SEC. 1210. EXTENSION AND EXPANSION OF AUTHORITY TO ACQUIRE PRODUCTS AND SERVICES PRODUCED IN COUNTRIES ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN.

(a) EXTENSION OF TERMINATION DATE.—Subsection (f) of section 801 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399) is amended by striking "on or after the date occurring three years after the date of the enactment of this Act" and inserting "after December 31, 2014".

(b) EXPANSION OF AUTHORITY TO COVER FORCES OF THE UNITED STATES AND COALITION FORCES.—Subsection (b)(1)(C) of such section is amended by inserting ", the United States, or coalition forces" before the semicolon at the end.

(c) REPEAL OF EXPIRED REPORT REQUIREMENT.—Subsection (g) of such section is repealed.

(d) CLERICAL AMENDMENT.—The heading of such section is amended by striking "**; REPORT**".

Section-by-Section Analysis

This proposal would make three amendments to section 801 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399), relating to authority to acquire products and services produced in countries along a major route of supply to Afghanistan. The first amendment would extend by two years the termination of authority on a fixed date, which is in addition to the limitation on the availability of the authority under that section to acquisitions "in support of military or stability operations in Afghanistan." This change is necessitated by operational developments in establishment and continued use of the Northern Distribution Network (NDN). The second amendment would extend the authority under section 801 to acquisition of products or services to be used by United States and coalition forces in Afghanistan. The third amendment would repeal an expired reporting requirement.

The intent behind extending the termination of authority on a fixed date is so that authority should remain available as needed for acquisitions in support of military or stability operations in Afghanistan. In Chennai, India, on July 20, 2011, Secretary of State Clinton delivered the following message: "I want to be very clear. The United States is committed to

Afghanistan and to the region. We and the Afghans are making progress on a new strategic partnership declaration that will define our relationship after 2014. And through that partnership, we will continue to assist the Afghan army and police and the Afghan Government. And we will do everything we can to help the Afghan people rebuild after decades of war. At the same time, we are pursuing an active diplomatic effort with all the countries in the region toward two goals: First, a responsible political solution in Afghanistan and second, stronger economic ties through South and Central Asia so that goods, capital, and people can flow more easily across borders.".

This proposal supports requirements of both United States Central Command (USCENTCOM) and the Defense Logistics Agency (DLA).

Extension and expansion of section 801 authority of the NDAA FY 2010 is important to protect U.S. national security interests for Afghan operations. To support our efforts in Iraq and Afghanistan, the United States and our coalition partners depend on the free flow of regular, reliable, large-scale shipments of goods and supplies through Iraq and Afghanistan's regional neighbors. This is particularly true in Afghanistan, a land-locked country in which U.S. or coalition forces presence will likely remain high.

Most U.S. supplies currently enter Afghanistan from the south through Pakistan. As noted above, helping to stabilize countries along a major route of supply to Afghanistan through economic and security assistance is a U.S. national security priority. Purchasing goods and services in the region in support of operations in Afghanistan would further that objective by providing economic opportunity and putting concrete action behind the stated U.S. commitment to building more stable, secure, and prosperous countries in the region. Moreover, local purchases from the region will decrease overall transportation costs and risks.

Due to the increased instability in Pakistan, there is a growing need for the United States to expand and diversify its supply lines, especially for United States Transportation Command (USTRANSCOM) and USCENTCOM in the air, sea, and land.

Furthermore, this authority is aligned with U.S. procurement and acquisition policy supporting critical efforts to bolster stability in the region, expanding the NDN, resupplying U.S. forces in Afghanistan, and building partnerships and improving stability throughout the region. By procuring goods locally, the U.S. will incentivize those governments along the route along with their populations to support our efforts. Further, the U.S. will demonstrate in a concrete way that we value the support of these countries, and that we aim to develop with them lasting partnerships tied to the international effort to stabilize Afghanistan.

Budget Implications: This proposal would not increase costs to the Government to repeal the fixed termination date of section 801 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399) and to expand the authority to acquisition of products and services to be used by U.S. and coalition forces in Afghanistan. Increasing the local procurement of goods locally will decrease overall U.S. transportation costs and risks. Shipping goods from Europe or the United States to Afghanistan is very costly, requires multiple modes of transportation, and relies on uninterrupted throughput in a number of diverse facilities (ports, rails, roads, and air) in many different countries, while dealing with numerous customs services.

By reducing the distance, complexity, risk, and cost involved in resupplying forces in Afghanistan, the United States will gain a strategic advantage in that effort.

Changes to Existing Law: This proposal would make the following changes to section 801 of the National Defense Authorization Act for FY 2010 (P.L. 111-84):

SEC. 801. TEMPORARY AUTHORITY TO ACQUIRE PRODUCTS AND SERVICES PRODUCED IN COUNTRIES ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN~~; REPORT~~.

(a) IN GENERAL.—In the case of a product or service to be acquired in support of military or stability operations in Afghanistan for which the Secretary of Defense makes a determination described in subsection (b), the Secretary may conduct a procurement in which—

(1) competition is limited to products or services that are from one or more countries along a major route of supply to Afghanistan; or

(2) a preference is provided for products or services that are from one or more countries along a major route of supply to Afghanistan.

(b) DETERMINATION.—A determination described in this subsection is a determination by the Secretary that —

(1) the product or service concerned is to be used—

(A) in the country that is the source of the product or service;

(B) in the course of efforts by the United States and the NATO International Security Assistance Force to ship goods to Afghanistan in support of military or stability operations in Afghanistan; or

(C) by the military forces, police, or other security personnel of Afghanistan<u>, the United States, or coalition forces</u>;

(2) it is in the national security interest of the United States to limit competition or provide a preference as described in subsection (a) because such limitation or preference is necessary—

(A) to reduce overall United States transportation costs and risks in shipping goods in support of military or stability operations in Afghanistan;

(B) to encourage countries along a major route of supply to Afghanistan to cooperate in expanding supply routes through their territory in support of military or stability operations in Afghanistan; or

(C) to help develop more robust and enduring routes of supply to Afghanistan; and

(3) limiting competition or providing a preference as described in subsection (a) will not adversely affect—

(A) military or stability operations in Afghanistan; or

(B) the United States industrial base.

(c) PRODUCTS AND SERVICES FROM A COUNTRY ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN.—For the purposes of this section:

(1) A product is from a country along a major route of supply to Afghanistan if it is mined, produced, or manufactured in a covered country.

(2) A service is from a country along a major route of supply to Afghanistan if it is performed in a covered country by citizens or permanent resident aliens of a covered country.

(d) COVERED COUNTRY DEFINED.—In this section, the term ‘‘covered country’’ means Georgia, Kyrgyzstan, Pakistan, Armenia, Azerbaijan, Kazakhstan, Tajikistan, Uzbekistan, or Turkmenistan.

(e) CONSTRUCTION WITH OTHER AUTHORITY.—The authority provided in subsection (a) is in addition to the authority set forth in section 886 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 266; 10 U.S.C. 2302 note).

(f) TERMINATION OF AUTHORITY.—The Secretary of Defense may not exercise the authority provided in subsection (a)~~ on or after the date occurring three years after the date of the enactment of this Act~~ after December 31, 2014.

~~(g) REPORT ON AUTHORITY.—Not later than April 1, 2010, the Secretary of Defense shall submit to the congressional defense committees a report on the use of the authority provided in subsection (a). The report shall address, at a minimum, the following:~~

~~(1) The number of determinations made by the Secretary pursuant to subsection (b).~~

~~(2) A d description of the products and services acquired using the authority.~~

~~(3) The extent to which the use of the authority has met the objectives of subparagraph (A), (B), or (C) of subsection (b)(2).~~

~~(4) A list of the countries providing products or services as a result of a determination made pursuant to subsection (b).~~

~~(5) Any recommended modification to the authority.~~