SEC. ___. EXTENSION OF AUTHORITY FOR SECRETARY OF DEFENSE TO USE DEPARTMENT OF DEFENSE REIMBURSEMENT RATE FOR TRANSPORTATION SERVICES PROVIDED TO CERTAIN NON-DEPARTMENT OF DEFENSE ENTITIES.

Section 2642(b) of title 10, United States Code, is amended by striking "October 1, 2019" and inserting "October 1, 2024".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would extend the authority granted in section 2642 of title 10, United States Code (U.S.C.), allowing the Secretary of Defense to use the Department of Defense (DoD) reimbursement rate for transportation services provided to certain non-DoD entities. That authority allows DoD to provide transportation services covered by that section at the same rate DoD charges DoD units for similar services. The extension would change the sunset date from October 1, 2019, to October 1, 2024.

The authority under 10 U.S.C. 2642 is used when providing airlift support to other departments and agencies to increase peacetime business by filling excess capacity with paying cargo from other Federal agencies. DoD does not incur any additional incremental costs as a result of its use of the authority provided by this provision, which permits the use of extra capacity on strategic airlift assets of the military for the transportation needs of the other agencies or entities currently able to acquire transportation from DoD. Except during periods of high operational tempo, utilization of aircraft to meet training and readiness requirements is typically greater than actual Department cargo transportation requirements. Therefore, extra cargo can be transported at little or no increase in operating costs, making the use of excess capacity by other agencies and entities prudent. Additionally, use of such capacity for the shipment of items for non-DoD entities complements the training needs of the Department. Most such requests are made under the Economy Act (31 U.S.C. 1535), and that law already provides an analysis process to determine if the DoD should agree to the transportation of such cargo. Increases in the amount of cargo to be transported by the Department supports the training of aircrews to maintain combat readiness and any excess is provided to United States air carriers as an incentive for them to participate in the Civil Reserve Air Fleet program to support the wartime requirements of the DoD. This has been a well-used authority and an extension for five more years is in the best interests of the United States and the DoD.

Budget Implications: If enacted, this proposal will not increase the budgetary requirements of the Department of Defense.

Changes to Existing Law: This proposal would make the following changes to section 2642 of title 10, U.S.C.:

§ 2642. Transportation services provided to certain non-Department of Defense agencies and entities: use of Department of Defense reimbursement rate

(a) AUTHORITY.—Subject to subsection (b), the Secretary of Defense may authorize the use of the Department of Defense reimbursement rate for military transportation service~~s~~ provided by a component of the Department of Defense as follows:

(1) For military transportation services provided to the Central Intelligence Agency, if the Secretary of Defense determines that those military transportation services are provided for activities related to national security objectives.

(2) For military transportation services provided to the Department of State for the transportation of armored motor vehicles to a foreign country to meet requirements of the Department of State for armored motor vehicles associated with the overseas travel of the Secretary of State in that country.

(3) For military transportation services provided to any element of the Federal Government outside the Department of Defense in circumstances other than those specified in paragraphs (1) and (2), but only if the Secretary of Defense determines that the provision of such services will promote the improved use of transportation capacity without any negative effect on the national security objectives or the national security interests contained within the United States commercial transportation industry.

(4) For military transportation services provided in support of foreign military sales.

(5) For military transportation services provided to a State, local, or tribal agency (including any organization composed of State, local, or tribal agencies).

(6) For military transportation services provided to a Department of Defense contractor when transporting supplies that are for, or destined for, a Department of Defense entity.

(b) TERMINATION OF AUTHORITY FOR CERTAIN ELIGIBLE ENTITIES.—The provisions of paragraphs (3), (4), (5), and (6) of subsection (a) shall apply only to military transportation service provided before ~~October 1, 2019~~ October 1, 2024.

(c) DEFINITION.—In this section, the term "Department of Defense reimbursement rate" means the amount charged a component of the Department of Defense by another component of the Department of Defense.