

1 **SEC. ____ . ACCESS TO HIGH-SPEED INTERNET AND WIRELESS NETWORK**
2 **CONNECTIONS FOR CERTAIN MEMBERS OF THE ARMED FORCES.**

3 Subchapter II of chapter 134 of title 10, United States Code, is amended by inserting after
4 section 2264 the following new section:

5 **“§ 2265. Access to high-speed internet and wireless network connections for certain**
6 **members of the armed forces**

7 “The Secretary of a military department may provide, without charge, high-speed internet
8 access and wireless network connections to members of the armed forces who reside in
9 unaccompanied housing within the United States.”.

Section-by-Section Analysis

This proposal would give the Secretary of a military department flexible and unambiguous authority to provide members of the Armed Forces who live in unaccompanied housing (UH) within the United States free access to high-speed internet and wireless network connections.

Suicide rates across the Armed Forces are a matter of fundamental importance to the leadership of the Department of Defense. Recent, internal reviews demonstrate that quality of life outside the workplace, and quality of work inside the workplace, should be at the heart of the Department’s response. Access to free, high-speed internet for members of the Armed Forces who occupy UH, where the effects of social isolation can be particularly acute, would be an effective way to improve quality of life.

Our people are our most valuable asset and our greatest strength. Without their service, sacrifice, and dedication, we cannot fulfill the vital national defense mission that we are entrusted to perform. Taking care of our people is a top priority of the Secretary of Defense and the Secretaries of the military departments. It means ensuring our workforce has the skills and tools necessary to execute their duties successfully, and the support and resources they need for their total well-being.

Access to the internet is a basic necessity of modern life. It allows us to connect with family and friends, take advantage of educational opportunities, keep abreast of local, national, and world events, access medical care, and participate in the economy. For our service members who occupy UH, providing free internet access would significantly improve quality of life, boost morale, reduce stress, bolster recruitment and retention efforts, and enhance readiness.

Resource Information: The table below reflects the best estimate of resources requested within the Fiscal Year (FY) 2025 President’s Budget that are impacted by this proposal.

RESOURCE IMPACT (\$MILLIONS)									
Program	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Appropriation	Budget Activity	BLI/SAG	PE
UH Wi-Fi	78.19	79.75	81.34	82.97	84.63	Operation and Maintenance, Navy	1	BSS1	
UH Wi-Fi	0.79	0.81	0.82	0.84	0.85	Operation and Maintenance, Navy Reserve	1	BSS1	
Total	78.97	80.55	82.17	83.81	85.48				

Changes to Existing Law: This proposal adds a new section to subchapter II of chapter 134 of title 10, United States Code, as set forth in the legislative text above.

1 **SEC. ____. BLOCK BUY CONTRACT AND MULTIYEAR PROCUREMENT**

2 **AUTHORITY FOR CH-53K HEAVY LIFT HELICOPTER PROGRAM.**

3 (a) BLOCK BUY CONTRACT AUTHORITY FOR AIRFRAMES.—

4 (1) IN GENERAL.—The Secretary of the Navy may enter into one or more block
5 buy contracts, during fiscal years 2025 and 2026, for the procurement of not more than
6 37 airframes in support of the CH-53K heavy lift helicopter program.

7 (2) LIABILITY.— Any contract entered into under paragraph (1) shall provide
8 that—

9 (A) any obligation of the United States to make a payment under the
10 contract is subject to the availability of appropriations for that purpose; and

11 (B) the total liability of the Federal Government for termination of the
12 contract shall be limited to the total amount of funding obligated to the contract at
13 time of termination.

14 (3) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—Any contract entered into
15 under paragraph (1) shall provide that any obligation of the United States to make a
16 payment under the contract for a fiscal year after fiscal year 2025 is subject to the
17 availability of appropriations or funds for that purpose for such later fiscal year.

18 (4) BLOCK BUY CONTRACT DEFINED.—In this section, the term “block buy
19 contract” means a contract for the purchase of CH-53K airframes—

20 (A) for not more than two program years;

21 (B) that permits the procurement of airframes over a period of more than
22 one year without requiring the exercise of a contract option for each year after the
23 first year;

1 (C) that provides that performance under the contract during the second
2 year of the contract is contingent upon the appropriation of funds for that purpose;
3 and

4 (D) that may provide for a cancellation payment to be made to the
5 contractor if appropriations are not made.

6 (b) MULTIYEAR PROCUREMENT AUTHORITY FOR ENGINES.—

7 (1) IN GENERAL.—Subject to section 3501 of title 10, United States Code, the
8 Secretary of the Navy may enter into one or more multiyear procurement contracts for
9 procurement of not more than 350 T408 engines.

10 (2) AUTHORITY FOR ADVANCE PROCUREMENT AND ECONOMIC ORDERING
11 QUANTITY.—The Secretary of the Navy may enter into one or more contracts, beginning
12 in fiscal year 2025, for advance procurement associated with the engines (including
13 economic ordering quantity) for which authorization to enter into a multiyear
14 procurement contract is provided under paragraph (1).

15 (3) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—Any contract entered into
16 under paragraph (1) shall provide that any obligation of the United States to make a
17 payment under the contract for a fiscal year after fiscal year 2025 is subject to the
18 availability of appropriations or funds for that purpose for such later fiscal year.

Section-by-Section Analysis

This proposal would allow the Secretary of the Navy to enter into a block buy contract across two fiscal years (FYs) (FYs 2025 and 2026) for up to 37 CH-53K airframes and to enter into a multiyear procurement contract for T408 engines during FYs 2025 through 2029.

The block buy contract and multiyear procurement strategies will provide industrial base stability, incentivize prime and supplier investment, improve production efficiency, reduce administrative burden of annual contracts, and take advantage of procurement volume, resulting in significant cost savings when compared to annual procurement cost estimates.

The CH-53K is one of the critical aviation programs of the United States Marine Corps. The minimum need for the CH-53K is not expected to decrease during the contemplated contract period, as the requirement for 200 replacement aircraft will support production well into the 2030s. The CH-53K is part of the Department of Navy’s investment strategy for long-range recapitalization and modernization.

The health and stability of the rotary wing industrial base is of strategic importance to the CH-53K program to facilitate on-schedule, quality production and sustainment. This proposal would provide the stability necessary to encourage long-term investment in requisite skilled labor, capital equipment, and efficiency improvements that will not only improve near-term performance but reduce overall risk.

Resource Information: The resources affected by this proposal are reflected in the table below and are included within the FY 2025 President’s Budget request.

RESOURCE IMPACT (\$MILLIONS)										
Program	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	APPN	Budget Activity	BLI/SAG	Program Element (for all RDT&E programs)
CH-53K Airframe	\$0.00	\$1,449.90	\$1,404.21	\$0.00	\$0.00	\$0.00	Aircraft Procurement, Navy	01	0158	N/A
CH-53K Airframe Advanced Procurement	\$334.30	\$281.16	\$0.00	\$0.00	\$0.00	\$0.00	Aircraft Procurement, Navy	01	0158	N/A
CH-53K Engines*	\$0.00	\$158.03	\$137.87	\$135.75	\$150.20	\$157.70	Aircraft Procurement, Navy	01	0158	N/A
CH-53K Engine Spares	\$0.00	\$49.33	\$88.18	\$36.24	\$0.00	\$0.00	Aircraft Procurement, Navy	06	0605/J0158	N/A
CH-53K Engine Advanced Procurement	\$43.20	\$43.48	\$43.22	\$47.60	\$49.88	\$0.00	Aircraft Procurement, Navy	01	0158	N/A
CH-53K Engine Economic Ordering Quantity	\$0.00	\$21.79	\$3.85	\$0.00	\$0.00	\$0.00	Aircraft Procurement, Navy	01	0158	N/A
Total	\$377.50	\$2,003.69	\$1,677.33	\$219.59	\$200.08	\$157.70				

* Table reflects predicted cost savings

The proposed block buy contract authority is predicted to result in a cost savings of 3.75 percent compared to single year pricing. This significant cost savings is attributed primarily to the reduction of labor, material, and overhead rates that result from a stable long-term procurement, as well as favorable inflation and fee impacts.

The proposed multiyear procurement authority is predicted to result in a cost savings of 10 percent. This significant cost savings is attributed primarily to the reduction of labor, material, and overhead rates that result from a stable, long-term procurement, as well as favorable inflation and fee impacts.

Labor costs are projected to be significantly lower due to enhanced workforce stability. This stability is based on assumed lower employee turnover from having a guaranteed minimum production base to forecast labor needs and avoiding hiring spikes and sudden layoffs. In addition, the more stable workforce will avoid a loss of learning accumulated from previous procurements. Finally, the ability to distribute fixed labor costs across a wider time period will result in lower unit acquisition cost as compared to single year pricing where uncertainty of future lots would require the contractor to bid full time equivalent personnel in each lot versus spread across a two-year period for the block buy contract or a five-year period for the multiyear procurement.

Overhead rates are projected to be lower as a result of avoidance of any production break, as well as use of economic ordering quantity (EOQ) acquisition of material for the engines. In addition, the long-term stable procurement increases the likelihood the prime contractor will include other potential aircraft buys (i.e., Foreign Military Sales and other Government sales) in the assumed business base pricing for two years of the planned block buy contract or five years of the planned multiyear procurement.

Material costs are projected to be significantly lower as compared to single year buys. A block buy contract and multiyear procurement reduce total purchase orders and increase production base stability and confidence. The prospect of a long-term, two-year or five-year buy will enable the prime contractors to secure long term agreements with sub-vendors, increase use of EOQ buys of materials for engines, and utilize the work force more efficiently. The Department of the Navy's multiyear procurement estimate assumes the prime contractor will be more aggressive in the pursuit of long-term agreements with major sub-vendors.

The airframe block buy contract estimates are based on a Department of the Navy assessment using historical block buy contract data from the CH-53K platform and detailed actuals data provided by Sikorsky, a Lockheed Martin Company. The calculations predict a total cost savings of 3.75 percent, which equates to \$135.2 million (then-year dollars), versus buying the aircraft on annual contracts.

The FY 2025 through 2029 engine multiyear procurement estimates are based on a Department of the Navy business case analysis that was developed from detailed actuals data provided by GE Aerospace. The calculations predict a total cost savings of 10 percent, which equates to \$125.7 million (then-year dollars) versus buying the engines on individual annual contracts.

Changes to Existing Law: This proposal makes no changes to existing law.

1 **SEC. ___. EXTENSION OF SPECIAL EMERGENCY PROCUREMENT AUTHORITY.**

2 Section 1903(a) of title 41, United States Code, is amended—

3 (1) by striking “or” at the end of paragraph (3);

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

5 and

6 (3) by adding at the end the following new paragraphs:

7 “(5) in support of a humanitarian or peacekeeping operation (as the term is
8 defined in section 3015(2) of title 10), with the concurrence of the Secretary of State; or

9 “(6) in support of a national emergency declared by the President of the United
10 States.”.

[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 amend section 1903(a) of title 41, United States Code, to extend the applicability of the special emergency procurement authorities (SEPA) to include humanitarian or peacekeeping operations as defined in section 3015(2) of title 10, United States Code, and support of a national emergency as declared by the President of the United States.

Humanitarian or Peacekeeping Operations:

Extension of SEPA applicability is necessary to enhance the acquisition flexibility of the Department of Defense (DoD) and other agencies to expeditiously support humanitarian or peacekeeping operations. The authorities in section 1903 enable the rapid procurement of mission-critical, life-saving goods and services at the speed of need, and should include humanitarian or peacekeeping operations, with the concurrence of the Secretary of State.

Currently SEPA’s applicability is limited to the following operations: contingency operations, operations supporting emergencies or major disasters, international disaster assistance, and response from certain attacks. Humanitarian or peacekeeping operations (FAR 18.204) are the only two defined, emergency-type operations, outlined in Part 18, Emergency Acquisitions, of the Federal Acquisition Regulation (FAR), that are not under the SEPA umbrella.

Notably, the simplified acquisition threshold (SAT) for humanitarian or peacekeeping operations can currently be increased to \$500K. This threshold is significantly lower than the SAT for the other emergency-type operations outlined in section 1903(a) of title 41, which is currently \$1.5M for contracts to be awarded and performed, or purchases to be made, outside the United States. Furthermore, for humanitarian or peacekeeping operations, the micro-purchase threshold (MPT) is not authorized to be increased above the non-emergency threshold of \$10K. This is not the case for other emergency-type operations, where the MPT increases to \$35K for contracts to be awarded and performed, or purchases to be made, outside of the United States. Aligning to the higher MPT associated with other emergency-type operations would enable the swift procurement of items valued up to \$35K. The current inconsistencies in acquisition thresholds between humanitarian or peacekeeping operations and the other emergency-type operations at 41 U.S.C. 1903(a) are significant, yet they all share similar aspects: a crisis is present, speed-to-need is critical to mission accomplishment and saving lives, there is a high operations tempo, and the environments can be austere and extremely challenging to execute contracting. These disparities in acquisition thresholds also cause confusion to the Contracting Activities providing support since humanitarian or peacekeeping operations are the only category listed at Part 18, Emergency Acquisition, of the FAR that aren't afforded the same increased acquisition thresholds. This proposal would consolidate all emergency-type operations under the same special emergency procurement authority, thereby aligning the SAT and MPT thresholds to improve procurement efficiencies and enable rapid acquisition support when it matters most.

If enacted, extension of the applicability in section 1903 would further streamline the contracting process when responding to humanitarian or peacekeeping operations, allowing for rapid acquisition support to those in critical need. A recent example where extended applicability of SEPA was needed was DoD's humanitarian response to Russia's invasion of Ukraine. During the initial weeks of the conflict in Ukraine, the Administrator of the United States Agency for International Development (USAID) requested DoD support for humanitarian assistance to help Ukrainian citizens escape Russia's invasion. On April 10, 2022, the Secretary of Defense authorized the Commander, United States Europe Command (USEUCOM), to provide humanitarian support to Ukraine. The request included commercial contracts for logistics, commodities, services, and other life-saving support. Because current humanitarian assistance acquisition authorities were limited to a SAT of \$500K and a non-emergency micro-purchase threshold of \$10K, contracting activities lacked the emergency acquisition flexibilities afforded to the other emergency-type operations at 41 U.S.C. 1903(a). Had SEPA been available for contracts supporting the humanitarian assistance operation, the SAT would have raised to \$1.5M, enabling the use of simplified acquisition procedures up to that dollar value (\$15M for commercial products/services only (FAR 13.500)). Further, the MPT would have raised from \$10K to \$35K, expanding use of the Government Purchase Card up to that value and greatly streamlining on-the-spot purchases needed quickly to support humanitarian efforts on the ground. With the proposed extension of SEPA to humanitarian or peacekeeping operations, contracting activities would have been able to expeditiously deliver urgent contracted capabilities (e.g., quick provision of food rations and safe drinking water to refugees) during the humanitarian assistance operations in Ukraine, potentially saving lives and easing the burden of war on civilians.

Extending the applicability of SEPA to humanitarian or peacekeeping operations would further DoD's contribution to the National Security Strategy by helping strengthen alliances and coalitions as a result of improved DoD response capabilities during life-saving events and reduced acquisition lead times for critical supplies and services.

National Emergencies Declared by the President of the United States:

This proposal extends SEPA applicability to national emergencies as declared by the President of the United States. Throughout past Administrations, Presidents have declared national emergencies to deal with threats to United States national security, to support strategic Defense objectives, to address public health emergencies, and to respond to other unusual and extraordinary events that warrant such declaration. In many cases, the Department of Defense is tasked to provide acquisition support to emergency relief operations—either as part of a military operation or in an augmenting capacity for civil operations. Noteworthy examples include Proclamation 9844 on 15 February 2019, which declared a National Emergency concerning the Southern Border of the United States; and Proclamation 9994 on 13 March 2020, which declared a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak. During both emergencies FEMA, DHS, and DHA relied heavily upon the military to procure medical supplies and commercial logistics for emergency operations, but neither scenario fit the current emergency categories covered under the SEPA statute. Therefore, DoD acquisition professionals initially responded without higher emergency thresholds and emergency procurement flexibilities available during other classes of emergencies.

A more recent declaration in the United States Africa Command (USAFRICOM) highlights the impact of not extending SEPA flexibilities during the early phases of an emergency-type operation. On March 29, 2023, the President issued a notice to extend the national emergency with respect to South Sudan "...marked by activities that threaten the peace, security, or stability of South Sudan and the surrounding region, including widespread violence and atrocities, human rights abuses, recruitment and use of child soldiers, attacks on peacekeepers, and obstruction of humanitarian operations." This crisis and the non-combatant evacuation operations in Sudan prompted the Department of State to request DoD support, including contracted transportation, lodging, communication services, and security.

The request prompted the Secretary of Defense to issue two tasking orders to the Commander, USAFRICOM, directing DoD-contracted commercial support and military augmentation. Despite language in both orders describing the scenario as "hostile" and "contingency-like," the requests failed to meet the legal definition of "contingency operation" (10 U.S.C. 101(a)(13)), or any of the other emergency-type operations at 41 U.S.C. 1903(a). As a result, SEPA was not available to enable streamlined contracting support with potentially life-saving effects. Expanding SEPA to include national emergencies as declared by the President of the United States will cover scenarios like the conflict in Sudan and will enable the Department to deploy contracted capabilities expeditiously during critical military operations not currently covered.

The Department will support current and future President-declared national emergencies and must be equipped with the authorities to deliver capabilities quickly when required to gain a

competitive advantage over our adversaries and to succeed in conflict and crisis. Extending SEPA to national emergencies will provide such authorities to the joint force to leverage the private sector's capabilities efficiently in line with the National Security Strategy to meet the challenges of today and tomorrow.

Resource Information: This proposal has no significant impact on the use of resources requested within the Fiscal Year (FY) 2025 President's Budget.

Changes to Existing Law: This proposal would amend section 1903(a) of title 41, United States Code, as follows:

§1903. Special emergency procurement authority

(a) **APPLICABILITY.**—The authorities provided in subsections (b) and (c) apply with respect to a procurement of property or services by or for an executive agency that the head of the executive agency determines are to be used—

(1) in support of a contingency operation (as defined in section 101(a) of title 10);

(2) to facilitate the defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack against the United States;

(3) in support of a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate the provision of international disaster assistance pursuant to chapter 9 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292 et seq.); ~~or~~

(4) in support of an emergency or major disaster (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122));

(5) in support of a humanitarian or peacekeeping operation (as the term is defined in section 3015(2) of title 10), with the concurrence of the Secretary of State; or

(6) in support of a national emergency declared by the President of the United States.

(b) **INCREASED THRESHOLDS AND LIMITATION.**—For a procurement to which this section applies under subsection (a)—

(1) the amount specified in section 1902(a), (d), and (e) of this title shall be deemed to be-

(A) \$15,000 in the case of a contract to be awarded and performed, or purchase to be made, in the United States; and

(B) \$25,000 in the case of a contract to be awarded and performed, or purchase to be made, outside the United States;

(2) the term “simplified acquisition threshold” means-

(A) \$750,000 in the case of a contract to be awarded and performed, or purchase to be made, in the United States; and

(B) \$1,500,000 in the case of a contract to be awarded and performed, or purchase to be made, outside the United States; and

(3) the \$5,000,000 limitation in sections 1901(a)(2) and 3305(a)(2) of this title and section 3205(a)(2) of title 10 is deemed to be \$10,000,000.

(c) **AUTHORITY TO TREAT PROPERTY OR SERVICE AS COMMERCIAL PRODUCT OR COMMERCIAL SERVICE.**—

(1) **IN GENERAL.**—The head of an executive agency carrying out a procurement of property or a service to which this section applies under subsection (a)(2) may treat the property or service as a commercial product or a commercial service or the purpose of carrying out the procurement.

(2) **CERTAIN CONTRACTS NOT EXEMPT FROM STANDARDS OR REQUIREMENTS.**—A contract in an amount of more than \$15,000,000 that is awarded on a sole source basis for a product or service treated as a commercial product or a commercial service under paragraph (1) is not exempt from—

(A) cost accounting standards prescribed under section 1502 of this title; or

(B) cost or pricing data requirements (commonly referred to as truth in negotiating) under chapter 35 of this title and chapter 271 of title 10.

1 **SEC. ____ . INDO-PACIFIC SECURITY ASSISTANCE INITIATIVE.**

2 Subchapter VI of chapter 16 of title 10, United States Code, is amended by adding at the
3 end the following new section:

4 **“§ 336. Indo-Pacific security assistance initiative**

5 “(a) ASSISTANCE.—The Secretary of Defense, with the concurrence of the Secretary of
6 State, may provide security assistance to friendly military and other security forces and related
7 civilian institutions in the Indo-Pacific region to enhance—

8 “(1) the capabilities of the military and other security forces to defend against
9 coercion or aggression, including by developing combat capability;

10 “(2) the ability of civilian institutions to provide oversight accountability or to
11 manage such forces;

12 “(3) the capabilities of such forces to safeguard controlled information and
13 advanced technology; or

14 “(4) the ability of civilian institutions to provide and share information, support
15 force development decisions, or provide other support to such forces.

16 “(b) USE OF UNITED STATES INVENTORY AND INVENTORY FROM OTHER SOURCES.—The
17 Secretary of Defense, with the concurrence of the Secretary of State, may, in such quantity as the
18 Secretary determines appropriate to achieve the purposes described in subsection (a)—

19 “(1) make available to friendly military and other security forces and related
20 civilian institutions in the Indo-Pacific region defense articles and defense services and
21 recover or dispose of such defense articles; or

22 “(2) make available defense articles to friendly military and other security forces
23 and related civilian institutions to replenish comparable stocks that such forces or such

1 institutions have provided to other friendly military and other security forces and related
2 civilian institutions in the Indo-Pacific region.

3 “(c) ACCEPTANCE OF EQUIPMENT AND FUNDS.—The Secretary of Defense may—

4 “(1) accept and retain contributions, including money, personal property, and
5 services, from foreign governments and other entities to carry out assistance authorized
6 under this section; and

7 “(2) accept and treat as stocks of the Department of Defense equipment procured
8 using amounts authorized to be made available to carry out this section that is—

9 “(A) transferred to authorized recipients and returned by such recipients;

10 or

11 “(B) procured and not yet transferred.

12 “(d) AVAILABILITY OF FUNDS FOR PROGRAMS ACROSS FISCAL YEARS.—Amounts
13 available in a fiscal year to carry out this section may be used for assistance that begins in such
14 fiscal year and ends no later than the end of the second fiscal year thereafter.

15 “(e) NOTIFICATION TO CONGRESS.—

16 (1) IN GENERAL.—Except as provided in paragraph (2), not later than 15 days
17 before providing assistance under subsection (a) or defense articles or defense services
18 under subsection (b), the Secretary of Defense shall transmit to the congressional defense
19 committees, the Committee on Foreign Relations of the Senate, and the Committee on
20 Foreign Relations of the House of Representatives a notice containing a description of the
21 assistance, defense articles, or defense services that will be provided, including—

22 “(A) the objectives of providing the assistance, defense articles, or defense
23 services;

1 “(B) the budget for providing the assistance, defense articles, or defense
2 services; and

3 “(C) the anticipated timeline for delivery of the assistance, defense
4 articles, or defense services.

5 “(2) EXCEPTIONAL CIRCUMSTANCES.—If the Secretary of Defense determines that
6 exceptional circumstances require the provision of assistance under subsection (a) or
7 defense articles or defense services under subsection (b) before the date that is 15 days
8 after notice of the provision of such assistance or such defense articles or defense services
9 is provided under paragraph (1), the Secretary—

10 “(A) may provide such assistance or such defense articles or defense
11 services before that date; and

12 “(B) shall promptly provide to the committees described in paragraph (1)
13 the notice described in that paragraph and an explanation of the circumstances
14 requiring the provision of such assistance or such defense articles or defense
15 services before that date.

16 “(f) TERMINATION.—The authority provided by this section shall terminate on December
17 31, 2029.”.

Section-by-Section Analysis

This proposal would provide the Secretary of Defense with additional authority to deter conflict in the Indo-Pacific region by enhancing the capabilities of certain allies and partners to resist coercion and prepare for contingencies. This proposal would prioritize allies and partners in the Indo-Pacific region that are at risk of invasion by revanchist powers.

This proposed authority is similar to the Ukraine Security Assistance Initiative (USAI) but focused on strengthening deterrence and bolstering partners’ self-defense capabilities in the Indo-Pacific region. The current environment in the Indo-Pacific region requires new approaches beyond the authorities developed for countering violent extremist organizations. USAI has proven an effective tool in bolstering partner capabilities by expanding or creating

opportunities for additional procurement, third-party contributions, and training and key investments beyond support via Foreign Military Sales (FMS) or steady-state training activities. The authorities in this proposal would allow for similar efforts with Indo-Pacific partners.

The Department of Defense will coordinate activities with the Department of State and will ensure these activities work in concert alongside support provided to regional partners via FMS or Direct Commercial Sale, Foreign Military Financing, and DoD-funded institutional capacity building authorities.

Resource Information: The Fiscal Year (FY) 2025 President's Budget requests \$500 million that can be used for Taiwan Presidential Drawdown Authority replenishment and/or IPSAI.

Changes to Existing Law: This proposal would add a new section to subchapter IV of chapter 16 of title 10, United States Code, the full text of which is shown in the legislative language above.

1 **SEC. ___. MULTIYEAR PROCUREMENT REFORM.**

2 (a) INCREASE IN MULTIYEAR PROCUREMENT DOLLAR THRESHOLD.—Section 3501 of title
3 10, United States Code, is amended by striking “\$500,000,000” and inserting “\$1,000,000,000”
4 in each of the following:

5 (1) Subsection (a)(7).

6 (2) Subsection (i)(1).

7 (3) Subsection (l)(3).

8 (4) Subsection (l)(5).

9 (b) INCREASE IN CANCELLATION THRESHOLD.—Section 3501(g) of such title is amended
10 in the heading and in paragraph (1) by striking “\$100,000,000” and inserting “\$250,000,000”.

11 (c) ADVANCED PROCUREMENT FOR SUBCONTRACTORS, VENDORS, AND SUPPLIERS.—
12 Section 3501 of such title is further amended—

13 (1) in subsection (d)—

14 (A) by striking “and” at the end of paragraph (1);

15 (B) by striking the period at the end of paragraph (2) and inserting “; and”

16 and

17 (C) by adding at the end the following new paragraph:

18 “(3) advanced procurement may be authorized for any subcontractor, vendor, or
19 supplier participating in such a contract.”; and

20 (2) in subsection (i)(5)(B)—

21 (A) by striking “property only for the procurement” and inserting

22 “property—

23 “(i) for the procurement”;

- 1 (B) by striking the period at the end and inserting “; and”; and
2 (C) by adding at the end the following:
3 “(ii) to seek, retain, and promote the use of subcontractors, vendors, or
4 suppliers through the use of advanced procurement funding.”.
- 5 (d) DECREASE IN WAITING PERIOD FROM 30 DAYS TO 10 DAYS.—Section 3501 of such
6 title is further amended by striking “30” and inserting “10” in each of the following:
- 7 (1) Subsection (g)(1).
8 (2) Subsection (i)(3).
9 (3) Subsection (l)(1)(A).

[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 reform and streamline multiyear procurement authority (MYP) under section 3501 of title 10, United States Code. Increasing the MYP threshold from \$500 million to \$1 billion will provide for quicker contract awards for programs below the new threshold. The current multiyear procurement process typically takes programs two years to request authorization and then award the contract in the following fiscal year. This adds risk, burden, and uncertainty for both the Services and the defense industrial base. Similarly, raising the threshold on the cancellation ceiling from \$100,000,000 to \$250,000,000 will align it with the MYP threshold increase. No multiyear contract in history has ever been cancelled. Adding in specific language regarding advanced procurement for subcontractors, vendors, and suppliers will provide necessary support that industry has asked for in order to remain flexible and make the investments necessary to support multiyear procurements. Finally, lowering the 30-day waiting period to 10 days between multiyear certification and contract award, or contract ceiling notification and contract award, will reduce risk to production and delivery schedules while still providing time for appropriate congressional notification.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President’s Budget.

Changes to Existing Law: This proposal would amend section 3501 of title 10, United States Code, as follows:

§3501. Multiyear contracts: acquisition of property

(a) IN GENERAL.-To the extent that funds are otherwise available for obligation, the head of an agency may enter into multiyear contracts for the purchase of property whenever the head of that agency finds each of the following:

(1) That the use of such a contract will result in—

(A) significant savings of the total anticipated costs of carrying out the program through annual contracts; or

(B) necessary defense industrial base stability not otherwise achievable through annual contracts.

(2) That the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities.

(3) That there is a reasonable expectation that throughout the contemplated contract period the head of the agency will request funding for the contract at the level required to avoid contract cancellation.

(4) That there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive.

(5) That the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

(6) In the case of a purchase by the Department of Defense, that the use of such a contract will promote the national security of the United States.

(7) In the case of a contract in an amount equal to or greater than ~~\$500,000,000~~ \$1,000,000,000, that the conditions required by subparagraphs (C) through (F) of subsection (i)(3) will be met, in accordance with the Secretary's certification and determination under such subsection, by such contract.

(b) REGULATIONS.- (1) Each official named in paragraph (2) shall prescribe acquisition regulations for the agency or agencies under the jurisdiction of such official to promote the use of multiyear contracting as authorized by subsection (a) in a manner that will allow the most efficient use of multiyear contracting.

(2)(A) The Secretary of Defense shall prescribe the regulations applicable to the Department of Defense.

(B) The Secretary of Homeland Security shall prescribe the regulations applicable to the Coast Guard, except that the regulations prescribed by the Secretary of Defense shall apply to the Coast Guard when it is operating as a service in the Navy.

(C) The Administrator of the National Aeronautics and Space Administration shall prescribe the regulations applicable to the National Aeronautics and Space Administration.

(c) CONTRACT CANCELLATIONS.-The regulations may provide for cancellation provisions in multiyear contracts to the extent that such provisions are necessary and in the best interests of the United States. The cancellation provisions may include consideration of both recurring and nonrecurring costs of the contractor associated with the production of the items to be delivered under the contract.

(d) PARTICIPATION BY SUBCONTRACTORS, VENDORS, AND SUPPLIERS.-In order to broaden the defense industrial base, the regulations shall provide that, to the extent practicable-

(1) multiyear contracting under subsection (a) shall be used in such a manner as to seek, retain, and promote the use under such contracts of companies that are subcontractors, vendors, or suppliers; and

(2) upon accrual of any payment or other benefit under such a multiyear contract to any subcontractor, vendor, or supplier company participating in such contract, such payment or benefit shall be delivered to such company in the most expeditious manner practicable.

(3) advanced procurement may be authorized for any subcontractor, vendor, or supplier participating in such a contract.

(e) PROTECTION OF EXISTING AUTHORITY.-The regulations shall provide that, to the extent practicable, the administration of this section, and of the regulations prescribed under this section, shall not be carried out in a manner to preclude or curtail the existing ability of an agency-

(1) to provide for competition in the production of items to be delivered under such a contract; or

(2) to provide for termination of a prime contract the performance of which is deficient with respect to cost, quality, or schedule.

(f) CANCELLATION OR TERMINATION FOR INSUFFICIENT FUNDING.-In the event funds are not made available for the continuation of a contract made under this section into a subsequent fiscal year, the contract shall be canceled or terminated. The costs of cancellation or termination may be paid from-

(1) appropriations originally available for the performance of the contract concerned;

(2) appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or

(3) funds appropriated for those payments.

(g) CONTRACT CANCELLATION CEILINGS EXCEEDING ~~\$100,000,000~~ \$250,000,000.-⁽¹⁾ Before any contract described in subsection (a) that contains a clause setting forth a cancellation ceiling in excess of ~~\$100,000,000~~ \$250,000,000 may be awarded, the head of the agency concerned shall give written notification of the proposed contract and of the proposed cancellation ceiling for that contract to the congressional defense committees, and such contract may not then be awarded until the end of a period of ~~30~~ 10 days beginning on the date of such notification.

(2) In the case of a contract described in subsection (a) with a cancellation ceiling described in paragraph (1), if the budget for the contract does not include proposed funding for the costs of contract cancellation up to the cancellation ceiling established in the contract, the head of the agency concerned shall, as part of the certification required by subsection (i)(1)(A),¹ give written notification to the congressional defense committees of-

(A) the cancellation ceiling amounts planned for each program year in the proposed multiyear procurement contract, together with the reasons for the amounts planned;

(B) the extent to which costs of contract cancellation are not included in the budget for the contract; and

(C) a financial risk assessment of not including budgeting for costs of contract cancellation.

(h) DEFENSE ACQUISITIONS OF WEAPON SYSTEMS.-In the case of the Department of Defense, the authority under subsection (a) includes authority to enter into the following multiyear contracts in accordance with this section:

(1) A multiyear contract for the purchase of a weapon system, items and services associated with a weapon system, and logistics support for a weapon system.

(2) A multiyear contract for advance procurement of components, parts, and materials necessary to the manufacture of a weapon system, including a multiyear contract for such advance procurement that is entered into in order to achieve economic-lot purchases and more efficient production rates.

(i) DEFENSE ACQUISITIONS SPECIFICALLY AUTHORIZED BY LAW.-(1) In the case of the Department of Defense, a multiyear contract in an amount equal to or greater than ~~\$500,000,000~~ \$1,000,000,000 may not be entered into under this section unless the contract is specifically authorized by law in an Act other than an appropriations Act.

(2) In submitting a request for a specific authorization by law to carry out a defense acquisition program using multiyear contract authority under this section, the Secretary of Defense shall include in the request a report containing preliminary findings of the agency head required in paragraphs (1) through (6) of subsection (a), together with the basis for such findings.

(3) A multiyear contract may not be entered into under this section for a defense acquisition program that has been specifically authorized by law to be carried out using multiyear contract authority unless the Secretary of Defense certifies in writing, not later than ~~30~~ 10 days before entry into the contract, that each of the following conditions is satisfied:

(A) The Secretary has determined that each of the requirements in paragraphs (1) through (6) of subsection (a) will be met by such contract and has provided the basis for such determination to the congressional defense committees.

(B) The Secretary's determination under subparagraph (A) was made after completion of a cost analysis conducted on the basis of section 3226(b) of this title, and the analysis supports the determination.

(C) The system being acquired pursuant to such contract has not been determined to have experienced cost growth in excess of the critical cost growth threshold pursuant to [section 4374](#) of this title within 5 years prior to the date the Secretary anticipates such contract (or a contract for advance procurement entered into consistent with the authorization for such contract) will be awarded.

(D) A sufficient number of end items of the system being acquired under such contract have been delivered at or within the most current estimates of the program acquisition unit cost or procurement unit cost for such system to determine that current estimates of such unit costs are realistic.

(E) During the fiscal year in which such contract is to be awarded, sufficient funds will be available to perform the contract in such fiscal year, and the future-years defense program for such fiscal year will include the funding required to execute the program without cancellation.

(F) The contract is a fixed price type contract.

(G) The proposed multiyear contract provides for production at not less than minimum economic rates given the existing tooling and facilities.

(4) If for any fiscal year a multiyear contract to be entered into under this section is authorized by law for a particular procurement program and that authorization is subject to certain conditions established by law (including a condition as to cost savings to be achieved under the

multiyear contract in comparison to specified other contracts) and if it appears (after negotiations with contractors) that such savings cannot be achieved, but that significant savings could nevertheless be achieved through the use of a multiyear contract rather than specified other contracts, the President may submit to Congress a request for relief from the specified cost savings that must be achieved through multiyear contracting for that program. Any such request by the President shall include details about the request for a multiyear contract, including details about the negotiated contract terms and conditions.

(5)(A) The Secretary may obligate funds for procurement of an end item under a multiyear contract for the purchase of property only for procurement of a complete and usable end item.

(B) The Secretary may obligate funds appropriated for any fiscal year for advance procurement under a contract for the purchase of property ~~only~~

(i) for the procurement of those long-lead items necessary in order to meet a planned delivery schedule for complete major end items that are programmed under the contract to be acquired with funds appropriated for a subsequent fiscal year (including an economic order quantity of such long-lead items when authorized by law); and

(ii) to seek, retain, and promote the use of subcontractors, vendors, or suppliers through the use of advanced procurement funding.

(6) The Secretary may make the certification under paragraph (3) notwithstanding the fact that one or more of the conditions of such certification are not met, if the Secretary determines that, due to exceptional circumstances, proceeding with a multiyear contract under this section is in the best interest of the Department of Defense and the Secretary provides the basis for such determination with the certification.

(7) The Secretary may not delegate the authority to make the certification under paragraph (3) or the determination under paragraph (6) to an official below the level of Under Secretary of Defense for Acquisition and Sustainment.

(j) DEFENSE CONTRACT OPTIONS FOR VARYING QUANTITIES.-The Secretary of Defense may instruct the Secretary of the military department concerned to incorporate into a proposed multiyear contract negotiated priced options for varying the quantities of end items to be procured over the period of the contract.

(k) MULTIYEAR CONTRACT DEFINED.-For the purposes of this section, a multiyear contract is a contract for the purchase of property for more than one, but not more than five, program years. Such a contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and (if it does so provide) may provide for a cancellation payment to be made to the contractor if such appropriations are not made.

(l) VARIOUS ADDITIONAL REQUIREMENTS WITH RESPECT TO MULTIYEAR DEFENSE CONTRACTS.-(1)(A) The head of an agency may not initiate a contract described in subparagraph (B) unless the congressional defense committees are notified of the proposed contract at least ~~30~~ 10 days in advance of the award of the proposed contract.

(B) Subparagraph (A) applies to the following contracts:

(i) A multiyear contract-

(I) that employs economic order quantity procurement in excess of \$20,000,000 in any one year of the contract; or

(II) that includes an unfunded contingent liability in excess of \$20,000,000.

(ii) Any contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of \$20,000,000 in any one year.

(2) The head of an agency may not initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability.

(3) The head of an agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of the multiyear contract would exceed ~~\$500,000,000~~ \$1,000,000,000 unless authority for the contract is specifically provided in an appropriations Act.

(4) Each report required by paragraph (5) with respect to a contract (or contract extension) shall contain the following:

(A) The amount of total obligational authority under the contract (or contract extension) and the percentage that such amount represents of-

- (i) the applicable procurement account; and
- (ii) the agency procurement total.

(B) The amount of total obligational authority under all multiyear procurements of the agency concerned (determined without regard to the amount of the multiyear contract (or contract extension)) under multiyear contracts in effect at the time the report is submitted and the percentage that such amount represents of-

- (i) the applicable procurement account; and
- (ii) the agency procurement total.

(C) The amount equal to the sum of the amounts under subparagraphs (A) and (B), and the percentage that such amount represents of-

- (i) the applicable procurement account; and
- (ii) the agency procurement total.

(D) The amount of total obligational authority under all Department of Defense multiyear procurements (determined without regard to the amount of the multiyear contract (or contract extension)), including any multiyear contract (or contract extension) that has been authorized by the Congress but not yet entered into, and the percentage that such amount represents of the procurement accounts of the Department of Defense treated in the aggregate.

(5) The head of an agency may not enter into a multiyear contract (or extend an existing multiyear contract), the value of which would exceed ~~\$500,000,000~~ \$1,000,000,000 (when entered into or when extended, as the case may be), until the Secretary of Defense submits to the congressional defense committees a report containing the information described in paragraph (4) with respect to the contract (or contract extension).

(6) The head of an agency may not terminate a multiyear procurement contract until 10 days after the date on which notice of the proposed termination is provided to the congressional defense committees.

(7) The execution of multiyear contracting authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

(8) This subsection does not apply to the National Aeronautics and Space Administration or to the Coast Guard.

(9) In this subsection:

(A) The term "applicable procurement account" means, with respect to a multiyear procurement contract (or contract extension), the appropriation account from which payments to execute the contract will be made.

(B) The term “agency procurement total” means the procurement accounts of the agency entering into a multiyear procurement contract (or contract extension) treated in the aggregate.

(m) INCREASED FUNDING AND REPROGRAMMING REQUESTS.-Any request for increased funding for the procurement of a major system under a multiyear contract authorized under this section shall be accompanied by an explanation of how the request for increased funding affects the determinations made by the Secretary under subsection (i).

1 **SEC. ____ . STREAMLINING OF MILESTONE A REQUIREMENTS.**

2 Section 4251 of title 10, United States Code, is amended—

3 (1) in the section heading, by striking “**determination required**” and inserting
4 “**factors to be considered**”;

5 (2) by amending subsection (b) to read as follows:

6 “(b) FACTORS TO BE CONSIDERED FOR MILESTONE A APPROVAL.—A major defense
7 acquisition program or subprogram may not receive Milestone A approval or otherwise be
8 initiated prior to Milestone B approval until the milestone decision authority confirms that the
9 following factors were considered in the decision to grant Milestone A approval:

10 “(1) The program or subprogram fulfills an approved requirements document.

11 “(2) The program or subprogram has been developed in light of appropriate
12 market research.

13 “(3) With respect to any identified areas of risk, there is a plan to reduce the risk.

14 “(4) Planning for sustainment has been addressed.

15 “(5) An analysis of alternatives has been performed consistent with study
16 guidance developed by the Director of Cost Assessment and Program Evaluation.

17 “(6) A cost estimate for the program or subprogram has been submitted, with the
18 concurrence of the Director of Cost Assessment and Program Evaluation, and the level of
19 resources required to develop, procure, and sustain the program is sufficient for
20 successful program execution.

21 “(7) The program or subprogram meets any other considerations the milestone
22 decision authority considers relevant.”;

1 (3) by redesignating subsections (c) and (d) as subsections (d) and (e),
2 respectively;

3 (4) by inserting before subsection (d), as so redesignated, the following new
4 subsection:

5 “(c) WRITTEN RECORD OF MILESTONE DECISION.—The milestone decision
6 authority shall issue a written record of decision at the time that Milestone A approval is
7 granted. The record shall confirm compliance with subsection (b) and specifically state
8 that the milestone decision authority considered the factors described in subsection (b)
9 prior to the decision to grant milestone approval. The milestone decision authority shall
10 retain records of the basis for the milestone decision.”;

11 (5) in subsection (d), as redesignated by paragraph (3) of this subsection—

12 (A) in paragraph (1)—

13 (i) in the paragraph heading, by striking “BRIEF SUMMARY REPORT”
14 and inserting “NOTIFICATION”; and

15 (ii) by striking “a brief summary report that contains the following
16 elements” and all that follows through the period at the end and inserting
17 “a written record of the milestone decision.”;

18 (B) in paragraph (2)—

19 (i) in subparagraph (A)—

20 (I) by striking “a determination made under subsection (b)”
21 and inserting “the decision to grant Milestone A approval”;

22 (II) by striking “, together with a copy of the written
23 determination,”; and

1 (III) by striking “for the information in a brief summary
2 report” and all that follows before the period at the end; and
3 (ii) in subparagraph (B), by inserting “additional” before
4 “information”; and
5 (6) in subsection (e), as redesignated by paragraph (3) of this subsection—
6 (A) in paragraph (1), by striking “initial capabilities document” and
7 inserting “requirements document”;
8 (B) by striking paragraphs (4), (6), and (7);
9 (C) by redesignating paragraphs (5) and (8) as paragraphs (4) and (5),
10 respectively; and
11 (D) by inserting after paragraph (5), as so redesignated, the following new
12 paragraph:
13 “(6) The term ‘written record of milestone decision’, with respect to a major
14 defense acquisition program or a major subprogram, means a document signed by the
15 milestone decision authority that formalizes approved entry of the program or
16 subprogram into the next phase of the acquisition process.”.

[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 modifies section 4251 of title 10, United States Code (U.S.C.), to streamline the Milestone A approval process for Major Defense Acquisition Programs. Milestone A is the decision under the Major Capability Acquisition pathway for an acquisition program to enter the technology maturation and risk reduction phase. The desired effect of this proposal is to 1) support tailoring of the acquisition process (thereby focusing decisions on key issues and risks in each program); and 2) reduce redundant and unnecessary documentation burdens on the Program Manager responsible for demonstrating that the program is eligible for approval by Department of Defense (DoD) officials.

Beginning with the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016, Congress legislated significant acquisition reforms. Among others, these reforms included the creation of the Middle Tier of Acquisition pathway and the subsequent establishment of the Software Acquisition Pathway (authority for continuous integration and delivery of software applications and upgrades to embedded systems) as part of the FY 2020 NDAA.¹ In line with these statutory reforms, the DoD established the Adaptive Acquisition Framework, consisting of six distinct pathways. The creation of these new pathways recognized that acquisition programs are unique, and that reviews, processes, and information requirements should be customized to accommodate the characteristics of a program. The new framework encourages thoughtful tailoring of acquisition requirements to balance speed and oversight based on a program's unique characteristics and risk. However, existing statutory requirements continue to perpetuate one-size-fits-all documentation requirements throughout the acquisition lifecycle. In particular, the written determination and extensive reporting required at milestone decisions creates a bureaucratic bottleneck and imposes significant internal staffing requirements. A Government Accountability Office survey found, on average, that acquisition programs spend over two years completing information requirements requiring an average of 5,600 staff days for their most recent milestone decision.² Of these requirements, nearly half were identified as not highly valued by the acquisition programs completing them. This proposal revises the requirements under section 4251 of title 10, U.S.C., to streamline the documentation required to comply with the Milestone A decision.

Specifically, this proposal seeks to make the following modifications to section 4251:

First, it seeks to streamline the acquisition process by replacing the requirement to provide a written certification of the milestone decision with a requirement for the milestone decision authority to confirm, as appropriate, that the program has satisfied the required conditions prior to Milestone A approval. It further allows the milestone decision authority to affirm compliance within the 'written record of milestone decision,' which may be existing program documentation (e.g., an Acquisition Decision Memorandum). Eliminating the requirement to develop a separate written certification and record of compliance will help to reduce internal documentation requirements, staffing, and coordination timelines for a milestone decision.

Second, the proposal replaces the very specific considerations that must be factored by the milestone decision authority prior to a Milestone A decision with a broader set of required findings that generally describe critical risks affecting acquisition programs. Importantly, the proposed revisions to this statute do not eliminate the program risk areas that Congress directs a milestone decision authority to consider in making a Milestone A determination. The changes instead create flexibility for a broader discussion regarding the approaches taken to address the specific risks that Congress has identified. This approach reflects the wide diversity of programs that the Army and DoD currently execute and supports flexibility and tailored approaches consistent with acquisition reform efforts in recent years. The revised and streamlined certification requirements are appropriate at Milestone A as very little detail

¹ Sec. 800, National Defense Authorization Act for Fiscal Year 2020, Pub. L. No. 116-92, §800, 133 Stat. 1478 (2019).

² U.S. Gov't Government Accountability Off, GAO-15-192, Acquisition Reform: DOD Should Streamline Its Decision-Making Process for Weapon Systems to Reduce Inefficiencies, 6, (2015).

is known regarding system requirements, technical designs, and corresponding risk reduction approaches this early in the acquisition lifecycle.

Finally, the proposal streamlines the congressional reporting requirement by allowing the milestone decision authority to provide the written record of the milestone decision to the congressional defense committees in lieu of a separate brief summary report. Eliminating a separate congressional reporting requirement will save significant staffing time and use of program resources to comply with duplicative requirements. This proposal would also require that an explanation of the decision and additional program documentation be provided to Congressional committees upon request.

In conclusion, this proposal seeks to reduce the administrative burden associated with the Milestone A approval process while ensuring that key issues and risks are considered, that program accountability and success are prioritized, and that Congress is kept fully informed.

Resource Information: This proposal has no impact on the use of resources requested within the Fiscal Year (FY) 2025 President’s Budget request.

Changes to Existing Law: This proposal would amend section 4251 of title 10, United States Code as follows:

§ 4251. Major defense acquisition programs: factors to be considered ~~determination required~~ before Milestone A approval

(a) RESPONSIBILITIES.—Before granting Milestone A approval for a major defense acquisition program or a major subprogram, the milestone decision authority for the program or subprogram shall ensure that-

- (1) information about the program or subprogram is sufficient to warrant entry of the program or subprogram into the risk reduction phase;
- (2) the Secretary of the military department concerned and the Chief of the armed force concerned concur in the cost, schedule, technical feasibility, and performance trade-offs that have been made with regard to the program; and
- (3) there are sound plans for progression of the program or subprogram to the development phase.

(b) ~~FACTORS TO BE CONSIDERED FOR MILESTONE A APPROVAL~~ ~~WRITTEN DETERMINATION REQUIRED~~.—A major defense acquisition program or subprogram may not receive Milestone A approval or otherwise be initiated prior to Milestone B approval until the milestone decision authority confirms that the following factors were considered in the decision to grant Milestone A approval: determines in writing, after consultation with the Joint Requirements Oversight Council on matters related to program requirements and military needs-

- (1) ~~that the~~ The program or subprogram fulfills an approved requirements ~~initial capabilities~~ document;
- (2) ~~that the~~ The program or subprogram has been developed in light of appropriate market research;

~~(3) if the program duplicates a capability already provided by an existing system, the duplication provided by such program is necessary and appropriate;~~

~~(34) that, with With respect to any identified areas of risk, including risks determined by the identification of critical technologies required under section 4272(a)(1) of this title or any other risk assessment, there is a plan to reduce the risk;~~

~~(45) that planning Planning for sustainment has been addressed and that a determination of applicability of core logistics capabilities requirements has been made;~~

~~(56) that an An analysis of alternatives has been performed consistent with study guidance developed by the Director of Cost Assessment and Program Evaluation;~~

~~(67) that a A cost estimate for the program or subprogram has been submitted, with the concurrence of the Director of Cost Assessment and Program Evaluation, and that the level of resources required to develop, procure, and sustain the program is sufficient for successful program execution;~~

~~(8) that, with respect to a program initiated after January 1, 2019, technology shall be developed in the program (after Milestone A approval) only if the milestone decision authority determines with a high degree of confidence that such development will not delay the fielding target of the program, or, if the milestone decision authority does not make such determination for a major system component being developed under the program, the milestone decision authority ensures that the technology related to the major system component shall be sufficiently matured and demonstrated in a relevant environment (after Milestone A approval) separate from the program using the prototyping authorities in subchapter II of chapter 327 of this title or other authorities, as appropriate, and have an effective plan for adoption or insertion by the relevant program; and~~

~~(79) that the The program or subprogram meets any other considerations the milestone decision authority considers relevant.~~

(c) WRITTEN RECORD OF MILESTONE DECISION.—The milestone decision authority shall issue a written record of decision at the time that Milestone A approval is granted. The record shall confirm compliance with subsection (b) and specifically state that the milestone decision authority considered the factors described in subsection (b) prior to the decision to grant milestone approval. The milestone decision authority shall retain records of the basis for the milestone decision.

(de) SUBMISSIONS TO CONGRESS ON MILESTONE A.-

(1) NOTIFICATION BRIEF SUMMARY REPORT.—Not later than 15 days after granting Milestone A approval for a major defense acquisition program, the milestone decision authority for the program shall provide to the congressional defense committees and, in the case of intelligence or intelligence-related activities, the congressional intelligence committees a written record of the milestone decision, a brief summary report that contains the following elements:

(A) The program cost and fielding targets established under section 4271(a) of this title.

(B) The estimated cost and schedule for the program established by the military department concerned, including—

~~(i) the dollar values estimated for the program acquisition unit cost and total life cycle cost; and~~

~~(ii) the planned dates for each program milestone and initial operational capability.~~

~~(C) The independent estimated cost for the program established pursuant to section 3221(b)(6) of this title, and any independent estimated schedule for the program, including-~~

~~(i) as assessment of the major contributors to the program acquisition unit cost and total life cycle cost; and~~

~~(ii) the planned dates for each program milestone and initial operational capability.~~

~~(D) A summary of the technical or manufacturing risks associated with the program, as determined by the military department concerned, including identification of any critical technologies or manufacturing processes that need to be matured.~~

~~(E) A summary of the independent technical risk assessment conducted or approved under section 4272 of this title, including identification of any critical technologies or manufacturing processes that need to be matured.~~

~~(F) A summary of any sufficiency review conducted by the Director of Cost Assessment and Program Evaluation of the analysis of alternatives performed for the program (as referred to in subsection (b)(6)).~~

~~(G) Any other information the milestone decision authority considers relevant.~~

(2) ~~ADDITIONAL INFORMATION.—(A) At the request of any of the congressional defense committees or, in the case of intelligence or intelligence-related activities, the congressional intelligence committees, the milestone decision authority shall submit to the committee an explanation of the basis for a determination made under subsection (b) the decision to grant Milestone A approval with respect to a major defense acquisition program, together with a copy of the written determination, or further information or underlying documentation for the information in a brief summary report submitted under paragraph (1), including the independent cost and schedule estimates and the independent technical risk assessments referred to in that paragraph.~~

~~(B) The explanation or additional information shall be submitted in unclassified form, but may include a classified annex.~~

~~(e)~~ DEFINITIONS.—In this section:

~~(1) The term “requirements document” “~~initial capabilities document~~” means any capabilities requirement document approved by the Joint Requirements Oversight Council that establishes the need for a materiel approach to resolve a capability gap.~~

~~(2) The term "Milestone A approval" means a decision to enter into technology maturation and risk reduction pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.~~

~~(3) The term "Milestone B approval" has the meaning provided that term in section 4172(e)(7) of this title.~~

~~(4) The term "core logistics capabilities" means the core logistics capabilities identified under section 2464(a) of this title.~~

(45) The term "milestone decision authority", with respect to a major defense acquisition program or a major subprogram, means the official within the Department of Defense designated with the overall responsibility and authority for acquisition decisions for the program or subprogram, including authority to approve entry of the program or subprogram into the next phase of the acquisition process.

~~(6) The term "fielding target" has the meaning given that term in section 4271(a) of this title.~~

~~(7) The term "major system component" has the meaning given that term in section 4401(b)(3) of this title.~~

~~(58) The term "congressional intelligence committees" has the meaning given that term in section 437(c) of this title.~~

(6) The term "written record of milestone decision", with respect to a major defense acquisition program or a major subprogram, means a document signed by the milestone decision authority that formalizes approved entry of the program or subprogram into the next phase of the acquisition process.