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

Section 801(f) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399), as most recently amended by section 1214 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92; 129 Stat. yyyy), is further amended by striking "December 31, 2016" and inserting "December 31, 2018".

Section-by-Section Analysis

This proposal would extend by two years the authority under section 801 of the National Defense Authorization Act (NDAA) for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399), as amended by section 841(a) of the FY 2013 NDAA (Public Law 112-239; 126 Stat. 1845) section 832 of the FY 2014 NDAA (Public Law 113-66; 127 Stat. 814), and section 1214 of the FY 2016 NDAA(Public Law 114-92; 129 Stat. yyyy. Section 801 provides the Department of Defense (DoD) with enhanced authority to acquire products and services produced in countries along a major route of supply to Afghanistan. This proposal would extend the authority under that section by two years, from December 31, 2016, to December 31, 2018.

Extension of authority under section 801 of the FY 2010 NDAA is necessitated by the ongoing and emerging U.S. mission in the region. Extension of authority under section 801 would support U.S. counterterrorism operations by promoting stability in the region through U.S.-led efforts to help the growth of the Afghan economy and countries in the Central Asia region..

This authority is an important tool for accessing the route of supply to Afghanistan by maintaining our established relationships with Northern Distribution Network (NDN) countries. Inattention to relationships may compromise our freedom of movement in or through a region for future security efforts or humanitarian response by U.S. Government agencies. In addition, the procurement of supplies, services, and construction material from NDN countries will provide economic opportunities and bolster stability in the region.

The engagement in Afghanistan remains a top propriety for the United States Central Command (USCENTCOM). DoD conducted a successful transition from combat to stability operations, and DoD continues to help the Afghans to build and mature a capable and sustainable Afghan National Security Force (ANSF). Today, Afghans are in the lead for all security operations and they have the capability to provide for the security of their people on a daily basis. However, they do still need help with sustainment; and that includes resupply operations, particularly to remote or mountains areas. DoD will need to continuously work closely with

Afghans and countries along a major route of supply to Afghanistan to enable their success and stability in the region.

Budget Implications: This proposal to extend the authority would not increase costs to the Government because this proposal only addresses procurement processes. This proposal has positive fiscal implications, such as increasing the local procurement of goods, which will decrease overall U.S. transportation costs and risks. Shipping goods from Europe or the United States to Afghanistan is very costly, requires multiple modes of transportation, and relies on uninterrupted throughput in a number of diverse facilities (ports, rails, roads, and air) in many different countries, while dealing with numerous customs services. By reducing the distance, complexity, risk, and cost involved in resupplying forces in Afghanistan, the United States will gain a strategic advantage in that effort.

Changes to Existing Law: This proposal would make the following change to section 801 of the FY 2010 NDAA (P.L. 111-84), as most recently amended section 2814 of the FY 2016 NDAA (P.L. 114-92):

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

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

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

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

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

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

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

(B) in the course of efforts by the United States or NATO forces to ship goods to or from Afghanistan in support of military or stability operations in Afghanistan;

(C) by the military forces, police, or other security personnel of Afghanistan; or

(D) by the United States or coalition forces in Afghanistan if the product or service is from a country that has agreed to allow the transport of coalition personnel, equipment, and supplies;

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

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

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

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

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

(A) military or stability operations in Afghanistan; or

(B) the United States industrial base.

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

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

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

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

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

(f) TERMINATION OF AUTHORITY.—The Secretary of Defense may not exercise the authority provided in subsection (a) after December 31, **~~2016~~** **2018**.