Section-by-Section Analysis

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sections 101 through 106 would authorize appropriations for fiscal year 2013 for the procurement accounts of the Department of Defense in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 103(b) would authorize advance appropriations, in the total amount of $4,426,700,000, to fully fund Advanced Extremely High Frequency communications satellites five and six and Space Based Infrared System missile warning satellites five and six for fiscal years 2014 through 2018.

Subtitle B—Specific Programs

Section 111 will give the Secretary of the Army multiyear procurement authority (MYP) to contract for the production of CH-47F helicopters during Fiscal Year (FY) 2013 through FY2017 program years. The current MYP (FY2008-2012) is producing cost savings and facilitating industry stability. The Department of Defense expects the follow-on MYP under this legislative proposal to yield significant cost savings benefits.

The current MYP for CH-47F helicopters (FY2008-2012) resulted in cost savings of approximately 10.76 percent. Budget estimates and associated funding levels for the CH-47F program for FY2013 and beyond are all predicated on MYP authorization. Without an extension of MYP authority under this proposal, budget estimates and associated funding levels will be insufficient to support planned procurements of CH-47F helicopters. The Army would have to significantly reduce the quantity of CH-47F helicopters procured in future years as we would not benefit from the anticipated cost savings of at least 10.13 percent that should result from this MYP authority.

The CH-47F is a core aviation program and is approved through the current Future Year Defense Program (FYDP). The minimum need for the CH-47F is not expected to decrease during the contemplated contract period.

Additionally, an extension of MYP authority under this proposal will result in stabilization of the workforce and reduced administrative burden for both the Government and contractor resulting in greater efficiency in acquisition operations.

Budgetary Implications: Budget estimates and associated funding levels for the CH-47F program for FY2013 and beyond are predicated on MYP authorization. Current budget estimates and associated funding levels are insufficient to support anything other than the planned MYP of CH-47F helicopters without significant reduction in quantity each year.

	Annual Contracts	MYP Alternative
Total Contract Price	$3,681.0 M	$3,308.0 M
$ Cost Savings over Annual		$373.0 M
% Cost Savings over Annual		10.13%

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	717.0	622.0	647.0	857.0	465.0	2031 APA	01	C15172
Total	717.0	622.0	647.0	857.0	465.0	2031 APA	01	C15172

Changes to Existing Law: Section 111 would make no changes to existing law.

Section 112 would allow the Secretary of the Navy to enter into multiyear contracts for nine Arleigh Burke (DDG 51) Class guided missile destroyers and for the AEGIS Weapon Systems, MK 41 Vertical Launching Systems, and the Commercial Broadband Satellite Systems associated with such vessels that are funded by the Department of the Navy (DON) beginning in fiscal year (FY) 2013, with advance procurement also beginning in FY 2013. The DDG 51 program has had multiyear procurement (MYP) authority for vessels procured from FY 1998 through FY 2005, realizing in excess of one billion dollars in cost avoidances across 24 ships and two separate MYP contract awards. It is expected that the follow-on MYPs starting in FY 2013 would yield similar benefits.

This proposal would provide the following benefits: (1) generate cost avoidances compared to the annual procurement cost estimates; (2) provide stable production of ballistic-missile-defense-capable surface combatants; (3) provide a long-term commitment to the shipbuilding industrial base that stabilizes shipyard employment levels; (4) provide an incentive for industry capital investment for productivity improvements that benefit several Navy shipbuilding programs; and (5) reduce disruptions in vendor delivery schedules.

Budgetary Implications: The cost savings associated with the FY 2013 - FY 2017 MYPs are projected at $1,538 million versus annual procurements for the same five-year period. MYP savings are identified as follows:

Multiyear Procurement Summary: Arleigh Burke (DDG 51) Class Guided Missile Destroyers ($Millions)		
	Annual Contracts	MYP Alternative
Quantity	9	9
Total Contract Price	$17,727	$16,189
$ Cost Avoidance Over Annual Budget		$1,538*
% of Cost Avoidance Over Annual Budget		8.7%

** The Arleigh Burke Class Guided Missile Destroyers program is budgeted to support a follow-on MYP strategy and not annual contracting. If the MYP is not approved, the $1,538 million in cost avoidance will need to be added to program funding levels to ensure that annual contracts*

are executable.

MYP Resource Requirements ($Millions) (Navy only)						
SCN-BA 2	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Total Appropriation**
QTY	2	1	2	2	2	9
Total	3,516	2,014	3,002	3,508	4,048	16,088
Full Funding P-1 #9	3,049	1,624	2,887	3,508	4,048	15,116
Advance Procurement P-1 #10	467	389	115			971

The following MYP savings are subsets of the total ship MYP savings of $1,538 million.

Multiyear Procurement Summary: AEGIS Weapon Systems ($Millions)		
	Annual Contracts	MYP Alternative
Quantity	6	6
Total Contract Price	$939	$834
$ Cost Avoidance Over Annual Budget		$105*
% of Cost Avoidance Over Annual Budget		11.2%

* The AEGIS Weapon Systems program is budgeted to support a follow-on MYP strategy and not annual contracting. If the MYP is not approved, the $105 million in cost avoidance will need to be added to program funding levels to ensure that annual contracts are executable.

Multiyear Procurement Summary: MK 41 Vertical Launching Systems ($Millions)		
	Annual Contracts	MYP Alternative
Quantity	9	9
Total Contract Price	$367.0	$333.6
$ Cost Avoidance Over Annual Budget		$33.4*
% of Cost Avoidance Over Annual Budget		9.1%

* The MK 41 Vertical Launching Systems program is budgeted to support a follow-on MYP strategy and not annual contracting. If the MYP is not approved, the $33.4 million in cost avoidance will need to be added to program funding levels to ensure that annual contracts are executable.

Multiyear Procurement Summary: Commercial Broadband Satellite Systems ($Millions)		
	Annual Contracts	MYP Alternative
Quantity	9	9
Total Contract Price	$19.1	$6.2
$ Cost Avoidance Over Annual Budget		$12.9*
% of Cost Avoidance Over Annual Budget		67.5%

* The Commercial Broadband Satellite Systems program is budgeted to support a follow-on MYP strategy and not annual contracting. If the MYP is not approved, the $12.9 million in cost avoidance will need to be added to program funding levels to ensure that annual contracts are

executable.

Changes to Existing Law: Section 112 would make no changes to the text of existing law.

Section 113 would allow the Secretary of the Navy to enter into a follow-on multiyear contract for V-22 aircraft for the Fiscal Year (FY) 2013 through 2017 program years for the Department of the Navy, Department of the Air Force, and the United States Special Operations Command (SOCOM). The current Multiyear Procurement (MYP) (FY 2008-2012) is producing substantial savings and facilitating industry stability. The Department of Defense expects the follow-on MYP to yield similar substantial savings and industrial base benefits.

The V-22 Joint Aircraft program is one of the core aviation programs and is approved through the current Five Year Defense Program (FYDP). The Navy, Air Force, and United States SOCOM requirement for V-22 aircraft is well documented in the Capability Production Document (CPD) of September 2010.

Budget Implications: The proposed follow-on Multiyear Procurement (MYP-2) is anticipated to result in substantial savings of approximately 11.6 percent. Budget estimates and associated funding levels for V-22 aircraft (Navy MV-22 and Air Force/SOCOM CV-22) for FY 2013 and beyond are predicated on MYP-2 authorization. Without the savings associated with a MYP-2, current budget estimates and associated funding levels will be insufficient to support the planned procurement of V-22 aircraft, as the savings were realigned to other programs.

The FY 2013-2017 MYP-2 estimates are based on a proposal supplied by Bell-Boeing Joint Project Office (V-22 prime contractor) in summer 2011, and subsequent evaluation (to date) by the Navy. Calculations by the Government's V-22 Program Office, and reflected in the table below, show the savings are anticipated to be approximately 11.6 percent, which equates to $852.4 million. Note that the Secretary of Defense Office of Cost Assessment and Program Evaluation (CAPE) is in the process of conducting an independent assessment of MYP-2 that will support certification efforts; this assessment could change the comparisons displayed here.

Multiyear Procurement Summary:

($Millions)

	Annual Contracts	MYP Alternative
Quantity	98	98
Total Contract Price	$7,352.8	$6,500.4
$ Savings compared to Annual Contracts		$852.4*
% of Savings compared to Annual Contracts		11.6%

* V-22 aircraft programs (Navy MV-22 and Air Force / SOCOM CV-22) are budgeted to support a follow-on MYP strategy and not annual contracting. If MYP-2 is not approved, the $852.4 million in savings will need to be added to program funding levels to ensure the annual contracts are executable at planned quantities, or quantities reduced.

	2012	2013	2014	2015	2016	2017	Total
Quantity	-	21	21	19	19	18	98
Annual Contracts	$ 81.9	$ 1,514.1	$ 1,545.1	$ 1,426.7	$ 1,441.8	$ 1,343.2	$ 7,352.8
MYP	$ 131.9	$ 1,476.0	$ 1,360.5	$ 1,200.6	$ 1,213.1	$ 1,118.2	$ 6,500.4
$ Savings	$ (50.0)	$ 38.1	$ 184.6	$ 226.1	$ 228.7	$ 225.0	$ 852.4
% of Savings							11.6

Changes to Existing Law: Section 113 would make no changes to existing law.

Section 114 would authorize the nuclear refueling and complex overhaul (RCOH) of USS ABRAHAM LINCOLN (CVN 72). An RCOH is a planned, mid-service-life, refueling and major overhaul of a NIMITZ Class aircraft carrier that is necessary in order for the carrier to meet its fifty-year service life. The USS ABRAHAM LINCOLN was commissioned in 1989 and is expected to continue in service until 2039. The RCOH of the USS ABRAHAM LINCOLN is required for the Navy to comply with the minimum force structure of eleven aircraft carriers, mandated by 10 U.S.C. § 5062(b). Delaying the start of this RCOH past fiscal year (FY) 2013 is not possible due to drydock constraints at Newport News Shipbuilding, the only shipyard capable of carrying out an aircraft-carrier RCOH. The drydock in which RCOHs are carried out is also required for CVN 65 inactivation. Failure to start the CVN 72 RCOH as scheduled would delay the performance of follow-on RCOHs, as well as the inactivation of CVN 65. Such delays could adversely affect the Navy's ability to comply with the legislatively-mandated minimum force structure.

Budget Implications: The Department of the Navy has requested incremental funding for the CVN 72 RCOH, like all previous RCOHs, in order to minimize impacts to the Shipbuilding and Conversion accounts. The first increment, which would be authorized in the proposed legislation, would be $1,613,392,000. The second increment, in fiscal year 2014, is estimated to be $1,748,405,000. The total estimated cost for the CVN 72 RCOH, including prior-year advance procurement, is $4,515,716,000.

RESOURCE REQUIREMENTS ($MILLIONS)						
	FY 2013	**FY 2014**	**TOTAL**	**Appropriation From**	**BA**	**Dash-1 Line Item**
Total	$1,613.4	$1,748.4	$3,361.8	SCN	02	0005

Changes to Existing Law: Section 114 would not change existing law.

Section 115 would allow the Secretary of the Navy to enter into a follow-on multiyear contract for VIRGINIA class submarines and government-furnished equipment beginning in fiscal year (FY) 2014, with Advance Procurement (AP) beginning in FY 2012. The multiyear procurement (MYP) for five of the six Block II ships (FY 2003-2008) and the current MYP for the eight Block III ships (FY 2009-2013) are producing significant cost savings and facilitating industry stability. The Department of Defense expects the follow-on MYP to yield similar benefits.

This section would provide the following benefits: (1) generate significant savings compared to the annual procurement cost estimates; (2) provide a long-term commitment to the shipbuilder stabilizing employment and the industrial base; (3) reduce disruptions in vendor delivery schedules; and, (4) improve procurement stability.

The section would permit the use of advance procurement and economic order quantity (EOQ) procurement to reduce the cost of subcontractor effort, material, and components. AP/EOQ funds also allow the program to ensure that material is available to support a shortened construction span resulting in earlier ship delivery. Additionally there are savings from large lot vendor procurement of shipbuilder material and major equipment, and improved procurement stability.

The Department of the Navy's (DON) contracting strategy and budget for the FY 2014-2018 ships assumes that Congress will provide the authority to enter into a MYP contract for those ships in FY2013. Due to the complexity of shipbuilding contracts, much of the proposal development, as well as the negotiations between the DON and the shipbuilders, will take place in FY 2013. DON would be in a stronger negotiating position if the agency could enter into those efforts having already received MYP authority from Congress, helping to achieve maximum savings.

If the DON does not receive MYP authority until FY 2014, the agency will have to develop a contingency plan to contract for the FY 2014 ship under a stand-alone contract. If Congress were to authorize a MYP in FY 2014, the DON would plan to contract on a multiyear basis for the remaining ships in the block (FY 2015-2018). If Congress did not grant MYP authority for the FY 2014-2018 ships, the DON would contract for each fiscal year's requirements under a stand-alone contract and would not realize the cost savings that it can obtain using MYP authority.

Budget Implications: The previous two MYP contracts, Block II (FY 2003-2008) and Block III (FY 2009-2013), achieved savings of greater than 10% as compared to annual procurements. Block IV, the third MYP (FY 2014-2018) is expected to generate 14% in savings as compared to annual procurements. This represents total estimated savings of $4.1 billion (13%) for shipbuilding, plus $400 million (1%) for the government-furnished electronics equipment – or an average of $499 million per ship.

Budget estimates for VIRGINIA class submarines for FY 2013 advance procurement, and for submarine construction in FY 2014 and beyond, are predicated on MYP authorization. Without the cost savings associated with a MYP, current budget estimates would be insufficient to support the planned procurement of VIRGINIA class submarines.

The DON's calculations show that the total average savings per submarine for a MYP are $454 million, plus $44 million for the government-furnished equipment. The DON has high confidence that this is the best and most cost-effective contracting approach, in light of actual costs under the Block II and Block III contracts.

MYP RESOURCE REQUIREMENTS ($MILLIONS) (Navy only)									
SCN	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**Appropriation From**	**BA**	**Dash-1 Line Item**
QTY		1	2	2	2	2			
Total	874.9	4,606.7	6,282.3	5,726.7	4,311.5	3,818.8	SCN	02	
Full Funding		2,138.6	3,838.1	3,659.4	3,611.4	3,818.8	SCN	02	0003
Advanced Procurement /EOQ	874.9	2,468.1	2,444.2	2,067.3	700.1		SCN	02	0004

* Without FY13 MYP authorization, DON would have to enter into a single ship procurement contract and then, if MYP is authorized at a later date, renegotiate the MYP contract upon authorization. This strategy would put DON in a weaker negotiation position and would require the duplicative effort of pricing and negotiating both a Block Buy contract and an MYP contract, forcing industry to assume greater risk and raise prices. This occurred in Block II, where a delay in MYP authority required the FY03 ship to be procured outside the MYP contract, resulting in higher program costs and a delay in contract execution.

**The FY 2012 funding represents AP budgeted in FY 2012 in support of the FY 2014 ship procurement.

Changes to Existing Law: Section 115 would make no change to existing law.

Section 116 would extend the multiyear procurement authority enacted in section 128 of the Fiscal Year 2010 National Defense Authorization Act (Public Law 111-84; 123 Stat. 2217) as amended by Public Law 111-238 (124 Stat. 2500) to a fifth year for multiyear procurement of F/A-18E, F/A-18F, and EA-18G aircraft. This proposal would supplement the current legislation and would add a new subsection (f) to the existing legislation. While there was no timeframe provided on the Fiscal Year (FY) 2010 Authorization, the Multiyear Certification provided by the Department of the Navy (DON) in May 2010 outlined a multiyear procurement for FY10-FY13. Subsequent to that submission, the President's Budget request for FY12 included procurement quantities in FY14 that the Department would like to include within the Multiyear procurement.

Extending the authority for this multiyear procurement affords additional security for execution of the planned procurement of FY14 aircraft quantities. Due to the forecasted shortfall of strike fighter aircraft within the Department of the Navy, procuring these critical aircraft at the lowest cost and lowest risk is a high priority. The initial four-year multiyear procurement saved more than $600 million for 124 aircraft. These additional aircraft were added by the Secretary of Defense during FY12 to mitigate impacts posed by the delay of the F-35B/C aircraft into the Department of the Navy's inventory.

Budget Implications: This proposal would ensure that FY14 quantities are included in the existing multiyear contract. The FY14 funding in the DON's budget request assumes the fifth year is approved.

Multiyear Procurement Summary: The multiyear procurement has already been awarded and therefore there is not a requirement for new multiyear exhibits. The legislative proposal merely adds a fifth year to the existing multiyear contract.

Changes to Existing Law: Section 116 would make the following change to section 128 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84):

SEC. 128. CONDITIONAL MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18E, F/A–18F, OR EA–18G AIRCRAFT.

(a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—

(1) IN GENERAL.—Subject to section 2306b of title 10, United States Code, the Secretary of the Navy may enter into a multiyear contract for the procurement of F/A–18E, F/A–18F, or EA–18G aircraft.

(2) SUBMISSION OF WRITTEN CERTIFICATION BY SECRETARY OF DEFENSE.—For purposes of paragraph (1), the term ''March 1 of the year in which the Secretary requests legislative authority to enter into such contract'' in section 2306b(i)(1) of such title shall be deemed to be a reference to September 1, 2010.

(b) CONTRACT REQUIREMENT.—A multiyear contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose.

(c) REPORT OF FINDINGS.—In addition to any reports or certifications required by section 2306b of title 10, United States Code, not later than March 1, 2010, the Secretary of Defense shall submit to the congressional defense committees a report on how the findings and conclusions of the quadrennial defense review under section 118 of such title and the 30-year aviation plan under section 231a of such title have informed the acquisition strategy of the Secretary with regard to the F/A–18E, F/A–18F, and EA–18G aircraft programs of record.

(d) SUNSET.—

(1) TERMINATION DATE.—Except as provided in paragraph (2), the authority to enter into a multiyear contract under subsection (a) shall terminate on May 1, 2010.

(2) EXTENSION.—The Secretary of the Navy may enter into a multiyear contract under subsection (a) until September 30, 2010, if the Secretary notifies the congressional defense committees in writing—

(A) that the administrative processes or other contracting activities necessary for executing this authority cannot be completed before May 1, 2010; and

(B) of the date, on or before September 30, 2010, on which the Secretary plans to enter into such multiyear contract.

(e) REQUIRED AUTHORITY.—Notwithstanding any other provision of law, with respect to a multiyear contract entered into under subsection (a), this section shall be deemed to meet the requirements under subsection (i)(3) and (l)(3) of section 2306b of title 10, united States Code.

(f) EXTENSION OF MULTIYEAR AUTHORITY—With respect to a multiyear contract entered into under subsection (a), the Secretary of the Navy may, notwithstanding any provision of section 2306b of title 10, United States Code, to the contrary, modify such contract to add a fifth production year to the contract.

Section 117: Aegis Ashore is a component of the European Missile Defense designed to protect U.S. deployed forces, their families, and U.S. Allies in Europe against the Iranian ballistic missile threat. This section would ensure that MDA fields the Aegis Ashore unit designated HN-1 by December 2015 in order to keep pace with the developing threat and in accordance with the White House fact sheet on U.S. Missile Defense Policy, "A *Phased, Adaptive Approach* for Missile Defense in Europe," dated 17 September 2009.

It is anticipated that under the current budgets, MDA will be unable to obtain AWS equipment with BMD capability for deployment to HN-1 by December 2015; however the mission has not changed. In order to maintain schedule, AWS equipment with BMD capability for HN-1 would have to be delivered to MDA in February 2013 for system integration and testing prior to shipment to the host nation. MDA is requesting RDT&E funds in its FY 2012 and FY 2013 budgets for the HN-1; however, equipment production lead time will not support delivery of an AWS with BMD capability in 2013.

The Navy procures AWSs for DDG-51 Class Destroyers and also procures Aegis Ashore BMD equipment on behalf of MDA as part of its AWS production contract in order to achieve economies of scale. The Navy has determined that there is AWS equipment with BMD capability available to meet the HN-1 February 2013 delivery date, but that equipment is being procured for the DDG-114 Destroyer using FY 2010 SCN Advanced Procurement (AP) and FY 2011 SCN funds appropriated for the DDG-51 Destroyer Program. The DDG-114 AWS equipment with BMD capability would meet the HN-1 mission schedule since it will be at a stage in production that will allow it to be delivered to MDA by January 31, 2013.

If this section is enacted, the Navy would deliver the AWS equipment with BMD capability currently being procured for the DDG-114 Destroyer to MDA for deployment to HN-1. The Navy has determined that the AWS equipment with BMD capability currently being procured for the DDG-115 Destroyer could be produced in time to meet the DDG-114 delivery schedule. That equipment is being procured using FY 2010 SCN AP and FY 2011 SCN funds appropriated for the DDG-51 Destroyer Program. Accordingly, the Navy could install the equipment being procured for the DDG-115 Destroyer on the DDG-114 Destroyer instead to meet the delivery schedule of the DDG-114 Destroyer. (The Navy does not need additional statutory authority to install the DDG-115 AWS equipment aboard the DDG-114 Destroyer because both ships were provided for in the same line-item appropriations, FY 2010 SCN AP and FY 2011 SCN.) However, to meet the delivery schedule of the DDG-115 Destroyer, the proposal also would permit the Navy to install the DDG-116 AWS equipment on the DDG-115 Destroyer. That equipment is being procured using FY 2012 SCN funds appropriated for the DDG-116 Destroyer.

Finally, if the section is enacted, the Navy would install the DDG-116 AWS equipment on the DDG-115 Destroyer, and the Navy would still need AWS equipment with BMD

capability for the DDG-116 Destroyer. The Navy and MDA have determined that the AWS equipment for HN-1 that MDA expects to fund under the Navy's contract using the "RDT&E, DW" appropriation for FY 2012 and FY 2013 could be ordered, delivered, and installed in time to meet the DDG-116 AWS delivery schedule. Accordingly, the proposal requests Congress to require MDA to transfer that RDT&E, DW-funded equipment to the Navy for the DDG-116 Destroyer in order to meet its delivery schedule. The proposal further provides that the Navy shall fund construction and outfitting of the DDG-116 Destroyer in the same manner as it would fund such efforts if the equipment were SCN-funded. This provision is intended to clarify that the installation of RDT&E, DW-funded equipment aboard the DDG-116 Destroyer should not impact the ordinary obligation and expenditure of SCN funds with respect to the completion and outfitting of the ship.

If the proposal for acquiring AWS equipment with BMD capability for DDG-51 Destroyer and the Aegis Ashore programs is enacted, then the three ships and the Aegis Ashore installation would all be completed on time to meet mission schedules. This proposal would allow the Navy to modify its existing AWS production contracts to that end. It is anticipated that the contract modifications that would result from this proposal would be executed in the first or second quarter of FY 2013.

Budgetary Implications:*

		RESOURCE REQUIREMENTS ($MILLIONS)					
	FY 2010	**FY 2011**	**FY 2012**	**FY 2013**	**Appropriation**	**Budget Activity**	**Dash-1 Line Item**
AP	75.3				SCN	2	10
		60.4	168.8		SCN	2	9
			104.0	64.8	RDT&E,DW	4	111

* This proposal requires no additional funding other than funding that is already expected. The amounts in this table represent the amounts associated with the various assets affected by this proposal. None of the amounts on this table will move between accounts as a result of this proposal.

Changes to Existing Law: Section 117 would make no changes to the text of existing law.

Section 118 would reduce the number of aircraft the Secretary of the Air Force is required to maintain in the strategic airlift aircraft inventory from 301 aircraft to 275 aircraft. It would also correspondingly change the certification requirement in section 137 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010.

In 2008, the Secretary of Defense directed the United States Transportation Command and Office of the Secretary of Defense, Capability Assessment and Program Evaluation to conduct a mobility study identifying the capabilities and requirements needed to support the

National Military Strategy (NMS). The resulting study, Mobility Capabilities and Requirements Study 2016 (MCRS-16), used the 2009 President's Budget (PB) force structure, updated with pertinent 2010 PB changes, to evaluate the Department of Defense's ability to fulfill NMS mobility needs for the year 2016. Based on this force structure, MCRS-16 assessed the mobility system's performance by examining how force closures, *i.e.*, the ability to transport people and materiel to combat, support the achievement of U.S. campaign objectives. MCRS-16 analysis identified an excess capacity in the Air Force's strategic airlift aircraft inventory.

In conjunction with MCRS-16 findings, the Air Force planned retirement of 32 C-5As in the FY 2011 and FY 2012 budget submissions, reducing the strategic airlift fleet to 301 aircraft. However, subsequent release of the Quadrennial Defense Review 2010 and initial results from the DoD Comprehensive Review provided updated strategic guidance requiring reduced force prescriptions. The new strategy aligned most closely with a different MCRS-16 case than was previously used, permitting associated reductions in force structure across the Department of Defense which resulted in further reductions to strategic airlift requirements. As such, the Air Force again found itself retaining excess strategic airlift capacity and responded by planning retirement of the remaining 27 C-5As in the FY 2013 budget submission. Accordingly, the plan requires relief from the statutory minimum of 301 total strategic airlift aircraft, thus the request for reduction of the requirement to 275 aircraft. Without this legislative action, the Air Force will only be able to retire one of the 27 C-5As.

The current FY12 NDAA language limits flexibility of the Air Force to manage force structure appropriately to meet updated requirements prescribed in the most recent defense guidance. Without relief from the 301 strategic airlift aircraft inventory floor, the Air Force may be forced to carry excess strategic airlift capacity above and beyond requirements and at the expense of other programs vital to national defense.

Section 137(d)(3) prevents the Secretary of the Air Force from retiring a C-5 aircraft until the Secretary certifies that the retirement of such aircraft will not increase the operational risk of meeting the National Defense Strategy and that the retirement of such aircraft will not reduce the total strategic airlift force structure below 301 strategic airlift aircraft. Thus, this legislative proposal likewise would amend section 137(d)(3) to eliminate the certification requirement as it pertains to the number of aircraft above 275.

Budget Implications: If restricted from executing the final 26 of 27 programmed C-5A retirements, the Air Force would face unbudgeted costs in the form of programmed depot maintenance (PDM) and engine overhaul maintenance to keep the aircraft flyable (see table below). PDM costs are based on projected depot inputs. The Air Force will conduct an engineering assessment to further refine the minimum levels of maintenance needed to sustain the aircraft in serviceable, flyable condition. The Air Force will also be required to reprogram $500M in unbudgeted flying hours across the FYDP for the Air National Guard and Air Force Reserve Command. Additionally, a minimum of $397M across the FYDP will be required to modernize the remaining 26 C-5As, excluding any modification costs if the Reliability Enhancement and Re-engining Program were reconsidered for these aircraft. The flying hour and aircraft modernization funds are not reflected in the table below.

Preliminary Annual Maintenance (MX) Requirements ($M) (PDM, Engine Overhaul, & Unit Level)								
APPN	**BA**	**Line Item**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FYDP**
3840 O&M	01	01-011M	22.0	30.2	89.7	71.2	130.5	**343.6**
3740 O&M	01	1F-011M	48.4	80.8	46.4	104.1	142.3	**422.0**
Total MX Cost Avoidance:			**70.4**	**111.0**	**136.1**	**175.3**	**272.8**	**765.6**

Changes to Existing Law: Section 118 would amend subsection (g) of section 8062 of title 10, United States Code, and section 137 of the National Defense Authorization Act for FY 2010 as follows:

TITLE 10, UNITED STATE CODE

§ 8062. Policy; composition; aircraft authorization

(a) ***

* * * * * * *

(g)(1) ~~Effective October 1, 2011, the~~ The Secretary of the Air Force shall maintain a total aircraft inventory of strategic airlift aircraft of not less than ~~301aircraft~~ 275 aircraft.

(2) In this subsection:

(A) The term "strategic airlift aircraft" means an aircraft—

(i) that has a cargo capacity of at least 150,000 pounds; and

(ii) that is capable of transporting outsized cargo an unrefueled range of at least 2,400 nautical miles.

(B) The term "outsized cargo" means any single item of equipment that exceeds 1,090 inches in length, 117 inches in width, or 105 inches in height.

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NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 2010

SEC. 137. LIMITATION ON RETIREMENT OF C-5 AIRCRAFT.

(a) LIMITATION.—***

* * * * * * *

(d) ADDITIONAL LIMITATIONS ON RETIREMENT OF AIRCRAFT.—The Secretary of the Air Force may not retire C–5 aircraft from the active inventory as of the date of the enactment of this Act until the later of the following:

(1) The date that is 90 days after the date on which the Director of Operational Test and Evaluation submits the report referred to in subsection (a)(2)(B).

(2) The date that is 90 days after the date on which the Secretary submits the report required under subsection (e).

(3) The date that is 30 days after the date on which the Secretary certifies to the congressional defense committees that—

(A) the retirement of such aircraft will not increase the operational risk of meeting the National Defense Strategy; and

(B) the retirement of such aircraft will not reduce the total strategic airlift force structure below ~~316 strategic airlift aircraft~~ 275 strategic airlift aircraft.

Section 119 would convert the Air Force and Navy aircraft procurement plan requirement under section 231a of title 10, United States Code, from an annual to a quadrennial requirement. Quadrennial reporting would provide adequate update insights in a procurement process that exhibits relatively small fluctuations in the long term. Furthermore, the current plan supplements several other information sources supporting Congressional oversight of procurement in the fiscal years defense plan (FYDP). The annual reporting requirement is also inefficient. On a quadrennial cycle, the report will provide Congress sufficient understanding of aircraft procurement plans while improving Department of Defense (DoD) efficiency.

Aircraft procurement plans beyond the FYDP become increasingly speculative, as noted in Director, CAPE testimony to the House Armed Services Subcommittee for Oversight and Investigations. Outside the FYDP, procurement and inventory data follow steady and predictable patterns centering on introduction, sustainment, and recapitalization of major weapons systems. These plans involve level of effort funding guided by rough economic assumptions and coarse service obligation authority estimates. Procurement plans specific to an aircraft type are also captured in selected acquisition reports. In fact, barring aircraft industry perturbations similar to those recently experienced in the F-35 program, the quadrennial defense review and the analyses supporting it constitute the major source of change to procurement and force structure.

Within the FYDP, aircraft procurement is divulged through a variety of media. The budget rollout and hearing process provides the members of Congress an in-depth review of what aircraft will be procured and why. The inventory data associated with the Presidential budget provide Congress detailed insights into planned procurement and inventories by aircraft type. By definition, service procurement and inventory plans within the FYDP are affordable within the planned DoD budget. And, every year, both Office of the Secretary of Defense (OSD) and the services respond to numerous Congressional inquiries involving specific aircraft programs. DoD procurement plans within the FYDP will be no less clear if the Sec 231a report is converted to a quadrennial cycle.

The conversion to quadrennial reporting would also improve DoD efficiency. The department endures staggering reporting requirements levied by Congress and among its components. The FY 2012 aircraft procurement plan cost DoD an estimated 440,000 dollars. By converting the report to a quadrennial requirement, the DoD could save over $1.3 million per cycle.

The aircraft procurement plan requirement in section 231a of title 10, United States Code,

merits revision. On a quadrennial reporting interval, Congress will gain an accurate long-term appraisal of DoD procurement plans consistent with the quadrennial defense review. The annual budget process will clarify procurement plans as they draw closer and enter the FYDP. And, the OSD and service staffs will save time and money. Legislative relief converting the aircraft procurement plan to a quadrennial requirement should be effected for FY 2012.

The proposal does omit the requirement in present law (10 U.S.C. 231a(a)(2)) to certify that the budget for the fiscal year in which the plan is submitted and the budget for the future-years defense program are sufficiently funded. Since the President's budget proposals are a form of legislative recommendation, this provision could raise concerns under the Recommendations Clause, which commits to the President the discretion to recommend only "such Measures as he shall judge necessary and expedient." Therefore, notwithstanding that the provision is in current law, DoD has omitted that provision from the text of the proposed revision.

Finally, this proposal recommends against expanding the scope of the aircraft procurement plan, contrary to the proposal of H.R. 1540. In its current form, the plan addresses an average of $26 billion in annual aircraft procurement by the Department of the Navy and Air Force affecting a combined inventory of 5,500 fixed wing aircraft. Expanding the plan's scope to include all DoD aircraft magnifies the shortcomings of the current effort at significant additional cost.

Budget Implications: This report has minimal budget implications save for the manpower and resultant financial savings it creates. However, compiling the annual report costs the DoD approximately $440,000 per year, leading to $1.3 million in savings per quadrennial cycle.

Changes to Existing Law: Section 119 would replace the existing text of section 231a of title 10, United States Code, with a new text. The new text is shown in the legislative. The current text of that section is set forth below:

~~**SEC. 141. ANNUAL LONG-TERM PLAN FOR THE PROCUREMENT OF AIRCRAFT FOR THE NAVY AND THE AIR FORCE.**~~

~~(a) IN GENERAL.—Chapter 9 of title 10, United States Code, is amended by inserting after section 231 the following new section:~~

~~**''§ 231a. Budgeting for procurement of aircraft for the Navy and Air Force: annual plan and certification**~~

~~''(a) ANNUAL AIRCRAFT PROCUREMENT PLAN AND CERTIFICATION.—The Secretary of Defense shall include with the defense budget materials for each fiscal year—~~

~~''(1) a plan for the procurement of the aircraft specified in subsection (b) for the Department of the Navy and the Department of the Air Force developed in accordance with this section; and~~

~~''(2) a certification by the Secretary that both the budget for such fiscal year and the future-years defense program submitted to Congress in relation to such budget under section 221 of this title provide for funding of the procurement of aircraft at a level that is sufficient for the procurement of the aircraft provided for in the plan under paragraph (1) on the schedule provided in the plan.~~

~~‘‘(b) COVERED AIRCRAFT.—The aircraft specified in this subsection are the aircraft as follows:~~

~~‘‘(1) Fighter aircraft.~~

~~‘‘(2) Attack aircraft.~~

~~‘‘(3) Bomber aircraft.~~

~~‘‘(4) Strategic lift aircraft.~~

~~‘‘(5) Intratheater lift aircraft.~~

~~‘‘(6) Intelligence, surveillance, and reconnaissance aircraft.~~

~~‘‘(7) Tanker aircraft.~~

~~‘‘(8) Any other major support aircraft designated by the Secretary of Defense for purposes of this section.~~

~~‘‘(c) ANNUAL AIRCRAFT PROCUREMENT PLAN.—(1) The annual aircraft procurement plan developed for a fiscal year for purposes of subsection (a)(1) should be designed so that the aviation force provided for under the plan is capable of supporting the national security strategy of the United States as set forth in the most recent national security strategy report of the President under section 108 of the National Security Act of 1947 (50 U.S.C. 404a), except that, if at the time the plan is submitted with the defense budget materials for that fiscal year, a national security strategy report required under such section 108 has not been submitted to Congress as required by paragraph (2) or paragraph (3), if applicable, of subsection (a) of such section, then the plan should be designed so that the aviation force provided for under the plan is capable of supporting the aviation force structure recommended in the report of the most recent Quadrennial Defense Review.~~

~~‘‘(2) Each annual aircraft procurement plan shall include the following:~~

~~‘‘(A) A detailed program for the procurement of the aircraft specified in subsection (b) for each of the Department of the Navy and the Department of the Air Force over the next 30 fiscal years.~~

~~‘‘(B) A description of the necessary aviation force structure to meet the requirements of the national security strategy of the United States or the most recent Quadrennial Defense Review, whichever is applicable under paragraph (1).~~

~~‘‘(C) The estimated levels of annual funding necessary to carry out the program, together with a discussion of the procurement strategies on which such estimated levels of annual funding are based.~~

~~‘‘(D) An assessment by the Secretary of Defense of the extent to which the combined aircraft forces of the Department of the Navy and the Department of the Air Force meet the national security requirements of the United States.~~

~~‘‘(d) ASSESSMENT WHEN AIRCRAFT PROCUREMENT BUDGET IS INSUFFICIENT TO MEET APPLICABLE REQUIREMENTS.—If the budget for a fiscal year provides for funding of the procurement of aircraft for either the Department of the Navy or the Department of the Air Force at a level that is not sufficient to sustain the aviation force structure specified in the aircraft procurement plan for such Department for that fiscal year under subsection (a), the Secretary shall include with the defense budget materials for that fiscal year an assessment that describes and discusses the risks associated with the reduced force structure of aircraft that will result from funding aircraft procurement at such level. Such assessment shall be coordinated in advance with the commanders of the combatant commands.~~

~~‘‘(e) DEFINITIONS.—In this section:~~

~~‘‘(1) The term ‘budget’, with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.~~

~~‘‘(2) The term ‘defense budget materials’, with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.~~

~~‘‘(3) The term ‘Quadrennial Defense Review’ means the review of the defense programs and policies of the United States that is carried out every 4 years under section 118 of this title.’’.~~

~~(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 9 of such title is amended by inserting after the item relating to section 231 the following new item:~~
~~‘‘231a. Budgeting for procurement of aircraft for the Navy and Air Force: annual plan and certification.’’~~

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Section 201 would authorize appropriations for fiscal year 2013 for the research, development, test, and evaluation accounts of the Department of Defense in amounts equal to the budget authority requested in the President’s Budget for fiscal year 2013.

Section 202 would amend 10 U.S.C. 2194 to authorize the directors of defense laboratories to enter into education partnership agreements with educational institutions in United States territories and possessions. Currently, a defense laboratory can only enter into an education partnership agreement with educational institutions in the 50 States and the District of Columbia (see 10 U.S.C. 101(a)(1)). United States possessions are defined in 10 U.S.C. 101(a)(3) to include the Virgin Islands, Guam, American Samoa and the Guano Islands, so long as they remain possessions, but does not include any Commonwealth. The addition of the new language will ensure educational institutions in the United States territories and possessions are eligible for education partnership agreements.

This section merely provides defense laboratories additional options when considering institutions for education partnership agreements. It does not require defense laboratories to enter into educational agreements with the expanded list of institutions.

These additional eligible institutions may have distinctive abilities and characteristics, enabling them to provide unique solutions to the Department of Defense (DoD). Furthermore, one of the effects of this proposal is to provide civilian engineers in territories and possessions of the United States a potential opportunity to contribute to the national defense through a partnership with a DoD laboratory.

The technical amendment inserts the United States Code citation for the referenced statute.

Budget Implications: The cost to administer and manage an educational partnership agreement is $76,418 per year. The marginal cost of this proposal to develop and manage educational partnership agreements with the expanded group of eligible educational institutions is negligible. This estimate does not account for potential secondary costs related to new education partnership

agreement projects initiated with the expanded group of institutions, costs which could be incurred without this proposal if the Department enters a partnership under existing authority.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	0.08	0.08	0.08	0.08	0.08	RDT&E	6.6	321
Total	0.08	0.08	0.08	0.08	0.08	RDT&E	6.6	321

Changes to Existing Law: Section 202 would make the following changes to section 2194 of title 10, United States Code:

§ 2194. Education partnerships

(a) The Secretary of Defense shall authorize the director of each defense laboratory to enter into one or more education partnership agreements with educational institutions in the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any other possession of the United States for the purpose of encouraging and enhancing study in scientific disciplines at all levels of education. The educational institutions referred to in the preceding sentence are local educational agency, colleges, universities, and any other nonprofit institutions that are dedicated to improving science, mathematics, and engineering education.

(b) ***

(c) ***

(d) ***

(e) ***

(f) In this section:

(1) The term "defense laboratory" means any laboratory, product center, test center, depot, training and educational organization, or operational command under the jurisdiction of the Department of Defense.

(2) The term "local educational agency" has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 USC 7801).

Section 203: In support of the Secretary of Defense's Efficiency Initiatives, the Department of Defense is recommending a realignment of agency responsibility for supporting the Ocean Research Advisory Panel (ORAP) by transferring responsibility for administration of that Panel from the Department of the Navy to the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce. The Administration believes that this change is consistent with the function of this advisory board.

The Administration believes that the support responsibilities of ORAP are more appropriately aligned under NOAA. This change would not affect or diminish the statutory authorities of the National Ocean Research Leadership Council (NORLC) or the National Oceanographic Partnership Program (NOPP), or their respective relationships with the ORAP. The changes made by this section would allow the functions of the ORAP to be aligned more appropriately to address the full range of ocean, coastal, and Great Lakes policy issues as they

relate to the expanded Administrative responsibilities directed by the President in Executive Order 13547, "Stewardship of the Ocean, Our Coasts, and the Great Lakes."

To address the ongoing role of the ORAP to provide advice on the selection and allocation of resources for partnership programs, the Administration is recommending that ORAP be redesignated as the Ocean Research and Resources Advisory Panel (ORRAP).

Budget Implications: Transferring the functions of these committees to other organizations or other advisory boards would result in the following potential savings.

Resource Requirements ($Millions)								
	FY 13	FY 14	FY 15	FY 16	FY 17	Approp	BA	Dash-1 Line Item
Ocean Research	.2	.2	.2	.2	.2	RDT&E-N	02	0602435N
Ocean Research Efficiency	-.2	-.2	-.2	-.2	.2	RDT&E-N	02	0602435N

Changes to Existing Law: Section 203 would make the following changes to existing law:

TITLE 10, UNITED STATES CODE

*** * * * * * ***

CHAPTER 665—NATIONAL OCEANOGRAPHIC PARTNERSHIP PROGRAM

*** * * * * * ***

§ 7903. Ocean Research and Resources Advisory Panel

(a) ESTABLISHMENT.—The Council, through the Administrator of the National Oceanic and Atmospheric Administration, shall establish an Ocean Research and Resources Advisory Panel. The Panel shall consist~~ing~~ of not less than 10 and not more than 18 members appointed by the ~~chairman~~ Administrator of the National Oceanic and Atmospheric Administration, on behalf of the Council, including the following:

(1) One member who will represent the ~~National Academy of Sciences~~ National Academies.

~~(2) One member who will represent the National Academy of Engineering.~~

~~(3) One member who will represent the Institute of Medicine.~~

(~~4~~2) Members selected from among individuals who will represent the views of ocean industries, State governments, academia, and such other views as the Council considers appropriate.

(~~5~~3) Members selected from among individuals eminent in the fields of marine science or marine policy, or related fields.

(b) RESPONSIBILITIES.—The Council, through the Administrator of the National Oceanic and Atmospheric Administration, shall assign the following responsibilities to the Advisory Panel:

(1) To advise the Council on policies and procedures to implement the National Oceanographic Partnership Program.

(2) To advise the Council on ~~selection of partnership projects and allocation of funds for partnership projects for implementation under the program~~ the determination of scientific priorities and needs.

(3) To provide the Council strategic advice regarding national ocean program execution and collaboration.

(~~3~~4) To advise the Council on matters relating to national oceanographic data requirements.

(~~4~~5) Any additional responsibilities that the Council considers appropriate.

(c) FUNDING.— The Secretary of Commerce ~~Secretary of the Navy~~ annually shall make funds available to support the activities of the Advisory Panel.

TITLE III—OPERATION AND MAINTENANCE

Section 301 would authorize appropriations for fiscal year 2013 for the Operation and Maintenance accounts of the Department of Defense in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 302 would amend section 372 of title 10, United States Code, to ensure that Department of Defense (DoD) support to a Federal, State, or local law enforcement or emergency response agency to prepare for or respond to an emergency involving chemical or biological agents is consistent with the national preparedness system and other statutory changes made since the creation of the Department of Homeland Security.

Section 372(b), which was enacted by section 378 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106), permits the Secretary of Defense to provide specified items to a Federal, State, or local law enforcement or emergency response agency to prepare for or respond to an emergency involving chemical or biological agents if the Secretary determines that the item is not reasonably available from another source. However, section 503(b)(2)(G) of the Homeland Security Act of 2002 (6 U.S.C. 313(b)(2)(G)), as enacted by section 611(11) of the Post-Katrina Emergency Reform Act of 2006 (title VI of Public Law 109-295; 120 Stat. 1396), provides that the Federal Emergency Management Agency (FEMA), not DoD, is responsible for providing "funding, training, exercises, technical assistance, planning, and other assistance to build tribal, local, State, regional, and national capabilities (including communications capabilities), necessary to respond to a natural disaster, act of terrorism, or other man-made disaster." Furthermore, section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104-201; 50 U.S.C. 2315), was amended in 2006 (by section 1032 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163)) to remove any role for the Secretary of Defense and to require the Secretary of Homeland Security to "develop and carry out a program for testing and improving the responses of Federal, State, and local agencies to emergencies involving nuclear, radiological, biological, and chemical weapons and related materials."

To the extent that the Secretary of Homeland Security, the Secretary of Energy, or the head of another Federal agency requires DoD assistance for the provision of goods or services to a Federal, State, or local law enforcement or emergency response agency to prepare for or respond to emergencies involving chemical, biological, radiological, nuclear, or high-yield explosive (CBRNE) weapons, technologies, or materials, section 1535 of title 31, U.S. Code (the "Economy Act") provides sufficient authority for DoD to provide this assistance.

Budget Implications: There are no cost implications associated with **section 302**. Although this section would correct the existing misalignment of authorities, it would not change the existing requirement for DoD to be reimbursed for assistance rendered.

RESOURCE REQUIREMENTS ($ MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriations From**	**Budget Activity**	**Dash-1 Line Item**
Amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Changes to Existing Law: Section 302 would make the following changes to section 372 of title 10, United States Code:

§ 372. Use of military equipment and facilities

~~(a) IN GENERAL.—~~The Secretary of Defense may, in accordance with other applicable law, make available any equipment (including associated supplies or spare parts), base facility, or research facility of the Department of Defense to any Federal, State, or local civilian law enforcement official for law enforcement purposes.

~~(b) EMERGENCIES INVOLVING CHEMICAL AND BIOLOGICAL AGENTS.—(1) In addition to equipment and facilities described in subsection (a), the Secretary may provide an item referred to in paragraph (2) to a Federal, State, or local law enforcement or emergency response agency to prepare for or respond to an emergency involving chemical or biological agents if the Secretary determines that the item is not reasonably available from another source. The requirement for a determination that an item is not reasonably available from another source does not apply to assistance provided under section 382 of this title pursuant to a request of the Attorney General for the assistance.~~

~~(2) An item referred to in paragraph (1) is any material or expertise of the Department of Defense appropriate for use in preparing for or responding to an emergency involving chemical or biological agents, including the following:~~

~~(A) Training facilities.~~
~~(B) Sensors.~~
~~(C) Protective clothing.~~
~~(D) Antidotes.~~

Section 303 would amend section 2489 of title 10, United States Code, by eliminating the requirement for the Secretary of Defense to maintain records and to notify Congress when items are added to the controlled item list for overseas commissaries and exchanges.

Department of Defense Instruction (DoDI) 1330.17, Armed Services Commissary Operations, and DoDI 1330.21, Armed Services Exchange Regulations, permit Combatant Commanders, in overseas geographic locales, to establish restrictions on merchandise available for purchase by authorized patrons in commissaries and exchanges outside of the United States and its Territories and Possessions, located in the Commander's geographic area of responsibility, if necessary to prevent the resale of merchandise in violation of treaties of the United States or host nation laws, to the extent such laws are not inconsistent with United States laws.

Because these Combatant Commanders have the authority to establish such restrictions and may not discriminate among the various categories of eligible patrons, and ensure that any restriction is consistent with the purpose of the overseas commissary and exchange system, the reporting by the Joint Staff to the Secretary of Defense and Congress amounts to redundant oversight of the Commander's responsibility. Since 1998, neither the Secretary of Defense nor the Congress reversed such decisions.

Budget Implications: Elimination of the reporting requirement would result in a cost savings of approximately $11,233.00, which is the estimated cost of previous report preparation.

RESOURCE REQUIREMENTS ($ THOUSANDS) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
OM	$(11.2)	$(11.2)	$(11.2)	$(11.2)	$(11.2)	NA	NA	NA
Total	$(11.2)	$(11.2)	$(11.2)	$(11.2)	$(11.2)	NA	NA	NA

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	0	0	0	0	0	NA	NA	NA
Navy	0	0	0	0	0	NA	NA	NA
Marine Corps	0	0	0	0	0	NA	NA	NA
Coast Guard	0	0	0	0	0	NA	NA	NA
Air Force	0	0	0	0	0	NA	NA	NA
Total	0	0	0	0	0	NA	NA	NA

Changes to Existing Law: Section 303 would make the following changes to section 2489 of title 10, United States Code:

§ 2489. **Overseas commissary and exchange stores: access and purchase restrictions**

(a) GENERAL AUTHORITY.—~~(1)~~ The Secretary of Defense may establish restrictions on the ability of eligible patrons of commissary and exchange stores located outside of the United States to purchase certain merchandise items (or the quantity of certain merchandise items) otherwise included within an authorized merchandise category if the Secretary determines that

such restrictions are necessary to prevent the resale of such merchandise in violation of treaty obligations of the United States or host nation laws (to the extent such laws are not inconsistent with United States laws).

~~(2)~~(b) LIMITATIONS.—In establishing a quantity or other restriction, the Secretary—

~~(A)~~(1) may not discriminate among the various categories of eligible patrons of the commissary and exchange system; and

~~(B)~~(2) shall ensure that the restriction is consistent with the purpose of the overseas commissary and exchange system to provide reasonable access for eligible patrons to purchase merchandise items made in the United States.

~~(b) CONTROLLED ITEM LISTS.--For each location outside the United States that is served by the commissary system or the exchange system, the Secretary of Defense may maintain a list of controlled merchandise items, except that, after October 17, 1998, the Secretary may not change the list to add a merchandise item unless, before making the change, the Secretary submits to Congress a notice of the proposed addition and the reasons for the addition of the item.~~

~~(c) NOTIFICATION OF CONDITIONS NECESSITATING RESTRICTIONS.--The Secretary of Defense shall notify Congress of any change proposed or made to any of the host nation laws or any of the treaty obligations of the United States, and any changed conditions within host nations, if the change would necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.~~

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Section 401 would prescribe the personnel strengths for the active forces in the numbers provided for by the budget authority and appropriations requested for the Department of Defense in the President's Budget for fiscal year 2013.

Subtitle B—Reserve Forces

Section 411 would prescribe the end strengths for the Selected Reserve of each reserve component of the Armed Forces in the numbers provided for by the budget authority and appropriations requested for the Department of Defense, and the Department of Homeland Security for the Coast Guard Reserve, in the President’s Budget for fiscal year 2013.

Section 412 would prescribe the end strengths for reserve component members on full-time active duty or full-time National Guard duty for the purpose of administering the reserve forces for fiscal year 2013.

Section 413 would prescribe the end strengths for dual-status technicians of the reserve components of the Army and Air Force for fiscal year 2013.

Section 414 would prescribe the maximum end strengths for non-dual status technicians of the reserve components of the Army and Air Force for fiscal year 2013.

Section 415 would prescribe the maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Section 421 would authorize appropriations for fiscal year 2013 for military personnel.

TITLE V—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Officer Personnel Policy

Section 501 would amend section 1305 of title 10, United States Code, to increase, from 30 to 33 years, the total active military service a Navy warrant officer in the grade of chief warrant officer (CWO), W-5 may serve prior to being statutorily retired for length of service.

This initiative provides Navy with a sustainable and practical career path for CWOs. Historically, the average applicant is selected to serve as a warrant officer between the 17th and 18th year of total active service, with selection to CWO5 occurring at 29 to 30 years total active service. Current continuation policy allows a CWO5 with greater than 28 years of service at time of promotion to W-5 to serve two years in grade. This continuation policy is necessary to meet Navy end strength authorizations but when combined with the 40-year (or 100%) retirement plan creates inequities among CWO retirement benefits.

Budget Implications: Based on promotion opportunity and statutory retirement laws assume 81 (CWO5 limited to 5% of CWO Inventory) CWOs will go beyond 30 years of service each year. Use pay raise of 1.6% (FY12), 2.3% (FY13), and 2.8% (FY14-FY17) multiplied times the maximum number of CWO5s that could earn the over 30 pay increase. This estimate assumes no attrition other than failure of selection.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Appropriation From	Budget Activity	Dash-1 Line Item
	0.39	0.40	0.41	0.42	0.44	MPN	01	05
Total	0.39	0.40	0.41	0.42	0.44			

Changes to Existing Law: Section 501 would make the following changes to section 1305 of title 10, United States Code, as follows:

§ 1305. Thirty years or more: regular warrant officers

(a)(1) A regular warrant officer (other than a regular Army warrant officer or a regular Navy warrant officer in the grade of chief warrant officer, W-5, exempted under paragraph (3)) who has at least 30 years of active service that could be credited to the officer under section 511 of the Career Compensation Act of 1949, as amended (70 Stat. 114) shall be retired 60 days after the date on which ~~he~~ the officer completes that service, except as provided by section 8301 of title 5.

(2) In the case of a regular Army warrant officer, the calculation of years of active service under paragraph (1) shall include only years of active service as a warrant officer.

(3) In the case of a regular Navy warrant officer in the grade of chief warrant officer, W-5, the officer shall be retired 60 days after the date on which the officer completes 33 years of total active service.

(b) The Secretary concerned may defer, for not more than four months, the retirement under subsection (a) of any warrant officer if, because of unavoidable circumstances, evaluation of his physical condition and determination of his entitlement to retirement or separation for physical disability require hospitalization or medical observation that cannot be completed before the date when he would otherwise be required to retire under this section.

(c) Under such regulations as he may prescribe, the Secretary concerned may defer the retirement under subsection (a) of any warrant officer upon the recommendation of a board of officers and with the consent of the warrant officer, but not later than 60 days after he becomes 62 years of age.

Section 502 conforms to the Secretary of Defense's March 14, 2011 memorandum on Track Four Efficiency Initiatives Decisions. It standardizes the medical branch chief positions identified in the memorandum and reduces their respective grades from major general to brigadier general, in the case of the Army and Air Force, and from rear admiral to rear admiral (lower half), in the case of the Navy.

Budgetary Implications: The Secretary of Defense's 14 March 2011 memorandum, "Track Four Efficiency Initiatives Decisions" (page 29) directed us "to standardize/downgrade Medical Branch Chiefs 08 to 07 (e.g., Nurse, Dentist)." Because there will be cost savings from these reductions, a budget table is provided below that provides numbers broken out by Service.

(Millions)	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Line Item**
Army	02	02	02	02	02	MILPERS	01	05
Navy	01	01	01	01	01	MILPERS	01	05
Marine Corps	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Air Force	02	02	02	02	02	MILPERS	01	05
Total	05	05	05	05	05			

(Millions)	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Line Item**
Army	-.059	-.061	-.063	-.065	-.066	MILPERS	01	05
Navy	-.030	-.031	-.032	-.033	-.034	MILPERS	01	05
Marine Corps	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Air Force	-.050	-.052	-.053	-.054	-.056	MILPERS	01	05
Total	-.139	-.144	-.148	-.152	-.156			

Changes to Existing Laws: Section 502 would make the following changes to sections in

title 10 United States Code.

§ 526. Authorized strength: general and flag officers on active duty

(a) Limitations. The number of general officers on active duty in the Army, Air Force, and Marine Corps, and the number of flag officers on active duty in the Navy, may not exceed the number specified for the armed force concerned as follows:

(1) For the Army, 230.
(2) For the Navy, ~~160~~161.
(3) For the Air Force, 208.
(4) For the Marine Corps, 60.

* * * * * * *

§ 3039. Deputy and assistant chiefs of branches

(a) Each officer named in section 3036 of this title shall have, in addition to the assistants prescribed by subsections (b) and (c) and by section 3037 of this title, such deputies and assistants as the Secretary of the Army may prescribe. Each such deputy and assistant shall be an officer detailed by the Secretary to that position from the officers of the Army for a tour of duty of not more than four years, under a procedure prescribed by the Secretary similar to that prescribed in section 3036 of this title.

(b) There is an Assistant Surgeon General appointed from the officers of the Dental Corps, as prescribed in section 3036 of this title. The Assistant Surgeon General is Chief of the Dental Corps and is responsible for making recommendations to the Surgeon General and through the Surgeon General to the Chief of Staff on all matters concerning dentistry and the dental health of the Army. An appointee who holds a lower regular grade shall be appointed in the regular grade of ~~major~~ brigadier general.

(c) There are two assistants to the Chief of Engineers appointed as prescribed in section 3036 of this title. An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general.

* * * * * * *

§ 3069. Army Nurse Corps: composition; Chief and assistant chief; appointment; grade

(a) The Army Nurse Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

(b) The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of ~~major~~ brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

(c) The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.

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§ 5138. Bureau of Medicine and Surgery: Dental Corps; Chief; functions

(a) An officer of the Dental Corps ~~not below~~ in the grade of rear admiral (lower half) shall be detailed as Chief of the Dental Corps.

(b) The Chief of the Dental Corps is entitled to the same privileges of retirement as provided for chiefs of bureaus in section 5133 of this title.

(c) The dental functions of the Bureau of Medicine and Surgery shall be defined and prescribed by Bureau directives, and if necessary by regulations of the Secretary of the Navy, so that all such functions are under the direction of the Dental Corps. All matters relating to dentistry shall be referred to the Chief of the Dental Corps.

(d) The Chief of the Dental Corps shall—

(1) establish professional standards and policies for dental practice;

(2) initiate and recommend action pertaining to complements, strength, appointments, advancement, training assignment, and transfer of dental personnel; and

(3) serve as the advisor for the Bureau on all matters relating directly to dentistry.

* * * * * * *

§ 5150. Staff corps of the Navy

(a) The staff corps of the Navy are—

(1) the Medical Corps;

(2) the Dental Corps;

(3) the Judge Advocate General's Corps;

(4) the Chaplain Corps; and

(5) such other staff corps as may be established by the Secretary of the Navy under subsection (b).

(b)(1) The Secretary of the Navy may establish staff corps of the Navy in addition to the Medical Corps, the Dental Corps, the Judge Advocate General's Corps, and the Chaplain Corps. The Secretary may designate commissioned officers in, and may assign members to, any such staff corps.

(2) Subject to subsection (c), the Secretary of the Navy may provide for the appointment of the chief of any staff corps established under this subsection.

(c) The Secretary of the Navy, whenever the needs of the service require, may convene a selection board under section 611(a) of this title to select an officer in the Nurse Corps or in the Medical Service Corps (if such corps has been established under subsection (a)) for promotion to the grade of rear admiral (lower half)~~, in the case of an officer in the Nurse Corps, or rear admiral (lower half), in the case of an officer in the Medical Service Corps~~. An officer promoted pursuant to such a selection shall be appointed by the Secretary to the position of Director of the Nurse Corps or Director of the Medical Service Corps, respectively, for a term of four years, to serve at the pleasure of the Secretary. ~~For the purpose of computing the total number of flag officers in the staff corps of the Navy under section 526 of this title, an officer so appointed shall be considered an additional number in grade~~**.**

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§ 8069. Air Force nurses: Chief and assistant chief; appointment; grade

(a) Positions of Chief and assistant chief. There are a Chief and assistant chief of the Air Force Nurse Corps.

(b) Chief. The Secretary of the Air Force shall appoint the Chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade shall be appointed in the regular grade of ~~major~~ brigadier general. The Chief serves during the pleasure of the Secretary.

(c) Assistant chief. The Surgeon General shall appoint the assistant chief from the officers of the Regular Air Force designated as Air Force nurses whose regular grade is above lieutenant colonel.

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§ 8081. Assistant Surgeon General for Dental Services.

There is an Assistant Surgeon General for Dental Services in the Air Force who is appointed by the Secretary of the Air Force upon the recommendation of the Surgeon General from officers of the Air Force above the grade of lieutenant colonel who are designated as dental officers under section 8067(b) of this title. An appointee who holds a lower regular grade shall be appointed in the regular grade of ~~major~~ brigadier general. The Assistant Surgeon General for Dental Services serves at the pleasure of the Secretary.

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Section 503 would amend section 668 of title 10, United States Code, to remove the limitations on the types of instructors included in the definition of "joint duty assignment". The current law excludes instructor positions that may provide an officer significant experience in joint matters from inclusion on the joint duty assignment list and provides undue deference to Joint Professional Military Education Phase II (JPME II) positions. This change would allow the Department of Defense to judge all positions based on the significant experience the position provides an officer in joint matters.

Budget Implications: Section 503 does not have a budget implication because it merely makes administrative changes by providing opportunity for positions supporting JPME I and other training and mentoring programs to be considered for inclusion on the Joint Duty Assignment List (JDAL).

Changes to Existing Laws: Section 503 would make the following changes to section 668 of title 10, United States Code:

§ 668. Definitions

(a) JOINT MATTERS.— ***

* * * * * * *

(b) JOINT DUTY ASSIGNMENT.—(1) The Secretary of Defense shall by regulation define the term "joint duty assignment" for the purposes of this chapter. That definition—

(A) shall be limited to assignments in which the officer gains significant experience in joint matters; and

(B) shall exclude student assignments for joint training and education~~, except an assignment as an instructor responsible for preparing and presenting courses in areas of the curricula designated in section 2155(c) of this title as part of a program designated by the Secretary of Defense as joint professional military education Phase II~~.

* * * * * * *

Subtitle B—Reserve Component Management

Section 511 would amend section 313 of title 32, United States Code, to allow lawful permanent resident (LPR) accession as an officer into the Air National Guard or Army National Guard. Under current law, only citizens may be appointed as officers in the National Guard. Section 12201(b)(1) of title 10, United States Code, allows LPRs to be appointed as officers in the Reserves. Thus, this title 32 change would align the language in section 313 with the language in section 12201(b)(1) of title 10.

LPRs may be appointed as regular officers in grades below major or as reserve officers without statutorily imposed appointment grade cap. By allowing the accession of LPRs, the military services will be able to recruit officers whose skills are considered vital to the national interest needed to fill critical skill requirements. This Continuum of Service initiative creates a more flexible accession tool, thus allowing a more diverse pool of applicants. LPRs selected for appointment can apply for expedited U.S. citizenship based on section 329 of the Immigration and Nationality Act (8 U.S.C. 1440) and Executive Order 13269, dated July 3, 2003, for aliens and noncitizen nationals serving in an active duty status during the War on Terrorism.

United States Citizenship and Immigration Services (USCIS) defines a lawful permanent resident as someone who has been granted authorization to live and work in the United States on a permanent basis. Permanent residents can work in the United States and, after acquiring enough years of residency in the United States, apply for permanent citizenship. Permanent resident status is given to an individual only after successful completion of USCIS background checks consisting of an Interagency Border Inspection System (IBIS) Name Check, FBI Fingerprint Check, and FBI Name Check. As proof of status, a person is granted a permanent resident card, commonly called a green card. Based on the recommendation of OSI and in addition to the previously mentioned USCIS background checks, the following proposed requirements will be mandatory as part of the LPR accession process:

National Intelligence Agency Checks (NIAC): Foreign Terrorism Tracking Task Force 56 databases (intelligence and government agencies)
National Agency Check with Local Agency and Credit Check
Automated Continuous Evaluation System (ACES) Checks: 40 commercial and government databases

Budget Implications: There would be no additional cost for **Section 511**. The cost would be the same for accessing any officer which is captured by Air and Army National Guard budget. This

proposal provides a greater pool of applicants but will not increase the overall numbers of Air National Guard and Army Guard recruits. In the past year, the Army has accessed six LPRs to meet ecclesiastical and HCP needs. The Air Force is looking into changing their policy to permit LPR accessions to fulfill critical needs.

Changes to Existing Law: Section 511 would make the following change to section 313 of title 32, United States Code:

§ 313. Appointments and enlistments: age limitations

(a) To be eligible for original enlistment in the National Guard, a person must be at least 17 years of age and under 45, or under 64 years of age and a former member of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps. To be eligible for reenlistment, a person must be under 64 years of age.

(b) To be eligible for appointment as an officer of the National Guard, a person must—

(1) be a citizen of the United States or have been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C.1101 et seq.); and

(2) be at least 18 years of age and under 64.

Section 512 would amend 32 U.S.C. 709(e) to include all Dual Status and Non-dual Status Civilian Technicians of the National Guard in the Excepted Service and thus would provide for a single personnel system that The Adjutants General of the States "employ and administer" (32 U.S.C. 709(d)). Currently, the National Guard uses the Excepted Service procedures to hire Dual Status Technicians and the Office of Personnel Management's Competitive procedures to hire Non-dual Status Technicians. Combining the Dual Status technicians and the Non-dual Status Technicians under the Excepted Service would result in an efficiency for the National Guard both in terms of direct and indirect costs.

Budget Implications: Section 512 would not change the pay, grade or benefits provided to any National Guard technician. The Resource Requirements table includes for the entire National Guard Technician program; Dual Status Technicians employed with Excepted Service Procedures and Non-dual Status Technicians employed with the Competitive procedures. (The total number of personnel affected -- 1,950 -- are the National Guard Non-dual Status Technicians employed with the Competitive procedures.)

RESOURCE REQUIREMENTS ($ MILLIONS)								
Service	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	$2.316	$2.369	$2.423	$2.479	$2.536	2065	1 &4	NA
Navy	N/A	N/A	N/A	N/A	N/A	P&A	N/A	N/A
AF	$2.089	$2.126	$2.183	$2.242	$2.322	3840	1 & 4	NA
Total	$4.405	$4.495	$4.606	$4.721	$4.858	P&A	N/A	N/A

NUMBER OF PERSONNEL AFFECTED								
Service	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Army	1,600	1,600	1,600	1,600	1,600	2065	1 &4	2065A-see note*
Navy	0	0	0	0	0	P&A	N/A	N/A
Marine Corps	0	0	0	0	0	P&A	N/A	N/A
AF	350	350	350	350	350	P&A	N/A	N/A
Total	1,950	1,950	1,950	1,950	1,950	P&A	N/A	N/A

*NOTE: Army Dash-1 Line Item: Army National Guard Technician number of personnel affected are under 2065A: 010-111, 020-112, 030-113, 040-114, 060-116, 070-121, 100-131, 120-133, 140-431, and 160-433.

Cost Methodology: There is no cost. The proposal would only change the system under which the National Guard Non-dual Status technicians are hired, from the competitive system to the excepted system that all National Guard Dual Status technicians are hired under. Doing so would result in considerable cost savings in Human Resources administrative costs estimated at $25,000 per hired individual as a result of streamlined processes and expedited hiring freeing up funds to fill critical vacant positions.

Changes to Existing Law: Section 512 would amend section 709(e) of title 32, United States Code, as follows:

§ **709. Technicians: employment, use, status**

(a) ***

******

(e) A technician employed under subsection (a) is an employee of the Department of the Army or the Department of the Air Force, as the case may be, and an employee of the United States. ~~However, a~~ A position authorized by this section is outside the competitive service ~~if the technician employed in that position is required under subsection (b) to be a member of the National Guard~~.

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Subtitle C—Education and Training

Section 521 would authorize the School of Advanced Military Studies (SAMS) senior-level course (SLC) at the Army Command and General Staff College to offer Joint Professional Military Education (JPME) Phase II instruction and credit, resulting in time and money saved.

Currently, SAMS SLC is not authorized to award graduates JPME phase II credit, like the U.S. Army War College and other Services' senior level schools. The lack of statutory authority for the SAMS SLC to award JPME Phase II credit disadvantages its graduates who must incur

additional time in school and the Army which incurs significant travel and transportation expenses to send these officers to the ten-week Joint Combined Warfighting School in Norfolk, VA.

When this proposal is enacted, the Joint Staff J-7 (Joint Education and Doctrine Division) will conduct certification for SAMS SLC. A pre-visit by the J-7 has determined all educational aspects are in place to properly conduct JPME Phase II instruction.

Addition of the CGSC's SAMS SLC course to the list of senior level service schools will not otherwise affect the overall characterization of the CGSC, which will remain an intermediate level service school.

Budgetary Implications: Although we project that implementation of this proposal will cost $3,600 per year—all of which CGSC is prepared to absorb by realigning resources—we will save approximately $136,000 per year (or over $680,000 over 5 years) in travel, lodging and per diem cost associated with sending the SAMS SLC attendees to the Joint Combined Warfighting Course in Norfolk, VA, to attain JPME phase II credentials.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	$.0036	$.0036	$.0036	$.0036	$.0036	OMA	3	323
Total	$.0036	$.0036	$.0036	$.0036	$.0036	OMA	3	323

Changes to Existing Law: Section 521 would make the following changes to section 2151 of title 10, United States Code:

§ 2151. Definitions

(a) JOINT PROFESSIONAL MILITARY EDUCATION.—Joint professional military education consists of the rigorous and thorough instruction and examination of officers of the armed forces in an environment designed to promote a theoretical and practical in-depth understanding of joint matters and, specifically, of the subject matter covered. The subject matter to be covered by joint professional military education shall include at least the following:

(1) National Military Strategy.
(2) Joint planning at all levels of war.
(3) Joint doctrine.
(4) Joint command and control.
(5) Joint force and joint requirements development.

(b) OTHER DEFINITIONS.—In this chapter:

(1) The term "senior level service school" means any of the following:

(A) The Army War College.
(B) The College of Naval Warfare.
(C) The Air War College.
(D) The Marine Corps War College.
(E) The United States Army Command and General Staff College's School of Advanced Military Studies Senior Level Course.

(2) The term "intermediate level service school" means any of the following:
(A) The United States Army Command and General Staff College.
(B) The College of Naval Command and Staff.
(C) The Air Command and Staff College.
(D) The Marine Corps Command and Staff College.

Section 522 would clarify in statute the long-standing relationship between the United States Naval Academy and the Naval Academy Athletic Association (NAAA). Specifically, this proposal would grant the Secretary of the Navy the authority to work collaboratively with the NAAA in support of the Naval Academy's athletic and physical fitness programs.

The NAAA is a nonprofit entity, separate and distinct from the Naval Academy and the Federal government, whose purpose is to promote and execute the Naval Academy's athletic and physical fitness programs. In practice, an operating agreement controls the relationship and dealings between the Naval Academy and the NAAA. The agreement delineates the areas in which the two entities coexist, integrate, and cooperate to support the athletic and physical fitness programs at the Naval Academy.

In 2009, Congress authorized the Air Force to establish a nonprofit corporation to support the athletic programs of its service academy. In so doing, Congress expressed its intent that the Army and Navy assess their need for similar legislation in light of their relationships with their respective athletic associations:

> "The conferees are mindful that the United States Military Academy and the United States Naval Academy have benefitted for many years from their working relationship with the Army Athletic Association and Naval Academy Athletic Association respectively. The conferees expect the Secretary of the Army and the Secretary of the Navy to provide their assessment of the need for additional legislation regarding their respective athletic associations in view of this provision."

H.R. Conf. Rep. 111-288 (October 7, 2009) at 731). Subsequent to the Congressional language there were several Inspector General (IG) reviews that highlighted several areas of concerns regarding business practices of the Naval Academy. As a result of the IG reviews, and consistent with Congressional intent, the Department of the Navy established a working group to review the relationship between the Naval Academy and the NAAA and to assess the need for any legislation.

The Naval Academy's stated mission is to develop Midshipmen "morally, mentally, and physically" and "to imbue them with the highest ideals of duty, honor and loyalty in order to provide graduates who are dedicated to a career of naval service and have potential for future

development in mind and character to assume the highest responsibilities of command, citizenship and government both in peace and war." A critical element for the development of these leaders is physical fitness and competitive athletics. Although it is clear that the relationship between the Naval Academy and the NAAA yields tremendous benefits to the Naval Academy in the execution of its mission, and provides substantial cost avoidance to the American taxpayer, nothing in title 10, United States Code, clearly authorizes the Naval Academy to work collaboratively with the NAAA to operate its athletic and physical fitness programs. Accordingly, the working group identified several areas that would benefit from specific legislation:

(1) Participation in the management of the NAAA: statutory authority that would permit the active involvement of Naval Academy civilian and military personnel in the management of the NAAA.

(2) Gratuitous services: statutory authority for the Naval Academy to enter an agreement with the NAAA and to accept services to support the athletic and physical fitness programs of the Naval Academy and the authority to permit NAAA to negotiate and execute marketing and sponsorship agreements at no cost to the Naval Academy.

(3) Usage fees: statutory authority to charge and retain facility usage fees for summer sports camps operated at the Naval Academy.

(4) Miscellaneous Receipts: statutory authority to retain funds generated on behalf of, and provided in support of, the Naval Academy's athletic and physical fitness programs.

(5) Funding: statutory authority to transfer funds to NAAA to spend in support of the Naval Academy's athletic and physical fitness programs.

Section 522 satisfies the recommendations made by the working group. It authorizes the collaborative relationship between the Naval Academy and the NAAA; permits Naval Academy officials and employees to participate in the management of the NAAA; sets the conditions under which the relationship may operate; and, provides a range of authorities that may be provided to the Secretary of the Navy to support the athletic and physical fitness programs of the Naval Academy. Specifically, the proposal would:

(1) Permit the Secretary to enter into agreements with the NAAA;

(2) Permit the active participation of government personnel on the Board of Control of the NAAA;

(3) Allow the Secretary to:

(A) accept funds, supplies and services from the NAAA;

(B) accept and retain funds from the National Collegiate Athletic Association and to use those funds to support the athletic and physical fitness programs of the Naval Academy;

(C) receive, retain, and use funds from the NAAA to further the mission of the Naval Academy;

(D) transfer funds to the NAAA to pay expenses incurred in managing the athletic and physical fitness programs;

(E) authorize the NAAA to enter into licensing, marketing, and sponsorship agreements on behalf of the Naval Academy and to retain any funds generated by those

activities for the benefit of the athletic and physical fitness programs of the Naval Academy;

(F) charge and retain user fees for the conduct of summer athletic camps; and

(G) provide personal property and services to the NAAA in support of its management of the athletic and physical fitness programs of the Naval Academy.

The authorities provided by this section would be subject to two conditions placed on the NAAA: (1) it must remain a nonprofit organization; and (2) it shall operate exclusively to support the Naval Academy's athletic and physical fitness programs.

Section 522 seeks legislative authority to clearly define the successful operational model between the Naval Academy and the NAAA. The individual provisions in the proposed new section 6981 of title 10, United States Code, would accomplish the following:

(1) Subsection (a)(1) — statutory authority that permits a cooperative relationship between the Naval Academy and the NAAA.

(2) Subsections (c), (b)(1), and (d)(1)-(2) — statutory authority to accept funds, supplies and services for the support of the athletic and physical fitness programs of the Naval Academy from a private source; to transfer Naval Academy funds to a private entity in support of the athletic and physical fitness programs of the Naval Academy; and to retain and use funds generated by a private entity to further the mission of the Naval Academy.

(3) Subsection (b)(2) — statutory authority to provide property and services to NAAA in order for the association to manage the athletic and physical fitness programs.

(4) Subsection (d)(3) — statutory authority to charge and retain user fees for the conduct of summer camps.

(5) Subsection (e) — statutory authority to permit NAAA to act as the Naval Academy's representative to enter into licensing, marketing and sponsorship agreements and, notwithstanding 10 U.S.C. § 2260(d), to accept, use, and retain funds generated by these activities for the benefit of the athletic and physical fitness programs of the Naval Academy

(6) Subsection (f) — statutory authority that allows the appointment of government personnel to the governing board of the NAAA.

(7) Subsection (g) — these provisions set the conditions that must be met in order for the authorities within this section to be authorized.

Budget Implications: Section 522 would not require any additional funding, but would instead clarify, in statute, the ability for the Naval Academy to receive the financial support provided by the NAAA and its activities. The Naval Academy estimates that annually the NAAA subsidizes more than $30 million of the Academy's athletic and physical fitness programs.

Changes to Existing Law: Section 522 would add a new section to chapter 603 of title 10, United States Code. The new section is set forth in full in the legislative text.

Section 523 would modify 10 U.S.C. 9315(b) to authorize the Community College of the Air Force (CCAF) to award associate degrees to enlisted members of other services participating

in joint-service medical training and education and their instructors. Specifically, this language would cover those attending the Medical Education and Training Campus (METC), a tri-service school at Ft Sam Houston, Texas, and its instructors.

In 2005 the President signed into law the recommendations of the Base Closure and Realignment Commission Report (BRAC). Shortly after BRAC results became law the Military Health System (MHS) was tasked to undergo a Medical Quadrennial Defense Review (QDR). In the early stages of the Iraqi War the Services did not demonstrate interoperability in the joint environment. The MHS QDR Roadmap dated April 2006 identified 18 areas that would be studied regarding opportunities to develop, expand or improve interoperability among the Services working within a joint environment.

The 2005 Base Closure and Realignment Commission Report (BRAC) Recommendation 172 (MED 10) proposed relocating a daily student population of approximately 9,000 students and 1,196 faculty members from the Air Force and Navy to Fort Sam Houston to create the Medical Education and Training Campus (METC). METC senior leadership has indicated a desire to provide a joint training environment with as much standardized training as possible. The standardized training will be a result of integrating medical enlisted training courses to the greatest extent possible.

Joint Medical Education & Training (JME&T) is a joint Army, Navy, and Air Force medical education and training transformation effort initiated to support the *QDR Initiative #5—Joint Medical Education and Training* focused on Performance-Based Management—and enabled by the physical infrastructure resulting from the 2005 BRAC initiative. This strategy lays the foundation for the Military Education Training Campus (METC) and, along with the Interservice Training Review Organization (ITRO) process, establishes a joint medical training center that capitalizes on the synergy of co-locating the training of three services, and integrating similar training, as much as feasible, while maintaining the capability to address Service-specific training requirements.

The transfer of Air Force medical courses to METC impacts 18 CCAF degree programs and 68 credit-awarding courses. In accordance with 10 U.S.C. 9315, CCAF awards Associate in Applied Science degrees to Air Force active duty, Air National Guard (ANG), and Air Force Reserve Command (AFRC) enlisted members and other-service faculty members assigned to CCAF affiliated schools. METC must affiliate with CCAF for CCAF to continue to award collegiate, degree-applicable credit. Current legislation restricts CCAF to the award of degree-applicable credit (participation in CCAF degree programs) to Air Force enlisted members and METC faculty only. Navy has existing partnerships with numerous academic institutions whereby a Sailor can earn an associate degree in the medical field from regionally accredited institutions that recognize American Council on Education (ACE) recommended credits. These partnerships are executed with no additional cost to the Navy. The proposed change to 10 U.S.C. Section 9315, would increase the number of options Navy and Coast Guard students have in pursuit of their degrees.

The associate degree from CCAF, or any other accredited institution, is a human capital investment where the student increases his educational experience base, improves self-esteem,

and builds confidence. This investment provides support and documentation for future academic achievement, improves job performance, translates military education and training into semester hours and academic terms understood by civilian educators and employers, and aids in transition to the civilian job market. A two-year degree is associated with significantly higher lifetime earnings. The value of these degrees to the armed forces is that it enhances readiness, provides degree programs directly related to military occupations, enhances the competence of enlisted members, builds better leaders, encourages personal responsibility, aids in retaining quality personnel, ensures a healthy use of off-duty time by members pursuing a degree, and aids in recruiting a quality force. Air Force recruits cite "continue education on active duty" as the number one reason for joining the Air Force. The value of expanding the CCAF program to METC is that it offers enlisted personnel from other services more choices as they pursue their education goals. CCAF is a "win-win" program for enlisted members attending METC, the armed forces, and the nation.

The Air Force and Navy and their Surgeons General support the change to 10 U.S.C. 9315 that would allow CCAF to award associate degrees to all enlisted personnel completing courses at the METC. The Army is opposed to the legislative proposal and their personnel would not be included if the legislation is enacted.

Budget Implications: The Department of Defense (DoD) estimates that this proposal would cost $.5454 million in fiscal year (FY) 2013 and $1.2575 million over the first 5-year period.

RESOURCE REQUIREMENTS ($ MILLIONS) (offset to fund legislative proposal and incorporated in President's budget submission)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
OM	$.545	$.174	$.178	$.183	$.178	O&M AF	BA 03	033C-320
Total	$.545	$.174	$.178	$.183	$.178			

Note: Funds two manpower positions: One Civilian to serve as an Education Technician and one Navy NCO to support additional Navy students.

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	n/a	n/a	n/a	n/a	n/a	O&M AF	BA 04	4G-4GTJ
Navy	6,000	6,000	6,000	6,000	6,000	O&M AF	BA 04	4G-4GTJ
Marine Corps	0	0	0	0	0	O&M AF	BA 04	4G-4GTJ
Coast Guard	24	24	24	24	24	O&M AF	BA 04	4G-4GTJ
Air Force	5,000	5,000	5,000	5,000	5,000	O&M AF	BA 03	033C-320

Total	11,024	11,024	11,024	11,024	11,024			

COST METHODOLOGY:

- Funding would be required for two additional people; software development and licenses; and additional equipment.
- There are no offsets for the Air Force. [Other services could expect some offsets as CCAF associate degrees are less expensive to produce than civilian 2-year degrees.]

Changes to Existing Law: Section 523 would make the following changes to 10 U.S.C. 9315:

§ 9315. Community College of the Air Force: associate degree

(a) ESTABLISHMENT AND MISSION.—There is in the Air Force a Community College of the Air Force. Such college, in cooperation with civilian colleges and universities, shall -

(1) prescribe programs of higher education for enlisted members described in subsection (b) designed to improve the technical, managerial, and related skills of such members and to prepare such members for military jobs which require the utilization of such skills; and

(2) monitor on a continuing basis the progress of members pursuing such programs.

(b) MEMBERS ELIGIBLE FOR PROGRAMS.—Subject to such other eligibility requirements as the Secretary concerned may prescribe, the following members of the Armed Forces are eligible to participate in programs of higher education under subsection (a)(1):

(1) Enlisted members of the Air Force.

(2) Enlisted members of the armed forces other than the Air Force who are serving as instructors at Air Force training schools.

(3) Enlisted members of the armed forces other than the Air Force participating in joint-service medical training and education or who are serving as instructors in such joint-service medical training and education.

(c) Associate Degrees.—(1) Subject to paragraph (2), an academic degree at the level of associate may be conferred under section 9317 of this title upon any enlisted member who has completed a program prescribed by the Community College of the Air Force.

(2) No degree may be conferred upon any enlisted member under this section unless the Secretary of Education determines that the standards for the award of academic degrees in agencies of the United States have been met.

Section 524 would amend section 2107 of title 10, United States Code, to repeal the mandate that at least 50 percent of midshipmen and cadets, receiving government financial assistance in the Senior Reserve Officers' Training Corps (SROTC) programs, qualify and receive in-state tuition rates at their respective institutions. **Section 524** would provide SROTC programs the latitude to assign SROTC participants to institutions better matching Navy education requirements and expanding the program's presence in the nation's elite colleges and universities. The SROTC program will continue operating at currently programmed/funded levels.

Congressional and senior leadership, noting a declining Navy SROTC enrollment at top tier colleges and universities, have emphasized the importance of establishing and maintaining viable programs at these prestigious institutions as they attract highly qualified candidates majoring in technical academic majors. Navy SROTC expansion to elite private institutions is hindered by the "50% in-state tuition requirement." Continued compliance to the restriction in section 2107 will impede Navy's efforts to sustain viable units at elite national universities. Historically, approximately 36 to 38 percent of Navy SROTC midshipmen receive in-state tuition rates.

Navy's SROTC program is located at 159 premier colleges and universities, of which only 56 percent offer in-state tuition. Recent Presidential and Navy senior leadership guidance has increased Navy interest to expand the SROTC at the best national universities. . Most of these institutions are private universities that do not offer in-state tuition rates. As part of the expansion initiative, Navy has signed agreements to establish Navy SROTC presence at Yale University and Columbia University upon repeal of the military's "Don't Ask, Don't Tell" policy. Based on the Presidential and Navy senior leadership guidance, Navy is initiating coordination for several other Ivy League and elite school SROTC affiliations.

The Navy's officer corps requirements have two focuses – strong technical foundation, and language and cultural skills – coupled with Navy's desire to create a more diverse officer corps. These requirements compel Navy to enhance the attractiveness of the Navy SROTC scholarship and eliminate potential obstacles that would preclude applicants from attending the institutions of the Navy's and students' mutual choice. The Navy SROTC program has always provided students the opportunity to attend prestigious institutions that might be outside of their financial means and has become one of the program's strongest recruiting attributes. Compounding the challenge of attracting Navy SROTC applicants with the aforementioned skills, Navy increased the minimum active duty service obligation for SROTC scholarship recipients from four to five years to standardize community service obligations and meet officer force shaping demands. Navy is the only SROTC program with a five-year minimum active duty service obligation. Navy must attract and recruit applicants with the competencies necessary to meet officer accession requirements, while remaining competitive with potentially more lucrative and less restrictive civilian scholarships.

Additionally, all institutions are not equally effective at producing the broad range of officer skills necessary to meet the Navy's requirements. In one particularly critical example, the Naval Nuclear Propulsion Program (NNPP) requires officers with a strong background in Science, Technology, Engineering, and Mathematics (STEM) academic majors. Analysis has shown that officers who graduate with STEM academic degrees from the highest ranked institutions have a much higher success rate in the NNPP than officers from lower ranked institutions. Based on this analysis and success rate, Navy requires a minimum of 65 percent of Navy Option United States Naval Academy and Navy SROTC scholarship graduates complete a STEM degree program prior to receiving a Navy commission. If the 50 percent provision remains in place, this will jeopardize the Navy's ability to produce sufficient quantity and quality of officers to meet NNPP requirements.

Budget Implications: Section 524 for new discretionary authority has no budgetary impact,

since Navy will continue to operate the SROTC program by managing its on-board scholarships among its 159 Navy SROTC school affiliations' in-state, out-of-state, and private tuition within the existing fiscal constraints. **Section 524** permits Navy to continue granting scholarships to students as it has done in previous years without creating new unfunded requirements while meeting Navy's SROTC officer accession mission requirements. The number of affected personnel listed in the below table reflects the projected Navy and Marine Corps scholarship midshipmen population for fiscal years 2013 to 2017.

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Line Item**
Army	0	0	0	0	0	N/A	N/A	N/A
Navy	4,778	4,695	4,761	4,761	4,761	OPERATION & MAINTENANCE, Navy	0804723N	3A3J
Marine Corps	0	0	0	0	0	N/A	N/A	N/A
Air Force	0	0	0	0	0	N/A	N/A	N/A
Total	4,778	4,695	4,761	4,761	4,761			

The below table lists Navy SROTC Operation & Maintenance, Navy program of record with zero increased funding requirement due to proposed elimination of 50% in-state tuition statue.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Line Item**
Army	0	0	0	0	0	N/A	N/A	N/A
Navy	139.6	141.7	150.1	158.1	160.8	OPERATION & MAINTENANCE, Navy	0804723N	3A3J
Marine Corps	0	0	0	0	0	N/A	N/A	N/A
Air Force	0	0	0	0	0	N/A	N/A	N/A
Total	139.6	141.7	150.1	158.1	160.8			

Cost Methodology: The resource requirements listed in the table above reflect the existing Navy SROTC Operation & Maintenance program of record. Navy will continue to operate its SROTC program using current program of record resources and provide Navy SROTC scholarships using the Navy and Marine Corps scholarship FY 2013-FY 2017 projections listed in the Number of Personnel Affected table. Navy will continue awarding scholarships using past practices with approximately 36-38 percent of midshipmen receiving in-state tuition rates.

Changes to Existing Law: Section 524 would amend section 2107(c) of title 10, United States Code, as follows:

§ 2107. Financial assistance program for specially selected members

(a) The Secretary of the military department concerned may appoint as a cadet or midshipman, as appropriate, in the reserve of an armed force under his jurisdiction any eligible member of the program who will be under 31 years of age on December 31 of the calendar year in which he is eligible under this section for appointment as an ensign in the Navy or as a second lieutenant in the Army, Air Force, or Marine Corps, as the case may be.

* * * *

(c)(1) The Secretary of the military department concerned may provide for the payment of all expenses in his department of administering the financial assistance program under this section, including tuition, fees, books, and laboratory expenses. In the case of a student enrolled in an academic program which has been approved by the Secretary of the military department concerned and which requires more than four academic years for completion of baccalaureate degree requirements, including elective requirements of the Senior Reserve Officers' Training Corps course, financial assistance under this section may also be provided during a fifth academic year or during a combination of a part of a fifth academic year and summer sessions. ~~At least 50 percent of the cadets and midshipmen appointed under this section must qualify for in-State tuition rates at their respective institutions and will receive tuition benefits at that rate.~~

* * * *

Section 525 would consolidate, under one section of law, all military department authority to issue arms, tentage, and equipment to educational institutions not maintaining units of the Junior Reserve Officer Training Corps (ROTC). All military departments are currently authorized to issue arms, tentage, and equipment to educational institutions not maintaining units of Junior ROTC under separate sections of title 10, United States Code.

The proposed "consolidated" section would make some small, but significant, changes from that used in the present sections by:

- eliminating a reference to "proper military training" as Junior ROTC is no longer considered a military training program, but rather a high school citizenship program;
- reducing from 100 "physically fit students" to 50 "students" a school is required to have to qualify for equipment issuance from either the Army and Air Force; and
- replacing "over the age of 14" with "in a grade above the 8th grade" to simplify recordkeeping.

Budget Implications: None. This proposal would simply consolidate three existing statutes into one statute.

RESOURCE REQUIREMENTS ($ MILLIONS) REFLECTED IN PRESIDENT'S BUDGET

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Appropriation From	Budget Activity	Dash-1 Line Item
Army	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Navy	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Marine Corps	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Air Force	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Appropriation From	Budget Activity	Dash-1 Line Item
Army	0	0	0	0	0	0	0	0
Navy	0	0	0	0	0	0	0	0
Marine Corps	0	0	0	0	0	0	0	0
Air Force	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

Changes to Existing Law: Section 525 would amend title 10, United States Code, by adding a new section 2552a and repealing sections 4651, 7911, and 9651, as follows:

§ 2552a. Arms, tentage, and equipment: educational institutions not maintaining units of Junior ROTC

The Secretary of a military department may issue arms, tentage, and equipment to an educational institution at which no unit of the Junior Reserve Officers' Training Corps is maintained if the educational institution—

(1) offers a course in military training prescribed by that Secretary; and

(2) has a student body of at least 50 students who are in a grade above the eighth grade.

* * * * * * *

~~**§ 4651. Arms, tentage, and equipment: educational institutions not maintaining units of R.O.T.C.**~~

~~Under such conditions as he may prescribe, the Secretary of the Army may issue arms, tentage, and equipment that he considers necessary for proper military training, to any educational institution at which no unit of the Reserve Officers' Training Corps is maintained, but which has a course in military training prescribed by the Secretary and which has at least 100 physically fit students over 14 years of age.~~

* * * * * * *

~~**§ 7911. Arms, tentage, and equipment: educational institutions not maintaining units of R.O.T.C.**~~

~~Under such conditions as he may prescribe, the Secretary of the Navy may issue arms, tentage, and equipment that the Secretary considers necessary for proper military training, to any~~

~~educational institution at which no unit of the Reserve Officers' Training Corps is maintained, but which has a course in military training prescribed by the Secretary and which has at least 50 physically fit students over 14 years of age.~~

~~* * * * * * *~~

~~**§ 9651. Arms, tentage, and equipment: educational institutions not maintaining units of A.F.R.O.T.C.**~~

~~Under such conditions as he may prescribe, the Secretary of the Air Force may issue arms, tentage, and equipment that he considers necessary for proper military training, to any educational institution at which no unit of the Air Force Reserve Officers' Training Corps is maintained, but which has a course in military training prescribed by the Secretary and which has at least 100 physically fit students over 14 years of age.~~

Subtitle D—Defense Dependents Education

Section 531 would make the legislative and technical changes to transition the Troops-to-Teachers Program from the Department of Education (ED) to the Department of Defense (DoD).

The President's fiscal year (FY) 2012 Budget for the Department of Defense (DoD) contains funding for the Troops-to-Teachers (TTT) Program. This legislative proposal is required to formalize the agreements between DoD, ED and the Office of Management and Budget to transfer the funding and operational oversight from the ED back to the DoD. Management of the TTT program has been the responsibility of the Defense Activity for Non-Traditional Education Support (DANTES) since the program's inception in FY 1992. When ED assumed funding and operational oversight for TTT in early 2000, oversight of DANTES operations was fragmented between two Departments.

Transferring this program back to DoD would restore unity of oversight responsibility and will bring a sharper focus on the TTT program. Accordingly, the proposal would transfer all program duties and responsibilities for TTT to the Secretary of Defense.

The major enhancements to the program are (1) adding foreign language as one the disciplines for which teachers may receive a stipend or bonus, (2) reducing the period of eligibility from four years to three years to make the program more of a transition assistance support program, and (3) expanding the number of schools where participants can serve.

Because of the importance of increasing the number of bilingual and multilingual young men and women in the military, DoD is partnered with Department of State (DoS), ED and the Office of the Director of National Intelligence (ODNI) to implement the President's National Strategic Language Initiative (NSLI). Specifically, DoD (through the National Security Education Program) is responsible for establishing flagship universities to develop K – 16 strategic language curricula and developing prototype K – 16 education pipelines. Encouraging separating/retiring military personnel who want to teach foreign languages in our school systems through the TTT program is consistent with these goals.

The proposal lowers the number of years that a participant has to apply for the program from four years to three years following separation from the armed forces. This change tightens up the program eligibility to better focus on service members who are transitioning.

The language expands the schools that are available locations for participants to teach. This broadening of eligibility will increase the program's value as a transition tool and generate increased public interest without increasing the need to increase the program's budget.

The proposal would also allow the Secretary to give selection priority to participants that want to teach in a high-need school where 50 percent of the elementary students or 40 percent of the high school students are from low-income families.

The proposal changes the term placement assistance and replaces it with the term counseling. Using the term "placement assistance" misrepresented what the program did and left the impression that it served an employment agency; whereas the program actually provides counseling to participants and prospective participants but participants themselves work with the local jurisdictions to determine where they will work according the requirements of the program.

By reducing the number of years of continuous active duty from six years to four years and the total number of years on active duty from ten years to six years, the proposal is consistent with a standard enlistment or initial tour by an officer on active duty and would allow the program to attract quality participants by broadening the eligibility for the program.

The educational requirements for vocational and technical teachers was modified to allow the participant to meet the requirement either through an accredited institution of higher education or through military training and education as certified by the Department.

The proposal makes it easier for reservists to participate in the program by removing a provision that they increase their service obligation above three years as a condition of eligibility.

The language streamlines the stipend and bonus structure, while providing the Secretary of Defense with additional flexibility in tailoring the stipend and bonus programs to meet the needs of the schools who are the beneficiary of the Troops to Teachers Program.

Budget Implications: Section 531 is requesting the authority to transfer the operational oversight of the TTT program from the ED to DoD. DoD Resource Management Decision (RMD) 700AI, provided funds for this program in the Department of Defense Education Activity (DoDEA) Operation and Maintenance Defense-wide baseline as displayed below in the funding table.

RESOURCE REQUIREMENTS ($ MILLION)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**

DoDEA (OM-DW)	$15.6	$15.9	$16.3	$16.8	$17.3	O&M	BA04	4G-4GTJ
Total	$15.6	$15.9	$16.3	$16.8	$17.3			

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Approp From**	**Budget Activity**	**Dash-1 Line Item**
Army	829	862	879	918	946			
Navy	371	386	393	411	423			
Marine Corps	99	103	105	110	113			
Coast Guard	18	19	19	20	21			
Air Force	559	581	593	619	638			
Total	1876	1951	1989	2078	2141	O&M	BA04	4G-4GTJ

Cost Methodology: Costs are based on steady state level of effort inflated through the FYDP.

Changes to Existing Law: Section 531 would amend existing law as follows:

1) This section would enact a new section in title 10, United States Code. The new section is shown in the text of the legislative proposal.

2) This section would also repeal chapter A of subpart 1 of part C of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6671 et. seq.).

~~**CHAPTER A—TROOPS-TO-TEACHERS PROGRAM**~~

~~**SEC. 2301. DEFINITIONS.**~~

~~In this chapter:~~

~~(1) ARMED FORCES.—The term "Armed Forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard.~~

~~(2) MEMBER OF THE ARMED FORCES.—The term "member of the Armed Forces" includes a former member of the Armed Forces.~~

~~(3) PROGRAM.—The term "Program" means the Troops-to-Teachers Program authorized by this chapter.~~

~~(4) RESERVE COMPONENT.—The term "reserve component" means—~~

~~(A) the Army National Guard of the United States;~~

~~(B) the Army Reserve;~~

~~(C) the Naval Reserve;~~

~~(D) the Marine Corps Reserve;~~

~~(E) the Air National Guard of the United States;~~

~~(F) the Air Force Reserve; and~~

~~(G) the Coast Guard Reserve.~~

~~(5) SECRETARY CONCERNED.—The term "Secretary concerned" means—~~

~~(A) the Secretary of the Army, with respect to matters concerning a reserve component of the Army;~~

(B) the Secretary of the Navy, with respect to matters concerning reserve components named in subparagraphs (C) and (D) of paragraph (4);

(C) the Secretary of the Air Force, with respect to matters concerning a reserve component of the Air Force; and

(D) the Secretary of Homeland Security, with respect to matters concerning the Coast Guard Reserve.

SEC. 2302. AUTHORIZATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PURPOSE.—The purpose of this section is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program, which was originally established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000) (20 U.S.C. 9301 et seq.).

(b) PROGRAM AUTHORIZED.—The Secretary may carry out a program (to be known as the ''Troops-to-Teachers Program'')—

(1) to assist eligible members of the Armed Forces described in section 2303 to obtain certification or licensing as elementary school teachers, secondary school teachers, or vocational or technical teachers, and to become highly qualified teachers; and

(2) to facilitate the employment of such members—

(A) by local educational agencies or public charter schools that the Secretary identifies as—

(i) receiving grants under part A of title I as a result of having within their jurisdictions concentrations of children from low-income families; or

(ii) experiencing a shortage of highly qualified teachers, in particular a shortage of science, mathematics, special education, or vocational or technical teachers; and

(B) in elementary schools or secondary schools, or as vocational or technical teachers.

(c) ADMINISTRATION OF PROGRAM.—The Secretary shall enter into a memorandum of agreement with the Secretary of Defense under which the Secretary of Defense, acting through the Defense Activity for Non-Traditional Education Support of the Department of Defense, will perform the actual administration of the Program, other than section 2306. Using funds appropriated to the Secretary to carry out this chapter, the Secretary shall transfer to the Secretary of Defense such amounts as may be necessary to administer the Program pursuant to the memorandum of agreement.

(d) INFORMATION REGARDING PROGRAM.—The Secretary shall provide to the Secretary of Defense information regarding the Program and applications to participate in the Program, for distribution as part of preseparation counseling provided under section 1142 of title 10, United States Code, to members of the Armed Forces described in section 2303.

(e) PLACEMENT ASSISTANCE AND REFERRAL SERVICES.—The Secretary may, with the agreement of the Secretary of Defense, provide placement assistance and referral services to members of the Armed Forces who meet the criteria described in section 2303, including meeting education qualification requirements under subsection 2303(c)(2). Such members shall not be eligible for financial assistance under subsections (c) and (d) of section 2304.

~~SEC. 2303. RECRUITMENT AND SELECTION OF PROGRAM PARTICIPANTS.~~

~~(a) ELIGIBLE MEMBERS.—The following members of the Armed Forces are eligible for selection to participate in the Program:~~

~~(1) Any member who—~~

~~(A) on or after October 1, 1999, becomes entitled to retired or retainer pay in the manner provided in title 10 or title 14, United States Code;~~

~~(B) has an approved date of retirement that is within 1 year after the date on which the member submits an application to participate in the Program; or~~

~~(C) has been transferred to the Retired Reserve.~~

~~(2) Any member who, on or after the date of enactment of the No Child Left Behind Act of 2001—~~

~~(A)(i) is separated or released from active duty after 6 or more years of continuous active duty immediately before the separation or release; or~~

~~(ii) has completed a total of at least 10 years of active duty service, 10 years of service computed under section 12732 of title 10, United States Code, or 10 years of any combination of such service; and~~

~~(B) executes a reserve commitment agreement for a period of not less than 3 years under subsection (e)(2).~~

~~(3) Any member who, on or after the date of enactment of the No Child Left Behind Act of 2001, is retired or separated for physical disability under chapter 61 of title 10, United States Code.~~

~~(4) Any member who—~~

~~(A) during the period beginning on October 1, 1990, and ending on September 30, 1999, was involuntarily discharged or released from active duty for purposes of a reduction of force after 6 or more years of continuous active duty immediately before the discharge or release; or~~

~~(B) applied for the teacher placement program administered under section 1151 of title 10, United States Code, before the repeal of that section, and satisfied the eligibility criteria specified in subsection (c) of such section 1151.~~

~~(b) SUBMISSION OF APPLICATIONS.—~~

~~(1) FORM AND SUBMISSION.—Selection of eligible members of the Armed Forces to participate in the Program shall be made on the basis of applications submitted to the Secretary within the time periods specified in paragraph (2). An application shall be in such form and contain such information as the Secretary may require.~~

~~(2) TIME FOR SUBMISSION.—An application shall be considered to be submitted on a timely basis under paragraph (1) if—~~

~~(A) in the case of a member described in paragraph (1)(A), (2), or (3) of subsection (a), the application is submitted not later than 4 years after the date on which the member is retired or separated or released from active duty, whichever applies to the member; or~~

~~(B) in the case of a member described in subsection (a)(4), the application is submitted not later than September 30, 2003.~~

~~(c) SELECTION CRITERIA.—~~

~~(1) ESTABLISHMENT.—Subject to paragraphs (2) and (3), the Secretary shall prescribe the criteria to be used to select eligible members of the Armed Forces to participate in the Program.~~

(2) EDUCATIONAL BACKGROUND.—

(A) ELEMENTARY OR SECONDARY SCHOOL TEACHER.—If a member of the Armed Forces described in paragraph (1), (2), or (3) of subsection (a) is applying for assistance for placement as an elementary school or secondary school teacher, the Secretary shall require the member to have received a baccalaureate or advanced degree from an accredited institution of higher education.

(B) VOCATIONAL OR TECHNICAL TEACHER.—If a member of the Armed Forces described in paragraph (1), (2), or (3) of subsection (a) is applying for assistance for placement as a vocational or technical teacher, the Secretary shall require the member—

ave received 1 the equivalent of 1 year of college from an accredited institution of higher education and have 6 or more years of military experience in a vocational or technical field; or

(ii) to otherwise meet the certification or licensing requirements for a vocational or technical teacher in the State in which the member seeks assistance for placement under the Program.

(3) HONORABLE SERVICE.—A member of the Armed Forces is eligible to participate in the Program only if the member's last period of service in the Armed Forces was honorable, as characterized by the Secretary concerned (as defined in section 101(a)(9) of title 10, United States Code). A member selected to participate in the Program before the retirement of the member or the separation or release of the member from active duty may continue to participate in the Program after the retirement, separation, or release only if the member's last period of service is characterized as honorable by the Secretary concerned (as so defined).

(d) SELECTION PRIORITIES.—In selecting eligible members of the Armed Forces to receive assistance under the Program, the Secretary shall give priority to members who have educational or military experience in science, mathematics, special education, or vocational or technical subjects and agree to seek employment as science, mathematics, or special education teachers in elementary schools or secondary schools or in other schools under the jurisdiction of a local educational agency.

(e) OTHER CONDITIONS ON SELECTION.—

(1) SELECTION SUBJECT TO FUNDING.—The Secretary may not select an eligible member of the Armed Forces to participate in the Program under this section and receive financial assistance under section 2304 unless the Secretary has sufficient appropriations for the Program available at the time of the selection to satisfy the obligations to be incurred by the United States under section 2304 with respect to the member.

(2) RESERVE COMMITMENT AGREEMENT.—The Secretary may not select an eligible member of the Armed Forces described in subsection (a)(2)(A) to participate in the Program under this section and receive financial assistance under section 2304 unless—

(A) the Secretary notifies the Secretary concerned and the member that the Secretary has reserved a full stipend or bonus under section 2304 for the member; and

(B) the member executes a written agreement with the Secretary concerned to serve as a member of the Selected Reserve of a reserve component of the Armed Forces for a period of not less than 3 years (in addition to any other reserve commitment the member may have).

SEC. 2304. PARTICIPATION AGREEMENT AND FINANCIAL ASSISTANCE.

(a) PARTICIPATION AGREEMENT.—

(1) IN GENERAL.—An eligible member of the Armed Forces selected to participate in the Program under section 2303 and receive financial assistance under this section shall be required to enter into an agreement with the Secretary in which the member agrees—

(A) within such time as the Secretary may require, to obtain certification or licensing as an elementary school teacher, secondary school teacher, or vocational or technical teacher, and to become a highly qualified teacher; and

(B) to accept an offer of full-time employment as an elementary school teacher, secondary school teacher, or vocational or technical teacher for not less than 3 school years with a high-need local educational agency or public charter school, as such terms are defined in section 2101, to begin the school year after obtaining that certification or licensing.

(2) WAIVER.—The Secretary may waive the 3-year commitment described in paragraph (1)(B) for a participant if the Secretary determines such waiver to be appropriate. If the Secretary provides the waiver, the participant shall not be considered to be in violation of the agreement and shall not be required to provide reimbursement under subsection (f), for failure to meet the 3-year commitment.

(b) VIOLATION OF PARTICIPATION AGREEMENT; EXCEPTIONS.—A participant in the Program shall not be considered to be in violation of the participation agreement entered into under subsection (a) during any period in which the participant—

(1) is pursuing a full-time course of study related to the field of teaching at an institution of higher education;

(2) is serving on active duty as a member of the Armed Forces;

(3) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

(4) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

(5) is a highly qualified teacher who is seeking and unable to find full-time employment as a teacher in an elementary school or secondary school or as a vocational or technical teacher for a single period not to exceed 27 months; or

(6) satisfies the provisions of additional reimbursement exceptions that may be prescribed by the Secretary.

(c) STIPEND FOR PARTICIPANTS.—

(1) STIPEND AUTHORIZED.—Subject to paragraph (2), the Secretary may pay to a participant in the Program selected under section 2303 a stipend in an amount of not more than $5,000.

(2) LIMITATION.—The total number of stipends that may be paid under paragraph (1) in any fiscal year may not exceed 5,000.

(d) BONUS FOR PARTICIPANTS.—

(1) BONUS AUTHORIZED.—Subject to paragraph (2), the Secretary may, in lieu of paying a stipend under subsection (c), pay a bonus of $10,000 to a participant in the Program selected under section 2303 who agrees in the participation agreement under subsection (a) to become a highly qualified teacher and to accept full-time employment as an elementary school teacher, secondary school teacher, or vocational or technical teacher for not less than 3 school years in a high-need school.

(2) LIMITATION.—The total number of bonuses that may be paid under paragraph (1) in any fiscal year may not exceed 3,000.

(3) HIGH-NEED SCHOOL DEFINED.—In this subsection, the term ''high-need school'' means a public elementary school, public secondary school, or public charter school that meets one or more of the following criteria:

(A) LOW-INCOME CHILDREN.—At least 50 percent of the students enrolled in the school were from low-income families (as described in section 2302(b)(2)(A)(i)).

(B) CHILDREN WITH DISABILITIES.—The school has a large percentage of students who qualify for assistance under part B of the Individuals with Disabilities Education Act.

(e) TREATMENT OF STIPEND AND BONUS.—A stipend or bonus paid under this section to a participant in the Program shall be taken into account in determining the eligibility of the participant for Federal student financial assistance provided under title IV of the Higher Education Act of 1965.

(f) REIMBURSEMENT UNDER CERTAIN CIRCUMSTANCES.—

(1) REIMBURSEMENT REQUIRED.—A participant in the Program who is paid a stipend or bonus under this section shall be required to repay the stipend or bonus under the following circumstances:

(A) FAILURE TO OBTAIN QUALIFICATIONS OR EMPLOYMENT.—The participant fails to obtain teacher certification or licensing, to become a highly qualified teacher, or to obtain employment as an elementary school teacher, secondary school teacher, or vocational or technical teacher as required by the participation agreement under subsection (a).

(B) TERMINATION OF EMPLOYMENT.—The participant voluntarily leaves, or is terminated for cause from, employment as an elementary school teacher, secondary school teacher, or vocational or technical teacher during the 3 years of required service in violation of the participation agreement.

(C) FAILURE TO COMPLETE SERVICE UNDER RESERVE COMMITMENT AGREEMENT.—The participant executed a written agreement with the Secretary concerned under section 2303(e)(2) to serve as a member of a reserve component of the Armed Forces for a period of 3 years and fails to complete the required term of service.

(2) AMOUNT OF REIMBURSEMENT.—A participant required to reimburse the Secretary for a stipend or bonus paid to the participant under this section shall pay an amount that bears the same ratio to the amount of the stipend or bonus as the unserved portion of required service bears to the 3 years of required service. Any amount owed by the participant shall bear interest at the rate equal to the highest rate being paid by the United States on the day on which the reimbursement is determined to be due for securities having maturities of 90 days or less and shall accrue from the day on which the

participant is first notified of the amount due.

(3) TREATMENT OF OBLIGATION.—The obligation to reimburse the Secretary under this subsection is, for all purposes, a debt owing the United States. A discharge in bankruptcy under title 11, United States Code, shall not release a participant from the obligation to reimburse the Secretary under this subsection.

(4) EXCEPTIONS TO REIMBURSEMENT REQUIREMENT.—A participant shall be excused from reimbursement under this subsection if the participant becomes permanently totally disabled as established by sworn affidavit of a qualified physician. The Secretary may also waive the reimbursement in cases of extreme hardship to the participant, as determined by the Secretary.

(g) RELATIONSHIP TO EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.—The receipt by a participant in the Program of a stipend or bonus under this section shall not reduce or otherwise affect the entitlement of the participant to any benefits under chapter 30 of title 38, United States Code, or chapter 1606 of title 10, United States Code.

SEC. 2305. PARTICIPATION BY STATES.

(a) DISCHARGE OF STATE ACTIVITIES THROUGH CONSORTIA OF STATES.—The Secretary may permit States participating in the Program to carry out activities authorized for such States under the Program through one or more consortia of such States.

(b) ASSISTANCE TO STATES.—

(1) GRANTS AUTHORIZED.—Subject to paragraph (2), the Secretary may make grants to States participating in the Program, or to consortia of such States, in order to permit such States or consortia of States to operate offices for purposes of recruiting eligible members of the Armed Forces for participation in the Program and facilitating the employment of participants in the Program as elementary school teachers, secondary school teachers, and vocational or technical teachers.

(2) LIMITATION.—The total amount of grants made under paragraph (1) in any fiscal year may not exceed $5,000,000.

SEC. 2306. SUPPORT OF INNOVATIVE PRERETIREMENT TEACHER CERTIFICATION PROGRAMS.

(a) PURPOSE.—The purpose of this section is to provide funding to develop, implement, and demonstrate teacher certification programs.

(b) DEVELOPMENT, IMPLEMENTATION AND DEMONSTRATION.—The Secretary may enter into a memorandum of agreement with a State educational agency, an institution of higher education, or a consortia of State educational agencies or institutions of higher education, to develop, implement, and demonstrate teacher certification programs for members of the Armed Forces described in section 2303(a)(1)(B) for the purpose of assisting such members to consider and prepare for a career as a highly qualified elementary school teacher, secondary school teacher, or vocational or technical teacher upon retirement from the Armed Forces.

(c) PROGRAM ELEMENTS.—A teacher certification program under subsection (b) shall—

(1) provide recognition of military experience and training as related to certification or licensing requirements;

(2) provide courses of instruction that may be conducted on or near a military installation;

(3) incorporate alternative approaches to achieve teacher certification, such as innovative methods to gaining field-based teaching experiences, and assessment of background and experience as related to skills, knowledge, and abilities required of elementary school teachers, secondary school teachers, or vocational or technical teachers;

(4) provide for courses to be delivered via distance education methods; and

(5) address any additional requirements or specifications established by the Secretary.

(d) APPLICATION PROCEDURES.—

(1) IN GENERAL.—A State educational agency or institution of higher education (or a consortium of State educational agencies or institutions of higher education) that desires to enter into a memorandum under subsection (b) shall prepare and submit to the Secretary a proposal, at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the State educational agency, institution, or consortium is operating a program leading to State-approved teacher certification.

(2) PREFERENCE.—The Secretary shall give preference to State educational agencies, institutions, and consortia that submit proposals that provide for cost sharing with respect to the program involved.

(e) CONTINUATION OF PROGRAMS.—Upon successful completion of the demonstration phase of teacher certification programs funded under this section, the continued operation of the teacher certification programs shall not be the responsibility of the Secretary. A State educational agency, institution, or consortium that desires to continue a program that is funded under this section after such funding is terminated shall use amounts derived from tuition charges to continue such program.

(f) FUNDING LIMITATION.—The total amount obligated by the Secretary under this section for any fiscal year may not exceed $10,000,000.

SEC. 2307. REPORTING REQUIREMENTS.

(a) REPORT REQUIRED.—Not later than March 31, 2006, the Secretary (in consultation with the Secretary of Defense and the Secretary of Transportation) and the Comptroller General of the United States shall submit to Congress a report on the effectiveness of the Program in the recruitment and retention of qualified personnel by local educational agencies and public charter schools.

(b) ELEMENTS OF REPORT.—The report submitted under subsection (a) shall include information on the following:

(1) The number of participants in the Program.

(2) The schools in which the participants are employed.

(3) The grade levels at which the participants teach.

(4) The academic subjects taught by the participants.

(5) The rates of retention of the participants by the local educational agencies and public charter schools employing the participants.

(6) Such other matters as the Secretary or the Comptroller General of the United States, as the case may be, considers to be appropriate.

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§1142. Preseparation counseling; transmittal of medical records to Department of Veterans Affairs

* * * * *

(b) Matters To Be Covered By Counseling. - Counseling under this section shall include the following:

* * * * *

(4) Provision of information on civilian occupations and related assistance programs, including information concerning –

(A) certification and licensure requirements that are applicable to civilian occupations;

(B) civilian occupations that correspond to military occupational specialties; and

(C) Government and private-sector programs for job search and job placement assistance, including the public and community service jobs program carried out under section 1143a of this title, and information regarding the placement programs established under sections 1152, 1153 and 1154. ~~1152 and 1153 of this title and the Troops-to-Teachers Program under section 2302 of the Elementary and Secondary Education Act of 1965 (20~~

Section 532:

New Subsection (k)

Currently, the only students who may enroll in Department of Defense Elementary and Secondary Schools (DDESS) are those who meet the eligibility criteria set forth in 10 U.S.C. 2164. Students who are enrolled in a Department of Defense (DoD) overseas school system pursuant to 20 U.S.C. 921-932 are not eligible for enrollment in DDESS schools. During the recent authorized voluntary departure from Japan, eligible family members were authorized to travel to a safe haven location in the United States. When the students who were enrolled in DoD schools in Japan arrived in the United States, DoDEA was faced with a dilemma because there was no express authority to enroll them in a DDESS school, even if they had re-located within commuting distance of a DDESS school. In lieu of that authority, the Deputy Secretary of Defense approved the use of emergency and extraordinary expense (EEE) authority under 10 U.S.C. 127 to permit DoDEA to incur costs to educate these students in DDESS during the authorized departure.

This amendment would allow the Secretary of Defense to authorize enrollment in the DDESS schools of those who have departed the overseas school system pursuant to an authorized departure or evacuation order, and whose safe haven location is within commuting distance of a DDESS school. Enrollment in the DDESS school will be dependent upon whether the school has the capacity and resources available for the student to enroll.

New Subsection (l)

This proposal would allow the Secretary of Defense to authorize the tuition-paying enrollment of dependents of active duty members of the armed forces located in the United

States that are transitioning from a DoD overseas school to be able to take courses in the DoDEA Virtual School under limited circumstances described in implementing regulations. Examples of such limited circumstances include: permitting transitioning dependents to complete coursework, meet secondary graduation requirements, college/career readiness requirements, or to fulfill course continuation or articulation needs for classes or a course of study they began while enrolled in a DoDEA school; for enrichment purposes (such as completing Advanced Placement coursework or continuation of a foreign language or mathematics courses for students who began them in middle school); or for remediation coursework (such as credit replacement for a failing grade).

Currently, the only students who may enroll in the DoDEA Virtual School are those who meet the eligibility criteria to enroll in a Domestic Dependent Elementary and Secondary Schools (DDESS) school or in a DoD overseas school. This proposal would extend access to the DoDEA Virtual School to specified dependents of active duty members of the armed forces assigned to the U.S. that are not currently eligible to attend a DDESS school. This proposal applies to transitioning students who are dependents of active duty members of the U.S. armed forces (also referred to as a sponsor) at the time they submit a course request to the DoDEA Virtual School. In this context, "transitioning students" refers to dependents who are transitioning from a DoD school overseas to a school operated by a local educational agency or another accredited educational program in the U.S. Transitioning students would be eligible to enroll in the Virtual School on a tuition-paying basis.

The authority provided by this section is critical for military dependent students who transition from DoD schools to local educational agencies or other educational programs within the U.S. where the educational programs offered are not as comprehensive as those offered by DoD schools. For example, if a military dependent student were stationed in Okinawa and attended a DoD school where they were enrolled in a Mandarin Chinese program, and then the sponsor is assigned to a military installation in California (where there are no DDESS schools), under this provision, the student would be able to continue with a Mandarin Chinese program through the DoDEA Virtual School.

Budget Implications: The new subsection (k) has no budget implications. Subsection (k) represents a unique circumstance where a few DoDDS students who are subject to an authorized departure and who are re-located to a safe haven within commuting distance of a DDESS school are able to enroll in DDESS until the end of the authorized departure, where currently there is no authority to enroll such students. All enrollments under subsection (l) will be tuition-paying. This new authority will give military dependents who are enrolled in the local educational agencies the opportunity to enroll, on a tuition-paying basis, in DoDEA's virtual school so they can continue with learning a particular language that is not offered in the local public school, or otherwise address gaps in their education due to the transition to a local educational agency.

RESOURCE REQUIREMENTS ($ MILLIONS) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
OM	$0	$0	$0	$0	$0	O&M, DW	01	DoDEA

								4GTJ
Total	$0	$0	$0	$0	$0			

NUMBER OF PERSONNEL AFFECTED								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	0	0	0	0	0			
Navy	0	0	0	0	0			
Marine Corps	0	0	0	0	0			
Coast Guard	0	0	0	0	0			
Air Force	0	0	0	0	0			
Total	0	0	0	0	0			

Changes to Existing Law: Section 532 would amend section 2164 of title 10, United States Code, as follows:

§ 2164. Department of Defense domestic dependent elementary and secondary schools

(a) Authority of Secretary.— ***

(b) Factors for Secretary To Consider.— ***

(c) Eligibility of Dependents of Federal Employees.— ***

(d) School Boards.— ***

(e) Administration and Staff.— ***

(f) Substantive and Procedural Rights and Protections for Children.— ***

(g) Reimbursement.— ***

(h) Continuation of Enrollment Despite Change in Status.— ***

(i) American Red Cross Employee Dependents in Puerto Rico.— ***

(j) Tuition-free Enrollment of Dependents of Foreign Military Personnel Residing on Domestic Military Installations and Dependents of Certain Deceased Members of the Armed Forces.— ***

(k) TUITION-FREE ENROLLMENT FOR DEPENDENTS OF DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS.— Tuition-free enrollment in the domestic dependent elementary and secondary schools is authorized for dependents who are currently enrolled in the defense dependents' education school system pursuant to the Defense Dependents' Education Act of 1978, as amended (20 U.S.C. 921 et seq.) if—

(1) such dependents departed their overseas location due to an authorized departure or evacuation order;

(2) the designated safe haven of such dependents is located within commuting distance of a school operated by the domestic dependent elementary and secondary schools; and

(3) the school already possesses the capacity and resources for the student to attend the school.

(l) TUITION-PAYING ENROLLMENT IN THE DEPARTMENT'S VIRTUAL ELEMENTARY AND SECONDARY EDUCATION PROGRAM.— Under circumstances prescribed by the Secretary, tuition-paying enrollment in the department's virtual elementary and secondary education program for dependents of active-duty members of the armed forces is authorized for dependents when such dependents—

(1) transition from an overseas defense dependents' education system school into a school operated by a local educational agency or another accredited educational program in the United States, and

(2) are not otherwise eligible to enroll in a department of defense domestic dependent elementary or secondary school pursuant to subsection (a).

Section 533 would add a new section to chapter 609 of title 10, United States Code, Professional Military Education Schools in the Department of the Navy, to allow the Marine Corps University (MCU) to accept direct support from nonprofit private entities established to support the MCU and its educational programs.

Subsection (a) of the new section explicitly allows the Secretary of the Navy to accept services from nonprofit entities to support the MCU.

Subsection (b) of the new section allows the Secretary to accept funds under this section consistent with existing gift acceptance authority.

Subsection (c) of the new section provides that any gifts of money or contributions to the MCU must be spent on MCU programs. The subsection also provides that any gifts of money will be deposited, accounted for, and maintained in the Navy General Gift Fund in the same manner as gifts of money accepted under section 2601. The subsection also provides for greater use of gifts of money, consistent with the MCU's missions, than currently provided for under section 2601 and interpretive decisions issued by the Government Accounting Office ("GAO").

Subsection (d) of the new sections allows the Secretary to enter into cooperative agreements with such an entity to support the MCU.

Subsection (e) of the new sections provides that the nonprofit's employees and personnel are not considered to be employees of the United States.

Subsection (f) of the new sections defines the 'gifts' to include gifts of services and the 'nonprofit entity' as one organized under section 501(c)(3) of the Internal Revenue Code with a primary purpose of supporting the MCU or related museum programs.

Subsection (g) of the new sections ensures that this authority would be governed by uniform regulations issued by the Secretary of the Navy.

Several nonprofit entities routinely offer support and services to enhance the educational and historical programs of the MCU. There has been some concern that gifts to the MCU are not always available to support its educational and historical programs. This proposal would require that any such gifts are used exclusively for the MCU's programs, and allow greater flexibility in the Secretary's ability to accept and use gifts of services and money consistent with the donor's intent.

The MCU has two nonprofit private entities established to support its programs - the Marine Corps University Foundation and the Marine Corps Heritage Foundation. These entities

hold functions, support events, and otherwise enhance in the maintenance and educational programs of the MCU. In doing so, they further the military mission of ensuring that the personnel of the Armed Forces are trained and educated in support of the National Security of the United States, and the public have a means to learn from America's military history. This proposal would allow more direct and substantial interaction between the MCU and its private support organizations and remove some of the overhead currently associated with application of the gift requirements in section 2601. For gifts of money, this proposal limits the authority to accept, retain, and use funds accepted under this proposal to nonprofit entities with a primary purpose of supporting MCU programs. Such an organization may also have other primary purposes, such as is the case with the "Marine Corps Heritage Foundation" that supports specific components of MCU, including: U.S. Marine Corps historical programs; the National Museum of the Marine Corps, and the Marine Corps Heritage Center.

The types of support provided for in this section - gift acceptance and cooperative agreements - are similar to those Congress provided to the Secretary of Defense for gifts offered in support of the National Defense University, in section 2612, and recently provided to the Secretary of the Air Force for support of the Air Force Academy athletic program through cooperative agreements, in section 9362. It will be up to the discretion of the Secretary and the private entity to determine whether the support would be applied to a particular MCU component or program, or to the entire organization.

Any support consisting of gifts of money to the MCU from a covered organization would be accepted under this proposed new section, rather than section 2601. This specific authority expands the authorized uses for such gifts beyond the current limitations and transaction costs of section 2601. Specifically, this proposal allows MCU to accept and use gifts of money in accordance with the donor's intent without individual justification that: (1) the use is necessary and furthered an official purpose of the MCU; and, (2) the MCU's functions could not have been accomplished as satisfactorily or as effectively without such expenditures. The nonprofit organizations that offer support to university and museum programs often intend their gift to provide specific support that is similar to uses commonly associated with Official Representation Funds and section 127, but intended to support academic events, outreach programs, student projects, visitors' programs, university and museum outreach events, and other entertainment and personal expenses that are subject to scrutiny under the current authority. Additionally, nonprofit organizations have limited personnel to purchase property, and desire to offer gifts of money at the latest possible time to maximize the interest income for the funds upon which the support is drawn. These practical limitations and increased transaction costs would be minimized by this proposal. This broader authority is subject to oversight by the Secretary, and limited to gifts from nonprofit organizations with the primary purpose of supporting a military university or museum program.

Any support consisting of services would be in addition to voluntary services offered under section 1588. Section 1588 lends itself to an interpretation that it applies to individuals, while the services offered under this section would be from covered nonprofit organizations with a primary purpose of supporting a military university or museum program.

Budget Implications: This section has no budget impact because any private support funding would be used to enhance MCU's funded efforts. The legislative language should also note that private support funding will not start an effort that will cause increased appropriated costs in the future. The historical data indicates that the types of services accepted under this language will have no impact on current resource requirements. For example, the near entirety of gift offers not acceptable under section 2601 consists of payments offered to fund "academic chairs." Academic chairs are volunteer faculty who teach MCU students on topics of current relevance – (e.g., An academician with particular expertise on terrorism and counter-terrorism). Such an individual is not a permanent employee of the MCU, and provides services under a Volunteer Services Agreement. Likewise, Docents serve as tour guides and assistants to visitors to the National Museum of the Marine Corps.

The Based on Academic Year 2010-11, covered entities offered:

- approximately $360,000 to compensate services of 4 to 5 Academic Chairs
- Approximately $139,000 to compensate Docents and Interns
- Approximately $7-12,000 remains for services such as conservation of historical artifacts based on past data.

While the legislative language would allow MCU to accept services from covered nonprofit entities, the services provided by the individuals would not create new requirements or impact the operating costs of the MCU to sustain these uncompensated services. Consequently, this proposal would not result in any additional expenditure of appropriated funds.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Total	0.00	0.00	0.00	0.00	0.00	NA	NA	NA

Changes to Existing Law: This proposal would add a new section to chapter 609 of title 10, United States Code. The text of the proposed new section is set out in full in the legislative text.

Subtitle E—Other Matters

Section 541 will – for the first time – establish in law the positions of Chief of Chaplains and Deputy Chief of Chaplains within the Air Force. It will also replace an overly restrictive promotion process for selection of the Chief of Chaplains with a selection process similar to that approved in law by Congress for selection of The Judge Advocates General of the military departments. This section will also provide the Air Force the latitude provided to the Army and the Navy to consider officers below the grade of brigadier general in its selection process.

Unlike the Army and the Navy, there is no statutory office for the Chief of Chaplains within the Air Force. Nor is there a statutory office for the Deputy Chief of Chaplains, unlike the Navy. The only statutory reference to chaplains in the Air Force is in 10 U.S.C. § 8067(h) which provides: "Chaplain functions in the Air Force shall be performed by commissioned officers of the Air Force who are qualified under regulations prescribed by the Secretary and who are

designated as chaplains."

There has been an officer designated as the Air Force Chief of Chaplains since 1949, and it is unusual that the Air Force Chief of Chaplains, unlike the Army and Navy, is not specifically recognized by statute. It is also unusual that, unlike the Army and the Navy, there is no statutorily prescribed process to select the Chief of Chaplains.

Currently, the Chief of Chaplains must be selected via a central selection board using the selection procedures specified in 10 U.S.C., Chapter 36 for major generals. As a result, the selection board may only consider the only other Chaplain general officer in the Air Force, the Deputy Chief of Chaplains, making the selection for Chief of Chaplains a foregone conclusion absent a finding by the board that the individual is not fully qualified. The proposed legislation would rectify this situation by opening the field of eligible officers for both the Chief and Deputy Chief of Chaplains to include chaplains in the grade of colonel and above. (It should be noted that the Army selection process established in 10 U.S.C. § 3036 permits consideration of officers in the grade of lieutenant colonel and above, and the Navy selection process established in 10 U.S.C. § 5142 permits consideration of officers in the grade of commander and above.)

Budget Implications: N/A

RESOURCE REQUIREMENTS ($MILLION) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	Appropriation From	Budget Activity	Dash-1 Line Item
	$0	$0	$0	$0	$0	N/A	N/A	N/A
NUMBER OF PERSONNEL AFFECTED								
Army	0	0	0	0	0			
Navy	0	0	0	0	0			
Marine Corps	0	0	0	0	0			
Air Force	2	2	2	2	2	MILPERS, AF*	01	05, 10, 25, 55
Total	2	2	2	2	2			

***** There is no budgetary impact on the AF Military Personnel Appropriation (3500), budget activity 01. This proposal provides flexibility by opening up the selection process to the grade of colonel. There will still be only one major general and one brigadier general within the chaplain manning structure.

Changes to Existing Law: Section 541 would insert a new section as shown in the legislative text.

Section 542 would amend section 1177 of title 10, United States Code, to authorize licensed clinical social workers (LCSW) and psychiatric nurse practitioners to conduct pre-administrative separation medical examinations for post-traumatic stress disorder (PTSD). As fully credentialed behavioral health professionals, LCSWs and psychiatric nurse practitioners are fully qualified to perform mental health examinations.

Currently, 10 U.S.C. 1177 only authorizes physicians, clinical psychologists, or psychiatrists to diagnose PTSD, and to conduct pre-separation medical exams for PTSD. While this proposal will not alter medical examinations for traumatic brain injuries (TBI), which will still be performed by physicians, clinical psychologists, and psychiatrists, it will expand the pool of behavioral health professionals available for pre-separation examinations for PTSD. By authorizing LCSWs and psychiatric nurse practitioners, whose qualifications and experience make them well suited, to conduct these medical examinations, this proposal will increase the availability of physicians, clinical psychologists and psychiatrists to perform other higher priority tasks.

Furthermore, this proposal is consistent with the authority entrusted to LCSWs and psychiatric nurse practitioners under section 708 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) to conduct pre- and post-deployment mental health assessments to identify the presence of PTSD, suicidal tendencies, and other behavioral health conditions.

Budget Implications: A cost benefit analysis was completed, and it was determined that the proposal will not incur any additional costs.

Changes to Existing Law: Section 542 would make the following changes to section 1177 of title 10, United States Code :

§ 1177. Members diagnosed with or reasonably asserting post-traumatic stress disorder or traumatic brain injury: medical examination required before administrative separation

(a) MEDICAL EXAMINATION REQUIRED.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department shall ensure that a member of the armed forces under the jurisdiction of the Secretary who has been deployed overseas in support of a contingency operation during the previous 24 months, and who is diagnosed by a physician, clinical psychologist, ~~or psychiatrist~~ psychiatrist, licensed clinical social worker, or psychiatric nurse practitioner as experiencing post-traumatic stress disorder or traumatic brain injury or who otherwise reasonably alleges, based on the service of the member while deployed, the influence of such a condition, receives a medical examination to evaluate a diagnosis of post-traumatic stress disorder or traumatic brain injury.

(2) A member covered by paragraph (1) shall not be administratively separated under conditions other than honorable until the results of the medical examination have been reviewed by appropriate authorities responsible for evaluating, reviewing, and approving the separation case, as determined by the Secretary concerned.

(3) In a case involving post-traumatic stress disorder, the medical examination shall be performed by a clinical psychologist ~~or psychiatrist~~, psychiatrist, licensed clinical social worker, or psychiatric nurse practitioner. In cases involving traumatic brain injury, the medical examination may be performed by a physician, clinical psychologist, psychiatrist, or other health care professional, as appropriate.

(b) PURPOSE OF MEDICAL EXAMINATION.—The medical examination required by subsection (a) shall assess whether the effects of post-traumatic stress disorder or traumatic brain injury constitute matters in extenuation that relate to the basis for administrative separation under

conditions other than honorable or the overall characterization of service of the member as other than honorable.

(c) INAPPLICABILITY TO PROCEEDINGS UNDER UNIFORM CODE OF MILITARY JUSTICE.—The medical examination and procedures required by this section do not apply to courts-martial or other proceedings conducted pursuant to the Uniform Code of Military Justice.

Section 543 would amend section 104 of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) to add overseas civilian voters to a provision that currently requires States to accept or process absentee ballot requests from military voters received in the same calendar year as the Federal election. The revised language would also provide that voter registration applications or absentee ballot requests submitted by all absent uniformed services voters and overseas voters in a calendar year shall be accepted and processed for each election for Federal office held in a State during the first 120 days of the following year.

The inclusion of overseas civilian voters in this provision is consistent with other provisions of the Act. It also provides that all absent uniformed services voters and overseas voters have the option of applying for ballots for all Federal elections held during the period prescribed by this section and requires the Presidential designee to revise the Federal postcard application to provide for that option.

Budget Implications: The Presidential designee revisal of the Federal postcard application to provide for this option would not impact the Department of Defense's budget.

Changes to Existing Law: Section 543 would make the changes to section 104 of the Uniformed and Overseas Citizens Absentee Voting Act as shown below.

SEC. 104. PROHIBITION OF REFUSAL OF APPLICATIONS ON GROUNDS OF EARLY SUBMISSION.

(a) PROHIBITION ON REFUSAL OF APPLICATIONS SUBMITTED IN YEAR OF A FEDERAL ELECTION ON GROUNDS OF EARLY SUBMISSION.—A State may not refuse to accept or process, with respect to any election for Federal office, any otherwise valid voter registration application or absentee ballot application (including the postcard form prescribed under section 101) submitted by an absent uniformed services voter or overseas voter during a year on the grounds that the voter submitted the application before the first date on which the State otherwise accepts or processes such applications for that year submitted by absentee voters who are not members of the uniformed services or an overseas voter.

(b) PROHIBITION ON REFUSAL OF APPLICATIONS SUBMITTED IN A YEAR WHEN A FEDERAL ELECTION WILL BE HELD WITHIN 120 DAYS OF THE FOLLOWING YEAR ON GROUNDS OF EARLY SUBMISSION.—A State may not refuse to accept or process, with respect to any election for Federal office to be held in the first 120 days of the following year, any otherwise valid voter registration application or absentee ballot application (including the post card form prescribed under section 101) submitted by an absent uniformed services voter or overseas voter during a year on the grounds that the voter submitted the application before the first date on which the State otherwise accepts or processes such applications submitted by absentee voters who are not members of the uniformed services or an overseas voter.

(c) REVISION OF OFFICIAL POST CARD FORM FOR ABSENTEE BALLOT REQUESTS.—The

Presidential designee shall revise the official post card form prescribed under section 101 to enable a voter using the form to—

(1) request an absentee ballot for each election for Federal office held in a State during a year and the first 120 days of the following year; or

(2) request an absentee ballot for only the next scheduled election for Federal office held in a State.

Section 544: Section 711 of the Consolidated Natural Resources Act of 2008 (48 U.S.C. 1751) provided a Delegate to the United States House of Representatives from the Commonwealth of the Northern Mariana Islands. Citizens of the Commonwealth elect this Delegate during Federal general elections.

Section 544 would treat the Commonwealth of the Northern Mariana Islands as a "State" for purposes of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) and, thus, would permit absent uniformed services voters and overseas voters from the Northern Mariana Islands to use absentee registration procedures and to vote in general, special, primary, and runoff elections for the Federal office of Delegate to the House of Representatives in the same manner as provided for voters from the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and American Samoa.

Under the provisions of the UOCAVA, uniformed service members, members of the Merchant Marine, commissioned members of the National Oceanic and Atmospheric Administration and the Public Health Service, their voting-age dependents, and U.S. citizens residing abroad are permitted to vote by absentee ballot in Federal elections in their State of residence. UOCAVA does not currently include the Commonwealth of the Northern Mariana Islands in the definition of "State" and, therefore, excludes UOCAVA voters from the Commonwealth in the absentee voting process for Federal office. Treatment of the Commonwealth as a "State" for purposes of UOCAVA would permit absent uniformed services and overseas citizen voters from the Commonwealth to vote for the Delegate under the provisions of UOCAVA.

Budget Implications: Section 544 would not impact the Department of Defense's budget. This proposal would permit absent uniformed services voters and overseas voters from the Northern Mariana Islands to use absentee registration procedures and to vote in general, special, primary, and runoff elections for the Federal office of Delegate to the House of Representatives.

Changes to Existing Law: Section 544 would make the following changes to section 107 of the Uniformed and Overseas Citizens Absentee Voting Act:

SEC. 107. DEFINITIONS.

As used in this title, the term—

(1) "absent uniformed services voter" means—

(A) a member of a uniformed service on active duty who, by reason of such active duty, is absent from the place of residence where the member is otherwise qualified to vote;

(B) a member of the merchant marine who, by reason of service in the merchant marine, is absent from the place of residence where the member is otherwise qualified to vote; and

(C) a spouse or dependent of a member referred to in subparagraph (A) or (B) who, by reason of the active duty or service of the member, is absent from the place of residence where the spouse or dependent is otherwise qualified to vote;

(2) ***

(3) ***

(4) ***

(5) ***

(6) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, ~~and~~ American Samoa, and the Commonwealth of the Northern Mariana Islands;

(7) "uniformed services" means the Army, Navy, Air Force, Marine Corps, and Coast Guard, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration; and

(8) "United States", where used in the territorial sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, ~~and~~ American Samoa, and the Commonwealth of the Northern Mariana Islands.

Section 545: In a letter dated November 5, 2010 to the Department of Defense Inspector General (DoD IG) and a Congressionally directed independent panel, the Secretary of the Navy stated his intent to propose legislation to reform the Department's legal organization. This reform would clarify and enhance the role of the Staff Judge Advocate (SJA) to the Commandant of the Marine Corps (CMC) to ensure accountability for the performance of the Department's uniformed legal mission. The Secretary stated that this reform would include a proposal to amend title 10, United States Code, specifically sections 806, 1044, 5041 and 5046, to authorize the SJA to CMC to supervise the administration of military justice and delivery of legal assistance services, as well as to provide professional supervision over all Marine judge advocates. The reform would establish a direct relationship between the SJA to CMC and the Secretary. The Secretary included the views of the Service chiefs, in which the Commandant of the Marine Corps expressed support for such statutory change. The conclusions and recommendations in the DoD IG report released in December 2010 and the Independent Panel report released in February 2011 favorably concurred with the Secretary's intended proposal. The Secretary further expressed his intent to propose legislation in his February 15, 2011 report to the Chairman and Ranking Members of the House and Senate Armed Services Committees. **Section 545** accomplishes the Secretary's intent.

As background, section 506 of the National Defense Authorization Act for Fiscal Year 2010 (NDAA FY10), established an independent panel (hereinafter "Independent Panel") to study the legal requirements for judge advocates in the Department of the Navy. In the report of the Senate Armed Services Committee (SASC) (S. Rept. 111-35) accompanying S. 1390 (the Senate version of the FY 10 NDAA), under the heading "Military Justice and Legal Assistance Matters," the SASC opined that there are "increasing demands being placed upon judge advocates in the Navy and Marine Corps to fulfill critically important wartime legal roles with minimal or no commensurate increase in judge advocate manning or billets." The committee

further opined that it would "look to the Independent Panel, the Secretary of Defense and Navy leadership to provide positive recommendations and planning for implementation in this regard." In the same report and under the same heading, the SASC further directed the DoD IG to review the systems, policies, and procedures in use to ensure timely and legally sufficient post-trial review of courts-martial within the Department of the Navy (DoN). In doing so, the SASC cited a long line of appellate cases "demonstrating that cognizant legal authorities in the [DoN had] not taken necessary and appropriate steps to ensure that the resources, command attention, and necessary supervision have been devoted to the task of ensuring that the Navy and Marine Corps post-trial military justice system functions properly in all cases." The SASC further directed the Secretary to submit to the Committee a report on the findings of the DoD IG, which would include his assessment on the means to ensure accountability and compliance with the requirements of the UCMJ and applicable case law. During the course of the DoD IG inquiry and the Independent Panel study, the opinion of the Secretary of the Navy on these matters was solicited.

Section 545 will authorize the SJA to CMC to supervise the administration of military justice and delivery of legal assistance services within the Marine Corps, and provide professional supervision over all Marine judge advocates. This section will also establish a direct relationship between the SJA to CMC and the Secretary. Taken together, the elements of this proposal will enhance transparency and accountability. Further, this section will enhance the role of the Service-level legal leadership within the Marine Corps and the Department, ensuring an effective legal voice in the formulation of policy and budgetary decisions affecting legal requirements.

Budget Implications: None of the proposed amendments to title 10 (Sections 806, 1044, 5041, and 5046) will affect programs or resources, nor require appropriations. The proposed amendments only act to establish authority and accountability for the position of the SJA to CMC, and clarify reporting relationships.

Changes to Existing Law: Section 545 would amend sections 806, 1044, 5041, and 5046 of title 10, United States Code, as follows:

§ 806. Art. 6. Judge advocates and legal officers

(a) The assignment for duty of judge advocates of the Army, Navy, Air Force, and Coast Guard shall be made upon recommendation of the Judge Advocate General of the armed force of which they are members. The assignment for duty of judge advocates of the Marine Corps shall be made by the direction of the Commandant of the Marine Corps. The Judge Advocate General<u>, and within the Marine Corps the Staff Judge Advocate to the Commandant of the Marine Corps,</u> or senior members of his staff shall make frequent inspections in the field in the supervision of the administration of military justice.

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§ 1044. Legal assistance

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(b) Under such regulations as may be prescribed by the Secretary concerned, the Judge Advocate General (as defined in section 801(1) of this title) and within the Marine Corps the Staff Judge Advocate to the Commandant of the Marine Corps under the jurisdiction of the Secretary is responsible for the establishment and supervision of legal assistance programs under this section.

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§ 5041. Headquarters, Marine Corps: function; composition

(a) There is in the executive part of the Department of the Navy a Headquarters, Marine Corps. The function of the Headquarters, Marine Corps, is to assist the Secretary of the Navy in carrying out his responsibilities.

(b) The Headquarters, Marine Corps, is composed of the following:

(1) The Commandant of the Marine Corps.

(2) The Assistant Commandant of the Marine Corps.

(3) The Deputy Commandants.

(4) The Staff Judge Advocate to the Commandant of the Marine Corps.

~~(4)~~(5) Other members of the Navy and Marine Corps assigned or detailed to the Headquarters, Marine Corps.

~~(5)~~(6) Civilian employees in the Department of the Navy assigned or detailed to the Headquarters, Marine Corps.

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§ 5046. Staff Judge Advocate to the Commandant of the Marine Corps

(a) An officer of the Marine Corps who is a judge advocate and a member of the bar of a Federal court or the highest court of a State or territory and who has had at least eight years of experience in legal duties as a commissioned officer may be ~~detailed~~ appointed by the President, by and with the advice and consent of the Senate as Staff Judge Advocate to the Commandant of the Marine Corps. If an officer appointed as the ~~The~~ Staff Judge Advocate to the Commandant of the Marine Corps holds a lower grade~~, while so serving~~, the officer shall be appointed in ~~has~~ the grade of major general.

(b) Under regulations prescribed by the Secretary of Defense, the Secretary of the Navy, in selecting an officer for recommendation to the President for appointment as the Staff Judge Advocate to the Commandant of the Marine Corps, shall ensure that the officer selected is recommended by a board of officers that insofar as practical, is subject to the procedures applicable to selection boards convened under Chapter 36 of this title.

(c) The Staff Judge Advocate to the Commandant of the Marine Corps, under the direction of the Commandant of the Marine Corps and the Secretary of the Navy, shall—

(1) perform duties relating to legal matters arising in the Marine Corps as may be assigned to him;

(2) perform the functions and duties and exercise the powers prescribed for the Staff Judge Advocate to the Commandant of the Marine Corps in Chapter 47 and 53 of this title; and

(3) perform such other duties as may be assigned to him.

~~(c)~~(d) No officer or employee of the Department of Defense may interfere with--

(1) the ability of the Staff Judge Advocate to the Commandant of the Marine Corps to give independent legal advice to the Commandant of the Marine Corps; or

(2) the ability of judge advocates of the Marine Corps assigned or attached to, or performing duty with, military units to give independent legal advice to commanders.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Section 601 would amend 10 U.S.C. 1450(d) and 1452(e), which pertain to the Survivor Benefit Plan (SBP). The amendment is required so that members who waive their retired pay in order to elect a civil service annuity and to provide a survivor annuity under the Federal Employment Retirement System (FERS) are not still required to pay SBP costs. Currently, only participants in Civil Service Retirement System (CSRS) are afforded this right.

Under the current provisions of section 1452, an SBP participant does not have to continue participation in the SBP if the participant is paying to provide a survivor's annuity under the CSRS, which is governed by Chapter 83 of Title 5 of the United States Code. This same right does not exist for members who waive their retired pay in order to receive a civil service annuity and who are paying to provide a survivor's annuity under FERS, which is governed by Chapter 84 of Title 5 of the United States Code. To ensure consistent treatment to all retirees, regardless of whether they purchase a survivor annuity under CSRS or FERS, the law should be amended to apply to elections made under both retirement systems.

Section 1452(e) was amended in 1996 by section 634 of Public Law 104-201, by replacing a reference to "5 U.S.C. 8331(b)" with a reference to "5 U.S.C. 8341(b)" (no other changes were made to that section). Since FERS was already established, it is unclear why FERS employees were not included in the exception provided by 10 U.S.C. 1452(e). There is no legislative history addressing the 1996 amendment.

The legislative history from when FERS was created is lengthy and it highlights many differences between FERS and CSRS, but has limited discussion of the differences in survivor annuities. Under both retirement schemes, an employee's widow or widower is entitled to an annuity, unless the employee waives the annuity. See 5 U.S.C. 8341(b), 8442(a)(1). Under both statutes, an annuity is paid to a spouse acquired after retirement only if it is specifically elected. See 5 U.S.C. 8341(c), 8442(a)(2). Furthermore, the waiver provisions for each retirement system are the same. Under both retirement systems, an employee's annuity is reduced by the prescribed amount (equaling 10 percent under FERS and slightly less under CSRS), unless the employee and the spouse jointly elect to waive the survivor annuity. See 5 U.S.C. 8339(j), 8416(a). In comparing these provisions side-by-side, there is no apparent reason to limit the provisions of section 1452(e) to exempt only CSRS employees from the payment of SBP costs. FERS employees, like CSRS employees, are required to have their annuities reduced to pay for

the costs of survivor annuities. Consequently, it would be appropriate for section 1452(e) to also apply to FERS employees.

In addition to the amendment to 10 U.S.C. 1452(e), a conforming amendment should be made to 10 U.S.C. 1450(d). Section 1450(d) provides that if a participant waives his or her retired pay to receive a civil service annuity, and is providing for a survivor annuity under CSRS, then no SBP annuity is to be paid to that member's survivor. The statute also states that if the SBP participant declined the CSRS annuity, then the SBP annuity is still payable to the survivor, presuming SBP premiums are paid. The amendment to section 1450(d) would make the same provisions applicable to members waiving retired pay and paying for a survivor annuity under Chapter 84. This amendment would conform with the amendment to section 1452(e) because an SBP annuity should not be payable if the member is not paying the costs.

Budget Implications: There are no known budget implications to this amendment. If a member ceases to make SBP premiums, and no SBP annuity is paid, there is zero net effect.

Changes to Existing Law: Section 601 would make the following changes to subsection (e) of section 1452 of title 10, United States Code:

(e) DEPOSITS NOT REQUIRED FOR CERTAIN PARTICIPANTS IN CSRS AND FERS.—When a person who has elected to participate in the Plan waives that person's retired pay for the purposes of subchapter III of chapter 83 of title 5, or for the purposes of chapter 84 of title 5, that person shall not be required to make the deposit required by subsection (d) as long as that waiver is in effect, unless in accordance with 8339(j) or 8416(a) of title 5, that person has notified the Office of Personnel Management that he does not desire a spouse surviving him to receive an annuity under section 8341(b) or 8442(a) of title 5."

Section 601 would make the following changes to subsection (d) of section 1450 of title 10, United States Code:

(d) LIMITATION ON PAYMENT OF ANNUITIES WHEN COVERAGE UNDER CIVIL SERVICE RETIREMENT ELECTED.—If, upon the death of a person to whom section 1448 of this title applies, that person had in effect a waiver of that person's retired pay for the purposes of subchapter III of chapter 83 of title 5, or for the purposes of chapter 84 of title 5, an annuity under this section shall not be payable unless, in accordance with section 8339(j) or 8416(a) of title 5, that person notified the Office of Personnel Management that he did not desire any spouse surviving him to receive an annuity under section 8341(b) or 8442(a) of that title.

Section 602 would extend transitional compensation benefits and payments under section 1059 of title 10, United States Code, to children carried during pregnancy at the time of a dependent-abuse offense. Adding this to the statute will eliminate a disparity in coverage among minor dependents of members or former members separated for a dependent-abuse offense, which, in turn, will increase financial support for abused families and further encourage reporting of abuse.

The transitional compensation program is intended to reduce victim disincentives to reporting abuse by providing temporary benefits and payments to abused dependents of military personnel who are administratively separated or court-martialed due to a dependent-abuse offense. However, section 1059 defines "dependent child" as an unmarried child, including an adopted child or stepchild, who reside with the member or former member at the time of the dependent-abuse offense. Because a child carried during pregnancy is not "residing" with the member or former member at the time of the abuse, he or she does not receive payment or benefits under the transitional compensation program, even if other dependents are entitled to the benefits.

In order to extend transitional compensation benefits to children carried during pregnancy at the time of the dependent-abuse and subsequently born alive, this proposal will amend 10 U.S.C. 1059 by including a child "who was carried during pregnancy at the time of the dependent-abuse offense and was subsequently born alive to the eligible spouse or former spouse" in the definition of dependent child. (Although 10 U.S.C. 1059(m) allows the Service Secretaries to provide transitional compensation to certain dependents who might not otherwise be eligible, that exception authority cannot be used with after-born children since prior to their birth they are not dependents of the abusing member or former member.)

Providing transitional compensation benefits under these circumstances would be rare, and the associated costs minimal. However, the impact to the families involved is significant. By extending transitional compensation to children who were carried during pregnancy at the time of abuse and subsequently born alive, the eligible spouse or former spouse may be encouraged to report incidents of abuse, as he or she will know that the child will be eligible for transitional compensation once born alive. Denying transitional compensation to after-born children reflects negatively on the Services and is contrary to the intent of the law to encourage the reporting of dependent-abuse.

Budgetary Implications: The Department of Defense has estimated the cost of this section as follows.

RESOURCE REQUIREMENTS ($ MILLIONS) REFLECTED IN PRESIDENT'S BUDGET								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Approp From**	**Budget Activity**	**Dash-1 Line Item**
Army	$.014	$.028	$.028	$.0292	$.0292	MILPERS USA	01/02	35/85
Navy	$.007	$.014	$.014	$.0146	$.0146	MILPERS USN	01/02	35/85
Marine Corps	$.007	$.014	$.014	$.0146	$.0146	MILPERS USMC	01/02	35/85
Air Force	$.007	$.014	$.014	$.0146	$.0146	MILPERS USAF	01/02	35/85
Total	$.035	$.07	$.07	$.073	$.073			

NUMBER OF PERSONNEL AFFECTED								
	FY	**FY**	**FY**	**FY**	**FY**	**Appropriation**	**Budget**	**Dash-1**

	2013	2014	2015	2016	2017	From	Activity	Line Item
Army	4	8	8	8	8	MILPERS USA	01/02	35/85
Navy	2	4	4	4	4	MILPERS USN	01/02	35/85
Marine Corps	2	4	4	4	4	MILPERS USMC	01/02	35/85
Air Force	2	4	4	4	4	MILPERS USAF	01/02	35/85
Total	10	20	20	20	20			

Cost Methodology: **Section 602** is expected to cost $321,000 over the first five years. Once fully implemented, the proposal is expected to cost the Department approximately $73,000 per year (between $15,000 and $29,000 per Service).

As proposed, benefits for a child carried during pregnancy will begin on the date the child was born alive and will continue through the expiration of the dependent spouse's eligibility. Members are eligible for 12-36 months of coverage. The monthly transitional compensation rates are based on the Dependency and Indemnity Compensation (DIC) rate. The 2011 monthly DIC rate for a dependent child is $286 per month. Because no special assessment is made against the Services' budgets for payment of TRICARE claims for care provided to transitional compensation beneficiaries, the budgetary estimates only reflect the DIC amounts for each Service.

During the initial year of implementation, approximately 10 children will benefit from this proposal. During FY 2014, approximately 20 children will benefit from this change. When fully implemented during FY 2015 and out years, approximately 20 children per year will benefit from this change based on the average 24 months of benefits. If the proposal is approved, there is no intent to provide retroactive benefits and payments to Families previously receiving transitional compensation.

Changes to Existing Law: Section 602 would amend section 1059 of title 10, United States Code, as follows:

§ 1059. Dependents of members separated for dependent abuse: transitional compensation; commissary and exchange benefits

(a) AUTHORITY TO PAY COMPENSATION.—The Secretary of Defense, with respect to the armed forces (other than the Coast Guard when it is not operating as a service in the Navy), and the Secretary of Homeland Security, with respect to the Coast Guard when it is not operating as a service in the Navy, may each establish a program to pay monthly transitional compensation in accordance with this section to dependents or former dependents of a member of the armed forces described in subsection (b). Upon establishment of such a program, the program shall apply in the case of each such member described in subsection (b) who is under the jurisdiction of the Secretary establishing the program.

* * * * *

(f) AMOUNT OF PAYMENT.—(1) Payment to a spouse or former spouse under this section for any month shall be at the rate in effect for that month for the payment of dependency and indemnity compensation under section 1311(a)(1) of title 38.

(2) If a spouse or former spouse to whom compensation is paid under this section has custody of a dependent child of the member who resides in the same household as that spouse or former spouse, the amount of such compensation paid for any month shall be increased for each such dependent child by the amount in effect for that month under section 1311(b) of title 38.

(3) If compensation is paid under this section to a child or children pursuant to subsection (d)(2) or (d)(3), such compensation shall be paid in equal shares, with the amount of such compensation for any month determined in accordance with the rates in effect for that month under section 1313 of title 38.

(4) Payment to a child under this section shall not be paid for any period that the child was in utero.

* * * * *

(l) DEPENDENT CHILD DEFINED.—In this section, the term "dependent child", with respect to a member or former member of the armed forces referred to in subsection (b), means an unmarried child, including an adopted child or a stepchild, who was residing with the member or eligible spouse at the time of the dependent-abuse offense resulting in the separation of the former member or who was carried during pregnancy at the time of the dependent-abuse offense resulting in the separation of the former member and was subsequently born alive to the eligible spouse or former spouse and—

(1) who is under 18 years of age;

(2) who is 18 years of age or older and is incapable of self-support because of a mental or physical incapacity that existed before the age of 18 and who is (or, at the time a punitive or other adverse action was executed in the case of the former member as described in subsection (b), was) dependent on the former member for over one-half of the child's support; or

(3) who is 18 years of age or older but less than 23 years of age, is enrolled in a full-time course of study in an institution of higher learning approved by the Secretary of Defense and who is (or, at the time a punitive or other adverse action was executed in the case of the former member as described in subsection (b), was) dependent on the former member for over one-half of the child's support.

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TITLE VII—HEALTH CARE PROVISIONS

Section 701 would make changes to TRICARE cost sharing requirements to address the explosion in health care costs and make the health benefit sustainable. The Defense Health Budget has grown from $15.4 billion in fiscal year (FY) 1996 to $51.0 billion in FY 2011. During this period, annual TRICARE Prime (Prime) enrollment fees for retirees under 65 remained the same as in 1995, $460 per year for a family until the recent modest increase to $520 in FY 2012. Prime co-pays have remained at $12 per visit and pharmacy co-pays remained

constant since 2002 except for minor modification in FY 2012. As a result, the Department pays a continually increasing percentage of its beneficiaries' health costs. In 1995, beneficiaries paid approximately 27 percent of their health care costs. In 2010, they paid only 11 percent. At the same time, non-military health benefits have trended in exactly the opposite direction. A federal employee's share of the Blue Cross/Blue Shield Standard health plan has grown from $2,810 in 1996 to $7,210 in 2009. It has been estimated that American employees generally pay about 40% of the total health care costs, both in premiums and co-pays. Furthermore, TRICARE has become a better health plan, enrollee satisfaction rising from 46% in 2001 to 65% in 2011. These factors have led to a "user" effect. In 2000, it is estimated that only 60% of those eligible retirees under age 65 used their military health benefit, instead relying on their current employer's benefit plan. Currently the estimate is 84% with projections that by 2017 it will rise to 89%. The result of all these factors has led to rapid increases in the military health care budget. Without adjustments to the cost sharing structure, the cost of the Military Health System will continue to crowd out more and more programs critical to the national defense.

Subsection (a) would make a series of revisions to Prime enrollment fees for retirees and their dependents. First, it would disallow enrollment fee increases for survivors of members who die while on active duty or military disability retirees and their families. Second, enrollment fees would not be counted toward the catastrophic cap. Third, enrollment fees would have three Tiers, with Tier 1 applicable to those with retired pay in 2012 less than $22,590, Tier 2 between $22,590 and $45,178 (inclusive), and Tier 3 more than $45,178, and with each of those amounts adjusted in subsequent years by the cost of living adjustments to retired pay. The Secretary of Defense would resolve any questions about the amount of retired pay received for this purpose, such as issues relating to offsets or deductions, and any other issues regarding tier placement. Fourth, family enrollment fees for the three respective Tiers would be set as follows:

FY 2013: $600/$720/$820;
FY 2014: $680/$920/$1,120;
FY 2015: $760/$1,185/$1,535;
FY 2016: $850/$1,450/$1,950;
After FY 2016: all amounts indexed by the National Health Expenditures (NHE) per capita rate. Individual enrollment fees would continue to be one-half of family enrollment fees.

Subsection (b) would establish an annual TRICARE Standard enrollment fee for most retirees and their families, which would also apply to the TRICARE Extra program. It would not apply to survivors of members who die while on active duty or military disability retirees and their families. The amounts of the enrollment fees for individuals and families would be:

FY 2013: $70/$140;
FY 2014: $85/$170;
FY 2015: $100/$200;
FY 2016: $115/$230;
FY 2017: $130/$250;
and after FY 2017, the amounts adjusted based on the NHE per capita rate.

Subsection (c) would increase the TRICARE standard deductible amounts for most retirees and their families. These increases would not apply to survivors of members who die while on active duty or military disability retirees and their families. The amounts of the deductibles for individuals and families would be:

FY 2013: $160/$320;
FY 2014: $200/$400;
FY 2015: $230/$460;
FY 2016: $260/$520;
FY 2017: $290/$580;
and after FY 2017: the amounts adjusted based on the NHE.

Subsection (d) would introduce an annual enrollment fee for TRICARE for Life beneficiaries. This fee would not be charged to a survivor of a member who died while on active duty or a disability retiree or dependent of such a person. This enrollment fee would have the same Tier structure as Prime retiree enrollment fees. The amounts per individual in the respective Tiers would be:

FY 2013: $35/$75/$115;
FY 2014: $75/$150/$225;
FY 2015: $115/$225/$335;
FY 2016: $150/$300/$450;
after FY 2016, all amounts indexed by the NHE.

Subsection (e) would index the TRICARE retiree catastrophic cap by the NHE and provide that enrollment fees do not count toward the catastrophic cap.

Subsection (f) would make a series of revisions to the TRICARE pharmacy benefits program. First, it would specify that non-formulary drugs are required to be generally available only through the TRICARE mail order pharmacy. Second, it would set the following per-prescription generally applicable copayments in fiscal year 2013: $5 for retail network generic prescriptions for up to a 30-day supply; $26 for retail network non-generic uniform formulary prescriptions for up to a 30-day supply; $0 for mail order generic prescriptions for up to a 90-day supply; $26 for mail order non-generic uniform formulary prescriptions for up to a 90-day supply; $51 for mail order non-formulary prescriptions for up to a 90-day supply. These amounts would be adjusted in subsequent years. Beginning in fiscal year 2017, the copayment for mail order generic prescriptions for up to a 90-day supply would equal the copayment for retail network generic prescriptions for up to a 30-day supply. In 2021, the copayments would be $13 for generics, $43 for formulary drugs, and $85 for non-formulary drugs. All of these increases would not apply to a survivor of a member who died while on active duty or a disability retiree or dependent of such a person.

Subsection (g) provides that this section takes effect October 1, 2012. Further, to make it feasible to permit implementation on that date, the Secretary would be authorized to issue an interim final rule or take such other action as necessary, including presumptive enrollment for

designated beneficiaries (subject to declination) and automatic deduction from retired pay or annuity of enrollment fee amounts.

Budget Implications: Section 701 would reduce the requirements for the Military Health System's Unified Medical Budget by $1.8 billion in FY 2013 and $12.9 billion for FY 2013 – FY 2017. Specifically, the proposals would reduce Defense Health Program requirements by $452 million for FY 2013 and by $5.5 billion for FY 2013 – FY 2017. Funding requirements for the Military Departments' Medicare-Eligible Retiree Health Care Fund (MERHCF) Contribution accounts would be reduced by $1.3 billion in FY 2013 and by $7.4 billion for FY 2013 – FY 2017. The proposals would result in mandatory savings of $397 million in FY 2013 and $4.8 billion for FY 2013 – FY 2017. The reduced discretionary contributions to the MERHCF would also result in reduced mandatory collections of the amounts listed above for the Department of Defense (DoD), which are non-scoreable costs; including the effects on the Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration, these amounts increase to $1.4 billion in FY 2013 and $7.6 billion for FY 2013 – FY 2017. DoD estimates these savings and costs based on revising cost shares (deductibles, enrollment fees, pharmacy co-pays). These increases in cost shares would be ramped up over a period of four to five years with a mechanism for indexing those cost shares thereafter based on the growth in the NHE per capita. Estimates of the impacts of those revised cost shares include reductions in direct costs from the cost shares, reduced users and reduced utilization of health care services.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Defense Health	-452	-852	-1,136	-1,421	-1,650	O&M, Defense Health Program	01	02
Army	-352	-359	-383	-403	-426	Medicare-Eligible Retiree Health Fund Contribution (MERHFC), Army	01/02	01
Navy	-225	-237	-247	-262	-279	MERHFC, Navy	01/02	01
Marine Corps	-141	-138	-143	-152	-160	MERHFC, Marine Corps	01/02	01
Air Force	-231	-242	-254	-271	-288	MERHFC, Air Force	01/02	01
Army Reserve	-96	-100	-106	-112	-119	MERHFC, Army Reserve	01	01
Navy Reserve	-30	-31	-33	-34	-36	MERHFC, Navy Reserve	01	01

Marine Corps Reserve	-19	-20	-21	-22	-23	MERHFC, Marine Corps Reserve	01	01
Air Force Reserve	-33	-34	-36	-38	-40	MERHFC, Air Force Reserve	01	01
Army National Guard	-167	-176	-187	-197	-207	MERHFC, NG Personnel, Army	01	01
Air National Guard	-50	-52	-55	-57	-60	MERHFC, NG Personnel, Air Force	01	01
Total	-1,796	-2,241	-2,601	-2,969	-3,288			

Changes to Existing Law: Section 701 would make the following changes to chapter 55 of title 10, United States Code:

§ 1074g. Pharmacy benefits program

(a) PHARMACY BENEFITS.

* * * * *

(5) The pharmacy benefits program shall assure the availability to eligible covered beneficiaries of pharmaceutical agents not included on the uniform formulary. Such pharmaceutical agents shall be available through ~~at least one of the means described in paragraph (2)(E)~~ the national mail order pharmacy program under terms and conditions that may include cost sharing by the eligible covered beneficiary in addition to any such cost sharing applicable to agents on the uniform formulary.

(6)

* * * * *

(C)(i) Notwithstanding any limitation in subparagraph (A) and subject to clause (iv), the generally applicable cost sharing amounts listed in the following table shall apply in the years 2013 through 2021.

	Retail Generic	Retail Formulary	Mail Order Generic	Mail Order Formulary	Mail Order Non-formulary
2013	$5	$26	$0	$26	$51
2014	$6	$28	$0	$28	$54
2015	$7	$30	$0	$30	$58
2016	$8	$32	$0	$32	$62
2017	$9	$34	$9	$34	$66
2018	$10	$36	$10	$36	$70

2019	$11	$38	$11	$38	$75
2020	$12	$40	$12	$40	$80
2021	$13	$43	$13	$43	$85

(ii) The amounts specified in the table in clause (i) for retail dispensing refer to dispensing in retail network pharmacies for prescriptions for up to a 30-day supply. The amounts specified for mail order dispensing are for an up to 90-day supply.

(iii) The amounts specified in the table in clause (i) shall be adjusted by the Secretary for years after 2021 based on changes (as determined by the Secretary) in the costs of pharmaceutical agents and prescription dispensing, rounded to the nearest dollar.

(iv) A cost-sharing amount under this subparagraph shall not apply to a survivor of a member of the uniformed services who died while on active duty, or to a person retired under chapter 61 of this title or the dependents of such person. For such individuals, the amounts in effect during fiscal year 2012 shall remain in effect.

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§ 1086. Contracts for health benefits for certain members, former members, and their dependents

* * * * *

(b) For persons covered by this section the plans contracted for under section 1079(a) of this title shall contain the following provisions for payment by the patient:

~~(1) Except as provided in clause (2), the first $ 150 each fiscal year of the charges for all types of care authorized by this section and received while in an outpatient status and 25 percent of all subsequent charges for such care during a fiscal year.~~

(1) Beginning October 1, 2012, an annual enrollment fee, which shall be a precondition to coverage under this section, (including coverage that provides for discounts on cost-sharing for using TRICARE network providers) and section 1074g, except that such fee shall not apply to persons described in paragraph (5) or in subsection (d). The amount of the enrollment fee by fiscal year shall be:

(A) in 2013, $70 for an individual or $140 for a family group;

(B) in 2014, $85 for an individual or $170 for a family group;

(C) in 2015, $100 for an individual or $200 for a family group;

(D) in 2016, $115 for an individual or $230 for a family group;

(E) in 2017, $130 for an individual or $250 for a family group; and

(F) after 2017, the amounts for 2017 adjusted based on the National Health Expenditures per capita rate, as established by the Secretary of Health and Human Services.

~~(2) A family group of two or more persons covered by this section shall not be required to pay collectively more than the first $ 300 each fiscal year of the charges for all types of care authorized by this section and received while in an outpatient status and 25 percent of the additional charges for such care during a fiscal year.~~

(2) An annual deductible amount applicable to the charges for all types of care authorized by this section and received while in an outpatient status and 25 percent of the additional charges for such care during a year. The annual deductible amount, except for persons described in paragraph (5), shall be:

(A) in 2013, $160 for an individual or $320 for a family group;

(B) in 2014, $200 for an individual or $400 for a family group;

(C) in 2015, $230 for an individual or $460 for a family group;

(D) in 2016, $260 for an individual or $520 for a family group;

(E) in 2017, $290 for an individual or $580 for a family group; and

(F) after 2017, the amounts adjusted based on the National Health Expenditures per capita rate, as established by the Secretary of Health and Human Services.

* * * * *

(4)(A) A member or former member of a uniformed service covered by this section by reason of section 1074(b) of this title, or an individual or family group of two or more persons covered by this section, may not be required to pay a total of more than $ 3,000 for health care received during any fiscal year under a plan contracted for under section 1079(a) of this title.

(B) Beginning October 1, 2012, the amount referred to in subparagraph (A) shall be adjusted based on the National Health Expenditures per capita rate, as established by the Secretary of Health and Human Services, and shall not include enrollment fees under this chapter.

(5) Paragraphs (1), (2), and (4)(B) shall not apply to a survivor of a member of the uniformed services who died while on active duty or to a person retired under chapter 61 of this title or the dependents of such person. For such individuals—

(A) there is no annual enrollment fee;

(B) the deductible amounts in effect in fiscal year 2012 shall remain in effect; and

(C) the maximum payment amount referred to in paragraph (4)(A) shall remain in effect.

(d) * * *

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(3) * * *

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(D) A person described in paragraph (2) (except a person described in clause (i) of this subparagraph), shall pay an annual fiscal year enrollment fee as an additional condition of eligibility for health care benefits under this chapter.

(i) The annual enrollment fee shall not be charged to a survivor of a member of the uniformed services who died while on active duty, or to a person retired under chapter 61 of this title or the dependents of such person;

(ii) The annual enrollment fee shall have three Tiers, with Tier 1 applicable to former members (or their survivors) with retired pay (or in the case of survivors, annuity under the Survivor Benefits Plan under chapter 73 of this title) in 2012 less than $22,590, Tier 2 between $22,590 and $45,178, and Tier 3 more than $45,178, and with each of those amounts adjusted in subsequent years by the cost of living adjustments to retired pay;

(iii) Each of the amounts in clause (ii) shall be adjusted in subsequent years by the cost of living adjustment applied to retired pay.

(iv) Tier placement in years after 2012 shall be based on retired pay or annuity during the calendar year in which the fiscal year starts.

(v) For purposes of tier placement, the amount of retired pay or annuity determined to be received by any eligible beneficiary under this subparagraph, and any other tier placement issues under this section shall be determined by the Secretary of Defense.

(vi) In 2013 the enrollment fee for an individual shall be $35 for Tier 1, $75 for Tier 2, and $115 for Tier 3;

(vii) In 2014 the enrollment fee for an individual shall be $75 for Tier 1, $150 for Tier 2, and $225 for Tier 3;

(viii) In 2015 the enrollment fee for an individual shall be $115 for Tier 1, $225 for Tier 2, and $335 for Tier 3;

(ix) In 2016 the enrollment fee for an individual shall be $150 for Tier 1, $300 for Tier 2, and $450 for Tier 3; and

(x) In subsequent years, the enrollment fee for an individual shall be the amount in 2016, indexed by the National Health Expenditures per capita rate, as established by the Secretary of Health and Human Services.

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§ 1097. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care

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(e) CHARGES FOR HEALTH CARE.

* * * *

~~(2) Beginning October 1, 2012, the Secretary of Defense may only increase in any year the annual enrollment fees described in paragraph (1) by an amount equal to the percentage by which retired pay in increased under section 1401a of this title.~~

(2)(A) Beginning October 1, 2012, the annual enrollment fees referred to in paragraph (1)—

(i) may not be increased for a survivor of a member of the uniformed services who dies while on active duty, or a person retired under chapter 61 of this title or the dependents of such person; and

(ii) for an individual enrollment, shall be one-half of the amount for a family enrollment.

(B) Beginning October 1, 2012, such annual enrollment fees shall have three Tiers, as follows:

(i) Tier 1, which shall be applicable to former members (or their survivors) with retired pay (or in the case of survivors, annuity under the Survivor Benefits Plan under chapter 73 of this title) in 2012 less than $22,590.

(ii) Tier 2, which shall be applicable to former members (or their survivors) with retired pay (or in the case of survivors, annuity under the Survivor Benefits Plan under chapter 73 of this title) in 2012 between $22,590 and $45,178 inclusive.

(iii) Tier 3, which shall be applicable to former members (or their survivors) with retired pay (or in the case of survivors, annuity under the Survivor Benefits Plan under chapter 73 of this title) in 2012 more than $45,178.

(C) Each amount specified in subparagraph (B) shall be adjusted in subsequent years by the cost of living adjustments to retired pay. In subsequent years, tier placement will be based on retired pay or annuity during the calendar year in which the fiscal year starts. For purposes of applying subparagraph (B), the amount of retired pay or annuity determined to be received by any eligible beneficiary under this section and any other tier placement issues under this section shall be determined by the Secretary of Defense.

(D) The annual family enrollment fee by fiscal year referred to in paragraph (1), based upon the Tiers determined under subparagraphs (B) and (C), is the following:

(i) For 2013, $600 for Tier 1, $720 for Tier 2, and $820 for Tier 3.

(ii) For 2014, $680 for Tier 1, $920 for Tier 2, and $1,120 for Tier 3.

(iii) For 2015, $760 for Tier 1, $1,185 for Tier 2, and $1,535 for Tier 3.

(iv) For 2016, $850 for Tier 1, $1,450 for Tier 2, and $1,950 for Tier 3.

(v) For years after 2016, the amount in 2016, indexed by the National Health Expenditures per capita rate, as established by the Secretary of Health and Human Services.

Section 702 would require physicians and suppliers who annually enroll as participating providers with Medicare to accept the TRICARE participating provider rate when treating TRICARE patients. Currently, as a condition for participating in the Medicare program and receiving Medicare reimbursement, hospitals must agree to be a participating provider under the TRICARE and Department of Veterans Affairs (VA) programs, and comply with TRICARE (or VA) regulatory requirements concerning admission practices and payment methodology. This section would place an analogous requirement on individual providers.

Section 702 would increase access to care for TRICARE Standard patients, as well as for TRICARE Prime patients in geographic areas where network access to certain specialties has not been achievable. This improved access would improve health outcomes and customer service and satisfaction.

Budget Implications: There are no additional costs associated with **section 702**. TRICARE beneficiaries will receive the same healthcare but this proposal will allow more timely access to care in a more convenient manner.

RESOURCE REQUIREMENTS ($ MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**

DHP	$0	$0	$0	$0	$0	DHP O&M	BA-01	01

Changes to Existing Law: Section 702 would make the following changes to Section 1842(h)(1) of the Social Security Act (42 U.S.C; 1395u(h)(1)):

(h) Participating physician or supplier; agreement with Secretary; publication of directories; availability; inclusion of program in explanation of benefits; payment of claims on assignment-related basis

(1) Any physician or supplier may voluntarily enter into an agreement with the Secretary to become a participating physician or supplier. For purposes of this section, the term "participating physician or supplier" means a physician or supplier (excluding any provider of services) who, before the beginning of any year beginning with 1984, enters into an agreement with the Secretary which provides that such physician or supplier will accept payment under this part on an assignment-related basis for all items and services furnished to individuals enrolled under this part during such year. In the case of a newly licensed physician or a physician who begins a practice in a new area, or in the case of a new supplier who begins a new business, or in such similar cases as the Secretary may specify, such physician or supplier may enter into such an agreement after the beginning of a year, for items and services furnished during the remainder of the year. Any physician or supplier who voluntarily enters into an agreement with the Secretary to become a participating physician or supplier shall be deemed to have agreed to be a participating provider of medical care or services under any health plan contracted for under section 1079 or 1086 of title 10, United States Code, or under section 1718 of title 38, United States Code, in accordance with the payment methodology and amounts prescribed under joint regulations prescribed by the Secretary, the Secretary of Defense and the Secretary of Homeland Security pursuant to sections 1079 and 1086 of title 10, United States Code.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Section 801 would amend section 2432 of title 10, United States Code, to terminate the requirement for submission of Selected Acquisition Reports (SARs) when a Major Defense Acquisition Program (MDAP) is 75 percent complete rather than the current requirement of 90 percent complete. DoD has been submitting SARs to Congress since 1969, and the requirement was put into statute in 1975. For the latest reporting period (December 2010), the Department submitted SARs for 96 MDAPs at a total estimated cost of $1.3 million. If the proposed reduction in reporting would have been in effect, approximately half the number of SARs would have been required to be submitted, thereby reducing the volume and cost of Congressional reporting. SARs are first required to be submitted at program initiation (typically Milestone B) and continue reporting into full rate production, well beyond the point where significant issues related to program performance or program management typically occur.

Budget Implications: There are cost savings (avoidances) associated with **Section 801**; however, they are not substantial enough to impact the annual budgets for any of the Major Defense Acquisition Programs that submit SARs.

Changes to Existing Law: Section 801 would make the following changes to section 2432 of title 10, United States Code:

§ 2432. Selected Acquisition Reports

(a) In this section:

(1) The term "program acquisition unit cost", with respect to a major defense acquisition program, means the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, the acquisition program, divided by (B) the number of fully-configured end items to be produced for the acquisition program.

(2) The term "procurement unit cost", with respect to a major defense acquisition program, means the amount equal to (A) the total of all funds programmed to be available for obligation for procurement for the program, divided by (B) the number of fully-configured end items to be procured.

(3) The term "major contract", with respect to a major defense acquisition program, means each of the six largest prime, associate, or Government-furnished equipment contracts under the program that is in excess of $ 40,000,000 and that is not a firm, fixed price contract.

(4) The term "full life-cycle cost", with respect to a major defense acquisition program, means all costs of development, procurement, military construction, and operations and support, without regard to funding source or management control.

(b)(1) The Secretary of Defense shall submit to Congress at the end of each fiscal-year quarter a report on current major defense acquisition programs. Except as provided in paragraphs (2) and (3), each such report shall include a status report on each defense acquisition program that at the end of such quarter is a major defense acquisition program. Reports under this section shall be known as Selected Acquisition Reports.

(2) ***

* * * * * * *

(g) The requirements of this section with respect to a major defense acquisition program or designated major subprogram shall cease to apply after ~~90~~ **75** percent of the items to be delivered to the United States under the program or subprogram (shown as the total quantity of items to be purchased under the program or subprogram in the most recent Selected Acquisition Report) have been delivered or ~~90~~ **75** percent of planned expenditures under the program or subprogram have been made.

* * * * * * *

Section 802 would add a new subsection (e) to section 2367of title 10, United States Code. Paragraph (1) of the new subsection (e) would provide specific multiyear contract authority with respect to federally funded research and development centers (FFRDC) services. Federal Acquisition Regulation (FAR) Part 35 and Department of Defense (DoD) policy encourage long-term relationships with FFRDCs by permitting sponsorship agreements for five years. The sponsorship agreements set only the basic framework, however. No funds are obligated on a sponsorship agreement and no work is ordered or performed under such agreement. A separate contract with each FFRDC is required for funding and work assignments. Without specific statutory authorization for multiyear contracting, the DoD cannot enter into contracts for a five-year term. The multiyear approach is needed to enhance the FFRDC's long-term stability, staffing commitments, and forward planning that are not currently available through annual options or short task orders. The exercise of annual options and/or negotiation, issuance, administration and close-out of task orders requires additional staff on the part of both the agency and the FFRDC that would not be necessary with a multiyear contract. Using a multiyear approach will streamline the agency's ability to initiate and manage research projects while enabling the FFRDC to provide non-cost incentives to recruit and maintain the best human capital to meet the Department of Defense needs over a longer period. The statute (10 U.S.C. 2306c) that permits multiyear contracts for services does not cover research and development or FFRDCs, and does not include specific authority for five-year contracts. The FFRDC contracts are not "covered services" as defined in 10 U.S.C. 2306c Therefore, specific multiyear contracting authority is needed so that the DoD can enter contracts that will satisfy the long-term needs set forth in FFRDC sponsorship agreements, the FAR, and DoD policy.

Paragraph (2) of the new subsection (e) would further define the authorized terms of such multiyear contracts, as a means of requiring appropriate controls on the authority granted in the new subsection (e)(1). Subsection (e)(2) would authorize DoD to negotiate specific provisions with each FFRDC including cancellation costs and the orderly disposal of assets either at the end of a sponsorship or upon early cancellation of a contract. For example, a contract for certain work might be cancelled (e.g., because that work is no longer needed or is not funded) without affecting the overarching sponsorship relationship between DoD and the FFRDC. DoD may enter several contracts with one FFRDC under a single sponsorship agreement. If the overarching sponsorship ends, then all assets and liabilities of the FFRDC must be liquidated and any proceeds held for the benefit of the Government must be returned to the Government. The proposed subsection (e)(2) would allow for both scenarios (end of contract or end of sponsorship).

DoD FFRDCs are classified under one of three categories: R&D Laboratory, Study and Analysis (S&A) Center, and Systems Engineering and Integration (SE&I) Center. DoD needs long term stable relationships with FFRDCs in order to attract and retain the best science and technology workforce and to encourage non-profit organizations to invest in leading edge capabilities. For example, university foundations that operate FFRDCs are separate entities that ordinarily cannot reach back to the financial resources of the university, and have no other source of funding, so face serious barriers in obtaining financing or retaining key science and technology employees when the contracts are guaranteed for only one year at a time or one task order at a time. Annual contracts and indefinite task ordering contracts do not adequately reflect the special long-term relationship that FFRDCs hold and which is recognized in their

sponsorship agreements. Historically, some FFRDCs were set up on a five-year basis but that authority expired and now there are questions about whether the new contracts can be structured that way. There is no clear statutory authority for the five-year term for an FFRDC contract, so there would be no way to solve this problem with a regulatory or policy change. This legislative proposal would clarify the authority to use the most efficient contract structure.

Section 802 addresses the problems cited by amending 10 U.S.C. 2367 to coincide with the intent of the FAR and the Under Secretary of Defense Acquisition Technology and Logistics' Federally Funded Research and Development Center Management Plan (DoD level guidance to assist with the oversight and management of our federally funded research and development centers). FFRDCs are unique entities that are created to fulfill a long-term need where comparable (commercial) sources are not available to do the same. Explicit statutory guidance permitting contractual relationships consistent with the DoD sponsorship agreements will ensure that agencies can efficiently and cost-effectively maintain this essential resource, especially where proper oversight is already assured under 10 U.S.C. 2367.

Budget Implications: SAF/FMBIZ has certified that there are no budgetary impacts associated with this legislative proposal. Therefore, we are not providing a budget table as part of this legislative request.

Changes to Existing Law: Section 802 would add a new subsection (e) to section 2367 of title 10, United States Code. The text of the new subsection is set forth in the legislative text.

Section 803 would provide authority for the Defense Contract Management Agency (DCMA) to be reimbursed by a manufacturer or assembler of items of a critical nature to the Department of Defense (DoD), prior to award of a DoD procurement contract, when the nature of the item requires Government inspection or testing during manufacturing or assembly as a precondition to Government acceptance of such items under a future Government contract. Examples include critical safety items and safety of flight operations. The proposed legislation expands the authority in 10 U.S. Code §2539b which authorizes the Department to provide testing services for a fee to nongovernmental organizations, including commercial entities, through its laboratories.

Such a change is necessary because, at present, DCMA's authority to inspect and test items and applications is limited to instances where a procurement contract has been awarded by the Military Departments or Defense Agencies for delivery of the related end product. The Services have expressed a need for these inspection and test services in support of their acquisition programs even prior to the award of such contracts.

Due to the operational tempo of overseas conflicts in which the United States is engaged, and the long production lead time for the complicated military hardware necessary to properly prosecute those conflicts and other high-priority needs of the Services, military contractors are anticipating DoD needs and manufacturing items in advance of DoD contract award for those items. In most cases the prospective contractor is the sole source for the items and has chosen to proceed with manufacture or assembly "at its own risk," that is, with the legal understanding that

the Government has not awarded a contract or order for these items and is not responsible for any costs incurred if no contract or order is awarded in the future.

Should these items be delivered to the Government, acceptance would be subject to Critical Safety Item and/or Safety of Flight inspection and test requirements on numerous parts and subassemblies. The testing and inspections must be conducted by the DCMA in order to ensure adequate product assurance and protections. These tests and inspections must be conducted at certain points in the manufacturing or assembly process and cannot be performed at a later time, or without incurring significant additional costs (e.g., to disassemble, inspect and then properly reassemble the items). Items manufactured prior to contract award and without inspection cannot contractually be accepted (as end items or as part of higher-level assemblies) without a waiver or deviation from contract requirements, despite the obvious negative safety and operational implications of such waivers or deviations.

The Secretaries of the military departments are granted broad authority to "conduct all affairs of the Department…." *See* 10 USC 3013(b) (Secretary of the Army), 10 USC 5013(b) (Secretary of the Navy) and 10 USC 8013(b) (Secretary of the Air Force). The broad authority could include performing the types of inspections and evaluations at issue here. However, the DCMA enabling Directive (DoD 5105.64, 27 SEP 2000) is much more limited in scope. The Directive states that "DCMA shall perform Contract Administration Services (CAS) for the Department of Defense, other authorized Federal Agencies, foreign governments, international organizations, and others as authorized." The Director of the DCMA is instructed to "[p]erform CAS functions in accordance with the Federal Acquisition Regulation (FAR) . . . and DFARS, Part 42 . . . as amended." FAR Part 42 applies to administration of existing contracts, and authorizes only very limited activities in advance of, or in the absence of, a contract. These activities do not include performance of inspections or testing. Additionally, the DCMA is only funded to perform such contract administration services for existing contracts or as part of the pre-award responsibility and capability evaluation process in support of Service determinations to award specific contracts.

The Military Departments receive the services of the DCMA, such as Government Source Inspection (GSI) and CAS at no direct cost when a contract is delegated to DCMA for administration under the FAR. Because the Directive also authorizes the Director of DCMA to "[p]erform such other functions as may be assigned by the Secretary and Deputy Secretary of Defense of USD(AT&L)," the Secretaries of the Departments could request pre-contract inspection and testing by the DCMA on a reimbursable basis. This would have a significant budgetary impact for the Services, and performing such services without reimbursement would be financially impossible for the DCMA.

The proposed language enables the Secretary of Defense (or such delegee as the Secretary designates) to authorize the DCMA, under limited circumstances, on a case by case basis to perform such work and receive reimbursement from the manufacturers. The language relieves the United States from any obligation to issue a contract or to purchase the inspected materials, and also releases the United States from any liabilities associated with its pre-contract work. It is intended that the standards by which these inspections would be performed would be spelled out in the "contracts or other arrangements" pursuant to such process as the Secretary

would establish, and would clearly indicate that the performance of such services was not a commitment by the United States to purchase the items so inspected and tested, or to purchase them only in the configuration provided. It would also require the manufacturers to hold the United States harmless from any claim by a third party to whom the items so inspected or tested might subsequently be sold should the United States not purchase them.

Budget Implications: This is a "budget neutral" legislative proposal. Any cost associated with supporting this non-contract work would be borne by the company requesting the services of DCMA through a reimbursement authority. All costs associated with such support would be included in the reimbursable rate negotiated with the contractor at the time the agreement is established between the contractor, DCMA and the contracting office.

Changes to Existing Law: Section 803 would make the following changes to section 2539b of title 10, United States Code:

§ 2539b. Availability of samples, drawings, information, equipment, materials, and certain services

(a) AUTHORITY.—The Secretary of Defense and the Secretaries of the military departments, under regulations prescribed by the Secretary of Defense and when determined by the Secretary of Defense or the Secretary concerned to be in the interest of national defense, may each—

(1) sell, rent, lend, or give samples, drawings, and manufacturing or other information (subject to the rights of third parties) to any person or entity;

(2) sell, rent, or lend government equipment or materials to any person or entity—

(A) for use in independent research and development programs, subject to the condition that the equipment or material be used exclusively for such research and development; or

(B) for use in demonstrations to a friendly foreign government;

(3) make available to any person or entity, at an appropriate fee, the services of any government laboratory, center, range, or other testing facility for the testing of materials, equipment, models, computer software, and other items; ~~and~~

(4) make available to any person or entity, through leases, contracts, or other appropriate arrangements, facilities, services, and equipment of any government laboratory, research center, or range, if the facilities, services, and equipment provided will not be in direct competition with the domestic private sector~~.~~; and

(5) make available to any person or entity, in advance of the award of a procurement contract, through contracts or other appropriate arrangements and as provided in subsection (e), the services of the Defense Contract Management Agency for testing and inspection of items when such testing and inspection is determined to be critical to a specific program of the Department of Defense.

(b) CONFIDENTIALITY OF TEST RESULTS.—The results of tests performed with services made available under subsection (a)(3) are confidential and may not be disclosed outside the Federal Government without the consent of the persons for whom the tests are performed.

(c) FEES.—Fees made available under subsections (a)(3), ~~and~~ (a)(4), and (a)(5) shall be established in the regulations prescribed pursuant to subsection (a). Such fees may not exceed the amount necessary to recoup the direct and indirect costs involved, such as direct costs of utilities, contractor support, and salaries, travel, and other incidental overhead expenses of personnel that are incurred by the United States to provide for the testing or inspection.

(d) USE OF FEES.—Fees received under subsections (a)(3), ~~and~~ (a)(4), and (a)(5) may be credited to the appropriations or other funds of the activity making such services available.

(e) DCMA SERVICES.—Services of the Defense Contract Management Agency may be made available under subsection (a)(5) only if the contract or other arrangement for those services—

(1) holds the United States harmless if the items covered by the contract or other arrangement (whether or not tested and inspected under the contract or other arrangement) are not subsequently ordered by or delivered to the United States under a procurement contract entered into after the contract or other arrangement is entered into; and

(2) holds the United States harmless against any claim arising out of the inspection and testing, or the use in any commercial application, of the equipment tested and inspected by the Defense Contract Management Agency under the contract or other arrangement.

Section 804 would amend section 2401(h) of title 10 United States Code, to eliminate the requirement of continuous session of Congress from the 30-day notice required before a vessel lease contract may be made. The proposed change would ensure that Congress continues to receive a 30-day notice of proposed charters while eliminating the uncertainty that results from a Congressional schedule that seldom provides a period of 30 days of continuous session.

Elimination of the continuous-days-of-session requirement would provide flexibility to address military requirements in a timely manner. A military department chartering a vessel that is covered under this section faces a choice of violating the notice requirement as stated, or postponing the charter until a 30-day continuous session window is available. Elimination of the continuous session requirement would enable more efficient support of the warfighter.

Budget Implications: If enacted, **section 804** would not increase the budgetary requirements of the Department of Defense and does not require a Program Budget Decision. Eliminating the continuous session of Congress requirement will result in no additional cost to the Department of the Navy because no additional resources will be required to provide the required notice of upcoming contract actions

Changes to Existing Law: **Section 804** would amend section 2401(h) of title 10, United States Code, as follows:

(h) The Secretary of a military department may make a contract for the lease of a vessel or for the provision of a service through use by a contractor of a vessel, the term of which is for a period of greater than two years, but less than five years, only if—

(1) the Secretary has notified the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives of the proposed contract and included in such notification—

(A) a detailed description of the terms of the proposed contract and a justification for entering into the proposed contract rather than obtaining the capability provided for by the lease, charter, or services involved through purchase of the vessel;

(B) a determination that entering into the proposed contract as a means of obtaining the vessel is the most cost-effective means of obtaining such vessel; and

(C) a plan for meeting the requirement provided by the proposed contract upon completion of the term of the lease contract; and

(2) a period of 30 days ~~of continuous session of Congress~~ has expired following the date on which notice was received by such committees.

Section 805 would repeal section 871 of the National Defense Authorization Act for Fiscal Year 2008, requiring that there be within the Department of Defense (DoD) a Defense Materiel Readiness Board (DMRB) and section 872 of that Act, providing for designation by the Secretary of Defense of critical materiel readiness shortfalls and creating a Department of Defense Strategic Readiness Fund. The fund currently has a zero balance as no money was ever transferred into the fund. Repeal of those sections would reduce duplication, overhead, and excess across the Materiel Readiness Community. This is a collaborative effort resulting in part by Secretary of Defense's Efficiency Initiatives.

If authorized, the current functions of the DMRB – the assessment of materiel readiness, the evaluation of plans and policies relating to materiel readiness, and the identification of critical materiel readiness shortfalls would move — under the governance structure such as the existing Joint Logistics Board (JLB). The military departments currently have venues and means by which they address materiel and readiness deficiencies (i.e., Naval Aviation Enterprise Air Boards, Surface Warfare Enterprise Monthly reviews, Army Enterprise Equipping Reuse Conference (AEERC), Army Resource Requirements Board (AR2B), and the Air Reserve Component Weapons and Tactics Workshop). The new governance structure would be revised to include members of the reserve components of the Armed Forces to meet the conditions of the DMRB membership. By recognition of the Services current capabilities to meet its materiel/readiness deficiencies and by expansion to represent Reserve and National Guard constituencies, the intent of Congress would be met.

Budget Implications: The repeal of sections 871 and 872 of the FY 08 NDAA would provide savings in excess of 2 million dollars over the next five years. This is a result of the mandatory bi-annual reports on materiel readiness issues being reported by other venues as stated above.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation**	**Budget Activity**	**Line Item**
OSD	.400	.400	.400	.400	.400	Procurement, Defense-Wide (P, DW)	01 (Major Equipment)	47
Total	.400	.400	.400	.400	.400			

Changes to Existing Law: Section 805 would repeal subtitle G of title VIII of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 10 U.S.C. 117 note) as follows:

~~**Subtitle G—Defense Materiel Readiness Board**~~

~~**SEC. 871. ESTABLISHMENT OF DEFENSE MATERIEL READINESS BOARD.**~~

~~(a) Establishment- Not later than 6 months after the date of the enactment of this Act, the Secretary of Defense shall establish a Defense Materiel Readiness Board (in this subtitle referred to as the `Board') within the Office of the Secretary of Defense.~~

~~(b) Membership- The Secretary shall appoint the chairman and the members of the Board from among officers of the Armed Forces with expertise in matters relevant to the function of the Board to assess materiel readiness and evaluate plans and policies relating to materiel readiness. At a minimum, the Board shall include representatives of the Joint Chiefs of Staff, each of the Armed Forces, and each of the reserve components of the Armed Forces.~~

~~(c) Staff- The Secretary of Defense shall assign staff, and request the Secretaries of the military departments to assign staff, as necessary to assist the Board in carrying out its duties.~~

~~(d) Functions- The Board shall provide independent assessments of materiel readiness, materiel readiness shortfalls, and materiel readiness plans to the Secretary of Defense and the Congress. To carry out such functions, the Board shall--~~

~~(1) monitor and assess the materiel readiness of the Armed Forces;~~

~~(2) assist the Secretary of Defense in the identification of deficiencies in the materiel readiness of the Armed Forces caused by shortfalls in weapons systems, equipment, and supplies;~~

~~(3) identify shortfalls in materiel readiness, including critical materiel readiness shortfalls, for purposes of the Secretary's designations under section 872 and the funding needed to address such shortfalls;~~

~~(4) assess the adequacy of current Department of Defense plans, policies, and programs to address shortfalls in materiel readiness, including critical materiel readiness shortfalls (as designated by the Secretary under section 872), and to sustain and improve materiel readiness;~~

~~(5) assist the Secretary of Defense in determining whether the industrial capacity of the Department of Defense and of the defense industrial base is being best utilized to support the materiel readiness needs of the Armed Forces;~~

~~(6) review and assess Department of Defense systems for measuring the status of current materiel readiness of the Armed Forces; and~~

(7) make recommendations with respect to materiel readiness funding, measurement techniques, plans, policies, and programs.

(e) Reports- The Board shall submit to the Secretary of Defense a report summarizing its findings and recommendations not less than once every six months. Within 30 days after receiving a report from the Board, the Secretary shall forward the report in its entirety, together with his comments, to the congressional defense committees. The report shall be submitted in unclassified form. To the extent necessary, the report may be accompanied by a classified annex.

SEC. 872. CRITICAL MATERIEL READINESS SHORTFALLS.

(a) DESIGNATION OF CRITICAL MATERIEL READINESS SHORTFALLS.—

(1) DESIGNATION.—The Secretary of Defense may designate any requirement of the Armed Forces for equipment or supplies as a critical materiel readiness shortfall if there is a shortfall in the required equipment or supplies that materially reduces readiness of the Armed Forces and that—

(A) cannot be adequately addressed by identifying acceptable substitute capabilities or cross leveling of equipment that does not unacceptably reduce the readiness of other Armed Forces; and

(B) that is likely to persist for more than two years based on currently projected budgets and schedules for deliveries of equipment and supplies.

(2) CONSIDERATION OF BOARD FINDINGS AND ECOMMENDATIONS.—

In making any such designation, the Secretary shall take into consideration the findings and recommendations of the Defense Materiel Readiness Board.

(b) MEASURES TO ADDRESS CRITICAL MATERIEL READINESS SHORTFALLS.—The Secretary of Defense shall ensure that critical materiel readiness shortfalls designated pursuant to subsection (a)(1) are transmitted to the relevant officials of the Department of Defense responsible for requirements, budgets, and acquisition, and that such officials prioritize and address such shortfalls in the shortest time frame practicable.

(c) TRANSFER AUTHORITY.—

(1) IN GENERAL.—The amounts of authorizations that the Secretary may transfer under the authority of section 1001 of this Act is hereby increased by $2,000,000,000.

(2) LIMITATIONS.—The additional transfer authority provided by this section—

(A) may be made only from authorizations to the Department of Defense for fiscal year 2008;

(B) may be exercised solely for the purpose of addressing critical materiel readiness shortfalls as designated by the Secretary of Defense under subsection (a); and

(C) is subject to the same terms, conditions, and procedures as other transfer authority under section 1001 of this Act.

(d) STRATEGIC READINESS FUND.—

(1) ESTABLISHMENT.—There is established on the books of the Treasury a fund to be known as the Department of Defense Strategic Readiness Fund (in this subsection referred to as the ''Fund''), which shall be administered by the Secretary of the Treasury.

~~(2) PURPOSES.—The Fund shall be used to address critical materiel readiness shortfalls as designated by the Secretary of Defense under subsection (a).~~

~~(3) ASSETS OF FUND.—There shall be deposited into the Fund any amount appropriated to the Fund, which shall constitute the assets of the Fund.~~

~~(4) LIMITATION.—The procurement unit cost (as defined in section 2432(a) of title 10, United States Code) of any item purchased using assets of the Fund, whether such assets are in the Fund or after such assets have been transferred from the Fund using the authority provided in subsection (c), shall not exceed $30,000,000.~~

~~(e) MULTIYEAR CONTRACT NOTIFICATION.—~~

~~(1) NOTIFICATION.—If the Secretary of a military department makes the determination described in paragraph (2) with respect to the use of a multiyear contract, the Secretary shall notify the congressional defense committees within 30 days of the determination and provide a detailed description of the proposed multiyear contract.~~

~~(2) DETERMINATION.—The determination referred to in paragraph (1) is a determination by the Secretary of a military department that the use of a multiyear contract to procure an item to address a critical materiel readiness shortfall—~~

~~(A) will significantly accelerate efforts to address a critical materiel readiness shortfall;~~

~~(B) will provide savings compared to the total anticipated costs of carrying out the contract through annual contracts; and~~

~~(C) will serve the interest of national security.~~

~~(f) DEFINITION.—In this section, the term ''critical materiel readiness shortfall'' means a critical materiel readiness shortfall designated by the Secretary of Defense under this section.~~

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Intelligence-Related Matters

Section 901: In recognition that the mission of the National Defense Intelligence College (NDIC) includes the preparation of intelligence professionals, both military and civilian, from the Department of Defense (DoD) and all the elements of the Intelligence Community, for leadership positions throughout the U.S. Government, the Department has concurred with the recommendation of the Director of National Intelligence to rename the NDIC as the National Intelligence University. This renaming was accomplished on February 9, 2011 through the issuance by the Under Secretary of Defense for Intelligence of a revised DoD Instruction 3305.01, "National Intelligence University." **Section 901** would provide a technical correction by substituting the new name in section 2161 of title 10, United States Code, which authorizes degree-granting authority for that institution.

Budget Implications: There are no cost implications for Fiscal Year (FY) 2013, FY 2014 and beyond. The name change was already implemented in 2011.

Changes to Existing Law: Section 901 would make the following changes to section 2161 of

title 10, U.S.C.

§ 2161. Degree granting authority for ~~National Defense Intelligence College~~ National Intelligence University

(a) AUTHORITY.— Under regulations prescribed by the Secretary of Defense, the President of the ~~National Defense Intelligence College~~ National Intelligence University may, upon the recommendation of the faculty of the ~~National Defense Intelligence College~~ National Intelligence University, confer appropriate degrees upon graduates who meet the degree requirements.

(b) LIMITATION.— A degree may not be conferred under this section unless—

(1) the Secretary of Education has recommended approval of the degree in accordance with the Federal Policy Governing Granting of Academic Degrees by Federal Agencies; and

(2) the ~~National Defense Intelligence College~~ National Intelligence University is accredited by the appropriate civilian academic accrediting agency or organization to award the degree, as determined by the Secretary of Education.

(c) CONGRESSIONAL NOTIFICATION REQUIREMENTS.—(1) When seeking to establish degree granting authority under this section, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(A) a copy of the self assessment questionnaire required by the Federal Policy Governing Granting of Academic Degrees by Federal Agencies, at the time the assessment is submitted to the Department of Education's National Advisory Committee on Institutional Quality and Integrity; and

(B) the subsequent recommendations and rationale of the Secretary of Education regarding the establishment of the degree granting authority.

(2) Upon any modification or redesignation of existing degree granting authority, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing the rationale for the proposed modification or redesignation and any subsequent recommendation of the Secretary of Education on the proposed modification or redesignation.

(3) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing an explanation of any action by the appropriate academic accrediting agency or organization not to accredit the ~~National Defense Intelligence College~~ National Intelligence University to award any new or existing degree.

Subtitle B—Space Activities

Section 911: Section 941 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Pub. L. 109–364; 120 Stat. 2364), entitled "Department of Defense Policy on Unmanned Systems", requires the Secretary of Defense to develop a policy, applicable throughout the Department of Defense, on research, development, test and evaluation, procurement, and operation of unmanned systems. While the intent of the statute is desirable, key items within the language inadvertently create a burden in terms of cost and schedule in the

conduct of development, test and evaluation, and procurement of unmanned systems. **Section 911** seeks to satisfy the intent of current law, while avoiding the likely schedule delays and cost increases.

Mission identification, research, development, test and evaluation, procurement, and operation of unmanned systems can be accommodated through existing Department of Defense (DOD) policies: Chairman of Joint Chiefs of Staff Instruction 3170.01G, "Joint Capabilities Integration and Development System (JCIDS)", Department of Defense Directive 5000.1, "The Defense Acquisition System", and Department of Defense Instruction 5000.2, "Operation of the Defense Acquisition System." JCIDS is the policy that guides requirements analysis and identification. The Department of Defense Directive and Instruction guide technology and system development, and system procurement, operation and sustainment. A policy as described above enables the Department to meet the intent of the current law through implementation of the existing JCIDS and DOD 5000 processes.

The primary objective of JCIDS is to identify the capabilities required to successfully execute the Department of Defense missions. The requirements process supports the acquisition process by providing validated capabilities requirements and associated performance criteria to be used as a basis for acquiring the right weapon systems. Additionally, it provides the budgeting process with prioritization and affordability advice. The proposed language supports this impartial process of acquiring the optimal systems, consistent with the urgency of warfighter needs, technical considerations and fiscal responsibility.

Current law requires a preference for unmanned systems in acquisition programs for new systems, and requires certification that an unmanned system is incapable of meeting program requirements. This language potentially imposes cost and schedule burdens. Because it does not allow for consideration of development and ownership costs, it forces the DOD to procure a system that may be more expensive to develop and operate than a manned system which is equally or more effective and provides the same or more protection to service members. It can also potentially delay the DOD's ability to satisfy a capability gap because of the time required to mature unmanned technologies. Conducting the Certification automatically adds to the cost and time needed to initiate all new DOD acquisitions (whether manned or unmanned).

Requiring a preferred materiel solution undermines the integrity of the JCIDS process which mandates rigorous assessment and analysis before a decision is made about what materiel solution to pursue in satisfying identified mission requirements. The Capability Based Assessment (CBA) provides the analytical underpinnings of the Initial Capability Document (ICD). The ICD supports the Material Development Decision where the Milestone Decision Authority may accept the CBA as adequate or direct additional analysis.

Current law requires the submittal of a report to the Congressional defense committees. It is the Department's position that such a report is unnecessary and that, instead of this report, an Unmanned Systems Roadmap be developed. The Roadmap would address the establishment of programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems. This would enable a portfolio management

strategy for unmanned systems, by ensuring funding investments are linked to requirements validated through the JCIDS process.

Budget Implications: Section 911 has no direct budget implications, as the proposed legislative language deals with the process of good systems engineering, and the implementation of the Department of Defense Joint Capabilities Integration and Development System (JCIDS). However, the proposed change will allow the most cost effective solution, whether manned or unmanned, be selected, and indirectly have a positive effect on the overall budget.

Changes to Existing Law: Section 911 would make the following changes to section 941 of the John Warner National Defense Authorization Act for Fiscal Year 2007:

SEC. 941. DEPARTMENT OF DEFENSE POLICY ON MANNED AND UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall develop a policy, to be applicable throughout the Department of Defense, ~~on~~ for the conduct of research, development, test and evaluation, ~~procurement, and operation~~ and for the conduct of procurement, of manned and unmanned systems in a manner that is fiscally responsible and enhances war fighter capability.

(b) ELEMENTS.—The policy required by subsection (a) shall include or address the following:

(1) ~~An identification of missions and mission requirements, including mission requirements for the military departments and joint mission requirements, for which unmanned systems may replace manned systems.~~ An identification of those Department of Defense capabilities for which manned and unmanned systems may address potential needs.

(2) ~~A preference for unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.~~ A thorough and objective consideration of the acquisition of manned and unmanned systems whenever a new system is to be acquired to meet a capability requirement.

(3) An assessment of the circumstances under which it would be appropriate to pursue joint development and procurement of unmanned systems and components of unmanned systems.

(4) The transition of unmanned systems unique to one military department to joint systems, when appropriate.

(5) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems~~, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as executive agent for the Department on unmanned systems~~.

(6) The integration of unmanned and manned systems to enhance support of the ~~missions~~ capabilities identified in paragraph (1).

(7) Such other matters that the Secretary of Defense considers to be appropriate.

(c) ROADMAP.—The Secretary of Defense shall prepare and update periodically a roadmap for the policy required by subsection (a) that includes—

(1) goals for the development of unmanned system technologies to address capabilities identified pursuant to subsection (b)(1); and

(2) plans to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems.

(~~c~~d) CONSULTATION.—The Secretary of Defense shall develop the policy required by subsection (a), and implement the roadmap required by subsection (c), in consultation with the Chairman of the Joint Chiefs of Staff.

~~(d) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report containing—~~

~~(1) the policy required by subsection (a); and~~

~~(2) an implementation plan for the policy that includes—~~

~~(A) a strategy and schedules for the replacement of manned systems with unmanned systems in the performance of the missions identified in the policy pursuant to subsection (b)(1);~~

~~(B) establishment of programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems; and~~

~~(C) an assessment of progress towards meeting the goals identified for the subset of unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-38).~~

(e) UNMANNED SYSTEMS DEFINED.—In this section, the term "unmanned systems" consists of unmanned aerial systems, unmanned ground systems, and unmanned maritime systems

Section 912 would gain efficiencies by eliminating the responsibility for preparing the biennial report required by law on the Global Positioning System (GPS), its augmentations, and other U. S. Government-provided Positioning, Navigation, and Timing (PNT) systems used as backup or in conjunction with GPS and its augmentations be eliminated. The report includes discussion of the operational status of the system; the capability of the system to satisfy effectively (1) the validated civil performance requirements of the Federal Radionavigation Plan (including evidence of validation activities and studies for cost-benefit, in accordance with Office of Management and Budget (OMB) Circular A-109); (2) the status of cooperative activities undertaken by the United States with the governments of other countries concerning the capability of the system or any augmentation of the system to satisfy international civil, commercial, and scientific requirements, including a discussion of the status and results of activities undertaken under any regional international agreement; (3) any progress made toward establishing GPS as an international civil/commercial standard for consistency of navigational service including steps taken towards insuring foreign GPS-like systems adopt GPS standards to insure interoperability/interchangeability at the user level; (4) any progress made toward protecting civil and commercial aspects, uses, and users of GPS and its augmentations from disruption and interference; and (6) the effects of use of the system on economic competitiveness of U.S. industry, including the GPS (and its augmentations) equipment and service industry and user industries. However these discussions can easily be, and usually are, included in the biennial Federal Radionavigation Plan. Removing the requirement for the Biennial Report on GPS would eliminate redundancy and gain monetary and personnel time savings.

Budget Implications: The Biennial Report on the Global Positioning System is overly burdensome and provides information of limited utility. Every two years, DoD expends approximately 100 workdays and $300,000 compiling the report. DoD is unaware of any specific congressional inquiries arising from this report, and has not received any requests for additional information or briefings. Instead of this recurring report, DoD would prefer to provide Congress with more relevant information in response to specific requests.

Changes to Existing Law: **Section 912** would make the following change to section 2281 of title 10, United States Code:

§ 2281. Global Positioning System

(a) SUSTAINMENT AND OPERATION FOR MILITARY PURPOSES.—The Secretary of Defense shall provide for the sustainment of the capabilities of the Global Positioning System (hereinafter in this section referred to as the "GPS"), and the operation of basic GPS services, that are beneficial for the national security interests of the United States. In doing so, the Secretary shall—

(1) develop appropriate measures for preventing hostile use of the GPS so as to make it unnecessary for the Secretary to use the selective availability feature of the system continuously while not hindering the use of the GPS by the United States and its allies for military purposes; and

(2) ensure that United States armed forces have the capability to use the GPS effectively despite hostile attempts to prevent the use of the system by such forces.

(b) SUSTAINMENT AND OPERATION FOR CIVILIAN PURPOSES.—The Secretary of Defense shall provide for the sustainment and operation of the GPS Standard Positioning Service for peaceful civil, commercial, and scientific uses on a continuous worldwide basis free of direct user fees. In doing so, the Secretary—

(1) shall provide for the sustainment and operation of the GPS Standard Positioning Service in order to meet the performance requirements of the Federal Radionavigation Plan prepared jointly by the Secretary of Defense and the Secretary of Transportation pursuant to subsection (c);

(2) shall coordinate with the Secretary of Transportation regarding the development and implementation by the Government of augmentations to the basic GPS that achieve or enhance uses of the system in support of transportation;

(3) shall coordinate with the Secretary of Commerce, the United States Trade representative, and other appropriate officials to facilitate the development of new and expanded civil and commercial uses for the GPS;

(4) shall develop measures for preventing hostile use of the GPS in a particular area without hindering peaceful civil use of the system elsewhere; and

(5) may not agree to any restriction on the Global Positioning System proposed by the head of a department or agency of the United States outside the Department of Defense in the exercise of that official's regulatory authority that would adversely affect the military potential of the Global Positioning System

(c) FEDERAL RADIONAVIGATION PLAN.—The Secretary of Defense and the Secretary of Transportation shall jointly prepare the Federal Radionavigation Plan. The plan shall be revised and updated not less often than every two years. The plan shall be prepared in accordance with the requirements applicable to such plan as first prepared pursuant to section 507 of the International Maritime Satellite Telecommunications Act (47 U.S.C. 756). The plan, and any amendment to the plan, shall be published in the Federal Register.

~~(d) BIENNIAL REPORT.—(1) Not later than 30 days after the end of each even-numbered fiscal year, the Deputy Secretary of Defense and the Deputy Secretary of Transportation, in their capacity as co-chairs of the National Executive Committee for Space-Based Positioning, Navigation, and Timing, shall submit to the Committees on Armed Services and Commerce, Science, and Transportation of the Senate and the Committees on Armed Services, Energy and Commerce, and Transportation and Infrastructure of the House of Representatives a report on the Global Positioning System. The report shall include a discussion of the following matters:~~

~~(A) The operational status of the system.~~

~~(B) The capability of the system to satisfy effectively (i) the military requirements for the system that are current as of the date of the report, and (ii) the validated performance requirements of the Federal Radionavigation Plan in accordance with Office of Management and Budget Circular A-109.~~

~~(C) The status of cooperative activities undertaken by the United States with the governments of other countries concerning the capability of the system or any augmentation of the system to satisfy civil, commercial, scientific, and military requirements, including a discussion of the status and results of activities undertaken under any regional international agreement.~~

~~(D) Progress and challenges in establishing GPS as an international standard for consistency of navigational service.~~

~~(E) Progress and challenges in protecting GPS from jamming, disruption, and interference.~~

~~(F) Progress and challenges in developing the enhanced Global Positioning System required by section 218(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat. 1951; 10 U.S.C. 2281 note).~~

~~(G) The effects of use of the system on national security, regional security, and the economic competitiveness of United States industry, including the Global Positioning System equipment and service industry and user industries.~~

~~(2) In preparing each such report required under paragraph (1), the Deputy Secretary of Defense and the Deputy Secretary of Transportation, in their capacity as co-chairs of the National Executive Committee for Space-Based Positioning, Navigation, and Timing, shall consult with the Secretary of Defense, the Secretary of State, the Secretary of Transportation, and the Secretary of Homeland Security.~~

(e) DEFINITIONS.—In this section:

(1) The term "basic GPS services" means the following components of the Global Positioning System that are operated and maintained by the Department of Defense:

(A) The constellation of satellites.

(B) The navigation payloads that produce the Global Positioning System signals.

(C) The ground stations, data links, and associated command and control facilities.

(2) The term "GPS Standard Positioning Service" means the civil and commercial service provided by the basic Global Positioning System as defined in the 1996 Federal Radionavigation Plan (published jointly by the Secretary of Defense and the Secretary of Transportation in July 1997).

TITLE X—GENERAL PROVISIONS

Section 1001 would amend title 10, United States Code, to remove references to the United States Joint Forces Command (USJFCOM) in order to reflect the disestablishment of USJFCOM effective August 4, 2011.

Budget Implications: Since **section 1001** merely removes obsolete references from title 10 and does not change any authorities or responsibilities, it does not have any budget implications.

Changes to Existing Law: Section 1001 would make the following changes to title 10, United States Code:

§ 232. ~~United States Joint Forces Command: amounts for research, development, test, and evaluation to be derived only from Defense-wide amounts~~

~~(a) REQUIREMENT.—Amounts for research, development, test, and evaluation for the United States Joint Forces Command shall be derived only from amounts made available to the Department of Defense for Defense-wide research, development, test, and evaluation.~~

~~(b) SEPARATE DISPLAY IN BUDGET.—Any amount in the budget submitted to Congress under section 1105 of title 31 for any fiscal year for research, development, test, and evaluation for the United States Joint Forces Command shall be set forth under the account of the Department of Defense for Defense-wide research, development, test, and evaluation.~~

* * * * * * *

§ 485. Joint and service concept development and experimentation

(a) BIENNIAL REPORTS REQUIRED. - Not later than January 1 of each even numbered-year, the Secretary of Defense or the Secretary's designee shall submit to the congressional defense committees a report on the conduct and outcomes of joint and service concept development and experimentation.

(b) MATTERS TO BE INCLUDED. - Each report under subsection (a) shall include the following:

(1) ***

* * * * * *

(5) An assessment of the return on investment in concept development and experimentation activities, including a description of ~~the following:~~

~~(A) Specific~~ specific outcomes and impacts within the Department of the results of past joint and service concept development and experimentation in terms of new doctrine, operational concepts, organization, training, materiel, leadership development and education, personnel, or the allocation of resources, or in activities that terminated support for legacy concepts, programs, or systems.

~~(B) Specific actions taken to implement the recommendations of the Commander of United States Joint Forces Command based on joint concept development and experimentation activities.~~

(6) ***

* * * * * * *

~~(8) The coordination of the concept development and experimentation activities of the Commander of the United States Joint Forces Command with the activities of the Commander of the North Atlantic Treaty Organization Supreme Allied Command Transformation.~~

~~(9)~~ (8) Any other matters that the Secretary consider appropriate.

(c) COORDINATION AND SUPPORT. —The Secretary of Defense shall ensure that the Secretaries of the military departments and the heads of other appropriate elements of the Department of Defense provide such information and support as is required for the preparation of the reports required by this section.

§ 2859. Construction requirements related to antiterrorism and force protection or urban-training operations

(a) ***

* * * * * * *

(d) CERTIFICATION REQUIRED FOR MILITARY CONSTRUCTION PROJECTS DESIGNED TO PROVIDE TRAINING IN URBAN OPERATIONS. –(1) Except as provided in paragraph (3), the Secretary concerned may not carry out a military construction project to construct a facility designed to provide training in urban operations for members of the armed forces or personnel of the Department of Defense or other Federal agencies until -

(A) the Secretary of Defense approves a strategy for training and facility construction for operations in urban terrain; and

(B) the Under Secretary of Defense for Personnel and Readiness evaluates the project and certifies to the appropriate committees of Congress that the project -

(i) is consistent with the strategy; and

(ii) incorporates the appropriate capabilities for joint and interagency use in accordance with the strategy.

~~(2) The Under Secretary of Defense for Personnel and Readiness shall conduct the evaluation required by paragraph (1)(B) in consultation with the Commander of the United States Joint Forces Command.~~

(3) This subsection shall not apply with respect to a military construction project carried out under the authority of section 2803, 2804, or 2808 of this title or section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108-136; 117 Stat. 1723).

* * * * * * *

§10503. Functions of National Guard Bureau: charter

The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, the Secretary of the Army, and the Secretary of the Air Force, shall develop and prescribe a charter for the National Guard Bureau. The charter shall reflect the full scope of the duties and activities of the Bureau, including the following matters:

(1) ***

* * * * * * *

(13)(A) Assisting the Secretary of Defense in facilitating and coordinating with the entities listed in subparagraph (B) the use of National Guard personnel and resources for operations conducted under title 32, or in support of State missions.

(B) The entities listed in this subparagraph for purposes of subparagraph (A) are the following:

(i) Other Federal agencies.

(ii) The Adjutants General of the States.

~~(iii) The United States Joint Forces Command~~.

~~(iv)~~ (iii) The combatant command the geographic area of responsibility of which includes the United States.

(14) Such other functions as the Secretary of Defense may prescribe.

Section 1002 would rename as the William J. Perry Center for Hemispheric Defense Studies the Department of Defense regional center for security studies currently named the Center for Hemispheric Defense Studies.

The renaming of this institution would offer added meaning to the vitally important role Congress assigns to the Department of Defense regional centers for security studies. The specific designation would honor former Secretary of Defense William J. Perry (who served as Secretary from February 3, 1994, to January 23, 1997) for his inspirational leadership and vision in developing and promoting the Regional Center concept to the substantial benefit of the Department, the United States Government, and foreign militaries, world-wide.

Budget Implications: Section 1002 is budget neutral. Minimal, one-time costs associated with the change (i.e. reprinting of seals and facilitation of re-naming ceremony) would be funded out of projected Operation and Maintenance baseline funding for the Department of Defense regional centers included in the FY13 President's Budget request.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**

DSCA	0.004	0.0	0.0	0.0	0.0	O&M-DW	4	4GTD
Total	0.004	0.0	0.0	0.0	0.0	O&M-DW		

Changes to Existing Law: Section 1002 would make the following changes to sections 184 and section 2611 of title 10, United States Code:

§ 184. Regional Centers for Security Studies

(a) IN GENERAL.—***
(b) REGIONAL CENTERS SPECIFIED.—(1) ***
(2) The Department of Defense Regional Centers for Security Studies are the following:

(A) The George C. Marshall European Center for Security Studies, established in 1993 and located in Garmisch-Partenkirchen, Germany.

(B) The Asia-Pacific Center for Security Studies, established in 1995 and located in Honolulu, Hawaii.

(C) ~~The Center for Hemispheric Defense Studies~~ The William J. Perry Center for Hemispheric Defense, established in 1997 and located in Washington, D.C.

(D) The Africa Center for Strategic Studies, established in 1999 and located in Washington, D.C.

(E) The Near East South Asia Center for Strategic Studies, established in 2000 and located in Washington, D.C.

* * * * *

(f) PAYMENT OF COSTS.—(1) ***

* * * * *

(5) Funds available for the payment of personnel expenses under the Latin American cooperation authority set forth in section 1050 of this title are also available for the costs of the operation of ~~the Center for Hemispheric Defense Studies~~ the William J. Perry Center for Hemispheric Defense Studies.

* * * * *

§ 2611. Regional centers for security studies: acceptance of gifts and donations

(a) AUTHORITY TO ACCEPT GIFTS AND DONATIONS.—(1) Subject to subsection (c), the Secretary of Defense may, on behalf of any Department of Defense regional center for security studies, any combination of such centers, or such centers generally, accept from any source specified in subsection (b) any gift or donation for purposes of defraying the costs or enhancing the operation of such a center, combination of centers, or centers generally, as the case may be.

(2) For purposes of this section, the Department of Defense regional centers for security studies are the following:

(A) The George C. Marshall European Center for Security Studies.

(B) The Asia-Pacific Center for Security Studies.

(C) ~~The Center for Hemispheric Defense Studies.~~ The William J. Perry Center for Hemispheric Defense Studies.

* * * * *

TITLE XI—CIVILIAN PERSONNEL MATTERS

Section 1101 would allow the Secretary of Defense and other agencies and organizations with national security responsibilities to appoint to the excepted service those individuals who have successfully completed the requirements of the National Security Education Program (NSEP) and meet eligibility for appointment. Award recipients are required by the NSEP to enter into a service commitment before receipt of an award. The current legislation restricts eligibility for excepted service appointment to only those graduates who have a service commitment at the time of appointment. The legislation is restrictive and eliminates a candidate pool of NSEP graduates with critical language and cultural skill and who are interested in Federal government civilian employment.

Section 802 of the David L. Boren National Security Act of 1991 (50 U.S.C. 1902), provides an excepted appointing authority to bring graduates who have a NSEP service obligation into the workforce. This proposal would expand this authority and provide management with a pipeline of talent who can be quickly hired for current and future needs of the Department of Defense and who have the required language, cultural and regional expertise and skills needed to achieve its national security mission. This proposal would provide the required flexibility the Department needs to bring talented NSEP graduates into the Federal government so that the Department can achieve a return on investment and recoup monies invested in these graduates, and so that we can meet the mission needs of the Department.

Specifically, section 1101 would amend section 802(k) of the David L. Boren National Security Education Act of 1991 to broaden the eligible candidate pool of NSEP graduates by including three categories of individuals eligible for appointment: (1) NSEP graduates who have a service commitment to complete; (2) NSEP graduates who have completed their NSEP service commitment and are employed with the Federal government on a temporary appointment; and (3) NSEP graduates who have completed their service commitment, are former Federal government employees, and who have less than a one year of break in service from their last Federal appointment.

Budget Implications: There are no costs associated with enacting **section 1101**. The authority would give the Department of Defense a larger candidate pool of NSEP program participants and graduates from whom to select for appointment to positions having national security responsibility.

Changes to Existing Law: Section 1101 would amend section 802(k) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902), as amended by section 1101 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2484), as follows:

SEC. 802. SCHOLARSHIP, FELLOWSHIP, AND GRANT PROGRAM.

(a) ***

* * * * * *

~~(k) EMPLOYMENT OF PROGRAM PARTICIPANTS.—The Secretary of Defense, the Secretary of Homeland Security, the Secretary of State, or the head of a Federal agency or office identified by the Secretary of Defense under subsection (g) as having national security responsibilities—~~

~~(1) may, without regard to any provision of title 5 governing appointments in the competitive service, appoint to a position that is identified under subsection (b)(2)(A)(i) as having national security responsibilities, or to a position in such Federal agency or office, in the excepted service an individual who has successfully completed an academic program for which a scholarship or fellowship under this section was awarded and who, under the terms of the agreement for such scholarship or fellowship, at the time of such appointment owes a service commitment to such Department or such Federal agency or office; and~~

~~(2) may, upon satisfactory completion of two years of substantially continuous service by an incumbent who was appointed to an excepted service position under the authority of paragraph (1), convert the appointment of such individual, without competition, to a career or career conditional appointment.~~

(k) EMPLOYMENT OF PROGRAM PARTICIPANTS.—

(1) APPOINTMENT AUTHORITY.—The Secretary of Defense, the Secretary of Homeland Security, the Secretary of State, or the head of a Federal agency or office identified by the Secretary of Defense under subsection (g) as having national security responsibilities—

(A) may, without regard to any provision of title 5 governing appointments in the competitive service, appoint an eligible program participant—

(i) to a position in the excepted service that is identified under clause (i) of subsection (b)(2)(A) as contributing to the national security; or

(ii) subject to clause (ii) of such subsection, to a position in the excepted service in such Federal agency or office with national security responsibilities; and

(B) may, upon satisfactory completion of two years of substantially continuous service by an incumbent who was appointed to an excepted service position under the authority of subparagraph (A), convert the appointment of such individual, without competition, to a career or career conditional appointment.

(2) ELIGIBLE PROGRAM PARTICIPANT.—For purposes of paragraph (1), the term "eligible program participant" means an individual who—

(A) has successfully completed an academic program for which a scholarship or fellowship under this section was awarded; and

(B) at the time of the appointment of the individual to an excepted service position under paragraph (1)(A)—

(i) under the terms of the agreement for such individual's scholarship or fellowship that was awarded under this section, owes a service commitment to a Department or such Federal agency or office referred to in paragraph (1);

(ii) is employed by the Federal Government under a non-permanent appointment to a position in the excepted service that has national security responsibilities; or

(iii) is a former civilian employee of the Federal Government who has less than a one-year break of service from the individual's last period of Federal employment in a non-permanent appointment in the excepted service with national security responsibilities.

(3) TREATMENT OF CERTAIN SERVICE.—In the case of an individual described in paragraph (2)(B)(ii) or (2)(B)(iii) who receives an appointment under paragraph (1)(A), any period that the individual served in a position with the Federal Government may be counted towards satisfaction of the service requirement under paragraph (1)(B) if that service—

(A) in the case of an appointment under clause (i) of paragraph (1)(A), was in a position that is identified under clause (i) of subsection (b)(2)(A) as contributing to the national security; or

(B) in the case of an appointment under clause (ii) of paragraph (1)(A), was in the Federal agency or office in which the appointment under that clause is made.

Section 1102 would amend section 5725 of title 5, United States Code, to add an eligibility for Government-provided or reimbursed shipment of household pets of civilian employees during evacuations from permanent stations in foreign locations. The proposal would add a new subsection (c) to section 5725 to permit shipment of family household pets. Additionally, new subsection (c)(3) would require the same treatment to Department of Defense civilian personnel stationed outside the continental United States (OCONUS) as is currently afforded to military members under section 406 of title 37, United States Code, during an evacuation of personnel from overseas locations, and by Federal Emergency Management Agency to non-military evacuees during hurricane and similar disasters in CONUS. The shipment of pets of Department of Defense civilian personnel would be subject to the same Department of Defense rules as those applied to the shipment of pets of military members. Other agencies utilizing the authority in the proposal may establish their own rules or adopt those of the Department of Defense. The emotional turmoil on civilian employees and their dependent children due to having to abandon family pets during forced evacuations from foreign countries when other commercial opportunities for shipment may not be available within the time constraints without great personal expense adversely impacts morale. This is especially so where the civilian employees have paid to have family pets shipped to these locations and the attachment by family members to these animals is long term. That military families may evacuate their pets at government expense but not civilian employees exacerbates this emotional turmoil.

Budget Implications: If enacted, **section 1102** may increase by a *de minimus* amount the budgetary requirements of the Department of Defense (DoD) or other agencies desiring to use that authority, however, the amount is expected to be minimal as the number of such evacuations worldwide are rare and many of the family pets could be accommodated in commercial aircraft utilized by the Department for such evacuations without additional expense to the Department of Defense or to other agencies utilizing Department of Defense contract carriers pursuant to the

Economy Act. Pet spaces in the aircraft belly area on commercial aircraft can be anywhere from 2 to 10 based on aircraft configuration and safety of the pets. Similar proposal for military pets was budget scored as no impact. In the recent evacuation military dependents from Japan a total of 409 pets were evacuated at a cost of $112 each for a total of $45,808. As the number of DoD civilian employees (773,366) are 53.9 percent of the total DoD Active Duty Population of 1,434,312 (June 2011 data), the cost for evacuating the pets of civilian personnel stationed overseas is estimated to be $24,690.

RESOURCE REQUIREMENTS ($THOUSANDS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Army	+0	+0	+0	+0	+0	O&M, Army-		
Navy	+0	+0	+0	+0	+0	O&M, Navy		
Marine Corps	+0	+0	+0	+0	+0	O&M, Marine Corps		
DOD	+24.7	+24.7	+24.7	+24.7	+24.7	Transportation Working Capital Fund	02	21A
Air Force	+0	+0	+0	+0	+0	O&M, Air Force – 3400		
Total	+24.7	+24.7	+24.7	+24.7	+24.7			

NUMBER OF PERSONNEL AFFECTED							
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Personnel Type (Officer, Enlisted, or Civilian)**
Army	0	0	0	0	0	N/A	N/A
Navy	0	0	0	0	0	N/A	N/A
*Marine Corps	0	0	0	0	0	N/A	N/A
Air Force	0	0	0	0	0	N/A	N/A
Total	0	0	0	0	0		

Cost Methodology: The Department of Defense has been involved in getting United States citizens out of danger since the founding of the republic. Before the most recent noncombatant evacuation orders - or NEO – for the Japan earthquake and Egyptian civil unrest, U.S. service members helped evacuate people from Panama in 1989, Liberia in 1993, Tanzania and Kenya in 1998, Liberia again in 2004, and Indonesia after the tsunami in 2005. However, specific evacuations by the Department of Defense dependents are less frequent as occurred in Turkey in March 2003 for Operation Iraqi Freedom, Clark Air Base Mt Pinatubo eruption in June 1991 and Saigon in 1975. Because NEO occurs so infrequently, this proposal should be budget scored as zero. As most of the commercial United States air carrier aircraft used to evacuate Department of Defense civilian employee dependents during a NEO have 4 or 5 pet positions already in the pressurized cargo areas plus under seat transport of cats and small dogs in soft carriers authorized, Department of Defense costs may be significantly less than estimated ($24K maximum for an evacuation the size of the one for Japan Earthquake in FY11). All payments would be to transportation providers from the Transportation Working Capital Funds with reimbursement from Service O&M funds. Since NEO actions are normally associated with major physical or civil difficulties with an OCONUS location, request for reimbursement of these costs would likely be included in a request for supplemental appropriations made to remedy the larger problem, such as relocation of base activities to another OCONUS location as happened with Mt. Pinatubo and the destruction of Clark AB in the Philippines.

Changes to Existing Law: Section 1102 would make the following changes to section 5725 of title 5, United States Code:

§ 5725. Transportation expenses; employees assigned to danger areas

(a) When an employee of the Government is on duty, or is transferred or assigned to duty, at a place designated by the head of the agency concerned as inside a zone -

(1) from which his immediate family should be evacuated; or

(2) to which they are not permitted to accompany him;

because of military or other reasons which create imminent danger to life or property, or adverse living conditions which seriously affect the health, safety, or accommodations of the immediate family, Government funds may be used to transport his immediate family and household goods and personal effects, **and family household pets,** under regulations prescribed by the head of the agency, to a location designated by the employee. When circumstances prevent the employee from designating a location, or it is administratively impracticable to determine his intent, the immediate family may designate the location. When the designated location is inside a zone to which movement of families is prohibited under this subsection, the employee or his immediate family may designate an alternate location.

(b) When the employee is assigned to a duty station from which his immediate family is not excluded by the restrictions in subsection (a) of this section, Government funds may be used to transport his immediate family and household goods and personal effects from the designated or alternate location to the duty station.

(c)(1) Authority under subsection (a) to transport family household pets of an employee includes authority for shipment and the payment of quarantine costs, if any.

(2) An employee for whom transportation of family household pets is authorized under subsection (a) may be paid reimbursement or a monetary allowance if other commercial transportation means have been used.

(3) The provision of transportation of family household pets for an employee of the Department of Defense under subsection (a) and the payment of reimbursement under paragraph (2) shall be subject to the same terms and conditions as apply under subsection 406(b)(1)(H)(iii) of title 37 with respect to family household pets of members of the uniformed services, including limitations on the types, size, and number of pets for which transportation may be provided or reimbursement paid.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

[RESERVED]

TITLE XIII—OTHER AUTHORIZATIONS

Subtitle A—Military Programs

Section 1301 would authorize appropriations for the Defense Working Capital Funds in the amount equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1302 would authorize appropriations for the National Defense Sealift Fund in the amount equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1303 would authorize appropriations for the Joint Urgent Operational Needs Fund in the amount equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1304 would authorize appropriations for Chemical Agents and Munitions Destruction, Defense in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1305 would authorize appropriations for Drug Interdiction and Counter-Drug Activities, Defense-wide in the amount equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1306 would authorize appropriations for the Defense Inspector General in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1307 would authorize appropriations for the Defense Health Program in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013. However, this bill assumes enactment of legislation contained in section 701 to phase in increases in TRICARE Prime enrollment fees, increases in deductibles and adjustments to the catastrophic cap, and adds new annual fees for TRICARE Standard/Extra enrollees. Section 701 would also adjust the prescription drug co-payment for active duty families and all retirees regardless of age of the beneficiary. Upon enactment of section 701, the authorization and appropriation would be reduced by approximately $452 million.

Subtitle B—Other Matters

Section 1311 would authorize appropriations for fiscal year 2013 for the Armed Forces Retirement Home in the amount equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1312, within the funds authorized for operation and maintenance under section 507, would authorize funds to be transferred to the Joint Department of Defense–Department of Veterans Affairs Medical Facility Demonstration Fund established by section 1704(a) of the National Defense Authorization Act for Fiscal Year 2010.

TITLE XIV—AUTHORIZATION OF APPROPRIATIONS FOR OVERSEAS CONTINGENCY OPERATIONS FOR FISCAL YEAR 2013

Sections 1401 through 1414 would authorize appropriations for Overseas Contingency Operations for fiscal year 2013 in amounts equal to the budget authority requested in the President's Budget for fiscal year 2013.

Section 1415 would authorize $5,749,167,000 for the Afghanistan Security Forces Fund (ASFF) for fiscal year (FY) 2013 and continue certain established provisions applicable to the ASFF, including use of the funds, transfer authority, and acceptance of contributions.

Budget Implications: Section 1415 would be funded from within the Overseas Contingency Operations (OCO) appropriations requested in the Administration's FY 2013 OCO request.

RESOURCE REQUIREMENTS ($THOUSANDS) REFLECTED IN THE PRESIDENT'S BUDGET								
	FY 2013	FY	FY	FY	FY	Appropriation	Budget	Dash-

		2014	2015	2016	2017	From	Activity	1 Line Item
ASFF	$5,749,167	-	-	-	-	ASFF		ASFF
Total	$5,749,167	-	-	-	-	-		

Changes to Existing Law: Section 1415 would make no changes to existing law.