

114TH CONGRESS  
1ST SESSION

# H. R. 1735

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.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2015

Mr. THORNBERRY (for himself and Mr. SMITH of Washington) introduced the following bill; which was referred to the Committee on Armed Services

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## 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 Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “National Defense Au-  
5       thorization Act for Fiscal Year 2016”.

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

3 (a) DIVISIONS.—This Act is organized into two divi-  
 4 sions as follows:

5 (1) Division A—Department of Defense Au-  
 6 thorizations.

7 (2) Division B—Military Construction Author-  
 8 izations.

9 (b) TABLE OF CONTENTS.—The table of contents for  
 10 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. Multiyear procurement authority for Standard Missile-3 Block IB  
 guided missiles.

Sec. 106. 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 conven-  
 tional long-range standoff weapon before retirement of the con-  
 ventionally Armed AGM-86 Missile.

TITLE III—OPERATION AND MAINTENANCE

Sec. 301. Operation and maintenance funding.

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.

#### TITLE V—MILITARY PERSONNEL POLICY

##### Subtitle E—Other Matters

- Sec. 545. Required provision of preseparation counseling.

#### TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

##### Subtitle B—Bonuses and Special and Incentive Pays

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

#### 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-protégée pilot program.

- Sec. 832. Streamlining of reporting requirements applicable to Assistant Secretary of Defense for Research and Engineering regarding major defense acquisition programs.
- Sec. 833. Revision to required distribution of assistance under Procurement Technical Assistance Cooperative Agreement Program.

#### TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

- Sec. 901. 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. 902. 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 C—Naval Vessels and Shipyards

- Sec. 1021. Extension of authority for reimbursement of expenses for certain Navy mess operations afloat.
- Sec. 1022. Refueling and complex overhaul of Nimitz-class aircraft carriers.

##### 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.
- Sec. 1209. Reimbursements for certain counterinsurgency, counterterrorism and stabilization operations carried out by Pakistan.
- Sec. 1210. NATO Special Operations Headquarters.
- Sec. 1211. Afghanistan Security Forces Fund.

#### TITLE XIV—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.

#### DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

##### 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.

Sec. 2803. Annual locality adjustment of dollar thresholds applicable to unspecified minor military construction authorities.

## 1           **TITLE I—PROCUREMENT**

### 2   **SEC. 101. ARMY.**

3           Funds are hereby authorized to be appropriated for  
4 fiscal year 2016 for procurement for 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,  
8 \$1,887,073,000.

9           (4) For ammunition, \$1,233,378,000.

10          (5) For other procurement, \$5,899,028,000.

### 11 **SEC. 102. NAVY AND MARINE CORPS.**

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

15          (1) For aircraft, \$16,126,405,000.

16          (2) For weapons, including missiles and tor-  
17 pedoes, \$3,154,154,000.

18          (3) For ammunition procurement, Navy and  
19 Marine Corps, \$723,741,000.

20          (4) For shipbuilding and conversion,  
21 \$16,597,457,000.

22          (5) For other procurement, \$6,614,715,000.

1           (6) For procurement, Marine Corps,  
2           \$1,131,418,000.

3 **SEC. 103. AIR FORCE.**

4           Funds are hereby authorized to be appropriated for  
5 fiscal year 2016 for procurement for the Air Force as fol-  
6 lows:

7           (1) For aircraft, \$15,657,769,000.

8           (2) For missiles, \$2,987,045,000.

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

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

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

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

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

16 **SEC. 105. MULTIYEAR PROCUREMENT AUTHORITY FOR**  
17                   **STANDARD MISSILE-3 BLOCK IB GUIDED MIS-**  
18                   **SILES.**

19          (a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—  
20 Subject to section 2306b of title 10, United States Code,  
21 the Secretary of Defense may enter into one or more  
22 multiyear contracts, beginning with the fiscal year 2016  
23 program year, for the procurement of Standard Missile-  
24 3 Block IB guided missiles.

1 (b) AUTHORITY FOR ADVANCE PROCUREMENT.—The  
2 Secretary may enter into one or more contracts for ad-  
3 vance procurement associated with the SM–3 Block IB  
4 missiles for which authorization to enter into a multiyear  
5 procurement contract is provided under subsection (a).

6 (c) CONDITION FOR OUT-YEAR CONTRACT PAY-  
7 MENTS.—A contract entered into under subsection (a)  
8 shall provide that any obligation of the United States to  
9 make a payment under the contract for a fiscal year after  
10 fiscal year 2016 is subject to the availability of appropria-  
11 tions for that purpose for such later fiscal year.

12 **SEC. 106. AVAILABILITY OF AIR FORCE PROCUREMENT**  
13 **FUNDS FOR CERTAIN COMMERCIAL-OFF-THE-**  
14 **SHELF PARTS FOR INTERCONTINENTAL BAL-**  
15 **LISTIC MISSILE FUZES.**

16 (a) AVAILABILITY OF PROCUREMENT FUNDS.—Not-  
17 withstanding section 1502(a) of title 31, United States  
18 Code, of the amount authorized to be appropriated for fis-  
19 cal year 2016 by section 103 for Missile Procurement, Air  
20 Force, \$13,700,000 shall be available for the procurement  
21 of covered parts pursuant to contracts entered into under  
22 section 1645 of the Carl Levin and Howard P. “Buck”  
23 McKeon National Defense Authorization Act for Fiscal  
24 Year 2015 (Public Law 113–291; 128 Stat. YYY).



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

4 **TITLE II—RESEARCH, DEVELOP-**  
5 **MENT, TEST, AND EVALUA-**  
6 **TION**

7 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

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

11 (1) For the Army, \$6,924,959,000.

12 (2) For the Navy, \$17,885,916,000.

13 (3) For the Air Force, \$26,473,669,000.

14 (4) For Defense-wide activities,  
15 \$18,329,861,000.

16 (5) For the Director of Operational Test and  
17 Evaluation, \$170,558,000.

18 **SEC. 202. REPEAL OF REQUIREMENT FOR INITIAL OPER-**  
19 **ATING CAPABILITY OF A CONVENTIONAL**  
20 **LONG-RANGE STANDOFF WEAPON BEFORE**  
21 **RETIREMENT OF THE CONVENTIONALLY**  
22 **ARMED AGM-86 MISSILE.**

23 Section 217(a)(1) of the National Defense Authoriza-  
24 tion Act for Fiscal Year 2014 (Public Law 113–66; 127  
25 Stat. 706) is amended—

- 1 (1) by striking subparagraph (A);
- 2 (2) in subparagraph (B), by striking “and”;
- 3 (3) by redesignating subparagraph (B) as sub-
- 4 paragraph (A); and
- 5 (4) by inserting after subparagraph (A), as so
- 6 redesignated, the following new subparagraph (B):

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

## 9 **TITLE III—OPERATION AND**

## 10 **MAINTENANCE**

### 11 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

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

- 17 (1) For the Army, \$35,107,546,000.
- 18 (2) For the Navy, \$42,200,756,000.
- 19 (3) For the Marine Corps, \$6,228,782,000.
- 20 (4) For the Air Force, \$38,191,929,000.
- 21 (5) For Defense-wide activities,
- 22 \$32,440,843,000.
- 23 (6) For the Army Reserve, \$2,665,792,000.
- 24 (7) For the Navy Reserve, \$1,001,758,000.

1           (8) For the Marine Corps Reserve,  
2           \$277,036,000.

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

4           (10) For the Army National Guard,  
5           \$6,717,977,000.

6           (11) For the Air National Guard,  
7           \$6,956,210,000.

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

10          (13) For the Department of Defense Acquisi-  
11          tion Workforce Development Fund, \$84,140,000.

12          (14) For Environmental Restoration, Army,  
13          \$234,829,000.

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

16          (16) For Environmental Restoration, Air Force,  
17          \$368,131,000.

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

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

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

24          (20) For Cooperative Threat Reduction pro-  
25          grams, \$358,496,000.

1                   **TITLE IV—MILITARY**  
2           **PERSONNEL AUTHORIZATIONS**  
3                   **Subtitle A—Active Forces**

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

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

- 7                   (1) The Army, 475,000.  
8                   (2) The Navy, 329,200.  
9                   (3) The Marine Corps, 184,000.  
10                  (4) The Air Force, 317,000.

11                   **Subtitle B—Reserve Forces**

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

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

- 16                   (1) The Army National Guard of the United  
17   States, 342,000.  
18                   (2) The Army Reserve, 198,000.  
19                   (3) The Navy Reserve, 57,400.  
20                   (4) The Marine Corps Reserve, 38,900.  
21                   (5) The Air National Guard of the United  
22   States, 105,500.  
23                   (6) The Air Force Reserve, 69,200.  
24                   (7) The Coast Guard Reserve, 7,000.

1       (b) END STRENGTH REDUCTIONS.—The end  
2 strengths prescribed by subsection (a) for the Selected Re-  
3 serve of any reserve component shall be proportionately  
4 reduced by—

5           (1) the total authorized strength of units orga-  
6 nized to serve as units of the Selected Reserve of  
7 such component which are on active duty (other  
8 than for training) at the end of the fiscal year; and

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

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

1 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**  
2 **DUTY IN SUPPORT OF THE RESERVES.**

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

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

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

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

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

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

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

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

20 The minimum number of military technicians (dual  
21 status) as of the last day of fiscal year 2016 for the re-  
22 serve components of the Army and the Air Force (notwith-  
23 standing section 129 of title 10, United States Code) shall  
24 be the following:

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

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

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

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

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

7 (a) LIMITATIONS.—

8 (1) NATIONAL GUARD.—Within the limitation  
9 provided in section 10217(c)(2) of title 10, United  
10 States Code, the number of non-dual status techni-  
11 cians employed by the National Guard as of Sep-  
12 tember 30, 2016, may not exceed the following:

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

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

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

20 (3) AIR FORCE RESERVE.—The number of non-  
21 dual status technicians employed by the Air Force  
22 Reserve as of September 30, 2016, may not exceed  
23 90.

24 (b) NON-DUAL STATUS TECHNICIANS DEFINED.—In  
25 this section, the term “non-dual status technician” has the

1 meaning given that term in section 10217(a) of title 10,  
2 United States Code.

3 **SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AU-**  
4 **THORIZED TO BE ON ACTIVE DUTY FOR**  
5 **OPERATIONAL SUPPORT.**

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

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

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

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

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

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

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

19 **TITLE V—MILITARY PERSONNEL**  
20 **POLICY**

21 **Subtitle E—Other Matters**

22 **SEC. 545. REQUIRED PROVISION OF PRESEPARATION**  
23 **COUNSELING.**

24 (a) CLARIFICATION OF REQUIREMENT FOR 180 CON-  
25 TINUOUS DAYS OF ACTIVE DUTY SERVICE.—Subpara-



1 graph (A) of section 1142(a)(4) of title 10, United States  
2 Code, is amended by inserting “continuous” after “first  
3 180”.

4 (b) EXCLUSION OF TRAINING FROM PERIODS OF AC-  
5 TIVE DUTY.—Such section is further amended by adding  
6 at the end the following new subparagraph:

7 “(C) For purposes of subparagraph (A),  
8 the term ‘active duty’ does not include full-time  
9 training duty, annual training duty, and attend-  
10 ance, while in the active military service, at a  
11 school designated as a service school by law or  
12 by the Secretary of the military department  
13 concerned.”.

14 **TITLE VI—COMPENSATION AND**  
15 **OTHER PERSONNEL BENEFITS**  
16 **Subtitle B—Bonuses and Special**  
17 **and Incentive Pays**

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

20 (a) AUTHORITIES RELATING TO RESERVE  
21 FORCES.—The following sections of title 37, United  
22 States Code, are amended by striking “December 31,  
23 2015” and inserting “December 31, 2016”:

24 (1) Section 308b(g), relating to Selected Re-  
25 serve reenlistment bonus.

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

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

6           (4) Section 308g(f)(2), relating to Ready Re-  
7           serve enlistment bonus for persons without prior  
8           service.

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

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

15          (7) Section 910(g), relating to income replace-  
16          ment payments for reserve component members ex-  
17          periencing extended and frequent mobilization for  
18          active duty service.

19          (b) TITLE 10 AUTHORITIES RELATING TO HEALTH  
20          CARE PROFESSIONALS.—The following sections of title  
21          10, United States Code, are amended by striking “Decem-  
22          ber 31, 2015” and inserting “December 31, 2016”:

23                 (1) Section 2130a(a)(1), relating to nurse offi-  
24                 cer candidate accession program.

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

4           (c) TITLE 37 AUTHORITIES RELATING TO HEALTH  
5 CARE PROFESSIONALS.—The following sections of title  
6 37, United States Code, are amended by striking “Decem-  
7 ber 31, 2015” and inserting “December 31, 2016”:

8           (1) Section 302c–1(f), relating to accession and  
9           retention bonuses for psychologists.

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

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

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

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

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

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

1           (8) Section 3021(g), relating to accession bonus  
2           for dental specialist officers in critically short war-  
3           time specialties.

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

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

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

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

15          (e) AUTHORITIES RELATING TO TITLE 37 CONSOLI-  
16          DATED SPECIAL PAY, INCENTIVE PAY, AND BONUS AU-  
17          THORITIES.—The following sections of title 37, United  
18          States Code, are amended by striking “December 31,  
19          2015” and inserting “December 31, 2016”:

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

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

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

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

3           (5) Section 335(k), relating to bonus and incen-  
4 tive pay authorities for officers in health professions.

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

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

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

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

14          (10) Section 355(h), relating to retention incen-  
15 tives for members qualified in critical military skills  
16 or assigned to high priority units.

17          (f) OTHER TITLE 37 BONUS AND SPECIAL PAY AU-  
18 THORITIES.—The following sections of title 37, United  
19 States Code, are amended by striking “December 31,  
20 2015” and inserting “December 31, 2016”:

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

23           (2) Section 307a(g), relating to assignment in-  
24 centive pay.

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

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

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

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

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

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

14          (g) **AUTHORITY TO PROVIDE TEMPORARY INCREASE**  
15 **IN RATES OF BASIC ALLOWANCE FOR HOUSING.**—Section  
16 403(b)(7)(E) of title 37, United States Code, is amended  
17 by striking “December 31, 2015” and inserting “Decem-  
18 ber 31, 2016”.

1 **TITLE VIII—ACQUISITION POL-**  
2 **ICY, ACQUISITION MANAGE-**  
3 **MENT, AND RELATED MAT-**  
4 **TERS**

5 **Subtitle A—Acquisition Policy and**  
6 **Management**

7 **SEC. 801. PROGRAM FRAUD CIVIL REMEDIES STATUTE FOR**  
8 **THE DEPARTMENT OF DEFENSE AND THE NA-**  
9 **TIONAL AERONAUTICS AND SPACE ADMINIS-**  
10 **TRATION.**

11 (a) **PURPOSE.**—The purpose of this section is to pro-  
12 vide the Secretary of Defense and the Administrator of  
13 the National Aeronautics and Space Administration with  
14 an effective administrative remedy to obtain recompense  
15 for the Department of Defense and the National Aero-  
16 nautics and Space Administration for losses resulting from  
17 the submission to the Department or the Administration,  
18 respectively, of false, fictitious, or fraudulent claims and  
19 statements.

20 (b) **PROGRAM FRAUD CIVIL REMEDIES.**—

21 (1) **IN GENERAL.**—Chapter IV of subtitle A of  
22 title 10, United States Code, is amended by insert-  
23 ing after chapter 163 the following new chapter:

1 **“CHAPTER 164—ADMINISTRATIVE REM-**  
 2 **EDIES FOR FALSE CLAIMS AND STATE-**  
 3 **MENTS**

“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.

4 **“§ 2751. Applicability of chapter; definitions**

5 “(a) **APPLICABILITY OF CHAPTER.**—This chapter ap-  
 6 plies to the following agencies:

7 “(1) The Department of Defense.

8 “(2) The National Aeronautics and Space Ad-  
 9 ministration.

10 “(b) **DEFINITIONS.**—In this chapter:

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

15 “(2) **CLAIM.**—The term ‘claim’ means any re-  
 16 quest, demand, or submission—

17 “(A) made to the head of an agency for  
 18 property, services, or money (including money  
 19 representing grants, loans, insurance, or bene-  
 20 fits);



1           “(B) made to a recipient of property, serv-  
2           ices, or money received directly or indirectly  
3           from the head of an agency or to a party to a  
4           contract with the head of an agency—

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

7                           “(I) provided such property or  
8                           services;

9                           “(II) provided any portion of the  
10                          funds for the purchase of such prop-  
11                          erty or services; or

12                          “(III) will reimburse such recipi-  
13                          ent or party for the purchase of such  
14                          property or services; or

15                          “(ii) for the payment of money (in-  
16                          cluding money representing grants, loans,  
17                          insurance, or benefits) if the United  
18                          States—

19                           “(I) provided any portion of the  
20                           money requested or demanded; or

21                           “(II) will reimburse such recipi-  
22                           ent or party for any portion of the  
23                           money paid on such request or de-  
24                           mand; or

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

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

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

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

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

16          “(4) RESPONSIBLE OFFICIAL.—The term ‘re-  
17          sponsible official’ means a designated debarring and  
18          suspending official of the agency named in sub-  
19          section (a).

20          “(5) RESPONDENT.—The term ‘respondent’  
21          means a person who has received notice from a re-  
22          sponsible official asserting liability under section  
23          2752 of this title.

24          “(6) STATEMENT.—The term ‘statement’  
25          means any representation, certification, affirmation,

1 document, record, or an accounting or bookkeeping  
2 entry made—

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

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

8 “(i) a contract with, or a bid or pro-  
9 posal for a contract with the head of an  
10 agency; or

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

13 “(c) CLAIMS.—For purposes of paragraph (2) of sub-  
14 section (b)—

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

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

22 “(3) a claim shall be considered made, pre-  
23 sented, or submitted to the head of an agency, re-  
24 cipient, or party when such claim is actually made  
25 to an agent, fiscal intermediary, or other entity act-

1       ing for or on behalf of such authority, recipient, or  
2       party.

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

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

7             “(2) a statement shall be considered made, pre-  
8       sented, or submitted to the head of an agency when  
9       such statement is actually made to an agent, fiscal  
10      intermediary, or other entity acting for or on behalf  
11      of such authority.

12   **“§ 2752. False claims and statements; liability**

13       “(a) FALSE CLAIMS.—Any person who makes, pre-  
14      sents, or submits, or causes to be made, presented, or sub-  
15      mitted, to the head of an agency a claim that the person  
16      knows or has reason to know—

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

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

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

23                 “(A) omits a material fact;

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

1           “(C) the person making, presenting, or  
2           submitting such statement has a duty to in-  
3           clude such material fact; or

4           “(4) is for payment for the provision of prop-  
5           erty or services which the person has not provided  
6           as claimed, shall, in addition to any other remedy  
7           that may be prescribed by law, be subject to a civil  
8           penalty of not more than \$5,000 for each such  
9           claim. Such person shall also be subject to an as-  
10          sessment of not more than twice the amount of such  
11          claim, or the portion of such claim which is deter-  
12          mined by the responsible official to be in violation of  
13          the preceding sentence.

14          “(b) FALSE STATEMENTS.—Any person who makes,  
15          presents, submits, or causes to be made, presented, or sub-  
16          mitted, a written statement in conjunction with a procure-  
17          ment program or acquisition of the an agency named in  
18          section 2751(a) of this title that—

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

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

22                         “(B)(i) omits a material fact; and

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

1           “(2) in the case of a statement described in  
2           subparagraph (B) of paragraph (1), is a statement  
3           in which the person making, presenting, or submit-  
4           ting such statement has a duty to include such ma-  
5           terial fact; and

6           “(3) contains or is accompanied by an express  
7           certification or affirmation of the truthfulness and  
8           accuracy of the contents of the statement, shall be  
9           subject to, in addition to any other remedy that may  
10          be prescribed by law, a civil penalty of not more  
11          than \$5,000 for each such statement.

12          **“§ 2753. Hearing and determinations**

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

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

24                 “(2) A statement specifying the evidence which  
25                 supports liability under section 2752 of this title.

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

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

7           “(5) A statement of any exculpatory or miti-  
8 gating circumstances which may relate to such  
9 claims or statements.

10          “(b) STATEMENT FROM ATTORNEY GENERAL.—

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

17           “(A) that the Attorney General, or any  
18 other officer or employee of the Department of  
19 Justice designated by the Attorney General, ap-  
20 proves or disapproves initiating an action under  
21 this section based on the allegations of liability  
22 stated in such notice; and

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

1           “(2) If at any time after the initiation of an ac-  
2           tion under this section the Attorney General, or any  
3           other officer or employee of the Department of Jus-  
4           tice designated by the Attorney General, transmits  
5           to a responsible official a written determination that  
6           the continuation of any action under this section  
7           may adversely affect any pending or potential crimi-  
8           nal or civil action, such action shall be immediately  
9           stayed and may be resumed only upon written au-  
10          thorization from the Attorney General, or any other  
11          officer or employee of the Department of Justice  
12          designated by the Attorney General.

13          “(c) LIMITATION ON AMOUNT OF CLAIM THAT MAY  
14          BE PURSUED UNDER THIS SECTION.—No action shall be  
15          initiated under this section, nor shall any assessment be  
16          imposed under this section, if the total amount of the  
17          claim determined by the responsible official to violate sec-  
18          tion 2752(a) of this title exceeds \$500,000. The \$500,000  
19          threshold does not include penalties or any assessment  
20          permitted under 2752(a) of this title greater than the  
21          amount of the claim determined by the responsible official  
22          to violate such section.

23          “(d) PROCEDURES FOR RESOLVING CLAIMS.—(1)  
24          Upon receiving approval under subsection (b) to initiate  
25          an action under this section, the responsible official shall



1 mail, by registered or certified mail, or other similar com-  
2 mercial means, or shall deliver, a notice to the person al-  
3 leged to be liable under section 2752 of this title. Such  
4 notice shall specify the allegations of liability against such  
5 person, specify the total amount of penalties and assess-  
6 ments sought by the United States, advise the person of  
7 the opportunity to submit facts and arguments in opposi-  
8 tion to the allegations set forth in the notice, advise the  
9 person of the opportunity to submit offers of settlement  
10 or proposals of adjustment, and advise the person of the  
11 procedures of the agency named in section 2751(a) of this  
12 title governing the resolution of actions initiated under  
13 this section.

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

21       “(3) If the respondent fails to respond within 30  
22 days, or any additional time granted by the responsible  
23 official, the responsible official may issue a written deci-  
24 sion disposing of the matters raised in the notice. Such  
25 decision shall be based on the record before the responsible

1 official. If the responsible official concludes that the re-  
2 spondent is liable under section 2752 of this title, the deci-  
3 sion shall include the findings of fact and conclusions of  
4 law which the responsible official relied upon in deter-  
5 mining that the respondent is liable, and the amount of  
6 any penalty and/or assessment to be imposed on the re-  
7 spondent. Any such determination shall be based on a pre-  
8 ponderance of the evidence. The responsible official shall  
9 promptly send to the respondent a copy of the decision  
10 by registered or certified mail, or other similar commercial  
11 means, or shall hand deliver a copy of the decision.

12       “(4) If the respondent makes a timely submission,  
13 and the responsible official determines that the respondent  
14 has not raised any genuine dispute of material fact, the  
15 responsible official may issue a written decision disposing  
16 of the matters raised in the notice. Such decision shall  
17 be based on the record before the responsible official. If  
18 the responsible official concludes that the respondent is  
19 liable under section 2752 of this title, the decision shall  
20 include the findings of fact and conclusions of law which  
21 the responsible official relied upon in determining that the  
22 respondent is liable, and the amount of any penalty or as-  
23 sessment to be imposed on the respondent. Any such de-  
24 termination shall be based on a preponderance of the evi-  
25 dence. The responsible official shall promptly send to the

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

4 “(5) If the respondent makes a timely submission,  
5 and the responsible official determines that the respondent  
6 has raised a genuine dispute of material fact, the respon-  
7 sible official shall commence a hearing to resolve the genu-  
8 inely disputed material facts by mailing by registered or  
9 certified mail, or other similar commercial means, or by  
10 hand delivery of, a notice informing the respondent of—

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

12 “(B) the legal authority under which the hear-  
13 ing is to be held;

14 “(C) the material facts determined by the re-  
15 sponsible official to be genuinely in dispute that will  
16 be the subject of the hearing; and

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

19 “(6) The responsible official and any person against  
20 whom liability is asserted under this chapter may agree  
21 to a compromise or settle an action at any time. Any com-  
22 promise or settlement must be in writing.

23 “(e) RESPONDENT ENTITLED TO COPY OF THE  
24 RECORD.—At any time after receiving a notice under  
25 paragraph (1) of subsection (d), the respondent shall be

1 entitled to a copy of the entire record before the respon-  
2 sible official.

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

9 “(g) PROCEDURES FOR HEARINGS.—(1) Each hear-  
10 ing shall be conducted under procedures prescribed by the  
11 head of the agency. Such procedures shall include the fol-  
12 lowing:

13 “(A) The provision of written notice of the  
14 hearing to the respondent, including written notice  
15 of—

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

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

20 “(iii) the material facts determined by the  
21 responsible official to be genuinely in dispute  
22 that will be the subject of the hearing; and

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

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

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

11          “(2) For the purpose of conducting hearings under  
12          this section, the responsible official is authorized to admin-  
13          ister oaths or affirmations.

14          “(3) Hearings shall be held at the responsible offi-  
15          cial’s office, or at such other place as may be agreed upon  
16          by the respondent and the responsible official.

17          “(h) DECISION FOLLOWING HEARING.—The respon-  
18          sible official shall issue a written decision within 60 days  
19          after the conclusion of the hearing. That decision shall set  
20          forth specific findings of fact resolving the genuinely dis-  
21          puted material facts that were the subject of the hearing.  
22          The written decision shall also dispose of the matters  
23          raised in the notice required under paragraph (1) of sub-  
24          section (d). If the responsible official concludes that the  
25          respondent is liable under section 2752 of this title, the

1 decision shall include the findings of fact and conclusions  
2 of law which the responsible official relied upon in deter-  
3 mining that the respondent is liable, and the amount of  
4 any penalty or assessment to be imposed on the respond-  
5 ent. Any decisions issued under this subparagraph shall  
6 be based on the record before the responsible official and  
7 shall be supported by a preponderance of the evidence.  
8 The responsible official shall promptly send to the re-  
9 spondent a copy of the decision by registered or certified  
10 mail, or other similar commercial means, or shall hand  
11 deliver a copy of the decision.

12 **“§ 2754. Payment; interest on late payments**

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

18               “(1) that is 30 days after the date of the re-  
19 ceipt by the respondent of the responsible official’s  
20 decision; or

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

23       “(b) INTEREST.—If there is an unpaid balance as of  
24 the date determined under paragraph (1), interest shall  
25 accrue from that date on any unpaid balance. The rate

1 of interest charged shall be the rate in effect as of that  
2 date that is published by the Secretary of the Treasury  
3 under section 3717 of title 31.

4 “(c) TREATMENT OF RECEIPTS.—All penalties, as-  
5 sessments, or interest paid, collected, or otherwise recov-  
6 ered under this chapter shall be deposited into the Treas-  
7 ury as miscellaneous receipts as provided in section 3302  
8 of title 31.

9 **“§ 2755. Judicial review**

10 “A decision by a responsible official under section  
11 2753(d) or 2753(h) of this title shall be final. Any such  
12 final decision is subject to judicial review only under chap-  
13 ter 7 of title 5.

14 **“§ 2756. Collection of civil penalties and assessments**

15 “(a) JUDICIAL ENFORCEMENT OF CIVIL PENALTIES  
16 AND ASSESSMENTS.—The Attorney General shall be re-  
17 sponsible for judicial enforcement of any civil penalty or  
18 assessment imposed under this chapter.

19 “(b) CIVIL ACTIONS FOR RECOVERY.—Any penalty  
20 or assessment imposed in a decision by a responsible offi-  
21 cial, or amounts otherwise agreed to as part of a settle-  
22 ment or adjustment, along with any accrued interest, may  
23 be recovered in a civil action brought by the Attorney Gen-  
24 eral. In any such action, no matter that was raised or that  
25 could have been raised in a proceeding under this chapter

1 or pursuant to judicial review under section 2755 of this  
2 title may be raised as a defense, and the determination  
3 of liability and the determination of amounts of penalties  
4 and assessments shall not be subject to review.

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

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

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



1 **“§ 2757. Right to administrative offset**

2 “The amount of any penalty or assessment that has  
3 been imposed by a responsible official, or any amount  
4 agreed upon in a settlement or compromise, along with  
5 any accrued interest, may be collected by administrative  
6 offset.

7 **“§ 2758. Limitations**

8 “(a) LIMITATION ON PERIOD FOR INITIATION OF AD-  
9 MINISTRATIVE ACTION.—An action under section 2752 of  
10 this title with respect to a claim or statement shall be com-  
11 menced within six years after the date on which such claim  
12 or statement is made, presented, or submitted.

13 “(b) LIMITATION PERIOD FOR INITIATION OF CIVIL  
14 ACTION FOR RECOVERY OF ADMINISTRATIVE PENALTY  
15 OR ASSESSMENT.—A civil action to recover a penalty or  
16 assessment under section 2756 of this title shall be com-  
17 menced within three years after the date of the decision  
18 of the responsible official imposing the penalty or assess-  
19 ment.

20 **“§ 2759. Effect on other laws**

21 “(a) RELATIONSHIP TO TITLE 44 AUTHORITIES.—  
22 This chapter does not diminish the responsibility of the  
23 head of an agency to comply with the provisions of chapter  
24 35 of title 44, relating to coordination of Federal informa-  
25 tion policy.

1           “(b) RELATIONSHIP TO TITLE 31 AUTHORITIES.—  
 2 The procedures set forth in this chapter apply to the agen-  
 3 cies named in section 2751(a) of this title in lieu of the  
 4 procedures under chapter 38 of title 31, relating to admin-  
 5 istrative remedies for false claims and statements.

6           “(c) RELATIONSHIP TO OTHER AUTHORITIES.—Any  
 7 action, inaction, or decision under this chapter shall be  
 8 based solely upon the information before the responsible  
 9 official and shall not limit or restrict any agency of the  
 10 Government from instituting any other action arising out-  
 11 side this chapter, including suspension or debarment,  
 12 based upon the same information. Any action, inaction or  
 13 decision under this chapter shall not restrict the ability  
 14 of the Attorney General to bring judicial action, based  
 15 upon the same information as long as such action is not  
 16 otherwise prohibited by law.”.

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

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

22           (c) CONFORMING AMENDMENTS.—Section  
 23 3801(a)(1) of title 31, United States Code, is amended—

1 (1) by inserting “(other than the Department of  
2 Defense)” in subparagraph (A) after “executive de-  
3 partment”;

4 (2) by striking subparagraph (B);

5 (3) by redesignating subparagraph (C) as sub-  
6 paragraph (B) and by inserting “(other than the  
7 National Aeronautics and Space Administration)” in  
8 that subparagraph after “not an executive depart-  
9 ment”; and

10 (4) by redesignating subparagraphs (D), (E),  
11 and (F) as subparagraphs (C), (D), and (E), respec-  
12 tively.

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

18 **SEC. 802. IMPROVEMENTS TO THE OPERATION OF THE DE-**  
19 **FENSE ACQUISITION WORKFORCE DEVELOP-**  
20 **MENT FUND.**

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

23 (1) in paragraph (1)—

1 (A) in subparagraph (A), by striking  
2 “credited to the Fund under paragraph (2)”  
3 and inserting “appropriated to the Fund”;

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

7 (C) by striking subparagraph (C);  
8 (2) by striking paragraphs (2) and (4);  
9 (3) by redesignating paragraph (3) as para-  
10 graph (2);

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

12 (A) in the first sentence, by striking “24-  
13 month period” and inserting “36-month pe-  
14 riod”; and

15 (B) in the second sentence, by striking  
16 “credited to the Fund” and inserting “credited  
17 to amounts appropriated to the Fund for the  
18 fiscal year in which such funds are trans-  
19 ferred”; and

20 (5) by inserting after paragraph (2), as so re-  
21 designated, the following new paragraph (3):

22 “(3) PRIOR NOTICE TO CONGRESSIONAL COM-  
23 MITTEES OF CERTAIN TRANSFERS.—The Secretary  
24 of Defense may make a transfer to the Fund pursu-  
25 ant to paragraph (2) that increases to an amount

1 greater than \$500,000,000 the total amount made  
2 available to the Fund for a fiscal year only after the  
3 Secretary submits to the congressional defense com-  
4 mittees notice of the Secretary's intent to make such  
5 transfer and a period of 10 days has elapsed fol-  
6 lowing the date of the notification.”.

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

9 (1) in paragraph (1), by inserting “appropria-  
10 tions available to” after “for transfer to”; and

11 (2) in paragraph (6)—

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

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

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

18 (D) by striking “for which credited” and  
19 all that follows and inserting “in which trans-  
20 ferred, or for which appropriated, and the suc-  
21 ceeding fiscal year.”.

22 (c) ANNUAL REPORT.—Subsection (f)(1) of such sec-  
23 tion is amended by striking “remitted” and all that follows  
24 through “credited” and inserting “transferred to the  
25 Fund in such fiscal year or appropriated”.

1 **Subtitle B—Amendments to Gen-**  
2 **eral Contract Authorities, Pro-**  
3 **cedures, and Limitations**

4 **SEC. 811. REVISION TO METHOD OF ROUNDING OF ACQUI-**  
5 **SITION-RELATED DOLLAR THRESHOLDS**  
6 **WHEN ADJUSTING FOR INFLATION.**

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

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

12 (2) by striking “and” at the end of subpara-  
13 graph (C); and

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

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

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

20 “(F) not less than \$100,000,000, but less  
21 than \$1,000,000,000, to the nearest  
22 \$50,000,000; and

23 “(G) \$1,000,000,000 or more, to the near-  
24 est \$500,000,000.”.

1 **SEC. 812. EXTENSION OF AUTHORITY TO ACQUIRE PROD-**  
2 **UCTS AND SERVICES PRODUCED IN COUN-**  
3 **TRIES ALONG A MAJOR ROUTE OF SUPPLY**  
4 **TO AFGHANISTAN.**

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

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

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

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

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

25 “(3) EXCEPTIONS FOR CERTAIN INDEFINITE  
26 DELIVERY, INDEFINITE QUANTITY CONTRACTS.—If

1 the head of an agency issues a solicitation for mul-  
2 tiple task or delivery order contracts under section  
3 4103(d) of this title for the same or similar services  
4 and intends to make a contract award to each quali-  
5 fying offeror—

6 “(A) cost or price to the Federal Govern-  
7 ment need not, at the Government’s discretion,  
8 be considered under subparagraph (B) of para-  
9 graph (1) as an evaluation factor for the con-  
10 tract award; and

11 “(B) if, pursuant to subparagraph (A),  
12 cost or price to the Federal Government is not  
13 considered as an evaluation factor for the con-  
14 tract award—

15 “(i) the disclosure requirement of sub-  
16 paragraph (C) of paragraph (1) shall not  
17 apply; and

18 “(ii) cost or price to the Federal Gov-  
19 ernment shall be considered in conjunction  
20 with the issuance pursuant to section  
21 4106(e) of this title of a task or delivery  
22 order under any contract resulting from  
23 the solicitation.



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

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

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

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

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

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

17           (2) by adding at the end the following new sub-  
18 paragraphs:

19           “(C) If the head of an agency issues a solicitation  
20 for multiple task or delivery order contracts under section  
21 2304a(d)(1)(B) of this title for the same or similar serv-  
22 ices and intends to make a contract award to each quali-  
23 fying offeror—

24           “(i) cost or price to the Federal Government  
25 need not, at the Government’s discretion, be consid-

1       ered under clause (ii) of subparagraph (A) as an  
2       evaluation factor for the contract award; and

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

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

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

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

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

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

18               “(iii) the contracting officer has no reason to  
19       believe would likely offer other than fair and reason-  
20       able pricing.”.

1       **Subtitle C—Acquisition Reform**  
2                                   **Proposals**

3       **SEC. 821. MODIFICATION TO REQUIREMENTS RELATING TO**  
4                                   **DETERMINATION OF CONTRACT TYPE FOR**  
5                                   **MAJOR DEVELOPMENT PROGRAMS.**

6           (a) DETERMINATION OF CONTRACT TYPE.—Section  
7       2306 of title 10, United States Code, is amended by add-  
8       ing at the end the following new subsection:

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

14                           “(A) a requirement that the acquisition  
15                           strategy for such a program or system include  
16                           identification of the contract type for develop-  
17                           ment of the program or system; and

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

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

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

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

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

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

6           “(B) how the use of incentives (especially cost  
7 incentives) in the contract, if any, supports the ob-  
8 jectives of the development program.

9       “(4) The guidance shall also specify that the use of  
10 contracts with target costs, target profits or fees, and  
11 profit or fee adjustment formulas, during development,  
12 where applicable, is ordinarily in the interest of the Gov-  
13 ernment.”.

14       (b) REPEAL.—Section 818 of the John Warner Na-  
15 tional Defense Authorization Act for Fiscal Year 2007  
16 (Public Law 109–364; 10 U.S.C. 2306 note) is amended  
17 by striking subsections (b), (c), (d), and (e).

18       (c) MODIFICATION OF REGULATIONS.—Not later  
19 than 120 days after the date of the enactment of this Act,  
20 the Secretary of Defense shall modify the regulations of  
21 the Department of Defense regarding the determination  
22 of contract type for development programs to be consistent  
23 with the amendments made by this section.

1 **SEC. 822. REPEAL OF REQUIREMENT FOR STAND-ALONE**  
2 **MANPOWER ESTIMATES FOR MAJOR DE-**  
3 **FENSE ACQUISITION PROGRAMS.**

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

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

10 (1) by striking paragraph (2);

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

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

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

19 (A) by striking “and operations and sup-  
20 port,” and inserting “operations and support,  
21 and manpower to operate, maintain, and sup-  
22 port the program upon full operational deploy-  
23 ment,”; and

24 (B) by striking “; and” at the end and in-  
25 serting a period.

26 (c) CLERICAL AMENDMENTS.—

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

3           **“§ 2434. Independent cost estimates”.**

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

          “2434. Independent cost estimates.”.

8           **SEC. 823. REVISION OF MILESTONE DECISION AUTHORITY**  
9                           **RESPONSIBILITIES FOR MAJOR DEFENSE AC-**  
10                           **QUISITION PROGRAMS.**

11           (a) REVISION.—

12           (1) IN GENERAL.—Sections 2366a and 2366b  
13           of title 10, United States Code, are amended to read  
14           as follows:

15           **“§ 2366a. Major defense acquisition programs: re-**  
16                           **sponsibilities at Milestone A approval**

17           “(a) RESPONSIBILITIES.—Before granting Milestone  
18           A approval for a major defense acquisition program or a  
19           major subprogram, the Milestone Decision Authority for  
20           the program or subprogram shall ensure—

21                   “(1) that information about the program or  
22                   subprogram is sufficient to warrant entry of the pro-  
23                   gram or subprogram into the risk reduction phase;  
24                   and

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

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

7           “(1) meets a joint military requirement;

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

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

11          “(4) is affordable;

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

16          “(6) addresses planning for sustainment; and

17          “(7) meets any other considerations the Mile-  
18          stone Decision Authority considers relevant.

19          “(c) RELATIONSHIP TO OTHER STATUTES.—In as-  
20          sessing the considerations in subsection (b), the Milestone  
21          Decision Authority shall include consideration of the fol-  
22          lowing:

23                 “(1) With respect to joint military require-  
24                 ments, the requirements of section 181 of this title.

1           “(2) With respect to alternative approaches, the  
2 requirements of section 201 of the Weapon Systems  
3 Acquisition Reform Act of 2009 (Public Law 111–  
4 23; 10 U.S.C. 2302 note).

5           “(3) With respect to affordability and cost esti-  
6 mates and analyses, the requirements of section  
7 2334 of this title.

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

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

11                   “(B) section 203 of the Weapon Systems  
12 Acquisition Reform Act of 2009 (Public Law  
13 111–23; 10 U.S.C. 2430 note).

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

16           “(d) NOTIFICATION.—Not later than 30 days after  
17 granting Milestone A approval for a major defense acquisi-  
18 tion program or major subprogram, the Milestone Deci-  
19 sion Authority for that program or subprogram shall sub-  
20 mit to the congressional defense committees notice of such  
21 approval in writing. The Milestone Decision Authority’s  
22 decision memorandum with respect to such approval shall  
23 be available to the congressional defense committees upon  
24 request, consistent with any relevant classification require-  
25 ments.



1 “(e) DEFINITIONS.—In this section:

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

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

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

18 “(4) The term ‘Milestone A approval’ means a  
19 decision to enter into a risk reduction phase pursu-  
20 ant to guidance prescribed by the Secretary of De-  
21 fense for the management of Department of Defense  
22 acquisition programs.

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

1 **“§ 2366b. Major defense acquisition programs: re-**  
2 **sponsibilities at Milestone B approval**

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

7 “(1) that information about the program or  
8 subprogram is sufficient to warrant entry of the pro-  
9 gram or subprogram into the development phase;  
10 and

11 “(2) that there are sound plans in place for the  
12 program or subprogram to deliver the required capa-  
13 bility.

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

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

19 “(2) Identify and mitigate programmatic risks.

20 “(3) Deliver a capability with acceptable per-  
21 formance to fulfill a joint military requirement.

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

23 “(5) Effectively utilize competition.

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

1           “(7) Continue to address, as necessary, the con-  
2           siderations for Milestone A approval (or in the case  
3           that the program has not previously been granted  
4           Milestone A approval, address such considerations).

5           “(8) Respond to anticipated or likely threats.

6           “(9) Meet any other considerations the Mile-  
7           stone Decision Authority considers relevant.

8           “(c) RELATIONSHIP TO OTHER STATUTES.—In ad-  
9           dressing the considerations in subsection (b), the Mile-  
10          stone Decision Authority shall include consideration of the  
11          following:

12           “(1) With respect to affordability, the require-  
13          ments of section 2334 of this title.

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

16           “(A) section 203 of the Weapon Systems  
17          Acquisition Reform Act of 2009 (Public Law  
18          111–23; 10 U.S.C. 2430 note); and

19           “(B) section 138b of this title.

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

23           “(4) With respect to competition, the require-  
24          ments of—

1           “(A) section 202 of the Weapon Systems  
2           Acquisition Reform Act of 2009 (Public Law  
3           111–23; 10 U.S.C. 2430 note); and

4           “(B) section 2304 of this title.

5           “(5) With respect to sustainment, the require-  
6           ments of section 2337 and section 2464 of this title.

7           “(d) NOTIFICATION.—Not later than 30 days after  
8           granting Milestone B approval for a major defense acqui-  
9           sition program or major subprogram, the Milestone Deci-  
10          sion Authority for the program or subprogram shall sub-  
11          mit to the congressional defense committees notice of such  
12          approval in writing. The Milestone Decision Authority’s  
13          decision memorandum with respect to such approval shall  
14          be available to the congressional defense committees upon  
15          request, consistent with any relevant classification require-  
16          ments.

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

18           “(1) The term ‘major defense acquisition pro-  
19           gram’ means a Department of Defense acquisition  
20           program that is a major defense acquisition program  
21           for purposes of section 2430 of this title.

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

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

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

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

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

22          (2) CLERICAL AMENDMENT.—The items relat-  
23          ing to such sections in the table of sections at the  
24          beginning of chapter 139 of such title are amended  
25          to read as follows:

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

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

1 (b) CONFORMING AMENDMENTS.—

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

3 (A) in subsection (a)(5)—

4 (i) in subparagraph (B), by striking  
5 “review and approve or disapprove” and  
6 inserting “advise the milestone decision au-  
7 thority regarding review and approval of”;  
8 and

9 (ii) in subparagraph (C), by inserting  
10 “in order to advise relevant technical au-  
11 thorities for such programs on the incorpo-  
12 ration of best practices for developmental  
13 test from across the Department” after  
14 “programs”; and

15 (B) in subsection (b)(5)—

16 (i) in subparagraph (B), by striking  
17 “review and approve” and inserting “ad-  
18 vise the milestone decision authority re-  
19 garding review and approval of”; and

20 (ii) in subparagraph (C), by inserting  
21 “in order to advise relevant technical au-  
22 thorities for such programs on the incorpo-  
23 ration of best practices for systems engi-

1           neering from across the Department” after  
2           “programs”.

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

7 **SEC. 824. STREAMLINING OF REQUIREMENTS RELATING TO**  
8           **DEFENSE BUSINESS SYSTEMS.**

9           (a) IN GENERAL.—

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

12 **“§ 2222. Defense business systems: business process**  
13           **reengineering; enterprise architecture;**  
14           **management**

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

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

22           “(2) is integrated into a comprehensive defense  
23           business enterprise architecture; and

1           “(3) is managed in a manner that provides visi-  
2           bility into, and traceability of, expenditures for the  
3           system.

4           “(b) ISSUANCE OF GUIDANCE.—

5           “(1) SECRETARY OF DEFENSE GUIDANCE.—  
6           The Secretary shall issue guidance to provide for the  
7           coordination of, and decision making for, the plan-  
8           ning, programming, and control of investments in  
9           covered defense business systems.

10          “(2) SUPPORTING GUIDANCE.—The Secretary  
11          shall direct the Deputy Chief Management Officer of  
12          the Department of Defense, the Under Secretary of  
13          Defense for Acquisition, Technology, and Logistics,  
14          the Chief Information Officer, and the Chief Man-  
15          agement Officer of each of the military departments  
16          to issue and maintain supporting guidance, as ap-  
17          propriate, for the guidance of the Secretary issued  
18          under paragraph (1).

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

22          “(1) Policy to ensure that the business proc-  
23          esses of the Department of Defense are continuously  
24          evolved to—



1           “(A) implement the most streamlined and  
2           efficient business process practicable; and

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

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

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

15          “(4) Policy requiring the periodic review of cov-  
16          ered defense business systems that have been fully  
17          deployed, by portfolio, to ensure that investments in  
18          such portfolios are appropriate.

19          “(d) DEFENSE BUSINESS ENTERPRISE ARCHITEC-  
20          TURE.—

21          “(1) BLUEPRINT.—The Secretary, working  
22          through the Deputy Chief Management Officer of  
23          the Department of Defense, shall develop and main-  
24          tain a blueprint to guide the development of inte-  
25          grated business processes within the Department of

1 Defense Such blueprint shall be known as the ‘de-  
2 fense business enterprise architecture’.

3 “(2) PURPOSE.—The defense business enter-  
4 prise architecture shall be sufficiently defined to ef-  
5 fectively guide implementation of interoperable de-  
6 fense business system solutions and shall be con-  
7 sistent with the policies and procedures established  
8 by the Director of the Office of Management and  
9 Budget.

10 “(3) ELEMENTS.—The defense business enter-  
11 prise architecture shall—

12 “(A) include policies, procedures, business  
13 data standards, business performance measures,  
14 and business information requirements that  
15 apply uniformly throughout the Department of  
16 Defense; and

17 “(B) enable the Department of Defense  
18 to—

19 “(i) comply with all applicable law, in-  
20 cluding Federal accounting, financial man-  
21 agement, and reporting requirements;

22 “(ii) routinely produce verifiable,  
23 timely, accurate, and reliable business and  
24 financial information for management pur-  
25 poses; and

1                   “(iii) integrate budget, accounting,  
2                   and program information and systems.

3                   “(4) INTEGRATION INTO INFORMATION TECH-  
4                   NOLOGY ARCHITECTURE.—The defense business en-  
5                   terprise architecture shall integrate into an informa-  
6                   tion technology enterprise architecture, developed by  
7                   the Chief Information Officer of the Department of  
8                   Defense, which describes a target business systems  
9                   computing environment for each of the major busi-  
10                  ness processes conducted by the Department of De-  
11                  fense.

12                  “(e) DEFENSE BUSINESS COUNCIL.—

13                  “(1) REQUIREMENT FOR COUNCIL.—The Sec-  
14                  retary shall establish a Defense Business Council to  
15                  provide advice to the Secretary on developing the de-  
16                  fense business enterprise architecture, reengineering  
17                  the Department’s business processes, and require-  
18                  ments for defense business systems. The Council  
19                  shall be chaired by the Deputy Chief Management  
20                  Officer and the Chief Information Officer of the De-  
21                  partment of Defense.

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

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

1           “(B) The following officials of the Depart-  
2           ment of Defense, or their designees:

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

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

11                  “(iii) The Under Secretary of Defense  
12                  for Personnel and Readiness with respect  
13                  to human resources management proc-  
14                  esses.

15           “(f) APPROVALS REQUIRED FOR DEVELOPMENT.—

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

23                           “(A) supports a business process that has  
24                           been, or is being as a result of the acquisition  
25                           program, reengineered to be as streamlined and

1 efficient as practicable consistent with the guid-  
2 ance issued pursuant to subsection (b), includ-  
3 ing business process mapping;

4 “(B) is in compliance with the defense  
5 business enterprise architecture developed pur-  
6 suant to subsection (d) or will be in compliance  
7 as a result of modifications planned;

8 “(C) has valid, achievable requirements;  
9 and

10 “(D) is in compliance with the Depart-  
11 ment’s auditability requirements.

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

16 “(A) In the case of a system of a military  
17 department, the Chief Management Officer of  
18 that military department.

19 “(B) In the case of a system of a Defense  
20 Agency or Defense Field Activity or a system  
21 that will support the business process of more  
22 than one military department or Defense Agen-  
23 cy or Defense Field Activity, the Deputy Chief  
24 Management Officer of the Department of De-  
25 fense.

1           “(C) In the case of any system, such offi-  
2           cial other than the applicable official under sub-  
3           paragraph (A) or (B) as the Secretary des-  
4           ignates for such purpose.

5           “(3) ANNUAL CERTIFICATION.—For any fiscal  
6           year in which funds are expended for development  
7           pursuant to a covered defense business system pro-  
8           gram, the Defense Business Council shall review the  
9           system and certify (or decline to certify as the case  
10          may be) that it continues to satisfy the requirements  
11          of paragraph (1). If the Council determines that cer-  
12          tification cannot be granted, the chairman of the  
13          Council shall notify the Appropriate Approving Offi-  
14          cial and the acquisition Milestone Decision Authority  
15          for the program and provide a recommendation for  
16          corrective action.

17          “(4) OBLIGATION OF FUNDS IN VIOLATION OF  
18          REQUIREMENTS.—The obligation of Department of  
19          Defense funds for a covered defense business system  
20          program that has not been certified in accordance  
21          with paragraph (3) is a violation of section  
22          1341(a)(1)(A) of title 31.

23          “(g) RESPONSIBILITY OF MILESTONE DECISION AU-  
24          THORITY.—The Secretary shall ensure that, as part of the  
25          defense acquisition system, the requirements of this sec-

1 tion are fully addressed by the Milestone Decision Author-  
2 ity for a covered defense business system program as ac-  
3 quisition process approvals are considered for such system.

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

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

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

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

20 “(4) Identification of any covered defense busi-  
21 ness system program that during the preceding fis-  
22 cal year was reviewed and not approved pursuant to  
23 subsection (f) and the reasons for the lack of ap-  
24 proval.

1           “(5) Identification of any covered defense busi-  
2           ness system program that during the preceding fis-  
3           cal year failed to achieve initial operational capa-  
4           bility within five years of when the program received  
5           Milestone B approval.

6           “(6) For any program identified under para-  
7           graph (5), a description of the plan to address the  
8           issues which caused the failure.

9           “(7) A discussion of specific improvements in  
10          business operations and cost savings resulting from  
11          successful covered defense business systems pro-  
12          grams.

13          “(8) A copy of the most recent report of the  
14          Chief Management Officer of each military depart-  
15          ment on implementation of business transformation  
16          initiatives by such military department in accordance  
17          with section 908 of the Duncan Hunter National  
18          Defense Authorization Act for Fiscal Year 2009  
19          (Public Law 110–417; 122 Stat. 4569; 10 U.S.C.  
20          2222 note).

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

22                 “(1)(A) DEFENSE BUSINESS SYSTEM.—The  
23                 term ‘defense business system’ means an informa-  
24                 tion system that is operated by, for, or on behalf of



1 the Department of Defense, including any of the fol-  
2 lowing:

3 “(i) A financial system.

4 “(ii) A financial data feeder system.

5 “(iii) A contracting system.

6 “(iv) A logistics system.

7 “(v) A planning and budgeting system.

8 “(vi) An installations management system.

9 “(vii) A human resources management sys-  
10 tem.

11 “(viii) A training and readiness system.

12 “(B) The term does not include—

13 “(i) a national security system; or

14 “(ii) an information system used exclu-  
15 sively by and within the defense commissary  
16 system or the exchange system or other instru-  
17 mentality of the Department of Defense con-  
18 ducted for the morale, welfare, and recreation  
19 of members of the armed forces using non-  
20 appropriated funds.

21 “(2) COVERED DEFENSE BUSINESS SYSTEM.—

22 The term ‘covered defense business system’ means a  
23 defense business system that is expected to have a  
24 total amount of budget authority over the period of  
25 the current future-years defense program submitted

1 to Congress under section 221 of this title, in excess  
2 of the threshold established for the use of special  
3 simplified acquisition procedures pursuant to section  
4 2304(g)(1)(B) of this title.

5 “(3) COVERED DEFENSE BUSINESS SYSTEM  
6 PROGRAM.—The term ‘covered defense business sys-  
7 tem program’ means a defense acquisition program  
8 to develop and field a covered defense business sys-  
9 tem or an increment of a covered defense business  
10 system.

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

14 “(5) INFORMATION SYSTEM.—The term ‘infor-  
15 mation system’ has the meaning given that term in  
16 section 11101 of title 40.

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

20 “(7) MILESTONE DECISION AUTHORITY.—The  
21 term ‘Milestone Decision Authority’, with respect to  
22 a defense acquisition program, means the individual  
23 within the Department of Defense designated with  
24 the responsibility to grant milestone approvals for  
25 that program.

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

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

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

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

13          (c) REPEAL.—Section 811 of the John Warner Na-  
14          tional Defense Authorization Act for Fiscal Year 2007  
15          (Public Law 109–364; 10 U.S.C. 2222 note) is repealed.

16          **SEC. 825. REVISION TO LIFE-CYCLE MANAGEMENT AND**  
17          **PRODUCT SUPPORT REQUIREMENTS.**

18          (a) CONSOLIDATION OF CERTAIN LOGISTICS AND  
19          SUSTAINMENT-RELATED                                PROVISIONS.—Section  
20          2337(b)(2) of title 10, United States Code, is amended—

21               (1) in subparagraph (A), by inserting before the  
22               semicolon the following: “in order to sustain the sys-  
23               tem until either (i) a replacement system is fielded  
24               and assumes the majority of responsibility for the

1 mission of the existing system, or (ii) the mission of  
2 the system is eliminated and the system is disposed  
3 of”;

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

7 (3) by striking “and” at the end of subpara-  
8 graph (H);

9 (4) by striking the period at the end of sub-  
10 paragraph (I) and inserting a semicolon; and

11 (5) by adding at the end the following new sub-  
12 paragraphs:

13 “(J) make a determination regarding the  
14 applicability of preservation and storage of  
15 unique tooling associated with the production of  
16 program-specific hardware, if relevant, includ-  
17 ing a plan for the preservation, storage, or dis-  
18 posal of all production tooling; and

19 “(K) identify obsolete electronic parts that  
20 are included in the specifications of the system  
21 being acquired and determine suitable replace-  
22 ments for such parts.”.

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

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

3           (2) by inserting after subsection (c) the fol-  
4 lowing new subsection (d):

5           “(d) ACQUISITION MANAGEMENT INFORMATION RE-  
6 QUIREMENTS.—The Secretary of Defense shall ensure  
7 that, when milestone approval for a major defense acquisi-  
8 tion program is under consideration, matters relating to  
9 core logistics capabilities are considered as follows:

10           “(1) Before Milestone A approval for the pro-  
11 gram is granted, an analysis of the applicability of  
12 core logistics capabilities requirements to the pro-  
13 gram shall be considered.

14           “(2) Before Milestone B approval for the pro-  
15 gram is granted, an estimate of the requirements for  
16 core logistics capabilities for the program, and the  
17 associated sustaining workloads required to support  
18 such requirements, shall be considered.

19           “(3) Before approval is granted for the pro-  
20 gram to enter low-rate initial production, a descrip-  
21 tion of requirements for core depot-level mainte-  
22 nance and repair capabilities, as well as the associ-  
23 ated logistics capabilities and the associated sus-  
24 taining workloads required to support such require-  
25 ments, shall be considered.”.

1 (c) CONFORMING REPEALS AND AMENDMENTS.—

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

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

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

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

13 (A) by inserting “and” at the end of para-  
14 graph (3);

15 (B) striking “; and” at the end of para-  
16 graph (4) and inserting a period; and

17 (C) by striking paragraph (5).

18 **SEC. 826. ACQUISITION STRATEGY REQUIRED FOR EACH**

19 **MAJOR DEFENSE ACQUISITION PROGRAM.**

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

22 (1) NEW TITLE 10 SECTION.—Chapter 144 of  
23 title 10, United States Code, is amended by insert-  
24 ing after section 2431 the following new section:

1 **“§ 2431a. Acquisition strategy**

2       “(a) REQUIREMENT.—(1) There shall be an acquisi-  
3 tion strategy for each major defense acquisition program.  
4 The acquisition strategy for a major defense acquisition  
5 program shall be reviewed by the Milestone Decision Au-  
6 thority for the program at each time specified in para-  
7 graph (2). The Milestone Decision Authority may approve,  
8 disapprove, or revise the acquisition strategy at any such  
9 time.

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

14               “(A) Program initiation.

15               “(B) Each subsequent milestone.

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

17               “(D) Any other time considered relevant by the  
18 Milestone Decision Authority.

19       “(b) CONSIDERATIONS.—The acquisition strategy for  
20 a major defense acquisition program shall present a top-  
21 level description of the business and technical manage-  
22 ment approach designed to achieve the objectives of the  
23 program within the resource constraints imposed. The  
24 strategy shall clearly express the program manager’s ap-  
25 proach to the program in sufficient detail to allow the  
26 Milestone Decision Authority to assess the viability of ap-

1 proach, implementation of laws and policies, and program  
2 objectives. The content and review and approval process  
3 for the acquisition strategy for a major defense acquisition  
4 program shall be issued and maintained by the Under Sec-  
5 retary of Defense for Acquisition, Technology, and Logis-  
6 tics; however, the acquisition strategy should consider the  
7 following:

8           “(1) Tailoring.

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

13           “(3) Risk management, in accordance with sec-  
14 tion 203 of the Weapon Systems Acquisition Reform  
15 Act of 2009 (Public Law 111–23; 10 U.S.C. 2430  
16 note).

17           “(4) Business strategy, including measures to  
18 ensure competition in accordance with section 202 of  
19 the Weapon Systems Acquisition Reform Act of  
20 2009 (Public Law 111–23; 10 U.S.C. 2430 note).

21           “(5) Contracting strategy, including sources,  
22 contract bundling, if applicable, and small business  
23 participation.

24           “(6) Intellectual property strategy, in accord-  
25 ance with section 2320 of this title.



1           “(7) International involvement, including For-  
2           eign Military Sales and Cooperative Opportunities,  
3           in accordance with section 2350a of this title.

4           “(c) In this section, the term ‘Milestone Decision Au-  
5           thority’, with respect to a major defense acquisition pro-  
6           gram, means the official within the Department of De-  
7           fense designated with the overall responsibility and au-  
8           thority for acquisition decisions for the program, including  
9           authority to approve entry of the program into the next  
10          phase of the acquisition process.”.

11           (2) CLERICAL AMENDMENT.—The table of sec-  
12          tions at the beginning of such chapter is amended  
13          by inserting after the item relating to section 2431  
14          the following new item:

“2431a. Acquisition strategy.”.

15          (b) CONFORMING AMENDMENTS.—

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

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

19           (B) in paragraph (1), by striking “the  
20           Under Secretary of Defense for” and all that  
21           follows through “of the Board” and inserting  
22           “opportunities for such cooperative research  
23           and development shall be addressed in the ac-  
24           quisition strategy for the project”;

25           (C) in paragraph (2)—

- 1 (i) in the matter preceding subpara-  
2 graph (A)—
- 3 (I) by striking “document” and  
4 inserting “discussion”; and
- 5 (II) by striking “include” and in-  
6 sserting “consider”;
- 7 (ii) in subparagraph (A), by striking  
8 “A statement indicating”;
- 9 (iii) in subparagraph (B)—
- 10 (I) by striking “by the Under  
11 Secretary of Defense for Acquisition,  
12 Technology, and Logistics”; and
- 13 (II) by striking “of the United  
14 States under consideration by the De-  
15 partment of Defense”; and
- 16 (iv) in subparagraph (D)—
- 17 (I) by striking “The” and insert-  
18 ing “A”;
- 19 (II) by striking “of” and insert-  
20 ing “to”; and
- 21 (III) by striking “Under Sec-  
22 retary” and inserting “Milestone De-  
23 cision Authority”.

1           (2) Section 803 of the Bob Stump National De-  
2           fense Authorization Act for Fiscal Year 2003 (Pub-  
3           lic Law 107–314; 10 U.S.C. 2430 note) is repealed.

4 **SEC. 827. REVISION TO REQUIREMENTS RELATING TO RISK**  
5                           **REDUCTION IN DEVELOPMENT OF MAJOR**  
6                           **DEFENSE ACQUISITION PROGRAMS.**

7           Section 203 of the Weapon Systems Acquisition Re-  
8           form Act of 2009 is amended to read as follows:

9 **“SEC. 203. RISK REDUCTION IN MAJOR DEFENSE ACQUI-**  
10                           **SION PROGRAMS.**

11           “(a) GUIDANCE ON RISK REDUCTION IN MAJOR DE-  
12           FENSE ACQUISITION PROGRAMS.—The Secretary of De-  
13           fense shall ensure that the acquisition strategy for each  
14           major defense acquisition program for which development  
15           activities are required includes the following:

16                   “(1) A comprehensive approach to identifying  
17                   and addressing risk (including technical, cost and  
18                   schedule risk) during the period preceding full rate  
19                   production as a means to improve programmatic de-  
20                   cision making and appropriately manage program  
21                   concurrency.

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

24           “(b) ELEMENTS OF COMPREHENSIVE APPROACH TO  
25           RISK REDUCTION.—The elements of a comprehensive ap-

1   proach to identifying and addressing risk for purposes of  
2   subsection (a)(1) shall include some combination of the  
3   following as appropriate for the item or system being ac-  
4   quired:

5           “(1) Development planning.

6           “(2) Systems engineering.

7           “(3) Integrated developmental and operational  
8   test.

9           “(4) Preliminary and critical design reviews and  
10   technical reviews.

11          “(5) Prototyping (including prototyping at the  
12   system or subsystem level and competitive proto-  
13   typing, where appropriate).

14          “(6) Modeling and simulation.

15          “(7) Technology demonstrations and technology  
16   off ramps.

17          “(8) Multiple design approaches.

18          “(9) Alternative, lower risk reduced perform-  
19   ance designs.

20          “(10) Independent risk element assessments by  
21   outside subject matter experts.

22          “(11) Program phasing to address high risk  
23   areas as early as possible.”.

1                   **Subtitle D—Other Matters**

2   **SEC. 831. EXTENSION OF THE DEPARTMENT OF DEFENSE**  
3                   **MENTOR-PROTÉGÉE PILOT PROGRAM.**

4           Section 831(j) of the National Defense Authorization  
5 Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amend-  
6 ed—

7                   (1) in paragraph (1), by striking “September  
8           30, 2015” and inserting “September 30, 2020”; and

9                   (2) in paragraph (2), by striking “September  
10          30, 2018” and inserting “September 30, 2023”.

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

16          (a) REPORTING TO UNDER SECRETARY OF DEFENSE  
17 FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS BE-  
18 FORE MILESTONE B APPROVAL.—Subparagraph (A) of  
19 paragraph (8) of section 138(b) of title 10, United States  
20 Code, as amended by section 901(h)(2) of the Carl Levin  
21 and Howard P. “Buck” McKeon National Defense Au-  
22 thorization Act for Fiscal Year 2015 (Public Law 113–  
23 291; 128 Stat. YYYY), is amended—

24                   (1) by striking “periodically”;

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

4           (3) by inserting “before the Milestone B ap-  
 5 proval for that program” after “Department of De-  
 6 fense”; and

7           (4) by striking “such reviews and assessments”  
 8 and inserting “such review and assessment”.

9           (b) ANNUAL REPORT TO SECRETARY OF DEFENSE  
 10 AND CONGRESSIONAL DEFENSE COMMITTEES.—Subpara-  
 11 graph (B) of such paragraph is amended by inserting “for  
 12 which a Milestone B approval occurred during the pre-  
 13 ceding fiscal year” after “Department of Defense”.

14 **SEC. 833. REVISION TO REQUIRED DISTRIBUTION OF AS-**  
 15 **SISTANCE UNDER PROCUREMENT TECH-**  
 16 **NICAL ASSISTANCE COOPERATIVE AGREE-**  
 17 **MENT PROGRAM.**

18           (a) MINIMUM GEOGRAPHIC DISTRIBUTION.—Section  
 19 2413(c) of title 10, United States Code, is amended by  
 20 striking “Department of Defense contract administration  
 21 services district” and inserting “State”.

22           (b) DISTRIBUTION.—Section 2415 of such title is  
 23 amended—

24           (1) in the first sentence—

1           (A) by striking “The Secretary” and in-  
2           serting “After apportioning funds available for  
3           assistance under this chapter for any fiscal year  
4           for efficient coverage of distressed areas re-  
5           ferred to in section 2411(2)(B) of this title by  
6           programs operated by eligible entities referred  
7           to in section 2411(1)(D) of this title, the Sec-  
8           retary”;

9           (B) by inserting “the remaining” before  
10          “funds available”; and

11          (C) by striking “Department of Defense  
12          contract administration services district” and  
13          inserting “State”; and

14          (2) in the second sentence—

15               (A) by striking “district” each place it ap-  
16               pears and inserting “State”; and

17               (B) by striking “districts” and inserting  
18               “States”.

1 **TITLE IX—DEPARTMENT OF DE-**  
2 **FENSE ORGANIZATION AND**  
3 **MANAGEMENT**

4 **SEC. 901. CHANGE OF PERIOD FOR CHAIRMAN OF THE**  
5 **JOINT CHIEFS OF STAFF REVIEW OF THE**  
6 **UNIFIED COMMAND PLAN TO NOT LESS THAN**  
7 **EVERY FOUR YEARS.**

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

11 **SEC. 902. UPDATE OF STATUTORY SPECIFICATION OF**  
12 **FUNCTIONS OF THE CHAIRMAN OF THE**  
13 **JOINT CHIEFS OF STAFF RELATING TO AD-**  
14 **VICE ON REQUIREMENTS, PROGRAMS, AND**  
15 **BUDGET.**

16 Section 153(a)(4) of title 10, United States Code, is  
17 amended by adding at the end the following new subpara-  
18 graph:

19 “(H) Advising the Secretary on development of  
20 joint command, control, communications, and cyber  
21 capability, including integration and interoperability  
22 of such capability, through requirements, integrated  
23 architectures, data standards, and assessments.”.



1 **TITLE X—GENERAL PROVISIONS**

2 **Subtitle A—Financial Matters**

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

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

14 (b) **AGREEMENT.**—An agreement entered into under  
15 this section shall be in writing and shall include the fol-  
16 lowing terms:

17 (1) The price charged by a supplying agency  
18 shall be the direct costs that such agency incurred  
19 by providing the covered support, supplies, or serv-  
20 ices to the requesting agency under this section.

21 (2) Credits and liabilities of the agencies ac-  
22 crued as a result of acquisitions and transfers of  
23 covered support, supplies, and services under this  
24 section shall be liquidated not less often than once  
25 every 3 months by direct payment to the agency

1 supplying such support, supplies, or services by the  
2 agency receiving such support, supplies, or services.

3 (3) Exchange entitlements accrued as a result  
4 of acquisitions and transfers of covered support,  
5 supplies, and services under this section shall be sat-  
6 isfied within 12 months after the date of the delivery  
7 of the covered support, supplies, or services. Ex-  
8 change entitlements not so satisfied shall be imme-  
9 diately liquidated by direct payment to the agency  
10 supplying such covered support, supplies, or services.

11 (c) EFFECT OF OBLIGATION AND AVAILABILITY OF  
12 FUNDS.—An order placed by an agency pursuant to an  
13 agreement under this section is deemed to be an obligation  
14 in the same manner that a similar order or contract placed  
15 with a private contractor is an obligation. Appropriations  
16 remain available to pay an obligation to the servicing  
17 agency in the same manner as appropriations remain  
18 available to pay an obligation to a private contractor.

19 (d) DEFINITIONS.—In this section:

20 (1) The term “covered support, supplies, and  
21 services” means food, billeting, transportation (in-  
22 cluding airlift), petroleum, oils, lubricants, commu-  
23 nications services, medical services, ammunition,  
24 base operations support (and construction incident  
25 to base operations support), use of facilities, spare

1 parts and components, repair and maintenance serv-  
 2 ices, and calibration services.

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

6 (e) CREDITING OF RECEIPTS.—Any receipt as a re-  
 7 sult of an agreement entered into under this section shall  
 8 be credited, at the option of the Secretary of Defense with  
 9 respect to the Department of Defense and the Secretary  
 10 of State with respect to the Department of State, to—

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

13 (2) an appropriate appropriation, fund, or ac-  
 14 count currently available for the purposes for which  
 15 the expenditures were made.

## 16 **Subtitle C—Naval Vessels and** 17 **Shipyards**

### 18 **SEC. 1021. EXTENSION OF AUTHORITY FOR REIMBURSE-** 19 **MENT OF EXPENSES FOR CERTAIN NAVY** 20 **MESS OPERATIONS AFLOAT.**

21 (a) EXTENSION.—Subsection (b) of section 1014 of  
 22 the Duncan Hunter National Defense Authorization Act  
 23 for Fiscal Year 2009 (Public Law 110–417; 122 Stat.  
 24 4585), as amended by section 1021 of the Ike Skelton Na-  
 25 tional Defense Authorization Act for Fiscal Year 2011

1 (Public Law 111–383, 124 Stat. 4348), is amended by  
2 striking “September 30, 2015” and inserting “September  
3 30, 2020”.

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

6 (1) in the matter preceding paragraph (1), by  
7 striking “not more than” and inserting “not more  
8 than”; and

9 (2) in paragraph (2), by striking “Naval ves-  
10 sels” and inserting “such vessels”.

11 **SEC. 1022. REFUELING AND COMPLEX OVERHAUL OF NIM-**  
12 **ITZ-CLASS AIRCRAFT CARRIERS.**

13 (a) OVERHAUL EXECUTION AUTHORITY.—The Sec-  
14 retary of the Navy is authorized to carry out a nuclear  
15 refueling and complex overhaul on each of the following  
16 Nimitz-class aircraft carriers:

17 (1) U.S.S. George Washington (CVN–73).

18 (2) U.S.S. John C. Stennis (CVN–74).

19 (3) U.S.S. Harry S. Truman (CVN–75).

20 (4) U.S.S. Ronald Reagan (CVN–76).

21 (5) U.S.S. George H.W. Bush (CVN–77).

22 Each such refueling and overhaul shall be carried out from  
23 amounts appropriated or otherwise made available within  
24 Shipbuilding and Conversion, Navy, for refueling the Nim-  
25 itz-class aircraft carriers.

1           (b) SPECIAL FUNDING AUTHORITY WHEN A CON-  
2    TINUING RESOLUTION IS IN EFFECT.—Unless expressly  
3    prohibited in a continuing resolution enacted after this  
4    date, if advance procurement funds are appropriated for  
5    a fiscal year to begin a refueling and complex overhaul  
6    on a Nimitz-class aircraft carrier identified in subsection  
7    (a), then Shipbuilding and Conversion, Navy, appropria-  
8    tions in the amounts contained in the President’s Budget  
9    for that refueling and complex overhaul for the following  
10   Fiscal Year shall be available for obligation under a con-  
11   tinuing resolution enacted for the following fiscal year to  
12   continue the refueling and complex overhaul on that air-  
13   craft carrier.

14           (c) INCREMENTAL FUNDING AUTHORITY.—The Sec-  
15   retary of the Navy is authorized to incrementally fund  
16   contracts entered into for a nuclear refueling and complex  
17   overhaul authorized in subsection (a), for a period not to  
18   exceed six years after advance procurement funds for the  
19   nuclear refueling and complex overhaul effort are first ob-  
20   ligated, from amounts appropriated or otherwise made  
21   available within Shipbuilding and Conversion, Navy for re-  
22   fueling the Nimitz-class aircraft carriers.

23           (d) CONDITION FOR OUT-YEAR CONTRACT PAY-  
24   MENTS.—A contract entered into under subsection (c)  
25   shall provide that any obligation of the United States to

1 make a payment under a contract for carrier refueling in  
2 a fiscal year subsequent to the initial year of contract exe-  
3 cution is subject to the availability of appropriations.

## 4 **Subtitle D—Other Matters**

### 5 **SEC. 1041. TRANSFER OF FUNCTIONS OF THE VETERANS’** 6 **ADVISORY BOARD ON DOSE RECONSTRUC-** 7 **TION TO THE SECRETARIES OF VETERANS** 8 **AFFAIRS AND DEFENSE.**

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

#### 12 **“SEC. 601. RADIATION DOSE RECONSTRUCTION PROGRAM** 13 **OF THE DEPARTMENT OF DEFENSE.**

14 “(a) REVIEW AND OVERSIGHT.—The Secretary of  
15 Veterans Affairs and the Secretary of Defense shall jointly  
16 take appropriate actions to ensure the on-going inde-  
17 pendent review and oversight of the Radiation Dose Re-  
18 construction Program of the Department of Defense.

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

21 “(1) conduct periodic, random audits of dose  
22 reconstructions under the Radiation Dose Recon-  
23 struction Program and of decisions by the Depart-  
24 ment of Veterans Affairs on claims for service con-  
25 nection of radiogenic diseases;

1           “(2) communicate to veterans information on  
2           the mission, procedures, and evidentiary require-  
3           ments of the Program; and

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

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

## 12           **TITLE XI—CIVILIAN PERSONNEL** 13           **MATTERS**

### 14           **SEC. 1101. ONE-YEAR EXTENSION OF TEMPORARY AUTHOR-** 15           **ITY TO GRANT ALLOWANCES, BENEFITS, AND** 16           **GRATUITIES TO CIVILIAN PERSONNEL ON OF-** 17           **FICIAL DUTY IN A COMBAT ZONE.**

18          Paragraph (2) of section 1603(a) of the Emergency  
19          Supplemental Appropriations Act for Defense, the Global  
20          War on Terror, and Hurricane Recovery, 2006 (Public  
21          Law 109–234; 120 Stat. 443), as added by section 1102  
22          of the Duncan Hunter National Defense Authorization  
23          Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat.  
24          4616) and as most recently amended by section 1102 of  
25          the National Defense Authorization Act for Fiscal Year

1 2015 (Public Law 113–291; 128 Stat. zzz), is further  
2 amended by striking “2016” and inserting “2017”.

3 **SEC. 1102. AUTHORITY TO PROVIDE ADDITIONAL ALLOW-**  
4 **ANCES AND BENEFITS FOR DEFENSE CLAN-**  
5 **DESTINE SERVICE EMPLOYEES.**

6 Section 1603 of title 10, United States Code, is  
7 amended by adding at the end the following new sub-  
8 section:

9 “(c) **ADDITIONAL ALLOWANCES AND BENEFITS FOR**  
10 **EMPLOYEES OF THE DEFENSE CLANDESTINE SERV-**  
11 **ICE.**—In addition to the authority to provide compensation  
12 under subsection (a), the Secretary of Defense may pro-  
13 vide an employee in a defense intelligence position who is  
14 assigned to the Defense Clandestine Service allowances  
15 and benefits under paragraph (1) of section 9904 of title  
16 5 without regard to the limitations in that section—

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

19 “(2) that the activities to which the employee is  
20 assigned be in support of Department of Defense ac-  
21 tivities abroad.”.



1 **SEC. 1103. EXTENSION OF RATE OF OVERTIME PAY FOR DE-**  
2 **PARTMENT OF THE NAVY EMPLOYEES PER-**  
3 **FORMING WORK ABOARD OR DOCKSIDE IN**  
4 **SUPPORT OF THE NUCLEAR-POWERED AIR-**  
5 **CRAFT CARRIER FORWARD DEPLOYED IN**  
6 **JAPAN.**

7 Subparagraph (B) of section 5542(a)(6) of title 5,  
8 United States Code, is amended by striking “September  
9 30, 2015” and inserting “September 30, 2017”.

10 **TITLE XII—MATTERS RELATING**  
11 **TO FOREIGN NATIONS**

12 **SEC. 1201. EXTENSION OF AUTHORITY TO SUPPORT OPER-**  
13 **ATIONS AND ACTIVITIES OF THE OFFICE OF**  
14 **SECURITY COOPERATION-IRAQ.**

15 (a) **EXTENSION OF AUTHORITY.**—Subsection (f)(1)  
16 of section 1215 of the National Defense Authorization Act  
17 for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 113  
18 note) is amended by striking “fiscal year 2015” and in-  
19 serting “fiscal year 2016”.

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

22 (1) in subsection (c), by striking “fiscal year  
23 2015” and all that follows and inserting “fiscal year  
24 2016 may not exceed \$143,000,000.”; and

25 (2) in subsection (d), by striking “fiscal year  
26 2015” and inserting “fiscal year 2016”.

1 (c) REPEAL OF EXPIRED REPORTING REQUIRE-  
2 MENT.—Subsection (g) of such section is repealed.

3 **SEC. 1202. EXTENSION OF AUTHORITY FOR REIMBURSE-**  
4 **MENT OF CERTAIN COALITION NATIONS FOR**  
5 **SUPPORT PROVIDED TO UNITED STATES**  
6 **MILITARY OPERATIONS.**

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

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

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

21 (2) by striking the third sentence.

1 **SEC. 1203. EXTENSION OF AUTHORITY TO TRANSFER DE-**  
2 **ENSE ARTICLES AND PROVIDE DEFENSE**  
3 **SERVICES TO THE MILITARY AND SECURITY**  
4 **FORCES OF AFGHANISTAN.**

5 (a) EXTENSION.—Subsection (h) of section 1222 of  
6 the National Defense Authorization Act for Fiscal Year  
7 2013 (Public Law 112–239; 126 Stat. 1992), as amended  
8 by section 1231 of the Carl Levin and Howard P. “Buck”  
9 McKeon National Defense Authorization Act for Fiscal  
10 Year 2015 (Public Law 113–291; 128 Stat. XXX), is fur-  
11 ther amended by striking “December 31, 2015” and in-  
12 serting “December 31, 2016”.

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

17 **SEC. 1204. AUTHORITY FOR ACCEPTANCE AND USE OF CON-**  
18 **TRIBUTIONS FROM KUWAIT FOR CERTAIN**  
19 **MUTUALLY BENEFICIAL PROJECTS.**

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

1 **“§ 2350n. Construction, maintenance, and repair**  
2 **projects mutually beneficial to the De-**  
3 **partment of Defense and Kuwait Armed**  
4 **Forces**

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

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

13 “(c) **AVAILABILITY OF CONTRIBUTIONS.**—Contribu-  
14 tions accepted under subsection (a) shall be available only  
15 for payment of costs in connection with mutually beneficial  
16 construction (including military construction not otherwise  
17 authorized by law), maintenance, and repair projects in  
18 Kuwait.

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

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

1           “(2) the Secretary of Defense determines that  
2           the United States may derive a benefit from the  
3           project, including—

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

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

8                     “(C) increased interoperability between the  
9           Department of Defense and Kuwait Armed  
10           Forces.”.

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

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

14           **SEC. 1205. EXTENSION OF COMMANDERS’ EMERGENCY RE-**  
15                     **SPONSE PROGRAM IN AFGHANISTAN.**

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

1 **SEC. 1206. INCREASE IN THRESHOLDS FOR DEFINITION OF**  
2 **MAJOR DEFENSE EQUIPMENT FOR PUR-**  
3 **POSES OF ARMS EXPORT CONTROL ACT.**

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

6 (1) by striking “\$50,000,000” and inserting  
7 “\$200,000,000”; and

8 (2) by striking “\$200,000,000” and inserting  
9 “\$800,000,000”.

10 **SEC. 1207. MAINTENANCE OF PROHIBITION ON PROCURE-**  
11 **MENT BY DEPARTMENT OF DEFENSE OF**  
12 **COMMUNIST CHINESE-ORIGIN ITEMS THAT**  
13 **MEET THE DEFINITION OF GOODS AND SERV-**  
14 **ICES CONTROLLED AS MUNITIONS ITEMS**  
15 **WHEN MOVED TO THE “600 SERIES” OF THE**  
16 **COMMERCE CONTROL LIST.**

17 (a) IN GENERAL.—Section 1211 of the National De-  
18 fense Authorization Act for Fiscal Year 2006 (Public Law  
19 109–163; 10 U.S.C. 2302 note) is amended—

20 (1) in subsection (b), by inserting “or in the  
21 600 series of the control list of the Export Adminis-  
22 tration Regulations” after “in Arms Regulations,”;  
23 and

24 (2) in subsection (e), by adding at the end the  
25 following new paragraph:

1           “(3) The term ‘600 series of the control list of  
2           the Export Administration Regulations’ means the  
3           600 series of the Commerce Control List contained  
4           in Supplement No. 1 to part 774 of subtitle B of  
5           title 15 of the Code of Federal Regulations.”.

6           (b) TECHNICAL CORRECTIONS TO ITAR REF-  
7           ERENCES.—Subsections (b) and (e)(2) of such section are  
8           amended by striking “Trafficking” and inserting “Traf-  
9           fic”.

10   **SEC. 1208. MODIFICATION OF GLOBAL LIFT AND SUSTAIN**  
11                           **TO SUPPORT PARTNERS AND ALLIES.**

12           Subsection (b) of section 127d of title 10, United  
13           States Code, is amended by adding at the end the fol-  
14           lowing new paragraph:

15           “(3) Clause (ii) of paragraph (2)(B) does not  
16           apply in a case in which the Secretary determines  
17           that the provision of assistance is critical to the  
18           timely and effective participation of the allied forces  
19           in the combined operation.”.

20   **SEC. 1209. REIMBURSEMENTS FOR CERTAIN COUNTER-**  
21                           **INSURGENCY, COUNTERTERRORISM AND**  
22                           **STABILIZATION OPERATIONS CARRIED OUT**  
23                           **BY PAKISTAN.**

24           (a) AUTHORITY.—From funds made available for the  
25           Department of Defense for operation and maintenance,

1 the Secretary of Defense, with the concurrence of the Sec-  
2 retary of State and in consultation with the Director of  
3 the Office of Management and Budget, may provide reim-  
4 bursements for counterinsurgency, counterterrorism, and  
5 stabilization operations carried out by the Government of  
6 Pakistan in its campaign against al-Qaeda, the Tehrik-  
7 e-Taliban Pakistan, and associated militants.

8 (b) TYPES OF REIMBURSEMENTS.—Reimbursements  
9 made under the authority in subsection (a) may be made,  
10 in such amounts as the Secretary of Defense considers ap-  
11 propriate, for logistical, military, and other expenditures  
12 associated with the operations specified in subsection (a).

13 (c) LIMITATIONS.—

14 (1) PROHIBITION ON CONTRACTUAL OBLIGA-  
15 TIONS TO MAKE PAYMENTS.—The Secretary of De-  
16 fense may not enter into any contractual obligation  
17 to make a reimbursement under the authority in  
18 subsection (a).

19 (2) PROHIBITION ON REIMBURSEMENT OF  
20 PAKISTAN FOR SUPPORT DURING PERIODS CLOSED  
21 TO TRANSSHIPMENT.—The Secretary of Defense  
22 may not provide a reimbursement under the author-  
23 ity in subsection (a) for claims of support provided  
24 during any period when the ground lines of supply  
25 through Pakistan were closed to the transshipment



1 of equipment and supplies in support of United  
2 States military operations in Afghanistan.

3 (d) NOTICE TO CONGRESSIONAL COMMITTEES.—The  
4 Secretary of Defense shall notify the appropriate congres-  
5 sional committees not later than 15 days before making  
6 any reimbursement under the authority in subsection (a).

7 (e) TERMINATION.—The Secretary of Defense may  
8 not use the authority in subsection (a) to provide reim-  
9 bursement for any costs that are incurred after September  
10 30, 2018.

11 (f) LIMITATION ON REIMBURSEMENTS TO THE GOV-  
12 ERNMENT OF PAKISTAN UNDER SECTION 1233 OF THE  
13 NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL  
14 YEAR 2008.—No reimbursement may be provided to the  
15 Government of Pakistan under section 1233 of the Na-  
16 tional Defense Authorization Act for Fiscal Year 2008  
17 (Public Law 110–181, 122 Stat. 393), as most recently  
18 amended by section 1222 of the National Defense Author-  
19 ization Act for Fiscal Year 2015 (Public Law 113–291,  
20 128 Stat. yyy), for any period during which this section  
21 is also in effect.

22 (g) DEFINITIONS.—In this section, the term “appro-  
23 priate congressional committees” means—

24 (1) the Committee on Armed Services, the  
25 Committee on Foreign Affairs, and the Committee

1 on Appropriations of the House of Representatives;  
2 and

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

6 **SEC. 1210. NATO SPECIAL OPERATIONS HEADQUARTERS.**

7 Section 1244(a) of the National Defense Authoriza-  
8 tion Act for Fiscal Year 2010 (Public Law 111–84; 123  
9 Stat. 2541), as most recently amended by section 1272  
10 of the National Defense Authorization Act for Fiscal Year  
11 2013 (Public Law 112–239; 126 Stat. 2023), is further  
12 amended by striking “for each of fiscal years 2013, 2014,  
13 and 2015 pursuant to section 301” and inserting “for any  
14 fiscal year”.

15 **SEC. 1211. AFGHANISTAN SECURITY FORCES FUND.**

16 (a) CONTINUATION OF PRIOR AUTHORITIES AND NO-  
17 TICE AND REPORTING REQUIREMENTS.—Funds available  
18 to the Department of Defense for the Afghanistan Secu-  
19 rity Forces Fund for fiscal year 2016 shall be subject to  
20 the conditions contained in subsections (b) through (g) of  
21 section 1513 of the National Defense Authorization Act  
22 for Fiscal Year 2008 (Public Law 110–181; 122 Stat.  
23 428), as amended by section 1531(b) of the Ike Skelton  
24 National Defense Authorization Act for Fiscal Year 2011  
25 (Public Law 111–383; 124 Stat. 4424).

1 (b) EXTENSION OF AUTHORITY TO ACCEPT CERTAIN  
2 EQUIPMENT.—Subsection (d)(1) of section 1531 of the  
3 National Defense Authorization Act for Fiscal Year 2014  
4 (Public Law 113–66; 10 U.S.C. 2302 note) is amended  
5 by striking “prior Acts” and inserting “Acts enacted be-  
6 fore the date of the enactment of the National Defense  
7 Authorization Act for Fiscal Year 2016.”.

8 **TITLE XIV—OTHER**  
9 **AUTHORIZATIONS**  
10 **Subtitle A—Military Programs**

11 **SEC. 1401. WORKING CAPITAL FUNDS.**

12 Funds are hereby authorized to be appropriated for  
13 fiscal year 2016 for the use of the Armed Forces and other  
14 activities and agencies of the Department of Defense for  
15 providing capital for working capital and revolving funds  
16 in the amount of \$1,786,732,000.

17 **SEC. 1402. JOINT URGENT OPERATIONAL NEEDS FUND.**

18 Funds are hereby authorized to be appropriated for  
19 fiscal year 2016 for the Joint Urgent Operational Needs  
20 Fund in the amount of \$99,701,000.

21 **SEC. 1403. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**  
22 **TION, DEFENSE.**

23 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds  
24 are hereby authorized to be appropriated for the Depart-  
25 ment of Defense for fiscal year 2016 for expenses, not oth-

1 erwise provided for, for Chemical Agents and Munitions  
2 Destruction, Defense, in the amount of \$720,721,000, of  
3 which—

4 (1) \$139,098,000 is for Operation and Mainte-  
5 nance;

6 (2) \$579,342,000 is for Research, Development,  
7 Test, and Evaluation; and

8 (3) \$2,281,000 is for Procurement.

9 (b) USE.—Amounts authorized to be appropriated  
10 under subsection (a) are authorized for—

11 (1) the destruction of lethal chemical agents  
12 and munitions in accordance with section 1412 of  
13 the Department of Defense Authorization Act, 1986  
14 (50 U.S.C. 1521); and

15 (2) the destruction of chemical warfare materiel  
16 of the United States that is not covered by section  
17 1412 of such Act.

18 **SEC. 1404. DRUG INTERDICTION AND COUNTER-DRUG AC-**  
19 **TIVITIES, DEFENSE-WIDE.**

20 Funds are hereby authorized to be appropriated for  
21 the Department of Defense for fiscal year 2016 for ex-  
22 penses, not otherwise provided for, for Drug Interdiction  
23 and Counter-Drug Activities, Defense-wide, in the amount  
24 of \$850,598,000.

1 **SEC. 1405. DEFENSE INSPECTOR GENERAL.**

2 Funds are hereby authorized to be appropriated for  
3 the Department of Defense for fiscal year 2016 for ex-  
4 penses, not otherwise provided for, for the Office of the  
5 Inspector General of the Department of Defense, in the  
6 amount of \$316,159,000, of which—

7 (1) \$310,459,000 is for Operation and Mainte-  
8 nance;

9 (2) \$4,700,000 is for Research, Development,  
10 Test and Evaluation; and

11 (3) \$1,000,000 is for Procurement.

12 **SEC. 1406. DEFENSE HEALTH PROGRAM.**

13 Funds are hereby authorized to be appropriated for  
14 the Department of Defense for fiscal year 2016 for ex-  
15 penses, not otherwise provided for, for the Defense Health  
16 Program, in the amount of \$32,243,328,000, of which—

17 (1) \$30,889,940,000 is for Operation and  
18 Maintenance;

19 (2) \$980,101,000 is for Research, Development,  
20 Test, and Evaluation; and

21 (3) \$373,287,000 is for Procurement.

## 1           **Subtitle B—Other Matters**

2   **SEC. 1411. AUTHORITY FOR TRANSFER OF FUNDS TO JOINT**  
3                   **DEPARTMENT OF DEFENSE—DEPARTMENT OF**  
4                   **VETERANS AFFAIRS MEDICAL FACILITY DEM-**  
5                   **ONSTRATION FUND FOR CAPTAIN JAMES A.**  
6                   **LOVELL HEALTH CARE CENTER, ILLINOIS.**

7           (a) **AUTHORITY FOR TRANSFER OF FUNDS.**—Of the  
8 funds authorized to be appropriated for section 506 and  
9 available for the Defense Health Program for operation  
10 and maintenance, \$120,387,000 may be transferred by the  
11 Secretary of Defense to the Joint Department of Defense—  
12 Department of Veterans Affairs Medical Facility Dem-  
13 onstration Fund established by subsection (a)(1) of sec-  
14 tion 1704 of the National Defense Authorization Act for  
15 Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2571).  
16 For purposes of subsection (a)(2) of such section 1704,  
17 any funds so transferred shall be treated as amounts au-  
18 thorized and appropriated specifically for the purpose of  
19 such a transfer.

20           (b) **USE OF TRANSFERRED FUNDS.**—For the pur-  
21 poses of subsection (b) of such section 1704, facility oper-  
22 ations for which funds transferred under subsection (a)  
23 may be used are operations of the Captain James A.  
24 Lovell Federal Health Care Center, consisting of the  
25 North Chicago Veterans Affairs Medical Center, the Navy

1 Ambulatory Care Center, and supporting facilities des-  
2 ignated as a combined Federal medical facility under an  
3 operational agreement covered by section 706 of the Dun-  
4 can Hunter National Defense Authorization Act for Fiscal  
5 Year 2009 (Public Law 110–417; 122 Stat. 4500).

6 **SEC. 1412. AUTHORIZATION OF APPROPRIATIONS FOR**  
7 **ARMED FORCES RETIREMENT HOME.**

8 There is hereby authorized to be appropriated for fis-  
9 cal year 2016 from the Armed Forces Retirement Home  
10 Trust Fund the sum of \$64,300,000 for the operation of  
11 the Armed Forces Retirement Home.

12 **TITLE XV—AUTHORIZATION OF**  
13 **ADDITIONAL APPROPRIA-**  
14 **TIONS FOR OVERSEAS CON-**  
15 **TINGENCY OPERATIONS**

16 **SEC. 1501. PURPOSE.**

17 The purpose of this title is to authorize appropria-  
18 tions for the Department of Defense for fiscal year 2016  
19 to provide additional funds for overseas contingency oper-  
20 ations being carried out by the Armed Forces.

21 **SEC. 1502. ARMY PROCUREMENT.**

22 Funds are hereby authorized to be appropriated for  
23 fiscal year 2016 for procurement for the Army in amounts  
24 as follows:

25 (1) For aircraft procurement, \$164,987,000.

1 (2) For missile procurement, \$37,260,000.

2 (3) For weapons and tracked combat vehicles,  
3 \$26,030,000.

4 (4) For ammunition procurement,  
5 \$192,040,000.

6 (5) For other procurement, \$1,205,596,000.

7 **SEC. 1503. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT**  
8 **FUND.**

9 Funds are hereby authorized to be appropriated for  
10 fiscal year 2016 for the Joint Improvised Explosive Device  
11 Defeat Fund in the amount of \$493,271,000.

12 **SEC. 1504. NAVY AND MARINE CORPS PROCUREMENT.**

13 Funds are hereby authorized to be appropriated for  
14 fiscal year 2016 for procurement for the Navy and Marine  
15 Corps in amounts as follows:

16 (1) For aircraft procurement, Navy,  
17 \$217,394,000.

18 (2) For weapons procurement, Navy,  
19 \$3,344,000.

20 (3) For ammunition procurement, Navy and  
21 Marine Corps, \$136,930,000.

22 (4) For other procurement, Navy, \$12,186,000.

23 (5) For procurement, Marine Corps,  
24 \$48,934,000.



1 **SEC. 1505. AIR FORCE PROCUREMENT.**

2 Funds are hereby authorized to be appropriated for  
3 fiscal year 2016 for procurement for the Air Force in  
4 amounts as follows:

5 (1) For aircraft procurement, \$128,900,000.

6 (2) For missile procurement, \$289,142,000.

7 (3) For ammunition procurement,  
8 \$228,874,000.

9 (4) For other procurement, \$3,859,964,000.

10 **SEC. 1506. DEFENSE-WIDE ACTIVITIES PROCUREMENT.**

11 Funds are hereby authorized to be appropriated for  
12 fiscal year 2016 for the procurement account for Defense-  
13 wide activities in the amount of \$212,418,000.

14 **SEC. 1507. RESEARCH, DEVELOPMENT, TEST, AND EVALUA-**  
15 **TION.**

16 Funds are hereby authorized to be appropriated for  
17 fiscal year 2016 for the use of the Department of Defense  
18 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.**

24 Funds are hereby authorized to be appropriated for  
25 fiscal year 2016 for the use of the Armed Forces for ex-

1 penses, not otherwise provided for, for operation and  
2 maintenance, in amounts as follows:

3 (1) For the Army, \$11,382,750,000.

4 (2) For the Navy, \$5,131,588,000.

5 (3) For the Marine Corps, \$952,534,000.

6 (4) For the Air Force, \$9,090,013,000.

7 (5) For Defense-wide activities,  
8 \$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,  
14 \$60,845,000.

15 (11) For the Air National Guard, \$19,900,000.

16 (12) For the Afghanistan Security Forces  
17 Fund, \$3,762,257,000.

18 (13) For the Counterterrorism Partnerships  
19 Fund, \$2,100,000,000.

20 (14) For the Iraq Train and Equip Fund,  
21 \$715,000,000.

22 (15) For the Syria Train and Equip Fund,  
23 \$600,000,000.

1 **SEC. 1509. MILITARY PERSONNEL.**

2 Funds are hereby authorized to be appropriated for  
3 fiscal year 2016 to the Department of Defense for military  
4 personnel accounts in the total amount of \$3,204,758,000.

5 **SEC. 1510. WORKING CAPITAL FUNDS.**

6 Funds are hereby authorized to be appropriated for  
7 fiscal year 2016 for the use of the Armed Forces and other  
8 activities and agencies of the Department of Defense for  
9 providing capital for Defense Working Capital Funds in  
10 the amount of \$88,850,000.

11 **SEC. 1511. DEFENSE HEALTH PROGRAM.**

12 Funds are hereby authorized to be appropriated for  
13 the Department of Defense for fiscal year 2016 for ex-  
14 penses, not otherwise provided for, for the Defense Health  
15 Program in the amount of \$272,704,000 for operation and  
16 maintenance.

17 **SEC. 1512. DRUG INTERDICTION AND COUNTER-DRUG AC-**  
18 **TIVITIES, DEFENSE-WIDE.**

19 Funds are hereby authorized to be appropriated for  
20 the Department of Defense for fiscal year 2016 for ex-  
21 penses, not otherwise provided for, for Drug Interdiction  
22 and Counter-Drug Activities, Defense-wide in the amount  
23 of \$186,000,000.

24 **SEC. 1513. DEFENSE INSPECTOR GENERAL.**

25 Funds are hereby authorized to be appropriated for  
26 the Department of Defense for fiscal year 2016 for ex-

1 penses, not otherwise provided for, for the Office of the  
2 Inspector General of the Department of Defense in the  
3 amount of \$10,262,000.

4 **DIVISION B—MILITARY CON-**  
5 **STRUCTION AUTHORIZA-**  
6 **TIONS**

7 **TITLE XXVIII—MILITARY CON-**  
8 **STRUCTION GENERAL PROVI-**  
9 **SIONS**

10 **SEC. 2801. CHANGE IN AUTHORITIES RELATING TO SCOPE**  
11 **OF WORK VARIATIONS FOR MILITARY CON-**  
12 **STRUCTION PROJECTS.**

13 (a) LIMITED AUTHORITY FOR SCOPE OF WORK IN-  
14 CREASE.—Section 2853 of title 10, United States Code,  
15 is amended—

16 (1) in subsection (b)(2), by striking “The scope  
17 of work” and inserting “Except as provided in sub-  
18 section (d), the scope of work”;

19 (2) by redesignating subsections (d) and (e) as  
20 subsections (e) and (f), respectively; and

21 (3) by inserting after subsection (c) the fol-  
22 lowing new subsection (d):

23 “(d) The limitation in subsection (b)(2) on an in-  
24 crease in the scope of work does not apply if—

1           “(1) the increase in the scope of work is not  
2 more than 10 percent of the amount specified for  
3 that project, construction, improvement, or acquisition  
4 in the justification data provided to Congress as  
5 part of the request for authorization of the project,  
6 construction, improvement, or acquisition;

7           “(2) the increase is approved by the Secretary  
8 concerned;

9           “(3) the Secretary concerned notifies the appropriate  
10 committees of Congress in writing of the increase in scope and the reasons therefor; and  
11

12           “(4) a period of 21 days has elapsed after the  
13 date on which the notification is received by the  
14 committees or, if over sooner, a period of 14 days  
15 has elapsed after the date on which a copy of the  
16 notification is provided in an electronic medium pursuant  
17 to section 480 of this title.”.

18 (b) CROSS-REFERENCE AMENDMENTS.—

19           (1) Subsection (a) of such section is amended  
20 by striking “subsection (c) or (d)” and inserting  
21 “subsection (c), (d), or (e)”.

22           (2) Subsection (f) of such section, as redesignated  
23 by subsection (a)(2), is amended by striking  
24 “through (d)” and inserting “through (e)”.

25 (c) ADDITIONAL TECHNICAL AMENDMENTS.—

1           (1) CONFORMITY WITH GENERAL TITLE 10  
2           STYLE.—Subsection (a) of such section is further  
3           amended by inserting “of this title” after “section  
4           2805(a)”.

5           (2) DELETION OF SURPLUS WORD.—Subsection  
6           (c)(1)(A) of such section is amended by striking  
7           “be” after “Congress can”.

8   **SEC. 2802. ENHANCED AUTHORITY TO CARRY OUT EMER-**  
9                           **GENCY MILITARY CONSTRUCTION PROJECTS**  
10                          **WHEN NECESSARY TO SUPPORT REQUIRE-**  
11                          **MENTS OF COMBATANT COMMANDERS.**

12           Section 2803 of title 10, United States Code, is  
13   amended—

14           (1) by redesignating paragraph (2) of sub-  
15           section (c) as subsection (d); and

16           (2) in subsection (c)—

17                   (A) by striking “The maximum amount”  
18                   and inserting “Except as provided in paragraph  
19                   (2), the maximum amount”; and

20                   (B) by adding at the end the following new  
21           paragraph (2):

22           “(2) In applying the limitation under paragraph (1)  
23   for any fiscal year, the Secretary concerned may exclude  
24   any amount obligated by the Secretary under this section  
25   in that fiscal year for a military construction project that

1 is carried out to support the requirements of the com-  
2 mander of a combatant command, except that the max-  
3 imum amount that may be so excluded by the Secretary  
4 concerned in any fiscal year is \$25,000,000.”.

5 **SEC. 2803. ANNUAL LOCALITY ADJUSTMENT OF DOLLAR**  
6 **THRESHOLDS APPLICABLE TO UNSPECIFIED**  
7 **MINOR MILITARY CONSTRUCTION AUTHORI-**  
8 **TIES.**

9 Section 2805 of title 10, United States Code, is  
10 amended by adding at the end the following new sub-  
11 section:

12 “(f) ADJUSTMENT OF DOLLAR LIMITATIONS FOR LO-  
13 CATION.—Each fiscal year, the Secretary concerned shall  
14 adjust the dollar limitations specified in this section appli-  
15 cable to an unspecified minor military construction project  
16 to reflect the area construction cost index for military con-  
17 struction projects published by the Department of Defense  
18 during the prior fiscal year for the location of the  
19 project.”.

○