SEC. ___. SUPPORT FOR NATO SPECIAL OPERATIONS HEADQUARTERS.

(a) AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350n. NATO Special Operations Headquarters

"(a) AUTHORIZATION.—Funds available for the Department of Defense for operation and maintenance may be used for the purposes set forth in subsection (b) for support of operations of the North Atlantic Treaty Organization (NATO) Special Operations Headquarters. The amount of such funds used for such purposes for fiscal year 2014 and for fiscal year 2015 may not exceed $50,000,000.

"(b) PURPOSES.—The Secretary of Defense may provide funds for the NATO Special Operations Headquarters under subsection (a) for the following purposes:

"(1) To improve coordination and cooperation between the special operations forces of NATO member nations, Allied nations, and partner nations.

"(2) To facilitate combined operations by special operations forces of NATO member nations, Allied nations, and partner nations.

"(3) To support command, control, and communications capabilities peculiar to special operations forces.

"(4) To promote special operations forces intelligence and informational requirements within the NATO structure.

"(5) To promote interoperability through the development of common equipment standards, tactics, techniques, exercises, and procedures, and through execution of multinational education and training programs.

"(c) ANNUAL REPORT.—Not later than March 1 of each year, the Secretary of Defense shall submit to the congressional defense committees a report regarding support for the NATO Special Operations Headquarters. Each report shall include the following:

"(1) The total amount of funding provided by the United States and other NATO nations to the NATO Special Operations Headquarters for operating costs of the NATO Special Operations Headquarters.

"(2) A description of the activities carried out with such funding, including—

"(A) the amount of funding allocated for each such activity;

"(B) the extent to which other NATO nations participate in each such activity;

"(C) the extent to which each such activity is designed to meet the purposes set forth in paragraphs (1) through (5) of subsection (b); and

"(D) an assessment of the extent to which each such activity will promote the mission of the NATO Special Operations Headquarters.

"(3) Other contributions, financial or in kind, provided by the United States and other NATO nations in support of the NATO Special Operations Headquarters.

"(4) Any other matters that the Secretary of Defense considers appropriate.

"(d) SECRETARY OF DEFENSE PUBLISHED GUIDANCE.—The Secretary of Defense shall publish guidance detailing the roles and responsibilities of components of the Department of Defense in support of the NATO Special Operations Headquarters. Such guidance shall include specification of the responsibilities of the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, consistent with the duties of the Assistant Secretary under section 138(b)(4) of this title (including oversight of policy and resources), for oversight of support

provided by the United States Special Operations Command to the NATO Special Operations Headquarters.”.

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

“2350n. NATO Special Operations Headquarters.”.

(c) DEADLINE FOR PUBLICATION OF GUIDANCE AND NOTIFICATION OF CONGRESSIONAL COMMITTEES.—Not later than 180 days after the enactment of this Act, the Secretary of Defense shall notify the congressional defense committees that the Secretary has published the guidance required by subsection (d) of section 2350n of title 10, United States Code, as added by subsection (a).

(d) CONFORMING REPEAL.—Section 1244 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2541), as most recently amended by section 1272 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239; 126 Stat. 2023), is repealed.

Section-by-Section Analysis

Section 1244 of the National Defense Authorization Act for Fiscal Year 2010 (Pub. L. 111-84; 123 Stat. 2541) set the amount of authorized funds available to the Secretary of Defense to support the North Atlantic Treaty Organization (NATO) Special Operations Headquarters (NSHQ) at $30.0 million. Section 1242 of the Ike Skelton National Defense Authorization Act (NDAA) for Fiscal Year 2011 (Pub. L. 111-383; 124 Stat. 4405) amended section 1244 of the NDAA for FY 2010 to increase the amount of authorized funds to $50.0 million. Additionally, the NDAA for FY 2010 provided that, not less than 180 days after the date of enactment of that Act, the Secretary of Defense shall certify to the Committees on Armed Services of the Senate and House of Representatives that the Secretary has assigned executive agent responsibility for the NSHQ to an appropriate organization within the Department of Defense (DoD), and detail the steps being undertaken by DoD to strengthen the role of the NSHQ in fostering special operations capabilities within NATO. On November 5, 2010, the Secretary of Defense designated the United States Special Operations Command (USSOCOM) as the DoD Lead Component with Executive Agent Responsibilities for NSHQ. On December 31, 2012, the Secretary of Defense signed an updated memorandum to comply with this provision and to clarify that USSOCOM is the Lead Component with Executive Agency Responsibilities,

including to provide NSHQ with resources, personnel, funding, and acquisition support within DoD.

In the joint statement of managers included in House Report 112-329, the conference report accompanying H.R. 1540, the National Defense Authorization Act for Fiscal Year 2012, the conferees encouraged the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives a legislative proposal for fiscal year 2013 that would authorize necessary and recurring DoD support for the NSHQ in future years. The fiscal year 2013 legislative proposal was pushed back to fiscal year 2014 in order to allow for the signing of the Secretary of Defense memorandum and for USSOCOM to work with the U.S. Army to finalize the details of the transfer.

USSOCOM and the U.S. Army agreed during the USSOCOM and U.S. Army talks that it was in the Services' best interest for USSOCOM to provide NSHQ with resources, personnel, funding, and acquisition support within DoD. The transfer will be completed during the fiscal year 2014 cycle, and both parties are working to ensure a smooth and seamless transfer of responsibilities.

This proposal seeks to continue and extend this authority through fiscal year 2015 and notify Congress of the intent of the Secretary of Defense to seek the shift in NSHQ base budget appropriation from the NATO budget line under Operation & Maintenance, Army, to Operation & Maintenance, Defense Wide (USSOCOM). The Secretary of Defense would exercise this authority, and operations would be funded through USSOCOM with Operation and Maintenance funds, in accordance with the procedures established by the Secretary of Defense. Furthermore, this legislative proposal would legally establish the relationship between NSHQ and USSOCOM and ensure that NSHQ has the resources, personnel, funding, and acquisition support needed to execute its mission sets.

Additionally, in the House-passed FY12 NDAA report (H. Rpt. 112-78) it stated that: The committee recognizes the tremendous achievements of the NSHQ in advancing and building a self-sustaining and interoperable special operations force across the Alliance. The committee further recognizes the courageous direct and indirect contributions that the NATO special operations forces have made particularly in Operation Enduring Freedom (OEF). The conferees supports the President's fiscal year 2012 base budget request of $28.7 million in the Army Operation and Maintenance account for NSHQ and recognizes that this base funding level neither precludes nor prevents NSHQ from receiving supplemental funding in support of additional contingency requirements and encourages the DoD to consider using Overseas Contingency Operations (OCO) funds for this purpose where appropriate.

Both the House Armed Services and Senate Armed Services Committees included reauthorization language in their National Defense Authorization bills for FY 2013, at section 1234 of the House bill (H.R 4310), as passed the House of Representatives on May 18, 2012, and at section 342 of S. 3254, as filed in the Senate on June 4, 2012. Compromise language was included in the finalized FY13 NDAA that was signed into law on January 2, 2013. The current law provides an extension of the original five authorities until Fiscal Year 2015 and adds a reporting requirement.

Per agreement with the Office of Management and Budget, the Office of the Under Secretary of Defense for Policy shall produce, within 180 days of the enactment of the FY 2014 National Defense Authorization Act, a DoD issuance that details the roles and responsibilities of the Components of the Department of Defense to provide oversight and support to the NSHQ. Recognizing that this legislation sets a precedent in how the U.S. Government supports NATO entities, in addition to providing oversight to NSHQ, the DoD issuance will address processes for DoD oversight to NATO Memorandum of Understanding organizations outside the Peacetime Establishment.

In summary, the primary goals of the fiscal year 2014 legislative proposal are to codify the relationship between USSOCOM and NSHQ and to ensure that the fiscal year 2013 authorities continue through fiscal year 2015. USSOCOM and NSHQ are appreciative of the actions taken by Congress in the FY13 NDAA and believe that the proposed changes will strengthen existing law. If additional authorities are needed USSOCOM will submit a follow on legislative proposal in fiscal year 2015.

Budget Implications: This proposal would not increase the overall budget requirements of DoD. This proposal seeks to continue and extend current authorization for expenditure of funds on NSHQ through fiscal year 2015. The continuation and extension in authorization is to ensure that USSOCOM has the appropriate funding authorization for current and future NSHQ initiatives. An itemized list of OCO requirements will be identified for each respective fiscal year through the OCO process.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Baseline	-31.2	-31.8	-30.1†	-31.0†	-33.4†	O&M Army	01	SAG 441
OCO*	-7.00					O&M D-W	01	1PL2
Total	50.0	50.0	50.0†	50.0†	50.0†			
RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**Appropriation To**	**Budget Activity**	**Dash-1 Line Item**
Baseline	+31.2	+31.8	+30.1†	+31.0†	+33.4†	O&M D-W	01	IPL2
OCO*	+7.00					O&M D-W	01	1PL2
Total	50.0	50.0	50.0†	50.0†	50.0†			

*$7.00M requested for FY14. Although there is an OCO request for FY14, subsequent OCO requests are contingent upon budget cycles. The requirement remains for the authority to expend up to $50M

† Extension of funding beyond FY15 is subject to approval of future authorizations.

Changes to Existing Law:

(1) This proposal would add a new section to title 10, United States Code.

The text of the proposed new section appears in the proposal above.

(2) This proposal would repeal section 1244 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2541), as amended by section 1242 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111-383; 124 Stat. 4405) and section 1272 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239; 126 Stat. 2023), as follows:

[SEC. 1244. NATO SPECIAL OPERATIONS HEADQUARTERS.

[(a) AUTHORIZATION.--Of the amounts authorized to be appropriated for fiscal year each of fiscal years 2013, 2014, and 2015 for operation and maintenance for the Army, to be derived from amounts made available for support of North Atlantic Treaty Organization (hereinafter in this section referred to as ``NATO") operations, the Secretary of Defense is authorized to use up to $50,000,000 for such fiscal year for the purposes set forth in subsection (b).

[(b) PURPOSES.--The Secretary shall provide funds for the NATO Special Operations Headquarters (hereinafter in this section referred to as the “NSHQ”) to—

[(1) improve coordination and cooperation between the special operations forces of NATO nations;

[(2) facilitate joint operations by the special operations forces of NATO nations;

[(3) support special operations forces peculiar command, control, and communications capabilities;

[(4) promote special operations forces intelligence and informational requirements within the NATO structure; and

[(5) promote interoperability through the development of common equipment standards, tactics, techniques, and procedures, and through execution of a multinational education and training program.

[(c) CERTIFICATION.-- Not less than 180 days after the date of enactment of this Act [Oct. 28, 2009], the Secretary shall certify to the Committees on Armed Services of the Senate and House of Representatives that the Secretary of Defense has assigned executive agent responsibility for the NSHQ to an appropriate organization within the Department of Defense, and detail the steps being undertaken by the Department of Defense to strengthen the role of the NSHQ in fostering special operations capabilities within NATO.

[(d) ANNUAL REPORT.—Not later than March 1 of each year, the Secretary of Defense shall submit to the congressional defense committees a report regarding support for the NSHQ. Each report shall include the following:

[(1) The total amount of funding provided by the United States and other NATO nations to the NSHQ for operating costs of the NSHQ.

[(2) A description of the activities carried out with such funding, including—

[(A) the amount of funding allocated for each such activity;

[(B) the extent to which other NATO nations participate in each such activity;

[(C) the extent to which each such activity is designed to meet the purposes set forth in paragraphs (1) through (5) of subsection (b); and

[(D) an assessment of the extent to which each such activity will promote the mission of the NSHQ.

[(3) Other contributions, financial or in kind, provided by the United States and other NATO nations in support of the NSHQ.

[(4) Any other matters that the Secretary of Defense considers appropriate.]