SEC. 1215. ONE-YEAR EXTENSION AND MODIFICATION OF THE AUTHORITY TO CARRY OUT INFRASTRUCTURE PROJECTS IN AFGHANISTAN.

(a) ONE-YEAR EXTENSION OF AUTHORITY.—Subsection (f) of section 1217 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 22 U.S.C. 7513 note) is amended—

(1) in paragraph (1)—

(A) by striking "up to $400,000,000 of";

(B) by striking "for fiscal year 2012"; and

(C) by striking "under subsection (a)." and inserting "under subsection (a) in amounts as follows:

"(A) From funds for fiscal year 2012, up to $400,000,000.

"(B) From funds for fiscal year 2013, up to $400,000,000."; and

(2) in paragraph (3)—

(A) by striking subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (A); and

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

"(B) In the case of funds for fiscal year 2013, until September 30, 2014.".

(b) TRANSFERS.—Such subsection is further amended by adding at the end the following new paragraph:

"(4) TRANSFER AUTHORITY.—(A) From funds made available to the Department of Defense, the Secretary of Defense may transfer up to $200,000,000 into the Afghanistan Infrastructure Fund in fiscal year 2013.

"(B) Funds transferred to the Fund under subparagraph (A) shall be merged with funds in the Fund and shall remain available until September 30, 2014.

"(C) The authority to transfer funds under subparagraph (A) is in addition to any other authority available to the Department of Defense to transfer funds.

"(D) Whenever funds are transferred to the Fund under subparagraph (A) for any fiscal year, the limitation in effect for that fiscal year under paragraph (1) shall be deemed to be increased by the amount transferred.".

Section-by-Section Analysis

This proposal would authorize the Secretary of Defense to use $400 million in fiscal year (FY) 2013 for purposes of section 1217 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (P.L. 111-383), as amended, under which the Secretary of Defense and the Secretary of State are authorized to establish a program to develop and carry out infrastructure projects in Afghanistan. Funding for the program is provided through a fund in the Treasury known as the Afghanistan Infrastructure Fund (AIF), which is a mechanism to facilitate funding by both Departments.

The AIF provides the Commander, U.S. Forces-Afghanistan with a sweeping tool to address infrastructure projects in Afghanistan that from a counterinsurgency view will support the Government of the Islamic Republic of Afghanistan in their efforts to gain the faith and allegiance of its people.

In addition, this proposal would authorize the Secretary of Defense to transfer to the AIF up to an additional $200 million from funds available to the Department of Defense in fiscal year 2013.

Budget Implications: This proposal would be funded from within Overseas Contingency Operations appropriations requested in the Administration's FY 2013 request, as follows:

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
AIF	400	-	-	-	-	Afghanistan Infrastructure Fund		
Total	400	-	-	-	-	Afghanistan Infrastructure Fund		

Changes to Existing Law: This proposal would make the following changes to section 1217 of

the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (P.L. 111-383):

SEC. 1217. AUTHORITY TO ESTABLISH A PROGRAM TO DEVELOP AND CARRY OUT INFRASTRUCTURE PROJECTS IN AFGHANISTAN.

(a) AUTHORITY.—The Secretary of Defense and the Secretary of State are authorized to establish a program to develop and carry out infrastructure projects in Afghanistan in accordance with the requirements of this section.

(b) FORMULATION AND EXECUTION OF PROGRAM.—

(1) IN GENERAL.—The Secretary of State and the Secretary of Defense shall jointly develop any project under the program authorized under subsection (a). Except as provided in paragraph (2), the Secretary of State, in coordination with the Secretary of Defense, shall implement any project under the program authorized under subsection (a).

(2) EXCEPTION.—The Secretary of Defense shall implement a project under the program authorized under subsection (a) if the Secretary of Defense and the Secretary of State jointly determine that the Secretary of Defense should implement the project.

(c) TYPES OF PROJECTS.—Infrastructure projects under the program authorized under subsection (a) may include—

(1) water, power, and transportation projects; and

(2) other projects in support of the counterinsurgency strategy in Afghanistan.

(d) AUTHORITY IN ADDITION TO OTHER AUTHORITIES.—The authority to establish the program and develop and carry out infrastructure projects under subsection (a) is in addition to any other authority to provide assistance to foreign countries.

(e) APPLICABILITY OF CERTAIN ADMINISTRATIVE PROVISIONS.—

(1) IN GENERAL.—The administrative provisions of chapter 2 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2381 et seq.) shall apply to funds made available to the Secretary of State for purposes of carrying out infrastructure projects under the program authorized under subsection (a) to the same extent and in the same manner as such administrative provisions apply to funds made available to carry out part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

(2) GIFTS, ETC.—The Secretary of Defense and the Secretary of State may accept and use in furtherance of the purposes of this section, money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

(f) FUNDING.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Defense may use ~~up to $400,000,000 of~~ funds made available to the Department of Defense for operation and maintenance ~~for fiscal year 2012~~ to carry out the program authorized under subsection (a) <u>in amounts as follows:</u>

<u>(A) From funds for fiscal year 2012, up to $400,000,000.</u>

<u>(B) From funds for fiscal year 2013, up to $400,000,000.</u>

(2) LIMITATION.—The Secretary of Defense may use not more than 85 percent of the amount specified in paragraph (1) to carry out the program authorized under subsection (a) until the Secretary of Defense, in consultation with the Secretary of State, submits to the appropriate congressional committees a plan for the allocation and use of funds under the program for fiscal year 2012.

(3) AVAILABILITY.—Funds made available by paragraph (1) are authorized to remain available as follows:

~~(A) In the case of funds for fiscal year 2011, until September 30, 2012.~~

(~~B~~A) In the case of funds for fiscal year 2012, until September 30, 2013.

(~~C~~B) In the case of funds for fiscal year 2013, until September 30, 2014.

(3) TRANSFER AUTHORITY.—(A) From funds made available to the Department of Defense, the Secretary of Defense may transfer up to $200,000,000 into the Afghanistan Infrastructure Fund in fiscal year 2013.

(B) Funds transferred to the Fund under subparagraph (A) shall be merged with funds in the Fund and shall remain available until September 30, 2014.

(C) The authority to transfer funds under subparagraph (A) is in addition to any other authority available to the Department of Defense to transfer funds.

(D) Whenever funds are transferred to the Fund under subparagraph (A) for any fiscal year, the limitation in effect for that fiscal year under paragraph (1) shall be deemed to be increased by the amount transferred

(g) CONGRESSIONAL NOTIFICATION.—The Secretary of Defense shall notify the appropriate congressional committees not less than 15 days before obligating or expending funds to carry out a project or transferring funds to the Secretary of State for the purpose of implementing a project under the program authorized under subsection (a). Such notification shall be in writing and contain a description of the details of the proposed project, including—

(1) a plan for the sustainment of the project; and

(2) a description of how the project supports the counterinsurgency strategy in Afghanistan.

(h) RETURN OF UNEXPENDED FUNDS.—

(1) IN GENERAL.—Any unexpended funds transferred to the Secretary of State for the purpose of implementing a project under the program authorized under subsection (a) shall be returned to the Secretary of Defense if the Secretary of State, in coordination with the Secretary of Defense, determines that the project cannot be implemented for any reason or that the project no longer supports the counterinsurgency strategy in Afghanistan.

(2) AVAILABILITY.—Any funds returned to the Secretary of Defense under this subsection shall be available for use under this section and shall be treated in the same manner as funds not transferred to the Secretary of State.

(i) REPORTS.—

(1) REPORT REQUIRED.—Not later than 30 days after the end of each fiscal year in which funds are obligated, expended, or transferred under the program authorized under subsection (a), the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate congressional committees a report regarding implementation of the program during such fiscal year.

(2) MATTERS TO BE INCLUDED.—The report required under paragraph (1) shall include the following:

(A) The allocation and use of funds under the program during the fiscal year.

(B) A description of each project for which funds were expended or transferred during the fiscal year.

(j) DEFINITION.—In this section, the term ‘‘appropriate congressional committees’’ means—

(1) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

(2) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.