

that nuclear weapons are unnecessary for their security. Yet the rest of the world, including our allies, friends and foes, see the continuing value in nuclear weapons.

Winston Churchill once warned the U.S. to "be careful, above all things, not to let go of the atomic weapon until you are sure and more than sure that other means of preserving peace are in your hands."

We are not even close to meeting Churchill's requirement, because we have not yet found an alternative basis for preventing war. Weakening our nuclear arsenal will stop us from being able to follow through on our commitments to our allies. Many of our closest allies see U.S. nuclear weapons as a large component of their security and the reason they remain nonnuclear. Without the U.S. nuclear umbrella, they may fear that they lack security and, thus, will develop their own alternative nuclear deterrent capabilities.

As the late British nuclear expert, Sir Michael Quinlan, stated, "Better a world with nuclear weapons but no major war than one with major war but no nuclear weapons."

Nuclear weapons have served our Nation as a primary deterrent and are the reason we have not had a world war since their inception. Without them, we will lose our ability to deter rogue nations from attacking us or our allies. Thus, we will lose the ability to lead our world towards peace.

Mr. Speaker, not so long ago, the Democrats in charge were outspoken critics of the Bush administration's spending. However, it is clear that these same Democrats either have very short memories or their criticism was all for show because, since being in charge, they have not only failed to improve our current economic situation but have undeniably made it worse. While both Republicans and Democrats need to work to hold the line on spending, it is only appropriate that the Democrats in charge be reminded of their criticisms of deficit spending under a Republican Congress, which their own spending under their Democrat Congress now dwarfs.

In 2006, then-Minority Leader PELOSI stated, "When Republicans spend the Federal budget into the red, the U.S. Treasury borrows money from foreign countries. Our national debt is a national security issue. Countries that own our debt will not only be making our toys, our clothes, and our computers, pretty soon, they will be making our foreign policy."

Actions speak louder than words. If only Speaker PELOSI still held these beliefs today, maybe our fiscal situation would look quite different.

Again in 2006, Minority Leader PELOSI is quoted as saying, "If something is important to you, figure out how to pay for it, but do not make my children and grandchildren have to pay for it or anybody's children or grandchildren have to pay for it. It is immoral for us to heap these deficits on our children."

How ironic, Mr. Speaker, to have had those words spoken by now Speaker PELOSI.

In 2006, then-Minority Whip HOYER told Republicans, "You have voted for budgets which have provided the largest deficits in our history. You are in charge of the House; you are in charge of the Senate, and you have the Presidency."

I would tell the majority leader today to heed his own words and to ask himself if his Democrat Congress is doing the right thing by the American people, by our children, and by our grandchildren.

Mr. Speaker, I urge my colleagues to vote "no" on the rule, and I yield back the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I urge a "yes" vote on both the previous question and on the rule.

I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

IMPLEMENTING MANAGEMENT FOR PERFORMANCE AND RELATED REFORMS TO OBTAIN VALUE IN EVERY ACQUISITION ACT OF 2010

The SPEAKER pro tempore. Pursuant to House Resolution 1300 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5013.

□ 1148

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5013) to amend title 10, United States Code, to provide for performance management of the defense acquisition system, and for other purposes, with Mr. KIND in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Missouri (Mr. SKELTON) and the gentleman from California (Mr. MCKEON) each will control 30 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

I rise in strong support of H.R. 5013, which is known as the IMPROVE Acquisition Act of 2010. For many years we've witnessed waste in the Department of Defense's acquisition system spiral out of control, placing a heavy burden both on the American taxpayers as well as our men and women in uniform. Less frequently, but still far too often, fraud and abuse have crept into the system, as sadly it happened recently in Iraq. Our troops rely on the acquisition system to buy the

equipment they need to keep them safe on the battlefield as well as to protect our country. And when that system breaks down, they suffer.

In recent years, I and many of my colleagues on the Armed Services Committee have become increasingly concerned that this flawed defense acquisition system was not responsive enough to today's mission needs, not rigorous enough in protecting the tax dollars of millions of families who are struggling financially, and not disciplined enough in the acquisition of weapons systems for tomorrow's wars.

We took action. Mr. Chairman, last year we worked with the Senate to enact legislation to reform weapons system acquisition, which covers about 20 percent of all of the military acquisitions. However, weapon systems make up only a small piece of our defense. That bill was a great launching pad; however, we need to do more.

In the House, we continued the effort by creating a Panel on Defense Acquisition Reform, ably led by Congressmen ROB ANDREWS and MIKE CONAWAY to carry out a comprehensive review of the current system and to identify what steps we need to take to make this system work. The panel could not have done a better job scrutinizing the defense acquisition system. It deals with everything from paper clips to boots to food, everything under the acquisition umbrella.

During the course of this past year, this panel held 14 hearings plus two briefings on a broad range of issues dealing with the acquisition system, unearthing everything from contract fraud to simple process errors that led to billions of wasted dollars. They put together an excellent report with suggestions to fix the system. And we are here today, with the good will of the House, to pass legislation that will enact those recommendations as outlined in the panel headed by Mr. ANDREWS and Mr. CONAWAY.

This act will overhaul the defense acquisition system in many respects. Basically, however, requiring the department to set clear objectives for the defense acquisition system and manage performance in achieving those objectives; requiring the department to introduce real accountability into the requirements process, and create a requirements process for the acquisition of services; strengthening and revitalizing the acquisition workforce; requiring the department to develop meaningful consequences for success or failure in financial management; and strengthening the industrial base to enhance competition and gain access to more innovative technology.

In other words, the legislation before us today would require the Department of Defense to adopt the basic management practices that are necessary for anything as complex as the acquisitions system to function properly. These changes will make sure that the men and women who are risking their lives to protect our country are getting

the proper equipment they need to do their jobs and to protect themselves, and that they get it sooner. Additionally, we expect this bill to prevent the waste of billions of taxpayer dollars over the next 5 years.

This is a bipartisan bill. I am very proud of that fact. It passed our Armed Services Committee by a vote of 56-0. A great deal of credit goes to Mr. ROB ANDREWS and Mr. MIKE CONAWAY. And a special thanks to my partner, BUCK MCKEON, the ranking member, the gentleman from California.

I urge my colleagues to join us in sending the strongest possible message to the men and women in uniform, as well as to the American people, that we are serious about protecting the taxpayers' dollars and making the acquisition system work more smoothly. It's really for them as well as for our country.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, April 21, 2010.

Hon. IKE SKELTON,
Chairman, Committee on Armed Services,
Washington, DC.

DEAR CHAIRMAN SKELTON: Thank you for working with the Committee on Ways and Means ("Committee") on H.R. 5013, the "Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010." As you know, section 403 of H.R. 5013 is of jurisdictional interest to the Committee as it would require tax return information to be supplied by the Internal Revenue Service ("IRS").

Generally, tax return information is confidential. However, Section 6103(c) of the Internal Revenue Code permits the Secretary of the Treasury to disclose the tax return information of a taxpayer to such person as the taxpayer designates. The Committee continues to monitor the expanding IRS workload and remains concerned about programs that greatly increase the agency's workload outside of its core mission. In calendar year 2009, the IRS made nearly 11,000 tax disclosures under section 6103(c). It is unknown how many additional disclosures will be made under H.R. 5013. As such, the Committee worked with the Armed Services Committee to develop a provision that is administrable by the IRS. The Committee remains committed to ensuring that any additional responsibilities imposed on the IRS do not strain agency resources and welcomes the opportunity to re-evaluate this provision in the future.

As we have discussed, this exchange of letters will be placed in the Committee Report on H.R. 5013 and inserted in the Congressional Record as part of the consideration of this legislation in the House. Thank you for the cooperative spirit in which you have worked with the Committee regarding this matter.

Sincerely,

SANDER M. LEVIN,
Chairman.

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 23, 2010.

Hon. SANDER LEVIN,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding H.R. 5013, the Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010. I agree that the Committee on Ways and Means has valid jurisdictional

claims to certain provisions in this important legislation, and I am most appreciative of your decision not to schedule a mark-up of this bill in the interest of expediting consideration. I agree that by agreeing to waive consideration of certain provisions of the bill, the Committee on Ways and Means is not waiving its jurisdiction over these matters.

This exchange of letters will be included in the committee report of the bill and inserted in the Congressional Record as part of consideration of the bill in the House. Thank you for your cooperation as we work towards enactment of this legislation.

Very truly yours,

IKE SKELTON,
Chairman.

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES,
Washington, DC, April 22, 2010.

Hon. IKE SKELTON,
Chairman, Committee on Armed Services,
Washington, DC.

DEAR CHAIRMAN SKELTON: I am writing about H.R. 5013, the "Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010", which the Committee on Armed Services ordered reported on April 21, 2010.

I appreciate your efforts to consult with the Committee on Oversight and Government Reform regarding those provisions of H.R. 5013 that fall within the Oversight Committee's jurisdiction. These provisions involve the federal workforce and federal acquisition policy.

In the interest of expediting consideration of H.R. 5013, the Oversight Committee will not object to its consideration in the House. I would, however, request your support for the appointment of conferees from the Oversight Committee should H.R. 5013 or a similar Senate bill be considered in conference with the Senate. Moreover, this letter should not be construed to prejudice the Oversight Committee's jurisdictional interest or prerogatives in the subject matter of H.R. 5013, or any other similar legislation.

I request that you include our exchange of letters on this matter in the Congressional Record during consideration of this legislation on the House floor.

Sincerely,

EDOLPHUS TOWNS,
Chairman.

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 23, 2010.

Hon. EDOLPHUS TOWNS,
Chairman, Committee on Oversight and Government Reform, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 5013, the Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010.

I appreciate your willingness to support expediting floor consideration of this important legislation. I acknowledge that H.R. 5013 contains provisions under the jurisdiction of the Committee on Oversight and Government Reform. I understand and agree that your willingness to waive further consideration of the bill is without prejudice to your Committee's jurisdictional interests in this or similar legislation in the future. In the event of a House-Senate conference on this or similar legislation is convened, I would support your request for an appropriate number of conferees.

I will include a copy of your letter and this response in the Congressional Record in the

debate on the bill. Thank you for your cooperation as we work towards enactment of this legislation.

Very truly yours,

IKE SKELTON,
Chairman.

I reserve the balance of my time.

Mr. MCKEON. Mr. Chairman, I yield myself such time as I may consume.

Today I rise in support of H.R. 5013, the IMPROVE Acquisition Act of 2010. The very first thing I would like to do is thank my partner across the aisle, Chairman IKE SKELTON. Chairman SKELTON has shown considerable leadership on this front, as well as the tone he has set for our committee throughout this Congress. I want to commend him and his staff for working so closely with us on this bipartisan bill.

Subcommittee Chairman ROB ANDREWS and Ranking Member MIKE CONAWAY deserve special recognition as well. I salute the HASC Defense Acquisition Reform Panel that they have chaired for all of their hard work. Under the leadership of Congressman ANDREWS and Congressman CONAWAY, this panel and its seven members delved into the complex world of defense acquisition. Over the last year, the panel held more than 20 events and supported the drafting and passage of the Weapons System Acquisition Reform Act of 2009. Late last month, based upon their detailed study, the panel released its final report containing recommendations for improvements to defense acquisition. On April 14, I was proud to honor their efforts by cosponsoring H.R. 5013, a bill that implements the panel's recommendations. Moreover, last week's unanimous committee vote on the bill speaks loudly to the hard work that this team put into their task.

Last year's Weapons System Acquisition Reform Act reformed the organization and processes used by the Department of Defense to manage major weapons programs, which account for approximately 20 percent of the Pentagon's procurement spending. This year Congressmen ANDREWS and CONAWAY tackled the other 80 percent. When you consider that over 50 percent of the Pentagon's procurement dollars are for services contracts alone, the legislation we intend to introduce today has the potential to effect major changes at the Department of Defense and save taxpayer dollars.

I believe these reforms are just as important as those implemented by last year's acquisition reform legislation. First, because they address the remaining 80 percent of defense acquisition, but more notably because true reform can only be accomplished by the men and women of the acquisition workforce.

The bill provides tools to enhance the experience and structure of this workforce. Our legislation will help the Department of Defense design better ways to measure value within the defense acquisition system, create a link between financial management and acquisition,

address the acquisition of services, information technology, commodities, and commercial parts, and finally, foster a robust domestic industrial base.

While we may not be able to guarantee a precise level of savings associated with this bill, I will tell you why I think it's important to pursue every avenue we can for savings. I personally believe we should be spending more on our national security. But ultimately, we have a responsibility to ensure that we spend the money we do have as wisely as possible. Nobody argues that the Department of Defense faces rising costs associated with military personnel and health care. When you couple this reality with the fact that the DOD's operating costs are migrating from supplemental spending measures into the base budget, the future for the DOD's investment accounts looks bleak.

I am concerned that the department's ability to invest in technology options for the future and to procure the equipment needed by our warfighters will be curtailed. Therefore, anything we can do to save money and invest that savings back into our top national security priorities should be viewed as an imperative, not just as a good thing.

In closing, I want to give special acknowledgment to the dedicated men and women of the defense acquisition workforce. They hold the key to improving acquisition outcomes and implementing H.R. 5013 without falling victim to bureaucracy. A significant challenge, but one for which that department has our full support.

Mr. Chairman, I reserve the balance of my time.

□ 1200

Mr. SKELTON. Mr. Chairman, at this time let me pay tribute to members of our committee. BUCK McKEON, the ranking member, a gentleman of the first order, is helping so very, very much to achieve end results in a bipartisan manner. National security is an American challenge. It is not a Democrat or a Republican challenge but one that is bipartisan. And I certainly appreciate his efforts.

ROB ANDREWS, MIKE CONAWAY, and all those on the panel, the bipartisan panel, which made the recommendations for this legislation did so unanimously. We had a full hearing, debating the issues that arise in this bill, and it was passed out to this floor with a vote of 56-0. So I want to say a special thanks to the members of the Armed Services Committee, all the members, and especially the gentleman from California (Mr. McKEON) for his untiring efforts in this regard.

Mr. Chairman, I yield 2 minutes to my friend and my colleague, who is also the chairwoman of the Subcommittee on Military Personnel, the gentlewoman from California (Mrs. DAVIS).

Mrs. DAVIS of California. Mr. Chairman, for a bill designed to increase ef-

ficiency, its formal title sure is long, but the acronym gets straight to the point, just like the legislation itself.

Simply put, the IMPROVE Acquisition Act reduces waste, increases efficiency, and encourages innovation in the defense marketplace. It does this by creating a better accountability system, improving the management of the acquisition workforce, and expanding and strengthening the industrial base.

I routinely meet with small businesses in San Diego that have so much to offer the defense world in the form of quality products and efficient services. Yet it has been frustrating to hear from these very capable and resourceful companies that they continually run into barriers.

One example is the negative impact contract bundling has on our industrial base. Contract bundling is when multiple requirements are combined into a single contract. While in theory this practice generates savings and speeds up the procurement cycle, it often forces out small businesses that can't compete for large contracts. Especially now, at the brink of economic recovery, our government needs to help bring more businesses into the DOD procurement system, not push them out.

So that's why I am so pleased that the amendment I offered in committee to reduce contract bundling is included in this bipartisan bill, because smaller firms are hurt when only a select number of companies are able to bid for DOD projects, and I also must say, so is the American taxpayer hurt by that.

Mr. Chairman, I believe the IMPROVE Act will help small businesses and transform the defense acquisition process into a system the American people can trust.

Mr. McKEON. Mr. Chairman, I am happy to yield such time as he may consume to the gentleman from Colorado (Mr. COFFMAN), a member of the committee.

Mr. COFFMAN of Colorado. Mr. Chairman, I am proud to stand before you today in strong support of H.R. 5013, the IMPROVE Acquisition Act of 2010.

As a member of the House Armed Services Defense Acquisition Reform Panel, I commend Chairman ROB ANDREWS and Ranking Member MIKE CONAWAY for their leadership over the past year as we delved into the complex world of defense acquisition.

Recently, based on our panel's detailed study, we released our final report containing recommendations for improvements to defense acquisition. Today's legislation implements our Defense Acquisition Reform Panel's recommendation, and I am proud to co-sponsor this very important bill. As a result of the panel's efforts, this legislation reforms the remaining 80 percent of the defense acquisition system not addressed by last year's Weapon Systems Acquisition Reform Act. These measures will potentially save billions of taxpayer dollars.

The primary focus of the bill is to reform defense spending by identifying cost-saving techniques at the earliest stages of development. Our goal is to decrease cost overruns exponentially before they spiral out of control.

I am pleased that many of my acquisition reform priorities are included in H.R. 5013. There is no doubt that there is a great need for enhanced accountability within the defense acquisition system. Maintaining our Nation's defense industrial base is paramount. Recruiting, training, and retaining a professional and experienced acquisition workforce within the Department of Defense is crucial to ensuring the best use of taxpayer dollars in the most cost-effective way. We must also reemphasize the need for program stability beginning with realistic requirements and periodic reassessments.

The IMPROVE Acquisition Act of 2010 will cut down on waste, fraud, and abuse, potentially saving billions of tax dollars. It will also get the right equipment to our warfighters sooner.

If Representative GERRY CONNOLLY's amendment regarding the establishment of an Industrial Base Council is adopted today, I strongly urge that the council consider the issue of supply chain vulnerability, especially with respect to rare earth metals.

I urge my colleagues to join me in voting in favor of this important legislation.

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

Let me point out that this acquisition legislation is based upon a complicated set of facts. You just don't go down to the local store and buy the necessary equipment for the young men and young women in uniform. Many of the issues deal with the production, with the purchase, with the right sizing, and all of the intricacies and technologies of today's high-level type of efforts.

So to explain all of this in much greater detail is the gentleman who is the key sponsor of this legislation, the gentleman who chaired the panel, and I compliment him on the excellent job that he and Mr. CONAWAY and the other members of the panel did. So I yield at this time 5 minutes to my friend, the sponsor, the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. I thank my chairman and mentor and friend for yielding.

I want to begin by thanking Chairman SKELTON and Mr. McKEON for their guidance and leadership. The two of them have run the Armed Services Committee as I believe Congress should run, on a factual, nonpartisan basis, and I appreciate very much the leadership they have shown. I also want to specifically thank Congressman MIKE CONAWAY of Texas, who is the senior Republican on the panel, who served

with tremendous diligence and fortitude and made a tremendous contribution to this. I do want to thank some other people later in the debate in detail, and I certainly will.

Here is what this bill is about: The Department of Defense, even after you take away the purchase of aircraft carriers or fighter jets or what have you, is spending almost \$1 billion every day of the week, every week of the year. Almost \$1 billion. And sometimes the people who run that system of buying everything from software to lawn mowing services do a really good job. They provide value to the taxpayer and great tools for our servicemembers. But that's not always the case.

A few years ago the Air Force went to buy a refrigeration unit to put on a plane, and they paid \$13,000 for the refrigeration unit. Less than 24 months later, they bought exactly the same refrigeration unit for the same sort of plane and paid \$32,000 for the same thing. I would not want to go home, Mr. Chairman, to my spouse and explain to her I had done that kind of cost overrun buying anything for our household, and I don't want to have to explain that to the American taxpayer either.

A few years ago there was a contract let, or at least discussed, to provide refined petroleum products to truck them from Kuwait up into Iraq, and it was about a \$220 million contract, and \$201 million was paid for and committed before the contract was even signed. This is a \$220 million contract where \$201 million was paid out before there was a written contract even signed. None of us, Mr. Chairman, would buy a house that way or an automobile that way or have our kitchen remodeled that way. Neither should the taxpayers here.

When the Department of Defense buys software or hardware, when it buys information technology, from the time they think of what they need to the time they actually start to use the technology, it typically takes 81 months. Now, the way computer technologies work these days is about every 18 months, computer power doubles, which means that every 36 months or so what was a cutting-edge product is now obsolete. This would be the equivalent of using a phone that you used in 2003 as the phone you use today.

The phone that most of us used in 2003 just made phone calls, and we were happy that it did. Today the little machines that our children and others carry around can record video, can upload and download video, they can access the Internet, send text message, e-mails, act as a GPS. Imagine using a 2003 phone in 2010. That's the equivalent of what we're doing when it takes us 81 months to go from the idea of a piece of technology to actually fielding it.

This bill changes that and it has a couple of key ideas. The first key idea is that the people who are running

these procurement organizations should be held to very high standards in quality and cost and time, and when they meet these high standards, they should be paid for it. They should be compensated more for doing a good job and saving money for the taxpayer. When they fail to do so, however, there should be significant consequences, and there are.

Another idea in this bill is that if a system would work well for the Marine Corps or the Air Force, then there ought to be one system, not two or three or four. And yet another idea is before we buy services, we ought to think about what we really need before we start spending money.

The second very good idea comes from Mr. CONAWAY, an issue he has pursued his entire time in the Congress, which is that every part of the Defense Department should be auditable, meaning that auditors and accountants ought to be able to look at the books and see if the money is being spent on things it is supposed to be spent on, the way virtually every business and organization in America is today.

The third idea of this bill is our workforce, that we not only enlarge the number of people working in our purchasing organizations—

The SPEAKER pro tempore (Mr. MORAN of Virginia). The time of the gentleman has expired.

Mr. SKELTON. I yield the gentleman an additional 5 minutes.

Mr. ANDREWS. I thank the chair.

Not only do we want to increase the number of people working on solving this problem, we want to increase the quality of their work. So this bill provides for education and training. It provides for diversification of our workforce. It provides for the use of the best and the brightest to get the job done.

The final aspect of this bill is to induce and provide more competition in the provision of goods and services to our Department of Defense. You know, somewhere in America today, there are probably a couple of people who are scientists on a college campus or who are working in a tool and dye shop somewhere in the country who have a much better solution to some problem than a person working for an immense defense contractor. Now, if the immense defense contractor has the best solution, that's what we ought to buy. But if the three people in the college lab or the five people in the tool and dye shop have a better idea, we need to get them into the competition so they can have their idea heard, have their proposal heard, and if it's the best one for the servicemembers and for the taxpayers, that's the one that ought to be chosen. We refer to that as broadening and diversifying the industrial base.

□ 1215

I'm especially gratified, Mr. Chairman, that, by my count, 43 Members of this body will have written a part of this legislation by the time it reaches

final vote later this afternoon. That includes the seven members of the panel; it includes a number of members of the full committee who offered amendments in the committee voting process; and it will include a number of amendments that we will consider here today. So just as we're trying to get the best and the brightest to contribute to the process of buying a billion dollars a day worth of items, we try to get the very best ideas of the Members of this body, Democrat and Republican, on the committee and not on the committee.

So I'd like to conclude by again thanking Chairman SKELTON, Ranking Member MCKEON, and Congressman CONAWAY for their work in making this process work. I believe we have come up with a product that will do very well by our servicemembers and do very well by our taxpayers as well. I would urge careful consideration of the amendments as we go through the afternoon, and I would obviously urge a "yes" vote from both parties for final passage of the bill.

Mr. MCKEON. Mr. Chairman, I'm happy to yield such time as he may consume to the gentleman who has served as the ranking member on the panel, ranking member on the subcommittee that had jurisdiction in this area, the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. I rise today in support of H.R. 5013, the IMPROVE Acquisition Act of 2010. First, I want to thank Chairman SKELTON and Ranking Member MCKEON for the trust and confidence they placed in the Defense Acquisition Reform Panel. I want to give special thanks and commendation to my good friend, ROB ANDREWS, for the hard work he did in leading this effort. He led it very, very well. He proved once and for all that we can start meetings on time and get our work done, even if those meetings start at 8 a.m. in the morning. So I have enjoyed this work with ROB. He and I may not agree on certain things, but in this arena and most things on the Armed Services, we are in pretty good agreement, and on this work, full agreement. I want to tell him thank you very much for the good work and his commitment to making this thing work.

The panel truly did approach its work on a nonpartisan basis. In fact, if you were to read the transcript of the hearings and read the questions without the names attached, you could not tell or distinguish between a Republican question or a Democratic question. I think that speaks volumes for the way most of the work on the Armed Services Committee occurs and in particular the work of our panel. I was very proud to be a part of that and to lend my efforts.

I also want to thank Chairman SKELTON and Ranking Member MCKEON for their generous praise for ROB and me, but I would be remiss if I don't also acknowledge the other dedicated members of the panel: JIM COOPER, DUNCAN

HUNTER, BRAD ELLSWORTH, MIKE COFFMAN, and JOE SESTAK. This bill, as ROB said, bears many fingerprints, but the seven of us have the most fingerprints on it. And I want to thank my colleagues for work they have done.

I also want to thank the staff. They did an outstanding job, Andrew Hunter and Jenness Simler, who made this work—they put this together and did the heavy drafting—as well as the staff from my office, Serge Morosoff, for the great job that they did in making this work product come together as quickly as it did.

As ranking member of the Panel on Defense Acquisition Reform, I can attest that H.R. 5013 will truly be instrumental in reforming the full range of the defense acquisition system. I believe this bill will improve the way we measure value in acquisition, create a more responsive requirements process, sustain the acquisition workforce, and will manage certain elements of the acquisition system.

My colleague, Mr. ANDREWS, has talked at length about the reforms the bill implements, but I would like to speak to one that's a little dearer to my heart that's a little less obvious but no less important, a provision that plays a critical role in improving the financial management practices of the Department of Defense and provides incentives to achieve an unqualified audit opinion for all of the Department of Defense. The publication of a clean audit, an unqualified audit of DOD would finally give the American people the confidence that their tax dollars are, in fact, being accounted for and spent wisely in the defense of this great Nation.

Since 1990, there's been a requirement for the Federal Government to publish audited financial statements, but the Federal Government is not in compliance with that Federal law. A large share of the responsibility for that circumstance rests with the Department of Defense. The Department of Defense is the largest agency in the Federal Government, owning about 68 percent of the government's assets, estimated at \$4.6 trillion.

Over the last two decades, money has been spent by the Department of Defense in an unsuccessful quest to obtain auditable financial statements. There have been good people working very hard on this issue for a long, long time, and good people today in the Department of Defense who are working hard at this issue. But we're not there yet. We have got a lot of work to go. Quite frankly, we cannot allow these past failures and past unsuccessful efforts to deter us from the heavy lift that's ahead of us to get this job done.

I'm a CPA and I used to audit entities. And I'm fully aware how hard this is; it is not an easy task. But it is possible and it's necessary to implement the financial control systems necessary to generate auditable financial statements. This bill ensures that DOD is no longer held to a separate standard from

the public business and the rest of government.

The reliability of financial data is crucial to improve acquisition outcomes. Without understanding where the money is being spent or understanding what assets it owns, there will not be the proper accountability for acquisition costs or new requirements. Perhaps every dime is in fact being well spent. But we don't know that, the Department of Defense doesn't know that, and the taxpayer doesn't know that. Financial accountability must continue to be the high priority. If correctly implemented, this legislation will allow American tax dollars to be stretched further and will have a substantial impact on waste, fraud, and abuse.

I applaud the panel and the House Armed Services Committee for adopting these recommendations and encourage each of the components of the Department of Defense to take full advantage of the incentives provided in this bill to accelerate the auditability of the financial statements of the Department of Defense. Again, I want to thank my colleague, ROB ANDREWS, for the hard work he did in moving this forward by his strength of will.

In closing, I look forward to the progress this legislation will allow, and I encourage my colleagues to vote for this bill later on this afternoon.

Mr. ANDREWS. Mr. Chair, this bill has the potential to save \$135 billion over 5 years. I'm pleased to yield 1 minute to my friend and colleague, someone who has made a career-long commitment to fiscal discipline, the majority leader of the House of Representatives, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank my friend for yielding. I thank Mr. ANDREWS for his extraordinary work on making sure that our national defense is strong and ready and that our troops are provided for as we put them in harm's way. I thank him for his leadership. I also want to thank Mr. MCKEON for his leadership on the committee in helping to bring this bill to the floor.

America faces a massive budget challenge, and it must be addressed. The consequences of our dangerous budgetary situation are truly wide-ranging. We all know where America's unsustainable path of debt leads. Among other things, it leads to a dramatically diminished American role in the world. History has seen time and time again great powers forced into retreat by unbearable debt. Simply stated, they did not pay attention to the bottom line.

Democrats take that lesson seriously, which is why we made fiscal responsibility such a priority under President Obama. We passed the PAYGO law, which ensures that Congress pays for what it buys. We passed a health insurance reform bill that significantly cuts the deficit. President Obama has proposed a budget that freezes non-security discretionary

spending, cuts the deficit by more than half by 2013, and cuts it by more than \$1 trillion over the next decade.

Americans need to know that every dollar in our budget is spent wisely and that none of them go to waste. We talk a lot about waste, fraud, and abuse. Administration after administration talk about it; and then as soon as they leave, we talk again about waste, fraud, and abuse. Whether it's a Republican administration or Democratic administration, we all talk about it, and then we immediately talk about it after the last administration has left. Americans need to know that their dollars are being spent correctly. That's what this bill is focused on. Defense acquisition reform is part of that work, because defense spending accounts for nearly one-fifth of our Federal budget. We took an important step last year when we passed and the President signed the Weapons Systems Acquisition Reform Act.

I see we have now been rejoined by the chairman of the committee, my good friend, IKE SKELTON. Chairman SKELTON has been an extraordinary chairman of that committee, and there is no person in the Congress who has fought harder to make sure that the quality of life for our members of our armed services is more attended to than Chairman IKE SKELTON of Missouri. I thank him for that.

But he also understands that we need to spend our defense dollars smartly, without waste, and make sure that they are effective in providing our warfighters with the tools that they need but make sure that the dollars we spend to do that are done so effectively. Today, we can go a step further than we went last year toward fiscally responsible defense spending which still ensures that our troops can accomplish their mission, which is our number one objective.

The IMPROVE Acquisition Act contains a number of important provisions, Mr. Chair, to eliminate waste without compromising our military effectiveness. While last year's acquisition reform went a long way towards eliminating waste in major defense acquisition programs, this bill recognizes that more than 50 percent of the Defense Department's procurement budget goes towards service contracts. As a result, the IMPROVE Acquisition Act requires rigorous accountability and clear standards for DOD's acquisition of services. The public expects no less and deserves no less in the care of their dollars. It creates a better-trained and more professional acquisition workforce, which ultimately, of course, saves us money, and it brings more responsible financial management to the Defense Department.

As Chairman SKELTON, who worked so hard on this bill, put it: "This legislation will require DOD to adopt the basic management practices that are necessary for anything as complex as the acquisition system to function properly." I congratulate Chairman

SKELTON on those remarks and on his leadership. Those practices will save taxpayers, as Mr. ANDREWS just said, billions and billions of dollars, while getting our troops the equipment and services they require sooner—and that we want them to have.

Our position in the world is dependent on the brave efforts and sacrifice of our troops. But it also depends on our demonstrating more responsibility here at home. Our long-term security rests, to a great extent, on that challenge. We need a national conversation about balancing our budget, and this bill is an important part of achieving that larger goal. I am pleased that we bring it to the floor with bipartisan support. I'm pleased that we will pass it with bipartisan support. And I congratulate both the Chair, subcommittee Chair, and ranking members for their leadership on this bill and urge my colleagues to strongly support it.

Mr. MCKEON. Mr. Chair, I reserve the balance of my time.

Mr. ANDREWS. At this time I am pleased to yield 1 minute to a new member of the committee who clearly understands the balance Mr. HOYER just spoke of between a strong national defense and fiscal responsibility, my friend, the gentleman from New Mexico (Mr. HEINRICH).

Mr. HEINRICH. Mr. Chairman, there can be no dispute that our Nation's warfighters deserve the most state-of-the-art equipment on the battlefield. They risk their lives in defense of our Nation. In turn, we must protect them with the most innovative technologies available. However, far too often the Department of Defense's acquisition system has been compromised by waste, abuse, and even fraud. I applaud the DOD acquisition panel for working on this problem.

Last week, in the House Armed Services Committee, we unanimously passed H.R. 5013, the IMPROVE Acquisition Act, to put the panel's recommendations into action. The IMPROVE Acquisition Act will bring strategic financial management to the Department's acquisition system and save taxpayers an estimated \$135 billion over the next 5 years.

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This bill will ensure that our servicemembers have the most advanced resources while making the most efficient use of taxpayer dollars. Our men and women in uniform deserve no less, and I would urge my colleagues to support this legislation.

Mr. CONAWAY. One comment and then I will reserve, and that is that some of the criticisms about the multitude of defense acquisition reform studies and laws and bills that line the shelves of many offices is that they haven't worked. This one, Mr. Chair, I would argue will have a better chance of working with proper oversight by the Armed Services Committee, which I know the chairman and the ranking

member are committed to, because the matrixes that are laid out for the agencies to abide by are such that we can conduct proper oversight. We will know that the programs have been put in place, and then we will also be able to see that the Department of Defense is using them properly to manage their business. So unlike previous efforts in this regard, I think these improvements are subject to being properly oversighted, if that's a proper word, by the Armed Services Committee, and I know that we are committed to do that.

Mr. ANDREWS. Mr. Chairman, I am pleased now to yield 2 minutes to the gentleman from Indiana (Mr. ELLSWORTH), the author of a key provision in this bill regarding tax cheats and defense contracts.

Mr. ELLSWORTH. Mr. Chair, I would like to thank the gentleman for yielding the time.

I rise today in strong support of this critically important defense acquisition reform legislation. Last year, Mr. Chair, Democrats and Republicans in the House and Senate came together to pass bipartisan major weapons system acquisition reform legislation. Last year's reform effort aimed to reel in the cost overruns of approximately \$300 billion in major weapons systems. The bill we are considering today, the IMPROVE Acquisition Act, serves as a worthy companion to the acquisition reform overhaul by focusing on how the Department of Defense procures approximately \$200 billion a year in services.

The ideas included in this bill were realized through a year's worth of hearings held by the Defense Acquisition Reform Panel. I was honored to participate in the seven-member panel which was tasked by Chairman IKE SKELTON to conduct a comprehensive review of the defense acquisition system. Thanks to the focused leadership of Chairman ROB ANDREWS and Ranking Member MIKE CONAWAY, the panel put forward final recommendations that have guided us to this point. Today we will be voting on a reform package that will strengthen the defense acquisition workforce.

I would also like to thank Chairman ANDREWS for working with me to include a commonsense contractor tax compliance provision in this bill. This is an issue I've been working on for approximately 3 years, and I will continue to do so until it's fully enacted. The provision is quite simple. It requires companies seeking a defense contract to prove they are in good standing with the Internal Revenue Service. To do this, a company must certify they carry no serious delinquent tax debt. The Department of Defense will not merely rely on their word. The company must allow the Treasury Department to verify the certification. False certification will be reported to a contractor's integrity database. This is a practical and cost-effective way to ensure all companies

compete on an equal playing field and our tax dollars are being used wisely.

Every year in April, Mr. Chair, Hoosiers play by the rules and pay their taxes. They expect companies who do business with the Federal Government to do the same. It's pretty simple: Bad actors don't just cheat us, they cheat the government of tax revenue, and they also gain an unfair advantage over businesses that are doing the right thing.

With that, I urge my colleagues to support this provision. Vote for the IMPROVE Acquisition Act.

Mr. ANDREWS. Mr. Chair, at this time I yield 2 minutes to the gentlelady from New Hampshire (Ms. SHEA-PORTER), the gentlelady who built on the work Mr. ELLSWORTH just talked about to make sure that same standard applies to subcontractors.

Ms. SHEA-PORTER. I want to thank Chairman SKELTON and everyone who has worked on the IMPROVE Acquisition Act. This bill cleans up defense acquisitions spending, saving taxpayers an estimated \$27 billion a year and expediting the process to get necessary equipment to our troops.

Accountability in the contracting process is critical to protect taxpayer dollars. According to a Government Accountability Office report, 63,000 Federal contractors had total tax debts of \$7.7 billion in 2007. These contractors profit through taxpayer dollars but refuse to pay their own taxes. That is why I am pleased that section 403 of this bill, based on my colleague Mr. ELLSWORTH's Contracting and Tax Accountability Act, requires contractors to disclose seriously delinquent tax debt.

The bill also includes my amendment to hold the first-tier subcontractors accountable by adding a certification requirement to ensure they, too, do not have unpaid taxes. Those who have incurred a significant tax debt and have avoided paying it should not be eligible for defense contracts. There is no reason for the government to pay money through a contract to those who owe money to the government in taxes.

Again, I would like to thank the chairman, ranking member, and Defense Acquisition Panel for their hard work on this bill.

Mr. ANDREWS. Mr. Chairman, I am pleased to yield 2 minutes to my friend and colleague, the gentlelady from Massachusetts (Ms. TSONGAS), who brought the expertise of a technical base in her district to the deliberations on this bill.

Ms. TSONGAS. I thank my colleague Mr. ANDREWS, and I rise today in support of the IMPROVE Acquisition Act of 2010. I applaud the efforts of my colleagues on the House Armed Services Committee and believe we have made a real step forward in improving the acquisition process, a process beset by issues such as cost overruns and ever-changing requirements.

This is good legislation that reflects a bipartisan effort to combat waste, increase efficiency, and get good value

for our taxpayer dollars. It builds on what we started last year when we enacted a bill aimed at weapons systems acquisition reform. This bill addresses systemwide problems that weren't impacted by that law. I'm delighted to report, for example, that this bill requires better communication with and stability for our industrial base. I also applaud legislative mandates that require contracting for best value and provisions that enhance the Defense Department's ability to control costs while, most importantly, protecting our soldiers.

My thanks to the Acquisition Panel members and staff for their hard work, careful study, and dedicated effort to the task at hand, and I urge passage of this landmark legislation.

Mr. McKEON. Mr. Chairman, we have no further speakers at this time, and we will continue to reserve.

Mr. ANDREWS. Mr. Chairman, the only thing I would like to do in general debate is thank the staff and other Members and read their names into the RECORD. With that, we would close general debate.

Mr. McKEON. We are willing to concur in the thanks to the staff and to all those who have worked so hard. I encourage our colleagues to vote in support of this bill.

I yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, again, I want to begin by thanking Chairman SKELTON and Ranking Member McKEON for their extraordinary efforts. I want to associate myself with the remarks of Mr. CONAWAY in thanking the other panel members—Mr. COOPER, Mr. ELLSWORTH, Mr. SESTAK on our side, and Mr. COFFMAN and Mr. HUNTER on the Republican side. The panel members all worked very hard on this, and we appreciate that.

We obviously want to extend our appreciation to the incredible members of the staff of the committee and the panel. I want to thank Andrew Hunter, who did a tremendous job on this; Cathy Garman, who particularly worked very hard on the issues regarding labor relations; Jenness Simler, who was an all-star on last year's bill and once again proved her impeccable credentials; Zach Steacy; Jennifer Kohl; Paul Arcangeli, who is our brand-new staff director; Bob Simmons; Kevin Gates; Mary Kate Cunningham; Debra Wada; Megan Howard; Matt Bell, who worked very tirelessly on this in my office, and I appreciate his excellent efforts; Phil MacNaughton; and Lara Battles. And if there are any others, I apologize for that, but there was extraordinary work.

Mr. Chairman, did you want to add anything during general debate?

Mr. SKELTON. No. I appreciate the gentleman from New Jersey. I have nothing further to add, except that hopefully this bill will receive a unanimous vote at a later moment.

Ms. CORRINE BROWN of Florida. Thank you, Mr. Chair, for your leadership and hard work on defense acquisition and making sure

that our defense industrial base is working for the national defense and not for profits.

However, there is a serious problem that minority, women and veteran companies are not well represented in the contracting of defense systems and these groups need to be made more of a priority.

The Department of Defense spends billions of taxpayer dollars each year, but minority, women, and veteran-owned businesses are not getting to participate. I often use my grandma's sweet potato pie as an example. We all pay for the ingredients and we should all get a slice. But they can't even get a sliver. These same big companies keep getting all the contracts and make little effort to include smaller companies. This is completely unacceptable.

The Defense Department doesn't need to look any further than the Department of Transportation in seeking a model for including minority participation. The DOT has a strong program for inclusion and I would encourage the Department of Defense to ensure that they develop a system that included minority, women, and veteran-owned businesses. These are their tax dollars we are spending and they deserve to be at the table.

I am pleased to see that Section 401 of the bill expands the industrial base by identifying non-traditional suppliers and using tools and resources available within the Federal Government and in the private sector.

This legislation is a good vehicle to make sure that Congress and the Department of Defense work to minimize discrimination and include all companies in the defense of our nation.

Small and minority businesses are the backbone of our economy. We need to make sure all companies have an opportunity to contribute to our national defense.

Mr. VAN HOLLEN. Mr. Chairman, I want to thank Chairman SKELTON and Ranking Member McKEON for their efforts in crafting this important, bi-partisan bill to reform the acquisition system of the Department of Defense. I would also like to commend Congressmen ANDREWS and CONAWAY for their leadership and for their many vital contributions to the legislation.

Reports of waste, fraud and abuse in the DoD acquisition system have been the source of great concern for Members of Congress for many years. As a result, a congressional panel was established to carry out a comprehensive review of the DoD acquisition system. Led by Representatives ANDREWS and CONAWAY, this panel held more than a dozen hearings exploring a broad range of issues within the acquisition system. Their findings and recommendations resulted in a report that is the basis of the IMPROVE Acquisition Act of 2010.

The IMPROVE Act is designed to overhaul the entire defense acquisition system. It requires DoD to introduce effective accountability measures into its requirements process to create an acquisition system with clear objectives and meaningful consequences for success or failure. Not only will the bill encourage the development and deployment of improved financial management techniques within the DoD, it will also enhance competition and increase access to more innovative technology.

As our Nation struggles through these difficult economic times, this common sense ini-

tiative will both strengthen our defense and save money for the taxpayer. I commend the members of House Armed Services Committee for their efforts and encourage my colleagues to join me in supporting this bill.

Mr. ANDREWS. Mr. Chairman, again, I would like to thank the Members for their cooperation and for your stewardship of this debate.

I yield back the balance of my time.

The Acting CHAIR. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 5013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Implementing Management for Performance and Related Reforms to Obtain Value in Every Acquisition Act of 2010".

SEC. 2. DEFINITION OF CONGRESSIONAL DEFENSE COMMITTEES.

In this Act, the term "congressional defense committees" has the meaning given that term in section 101(a)(16) of title 10, United States Code.

SEC. 3. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Definition of congressional defense committees.

Sec. 3. Table of contents.

TITLE I—DEFENSE ACQUISITION SYSTEM

Sec. 101. Performance management of the defense acquisition system.

Sec. 102. Meaningful consideration by Joint Requirements Oversight Council of input from certain officials.

Sec. 103. Performance management for the Joint Capabilities Integration and Development System.

Sec. 104. Requirements for the acquisition of services.

Sec. 105. Joint evaluation task forces.

Sec. 106. Review of defense acquisition guidance.

Sec. 107. Requirement to include references to services contracting throughout the Federal Acquisition Regulation.

Sec. 108. Procurement of military purpose non-developmental items.

TITLE II—DEFENSE ACQUISITION WORKFORCE

Sec. 201. Acquisition workforce excellence.

Sec. 202. Amendments to the acquisition workforce demonstration project.

Sec. 203. Incentive programs for civilian and military personnel in the acquisition workforce.

Sec. 204. Career development for civilian and military personnel in the acquisition workforce.

Sec. 205. Recertification and training requirements.

Sec. 206. Information technology acquisition workforce.

Sec. 207. Definition of acquisition workforce.

Sec. 208. Defense Acquisition University curriculum review.

Sec. 209. Cost estimating internship and scholarship programs.

TITLE III—FINANCIAL MANAGEMENT

Sec. 301. Incentives for achieving auditability.

Sec. 302. Measures required after failure to achieve auditability.

Sec. 303. Review of obligation and expenditure thresholds.

TITLE IV—INDUSTRIAL BASE

Sec. 401. Expansion of the industrial base.

Sec. 402. Commercial pricing analysis.

Sec. 403. Contractor and grantee disclosure of delinquent Federal tax debts.

Sec. 404. Independence of contract audits and business system reviews.

Sec. 405. Blue ribbon panel on eliminating barriers to contracting with the Department of Defense.

Sec. 406. Inclusion of the providers of services and information technology in the national technology and industrial base.

TITLE I—DEFENSE ACQUISITION SYSTEM

SEC. 101. PERFORMANCE MANAGEMENT OF THE DEFENSE ACQUISITION SYSTEM.

(a) PERFORMANCE MANAGEMENT OF THE DEFENSE ACQUISITION SYSTEM.—

(1) IN GENERAL.—Part IV of title 10, United States Code, is amended by inserting after chapter 148 the following new chapter:

“CHAPTER 149—PERFORMANCE MANAGEMENT OF THE DEFENSE ACQUISITION SYSTEM

“Sec.

“2545. Performance assessment of the defense acquisition system.

“2546. Audits of performance assessment.

“2547. Use of performance assessments for managing performance.

“2548. Acquisition-related functions of the Chiefs of Staff of the armed forces.

“§2545. Performance assessment of the defense acquisition system

“(a) PERFORMANCE ASSESSMENTS REQUIRED.—(1) The Secretary of Defense shall ensure that all elements of the defense acquisition system are subject to regular performance assessments—

“(A) to determine the extent to which such elements deliver appropriate value to the Department of Defense; and

“(B) to enable senior officials of the Department of Defense to manage the elements of the defense acquisition system to maximize their value to the Department.

“(2) The performance of each element of the defense acquisition system shall be assessed as needed, but not less often than annually.

“(3) The Secretary shall ensure that the performance assessments required by this subsection are appropriately tailored to reflect the diverse nature of defense acquisition so that the performance assessment of each element of the defense acquisition system accurately reflects the work performed by such element.

“(b) SYSTEMWIDE CATEGORIES.—(1) The Secretary of Defense shall establish categories of metrics for the defense acquisition system, including, at a minimum, categories relating to cost, quality, delivery, workforce, and policy implementation that apply to all elements of the defense acquisition system.

“(2) The Secretary of Defense shall issue guidance for service acquisition executives within the Department of Defense on the establishment of metrics, and goals and standards relating to such metrics, within the categories established by the Secretary under paragraph (1) to ensure that there is sufficient uniformity in performance assessments across the defense acquisition system so that elements of the defense acquisition system can be meaningfully compared.

“(c) METRICS, GOALS, AND STANDARDS.—(1) Each service acquisition executive of the Department of Defense shall establish metrics to be used in the performance assessments required by subsection (a) for each element of the defense acquisition system for which such executive is responsible within the categories established by the Secretary under subsection (b). Such metrics

shall be appropriately tailored pursuant to subsection (a)(3) and may include measures of—

“(A) cost, quality, and delivery;

“(B) contractor performance;

“(C) excessive use of contract bundling and availability of non-bundled contract vehicles;

“(D) workforce quality and program manager tenure (where applicable);

“(E) the quality of market research;

“(F) appropriate use of integrated testing;

“(G) appropriate consideration of long-term sustainment; and

“(H) appropriate acquisition of technical data and other rights and assets necessary to support long-term sustainment.

“(2) Each service acquisition executive within the Department of Defense shall establish goals and standards (including, at a minimum, a threshold standard and an objective goal) for each metric established under paragraph (1) by the executive. In establishing the goals and standards for an element of the defense acquisition system, a service acquisition executive shall consult with the head of the element to the maximum extent practicable, but the service acquisition executive shall retain the final authority to determine the goals and standards established. The service acquisition executive shall update the goals and standards as necessary and appropriate consistent with the guidance issued under subsection (b)(2).

“(3) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall periodically review the metrics, goals, and standards established by service acquisition executives under this subsection to ensure that they are consistent with the guidance issued under subsection (b)(2).

“(d) RESPONSIBILITY FOR OVERSIGHT AND DIRECTION OF PERFORMANCE ASSESSMENTS.—(1) Performance assessments required by subsection (a) shall either be carried out by, or shall be subject to the oversight of, the Director of the Office of Performance Assessment and Root Cause Analysis. The authority and responsibility granted by this subsection is in addition to any other authority or responsibility granted to the Director of the Office of Performance Assessment and Root Cause Analysis by the Secretary of Defense or by any other provision of law. In the performance of duties pursuant to this section, the Director of the Office of Performance Assessment and Root Cause Analysis shall coordinate with the Deputy Chief Management Officer to ensure that performance assessments carried out pursuant to this section are consistent with the performance management initiatives of the Department of Defense.

“(2) A performance assessment may be carried out by an organization under the control of the service acquisition executive of a military department if—

“(A) the assessment fulfills the requirements of subsection (a);

“(B) the organization is approved to carry out the assessment by the Director of the Office of Performance Assessment and Root Cause Analysis; and

“(C) the assessment is subject to the oversight of the Director of the Office of Performance Assessment and Root Cause Analysis in accordance with paragraph (1).

“(e) RETENTION AND ACCESS TO RECORDS OF PERFORMANCE ASSESSMENTS WITHIN THE MILITARY DEPARTMENTS AND DEFENSE AGENCIES.—The Secretary of Defense shall ensure that information from performance assessments of all elements of the defense acquisition system are retained electronically and that the Director of the Office of Performance Assessment and Root Cause Analysis—

“(1) promptly receives the results of all performance assessments conducted by an organization under the control of the service acquisition executive of a military department; and

“(2) has timely access to any records and data in the Department of Defense (including the records and data of each military department

and Defense Agency and including classified and proprietary information) that the Director considers necessary to review in order to perform or oversee performance assessments pursuant to this section.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘defense acquisition system’ means the acquisition workforce; the process by which the Department of Defense manages the acquisition of goods and services, including weapon systems, commodities, commercial and military unique services, and information technology; and the management structure for carrying out the acquisition function within the Department of Defense.

“(2) The term ‘element of the defense acquisition system’ means an organization that operates within the defense acquisition system and that focuses primarily on acquisition.

“(3) The term ‘metric’ means a specific measure that serves as a basis for comparison.

“(4) The term ‘threshold performance standard’ means the minimum acceptable level of performance in relation to a metric.

“(5) The term ‘objective performance goal’ means the most desired level of performance in relation to a metric.

“(6) The term ‘Office of Performance Assessment and Root Cause Analysis’ means the office reporting to the senior official designated by the Secretary of Defense under section 103(a) of the Weapon Systems Acquisition Reform Act of 2009 (Public Law 111–23, 10 U.S.C. 2430 note).

“§2546. Audits of performance assessment

“(a) AUDITS REQUIRED.—The Secretary of Defense shall ensure that the performance assessments of the defense acquisition system required by section 2545 of this title are subject to periodic audits to determine the accuracy, reliability, and completeness of such assessments.

“(b) STANDARDS AND APPROACH.—In performing the audits required by subsection (a), the Secretary shall ensure that such audits—

“(1) comply with generally accepted government auditing standards issued by the Comptroller General;

“(2) use a risk-based approach to audit planning; and

“(3) appropriately account for issues associated with auditing assessments of activities occurring in a contingency operation.

“§2547. Use of performance assessments for managing performance

“(a) IN GENERAL.—The Secretary of Defense shall ensure that the results of performance assessments are used in the management of elements of the defense acquisition system through direct linkages between the results of a performance assessment and the following:

“(1) The size of the bonus pool available to the workforce of an element of the defense acquisition system.

“(2) Rates of promotion in the workforce of an element of the defense acquisition system.

“(3) Awards for acquisition excellence.

“(4) The scope of work assigned to an element of the defense acquisition system.

“(b) ADDITIONAL REQUIREMENTS.—The Secretary of Defense shall ensure that actions taken to manage the acquisition workforce pursuant to subsection (a) are undertaken in accordance with the requirements of subsections (c) and (d) of section 1701a of this title.

“§2548. Acquisition-related functions of the Chiefs of Staff of the armed forces

“(a) ASSISTANCE.—The Secretary of Defense shall ensure, notwithstanding section 3014(c)(1)(A), section 5014(c)(1)(A), and section 8014(c)(1)(A) of this title, that the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, and the Commandant of the Marine Corps assist the Secretary of the military department concerned in the performance of the following acquisition-related functions of such department:

“(1) The development of requirements relating to the defense acquisition system.

“(2) The development of measures to control requirements creep in the defense acquisition system.

“(3) The development of career paths in acquisition for military personnel (as required by section 1722a of this title).

“(4) The assignment and training of contracting officer representatives when such representatives are required to be members of the armed forces because of the nature of the contract concerned.

“(b) DEFINITIONS.—In this section:

“(1) The term ‘requirements creep’ means the addition of new technical or operational specifications after a requirements document is approved.

“(2) The term ‘requirements document’ means a document produced in the requirements process that is provided for an acquisition program to guide the subsequent development, production, and testing of the program and that—

“(A) justifies the need for a materiel approach, or an approach that is a combination of materiel and non-materiel, to satisfy one or more specific capability gaps;

“(B) details the information necessary to develop an increment of militarily useful, logistically supportable, and technically mature capability, including key performance parameters; or

“(C) identifies production attributes required for a single increment of a program.”.

(2) CLERICAL AMENDMENTS.—The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part IV of such subtitle, are each amended by inserting after the item relating to chapter 148 the following new item:

“149. Performance Management of the Defense Acquisition System 2545”.

(b) PHASED IMPLEMENTATION OF PERFORMANCE ASSESSMENTS.—The Secretary of Defense shall implement the requirements of chapter 149 of title 10, United States Code, as added by subsection (a), in a phased manner while guidance is issued, and categories, metrics, goals, and standards are established. Implementation shall begin with a cross section of elements of the defense acquisition system representative of the entire system and shall be completed for all elements not later than two years after the date of the enactment of this Act.

SEC. 102. MEANINGFUL CONSIDERATION BY JOINT REQUIREMENTS OVERSIGHT COUNCIL OF INPUT FROM CERTAIN OFFICIALS.

(a) ADVISORS TO THE JOINT REQUIREMENTS OVERSIGHT COUNCIL.—

(1) ADDITIONAL CIVILIAN ADVISORS.—Subsection (d)(1) of section 181 of title 10, United States Code, is amended by striking “The Under Secretary” and all that follows through “and expertise.” and inserting the following: “The following officials of the Department of Defense shall serve as advisors to the Council on matters within their authority and expertise:

“(A) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

“(B) The Under Secretary of Defense (Comptroller).

“(C) The Under Secretary of Defense for Policy.

“(D) The Director of Cost Assessment and Program Evaluation.”.

(2) ROLE OF COMBATANT COMMANDERS AS MEMBERS OF THE JROC.—Paragraph (1) of subsection (c) of such section is amended—

(A) by striking “and” at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting “; and”; and

(C) by adding at the end the following new subparagraph:

“(F) when directed by the chairman, the commander of any combatant command (or, as directed by that commander, the deputy commander of that command) when matters related

to the area of responsibility or functions of that command will be under consideration by the Council.”.

(b) AMENDMENT RELATED TO REPORT.—Paragraph (2) of section 105(c) of the Weapon System Acquisition Reform Act of 2009 (Public Law 111–23; 123 Stat. 1718) is amended to read as follows:

“(2) MATTERS COVERED.—The report shall include, at a minimum, an assessment of—

“(A) the extent to which the Council has effectively sought, and the commanders of the combatant commands have provided, meaningful input on proposed joint military requirements;

“(B) the extent to which the Council has meaningfully considered the input and expertise of the Under Secretary of Defense for Acquisition, Technology, and Logistics in its discussions;

“(C) the extent to which the Council has meaningfully considered the input and expertise of the Director of Cost Assessment and Program Evaluation in its discussions;

“(D) the quality and effectiveness of efforts to estimate the level of resources needed to fulfill joint military requirements; and

“(E) the extent to which the Council has considered trade-offs among cost, schedule, and performance objectives.”.

SEC. 103. PERFORMANCE MANAGEMENT FOR THE JOINT CAPABILITIES INTEGRATION AND DEVELOPMENT SYSTEM.

(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall ensure that the Department of Defense develops and implements a program to manage performance in establishing joint military requirements pursuant to section 181 of title 10, United States Code.

(b) LEADERS.—The Secretary of Defense shall designate an officer identified or designated as a joint qualified officer to serve as leader of a joint effort to develop the performance management program required by subsection (a). The Secretary shall also designate an officer from each Armed Force to serve as leader of the effort within the Armed Force concerned. Officers designated pursuant to this section shall have the seniority and authority necessary to oversee and direct all personnel engaged in establishing joint military requirements within the Joint Staff or within the Armed Force concerned.

(c) MATTERS COVERED.—The program developed pursuant to subsection (a) shall:

(1) Measure the following in relation to each joint military requirement:

(A) The time a requirements document takes to receive validation through the requirements process.

(B) The quality of cost information associated with the requirement and the extent to which cost information was considered during the requirements process.

(C) The extent to which the requirements process established a meaningful level of priority for the requirement.

(D) The extent to which the requirements process considered trade-offs between cost, schedule, and performance objectives.

(E) The quality of information on sustainment associated with the requirement and the extent to which sustainment information was considered during the requirements process.

(F) Such other matters as the Secretary shall determine appropriate.

(2) Achieve, to the maximum extent practicable, the following outcomes in the requirements process:

(A) Timeliness in delivering capability to the warfighter.

(B) Mechanisms for controlling requirements creep.

(C) Responsiveness to fact-of-life changes occurring after the approval of a requirements document, including changes to the threat environment, the emergence of new capabilities, or changes in the resources estimated to procure or sustain a capability.

(D) The development of the personnel skills, capacity, and training needed for an effective and efficient requirements process.

(E) Such other outcomes as the Secretary shall determine appropriate.

(d) IMPLEMENTATION.—The program required by subsection (a) shall be developed and initially implemented not later than one year after the date of the enactment of this Act and shall apply to requirements documents entering the requirements process after the date of initial implementation.

(e) INITIAL REPORT.—Not later than 90 days after the initial implementation of the program required by subsection (a), the Secretary shall submit to the congressional defense committees a report on the steps taken to develop and implement the performance management program for joint military requirements. The report shall address the measures specified in subsection (c)(1).

(f) FINAL REPORT.—Not later than four years after the initial implementation of the program required by subsection (a), the Secretary shall submit to the congressional defense committees a report on the effectiveness of the program for joint military requirements in achieving the outcomes specified in subsection (c)(2).

(g) DEFINITIONS.—In this section:

(1) REQUIREMENTS PROCESS.—The term “requirements process” means the Joint Capabilities Integration and Development System (JCIDS) process or any successor to such process established by the Chairman of the Joint Chiefs of Staff to support the statutory responsibility of the Joint Requirements Oversight Council in advising the Chairman and the Secretary of Defense in identifying, assessing, and validating joint military capability needs, with their associated operational performance criteria, in order to successfully execute missions.

(2) REQUIREMENTS DOCUMENT.—The term “requirements document” means a document produced in the requirements process that is provided for an acquisition program to guide the subsequent development, production, and testing of the program and that—

(A) justifies the need for a materiel approach, or an approach that is a combination of materiel and non-materiel, to satisfy one or more specific capability gaps;

(B) details the information necessary to develop an increment of militarily useful, logistically supportable, and technically mature capability, including key performance parameters; or

(C) identifies production attributes required for a single increment of a program.

(3) REQUIREMENTS CREEP.—The term “requirements creep” means the addition of new technical or operational specifications after a requirements document is approved.

(h) DISCRETIONARY IMPLEMENTATION AFTER 5 YEARS.—After the date that is five years after the initial implementation of the performance management program under this section, the requirement to implement a program under this section shall be at the discretion of the Secretary of Defense.

SEC. 104. REQUIREMENTS FOR THE ACQUISITION OF SERVICES.

(a) PROCESS REQUIRED.—The Secretary of Defense shall ensure that each military department establishes a process for identifying, assessing, and approving requirements for the acquisition of services, and that commanders of unified combatant commands and other officers identified or designated as joint qualified officers have an opportunity to participate in the process of each military department to provide input on joint requirements for the acquisition of services.

(b) GUIDANCE AND PLAN REQUIRED.—The Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, and the Commandant of the Marine Corps shall—

(1) issue and maintain guidance relating to each process established under subsection (a); and

(2) develop a plan to implement each process established under subsection (a).

(c) **MATTERS REQUIRED IN GUIDANCE.**—The guidance issued under subsection (b) shall establish, in relation to a process for identifying, assessing, and approving requirements for the acquisition of services, the following:

- (1) Organization of such process.
- (2) The level of command responsibility required for identifying and validating requirements for the acquisition of services in accordance with the categories established under section 2330(a)(1)(C) of title 10, United States Code.
- (3) The composition of billets necessary to operate such process.
- (4) The training required for personnel engaged in such process.
- (5) The relationship between doctrine and such process.
- (6) Methods of obtaining input on joint requirements for the acquisition of services.
- (7) Procedures for coordinating with the acquisition process.
- (8) Considerations relating to opportunities for strategic sourcing.
- (d) **MATTERS REQUIRED IN IMPLEMENTATION PLAN.**—Each plan required under subsection (b) shall provide for initial implementation of a process for identifying, assessing, and approving requirements for the acquisition of services not later than 180 days after the date of the enactment of this Act and shall provide for full implementation of such process at the earliest date practicable.
- (e) **CONSISTENCY WITH JOINT GUIDANCE.**—Whenever, at any time, guidance is issued by the Chairman of the Joint Chiefs of Staff relating to requirements for the acquisition of services, each process established under subsection (a) shall be revised in accordance with such joint guidance.
- (f) **DEFINITION.**—The term “requirements for the acquisition of services” means objectives to be achieved through acquisitions primarily involving the procurement of services.

SEC. 105. JOINT EVALUATION TASK FORCES.

(a) **TASK FORCES REQUIRED.**—For each joint military requirement involving a materiel solution for which the Chairman of the Joint Requirements Oversight Council is the validation authority, the Chairman shall designate a commander of a unified combatant command to provide a joint evaluation task force to participate in such materiel solution. Such task force shall—

- (1) come from a military unit or units designated by the combatant commander concerned;
- (2) be selected based on the relevance of such materiel solution to the mission of the unit; and
- (3) participate consistent with its operational obligations.
- (b) **RESPONSIBILITIES.**—A task force provided pursuant to subsection (a) shall, for the materiel solution concerned—

 - (1) provide input to the analysis of alternatives;
 - (2) participate in testing (including limited user tests and prototype testing);
 - (3) provide input on a concept of operations and doctrine;
 - (4) provide end user feedback to the resource sponsor; and
 - (5) participate, through the combatant commander concerned, in any alteration of the requirement for such solution.

(c) **ADMINISTRATIVE SUPPORT.**—The resource sponsor for the joint military requirement shall provide administrative support to the joint evaluation task force for purposes of carrying out this section.

(d) **DEFINITIONS.**—In this section:

- (1) **RESOURCE SPONSOR.**—The term “resource sponsor” means the organization responsible for all common documentation, periodic reporting, and funding actions required to support the capabilities development and acquisition process for the materiel solution.
- (2) **MATERIEL SOLUTION.**—The term “materiel solution” means the development, acquisition,

procurement, or fielding of a new item, or of a modification to an existing item, necessary to equip, operate, maintain, and support military activities.

SEC. 106. REVIEW OF DEFENSE ACQUISITION GUIDANCE.

(a) **REVIEW OF GUIDANCE.**—The Secretary of Defense shall review the acquisition guidance of the Department of Defense, including, at a minimum, the guidance contained in Department of Defense Instruction 5000.02 entitled “Operation of the Defense Acquisition System”.

(b) **MATTERS CONSIDERED.**—The review performed under subsection (a) shall consider—

- (1) the extent to which it is appropriate to apply guidance relating to the acquisition of weapon systems to acquisitions not involving weapon systems (including the acquisition of commercial goods and commodities, commercial and military unique services, and information technology);
- (2) whether long-term sustainment of weapon systems is appropriately emphasized;
- (3) whether appropriate mechanisms exist to communicate information relating to the mission needs of the Department of Defense to the industrial base in a way that allows the industrial base to make appropriate investments in infrastructure, capacity, and technology development to help meet such needs;
- (4) the extent to which earned value management should be required on acquisitions not involving the acquisition of weapon systems and whether measures of quality and technical performance should be included in any earned value management system;
- (5) the extent to which it is appropriate to apply processes primarily relating to the acquisition of weapon systems to the acquisition of information technology systems, consistent with the requirement to develop an alternative process for such systems contained in section 804 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2401; 10 U.S.C. 2225 note); and
- (6) such other matters as the Secretary considers appropriate.

(c) **REPORT.**—Not later than 270 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and of the House of Representatives a report detailing any changes in the acquisition guidance of the Department of Defense identified during the review required by subsection (a), and any actions taken, or planned to be taken, to implement such changes.

SEC. 107. REQUIREMENT TO INCLUDE REFERENCES TO SERVICES CONTRACTING THROUGHOUT THE FEDERAL ACQUISITION REGULATION.

(a) **FINDINGS.**—Congress finds the following:

- (1) The acquisition of services can be extremely complex, and program management skills, tools, and processes need to be applied to services acquisitions.
- (2) An emphasis on the concept of “services” throughout the Federal Acquisition Regulation would enhance and support the procurement and project management community in all aspects of the acquisition planning process, including requirements development, assessment of reasonableness, and post-award management and oversight.

(b) **REQUIREMENT FOR CHANGES TO FAR.**—The Federal Acquisition Regulation shall be revised to provide, throughout the Regulation, appropriate references to services contracting that are in addition to references provided in part 37 (which relates specifically to services contracting).

(c) **DEADLINE.**—This section shall be carried out within 270 days after the date of the enactment of this Act.

SEC. 108. PROCUREMENT OF MILITARY PURPOSE NONDEVELOPMENTAL ITEMS.

(a) **IN GENERAL.**—

(1) **PROCUREMENT OF MILITARY PURPOSE NONDEVELOPMENTAL ITEMS.**—Chapter 141 of title 10,

United States Code, is amended by adding at the end the following new section:

“§2410r. Military purpose nondevelopmental items

“(a) **DEFINITIONS.**—In this section:

- “(1) The term ‘military purpose nondevelopmental item’ means an item—
- “(A) developed exclusively at private expense;
- “(B) that meets a validated military requirement and for which the United States has rights in technical data as prescribed in section 2320(a)(2)(B) of this title, as certified in writing by the responsible program manager;
- “(C) for which delivery of an initial lot of production-representative items may be made within nine months after contract award; and
- “(D) for which the unit cost is less than \$10,000,000.

“(2) The term ‘item’ has the meaning provided in section 2302(3) of this title.

“(b) **REQUIREMENTS.**—The Secretary of Defense shall ensure that, with respect to a contract for the acquisition of a military purpose nondevelopmental item, the following requirements apply:

“(1) The contract shall be awarded using competitive procedures in accordance with section 2304 of this title.

“(2) Certain contract clauses, as specified in regulations prescribed under subsection (c), shall be included in each such contract.

“(3) The type of contract used shall be a firm, fixed price type contract.

“(c) **REGULATIONS.**—The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall be included in regulations of the Department of Defense prescribed as part of the Federal Acquisition Regulation. At a minimum, the regulations shall include—

- “(1) a list of contract clauses to be included in each contract for the acquisition of a military purpose nondevelopmental item;
- “(2) definitions for the terms ‘developed’ and ‘exclusively at private expense’ that—
- “(A) are consistent with the definitions developed for such terms in accordance with 2320(a)(3) of this title; and
- “(B) also exclude an item developed in part or in whole with—

- “(i) foreign government funding; or
- “(ii) foreign or Federal Government loan financing at nonmarket rates; and

“(3) standards for evaluating the reasonableness of price for the military purpose nondevelopmental item, in lieu of certified cost or pricing data.”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by adding at the end the following new item: “2410r. Military purpose nondevelopmental items.”.

(b) **COST OR PRICING DATA EXCEPTION.**—Section 2306a(b)(1) of title 10, United States Code, is amended—

- (1) by striking “or” at the end of subparagraph (B);
- (2) by striking the period at the end of subparagraph (C) and inserting “; or”; and
- (3) by adding at the end the following new subparagraph:

“(D) for the acquisition of a military purpose nondevelopmental item, as defined in section 2410r of this title, if the contracting officer determines in writing that—

- “(i) the contract, subcontract or modification will be a firm, fixed price type contract; and
- “(ii) the offeror has submitted sufficient information to evaluate, through price analysis, the reasonableness of the price for the military purpose nondevelopmental item.”.

(c) **EFFECTIVE DATE.**—Section 2410r of title 10, United States Code, as added by subsection (a), and the amendment made by subsection (b), shall apply with respect to contracts entered into after the date that is 120 days after the date of the enactment of this Act.

TITLE II—DEFENSE ACQUISITION WORKFORCE

SEC. 201. ACQUISITION WORKFORCE EXCELLENCE.

(a) IN GENERAL.—

(1) ACQUISITION WORKFORCE EXCELLENCE.—Subchapter I of chapter 87 of title 10, United States Code, is amended by inserting after section 1701 the following new section:

“§1701a. Management for acquisition workforce excellence

“(a) PURPOSE.—The purpose of this chapter is to require the Department of Defense to develop and manage a highly skilled professional acquisition workforce—

“(1) in which excellence and contribution to mission is rewarded;

“(2) which has the technical expertise and business skills to ensure the Department receives the best value for the expenditure of public resources;

“(3) which serves as a model for performance management of employees of the Department; and

“(4) which is managed in a manner that complements and reinforces the performance management of the defense acquisition system pursuant to chapter 149 of this title.

“(b) PERFORMANCE MANAGEMENT.—In order to achieve the purpose set forth in subsection (a), the Secretary of Defense shall—

“(1) use the full authorities provided in subsections (a) through (d) of section 9902 of title 5, including flexibilities related to performance management and hiring and to training of managers;

“(2) require managers to develop performance plans for individual members of the acquisition workforce in order to give members an understanding of how their performance contributes to their organization's mission and the success of the defense acquisition system (as defined in section 2545 of this title);

“(3) to the extent appropriate, use the lessons learned from the acquisition demonstration project carried out under section 1762 of this title related to contribution-based compensation and appraisal, and how those lessons may be applied within the General Schedule system;

“(4) develop attractive career paths;

“(5) encourage continuing education and training;

“(6) develop appropriate procedures for warnings during performance evaluations and due process for members of the acquisition workforce who consistently fail to meet performance standards;

“(7) take full advantage of the Defense Civilian Leadership Program established under section 1112 of the National Defense Authorization Act for Fiscal Year 2010, (Public Law 111–84; 123 Stat. 2496; 10 U.S.C. 1580 note prec.);

“(8) use the authorities for highly qualified experts under section 9903 of title 5, to hire experts who are skilled acquisition professionals to—

“(A) serve in leadership positions within the acquisition workforce to strengthen management and oversight;

“(B) provide mentors to advise individuals within the acquisition workforce on their career paths and opportunities to advance and excel within the acquisition workforce; and

“(C) assist with the design of education and training courses and the training of individuals in the acquisition workforce; and

“(9) use the authorities for expedited security clearance processing pursuant to section 1564 of this title.

“(c) NEGOTIATIONS.—Any action taken by the Secretary under this section, or to implement this section, shall be subject to the requirements of chapter 71 of title 5.

“(d) REGULATIONS.—Any rules or regulations prescribed pursuant to this section shall be deemed an agency rule or regulation under section 7117(a)(2) of title 5, and shall not be deemed

a Government-wide rule or regulation under section 7117(a)(1) of such title.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 1701 the following new item:

“1701a. Management for acquisition workforce excellence.”.

(b) AUTHORITY TO APPOINT HIGHLY QUALIFIED EXPERTS ON PART-TIME BASIS.—Section 9903(b)(1) of title 5, United States Code, is amended by inserting “, on a full-time or part-time basis,” after “positions in the Department of Defense” the first place it appears.

SEC. 202. AMENDMENTS TO THE ACQUISITION WORKFORCE DEMONSTRATION PROJECT.

(a) CODIFICATION INTO TITLE 10.—

(1) IN GENERAL.—Chapter 87 of title 10, United States Code, is amended by inserting after section 1761 the following new section:

“§1762. Demonstration project relating to certain acquisition personnel management policies and procedures

“(a) COMMENCEMENT.—The Secretary of Defense is encouraged to carry out a demonstration project, the purpose of which is to determine the feasibility or desirability of one or more proposals for improving the personnel management policies or procedures that apply with respect to the acquisition workforce of the Department of Defense and supporting personnel assigned to work directly with the acquisition workforce.

“(b) TERMS AND CONDITIONS.—(1) Except as otherwise provided in this subsection, any demonstration project described in subsection (a) shall be subject to section 4703 of title 5 and all other provisions of such title that apply with respect to any demonstration project under such section.

“(2) Subject to paragraph (3), in applying section 4703 of title 5 with respect to a demonstration project described in subsection (a)—

“(A) ‘180 days’ in subsection (b)(4) of such section shall be deemed to read ‘120 days’;

“(B) ‘90 days’ in subsection (b)(6) of such section shall be deemed to read ‘30 days’; and

“(C) subsection (d)(1) of such section shall be disregarded.

“(3) Paragraph (2) shall not apply with respect to a demonstration project unless—

“(A) for each organization or team participating in the demonstration project—

“(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and

“(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; and

“(B) the demonstration project commences before October 1, 2007.

“(c) LIMITATION ON NUMBER OF PARTICIPANTS.—The total number of persons who may participate in the demonstration project under this section may not exceed 120,000.

“(d) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.

“(e) ASSESSMENT.—(1) The Secretary of Defense shall designate an independent organization to review the acquisition workforce demonstration project described in subsection (a).

“(2) Such assessment shall include:

“(A) A description of the workforce included in the project.

“(B) An explanation of the flexibilities used in the project to appoint individuals to the acquisition workforce and whether those appointments are based on competitive procedures and recognize veteran's preferences.

“(C) An explanation of the flexibilities used in the project to develop a performance appraisal system that recognizes excellence in performance and offers opportunities for improvement.

“(D) The steps taken to ensure that such system is fair and transparent for all employees in the project.

“(E) How the project allows the organization to better meet mission needs.

“(F) An analysis of how the flexibilities in subparagraphs (B) and (C) are used, and what barriers have been encountered that inhibit their use.

“(G) Whether there is a process for (i) ensuring ongoing performance feedback and dialogue among supervisors, managers, and employees throughout the performance appraisal period, and (ii) setting timetables for performance appraisals.

“(H) The project's impact on career progression.

“(I) The project's appropriateness or inappropriateness in light of the complexities of the workforce affected.

“(J) The project's sufficiency in terms of providing protections for diversity in promotion and retention of personnel.

“(K) The adequacy of the training, policy guidelines, and other preparations afforded in connection with using the project.

“(L) Whether there is a process for ensuring employee involvement in the development and improvement of the project.

“(3) The first such assessment under this subsection shall be completed not later than September 30, 2011, and subsequent assessments shall be completed every two years thereafter until the termination of the project. The Secretary shall submit to the covered congressional committees a copy of the assessment within 30 days after receipt by the Secretary of the assessment.

“(f) COVERED CONGRESSIONAL COMMITTEES.—In this section, the term ‘covered congressional committees’ means—

“(1) the Committees on Armed Services of the Senate and the House of Representatives;

“(2) the Committee on Homeland Security and Governmental Affairs of the Senate; and

“(3) the Committee on Oversight and Government Reform of the House of Representatives.

“(g) TERMINATION OF AUTHORITY.—The authority to conduct a demonstration program under this section shall terminate on September 30, 2017.

“(h) CONVERSION.—Within six months after the authority to conduct a demonstration project under this section is terminated as provided in subsection (g), employees in the project shall convert to the civilian personnel system created pursuant to section 9902 of title 5.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter V of chapter 87 of title 10, United States Code, is amended by inserting after the item relating to section 1761 the following new item:

“1762. Demonstration project relating to certain acquisition personnel management policies and procedures.”.

(b) CONFORMING REPEAL.—Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is repealed.

SEC. 203. INCENTIVE PROGRAMS FOR CIVILIAN AND MILITARY PERSONNEL IN THE ACQUISITION WORKFORCE.

(a) IN GENERAL.—Chapter 87 of title 10, United States Code, is amended by inserting after section 1762, as added by section 202, the following new section:

“§1763. Incentive programs for civilian and military personnel in the acquisition workforce

“(a) CIVILIAN ACQUISITION WORKFORCE INCENTIVES.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall provide for an enhanced system of incentives for the encouragement of excellence in the acquisition workforce by providing rewards for employees who contribute to achieving the agency's performance goals. The system of incentives shall include provisions that—

“(1) relate salary increases, bonuses, and awards to performance and contribution to the agency mission (including the extent to which the performance of personnel in such workforce contributes to achieving the goals and standards established for acquisition programs pursuant to section 2545 of this title;

“(2) provide for consideration, in personnel evaluations and promotion decisions, of the extent to which the performance of personnel in such workforce contributes to achieving such goals and standards;

“(3) use the Department of Defense Civilian Workforce Incentive Fund established pursuant to section 9902(a) of title 5; and

“(4) provide opportunities for career broadening experiences for high performers.

“(b) MILITARY ACQUISITION WORKFORCE INCENTIVES.—The Secretaries of the military departments shall fully use and enhance incentive programs that reward individuals, through recognition certificates or cash awards, for suggestions of process improvements that contribute to improvements in efficiency and economy and a better way of doing business.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter V of chapter 87 of title 10, United States Code, is amended by inserting after the item relating to section 1762, as added by section 202, the following new item:

“1763. Incentive programs for civilian and military personnel in the acquisition workforce.”.

SEC. 204. CAREER DEVELOPMENT FOR CIVILIAN AND MILITARY PERSONNEL IN THE ACQUISITION WORKFORCE.

(a) CAREER PATHS.—

(1) AMENDMENT.—Chapter 87 of title 10, United States Code, is amended by inserting after section 1722a the following new section:

“§1722b. Special requirements for civilian employees in the acquisition field

“(a) REQUIREMENT FOR POLICY AND GUIDANCE REGARDING CIVILIAN PERSONNEL IN ACQUISITION.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall establish policies and issue guidance to ensure the proper development, assignment, and employment of civilian members of the acquisition workforce to achieve the objectives specified in subsection (b).

“(b) OBJECTIVES.—Policies established and guidance issued pursuant to subsection (a) shall ensure, at a minimum, the following:

“(1) A career path in the acquisition field that attracts the highest quality civilian personnel, from either within or outside the Federal Government.

“(2) A deliberate workforce development strategy that increases attainment of key experiences that contribute to a highly qualified acquisition workforce.

“(3) Sufficient opportunities for promotion and advancement in the acquisition field.

“(4) A sufficient number of qualified, trained members eligible for and active in the acquisition field to ensure adequate capacity, capability, and effective succession for acquisition functions, including contingency contracting, of the Department of Defense.

“(c) INCLUSION OF INFORMATION IN ANNUAL REPORT.—The Secretary of Defense shall include in the report to Congress required under

section 115b(d) of this title the following information related to the acquisition workforce for the period covered by the report (which shall be shown for the Department of Defense as a whole and separately for the Army, Navy, Air Force, Marine Corps, Defense Agencies, and Office of the Secretary of Defense):

“(1) The total number of persons serving in the Acquisition Corps, set forth separately for members of the armed forces and civilian employees, by grade level and by functional specialty.

“(2) The total number of critical acquisition positions held, set forth separately for members of the armed forces and civilian employees, by grade level and by other appropriate categories (including by program manager, deputy program manager, and division head positions). For each such category, the report shall specify the number of civilians holding such positions compared to the total number of positions filled.

“(3) The number of employees to whom the requirements of subsections (b)(2)(A) and (b)(2)(B) of section 1732 of this title did not apply because of the exceptions provided in paragraphs (1) and (2) of section 1732(c) of this title, set forth separately by type of exception.

“(4) The number of program managers and deputy program managers who were reassigned after completion of a major milestone occurring closest in time to the date on which the person has served in the position for four years (as required under section 1734(b) of this title), and the proportion of those reassignments to the total number of reassignments of program managers and deputy program managers, set forth separately for program managers and deputy program managers. The Secretary also shall include the average length of assignment served by program managers and deputy program managers so reassigned.

“(5) The number of persons, excluding those reported under paragraph (4), in critical acquisition positions who were reassigned after a period of three years or longer (as required under section 1734(a) of this title), and the proportion of those reassignments to the total number of reassignments of persons, excluding those reported under paragraph (4), in critical acquisition positions.

“(6) The number of times a waiver authority was exercised under section 1724(d), 1732(d), 1734(d), or 1736(c) of this title or any other provision of this chapter (or other provision of law) which permits the waiver of any requirement relating to the acquisition workforce, and in the case of each such authority, the reasons for exercising the authority. The Secretary may present the information provided under this paragraph by category or grouping of types of waivers and reasons.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 87 of title 10, United States Code, is amended by inserting after the item relating to section 1722a the following new item:

“1722b. Special requirements for civilian employees in the acquisition field.”.

(b) CAREER EDUCATION AND TRAINING.—Chapter 87 of title 10, United States Code, is amended in section 1723 by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

“(b) CAREER PATH REQUIREMENTS.—For each career path, the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics shall establish requirements for the completion of course work and related on-the-job training and demonstration of qualifications in the critical acquisition-related duties and tasks of the career path. The Secretary of Defense, acting through the Under Secretary, shall also—

“(1) encourage individuals in the acquisition workforce to maintain the currency of their acquisition knowledge and generally enhance their knowledge of related acquisition manage-

ment disciplines through academic programs and other self-developmental activities; and

“(2) develop key work experiences, including the creation of a program sponsored by the Department of Defense that facilitates the periodic interaction between individuals in the acquisition workforce and the end user in such end user's environment to enhance the knowledge base of such workforce, for individuals in the acquisition workforce so that the individuals may gain in-depth knowledge and experience in the acquisition process and become seasoned, well-qualified members of the acquisition workforce.”.

SEC. 205. RECERTIFICATION AND TRAINING REQUIREMENTS.

(a) CONTINUING EDUCATION.—Section 1723 of title 10, United States Code, as amended by section 204, is further amended by amending subsection (a) to read as follows:

“(a) QUALIFICATION REQUIREMENTS.—(1) The Secretary of Defense shall establish education, training and experience requirements for each acquisition position, based on the level of complexity of duties carried out in the position. In establishing such requirements, the Secretary shall ensure the availability and sufficiency of training in all areas of acquisition, including additional training courses with an emphasis on services contracting, long-term sustainment strategies, information technology, and rapid acquisition.

“(2) In establishing such requirements for positions other than critical acquisition positions designated pursuant to section 1733 of this title, the Secretary may state the requirements by categories of positions.

“(3) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall establish requirements for continuing education and periodic renewal of an individual's certification. Any requirement for a certification renewal shall not require a renewal more often than once every five years.”.

(b) STANDARDS FOR TRAINING.—

(1) IN GENERAL.—Subchapter IV of Chapter 87 of title 10, United States Code, is amended by adding at the end the following new section:

“§1748. Guidance and standards for acquisition workforce training

“(a) FULFILLMENT STANDARDS.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall develop fulfillment standards, and implement and maintain a program, for purposes of the training requirements of sections 1723, 1724, and 1735 of this title. Such fulfillment standards shall consist of criteria for determining whether an individual has demonstrated competence in the areas that would be taught in the training courses required under those sections. If an individual meets the appropriate fulfillment standard, the applicable training requirement is fulfilled.

“(b) GUIDANCE AND STANDARDS RELATING TO CONTRACTS FOR TRAINING.—The Secretary of Defense shall develop appropriate guidance and standards to ensure that the Department of Defense will continue, where appropriate and cost-effective, to enter into contracts for the training requirements of sections 1723, 1724, and 1735 of this title, while maintaining appropriate control over the content and quality of such training.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“1748. Guidance and standards for acquisition workforce training.”.

(3) DEADLINE FOR FULFILLMENT STANDARDS.—The fulfillment standards required under section 1748(a) of title 10, United States Code, as added by paragraph (1), shall be developed not later than 90 days after the date of the enactment of this Act.

(4) CONFORMING REPEAL.—Section 853 of Public Law 105–85 (111 Stat. 1851) is repealed.

SEC. 206. INFORMATION TECHNOLOGY ACQUISITION WORKFORCE.

(a) IN GENERAL.—

(1) INFORMATION TECHNOLOGY.—Subchapter II of chapter 87 of title 10, United States Code, is amended by adding at the end the following new section:

“§1725. Information technology acquisition positions

“(a) PLAN REQUIRED.—The Secretary of Defense shall develop and carry out a plan to strengthen the part of the acquisition workforce that specializes in information technology. The plan shall include the following:

“(1) Defined targets for billets devoted to information technology acquisition.

“(2) Specific certification requirements for individuals in the acquisition workforce who specialize in information technology acquisition.

“(3) Defined career paths for individuals in the acquisition workforce who specialize in information technology acquisitions.

(b) DEFINITIONS.—In this section:

“(1) The term ‘information technology’ has the meaning provided such term in section 11101 of title 40 and includes information technology incorporated into a major weapon system.

“(2) The term ‘major weapon system’ has the meaning provided such term in section 2379(f) of this title.”

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“1725. Information technology acquisition positions.”

(b) DEADLINE.—The Secretary of Defense shall develop the plan required under section 1725 of title 10, United States Code, as added by subsection (a), not later than 180 days after the date of the enactment of this Act.

SEC. 207. DEFINITION OF ACQUISITION WORKFORCE.

Section 101(a) of title 10, United States Code, is amended by inserting after paragraph (17) the following new paragraph:

“(18) The term ‘acquisition workforce’ means the persons serving in acquisition positions within the Department of Defense, as designated pursuant to section 1721(a) of this title.”

SEC. 208. DEFENSE ACQUISITION UNIVERSITY CURRICULUM REVIEW.

(a) CURRICULUM REVIEW.—Not later than one year after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall lead a review of the curriculum offered by the Defense Acquisition University to ensure it adequately supports the training and education requirements of acquisition professionals, particularly in service contracting, long term sustainment strategies, information technology, and rapid acquisition. The review shall also involve the service acquisition executives of each military department.

(b) ANALYSIS OF FUNDING REQUIREMENTS FOR TRAINING.—Following the review conducted under subsection (a), the Secretary of Defense shall analyze the most recent future-years defense program to determine the amounts of estimated expenditures and proposed appropriations necessary to support the training requirements of the amendments made by section 205 of this Act, including any new training requirements determined after the review conducted under subsection (a). The Secretary shall identify any additional funding needed for such training requirements in the separate chapter on the defense acquisition workforce required in the next annual strategic workforce plan under 115b of title 10, United States Code.

(c) REQUIREMENT FOR ONGOING CURRICULUM DEVELOPMENT WITH CERTAIN SCHOOLS.—

(1) REQUIREMENT.—Section 1746 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) CURRICULUM DEVELOPMENT.—The President of the Defense Acquisition University shall

work with the relevant professional schools and degree-granting institutions of the Department of Defense and military departments to ensure that best practices are used in curriculum development to support acquisition workforce positions.”

(2) AMENDMENT TO SECTION HEADING.—(A) The heading of section 1746 of such title is amended to read as follows:

“§1746. Defense Acquisition University”.

(B) The item relating to section 1746 in the table of sections at the beginning of subchapter IV of chapter 87 of such title is amended to read as follows:

“1746. Defense Acquisition University.”

SEC. 209. COST ESTIMATING INTERNSHIP AND SCHOLARSHIP PROGRAMS.

(a) PURPOSE.—The purpose of this section is to require the Department of Defense to develop internship and scholarship programs in cost estimating to underscore the importance of cost estimating, as a core acquisition function, to the acquisition process.

(b) REQUIREMENT.—The Secretary of Defense shall develop intern and scholarship programs in cost estimating for purposes of improving education and training in cost estimating and providing an opportunity to meet any certification requirements in cost estimating.

(c) IMPLEMENTATION.—Such programs shall be established not later than 270 days after the date of the enactment of this Act and shall be implemented for a four-year period following establishment of the programs.

TITLE III—FINANCIAL MANAGEMENT**SEC. 301. INCENTIVES FOR ACHIEVING AUDITABILITY.**

(a) PREFERENTIAL TREATMENT AUTHORIZED.—The Under Secretary of Defense (Comptroller) shall ensure that any component of the Department of Defense that the Under Secretary determines has financial statements validated as ready for audit earlier than September 30, 2017, shall receive preferential treatment, as the Under Secretary determines appropriate—

(1) in financial matter matters, including—

(A) consistent with the need to fund urgent warfighter requirements and operational needs, priority in the release of appropriated funds to such component;

(B) relief from the frequency of financial reporting of such component in cases in which such reporting is not required by law;

(C) relief from departmental obligation and expenditure thresholds to the extent that such thresholds establish requirements more restrictive than those required by law; or

(D) such other measures as the Under Secretary considers appropriate; and

(2) in the availability of personnel management incentives, including—

(A) the size of the bonus pool available to the financial and business management workforce of the component;

(B) the rates of promotion within the financial and business management workforce of the component;

(C) awards for excellence in financial and business management; or

(D) the scope of work assigned to the financial and business management workforce of the component.

(b) INCLUSION OF INFORMATION IN REPORT.—The Under Secretary shall include information on any measure initiated pursuant to this section in the next semiannual report pursuant to section 1003(b) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2439; 10 U.S.C. 2222 note) after such measure is initiated.

(c) EXPIRATION.—This section shall expire on September 30, 2017.

(d) DEFINITION.—In this section, the term “component of the Department of Defense” means any organization within the Department of Defense that is required to submit an

auditable financial statement to the Secretary of Defense.

SEC. 302. MEASURES REQUIRED AFTER FAILURE TO ACHIEVE AUDITABILITY.

(a) IN GENERAL.—The Secretary of Defense shall ensure that corrective measures are immediately taken to address the failure of a component of the Department of Defense to achieve a financial statement validated as ready for audit by September 30, 2017.

(b) MEASURES REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall develop and issue guidance detailing measures to be taken in accordance with subsection (a). Such measures shall include—

(1) the development of a remediation plan to ensure the component can achieve a financial statement validated as ready for audit within one year;

(2) additional reporting requirements that may be necessary to mitigate financial risk to the component;

(3) delaying the release of appropriated funds to such component, consistent with the need to fund urgent warfighter requirements and operational needs, until such time as the Secretary is assured that the component will achieve a financial statement validated as ready for audit within one year;

(4) specific consequences for key personnel in order to ensure accountability within the leadership of the component; and

(5) such other measures as the Secretary considers appropriate.

(c) DEFINITION.—The term “component” of the Department of Defense means any organization within the Department of Defense that is required to submit an auditable financial statement to the Secretary of Defense.

SEC. 303. REVIEW OF OBLIGATION AND EXPENDITURE THRESHOLDS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Department of Defense program managers should be encouraged to place a higher priority on seeking the best value for the Government than on meeting arbitrary benchmarks for spending; and

(2) actions to carry out paragraph (1) should be supported by the Department's leadership at every level.

(b) POLICY REVIEW.—Not later than 180 days after the date of the enactment of this Act, the Chief Management Officer of the Department of Defense, in coordination with the Chief Management Officer of each military department, shall review and update as necessary all relevant policy and instruction regarding obligation and expenditure benchmarks to ensure that such guidance does not inadvertently prevent achieving the best value for the Government in the obligation and expenditure of funds.

(c) PROCESS REVIEW.—Not later than one year after the date of the enactment of this Act, the Chief Management Officer, in coordination with the Chief Management Officer of each military department, the Director of the Office of Performance Assessment and Root Cause Analysis, the Under Secretary of Defense (Comptroller), and the Comptrollers of the military departments, shall conduct a comprehensive review of the use and value of obligation and expenditure benchmarks and propose new benchmarks or processes for tracking financial performance, including, as appropriate—

(1) increased reliance on individual obligation and expenditure plans for measuring program financial performance;

(2) mechanisms to improve funding stability and to increase the predictability of the release of funding for obligation and expenditure; and

(3) streamlined mechanisms for a program manager to submit an appeal for funding changes and to have such appeal evaluated promptly.

(d) TRAINING.—The Under Secretary of Defense for Acquisition, Technology, and Logistics

and the Under Secretary of Defense (Comptroller) shall ensure that as part of the training required for program managers and business managers, an emphasis is placed on obligating and expending appropriated funds in a manner that achieves the best value for the Government and that the purpose and limitations of obligation and expenditure benchmarks are made clear.

TITLE IV—INDUSTRIAL BASE

SEC. 401. EXPANSION OF THE INDUSTRIAL BASE.

(a) PROGRAM TO EXPAND INDUSTRIAL BASE REQUIRED.—The Secretary of Defense shall establish a program to expand the industrial base of the Department of Defense to increase the Department's access to innovation and the benefits of competition.

(b) IDENTIFYING AND COMMUNICATING WITH NONTRADITIONAL SUPPLIERS.—The program established under subsection (a) shall use tools and resources available within the Federal Government and available from the private sector, to provide a capability for identifying and communicating with nontraditional suppliers, including commercial firms and firms of all business sizes, that are engaged in markets of importance to the Department of Defense.

(c) INDUSTRIAL BASE REVIEW.—The program required by subsection (a) shall include a continuous effort to review the industrial base supporting the Department of Defense, including the identification of markets of importance to the Department of Defense.

(d) DEFINITION.—In this section:

(1) NONTRADITIONAL SUPPLIERS.—The term “nontraditional suppliers” means firms that have received contracts from the Department of Defense with a total value of not more than \$100,000 in the previous 5 years.

(2) MARKETS OF IMPORTANCE TO THE DEPARTMENT OF DEFENSE.—The term “markets of importance to the Department of Defense” means industrial sectors in which the Department of Defense spends more than \$500,000,000 annually.

SEC. 402. COMMERCIAL PRICING ANALYSIS.

Section 803(c) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 10 U.S.C. 2306a note) is amended to read as follows:

“(c) COMMERCIAL PRICE TREND ANALYSIS.—

“(1) The Secretary of Defense shall develop and implement procedures that, to the maximum extent practicable, provide for the collection and analysis of information on price trends for categories of exempt commercial items described in paragraph (2).

“(2) A category of exempt commercial items referred to in paragraph (1) consists of exempt commercial items that are in a single Federal Supply Group or Federal Supply Class, are provided by a single contractor, or are otherwise logically grouped for the purpose of analyzing information on price trends.

“(3) The analysis of information on price trends under paragraph (1) shall include, in any category in which significant escalation in prices is identified, a more detailed examination of the causes of escalation for such prices within the category and whether such price escalation is consistent across the Department of Defense.

“(4) The head of a Department of Defense agency or the Secretary of a military department shall take appropriate action to address any unjustified escalation in prices being paid for items procured by that agency or military department as identified in an analysis conducted pursuant to paragraph (1).

“(5) Not later than April 1 of each of year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the analyses of price trends that were conducted for categories of exempt commercial items during the preceding fiscal year under the procedures prescribed pursuant to paragraph (1). The report shall include a

description of the actions taken to identify and address any unjustified price escalation for the categories of items.

“(6) This subsection shall not be in effect on and after April 1, 2013.”.

SEC. 403. CONTRACTOR AND GRANTEE DISCLOSURE OF DELINQUENT FEDERAL TAX DEBTS.

(a) REQUIREMENT.—

(1) IN GENERAL.—Chapter 37 of title 31, United States Code, is amended by adding at the end of subchapter II the following new section:

“§3720F. Contractor and grantee disclosure of delinquent Federal tax debts

“(a) REQUIREMENT RELATING TO CONTRACTS.—The head of any executive agency that issues an invitation for bids or a request for proposals for a contract in an amount greater than the simplified acquisition threshold shall require each person that submits a bid or proposal to submit with the bid or proposal a form—

“(1) certifying that the person does not have a seriously delinquent tax debt; and

“(2) authorizing the Secretary of the Treasury to disclose to the head of the agency information strictly limited to verifying whether the person has a seriously delinquent tax debt.

“(b) REQUIREMENT RELATING TO GRANTS.—The head of any executive agency that offers a grant in excess of an amount equal to the simplified acquisition threshold may not award such grant to any person unless such person submits with the application for such grant a form—

“(1) certifying that the person does not have a seriously delinquent tax debt; and

“(2) authorizing the Secretary of the Treasury to disclose to the head of the executive agency information strictly limited to verifying whether the person has a seriously delinquent tax debt.

“(c) FORM FOR RELEASE OF INFORMATION.—The Secretary of the Treasury shall make available to all executive agencies a standard form for the certification and authorization described in subsections (a) and (b).

“(d) DEFINITIONS.—In this section:

“(1) CONTRACT.—The term ‘contract’ means a binding agreement entered into by an executive agency for the purpose of obtaining property or services, but does not include—

“(A) a contract for property or services that is intended to be entered into through the use of procedures other than competitive procedures by reason of section 2304(c)(2) of this title; or

“(B) a contract designated by the head of the agency as necessary to the national security of the United States.

“(2) EXECUTIVE AGENCY.—The term ‘executive agency’ has the meaning given that term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

“(3) PERSON.—The term ‘person’ includes—

“(A) an individual;

“(B) a partnership; and

“(C) a corporation.

“(4) SERIOUSLY DELINQUENT TAX DEBT.—The term ‘seriously delinquent tax debt’—

“(A) means any Federal tax liability—

“(i) that exceeds \$3,000;

“(ii) that has been assessed by the Secretary of the Treasury and not paid; and

“(iii) for which a notice of lien has been filed in public records; and

“(B) does not include any Federal tax liability—

“(i) being paid in a timely manner under an offer-in-compromise or installment agreement;

“(ii) with respect to which collection due process proceedings are not completed; or

“(iii) with respect to which collection due process proceedings are completed and no further payment is required.

“(5) SIMPLIFIED ACQUISITION THRESHOLD.—The term ‘simplified acquisition threshold’ has the meaning given that term in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

“(e) REGULATIONS.—The Administrator for Federal Procurement Policy, in consultation with the Secretary of the Treasury, shall promulgate regulations that—

“(1) treat corporations and partnerships as having a seriously delinquent tax debt if such corporation or partnership is controlled (directly or indirectly) by persons who have a seriously delinquent tax debt;

“(2) provide for the proper application of subsections (a)(2) and (b)(2) in the case of corporations and partnerships; and

“(3) provide for the proper application of subsection (a) to first-tier subcontractors that are identified in a bid or proposal and are a significant part of a bid or proposal team.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of such title is amended by adding after the item relating to section 3720E the following new item:

“3720F. Contractor and grantee disclosure of delinquent Federal tax debts.”.

(b) REVISION OF FEDERAL ACQUISITION REGULATION.—Not later than 90 days after the final promulgation of regulations under section 3720F(e) of title 31, United States Code, as added by subsection (a), the Federal Acquisition Regulation shall be revised to incorporate the requirements of section 3720F of such title.

SEC. 404. INDEPENDENCE OF CONTRACT AUDITS AND BUSINESS SYSTEM REVIEWS.

(a) DEFENSE CONTRACT AUDIT AGENCY GENERAL COUNSEL.—

(1) IN GENERAL.—Subchapter II of chapter 8 of title 10, United States Code, is amended by adding at the end the following new section:

“§204. Defense Contract Audit Agency general counsel

“(a) GENERAL COUNSEL.—The Director of the Defense Contract Audit Agency shall appoint a General Counsel of the Defense Contract Audit Agency.

“(b) DUTIES.—(1) The General Counsel shall perform such functions as the Director may prescribe and shall serve at the discretion of the Director.

“(2) Notwithstanding section 140(b) of this title, the General Counsel shall be the chief legal officer of the Defense Contract Audit Agency.

“(3) The Defense Contract Audit Agency shall be the exclusive legal client of the General Counsel.

“(c) OFFICE OF THE GENERAL COUNSEL.—There is established an Office of the General Counsel within the Defense Contract Audit Agency. The Director may appoint to the Office to serve as staff of the General Counsel such legal counsel as the Director determines is appropriate.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 8 of such title is amended by adding at the end the following new item:

“204. Defense Contract Audit Agency general counsel.”.

(b) CRITERIA FOR BUSINESS SYSTEM REVIEWS.—

(1) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by inserting after section 2222 the following new section:

“§2222a. Criteria for business system reviews

“(a) CRITERIA FOR BUSINESS SYSTEM REVIEWS.—The Secretary of Defense shall ensure that any contractor business system review carried out by a military department, a Defense Agency, or a Department of Defense Field Activity—

“(1) complies with generally accepted government auditing standards issued by the Comptroller General;

“(2) is performed by an audit team that does not engage in any other official activity (audit-related or otherwise) involving the contractor concerned;

“(3) is performed in a time and manner consistent with a documented assessment of the risk to the Federal Government; and

“(4) involves testing on a representative sample of transactions sufficient to fully examine the integrity of the contractor business system concerned.

“(b) **CONTRACTOR BUSINESS SYSTEM REVIEW DEFINED.**—In this section, the term ‘contractor business system review’ means an audit of policies, procedures, and internal controls relating to accounting and management systems of a contractor.”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 131 of such title is amended by inserting after the item relating to section 2222 the following new item:

“2222a. Criteria for business system reviews.”.

(c) **CONTRACT AUDIT GUIDANCE.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance relating to contract audits carried out by a military department, a defense agency, or a Department of Defense field activity that are not contractor business system reviews, as described under section 2222a of title 10, United States Code, that—

(1) requires that such audits comply with generally accepted government auditing standards issued by the Comptroller General and are performed in a time and manner consistent with a documented assessment of risk to the Federal Government;

(2) establishes guidelines for discussions of the scope of the audit with the contractor concerned that ensure that such scope is not improperly influenced by the contractor;

(3) provides for withholding of contract payments when necessary to compel the submission of documentation from the contractor; and

(4) requires that the results of contract audits performed on behalf of an agency of the Department of Defense be shared with other Federal agencies upon request, without reimbursement.

(d) **EFFECTIVE DATES.**—

(1) **SECTION 204.**—Section 204 of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act.

(2) **SECTION 2222A.**—Section 2222a of title 10, United States Code, as added by subsection (b), shall take effect 180 days after the date of the enactment of this Act.

SEC. 405. BLUE RIBBON PANEL ON ELIMINATING BARRIERS TO CONTRACTING WITH THE DEPARTMENT OF DEFENSE.

(a) **REQUIREMENT TO ESTABLISH.**—The Secretary of Defense shall establish a panel consisting of owners of large and small businesses that are not traditional defense suppliers, for purposes of creating a set of recommendations on eliminating barriers to contracting with the Department of Defense and its defense supply centers.

(b) **MEMBERS.**—The panel shall consist of nine members, of whom—

(1) three shall be appointed by the Secretary of the Army;

(2) three shall be appointed by the Secretary of the Navy; and

(3) three shall be appointed by the Secretary of the Air Force.

(c) **APPOINTMENT DEADLINE.**—Members shall be appointed to the panel not later than 180 days after the date of the enactment of this Act.

(d) **DUTIES.**—The panel shall be responsible for developing a set of recommendations on eliminating barriers to contracting with the Department of Defense and its defense supply centers.

(e) **REPORT.**—Not later than one year after the date of the enactment of this Act, the panel shall submit to Congress a report containing its recommendations.

SEC. 406. INCLUSION OF THE PROVIDERS OF SERVICES AND INFORMATION TECHNOLOGY IN THE NATIONAL TECHNOLOGY AND INDUSTRIAL BASE.

(a) **REVISED DEFINITIONS.**—Section 2500 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking “or maintenance” and inserting “integration, services, or information technology”;

(2) in paragraph (4), by striking “or production” and inserting “production, integration, services, or information technology”;

(3) in paragraph (9)(A), by striking “and manufacturing” and inserting “manufacturing, integration, services, and information technology”;

(4) by adding at the end the following new paragraph:

“(15) The term ‘integration’ means the process of providing systems engineering and technical direction for a system for the purpose of achieving capabilities that satisfy contract requirements.”.

(b) **REVISED OBJECTIVES.**—Section 2501(a) of such title is amended—

(1) in paragraph (1), by striking “Supplying and equipping” and inserting “Supplying, equipping, and supporting”;

(2) in paragraph (2), by striking “and logistics for” and inserting “logistics, and other activities in support of”;

(3) in paragraph (4), by striking “and produce” and inserting “, produce, and support”;

(4) by redesignating paragraph (6) as paragraph (8) and inserting after paragraph (5) the following new paragraphs:

“(6) Providing for the generation of services capabilities that are not core functions of the armed forces and that are critical to military operations within the national technology and industrial base.

“(7) Providing for the development, production, and integration of information technology within the national technology and industrial base.”.

(c) **REVISED ASSESSMENTS.**—Section 2505(b)(4) of such title is amended by inserting after “of this title” the following “or major automated information systems (as defined in section 2445a of this title)”.

(d) **REVISED POLICY GUIDANCE.**—Section 2506(a) of such title is amended by striking “budget allocation, weapons” and inserting “strategy, management, budget allocation.”.

The Acting CHAIR. No amendment to the committee amendment is in order except those printed in House Report 411–467. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. SKELTON

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in House Report 111–467.

Mr. SKELTON. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. SKELTON: Page 3, in the table of contents, strike the item relating to section 107 and insert the following:

Sec. 107. Requirement to include references to services acquisition throughout the Federal Acquisition Regulation.

Page 4, after line 12, strike the items relating to sections 2545 and 2546 and insert the following:

“2545. Performance assessments of the defense acquisition system.

“2546. Audits of performance assessments.

Page 5, line 1, strike “assessment” and insert “assessments”.

Page 8, line 12, strike “analysis” and insert “Analysis”.

Page 11, line 1, strike “assessment” and insert “assessments”.

Page 16, line 9, strike “System” and insert “Systems”.

Page 26, line 10, insert “primarily” after “guidance”.

Page 27, line 22, strike “CONTRACTING” and insert “ACQUISITION”.

Page 28, line 14, strike “contracting” and insert “acquisition”.

Page 28, lines 15 and 16, strike “contracting” and insert “acquisition”.

Page 29, beginning on line 8, strike “and for which” and all that follows through “title” on line 10.

Page 30, insert after line 5 the following:

“(4) Nothing in the contract shall further restrict or otherwise affect the rights in technical data of the Government, the contractor, or any subcontractor of the contractor for items developed by the contractor or any such subcontractor exclusively at private expense, as prescribed in regulations implementing section 2320(a)(2)(B) of this title.

Page 69, line 17, strike “of the risk” and insert “of risk”.

Page 73, line 12, strike “contract” and insert “program”.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Missouri (Mr. SKELTON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, the amendment before us is one that is technical in nature. It merely seeks to clarify certain technical errors and inconsistencies that arose during the process of drafting the bill. It conforms the bill to the intent of the Armed Services Committee in its markup. It makes no substantive changes, is non-controversial, and I would certainly hope that we could adopt the amendment.

Mr. ANDREWS. Mr. Chairman, I rise to claim the time in opposition to the amendment, although I will not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. We find it completely acceptable to yield to the minority if they have any comments. Otherwise, we support the amendment.

I yield back the balance of my time.

Mr. SKELTON. At this time, Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. ARCURI).

Mr. ARCURI. Mr. Chairman, thank you for yielding me this time, and I ask that we enter a colloquy to discuss the Arcuri-Shuler-Davis amendment and the health of the titanium industrial base.

As this bill recognizes, providing high technology equipment to the Department of Defense is a major source of high-paying, high-skilled jobs throughout this country. Although it is easy to think of the industrial base in terms of big aerospace companies, the

real guts of these systems are mostly built by small parts assembly suppliers located throughout this country. I represent a number of those firms in my district.

Congress has long recognized that certain industrial capacities important to the Department of Defense are critical to maintain in this country; among these are the ability to produce titanium parts made from titanium. Section 2533(b) of Title 10 of the United States Code requires the products procured by the Department of Defense which contain titanium must use titanium metal and titanium parts produced in the United States. The law contains a number of exceptions, however, that allow for metal and parts produced overseas to enter the supply chain. I am concerned that the use of these exceptions has expanded far beyond Congress' original intent and may be undermining the law.

I, along with my colleagues HEATH SHULER and GEOFF DAVIS, filed an amendment with the Rules Committee requiring the Department of Defense to prepare a report on the impact that these exceptions are having on the domestic industrial base. However, it was brought to our attention that your committee is working on this issue as part of the National Defense Authorization Act for fiscal year 2011 and that this matter will be addressed in a few weeks.

Mr. Chairman, is that correct?

Mr. SKELTON. Will the gentleman yield?

Mr. ARCURI. I yield to the gentleman from Missouri.

Mr. SKELTON. The gentleman is correct. The Armed Services Committee has under consideration a number of requests from Members of the House related to the impacts of current law regarding titanium and other specialty metals on the industrial base. We will consider these requests when we mark up the National Defense Authorization Act for fiscal year 2011.

I look forward to working with Mr. ARCURI, Mr. SHULER, and Mr. DAVIS on the issue in the coming weeks so that these important concerns are addressed. I thank the gentleman for his efforts on this bill, H.R. 5013, and for agreeing to assist the committee in putting together our authorization bill.

The Acting CHAIR. The time of the gentleman has expired.

Mr. SKELTON. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. ETHERIDGE).

(Mr. ETHERIDGE asked and was given permission to revise and extend his remarks.)

Mr. ETHERIDGE. Mr. Chair, I rise in support of the amendment and thank the gentleman for yielding.

This bill really reflects two major responsibilities of our government—keeping America safe and restoring discipline to our budget by eliminating unnecessary government spending—and I commend them.

For too long, the unscrupulous defense contractors have been taking ad-

vantage of American taxpayers, which not only costs us money but restricts our ability to get our soldiers the equipment they need in a timely manner. This bill ends waste, fraud, and abuse and makes sure that we get five cents of value for every nickel spent.

As a former small business owner in North Carolina, I know what it takes to balance the books and get value for the dollar invested.

□ 1245

This bill and amendment modernizes the Defense Department's acquisitions by practices that are proven in business. More broadly, this bill makes sure that our men and women in harm's way can get the tools they need to protect our Nation quickly and efficiently. Simply put, this reform saves lives and saves money, Mr. Chairman. I thank the gentlemen for this legislation.

I rise today in support of H.R. 5013, the IMPROVE Act for defense acquisition reform.

This bill reflects two major responsibilities of our government: keeping Americans safe and restoring discipline to our budget by eliminating unnecessary government spending.

For too long, unscrupulous defense contractors have been taking advantage of the American taxpayer, which not only costs us money but restricts our ability to get our soldiers the equipment they need.

This bill ends waste, fraud, and abuse and makes sure that we get five cents of value for every nickel spent.

As a former small business owner in North Carolina, I know what it takes to balance the books and get value from purchases. This bill modernizes Department of Defense acquisition using practices that have been proven to work in business. The IMPROVE Acquisition Act will boost DOD transparency and accountability, increase innovation and competitiveness in the acquisition process, and modernize the DOD workforce and financial management system. It reforms the business of our national defense, providing the military with the power to tackle greed, corruption and self-serving business practices that threaten our safety and waste our money.

This reform provides a fair and level playing field. Businesses that play by the rules should not be disadvantaged by those who don't. Businesses that have been giving fair value should be rewarded, and contractors that fail should not get another dime. This reform restores common sense to a system that should reward patriotic businesses who are trying to serve our nation.

This acquisition reform provides incentives for acquisition managers to protect our investment, proud and certain that they can say "No!" to cynical manipulation of contracts.

The bill also sets reasonable expectations for contractors, that, my North Carolina neighbors would be surprised aren't already in place. For example, if you owe taxes you should not be planning to be paid by the government. That is basic fairness and judgment, straight out common sense, and this reform provides more of that.

More broadly, this bill makes sure that our men and women in harm's way can get the tools they need to protect our nation quickly and efficiently. Service men and service

women commit their very lives to the service of the Nation. They deserve the best equipment, the best materials, and the best possible support. Bringing together all the materiel that makes the world's greatest military possible has been a continuous challenge. In addition to the process and business reforms in the bill, H.R. 5013 brings the commanders into the loop, so they can be confident that they will get the right tools to their soldiers in the field. The progress we have made in this bill will empower the Armed Forces to better meet the many challenges faced by our military.

Simply put, this reform saves lives and saves money. Mr. Chair, I support this legislation, and I urge my colleagues to join me in passing H.R. 5013.

Mr. SKELTON. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Missouri (Mr. SKELTON).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. SESSIONS

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in House Report 111-467.

Mr. SESSIONS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. SESSIONS: At the end of title IV, add the following new section:

SEC. 407. CONSTRUCTION OF ACT ON COMPETITION REQUIREMENTS FOR THE ACQUISITION OF SERVICES.

Nothing in this Act or the amendments made by this Act shall be construed to affect the competition requirements of section 2304 of title 10, United States Code, with respect to the acquisition of services.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Texas (Mr. SESSIONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Texas.

Mr. SESSIONS. Mr. Chairman, my amendment to the IMPROVE Act sets the record straight on the importance of competition in Federal contracting. My amendment simply clarifies that nothing in this bill restricts the current public-private competition requirements that already exist in title 10 of the United States Code.

Competing contracts help the government to be a "smarter shopper." This process simply compares costs and performance currently being used by the Federal Government to alternatives available in the private and nonprofit organizations. Whether the benefits are produced by keeping the work within the agency, or from contracting out, the best deal for the taxpayer and our national defense should win every single time.

The Office of Management and Budget Report on Competitive Sourcing Results for fiscal year 2007 showed that competitions between year 2003 and 2007 have saved the taxpayer \$7.2 billion. Expected savings from competition are approximately \$1 billion a

year. Taxpayers will receive a return of about \$30 for every dollar spent on competition. Competition simply gives the taxpayer the opportunity to be a smarter shopper and to get the best products available for the very best price.

I not only encourage my colleagues to support this amendment, but also to adopt competitive sourcing procedures in all of our Federal agencies. What is good for the Department of Justice and the Department of Defense and all across this government is certainly good enough for the Department of Labor and all agencies.

This IMPROVE Act is one step toward combating the waste, fraud and abuse of contracting within the Federal Government. I support this legislation and believe it is not only intended for the right purposes, but will also achieve that. I ask that all of my colleagues support passage of this amendment.

I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim the time in opposition to the amendment, although I do not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I would like to thank my friend from Texas for offering this amendment. I think it makes a very significant contribution to this legislation.

What it effectively says is that competition should always be the general rule. Only when there is a compelling reason for an exception should there be one. So, for example, if there is a national emergency or there truly is only one entity that could provide a good or service, then in those exceptional circumstances, but only in those exceptional circumstances, should there be no competition before rewarding of a contract.

Again, I think the amendment is very much consistent with the purpose, spirit and letter of the bill, and I would urge my colleagues to support it.

I reserve the balance of my time.

Mr. SESSIONS. Mr. Chairman, I do want to thank the gentleman from New Jersey (Mr. ANDREWS) not only for his testimony before the Rules Committee yesterday, but also that of Mr. CONAWAY.

With the intent of their legislation, they are trying to streamline the government, save money, produce a better product, and perhaps more importantly, to make sure that the American people have confidence in the money that they are spending that goes for the intended reasons. For that I not only appreciate you, Mr. Chairman, but also the hard work and the thoughtfulness that the gentleman from New Jersey (Mr. ANDREWS) has put into this.

I yield back the balance of my time.

Mr. ANDREWS. I urge support of the amendment, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Texas (Mr. SESSIONS).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. ANDREWS

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in House Report 111-467.

Mr. ANDREWS. I have an amendment at the desk as the designee of the author, Mr. HASTINGS.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. ANDREWS: Page 44, after line 17, insert the following:

“(5) A deliberate workforce development strategy that ensures diversity in promotion, advancement, and experiential opportunities commensurate with the general workforce outlined in this section.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, Mr. HASTINGS makes a very valid amendment to this bill that acknowledges that when we want to build the best workforce and brightest workforce, we should reach for diversity of the workforce. Mr. HASTINGS’ amendment acknowledges the fact that we are living in a global economy, and one of the principal assets of our country is the diversity of our population in understanding literally every corner of the world because our people come from every corner of the world.

Mr. HASTINGS’s amendment directs that the Department of Defense, in its efforts under Title II of this bill, to improve the quality of our workforce, take into account the diversity of life experiences and backgrounds of those who apply for those positions. It is a very worthy amendment, entirely consistent with the purposes of the bill. I urge its adoption.

Mr. ANDREWS. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. HALL OF NEW YORK

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in House Report 111-467.

Mr. HALL of New York. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. HALL of New York:

Page 9, after line 22, insert the following:

“(f) INCLUSION IN ANNUAL REPORT.—The Director of the Office of Performance Assessment and Root Cause Analysis shall include information on the activities undertaken by the Director under this section in the annual

report of the Director required under section 103(f) of the Weapon Systems Acquisition Reform Act of 2009 (Public Law 111-23; 123 Stat. 1716), including information on any performance assessment required by subsection (a) with significant findings. In addition, if a performance assessment uncovers particularly egregious problems, as identified by the Director, the Director shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on such problems within 30 days after the problems are identified.

Page 9, line 23, strike “(f)” and insert “(g)”.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from New York (Mr. HALL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New York.

Mr. HALL of New York. Mr. Chairman, I thank Mr. ANDREWS for supporting this amendment and offering me the time to rise in support of increasing reporting requirements and Congressional oversight of defense acquisition systems. I thank Chairwoman SLAUGHTER of the Rules Committee for making this amendment in order, and also to Chairman SKELTON and Mr. ANDREWS for bringing H.R. 5013 forward and supporting the amendment. I would also like to thank the staff of the House Armed Services Committee and the Office of Legislative Counsel for helping draft this amendment.

I am pleased that we are addressing this critical issue. Last year when Congress reformed defense weapons procurement, we tackled only about 20 cents of each dollar that this Nation spends on defense contracting. The other 80 percent is on non-weapons system contracts. This amounts to more than \$1 billion a day.

Today’s bill may seem to address the less glamorous side of defense spending until you remember our men and women in uniform rely every day on contractors to provide them with meals, equipment, and even health care. Increased accountability for these service contracts is critical to the well-being of our soldiers and to ensuring that the taxpayers are not on the hook for wasteful spending.

As the Representative for New York’s 19th Congressional District, I am also well aware of importance of this sort of defense spending since I have the honor and privilege of representing the United States military academy at West Point and serving on its board of visitors.

West Point does not develop major weapons systems, but it does develop the Army’s next generation of leaders. The cadets at West Point rely on exactly the services and products covered by this bill. They, and all service men and women, deserve to know that they are getting the best.

This amendment would require the DOD to include the performance assessments required by H.R. 5013 in an annual report to Congress, similar to provisions in last year’s weapons systems

procurement bill. It also requires that DOD report to Congress when it uncovers a particularly egregious problem.

When I visited Afghanistan last April, I talked to soldiers from all over New York and asked them what they needed, what Congress could do to improve their lives. I expected to hear more about MRAPs or shorter tours of duty. Instead, they told me they wanted more shower facilities with more hot water that works, and faster Internet broadband connections so they could talk with their families. These services which we take for granted provide a slice of home life and comfort to our troops serving in the most difficult of circumstances.

This amendment will help ensure Congress is made aware of defense acquisition systems that are not delivering a useful service to our men and women in uniform, or are wasting taxpayer funds. Prompt knowledge of the worst offenders will help Congress better address these issues. Our soldiers serving overseas and here at home and the cadets at West Point deserve no less. Their safety, comfort and health depend on it, and I urge my colleagues to support this amendment and the underlying bill.

I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim the time in opposition to the amendment, although we do not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. We support Mr. HALL's amendment. He has been an advocate for government transparency since his first day in this institution. This amendment is a significant stride forward for transparency.

Last year's major weapons system bill and this bill vests significant authority in the PARCA office, which is the review office or the auditing office of the Secretary of Defense. This office, under this bill, will compile annual reports judging the quality of the work by procurement organizations throughout the Department of Defense.

Mr. HALL's amendment ensures that those reports become public documents so the taxpayer can understand with great specificity the quality or lack thereof by which their tax dollars are being spent. Mr. HALL is providing a valuable tool for oversight. Future Congresses will be able to understand those reports and act efficiently in terms of their oversight responsibilities.

I think even more importantly what Mr. HALL has done is given the public an opportunity for that oversight. Some of the very best work on ferreting out wasteful government spending has come as a result of the First Amendment, from the press and from the public.

So Mr. HALL's amendment will give the press and the public, as well as the Members of this body, an opportunity

to understand the quality or lack thereof of procurement activities. I commend him for that, and urge support of his amendment.

I reserve the balance of my time.

□ 1300

Mr. HALL of New York. Once again, I urge my colleagues to support the amendment and yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, I yield back the time in opposition and urge a "yes" vote.

The Acting CHAIR. The question is on the amendment offered by the gentleman from New York (Mr. HALL).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. HALL of New York. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New York will be postponed.

AMENDMENT NO. 5 OFFERED BY MS. EDWARDS OF MARYLAND

The Acting CHAIR. It is now in order to consider amendment No. 5 printed in House Report 111-467.

Ms. EDWARDS of Maryland. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. EDWARDS of Maryland:

Page 61, line 3, strike "(c)" and insert "(d)".

Page 61, line 8, strike "(d)" and insert "(e)".

Page 61, insert after line 2 the following new subsection:

(c) OUTREACH TO LOCAL FIRMS NEAR DEFENSE INSTALLATIONS.—The program established under subsection (a) shall include outreach, using procurement technical assistance centers, to notify firms of all business sizes in the vicinity of Department of Defense installations of opportunities to obtain contracts and subcontracts to perform work at such installations.

Page 61, insert after line 18 the following new paragraph:

(3) PROCUREMENT TECHNICAL ASSISTANCE CENTER.—The term "procurement technical assistance center" means a center operating under a cooperative agreement with the Defense Logistics Agency to provide procurement technical assistance pursuant to the authority provided in chapter 142 of title 10, United States Code.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Maryland (Ms. EDWARDS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Maryland.

Ms. EDWARDS of Maryland. Mr. Chairman, I yield myself such time as I may consume.

I want to first thank Representative ANDREWS for introducing the IMPROVE Act, H.R. 5013, and to Chairman SKELTON for all their hard work on this legislation and really steadfast support of our armed services.

My amendment will help businesses that are in the vicinity of defense installations, especially small, minority and women-owned businesses and veteran-owned businesses, access defense contracting opportunities.

I have heard the frustration of my constituent small businesses that are unable to access the complex system of defense acquisition and procurement. For example, one company located just across the street from Andrews Air Force Base in Camp Springs, Maryland, in my congressional district has repeatedly attempted to access on-base business opportunities. This company has the capacity, as indicated by contracts they have with other government entities, but they have been stymied on every attempt at Andrews. With this amendment, this company will receive the technical assistance necessary to compete.

In my conversations with the base leadership at Andrews—and I want to thank them for their hard work—I hear their desire to work with the surrounding community and the businesses in it. With this amendment, they will receive the authority they need to engage in outreach to drive economic development activity directly around the base with entities such as the company I referenced in Camp Springs. This is true all across the country where we have installations located.

I am encouraged that through this provision this scenario can really play out in Maryland, from Andrews to Fort Meade and all across the country; and in some regions this is particularly important. This provision will help build communities around our defense installations by directly including the businesses which are oftentimes right along the fence line but are currently left out of the contracting opportunity. By including these community businesses, capable community businesses, small businesses, the installations will strengthen their bonds to the community and these areas will receive a much needed economic boost. It is as important for those communities as it is for our installations. We want there to be a bond with the local community because we want them to embrace the installations that surround them.

In the Fourth Congressional District of Maryland, I have so many competent and capable businesses that provide products and services that could really be used by the Department of Defense; but due to a lack of knowledge and a lack of communication and a lack of outreach, these companies often don't even hear about the opportunities until it's way too late. This amendment takes a step toward ensuring our businesses are aware of those opportunities and then supports competing for them.

This amendment is a powerful tool for the Defense Department to use to be more inclusive of our businesses that all too often watch competitors

from other States, regions, and sometimes even other nations receive contracting opportunities right in those communities.

Mr. Chairman, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I claim time in opposition, although I do not oppose the amendment. Again, I would yield to the minority at any time it wishes.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. I want to strongly support the gentlelady's amendment. I think there is scarcely a Member of this body who has not encountered a situation where a strong, viable business just outside the gate of a military establishment finds frustration that it cannot fairly compete for business opportunities, and the gentlelady has well described the situation.

I have never heard a constituent say they want a special deal or they want to have special rules under the competition. What I've heard them say, Mr. Chairman, is that they want a fair and even chance to compete, but they want to be able to show there is some benefit to shopping locally. I think this is true in each of the districts that we all represent.

I think the gentlelady has struck exactly the right balance between the need for true competition, so if the best deal is further away, you take it; but where there is careful and deliberate consideration of the companies and vendors that already exist in the community in which the military base is located, not only does this have the benefit of offering better value for the tax dollar, it also, I think, will build better community relations for our bases throughout the country.

So I think she has done a great service by offering this amendment.

I would urge a "yes" vote on it and reserve the balance of my time in opposition.

Ms. EDWARDS of Maryland. Let me just conclude—and I thank you, Mr. ANDREWS, for your comments because it's so true that as a Nation we have already seen the beginnings of an economic recovery, what looks to be a strong economic recovery, but we need to make sure that our constituents and that communities and businesses throughout this country, especially the ones that are located in proximity and vicinity to defense installations, also enjoy the benefits of this economic recovery.

And so it is true, it is my goal that, with this amendment, no more of my constituents will drive by an on-base construction job and look at that job in progress or see a delivery truck going into that base and through the gates of the installation and say to themselves, I wish I knew how to get business with the Defense Department. I understand that frustration, and I understand why we must address it; and I

believe that this amendment does exactly that.

Again, as Mr. ANDREWS has pointed out, the gentleman from New Jersey has pointed out, in fact this is about enhancing competition. It's not about getting in the way of it. And it's about giving the Department of Defense the kind of tools that it needs to engage in that kind of community outreach. And so no more will there be an excuse of not understanding how to reach those businesses, but they will have a tool to make sure that they get to them.

Mr. Chairman, I urge the passage of this amendment and yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, I urge a "yes" vote and yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Maryland (Ms. EDWARDS).

The amendment was agreed to.

AMENDMENT NO. 6 OFFERED BY MS. MOORE OF WISCONSIN

The Acting CHAIR. It is now in order to consider amendment No. 6 printed in House Report 111-467.

Ms. MOORE of Wisconsin. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Ms. MOORE of Wisconsin:

Page 6, line 21, insert after "performance" the following: "including compliance with the Department of Defense policy regarding the participation of small business concerns owned and controlled by socially and economically disadvantaged individuals, veteran-owned small businesses, service-disabled, veteran-owned small businesses, and women-owned small businesses".

The Acting CHAIR. Pursuant to House Resolution 1300, the gentlewoman from Wisconsin (Ms. MOORE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Wisconsin.

Ms. MOORE of Wisconsin. Mr. Chairman, my amendment addresses the role that small businesses can play in helping our Defense Department and the men and women in uniform who ultimately are benefited by a properly functioning acquisition process.

Now, there is not an elected official anywhere who won't tell you that small businesses are the key engines of economic growth for communities across our country, including Milwaukee, which I have the honor to represent. We've heard this statement countless times.

According to the Department of Defense, small business is the key to sustaining and improving our industrial base and to maintain competition and innovation. Yet despite congressional efforts to encourage the participation of small economically and socially disadvantaged businesses, including those owned by veterans, small businesses, in Defense Department acquisitions, con-

cerns remain about bundled contracts and the ability of those businesses to fully participate on a level playing field against larger defense contractors.

I know I have heard these concerns from businesses in my district, including just this morning. I'm sure that my colleagues can share similar stories. When the rubber hits the road at the Department of Defense, small businesses find a giant pothole waiting for them in pursuing contracts.

If we are to reform this broken acquisition system, which is the goal of this bipartisan bill, we need to ensure that it is working for small businesses as well. We can't do that without assessing how well it is working for those businesses now, and that's what my amendment intends to do.

My amendment calls upon the Department, when developing measures to assess contractor performance as called for in this bill before us, to specifically measure how the prime contractors themselves are involving small businesses, including those owned by veterans, women, and socially and economically disadvantaged individuals, as well as subcontractors. If I'm not mistaken, Federal law requires that large Federal prime contractors receiving Federal contracting exceeding \$550,000—and \$1 million in the case of construction—on a contract which offers subcontracting opportunities must have subcontracting plans with goals that provide maximum opportunities to these small businesses.

I am so pleased that the bill already would require the Department to look at the excessive use of contract bundling which has previously been identified as an obstacle for small businesses competing for DOD contracts. And I also know that in the report accompanying this bill, the House Armed Services Committee urged the Department to develop a metric for small business utilization as part of the new assessment tools the bill requires. My amendment supports that goal.

Mr. Chairman, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim time in opposition, although I do not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I would like to thank the gentlelady for offering this amendment and for her fierce advocacy for the people not only of the Milwaukee area, but small businesses across the country.

The gentlelady is correct that one of the underlying ideas in this bill is that defense procurement organizations within the Department of Defense will be evaluated by measurements of how well they are doing their job. They in turn will measure contractors, prime contractors, on how well they are doing their job for the servicemember and for the taxpayer.

One of the criteria by which the procurement organization should be measured and by which the prime contractors should be measured is their compliance with the law with respect to inclusion of small businesses. That is what the gentlelady's amendment does. We strive to include small businesses not only because we acknowledge on both sides of the aisle that small businesses are the economic generator of three-quarters of the private sector jobs created in our country, but also because we understand that competition that is engendered by the inclusion of more small businesses improves the quality and value of the contracting process, it improves the quality of what we're buying for the servicemembers and their families, and value for the taxpayer as well.

So the gentlelady's amendment, I believe, institutionalizes the practice of evaluating inclusion of small business competition, not in lieu of a better deal, but to create a better deal for the servicemembers and for the taxpayer. So I thank her very much for her contribution to this bill.

I would urge a "yes" vote in favor of her amendment, and I reserve the balance of my time in opposition.

Ms. MOORE of Wisconsin. It is time that the rhetoric meets reality. Small business is the key to economic growth in our country and ensuring that small businesses can compete and that the Defense Department gets the products, services and goods it needs on time and on budget, which are not mutually exclusive goals. But unfortunately for small businesses, business as usual at the DOD and too many other Federal agencies means little or no business for them.

Innovation is not the exclusive domain of large companies. Small businesses are innovative. In fact, they may have a greater incentive to be innovative because that innovation is what may allow them to successfully compete against larger firms. When we put all of America's ingenuity to work, it benefits our military, our taxpayers, and our communities.

I urge a "yes" vote on my amendment and yield back the balance of my time.

Mr. ANDREWS. I yield back the balance of my time in opposition and urge a "yes" vote.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Wisconsin (Ms. MOORE).

The amendment was agreed to.

□ 1315

AMENDMENT NO. 7 OFFERED BY MR. MURPHY OF CONNECTICUT

The Acting CHAIR. It is now in order to consider amendment No. 7 printed in House Report 111-467.

Mr. MURPHY of Connecticut. Mr. Chairman, I have an amendment at the desk made in order under the rule.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. MURPHY of Connecticut:

Page 60, line 19, insert after the period the following: "The program shall be limited to firms within the national technology and industrial base (as defined in section 2500(1) of title 10, United States Code)."

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Connecticut (Mr. MURPHY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Connecticut.

Mr. MURPHY of Connecticut. Mr. Chairman, first, let me express my thanks to Mr. ANDREWS, to the committee, and to the ranking members for all of their work by bringing this bipartisan bill to the floor today.

My amendment is similar, but I think it adds a very important clarification to the bill. There is a really important program in title IV of this legislation which seeks to have the Department of Defense do outreach to nontraditional suppliers, to nontraditional manufacturers, throughout the country.

With a little bit of outreach and with a little bit of contracting help, those small manufacturers, by and large, which may have very small numbers of contracts with the Department of Defense or which may have no contracts at all, can be future suppliers and future members of our industrial military base in this country.

This amendment simply seeks to make sure that that program is operational for firms here in the United States of America, specifically targeting the help to the national technology and industrial base, which is defined as those companies in the United States and Canada.

We know why it is so important to spend our military acquisition dollars here at home. First, we need to be using taxpayer dollars to grow jobs right here in our backyard. By better targeting U.S. taxpayer dollars, 70 percent of which are used to purchase goods through the military budget here in the United States, we are growing the American workforce.

We also have national security reasons we should be purchasing here at home. By making sure that we have American manufacturers building for our military and that we are securing a long-term industrial manufacturing base for our military equipment, we further protect the security of this Nation.

This is a great program, and I am so thankful to both parties here for bringing it before us for a vote today. I think that you will find a myriad of companies throughout the country which, with a little bit of help and with a little bit of outreach, can be part of this industrial base.

I can think of one company in Meriden, Connecticut, DI-EL Tool, which is a small manufacturing firm with only about six or seven employees. They've got a small number of military contracts as a subcontractor today. They

came to me, and they said, Listen, Representative MURPHY. We could do more, but we just don't have the capacity to compete with some of these traditional, large manufacturers.

This is the type of program that can help DI-EL Tool, and it could probably help thousands of others across this country. This amendment simply seeks to clarify that this program will be operational here at home.

Mr. Chair, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I would like to thank my friend from Connecticut for offering this very important amendment which clarifies the legislation and which, I think, drives home a very important point.

He has been very focused, as many of us have, on protecting and on expanding the industrial base of our country to create jobs and national security. He tells the story of his visit to the firm in Connecticut that has six or seven employees. That is precisely the firm that title IV of this bill wants the Department of Defense to reach out to, not simply because we understand the job creation benefits of it but because we understand the ingenuity and the creativity of small firms like the ones that Mr. MURPHY just mentioned. Some of the very best solutions—engineering solutions, software solutions, logistical solutions—have come from very small organizations that are agile enough and creative enough to solve very big problems.

In his careful reading of this bill, Mr. MURPHY realized that there was some question as to whether or not that outreach would occur to firms based in the United States or in Canada under the terms of the statute to which he referred, and I think he has made a very important contribution in making sure that that outreach is targeted to those firms as this is not only a mechanism for creating jobs in our country and for assisting the national security of our country but for inviting ingenuity and competition into the defense procurement process, therefore, saving the taxpayers money.

So I very much appreciate his efforts in bringing forth this amendment, and I would urge its adoption.

I reserve the balance of my time.

Mr. MURPHY of Connecticut. Again, thank you, Mr. ANDREWS, for working with us on this.

Mr. Chair, all of us who represent small manufacturers have heard the stories as they seek to compete with companies that are underpricing them from China, Asia, and across the globe. The defense dollars that we spend here on acquisition better targeted to help those small firms is part of their future salvation. Overall, I think this bill represents a tremendous opportunity for

the U.S. taxpayers and for U.S. manufacturers alike.

I yield back the balance of my time. Mr. ANDREWS. I urge a "yes" vote on the amendment, and I yield back the balance of my time in opposition.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Connecticut (Mr. MURPHY).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. QUIGLEY

The Acting CHAIR. It is now in order to consider amendment No. 8 printed in House Report 111-467.

Mr. QUIGLEY. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. QUIGLEY: Page 7, line 4, insert after "sustainment" the following: "and energy efficiency".

Page 26, line 15, insert "and energy efficiency" after "sustainment".

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Illinois (Mr. QUIGLEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. QUIGLEY. Mr. Chairman, I rise today in strong support of H.R. 5013, and I want to commend Mr. ANDREWS and all of his colleagues who have worked so diligently on this important piece of legislation.

I have offered an amendment, along with Congresswoman GIFFORDS and Congressman BARTLETT, which seeks to make the Department of Defense more energy efficient. This goal is absolutely essential to improving defense acquisition.

The Department of Defense accounts for 80 percent of the U.S. Government's energy consumption, including 330,000 barrels of oil each day. Just petroleum products cost the DOD \$13 billion per year. Passing my amendment will save money and will conserve energy by including energy efficiency as a metric in performance assessment of defense acquisitions. It will also make weapon systems more energy efficient, which is a critical reform that can save lives.

In Afghanistan, consider that the Marines alone consume 800,000 gallons of fuel each day. These 800,000 gallons of fuel must cross from Pakistan into Afghanistan through a lawless border region. During this 400-mile trip from Karachi, convoys are extremely vulnerable to IEDs, but energy-efficient weapons systems reduces fuel use, which reduces the number of convoys, which reduces the number of troops in harm's way.

I urge you to support my amendment and to support energy efficiency in the defense acquisition process, and I yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim time in opposition, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. I yield myself such time as I may consume.

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Chairman, I would like to thank Mr. QUIGLEY for offering this amendment, as well as Ms. GIFFORDS and Mr. BARTLETT for their joint authorship of this amendment.

As I stated earlier, the basic mechanism in this bill is to provide performance criteria for the purchasing organizations within the Department of Defense. This amendment says that one criterion may be energy-efficiency standards in the purchasing.

Now, what does this mean?

It means that the procurement organization should get the very best deal from the point of view of the service-member as well as of the taxpayer and that one of the factors that should be taken into account is energy efficiency. For example, if under this bill the procurement organization is purchasing landscaping services and if, all other things being equal for the quality of the landscaping services and the price, one of the organizations uses more energy-efficient lawnmowers or other gardening machines, that purchase would be favored under this mechanism to encourage but not to require energy efficiency.

This goes to a much broader question in our country that obviously involves the fact that we are buying nearly \$300 billion a year worth of imported oil from countries around the world which may or may not be friendly to us.

The largest consumer of energy in the United States' economy is the Department of Defense. Commendably, the Department under Republican and Democratic administrations has adopted, as a matter of policy, a methodical increase in the amount of renewable energy the Department is using. One of the ways it can reduce consumption toward that goal is by implementing energy efficiency.

The amendment the gentleman from Illinois is offering is entirely consistent with that purpose because what it does is integrates into the procurement decisionmaking process a set of ideas which says that the procurement organization will look at the energy-efficiency ideas of a given competitor for a given contract.

We support this amendment because we believe it will save the taxpayers money, that it will add value to our efforts to protect the environment, and that it will provide inducements to the ability to promote renewable energy, so we would urge a "yes" vote.

Mr. Chairman, I yield the balance of my time to one of the coauthors of the amendment, the gentleman from Maryland (Mr. BARTLETT).

The Acting CHAIR. The gentleman from Maryland is recognized for the 2 minutes remaining.

Mr. BARTLETT. Mr. Chairman, I am very pleased and proud to rise today in strong support of H.R. 5013.

I join my colleagues on the Armed Services Committee, and I especially want to thank the bill managers—Mr. ANDREWS, Mr. CONAWAY, Mr. SKELTON, Mr. McKEON, Mr. ELLSWORTH, Mr. COFFMAN, and Mr. HUNTER—who worked so diligently on this bipartisan legislation.

I am very pleased to join my colleagues Congressman QUIGLEY and Congresswoman GIFFORDS in offering this amendment. This amendment provides the Department of Defense the full support of Congress to use energy efficiency as a key tool toward improving our national security and toward providing more value to taxpayers for our defense dollars. This amendment will send an important and strong signal to defense contractors that their bids will be more competitive if their products and services will use less energy.

I urge the support of this bill. I am very pleased that, among all of the institutions in our country, our Defense Department is the most aggressive in pursuing good energy policies. We and the world face a huge crisis in energy, so I am pleased that our Defense Department is leading the way in our country. I am very pleased to be here to support this good amendment and a really good bill.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. QUIGLEY).

The amendment was agreed to.

AMENDMENT NO. 9 OFFERED BY MR. QUIGLEY

The Acting CHAIR. It is now in order to consider amendment No. 9 printed in House Report 111-467.

Mr. QUIGLEY. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. QUIGLEY: Page 17, after line 8, insert the following:

(C) ASSESSMENT OF INDEPENDENCE OF COST ESTIMATORS AND COST ANALYSTS REQUIRED IN NEXT ANNUAL REPORT ON COST ASSESSMENT ACTIVITIES.—In the next annual report prepared by the Director of Cost Assessment and Program Evaluation under section 2334(e) of title 10, United States Code, the Director shall include an assessment of whether and to what extent personnel responsible for cost estimates or cost analysis developed by a military department or defense agency for a major defense acquisition program are independent and whether their independence or lack thereof affects their ability to generate reliable cost estimates.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Illinois (Mr. QUIGLEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. QUIGLEY. Mr. Chairman, this amendment directs the Cost Assessment and Program Evaluation, or CAPE, in its next report to Congress to do two things:

First, the amendment asks the CAPE to assess whether and to what extent program cost estimators for major defense acquisition programs are, indeed, independent.

Second, the amendment asks the CAPE to determine whether a lack of independence affects their ability to generate reliable cost estimates.

For 30 years now, DOD officials, analysts, and industry experts have argued that a primary cause of the cost growth in DOD acquisitions is unrealistically low cost estimates. Many of these unrealistic cost estimates are generated by individuals, such as program representatives, who have a stake in the approval of their systems. The newly created CAPE is designed to generate reliable cost estimates, but cost estimates are still generated by contractors and program representatives whose independence is paramount to creating reliable estimates. This amendment seeks to address this problem.

I urge my colleagues to support this commonsense amendment, and I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise in opposition, although I do not intend to oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I, in fact, support this amendment. I think it not only adds important tools to the bill before the body today but to the law that was enacted last year.

Both today's bill and last year's law require the Department of Defense to make early decisions about whether a product or service it is buying or a system that it is buying is on track or not. If it is not on track, the idea is to either get it on track or to not buy it. This is how we can eliminate some of the \$296 billion in cost overruns in weapons systems that the Government Accountability Office found in its report of 2 years ago.

□ 1330

What Mr. QUIGLEY has done is to say that the cost estimators on whom we are relying need to be truly independent and competent. If that estimator has a vested interest in buying the product or building the system, then he or she is not going to give us an accurate or honest judgment about whether to go forward. So this amendment assures that there will be both independence and competence in those cost estimators. I think it's an excellent addition to the bill.

I reserve the balance of my time.

Mr. QUIGLEY. Mr. Chairman, I yield 1 minute to my friend and colleague, the gentlelady from Arizona (Ms. GIFFORDS).

Ms. GIFFORDS. Mr. Chairman, as one of the sponsors of this amendment, and a strong advocate for defense acquisition reform, I rise today in support of the amendment and urge its passage.

The amendment requires the Department of Defense to make energy efficiency a consideration in buying and developing new weapons systems and

new equipment for the military. This is a smart amendment from a green technology standpoint. But let me also stress that this is not just about being green. First and foremost, platform efficiency is a national security issue. Our military's use of fuel and electricity has intertwining impacts on our greater national security.

A 2007 Army report cites 170 servicemembers killed transporting fuel or guarding fuel convoys. Requiring the department to examine how well current and new systems use that precious commodity will help us reduce consumption, a good green tech benefit, but also saving lives of our military, the overarching national security benefit.

In terms of electricity usage, most of our military bases' critical loads are dependent upon the fragile national grid system that is underpinned by a 60 percent dependence on foreign oil.

The Acting CHAIR. The time of the gentlewoman has expired.

Mr. QUIGLEY. I yield the gentlelady 1 additional minute.

Ms. GIFFORDS. This represents a single point of possible failure for our most important military assets. The requirement that this amendment puts in place will mean we must take into account the stresses placed upon the grid and how we can reduce those to enhance the security of our defense infrastructure.

By considering the use of on-site renewable generation, like the array that will be installed at Davis-Monthan Air Force Base in my district, we can better secure our base critical infrastructure against possible attack.

I urge my colleagues to support this amendment and vote for the underlying bill. I commend Chairman SKELTON and Ranking Member MCKEON for bringing this to the floor and Congressmen ANDREWS and CONAWAY for their hard work putting it together.

Mr. ANDREWS. Mr. Chairman, I urge a "yes" vote, and I yield back the balance of my time.

Mr. QUIGLEY. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. QUIGLEY).

The amendment was agreed to.

AMENDMENT NO. 10 OFFERED BY MR. SCHRADER

The Acting CHAIR. It is now in order to consider amendment No. 10 printed in House Report 111-467.

Mr. SCHRADER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. SCHRADER:

At the end of title II, add the following new section:

SEC. 210. PROHIBITION ON PERSONAL SERVICES CONTRACTS FOR SENIOR MENTORS.

(a) PROHIBITION.—The Secretary of Defense shall prohibit the award of a contract for personal services by any component of the

Department of Defense for the purpose of obtaining the services of a senior mentor.

(b) INTERPRETATION.—Nothing in this section shall be interpreted to prohibit the employment of a senior mentor as a highly qualified expert pursuant to section 9903 of title 5, United States Code, subject to the pay and term limitations of that section. A senior mentor employed as a highly qualified expert shall be required to submit a financial disclosure report and comply with all conflict of interest laws and regulations applicable to other Federal employees with similar conditions of service.

(c) DEFINITIONS.—In this section:

(1) The term "contract for personal services" means a contract awarded under the authority of section 129b(a) of title 10, United States Code, or section 3109 of title 5, United States Code.

(2) The term "component of the Department of Defense" means a military department, a defense agency, a Department of Defense field activity, a unified combatant command, or the joint staff.

(3) The term "senior mentor" means any person—

(A)(i) who has served as a general or flag officer in the Armed Forces; or

(ii) who has served in a position at a level at or above the level of the senior executive service;

(B) has retired within the 10 years preceding the award of a contract; and

(C) who serves as a mentor, teacher, trainer, or advisor to government personnel on matters pertaining to the former official duties of such person.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Oregon (Mr. SCHRADER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Oregon.

Mr. SCHRADER. Mr. Chairman, I yield myself such time as I may consume.

I rise today because it is no secret to any Member of the House that the United States faces a looming budget crisis. To address this crisis and bring our deficits under control, we must consider all options. Today we continue our work on reining in the profligate spending on defense contracts. We do this work to strengthen our budget and our national security.

The amendment I am offering today will control a small portion of this spending and ensure necessary transparencies are in place within the defense-industrial relationship. My amendment addresses the Department of Defense's use of contracts for personal services to hire senior mentors. The current use of contracts for senior mentor personal services circumvents necessary transparency protocols the rest of the department has.

The Defense Department has no uniform policy on the use of the senior mentor contracts, which vary among the services. They do not know, we do not know, and the public does not know how many of these contracts are awarded or even at what cost. My amendment would open these contracts to regular procedures for transparency. The amendment will establish standard rates of pay for senior mentors and allow and apply financial disclosure

and conflict of interest provisions already applicable to other Federal employees. The military will still benefit from the knowledge and wisdom of retired officers while ensuring taxpayer money is spent wisely and appropriately.

I reserve the balance of my time.

Mr. CONAWAY. Mr. Chairman, I claim the time in opposition even though I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. CONAWAY. Mr. Chairman, I want to just add a word of caution to the amendment. We intend to support it. The Department of Defense has in fact instituted a suspension of the policy that led to these problems, and have put in place a policy that looks very similar to this codification of the rules. The Department of Defense will live under those rules over the next several months, but I worry that the policy is too strict and will limit Department of Defense's access to the right people for the right information at the right time. None of us want that.

We all want transparency, we all want evidence of conflict of interest to be out there so that we all know that. I am in agreement with the spirit of what the gentleman is trying to do; I just offer a word of caution that if the practice under the Department of Defense's current policy, which is very similar to this, shows problems and issues that we don't anticipate with this, that we would in conference come back and address those properly.

Mr. ANDREWS. Will the gentleman yield?

Mr. CONAWAY. I yield to the gentleman from New Jersey.

Mr. ANDREWS. I support the amendment. I also share my friend the ranking member's concerns. I think the amendment addresses them in two ways. One is that the language of the amendment is quite flexible, that as long as there is transparency and adherence to high quality, the department is not restricted from these relationships. It simply has to be more careful about them. And secondly, obviously the committee has continuing oversight over this issue. The gentleman has my assurances that if we see an undue restriction on access to talent, then we are in a position to take appropriate action to correct that problem.

Mr. CONAWAY. With that, I will support the amendment and yield back the balance of my time.

Mr. SCHRADER. In closing, I appreciate the concerns of the Member from Texas and acknowledge the Member from New Jersey's responses. I think that this is a good amendment. It does hopefully make sure that our senior officers can continue to give their insight, knowledge, and wisdom, without any hint or taint of opprobrium, which

I think is possible under our current statute and laws. This should actually make it easier for our members who have served our country gallantly over their careers to come back and continue to share with us in a forthright, transparent manner. We win, they win, and the taxpayer wins.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Oregon (Mr. SCHRADER).

The amendment was agreed to.

AMENDMENT NO. 11 OFFERED BY MR. CONNOLLY OF VIRGINIA

The Acting CHAIR. It is now in order to consider amendment No. 11 printed in House Report 111-467.

Mr. CONNOLLY of Virginia. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. CONNOLLY of Virginia:

At the end of title IV, add the following new section:

SEC. 407. INDUSTRIAL BASE COUNCIL AND FUND.

(a) INDUSTRIAL BASE COUNCIL.—

(1) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 188. Industrial Base Council

“(a) COUNCIL ESTABLISHED.—There is in the Department of Defense an Industrial Base Council.

“(b) MISSION.—The mission of the Industrial Base Council is to assist the Secretary in all matters pertaining to the industrial base of the Department of Defense, including matters pertaining to the national defense technology and industrial base included in chapter 148 of this title.

“(c) MEMBERSHIP.—The following officials of the Department of Defense shall be members of the Council:

“(1) The Chairman of the Council, who shall be the Under Secretary of Defense for Acquisition, Technology, and Logistics, the functions of which may be delegated by the Under Secretary only to the Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics.

“(2) The Executive Director of the Council, who shall be an official from within the Office of the Under Secretary responsible for industrial base matters and who shall report directly to the Under Secretary or the Principal Deputy Under Secretary.

“(3) Officials from within the Office of the Secretary of Defense, as designated by the Secretary, with direct responsibility for matters pertaining to following areas:

“(A) Manufacturing.

“(B) Research and development.

“(C) Systems engineering and system integration.

“(D) Services.

“(E) Information Technology.

“(F) Sustainment and logistics.

“(4) The Director of the Defense Logistics Agency.

“(5) Officials from the military departments, as designated by the Secretary of each military department, with responsibility for industrial base matters relevant to the military department concerned.

“(d) DUTIES.—The Council shall assist the Secretary in the following:

“(1) Providing input on industrial base matters to strategy reviews, including quad-

rennial defense reviews performed pursuant to section 118 of this title.

“(2) Managing the industrial base.

“(3) Providing recommendations to the Secretary on budget matters pertaining to the industrial base.

“(4) Providing recommendations to the Secretary on supply chain management and supply chain vulnerability.

“(5) Providing input on industrial base matters to defense acquisition policy guidance.

“(6) Issuing and revising the Department of Defense technology and industrial base guidance required by section 2506 of this title.

“(7) Such other duties as are assigned by the Secretary.

“(e) REPORTING OF ACTIVITIES.—The Secretary shall include a section describing the activities of the Council in the annual report to Congress required by section 2505 of this title.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“188. Industrial Base Council.”.

(b) INDUSTRIAL BASE FUND.—

(1) IN GENERAL.—Chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2508. Industrial Base Fund

“(a) ESTABLISHMENT.—The Secretary of Defense shall establish an Industrial Base Fund (in this section referred to as the ‘Fund’).

“(b) CONTROL OF FUND.—The Fund shall be under the control of the Industrial Base Council established pursuant to section 188 of this title.

“(c) AMOUNTS IN FUND.—The Fund shall consist of amounts appropriated or otherwise made available to the Fund.

“(d) USE OF FUND.—Subject to subsection (e), the Fund shall be used—

“(1) to support the monitoring and assessment of the industrial base required by this chapter;

“(2) to address critical issues in the industrial base relating to urgent operation needs;

“(3) to support efforts to expand the industrial base; and

“(4) to address supply chain vulnerabilities.

“(e) USE OF FUND SUBJECT TO APPROPRIATIONS.—The authority of the Secretary of Defense to use the Fund under this section in any fiscal year is subject to the availability of appropriations for that purpose.

“(f) EXPENDITURES.—The Secretary shall establish procedures for expending monies in the Fund in support of the uses identified in subsection (d), including the following:

“(1) Direct obligations from the Fund.

“(2) Transfers of monies from the Fund to relevant appropriations of the Department of Defense.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2508. Industrial Base Fund.”.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Virginia (Mr. CONNOLLY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. CONNOLLY of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Let me start by thanking the chairman and ranking member of the committee and the subcommittee for their leadership on this thoughtful legislation to deliver long-needed reforms to

our military acquisition. I would also like to acknowledge the tremendous work of the Armed Services Committee's bipartisan Panel on Acquisition Reform, led of course by Mr. ANDREWS of New Jersey and Mr. CONAWAY of Texas.

My amendment builds upon the panel's recommendations for getting the most out of the industrial base. Defining and assessing the industrial base has been an ongoing challenge for both the Department of Defense and Congress, dating back to the creation of the Armed Forces themselves. One of the key findings of the panel was the need to cast a wider net in terms of defining the industrial base beyond the traditional players. Many of today's technology innovations are being brought forth by small- and mid-sized companies that are more commercial in nature and don't fit the traditional mold of the industrial base. While we must preserve those unique industrial capabilities that have made our Armed Forces the world's most advanced military force, we also must adjust to the innovative changes within the supply chain to ensure that we provide our troops with the tools they need to perform their duties. To accomplish this, we need to adjust our industrial policy to reflect the growing importance of services and information technology providers in the industrial base.

We also need, Mr. Chairman, to acknowledge the importance of systems engineering and integration to our military operations. This amendment would create an Industrial Base Council within the DOD. The council would complement the Blue Ribbon Panel on Eliminating Barriers to Contracting with the Department of Defense that's also created by this legislation. Whereas the Blue Ribbon Panel would be comprised of industry representatives that will present recommendations to the Pentagon on eliminating barriers to those nontraditional industrial base suppliers, this council would be tasked with assessing those and other proposed policy changes and then recommending specific actions to the Secretary of Defense.

The council will be comprised of the Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall chair the group. An official from within the Under Secretary's office will be appointed to oversee the council. Council membership will also include: officials within the Secretary's office responsible for manufacturing, research and development, systems engineering and systems integration, services, information technology, and sustainment and logistics; the director of DLA; and representatives from other military departments.

In addition to providing budget and policy guidance to the Secretary on modernizing the industrial base, the council will provide strategic input for the Quadrennial Defense Review and other reports, and will revise and issue new guidance for the DOD's technology and industrial base.

This amendment, Mr. Chairman, creates an Industrial Base Fund, which when supported by appropriations, will support the actions and recommendations of the council itself. This is a good government initiative that will strengthen our industrial base, strengthen our small business community, and our military readiness moving forward.

I urge my colleagues to support the amendment and these important acquisition reforms.

I reserve the balance of my time.

Mr. CONAWAY. Mr. Chairman, I claim time in opposition even though I am in support of the amendment.

The Acting CHAIR. Without objection, the gentleman from Texas is recognized for 5 minutes.

There was no objection.

Mr. CONAWAY. Mr. Chairman, I yield as much time as he may consume to my colleague from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. I thank the gentleman from Texas for yielding me this time. I rise in support of this bill to make some very needed and commonsense reforms in the defense acquisition program.

I want to say that I support the last amendment that just passed to help relieve the problem that I have been concerned about for a long time, the revolving door at the Pentagon, and I support this amendment which hopefully will help, and I think is intended, at least in part, to make it easier for small businesses to get involved in the Defense Department contracting process. Far too many defense contracts in recent years have been sweetheart insider deals that have gone primarily to very large businesses, very large, well-connected businesses.

USA Today reported on its front page on December 29 that the Durango Group has 59 former high ranking military officers advising clients on how to get defense contracts while many are also being paid by the Defense Department to give it advice. And they are drawing huge pensions, with some getting 15,000 a month or more plus free health care.

Some of these people connected with this Durango Group even serve as corporate directors or paid advisers to the defense contractors in addition to their pay from Durango. The founder of Durango, a former Air Force chief of staff, refused to be interviewed for the USA Today story about this, but he received \$180,000 in 2009 from one defense contractor, \$127,000 from another, served on the board of four other defense contractors that do not disclose compensation, was a board member of another company that buys and sells defense companies, and a consultant to three other defense giants. He has been described as a "military-industrial legend" by one columnist. Too much of this has gone on in recent years. And I hope and I think that this is what in part this bill is directed at.

In addition to pensions as high as \$220,000 a year, many retired admirals

and generals are paid up to \$1,600 a day to be Defense Department "mentors." Eighty percent of these mentors have ties to defense contractors, in what one observer described as an amazing conflict of interest.

□ 1345

I do want to say that I commend the Secretary of Defense, who has, as I understand, put in new rules recently to try to correct some of this, but this is a problem that has been crying out for action, and I hope that this bill will correct some of this that has gone on. It's something that we need to keep an eye on to make sure that some of these scandalous types of sweetheart insider deals don't continue as they have, unfortunately, in the past.

Mr. CONAWAY. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. ANDREWS. I thank my friend for yielding.

I would like to thank our friend from Tennessee for his comments, which we embrace. I think one of the purposes of Mr. SCHRADER's amendment, which we just adopted, was to try to address that concern, and we thank him for his support.

I want to commend and thank my friend from Virginia for his excellent amendment. We have tried to establish in this bill the idea that the Defense Department should coordinate the industrial base and broaden it so the servicemembers and taxpayers get a better deal and we invite ingenuity and innovation. Mr. CONNOLLY has made sure that our good intentions in this bill will become a good reality. By the establishment of the council that Mr. CONNOLLY establishes, there will be a group that oversees the implementation of the ideas that we have.

So I think it strengthens the bill considerably. I commend Mr. CONNOLLY for being a fierce advocate for his district and his area, which is so intimately involved in solving this problem. I thank him for his contribution and urge a "yes" vote.

Mr. CONAWAY. Mr. Chairman, I yield back the balance of my time.

Mr. CONNOLLY of Virginia. I just want to thank my colleague for his gracious remarks.

Mr. Chair, I have no further requests for time, and I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. CONNOLLY).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Mr. CONNOLLY of Virginia. Mr. Chair, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Virginia will be postponed.

AMENDMENT NO. 12 OFFERED BY MR. CHILDERS

The Acting CHAIR. It is now in order to consider amendment No. 12 printed in House Report 111-467.

Mr. CHILDERS. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. CHILDERS:

Page 48, line 21, insert "market research strategies (including assessments of local contracting capabilities)," after "services contracting."

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Mississippi (Mr. CHILDERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Mississippi.

Mr. CHILDERS. I would like to add my thanks to Mr. ANDREWS and the House Armed Services Committee, especially my dear friend and chairman, IKE SKELTON, for putting forth this important legislation.

Changing the way the Department of Defense conducts its acquisition activities is essential to restoring fiscal discipline in our government. I commend the committee's efforts to ensure that acquisition personnel at the Department of Defense are well trained to make the best decisions for both our national security and our economy.

My amendment makes a small addition to this training by including "market research strategies." This minor addition is of great importance to many districts like mine. Today, upwards of 4,000 North Mississippians are employed by defense contractors, and that number continues to grow. These employees work hard every day to create many of the products and services that keep our troops safe in theater and protect our homeland from outside threats. These include many contractors on Columbus Air Force Base as well as contractors that produce everything from military uniforms to MRAPS and Unmanned Aerial Systems.

The defense companies are vital to the economy of Mississippi. It is important that when the Department of Defense makes a decision about who receives a military contract and what term that contract contains, it considers how surrounding communities are affected and how these communities can contribute to that contract.

The addition of market research strategies to acquisition training would ensure that the acquisition personnel at the Department of Defense are trained to take into account the local economy surrounding a potential defense contractor and how the unique makeup of the local community could provide added value to the department. It will assist the department in taking into account the unique workforces that communities like the Golden Triangle region in my district encompass and their ability to save the government money.

During this difficult economy, it is important that Congress remains fo-

cused on job creation and preservation as well as restoring a balanced budget. My amendment ensures that the DOD can consider the impact of defense acquisition on local jobs and that the government has additional tools to find new ways to cut costs and promote fiscal responsibility.

I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim the time in opposition to the amendment, although I am not opposed to the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. I thank my friend from Mississippi for offering this very well-thought-out amendment.

One of the key ideas of this bill is that we have a high-quality, well-trained acquisition workforce. Mr. CHILDERS's amendment makes sure that that workforce is well trained in a key area, which is understanding that a contract does not simply affect the firm that wins the contract and the employees that work for that firm. It affects the entire region for which a contract is awarded.

Now, again, nothing in Mr. CHILDERS's amendment would divert the procurement organizations away from best value for the taxpayer dollar. But what he does suggest is that when one defines the concept of value, it's broader than just the four corners of the contract being considered. The area he represents so ably is one where the economy really pivots on the presence or absence of military contracts, and in his efforts to try to make sure that his region prospers, I know that he wants to be sure, as each of us does, that there is fair consideration of the regional and community economic impact of a contracting decision.

I think the amendment that he has offered, which goes to the training of decision-makers, is entirely appropriate in that regard. We appreciate his contribution to the bill, and I would encourage the Members to vote "yes."

Mr. Chairman, I reserve the balance of my time.

Mr. CHILDERS. I want to thank my colleague and the gentleman for his concurrence in my amendment. I urge my colleagues to support this amendment and the underlying bill as well.

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ANDREWS. I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Mississippi (Mr. CHILDERS).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MRS. DAHLKEMPER

The Acting CHAIR. It is now in order to consider amendment No. 13 printed in House Report 111-467.

Mrs. DAHLKEMPER. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mrs. DAHLKEMPER:

At the end of title IV, add the following new section:

SEC. 407. ACQUISITION SAVINGS PROGRAM.

(a) PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall carry out a program to provide opportunities to provide cost-savings on non-developmental items.

(2) SAVINGS.—The program, to be known as the Acquisition Savings Program, shall provide any person or activity within or outside the Department of Defense with the opportunity to offer a proposal to provide savings in excess of 15 percent, to be known as an acquisition savings proposal, for covered contracts.

(3) SUNSET.—The program shall cease to be required on September 30, 2013.

(b) QUALIFYING ACQUISITION SAVINGS PROPOSALS.—A proposal shall qualify as an acquisition savings proposal for purposes of this section if it offers to supply a non-developmental item that is identical to, or equivalent to (under a performance specification or relevant commercial standard), an item being procured under a covered contract.

(c) REVIEW BY CONTRACTING OFFICER.—Each acquisition savings proposal shall be reviewed by the contracting officer for the covered contract concerned to determine if such proposal qualifies under this section and to calculate the savings provided by such proposal.

(d) ACTIONS UPON FAVORABLE REVIEW.—If the contracting officer for a covered contract determines after review of an acquisition savings proposal that the proposal would provide an identical or equivalent nondevelopmental item at a savings in excess of 15 percent, and that a contract award to the offeror of the proposal would not result in the violation of a minimum purchase agreement or otherwise cause a breach of contract for the covered contract, the contracting officer may make an award under the covered contract to the offeror of the acquisition savings proposal or otherwise award a contract for the nondevelopmental item concerned to such offeror.

(e) ACTIONS UPON UNFAVORABLE REVIEW.—If a contracting officer determines after review of an acquisition savings proposal that the proposal would not satisfy the requirements of this section, the contracting officer shall debrief the person or activity offering such proposal within 30 days after completion of the review.

(f) REPORT.—Not later than March 1, 2013, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report regarding the program, including the number of acquisition savings proposals submitted, the number favorably reviewed, the cumulative savings, and any further recommendations for the program.

(g) DEFINITIONS.—In this section:

(1) NONDEVELOPMENTAL ITEM.—The term "nondevelopmental item" has the meaning provided for such term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

(2) COVERED CONTRACT.—The term "covered contract"—

(A) means an indefinite delivery indefinite quantity contract for property as defined in

section 2304d(2) of title 10, United States Code; and

(B) does not include any contract awarded under an exception to competitive acquisition authorized by the Small Business Act (15 U.S.C. 631 et seq.)

(3) PERFORMANCE SPECIFICATION.—The term “performance specification” means a specification of required item functional characteristics.

(4) COMMERCIAL STANDARD.—The term “commercial standard” means a standard used in industry promulgated by an accredited standards organizations that is not a Federal entity.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Pennsylvania (Mrs. DAHLKEMPER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania.

Mrs. DAHLKEMPER. Mr. Chairman, my amendment to the IMPROVE Acquisition Act of 2010 will help cut wasteful spending and ensure that taxpayer funds used for our national defense are spent responsibly and efficiently.

The agencies charged with our defense have a responsibility to ensure that taxpayers get the highest return on their investment while providing for the safety of our soldiers and of our Nation.

My amendment gives the Department of Defense a way to save 15 percent or more on its existing contracts for non-developmental items by allowing contract officers to opt for more efficient proposals as long as doing so does not breach existing contracts.

This legislation furthers our commitment to fiscal responsibility in defense spending by putting performance metrics where they are needed most: on the service and other contracts that make up the majority of our defense budget.

I urge my colleagues to support my amendment and to support the underlying bill.

I yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim the time in opposition to the amendment, although I do not oppose it.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I rise in strong support of this amendment, which is almost as striking in its common sense as it is striking that there is any legal issue as to whether a canon should be done. There is such a legal issue, unfortunately, and the gentleman's amendment clears that legal issue up.

Here is the situation her amendment contemplates: The Defense Department lets a contract to a vendor. The vendor is performing the contract. Because of a new efficiency or a drop in the price of a material, let's say that the price of food or gasoline that the vendor is using drops dramatically, the vendor offers to continue the contract at a

lower price. There are rules which today would preclude the Defense Department from taking advantage of that offer.

What Mrs. DAHLKEMPER's amendment says is that so long as the quality is preserved and so long as there at least is a 15 percent savings at a minimum and all other rules are complied with that the Defense Department can take advantage of that offer. Any business in this country would jump at that opportunity. And the gentleman has offered an amendment which makes an awful lot of sense, which will let the Department of Defense operate on those sound business principles.

Again, her amendment does not provide for any deviation from the rules of conflict of interest or legal procedure, but it says if there is an opportunity to achieve at least a 15-percent reduction and all other things are appropriate, then we should achieve that reduction. This makes eminent common sense.

We thank her for offering the amendment. I urge a “yes” vote.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Pennsylvania (Mrs. DAHLKEMPER).

The amendment was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. KISSELL

The Acting CHAIR. It is now in order to consider amendment No. 14 printed in House Report 111-467.

Mr. KISSELL. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. KISSELL:
At the end of the bill, add the following:

TITLE V—OTHER MATTERS

SEC. 501. CLOTHING ALLOWANCE REQUIREMENT.

The Comptroller General shall conduct a study of the items purchased under section 418 of title 37, United States Code, to determine if there is sufficient domestic production of such items to adequately supply members of the Armed Forces and shall transmit the results of such study to the Secretary of Defense. Not later than 6 months after receiving the results of such study, the Secretary of Defense shall transmit to the Committees on Armed Services of the Senate and the House of Representatives an evaluation on whether such items under the study should be considered subject to section 2533a of title 10, United States Code (popularly known as the “Berry Amendment”).

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from North Carolina (Mr. KISSELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. KISSELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as a member of the House Armed Services Committee, I would like to thank my colleagues and our chairman, IKE SKELTON, for bringing this much-needed legislation to the floor. I would also like to thank my

friends and colleagues HOWARD COBLE from North Carolina and MIKE MICHAUD from Maine for helping me sponsor this amendment.

This amendment is very simple in its intent. For over 60 years, Mr. Chairman, the Berry amendment has allowed the Department of Defense to buy clothing and other apparel materials that are made in the United States when available. There has, in recent years, however, been a list of clothing articles that our soldiers and military personnel are required to purchase that are not provided by the Department of Defense. The Department of Defense does provide a clothing cash allowance for this purchase, but these items that are on this list are not necessarily made in the United States.

This amendment would require the GAO to look at this list, to look at the possibilities and potential for making these materials in the United States or is the capacity there to make them there now to meet the demands, get with the Department of Defense, and then the Department of Defense, within 6 months, would be required to get back to the House Armed Services Committee with its findings as to whether or not these materials could be made in the United States under the Berry amendment. So it's a common-sense approach to expanding the Berry amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim time in opposition to the amendment, although I do not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I commend the gentlemen from North Carolina and from Maine for offering the amendment and support it.

The general rule under the law is that the Defense Department must buy goods and services made in the United States. There's an exception to that rule which deals with vouchers, essentially, where if there's a voucher given to a servicemember to buy certain goods, there's an exception to that.

□ 1400

The gentlemen who are offering this amendment are interested in finding out whether that exception could be accomplished in a way that would protect the choice and quality for the servicemembers while promoting the purchase of American goods and services. I think that inquiring into that is entirely appropriate.

At this time I would like to yield to my friend, the ranking member, the gentleman from Texas (Mr. CONAWAY), for his comments on this.

Mr. CONAWAY. I appreciate that. I also tentatively support the amendment—certainly, the spirit of the Berry amendment—as well. But, as drafted, the GAO study, I think, will be very

difficult to implement. Servicemembers are not required to keep records of the items that they purchase with their clothing allowance; nor are they required to set aside these dollars in a teacup to purchase uniforms only. So the GAO may not be able to determine what servicemembers bought with their clothing allowance, let alone whether those items were produced domestically.

If the sponsor will allow us to revise the amendment in conference to specifically evaluate the sufficiency of the domestic supply of military uniforms, then I can certainly support that. But I support it with some reservations that the study as drafted specifically under this rule would be less than optimal. And if the sponsor would allow us to work on it in conference, I would support it.

Mr. ANDREWS. Mr. Chairman, we look forward to reviewing the results of the GAO study so we can work with all the gentlemen to achieve the objective they have set forth.

I reserve the balance of my time.

Mr. KISSELL. Mr. Chairman, I would like to yield 2 minutes to my friend from Maine (Mr. MICHAUD).

Mr. MICHAUD. I'd like to thank the gentleman for yielding. I rise today in support of this amendment. This is a bipartisan effort to ensure that our troops are outfitted with American-made goods as much as possible. Under current policy, clothing items that soldiers purchase with DOD-issued cash allowances are not subject to the Berry amendment. Our amendment asks GAO to determine whether U.S. companies make enough of these cash-allowance items to meet the demands of our troops. DOD will report to Congress on GAO's findings and indicate whether or not they will extend the Berry amendment to any of these American-made products.

This amendment supports United States businesses. This amendment protects and creates American jobs. And this amendment makes sure that, wherever possible, our troops are outfitted with goods made with pride in the U.S.A.

I urge my colleagues to support this bipartisan amendment.

Mr. KISSELL. Mr. Chairman, the strength of America is shown in many ways—the strength of our military and its personnel and families that make up our service, but also shown in the strength of a strong economy and as many Americans working as possible. This amendment would help ensure that as many Americans as possible are working to make the clothing articles that our great servicepeople use. I encourage my colleagues to vote “yes” on this amendment.

I yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, we would urge a “yes” vote, and I yield back the balance of my time in opposition.

The Acting CHAIR. The question is on the amendment offered by the gen-

tleman from North Carolina (Mr. KISSELL).

The amendment was agreed to.

AMENDMENT NO. 15 OFFERED BY MR. GRAYSON

The Acting CHAIR. It is now in order to consider amendment No. 15 printed in House Report 111-467.

Mr. GRAYSON. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. GRAYSON:
At the end of the bill add the following new section:

SEC. 501. REQUIREMENT THAT COST OR PRICE TO THE FEDERAL GOVERNMENT BE GIVEN AT LEAST EQUAL IMPORTANCE AS TECHNICAL OR OTHER CRITERIA IN EVALUATING COMPETITIVE PROPOSALS FOR DEFENSE CONTRACTS.

(a) REQUIREMENT.—Subparagraph (A) of section 2305(a)(3) of title 10, United States Code, is amended by striking “proposals; and” at the end of clause (ii) and all that follows through the end of the subparagraph and inserting the following: “proposals and that must be assigned importance at least equal to all evaluation factors other than cost or price when combined.”

(b) WAIVER.—Section 2305(a)(3) of such title is further amended by striking subparagraph (B) and inserting the following:

“(B) The requirement of subparagraph (A)(ii) relating to assigning at least equal importance to evaluation factors of cost or price may be waived by the head of the agency. The authority to issue a waiver under this subparagraph may not be delegated.”

(c) REPORT.—Section 2305(a)(3) of such title is further amended by adding at the end the following new subparagraph:

“(C) Not later than 180 days after the end of each fiscal year, the Secretary of Defense shall submit to Congress, and post on a publicly available website of the Department of Defense, a report containing a list of each waiver issued by the head of an agency under subparagraph (B) during the preceding fiscal year.”

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Florida (Mr. GRAYSON) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. GRAYSON. I want to also express my thanks to the chairman of the Armed Services Committee, the members of the committee and the staff, and specifically and especially to Congressman ANDREWS and Congressman CONAWAY, who brought this bill to the floor today and allowed this to be considered for amendments. I also want to express my thanks to the members of the Rules Committee and their staff for finding this amendment in order for consideration today.

This is an amendment, in short, that gives guidance to contracting officers that they never had before in DOD concerning the question of to what extent cost or price should be considered in procurement. I ask for the support of the Grayson amendment to the IMPROVE Act to give legislative guidance to the Defense Department concerning the need to emphasize price or cost in defense procurement.

Under current law, the DOD contracting officer—could be a GS-8, GS-9—has no authority, no guidance from this institution to determine how much should be considered for cost or price. Rather, the contracting officer on his or her own volition establishes an evaluation scheme before each procurement, telling the offerers how their proposal will be evaluated. Current law permits DOD to announce an evaluation scheme that would consider price or cost as only 1 percent of the evaluation and other more subjective factors as 99 percent of the evaluation scheme. In practice, price or cost frequently is weighed as only 25 percent or 33 percent of the evaluation scheme; and other, more subjective, factors remain in the balance.

The resulting waste is twofold. First, DOD frequently rejects the low-cost proposal because its own evaluation scheme dictates that it does so. This alone costs the taxpayers untold billions of dollars. Secondly, defense contractors who know how to build a better mousetrap that could actually save DOD substantial amounts of money don't even bother to frame their proposals that way because they know that the evaluation will not turn on cost, but rather will turn on factors other than cost. So they don't even submit such a proposal.

Our amendment solves these problems by mandating that DOD procurements weigh cost or price at 50 percent of the evaluation scheme, or more, unless the head of the agency decides otherwise. For large purchases of standard commodities like fuels, hammers, et cetera, there's no reason not to do this. And for items that are mission critical, the head of the agency, under our amendment, has the discretion to weigh cost or price at less than 50 percent, in fact, to weigh it any amount the head of the agency deems appropriate.

In my 20 years in government contracts procurement before I was elected to serve in Congress, including my time spent fighting war profiteers in Iraq, I saw substantial overuse of subjective factors in DOD contractor awards at taxpayer expense. Our amendment is a commonsense solution to that problem, which will allow all us of to say at the end of the day that we fought hard to fight against waste, fraud, and abuse in defense procurement.

I reserve the balance of my time.

Mr. ANDREWS. Mr. Chairman, I rise to claim time in opposition to the amendment, although I do not oppose the amendment.

The Acting CHAIR. Without objection, the gentleman from New Jersey is recognized for 5 minutes.

There was no objection.

Mr. ANDREWS. Mr. Chairman, I'd like to thank my friends from Florida, Mr. GRAYSON and Mr. HASTINGS, for offering this amendment. It makes eminently good sense. It says this: if a procurement officer decides to buy the

product that isn't the least expensive, a couple of rules apply. First of all, price has to be at least equal to the greatest factor that's being used. It can't be any less than equal. And if it is less than equal, the procurement officer has to explain why.

Now this makes pretty good sense. I think most people would agree that it's not always true that the least expensive item is the best. But if you think a more expensive item is the best, then you ought to explain why. I think most of us would want that in the way we manage our household budgets, our businesses, our towns, our local school districts.

Mr. GRAYSON, based upon his years of experience in this field, has written an amendment that carries that idea forward. I think it's very worthy. Again, I think it strikes the right balance between flexibility for the procurement officer to make a decision that he or she thinks is the right one, but justification to the public as to why we're not spending the least amount of money on something that we're buying. I think most of our constituents would want us to presume that we should get the best price available; and only if it can be demonstrated that the best price available is not the best value available, should we make a different decision. So I think this amendment makes very, very good sense. I would urge its adoption.

I would now like to yield such time as he may consume to my friend from Pennsylvania (Mr. PLATTS).

Mr. PLATTS. I appreciate the gentleman yielding. I certainly rise in agreement with the maker of the amendment that we need to get the best value for the American taxpayers when it comes to the acquisition of goods and services. In fact, the underlying bill we're discussing here today is about achieving that exact goal—getting that best value.

I do want to express a concern, however, that sometimes getting the best value may mean paying more for a superior product or service, especially when it comes to the complex technological requirements of the equipment of our men and women in the American Armed Forces. There may be legitimate cases where the cost, the price of a good or service, is less important than other factors. Probably a good example of that is pretty recently the acquisition of MRAPs and body armor that certainly have saved the lives of our courageous troops.

A concern that I think we need to weigh here is just that this may be a little premature, this specific amendment, because a similar amendment was included in the 2010 National Defense Authorization Act. During the conference, a provision was added to that language that requires the Government Accountability Office to do a study to determine how often it occurs that cost is not the overriding factor or the primary factor. That study is due back to us in October of this year. It

seems like it would be appropriate to get that knowledge base from GAO before going further with another requirement at this time.

So I don't oppose the intent of the sponsor of the amendment. We are certainly in agreement that we want to get the best value, but just believe it may be helpful to wait for GAO to complete its work.

Mr. GRAYSON. I yield myself the balance of my time, and I thank my colleague for making these points. I'd like to respond to them briefly.

With regard to the first point, I want to make it clear that within the literal wording of this amendment no agency is ever required to choose the least-cost product. All that this amendment says is that in the evaluation scheme, in order to encourage people who are offerors to think about how to save money for DOD, we make the commitment in general, overall, that cost or price will be considered at least as much as all the other factors combined.

In addition to that, we allow the head of the agency to suspend the rule at will, without any condition or limitation in the statute. The head of the agency can determine that for any item, including mission-critical items, cost or price can be 40 percent, 30 percent, 10 percent, even 5 percent of the evaluation factors.

So I think that although the gentleman's point is well taken, that we should not ever bind the hands of the DOD when DOD needs to get items that may not be the low cost item, this is an amendment that does not do that. This amendment simply says that, in general, under ordinary circumstances, particularly in buying volume commodities that are identical to each other, we should in fact make 50 percent of the consideration cost or price.

Now, I've seen procurements where, for instance, a commodity like gasoline is being bought by DOD and somehow they determine that two-thirds of the evaluation factor should be something other than cost or price. Sometimes we waste billions of dollars on account of decisions like that.

So I think that this is a rule that really needs to take place. I understand the gentleman's point concerning the study that's ongoing; but, frankly, I think that if we do this now, we'll save money now. If we do this later, we'll save less money. I'd rather see the money saved now, particularly when we have such great needs abroad and our defense budget is so great. I think that this simple rule, this common-sense rule, will help to save billions almost immediately as soon as it's implemented. I thank the gentleman for his comments.

I yield back the balance of my time.

Mr. ANDREWS. Mr. Chairman, I would urge a "yes" vote on the amendment. I do share the concerns of my friend from Pennsylvania. I believe that the amendment that's in front of us here, I think the language of the

amendment addresses the concerns the gentleman raises. I think it provides sufficient flexibility. I commend the gentleman for offering it.

I urge a "yes" vote and yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. GRAYSON).

The amendment was agreed to.

AMENDMENT NO. 16 OFFERED BY MR. HARE

The Acting CHAIR. It is now in order to consider amendment No. 16 printed in House Report 111-467.

Mr. HARE. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. HARE:

At the end of title IV, add the following new section:

SEC. 407. SENSE OF CONGRESS REGARDING COMPLIANCE WITH THE BERRY AMENDMENT, THE BUY AMERICAN ACT, AND LABOR STANDARDS OF THE UNITED STATES.

In order to create jobs, level the playing field for domestic manufacturers, and strengthen economic recovery, it is the sense of Congress that the Department of Defense should—

(1) ensure full contractor and subcontractor compliance with the Berry Amendment (10 U.S.C. 2533a) and the Buy American Act (41 U.S.C. 10a et seq.); and

(2) not procure products made by manufacturers in the United States that violate labor standards as defined under the laws of the United States.

The Acting CHAIR. Pursuant to House Resolution 1300, the gentleman from Illinois (Mr. HARE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

□ 1415

Mr. HARE. Mr. Chair, I yield myself as much time as I may consume.

Let me begin by taking this opportunity to thank Chairman SKELTON and Ranking Member McKEON as well as Chairman ANDREWS and Ranking Member CONAWAY for their leadership on the underlying bill and for their commitment to our Nation's Armed Forces.

The amendment before us today is one of great importance that aims to ensure a level playing field for domestic manufacturers with the hope of strengthening our economic recovery through the defense acquisition process. My amendment declares that it is the sense of Congress that the Department of Defense should ensure full compliance throughout the acquisition process with the Berry Amendment and the Buy American Act. Further, the amendment declares the sense of Congress that the Department of Defense not procure products made by domestic manufacturers that fail to comply with the labor standards that are set by the laws established by Congress.

Both the Buy American Act and the Berry Amendment are intended to benefit American industry and workers.

And at a time of high unemployment, we must ensure compliance with these important laws to ensure that DOD procurement benefits American families in every corner of this Nation whenever possible.

I think we can all agree here that we want the best equipment and items procured for our Armed Forces, and I think we can all agree that we want to ensure that these acquisitions adhere to the laws and labor standards of the land. My amendment simply expresses and reaffirms congressional intent and aims to aid the economic recovery that our Nation so desperately needs. I urge my colleagues to join me in supporting this amendment.

I reserve the balance of my time.

Mr. SKELTON. Mr. Chairman, I rise in opposition to the amendment, but I do not oppose it.

The Acting CHAIR. Without objection, the gentleman from Missouri is recognized for 5 minutes.

There was no objection.

Mr. SKELTON. The amendment before us is a sense of Congress amendment. In essence it says, we should follow the law. It reaffirms Congress' support for the Buy American Act and other United States labor laws, and Congress has acted in recent years to make contracting officers aware of firms seeking contracts that have engaged in certain violations of the law. This is a "wake up and pay attention to the law" sense of Congress.

Today, Mr. Chairman, we have done more than adopt 16 amendments and had an excellent general debate on this bill. We have exhibited in a very substantial and substantive piece of legislation that Democrats and Republicans can work together, that, in a bipartisan effort, we can make things better for the young men and women in uniform, that we can save the taxpayer dollars, and over a period of time, it will be in the billions of dollars if this legislation becomes law. And we certainly hope that it will not only pass here with a substantial vote but also pass the United States Senate with a substantial vote, because it is a hallmark piece of real legislation. It should have been done before, but it wasn't. And here we are, taking up legislation that will be good for the young men and young women in uniform and save the American taxpayer dollars.

I am really proud of the committee. I am really proud of BUCK MCKEON, the ranking member, for his excellent cooperation and work; ROB ANDREWS, the chairman of the panel that I appointed; MIKE CONAWAY, for the excellent work that he did, in particular, the sections relating to the required audits that will be part of this legislation. We have just done marvelous work. I could not be prouder of the Armed Services Committee and those who worked on it as well as those who offered the very important amendments.

With that, Mr. Chairman, I am very grateful for the work that has been done, and I do urge a "yes" vote on this particular amendment.

I yield back the balance of my time. Mr. HARE. Once again, I just want to thank Chairman SKELTON for his wonderful work on this bill.

With that, Mr. Chair, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Illinois (Mr. HARE).

The amendment was agreed to.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111-467 on which further proceedings were postponed, in the following order:

Amendment No. 4 by Mr. HALL of New York.

Amendment No. 11 by Mr. CONNOLLY of Virginia.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 4 OFFERED BY MR. HALL OF NEW YORK

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New York (Mr. HALL) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 416, noes 0, not voting 20, as follows:

[Roll No. 227]

AYES—416

Ackerman	Boucher	Clay	Edwards (TX)	Latham	Posey
Aderholt	Boustany	Cleaver	Ehlers	LaTourette	Price (GA)
Adler (NJ)	Boyd	Clyburn	Ellison	Latta	Price (NC)
Akin	Brady (PA)	Coble	Ellsworth	Lee (CA)	Putnam
Alexander	Brady (TX)	Coffman (CO)	Emerson	Lee (NY)	Quigley
Altmire	Braley (IA)	Cohen	Engel	Levin	Radanovich
Andrews	Bright	Cole	Eshoo	Lewis (CA)	Rahall
Arcuri	Brown (GA)	Conaway	Etheridge	Lewis (GA)	Rehberg
Austria	Brown (SC)	Connolly (VA)	Farr	Linder	Reichert
Baca	Brown, Corrine	Conyers	Fattah	Lipinski	Reyes
Bachmann	Brown-Waite,	Cooper	Filner	LoBiondo	Richardson
Bachus	Ginny	Costa	Flake	Loeb	Rodriguez
Baird	Buchanan	Costello	Fleming	Lofgren, Zoe	Roe (TN)
Baldwin	Burgess	Courtney	Forbes	Lowey	Rogers (AL)
Barrow	Burton (IN)	Crenshaw	Fortenberry	Lucas	Rogers (KY)
Bartlett	Butterfield	Crowley	Foster	Luetkemeyer	Rogers (MI)
Barton (TX)	Buyer	Cuellar	Fox	Lujan	Rohrabacher
Bean	Calvert	Cummings	Frank (MA)	Lummis	Rooney
Becerra	Camp	Dahlkemper	Franks (AZ)	Lungren, Daniel	Ros-Lehtinen
Berkley	Campbell	Davis (CA)	Frelinghuysen	E.	Roskam
Berman	Cantor	Davis (IL)	Gallegly	Lynch	Ross
Berry	Cao	Davis (KY)	Garamendi	Mack	Rothman (NJ)
Biggert	Capito	Davis (TN)	Garrett (NJ)	Maffei	Roybal-Allard
Bilbray	Capps	DeFazio	Gerlach	Maloney	Royce
Bilirakis	Capuano	DeLauro	Giffords	Manzullo	Ruppersberger
Bishop (GA)	Cardoza	Dent	Gingrey (GA)	Marchant	Rush
Bishop (NY)	Carnahan	Deutch	Gonzalez	Markey (CO)	Ryan (OH)
Bishop (UT)	Carney	Diaz-Balart, L.	Goodlatte	Markey (MA)	Ryan (WI)
Blackburn	Carter	Diaz-Balart, M.	Granger	Marshall	Sablan
Blumenauer	Cassidy	Dicks	Graves	Matheson	Salazar
Blunt	Castle	Dingell	Grayson	Matsui	Sanchez, Linda
Boccieri	Castor (FL)	Doggett	Green, Al	McCarthy (CA)	T.
Boehner	Chaffetz	Donnelly (IN)	Green, Gene	McCarthy (NY)	Sanchez, Loretta
Bonner	Chandler	Doyle	Griffith	McCauley	Sarbanes
Bono Mack	Childers	Dreier	Grijalva	McClintock	Scalise
Boozman	Christensen	Driedhaus	Guthrie	McCollum	Schakowsky
Bordallo	Chu	Duncan	Gutierrez	McCotter	Schauer
Boren	Clarke	Edwards (MD)	Hall (NY)	McDermott	Schiff
Boswell			Hall (TX)	McGovern	Schmidt
			Halvorson	McHenry	Schock
			Hare	McIntyre	Schrader
			Harper	McKeon	Schwartz
			Hastings (FL)	McMahon	Scott (GA)
			Hastings (WA)	McMorris	Scott (VA)
			Heinrich	Rodgers	Sensenbrenner
			Heller	McNerney	Sessions
			Hensarling	Meek (FL)	Sestak
			Herger	Melancon	Shadegg
			Herseth Sandlin	Mica	Shea-Porter
			Higgins	Michaud	Sherman
			Hill	Miller (FL)	Shimkus
			Himes	Miller (MI)	Shuler
			Hinche	Miller (NC)	Shuster
			Hinojosa	Miller, Gary	Simpson
			Hirono	Miller, George	Sires
			Hodes	Minnick	Skelton
			Holden	Mitchell	Slaughter
			Holt	Mollohan	Smith (NE)
			Honda	Moore (KS)	Smith (NJ)
			Hoyer	Moore (WI)	Smith (TX)
			Hunter	Moran (KS)	Smith (WA)
			Inglis	Moran (VA)	Snyder
			Inslee	Murphy (CT)	Souder
			Israel	Murphy (NY)	Space
			Issa	Murphy, Patrick	Speier
			Jackson (IL)	Murphy, Tim	Spratt
			Jackson Lee	Myrick	Stark
			(TX)	Nadler (NY)	Stearns
			Jenkins	Napolitano	Stupak
			Johnson (GA)	Neal (MA)	Sullivan
			Johnson (IL)	Neugebauer	Sutton
			Johnson, E. B.	Norton	Taylor
			Johnson, Sam	Nunes	Terry
			Jones	Nye	Thompson (CA)
			Jordan (OH)	Oberstar	Thompson (MS)
			Kagen	Obey	Thompson (PA)
			Kanjorski	Olson	Tiahrt
			Kaptur	Olver	Tiberi
			Kennedy	Ortiz	Tierney
			Kildee	Owens	Titus
			Kilpatrick (MI)	Pallone	Tonko
			Kilroy	Pascrell	Towns
			Kind	Pastor (AZ)	Tsongas
			King (IA)	Paul	Turner
			King (NY)	Paulsen	Upton
			Kingston	Payne	Van Hollen
			Kirk	Pence	Velázquez
			Kirkpatrick (AZ)	Perlmutter	Visclosky
			Kissell	Perriello	Walden
			Klein (FL)	Peters	Walz
			Kline (MN)	Peterson	Wasserman
			Kosmas	Petri	Schultz
			Kratovil	Pierluisi	Watson
			Kucinich	Pingree (ME)	Watt
			Lamborn	Pitts	Waxman
			Lance	Platts	Weiner
			Langevin	Poe (TX)	Welch
			Larsen (WA)	Polis (CO)	Westmoreland
			Larson (CT)	Pomeroy	Whitfield

Wilson (OH) Woolsey Young (AK)
Wilson (SC) Wu Young (FL)
Wittman Yarmuth

NOT VOTING—20

Barrett (SC) Gohmert Tanner
Culberson Gordon (TN) Teague
Davis (AL) Harman Thornberry
DeGette Hoekstra Wamp
Faleomavaega Meeks (NY) Waters
Fallin Rangel Wolf
Fudge Serrano

□ 1448

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 11 OFFERED BY MR. CONNOLLY OF VIRGINIA

The Acting CHAIR (Mr. SALAZAR). The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. CONNOLLY) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIR. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 417, noes 2, not voting 17, as follows:

[Roll No. 228]

AYES—417

Ackerman Brown-Waite, Davis (KY)
Aderholt Ginny Davis (TN)
Adler (NJ) Buchanan DeFazio
Akin Burgess Delahunt
Alexander Burton (IN) DeLauro
Altmire Butterfield Dent
Andrews Buyer Deutch
Arcuri Calvert Diaz-Balart, L.
Austria Camp Diaz-Balart, M.
Baca Cantor Dicks
Bachmann Cao Dingell
Bachus Capito Doggett
Baird Capps Donnelly (IN)
Baldwin Capuano Doyle
Barrow Cardoza Dreier
Bartlett Carnahan Driehaus
Barton (TX) Carney Duncan
Bean Carson (IN) Edwards (MD)
Becerra Carter Edwards (TX)
Berkley Cassidy Ehlers
Berman Castle Ellison
Berry Castor (FL) Ellsworth
Biggert Chaffetz Emerson
Bilbray Chandler Engel
Bilirakis Childers Eshoo
Bishop (GA) Christensen Etheridge
Bishop (NY) Chu Farr
Bishop (UT) Clarke Fattah
Blackburn Clay Filner
Blumenauer Cleaver Fleming
Blunt Clyburn Forbes
Boccheri Coble Fortenberry
Boehner Coffman (CO) Foster
Bonner Cohen Foxx
Bono Mack Cole Frank (MA)
Boozman Conaway Franks (AZ)
Bordallo Connolly (VA) Frelinghuysen
Boren Conyers
Boswell Cooper Garamendi
Boucher Costa Garrett (NJ)
Boustany Costello Gerlach
Boyd Courtney Giffords
Brady (PA) Crenshaw Gingrey (GA)
Brady (TX) Crowley Gohmert
Braley (IA) Cuellar Gonzalez
Bright Cummings Goodlatte
Brown (GA) Dahlkemper Gordon (TN)
Brown (SC) Davis (CA) Granger
Brown, Corrine Davis (IL) Graves

Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Hereth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson Lee
(TX)
Jenkins
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
Larsen (MD)
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebbeck
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Lujan
Lummis
Lungren, Daniel
E.
Lynch
Mack
Maffei
Maloney
Manzullo

Campbell

Barrett (SC)
Culberson

Marchant
Markey (CO)
Markey (MA)
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McIntyre
McKeon
McMahon
McMorris
Rodgers
McNerney
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Owens
Pallone
Pascarelli
Pastor (AZ)
Paul
Paulsen
Payne
Pence
Perlmutter
Perrillo
Peters
Peterson
Petri
Pierluisi
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
Rahall
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney

NOES—2

Flake

NOT VOTING—17

Davis (AL)
DeGette

Fudge
Harman
Hoekstra
Johnson (GA)
Kline (MN)
Miller (NC)
Rangel
Tanner
Teague
Thornberry
Wamp

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR (during the vote). There are 2 minutes remaining in this vote.

□ 1458

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The Acting CHAIR. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIR. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. JACKSON of Illinois) having assumed the chair, Mr. SALAZAR, Acting Chair of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5013) to amend title 10, United States Code, to provide for performance management of the defense acquisition system, and for other purposes, pursuant to House Resolution 1300, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. BUYER. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BUYER. In its present form, I am opposed to the bill.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Buyer moves to recommit the bill H.R. 5013 to the Committee on Armed Services with instructions to report the same back to the House forthwith with the following amendment:

At the end of title III, add the following new section:

SEC. 304. DISCLOSURE AND TRACEABILITY OF THE COST OF DEPARTMENT OF DEFENSE HEALTH CARE CONTRACTS.

(a) DISCLOSURE REQUIREMENT.—The Secretary of Defense shall require—

(1) an offeror that submits a bid or proposal in response to an invitation for bids or a request for proposals issued by a component of the Department of Defense for a health care contract to submit with the bid or proposal a disclosure of the additional cost, if any, contained in such bid or proposal associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and

Education Reconciliation Act of 2010 (Public Law 111-152); and

(2) a contractor for a health care contract awarded following the date of the enactment of this Act to disclose on an annual basis the additional cost, if any, incurred for such contract associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2011, and each April 1st thereafter until April 1, 2016, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the additional cost to the Department of Defense associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(2) MATTERS COVERED.—The report required by paragraph (1) shall include—

(A) the projected costs of compliance for all health care contracts awarded during the preceding year, as disclosed in a bid or proposal in accordance with subsection (a)(1);

(B) for all other health care contracts, the incurred cost of compliance for the preceding year, as disclosed in accordance with subsection (a)(2); and

(C) any additional costs to the Department of Defense necessary to comply with such Acts.

(c) HEALTH CARE CONTRACT DEFINED.—In this section, the term “health care contract” means a contract in an amount greater than the simplified acquisition threshold for the acquisition of any of the following:

(1) Medical supplies.

(2) Health care services and administration, including the services of medical personnel.

(3) Durable medical equipment.

(4) Pharmaceuticals.

(5) Health care-related information technology.

Mr. BUYER (during the reading). Mr. Speaker, I ask unanimous consent to waive the reading of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. SKELTON. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued to read.

The SPEAKER pro tempore. The gentleman from Indiana is recognized for 5 minutes.

Mr. BUYER. Last Thursday's report by the Department of Health and Human Services has now been delivered to all of our offices. In particular, a report by the Centers for Medicare & Medicaid Services has confirmed that President Obama's new health care law will increase costs for taxpayers and patients. The CMS has estimated that the new law will increase health care spending in this country by \$311 billion. Now, that \$311 billion figure is on page 4, but all Members should note, on page 2, that they are very up front about this.

On page 2, it reads: Because of the transition effects and the fact that most coverage provisions are going to be in effect for 6 of the 10 years of the

budget period, the cost estimates that were shown in the memorandum do not represent a full 10-year cost of the legislation.

So, even though they are projecting that it is going to be \$311 billion, please understand that this is really not a true 10-year time frame. This is why I want to bring this to everyone's attention.

Please, Members, look at this report. Please, look at the report. As policymakers, all of us who have responsibilities for health initiatives need to understand what the impacts will be upon our areas of responsibility. Of the Federal expenditure for only the 6-year time frame, it is going to be about \$251 billion.

As you know, the Department of Defense is one of the largest procurers of health care goods and services in the country. Now, I'm not even talking about VA. We're only going to focus for the moment here on DOD because of jurisdictional matters. By caring for our wounded warriors and their families, the Pentagon strives to support our brave wounded soldiers, sailors, airmen, and marines along the road to recovery. This support not only includes medical care for injured troops but also for our active duty military, their families, and the retirees as well.

In order to provide that level of care, the DOD purchases from a network of managed care support organizations, from health care professionals, manufacturers, and from information technology providers. What CMS has made clear to all of us in this report is that this network is heavily impacted by the new health care law.

Let me remind my colleagues that CMS is not a partisan group. CMS, formerly known as the Health Care Financing Administration, or HCFA, is very much part of President Obama's administration. So, if CMS estimates that there are greater costs, I am sure that these are likely to be conservative estimates, and greater costs are not something the Pentagon is prepared to absorb. As many of you are aware, the Department's overall expenditures for health care are rising rapidly. Secretary Gates testified in the fall that the increased costs are “beginning to eat us alive.”

So, if there are direct or secondary effects of the President's health care program, the only way to cover those costs is to raise the premiums to beneficiaries, to families, and to retirees or to eat further into DOD's ability to support the needs of our men and women in uniform. This is not what we want to do. This is why we must understand the impact of the President's new health care law on DOD. We know that the health care law includes new fees on manufacturers of brand-name prescription drugs. We sell to the Federal health care programs, including the Department of Defense.

CMS stated in last Thursday's report: “We anticipate these fees would generally be passed through to health con-

sumers in the form of higher drug prices.” That means a pass-through to DOD. We need to know and to understand the impact of those increased fees upon us.

Section 9011 of the President's health care law already requires the Department of Veterans Affairs to conduct a study of the impact of the increased costs on veterans' health care which are imposed by the new law. This includes reporting on the costs to the VA of any fees assessed on brand-name prescription drugs and medical device manufacturers.

It seems only reasonable, if we supported that provision for the VA, as many of my colleagues on the other side of the aisle did, that we should do the very same thing with DOD. That is what I am asking in this motion to recommit. The Pentagon is slated to spend \$56 billion on the next procurement round of TRICARE contracts. This amendment simply asks for the DOD to identify through their acquisition process any additional costs as a result of the President's new health care law and to report that to Congress. We are asking for transparency.

I urge a “yes” vote on the motion to recommit, and I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded not to traffic the well when other Members are speaking.

Mr. SKELTON. Mr. Speaker, I claim time in opposition, though I do not oppose the motion.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. SKELTON. I yield to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I would urge Members to vote “yes” on this motion to recommit because the language of the recommit does what the gentleman's argument doesn't do.

The language of this argument says we should have full, accurate transparency about the cost of the new health care bill as it applies to defense contracts. In other words, we ought to know the facts. We agree with that. With all of the respect of the gentleman's argument, the facts were kind of missing. Here is what the facts are:

As to the report that he references from CMS, I would take due note of the fact that the “M” in CMS means “Medicare.” Here is what the report said:

Before the President signed the health care law, the Medicare Trust Fund was due to run out of money in 2017. Because the President signed the health care law, the Medicare Trust Fund will live for at least 12 more years.

The fact is that the report said that future forecasts of health care costs are, to quote the report: only a prediction, difficult to ascertain, subject to interpretation.

Well, here are some interpretations that the American public are beginning to see: When sons and daughters under the age of 26 years old can be covered on their parents' policies, the American people support that. When people cannot be turned away from buying insurance or cannot have their premiums raised because they had breast cancer or asthma, the American people support that. When an insurance company cannot cancel people's policies when they're on the way to the operating rooms after they've paid premiums for years, the American people support that.

We embrace and support the idea of learning the facts about the health care bill. That's what the amendment says. We support the idea of speaking the truth about the health care bill. That's what all Members of the House should do. That's what the American people are entitled to do.

Vote "yes" on the motion to recommit, and vote "yes" on the underlying bipartisan bill.

Mr. SKELTON. I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BUYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 419, noes 1, not voting 10, as follows:

[Roll No. 229]

AYES—419

Ackerman	Bocchieri	Capuano
Aderholt	Boehner	Cardoza
Adler (NJ)	Bonner	Carnahan
Akin	Bono Mack	Carney
Alexander	Boozman	Carson (IN)
Altmire	Boren	Carter
Andrews	Boswell	Cassidy
Arcuri	Boucher	Castle
Austria	Boustany	Castor (FL)
Baca	Boyd	Chaffetz
Bachmann	Brady (PA)	Chandler
Bachus	Brady (TX)	Childers
Baird	Braley (IA)	Chu
Baldwin	Bright	Clarke
Barrow	Broun (GA)	Clay
Bartlett	Brown (SC)	Cleaver
Barton (TX)	Brown, Corrine	Clyburn
Bean	Brown-Waite,	Coble
Becerra	Ginny	Coffman (CO)
Berkley	Buchanan	Cohen
Berman	Burgess	Cole
Berry	Burton (IN)	Conaway
Biggert	Butterfield	Connolly (VA)
Bilbray	Buyer	Conyers
Bilirakis	Calvert	Cooper
Bishop (GA)	Camp	Costa
Bishop (NY)	Campbell	Costello
Bishop (UT)	Cantor	Courtney
Blackburn	Cao	Crenshaw
Blumenauer	Capito	Crowley
Blunt	Capps	Cuellar

Culberson	Kagen	Obey
Cummings	Kanjorski	Olson
Dahlkemper	Kaptur	Oliver
Davis (CA)	Kennedy	Ortiz
Davis (IL)	Kildee	Owens
Davis (KY)	Kilpatrick (MI)	Pallone
Davis (TN)	Kilroy	Pastor (AZ)
DeFazio	Kind	Paul
Delahunt	King (IA)	Paulsen
DeLauro	King (NY)	Payne
Dent	Kingston	Pence
Deutch	Kirk	Perlmutter
Diaz-Balart, L.	Kirkpatrick (AZ)	Perriello
Diaz-Balart, M.	Kissell	Peters
Dicks	Klein (FL)	Peterson
Dingell	Kline (MN)	Petri
Doggett	Kosmas	Pingree (ME)
Donnelly (IN)	Kratovil	Pitts
Doyle	Kucinich	Platts
Dreier	Lamborn	Poe (TX)
Driehaus	Lance	Polis (CO)
Duncan	Langevin	Pomeroy
Edwards (MD)	Larsen (WA)	Posey
Edwards (TX)	Larson (CT)	Price (GA)
Ellison	Latham	Price (NC)
Ellsworth	LaTourette	Putnam
Emerson	Latta	Quigley
Engel	Lee (CA)	Radanovich
Eshoo	Lee (NY)	Rahall
Etheridge	Levin	Rangel
Farr	Lewis (CA)	Rehberg
Fattah	Lewis (GA)	Reichert
Filner	Linder	Reyes
Flake	Lipinski	Richardson
Fleming	LoBiondo	Rodriguez
Forbes	Loeb sack	Roe (TN)
Fortenberry	Lofgren, Zoe	Rogers (AL)
Foster	Lowey	Rogers (KY)
Fox	Lucas	Rogers (MI)
Frank (MA)	Luetkemeyer	Rohrabacher
Franks (AZ)	Luján	Rooney
Frelinghuysen	Lummis	Ros-Lehtinen
Gallegly	Lungren, Daniel	Roskam
Garamendi	E.	Ross
Garrett (NJ)	Lynch	Rothman (NJ)
Gerlach	Mack	Roybal-Allard
Giffords	Maffei	Royce
Gingrey (GA)	Maloney	Ruppersberger
Gohmert	Manzullo	Rush
Gonzalez	Marchant	Ryan (OH)
Goodlatte	Markey (CO)	Ryan (WI)
Gordon (TN)	Markey (MA)	Salazar
Granger	Marshall	Sánchez, Linda
Graves	Matheson	T.
Grayson	Matsui	Sanchez, Loretta
Green, Al	McCarthy (CA)	Sarbanes
Green, Gene	McCarthy (NY)	Scalise
Griffith	McCaul	Schakowsky
Grijalva	McClintock	Schauer
Guthrie	McCollum	Schiff
Gutierrez	McCotter	Schmidt
Hall (NY)	McDermott	Schock
Hall (TX)	McGovern	Schrader
Halvorson	McHenry	Schwartz
Hare	McIntyre	Scott (GA)
Harper	McKeon	Scott (VA)
Hastings (FL)	McMahon	Sensenbrenner
Hastings (WA)	McMorris	Serrano
Heinrich	Rodgers	Sessions
Heller	McNerney	Sestak
Hensarling	Meek (FL)	Shadegg
Hergert	Meeks (NY)	Shea-Porter
Hereth Sandlin	Melancon	Sherman
Higgins	Mica	Shimkus
Hill	Michaud	Shuler
Himes	Miller (FL)	Shuster
Hinchey	Miller (MI)	Simpson
Hinojosa	Miller (NC)	Sires
Hirono	Miller, Gary	Skelton
Hodes	Miller, George	Slaughter
Holden	Minnick	Smith (NE)
Holt	Mitchell	Smith (NJ)
Honda	Mollohan	Smith (TX)
Hoyer	Moore (KS)	Smith (WA)
Hunter	Moore (WI)	Snyder
Inglis	Moran (KS)	Souder
Inlee	Moran (VA)	Space
Israel	Murphy (CT)	Speier
Issa	Murphy (NY)	Spratt
Jackson (IL)	Murphy, Patrick	Stark
Jackson Lee	Murphy, Tim	Stearns
(TX)	Myrick	Stupak
Jenkins	Nadler (NY)	Sullivan
Johnson (GA)	Napolitano	Sutton
Johnson (IL)	Neal (MA)	Tanner
Johnson, E. B.	Neugebauer	Taylor
Johnson, Sam	Nunes	Terry
Jones	Nye	Thompson (CA)
Jordan (OH)	Oberstar	Thompson (MS)

Thompson (PA)	Velázquez	Westmoreland
Thornberry	Visclosky	Whitfield
Tiahrt	Walden	Wilson (OH)
Tiberi	Walz	Wilson (SC)
Tierney	Wasserman	Wittman
Titus	Schultz	Wolf
Tonko	Waters	Woolsey
Towns	Watson	Wu
Tsongas	Watt	Yarmuth
Turner	Waxman	Young (AK)
Upton	Weiner	Young (FL)
Van Hollen	Welch	

NOES—1

Pascarell

NOT VOTING—10

Barrett (SC)	Fallin	Teague
Davis (AL)	Fudge	Wamp
DeGette	Harman	
Ehlers	Hoekstra	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MORAN of Virginia) (during the vote). There are 2 minutes remaining in this vote.

□ 1533

Mr. DICKS changed his vote from "no" to "aye."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Mr. EHLERS. Mr. Speaker, on rollcall No. 229 I was detained in the Attending Physician's Office, and arrived on the House floor too late to be recorded on this rollcall. Had I been present, I would have voted "yes."

Mr. SKELTON. Mr. Speaker, pursuant to the instructions of the House in the motion to recommit, I report the bill, H.R. 5013, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON:

At the end of title III, add the following new section:

SEC. 304. DISCLOSURE AND TRACEABILITY OF THE COST OF DEPARTMENT OF DEFENSE HEALTH CARE CONTRACTS.

(a) DISCLOSURE REQUIREMENT.—The Secretary of Defense shall require—

(1) an offeror that submits a bid or proposal in response to an invitation for bids or a request for proposals issued by a component of the Department of Defense for a health care contract to submit with the bid or proposal a disclosure of the additional cost, if any, contained in such bid or proposal associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152); and

(2) a contractor for a health care contract awarded following the date of the enactment of this Act to disclose on an annual basis the additional cost, if any, incurred for such contract associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

(b) REPORT.—

(1) REQUIREMENT.—Not later than April 1, 2011, and each April 1st thereafter until April 1, 2016, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the additional cost to the Department of Defense associated with compliance with the Patient Protection and Affordable Care Act (Public Law 111-148) and

the Health Care and Education Reconciliation Act of 2010 (Public Law 111–152).

(2) MATTERS COVERED.—The report required by paragraph (1) shall include—

(A) the projected costs of compliance for all health care contracts awarded during the preceding year, as disclosed in a bid or proposal in accordance with subsection (a)(1);

(B) for all other health care contracts, the incurred cost of compliance for the preceding year, as disclosed in accordance with subsection (a)(2); and

(C) any additional costs to the Department of Defense necessary to comply with such Acts.

(c) HEALTH CARE CONTRACT DEFINED.—In this section, the term “health care contract” means a contract in an amount greater than the simplified acquisition threshold for the acquisition of any of the following:

(1) Medical supplies.

(2) Health care services and administration, including the services of medical personnel.

(3) Durable medical equipment.

(4) Pharmaceuticals.

(5) Health care-related information technology.

Mr. SKELTON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SKELTON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 417, noes 3, not voting 10, as follows:

[Roll No. 230]

AYES—417

Ackerman	Bilirakis	Brown-Waite,
Aderholt	Bishop (GA)	Ginny
Adler (NJ)	Bishop (NY)	Buchanan
Akin	Bishop (UT)	Burgess
Alexander	Blackburn	Burton (IN)
Altmire	Blumenauer	Butterfield
Andrews	Blunt	Buyer
Arcuri	Boccieri	Calvert
Austria	Boehner	Camp
Baca	Bonner	Campbell
Bachmann	Bono Mack	Cantor
Bachus	Boozman	Cao
Baird	Boren	Capito
Baldwin	Boswell	Capps
Barrow	Boucher	Capuano
Bartlett	Boustany	Cardoza
Barton (TX)	Boyd	Carnahan
Bean	Brady (PA)	Carney
Becerra	Brady (TX)	Carson (IN)
Berkley	Braley (IA)	Carter
Berman	Bright	Cassidy
Berry	Brown (SC)	Castle
Biggert	Brown, Corrine	Castor (FL)
Bilbray		Chaffetz

Chandler	Hodes	Miller, George
Childers	Holden	Minnick
Chu	Holt	Mitchell
Clarke	Honda	Mollohan
Clay	Hoyer	Moore (KS)
Cleaver	Hunter	Moore (WI)
Clyburn	Inglis	Moran (KS)
Coble	Inslee	Moran (VA)
Coffman (CO)	Israel	Murphy (CT)
Cohen	Issa	Murphy (NY)
Cole	Jackson (IL)	Murphy, Patrick
Conaway	Jackson Lee	Murphy, Tim
Connolly (VA)	(TX)	Myrick
Conyers	Jenkins	Nadler (NY)
Cooper	Johnson (GA)	Napolitano
Costa	Johnson (IL)	Neal (MA)
Costello	Johnson, E. B.	Neugebauer
Courtney	Johnson, Sam	Nunes
Crenshaw	Jones	Nye
Crowley	Jordan (OH)	Oberstar
Cuellar	Kagen	Obey
Culberson	Kanjorski	Olson
Cummings	Kaptur	Olver
Dahlkemper	Kennedy	Ortiz
Davis (CA)	Kildee	Owens
Davis (IL)	Kilpatrick (MI)	Pallone
Davis (KY)	Kilroy	Pascarella
Davis (TN)	Kind	Pastor (AZ)
DeFazio	King (IA)	Paulsen
DeLauro	King (NY)	Payne
Dent	Kingston	Pence
Deutch	Kirk	Perlmutter
Diaz-Balart, L.	Kirkpatrick (AZ)	Perriello
Diaz-Balart, M.	Kissell	Peters
Dicks	Klein (FL)	Peterson
Dingell	Kline (MN)	Petri
Doggett	Kosmas	Pingree (ME)
Donnelly (IN)	Kratovil	Pitts
Doyle	Kucinich	Platts
Dreier	Lamborn	Poe (TX)
Driehaus	Lance	Polis (CO)
Duncan	Langevin	Pomeroy
Edwards (MD)	Larsen (WA)	Posey
Edwards (TX)	Larson (CT)	Price (GA)
Ehlers	Latham	Price (NC)
Ellison	LaTourette	Putnam
Ellsworth	Latta	Quigley
Emerson	Lee (CA)	Radanovich
Engel	Lee (NY)	Rahall
Eshoo	Levin	Rangel
Etheridge	Lewis (CA)	Rehberg
Farr	Lewis (GA)	Reichert
Filner	Linder	Reyes
Fleming	Lipinski	Richardson
Forbes	LoBiondo	Rodriguez
Fortenberry	Loebback	Roe (TN)
Foster	Lofgren, Zoe	Rogers (AL)
Fox	Lowey	Rogers (KY)
Frank (MA)	Lucas	Rogers (MI)
Franks (AZ)	Luetkemeyer	Rohrabacher
Frelinghuysen	Lujan	Rooney
Galleghy	Lummis	Ros-Lehtinen
Garamendi	Lungren, Daniel	Roskam
Garrett (NJ)	E.	Ross
Gerlach	Lynch	Rothman (NJ)
Giffords	Mack	Roybal-Allard
Gingrey (GA)	Maffei	Royce
Gohmert	Maloney	Ruppersberger
Gonzalez	Manzullo	Rush
Goodlatte	Marchant	Ryan (OH)
Gordon (TN)	Markey (CO)	Ryan (WI)
Granger	Markey (MA)	Salazar
Graves	Marshall	Sánchez, Linda
Grayson	Matheson	T.
Green, Al	Matsui	Sanchez, Loretta
Green, Gene	McCarthy (CA)	Sarbanes
Griffith	McCarthy (NY)	Scalise
Grijalva	McCaul	Schakowsky
Guthrie	McClintock	Schauer
Gutierrez	McCollum	Schiff
Hall (NY)	McCotter	Schmidt
Hall (TX)	McDermott	Schock
Halvorson	McGovern	Schrader
Hare	McHenry	Schwartz
Harper	McIntyre	Scott (GA)
Hastings (FL)	McKeon	Scott (VA)
Hastings (WA)	McMahon	Sensenbrenner
Heinrich	McMorris	Serrano
Heller	Rodgers	Sessions
Hensarling	McNerney	Sestak
Hergert	Meek (FL)	Shadegg
Herseht Sandlin	Meeks (NY)	Shea-Porter
Higgins	Melancon	Sherman
Hill	Mica	Shimkus
Himes	Michaud	Shuler
Hinchey	Miller (FL)	Shuster
Hinojosa	Miller (MI)	Simpson
Hirono	Miller (NC)	Sires
	Miller, Gary	Skelton

Slaughter	Thompson (MS)	Waters
Smith (NE)	Thompson (PA)	Watson
Smith (NJ)	Thornberry	Watt
Smith (TX)	Tiahrt	Waxman
Smith (WA)	Tiberi	Weiner
Snyder	Tierney	Welch
Souder	Titus	Westmoreland
Space	Tonko	Whitfield
Speier	Towns	Wilson (OH)
Spratt	Tsongas	Wilson (SC)
Stark	Turner	Wittman
Stearns	Upton	Wolf
Stupak	Van Hollen	Woolsey
Sullivan	Velázquez	Wu
Sutton	Visclosky	Yarmuth
Tanner	Walden	Young (AK)
Taylor	Walz	Young (FL)
Terry	Wasserman	
Thompson (CA)	Schultz	

NOES—3

Broun (GA)	Flake	Paul
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NOT VOTING—10

Barrett (SC)	Fattah	Teague
Davis (AL)	Fudge	Wamp
DeGette	Harman	
Fallin	Hoekstra	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining in this vote.

□ 1541

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and in which to insert extraneous materials in the RECORD on the bill, H.R. 5013, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

UM RESEARCH DISCOVERY ON ALZHEIMER'S

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to extend my congratulations to the University of Miami researchers on their recent discovery that will lead toward a new understanding of Alzheimer's disease.

University of Miami researchers identified a gene that appears to double a person's risk of developing late-onset Alzheimer's. Alzheimer's, as we all know, is a debilitating disease that impacts 5 million Americans. As a daughter of a mother with Alzheimer's disease, I know how painful this disease can be for both the individual and the family.

I would like to thank Director Margaret Pericak-Vance and all of the staff of the John P. Hussman Institute for