability.
- Allows federal civilian employees to designate anyone they choose to receive the entirety of a death gratuity if the employee dies of injuries incurred in connection with service with an armed force in a contingency operation.
- Authorizes the Secretary of Defense to retroactively waive the repayment of voluntary separation incentive pay for certain civilian employees.
- Extends the authority of the Department of Defense to continue to pay the government's share and administrative fees for Temporary Continuation of Coverage (TCC) health insurance premiums for former employees enrolled in TCC based on separation due to a reduction in force.
- Requires the Secretary of Defense to publicly disclose the names of senior mentors on a quarterly basis.

- Terminates the Joint Safety Climate Assessment System of the Department of Defense.

Military Families

- Authorizes inclusion of a service member's spouse during certain segments of preseparation counseling and requires additional topics to be included in preseparation counseling.
- Authorizes a 3-year extension for the Department of Defense (DOD) to provide grants to local educational agencies serving military dependent students living in the United States who do not attend DOD schools.
- Modifies membership on the Department of Defense Military Family Readiness Council.
- Requires a report on Department of Defense autism pilot and demonstration projects.
- Requires a Comptroller General Review of Department of Defense spouse employment programs.
- Designates the Fisher House of the Families of the Fallen and Meditation Pavilion at Dover Air Force Base, Delaware, as a Fisher House.

Armed Forces Retirement Home

- Authorizes \$67.7 million to be appropriated for the Armed Forces Retirement Home.
- Amends the Armed Forces Retirement Act of 1991 to implement recommendations of the Department of Defense Inspector General report that found duplication of assessment and inspection mandates as related to the Local Boards of Trustees, the Senior Medical Advisor, the DOD Inspector General, and the civilian accreditation agencies.

SUBCOMMITTEE ON AIRLAND

Under the leadership of Chairman Joseph Lieberman (I-CT) and Ranking Member Scott Brown (R-MA), the Subcommittee on Airland reviewed DOD programs 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 counterinsurgency operations, and to improve efficiency of programs and apply the savings toward high-priority programs. Particular emphasis was placed on addressing the modernization needs of the Army. Specifically, the conference report includes the following budget recommendations and legislative provisions.

Army

- GCV — authorizes \$449.4 million for the GCV development.
- Stryker – authorizes \$606.9 million to procure 100 Stryker vehicles especially designed and built for the detection of nuclear, chemical, and biological agents. Also includes a legislative provision that requires the Secretary of the Army to certify that Stryker vehicle requirements and cost estimates are stable.
- Paladin Integrated Management program (PIM) — fully supports budget request of \$167.0 million (research and procurement) for continued development and prototyping of the next generation Paladin self-propelled artillery system.
- Bradley Fighting Vehicles – fully supports the budget request of \$250.7 million for continued upgrade to the Army National Guard Bradley fleet.
- Eliminates the funding request of \$539.6 million for the Airborne Common Sensor / EMARSS
- UH-72A Light Utility Helicopter (LUH) – fully supports budget request of \$250.4 million for LUH procurement.
- UH-60 Blackhawk – authorizes \$1.47 billion for UH-60 Blackhawk procurement. Also includes a legislative provision authorizing a multiyear procurement contract for 5 years beginning in fiscal year 2012.
- CH-47 Chinook – fully supports budget request of \$1.4 billion for CH-47 Chinook procurement.
- AH-64 Apache Block III – authorizes \$1.1 billion for remanufactured and new production Apache Block III attack helicopters. Recommendation cuts \$35.5 million in the Overseas Contingency Operations account for one war loss replacement aircraft. Procurement of a single aircraft that will not go on contract until FY 2013 or deliver until FY 2014 is not a legitimate war loss replacement.
- M1 Abrams tank upgrade program – adds \$255.0 million to upgrade 49 additional tanks in FY 2012. The budget request includes \$181.3 million to upgrade 21 Abrams tanks. Additional funds allow the Army to upgrade a total of 70 tanks and preserve minimum industrial capability through FY 2012.
- Joint Tactical Radio System (JTRS) – cuts \$297.7 million of \$775.8 million in the Army's budget request for Ground Mobile Radio (GMR) and Airborne, Maritime/Fixed (AMF) radios. The Army is restructuring the GMR program when it was not recertified after a Nunn-McCurdy cost breach. The JTRS-AMF program's Milestone C decision for the Maritime/Fixed radio has slipped to September 2012 and contract award will likely slip into FY 2013. Also includes a legislative provision that requires the Secretary of the

Army to certify that the acquisition strategy for full-rate production of radio systems provides for full and open competition that includes commercially developed systems that are certified by the National Security Agency and pass Army testing.

- Warfighter Tactical Network (WIN-T) – authorizes \$865.2 million for Army procurement of the WIN-T system, a reduction of \$109.0 million for contract delay. Also authorizes \$182.9 million for WIN-T research and development, a \$115.0 million reduction for cancellation of Increment III of the program.
- Ground Soldier System (GSS) — authorizes \$63.5 million for GSS/Nett Warrior, Increment 1, including a reduction of \$107.5 million for program delay and transfers \$13.1 million to Army research and development to support continued configuration development to lower system cost, weight, and power consumption.
- Early Infantry Brigade Combat Team (EIBCT) — cuts \$192.3 million from related BCTM lines due to E-IBCT program termination.

Air Force and Naval Aviation

- JSF - deletes funding for one of 19 JSF aircraft requested by the Air Force. Approves seven Navy JSFs and six Marine Corps JSFs as requested.
- F/A-18E/F & EA-18G - approves a total of 40 aircraft, 28 F/A-18E/Fs and 12 EA-18G aircraft as requested.
- F-22 development: reduces request for F-22 research and development to a more sustainable level (-\$147.0 million).
- C-130J - fully supports budget request of \$988.2 million for C/HC/MC-130J cargo aircraft.
- C-27J - fully supports budget request of \$479.9 million for C-27J cargo aircraft.
- Light attack armed reconnaissance aircraft (LAAR) - cuts \$43.5 million for the procurement of LAAR aircraft and fences funding pending completion of a study of requirements.
- Requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to produce a report on plans for implementing provisions of the Weapon Systems Acquisition Reform Act of 2009 for the F-35 JSF program.
- Requires a plan on the orderly disposition of hardware acquired under the F136 engine development program.
- Requires the Air Force Audit Agency to conduct an audit of the E-8 Joint Surveillance Target Attack Radar System aircraft re-engining program.

- Prohibits the obligation or expenditure of more than 75 percent of funds on the Navy's Unmanned Carrier Launched Airborne Surveillance and Strike program until the Department has a validated statement of requirements and a detailed acquisition plan for the program. That plan must require open architecture standards.

Mine Resistant Ambush Protected Vehicle Fund

- Provides \$2.6 billion for the MRAP fund, which funds the development, testing, production, and sustainment of the MRAP vehicles and new M-ATV.

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 \$10.4 billion for U.S. Special Operations Command (USSOCOM), approximately \$530.0 million above fiscal year 2011 requested levels.
- Requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to review USSOCOM dry combat submersible programs and determine the appropriate acquisition category of such programs before they enter the Engineering and Manufacturing Development phase.
- Prohibits the Commander of USSOCOM from expending more than 50 percent of the funds available for the aviation foreign internal defense program until the Department provides the congressional defense committees with a report outlining the program's goals, requirements, and acquisition strategy.
- Requires USSOCOM and the services to reach annual agreements with regard to the process by which general purpose enabling capabilities can be dedicated to support special operations missions.
- Requires a study on the adequacy and availability of training ranges used by U.S. Special Operations Forces.
- Re-designates "psychological operations" as "military information support operations" in title 10, United States Code, to conform to Department usage.

Combatting Terrorism

- Authorizes \$700.0 million for capacity building activities, which includes \$350.0 million for section 1206 train and equip; \$150.0 million for two targeted authorities for East Africa and Yemen; and \$200.0 million from the Department of Defense for the Global Security Contingency Fund.
- Establishes a new pooled fund, known as the Global Security Contingency Fund, jointly implemented by the Department of Defense and Department of State to build the capacity of foreign security forces and enhance security sector reform in conflict environments.
- Extends, through fiscal year 2015, the authority of U.S. special operations forces to provide support to regular forces, irregular forces, and individuals aiding U.S. special operations to combat terrorism and increases the annual authorized level of funding from \$45.0 million to \$50.0 million.
- Limits the amount of funds available for the Pakistan Counterinsurgency Fund (PCF) until the Secretary of Defense provides Congress a strategy on the use of the PCF and on enhancing Pakistan's efforts to counter the threat of IEDs.

Combating Weapons of Mass Destruction and Nonproliferation

- Provides \$508.2 million for the Cooperative Threat Reduction Programs at DOD, the amount of the budget request.
- Provides \$2.6 billion for the Nonproliferation Programs at the Department of Energy, a reduction of \$2.8 million below the budget request.
- Provides \$880.0 million for fissile materials disposition, a reduction of \$10.0 million below the budget request.
- Provides \$427.0 million for nonproliferation research and development, an increase of \$9.4 million above the budget request.
- Directs the DOE to begin to phase out the Global Initiatives for Proliferation Program and reduces the program by \$2.0 million.

Assistance and Training

- Authorizes DOD to provide civilian advisors to ministries of defense to help build the capacity of foreign government to manage and operate more effectively their defense institutions. DOD currently provides civilian advisors to various ministries in the Afghan Government.

- Expands existing DOD authority to provide humanitarian demining assistance to include stockpiled conventional munitions education, training, or technical assistance to nations that request assistance.
- Authorizes the Secretary of Defense – with the concurrence of the Secretary of State – to provide up to \$35.0 million of logistics support, services, and supplies to foreign forces supporting the counter-Lord’s Resistance Army efforts in Central Africa.

Joint Improvised Explosive Device Defeat Organization

- Provides \$2.5 billion for the Joint Improvised Explosive Device Defeat Organization in the OCO account.

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

- Provides \$200.0 million in funding to meet critical national security needs such as enhancing energy security and independence, developing advanced materials, improving manufacturing technology and the defense industrial base, and advancing microelectronics.
- Addresses DOD needs to hire the best scientific and technical talent:
 - Directs the DOD to conduct a study to explore potential mechanisms to be able to access non-U.S. citizens with specific critical scientific and technical skills vital to national security interests.
 - Grants DOD laboratories permanent extension of authority to directly hire scientific and technical personnel.
 - Extends DOD’s authority to 2016 for expedited hiring authority of specialized scientific and technical personnel for agencies such as the Defense Advanced Research Projects Agency, as well as granting the Director of Operational Test and Evaluation access to this authority for a specified number of positions.
- Authorizes increases of \$50.0 million to the Army and Air Force for test and evaluation activities to support the critical role that testing and evaluation activities play in the acquisition process.
- Reauthorizes the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs for 6 years. Key provisions include:
 - Increases SBIR allocation incrementally from 2.5 percent to 3.2 percent over 6 years and STTR allocation incrementally from 0.3 percent to 0.45 percent over 5 years.
 - Establishes a 3 year pilot program to allow up to 3 percent of the SBIR allocation to go to administrative, oversight, and processing costs.
 - Increases Phase I awards from \$100,000 to \$150,000, and Phase II awards from \$750,000 to \$1.0 million.
 - Allows entities that are majority owned by multiple venture capital firms, multiple hedge, or private equity firms to compete for SBIR awards.

DOD Counternarcotics Program

- Renews four longstanding DOD counternarcotics authorities programs:
 - Extends the authority for a joint task force conducting counternarcotics training and assistance to a foreign government to also provide counterterrorism training and assistance when a nexus exists between the two threats;
 - Extends the authority to provide training and equipment to certain foreign governments in South and Central America, Central Asia, and West Africa; raises DOD's assistance cap under this authority to \$100.0 million; and expands the list of eligible recipient countries to include: Benin, Togo, Cape Verde, Ghana, Liberia, Nigeria, Sierra Leone, The Gambia, Ivory Coast, Mauritania, Guinea, Nicaragua, and Jamaica.
 - Extends the authority to support the counterdrug activities of other governmental agencies (Federal, State, and local) and foreign governments. This authority is used by the Department of Defense around the globe to enable and enhance the capacity of foreign nations to combat illegal narcotics and other forms of trafficking.
 - Extends the authority to provide support to Colombian military counterterrorism and counternarcotics operations;
- Provides \$1.6 billion to support DOD counternarcotics program in the base and OCO budget request.

Chemical and Biological Matters

- Authorizes \$1.4 billion for chemical and biological defense programs.
- Authorizes the budget request level of \$1.6 billion for the chemical weapons demilitarization program.

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, surveillance, 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

- Authorizes \$10.5 billion for missile defense programs, including \$8.4 billion for the programs of the Missile Defense Agency and \$2.1 billion for Army and related programs.

- Authorizes an increase of \$30.0 million to purchase production equipment to permit an increase in the production rate of the Standard Missile-3 Block IB interceptor.
- Authorizes an increase of \$110.0 million to the joint U.S.-Israeli missile defense programs, including for development of the “David’s Sling” short-range ballistic missile defense system, the Arrow System Improvement Program, and the Arrow-3 upper-tier interceptor.
- Decreases \$50.0 million of \$96.3 million for low-priority operation and maintenance of the Airborne Laser Test Bed aircraft, which is not being used for development of any near-term missile defense systems. Funds would be used for higher priority near-term regional missile defense systems.
- Reduces \$20.0 million in excessive operation and maintenance funds for the Sea-Based X-band radar.
- Fences 75 percent of the fiscal year 2012 funds available for the MEADS until the Secretary of Defense submits a detailed plan to use such funds as final obligations for the program, either for implementing a smaller restructured program, or for paying contract termination costs.
- Expresses the sense of Congress concerning the approach the Missile Defense Agency should take in correcting the problem encountered in the December 2010 flight-test failure of the Ground-based Midcourse Defense system, and requires the Secretary of Defense to submit two reports on the plans and progress for achieving that correction.
- Requires GAO to review and assess the Missile Defense Agency’s annual acquisition baseline reports mandated in last year’s NDAA (codified in this conference report) , and requires GAO to report on its findings and recommendations through 2016.
- Requires the President to notify Congress 60 days in advance of each instance of sharing classified U.S. ballistic missile defense information with the Russian Federation.

Strategic Systems

- Authorizes the Air Force to retire the six B-1 bomber aircraft between fiscal years 2012 and 2016 including the submission of a report on the retirement plan and a plan to modernize the remaining B-1 bomber fleet.
- Fully funds the next-generation long range penetrating bomber while designating the engine development as a subprogram of a Major Defense Acquisition Program requiring competition.
- Includes a provision that would direct the Secretary of Defense to conduct biennial assessments of the safety, security, sustainability, performance, and military effectiveness of strategic delivery platforms, including their command and control systems.
- Includes a provision that requires the President to submit a net assessment to the

congressional defense committees to support any proposal to reduce the nuclear weapons stockpile below the numbers in the New START Treaty or to reduce the number of hedge weapons in the stockpile.

- Includes a provision that would direct the President to submit a report describing any new Nuclear Employment Strategy if and when such a strategy is issued.

Space Programs

- Requires the Secretary of Defense to review and assess the ability of national security global positioning satellite (GPS) receivers to receive GPS signals without interruption or interference, over the next 2 years and requires the Federal Communications Commission not to lift the conditions imposed on commercial terrestrial operations in the Order and Authorization adopted on January 26, 2011, (DA 11–133) until all concerns are resolved with respect to widespread harmful interference with terrestrial operations of GPS devices.
- Authorizes the Secretary of the Air Force to purchase as a block, 2 Advanced Extremely High Frequency Satellites using a fixed price contract and with incremental funding for a period of 6 years.
- Requires the President to submit an interagency strategy for rocket propulsion, including maintaining the solid rocket motor industrial base.

Cyber Security

- Includes a provision that would require DOD to acquire and incorporate capabilities for discovering previously unknown cyber attacks in multiple layers of its networks – from desktop computers to the traffic delivered to the Department by Internet Service Providers.
- Sustains funding for the cybersecurity pilot activities mandated in the Ike Skelton National Defense Authorization Act for Fiscal year 2011.
- Includes a provision which would codify the current Department of Defense and Department of Homeland Security Memorandum of Agreement on cybersecurity cooperation.
- Includes a provision affirming that the Department of Defense has the capability, and upon direction by the President may conduct offensive operations in cyberspace subject to the policy principles and legal regimens for kinetic capabilities, and the War Powers Resolution.

Intelligence

- Includes a provision that would require the Under Secretary of Defense for Intelligence to

incorporate advanced enterprise-wide database query and correlation capabilities into the DOD intelligence information network.

- Includes a provision that would require the Department to post on a website accessible from the Internet all the information needed to allow commercial companies and individuals to design, integrate, and test new analysis tools/applications –“widgets” – into an open-architecture framework for use by the Defense Department and the Intelligence Community.
- Includes a provision that would require the Department of Defense to develop and implement a program to apply technology and new procedures to prevent “insiders” from being able to download and export from DOD networks large quantities of sensitive information.
- Includes a provision would require the Secretary of Commerce to undertake a comprehensive review of the current restrictions on the resolution of the electro-optical imagery that commercial satellite imaging companies are allowed to sell or distribute. Current licenses issued by the Commerce Department limit the resolution of satellite imagery to 0.5 meters.
- Includes a provision that would prohibit the Secretary of the Air Force from taking any action regarding the retirement of the U-2 aircraft pending certifications from the Department of Defense on the U-2 and its planned replacement, the Global Hawk.

Department of Energy Programs

- Includes a provision that requires the Director of National Intelligence, in consultation with the Secretary of Energy and the Secretary of Defense to assess the capabilities of other nations in high performance computing.
- Includes a provision that would direct the Secretary of Defense to submit an accounting report on the nuclear weapons stockpile including both deployed and non-deployed weapons.
- Authorizes \$16.9 billion for atomic energy defense activities, including \$7.2billion for nuclear weapons modernization and \$2.3billion for nuclear nonproliferation.
- Authorizes Environmental Management and Other Defense Activities at \$5.8 billion.

Defense Nuclear Facilities Safety Board

- Authorizes \$29.2 million for the Defense Nuclear Facilities Safety Board (DNFSB)
- Includes a provision that would grant oversight authority to the DNFSB for construction of the NNSA Office of Nuclear Reactors facility in Idaho.

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 the number of ships requested in the budget, including Virginia-class submarine, DDG-51, Littoral Combat Ship, Joint High Speed Vessel, and Mobile Landing Platform, and advance procurement for other ship programs, including the Carrier Replacement Program, and LHA Replacement Program. P-8 maritime patrol aircraft research and development continues, while production ramps up to 11 aircraft.
- Reduces the requirement to maintain force levels for strategic airlift aircraft (C-5 and C-17 aircraft) from 316 aircraft to 301 aircraft.
- Provides multiyear procurement authority to buy common cockpits and avionics systems for the Navy's H-60 helicopters, as requested by the Administration.
- Reduces the budget request by \$70.0 million to reflect unneeded purchase of CV-22 aircraft already bought in the Overseas Contingency Operations account in fiscal year 2011.
- Eliminates previous legislative requirement that the ex-John F. Kennedy aircraft carrier be maintained in condition to be reactivated, allowing the Navy to dispose of the vessel.

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:

O&M Funding Items

- Cuts \$418.3 million from excess unobligated balances to encourage better stewardship of taxpayer dollars, based on analysis from GAO.
- Cuts \$341.5 million for decrease in operational tempo as cited by the military services.
- Cuts \$605.0 million for excess cash balances in the Defense Working Capital Funds.

- Cuts \$12.0 million for printing, reproduction, studies, analysis, and evaluations.
- Cuts \$25.0 million from the Commanders' Emergency Response Program (CERP) to reflect the termination of the CERP program in Iraq.
- Cuts \$75.0 million from the Afghanistan Infrastructure Fund, based on the concern that Afghanistan is not ready to absorb the rapid increase in funding proposed in the President's budget.
- Cuts \$33.0 million from the Office of Economic Adjustment for Guam facilities support appear to be ahead of need.
- Cuts \$10.0 million for unjustified growth in Army O&M for joint DOD support and strategic communications.
- Adds \$43.4 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 \$6.5 billion savings in FY10 – a return on investment of \$22 for every \$1 spent.
- Adds \$32.1 million of Research Development, Test, & Evaluation funds 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 57:1 return on investment by reducing the bill for repair and replacement of corroded systems and parts.
- Adds \$150.0 million for Navy ship depot maintenance to restore readiness.

Military Construction and Basing Issues

- Cuts approximately \$1.7 billion from the President's budget for military construction and family housing projects.
 - More than \$500.0 million in incrementally funded projects to improve efficiency and prevent waste through more efficient cash flow of large projects.
 - Approximately \$180.0 million in overseas military construction deemed unnecessary or ahead of need.
 - Approximately \$150.0 million in projects requested for the realignment of USMC forces from Okinawa to Guam as projects are not necessary in this fiscal year.
- Prohibition on funds for the realignment of USMC forces from Okinawa to Guam until the Commandant of the Marine Corps provides an updated force lay-down and the Secretary of Defense submits a master plan to the Congress for all construction costs and schedule to complete.

- Prevents the obligation of any funds for Tour Normalization on the Korean Peninsula until the Secretary of the Army provides the Congress with a master plan including all costs and schedule to complete the program. It also requires the Director, Cost Assessment and Program Evaluation (CAPE) to perform an analysis of alternatives justifying the operational need.
- Places a temporary restriction on the construction of any new data centers until utilization rates are increased and better planning for requirements is provided.
- 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 2012.
- Requires the Secretary of the Navy to submit a plan to address the facility and infrastructure requirements at each public shipyard under the jurisdiction of the Department of the Navy.
- Authorizes \$135.0 million for the Energy Conservation Investment Program.

Readiness-Related Legislative Provisions

- *DOD Industrial Facilities:* DOD Industrial Facilities: Provisions would: (1) update the definition of depot-level maintenance and repair and the requirements for core logistics capabilities; (2) authorize DOD to designate military arsenals, not just military depots, as Centers of Industrial and Technical Excellence, allowing them to more efficiently enter into public-private partnerships; (3) make permanent and expand the number of cooperative agreements that Army industrial facilities may enter into with non-Army entities; (4) clarify the appropriate use of investment funds included in the capital budget of a depot, ammunition plant, or industrial facility; (5) require the Secretary of Defense to submit a report to Congress on the steps to improve the responsiveness of the supply chain for the retrograde and reset program for the equipment from Iraq and Afghanistan; (6) direct the Secretary of Defense to conduct a survey of the quantity and condition of non-tactical wheeled vehicles and base-level commercial equipment in the fleet of the military departments and report to Congress on the advisability of establishing service life extension programs for such classes of vehicles; and (7) prohibit funding for manufacturing beyond low rate initial production at certain prototype facilities.
- *Energy Provisions:* Provisions would: (1) establish an interim goal for the DOD's use of renewable energy to make it more likely that the Department will be able to meet the current statutory objective of using at least 25 percent renewable energy by 2025; (2) designate a senior official of Joint Chiefs of Staff for operational energy plans and programs and operational energy budget certification; (3) modify the responsibilities of the Assistant Secretary of Defense for Operational Energy, Plans, and Programs with respect to alternative fuel oversight; (4) require the Secretary of Defense to consider the

total life cycle costs of tents or structures when procuring such structures and to award contracts that provide best value; (5) consolidate the definitions used for energy security; (6) clarify the Secretary of Defense's authority to accept voluntary financial contributions to offset the cost of mitigation measures taken in the event of adverse impacts on military operations from the development of wind turbines and high power lines in the vicinity of military bases; (7) consider energy security in developing energy projects on military installations using renewable energy sources and require commanders of military installations inside the United States to develop plans to minimize the effects in the event of a disruption of services by a utility company; (8) require centralized purchasing agents for renewable energy certificates to reduce costs of facility energy projects using renewable energy sources; (9) require that the annual installation energy report detail the fulfillment during that fiscal year of the energy performance goals for the DOD; (10) require the DOD to capture and track data generated in metering DOD facilities; (11) require the metering of Navy piers to accurately measure energy consumption; and (12) establish a training policy for DOD installation energy managers.

- *Military Training Provisions:* Provisions would: (1) direct the Commander of the U.S. Special Operations Command to conduct a study on the ability of existing training ranges to support the full spectrum of missions; (2) direct the Secretary of the Air Force to conduct a study on the ability of the major air test and training range infrastructure to support the full spectrum of Air Force operations; (3) assess joint military training and force allocations in quadrennial defense review and national military strategy; (4) require a policy on active shooter training for certain law enforcement personnel in light of the lessons learned from the Fort Hood shootings; (5) clarify the intent of the DOD policy regarding the commercial sale of small arms ammunition and components in excess of military requirements; and (6) increase visibility on the annual budget requirements for organizational clothing and individual equipment.
- *Defense Stockpile:* Provisions would: (1) prohibit funding until receipt of a report from the Secretary of Defense, the Chief of Naval Operations, and the Commandant of the Marine Corps which assesses the impact on military readiness for placing any Maritime Prepositioning Ship squadron on reduced operating status; (2) increase DOD stockpile commodity disposal authority by \$100.0 million and extend the authority to 2016; and (3) authorize \$50.0 million for the operation and maintenance of the stockpile.
- *Night vision image intensification sensors industrial base:* Provision would direct the Department to do an assessment of the domestic and international night vision image intensification sensor industrial base.

Acquisition Policy Provisions

- *Detection and Avoidance of Counterfeit Parts:* The bill contains critical provisions to help keep counterfeit electronic parts out of the defense supply chain and provide proper accountability when suspect parts make it through, including:
 - Clarifying acquisition rules to ensure that the cost of replacement and rework required by the use of suspect counterfeit parts is paid by the contractor, not the taxpayer.

- Requiring DOD and DOD suppliers, whenever possible, to purchase electronic parts from manufacturers and their authorized dealers, or from trusted suppliers.
 - Requiring DOD officials and DOD contractors who become aware of counterfeit parts in the supply chain to provide written notification to the government.
 - Requiring large DOD contractors to establish systems to detect and avoid counterfeit parts.
 - Requiring DOD to adopt policies and procedures to detect and avoid counterfeit parts that it purchases directly, and to act on reports of counterfeit parts.
 - Requiring the Secretary of Homeland Security to consult with the Secretary of Defense on the sources of counterfeit electronic parts in the military supply chain and establish a risk-based program of enhanced inspection of imported electronic parts.
 - Authorizing Customs to share information from electronic parts inspected at the border with manufacturers to help determine whether parts are counterfeit.
 - Strengthening penalties for counterfeiting military goods or services.
- *Operating and Support Costs:* Implements GAO and CAPE recommendations to improve the management of Operating and Support costs, which are estimated to constitute 70 percent of the life cycle costs of major weapon systems.
 - *Limitation on Annual Amount Available for Contract Services:* Caps DOD spending for service contracts at the level of the FY 2010 President's Budget request; requires the Department to build on Air Force experience in achieving significant savings through stronger management of service contracts.
 - *Contracting with the Enemy:* Authorizes DOD to void a contract to a contractor who has been determined by the U.S. Central Command Commander to be actively opposing U.S. forces in Afghanistan. A related provision would provide enhanced audit authority to assist in the enforcement of this provision.
 - *Executive Salaries:* Expands the existing cap on the allowability of contractor executive compensation to cover all contractor employees (instead of just the 5 most highly-paid executives in each company, as provided in current law), while authorizing a narrow exemption for scientists and engineers, if necessary to ensure continued DOD access to needed skills and capabilities.
 - *Political Contributions:* Prohibits DOD from requiring contractors to require the disclosure of political information as a condition for participating in an acquisition.
 - *Corrosion:* Requires implementation of the recommendations of a recent congressionally-mandated report on corrosion control on the F-22 and F-35 programs to ensure that the Department addresses corrosion issues that can affect the affordability and suitability of weapon systems throughout their life cycles.
 - *Developmental Testing:* Requires that each major defense acquisition program be supported by a chief developmental tester and a lead developmental test and evaluation

organization to help program managers oversee developmental test and evaluation activities and make technically informed, objective judgments about their programs.

- *Administrative Breaches:* Reduces the statutory requirements for critical Nunn-McCurdy breaches (steep increases in the cost of major defense acquisition programs) that are caused primarily by quantity changes.
- *Cooperative Agreements for Development of Major Weapon Systems:* Requires DOD to submit a risk assessment in connection with any cooperative agreement with allied nations for the development of a major weapon system.
- *Past Performance:* Requires DOD to implement recommendations of the Commission on Wartime Contracting to improve the quality and timeliness of information on contractor performance that is included in databases used for making source selection decisions and to establish goals for competition in contracts supporting overseas contingency operations.
- *Implementation of Defense Science Board Recommendations:* Requires the Under Secretary of Defense for Acquisition, Technology, and Logistics to implement the recommendations of a recently-completed Defense Science Board Task Force on contracting for services.
- *Contractor Logistics Support:* Requires that the Quadrennial Defense Review, the National Military Strategy, and other key military planning documents address the expected roles and responsibilities of contractors in military operations and associated risks.
- *Joint Urgent Operational Need (JUON) Fund:* Establishes a new fund to allow the Department to rapidly field new systems in response to urgent operational needs identified on the battlefield, as requested by DOD.
- *Other Provisions would:* (1) repeal a certification requirement for major defense acquisition programs pre-dating the enactment of the Weapon Systems Acquisition Reform Act, as requested by the Department; (2) clarify responsibility for regulations addressing cost analyses and targets for negotiation; (3) provide increased flexibility to the Department in establishing standards for the manufacturing readiness of major defense acquisition programs; (4) expand rapid fielding authority to cover support services; (5) allow the designation of a lead contracting activity to handle “reach-back” contracting in support of operations in Afghanistan, as requested by DOD; (6) reduce reporting burdens on the Department by substituting a single annual report for dozens of individual reports currently submitted on single-award task order or delivery order contracts; (7) modify last year’s provision on rights in technical data to clarify the circumstances in which the government needs and should retain “government purpose” rights; (8) clarify a certification requirement applicable to DOD contracting through other agencies of the Federal Government; (9) clarify the coverage of a provision requiring improved contractor business systems; (10) require GAO reports on DOD’s progress in

improving competition in contracting; (11) address the availability of funds in the Defense Acquisition Workforce Development Fund, as requested by DOD; (12) address jurisdiction in maritime bid protests, as requested by DOD; (13) address contracts with the Civil Reserve Air Fleet, as requested by DOD; (14) address the purchase of right-hand drive vehicles for use overseas, as requested by DOD; and (15) extend DOD small business authorities.

Defense Management Provisions

- *Auditable Financial Statement:* Requires DOD to establish a plan to meet the goal established by the Secretary of Defense of achieving an auditable Statement of Budgetary Resources by no later than fiscal year 2014. Requires the Department to establish milestones, metrics, and mitigating strategies for subordinate activities necessary to achieve interim milestones in this effort.
- *Improved Management of Defense Business Systems:* Updates requirements for defense business systems by: (1) clarifying and strengthening the management authority of the Chief Management Officers in the investment review process; and (2) extending this authority to decisions to spend money on existing systems (in addition to the acquisition of new systems).
- *Other Provisions would:* (1) tighten qualification requirements for DOD financial management personnel; (2) clarify provision regarding the commercial availability of small arms ammunition, ammunition components and fired cartridges; (3) make technical corrections and adjustments to legislative provisions regarding manufacturing and the defense industrial base and delegation of authority to approve certain Cooperative Research and Development Agreements; (4) align two separate dollar thresholds for procurement of capital assets; (5) ensure that reimbursements to the DOD under the Reciprocal Fire Protection Agreements are not expired at the time of their reimbursement to the command that provided the fire protection services; and (6) amend the date on which the budget certification is delivered to Congress from the Office of the Assistant Secretary of Defense for Operational Energy, Plans, and Programs.

Environmental Provisions

- Provides full funding for DOD environmental restoration programs to help ensure active and former installations with contaminated sites are restored to acceptable levels in a timely manner.
- Requires the Secretary of the Navy to take certain actions related to the dissemination of information on the issue of water contamination at Camp Lejeune, North Carolina and to refrain from certain actions until ongoing scientific studies are completed.
- Amends the Act to Prevent Pollution from Ships to require Navy and Coast Guard ships at sea to meet the same standards for the discharge of garbage in all ocean areas that

Navy is currently required to meet in the environmentally-sensitive “special areas” as designated by MARPOL.

- Modifies and clarifies certain provisions of the Legacy program and the Readiness and Environmental Protection Initiative to provide DOD more flexibility.
- Streamlines the reporting requirements for DOD’s annual report to Congress on Defense Environmental Programs.

GENERAL PROVISIONS

- The conference report includes a slightly modified version of the detainee provisions included in the Senate bill. These provisions would:
 - Reaffirm the military’s existing authority to detain individuals captured in the course of hostilities conducted pursuant to the Authorization for the Use of Military Force. No change has been made to the Senate version of this provision, which confirms that nothing in the provision may be “construed to affect existing law or authorities relating to the detention of United States citizens, lawful resident aliens of the United States, or any other persons who are captured or arrested in the United States.”
 - Require military detention – subject to a Presidential waiver – for foreign al Qaeda terrorists who attack the United States. This provision specifically exempts United States citizens and lawful resident aliens, authorizes transfer of detainees to civilian custody for trial in civilian court, and leaves it up to the President to establish procedures for determining how and when persons determined to be subject to military custody would be transferred, and to ensure that such determinations do not interfere with ongoing intelligence, surveillance, or interrogation operations. Language added in conference confirms that nothing in the provision may be “construed to affect the existing criminal enforcement and national security authorities of the Federal Bureau of Investigation or any other domestic law enforcement agency with regard to a covered person, regardless whether such covered person is held in military custody.”
 - Require the Attorney General to consult with the Secretary of Defense before prosecuting a foreign al Qaeda terrorist who is determined to be covered under the previous section, or any other person who is held in military custody outside the United States, on whether the more appropriate forum for trial is a federal court or a military commission and whether the individual should be held in civilian or military custody pending trial.
 - Extend for 1 year the certification requirement for the transfer of GITMO detainees to foreign countries, subject to a national security waiver (which was not available under previous law).
 - Extend for 1 year the existing prohibition on the use of DOD funds to build facilities in the United States to house GITMO detainees.
 - Extend for 1 year the existing prohibition on transferring or releasing GITMO detainees inside the United States.

- Require DOD to issue procedures to clarify certain aspects of the review process established for GITMO detainees and ensure that the Secretary of Defense has final responsibility for any release or transfer decision.
 - Require DOD to establish procedures, including a military judge and a military lawyer, for determining the status of detainees who will be held in long-term custody pursuant to the AUMF.
 - Require DOD to develop and submit to Congress a protocol addressing policies and procedures governing communications to and from GITMO detainees, and related issues.
 - Clarify procedures for guilty pleas in trials by military commission.
- A provision that would repeal or modify almost 100 recurring reporting requirements that the committee determined to be unnecessary or overly burdensome, as requested by the Secretary of Defense as part of his efficiencies initiative.
 - Requires an independent study by a non-governmental entity to assess the U.S. military's security posture in the United States Pacific Command area of responsibility.
 - A provision that requires a report from the Secretary of Defense on the Air Sea Battle Concept.
 - The conference report includes a powerful new regime of sanctions against the financial sector of Iran, including the Central Bank of Iran. These sanctions would, among other actions, require foreign financial institutions to choose between maintaining ties with the U.S. financial system or doing business with the Central Bank of Iran, especially for the purchase of Iranian petroleum and petroleum products. The conference report includes four modifications to the Senate language, but preserves the scope and implementation timeline of the Senate provision.
 - Requires that the Department of Defense, in its future-years defense program submitted with its annual budget request, to display separately the estimated expenditures and item quantities for each reserve component of the armed forces.
 - Requires the Secretary of Defense to submit to Congress a report setting forth an analysis of the costs of a sample of deployable units of the active components of the armed forces and the costs of a sample of similar deployable units of the reserve components of the armed forces.

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