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MAR 20 2008

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

Dear Madam Speaker:

The Department of Defense requests that the Congress enact the enclosed legislative proposals as part of the National Defense Authorization Bill for Fiscal Year 2009.

The purpose of each proposal is stated in the accompanying section-by-section analysis.

The Office of Management and Budget advises that there is no objection, from the standpoint of the Administration's program, to the presenting of these legislative proposals for your consideration and the consideration of the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan J. Dell'Orto".

Daniel J. Dell'Orto
Acting

Enclosure:
As stated





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1 600 DEFENSE PENTAGON
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MAR 20 2008

The Honorable Richard B. Cheney
President of the Senate
Washington, DC 20515

Dear Mr. President:

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**SEC. ____ . EXTENSION AND ENHANCEMENT OF AUTHORITY FOR SECURITY
AND STABILIZATION ASSISTANCE.**

1 (a) INCREASE IN AMOUNT OF AUTHORIZED ASSISTANCE.—Section 1207 of the National
2 Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163; 119 Stat. 3458), as
3 amended by section 1210 of the National Defense Authorization Act for Fiscal Year 2008
4 (Public Law 110-181; 112 Stat. ____), is amended in subsection (b) by striking "\$100,000,000"
5 and inserting "\$200,000,000".

6 (b) OTHER GOVERNMENT AGENCIES. —Section 1207 is further amended—

7 (1) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h),
8 respectively; and

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

10 "(e) EXTENSION TO OTHER GOVERNMENT AGENCIES.—The Secretary of Defense may, at
11 the request and with the concurrence of the Secretary of State, provide services to or transfer
12 defense articles and funds to the head of any department or agency of the United States
13 Government for the purposes of facilitating the provision of assistance authorized in this section.

14 (c) EXTENSION OF AUTHORITY.—Subsection (h) of such section, as redesignated by
15 subsection (b) of this section, is amended by striking "September 30, 2008" and inserting
16 "September 30, 2013".

Section-by-Section Analysis

Recent experience in Iraq, Afghanistan, and elsewhere around the globe has made it clear that many of the challenges we face do not have military solutions; rather, these problems require a combination of civilian and security tools that integrate multiple elements of national power. As our national strategic guidance underscores the importance of integrated efforts along military and non-military lines, this authority will facilitate combined efforts overseas to meet the challenges posed by our adversaries' rapid deployment of effective information, economic, and social campaigns around the globe.

This section would authorize executing integrated, whole-of-government solutions to key

counterterrorism and other national security problems. It builds on section 1207 of the National Defense Authorization Act for Fiscal Year 2006, which authorized the Secretary of Defense to transfer up to \$100 million per year to the Secretary of State for reconstruction, security, or stabilization assistance -- primarily to put civilian professionals alongside our warfighters or to provide early civilian resources to avert crises that require U.S. military forces to intervene. Building such civilian capacity is an essential complement to build security capacity under the Global Train and Equip authority provided in section 1206 of the National Defense Authorization Act for Fiscal Year 2006, as amended.

This section would amend and expand the authority originally provided under Section 1207 based on two years of lessons learned implementing the original authority. It would allow the Secretary of Defense to provide services, articles, or funds directly to the Secretary of State or, at the direction and with the concurrence of the Secretary of State, to make such transfers to other departments or agencies of the United States Government for the purpose of providing reconstruction, security, or stabilization assistance to a foreign country. The latter element, permitting the provision of funding or support directly to other Federal entities with the concurrence of the Secretary of State, is designed to expedite integrated and coordinated efforts by ensuring that the Federal department or agency best situated to perform the specific type of stabilization assistance can be directly resourced to do so (*e.g.*, providing funding to the Treasury to support efforts to counter terrorist financing). This amendment also would increase the authority from \$100 million to \$200 million to reflect a recognition of current underinvestment in such preventative capabilities, and the increased demand likely with the extension of this authority to additional departments and agencies.

This amendment would provide a mechanism for a number of departments and agencies to work together and provide authority to shift resources when the department or agency with core competency for a mission does not have the resources to support it. This measure would give the Secretary of State additional resources to address critical security, stabilization, and counterterrorism challenges critical to U.S. national security. Because it would employ whole-of-government solutions, it also would reduce stress on United States servicemen and women, both on active duty and in the National Guard and Reserves.

**SEC. ____ . AMENDMENTS OF AUTHORITY FOR REGIONAL CENTERS FOR
SECURITY STUDIES.**

1 (a) IN GENERAL.—Section 184 of title 10, United States Code, is amended—

2 (1) in subsection (b)(1)—

3 (A) by striking "and" at the end of subparagraph (A);

4 (B) in subparagraph (B)—

5 (i) by striking "and exchange of ideas" and inserting "exchange of
6 ideas, and education"; and

7 (ii) by striking the period at the end and inserting "; and"; and

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

9 "(C) may, with the concurrence of the Secretary of State, provide English
10 and strategic foreign language training and education to increase the capacity of
11 foreign countries to operate with the United States in potential counter-terrorism,
12 stability, or other military missions."; and

13 (2) in subsection (f), by adding at the end the following new paragraph:

14 "(6) Funds available under this authority for any fiscal year, including funds
15 available under paragraphs (4) and (5), are available for use for programs that begin in
16 such fiscal year but end in the next fiscal year."

17 (b) ESTABLISHMENT OF A PILOT PROGRAM FOR NONGOVERNMENTAL PERSONNEL.—In
18 fiscal years 2009 and 2010, the Secretary of Defense, with the concurrence of the Secretary of
19 State, may waive reimbursement of the costs of activities of the Regional Centers for
20 nongovernmental and international organization personnel who participate in activities that
21 enhance cooperation of nongovernmental organizations and international organizations with U.S.
22 forces, if the Secretary of Defense determines that the attendance of such personnel without

1 reimbursement is in the national security interests of the United States. Such costs shall not
2 exceed \$1,000,000 in each of these fiscal years. Costs for which reimbursement is waived
3 pursuant to this subsection shall be paid from appropriations available to the Regional Centers.

Section-by-Section Analysis

This section would amend the section 184 of title 10, United States Code, authorities for the Department of Defense's five Regional Centers for Security Studies to gain efficiencies, create communities of influence, and build partner capacity through educational outreach to military and civilian officials and non-governmental personnel.

This section would explicitly recognize that executive education is a vital tool in accomplishing the Centers' communication and outreach missions. This section also would enable the Partner Language Training Center Europe, which is part of the Marshall Center, to expand English and strategic language (*e.g.*, Pashto, Farsi, Arabic, etc.) instruction, with the concurrence of the Secretary of State, for international partners to boost their ability to operate more effectively as United States coalition partners in potential stability, counter-terrorism, or other military operations. In addition, this section would provide the flexibility to fund Regional Center courses that begin in one fiscal year and end in the next. Currently, the Economy Act requires split payments for programs that cross fiscal years, which causes serious accounting inefficiencies.

In addition, this section would implement a two-year pilot program to fund personnel from non-governmental and international organizations (NGOs and IOs) in order to enhance security cooperation with United States forces. The pilot program recognizes that these organizations are often critical to resolving today's security challenges. The post-Cold War narrative reveals many examples of crises that required close coordination between civilian and military officials and the NGO and IO communities. NGOs and IOs are part of the operational environment, and members of these organizations, officials from the United States, and representatives of partner nations require mutual understanding before a crisis occurs.

Without a new funding authority for NGO and IO participants, Regional Center programs will continue to lack a civil society voice and will remain skewed toward narrower governmental and military perspectives on security. Facilitating civil-military coordination and communication is crucial to the Department of Defense (DoD), and this pilot program would enhance our military's ability to work with its non-traditional partners.

The pilot program would allow the Secretary of Defense, with Secretary of State concurrence, to include at least one NGO or IO representative in selected Regional Centers programs. The program would waive fees only for those organizations deemed most critical for program success. The ability to waive reimbursement for NGO and IO participants from developing countries is absolutely critical to ensure their participation. For fiscal years 2009 and 2010, the DoD would limit such costs to no more than \$1 million from existing appropriations.

The DoD would include data on the pilot program in its annual Regional Center report to Congress. The report would identify pilot program expenditures by each Regional Center and by organizations funded.

SEC. ____ . SUPPORT FOR SPECIAL OPERATIONS TO COMBAT TERRORISM.

1 Section 1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal
2 Year 2005 (Public Law 108–375; 118 Stat. 2086), as amended by section 1202 of the National
3 Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. ____), is further
4 amended—

5 (1) in the heading, by striking "**Military**" and inserting "**Special**";

6 (2) in section (a)—

7 (A) by inserting "with the concurrence of the relevant Chief of Mission"
8 after "Secretary of Defense"; and

9 (B) by striking "\$25,000,000" and inserting "\$35,000,000";

10 (3) in subsection (c), by striking "in not less than 48 hours" and inserting "within
11 48 hours";

12 (4) by striking subsection (d);

13 (5) by amending subsection (g) to read as follows:

14 "(g) SOURCE OF FUNDING.—Support under this section will be provided from funds made
15 available for operations and maintenance."; and

16 (6) in subsection (h), by striking "during each of fiscal years 2005 through 2010"

17 and inserting "until otherwise amended by law".

Section-by-Section Analysis

Section 1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 provided authority for the Secretary of Defense to support foreign forces, irregular forces, groups, or individuals, totaling \$25 million annually through 2007, when such recipients are facilitating or acting in support of operations conducted by U.S. Special Operations Forces. The National Defense Authorization Act for Fiscal Year 2008 extended this authority to 2010 and made a number of changes in regard to required reporting requirements.

This proposal would expand upon that language for fiscal year 2009 by increasing the annual threshold to \$35 million. This section provides authority only; there is no associated

funding or appropriation line. The Secretary of Defense will exercise this authority and operations will be funded through the U.S. Special Operations Command with Operations and Maintenance funds in accordance with the procedures established by the Secretary of Defense on March 29, 2005.

Specific changes to Section 1208 include: (1) changing the heading to reflect that the section is for Special Operations support; (2) changing the authority threshold from \$25 million to \$35 million; (3) changing the notification from "not less than" 48 hours to "within" 48 hours; (4) removing the prohibition on delegation by striking subsection (d); (5) amending subsection (g) to allow for all costs to be charged to Operations and Maintenance; and (6) making this authority permanent.

SEC. ____ . NAVY VESSEL MESS OPERATION: REIMBURSEMENT OF EXPENSES.

1 (a) IN GENERAL.—The charge made pursuant to section 1011 of title 37, United States
2 Code, for meals sold by messes for United States Naval and Naval Auxiliary vessels may be paid
3 for out of amounts appropriated for operation and maintenance when meals are provided to—

4 (1) members of nongovernmental organizations and officers or employees of host
5 and foreign nations when participating in or providing support to United States civil-
6 military operations; or

7 (2) foreign national patients treated during United States conduct of civil-military
8 operations and their escorts.

9 (b) EXPIRATION OF AUTHORITY.—The authority to pay for meals under subsection (a)
10 shall expire on September 30, 2010.

Section-by-Section Analysis

This section would provide the Department of Defense (DoD) the authority to fund from agency operating accounts the cost of messing at United States Naval and Naval Auxiliary vessels for non-governmental organization (NGO) and host and partner nation participants in civil-military operations and foreign national patients treated during the conduct of civil-military operations and their escorts.

Section 1011 of title 37, United States Code (U.S.C.), mandates that the Secretary of Defense establish rates for meals sold at messes to officers, civilians, and enlisted members. The meal rate must be at a level sufficient to reimburse the operating expenses and food costs to the relevant appropriation. In order to comply with the requirement to recover operating expenses in appropriated fund food service activities, officer and civilian personnel authorized meals on a reimbursable basis and officers, civilians, and enlisted personnel when authorized the subsistence per diem allowance, pay a surcharge as part of the meal cost. Members of organized nonprofit youth groups and spouses and dependent children of enlisted members in pay grades E-1 through E-4 are exempt from paying the surcharge. The Secretary is authorized to reduce, but not waive, the meal rate when it is in the best interests of the United States. The statute does not authorize an exception from the requirement that all users of DoD messes pay for their meals.

Implementing regulations authorize officers, civilian employees, official visitors and guests to obtain meals on a reimbursable basis from the general mess. Patients in hospitals; officer candidates; cadets and midshipmen; Reserve Officer Training Corps (ROTC), International Military Educational Training (IMET), and DoD dependent school overseas students; Red Cross personnel; and personnel on official duty under unique circumstances who

are not receiving per diem are exempt from surcharges. DoD 1338.10-M, Manual for the Department of Defense Food Service Program (March 1990), Chapter 7. Naval Supply Systems Command Publication 486, Food Service Management, General Messes (April 2007), Chapter 2.

The USNS MERCY Southeast Asia tsunami relief mission and subsequent humanitarian civic assistance deployments successfully fostered a positive image of America worldwide. Project Hope and other NGOs, host and partner nations, joint services, and U.S. government agencies participated in these missions by integrating into the Navy team and providing primarily medical services including the treatment of foreign national patients on board and ashore. Embarked members of NGOs, host and partner nations, joint services, and U.S. government agencies embarked, and foreign national patients treated on Navy ships and their escorts are official visitors and guests authorized to purchase meals at the messing facility.

Official visitors and guests of general messes are required to pay for their meals under 37 U.S.C. 1011. There is no specific statutory authority to waive such meal payment or to use general operation and maintenance appropriated funds to pay for official visitor/guest messing. The Secretaries of the military departments may, however, provide for any emergency or extraordinary expense (EEE) that cannot be anticipated or classified pursuant to 10 U.S.C. 127. Because the cost of official visitor/guest messing could not be anticipated and/or classified, the Secretary of the Navy authorized EEE funding in the amounts of \$91,000, \$103,007, \$23,587, and \$87,048 to pay for official visitor/guest messing during civil-military operations.

As a result of the success of these missions, the Department of the Navy plans future deployments that will include the conduct of civil-military operations, including delivery of medical, dental, veterinary, and engineering services to underserved populations in Southeast Asia, Africa, and other places around the globe. Representatives of NGOs and host and partner nations will be included as participants integral to these future operations. The Department of the Navy has determined that the participation of NGOs and host and partner nations is vital to the successful execution of these important missions; their contribution far outweighs the cost of messing; and it is not in the government's best interests to assess these participants and patients messing costs. To the extent future official visitor/guest messing costs are anticipated, an alternate to EEE funding would be appropriate.

In each case of proposed military-civil operations, Navy will have coordinated operations planning with the relevant State Department Chief of Mission through Combatant Command and Defense attaché. Unless the local Chief of Mission agrees with the proposed mission, no visit will take place.

Cost Implications: Based on fiscal year (FY) 2006 and 2007 expenditures, as well as mission plans for FY 2009, the Department of the Navy estimates that the following amounts (in thousands of dollars) will be executed for the purpose of this section. The estimates are funded in the Navy's FY 2009 budget.

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
700	725	750	800	850

**SEC. ____ . LEASE OF MILITARY FAMILY HOUSING TO THE SECRETARY OF
DEFENSE.**

1 (a) LEASE OF HOUSING.—Subchapter II of chapter 169 of title 10, United States Code, is
2 amended by inserting after section 2837 the following new section:

3 **"§ 2838. Lease of military family housing to the Secretary of Defense**

4 "(a) AUTHORITY.—The Secretary of a military department may lease military family
5 housing in the National Capital Region (as defined in section 2674 of this title) to the Secretary
6 of Defense. In determining the military housing unit to lease under this section, the Secretary of
7 Defense should first consider any military housing units then available that are already
8 substantially equipped for executive communications and security.

9 "(b) RENTAL RATE.—A lease under subsection (a) shall provide for the payment by the
10 lessee of consideration in an amount equal to 105 percent of the monthly rate for basic allowance
11 for housing prescribed under section 403(b) of title 37 for a military member in the pay grade of
12 O-10 with dependents assigned to duty at the military installation on which the leased housing
13 unit is located. A rate so established shall be considered the fair market value of the lease
14 interest.

15 "(c) TREATMENT OF PROCEEDS.—(1) The Secretary of a military department shall deposit
16 all money rentals received pursuant to leases entered into by that Secretary under this section
17 into a special account in the Treasury established for such military department.

18 "(2) The proceeds deposited into the special account of a military department pursuant to
19 paragraph (1) shall be available to the Secretary of that military department, without further
20 appropriation, for maintenance, protection, alteration, repair, improvement, or restoration of
21 military housing on the installation at which the housing leased pursuant to subsection (a) is
22 located."

1 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is
2 amended by inserting after the item relating to section 2837 the following new item:
3 "2838. Lease of military family housing to the Secretary of Defense."

Section-by-Section Analysis

Housing the Secretary of Defense in established quarters on a secure military installation is far more cost-effective than installing, maintaining, and protecting sensitive Department of Defense (DoD) equipment along with secure information facilities, and security and detection systems in private residences. Such DoD housing also substantially reduces the logistics, public disruptions, and costs associated with protecting the Secretary. This initiative would enhance the ability to house the Secretary in Quarters that are properly equipped for executive security and communications.

The DoD currently has the authority to lease Military Family Housing in the National Capital Region (NCR) to key government officials for Continuity of Government purposes. Secretary Gates is the first and only Secretary of Defense to reside in such a DoD facility under this authority. While this is of great benefit to the Government, the rates charged are so high as to likely discourage future Secretaries from using such a secure facility.

Current statutory provisions and implementing regulations result in a very high rental rate that consumes a substantial portion of the pay set for the Secretary, and far exceeds the equivalent Housing Allowance for General/Flag Officers who also would be authorized to reside in the same residence. As a specific example, the current monthly "fair market" payment for the Secretary is nearly 250 percent higher than the General/Flag Officer allowance for the same residence in the NCR. This high burden may discourage future Secretaries of Defense from using secure DoD-equipped housing, even when doing so could be greatly advantageous to the Government.

This provision would specifically benchmark the rental rates charged to the Secretary under this authority with the highest existing statutory Housing Allowance rates set for General/Flag Officers in the same residences, and would set the rental rate at 5 percent higher than such maximum rate. This would replace the current real estate appraisal method used to determine "fair market" rental charges for such on-post housing in the NCR to correct the resulting onerous charges levied on Secretaries of Defense under the current method.

This proposal supports the DoD's priorities to improve efficiency, make the best use of taxpayer dollars, and eliminate waste.