

A BILL

To authorize appropriations for fiscal year 2016 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for such fiscal year, and for other purposes.

1 *Be it enacted by the Senate and House of Representatives of the United States of America*
2 *in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Defense Authorization Act for Fiscal Year 2016”.

5 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.**

6 (a) DIVISIONS.—This Act is organized into two divisions as follows:

7 (1) Division A—Department of Defense Authorizations.

8 (2) Division B—Military Construction Authorizations.

9 (b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Organization of act into divisions; table of contents.

TITLE I—PROCUREMENT

Sec. 101. Army.

Sec. 102. Navy and Marine Corps.

Sec. 103. Air Force.

Sec. 104. Defense-wide activities.

Sec. 105. Defense Production Act purchases.

Sec. 106. Multiyear procurement authority for Standard Missile-3 Block IB guided missiles.

Sec. 107. Repeal of limitation on retirement of U-2 aircraft.

Sec. 108. Availability of Air Force procurement funds for certain commercial-off-the-shelf parts for intercontinental ballistic missile fuzes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. Authorization of appropriations.

Sec. 202. Repeal of requirement for initial operating capability of a conventional long-range standoff weapon before retirement of the conventionally armed AGM-86 missile.

TITLE III—OPERATION AND MAINTENANCE

Sec. 301. Operation and maintenance funding.

Sec. 302. Modification of requirements for transferring aircraft within the Air Force inventory.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.

Sec. 412. End strengths for reserves on active duty in support of the reserves.

Sec. 413. End strengths for military technicians (dual status).

Sec. 414. Fiscal year 2016 limitation on number of non-dual status technicians.

Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy Generally

Sec. 501. Enhanced flexibility for determination of officers to continue on active duty and for selective early retirement and early discharge.

Subtitle B—Reserve Component Management

Sec. 511. Increase from 90 to 180 in number of days of active duty required to be performed by reserve component members for that duty to be considered Federal service for purposes of unemployment compensation for ex-servicemembers.

Sec. 512. Reconciliation of contradictory provisions relating to citizenship qualifications for enlistment in the reserve components of the Armed Forces.

Sec. 513. Authority for the Secretary of Homeland Security to order a member of the Coast Guard reserve to active duty for medical care or medical evaluation.

Sec. 514. Inclusion of duty performed by a reserve component member under a call or order to active duty for medical purposes as qualifying active duty time for purposes of Post-9/11 GI Bill education benefits.

Subtitle C—Member Education and Training

Sec. 521. Repeal of statutory specification of minimum duration of in-resident instruction for courses of instruction offered as part of Phase II Joint Professional Military Education.

Sec. 522. Retention of entitlement to educational assistance during certain additional periods of active duty.

Subtitle D—Defense Dependents' Education and Military Family Readiness Matters

Subtitle E—Other Matters

Sec. 541. Expansion and extension of authority for pilot programs on career flexibility to enhance retention of members of the Armed Forces.

Sec. 542. Update to involuntary mobilization duty authorities exempt from five-year limit under the Uniformed Services Employment and Reemployment Rights Act.

Sec. 543. Enhancement of confidentiality of restricted reporting of sexual assault in the military.

- Sec. 544. Enhanced flexibility in provision of relocation assistance to members of the Armed Forces and their families.
- Sec. 545. Required provision of preseparation counseling.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. One-year extension of certain expiring bonus and special pay authorities.

TITLE VII—HEALTHCARE PROVISIONS

Subtitle A—TRICARE and Other Health Care Benefits

Subtitle B—Health Care Administration

- Sec. 711. Limitation on conversion of military medical and dental positions to civilian medical and dental positions.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

- Sec. 801. Program fraud civil remedies statute for the Department of Defense and the National Aeronautics and Space Administration.
- Sec. 802. Improvements to the operation of the Defense Acquisition Workforce Development Fund.

Subtitle B—Amendments to General Contract Authorities, Procedures, and Limitations

- Sec. 811. Revision to method of rounding of acquisition-related dollar thresholds when adjusting for inflation.
- Sec. 812. Extension of authority to acquire products and services produced in countries along a major route of supply to Afghanistan.
- Sec. 813. Exception to requirement to include cost or price to the Government as a factor in the evaluation of proposals for certain task or delivery order contracts.

Subtitle C—Acquisition Reform Proposals

- Sec. 821. Modification to requirements relating to determination of contract type for major development programs.
- Sec. 822. Repeal of requirement for stand-alone manpower estimates for major defense acquisition programs.
- Sec. 823. Revision of milestone decision authority responsibilities for major defense acquisition programs.
- Sec. 824. Streamlining of requirements relating to defense business systems.
- Sec. 825. Revision to life-cycle management and product support requirements.
- Sec. 826. Acquisition strategy required for each major defense acquisition program.
- Sec. 827. Revision to requirements relating to risk reduction in development of major defense acquisition programs.

Subtitle D—Other Matters

- Sec. 831. Extension of the Department of Defense Mentor-Protégé Pilot Program.
- Sec. 832. Streamlining of reporting requirements applicable to Assistant Secretary of Defense for Research and Engineering regarding major defense acquisition programs.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

- Sec. 901. Reorganization and redesignation of Office of Family Policy and Office of Community Support for Military Families with Special Needs.
- Sec. 902. Change of period for Chairman of the Joint Chiefs of Staff review of the Unified Command Plan to not less than every four years.
- Sec. 903. Update of statutory specification of functions of the Chairman of the Joint Chiefs of Staff relating to advice on requirements, programs, and budget.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

- Sec. 1001. Enhancement of interagency support during contingency operations and transition periods.

Subtitle B—Counter-Drug Activities

Subtitle C—Naval Vessels and Shipyards

- Sec. 1021. Extension of authority for reimbursement of expenses for certain Navy mess operations afloat.

Subtitle D—Other Matters

- Sec. 1041. Transfer of functions of the Veterans' Advisory Board on Dose Reconstruction to the Secretaries of Veterans Affairs and Defense.

TITLE XI—CIVILIAN PERSONNEL MATTERS

- Sec. 1101. One-year extension of temporary authority to grant allowances, benefits, and gratuities to civilian personnel on official duty in a combat zone.
- Sec. 1102. Authority to provide additional allowances and benefits for Defense Clandestine Service employees.
- Sec. 1103. Extension of rate of overtime pay for Department of the Navy employees performing work aboard or dockside in support of the nuclear-powered aircraft carrier forward deployed in Japan.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

- Sec. 1201. Extension of authority to support operations and activities of the Office of Security Cooperation-Iraq.
- Sec. 1202. Extension of authority for reimbursement of certain coalition nations for support provided to United States military operations.
- Sec. 1203. Extension of authority to transfer defense articles and provide defense services to the military and security forces of Afghanistan.
- Sec. 1204. Authority for acceptance and use of contributions from Kuwait for certain mutually beneficial projects.
- Sec. 1205. Extension of Commanders' Emergency Response Program in Afghanistan.
- Sec. 1206. Increase in thresholds for definition of major defense equipment for purposes of Arms Export Control Act.
- Sec. 1207. Maintenance of prohibition on procurement by Department of Defense of Communist Chinese-origin items that meet the definition of goods and services controlled as munitions items when moved to the "600 series" of the Commerce Control List.
- Sec. 1208. Modification of global lift and sustain to support partners and allies.

TITLE XIII—[RESERVED]

TITLE V—OTHER AUTHORIZATIONS

Subtitle A—Military Programs

- Sec. 1401. Working capital funds.
- Sec. 1402. Joint Urgent Operational Needs Fund.
- Sec. 1403. Chemical Agents and Munitions destruction, Defense.
- Sec. 1404. Drug interdiction and counter-drug activities, defense-wide.
- Sec. 1405. Defense Inspector General.
- Sec. 1406. Defense Health Program.

Subtitle B—Other Matters

- Sec. 1411. Authority for transfer of funds to joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund for Captain James A. Lovell Health Care Center, Illinois.
- Sec. 1412. Authorization of appropriations for Armed Forces Retirement Home.

TITLE XV—AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR OVERSEAS
CONTINGENCY OPERATIONS

- Sec. 1501. Purpose.
- Sec. 1502. Army procurement.
- Sec. 1503. Joint Improvised Explosive Device Defeat Fund.
- Sec. 1504. Navy and Marine Corps procurement.
- Sec. 1505. Air Force procurement.
- Sec. 1506. Defense-wide activities procurement.
- Sec. 1507. Research, development, test, and evaluation.
- Sec. 1508. Operation and maintenance.
- Sec. 1509. Military personnel.
- Sec. 1510. Working capital funds.
- Sec. 1511. Defense health program.
- Sec. 1512. Drug Interdiction and Counter-Drug Activities, Defense-wide.
- Sec. 1513. Defense Inspector General.

[RESERVED]

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

TITLE XXI—ARMY MILITARY CONSTRUCTION

TITLE XXII—NAVY MILITARY CONSTRUCTION

TITLE XXIII—AIR FORCE MILITARY CONSTRUCTION

TITLE XXIV—DEFENSE AGENCIES MILITARY CONSTRUCTION

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT
PROGRAM

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

TITLE XXVII—BASE REALIGNMENT AND CLOSURE ACTIVITIES

TITLE XXVIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

- Sec. 2801. Change in authorities relating to scope of work variations for military construction projects.
- Sec. 2802. Enhanced authority to carry out emergency military construction projects when necessary to support requirements of combatant commanders.

1 **TITLE I—PROCUREMENT**

2 **SEC. 101. ARMY.**

3 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
4 the Army as follows:

- 5 (1) For aircraft, \$5,689,357,000.
- 6 (2) For missiles, \$1,419,957,000.
- 7 (3) For weapons and tracked combat vehicles, \$1,887,073,000.
- 8 (4) For ammunition, \$1,233,378,000.
- 9 (5) For other procurement, \$5,899,028,000.

10 **SEC. 102. NAVY AND MARINE CORPS.**

11 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
12 the Navy and Marine Corps as follows:

- 13 (1) For aircraft, \$16,126,405,000.
- 14 (2) For weapons, including missiles and torpedoes, \$3,154,154,000.
- 15 (3) For ammunition procurement, Navy and Marine Corps, \$723,741,000.
- 16 (4) For shipbuilding and conversion, \$16,597,457,000.
- 17 (5) For other procurement, \$6,614,715,000.
- 18 (6) For procurement, Marine Corps, \$1,131,418,000.

19 **SEC. 103. AIR FORCE.**

20 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
21 the Air Force as follows:

- 22 (1) For aircraft, \$15,657,769,000.
- 23 (2) For missiles, \$2,987,045,000.

1 (3) For space procurement, \$2,584,061,000.

2 (4) For ammunition, \$1,758,843,000.

3 (5) For other procurement, \$18,272,438,000.

4 **SEC. 104. DEFENSE-WIDE ACTIVITIES.**

5 Funds are hereby authorized to be appropriated for fiscal year 2016 for Defense-wide
6 procurement in the amount of \$5,130,853,000.

7 **SEC. 105. DEFENSE PRODUCTION ACT PURCHASES.**

8 Funds are hereby authorized to be appropriated for fiscal year 2016 for purchases under
9 the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.) in the amount of \$46,680,000.

10 **SEC. 106. MULTIYEAR PROCUREMENT AUTHORITY FOR STANDARD MISSILE-3**
11 **BLOCK IB GUIDED MISSILES.**

12 (a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—Subject to section 2306b of title 10,
13 United States Code, the Secretary of Defense may enter into one or more multiyear contracts,
14 beginning with the fiscal year 2016 program year, for the procurement of Standard Missile-3
15 Block IB guided missiles.

16 (b) AUTHORITY FOR ADVANCE PROCUREMENT.—The Secretary may enter into one or
17 more contracts for advance procurement associated with the SM-3 Block IB missiles for which
18 authorization to enter into a multiyear procurement contract is provided under subsection (a).

19 (c) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under
20 subsection (a) shall provide that any obligation of the United States to make a payment under the
21 contract for a fiscal year after fiscal year 2016 is subject to the availability of appropriations for
22 that purpose for such later fiscal year.

23 **SEC. 107. REPEAL OF LIMITATION ON RETIREMENT OF U-2 AIRCRAFT.**

1 (a) REPEAL OF LIMITATION.— Section 133 of the John Warner National Defense
2 Authorization Act for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2112), as amended by
3 section 132 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-
4 181; 122 Stat. 30), is repealed.

5 (b) PRESERVATION OF RETIRED U-2 AIRCRAFT.—(1) The Secretary of the Air Force shall
6 provide that each U-2 aircraft that is retired after the date of the enactment of this Act shall be
7 preserved for a period of not less than three years in a condition such that the retired aircraft—

8 (A) is stored in flyable condition; and

9 (B) can be returned to service.

10 (2) Notwithstanding paragraph (1), the Secretary of the Air Force may authorize retired
11 U-2 aircraft to be used to transfer parts and systems to aircraft other than U-2 aircraft.

12 **SEC. 108. AVAILABILITY OF AIR FORCE PROCUREMENT FUNDS FOR CERTAIN**
13 **COMMERCIAL-OFF-THE-SHELF PARTS FOR INTERCONTINENTAL**
14 **BALLISTIC MISSILE FUZES.**

15 (a) AVAILABILITY OF PROCUREMENT FUNDS.—Notwithstanding section 1502(a) of title
16 31, United States Code, of the amount authorized to be appropriated for fiscal year 2016 by
17 section 103 for Missile Procurement, Air Force, \$13,700,000 shall be available for the
18 procurement of covered parts pursuant to contracts entered into under section 1645 of the Carl
19 Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015
20 (Public Law 113-291; 128 Stat. YYY).

21 (b) COVERED PARTS DEFINED. —In this section, the term “covered parts” has the meaning
22 given that term in section 1645(c) of such Act.

23 **TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION**

1 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

2 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
3 Department of Defense for research, development, test, and evaluation as follows:

- 4 (1) For the Army, \$6,924,959,000.
- 5 (2) For the Navy, \$17,885,916,000.
- 6 (3) For the Air Force, \$26,473,669,000.
- 7 (4) For Defense-wide activities, \$18,329,861,000.
- 8 (5) For the Director of Operational Test and Evaluation, \$170,558,000.

9 **SEC. 202. REPEAL OF REQUIREMENT FOR INITIAL OPERATING CAPABILITY**
10 **OF A CONVENTIONAL LONG-RANGE STANDOFF WEAPON BEFORE**
11 **RETIREMENT OF THE CONVENTIONALLY ARMED AGM-86**
12 **MISSILE.**

13 Section 217(a)(1) of the National Defense Authorization Act for Fiscal Year 2014 (Public
14 Law 113-66; 127 Stat. 706) is amended—

- 15 (1) by striking subparagraph (A);
- 16 (2) in subparagraph (B), by striking “and”;
- 17 (3) by redesignating subparagraph (B) as subparagraph (A); and
- 18 (4) by inserting after subparagraph (A), as so redesignated, the following new
19 subparagraph (B):

20 “(B) is capable of being modified to carry a conventional warhead; and”.

21 **TITLE III—OPERATION AND MAINTENANCE**

22 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

1 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
2 Armed Forces and other activities and agencies of the Department of Defense for expenses, not
3 otherwise provided for, for operation and maintenance, in amounts as follows:

4 (1) For the Army, \$35,107,546,000.

5 (2) For the Navy, \$42,200,756,000.

6 (3) For the Marine Corps, \$6,228,782,000.

7 (4) For the Air Force, \$38,191,929,000.

8 (5) For Defense-wide activities, \$32,440,843,000.

9 (6) For the Army Reserve, \$2,665,792,000.

10 (7) For the Navy Reserve, \$1,001,758,000.

11 (8) For the Marine Corps Reserve, \$277,036,000.

12 (9) For the Air Force Reserve, \$3,064,257,000.

13 (10) For the Army National Guard, \$6,717,977,000.

14 (11) For the Air National Guard, \$6,956,210,000.

15 (12) For the United States Court of Appeals for the Armed Forces, \$14,078,000.

16 (13) For the Department of Defense Acquisition Workforce Development Fund,
17 \$84,140,000.

18 (14) For Environmental Restoration, Army, \$234,829,000.

19 (15) For Environmental Restoration, Navy, \$292,453,000.

20 (16) For Environmental Restoration, Air Force, \$368,131,000.

21 (17) For Environmental Restoration, Defense-wide, \$8,232,000.

22 (18) For Environmental Restoration, Formerly Used Defense Sites, \$203,717,000.

1 (19) For Overseas Humanitarian, Disaster, and Civic Aid programs,
2 \$100,266,000.

3 (20) For Cooperative Threat Reduction programs, \$358,496,000.

4 **SEC. 302. MODIFICATION OF REQUIREMENTS FOR TRANSFERRING AIRCRAFT**
5 **WITHIN THE AIR FORCE INVENTORY.**

6 (a) MODIFICATION OF REQUIREMENTS.—Section 345 of the National Defense
7 Authorization Act for Fiscal Year 2011 (Public Law 111-383; 10 U.S.C. 8062 note) is
8 amended—

9 (1) in subsection (a)—

10 (A) by striking the first sentence and inserting the following: “Before
11 making an aircraft transfer described in subsection (c), the Secretary of the Air
12 Force shall ensure that a written agreement regarding such transfer has been
13 entered into between the Chief of Staff of the Air Force and the Director of the
14 Air National Guard or the Chief of Air Force Reserve.”; and

15 (B) in paragraph (3), by striking “depot”;

16 (2) by striking subsection (b) and inserting the following:

17 “(b) SUBMITTAL OF AGREEMENTS TO THE DEPARTMENT OF DEFENSE AND CONGRESS.—
18 The Secretary of the Air Force may not take any action to transfer an aircraft until the Secretary
19 ensures that the Air Force has complied with applicable Department of Defense regulations and,
20 for a transfer described in subsection (c)(1), until the Secretary submits to the congressional
21 defense committees an agreement entered into pursuant to subsection (a) regarding the transfer
22 of the aircraft.”; and

23 (3) by adding at the end the following new subsections:

1 “(c) COVERED AIRCRAFT TRANSFERS.—

2 “(1) COVERED TRANSFERS.—An aircraft transfer described in this subsection is the
3 transfer (other than as specified in paragraph (2)) from a reserve component of the Air
4 Force to the regular component of the Air Force of—

5 “(A) the permanent assignment of an aircraft that terminates a reserve
6 component’s equitable interest in the aircraft; or

7 “(B) possession of an aircraft for a period in excess of 90 days.

8 “(2) EXCEPTIONS.—Paragraph (1) does not apply to the following:

9 “(A) A routine temporary transfer of possession of an aircraft from a
10 reserve component that is made solely for the benefit of the reserve component
11 for the purpose of maintenance, upgrade, conversion, modification, or testing and
12 evaluation.

13 “(B) A routine permanent transfer of assignment of an aircraft that
14 terminates a reserve component’s equitable interest in the aircraft if notice of the
15 transfer has previously been provided to the congressional defense committees
16 and the transfer has been approved by the Secretary of Defense pursuant to
17 Department of Defense regulations.

18 “(C) A transfer described in paragraph (1)(A) when there is a reciprocal
19 permanent assignment of an aircraft from the regular component of the Air Force
20 to the reserve component that does not degrade the capability of, or reduce the
21 total number of, aircraft assigned to the reserve component.

22 “(d) RETURN OF AIRCRAFT AFTER ROUTINE TEMPORARY TRANSFER.—In the case of an
23 aircraft transferred from a reserve component of the Air Force to the regular component of the

1 Air Force for which an agreement under subsection (a) is not required by reason of subsection
2 (c)(2)(A), possession of the aircraft shall be transferred back to the reserve component upon
3 completion of the work described in subsection (c)(2)(A).”.

4 (b) CONFORMING AMENDMENT.—Subsection (a)(7) of such section is amended by
5 striking “Commander of the Air Force Reserve Command” and inserting “Chief of Air Force
6 Reserve”.

7 (c) TECHNICAL AMENDMENTS TO DELETE REFERENCES TO AIRCRAFT OWNERSHIP.—
8 Subsection (a) of such section is further amended by striking “the ownership of” in paragraphs
9 (2)(A), (2)(C), and (3).

10 **TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS**

11 **Subtitle A—Active Forces**

12 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

13 The Armed Forces are authorized strengths for active duty personnel as of September 30,
14 2016, as follows:

15 (1) The Army, 475,000.

16 (2) The Navy, 329,200.

17 (3) The Marine Corps, 184,000.

18 (4) The Air Force, 317,000.

19 **Subtitle B—Reserve Forces**

20 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

21 (a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve
22 personnel of the reserve components as of September 30, 2016, as follows:

23 (1) The Army National Guard of the United States, 342,000.

1 (2) The Army Reserve, 198,000.

2 (3) The Navy Reserve, 57,400.

3 (4) The Marine Corps Reserve, 38,900.

4 (5) The Air National Guard of the United States, 105,500.

5 (6) The Air Force Reserve, 69,200.

6 (7) The Coast Guard Reserve, 7,000.

7 (b) END STRENGTH REDUCTIONS.—The end strengths prescribed by subsection (a) for the
8 Selected Reserve of any reserve component shall be proportionately reduced by—

9 (1) the total authorized strength of units organized to serve as units of the Selected
10 Reserve of such component which are on active duty (other than for training) at the end
11 of the fiscal year; and

12 (2) the total number of individual members not in units organized to serve as units
13 of the Selected Reserve of such component who are on active duty (other than for
14 training or for unsatisfactory participation in training) without their consent at the end of
15 the fiscal year.

16 (c) END STRENGTH INCREASES.—Whenever units or individual members of the Selected
17 Reserve for any reserve component are released from active duty during any fiscal year, the end
18 strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall
19 be increased proportionately by the total authorized strengths of such units and by the total
20 number of such individual members.

21 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF**
22 **THE RESERVES.**

1 Within the end strengths prescribed in section 411(a), the reserve components of the
2 Armed Forces are authorized, as of September 30, 2016, the following number of Reserves to be
3 serving on full-time active duty or full-time duty, in the case of members of the National Guard,
4 for the purpose of organizing, administering, recruiting, instructing, or training the reserve
5 components:

6 (1) The Army National Guard of the United States, 30,770.

7 (2) The Army Reserve, 16,261.

8 (3) The Navy Reserve, 9,934.

9 (4) The Marine Corps Reserve, 2,260.

10 (5) The Air National Guard of the United States, 14,748.

11 (6) The Air Force Reserve, 3,032.

12 **SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).**

13 The minimum number of military technicians (dual status) as of the last day of fiscal year
14 2016 for the reserve components of the Army and the Air Force (notwithstanding section 129 of
15 title 10, United States Code) shall be the following:

16 (1) For the Army National Guard of the United States, 26,099.

17 (2) For the Army Reserve, 7,395.

18 (3) For the Air National Guard of the United States, 22,104.

19 (4) For the Air Force Reserve, 9,814.

20 **SEC. 414. FISCAL YEAR 2016 LIMITATION ON NUMBER OF NON-DUAL STATUS**
21 **TECHNICIANS.**

22 (a) LIMITATIONS.—

1 (1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of
2 title 10, United States Code, the number of non-dual status technicians employed by the
3 National Guard as of September 30, 2016, may not exceed the following:

4 (A) For the Army National Guard of the United States, 1,600.

5 (B) For the Air National Guard of the United States, 350.

6 (2) ARMY RESERVE.—The number of non-dual status technicians employed by the
7 Army Reserve as of September 30, 2016, may not exceed 595.

8 (3) AIR FORCE RESERVE.—The number of non-dual status technicians employed
9 by the Air Force Reserve as of September 30, 2016, may not exceed 90.

10 (b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term “non-dual status
11 technician” has the meaning given that term in section 10217(a) of title 10, United States Code.

12 **SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE**
13 **ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.**

14 During fiscal year 2016, the maximum number of members of the reserve components of
15 the Armed Forces who may be serving at any time on full-time operational support duty under
16 section 115(b) of title 10, United States Code, is the following:

17 (1) The Army National Guard of the United States, 17,000.

18 (2) The Army Reserve, 13,000.

19 (3) The Navy Reserve, 6,200.

20 (4) The Marine Corps Reserve, 3,000.

21 (5) The Air National Guard of the United States, 16,000.

22 (6) The Air Force Reserve, 14,000.

23 **Subtitle C—Authorization of Appropriations**

1 **SEC. 421. MILITARY PERSONNEL.**

2 There is hereby authorized to be appropriated for military personnel for fiscal year 2016 a
3 total of \$130,491,227,000.

4 **TITLE V—MILITARY PERSONNEL POLICY**

5 **Subtitle A—Officer Personnel Policy Generally**

6 **SEC. 501. ENHANCED FLEXIBILITY FOR DETERMINATION OF OFFICERS TO**
7 **CONTINUE ON ACTIVE DUTY AND FOR SELECTIVE EARLY**
8 **RETIREMENT AND EARLY DISCHARGE.**

9 Section 638a(d)(2) of title 10, United States Code, is amended by striking “officers
10 considered—” and all that follows and inserting “officers considered.”.

11 **Subtitle B—Reserve Component Management**

12 **SEC. 511. INCREASE FROM 90 TO 180 IN NUMBER OF DAYS OF ACTIVE DUTY**
13 **REQUIRED TO BE PERFORMED BY RESERVE COMPONENT**
14 **MEMBERS FOR THAT DUTY TO BE CONSIDERED FEDERAL**
15 **SERVICE FOR PURPOSES OF UNEMPLOYMENT COMPENSATION**
16 **FOR EX-SERVICEMEMBERS.**

17 (a) INCREASE OF NUMBER OF DAYS.—Paragraph (1) of section 8521(a) of title 5, United
18 States Code, is amended by striking “90 days” in the matter preceding subparagraph (A) and
19 inserting “180 days”.

20 (b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect
21 to periods of Federal service commencing on or after the date of the enactment of this Act.

1 **SEC. 512. RECONCILIATION OF CONTRADICTORY PROVISIONS RELATING TO**
2 **CITIZENSHIP QUALIFICATIONS FOR ENLISTMENT IN THE**
3 **RESERVE COMPONENTS OF THE ARMED FORCES.**

4 Paragraphs (1) and (2) of section 12102(b) of title 10, United States Code, are amended
5 to read as follows:

6 “(1) that person has met the citizenship or residency requirements established in
7 section 504(b)(1) of this title; or

8 “(2) that person is authorized to enlist by the Secretary concerned under section
9 504(b)(2) of this title.”.

10 **SEC. 513. AUTHORITY FOR THE SECRETARY OF HOMELAND SECURITY TO**
11 **ORDER A MEMBER OF THE COAST GUARD RESERVE TO ACTIVE**
12 **DUTY FOR MEDICAL CARE OR MEDICAL EVALUATION.**

13 Subsection (h) of section 12301 of title 10, United States Code, is amended by striking
14 “When authorized by the Secretary of Defense, the Secretary of a military department may” and
15 inserting “The Secretary of a military department (when authorized by the Secretary of Defense),
16 and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating
17 as a service in the Navy, may”.

18 **SEC. 514. INCLUSION OF DUTY PERFORMED BY A RESERVE COMPONENT**
19 **MEMBER UNDER A CALL OR ORDER TO ACTIVE DUTY FOR**
20 **MEDICAL PURPOSES AS QUALIFYING ACTIVE DUTY TIME FOR**
21 **PURPOSES OF POST-9/11 GI BILL EDUCATION BENEFITS.**

22 Section 3301 of title 38, United States Code, is amended in subsection (a)(1)(B) by
23 inserting “12301(h),” after “12301(g)”.

1 **Subtitle C—Member Education and Training**

2 **SEC. 521. REPEAL OF STATUTORY SPECIFICATION OF MINIMUM DURATION**
3 **OF IN-RESIDENT INSTRUCTION FOR COURSES OF INSTRUCTION**
4 **OFFERED AS PART OF PHASE II JOINT PROFESSIONAL MILITARY**
5 **EDUCATION.**

6 (a) REPEAL OF STATUTORY REQUIREMENT FOR IN-RESIDENT INSTRUCTION.—Section
7 2154(a)(2)(A) of title 10, United States Code, is amended by striking “taught in residence at” and
8 inserting “offered through”.

9 (b) REPEAL OF STATUTORY DURATIONAL MINIMUM.—

10 (1) REPEAL.—Section 2156 of such title is repealed.

11 (2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter
12 107 of such title amended by striking the item relating to section 2156.

13 **SEC. 522. RETENTION OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE**
14 **DURING CERTAIN ADDITIONAL PERIODS OF ACTIVE DUTY.**

15 (A) EDUCATIONAL ASSISTANCE ALLOWANCE.—Section 16131(c)(3)(B)(i) of title 10,
16 United States Code, is amended by striking “or 12304” and inserting “12304, 12304a, or
17 12304b”.

18 (B) EXPIRATION DATE.—Section 16133(b)(4) of such title is amended by striking “or
19 12304” and inserting “12304, 12304a, or 12304b”.

20 **Subtitle D—Defense Dependents’ Education and Military Family Readiness**
21 **Matters**

22 **Subtitle E—Other Matters**

1 **SEC. 541. EXPANSION AND EXTENSION OF AUTHORITY FOR PILOT PROGRAMS**
2 **ON CAREER FLEXIBILITY TO ENHANCE RETENTION OF**
3 **MEMBERS OF THE ARMED FORCES.**

4 (a) EXPANSION OF ELIGIBLE MEMBERS.—Section 533 of the Duncan Hunter National
5 Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 10 U.S.C. prec. 701 note)
6 is amended by striking subsections (b) and (c).

7 (b) EXTENSION OF PROGRAM.—

8 (1) DURATION OF PROGRAM AUTHORITY.—Subsection (m) of such section is
9 amended by striking “December 31, 2015” and inserting “December 31, 2018”.

10 (2) CONFORMING AMENDMENTS TO REPORTING REQUIREMENTS.—Subsection (k) of
11 such section is amended—

12 (A) in paragraph (1), by striking “and 2017” and inserting “, 2017, 2019,
13 and 2021”; and

14 (B) in paragraph (2), by striking “March 1, 2019” and inserting “March 1,
15 2022”.

16 **SEC. 542. UPDATE TO INVOLUNTARY MOBILIZATION DUTY AUTHORITIES**
17 **EXEMPT FROM FIVE-YEAR LIMIT UNDER THE UNIFORMED**
18 **SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT.**

19 Section 4312(c)(4)(A) of title 38, United States Code, is amended by inserting after “12304,” the
20 following: “12304a, 12304b,”.

21 **SEC. 543. ENHANCEMENT OF CONFIDENTIALITY OF RESTRICTED REPORTING**
22 **OF SEXUAL ASSAULT IN THE MILITARY.**

1 (a) PREEMPTION OF STATE LAW TO ENSURE CONFIDENTIALITY OF REPORTING.—

2 Subsection (b) of section 1565b of title 10, United States Code, is amended by adding at the end
3 the following new paragraph:

4 “(3) In the case of information disclosed pursuant to paragraph (1), any State law,
5 regulation, or rule of professional responsibility that would require an individual specified in
6 subsection (b)(2) to disclose the personally identifiable information of the adult victim or alleged
7 perpetrator of the sexual assault to a State or local law enforcement agency shall not apply,
8 except when reporting is necessary to prevent or mitigate a serious and imminent threat to the
9 health or safety of an individual.”.

10 (b) CLARIFICATION OF SCOPE.—Paragraph (1) of such subsection is amended by striking
11 “a dependent” and inserting “an adult dependent”.

12 (c) DEFINITIONS.—Such section is further amended by adding at the end the following
13 new subsection:

14 “(c) DEFINITIONS.—In this section:

15 “(1) SEXUAL ASSAULT.— The term ‘sexual assault’ includes the offenses of rape,
16 sexual assault, forcible sodomy, aggravated sexual contact, abusive sexual contact, and
17 attempts to commit such offenses, as punishable under applicable Federal or State law.

18 “(2) STATE.—The term ‘State’ includes the District of Columbia, the
19 Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and
20 any territory or possession of the United States.”.

21 **SEC. 544. ENHANCED FLEXIBILITY IN PROVISION OF RELOCATION**

22 **ASSISTANCE TO MEMBERS OF THE ARMED FORCES AND THEIR**
23 **FAMILIES.**

1 (a) GEOGRAPHIC REQUIREMENT.—Paragraph (1) of subsection (c) of section 1056 of title
2 10, United States Code, is amended by striking the second, third, and fourth sentences and
3 inserting the following new sentence: “Such relocation assistance programs shall ensure that
4 members of the armed forces and their families are provided relocation assistance regardless of
5 geographic location.”.

6 (b) COMPUTERIZED INFORMATION SYSTEM.—Such subsection is further amended—

7 (1) in paragraph (2)—

8 (A) by striking “available through each military ” and inserting “a”; and

9 (B) by striking “all other military relocation assistance programs” and
10 inserting “the relocation assistance programs”; and

11 (2) in paragraph (3), by striking “Duties of each military relocation assistance
12 program shall include assisting” and inserting “Assistance shall be provided to”.

13 (c) DIRECTOR.—Subsection (d) of such section is amended to read as follows:

14 “(d) PROGRAM MANAGER.—The Secretary of Defense shall establish the position of
15 Program Manager of Military Relocation Assistance in the office of the Assistance Secretary of
16 Defense with responsibility for readiness and force management. The Program Manager shall
17 oversee development and implementation of relocation assistance under this section.”.

18 **SEC. 545. REQUIRED PROVISION OF PRESEPARATION COUNSELING.**

19 (a) CLARIFICATION OF REQUIREMENT FOR 180 CONTINUOUS DAYS OF ACTIVE DUTY
20 SERVICE.—Subparagraph (A) of section 1142(a)(4) of title 10, United States Code, is amended
21 by inserting “continuous” after “first 180”.

22 (b) EXCLUSION OF TRAINING FROM PERIODS OF ACTIVE DUTY.—Such section is further
23 amended by adding at the end the following new subparagraph:

1 “(C) For purposes of subparagraph (A), the term ‘active duty’ does not include full-time
2 training duty, annual training duty, and attendance, while in the active military service, at a
3 school designated as a service school by law or by the Secretary of the military department
4 concerned.”.

5 **TITLE VI— COMPENSATION AND OTHER PERSONNEL BENEFITS**

6 **Subtitle A—Pay and Allowances**

7 **[RESERVED]**

8 **Subtitle B—Bonuses and Special and Incentive Pays**

9 **SEC. 611. ONE-YEAR EXTENSION OF CERTAIN EXPIRING BONUS AND SPECIAL** 10 **PAY AUTHORITIES.**

11 (a) **AUTHORITIES RELATING TO RESERVE FORCES.**—The following sections of title 37,
12 United States Code, are amended by striking “December 31, 2015” and inserting “December 31,
13 2016”:

14 (1) Section 308b(g), relating to Selected Reserve reenlistment bonus.

15 (2) Section 308c(i), relating to Selected Reserve affiliation or enlistment bonus.

16 (3) Section 308d(c), relating to special pay for enlisted members assigned to
17 certain high-priority units.

18 (4) Section 308g(f)(2), relating to Ready Reserve enlistment bonus for persons
19 without prior service.

20 (5) Section 308h(e), relating to Ready Reserve enlistment and reenlistment bonus
21 for persons with prior service.

22 (6) Section 308i(f), relating to Selected Reserve enlistment and reenlistment
23 bonus for persons with prior service.

1 (7) Section 910(g), relating to income replacement payments for reserve
2 component members experiencing extended and frequent mobilization for active duty
3 service.

4 (b) TITLE 10 AUTHORITIES RELATING TO HEALTH CARE PROFESSIONALS.—The following
5 sections of title 10, United States Code, are amended by striking “December 31, 2015” and
6 inserting “December 31, 2016”:

7 (1) Section 2130a(a)(1), relating to nurse officer candidate accession program.

8 (2) Section 16302(d), relating to repayment of education loans for certain health
9 professionals who serve in the Selected Reserve.

10 (c) TITLE 37 AUTHORITIES RELATING TO HEALTH CARE PROFESSIONALS.—The following
11 sections of title 37, United States Code, are amended by striking “December 31, 2015” and
12 inserting “December 31, 2016”:

13 (1) Section 302c-1(f), relating to accession and retention bonuses for
14 psychologists.

15 (2) Section 302d(a)(1), relating to accession bonus for registered nurses.

16 (3) Section 302e(a)(1), relating to incentive special pay for nurse anesthetists.

17 (4) Section 302g(e), relating to special pay for Selected Reserve health
18 professionals in critically short wartime specialties.

19 (5) Section 302h(a)(1), relating to accession bonus for dental officers.

20 (6) Section 302j(a), relating to accession bonus for pharmacy officers.

21 (7) Section 302k(f), relating to accession bonus for medical officers in critically
22 short wartime specialties.

1 (8) Section 302l(g), relating to accession bonus for dental specialist officers in
2 critically short wartime specialties.

3 (d) AUTHORITIES RELATING TO NUCLEAR OFFICERS.—The following sections of title 37,
4 United States Code, are amended by striking “December 31, 2015” and inserting “December 31,
5 2016”:

6 (1) Section 312(f), relating to special pay for nuclear-qualified officers extending
7 period of active service.

8 (2) Section 312b(c), relating to nuclear career accession bonus.

9 (3) Section 312c(d), relating to nuclear career annual incentive bonus.

10 (e) AUTHORITIES RELATING TO TITLE 37 CONSOLIDATED SPECIAL PAY, INCENTIVE PAY,
11 AND BONUS AUTHORITIES.—The following sections of title 37, United States Code, are amended
12 by striking “December 31, 2015” and inserting “December 31, 2016”:

13 (1) Section 331(h), relating to general bonus authority for enlisted members.

14 (2) Section 332(g), relating to general bonus authority for officers.

15 (3) Section 333(i), relating to special bonus and incentive pay authorities for
16 nuclear officers.

17 (4) Section 334(i), relating to special aviation incentive pay and bonus authorities
18 for officers.

19 (5) Section 335(k), relating to bonus and incentive pay authorities for officers in
20 health professions.

21 (6) Section 336(g), relating to contracting bonus for cadets and midshipmen
22 enrolled in the Senior Reserve Officers’ Training Corps.

23 (7) Section 351(h), relating to hazardous duty pay.

1 (8) Section 352(g), relating to assignment pay or special duty pay.

2 (9) Section 353(i), relating to skill incentive pay or proficiency bonus.

3 (10) Section 355(h), relating to retention incentives for members qualified in
4 critical military skills or assigned to high priority units.

5 (f) OTHER TITLE 37 BONUS AND SPECIAL PAY AUTHORITIES.—The following sections of
6 title 37, United States Code, are amended by striking “December 31, 2015” and inserting
7 “December 31, 2016”:

8 (1) Section 301b(a), relating to aviation officer retention bonus.

9 (2) Section 307a(g), relating to assignment incentive pay.

10 (3) Section 308(g), relating to reenlistment bonus for active members.

11 (4) Section 309(e), relating to enlistment bonus.

12 (5) Section 324(g), relating to accession bonus for new officers in critical skills.

13 (6) Section 326(g), relating to incentive bonus for conversion to military
14 occupational specialty to ease personnel shortage.

15 (7) Section 327(h), relating to incentive bonus for transfer between the Armed
16 Forces.

17 (8) Section 330(f), relating to accession bonus for officer candidates.

18 (g) AUTHORITY TO PROVIDE TEMPORARY INCREASE IN RATES OF BASIC ALLOWANCE FOR
19 HOUSING.—Section 403(b)(7)(E) of title 37, United States Code, is amended by striking
20 “December 31, 2015” and inserting “December 31, 2016”.

21 **TITLE VII—HEALTHCARE PROVISIONS**

22 **Subtitle A—TRICARE and Other Health Care Benefits**

23 **Subtitle B—Health Care Administration**

1 **SEC. 711. LIMITATION ON CONVERSION OF MILITARY MEDICAL AND DENTAL**
2 **POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.**

3 (a) LIMITED AUTHORITY FOR CONVERSION.—Chapter 49 of title 10, United States Code,
4 is amended by adding after section 976, the following new section:

5 **“§ 977. Limitation on conversion of military medical and dental positions to civilian**
6 **medical and dental positions**

7 “(a) REQUIREMENTS RELATING TO CONVERSION.—A military medical or dental position
8 within the Department of Defense may not be converted to a civilian medical or dental position
9 unless the Secretary of Defense determines—

10 “(1) that the position is not a military essential position;

11 “(2) that conversion of the position would not result in the degradation of medical
12 care or the medical readiness of the armed forces; and

13 “(3) that converting the position to a civilian medical or dental position is more
14 cost effective than retaining the position as a military medical or dental position,
15 consistent with Department of Defense Instruction 7041.04.

16 “(b) DEFINITIONS.—In this section:

17 “(1) The term 'military medical or dental position' means a position for the
18 performance of health care functions within the armed forces held by a member of the
19 armed forces.

20 “(2) The term 'civilian medical or dental position' means a position for the
21 performance of health care functions within the Department of Defense held by an
22 employee of the Department or of a contractor of the Department.

1 “(3) The term ‘military essential’ means, with respect to a position, that the
2 position must be held by a member of the armed forces, as determined in accordance with
3 regulations prescribed by the Secretary.

4 “(4) The term ‘conversion’, with respect to a military medical or dental position,
5 means a change of the position to a civilian medical or dental position, effective as of the
6 date of the manning authorization document of the military department making the
7 change (through a change in designation from military to civilian in the document, the
8 elimination of the listing of the position as a military position in the document, or through
9 any other means indicating the change in the document or otherwise).”.

10 (b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is
11 amended by inserting after the item relating to section 576, the following new item:

“977. Limitation on conversion of military medical and dental positions to civilian medical and dental positions.”.

12 (c) REPEAL OF PROHIBITION.—Section 721 of the National Defense Authorization Act for
13 Fiscal Year 2008 (Public Law 110-181; 10 U.S.C. 129c note) is repealed.

14 **TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT,**
15 **AND RELATED MATTERS**

16 **Subtitle A—Acquisition Policy and Management**

17 **SEC. 801. PROGRAM FRAUD CIVIL REMEDIES STATUTE FOR THE**
18 **DEPARTMENT OF DEFENSE AND THE NATIONAL AERONAUTICS**
19 **AND SPACE ADMINISTRATION.**

20 (a) PURPOSE.—The purpose of this section is to provide the Secretary of Defense and the
21 Administrator of the National Aeronautics and Space Administration with an effective
22 administrative remedy to obtain recompense for the Department of Defense and the National

1 Aeronautics and Space Administration for losses resulting from the submission to the
2 Department or the Administration, respectively, of false, fictitious, or fraudulent claims and
3 statements.

4 (b) PROGRAM FRAUD CIVIL REMEDIES.—

5 (1) IN GENERAL.—Chapter IV of subtitle A of title 10, United States Code, is
6 amended by inserting after chapter 163 the following new chapter:

7 **“CHAPTER 164—ADMINISTRATIVE REMEDIES FOR FALSE CLAIMS AND**
8 **STATEMENTS**

“Sec.

“2751. Applicability of chapter; definitions.

“2752. False claims and statements; liability.

“2753. Hearing and determinations.

“2754. Payment; interest on late payments.

“2755. Judicial review.

“2756. Collection of civil penalties and assessments.

“2757. Right to administrative offset.

“2758. Limitations.

“2759. Effect on other laws.

9 **”§ 2751. Applicability of chapter; definitions**

10 “(a) APPLICABILITY OF CHAPTER.—This chapter applies to the following agencies:

11 “(1) The Department of Defense.

12 “(2) The National Aeronautics and Space Administration.

13 “(b) DEFINITIONS.—In this chapter:

14 “(1) HEAD OF AN AGENCY.—The term ‘head of an agency’ means the Secretary of
15 Defense and the Administrator of the National Aeronautics and Space Administration.

16 “(2) CLAIM.—The term ‘claim’ means any request, demand, or submission—

17 “(A) made to the head of an agency for property, services, or money

18 (including money representing grants, loans, insurance, or benefits);

19 “(B) made to a recipient of property, services, or money received directly

1 or indirectly from the head of an agency or to a party to a contract with the head
2 of an agency —

3 “(i) for property or services if the United States—

4 “(I) provided such property or services;

5 “(II) provided any portion of the funds for the purchase of
6 such property or services; or

7 “(III) will reimburse such recipient or party for the
8 purchase of such property or services; or

9 “(ii) for the payment of money (including money representing
10 grants, loans, insurance, or benefits) if the United States—

11 “(I) provided any portion of the money requested or
12 demanded; or

13 “(II) will reimburse such recipient or party for any portion
14 of the money paid on such request or demand; or

15 “(C) made to the head of an agency which has the effect of decreasing an
16 obligation to pay or account for property, services, or money.

17 “(3) KNOWS OR HAS REASON TO KNOW.—The term ‘knows or has reason to know’,
18 for purposes of establishing liability under section 2752 of this title, means that a person,
19 with respect to a claim or statement—

20 “(A) has actual knowledge that the claim or statement is false, fictitious, or
21 fraudulent;

22 “(B) acts in deliberate ignorance of the truth or falsity of the claim or
23 statement; or

1 “(C) acts in reckless disregard of the truth or falsity of the claim or
2 statement, and no proof of specific intent to defraud is required.

3 “(4) RESPONSIBLE OFFICIAL.—The term ‘responsible official’ means a designated
4 debaring and suspending official of the agency named in subsection (a).

5 “(5) RESPONDENT.—The term ‘respondent’ means a person who has received
6 notice from a responsible official asserting liability under section 2752 of this title.

7 “(6) STATEMENT.—The term ‘statement’ means any representation, certification,
8 affirmation, document, record, or an accounting or bookkeeping entry made—

9 “(A) with respect to a claim or to obtain the approval or payment of a claim
10 (including relating to eligibility to make a claim); or

11 “(B) with respect to (including relating to eligibility for)—

12 “(i) a contract with, or a bid or proposal for a contract with the head
13 of an agency; or

14 “(ii) a grant, loan, or benefit from the head of an agency.

15 “(c) CLAIMS.—For purposes of paragraph (2) of subsection (b)—

16 “(1) each voucher, invoice, claim form, or other individual request or demand for
17 property, services, or money constitutes a separate claim;

18 “(2) each claim for property, services, or money is subject to this chapter regardless
19 of whether such property, services, or money is actually delivered or paid; and

20 “(3) a claim shall be considered made, presented, or submitted to the head of an
21 agency, recipient, or party when such claim is actually made to an agent, fiscal
22 intermediary, or other entity acting for or on behalf of such authority, recipient, or party.

23 “(d) STATEMENTS.—For purposes of paragraph (6) of subsection (b)—

1 “(1) each written representation, certification, or affirmation constitutes a separate
2 statement; and

3 “(2) a statement shall be considered made, presented, or submitted to the head of an
4 agency when such statement is actually made to an agent, fiscal intermediary, or other
5 entity acting for or on behalf of such authority.

6 **“§ 2752. False claims and statements; liability**

7 “(a) FALSE CLAIMS.—Any person who makes, presents, or submits, or causes to be made,
8 presented, or submitted, to the head of an agency a claim that the person knows or has reason to
9 know—

10 “(1) is false, fictitious, or fraudulent;

11 “(2) includes or is supported by any written statement which asserts a material fact
12 this is false, fictitious, or fraudulent;

13 “(3) includes or is supported by any written statement that—

14 “(A) omits a material fact;

15 “(B) is false, fictitious, or fraudulent as a result of such omission; and

16 “(C) the person making, presenting, or submitting such statement has a
17 duty to include such material fact; or

18 “(4) is for payment for the provision of property or services which the person has
19 not provided as claimed,

20 shall, in addition to any other remedy that may be prescribed by law, be subject to a civil penalty
21 of not more than \$5,000 for each such claim. Such person shall also be subject to an assessment
22 of not more than twice the amount of such claim, or the portion of such claim which is
23 determined by the responsible official to be in violation of the preceding sentence.

1 “(b) FALSE STATEMENTS.—Any person who makes, presents, submits, or causes to be
2 made, presented, or submitted, a written statement in conjunction with a procurement program or
3 acquisition of the an agency named in section 2751(a) of this title that—

4 “(1) the person knows or has reason to know—

5 “(A) asserts a material fact that is false, fictitious, or fraudulent; or

6 “(B)(i) omits a material fact; and

7 “(ii) is false, fictitious, or fraudulent as a result of such omission;

8 “(2) in the case of a statement described in subparagraph (B) of paragraph (1), is a
9 statement in which the person making, presenting, or submitting such statement has a
10 duty to include such material fact; and

11 “(3) contains or is accompanied by an express certification or affirmation of the
12 truthfulness and accuracy of the contents of the statement,

13 shall be subject to, in addition to any other remedy that may be prescribed by law, a civil
14 penalty of not more than \$5,000 for each such statement.

15 **“§ 2753. Hearing and determinations**

16 “(a) TRANSMITTAL OF NOTICE TO ATTORNEY GENERAL.—If a responsible official
17 determines that there is adequate evidence to believe that a person is liable under section 2752 of
18 this title, the responsible official shall transmit to the Attorney General, or any other officer or
19 employee of the Department of Justice designated by the Attorney General, a written notice of
20 the intention of such official to initiate an action under this section. The notice shall include the
21 following:

22 “(1) A statement of the reasons for initiating an action under this section.

23 “(2) A statement specifying the evidence which supports liability under section

1 2752 of this title.

2 “(3) A description of the claims or statements for which liability under section
3 2752 of this title is alleged.

4 “(4) An estimate of the penalties and assessments that will be demanded under
5 section 2752 of this title.

6 “(5) A statement of any exculpatory or mitigating circumstances which may
7 relate to such claims or statements.

8 “(b) STATEMENT FROM ATTORNEY GENERAL.

9 “(1) Within 90 days after receipt of a notice from a responsible official under
10 subsection (a), the Attorney General, or any other officer or employee of the Department
11 of Justice designated by the Attorney General, shall transmit a written statement to the
12 responsible official which specifies—

13 “(A) that the Attorney General, or any other officer or employee of the
14 Department of Justice designated by the Attorney General, approves or
15 disapproves initiating an action under this section based on the allegations of
16 liability stated in such notice; and

17 “(B) in any case in which the initiation of an action under this section is
18 disapproved, the reasons for such disapproval.

19 “(2) If at any time after the initiation of an action under this section the Attorney
20 General, or any other officer or employee of the Department of Justice designated by the
21 Attorney General, transmits to a responsible official a written determination that the
22 continuation of any action under this section may adversely affect any pending or
23 potential criminal or civil action, such action shall be immediately stayed and may be

1 resumed only upon written authorization from the Attorney General, or any other officer
2 or employee of the Department of Justice designated by the Attorney General.

3 “(c) LIMITATION ON AMOUNT OF CLAIM THAT MAY BE PURSUED UNDER THIS SECTION.—

4 No action shall be initiated under this section, nor shall any assessment be imposed under this
5 section, if the total amount of the claim determined by the responsible official to violate section
6 2752(a) of this title exceeds \$500,000. The \$500,000 threshold does not include penalties or any
7 assessment permitted under 2752(a) of this title greater than the amount of the claim determined
8 by the responsible official to violate such section.

9 “(d) PROCEDURES FOR RESOLVING CLAIMS.—(1) Upon receiving approval under

10 subsection (b) to initiate an action under this section, the responsible official shall mail, by
11 registered or certified mail, or other similar commercial means, or shall deliver, a notice to the
12 person alleged to be liable under section 2752 of this title. Such notice shall specify the
13 allegations of liability against such person, specify the total amount of penalties and assessments
14 sought by the United States, advise the person of the opportunity to submit facts and arguments
15 in opposition to the allegations set forth in the notice, advise the person of the opportunity to
16 submit offers of settlement or proposals of adjustment, and advise the person of the procedures
17 of the agency named in section 2751(a) of this title governing the resolution of actions initiated
18 under this section.

19 “(2) Within 30 days after receiving a notice under paragraph (1), or any additional period
20 of time granted by the responsible official, the respondent may submit in person, in writing, or
21 through a representative, facts and arguments in opposition to the allegations set forth in the
22 notice, including any additional information that raises a genuine dispute of material fact.

23 “(3) If the respondent fails to respond within 30 days, or any additional time granted by

1 the responsible official, the responsible official may issue a written decision disposing of the
2 matters raised in the notice. Such decision shall be based on the record before the responsible
3 official. If the responsible official concludes that the respondent is liable under section 2752 of
4 this title, the decision shall include the findings of fact and conclusions of law which the
5 responsible official relied upon in determining that the respondent is liable, and the amount of
6 any penalty and/or assessment to be imposed on the respondent. Any such determination shall be
7 based on a preponderance of the evidence. The responsible official shall promptly send to the
8 respondent a copy of the decision by registered or certified mail, or other similar commercial
9 means, or shall hand deliver a copy of the decision.

10 “(4) If the respondent makes a timely submission, and the responsible official determines
11 that the respondent has not raised any genuine dispute of material fact, the responsible official
12 may issue a written decision disposing of the matters raised in the notice. Such decision shall be
13 based on the record before the responsible official. If the responsible official concludes that the
14 respondent is liable under section 2752 of this title, the decision shall include the findings of fact
15 and conclusions of law which the responsible official relied upon in determining that the
16 respondent is liable, and the amount of any penalty or assessment to be imposed on the
17 respondent. Any such determination shall be based on a preponderance of the evidence. The
18 responsible official shall promptly send to the respondent a copy of the decision by registered or
19 certified mail, or other similar commercial means, or shall hand deliver a copy of the decision.

20 “(5) If the respondent makes a timely submission, and the responsible official determines
21 that the respondent has raised a genuine dispute of material fact, the responsible official shall
22 commence a hearing to resolve the genuinely disputed material facts by mailing by registered or
23 certified mail, or other similar commercial means, or by hand delivery of, a notice informing the

1 respondent of —

2 “(A) the time, place, and nature of the hearing;

3 “(B) the legal authority under which the hearing is to be held;

4 “(C) the material facts determined by the responsible official to be genuinely in
5 dispute that will be the subject of the hearing; and

6 “(D) a description of the procedures for the conduct of the hearing.

7 “(6) The responsible official and any person against whom liability is asserted under this
8 chapter may agree to a compromise or settle an action at any time. Any compromise or
9 settlement must be in writing.

10 “(e) RESPONDENT ENTITLED TO COPY OF THE RECORD.—At any time after receiving a
11 notice under paragraph (1) of subsection (d), the respondent shall be entitled to a copy of the
12 entire record before the responsible official.

13 “(f) HEARINGS.—Any hearing commenced under this section shall be conducted by the
14 responsible official, or a fact-finder designated by the responsible official, solely to resolve
15 genuinely disputed material facts identified by the responsible official and set forth in the notice
16 to the respondent.

17 “(g) PROCEDURES FOR HEARINGS.—(1) Each hearing shall be conducted under procedures
18 prescribed by the head of the agency. Such procedures shall include the following:

19 “(A) The provision of written notice of the hearing to the respondent, including
20 written notice of—

21 “(i) the time, place, and nature of the hearing;

22 “(ii) the legal authority under which the hearing is to be held;

23 “(iii) the material facts determined by the responsible official to be

1 genuinely in dispute that will be the subject of the hearing; and

2 “(iv) a description of the procedures for the conduct of the hearing.

3 “(B) The opportunity for the respondent to present facts and arguments through
4 oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-
5 examination as may be required to resolve any genuinely disputed material facts
6 identified by the responsible official.

7 “(C) The opportunity for the respondent to be accompanied, represented, and
8 advised by counsel or such other qualified representative as the Secretary may specify in
9 such regulations.

10 “(2) For the purpose of conducting hearings under this section, the responsible official is
11 authorized to administer oaths or affirmations.

12 “(3) Hearings shall be held at the responsible official’s office, or at such other place as
13 may be agreed upon by the respondent and the responsible official.

14 “(h) DECISION FOLLOWING HEARING.—The responsible official shall issue a written
15 decision within 60 days after the conclusion of the hearing. That decision shall set forth specific
16 findings of fact resolving the genuinely disputed material facts that were the subject of the
17 hearing. The written decision shall also dispose of the matters raised in the notice required under
18 paragraph (1) of subsection (d). If the responsible official concludes that the respondent is liable
19 under section 2752 of this title, the decision shall include the findings of fact and conclusions of
20 law which the responsible official relied upon in determining that the respondent is liable, and
21 the amount of any penalty or assessment to be imposed on the respondent. Any decisions issued
22 under this subparagraph shall be based on the record before the responsible official and shall be
23 supported by a preponderance of the evidence. The responsible official shall promptly send to

1 the respondent a copy of the decision by registered or certified mail, or other similar commercial
2 means, or shall hand deliver a copy of the decision.

3 **“§ 2754. Payment; interest on late payments**

4 “(a) PAYMENT OF ASSESSMENTS AND PENALTIES.—A respondent shall render payment of
5 any assessment and penalty imposed by a responsible official, or any amount otherwise agreed to
6 as part of a settlement or adjustment, not later than the date—

7 “(1) that is 30 days after the date of the receipt by the respondent of the
8 responsible official’s decision; or

9 “(2) as otherwise agreed to by the respondent and the responsible official.

10 “(b) INTEREST.—If there is an unpaid balance as of the date determined under paragraph
11 (1), interest shall accrue from that date on any unpaid balance. The rate of interest charged shall
12 be the rate in effect as of that date that is published by the Secretary of the Treasury under
13 section 3717 of title 31.

14 “(c) TREATMENT OF RECEIPTS.—All penalties, assessments, or interest paid, collected, or
15 otherwise recovered under this chapter shall be deposited into the Treasury as miscellaneous
16 receipts as provided in section 3302 of title 31.

17 **“§ 2755. Judicial review**

18 “A decision by a responsible official under section 2753(d) or 2753(h) of this title shall
19 be final. Any such final decision is subject to judicial review only under chapter 7 of title 5.

20 **“§ 2756. Collection of civil penalties and assessments**

21 “(a) JUDICIAL ENFORCEMENT OF CIVIL PENALTIES AND ASSESSMENTS.—The Attorney
22 General shall be responsible for judicial enforcement of any civil penalty or assessment imposed
23 under this chapter.

1 “(b) CIVIL ACTIONS FOR RECOVERY.—Any penalty or assessment imposed in a decision
2 by a responsible official, or amounts otherwise agreed to as part of a settlement or adjustment,
3 along with any accrued interest, may be recovered in a civil action brought by the Attorney
4 General. In any such action, no matter that was raised or that could have been raised in a
5 proceeding under this chapter or pursuant to judicial review under section 2755 of this title may
6 be raised as a defense, and the determination of liability and the determination of amounts of
7 penalties and assessments shall not be subject to review.

8 “(c) JURISDICTION OF UNITED STATES DISTRICT COURTS.—The district courts of the
9 United States shall have jurisdiction of any action commenced by the United States under
10 subsection (b).

11 “(d) JOINING AND CONSOLIDATING ACTIONS.—Any action under subsection (b) may,
12 without regard to venue requirements, be joined and consolidated with or asserted as a
13 counterclaim, cross-claim, or setoff by the United States in any other civil action which includes
14 as parties the United States, and the person against whom such action may be brought.

15 “(e) JURISDICTION OF UNITED STATES COURT OF FEDERAL CLAIMS. —The United States
16 Court of Federal Claims shall have jurisdiction of any action under subsection (b) to recover any
17 penalty or assessment, or amounts otherwise agreed to as part of a settlement or adjustment,
18 along with any accrued interest, if the cause of action is asserted by the United States as a
19 counterclaim in a matter pending in such court. The counterclaim need not relate to the subject
20 matter of the underlying claim.

21 **“§ 2757. Right to administrative offset**

22 “The amount of any penalty or assessment that has been imposed by a responsible
23 official, or any amount agreed upon in a settlement or compromise, along with any accrued

1 interest, may be collected by administrative offset.

2 **“§ 2758. Limitations**

3 “(a) LIMITATION ON PERIOD FOR INITIATION OF ADMINISTRATIVE ACTION.—An action
4 under section 2752 of this title with respect to a claim or statement shall be commenced within
5 six years after the date on which such claim or statement is made, presented, or submitted.

6 “(b) LIMITATION PERIOD FOR INITIATION OF CIVIL ACTION FOR RECOVERY OF
7 ADMINISTRATIVE PENALTY OR ASSESSMENT.—A civil action to recover a penalty or assessment
8 under section 2756 of this title shall be commenced within three years after the date of the
9 decision of the responsible official imposing the penalty or assessment.

10 **“§ 2759. Effect on other laws**

11 “(a) RELATIONSHIP TO TITLE 44 AUTHORITIES.—This chapter does not diminish the
12 responsibility of the head of an agency to comply with the provisions of chapter 35 of title 44,
13 relating to coordination of Federal information policy.

14 “(b) RELATIONSHIP TO TITLE 31 AUTHORITIES.—The procedures set forth in this chapter
15 apply to the agencies named in section 2751(a) of this title in lieu of the procedures under
16 chapter 38 of title 31, relating to administrative remedies for false claims and statements.

17 “(c) RELATIONSHIP TO OTHER AUTHORITIES.—Any action, inaction, or decision under this
18 chapter shall be based solely upon the information before the responsible official and shall not
19 limit or restrict any agency of the Government from instituting any other action arising outside
20 this chapter, including suspension or debarment, based upon the same information. Any action,
21 inaction or decision under this chapter shall not restrict the ability of the Attorney General to
22 bring judicial action, based upon the same information as long as such action is not otherwise
23 prohibited by law.”.

1 (2) CLERICAL AMENDMENT.—The tables of chapters at the beginning of subtitle
2 A, and at the beginning of part IV of subtitle A, of such title are each amended by
3 inserting after the item relating to chapter 163 the following new item:

“164. Administrative Remedies for False Claims and Statements.....2751”.

4 (c) CONFORMING AMENDMENTS.—Section 3801(a)(1) of title 31, United States Code, is
5 amended—

6 (1) by inserting “(other than the Department of Defense)” in subparagraph (A)
7 after “executive department”;

8 (2) by striking subparagraph (B);

9 (3) by redesignating subparagraph (C) as subparagraph (B) and by inserting
10 “(other than the National Aeronautics and Space Administration)” in that subparagraph
11 after “not an executive department”; and

12 (4) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D),
13 and (E), respectively.

14 (d) EFFECTIVE DATE.—Chapter 164 of title 10, United States Code, as added by
15 subsection (b), and the amendments made by subsection (c), shall apply to any claim or
16 statement made, presented, or submitted on or after the date of the enactment of this Act.

17 **SEC. 802. IMPROVEMENTS TO THE OPERATION OF THE DEFENSE**

18 **ACQUISITION WORKFORCE DEVELOPMENT FUND.**

19 (a) ELEMENTS OF THE FUND.—Subsection (d) of section 1705 of title 10, United States
20 Code, is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A), by striking “credited to the Fund under paragraph

23 (2)” and inserting “appropriated to the Fund”;

1 (B) in subparagraph (B), by striking “paragraph (3)” and inserting
2 “paragraph (2)”; and

3 (C) by striking subparagraph (C);
4 (2) by striking paragraphs (2) and (4);
5 (3) by redesignating paragraph (3) as paragraph (2);
6 (4) in paragraph (2), as so redesignated—

7 (A) in the first sentence, by striking “24-month period” and inserting “36-
8 month period”; and

9 (B) in the second sentence, by striking “credited to the Fund” and inserting
10 “credited to amounts appropriated to the Fund for the fiscal year in which such
11 funds are transferred”; and

12 (5) by inserting after paragraph (2), as so redesignated, the following new
13 paragraph (3):

14 “(3) PRIOR NOTICE TO CONGRESSIONAL COMMITTEES OF CERTAIN TRANSFERS.—

15 The Secretary of Defense may make a transfer to the Fund pursuant to paragraph (2) that
16 increases to an amount greater than \$500,000,000 the total amount made available to the
17 Fund for a fiscal year only after the Secretary submits to the congressional defense
18 committees notice of the Secretary’s intent to make such transfer and a period of 10 days
19 has elapsed following the date of the notification.”.

20 (b) AVAILABILITY OF FUNDS.—Subsection (e) of such section is amended—

21 (1) in paragraph (1), by inserting “appropriations available to” after “for transfer
22 to”; and

23 (2) in paragraph (6)—

1 (A) by striking “credited to the Fund in accordance with subsection
2 (d)(2),”;

3 (B) by striking “subsection (d)(3),” and inserting “subsection (d)(2) or”;

4 (C) by striking “, or deposited to the Fund”; and

5 (D) by striking “for which credited” and all that follows and inserting “in
6 which transferred, or for which appropriated, and the succeeding fiscal year.”.

7 (c) ANNUAL REPORT.—Subsection (f)(1) of such section is amended by striking
8 “remitted” and all that follows through “credited” and inserting “transferred to the Fund in such
9 fiscal year or appropriated”.

10 **Subtitle B—Amendments to General Contract Authorities, Procedures, and**
11 **Limitations**

12 **SEC. 811. REVISION TO METHOD OF ROUNDING OF ACQUISITION-RELATED**
13 **DOLLAR THRESHOLDS WHEN ADJUSTING FOR INFLATION.**

14 Section 1908(e)(2) of title 41, United States Code, is amended—

15 (1) in the matter preceding subparagraph (A), by striking “on the day before
16 the adjustment” and inserting “as calculated under paragraph (1)”;

17 (2) by striking “and” at the end of subparagraph (C); and

18 (3) by striking subparagraph (D) and inserting the following:

19 “(D) not less than \$1,000,000, but less than \$10,000,000, to the
20 nearest \$500,000;

21 “(E) not less than \$10,000,000, but less than \$100,000,000, to the
22 nearest \$5,000,000;

1 “(F) not less than \$100,000,000, but less than \$1,000,000,000, to the
2 nearest \$50,000,000; and

3 “(G) \$1,000,000,000 or more, to the nearest \$500,000,000.”.

4 **SEC. 812. EXTENSION OF AUTHORITY TO ACQUIRE PRODUCTS AND SERVICES**
5 **PRODUCED IN COUNTRIES ALONG A MAJOR ROUTE OF SUPPLY**
6 **TO AFGHANISTAN.**

7 Section 801(f) of the National Defense Authorization Act for Fiscal Year 2010 (Public
8 Law 111-84; 123 Stat. 2399), as most recently amended by section 832 of the National Defense
9 Authorization Act for Fiscal Year 2014 (Public Law 113-66; 127 Stat. 814), is further amended
10 by striking “December 31, 2015” and inserting “December 31, 2018”.

11 **SEC. 813. EXCEPTION TO REQUIREMENT TO INCLUDE COST OR PRICE TO THE**
12 **GOVERNMENT AS A FACTOR IN THE EVALUATION OF**
13 **PROPOSALS FOR CERTAIN TASK OR DELIVERY ORDER**
14 **CONTRACTS.**

15 (a) CONTRACTING UNDER TITLE 41, UNITED STATES CODE.—Section 3306(c) of title 41,
16 United States Code, is amended—

17 (1) in paragraph (1), by inserting “except as provided in paragraph (3),” in
18 subparagraphs (B) and (C) after the subparagraph designation; and

19 (2) by adding at the end the following new paragraphs:

20 “(3) EXCEPTIONS FOR CERTAIN INDEFINITE DELIVERY, INDEFINITE QUANTITY
21 CONTRACTS.—If the head of an agency issues a solicitation for multiple task or delivery
22 order contracts under section 4103(d) of this title for the same or similar services and
23 intends to make a contract award to each qualifying offeror—

1 “(A) cost or price to the Federal Government need not, at the
2 Government’s discretion, be considered under subparagraph (B) of paragraph (1)
3 as an evaluation factor for the contract award; and

4 “(B) if, pursuant to subparagraph (A), cost or price to the Federal
5 Government is not considered as an evaluation factor for the contract award—

6 “(i) the disclosure requirement of subparagraph (C) of paragraph
7 (1) shall not apply; and

8 “(ii) cost or price to the Federal Government shall be considered in
9 conjunction with the issuance pursuant to section 4106(c) of this title of a
10 task or delivery order under any contract resulting from the solicitation.

11 “(4) QUALIFYING OFFEROR DEFINED.—In paragraph (3), the term ‘qualifying
12 offeror’ means an offeror that—

13 “(A) is determined to be a responsible source;

14 “(B) submits a proposal that conforms to the requirements of the
15 solicitation; and

16 “(C) the contracting officer has no reason to believe would likely offer
17 other than fair and reasonable pricing.”.

18 (b) CONTRACTING UNDER TITLE 10, UNITED STATES CODE.—Section 2305(a)(3) of title
19 10, United States Code, is amended—

20 (1) in subparagraph (A), by inserting “(except as provided in subparagraph (C))”
21 in clauses (ii) and (iii) after “shall”; and

22 (2) by adding at the end the following new subparagraphs:

23 “(C) If the head of an agency issues a solicitation for multiple task or delivery order

1 contracts under section 2304a(d)(1)(B) of this title for the same or similar services and intends to
2 make a contract award to each qualifying offeror—

3 “(i) cost or price to the Federal Government need not, at the Government’s
4 discretion, be considered under clause (ii) of subparagraph (A) as an evaluation factor for
5 the contract award; and

6 “(ii) if, pursuant to clause (i), cost or price to the Federal Government is not
7 considered as an evaluation factor for the contract award—

8 “(I) the disclosure requirement of clause (iii) of subparagraph (A) shall not
9 apply; and

10 “(II) cost or price to the Federal Government shall be considered in
11 conjunction with the issuance pursuant to section 2304c(b) of this title of a task or
12 delivery order under any contract resulting from the solicitation.

13 “(D) In subparagraph (C), the term ‘qualifying offeror’ means an offeror that—

14 “(i) is determined to be a responsible source;

15 “(ii) submits a proposal that conforms to the requirements of the solicitation; and

16 “(iii) the contracting officer has no reason to believe would likely offer other than
17 fair and reasonable pricing.”.

18 **Subtitle C—Acquisition Reform Proposals**

19 **SEC. 821. MODIFICATION TO REQUIREMENTS RELATING TO DETERMINATION** 20 **OF CONTRACT TYPE FOR MAJOR DEVELOPMENT PROGRAMS.**

21 (a) DETERMINATION OF CONTRACT TYPE.—Section 2306 of title 10, United States
22 Code, is amended by adding at the end the following new subsection:

1 “(i) REQUIRED ELEMENTS OF GUIDANCE RELATING TO CONTRACT TYPE.—(1) The
2 Secretary of Defense shall ensure that the guidance of the Department of Defense relating to
3 major defense acquisition programs and major automated information systems includes—

4 “(A) a requirement that the acquisition strategy for such a program or system
5 include identification of the contract type for development of the program or system; and

6 “(B) a justification of the contract type identified.

7 “(2) The contract type identified in accordance with paragraph (1)(A) may be—

8 “(A) a fixed-price type contract (including a fixed-price incentive contract); or

9 “(B) a cost-type contract (including a cost-plus-incentive-fee contract).

10 “(3) The guidance referred to in paragraph (1) shall require that the justification for the
11 contract type selected explain—

12 “(A) how the level of program risk relates to the contract type selected; and

13 “(B) how the use of incentives (especially cost incentives) in the contract, if any,
14 supports the objectives of the development program.

15 “(4) The guidance shall also specify that the use of contracts with target costs, target
16 profits or fees, and profit or fee adjustment formulas, during development, where applicable, is
17 ordinarily in the interest of the Government.”.

18 (b) REPEAL.—Section 818 of the John Warner National Defense Authorization Act for
19 Fiscal Year 2007 (Public Law 109-364; 10 U.S.C. 2306 note) is amended by striking subsections
20 (b), (c), (d), and (e).

21 (c) MODIFICATION OF REGULATIONS. – Not later than 120 days after the date of the
22 enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of

1 Defense regarding the determination of contract type for development programs to be consistent
2 with the amendments made by this section.

3 **SEC. 822. REPEAL OF REQUIREMENT FOR STAND-ALONE MANPOWER**

4 **ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS.**

5 (a) REPEAL OF REQUIREMENT.—Subsection (a)(1) of section 2434 of title 10, United
6 States Code, is amended by striking “and a manpower estimate for the program have” and
7 inserting “has”.

8 (b) CONFORMING AMENDMENTS RELATING TO REGULATIONS.—Subsection (b) of such
9 section is amended—

10 (1) by striking paragraph (2);

11 (2) by striking “shall require—” and all that follows through “that the
12 independent” and inserting “shall require that the independent”;

13 (3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2),
14 respectively, and realigning those paragraphs so as to be two ems from the left margin;
15 and

16 (4) in paragraph (2), as so redesignated—

17 (A) by striking “and operations and support,” and inserting “operations
18 and support, and manpower to operate, maintain, and support the program upon
19 full operational deployment,”; and

20 (B) by striking “; and” at the end and inserting a period.

21 (c) CLERICAL AMENDMENTS.—

22 (1) SECTION HEADING.—The heading of such section is amended to read as
23 follows:

1 **“§ 2434. Independent cost estimates”.**

2 (2) TABLE OF SECTIONS.—The item relating to such section in the table of sections
3 at the beginning of chapter 144 of such title is amended to read as follows:

“2434. Independent cost estimates.”.

4 **SEC. 823. REVISION OF MILESTONE DECISION AUTHORITY RESPONSIBILITIES**
5 **FOR MAJOR DEFENSE ACQUISITION PROGRAMS.**

6 (a) REVISION.—

7 (1) IN GENERAL.—Sections 2366a and 2366b of title 10, United State Code, are
8 amended to read as follows:

9 **”§ 2366a. Major defense acquisition programs: responsibilities at Milestone A approval**

10 “(a) RESPONSIBILITIES. —Before granting Milestone A approval for a major defense
11 acquisition program or a major subprogram, the Milestone Decision Authority for the program or
12 subprogram shall ensure—

13 “(1) that information about the program or subprogram is sufficient to warrant
14 entry of the program or subprogram into the risk reduction phase; and

15 “(2) that there are sound plans for progression of the program or subprogram to
16 the development phase.

17 “(b) CONSIDERATIONS. —In carrying out subsection (a), the Milestone Decision
18 Authority shall consider to what extent the program or subprogram—

19 “(1) meets a joint military requirement;

20 “(2) responds to an anticipated or likely threat;

21 “(3) has been developed in light of a review of alternative approaches;

22 “(4) is affordable;

1 “(5) has (A) identified areas of risk and, (B) for each such identified area of risk,
2 has a plan to reduce the risk that is documented in the acquisition strategy for the
3 program or subprogram;

4 “(6) addresses planning for sustainment; and

5 “(7) meets any other considerations the Milestone Decision Authority considers
6 relevant.

7 “(c) RELATIONSHIP TO OTHER STATUTES.—In assessing the considerations in subsection
8 (b), the Milestone Decision Authority shall include consideration of the following:

9 “(1) With respect to joint military requirements, the requirements of section 181
10 of this title.

11 “(2) With respect to alternative approaches, the requirements of section 201 of the
12 Weapon Systems Acquisition Reform Act of 2009 (Public Law 111-23; 10 U.S.C. 2302
13 note).

14 “(3) With respect to affordability and cost estimates and analyses, the
15 requirements of section 2334 of this title.

16 “(4) With respect to risk, the requirements of—

17 “(A) section 138b of this title; and

18 “(B) section 203 of the Weapon Systems Acquisition Reform Act of 2009
19 (Public Law 111-23; 10 U.S.C. 2430 note).

20 “(5) With respect to sustainment, the requirements of section 2337 and section
21 2464 of this title.

22 “(d) NOTIFICATION. —Not later than 30 days after granting Milestone A approval for a
23 major defense acquisition program or major subprogram, the Milestone Decision Authority for

1 that program or subprogram shall submit to the congressional defense committees notice of such
2 approval in writing. The Milestone Decision Authority’s decision memorandum with respect to
3 such approval shall be available to the congressional defense committees upon request,
4 consistent with any relevant classification requirements.

5 “(e) DEFINITIONS.—In this section:

6 “(1) The term ‘major defense acquisition program’ means a Department of
7 Defense acquisition program that is a major defense acquisition program for purposes of
8 section 2430 of this title.

9 “(2) The term ‘major subprogram’ means a major subprogram of a major defense
10 acquisition program designated under section 2430a(a)(1) of this title.

11 “(3) The term ‘Milestone Decision Authority’, with respect to a major defense
12 acquisition program or a major subprogram, means the official within the Department of
13 Defense designated with the overall responsibility and authority for acquisitions decisions
14 for the program or subprogram, including authority to approve entry of the program or
15 subprogram into the next phase of the acquisition process.

16 “(4) The term ‘Milestone A approval’ means a decision to enter into a risk
17 reduction phase pursuant to guidance prescribed by the Secretary of Defense for the
18 management of Department of Defense acquisition programs.

19 “(5) The term ‘joint military requirement’ has the meaning given that term in
20 section 181(g)(1) of this title.

21 **“§ 2366b. Major defense acquisition programs: responsibilities at Milestone B approval**

1 “(a) RESPONSIBILITIES. —Before granting Milestone B approval for a major defense
2 acquisition program or a major subprogram, the Milestone Decision Authority for the program or
3 subprogram shall ensure—

4 “(1) that information about the program or subprogram is sufficient to warrant
5 entry of the program or subprogram into the development phase; and

6 “(2) that there are sound plans in place for the program or subprogram to deliver
7 the required capability.

8 “(b) CONSIDERATIONS. —In carrying out subsection (a), the Milestone Decision
9 Authority shall consider to what extent the program or subprogram will do each of the following:

10 “(1) Provide a capability that is affordable.

11 “(2) Identify and mitigate programmatic risks.

12 “(3) Deliver a capability with acceptable performance to fulfill a joint military
13 requirement.

14 “(4) Utilize technologies assessed to be mature.

15 “(5) Effectively utilize competition.

16 “(6) Enable sustainment of the capability that is provided by the program or
17 subprogram.

18 “(7) Continue to address, as necessary, the considerations for Milestone A
19 approval (or in the case that the program has not previously been granted Milestone A
20 approval, address such considerations).

21 “(8) Respond to anticipated or likely threats

22 “(9) Meet any other considerations the Milestone Decision Authority considers
23 relevant.

1 “(c) RELATIONSHIP TO OTHER STATUTES.— In addressing the considerations in
2 subsection (b), the Milestone Decision Authority shall include consideration of the following:

3 “(1) With respect to affordability, the requirements of section 2334 of this title.

4 “(2) With respect to risk, the requirements of—

5 “(A) section 203 of the Weapon Systems Acquisition Reform Act of 2009
6 (Public Law 111-23; 10 U.S.C. 2430 note); and

7 “(B) section 138b of this title.

8 “(3) With respect to fulfilling a joint military requirement, the requirements of
9 section 181 of this title.

10 “(4) With respect to competition, the requirements of—

11 “(A) section 202 of the Weapon Systems Acquisition Reform Act of 2009
12 (Public Law 111-23; 10 U.S.C. 2430 note); and

13 “(B) section 2304 of this title.

14 “(5) With respect to sustainment, the requirements of section 2337 and section
15 2464 of this title.

16 “(d) NOTIFICATION. —Not later than 30 days after granting Milestone B approval for a
17 major defense acquisition program or major subprogram, the Milestone Decision Authority for
18 the program or subprogram shall submit to the congressional defense committees notice of such
19 approval in writing. The Milestone Decision Authority’s decision memorandum with respect to
20 such approval shall be available to the congressional defense committees upon request,
21 consistent with any relevant classification requirements.

22 “(e) DEFINITIONS. — In this section:

1 “(1) The term ‘major defense acquisition program’ means a Department of
2 Defense acquisition program that is a major defense acquisition program for purposes of
3 section 2430 of this title.

4 “(2) The term ‘major subprogram’ means a major subprogram of a major defense
5 acquisition program designated under section 2430a(a)(1) of this title.

6 “(3) The term ‘Milestone Decision Authority’, with respect to a major defense
7 acquisition program or a major subprogram, means the official within the Department of
8 Defense designated with the overall responsibility and authority for acquisition decisions
9 for the program or subprogram, including authority to approve entry of the program or
10 subprogram into the next phase of the acquisition process.

11 “(4) The term ‘Milestone A approval’ means a decision to enter into a risk
12 reduction phase pursuant to guidance prescribed by the Secretary of Defense for the
13 management of Department of Defense acquisition programs.

14 “(5) The term ‘Milestone B approval’ means a decision to enter into a
15 development phase pursuant to guidance prescribed by the Secretary of Defense for the
16 management of Department of Defense acquisition programs.

17 “(6) The term ‘joint military requirement’ has the meaning given that term in
18 section 181(g)(1) of this title.”.

19 (2) CLERICAL AMENDMENT.—The items relating to such sections in the table of
20 sections at the beginning of chapter 139 of such title are amended to read as follows:

“2366a. Major defense acquisition programs: responsibilities at Milestone A approval.
“2366b. Major defense acquisition programs: responsibilities at Milestone B approval.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 139b of this title is amended—

1 (A) in subsection (a)(5)—

2 (i) in subparagraph (B), by striking “review and approve or
3 disapprove” and inserting “advise the milestone decision authority
4 regarding review and approval of”; and

5 (ii) in subparagraph (C), by inserting “in order to advise relevant
6 technical authorities for such programs on the incorporation of best
7 practices for developmental test from across the Department” after
8 “programs”; and

9 (B) in subsection (b)(5)—

10 (i) in subparagraph (B), by striking “review and approve” and
11 inserting “advise the milestone decision authority regarding review and
12 approval of”; and

13 (ii) in subparagraph (C), by inserting “in order to advise relevant
14 technical authorities for such programs on the incorporation of best
15 practices for systems engineering from across the Department” after
16 “programs”.

17 (2) Section 2334(a)(6)(A)(i) of such title is amended by striking “any certification
18 under” and inserting “any decision to grant milestone approval pursuant to”.

19 **SEC. 824. STREAMLINING OF REQUIREMENTS RELATING TO DEFENSE**

20 **BUSINESS SYSTEMS.**

21 (a) IN GENERAL.—

22 (1) REVISION.—Section 2222 of title 10, United States Code, is amended to read
23 as follows:

1 **”§ 2222. Defense business systems: business process reengineering; enterprise architecture;**
2 **management**

3 “(a) DEFENSE BUSINESS SYSTEMS GENERALLY.—The Secretary of Defense shall ensure
4 that each covered defense business system developed, deployed, and operated by the Department
5 of Defense—

6 “(1) supports efficient business processes that have been reviewed, and as
7 appropriate revised, through business process reengineering;

8 “(2) is integrated into a comprehensive defense business enterprise architecture;
9 and

10 “(3) is managed in a manner that provides visibility into, and traceability of,
11 expenditures for the system.

12 “(b) ISSUANCE OF GUIDANCE.—

13 “(1) SECRETARY OF DEFENSE GUIDANCE.—The Secretary shall issue guidance to
14 provide for the coordination of, and decision making for, the planning, programming,
15 and control of investments in covered defense business systems.

16 “(2) SUPPORTING GUIDANCE.—The Secretary shall direct the Deputy Chief
17 Management Officer of the Department of Defense, the Under Secretary of Defense for
18 Acquisition, Technology, and Logistics, the Chief Information Officer, and the Chief
19 Management Officer of each of the military departments to issue and maintain supporting
20 guidance, as appropriate, for the guidance of the Secretary issued under paragraph (1).

21 “(c) GUIDANCE ELEMENTS.—The guidance issued pursuant to subsection (b)(1) shall
22 include the following elements:

1 “(1) Policy to ensure that the business processes of the Department of Defense are
2 continuously evolved to—

3 “(A) implement the most streamlined and efficient business process
4 practicable; and

5 “(B) enable the use of commercial off-the-shelf business systems with the
6 fewest changes necessary to accommodate requirements and interfaces that are
7 unique to the Department of Defense.

8 “(2) A process to establish requirements for covered defense business systems.

9 “(3) Mechanisms for the planning and control of investments in covered defense
10 business systems, including a process for the collection and review of programming and
11 budgeting information for covered defense business systems.

12 “(4) Policy requiring the periodic review of covered defense business systems that
13 have been fully deployed, by portfolio, to ensure that investments in such portfolios are
14 appropriate.

15 “(d) DEFENSE BUSINESS ENTERPRISE ARCHITECTURE.—

16 “(1) BLUEPRINT.—The Secretary, working through the Deputy Chief Management
17 Officer of the Department of Defense, shall develop and maintain a blueprint to guide the
18 development of integrated business processes within the Department of Defense Such
19 blueprint shall be known as the ‘defense business enterprise architecture’.

20 “(2) PURPOSE.—The defense business enterprise architecture shall be sufficiently
21 defined to effectively guide implementation of interoperable defense business system
22 solutions and shall be consistent with the policies and procedures established by the
23 Director of the Office of Management and Budget.

1 “(3) ELEMENTS.—The defense business enterprise architecture shall—

2 “(A) include policies, procedures, business data standards, business
3 performance measures, and business information requirements that apply
4 uniformly throughout the Department of Defense; and

5 “(B) enable the Department of Defense to—

6 “(i) comply with all applicable law, including Federal accounting,
7 financial management, and reporting requirements;

8 “(ii) routinely produce verifiable, timely, accurate, and reliable
9 business and financial information for management purposes; and

10 “(iii) integrate budget, accounting, and program information and
11 systems.

12 “(4) INTEGRATION INTO INFORMATION TECHNOLOGY ARCHITECTURE.—The
13 defense business enterprise architecture shall integrate into an information technology
14 enterprise architecture, developed by the Chief Information Officer of the Department of
15 Defense, which describes a target business systems computing environment for each of
16 the major business processes conducted by the Department of Defense.

17 “(e) DEFENSE BUSINESS COUNCIL.—

18 “(1) REQUIREMENT FOR COUNCIL.—The Secretary shall establish a Defense
19 Business Council to provide advice to the Secretary on developing the defense business
20 enterprise architecture, reengineering the Department’s business processes, and
21 requirements for defense business systems. The Council shall be chaired by the Deputy
22 Chief Management Officer and the Chief Information Officer of the Department of
23 Defense.

1 “(2) MEMBERSHIP.—The membership of the Council shall include the following:

2 “(A) The Chief Management Officers of the military departments, or their
3 designees.

4 “(B) The following officials of the Department of Defense, or their
5 designees:

6 “(i) The Under Secretary of Defense for Acquisition, Technology,
7 and Logistics with respect to acquisition, logistics, and installations
8 management processes.

9 “(ii) The Under Secretary of Defense (Comptroller) with respect to
10 financial management and planning and budgeting processes.

11 “(iii) The Under Secretary of Defense for Personnel and Readiness
12 with respect to human resources management processes.

13 “(f) APPROVALS REQUIRED FOR DEVELOPMENT.—

14 “(1) INITIAL APPROVAL REQUIRED.—The Secretary shall ensure that a covered
15 defense business system program cannot proceed into development (or, if no
16 development is required, into production or fielding) unless the appropriate approval
17 official (as specified in paragraph (2)) has determined that the covered defense business
18 system concerned—

19 “(A) supports a business process that has been, or is being as a result of
20 the acquisition program, reengineered to be as streamlined and efficient as
21 practicable consistent with the guidance issued pursuant to subsection (b),
22 including business process mapping;

1 “(B) is in compliance with the defense business enterprise architecture
2 developed pursuant to subsection (d) or will be in compliance as a result of
3 modifications planned;

4 “(C) has valid, achievable requirements; and

5 “(D) is in compliance with the Department's auditability requirements.

6 “(2) APPROPRIATE OFFICIAL.—For purposes of paragraph (1), the appropriate
7 approval official with respect to a covered defense business system is the following:

8 “(A) In the case of a system of a military department, the Chief
9 Management Officer of that military department.

10 “(B) In the case of a system of a Defense Agency or Defense Field
11 Activity or a system that will support the business process of more than one
12 military department or Defense Agency or Defense Field Activity, the Deputy
13 Chief Management Officer of the Department of Defense.

14 “(C) In the case of any system, such official other than the applicable
15 official under subparagraph (A) or (B) as the Secretary designates for such
16 purpose.

17 “(3) ANNUAL CERTIFICATION. — For any fiscal year in which funds are expended
18 for development pursuant to a covered defense business system program, the Defense
19 Business Council shall review the system and certify (or decline to certify as the case
20 may be) that it continues to satisfy the requirements of paragraph (1). If the Council
21 determines that certification cannot be granted, the chairman of the Council shall notify
22 the Appropriate Approving Official and the acquisition Milestone Decision Authority for
23 the program and provide a recommendation for corrective action.

1 “(4) OBLIGATION OF FUNDS IN VIOLATION OF REQUIREMENTS. — The obligation of
2 Department of Defense funds for a covered defense business system program that has not
3 been certified in accordance with paragraph (3) is a violation of section 1341(a)(1)(A) of
4 title 31.

5 “(g) RESPONSIBILITY OF MILESTONE DECISION AUTHORITY.—The Secretary shall ensure
6 that, as part of the defense acquisition system, the requirements of this section are fully
7 addressed by the Milestone Decision Authority for a covered defense business system program
8 as acquisition process approvals are considered for such system.

9 “(h) ANNUAL REPORT.—Not later than March 15 of each year from 2016 through 2020,
10 the Secretary shall submit to the congressional defense committees a report on activities of the
11 Department of Defense pursuant to this section. Each report shall include the following:

12 “(1) A description of actions taken and planned with respect to the guidance
13 required by subsection (b) and the defense business enterprise architecture developed
14 pursuant to subsection (d).

15 “(2) A description of actions taken and planned for the reengineering of business
16 processes by the Defense Business Council established pursuant to subsection (e).

17 “(3) A summary of covered defense business system funding and covered defense
18 business systems approved pursuant to subsection (f).

19 “(4) Identification of any covered defense business system program that during
20 the preceding fiscal year was reviewed and not approved pursuant to subsection (f) and
21 the reasons for the lack of approval.

1 “(5) Identification of any covered defense business system program that during
2 the preceding fiscal year failed to achieve initial operational capability within five years
3 of when the program received Milestone B approval.

4 “(6) For any program identified under paragraph (5), a description of the plan to
5 address the issues which caused the failure.

6 “(7) A discussion of specific improvements in business operations and cost
7 savings resulting from successful covered defense business systems programs.

8 “(8) A copy of the most recent report of the Chief Management Officer of each
9 military department on implementation of business transformation initiatives by such
10 military department in accordance with section 908 of the Duncan Hunter National
11 Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4569;
12 10 U.S.C. 2222 note).

13 “(i) DEFINITIONS.— In this section:

14 “(1)(A) DEFENSE BUSINESS SYSTEM.—The term ‘defense business system’ means
15 an information system that is operated by, for, or on behalf of the Department of Defense,
16 including any of the following:

17 “(i) A financial system.

18 “(ii) A financial data feeder system.

19 “(iii) A contracting system.

20 “(iv) A logistics system.

21 “(v) A planning and budgeting system.

22 “(vi) An installations management system.

23 “(vii) A human resources management system.

1 “(viii) A training and readiness system.

2 “(B) The term does not include—

3 “(i) a national security system; or

4 “(ii) an information system used exclusively by and within the defense
5 commissary system or the exchange system or other instrumentality of the
6 Department of Defense conducted for the morale, welfare, and recreation of
7 members of the armed forces using nonappropriated funds.

8 “(2) COVERED DEFENSE BUSINESS SYSTEM.—The term ‘covered defense business
9 system’ means a defense business system that is expected to have a total amount of
10 budget authority over the period of the current future-years defense program submitted to
11 Congress under section 221 of this title, in excess of the threshold established for the use
12 of special simplified acquisition procedures pursuant to section 2304(g)(1)(B) of this title.

13 “(3) COVERED DEFENSE BUSINESS SYSTEM PROGRAM .—The term ‘covered defense
14 business system program’ means a defense acquisition program to develop and field a
15 covered defense business system or an increment of a covered defense business system.

16 “(4) ENTERPRISE ARCHITECTURE.—The term ‘enterprise architecture’ has the
17 meaning given that term in section 3601(4) of title 44.

18 “(5) INFORMATION SYSTEM.—The term ‘information system’ has the meaning
19 given that term in section 11101 of title 40.

20 “(6) NATIONAL SECURITY SYSTEM.—The term ‘national security system’ has the
21 meaning given that term in section 3542(b)(2) of title 44.

22 “(7) MILESTONE DECISION AUTHORITY.—The term ‘Milestone Decision
23 Authority’, with respect to a defense acquisition program, means the individual within the

1 Department of Defense designated with the responsibility to grant milestone approvals
2 for that program.

3 “(8) BUSINESS PROCESS MAPPING. —The term ‘business process mapping’ means
4 a procedure in which the steps in a business process are clarified and documented in both
5 written form and in a flow chart.”.

6 (2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 131 of
7 such title is amended to read as follows:

“2222. Defense business systems: business process reengineering; enterprise architecture;
management.”.

8 (b) DEADLINE FOR GUIDANCE.—The guidance required by subsection (b)(1) of section
9 2222 of title 10, United States Code, as amended by subsection (a)(1), shall be issued not later
10 than December 31, 2016.

11 (c) REPEAL.—Section 811 of the John Warner National Defense Authorization Act for
12 Fiscal Year 2007 (Public Law 109-364; 10 U.S.C. 2222 note) is repealed.

13 **SEC. 825. REVISION TO LIFE-CYCLE MANAGEMENT AND PRODUCT SUPPORT**
14 **REQUIREMENTS.**

15 (a) CONSOLIDATION OF CERTAIN LOGISTICS AND SUSTAINMENT-RELATED PROVISIONS.—
16 Section 2337(b)(2) of title 10, United States Code, is amended—

17 (1) in subparagraph (A), by inserting before the semicolon the following: “in
18 order to sustain the system until either (i) a replacement system is fielded and assumes
19 the majority of responsibility for the mission of the existing system, or (ii) the mission of
20 the system is eliminated and the system is disposed of”;

21 (2) in subparagraph (D), by inserting “ sustainment of core logistics capabilities
22 specified in section 2464 of this title and” after “ensure”;

1 (3) by striking “and” at the end of subparagraph (H);

2 (4) by striking the period at the end of subparagraph (I) and inserting a
3 semicolon; and

4 (5) by adding at the end the following new subparagraphs:

5 “(J) make a determination regarding the applicability of preservation and storage
6 of unique tooling associated with the production of program-specific hardware, if
7 relevant, including a plan for the preservation, storage, or disposal of all production
8 tooling; and

9 “(K) identify obsolete electronic parts that are included in the specifications of the
10 system being acquired and determine suitable replacements for such parts.”.

11 (b) CORE LOGISTICS CAPABILITIES.—Section 2464 of such title is amended—

12 (1) by redesignating subsections (d) and (e) as subsections (e) and (f),
13 respectively; and

14 (2) by inserting after subsection (c) the following new subsection (d):

15 “(d) ACQUISITION MANAGEMENT INFORMATION REQUIREMENTS.—The Secretary of
16 Defense shall ensure that, when milestone approval for a major defense acquisition program is
17 under consideration, matters relating to core logistics capabilities are considered as follows:

18 “(1) Before Milestone A approval for the program is granted, an analysis of the
19 applicability of core logistics capabilities requirements to the program shall be
20 considered.

21 “(2) Before Milestone B approval for the program is granted, an estimate of the
22 requirements for core logistics capabilities for the program, and the associated sustaining
23 workloads required to support such requirements, shall be considered.

1 “(3) Before approval is granted for the program to enter low-rate initial
2 production, a description of requirements for core depot-level maintenance and repair
3 capabilities, as well as the associated logistics capabilities and the associated sustaining
4 workloads required to support such requirements, shall be considered.”.

5 (c) CONFORMING REPEALS AND AMENDMENTS.—

6 (1)(A) Section 2437 of title 10, United States Code, is repealed.

7 (B) The table of sections at the beginning of chapter 144 is amended by striking
8 the item relating to section 2437.

9 (2) Section 815 of the Duncan Hunter National Defense Authorization Act for
10 Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4530) is repealed.

11 (3) Section 803(b) of the National Defense Authorization Act for Fiscal Year
12 2014 (Public Law 113-66; 10 U.S.C. prec. 2571 note) is amended—

13 (A) by inserting “and” at the end of paragraph (3);

14 (B) striking “; and” at the end of paragraph (4) and inserting a period; and

15 (C) by striking paragraph (5).

16 **SEC. 826. ACQUISITION STRATEGY REQUIRED FOR EACH MAJOR DEFENSE**
17 **ACQUISITION PROGRAM.**

18 (a) CONSOLIDATION OF REQUIREMENTS RELATING TO ACQUISITION STRATEGY.—

19 (1) NEW TITLE 10 SECTION.—Chapter 144 of title 10, United States Code, is
20 amended by inserting after section 2431 the following new section:

21 **”§ 2431a. Acquisition strategy**

22 “(a) REQUIREMENT.—(1) There shall be an acquisition strategy for each major defense
23 acquisition program. The acquisition strategy for a major defense acquisition program shall be

1 reviewed by the Milestone Decision Authority for the program at each time specified in
2 paragraph (2). The Milestone Decision Authority may approve, disapprove, or revise the
3 acquisition strategy at any such time.

4 “(2) The times at which the acquisition strategy for a major defense acquisition program
5 shall be reviewed by the Milestone Decision Authority for the program under paragraph (1) are
6 the following:

7 “(A) Program initiation.

8 “(B) Each subsequent milestone.

9 “(C) Full-Rate Production Decision Review.

10 “(D) Any other time considered relevant by the Milestone Decision Authority.”

11 “(b) CONSIDERATIONS.—The acquisition strategy for a major defense acquisition
12 program shall present a top-level description of the business and technical management approach
13 designed to achieve the objectives of the program within the resource constraints imposed. The
14 strategy shall clearly express the program manager’s approach to the program in sufficient detail
15 to allow the Milestone Decision Authority to assess the viability of approach, implementation of
16 laws and policies, and program objectives. The content and review and approval process for the
17 acquisition strategy for a major defense acquisition program shall be issued and maintained by
18 the Under Secretary of Defense for Acquisition, Technology, and Logistics; however, the
19 acquisition strategy should consider the following:

20 “(1) Tailoring.

21 “(2) Acquisition approach, including industrial base considerations in accordance
22 with section 2440 of this title and, if applicable, plans for increments or evolutionary
23 acquisition.

1 “(3) Risk management, in accordance with section 203 of the Weapon Systems
2 Acquisition Reform Act of 2009 (Public Law 111-23; 10 U.S.C. 2430 note)

3 “(4) Business strategy, including measures to ensure competition in accordance
4 with section 202 of the Weapon Systems Acquisition Reform Act of 2009 (Public Law
5 111-23; 10 U.S.C. 2430 note).

6 “(5) Contracting strategy, including sources, contract bundling, if applicable, and
7 small business participation.

8 “(6) Intellectual property strategy, in accordance with section 2320 of this title.

9 “(7) International involvement, including Foreign Military Sales and Cooperative
10 Opportunities, in accordance with section 2350a of this title.

11 “(c) In this section, the term ‘Milestone Decision Authority’, with respect to a major
12 defense acquisition program, means the official within the Department of Defense designated
13 with the overall responsibility and authority for acquisition decisions for the program, including
14 authority to approve entry of the program into the next phase of the acquisition process.”.

15 (2) CLERICAL AMENDMENT.—The table of sections at the beginning of such
16 chapter is amended by inserting after the item relating to section 2431 the following new
17 item:

“2431a. Acquisition strategy.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 2350a(e) of such title is amended—

20 (A) in the subsection heading, by striking “DOCUMENT”;

21 (B) in paragraph (1), by striking “the Under Secretary of Defense for” and

22 all that follows through “of the Board” and inserting “opportunities for such

1 cooperative research and development shall be addressed in the acquisition
2 strategy for the project”;

3 (C) in paragraph (2)—

4 (i) in the matter preceding subparagraph (A)—

5 (I) by striking “document” and inserting “discussion”; and

6 (II) by striking “include” and inserting “consider”;

7 (ii) in subparagraph (A), by striking “A statement indicating”;

8 (iii) in subparagraph (B)—

9 (I) by striking “by the Under Secretary of Defense for
10 Acquisition, Technology, and Logistics”; and

11 (II) by striking “of the United States under consideration by
12 the Department of Defense”; and

13 (iv) in subparagraph (D)—

14 (I) by striking “The” and inserting “A”;

15 (II) by striking “of” and inserting “to”; and

16 (III) by striking “Under Secretary” and inserting

17 “Milestone Decision Authority”.

18 (2) Section 803 of the Bob Stump National Defense Authorization Act for Fiscal
19 Year 2003 (Public Law 107-314; 10 U.S.C. 2430 note) is repealed.

20 **SEC. 827. REVISION TO REQUIREMENTS RELATING TO RISK REDUCTION IN**
21 **DEVELOPMENT OF MAJOR DEFENSE ACQUISITION PROGRAMS.**

22 Section 203 of the Weapon Systems Acquisition Reform Act of 2009 is amended to read
23 as follows:

1 **“SEC. 203. RISK REDUCTION IN MAJOR DEFENSE ACQUISITION PROGRAMS.**

2 “(a) GUIDANCE ON RISK REDUCTION IN MAJOR DEFENSE ACQUISITION PROGRAMS.—The
3 Secretary of Defense shall ensure that the acquisition strategy for each major defense acquisition
4 program for which development activities are required includes the following:

5 “(1) A comprehensive approach to identifying and addressing risk (including
6 technical, cost and schedule risk) during the period preceding full rate production as a
7 means to improve programmatic decision making and appropriately manage program
8 concurrency.

9 “(2) Documentation of the major sources of risk identified and the approach to
10 retiring that risk.

11 “(b) ELEMENTS OF COMPREHENSIVE APPROACH TO RISK REDUCTION. —The elements of a
12 comprehensive approach to identifying and addressing risk for purposes of subsection (a)(1)
13 shall include some combination of the following as appropriate for the item or system being
14 acquired:

15 “(1) Development planning.

16 “(2) Systems engineering.

17 “(3) Integrated developmental and operational test.

18 “(4) Preliminary and critical design reviews and technical reviews.

19 “(5) Prototyping (including prototyping at the system or subsystem level and
20 competitive prototyping, where appropriate).

21 “(6) Modeling and simulation.

22 “(7) Technology demonstrations and technology off ramps.

23 “(8) Multiple design approaches.

1 “(9) Alternative, lower risk reduced performance designs.

2 “(10) Schedule and funding margins for or specific risks.

3 “(11) Independent risk element assessments by outside subject matter experts.

4 “(12) Program phasing to address high risk areas as early as possible.”.

5 **Subtitle D—Other Matters**

6 **SEC. 831. EXTENSION OF THE DEPARTMENT OF DEFENSE MENTOR-PROTÉGÉ**
7 **PILOT PROGRAM.**

8 Section 831(j) of the National Defense Authorization Act for Fiscal Year 1991 (10
9 U.S.C. 2302 note) is amended—

10 (1) in paragraph (1), by striking “September 30, 2015” and inserting “September
11 30, 2020”; and

12 (2) in paragraph (2), by striking “September 30, 2018” and inserting “September
13 30, 2023.

14 **SEC. 832. STREAMLINING OF REPORTING REQUIREMENTS APPLICABLE TO**
15 **ASSISTANT SECRETARY OF DEFENSE FOR RESEARCH AND**
16 **ENGINEERING REGARDING MAJOR DEFENSE ACQUISITION**
17 **PROGRAMS.**

18 (a) REPORTING TO UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY,
19 AND LOGISTICS BEFORE MILESTONE B APPROVAL.—Subparagraph (A) of paragraph (8) of
20 section 138(b) of title 10, United States Code, as amended by section 901(h)(2) of the Carl
21 Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year
22 2015 (Public Law 113-291; 128 Stat. YYYY), is amended—

23 (1) by striking “periodically”;

1 (2) by striking “the major defense acquisition programs” and inserting “each
2 major defense acquisition program”;

3 (3) by inserting “before the Milestone B approval for that program” after
4 “Department of Defense”; and

5 (4) by striking “such reviews and assessments” and inserting “such review and
6 assessment”.

7 (b) ANNUAL REPORT TO SECRETARY OF DEFENSE AND CONGRESSIONAL DEFENSE
8 COMMITTEES—Subparagraph (B) of such paragraph is amended by inserting “for which a
9 Milestone B approval occurred during the preceding fiscal year” after “Department of
10 Defense”.

11 **TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND**
12 **MANAGEMENT**

13 **SEC. 901. REORGANIZATION AND REDESIGNATION OF OFFICE OF FAMILY**
14 **POLICY AND OFFICE OF COMMUNITY SUPPORT FOR MILITARY**
15 **FAMILIES WITH SPECIAL NEEDS.**

16 (a) OFFICE OF FAMILY POLICY.—

17 (1) REDESIGNATION AS OFFICE OF MILITARY FAMILY READINESS POLICY.—

18 Section 1781(a) of title 10, United States Code, is amended—

19 (A) by striking “Office of Family Policy” and inserting “Office of Military
20 Family Readiness Policy”; and

21 (B) by striking “Director of Family Policy” and inserting “Director of
22 Military Family Readiness Policy”.

1 (2) REQUIREMENT FOR DIRECTOR TO BE MEMBER OF THE SENIOR EXECUTIVE
2 SERVICE OR A GENERAL OF FLAG OFFICER.—Such section is further amended by adding at
3 the end the following new sentence: “The Director shall be a member of the Senior
4 Executive Service or a general officer or flag officer.”.

5 (3) INCLUSION OF DIRECTOR ON MILITARY FAMILY READINESS COUNCIL.—Section
6 1781a(b)(1)(E) of such title is amended by striking “Office of Community Support for
7 Military Families with Special Needs” and inserting “Office of Military Family
8 Readiness Policy”.

9 (4) CONFORMING AMENDMENT.—Section 131(b)(7)(F) of such title is amended by
10 striking “Director of Family Policy” and inserting “Director of Military Family Readiness
11 Policy”.

12 (5) REVISED SECTION HEADING.—

13 (A) REVISED HEADING.—The heading of section 1781 of such title is
14 amended to read as follows:

15 **“§ 1781. Office of Military Family Readiness Policy”.**

16 (B) CLERICAL AMENDMENT.—The item relating to section 1781 in the
17 table of sections at the beginning of chapter 88 of such title is amended to read as
18 follows:

“1781. Office of Military Family Readiness Policy.”.

19 (b) OFFICE OF COMMUNITY SUPPORT FOR MILITARY FAMILIES WITH SPECIAL NEEDS.—

20 (1) REORGANIZATION UNDER THE OFFICE OF MILITARY FAMILY READINESS
21 POLICY.—Subsection (a) of section 1781c of such title is amended by striking “Office of
22 the Under Secretary of Defense for Personnel and Readiness” and inserting “Office of
23 Military Readiness Policy”.

1 (2) REDESIGNATION AS OFFICE OF SPECIAL NEEDS.—Such section is amended—

2 (A) in subsection (a), by striking “Office of Community Support for
3 Military Families with Special Needs” and inserting “Office of Special Needs”;
4 and

5 (B) in the heading, by striking “**Office of Community Support for**
6 **Military Families with Special Needs**” and inserting “**Office of Special Needs**”.

7 (3) REPEAL OF REQUIREMENT FOR HEAD OF OFFICE TO BE MEMBER OF SENIOR
8 EXECUTIVE SERVICE OR A GENERAL OR FLAG OFFICER.—Such section is further amended
9 by striking subsection (c).

10 (4) CLERICAL AMENDMENT.—The item relating to section 1781c in the table of
11 sections at the beginning of chapter 88 of such title is amended to read as follows:
12 “1781c. Office of Special Needs.”.

13 **SEC. 902. CHANGE OF PERIOD FOR CHAIRMAN OF THE JOINT CHIEFS OF**
14 **STAFF REVIEW OF THE UNIFIED COMMAND PLAN TO NOT LESS**
15 **THAN EVERY FOUR YEARS.**

16 Section 161(b)(1) of title 10, United States Code, is amended by striking “two years” and
17 inserting “four years”.

18 **SEC. 903. UPDATE OF STATUTORY SPECIFICATION OF FUNCTIONS OF THE**
19 **CHAIRMAN OF THE JOINT CHIEFS OF STAFF RELATING TO**
20 **ADVICE ON REQUIREMENTS, PROGRAMS, AND BUDGET.**

21 Section 153(a)(4) of title 10, United States Code, is amended by adding at the end the
22 following new subparagraph:

23 “(H) Advising the Secretary on development of joint command, control,
24 communications, and cyber capability, including integration and interoperability of such

1 capability, through requirements, integrated architectures, data standards, and
2 assessments.”.

3 **TITLE X—GENERAL PROVISIONS**

4 **Subtitle A—Financial Matters**

5 **SEC. 1001. ENHANCEMENT OF INTERAGENCY SUPPORT DURING** 6 **CONTINGENCY OPERATIONS AND TRANSITION PERIODS.**

7 (a) **AUTHORITY.**—The Secretary of Defense and the Secretary of State may enter into an
8 agreement under which each Secretary may provide covered support, supplies, and services on a
9 reimbursement basis, or by exchange of covered support, supplies, and services, to the other
10 Secretary during a contingency operation and related transition period for up to two years
11 following the end of such contingency operation.

12 (b) **AGREEMENT.**—An agreement entered into under this section shall be in writing and
13 shall include the following terms:

14 (1) The price charged by a supplying agency shall be the direct costs that such
15 agency incurred by providing the covered support, supplies, or services to the requesting
16 agency under this section.

17 (2) Credits and liabilities of the agencies accrued as a result of acquisitions and
18 transfers of covered support, supplies, and services under this section shall be liquidated
19 not less often than once every 3 months by direct payment to the agency supplying such
20 support, supplies, or services by the agency receiving such support, supplies, or services.

21 (3) Exchange entitlements accrued as a result of acquisitions and transfers of
22 covered support, supplies, and services under this section shall be satisfied within 12
23 months after the date of the delivery of the covered support, supplies, or services.

1 Exchange entitlements not so satisfied shall be immediately liquidated by direct payment
2 to the agency supplying such covered support, supplies, or services.

3 (c) EFFECT OF OBLIGATION AND AVAILABILITY OF FUNDS.—An order placed by an
4 agency pursuant to an agreement under this section is deemed to be an obligation in the same
5 manner that a similar order or contract placed with a private contractor is an obligation.
6 Appropriations remain available to pay an obligation to the servicing agency in the same manner
7 as appropriations remain available to pay an obligation to a private contractor.

8 (d) DEFINITIONS.—In this section:

9 (1) The term “covered support, supplies, and services” means food, billeting,
10 transportation (including airlift), petroleum, oils, lubricants, communications services,
11 medical services, ammunition, base operations support (and construction incident to base
12 operations support), use of facilities, spare parts and components, repair and maintenance
13 services, and calibration services.

14 (2) The term “contingency operation” has the meaning given that term in section
15 101(a)(13) of title 10, United States Code.

16 (e) CREDITING OF RECEIPTS.—Any receipt as a result of an agreement entered into under
17 this section shall be credited, at the option of the Secretary of Defense with respect to the
18 Department of Defense and the Secretary of State with respect to the Department of State, to—

19 (1) the appropriation, fund, or account used in incurring the obligation; or

20 (2) an appropriate appropriation, fund, or account currently available for the
21 purposes for which the expenditures were made.

22 **Subtitle B—Counter-Drug Activities**

23 **Subtitle C—Naval Vessels and Shipyards**

1 **SEC. 1021. EXTENSION OF AUTHORITY FOR REIMBURSEMENT OF EXPENSES**
2 **FOR CERTAIN NAVY MESS OPERATIONS AFLOAT.**

3 (a) EXTENSION.—Subsection (b) of section 1014 of the Duncan Hunter National Defense
4 Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4585), as amended by
5 section 1021 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public
6 Law 111-383, 124 Stat. 4348), is amended by striking “September 30, 2015” and inserting
7 “September 30, 2020”.

8 (b) TECHNICAL AND CLARIFYING AMENDMENTS.—Subsection (a) of such section is
9 amended—

10 (1) in the matter preceding paragraph (1), by striking “not more than” and
11 inserting “not more than”; and

12 (2) in paragraph (2), by striking “Naval vessels” and inserting “such vessels”.

13 **Subtitle D—Other Matters**

14 **SEC. 1041. TRANSFER OF FUNCTIONS OF THE VETERANS’ ADVISORY BOARD**
15 **ON DOSE RECONSTRUCTION TO THE SECRETARIES OF VETERANS**
16 **AFFAIRS AND DEFENSE.**

17 Section 601 of the Veterans Benefits Act of 2003 (Public Law 108-183; 117 Stat. 2667;
18 38 U.S.C. 1154 note) is amended to read as follows:

19 **“SEC. 601. RADIATION DOSE RECONSTRUCTION PROGRAM OF THE**
20 **DEPARTMENT OF DEFENSE.**

21 “(a) REVIEW AND OVERSIGHT.—The Secretary of Veterans Affairs and the Secretary of
22 Defense shall jointly take appropriate actions to ensure the on-going independent review and
23 oversight of the Radiation Dose Reconstruction Program of the Department of Defense.

1 “(b) DUTIES.—In carrying out subsection (a), the Secretaries shall—

2 “(1) conduct periodic, random audits of dose reconstructions under the Radiation
3 Dose Reconstruction Program and of decisions by the Department of Veterans Affairs on
4 claims for service connection of radiogenic diseases;

5 “(2) communicate to veterans information on the mission, procedures, and
6 evidentiary requirements of the Program; and

7 “(3) carry out such other activities with respect to the review and oversight of the
8 Program as the Secretaries shall jointly specify.

9 “(c) RECOMMENDATIONS.—The Secretaries may make such recommendations on
10 modifications in the mission or procedures of the Program as they consider appropriate as a
11 result of the audits conducted under subsection (b)(1).”.

12 **TITLE XI—CIVILIAN PERSONNEL MATTERS**

13 **SEC. 1101. ONE-YEAR EXTENSION OF TEMPORARY AUTHORITY TO GRANT**

14 **ALLOWANCES, BENEFITS, AND GRATUITIES TO CIVILIAN**

15 **PERSONNEL ON OFFICIAL DUTY IN A COMBAT ZONE.**

16 Paragraph (2) of section 1603(a) of the Emergency Supplemental Appropriations Act for
17 Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234; 120
18 Stat. 443), as added by section 1102 of the Duncan Hunter National Defense Authorization Act
19 for Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4616) and as most recently amended by
20 section 1102 of the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-
21 291; 128 Stat. zzz), is further amended by striking “2016” and inserting “2017”.

22 **SEC. 1102. AUTHORITY TO PROVIDE ADDITIONAL ALLOWANCES AND**

23 **BENEFITS FOR DEFENSE CLANDESTINE SERVICE EMPLOYEES.**

1 Section 1603 of title 10, United States Code, is amended by adding at the end the
2 following new subsection:

3 “(c) **ADDITIONAL ALLOWANCES AND BENEFITS FOR EMPLOYEES OF THE DEFENSE**
4 **CLANDESTINE SERVICE.**—In addition to the authority to provide compensation under subsection
5 (a), the Secretary of Defense may provide an employee in a defense intelligence position who is
6 assigned to the Defense Clandestine Service allowances and benefits under paragraph (1) of
7 section 9904 of title 5 without regard to the limitations in that section—

8 “(1) that the employee be assigned to activities outside the United States; or

9 “(2) that the activities to which the employee is assigned be in support of
10 Department of Defense activities abroad.”.

11 **SEC. 1103. EXTENSION OF RATE OF OVERTIME PAY FOR DEPARTMENT OF THE**
12 **NAVY EMPLOYEES PERFORMING WORK ABOARD OR DOCKSIDE**
13 **IN SUPPORT OF THE NUCLEAR-POWERED AIRCRAFT CARRIER**
14 **FORWARD DEPLOYED IN JAPAN.**

15 Subparagraph (B) of section 5542(a)(6) of title 5, United States Code, is amended by
16 striking “September 30, 2015” and inserting “September 30, 2017”.

17 **TITLE XII—MATTERS RELATING TO FOREIGN NATIONS**

18 **SEC. 1201. EXTENSION OF AUTHORITY TO SUPPORT OPERATIONS AND**
19 **ACTIVITIES OF THE OFFICE OF SECURITY COOPERATION-IRAQ.**

20 (a) **EXTENSION OF AUTHORITY.**—Subsection (f)(1) of section 1215 of the National
21 Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81; 10 U.S.C. 113 note) is
22 amended by striking “fiscal year 2015” and inserting “fiscal year 2016”.

23 (b) **AMOUNT AVAILABLE.**—Such section is further amended—

1 (1) in subsection (c), by striking “fiscal year 2015” and all that follows and
2 inserting “fiscal year 2016 may not exceed \$143,000,000.”; and

3 (2) in subsection (d), by striking “fiscal year 2015” and inserting “fiscal year
4 2016”.

5 (c) REPEAL OF EXPIRED REPORTING REQUIREMENT.—Subsection (g) of such section is
6 repealed.

7 **SEC. 1202. EXTENSION OF AUTHORITY FOR REIMBURSEMENT OF CERTAIN**
8 **COALITION NATIONS FOR SUPPORT PROVIDED TO UNITED**
9 **STATES MILITARY OPERATIONS.**

10 (a) EXTENSION OF AUTHORITY.—Subsection (a) of section 1233 of the National Defense
11 Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 393), as most recently
12 amended by section 1222 of the National Defense Authorization Act for Fiscal Year 2015
13 (Public Law 113-291; 128 Stat. yyy), is further amended by striking “fiscal year 2015” and
14 inserting “fiscal year 2016”.

15 (b) AMOUNTS AVAILABLE.—Subsection (d)(1) of such section is amended—

16 (1) by striking “during fiscal year 2015 may not exceed \$1,200,000,000” and
17 inserting “during fiscal year 2016 may not exceed \$1,260,000,000”; and

18 (2) by striking the third sentence.

19 **SEC. 1203. EXTENSION OF AUTHORITY TO TRANSFER DEFENSE ARTICLES AND**
20 **PROVIDE DEFENSE SERVICES TO THE MILITARY AND SECURITY**
21 **FORCES OF AFGHANISTAN.**

1 (a) EXTENSION.—Subsection (h) of section 1222 of the National Defense Authorization
2 Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 1992), as amended by section 1231 of
3 the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act
4 for Fiscal Year 2015 (Public Law 113-291; 128 Stat. XXX), is further amended by striking
5 “December 31, 2015” and inserting “December 31, 2016”.

6 (b) EXCESS DEFENSE ARTICLES.—Subsection (i)(2) of such section is amended by
7 striking “During fiscal years 2013, 2014, and 2015” in subparagraphs (A) and (B) and inserting
8 “Through December 31, 2016”.

9 **SEC. 1204. AUTHORITY FOR ACCEPTANCE AND USE OF CONTRIBUTIONS FROM**
10 **KUWAIT FOR CERTAIN MUTUALLY BENEFICIAL PROJECTS.**

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

13 **“§ 2350n. Construction, maintenance, and repair projects mutually beneficial to the**
14 **Department of Defense and Kuwait Armed Forces**

15 “(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The Secretary of Defense, after
16 consultation with the Secretary of State, may accept cash contributions from the State of Kuwait,
17 for the purposes specified in subsection (c).

18 “(b) ACCOUNTING—Contributions accepted under subsection (a) shall be placed in an
19 account established by the Secretary of Defense and shall remain available until expended for the
20 purposes specified in subsection (c).

21 “(c) AVAILABILITY OF CONTRIBUTIONS.—Contributions accepted under subsection (a)
22 shall be available only for payment of costs in connection with mutually beneficial construction

1 (including military construction not otherwise authorized by law), maintenance, and repair
2 projects in Kuwait.

3 “(d) MUTUALLY BENEFICIAL DEFINED.—A project shall be considered to be ‘mutually
4 beneficial’ for purposes of this section if—

5 “(1) the project is in support of a bilateral United States and Kuwait defense
6 cooperation agreement; or

7 “(2) the Secretary of Defense determines that the United States may derive a
8 benefit from the project. including—

9 “(A) access to and use of facilities of the Kuwait Armed Forces;

10 “(B) ability or capacity for future posture; and

11 “(C) increased interoperability between the Department of Defense and
12 Kuwait Armed Forces.”.

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

“2350n. Construction, maintenance, and repair projects mutually beneficial to the Department of Defense and
Kuwait armed forces.”.

15 **SEC. 1205. EXTENSION OF COMMANDERS’ EMERGENCY RESPONSE PROGRAM**
16 **IN AFGHANISTAN.**

17 Section 1201 of the National Defense Authorization Act for Fiscal Year 2012 (Public
18 Law 112-81; 125 Stat. 1619), as most recently amended by section 1221 of the National Defense
19 Authorization Act for Fiscal Year 2015 (Public Law 113-291; 128 Stat. yyy), is further amended
20 by striking “fiscal year 2015” in subsections (a), (b), and (f) and inserting “fiscal year 2016”.

21 **SEC. 1206. INCREASE IN THRESHOLDS FOR DEFINITION OF MAJOR DEFENSE**
22 **EQUIPMENT FOR PURPOSES OF ARMS EXPORT CONTROL ACT.**

1 Section 47(6) of the Arms Export Control Act (22 U.S.C. 2794(6)) is amended—

2 (1) by striking “\$50,000,000” and inserting “\$200,000,000”; and

3 (2) by striking “\$200,000,000” and inserting “\$800,000,000”.

4 **SEC. 1207. MAINTENANCE OF PROHIBITION ON PROCUREMENT BY**
5 **DEPARTMENT OF DEFENSE OF COMMUNIST CHINESE-ORIGIN**
6 **ITEMS THAT MEET THE DEFINITION OF GOODS AND SERVICES**
7 **CONTROLLED AS MUNITIONS ITEMS WHEN MOVED TO THE “600**
8 **SERIES” OF THE COMMERCE CONTROL LIST.**

9 (a) IN GENERAL.—Section 1211 of the National Defense Authorization Act for Fiscal
10 Year 2006 (Public Law 109-163; 10 U.S.C. 2302 note) is amended—

11 (1) in subsection (b), by inserting “or in the 600 series of the control list of the
12 Export Administration Regulations” after “in Arms Regulations,”; and

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

14 “(3) The term ‘600 series of the control list of the Export Administration
15 Regulations’ means the 600 series of the Commerce Control List contained in
16 Supplement No. 1 to part 774 of subtitle B of title 15 of the Code of Federal
17 Regulations.”.

18 (b) TECHNICAL CORRECTIONS TO ITAR REFERENCES.—Subsections (b) and (e)(2) of such
19 section are amended by striking “Trafficking” and inserting “Traffic”.

20 **SEC. 1208. MODIFICATION OF GLOBAL LIFT AND SUSTAIN TO SUPPORT**
21 **PARTNERS AND ALLIES.**

22 Subsection (b) of section 127d of title 10, United States Code, is amended by adding at
23 the end the following new paragraph:

1 “(3) Clause (ii) of paragraph (2)(B) does not apply in a case in which the Secretary
2 determines that the provision of assistance is critical to the timely and effective participation of
3 the allied forces in the combined operation.”.

4 **TITLE XIII—[RESERVED]**

5 **TITLE V—OTHER AUTHORIZATIONS**

6 **Subtitle A—Military Programs**

7 **SEC. 1401. WORKING CAPITAL FUNDS.**

8 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
9 Armed Forces and other activities and agencies of the Department of Defense for providing
10 capital for working capital and revolving funds in the amount of \$1,786,732,000.

11 **SEC. 1402. JOINT URGENT OPERATIONAL NEEDS FUND.**

12 Funds are hereby authorized to be appropriated for fiscal year 2016 for the Joint Urgent
13 Operational Needs Fund in the amount of \$99,701,000.

14 **SEC. 1403. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be
16 appropriated for the Department of Defense for fiscal year 2016 for expenses, not otherwise
17 provided for, for Chemical Agents and Munitions Destruction, Defense, in the amount of
18 \$720,721,000, of which—

19 (1) \$139,098,000 is for Operation and Maintenance;

20 (2) \$579,342,000 is for Research, Development, Test, and Evaluation; and

21 (3) \$2,281,000 is for Procurement.

22 (b) USE.—Amounts authorized to be appropriated under subsection (a) are authorized
23 for—

1 (1) the destruction of lethal chemical agents and munitions in accordance with
2 section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521);
3 and

4 (2) the destruction of chemical warfare materiel of the United States that is not
5 covered by section 1412 of such Act.

6 **SEC. 1404. DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-**
7 **WIDE.**

8 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
9 year 2016 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug
10 Activities, Defense-wide, in the amount of \$850,598,000.

11 **SEC. 1405. DEFENSE INSPECTOR GENERAL.**

12 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
13 year 2016 for expenses, not otherwise provided for, for the Office of the Inspector General of the
14 Department of Defense, in the amount of \$316,159,000, of which—

15 (1) \$310,459,000 is for Operation and Maintenance;

16 (2) \$4,700,000 is for Research, Development, Test and Evaluation; and

17 (3) \$1,000,000 is for Procurement.

18 **SEC. 1406. DEFENSE HEALTH PROGRAM.**

19 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
20 year 2016 for expenses, not otherwise provided for, for the Defense Health Program, in the
21 amount of \$32,243,328,000, of which—

22 (1) \$30,889,940,000 is for Operation and Maintenance;

23 (2) \$980,101,000 is for Research, Development, Test, and Evaluation; and

1 (3) \$373,287,000 is for Procurement.

2 **Subtitle B—Other Matters**

3 **SEC. 1411. AUTHORITY FOR TRANSFER OF FUNDS TO JOINT DEPARTMENT OF**
4 **DEFENSE-DEPARTMENT OF VETERANS AFFAIRS MEDICAL**
5 **FACILITY DEMONSTRATION FUND FOR CAPTAIN JAMES A.**
6 **LOVELL HEALTH CARE CENTER, ILLINOIS.**

7 (a) AUTHORITY FOR TRANSFER OF FUNDS.—Of the funds authorized to be appropriated
8 for section 506 and available for the Defense Health Program for operation and maintenance,
9 \$120,387,000 may be transferred by the Secretary of Defense to the Joint Department of
10 Defense–Department of Veterans Affairs Medical Facility Demonstration Fund established by
11 subsection (a)(1) of section 1704 of the National Defense Authorization Act for Fiscal Year 2010
12 (Public Law 111-84; 123 Stat. 2571). For purposes of subsection (a)(2) of such section 1704, any
13 funds so transferred shall be treated as amounts authorized and appropriated specifically for the
14 purpose of such a transfer.

15 (b) USE OF TRANSFERRED FUNDS.—For the purposes of subsection (b) of such section
16 1704, facility operations for which funds transferred under subsection (a) may be used are
17 operations of the Captain James A. Lovell Federal Health Care Center, consisting of the North
18 Chicago Veterans Affairs Medical Center, the Navy Ambulatory Care Center, and supporting
19 facilities designated as a combined Federal medical facility under an operational agreement
20 covered by section 706 of the Duncan Hunter National Defense Authorization Act for Fiscal
21 Year 2009 (Public Law 110-417; 122 Stat. 4500).

22 **SEC. 1412. AUTHORIZATION OF APPROPRIATIONS FOR ARMED FORCES**
23 **RETIREMENT HOME.**

1 There is hereby authorized to be appropriated for fiscal year 2016 from the Armed Forces
2 Retirement Home Trust Fund the sum of \$64,300,000 for the operation of the Armed Forces
3 Retirement Home.

4 **TITLE XV—AUTHORIZATION OF ADDITIONAL APPROPRIATIONS**
5 **FOR OVERSEAS CONTINGENCY OPERATIONS**

6 **SEC. 1501. PURPOSE.**

7 The purpose of this title is to authorize appropriations for the Department of Defense for
8 fiscal year 2016 to provide additional funds for overseas contingency operations being carried
9 out by the Armed Forces.

10 **SEC. 1502. ARMY PROCUREMENT.**

11 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
12 the Army in amounts as follows:

- 13 (1) For aircraft procurement, \$164,987,000.
- 14 (2) For missile procurement, \$37,260,000.
- 15 (3) For weapons and tracked combat vehicles, \$26,030,000.
- 16 (3) For ammunition procurement, \$192,040,000.
- 17 (4) For other procurement, \$1,205,596,000.

18 **SEC. 1503. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.**

19 Funds are hereby authorized to be appropriated for fiscal year 2016 for the Joint
20 Improvised Explosive Device Defeat Fund in the amount of \$493,271,000.

21 **SEC. 1504. NAVY AND MARINE CORPS PROCUREMENT.**

22 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
23 the Navy and Marine Corps in amounts as follows:

- 1 (1) For aircraft procurement, Navy, \$217,394,000.
- 2 (2) For weapons procurement, Navy, \$3,344,000.
- 3 (3) For ammunition procurement, Navy and Marine Corps, \$136,930,000.
- 4 (4) For other procurement, Navy, \$12,186,000.
- 5 (5) For procurement, Marine Corps, \$48,934,000.

6 **SEC. 1505. AIR FORCE PROCUREMENT.**

7 Funds are hereby authorized to be appropriated for fiscal year 2016 for procurement for
8 the Air Force in amounts as follows:

- 9 (1) For aircraft procurement, \$128,900,000.
- 10 (2) For missile procurement, \$289,142,000.
- 11 (3) For ammunition procurement, \$228,874,000.
- 12 (4) For other procurement, \$3,859,964,000.

13 **SEC. 1506. DEFENSE-WIDE ACTIVITIES PROCUREMENT.**

14 Funds are hereby authorized to be appropriated for fiscal year 2016 for the procurement
15 account for Defense-wide activities in the amount of \$212,418,000.

16 **SEC. 1507. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.**

17 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
18 Department of Defense for research, development, test, and evaluation as follows:

- 19 (1) For the Army, \$1,500,000.
- 20 (2) For the Navy, \$35,747,000.
- 21 (3) For the Air Force, \$17,100,000.
- 22 (4) For Defense-wide activities, \$137,087,000.

23 **SEC. 1508. OPERATION AND MAINTENANCE.**

1 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
2 Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in
3 amounts as follows:

- 4 (1) For the Army, \$11,382,750,000.
- 5 (2) For the Navy, \$5,131,588,000.
- 6 (3) For the Marine Corps, \$952,534,000.
- 7 (4) For the Air Force, \$9,090,013,000.
- 8 (5) For Defense-wide activities, \$5,805,633,000.
- 9 (6) For the Army Reserve, \$24,559,000.
- 10 (7) For the Navy Reserve, \$31,643,000.
- 11 (8) For the Marine Corps Reserve, \$3,455,000.
- 12 (9) For the Air Force Reserve, \$58,106,000.
- 13 (10) For the Army National Guard, \$60,845,000.
- 14 (11) For the Air National Guard, \$19,900,000.
- 15 (12) For the Afghanistan Security Forces Fund, \$3,762,257,000.
- 16 (13) For the Counterterrorism Partnerships Fund, \$2,100,000,000.
- 17 (14) For the Iraq Train and Equip Fund, \$715,000,000.
- 18 (15) For the Syria Train and Equip Fund, \$600,000,000.

19 **SEC. 1509. MILITARY PERSONNEL.**

20 Funds are hereby authorized to be appropriated for fiscal year 2016 to the Department of
21 Defense for military personnel accounts in the total amount of \$3,204,758,000.

22 **SEC. 1510. WORKING CAPITAL FUNDS.**

1 Funds are hereby authorized to be appropriated for fiscal year 2016 for the use of the
2 Armed Forces and other activities and agencies of the Department of Defense for providing
3 capital for Defense Working Capital Funds in the amount of \$88,850,000.

4 **SEC. 1511. DEFENSE HEALTH PROGRAM.**

5 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
6 year 2016 for expenses, not otherwise provided for, for the Defense Health Program in the
7 amount of \$272,704,000 for operation and maintenance.

8 **SEC. 1512. DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-**
9 **WIDE.**

10 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
11 year 2016 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug
12 Activities, Defense-wide in the amount of \$186,000,000.

13 **SEC. 1513. DEFENSE INSPECTOR GENERAL.**

14 Funds are hereby authorized to be appropriated for the Department of Defense for fiscal
15 year 2016 for expenses, not otherwise provided for, for the Office of the Inspector General of the
16 Department of Defense in the amount of \$10,262,000.

17 **[RESERVED]**

18 **DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS**

19 **TITLE XXI—ARMY MILITARY CONSTRUCTION**

20 **TITLE XXII—NAVY MILITARY CONSTRUCTION**

21 **TITLE XXIII—AIR FORCE MILITARY CONSTRUCTION**

22 **TITLE XXIV—DEFENSE AGENCIES MILITARY CONSTRUCTION**

1 **TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION**

2 **SECURITY INVESTMENT PROGRAM**

3 **TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES**

4 **TITLE XXVII—BASE REALIGNMENT AND CLOSURE ACTIVITIES**

5 **TITLE XXVIII—MILITARY CONSTRUCTION GENERAL PROVISIONS**

6 **SEC. 2801. CHANGE IN AUTHORITIES RELATING TO SCOPE OF WORK**

7 **VARIATIONS FOR MILITARY CONSTRUCTION PROJECTS.**

8 (a) LIMITED AUTHORITY FOR SCOPE OF WORK INCREASE.—Section 2853 of title 10,
9 United States Code, is amended—

10 (1) in subsection (b)(2), by striking “The scope of work” and inserting “Except as
11 provided in subsection (d), the scope of work”;

12 (2) by redesignating subsections (d) and (e) as subsections (e) and (f),
13 respectively; and

14 (3) by inserting after subsection (c) the following new subsection (d):

15 “(d) The limitation in subsection (b)(2) on an increase in the scope of work does not
16 apply if—

17 “(1) the increase in the scope of work is not more than 10 percent of the amount
18 specified for that project, construction, improvement, or acquisition in the justification
19 data provided to Congress as part of the request for authorization of the project,
20 construction, improvement, or acquisition;

21 “(2) the increase is approved by the Secretary concerned;

22 “(3) the Secretary concerned notifies the appropriate committees of Congress in
23 writing of the increase in scope and the reasons therefor; and

1 “(4) a period of 21 days has elapsed after the date on which the notification is
2 received by the committees or, if over sooner, a period of 14 days has elapsed after the
3 date on which a copy of the notification is provided in an electronic medium pursuant to
4 section 480 of this title.”.

5 (b) CROSS-REFERENCE AMENDMENTS.—

6 (1) Subsection (a) of such section is amended by striking “subsection (c) or (d)”
7 and inserting “subsection (c), (d), or (e)”.

8 (2) Subsection (f) of such section, as redesignated by subsection (a)(2), is
9 amended by striking “through (d)” and inserting “through (e)”.

10 (c) ADDITIONAL TECHNICAL AMENDMENTS.—

11 (1) CONFORMITY WITH GENERAL TITLE 10 STYLE.—Subsection (a) of such section
12 is further amended by inserting “of this title” after “section 2805(a)”.

13 (2) DELETION OF SURPLUS WORD.—Subsection (c)(1)(A) of such section is
14 amended by striking “be” after “Congress can”.

15 **SEC. 2802. ENHANCED AUTHORITY TO CARRY OUT EMERGENCY MILITARY**
16 **CONSTRUCTION PROJECTS WHEN NECESSARY TO SUPPORT**
17 **REQUIREMENTS OF COMBATANT COMMANDERS.**

18 Section 2803 of title 10, United States Code, is amended—

19 (1) by redesignating paragraph (2) of subsection (c) as subsection (d); and

20 (2) in subsection (c)—

21 (A) by striking “The maximum amount” and inserting “Except as provided
22 in paragraph (2), the maximum amount”; and

23 (B) by adding at the end the following new paragraph (2):

1 “(2) In applying the limitation under paragraph (1) for any fiscal year, the Secretary
2 concerned may exclude any amount obligated by the Secretary under this section in that fiscal
3 year for a military construction project that is carried out to support the requirements of the
4 commander of a combatant command, except that the maximum amount that may be so excluded
5 by the Secretary concerned in any fiscal year is \$25,000,000.”.