114TH CONGRESS
1ST SESSION

H. R. 1735

To authorize appropriations for fiscal year 2016 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes.

______________________________________________________________

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2015

Mr. THORNBERRY (for himself and Mr. SMITH of Washington) introduced the following bill; which was referred to the Committee on Armed Services

______________________________________________________________

A BILL

To authorize appropriations for fiscal year 2016 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “National Defense Au-
5 thorization Act for Fiscal Year 2016”.

______________________________________________________________
SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into two divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

TITLE I—PROCUREMENT

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Multiyear procurement authority for Standard Missile-3 Block IB guided missiles.
Sec. 106. Availability of Air Force procurement funds for certain commercial-off-the-shelf parts for intercontinental ballistic missile fuzes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Authorization of appropriations.
Sec. 202. Repeal of requirement for initial operating capability of a conventionally long-range standoff weapon before retirement of the conventionally Armed AGM–86 Missile.

TITLE III—OPERATION AND MAINTENANCE

Sec. 301. Operation and maintenance funding.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2016 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

TITLE V—MILITARY PERSONNEL POLICY
Subtitle E—Other Matters
Sec. 545. Required provision of preseparation counseling.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS
Subtitle B—Bonuses and Special and Incentive Pays
Sec. 611. One-year extension of certain expiring bonus and special pay authorities.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS
Subtitle A—Acquisition Policy and Management
Sec. 801. Program fraud civil remedies statute for the Department of Defense and the National Aeronautics and Space Administration.
Sec. 802. Improvements to the operation of the Defense Acquisition Workforce Development Fund.
Subtitle B—Amendments to General Contract Authorities, Procedures, and Limitations
Sec. 811. Revision to method of rounding of acquisition-related dollar thresholds when adjusting for inflation.
Sec. 812. Extension of authority to acquire products and services produced in countries along a major route of supply to Afghanistan.
Sec. 813. Exception to requirement to include cost or price to the Government as a factor in the evaluation of proposals for certain task or delivery order contracts.
Subtitle C—Acquisition Reform Proposals
Sec. 821. Modification to requirements relating to determination of contract type for major development programs.
Sec. 822. Repeal of requirement for stand-alone manpower estimates for major defense acquisition programs.
Sec. 823. Revision of Milestone Decision Authority responsibilities for major defense acquisition programs.
Sec. 824. Streamlining of requirements relating to defense business systems.
Sec. 825. Revision to life-cycle management and product support requirements.
Sec. 826. Acquisition strategy required for each major defense acquisition program.
Sec. 827. Revision to requirements relating to risk reduction in development of major defense acquisition programs.
Subtitle D—Other Matters
Sec. 831. Extension of the Department of Defense mentor-protégée pilot program.
Sec. 832. Streamlining of reporting requirements applicable to Assistant Secretary of Defense for Research and Engineering regarding major defense acquisition programs.

Sec. 833. Revision to required distribution of assistance under Procurement Technical Assistance Cooperative Agreement Program.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Change of period for Chairman of the Joint Chiefs of Staff review of the unified command plan to not less than every four years.

Sec. 902. Update of statutory specification of functions of the chairman of the Joint Chiefs of Staff relating to advice on requirements, programs, and budget.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Enhancement of interagency support during contingency operations and transition periods.

Subtitle C—Naval Vessels and Shipyards

Sec. 1021. Extension of authority for reimbursement of expenses for certain Navy mess operations afloat.

Sec. 1022. Refueling and complex overhaul of Nimitz-class aircraft carriers.

Subtitle D—Other Matters

Sec. 1041. Transfer of functions of the Veterans' Advisory Board on Dose Reconstruction to the Secretaries of Veterans Affairs and Defense.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. One-year extension of temporary authority to grant allowances, benefits, and gratuities to civilian personnel on official duty in a combat zone.

Sec. 1102. Authority to provide additional allowances and benefits for defense clandestine service employees.

Sec. 1103. Extension of rate of overtime pay for Department of the Navy employees performing work aboard or dockside in support of the nuclear-powered aircraft carrier forward deployed in Japan.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Sec. 1201. Extension of authority to support operations and activities of the Office of Security Cooperation-Iraq.

Sec. 1202. Extension of authority for reimbursement of certain coalition nations for support provided to United States military operations.

Sec. 1203. Extension of authority to transfer defense articles and provide defense services to the military and security forces of Afghanistan.

Sec. 1204. Authority for acceptance and use of contributions from Kuwait for certain mutually beneficial projects.

Sec. 1205. Extension of commanders’ emergency response program in Afghanistan.
Sec. 1206. Increase in thresholds for definition of major defense equipment for purposes of Arms Export Control Act.

Sec. 1207. Maintenance of prohibition on procurement by Department of Defense of communist Chinese-origin items that meet the definition of goods and services controlled as munitions items when moved to the “600 series” of the commerce control list.

Sec. 1208. Modification of global lift and sustain to support partners and allies.

Sec. 1209. Reimbursements for certain counterinsurgency, counterterrorism and stabilization operations carried out by Pakistan.

Sec. 1210. NATO Special Operations Headquarters.

Sec. 1211. Afghanistan Security Forces Fund.

TITLE XIV—OTHER AUTHORIZATIONS

Subtitle A—Military Programs

Sec. 1401. Working capital funds.

Sec. 1402. Joint urgent operational needs fund.

Sec. 1403. Chemical agents and munitions destruction, Defense.

Sec. 1404. Drug interdiction and counter-drug activities, Defense-wide.


Sec. 1406. Defense health program.

Subtitle B—Other Matters

Sec. 1411. Authority for transfer of funds to joint Department of Defense–Department of Veterans Affairs Medical Facility Demonstration Fund for Captain James A. Lovell Health Care Center, Illinois.

Sec. 1412. Authorization of appropriations for Armed Forces Retirement Home.

TITLE XV—AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR OVERSEAS CONTINGENCY OPERATIONS

Sec. 1501. Purpose.

Sec. 1502. Army procurement.


Sec. 1504. Navy and Marine Corps procurement.

Sec. 1505. Air Force procurement.

Sec. 1506. Defense-wide activities procurement.

Sec. 1507. Research, development, test, and evaluation.

Sec. 1508. Operation and maintenance.

Sec. 1509. Military personnel.

Sec. 1510. Working capital funds.

Sec. 1511. Defense health program.

Sec. 1512. Drug interdiction and counter-drug activities, Defense-wide.

Sec. 1513. Defense Inspector General.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

TITLE XXVIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

Sec. 2801. Change in authorities relating to scope of work variations for military construction projects.
Sec. 2802. Enhanced authority to carry out emergency military construction projects when necessary to support requirements of combatant commanders.

Sec. 2803. Annual locality adjustment of dollar thresholds applicable to unspecified minor military construction authorities.

**TITLE I—PROCUREMENT**

**SEC. 101. ARMY.**

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Army as follows:

1. For aircraft, $5,689,357,000.
2. For missiles, $1,419,957,000.
3. For weapons and tracked combat vehicles, $1,887,073,000.
4. For ammunition, $1,233,378,000.
5. For other procurement, $5,899,028,000.

**SEC. 102. NAVY AND MARINE CORPS.**

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Navy and Marine Corps as follows:

1. For aircraft, $16,126,405,000.
2. For weapons, including missiles and torpedoes, $3,154,154,000.
3. For ammunition procurement, Navy and Marine Corps, $723,741,000.
4. For shipbuilding and conversion, $16,597,457,000.
5. For other procurement, $6,614,715,000.
(6) For procurement, Marine Corps, $1,131,418,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Air Force as follows:

(1) For aircraft, $15,657,769,000.
(2) For missiles, $2,987,045,000.
(3) For space procurement, $2,584,061,000.
(4) For ammunition, $1,758,843,000.
(5) For other procurement, $18,272,438,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2016 for Defense-wide procurement in the amount of $5,130,853,000.

SEC. 105. MULTIYEAR PROCUREMENT AUTHORITY FOR STANDARD MISSILE-3 BLOCK IB GUIDED MISSILES.

(a) Authority for Multiyear Procurement.—Subject to section 2306b of title 10, United States Code, the Secretary of Defense may enter into one or more multiyear contracts, beginning with the fiscal year 2016 program year, for the procurement of Standard Missile-3 Block IB guided missiles.
(b) Authority for Advance Procurement.—The Secretary may enter into one or more contracts for advance procurement associated with the SM–3 Block IB missiles for which authorization to enter into a multiyear procurement contract is provided under subsection (a).

c) Condition for Out-Year Contract Payments.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for a fiscal year after fiscal year 2016 is subject to the availability of appropriations for that purpose for such later fiscal year.

SEC. 106. AVAILABILITY OF AIR FORCE PROCUREMENT FUNDS FOR CERTAIN COMMERCIAL-OFF-THE-SHELF PARTS FOR INTERCONTINENTAL BALISTIC MISSILE FUZES.

(a) Availability of Procurement Funds.—Notwithstanding section 1502(a) of title 31, United States Code, of the amount authorized to be appropriated for fiscal year 2016 by section 103 for Missile Procurement, Air Force, $13,700,000 shall be available for the procurement of covered parts pursuant to contracts entered into under section 1645 of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291; 128 Stat. YYY).
(b) COVERED PARTS DEFINED.—In this section, the term “covered parts” has the meaning given that term in section 1645(c) of such Act.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $6,924,959,000.

(2) For the Navy, $17,885,916,000.

(3) For the Air Force, $26,473,669,000.

(4) For Defense-wide activities, $18,329,861,000.

(5) For the Director of Operational Test and Evaluation, $170,558,000.

SEC. 202. REPEAL OF REQUIREMENT FOR INITIAL OPERATING CAPABILITY OF A CONVENTIONAL LONG-RANGE STANDOFF WEAPON BEFORE RETIREMENT OF THE CONVENTIONALLY ARMED AGM–86 MISSILE.

Section 217(a)(1) of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 127 Stat. 706) is amended—
• by striking subparagraph (A);

• in subparagraph (B), by striking “and”;

• by redesigning subparagraph (B) as subparagraph (A); and

• by inserting after subparagraph (A), as so redesignated, the following new subparagraph (B):

“(B) is capable of being modified to carry a conventional warhead; and”.

**TITLE III—OPERATION AND MAINTENANCE**

**SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $35,107,546,000.

(2) For the Navy, $42,200,756,000.

(3) For the Marine Corps, $6,228,782,000.

(4) For the Air Force, $38,191,929,000.

(5) For Defense-wide activities, $32,440,843,000.

(6) For the Army Reserve, $2,665,792,000.

(7) For the Navy Reserve, $1,001,758,000.
(8) For the Marine Corps Reserve, $277,036,000.

(9) For the Air Force Reserve, $3,064,257,000.

(10) For the Army National Guard, $6,717,977,000.

(11) For the Air National Guard, $6,956,210,000.

(12) For the United States Court of Appeals for the Armed Forces, $14,078,000.

(13) For the Department of Defense Acquisition Workforce Development Fund, $84,140,000.

(14) For Environmental Restoration, Army, $234,829,000.

(15) For Environmental Restoration, Navy, $292,453,000.

(16) For Environmental Restoration, Air Force, $368,131,000.

(17) For Environmental Restoration, Defense-wide, $8,232,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $203,717,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $100,266,000.

(20) For Cooperative Threat Reduction programs, $358,496,000.
TITLE IV—MILITARY
PERSONNEL AUTHORIZATIONS
Subtitle A—Active Forces
SEC. 401. END STRENGTHS FOR ACTIVE FORCES.
The Armed Forces are authorized strengths for active
duty personnel as of September 30, 2016, as follows:
(1) The Army, 475,000.
(3) The Marine Corps, 184,000.

Subtitle B—Reserve Forces
SEC. 411. END STRENGTHS FOR SELECTED RESERVE.
(a) In General.—The Armed Forces are authorized
strengths for Selected Reserve personnel of the reserve
components as of September 30, 2016, as follows:
(1) The Army National Guard of the United
States, 342,000.
(2) The Army Reserve, 198,000.
(3) The Navy Reserve, 57,400.
(4) The Marine Corps Reserve, 38,900.
(5) The Air National Guard of the United
States, 105,500.
(7) The Coast Guard Reserve, 7,000.
(b) **End Strength Reductions.**—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

1. the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and
2. the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

(c) **End Strength Increases.**—Whenever units or individual members of the Selected Reserve for any reserve component are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.
SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2016, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 30,770.

(2) The Army Reserve, 16,261.

(3) The Navy Reserve, 9,934.

(4) The Marine Corps Reserve, 2,260.

(5) The Air National Guard of the United States, 14,748.

(6) The Air Force Reserve, 3,032.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2016 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army National Guard of the United States, 26,099.
(2) For the Army Reserve, 7,395.

(3) For the Air National Guard of the United States, 22,104.

(4) For the Air Force Reserve, 9,814.

SEC. 414. FISCAL YEAR 2016 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(e)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2016, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.

(B) For the Air National Guard of the United States, 350.

(2) ARMY RESERVE.—The number of non-dual status technicians employed by the Army Reserve as of September 30, 2016, may not exceed 595.

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2016, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term “non-dual status technician” has the
meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2016, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

(1) The Army National Guard of the United States, 17,000.

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

(4) The Marine Corps Reserve, 3,000.

(5) The Air National Guard of the United States, 16,000.

(6) The Air Force Reserve, 14,000.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle E—Other Matters

SEC. 545. REQUIRED PROVISION OF PRESEPARATION COUNSELING.

(a) CLARIFICATION OF REQUIREMENT FOR 180 CONTINUOUS DAYS OF ACTIVE DUTY SERVICE.—Subpara-
(A) of section 1142(a)(4) of title 10, United States Code, is amended by inserting “continuous” after “first 180”.

(b) EXCLUSION OF TRAINING FROM PERIODS OF ACTIVE DUTY.—Such section is further amended by adding at the end the following new subparagraph:

“(C) For purposes of subparagraph (A), the term ‘active duty’ does not include full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by the Secretary of the military department concerned.”.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS
Subtitle B—Bonuses and Special and Incentive Pays
SEC. 611. ONE-YEAR EXTENSION OF CERTAIN EXPIRING BONUS AND SPECIAL PAY AUTHORITIES.

(a) AUTHORITIES RELATING TO RESERVE FORCES.—The following sections of title 37, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 308b(g), relating to Selected Reserve reenlistment bonus.
(2) Section 308c(i), relating to Selected Reserve affiliation or enlistment bonus.

(3) Section 308d(c), relating to special pay for enlisted members assigned to certain high-priority units.

(4) Section 308g(f)(2), relating to Ready Reserve enlistment bonus for persons without prior service.

(5) Section 308h(e), relating to Ready Reserve enlistment and reenlistment bonus for persons with prior service.

(6) Section 308i(f), relating to Selected Reserve enlistment and reenlistment bonus for persons with prior service.

(7) Section 910(g), relating to income replacement payments for reserve component members experiencing extended and frequent mobilization for active duty service.

(b) Title 10 Authorities Relating to Health Care Professionals.—The following sections of title 10, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 2130a(a)(1), relating to nurse officer candidate accession program.
(2) Section 16302(d), relating to repayment of education loans for certain health professionals who serve in the Selected Reserve.

(c) TITLE 37 AUTHORITIES RELATING TO HEALTH CARE PROFESSIONALS.—The following sections of title 37, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 302c–1(f), relating to accession and retention bonuses for psychologists.

(2) Section 302d(a)(1), relating to accession bonus for registered nurses.

(3) Section 302e(a)(1), relating to incentive special pay for nurse anesthetists.

(4) Section 302g(e), relating to special pay for Selected Reserve health professionals in critically short wartime specialties.

(5) Section 302h(a)(1), relating to accession bonus for dental officers.

(6) Section 302j(a), relating to accession bonus for pharmacy officers.

(7) Section 302k(f), relating to accession bonus for medical officers in critically short wartime specialties.
(8) Section 302l(g), relating to accession bonus for dental specialist officers in critically short wartime specialties.

(d) Authorities Relating to Nuclear Officers.—The following sections of title 37, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 312(f), relating to special pay for nuclear-qualified officers extending period of active service.

(2) Section 312b(c), relating to nuclear career accession bonus.

(3) Section 312c(d), relating to nuclear career annual incentive bonus.

(e) Authorities Relating to Title 37 Consolidated Special Pay, Incentive Pay, and Bonus Authorities.—The following sections of title 37, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 331(h), relating to general bonus authority for enlisted members.

(2) Section 332(g), relating to general bonus authority for officers.

(3) Section 333(i), relating to special bonus and incentive pay authorities for nuclear officers.
(4) Section 334(i), relating to special aviation incentive pay and bonus authorities for officers.

(5) Section 335(k), relating to bonus and incentive pay authorities for officers in health professions.

(6) Section 336(g), relating to contracting bonus for cadets and midshipmen enrolled in the Senior Reserve Officers’ Training Corps.

(7) Section 351(h), relating to hazardous duty pay.

(8) Section 352(g), relating to assignment pay or special duty pay.

(9) Section 353(i), relating to skill incentive pay or proficiency bonus.

(10) Section 355(h), relating to retention incentives for members qualified in critical military skills or assigned to high priority units.

(f) Other Title 37 Bonus and Special Pay Authorities.—The following sections of title 37, United States Code, are amended by striking “December 31, 2015” and inserting “December 31, 2016”:

(1) Section 301b(a), relating to aviation officer retention bonus.

(2) Section 307a(g), relating to assignment incentive pay.
(3) Section 308(g), relating to reenlistment bonus for active members.

(4) Section 309(e), relating to enlistment bonus.

(5) Section 324(g), relating to accession bonus for new officers in critical skills.

(6) Section 326(g), relating to incentive bonus for conversion to military occupational specialty to ease personnel shortage.

(7) Section 327(h), relating to incentive bonus for transfer between the Armed Forces.

(8) Section 330(f), relating to accession bonus for officer candidates.

(g) AUTHORITY TO PROVIDE TEMPORARY INCREASE IN RATES OF BASIC ALLOWANCE FOR HOUSING.—Section 403(b)(7)(E) of title 37, United States Code, is amended by striking “December 31, 2015” and inserting “December 31, 2016”.
TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. PROGRAM FRAUD CIVIL REMEDIES STATUTE FOR THE DEPARTMENT OF DEFENSE AND THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

(a) PURPOSE.—The purpose of this section is to provide the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration with an effective administrative remedy to obtain recompense for the Department of Defense and the National Aeronautics and Space Administration for losses resulting from the submission to the Department or the Administration, respectively, of false, fictitious, or fraudulent claims and statements.

(b) PROGRAM FRAUD CIVIL REMEDIES.—

(1) IN GENERAL.—Chapter IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 163 the following new chapter:
“CHAPTER 164—ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND STATEMENTS

§ 2751. Applicability of chapter; definitions

(a) APPLICABILITY OF CHAPTER.—This chapter applies to the following agencies:

(1) The Department of Defense.

(2) The National Aeronautics and Space Administration.

(b) DEFINITIONS.—In this chapter:

(1) HEAD OF AN AGENCY.—The term ‘head of an agency’ means the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration.

(2) CLAIM.—The term ‘claim’ means any request, demand, or submission—

(A) made to the head of an agency for property, services, or money (including money representing grants, loans, insurance, or benefits);
“(B) made to a recipient of property, services, or money received directly or indirectly from the head of an agency or to a party to a contract with the head of an agency—

“(i) for property or services if the United States—

“(I) provided such property or services;

“(II) provided any portion of the funds for the purchase of such property or services; or

“(III) will reimburse such recipient or party for the purchase of such property or services; or

“(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

“(I) provided any portion of the money requested or demanded; or

“(II) will reimburse such recipient or party for any portion of the money paid on such request or demand; or
“(C) made to the head of an agency which
has the effect of decreasing an obligation to pay
or account for property, services, or money.

“(3) KNOWS OR HAS REASON TO KNOW.—The
term ‘knows or has reason to know’, for purposes of
establishing liability under section 2752 of this title,
means that a person, with respect to a claim or
statement—

“(A) has actual knowledge that the claim
or statement is false, fictitious, or fraudulent;

“(B) acts in deliberate ignorance of the
truth or falsity of the claim or statement; or

“(C) acts in reckless disregard of the truth
or falsity of the claim or statement, and no
proof of specific intent to defraud is required.

“(4) RESPONSIBLE OFFICIAL.—The term ‘re-
sponsible official’ means a designated debarring and
suspending official of the agency named in sub-
section (a).

“(5) RESPONDENT.—The term ‘respondent’
means a person who has received notice from a re-
sponsible official asserting liability under section
2752 of this title.

“(6) STATEMENT.—The term ‘statement’
means any representation, certification, affirmation,
document, record, or an accounting or bookkeeping entry made—

“(A) with respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or

“(B) with respect to (including relating to eligibility for)—

“(i) a contract with, or a bid or proposal for a contract with the head of an agency; or

“(ii) a grant, loan, or benefit from the head of an agency.

“(c) CLAIMS.—For purposes of paragraph (2) of subsection (b)—

“(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim;

“(2) each claim for property, services, or money is subject to this chapter regardless of whether such property, services, or money is actually delivered or paid; and

“(3) a claim shall be considered made, presented, or submitted to the head of an agency, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity act-
ing for or on behalf of such authority, recipient, or
party.
“(d) STATEMENTS.—For purposes of paragraph (6)
of subsection (b)—
“(1) each written representation, certification,
or affirmation constitutes a separate statement; and
“(2) a statement shall be considered made, pre-
sented, or submitted to the head of an agency when
such statement is actually made to an agent, fiscal
intermediary, or other entity acting for or on behalf
of such authority.
§ 2752. False claims and statements; liability
“(a) FALSE CLAIMS.—Any person who makes, pre-
sents, or submits, or causes to be made, presented, or sub-
mitted, to the head of an agency a claim that the person
knows or has reason to know—
“(1) is false, fictitious, or fraudulent;
“(2) includes or is supported by any written
statement which asserts a material fact this is false,
fictitious, or fraudulent;
“(3) includes or is supported by any written
statement that—
“(A) omits a material fact;
“(B) is false, fictitious, or fraudulent as a
result of such omission; and
“(C) the person making, presenting, or submitting such statement has a duty to include such material fact; or

“(4) is for payment for the provision of property or services which the person has not provided as claimed, shall, in addition to any other remedy that may be prescribed by law, be subject to a civil penalty of not more than $5,000 for each such claim. Such person shall also be subject to an assessment of not more than twice the amount of such claim, or the portion of such claim which is determined by the responsible official to be in violation of the preceding sentence.

“(b) FALSE STATEMENTS.—Any person who makes, presents, submits, or causes to be made, presented, or submitted, a written statement in conjunction with a procurement program or acquisition of an agency named in section 2751(a) of this title that—

“(1) the person knows or has reason to know—

“(A) asserts a material fact that is false, fictitious, or fraudulent; or

“(B)(i) omits a material fact; and

“(ii) is false, fictitious, or fraudulent as a result of such omission;
“(2) in the case of a statement described in subparagraph (B) of paragraph (1), is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; and

“(3) contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than $5,000 for each such statement.

“§ 2753. Hearing and determinations

“(a) Transmitting of Notice to Attorney General.—If a responsible official determines that there is adequate evidence to believe that a person is liable under section 2752 of this title, the responsible official shall transmit to the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, a written notice of the intention of such official to initiate an action under this section. The notice shall include the following:

“(1) A statement of the reasons for initiating an action under this section.

“(2) A statement specifying the evidence which supports liability under section 2752 of this title.
“(3) A description of the claims or statements for which liability under section 2752 of this title is alleged.

“(4) An estimate of the penalties and assessments that will be demanded under section 2752 of this title.

“(5) A statement of any exculpatory or mitigating circumstances which may relate to such claims or statements.

“(b) Statement from Attorney General.—

“(1) Within 90 days after receipt of a notice from a responsible official under subsection (a), the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, shall transmit a written statement to the responsible official which specifies—

“(A) that the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, approves or disapproves initiating an action under this section based on the allegations of liability stated in such notice; and

“(B) in any case in which the initiation of an action under this section is disapproved, the reasons for such disapproval.
“(2) If at any time after the initiation of an action under this section the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General, transmits to a responsible official a written determination that the continuation of any action under this section may adversely affect any pending or potential criminal or civil action, such action shall be immediately stayed and may be resumed only upon written authorization from the Attorney General, or any other officer or employee of the Department of Justice designated by the Attorney General.

“(c) Limitation on Amount of Claim That May Be Pursued Under This Section.—No action shall be initiated under this section, nor shall any assessment be imposed under this section, if the total amount of the claim determined by the responsible official to violate section 2752(a) of this title exceeds $500,000. The $500,000 threshold does not include penalties or any assessment permitted under 2752(a) of this title greater than the amount of the claim determined by the responsible official to violate such section.

“(d) Procedures for Resolving Claims.—(1) Upon receiving approval under subsection (b) to initiate an action under this section, the responsible official shall
mail, by registered or certified mail, or other similar com-
mercial means, or shall deliver, a notice to the person al-
leged to be liable under section 2752 of this title. Such
notice shall specify the allegations of liability against such
person, specify the total amount of penalties and assess-
ments sought by the United States, advise the person of
the opportunity to submit facts and arguments in opposi-
tion to the allegations set forth in the notice, advise the
person of the opportunity to submit offers of settlement
or proposals of adjustment, and advise the person of the
procedures of the agency named in section 2751(a) of this
title governing the resolution of actions initiated under
this section.

“(2) Within 30 days after receiving a notice under
paragraph (1), or any additional period of time granted
by the responsible official, the respondent may submit in
person, in writing, or through a representative, facts and
arguments in opposition to the allegations set forth in the
notice, including any additional information that raises a
genuine dispute of material fact.

“(3) If the respondent fails to respond within 30
days, or any additional time granted by the responsible
official, the responsible official may issue a written deci-
sion disposing of the matters raised in the notice. Such
decision shall be based on the record before the responsible
official. If the responsible official concludes that the respondent is liable under section 2752 of this title, the decision shall include the findings of fact and conclusions of law which the responsible official relied upon in determining that the respondent is liable, and the amount of any penalty and/or assessment to be imposed on the respondent. Any such determination shall be based on a preponderance of the evidence. The responsible official shall promptly send to the respondent a copy of the decision by registered or certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

“(4) If the respondent makes a timely submission, and the responsible official determines that the respondent has not raised any genuine dispute of material fact, the responsible official may issue a written decision disposing of the matters raised in the notice. Such decision shall be based on the record before the responsible official. If the responsible official concludes that the respondent is liable under section 2752 of this title, the decision shall include the findings of fact and conclusions of law which the responsible official relied upon in determining that the respondent is liable, and the amount of any penalty or assessment to be imposed on the respondent. Any such determination shall be based on a preponderance of the evidence. The responsible official shall promptly send to the
respondent a copy of the decision by registered or certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

“(5) If the respondent makes a timely submission, and the responsible official determines that the respondent has raised a genuine dispute of material fact, the responsible official shall commence a hearing to resolve the genuinely disputed material facts by mailing by registered or certified mail, or other similar commercial means, or by hand delivery of, a notice informing the respondent of—

“(A) the time, place, and nature of the hearing;

“(B) the legal authority under which the hearing is to be held;

“(C) the material facts determined by the responsible official to be genuinely in dispute that will be the subject of the hearing; and

“(D) a description of the procedures for the conduct of the hearing.

“(6) The responsible official and any person against whom liability is asserted under this chapter may agree to a compromise or settle an action at any time. Any compromise or settlement must be in writing.

“(e) Respondent Entitled to Copy of the Record.—At any time after receiving a notice under paragraph (1) of subsection (d), the respondent shall be
entitled to a copy of the entire record before the responsible official.

“(f) HEARINGS.—Any hearing commenced under this section shall be conducted by the responsible official, or a fact-finder designated by the responsible official, solely to resolve genuinely disputed material facts identified by the responsible official and set forth in the notice to the respondent.

“(g) PROCEDURES FOR HEARINGS.—(1) Each hearing shall be conducted under procedures prescribed by the head of the agency. Such procedures shall include the following:

“(A) The provision of written notice of the hearing to the respondent, including written notice of—

“(i) the time, place, and nature of the hearing;

“(ii) the legal authority under which the hearing is to be held;

“(iii) the material facts determined by the responsible official to be genuinely in dispute that will be the subject of the hearing; and

“(iv) a description of the procedures for the conduct of the hearing.
“(B) The opportunity for the respondent to present facts and arguments through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required to resolve any genuinely disputed material facts identified by the responsible official.

“(C) The opportunity for the respondent to be accompanied, represented, and advised by counsel or such other qualified representative as the Secretary may specify in such regulations.

“(2) For the purpose of conducting hearings under this section, the responsible official is authorized to administer oaths or affirmations.

“(3) Hearings shall be held at the responsible official’s office, or at such other place as may be agreed upon by the respondent and the responsible official.

“(h) DECISION FOLLOWING HEARING.—The responsible official shall issue a written decision within 60 days after the conclusion of the hearing. That decision shall set forth specific findings of fact resolving the genuinely disputed material facts that were the subject of the hearing. The written decision shall also dispose of the matters raised in the notice required under paragraph (1) of subsection (d). If the responsible official concludes that the respondent is liable under section 2752 of this title, the
38
decision shall include the findings of fact and conclusions
of law which the responsible official relied upon in deter-
mining that the respondent is liable, and the amount of
any penalty or assessment to be imposed on the respond-ent. Any decisions issued under this subparagraph shall
be based on the record before the responsible official and
shall be supported by a preponderance of the evidence.
The responsible official shall promptly send to the re-
spondent a copy of the decision by registered or certified
mail, or other similar commercial means, or shall hand
deliver a copy of the decision.

§ 2754. Payment; interest on late payments

(a) PAYMENT OF ASSESSMENTS AND PENALTIES.—
A respondent shall render payment of any assessment and
penalty imposed by a responsible official, or any amount
otherwise agreed to as part of a settlement or adjustment,
not later than the date—

(1) that is 30 days after the date of the re-
ceipt by the respondent of the responsible official’s
decision; or

(2) as otherwise agreed to by the respondent
and the responsible official.

(b) INTEREST.—If there is an unpaid balance as of
the date determined under paragraph (1), interest shall
accrue from that date on any unpaid balance. The rate
of interest charged shall be the rate in effect as of that date that is published by the Secretary of the Treasury under section 3717 of title 31.

“(c) Treatment of Receipts.—All penalties, assessments, or interest paid, collected, or otherwise recovered under this chapter shall be deposited into the Treasury as miscellaneous receipts as provided in section 3302 of title 31.

“§ 2755. Judicial review

“A decision by a responsible official under section 2753(d) or 2753(h) of this title shall be final. Any such final decision is subject to judicial review only under chapter 7 of title 5.

“§ 2756. Collection of civil penalties and assessments

“(a) Judicial Enforcement of Civil Penalties and Assessments.—The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed under this chapter.

“(b) Civil Actions for Recovery.—Any penalty or assessment imposed in a decision by a responsible official, or amounts otherwise agreed to as part of a settlement or adjustment, along with any accrued interest, may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a proceeding under this chapter
or pursuant to judicial review under section 2755 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

“(c) Jurisdiction of United States District Courts.—The district courts of the United States shall have jurisdiction of any action commenced by the United States under subsection (b).

“(d) Joining and Consolidating Actions.—Any action under subsection (b) may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, cross-claim, or setoff by the United States in any other civil action which includes as parties the United States, and the person against whom such action may be brought.

“(e) Jurisdiction of United States Court of Federal Claims.—The United States Court of Federal Claims shall have jurisdiction of any action under subsection (b) to recover any penalty or assessment, or amounts otherwise agreed to as part of a settlement or adjustment, along with any accrued interest, if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court. The counterclaim need not relate to the subject matter of the underlying claim.
“§ 2757. Right to administrative offset

“The amount of any penalty or assessment that has been imposed by a responsible official, or any amount agreed upon in a settlement or compromise, along with any accrued interest, may be collected by administrative offset.

“§ 2758. Limitations

“(a) LIMITATION ON PERIOD FOR INITIATION OF ADMINISTRATIVE ACTION.—An action under section 2752 of this title with respect to a claim or statement shall be commenced within six years after the date on which such claim or statement is made, presented, or submitted.

“(b) LIMITATION PERIOD FOR INITIATION OF CIVIL ACTION FOR RECOVERY OF ADMINISTRATIVE PENALTY OR ASSESSMENT.—A civil action to recover a penalty or assessment under section 2756 of this title shall be commenced within three years after the date of the decision of the responsible official imposing the penalty or assessment.

“§ 2759. Effect on other laws

“(a) RELATIONSHIP TO TITLE 44 AUTHORITIES.—This chapter does not diminish the responsibility of the head of an agency to comply with the provisions of chapter 35 of title 44, relating to coordination of Federal information policy.
“(b) Relationship to Title 31 Authorities.—The procedures set forth in this chapter apply to the agencies named in section 2751(a) of this title in lieu of the procedures under chapter 38 of title 31, relating to administrative remedies for false claims and statements.

“(c) Relationship to Other Authorities.—Any action, inaction, or decision under this chapter shall be based solely upon the information before the responsible official and shall not limit or restrict any agency of the Government from instituting any other action arising outside this chapter, including suspension or debarment, based upon the same information. Any action, inaction or decision under this chapter shall not restrict the ability of the Attorney General to bring judicial action, based upon the same information as long as such action is not otherwise prohibited by law.”.

(2) Clerical Amendment.—The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, of such title are each amended by inserting after the item relating to chapter 163 the following new item:

“164. Administrative Remedies for False Claims and Statements .......... 2751”.

(c) Conforming Amendments.—Section 3801(a)(1) of title 31, United States Code, is amended—
(1) by inserting “(other than the Department of Defense)” in subparagraph (A) after “executive department”; 

(2) by striking subparagraph (B); 

(3) by redesignating subparagraph (C) as subparagraph (B) and by inserting “(other than the National Aeronautics and Space Administration)” in that subparagraph after “not an executive department”; and 

(4) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively.

(d) EFFECTIVE DATE.—Chapter 164 of title 10, United States Code, as added by subsection (b), and the amendments made by subsection (c), shall apply to any claim or statement made, presented, or submitted on or after the date of the enactment of this Act.

SEC. 802. IMPROVEMENTS TO THE OPERATION OF THE DEFENSE ACQUISITION WORKFORCE DEVELOPMENT FUND.

(a) ELEMENTS OF THE FUND.—Subsection (d) of section 1705 of title 10, United States Code, is amended— 

(1) in paragraph (1)—
(A) in subparagraph (A), by striking “credited to the Fund under paragraph (2)” and inserting “appropriated to the Fund”;

(B) in subparagraph (B), by striking “paragraph (3)” and inserting “paragraph (2)”;

(C) by striking subparagraph (C);

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraph (3) as paragraph (2);

(4) in paragraph (2), as so redesignated—

(A) in the first sentence, by striking “24-month period” and inserting “36-month period”; and

(B) in the second sentence, by striking “credited to the Fund” and inserting “credited to amounts appropriated to the Fund for the fiscal year in which such funds are transferred”; and

(5) by inserting after paragraph (2), as so redesignated, the following new paragraph (3):

“(3) PRIOR NOTICE TO CONGRESSIONAL COMMITTEES OF CERTAIN TRANSFERS.—The Secretary of Defense may make a transfer to the Fund pursuant to paragraph (2) that increases to an amount
greater than $500,000,000 the total amount made available to the Fund for a fiscal year only after the Secretary submits to the congressional defense committees notice of the Secretary’s intent to make such transfer and a period of 10 days has elapsed following the date of the notification.”.

(b) Availability of Funds.—Subsection (e) of such section is amended—

(1) in paragraph (1), by inserting “appropriations available to” after “for transfer to”; and

(2) in paragraph (6)—

(A) by striking “credited to the Fund in accordance with subsection (d)(2),’’;

(B) by striking “subsection (d)(3),” and inserting “subsection (d)(2) or’’;

(C) by striking ‘‘, or deposited to the Fund’’; and

(D) by striking “for which credited” and all that follows and inserting “in which transferred, or for which appropriated, and the succeeding fiscal year.’’.

(c) Annual Report.—Subsection (f)(1) of such section is amended by striking “remitted” and all that follows through “credited” and inserting “transferred to the Fund in such fiscal year or appropriated”.

•HR 1735 IH
Subtitle B—Amendments to General Contract Authorities, Procedures, and Limitations

SEC. 811. REVISION TO METHOD OF ROUNDING OF ACQUISITION-RELATED DOLLAR THRESHOLDS WHEN ADJUSTING FOR INFLATION.

Section 1908(e)(2) of title 41, United States Code, is amended—

(1) in the matter preceding subparagraph (A), by striking “on the day before the adjustment” and inserting “as calculated under paragraph (1)”;

(2) by striking “and” at the end of subparagraph (C); and

(3) by striking subparagraph (D) and inserting the following:

“(D) not less than $1,000,000, but less than $10,000,000, to the nearest $500,000;

“(E) not less than $10,000,000, but less than $100,000,000, to the nearest $5,000,000;

“(F) not less than $100,000,000, but less than $1,000,000,000, to the nearest $50,000,000; and

“(G) $1,000,000,000 or more, to the nearest $500,000,000.”.
SEC. 812. EXTENSION OF AUTHORITY TO ACQUIRE PRODUCTS AND SERVICES PRODUCED IN COUNTRIES ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN.


SEC. 813. EXCEPTION TO REQUIREMENT TO INCLUDE COST OR PRICE TO THE GOVERNMENT AS A FACTOR IN THE EVALUATION OF PROPOSALS FOR CERTAIN TASK OR DELIVERY ORDER CONTRACTS.

(a) Contracting Under Title 41, United States Code.—Section 3306(c) of title 41, United States Code, is amended—

(1) in paragraph (1), by inserting “except as provided in paragraph (3),” in subparagraphs (B) and (C) after the subparagraph designation; and

(2) by adding at the end the following new paragraphs:

“(3) EXCEPTIONS FOR CERTAIN INDEFINITE DELIVERY, INDEFINITE QUANTITY CONTRACTS.—If
the head of an agency issues a solicitation for multiple task or delivery order contracts under section 4103(d) of this title for the same or similar services and intends to make a contract award to each qualifying offeror—

“(A) cost or price to the Federal Government need not, at the Government’s discretion, be considered under subparagraph (B) of paragraph (1) as an evaluation factor for the contract award; and

“(B) if, pursuant to subparagraph (A), cost or price to the Federal Government is not considered as an evaluation factor for the contract award—

“(i) the disclosure requirement of subparagraph (C) of paragraph (1) shall not apply; and

“(ii) cost or price to the Federal Government shall be considered in conjunction with the issuance pursuant to section 4106(c) of this title of a task or delivery order under any contract resulting from the solicitation.
“(4) Qualifying offeror defined.—In paragraph (3), the term ‘qualifying offeror’ means an offeror that—

“(A) is determined to be a responsible source;

“(B) submits a proposal that conforms to the requirements of the solicitation; and

“(C) the contracting officer has no reason to believe would likely offer other than fair and reasonable pricing.”.

(b) Contracting under title 10, United States Code.—Section 2305(a)(3) of title 10, United States Code, is amended—

(1) in subparagraph (A), by inserting “(except as provided in subparagraph (C))” in clauses (ii) and (iii) after “shall”; and

(2) by adding at the end the following new subparagraphs:

“(C) If the head of an agency issues a solicitation for multiple task or delivery order contracts under section 2304a(d)(1)(B) of this title for the same or similar services and intends to make a contract award to each qualifying offeror—

“(i) cost or price to the Federal Government need not, at the Government’s discretion, be consid-
ered under clause (ii) of subparagraph (A) as an evaluation factor for the contract award; and

“(ii) if, pursuant to clause (i), cost or price to the Federal Government is not considered as an evaluation factor for the contract award—

“(I) the disclosure requirement of clause (iii) of subparagraph (A) shall not apply; and

“(II) cost or price to the Federal Government shall be considered in conjunction with the issuance pursuant to section 2304c(b) of this title of a task or delivery order under any contract resulting from the solicitation.

“(D) In subparagraph (C), the term ‘qualifying offeror’ means an offeror that—

“(i) is determined to be a responsible source;

“(ii) submits a proposal that conforms to the requirements of the solicitation; and

“(iii) the contracting officer has no reason to believe would likely offer other than fair and reasonable pricing.”.
Subtitle C—Acquisition Reform

Proposals

SEC. 821. MODIFICATION TO REQUIREMENTS RELATING TO

DETERMINATION OF CONTRACT TYPE FOR

MAJOR DEVELOPMENT PROGRAMS.

(a) DETERMINATION OF CONTRACT TYPE.—Section

2306 of title 10, United States Code, is amended by add-
ing at the end the following new subsection:

“(i) REQUIRED ELEMENTS OF GUIDANCE RELATING

to CONTRACT TYPE.—(1) The Secretary of Defense shall

ensure that the guidance of the Department of Defense

relating to major defense acquisition programs and major

automated information systems includes—

“(A) a requirement that the acquisition

strategy for such a program or system include

identification of the contract type for develop-

ment of the program or system; and

“(B) a justification of the contract type

identified.

“(2) The contract type identified in accordance with

paragraph (1)(A) may be—

“(A) a fixed-price type contract (including a

fixed-price incentive contract); or

“(B) a cost-type contract (including a cost-plus-
incentive-fee contract).
“(3) The guidance referred to in paragraph (1) shall 
require that the justification for the contract type selected 
explain—

“(A) how the level of program risk relates to 
the contract type selected; and

“(B) how the use of incentives (especially cost 
incentives) in the contract, if any, supports the ob-
jectives of the development program.

“(4) The guidance shall also specify that the use of 
contracts with target costs, target profits or fees, and 
profit or fee adjustment formulas, during development, 
where applicable, is ordinarily in the interest of the Gov-
ernment.”.

(b) REPEAL.—Section 818 of the John Warner Na-
(Public Law 109–364; 10 U.S.C. 2306 note) is amended 
by striking subsections (b), (c), (d), and (e).

(c) MODIFICATION OF REGULATIONS.—Not later 
than 120 days after the date of the enactment of this Act, 
the Secretary of Defense shall modify the regulations of 
the Department of Defense regarding the determination 
of contract type for development programs to be consistent 
with the amendments made by this section.
SEC. 822. REPEAL OF REQUIREMENT FOR STAND-ALONE MANPOWER ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) REPEAL OF REQUIREMENT.—Subsection (a)(1) of section 2434 of title 10, United States Code, is amended by striking “and a manpower estimate for the program have” and inserting “has”.

(b) CONFORMING AMENDMENTS RELATING TO REGULATIONS.—Subsection (b) of such section is amended—

(1) by striking paragraph (2);

(2) by striking “shall require—” and all that follows through “that the independent” and inserting “shall require that the independent”; and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and realigning those paragraphs so as to be two ems from the left margin; and

(4) in paragraph (2), as so redesignated—

(A) by striking “and operations and support,” and inserting “operations and support, and manpower to operate, maintain, and support the program upon full operational deployment,”; and

(B) by striking “; and” at the end and inserting a period.

(c) CLERICAL AMENDMENTS.—
(1) **SECTION HEADING.**—The heading of such section is amended to read as follows:

“§ 2434. **Independent cost estimates**”.

(2) **TABLE OF SECTIONS.**—The item relating to such section in the table of sections at the beginning of chapter 144 of such title is amended to read as follows:

“2434. Independent cost estimates.”.

**SEC. 823. REVISION OF MILESTONE DECISION AUTHORITY RESPONSIBILITIES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.**

(a) **REVISION.**—

(1) **IN GENERAL.**—Sections 2366a and 2366b of title 10, United States Code, are amended to read as follows:

“§ 2366a. **Major defense acquisition programs: responsibilities at Milestone A approval**

“(a) **RESPONSIBILITIES.**—Before granting Milestone A approval for a major defense acquisition program or a major subprogram, the Milestone Decision Authority for the program or subprogram shall ensure—

“(1) that information about the program or subprogram is sufficient to warrant entry of the program or subprogram into the risk reduction phase; and
“(2) that there are sound plans for progression
of the program or subprogram to the development
phase.
“(b) CONSIDERATIONS.—In carrying out subsection
(a), the Milestone Decision Authority shall consider to
what extent the program or subprogram—
“(1) meets a joint military requirement;
“(2) responds to an anticipated or likely threat;
“(3) has been developed in light of a review of
alternative approaches;
“(4) is affordable;
“(5) has (A) identified areas of risk and, (B)
for each such identified area of risk, has a plan to
reduce the risk that is documented in the acquisition
strategy for the program or subprogram;
“(6) addresses planning for sustainment; and
“(7) meets any other considerations the Mile-
stone Decision Authority considers relevant.
“(c) RELATIONSHIP TO OTHER STATUTES.—In as-
sessing the considerations in subsection (b), the Milestone
Decision Authority shall include consideration of the fol-
lowing:
“(1) With respect to joint military require-
ments, the requirements of section 181 of this title.

“(3) With respect to affordability and cost estimates and analyses, the requirements of section 2334 of this title.

“(4) With respect to risk, the requirements of—

“(A) section 138b of this title; and


“(5) With respect to sustainment, the requirements of section 2337 and section 2464 of this title.

“(d) NOTIFICATION.—Not later than 30 days after granting Milestone A approval for a major defense acquisition program or major subprogram, the Milestone Decision Authority for that program or subprogram shall submit to the congressional defense committees notice of such approval in writing. The Milestone Decision Authority’s decision memorandum with respect to such approval shall be available to the congressional defense committees upon request, consistent with any relevant classification requirements.
“(e) DEFINITIONS.—In this section:

“(1) The term ‘major defense acquisition program’ means a Department of Defense acquisition program that is a major defense acquisition program for purposes of section 2430 of this title.

“(2) The term ‘major subprogram’ means a major subprogram of a major defense acquisition program designated under section 2430a(a)(1) of this title.

“(3) The term ‘Milestone Decision Authority’, with respect to a major defense acquisition program or a major subprogram, means the official within the Department of Defense designated with the overall responsibility and authority for acquisitions decisions for the program or subprogram, including authority to approve entry of the program or subprogram into the next phase of the acquisition process.

“(4) The term ‘Milestone A approval’ means a decision to enter into a risk reduction phase pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

“(5) The term ‘joint military requirement’ has the meaning given that term in section 181(g)(1) of this title.
$2366b. Major defense acquisition programs: responsibilities at Milestone B approval

"(a) RESPONSIBILITIES.—Before granting Milestone B approval for a major defense acquisition program or a major subprogram, the Milestone Decision Authority for the program or subprogram shall ensure—

"(1) that information about the program or subprogram is sufficient to warrant entry of the program or subprogram into the development phase; and

"(2) that there are sound plans in place for the program or subprogram to deliver the required capability.

"(b) CONSIDERATIONS.—In carrying out subsection (a), the Milestone Decision Authority shall consider to what extent the program or subprogram will do each of the following:

"(1) Provide a capability that is affordable.

"(2) Identify and mitigate programmatic risks.

"(3) Deliver a capability with acceptable performance to fulfill a joint military requirement.

"(4) Utilize technologies assessed to be mature.

"(5) Effectively utilize competition.

"(6) Enable sustainment of the capability that is provided by the program or subprogram.
“(7) Continue to address, as necessary, the considerations for Milestone A approval (or in the case that the program has not previously been granted Milestone A approval, address such considerations).

“(8) Respond to anticipated or likely threats.

“(9) Meet any other considerations the Milestone Decision Authority considers relevant.

“(c) Relationship to Other Statutes.—In addressing the considerations in subsection (b), the Milestone Decision Authority shall include consideration of the following:

“(1) With respect to affordability, the requirements of section 2334 of this title.

“(2) With respect to risk, the requirements of—

“(A) section 203 of the Weapon Systems Acquisition Reform Act of 2009 (Public Law 111–23; 10 U.S.C. 2430 note); and

“(B) section 138b of this title.

“(3) With respect to fulfilling a joint military requirement, the requirements of section 181 of this title.

“(4) With respect to competition, the requirements of—
“(A) section 202 of the Weapon Systems Acquisition Reform Act of 2009 (Public Law 111–23; 10 U.S.C. 2430 note); and

“(B) section 2304 of this title.

“(5) With respect to sustainment, the requirements of section 2337 and section 2464 of this title.

“(d) Notification.—Not later than 30 days after granting Milestone B approval for a major defense acquisition program or major subprogram, the Milestone Decision Authority for the program or subprogram shall submit to the congressional defense committees notice of such approval in writing. The Milestone Decision Authority’s decision memorandum with respect to such approval shall be available to the congressional defense committees upon request, consistent with any relevant classification requirements.

“(e) Definitions.—In this section:

“(1) The term ‘major defense acquisition program’ means a Department of Defense acquisition program that is a major defense acquisition program for purposes of section 2430 of this title.

“(2) The term ‘major subprogram’ means a major subprogram of a major defense acquisition program designated under section 2430a(a)(1) of this title.
“(3) The term ‘Milestone Decision Authority’, with respect to a major defense acquisition program or a major subprogram, means the official within the Department of Defense designated with the overall responsibility and authority for acquisition decisions for the program or subprogram, including authority to approve entry of the program or subprogram into the next phase of the acquisition process.

“(4) The term ‘Milestone A approval’ means a decision to enter into a risk reduction phase pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

“(5) The term ‘Milestone B approval’ means a decision to enter into a development phase pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

“(6) The term ‘joint military requirement’ has the meaning given that term in section 181(g)(1) of this title.”.

(2) Clerical Amendment.—The items relating to such sections in the table of sections at the beginning of chapter 139 of such title are amended to read as follows:
“2366a. Major defense acquisition programs: responsibilities at Milestone A approval.

“2366b. Major defense acquisition programs: responsibilities at Milestone B approval.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 139b of this title is amended—

(A) in subsection (a)(5)—

(i) in subparagraph (B), by striking “review and approve or disapprove” and inserting “advise the milestone decision authority regarding review and approval of”;

and

(ii) in subparagraph (C), by inserting “in order to advise relevant technical authorities for such programs on the incorporation of best practices for developmental test from across the Department” after “programs”; and

(B) in subsection (b)(5)—

(i) in subparagraph (B), by striking “review and approve” and inserting “advise the milestone decision authority regarding review and approval of”; and

(ii) in subparagraph (C), by inserting “in order to advise relevant technical authorities for such programs on the incorporation of best practices for systems engi-
neering from across the Department” after “programs”.

(2) Section 2334(a)(6)(A)(i) of such title is amended by striking “any certification under” and inserting “any decision to grant milestone approval pursuant to”.

SEC. 824. STREAMLINING OF REQUIREMENTS RELATING TO DEFENSE BUSINESS SYSTEMS.

(a) IN GENERAL.—

(1) REVISION.—Section 2222 of title 10, United States Code, is amended to read as follows:

“§ 2222. Defense business systems: business process reengineering; enterprise architecture; management

“(a) DEFENSE BUSINESS SYSTEMS GENERALLY.—

The Secretary of Defense shall ensure that each covered defense business system developed, deployed, and operated by the Department of Defense—

“(1) supports efficient business processes that have been reviewed, and as appropriate revised, through business process reengineering;

“(2) is integrated into a comprehensive defense business enterprise architecture; and

HR 1735 IH
“(3) is managed in a manner that provides visibility into, and traceability of, expenditures for the system.

“(b) ISSUANCE OF GUIDANCE.—

“(1) SECRETARY OF DEFENSE GUIDANCE.—

The Secretary shall issue guidance to provide for the coordination of, and decision making for, the planning, programming, and control of investments in covered defense business systems.

“(2) SUPPORTING GUIDANCE.—The Secretary shall direct the Deputy Chief Management Officer of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Chief Information Officer, and the Chief Management Officer of each of the military departments to issue and maintain supporting guidance, as appropriate, for the guidance of the Secretary issued under paragraph (1).

“(c) GUIDANCE ELEMENTS.—The guidance issued pursuant to subsection (b)(1) shall include the following elements:

“(1) Policy to ensure that the business processes of the Department of Defense are continuously evolved to—
“(A) implement the most streamlined and efficient business process practicable; and

“(B) enable the use of commercial off-the-shelf business systems with the fewest changes necessary to accommodate requirements and interfaces that are unique to the Department of Defense.

“(2) A process to establish requirements for covered defense business systems.

“(3) Mechanisms for the planning and control of investments in covered defense business systems, including a process for the collection and review of programming and budgeting information for covered defense business systems.

“(4) Policy requiring the periodic review of covered defense business systems that have been fully deployed, by portfolio, to ensure that investments in such portfolios are appropriate.

“(d) DEFENSE BUSINESS ENTERPRISE ARCHITECTURE.—

“(1) BLUEPRINT.—The Secretary, working through the Deputy Chief Management Officer of the Department of Defense, shall develop and maintain a blueprint to guide the development of integrated business processes within the Department of
Defense. Such blueprint shall be known as the ‘defense business enterprise architecture’.

“(2) PURPOSE.—The defense business enterprise architecture shall be sufficiently defined to effectively guide implementation of interoperable defense business system solutions and shall be consistent with the policies and procedures established by the Director of the Office of Management and Budget.

“(3) ELEMENTS.—The defense business enterprise architecture shall—

“(A) include policies, procedures, business data standards, business performance measures, and business information requirements that apply uniformly throughout the Department of Defense; and

“(B) enable the Department of Defense to—

“(i) comply with all applicable law, including Federal accounting, financial management, and reporting requirements;

“(ii) routinely produce verifiable, timely, accurate, and reliable business and financial information for management purposes; and
“(iii) integrate budget, accounting, and program information and systems.

“(4) **Integration into Information Technology Architecture.**—The defense business enterprise architecture shall integrate into an information technology enterprise architecture, developed by the Chief Information Officer of the Department of Defense, which describes a target business systems computing environment for each of the major business processes conducted by the Department of Defense.

“(e) **Defense Business Council.**—

“(1) **Requirement for Council.**—The Secretary shall establish a Defense Business Council to provide advice to the Secretary on developing the defense business enterprise architecture, reengineering the Department’s business processes, and requirements for defense business systems. The Council shall be chaired by the Deputy Chief Management Officer and the Chief Information Officer of the Department of Defense.

“(2) **Membership.**—The membership of the Council shall include the following:

“(A) The Chief Management Officers of the military departments, or their designees.
“(B) The following officials of the Department of Defense, or their designees:

“(i) The Under Secretary of Defense for Acquisition, Technology, and Logistics with respect to acquisition, logistics, and installations management processes.

“(ii) The Under Secretary of Defense (Comptroller) with respect to financial management and planning and budgeting processes.

“(iii) The Under Secretary of Defense for Personnel and Readiness with respect to human resources management processes.

“(f) APPROVALS REQUIRED FOR DEVELOPMENT.—

“(1) INITIAL APPROVAL REQUIRED.—The Secretary shall ensure that a covered defense business system program cannot proceed into development (or, if no development is required, into production or fielding) unless the appropriate approval official (as specified in paragraph (2)) has determined that the covered defense business system concerned—

“(A) supports a business process that has been, or is being as a result of the acquisition program, reengineered to be as streamlined and...
efficient as practicable consistent with the guidance issued pursuant to subsection (b), including business process mapping;

“(B) is in compliance with the defense business enterprise architecture developed pursuant to subsection (d) or will be in compliance as a result of modifications planned;

“(C) has valid, achievable requirements;

and

“(D) is in compliance with the Department’s auditability requirements.

“(2) APPROPRIATE OFFICIAL.—For purposes of paragraph (1), the appropriate approval official with respect to a covered defense business system is the following:

“(A) In the case of a system of a military department, the Chief Management Officer of that military department.

“(B) In the case of a system of a Defense Agency or Defense Field Activity or a system that will support the business process of more than one military department or Defense Agency or Defense Field Activity, the Deputy Chief Management Officer of the Department of Defense.
“(C) In the case of any system, such official other than the applicable official under subparagraph (A) or (B) as the Secretary designates for such purpose.

“(3) ANNUAL CERTIFICATION.—For any fiscal year in which funds are expended for development pursuant to a covered defense business system program, the Defense Business Council shall review the system and certify (or decline to certify as the case may be) that it continues to satisfy the requirements of paragraph (1). If the Council determines that certification cannot be granted, the chairman of the Council shall notify the Appropriate Approving Official and the acquisition Milestone Decision Authority for the program and provide a recommendation for corrective action.

“(4) OBLIGATION OF FUNDS IN VIOLATION OF REQUIREMENTS.—The obligation of Department of Defense funds for a covered defense business system program that has not been certified in accordance with paragraph (3) is a violation of section 1341(a)(1)(A) of title 31.

“(g) RESPONSIBILITY OF MILESTONE DECISION AUTHORITY.—The Secretary shall ensure that, as part of the defense acquisition system, the requirements of this sec-
tion are fully addressed by the Milestone Decision Author-
yity for a covered defense business system program as ac-
quisition process approvals are considered for such system.

“(h) ANNUAL REPORT.—Not later than March 15 of
each year from 2016 through 2020, the Secretary shall
submit to the congressional defense committees a report
on activities of the Department of Defense pursuant to
this section. Each report shall include the following:

“(1) A description of actions taken and planned
with respect to the guidance required by subsection
(b) and the defense business enterprise architecture
developed pursuant to subsection (d).

“(2) A description of actions taken and planned
for the reengineering of business processes by the
Defense Business Council established pursuant to
subsection (e).

“(3) A summary of covered defense business
system funding and covered defense business sys-
tems approved pursuant to subsection (f).

“(4) Identification of any covered defense busi-
ness system program that during the preceding fis-
cal year was reviewed and not approved pursuant to
subsection (f) and the reasons for the lack of ap-
proval.
“(5) Identification of any covered defense business system program that during the preceding fiscal year failed to achieve initial operational capability within five years of when the program received Milestone B approval.

“(6) For any program identified under paragraph (5), a description of the plan to address the issues which caused the failure.

“(7) A discussion of specific improvements in business operations and cost savings resulting from successful covered defense business systems programs.


“(i) DEFINITIONS.—In this section:

“(1)(A) DEFENSE BUSINESS SYSTEM.—The term ‘defense business system’ means an information system that is operated by, for, or on behalf of
the Department of Defense, including any of the following:

“(i) A financial system.
“(ii) A financial data feeder system.
“(iii) A contracting system.
“(iv) A logistics system.
“(v) A planning and budgeting system.
“(vi) An installations management system.
“(vii) A human resources management system.
“(viii) A training and readiness system.

“(B) The term does not include—
“(i) a national security system; or
“(ii) an information system used exclusively by and within the defense commissary system or the exchange system or other instrumentality of the Department of Defense conducted for the morale, welfare, and recreation of members of the armed forces using non-appropriated funds.

“(2) COVERED DEFENSE BUSINESS SYSTEM.—
The term ‘covered defense business system’ means a defense business system that is expected to have a total amount of budget authority over the period of the current future-years defense program submitted
to Congress under section 221 of this title, in excess of the threshold established for the use of special simplified acquisition procedures pursuant to section 2304(g)(1)(B) of this title.

“(3) COVERED DEFENSE BUSINESS SYSTEM PROGRAM.—The term ‘covered defense business system program’ means a defense acquisition program to develop and field a covered defense business system or an increment of a covered defense business system.

“(4) ENTERPRISE ARCHITECTURE.—The term ‘enterprise architecture’ has the meaning given that term in section 3601(4) of title 44.

“(5) INFORMATION SYSTEM.—The term ‘information system’ has the meaning given that term in section 11101 of title 40.

“(6) NATIONAL SECURITY SYSTEM.—The term ‘national security system’ has the meaning given that term in section 3542(b)(2) of title 44.

“(7) MILESTONE DECISION AUTHORITY.—The term ‘Milestone Decision Authority’, with respect to a defense acquisition program, means the individual within the Department of Defense designated with the responsibility to grant milestone approvals for that program.
“(8) Business process mapping.—The term ‘business process mapping’ means a procedure in which the steps in a business process are clarified and documented in both written form and in a flow chart.”.

(2) Table of sections.—The table of sections at the beginning of chapter 131 of such title is amended to read as follows:

“2222. Defense business systems; business process reengineering; enterprise architecture; management.”.

(b) Deadline for guidance.—The guidance required by subsection (b)(1) of section 2222 of title 10, United States Code, as amended by subsection (a)(1), shall be issued not later than December 31, 2016.


SEC. 825. Revision to Life-Cycle Management and Product Support Requirements.

(a) Consolidation of certain logistics and sustainment-related provisions.—Section 2337(b)(2) of title 10, United States Code, is amended—

(1) in subparagraph (A), by inserting before the semicolon the following: “in order to sustain the system until either (i) a replacement system is fielded and assumes the majority of responsibility for the
mission of the existing system, or (ii) the mission of
the system is eliminated and the system is disposed of’’;

(2) in subparagraph (D), by inserting
’sustainment of core logistics capabilities specified
in section 2464 of this title and’’ after ‘‘ensure’’;

(3) by striking ‘‘and’’ at the end of subpara-
graph (H);

(4) by striking the period at the end of sub-
paragraph (I) and inserting a semicolon; and

(5) by adding at the end the following new sub-
paragraphs:

‘‘(J) make a determination regarding the
applicability of preservation and storage of
unique tooling associated with the production of
program-specific hardware, if relevant, includ-
ing a plan for the preservation, storage, or dis-
posal of all production tooling; and

‘‘(K) identify obsolete electronic parts that
are included in the specifications of the system
being acquired and determine suitable replace-
ments for such parts.’’.

(b) CORE LOGISTICS CAPABILITIES.—Section 2464
of such title is amended—
(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

“(d) ACQUISITION MANAGEMENT INFORMATION REQUIREMENTS.—The Secretary of Defense shall ensure that, when milestone approval for a major defense acquisition program is under consideration, matters relating to core logistics capabilities are considered as follows:

“(1) Before Milestone A approval for the program is granted, an analysis of the applicability of core logistics capabilities requirements to the program shall be considered.

“(2) Before Milestone B approval for the program is granted, an estimate of the requirements for core logistics capabilities for the program, and the associated sustaining workloads required to support such requirements, shall be considered.

“(3) Before approval is granted for the program to enter low-rate initial production, a description of requirements for core depot-level maintenance and repair capabilities, as well as the associated logistics capabilities and the associated sustaining workloads required to support such requirements, shall be considered.”.
(c) CONFORMING REPEALS AND AMENDMENTS.—

(1)(A) Section 2437 of title 10, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 144 is amended by striking the item relating to section 2437.


(3) Section 803(b) of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 10 U.S.C. prec. 2571 note) is amended—

(A) by inserting “and” at the end of paragraph (3);

(B) striking “; and” at the end of paragraph (4) and inserting a period; and

(C) by striking paragraph (5).

SEC. 826. ACQUISITION STRATEGY REQUIRED FOR EACH MAJOR DEFENSE ACQUISITION PROGRAM.

(a) CONSOLIDATION OF REQUIREMENTS RELATING TO ACQUISITION STRATEGY.—

(1) NEW TITLE 10 SECTION.—Chapter 144 of title 10, United States Code, is amended by inserting after section 2431 the following new section:
§ 2431a. Acquisition strategy

(a) REQUIREMENT.—(1) There shall be an acquisition strategy for each major defense acquisition program.

The acquisition strategy for a major defense acquisition program shall be reviewed by the Milestone Decision Authority for the program at each time specified in paragraph (2). The Milestone Decision Authority may approve, disapprove, or revise the acquisition strategy at any such time.

(2) The times at which the acquisition strategy for a major defense acquisition program shall be reviewed by the Milestone Decision Authority for the program under paragraph (1) are the following:

(A) Program initiation.

(B) Each subsequent milestone.

(C) Full-Rate Production Decision Review.

(D) Any other time considered relevant by the Milestone Decision Authority.

(b) CONSIDERATIONS.—The acquisition strategy for a major defense acquisition program shall present a top-level description of the business and technical management approach designed to achieve the objectives of the program within the resource constraints imposed. The strategy shall clearly express the program manager’s approach to the program in sufficient detail to allow the Milestone Decision Authority to assess the viability of ap-
proach, implementation of laws and policies, and program objectives. The content and review and approval process for the acquisition strategy for a major defense acquisition program shall be issued and maintained by the Under Secretary of Defense for Acquisition, Technology, and Logistics; however, the acquisition strategy should consider the following:

“(1) Tailoring.

“(2) Acquisition approach, including industrial base considerations in accordance with section 2440 of this title and, if applicable, plans for increments or evolutionary acquisition.


“(5) Contracting strategy, including sources, contract bundling, if applicable, and small business participation.

“(6) Intellectual property strategy, in accordance with section 2320 of this title.
“(7) International involvement, including Foreign Military Sales and Cooperative Opportunities, in accordance with section 2350a of this title.

“(c) In this section, the term ‘Milestone Decision Authority’, with respect to a major defense acquisition program, means the official within the Department of Defense designated with the overall responsibility and authority for acquisition decisions for the program, including authority to approve entry of the program into the next phase of the acquisition process.”.

(2) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2431 the following new item:

“2431a. Acquisition strategy.”.

(b) Conforming Amendments.—

(1) Section 2350a(e) of such title is amended—

(A) in the subsection heading, by striking “DOCUMENT”;

(B) in paragraph (1), by striking “the Under Secretary of Defense for” and all that follows through “of the Board” and inserting “opportunities for such cooperative research and development shall be addressed in the acquisition strategy for the project”;

(C) in paragraph (2)—
(i) in the matter preceding subparagraph (A)—

(I) by striking “document” and inserting “discussion”; and

(II) by striking “include” and inserting “consider”;

(ii) in subparagraph (A), by striking “A statement indicating”;

(iii) in subparagraph (B)—

(I) by striking “by the Under Secretary of Defense for Acquisition, Technology, and Logistics”; and

(II) by striking “of the United States under consideration by the Department of Defense”; and

(iv) in subparagraph (D)—

(I) by striking “The” and inserting “A”;

(II) by striking “of” and inserting “to”; and

(III) by striking “Under Secretary” and inserting “Milestone Decision Authority”.


SEC. 827. REVISION TO REQUIREMENTS RELATING TO RISK REDUCTION IN DEVELOPMENT OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 203 of the Weapon Systems Acquisition Reform Act of 2009 is amended to read as follows:

“SEC. 203. RISK REDUCTION IN MAJOR DEFENSE ACQUISITION PROGRAMS.

“(a) Guidance on Risk Reduction in Major Defense Acquisition Programs.—The Secretary of Defense shall ensure that the acquisition strategy for each major defense acquisition program for which development activities are required includes the following:

“(1) A comprehensive approach to identifying and addressing risk (including technical, cost and schedule risk) during the period preceding full rate production as a means to improve programmatic decision making and appropriately manage program concurrency.

“(2) Documentation of the major sources of risk identified and the approach to retiring that risk.

“(b) Elements of Comprehensive Approach to Risk Reduction.—The elements of a comprehensive ap-
proach to identifying and addressing risk for purposes of subsection (a)(1) shall include some combination of the following as appropriate for the item or system being acquired:

“(1) Development planning.

“(2) Systems engineering.

“(3) Integrated developmental and operational test.

“(4) Preliminary and critical design reviews and technical reviews.

“(5) Prototyping (including prototyping at the system or subsystem level and competitive prototyping, where appropriate).

“(6) Modeling and simulation.

“(7) Technology demonstrations and technology off ramps.

“(8) Multiple design approaches.

“(9) Alternative, lower risk reduced performance designs.

“(10) Independent risk element assessments by outside subject matter experts.

“(11) Program phasing to address high risk areas as early as possible.”.
Subtitle D—Other Matters

SEC. 831. EXTENSION OF THE DEPARTMENT OF DEFENSE MENTOR-PROTÉGÉ PILOT PROGRAM.

Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended—

(1) in paragraph (1), by striking “September 30, 2015” and inserting “September 30, 2020”; and

(2) in paragraph (2), by striking “September 30, 2018” and inserting “September 30, 2023”.

SEC. 832. STREAMLINING OF REPORTING REQUIREMENTS APPLICABLE TO ASSISTANT SECRETARY OF DEFENSE FOR RESEARCH AND ENGINEERING REGARDING MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) Reporting to Under Secretary of Defense for Acquisition, Technology, and Logistics Before Milestone B Approval.—Subparagraph (A) of paragraph (8) of section 138(b) of title 10, United States Code, as amended by section 901(h)(2) of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291; 128 Stat. YYYY), is amended—

(1) by striking “periodically”;
(2) by striking “the major defense acquisition programs” and inserting “each major defense acquisition program”; 

(3) by inserting “before the Milestone B approval for that program” after “Department of Defense”; and

(4) by striking “such reviews and assessments” and inserting “such review and assessment”.

(b) Annual Report to Secretary of Defense and Congressional Defense Committees.—Subparagraph (B) of such paragraph is amended by inserting “for which a Milestone B approval occurred during the preceding fiscal year” after “Department of Defense”.

SEC. 833. REVISION TO REQUIRED DISTRIBUTION OF ASISTANCE UNDER PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM.

(a) Minimum Geographic Distribution.—Section 2413(c) of title 10, United States Code, is amended by striking “Department of Defense contract administration services district” and inserting “State”.

(b) Distribution.—Section 2415 of such title is amended—

(1) in the first sentence—
(A) by striking “The Secretary” and inserting “After apportioning funds available for assistance under this chapter for any fiscal year for efficient coverage of distressed areas referred to in section 2411(2)(B) of this title by programs operated by eligible entities referred to in section 2411(1)(D) of this title, the Secretary”; 

(B) by inserting “the remaining” before “funds available”; and 

(C) by striking “Department of Defense contract administration services district” and inserting “State”; and 

(2) in the second sentence—

(A) by striking “district” each place it appears and inserting “State”; and 

(B) by striking “districts” and inserting “States”.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. CHANGE OF PERIOD FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF REVIEW OF THE UNIFIED COMMAND PLAN TO NOT LESS THAN EVERY FOUR YEARS.

Section 161(b)(1) of title 10, United States Code, is amended by striking “two years” and inserting “four years”.

SEC. 902. UPDATE OF STATUTORY SPECIFICATION OF FUNCTIONS OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF RELATING TO ADVISE ON REQUIREMENTS, PROGRAMS, AND BUDGET.

Section 153(a)(4) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

“(H) Advising the Secretary on development of joint command, control, communications, and cyber capability, including integration and interoperability of such capability, through requirements, integrated architectures, data standards, and assessments.”
TITLE X—GENERAL PROVISIONS
Subtitle A—Financial Matters

SEC. 1001. ENHANCEMENT OF INTERAGENCY SUPPORT DURING CONTINGENCY OPERATIONS AND TRANSITION PERIODS.

(a) Authority.—The Secretary of Defense and the Secretary of State may enter into an agreement under which each Secretary may provide covered support, supplies, and services on a reimbursement basis, or by exchange of covered support, supplies, and services, to the other Secretary during a contingency operation and related transition period for up to two years following the end of such contingency operation.

(b) Agreement.—An agreement entered into under this section shall be in writing and shall include the following terms:

(1) The price charged by a supplying agency shall be the direct costs that such agency incurred by providing the covered support, supplies, or services to the requesting agency under this section.

(2) Credits and liabilities of the agencies accrued as a result of acquisitions and transfers of covered support, supplies, and services under this section shall be liquidated not less often than once every 3 months by direct payment to the agency.
supplying such support, supplies, or services by the
agency receiving such support, supplies, or services.

(3) Exchange entitlements accrued as a result
of acquisitions and transfers of covered support,
supplies, and services under this section shall be sat-
ished within 12 months after the date of the delivery
of the covered support, supplies, or services. Ex-
change entitlements not so satisfied shall be imme-
adiately liquidated by direct payment to the agency
supplying such covered support, supplies, or services.

(c) Effect of Obligation and Availability of
Funds.—An order placed by an agency pursuant to an
agreement under this section is deemed to be an obligation
in the same manner that a similar order or contract placed
with a private contractor is an obligation. Appropriations
remain available to pay an obligation to the servicing
agency in the same manner as appropriations remain
available to pay an obligation to a private contractor.

(d) Definitions.—In this section:

(1) The term “covered support, supplies, and
services” means food, billeting, transportation (in-
cluding airlift), petroleum, oils, lubricants, commu-
nications services, medical services, ammunition,
base operations support (and construction incident
to base operations support), use of facilities, spare
parts and components, repair and maintenance services, and calibration services.

(2) The term “contingency operation” has the meaning given that term in section 101(a)(13) of title 10, United States Code.

(e) CREDITING OF RECEIPTS.—Any receipt as a result of an agreement entered into under this section shall be credited, at the option of the Secretary of Defense with respect to the Department of Defense and the Secretary of State with respect to the Department of State, to—

(1) the appropriation, fund, or account used in incurring the obligation; or

(2) an appropriate appropriation, fund, or account currently available for the purposes for which the expenditures were made.

Subtitle C—Naval Vessels and Shipyards

SEC. 1021. EXTENSION OF AUTHORITY FOR REIMBURSEMENT OF EXPENSES FOR CERTAIN NAVY MESS OPERATIONS AFOAT.

(Public Law 111–383, 124 Stat. 4348), is amended by striking “September 30, 2015” and inserting “September 30, 2020”.

(b) Technical and Clarifying Amendments.—

Subsection (a) of such section is amended—

(1) in the matter preceding paragraph (1), by striking “not more that” and inserting “not more than”; and

(2) in paragraph (2), by striking “Naval vessels” and inserting “such vessels”.

SEC. 1022. REFueling AND COMPLEX OVERHAUL OF NIMITZ-CLASS AIRCRAFT CARRIERS.

(a) Overhaul Execution Authority.—The Secretary of the Navy is authorized to carry out a nuclear refueling and complex overhaul on each of the following Nimitz-class aircraft carriers:


(2) U.S.S. John C. Stennis (CVN–74).

(3) U.S.S. Harry S. Truman (CVN–75).


Each such refueling and overhaul shall be carried out from amounts appropriated or otherwise made available within Shipbuilding and Conversion, Navy, for refueling the Nimitz-class aircraft carriers.
(b) **Special Funding Authority When a Continuing Resolution Is in Effect.**—Unless expressly prohibited in a continuing resolution enacted after this date, if advance procurement funds are appropriated for a fiscal year to begin a refueling and complex overhaul on a Nimitz-class aircraft carrier identified in subsection (a), then Shipbuilding and Conversion, Navy, appropriations in the amounts contained in the President’s Budget for that refueling and complex overhaul for the following Fiscal Year shall be available for obligation under a continuing resolution enacted for the following fiscal year to continue the refueling and complex overhaul on that aircraft carrier.

(c) **Incremental Funding Authority.**—The Secretary of the Navy is authorized to incrementally fund contracts entered into for a nuclear refueling and complex overhaul authorized in subsection (a), for a period not to exceed six years after advance procurement funds for the nuclear refueling and complex overhaul effort are first obligated, from amounts appropriated or otherwise made available within Shipbuilding and Conversion, Navy for refueling the Nimitz-class aircraft carriers.

(d) **Condition for Out-Year Contract Payments.**—A contract entered into under subsection (c) shall provide that any obligation of the United States to
make a payment under a contract for carrier refueling in
a fiscal year subsequent to the initial year of contract exe-
cution is subject to the availability of appropriations.

Subtitle D—Other Matters

SEC. 1041. TRANSFER OF FUNCTIONS OF THE VETERANS’
ADVISORY BOARD ON DOSE RECONSTRUCTION
TO THE SECRETARIES OF VETERANS
AFFAIRS AND DEFENSE.

Section 601 of the Veterans Benefits Act of 2003
note) is amended to read as follows:

“SEC. 601. RADIATION DOSE RECONSTRUCTION PROGRAM
OF THE DEPARTMENT OF DEFENSE.

“(a) REVIEW AND OVERSIGHT.—The Secretary of
Veterans Affairs and the Secretary of Defense shall jointly
take appropriate actions to ensure the on-going inde-
pendent review and oversight of the Radiation Dose Re-
construction Program of the Department of Defense.

“(b) DUTIES.—In carrying out subsection (a), the
Secretaries shall—

“(1) conduct periodic, random audits of dose
reconstructions under the Radiation Dose Recon-
struction Program and of decisions by the Depart-
ment of Veterans Affairs on claims for service con-
nection of radiogenic diseases;
“(2) communicate to veterans information on the mission, procedures, and evidentiary requirements of the Program; and

“(3) carry out such other activities with respect to the review and oversight of the Program as the Secretaries shall jointly specify.

“(c) RECOMMENDATIONS.—The Secretaries may make such recommendations on modifications in the mission or procedures of the Program as they consider appropriate as a result of the audits conducted under subsection (b)(1).”.

TITLE XI—CIVILIAN PERSONNEL MATTERS

SEC. 1101. ONE-YEAR EXTENSION OF TEMPORARY AUTHORITY TO GRANT ALLOWANCES, BENEFITS, AND GRATUITIES TO CIVILIAN PERSONNEL ON OFFICIAL DUTY IN A COMBAT ZONE.

Paragraph (2) of section 1603(a) of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 443), as added by section 1102 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4616) and as most recently amended by section 1102 of the National Defense Authorization Act for Fiscal Year
2015 (Public Law 113–291; 128 Stat. zzz), is further amended by striking “2016” and inserting “2017”.

SEC. 1102. AUTHORITY TO PROVIDE ADDITIONAL ALLOWANCES AND BENEFITS FOR DEFENSE CLANDESTINE SERVICE EMPLOYEES.

Section 1603 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) ADDITIONAL ALLOWANCES AND BENEFITS FOR EMPLOYEES OF THE DEFENSE CLANDESTINE SERVICE.—In addition to the authority to provide compensation under subsection (a), the Secretary of Defense may provide an employee in a defense intelligence position who is assigned to the Defense Clandestine Service allowances and benefits under paragraph (1) of section 9904 of title 5 without regard to the limitations in that section—

“(1) that the employee be assigned to activities outside the United States; or

“(2) that the activities to which the employee is assigned be in support of Department of Defense activities abroad.”.

VerDate Sep 11 2014 03:01 Apr 16, 2015 Jkt 049200 PO 00000 Frm 00096 Fmt 6652 Sfmt 6201 E:\BILLS\H1735.IH H1735rfrederick on DSK6VPTVN1PROD with BILLS
SEC. 1103. EXTENSION OF RATE OF OVERTIME PAY FOR DEPARTMENT OF THE NAVY EMPLOYEES PERFORMING WORK ABOARD OR DOCKSIDE IN SUPPORT OF THE NUCLEAR-POWERED AIRCRAFT CARRIER FORWARD DEPLOYED IN JAPAN.

Subparagraph (B) of section 5542(a)(6) of title 5, United States Code, is amended by striking “September 30, 2015” and inserting “September 30, 2017”.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

SEC. 1201. EXTENSION OF AUTHORITY TO SUPPORT OPERATIONS AND ACTIVITIES OF THE OFFICE OF SECURITY COOPERATION-IRAQ.

(a) Extension of Authority.—Subsection (f)(1) of section 1215 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 113 note) is amended by striking “fiscal year 2015” and inserting “fiscal year 2016”.

(b) Amount Available.—Such section is further amended—

(1) in subsection (c), by striking “fiscal year 2015” and all that follows and inserting “fiscal year 2016 may not exceed $143,000,000.”; and

(2) in subsection (d), by striking “fiscal year 2015” and inserting “fiscal year 2016”.

*HR 1735 IH*
(c) Repeal of Expired Reporting Requirement.—Subsection (g) of such section is repealed.

SEC. 1202. EXTENSION OF AUTHORITY FOR REIMBURSEMENT OF CERTAIN COALITION NATIONS FOR SUPPORT PROVIDED TO UNITED STATES MILITARY OPERATIONS.


(b) Amounts Available.—Subsection (d)(1) of such section is amended—

(1) by striking “during fiscal year 2015 may not exceed $1,200,000,000” and inserting “during fiscal year 2016 may not exceed $1,260,000,000”; and

(2) by striking the third sentence.
SEC. 1203. EXTENSION OF AUTHORITY TO TRANSFER DEFENSE ARTICLES AND PROVIDE DEFENSE SERVICES TO THE MILITARY AND SECURITY FORCES OF AFGHANISTAN.


(b) Excess Defense Articles.—Subsection (i)(2) of such section is amended by striking “During fiscal years 2013, 2014, and 2015” in subparagraphs (A) and (B) and inserting “Through December 31, 2016”.

SEC. 1204. AUTHORITY FOR ACCEPTANCE AND USE OF CONTRIBUTIONS FROM KUWAIT FOR CERTAIN MUTUALLY BENEFICIAL PROJECTS.

(a) Authority.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:
§ 2350n. Construction, maintenance, and repair projects mutually beneficial to the Department of Defense and Kuwait Armed Forces

“(a) Authority To Accept Contributions.—The Secretary of Defense, after consultation with the Secretary of State, may accept cash contributions from the State of Kuwait, for the purposes specified in subsection (c).

“(b) Accounting.—Contributions accepted under subsection (a) shall be placed in an account established by the Secretary of Defense and shall remain available until expended for the purposes specified in subsection (c).

“(c) Availability of Contributions.—Contributions accepted under subsection (a) shall be available only for payment of costs in connection with mutually beneficial construction (including military construction not otherwise authorized by law), maintenance, and repair projects in Kuwait.

“(d) Mutually Beneficial Defined.—A project shall be considered to be ‘mutually beneficial’ for purposes of this section if—

“(1) the project is in support of a bilateral United States and Kuwait defense cooperation agreement; or
“(2) the Secretary of Defense determines that the United States may derive a benefit from the project, including—

“(A) access to and use of facilities of the Kuwait Armed Forces;

“(B) ability or capacity for future posture; and

“(C) increased interoperability between the Department of Defense and Kuwait Armed Forces.”.

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

“2350n. Construction, maintenance, and repair projects mutually beneficial to the Department of Defense and Kuwait Armed Forces.”.

SEC. 1205. EXTENSION OF COMMANDERS’ EMERGENCY RESPONSE PROGRAM IN AFGHANISTAN.

Section 1201 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1619), as most recently amended by section 1221 of the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291; 128 Stat. yyy), is further amended by striking “fiscal year 2015” in subsections (a), (b), and (f) and inserting “fiscal year 2016”.
SEC. 1206. INCREASE IN THRESHOLDS FOR DEFINITION OF
MAJOR DEFENSE EQUIPMENT FOR PURPOSES OF ARMS EXPORT CONTROL ACT.

Section 47(6) of the Arms Export Control Act (22 U.S.C. 2794(6)) is amended—

(1) by striking “$50,000,000” and inserting “$200,000,000”; and

(2) by striking “$200,000,000” and inserting “$800,000,000”.

SEC. 1207. MAINTENANCE OF PROHIBITION ON PROCUREMENT BY DEPARTMENT OF DEFENSE OF COMMUNIST CHINESE-ORIGIN ITEMS THAT MEET THE DEFINITION OF GOODS AND SERVICES CONTROLLED AS MUNITIONS ITEMS WHEN MOVED TO THE “600 SERIES” OF THE COMMERCE CONTROL LIST.

(a) In General.—Section 1211 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 10 U.S.C. 2302 note) is amended—

(1) in subsection (b), by inserting “or in the 600 series of the control list of the Export Administration Regulations” after “in Arms Regulations,”; and

(2) in subsection (e), by adding at the end the following new paragraph:
“(3) The term ‘600 series of the control list of the Export Administration Regulations’ means the 600 series of the Commerce Control List contained in Supplement No. 1 to part 774 of subtitle B of title 15 of the Code of Federal Regulations.”.

(b) Technical Corrections to ITAR References.—Subsections (b) and (e)(2) of such section are amended by striking “Trafficking” and inserting “Traffic”.

SEC. 1208. MODIFICATION OF GLOBAL LIFT AND SUSTAIN TO SUPPORT PARTNERS AND ALLIES.

Subsection (b) of section 127d of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(3) Clause (ii) of paragraph (2)(B) does not apply in a case in which the Secretary determines that the provision of assistance is critical to the timely and effective participation of the allied forces in the combined operation.”.

SEC. 1209. REIMBURSEMENTS FOR CERTAIN COUNTERINSURGENCY, COUNTERTERRORISM AND STABILIZATION OPERATIONS CARRIED OUT BY PAKISTAN.

(a) Authority.—From funds made available for the Department of Defense for operation and maintenance,
the Secretary of Defense, with the concurrence of the Sec-
retary of State and in consultation with the Director of
the Office of Management and Budget, may provide reim-
bursements for counterinsurgency, counterterrorism, and
stabilization operations carried out by the Government of
Pakistan in its campaign against al-Qaeda, the Tehrik-
e-Taliban Pakistan, and associated militants.

(b) TYPES OF REIMBURSEMENTS.—Reimbursements
made under the authority in subsection (a) may be made,
in such amounts as the Secretary of Defense considers ap-
propriate, for logistical, military, and other expenditures
associated with the operations specified in subsection (a).

(c) LIMITATIONS.—

(1) PROHIBITION ON CONTRACTUAL OBLIGA-
tIONS TO MAKE PAYMENTS.—The Secretary of De-
fense may not enter into any contractual obligation
to make a reimbursement under the authority in
subsection (a).

(2) PROHIBITION ON REIMBURSEMENT OF
PAKISTAN FOR SUPPORT DURING PERIODS CLOSED
TO TRANSSHIPMENT.—The Secretary of Defense
may not provide a reimbursement under the author-
ity in subsection (a) for claims of support provided
during any period when the ground lines of supply
through Pakistan were closed to the transshipment
of equipment and supplies in support of United States military operations in Afghanistan.

(d) NOTICE TO CONGRESSIONAL COMMITTEES.—The Secretary of Defense shall notify the appropriate congressional committees not later than 15 days before making any reimbursement under the authority in subsection (a).

(e) TERMINATION.—The Secretary of Defense may not use the authority in subsection (a) to provide reimbursement for any costs that are incurred after September 30, 2018.

(f) LIMITATION ON REIMBURSEMENTS TO THE GOVERNMENT OF PAKISTAN UNDER SECTION 1233 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008.—No reimbursement may be provided to the Government of Pakistan under section 1233 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181, 122 Stat. 393), as most recently amended by section 1222 of the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291, 128 Stat. yyy), for any period during which this section is also in effect.

(g) DEFINITIONS.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee
on Appropriations of the House of Representatives;
and
(2) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

SEC. 1210. NATO SPECIAL OPERATIONS HEADQUARTERS.

Section 1244(a) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2541), as most recently amended by section 1272 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 2023), is further amended by striking “for each of fiscal years 2013, 2014, and 2015 pursuant to section 301” and inserting “for any fiscal year”.

SEC. 1211. AFGHANISTAN SECURITY FORCES FUND.

(a) CONTINUATION OF PRIOR AUTHORITIES AND NOTICE AND REPORTING REQUIREMENTS.—Funds available to the Department of Defense for the Afghanistan Security Forces Fund for fiscal year 2016 shall be subject to the conditions contained in subsections (b) through (g) of section 1513 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 428), as amended by section 1531(b) of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 124 Stat. 4424).

TITLE XIV—OTHER AUTHORIZATIONS

Subtitle A—Military Programs

SEC. 1401. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in the amount of $1,786,732,000.

SEC. 1402. JOINT URGENT OPERATIONAL NEEDS FUND.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the Joint Urgent Operational Needs Fund in the amount of $99,701,000.

SEC. 1403. CHEMICAL AGENTS AND MunITIONS DESTRUCTION, Defense.

(a) Authorization of Appropriations.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not oth-
erwise provided for, for Chemical Agents and Munitions Destruction, Defense, in the amount of $720,721,000, of which—

(1) $139,098,000 is for Operation and Maintenance;

(2) $579,342,000 is for Research, Development, Test, and Evaluation; and

(3) $2,281,000 is for Procurement.

(b) Use.—Amounts authorized to be appropriated under subsection (a) are authorized for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 1404. DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, in the amount of $850,598,000.
SEC. 1405. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, in the amount of $316,159,000, of which—

(1) $310,459,000 is for Operation and Maintenance;

(2) $4,700,000 is for Research, Development, Test and Evaluation; and

(3) $1,000,000 is for Procurement.

SEC. 1406. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise provided for, for the Defense Health Program, in the amount of $32,243,328,000, of which—

(1) $30,889,940,000 is for Operation and Maintenance;

(2) $980,101,000 is for Research, Development, Test, and Evaluation; and

(3) $373,287,000 is for Procurement.
Subtitle B—Other Matters

SEC. 1411. AUTHORITY FOR TRANSFER OF FUNDS TO JOINT DEPARTMENT OF DEFENSE–DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITY DEMONSTRATION FUND FOR CAPTAIN JAMES A. LOVELL HEALTH CARE CENTER, ILLINOIS.

(a) AUTHORITY FOR TRANSFER OF FUNDS.—Of the funds authorized to be appropriated for section 506 and available for the Defense Health Program for operation and maintenance, $120,387,000 may be transferred by the Secretary of Defense to the Joint Department of Defense–Department of Veterans Affairs Medical Facility Demonstration Fund established by subsection (a)(1) of section 1704 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2571). For purposes of subsection (a)(2) of such section 1704, any funds so transferred shall be treated as amounts authorized and appropriated specifically for the purpose of such a transfer.

(b) USE OF TRANSFERRED FUNDS.—For the purposes of subsection (b) of such section 1704, facility operations for which funds transferred under subsection (a) may be used are operations of the Captain James A. Lovell Federal Health Care Center, consisting of the North Chicago Veterans Affairs Medical Center, the Navy

SEC. 1412. AUTHORIZATION OF APPROPRIATIONS FOR ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2016 from the Armed Forces Retirement Home Trust Fund the sum of $64,300,000 for the operation of the Armed Forces Retirement Home.

TITLE XV—AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR OVERSEAS CONTINGENCY OPERATIONS

SEC. 1501. PURPOSE.

The purpose of this title is to authorize appropriations for the Department of Defense for fiscal year 2016 to provide additional funds for overseas contingency operations being carried out by the Armed Forces.

SEC. 1502. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Army in amounts as follows:

(1) For aircraft procurement, $164,987,000.
(2) For missile procurement, $37,260,000.

(3) For weapons and tracked combat vehicles, $26,030,000.

(4) For ammunition procurement, $192,040,000.

(5) For other procurement, $1,205,596,000.

SEC. 1503. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the Joint Improvised Explosive Device Defeat Fund in the amount of $493,271,000.

SEC. 1504. NAVY AND MARINE CORPS PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Navy and Marine Corps in amounts as follows:

(1) For aircraft procurement, Navy, $217,394,000.

(2) For weapons procurement, Navy, $3,344,000.

(3) For ammunition procurement, Navy and Marine Corps, $136,930,000.

(4) For other procurement, Navy, $12,186,000.

(5) For procurement, Marine Corps, $48,934,000.
SEC. 1505. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for the Air Force in amounts as follows:

1. For aircraft procurement, $128,900,000.
2. For missile procurement, $289,142,000.
3. For ammunition procurement, $228,874,000.
4. For other procurement, $3,859,964,000.

SEC. 1506. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the procurement account for Defense-wide activities in the amount of $212,418,000.

SEC. 1507. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Department of Defense for research, development, test, and evaluation as follows:

1. For the Army, $1,500,000.
2. For the Navy, $35,747,000.
3. For the Air Force, $17,100,000.
4. For Defense-wide activities, $137,087,000.

SEC. 1508. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Armed Forces for ex-
penses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $11,382,750,000.
(2) For the Navy, $5,131,588,000.
(3) For the Marine Corps, $952,534,000.
(4) For the Air Force, $9,090,013,000.
(5) For Defense-wide activities, $5,805,633,000.
(6) For the Army Reserve, $24,559,000.
(7) For the Navy Reserve, $31,643,000.
(8) For the Marine Corps Reserve, $3,455,000.
(9) For the Air Force Reserve, $58,106,000.
(10) For the Army National Guard, $60,845,000.
(11) For the Air National Guard, $19,900,000.
(12) For the Afghanistan Security Forces Fund, $3,762,257,000.
(13) For the Counterterrorism Partnerships Fund, $2,100,000,000.
(14) For the Iraq Train and Equip Fund, $715,000,000.
(15) For the Syria Train and Equip Fund, $600,000,000.
SEC. 1509. MILITARY PERSONNEL.

Funds are hereby authorized to be appropriated for fiscal year 2016 to the Department of Defense for military personnel accounts in the total amount of $3,204,758,000.

SEC. 1510. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for Defense Working Capital Funds in the amount of $88,850,000.

SEC. 1511. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise provided for, for the Defense Health Program in the amount of $272,704,000 for operation and maintenance.

SEC. 1512. DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide in the amount of $186,000,000.

SEC. 1513. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2016 for ex-
penses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense in the amount of $10,262,000.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

TITLE XXVIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

SEC. 2801. CHANGE IN AUTHORITIES RELATING TO SCOPE OF WORK VARIATIONS FOR MILITARY CONSTRUCTION PROJECTS.

(a) Limited Authority for Scope of Work Increase.—Section 2853 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking “The scope of work” and inserting “Except as provided in subsection (d), the scope of work”;

(2) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(3) by inserting after subsection (e) the following new subsection (d):

“(d) The limitation in subsection (b)(2) on an increase in the scope of work does not apply if—
“(1) the increase in the scope of work is not more than 10 percent of the amount specified for that project, construction, improvement, or acquisition in the justification data provided to Congress as part of the request for authorization of the project, construction, improvement, or acquisition;

“(2) the increase is approved by the Secretary concerned;

“(3) the Secretary concerned notifies the appropriate committees of Congress in writing of the increase in scope and the reasons therefor; and

“(4) a period of 21 days has elapsed after the date on which the notification is received by the committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.”.

(b) CROSS-REFERENCE AMENDMENTS.—

(1) Subsection (a) of such section is amended by striking “subsection (c) or (d)” and inserting “subsection (c), (d), or (e)”.

(2) Subsection (f) of such section, as redesignated by subsection (a)(2), is amended by striking “through (d)” and inserting “through (e)”.

(c) ADDITIONAL TECHNICAL AMENDMENTS.—
Conformity with General Title 10 Style.—Subsection (a) of such section is further amended by inserting “of this title” after “section 2805(a)”.  

Deletion of Surplus Word.—Subsection (c)(1)(A) of such section is amended by striking “be” after “Congress can”.  

SEC. 2802. ENHANCED AUTHORITY TO CARRY OUT EMERGENCY MILITARY CONSTRUCTION PROJECTS WHEN NECESSARY TO SUPPORT REQUIREMENTS OF COMBATANT COMMANDERS.  

Section 2803 of title 10, United States Code, is amended—  

(1) by redesignating paragraph (2) of subsection (c) as subsection (d); and  

(2) in subsection (c)—  

(A) by striking “The maximum amount” and inserting “Except as provided in paragraph (2), the maximum amount”; and  

(B) by adding at the end the following new paragraph (2):  

“(2) In applying the limitation under paragraph (1) for any fiscal year, the Secretary concerned may exclude any amount obligated by the Secretary under this section in that fiscal year for a military construction project that
is carried out to support the requirements of the com-
mander of a combatant command, except that the max-
imum amount that may be so excluded by the Secretary 
concerned in any fiscal year is $25,000,000.”.

SEC. 2803. ANNUAL LOCALITY ADJUSTMENT OF DOLLAR 
THRESHOLDS APPLICABLE TO UNSPECIFIED 
MINOR MILITARY CONSTRUCTION AUTHO-
RITIES.

Section 2805 of title 10, United States Code, is 
amended by adding at the end the following new sub-
section:

“(f) ADJUSTMENT OF DOLLAR LIMITATIONS FOR LO-
CATION.—Each fiscal year, the Secretary concerned shall 
adjust the dollar limitations specified in this section appli-
cable to an unspecified minor military construction project 
to reflect the area construction cost index for military con-
struction projects published by the Department of Defense 
during the prior fiscal year for the location of the 
project.”.

○