SEC. 1201. IMPROVED ADMINISTRATION OF THE AMERICAN, BRITISH, CANADIAN, AND AUSTRALIAN ARMIES' PROGRAM.

(a) AUTHORITY.—Chapter 6 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 168a. American, British, Canadian, and Australian Armies' Program: administration; agreements with other participating countries

"(a) AUTHORITY.—As part of the participation by the United States in the land-force program known as the American, British, Canadian, and Australian Armies' Program (in this section referred to as the 'Program'), the Secretary of Defense, with the concurrence of the Secretary of State, may enter into agreements with the other participating countries in accordance with this section, and the Program shall be managed pursuant to a joint agreement among the participating countries.

"(b) PARTICIPATING COUNTRIES.—In addition to the United States, the countries participating in the Program are the following:

"(1) Australia.

"(2) Canada.

"(3) New Zealand.

"(4) The United Kingdom.

"(c) CONTRIBUTIONS BY PARTICIPANTS.—(1) An agreement under subsection (a) shall provide that each participating country shall contribute to the Program (A) its equitable share of the full cost for the Program, including the full cost of overhead and administrative costs related to the Program, and (B) any amount allocated to it in accordance with the agreement for the cost

for monetary claims asserted against any participating country as a result of participation in the Program.

"(2) Such an agreement shall also provide that each participating country (including the United States) may provide its contribution for its equitable share under the agreement in funds, in personal property, or in services required for the Program (or in any combination thereof).

"(3) Any contribution by the United States to the Program that is provided in funds shall be made from funds available to the Department of Defense for operation and maintenance.

"(4) Any contribution received by the United States from another participating country to meet that country's share of the costs of the Program shall be credited to appropriations available to the Department of Defense, as determined by the Secretary of Defense. The amount of a contribution credited to an appropriation account in connection with the Program shall be available only for payment of the share of the Program expenses allocated to the participating country making the contribution. Amounts so credited shall be available for the following purposes:

"(A) Payments to contractors and other suppliers (including the Department of Defense and participating countries acting as suppliers) for necessary goods and services of the Program.

"(B) Payments for any damages and costs resulting from the performance or cancellation of any contract or other obligation in support of the Program.

"(C) Payments for a monetary claim against a participating country as a result of the participation of that country in the Program.

"(D) Payments or reimbursements of other Program expenses, including overhead and administrative costs for any administrative office for the Program.

"(E) Refunds to other participating countries.

"(5) Costs for the operation of any office established to carry out the Program shall be borne jointly by the participating countries as provided for in an agreement referred to in subsection (a).

"(d) AUTHORITY TO CONTRACT FOR PROGRAM ACTIVITIES.—As part of the participation by the United States in the Program, the Secretary of Defense may enter into contracts or incur other obligations on behalf of the other participating countries for activities under the Program. Any payment for such a contract or other obligation under this subsection may be paid only from contributions credited to an appropriation under subsection (c)(4).

"(e) DISPOSAL OF PROPERTY.—As part of the participation by the United States in the Program, the Secretary of Defense may, with respect to any property that is jointly acquired by the countries participating in the Program, agree to the disposal of the property without regard to any law of the United States that is otherwise applicable to the disposal of property owned by the United States. Such disposal may include the transfer of the interest of the United States in the property to one or more of the other participating countries or the sale of the property. Reimbursement for the value of the property disposed of (including the value of the interest of the United States in the property) shall be made in accordance with an agreement under subsection (a).".

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

"168a. American, British, Canadian, and Australian Armies' Program: administration; agreements with other participating countries."

Section-by-Section Analysis

The program known as the American, British, Canadian, Australian Armies' Program (ABCA Armies' Program) is a multinational organization established in 1964 to focus on optimizing interoperability among the armies and Marine Corps of the participating nations. (Although New Zealand is a participating country, it is not included in the name of the program because it joined after the program was established and all of the participants decided to leave the name unchanged). In 2005, a review within the Department of the Army determined that the foundation document for the ABCA Armies' Program, the Basic Standardization Agreement of 1964 (BSA 64), is no longer consistent with current United States law and policy. During the effort to update BSA 64, it became clear that the necessary statutory authorities are not in place to support the ABCA Armies' Program activities. This proposal seeks to rectify the lack of necessary statutory authority for the activities of the Program.

The Department of Defense has numerous bilateral and multilateral agreements that enable security cooperation activities with foreign governments. Many of these agreements form independent program offices consisting of representatives from each nation to manage cooperative activities with foreign governments. These program offices incur expenses such as equipment, rent and utilities that should be funded by contributions from each participating nation. Under 31 U.S.C. 3302(b), however, contributions received from any source must be deposited into the Treasury unless there is a statutory exception. Currently, the only statutory authorization in title 10 regarding acceptance and use of contributions for cooperative projects (10 U.S.C. 2350i) applies specifically to acquisition-related cooperative projects and is not applicable to activities to be undertaken in the ABCA Armies' Program.

The proposed legislation would provide the necessary authority to accept any contributions received from the participating nations and to deposit those contributions into Department of Defense accounts. This authority would, in turn, allow for the equitable sharing of costs incurred for ABCA Armies' Program activities and the operation of the program office supported by personnel from each participating nation.

Budgetary Implications: An ABCA Armies' Program with a multinational program office is already in existence under the Basic Standardization Agreement of 1964. The Army has programmed and budgeted, and will continue to program and budget, to pay its equitable share of program costs through Program Element (PE) 121014000 and MDEP VRSI. The operation and maintenance costs of the program office are currently funded solely by the United States at a cost of $362,323 per year via various PEs and MDEPs including: PE 121014000 and MDEP VRSI; PE 431E98000 and MDEP XMGS; and PE 437018000 and MDEP QPNT. This proposal would facilitate cost-sharing among member nations of the ABCA program office, ensuring that the United States may accept contributions for the operation of that office and pay only its equitable share, instead of the full cost for operation and maintenance of the office, with a potential to reduce costs to $272,000 FY2013 - $291,000 FY 2017.

RESOURCE REQUIREMENTS ($MILLIONS)								
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Army	.272	.276	.281	.286	.291	O&M, Army	01	121

Total	.272	.276	.281	.286	.291			

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