
“The bill approved by the committee makes the hard choices necessary preserve our military readiness and uphold our obligations to our men and women in uniform and their families in a difficult fiscal environment,” Levin said. “I am also pleased that the bill provides a path to closing the Guantanamo detention facility by authorizing the transfer of detainees to the United States, subject to a congressional vote on a joint resolution of disapproval.

“I want to thank Senator Inhofe for his support throughout the mark-up process and for his help in producing this bipartisan bill that was reported to the Senate with a 25-1 vote.”

“It was an honor to once again work with Chairman Levin on what is his last NDAA,” Inhofe said. “This bill marks the culmination of a strong, bipartisan effort to ensure our military men and women and their families have the support they need to defend this country. I am proud that we stayed within budget caps and fully funded military readiness without using Overseas Contingency Operation (OCO) funds. As we face an increasingly dangerous world, I am also pleased that we were able to increase funding for our nation's missile defense. All of this would not have been possible without the hard work of committee members and their staffs.”

**MAJOR HIGHLIGHTS**

*Note: This section describes major provisions contained in the markup agreement. Some items are repeated in the Detailed Description section following these major highlights.*

1. Ensures the long-term viability of the all-volunteer force by sustaining the quality of life of the men and women of the total force (active duty, National Guard and Reserves) and their families, as well as Department of Defense civilian personnel,
through fair pay, policies and benefits, and by addressing the needs of the wounded, ill and injured service members and their families.

- Includes the Department’s proposals concerning the pay raise (1 percent rather than the 1.8 percent under current law), the housing allowance (allowing the Department to increase BAH at a rate below inflation), and increased pharmacy copays for prescriptions filled outside of military treatment facilities.

- Does not include the Department’s proposals to establish enrollment fees for TRICARE for Life beneficiaries, the reorganization of the TRICARE program, or the cut to the commissary subsidy (although it does authorize the commissaries to purchase and sell generics).

- Expresses the view of the committee that inclusion of provisions proposed by the Department to slow the growth of personnel costs – proposals relating to the pay raise, housing allowance, and pharmacy – are undesirable but necessary to produce a defense budget that provides sufficient funding to address readiness and modernization deficits, authorizes a sufficiently sized and trained force to meet national defense objectives, and adheres to congressionally-mandated budget levels.

- Authorizes the payment of the Survivor Benefit Plan annuity to a special needs trust for the sole benefit of a disabled dependent child incapable of self-support because of mental or physical incapacity.

- Expresses the view of the committee that inclusion of provisions proposed by the Department to slow the growth of personnel costs – proposals relating to the pay raise, housing allowance, and pharmacy – are undesirable but necessary to produce a defense budget that provides sufficient funding to address readiness and modernization deficits, authorizes a sufficiently sized and trained force to meet national defense objectives, and adheres to congressionally-mandated budget levels.

- Authorizes $25 million in supplemental impact aid to local educational agencies with military dependent children and $5 million in impact aid for schools with military dependent children with severe disabilities.

- Reinstates the cap on retired pay of general and flag officers at the monthly equivalent of level II of the Executive Schedule, and ensures the equitable treatment of those officers serving on or after the date of enactment of this Act that would be affected by this change.

- Establishes a new defense agency with overall responsibility for the POW/MIA accounting community.

- Includes numerous provisions to enhance sexual assault prevention and response in the military.

- Grandfathers those who join the military prior to January 1, 2016, from the reduced annual cost of living adjustment applicable to military retired pay (CPI minus 1 percent). Current law grandfathers those who first join prior to January 1, 2014.
2. Reduces our Nation's strategic risk by taking action aimed at restoring, as soon as possible, the readiness of the military services to conduct the full range of their assigned missions.

- Authorizes $7.7 billion for US Special Operations Command (USSOCOM), the amount included in the budget request, including an increase of $36.4 million to support aircrew training hours, USSOCOM’s top unfunded readiness requirement, and $20 million for high priority unit readiness training, which was also identified by the USSOCOM Commander as an unfunded readiness requirement.

- Restores funding for one of two Ohio-class submarine training exercises that were cut in the fiscal year 2015 budget.

- Adds $346.6 million for the Army (active, National Guard, and Reserve) for depot maintenance, facilities sustainment, restoration, and modernization, and two combat training center rotations for the National Guard.

- Adds $219.2 million for the Navy to reach the 6 percent capital investment program for shipyards and depots, and for aircraft depot maintenance.

- Adds $57.5 million for the Marine Corps to resource two Special Purpose Marine Air-Ground Task Force (SPMAGTF) in U.S. Central Command (CENTCOM) and U.S. Southern Command (SOUTHCOM), along with additional funding for facilities sustainment, restoration, and modernization.

- Adds $39.1 million toward a critical U.S. Pacific Command (PACOM) operational shortfall and Air Force facilities sustainment, restoration, and modernization.

3. Provides our servicemen and women with the resources, training, technology, equipment, facilities, and authorities they will need to succeed in future combat, counterinsurgency, and stability operations.

- Authorizes $92.4 in research and development for continued development of the Armored Multi-Purpose Vehicle.

- Authorizes $330.7 million in research and procurement for continued development and prototyping of the next generation Paladin self-propelled howitzer artillery system.

- Authorizes $144.5 million in procurement for M2 Bradley modifications.

- Authorizes $210.3 million in Army research and procurement for Joint Light Tactical Vehicle.

- Authorizes $261 million in procurement for M1 Abrams modifications.

- Authorizes $651.3 million for the modification of Apache helicopters.
• Authorizes $5.7 billion for the procurement of all three variants of the Joint Strike Fighter.

• Authorizes $25 million in Navy aircraft procurement, along with allowing transfer of $75 million of prior year funds, to preserve the option of buying more for EA-18G Growler electronic warfare aircraft if Navy analysis shows that the Navy needs to buy more EA-18G electronic warfare aircraft.

• Authorizes an additional $25 million in Air Force procurement for procurement and installation of C-130 Avionics Modernization Program (AMP) kits, and directs the Air Force to obligate the fiscal year 2014 funds authorized and appropriated for AMP to conduct such activities as are necessary to complete testing and transition the program to production and installation of modernization kits.

• Authorizes an additional $22.6 million in Air Force procurement for C-130 engine upgrades.

• Prohibits the Air Force from retiring or preparing to retire any A-10 or Airborne Warning and Control Aircraft (AWACS), or making any significant changes in manning levels in FY15.

• Provides an additional $276.3 million for Tomahawk missiles to maintain missile production at the minimum sustaining rate of 200 missiles, rather that the request of $194.3 million that would cut production to 100 missiles.

• Provides USSOCOM with new rapid acquisition authority.

• Directs the Government Accountability Office (GAO) to review the supply of rare earth materials extracted, processed, and refined from secure sources of supply to develop and produce advanced technologies in support of DOD requirements.

• Encourages DOD to allocate the appropriate amount of coordinated resources for jungle training.

• Urges DOD to explore additional efficiencies for light weight cartridge cases and ammunition.

• Authorizes $6.5 billion for military construction, housing programs, energy conservation, and base closure activities, including $219.5 million to address the top unfunded military construction requirements of each of the active, guard, and reserve components.

• Adds $105 million to reduce risk associated with underfunding of facilities sustainment accounts.

4. Successfully concludes the U.S. combat mission in Afghanistan, while enhancing the capability of the U.S. armed forces to support other nations in their efforts to
increase their capacity to provide for their domestic and regional security and contribute to international security.

- Permanently codifies and authorizes up to $500 million for the Department of Defense “section 1206” train and equip program to build the capacity of foreign security forces to conduct counterterrorism operations and coalition operations.

- Extends through 2017 the authority for the Global Security Contingency Fund (GSCF) which pays for a joint DOD-State program to build the capacity of foreign security forces to respond to emerging or urgent crises, and encourages the use of the GSCF for Ukraine.

- Codifies a longstanding prohibition on the Department of Defense from providing assistance to a foreign security force that has committed a gross violation of human rights (“Leahy vetting”). The provision also provides a definition for “other” assistance.

- Establishes and codifies an authority that allows the Secretary of Defense, with the concurrence of the Secretary of State, to conduct human rights training.

- Expands the Department’s so-called “1004 authority” and “1022 authority” to incorporate activities relating to countering transnational organized crime, based on the President’s National Strategy to Combat Transnational Organized Crime.

- Expands the authority for a joint task force conducting counter-narcotics training and assistance to also provide counterterrorism training and assistance to include countering transnational organized crime and illicit trafficking activities.

- Directs DOD to justify Afghanistan equipment retrograde costs.

5. Enhances the capability of the U.S. armed forces and the security forces of allied and friendly nations to defeat al Qaeda, its affiliates and other violent extremist organizations.

- Authorizes the Secretary of Defense to provide equipment, training, supplies, and defense services to assist vetted members of the Syrian opposition.

- Provides an additional $60 million for ISR support to U.S. Africa Command’s (AFRICOM) advise and assist and counterterrorism operations.

6. Improves the ability of the armed forces to counter emerging and nontraditional threats, focusing on terrorism, cyber warfare, and the proliferation of weapons of mass destruction and their means of delivery.

- Extends the authority for support of special operations to combat terrorism, known as “Section 1208,” through fiscal year 2016 and increases the annual cap on the authority from $50 million to $60 million.
- Includes a provision that directs the Secretary of Defense in consultation with the Director of National Intelligence to update the space control and space superiority strategy pursuant to the Space Posture Review.

- Authorizes missile defense programs at $8.7 billion, the budget request level plus an increase of $190 million for improvements to our homeland defense and for Israeli missile defense programs.

7. **Addresses the threats from nuclear weapons and materials by strengthening nonproliferation programs, maintaining a credible nuclear deterrent, reducing the size of the nuclear weapons stockpile, and ensuring the safety, security and reliability of the stockpile, the delivery systems, and the nuclear infrastructure.**

- Authorizes $365 million, the requested amount for the Cooperative Threat Reduction program.

- Authorizes an increase of $145 million to the mixed oxide fuel program to continue construction of the mixed oxide fuel facility which would increase from $201 million to $346 million.

- Authorizes an increase of $140 million to the DOE/NNSA nuclear nonproliferation programs (other than the mixed oxide fuel program) for a total of $1.4 billion. This increase will support deployment of additional mobile and border radiation detector systems in the Middle East and former Soviet states; provide additional resources to collect overseas highly enriched uranium to return to the U.S.; and collect additional radiation sources in the U.S. and around the world, which can pose a “dirty bomb” threat.


- Procures upgraded intercontinental ballistic missile (ICBM) training equipment to help train ICBM crews.

- Increases support for early concept definition studies of the long range standoff weapon.

- Includes a provision that aligns the independent cost estimating practices for life extension programs and new nuclear facilities with that performed by the Department of Defense as required by the Weapons Systems Acquisition Reform Act, which requires independent cost estimates early in the concept definition phase.

- Includes a provision that requires the Administrator of the National Nuclear Security Administration to respond within 90 days to the findings of the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise, created in section 3166 of the National Defense Authorization Act for Fiscal Year 2013.
• Establishes a National Sea-based Deterrence Fund, to provide resources for ensuring that we implement the Ohio-class replacement program at the appropriate level of priority assigned to it by the Secretary of the Navy and the Chief of Naval Operations, with an authorization of $100 million.

8. **Terminates troubled or unnecessary programs and activities, identifies efficiencies, and reduces defense expenditures in light of the Nation's budget deficit problems. Ensures the future capability, viability, and fiscal sustainability of the all-volunteer force.**

• Cuts $324.7 million to improve efficiency and prevent waste through more efficient cash flow, or incrementing, of large military construction projects.

• Requires the Department to continue its effort to reduce management headquarters staffing by extending the review to lower echelon headquarters.

• Provides no funding in the base budget for the Joint Improvised Explosive Device Defeat Organization (JIEEDO) but includes a provision to ensure retention of the functional knowledge and capability.

• Directs the Under Secretary of Defense for Acquisition, Technology, and Logistics to develop a plan to eliminate (as appropriate) any non-enduring functions, associated capabilities, and funding, and to consolidate into an appropriate existing organization any enduring functions, associated capabilities, and funding.

• Cuts $125 million in Army procurement for Warfighter Information Network-Tactical (WIN-T), Increment 2, due to delays in development of Point of Presence and Soldier Network Extension components.

• Cuts $88 million in Army procurement for Joint Tactical Radio System due to slow execution of prior year funds.

• Cuts $30 million in Army RDT&E for the Indirect Fire Protection Capability Increment-2 due to program delay.

• Directs the Under Secretary of Defense for Acquisition, Technology, and Logistics to develop a plan to eliminate (as appropriate) any non-enduring functions, associated capabilities, and funding, and to consolidate into an appropriate existing organization any enduring functions, associated capabilities, and funding.

• Cuts $250 million to Army O&M based on a lower than planned average civilian personnel end strength for FY15.

• Based on GAO analysis, cuts $220.9 million for excess projections in foreign currency fluctuation rates.

• Cuts $80.6 million to the Office of Economic Adjustment for projects related to the transfer of Marines to Guam
• Cuts $75 million across all services’ travel budgets.
• Cuts $63.1 million in Air Force procurement for next generation JSTARS with direction to integrate existing technologies into a replacement aircraft.
• Cuts $30 million in Air Force procurement for integrated personnel and pay system due to contract delays.
• Cuts $25 million from meals-ready-to-eat.
• Cuts $20 million from the Joint Enabling Capabilities Command.
• Cuts $18.4 million across the Army ammunition procurement accounts.
• Cuts $15 million from Enterprise IT program for unjustified procurement.
• Cuts $13.8 million for Army National Guard advertising.
• Cuts $12.5 million from Logistics IT program for unjustified growth.
• Cuts $11 million in Air Force O&M for a classified program.
• Cuts $9.1 million for the Marine Corps National Museum expansion.
• Cuts $4.8 million from Defense-wide O&M for BRAC planning.
• Cuts $4.3 million for DOD support of international sporting competitions due to under execution.
• Cuts $4 million from the COCOM Exercise Engagement and Training Transformation program for under execution.
• Eliminates an exception from DOD policy established last year to reduce the separate development and fielding of service-specific combat and camouflage utility uniforms.

9. Emphasizes the reduction of dependency on fossil fuels and seek greater energy security and independence and pursues technological advances in traditional and alternative energy storage, power systems, operational energy tactical advantages, renewable energy production, and more energy efficient ground, air, and naval systems.

• Encourages DOD to continue to use power purchase agreements for energy projects.
• Documents the operational energy progress made to enhance combat capability.
• Requires a report on DOD implementation to date of the requirements for consideration of fuel logistics support.
• Directs DOD and DOE to report on options to incentivize the development of alternative fuel vehicle refueling stations, to include electric, fuel cell, and compressed natural gas vehicles on DOD property.

• Directs DOD to designate an executive agent for warrior power.

• Prohibits DOD’s fiscal year 2015 funding to be used for bulk purchases of drop-in fuel for operational purposes during fiscal year 2015, unless the cost of that drop-in fuel is cost competitive with traditional fuel, subject to a national security waiver.

• Authorizes $150 million for the Energy Conservation Investment Program.

10. Promotes aggressive and thorough oversight of the Department's programs and activities to ensure proper stewardship of taxpayer dollars and compliance with relevant laws and regulations.

• Combines the Deputy Chief Management Officer and the Chief Information Officer positions into the Chief Management Officer and elevates that position in precedence.

• Documents the DODIG’s $5.3 billion return on investment through investigations and legal action.

• Precludes the Navy from spending any funds on inactivation of the CVN-73.

• Directs the GAO to review Category I ammunition inventories.

• Directs the DLA, Services, and GAO to review war reserve stocks.

• Further streamlines the quarterly readiness report to Congress.

• Eliminates the ability of the Secretary of the Army to abolish any U.S. arsenal that he considers unnecessary.

DETAILED DESCRIPTION BY SUBCOMMITTEE

FUNDING LEVELS
The committee-reported bill authorizes $514 billion for national defense in fiscal year 2015. This total includes $496 billion for the DOD base budget and $17.7 billion for national security programs of the DOE.

SUBCOMMITTEE ON PERSONNEL

Subcommittee Chairwoman Kirsten Gillibrand, D-N.Y., and Ranking Member Lindsey Graham, R-S.C., continued to focus the Subcommittee on Personnel’s attention on sustaining the quality of life of the men and women of the armed forces and their families, as well as DOD civilian personnel, through fair pay, policies, and benefits, including first rate health care, while addressing the needs of wounded, ill, and injured service members and their families. The
End Strength

- Authorizes fiscal year 2015 active-duty end strengths for the Army of 490,000; the Navy, 323,600; the Marine Corps, 184,100; and the Air Force, 310,900. These are consistent with the President’s request.

- Authorizes reserve component end strengths consistent with the President’s request.

Military Personnel Policy

- Removes the limitation on the percentage of officers who may be recommended for discharge during a fiscal year under enhanced selective discharge authority.

- Clarifies the date by which warrant officers and regular officers on the active-duty list who have been selected for selective early retirement must retire.

- Authorizes the service secretaries to establish selection objectives, by year group or specialty, or any combination thereof, for selection boards considering warrant officers for selective retirement.

- Removes requirement that the Secretary of Defense submit annual reports to Congress on joint officer management and promotion objectives for joint officers.

- Authorizes service secretaries to consider for continuation on the reserve active-status list health professions officers in the grade of first lieutenant and lieutenant (junior grade) who have twice failed selection for promotion to the next higher grade, and requires the service secretaries to retain such officers until they have completed their service obligations.

- Eliminates the requirement that a qualified aviator or naval flight officer serve as commanding officer of a nuclear-powered aircraft carrier that has been inactivated during the limited time between inactivation and permanent decommissioning prior to disposal.

- Extends service secretary authority to conduct career flexibility pilot programs for all military services through December 31, 2018.

- Requires the Secretary of Defense to establish and maintain a centralized database of military technician positions within the Department of Defense, and requires the Secretary to report by no later than January 1, 2015, on the numbers, whereabouts, and duties of military technicians within the Department as of September 30, 2014.

- Enhances the participation of mental health professionals in boards for correction of military records and boards for review of discharge or dismissal of members of the armed forces.
• Authorizes the President of the Joint Special Operations University to confer appropriate degrees upon graduates, provided the Secretary of Education recommends approval of the degree in accordance with governing policies, and the Joint Special Operations University is accredited by an appropriate civilian academic accrediting agency.

• Extends to 4 weeks the period that foreign exchange personnel are authorized to attend service academies, when the service secretary concerned determines that such extended attendance serves certain academic purposes.

• Authorizes the Secretary of Air Force to accept from third parties funds, supplies, equipment, and services for the support of the athletic programs of the Air Force Academy and to enter into leases, licenses, contracts, or cooperative agreements for the support of the athletic programs.

• Authorizes employment of local nationals who are not United States citizens to teach host nation language courses in the Defense Dependents’ Overseas Education System when a United States citizen is not available.

• Includes within the functions of the Advisory Council on Dependents’ Education the responsibility to provide advice and information on the Department’s domestic dependent elementary and secondary school system.

• Authorizes $25 million in supplemental impact aid to local educational agencies with military dependent children and $5 million in impact aid for schools with military dependent children with severe disabilities.

• Requires the Secretary of Defense to prescribe a policy for the development of a standard method for collecting, reporting, and assessing suicide data and suicide attempt data involving members of the National Guard and Reserves.

• Requires the Secretary of Defense to direct the service secretaries to develop and implement a program to track, retain, and analyze information on deaths that are reported as suicides involving dependents of members of the regular and reserve components of each service.

• Expresses the sense of the Senate on validated gender-neutral occupational standards for all military occupations.

• Restores fiscal year 2015 funding for the DOD STARBASE program.

• Modifies the statutory termination date of the term of office of judges of the United States Court of Appeals for the Armed Services to align the termination date with the starting date of the Court’s annual term.

• Repeals obsolete requirement in the Defense Incident-Based Reporting System.

• Requires a Comptroller General report on access to on-base services by junior enlisted personnel by no later than April 1, 2015.
Requires a Comptroller General report on Department of Defense and military service progress in expanding service opportunities for women.

Directs service secretaries to assess whether the cyber mission warrants new officer and enlisted specialty designators that are distinct from communications, signals, and intelligence specialties, whether recruiting, retention, and assignment of service members with cyber skills requires bonuses or special and incentive pays, and to report on the results of this assessment by no later than January 31, 2015.

Directs the Secretary of Defense to review the use and adequacy of annual military leave used by federal employees to meet reserve component readiness objectives, and to report on the results of this review by no later than February 1, 2015.

Requires the Secretary of Defense to review within 1 year of the date of enactment of this Act the logs of each Navy ship known to have operated in the waters near Vietnam between January 9, 1962, and May 7, 1975, to determine whether the ship operated in the territorial waters of the Republic of Vietnam during that period, and if so, when.

Authorizes service secretaries to accept certain voluntary legal support services provided by law students.

Directs the Secretary of Defense to submit a report to the Military Compensation and Retirement Modernization Commission by no later than December 1, 2014, and to the Committees on Armed Services of the Senate and House of Representatives concerning various aspects of the commissary benefit and operations.

Re-designates the position of Assistant Secretary of Defense for Reserve Affairs as the Assistant Secretary of Defense for Manpower and Reserve Affairs, whose principal duty would be the overall supervision of manpower and reserve affairs of the Department of Defense.

Expresses the sense of the Senate that boards for correction of military records, when considering a request for correction of a less-than-honorable discharge issued to a service member who served during the Vietnam era, should take into account whether the veteran was diagnosed with Post-Traumatic Stress Disorder as a result of such service.

Extends modifications to the impact aid program made in section 563 of the National Defense Authorization Act for Fiscal Year 2013 by 3 additional years.

Makes improvements to voter assistance programs for members of the armed forces.

Expresses the committee’s support for the United States Naval Sea Cadet Corps.

Directs the Comptroller General to submit a report assessing the feasibility and advisability of increasing the length of duty assignments, and the impact this would have on service members and their families.
- Makes numerous improvements to the information required to be provided during the Transition Assistance Program to service members and veterans regarding their use of Post 9/11 GI Bill and other education financial aid.

- Requires the Comptroller General to report on the impact of certain mental and physical trauma on the discharge of service members for misconduct.

- Expresses the committee’s strong and continuing support of military chaplains and their mission.

- Directs the Secretary of Defense to provide a report that describes all current and projected DOD-supported internet-based job assistance tools, programs, and policies pertaining to transitioning service members.

- Requires the Secretary of Defense, and Secretary of Homeland Security with respect to the Coast Guard, to carry out a program to enable service members to obtain professional credentials while serving that relate to training and skills acquired during service.

- Requires the Office for Reintegration Programs Center for Excellence to evaluate the feasibility and advisability of adding additional Yellow Ribbon Reintegration Program programming 180 days post-deployment and throughout the deployment cycle.

- Establishes a new defense agency with overall responsibility for the POW/MIA accounting community.

- Changes criteria for the award of the Purple Heart to include circumstances where a service member is killed or wounded in an attack by a foreign terrorist organization.

- Adds funding to increase the number of State program support specialists for the National Guard and Reserve.

**Sexual Assault Prevention and Response**

- Requires service secretary review of decisions by convening authorities not to refer charges of certain sex-related offenses for trial by court-martial if requested by chief prosecutor.

- Authorizes Special Victims’ Counsel to represent the victim of a sex-related offense at any proceeding in connection with the reporting, military investigation, and military prosecution of the alleged sex-related offense, and enhances victim’s right to be heard through counsel.

- Requires modification of Rule 513 of the Military Rules of Evidence to enhance the psychotherapist/patient privilege.

- Authorizes court-martial convening authority or military judge to order a deposition only if the party requesting the deposition demonstrates that, due to exceptional circumstances,
it is in the interest of justice that such testimony be preserved for use at an Article 32 hearing or court-martial.

- Requires the Secretary of Defense and Attorney General to jointly develop a strategic framework for ongoing collaboration between the Department of Defense and the Department of Justice in their efforts to prevent and respond to sexual assault.

- Requires the service secretaries and the Secretary of Homeland Security to ensure that sexual assault prevention and response provisions from the National Defense Authorization Act for Fiscal Year 2014 and this Act apply to the military service academies.

- Requires Special Victims’ Counsel to advise victims of sexual assault on jurisdictional options for prosecution of certain sexual offenses and requires that the victim’s preference be considered; requires that all written performance appraisals assess support for sexual assault prevention and response, and performance appraisals of commanding officers address command climate; requires that the 8-day incident report of a sexual assault include review of the most recent command climate survey of the unit of the accused and of the victim; requires a confidential board for correction of military records procedure for victims of sexual assault to challenge their discharge or separation; and requires that the Military Rules of Evidence be amended to provide that the general military character of an accused is not admissible to show the probability of innocence of specified offenses.

- Authorizes the return of personal property to the rightful owner that was retained as evidence relative to an incident of sexual assault upon completion of legal and administrative action.

- Requires the Secretary of Defense to establish and maintain a Defense Advisory Committee on Investigation, Prosecution, and Defense of Sexual Assault in the Armed Forces.

- Makes technical and clarifying corrections to various provisions of the National Defense Authorization Act for Fiscal Year 2014 relating to the military justice system.

- Directs the Secretary of Defense to report by no later than July 31, 2014, on the status of an overdue report on Department plans and policies concerning sexual harassment.

- Requires biennial surveys of civilian employees of the Department of Defense to solicit information on gender issues, including issues relating to gender-based assault, harassment, and discrimination, and the climate in the Department for forming professional relationships between male and female employees of the Department, and requires the Secretary of Defense to report on the feasibility of conducting similar surveys of military dependents and DOD contractors.

- Requires the Comptroller General to report on the sexual assault prevention activities of the Department of Defense and the military services.
• Authorizes the assistance of Special Victims’ Counsel for a member of a reserve component who is a victim of a sex-related offense who is not otherwise entitled to legal assistance.

• Requires the Secretary of Defense to ensure that the annual report on sexual assault in the military includes an update on DOD’s progress toward developing and implementing survivor experience surveys and a report on responses received and associated lessons learned.

• Expresses the committee’s belief that sexual violence prevention programs should use evidence-based methods that evaluate the impact of bystander prevention curricula on participant attitudes and behaviors in order to inform and strengthen ongoing prevention and response activities.

• Requires the Secretary of Defense to prescribe policies to include information from restricted sexual assault reports about alleged assailants in the sexual assault database.

• Requires the Secretary of Defense to report to Congress on a review of the role of the Office of Diversity Management in sexual harassment cases.

• Requires that the annual report on sexual assault in the military include additional analysis of the disposition of sexual assault cases.

**Military Pay and Compensation**

• Authorizes $135 billion for military personnel, including costs of pay, allowances, bonuses, death benefits, and permanent change of station moves.

• Authorizes a 1 percent across-the-board pay raise for members of the uniformed services in pay grades O-6 and below, consistent with the President’s request. Freezes pay for officers O-7 and above.

• Revises the method by which the monthly amount of the basic allowance for housing is determined by authorizing the Secretary to reduce the monthly amount by up to 5 percent of the national average for housing for a given pay grade and dependency status.

• Does not include Department proposals concerning the commissary, including the cut to the direct subsidy.

• Authorizes the Secretary of Defense to purchase commercial items, including brand-name and generic items, for resale in commissary stores without using full and open competition procurement procedures.

• Clarifies that the date on which a dependent child’s status is determined for the purposes of transitional compensation for dependents of members being administratively separated for dependent abuse is the date on which the separation action is commenced, rather than the date the member is separated from active duty.
- Reauthorizes over 30 types of bonuses and special pays aimed at encouraging enlistment, reenlistment, and continued service by active-duty and reserve component military personnel.

- Extends for 1 year authority to temporarily increase the rate of basic allowance for housing in areas impacted by natural disasters or experiencing a sudden influx of personnel.

- Provides pay parity for the Chief of the National Guard Bureau and his senior enlisted advisor with the other members of the Joint Chiefs of Staff and their senior enlisted advisors, respectively.

- Reinstates the cap on retired pay of general and flag officers at the monthly equivalent of level II of the Executive Schedule, and ensures the equitable treatment of those officers serving on or after the date of enactment of this Act that would be affected by this change.

- Clarifies that qualifying days of service under section 12731(f)(2)(A) of title 10, United States Code, that reduce the age at which a service member may receive reserve retired pay may be accumulated between two consecutive fiscal years.

- Authorizes the payment of the Survivor Benefit Plan annuity to a special needs trust for the sole benefit of a disabled dependent child incapable of self-support because of mental or physical incapacity.

- Authorizes the Secretary of Defense to establish a government lodging program and to require its use by service members and Department of Defense civilian employees performing official travel, and requires the Secretary to report on the program’s implementation within 18 months of enactment.

- Grandfathers those who first join the military prior to January 1, 2016, from the reduced annual cost of living adjustment applicable to military retired pay (CPI minus 1 percent). Current law grandfathers those who first join prior to January 1, 2014.

- Strongly encourages the Military Compensation and Retirement Modernization Commission to conduct a survey of active-duty service members, reserve component members, and retirees on their preferences with respect to pay, allowances, health care, retirement, and quality of life benefits and to consider the results of this survey in the Commission’s report.

- Requires the Secretary of Defense to review the utility of the 40-year pay table.

- Requires the Secretary of Housing and Urban Development to establish a pilot program to award grants to qualified organizations to rehabilitate and modify homes of disabled and low income veterans.

**Health Care**
• Authorizes $31.8 billion for the Defense Health Program.

• Establishes higher pharmacy copays in 2015 through 2024 for non-active duty TRICARE beneficiaries; requires that non-formulary prescriptions be available through the national mail-order program; and requires that non-generic prescription maintenance medications be refilled through military treatment facility pharmacies or the national mail-order pharmacy program.

• Does not include Department proposal that would reorganize and consolidate the TRICARE program, or the proposal that would establish enrollment fees for TRICARE for Life beneficiaries.

• Provides authority for provisional TRICARE coverage for emerging health care products and services, including certain lab developed tests.

• Repeals requirement for ongoing Comptroller General reviews of viability of TRICARE Standard and Extra.

• Modifies the method by which the Federal Government makes accrual payments into the Department of Defense Medicare-Eligible Retiree Health Care Fund, and authorizes the Secretary to change the actuarial determination required by statute when Congress enacts significant changes in benefits after the fiscal year begins.

• Extends authority for Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund to September 30, 2016.

• Removes limits on inpatient mental health services.

• Requires Secretary of Defense to conduct a comprehensive study of family planning programs within the Department and to report on the findings of the study by no later than 180 days after the date of enactment of this Act.

• Requires Secretary of Defense to carry out a program of comprehensive, uniform medication management in military medical treatment facilities and to submit a report describing this program by no later than 180 days after the date of enactment of this Act.

• Requires the Secretary of Defense to convene an interagency working group to review and recommend collaborative approaches to improving the provision of mental health services to members of the reserve components and to submit a report on the findings and recommendations of this working group by no later than 1 year after the date of enactment of this Act.

• Requires the Secretary of Defense to submit a report evaluating the tools, processes, and best practices to improve the identification and treatment of mental health conditions and traumatic brain injury among service members by no later than 1 year after the date of enactment of this Act.
• Requires the Secretary of Defense to develop a Department-wide strategy for contracting for health care professionals for the Department of Defense.

• Requires the Comptroller General to submit a report assessing the Military Health System Modernization Study of the Department of Defense by no later than 180 days after the date of enactment of this Act.

• Authorizes breastfeeding support, supplies, and counseling during pregnancy and the postpartum period as a covered benefit for TRICARE beneficiaries.

• Directs the Secretary of Defense to include in his fiscal year 2016 budget request the funding necessary to provide health care, including behavioral health treatment and applied behavior analysis when prescribed by a physician or psychologist, for treatment of developmental disabilities, including autism spectrum disorder, or to submit a report explaining why such funding is not included.

• Requires the Comptroller General to report on the Captain James A. Lovell Federal Health Care Center demonstration project by not later than 120 days after the Secretary of Defense and Secretary of Veterans Affairs submit their evaluation report on this demonstration project.

• Authorizes transfer of $146.9 million to the Joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund to be used for operations of the Captain James A. Lovell Federal Health Care Center, Illinois.

• Requires the Secretary of Defense to submit a report assessing the feasibility and advisability of implementing the recommendations of the Institute of Medicine regarding certain resilience and prevention programs of the Department of Defense.

• Requires the Secretary of Defense to report on reductions in TRICARE Prime service areas.

• Requires the Secretary of Defense to conduct a review of and provide a report on the adequacy and effectiveness of Department of Defense policies, procedures, and systems in providing support to service members who experience traumatic injury as a result of a vaccination required by the Department.

• Requires the Secretary of Defense to provide annual person-to-person mental health assessments for all active duty service members and members of the selected reserve.

• Encourages the Department of Defense to broaden its interpretation of current law to include coverage for clinically appropriate treatments for obesity where other major underlying medical conditions exist.

• Requires the Secretary of Defense to report further on the quality and capability of prosthetics currently available to service members.
• Directs the Secretary of Defense to ensure that sufficient priority is given to efforts to provide timely services for autistic children of military families living in rural or underserved communities.

• Encourages ongoing collaboration between the Department of Defense and the Department of Veterans Affairs.

Civilian Personnel

• Expresses the sense of the Senate that enhanced personnel authorities are needed for hiring, compensating, and promoting civilian personnel supporting U.S. Cyber Command, and requires the Principal Cyber Advisor to provide recommendations to the Secretary of Defense within 180 days of enactment of this Act, to improve the civilian personnel support provided by Cyber Command’s executive agent and the Department of the Air Force.

• Requires the Secretary of Defense to prepare a biennial strategic workforce plan that addresses the shaping and improvement of the senior management workforce, and assesses the workforce comprised of highly qualified experts.

• Extends for 1 year the authority to waive the annual limitation on premium pay and the aggregate limitation on pay for federal civilian employees working overseas.

• Directs the Secretary of Defense to assess whether a program that involves predictable assignments or details of DOD civilian personnel with cyber skills to other military departments, or to DOD civilian positions in U.S. Cyber Command and Cyber Mission Forces units, would enhance the professional development and career progression of the civilian employees, and to report on the results of this assessment by no later than January 31, 2015.

• Renews and expands the Defense Advanced Research Projects Agency’s (DARPA) flexible authority to hire world class scientists and engineers.

Armed Forces Retirement Home

• Authorizes $63.4 million for operation of the Armed Forces Retirement Home.

• Makes technical corrections to Armed Forces Retirement Home authorizing statutes to reflect the creation of the Defense Health Agency.

SUBCOMMITTEE ON AIRLAND

Under the leadership of Chairman Richard Blumenthal, D-Conn., and Ranking Member Roger Wicker, R-Miss., the Subcommittee on Airland followed Chairman Levin’s full committee markup guidelines, in particular to provide what is needed to succeed in combat and stability operations, to restore the readiness of Army ground forces, and Air Force and Navy tactical air systems, to enhance the capability of the armed forces to conduct operations across the spectrum of peace and conflict, and to improve efficiency of programs and apply the savings toward high-priority programs. Specifically, the subcommittee included the following budget
recommendations and legislative provisions:

**Army**

- Authorizes $49.2 million in research and development to continue the Army's search for technologies leading to a next generation infantry fighting vehicle.

- Authorizes $385.1 million in procurement to convert flat-bottom Stryker vehicles to more survivable double-V hull configuration.

- Authorizes $92.4 million in research and development for continued development of the Armored Multi-Purpose Vehicle.

- Authorizes $330.7 million in research and procurement for continued development and prototyping of the next generation Paladin self-propelled howitzer artillery system.

- Authorizes $144 million in procurement for M2 Bradley modifications. Additional funds are a Chief of Staff of the Army unfunded priority and reduces risk in the armored vehicle industrial base.

- Authorizes $126.4 million in procurement for M88A2 improved recovery vehicle. Additional funds are a Chief of Staff of the Army unfunded priority and reduces risk in the armored vehicle industrial base.

- Cuts $41.2 million in procurement for Joint Assault Bridge due to early to need.

- Authorizes $261 million in procurement for M1 Abrams modifications. Additional funds are a Chief of Staff of the Army unfunded priority and reduces risk in the armored vehicle industrial base.

- Authorizes $210.3 million in Army research and procurement for Joint Light Tactical Vehicle.

- Authorizes $295.2 million in research and development for combat vehicle improvement programs.

- Authorizes $612.6 million in procurement for UH-72A Light Utility Helicopter (LUH). At the request of the Chief of the National Guard Bureau, the Secretary of Defense directed the Army to procure 100 additional LUH as a replacement training aircraft rather than transfer any from National Guard for that purpose. Additional funds would authorize procurement of a total 90 new aircraft to replacement of the Army's legacy aviation training aircraft.

- Authorizes $1.4 billion in procurement for UH-60M Black Hawk helicopters for the Army National Guard. Additional funds are a Chief of Staff of the Army unfunded priority.

- Authorizes $892.5 million in procurement for CH-47F Chinook.
• Authorizes $651.3 million in procurement for AH-64E Apache attack helicopters.

• Authorizes $113.2 million in research and development for WIN-T increment 3 to continue development of network centric and highband networking waveforms.

• Cuts $125 million in procurement for WIN-T, Increment 2, due to delays in development of Point of Presence and Soldier Network Extension components.

• Cuts $88 million in procurement for Joint Tactical Radio System due to slow execution of prior year funds.

• Cuts $8 million in procurement for Mid-tier Networking Vehicle Radio due to program delays and slow execution of prior year funds.

• Cuts $10 million in procurement for Joint Battle Command – Platform due to program delays and slow execution of prior year funds.

• Cuts $80.4 million in procurement for countercircle radars due to slow execution of prior year funds and excessive concurrency.

• Cuts $30 million in procurement for the indirect fire protection capability due to program delays and funds early to need.

• Cuts $5 million in procurement for XM25 Counter Defilade Target Engagement System due to performance issues and testing delays and designates the XM25 a congressional interest item.

• Establishes a National Commission on the Future of the Army to assess the Army's active and reserve components size and force mix and requires the submission of its findings and recommendations by February 1, 2016. Also, holds through fiscal year 2015 regular Army, Army National Guard, and Army Reserve end strength to levels as provided for in the budget request; and allows the Army to transfer not more than 48 Apache helicopters from the Army National Guard to the regular Army.

• Directs the Army to conduct a business case analysis on strategies for the management of strategic risk in the armored vehicle transmission industrial base.

• Directs the Army to conduct technical studies of body armor plates and a business case analysis for the long range management of body armor development, acquisition, and sustainment.

**Air Force and Naval Aviation**

• Approves the budget request of $5.8 billion for F-35 Joint Strike Fighter aircraft procurement, $1 billion for E-2D surveillance aircraft, $1.56 billion for KC-46A tanker aircraft, and $1.4 billion for C-130 airlift aircraft.
• Prohibits the Air Force from retiring or preparing to retire any A-10 or Airborne Warning and Control Aircraft (AWACS), or making any significant changes in manning levels in FY15.

• Increases A-10 Operations and Maintenance funding by $256.5 million and AWACS Operations and Maintenance funding by $34.6 million.

• Authorizes $25 million in Navy aircraft procurement, along with allowing transfer of $75 million of prior year funds, to preserve the option of buying more for EA-18G Growler electronic warfare aircraft if Navy analysis shows that the Navy needs to buy more EA-18G electronic warfare aircraft.

• Authorizes an additional $25 million in Air Force procurement for procurement and installation of C-130 Avionics Modernization Program (AMP) kits, and directs the Air Force to obligate the fiscal year 2014 funds authorized and appropriated for AMP to conduct such activities as are necessary to complete testing and transition the program to production and installation of modernization kits.

• Authorizes an additional $22.6 million in Air Force procurement for C-130 engine upgrades.

• Cuts $30 million in Air Force procurement for integrated personnel and pay system due to contract delays.

• Cuts $63.1 million in Air Force procurement for next generation JSTARS with direction to integrate existing technologies into a replacement aircraft.

• Prohibits retirement of operational E-8 JSTARS pending submission of a report on a modernization plan.

• Directs the Secretary of the Air Force to report on the options for replacing or upgrading the T-1A trainer aircraft’s capability.

• Requires the Secretary of the Air Force so submit a series of annual reports on progress made in implementing the 42 recommendations of the National Commission on the Structure of the Air Force.

• Limits aircraft retirements until the Air Force can complete the analysis of 80% of the Air Force missions and aircraft by the end of calendar year 2014.

• Delays plan for C-130 transfers until the Air Force can provide an assessment of the costs and benefits and demonstrate that the shifts are the most effective and efficient alternative for such basing alignments.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES
The Subcommittee on Emerging Threats and Capabilities, under the leadership of Chairman Kay Hagan, D-N.C., and Ranking Member Deb Fischer, R-Neb., focused on improving DOD capabilities to protect the Nation against emerging threats, including terrorism and the proliferation of weapons of mass destruction, and helping to transform U.S. forces to meet future threats. The subcommittee authorized increased investments in research and development, funding for unfunded requirements identified by special operations forces, and recommended improvements in programs to combat terrorism and violent extremism. Specifically, the subcommittee included the following funding and legislative provisions:

**Special Operations**

- Authorizes $7.7 billion for USSOCOM, the amount included in the budget request, including an increase of $36.4 million to support aircrew training hours, USSOCOM’s top unfunded readiness requirement, and $20 million for high priority unit readiness training, which was also identified by the USSOCOM Commander as an unfunded readiness requirement.

- Authorizes an increase of $10.9 million to help address technology gaps identified by USSOCOM on its fleet of MQ-9 Reaper Unmanned Aerial Vehicles.

- Extends the authority for support of special operations to combat terrorism, known as “Section 1208,” through fiscal year 2016 and increases the annual cap on the authority from $50 million to $60 million.

- Requires the Secretary of Defense to provide a plan for transitioning appropriate funds from the Overseas Contingency Operations budget to the base budget to preserve enduring special operations capabilities.

- Prohibits the transfer of MC-12 aircraft from the Air Force to USSOCOM for manned intelligence, surveillance, and reconnaissance until the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, in coordination with the Commander of USSOCOM, provides the congressional defense committees with an analysis and justification for such a transfer. Commensurate with this provision, the bill cuts $40.5 million for MC-12 modifications.

- Prohibits expenditure of funds for Regional Special Operations Coordination Centers and encourages USSOCOM to support regional special operations engagement activities using existing authorities and authorized funds.

- Extends, for 1 additional year, the authority of DOD to establish, develop, and maintain non-conventional assisted recovery capabilities.

**Nonproliferation and Threat Reduction Programs**

- Consolidates and updates over 70 separate Cooperative Threat Reduction (CTR) legislative authorizing provisions that have accumulated since 1991 into one comprehensive legislative provision.
• Authorizes $365 million, the requested amount for the CTR program.

• Authorizes an increase of $145 million to the mixed oxide fuel program to continue construction of the mixed oxide fuel facility which would increase from $201 million to $346 million.

• Authorizes an increase of $140 million to the DOE / NNSA nuclear nonproliferation programs (other than the mixed oxide fuel program) for a total of $1.38 billion. This increase will support deployment of additional mobile and border radiation detector systems in the Middle East and former Soviet states; provide additional resources to collect overseas highly enriched uranium to return to the U.S.; and collect additional radiation sources in the U.S. and around the world, which can pose a “dirty bomb” threat.

Assistant and Training

• Codifies the authority for the DOD “section 1206” train and equip program to build the capacity of foreign military and other security forces to conduct counterterrorism operations and to participate in allied and coalition operations and provides up to $500 million for the program.

• Codifies a longstanding prohibition on the Department of Defense from providing assistance to a foreign security force that has committed a gross violation of human rights (“Leahy vetting”). The provision also provides a definition for “other” assistance.

• Establishes and codifies an authority that allows the Secretary of Defense, with the concurrence of the Secretary of State, to conduct human rights training.

• Extends through 2017 the authority for the GSCF which pays for joint DOD-State programs to build the capacity of foreign security forces to respond to emerging or urgent crises, and encourages the development of a GSCF program to aid Ukraine.

• Requires a biannual report on DOD programs to provide training, equipment or other assistance or reimbursement to foreign security forces.

• Expands the DOD Ministry of Defense Advisor program, which permits the Secretary of Defense to deploy DOD civilians overseas to advise foreign ministries of defense on security matters, to permit such assignments to regional organizations.

• Reiterates the committee’s support for DOD’s ongoing operation to remove Joseph Kony and the top lieutenants of the Lord’s Resistance Army from the battlefield.

• Directs the Comptroller General to conduct a review of the Department of Defense’s security assistance program in the Republic of Yemen.

Improvised Explosive Device Defeat

• Provides no funding in the base budget for JIEEDO but includes a provision to ensure retention of the functional knowledge and capability.
• Directs the Under Secretary of Defense for Acquisition, Technology, & Logistics to develop a consolidation plan for JIEDDO and similar rapid acquisition programs but retains their capabilities.

**Research, Development, Test, & Evaluation (including Science & Technology)**

• Maintains overall funding for science and technology programs within DOD at the President’s requested level of $11.5 Billion.

• Maintains overall funding for high-risk, high-payoff research at DARPA at the President’s requested level of $2.8 Billion.

• Mandates a study by the Defense Science Board, on global threats to US military technological superiority and the adequacy of planned DOD research and acquisition programs to respond to such threats in the next ten years.

• Authorizes a program to develop innovative Science, Technology, Engineering, and Mathematics (STEM) educational programs for military children, leveraging capabilities of DOD laboratories, other federal agencies, and the private sector. These children are often at a disadvantage relative to their peers due to frequent relocations, stress due to parental deployments, and a lack of high quality STEM opportunities in local educational institutions. The program is coupled to the authorization of $10 million to support program efforts.

• Authorizes a pilot program at DARPA under which technical experts with specialized skills from non-traditional defense contractors can serve rotational assignments to manage advanced research and development programs.

• Includes report language which encourages the Department of Defense to more clearly communicate the goals and successes of science and technology developments in supporting the needs of our men and women in uniform.

• Authorizes an increase of $90 million for competitive, merit-based basic science activities of the Military Services and DARPA to fund innovative university research in areas consistent with DOD missions. This includes an increase of $10 million to support research at Historically Black Colleges and Universities and Minority Serving Institutions.

• Authorizes $75 million for the Rapid Innovation Program (RIP) for competitive, merit-based projects in three broad areas: nearer-term emerging technologies; breakthrough technologies for future military capabilities; and improvements in the affordability of defense operations.

**DOD Counternarcotics Program**

• Authorizes more than $700 million for the DOD counter-narcotics program across the base budget.
• Expands the Department’s so-called “1004 authority” and “1022 authority” to incorporate activities relating to countering transnational organized crime, based on the President’s National Strategy to Combat Transnational Organized Crime.

• Renews through fiscal year 2020 three of the Department of Defense’s longstanding counter-narcotics train, equip, assist, and advise programs, including:
  o Authority for a joint task force conducting counter-narcotics training and assistance to also provide counterterrorism training and assistance.
  o Authority to provide certain foreign governments with non-lethal assistance to support counter-narcotics operations.
  o Authority to provide local, State, Federal, and foreign governments with non-lethal assistance to enable counter-narcotics operations.

• Expands the authority for a joint task force conducting counter-narcotics training and assistance to also provide counterterrorism training and assistance to include countering transnational organized crime and illicit trafficking activities.

• Extends through 2017 the Secretary of Defense’s authority to provide assistance the Government of Colombia’s unified counterdrug and counterterrorism campaign.

• Directs a Comptroller General review of the National Guard Counterdrug program.

• Authorizes an additional $20 million in ISR support for SOUTHCOM detection and monitoring operations in the Hemisphere.

**Chemical and Biological Matters**

• Authorizes $1.4 billion for the Chemical and Biological Defense Program.

• Authorizes $867 million for the chemical demilitarization program, the amount requested in the budget.

**SUBCOMMITTEE ON STRATEGIC FORCES**

Under the leadership of the Chairman Mark Udall, D-Colo., and Ranking Member Jeff Sessions, R-Ala., the Subcommittee on Strategic Forces reviewed DOD programs for national security space, strategic forces, ballistic missile defenses, intelligence, surveillance, and reconnaissance, and cyber security, as well as DOE nuclear and environmental management programs. Specifically, the subcommittee included the following funding and legislative provisions:

**Ballistic Missile Defense**

• Authorizes missile defense programs at $8.7 billion, the budget request level plus an increase of $190 million for improvements to our homeland defense and for Israeli missile defense programs.
• Authorizes an increase of $30 million for improvements in reliability and maintenance for the Ground-based Midcourse Defense program.

• Authorizes $351 million (an increase of $175 million) for Israel to procure additional Iron Dome interceptors, including co-production in the United States, or, if Israel determines it is a higher national security priority, to use some or all of the additional $175 million for three U.S.-Israeli cooperative missile defense programs (Arrow System Improvement Program; Arrow-3 upper tier interceptor development; and David’s Sling short-range ballistic missile defense system).

• Requires the Secretary of Defense to develop a robust acquisition plan for the re-design of the Exo-atmospheric Kill Vehicle of the Ground-based Midcourse Defense system to provide confidence that it will work in an operationally effective manner.

• Requires the Department of Defense to follow the “fly before you buy” approach of testing and demonstrating ballistic missile defense systems before making final production decisions or deploying them operationally.

• Requires the Secretary of Defense to provide a report on the status of current and planned efforts to improve homeland ballistic missile defense capabilities, including kill vehicle upgrades and enhancements to sensor and discrimination capabilities.

• Requires the Secretary of Defense to report on the status and progress of efforts to improve regional missile defense capabilities, including efforts by the United States, allies, and partners in Europe, the Middle East, and the Asia-Pacific region.

**Strategic Systems**

• Requires a report by the Commander of U.S. Strategic Command on the fit out of nuclear command and control (NC2) equipment, IT, and related communications lines in the new U.S. Strategic Command Headquarters.

• Requires updates every two years by the Congressional Budget Office of data reported by section 1043 of the FY12 National Defense Authorization Act.

• Requires a report on the status of the air-launched cruise missile and the long range standoff weapon, its replacement.

• Requires reporting by the Nuclear Weapons Council and the Commander of U.S. Strategic Command on decisions relating to the reduction of the final production units of the B61 life extension program.

• Includes a sense of the congress that reaffirms and remains committed to the policies enumerated in the Deterrence and Defense Posture Review of the North Atlantic Treaty organization, dated May 20, 2012.
• Creates an advisory board reporting to the Energy Employees Occupational Illness Program on toxic substances and worker health.

• Restores funding ($12.3 million) for one of two Ohio-class submarine training exercises that were cut in the fiscal year 2015 budget.

• Procures upgraded ICBM training equipment ($23.6 million) to help train ICBM crews.

• Provides an additional $62.3 million to continue modernization of the U-2 aircraft.

• Reduces the request of $244.5 million for Global Hawk research and development by $136 million that would be spent trying to duplicate the capabilities of the U-2.

**Space Programs**

• Requires the Defense Science Board to review the long term systems architecture of the space situational awareness sensor system.

• Directs the Secretary of Defense, in consultation with the Director of National Intelligence, to update the space control and space superiority strategy pursuant to the Space Posture Review.

• Prohibits funding the storage of the last Defense Meteorological Satellite (satellite #20) unless the Secretary of Defense certifies to the congressional defense committees that the Department of Defense (DOD) intends to launch the satellite and will have sufficient funding to do so in the Future Years Defense Program.

• Requires a preponderance of the funds used within the Space Security and Defense Program be allocated to offensive space control and active defense strategies.

• Requires competition for launching the payload from mission five of the Operationally Responsive Space program.

• Prohibits the use of Russian rocket engines on the Evolved Expendable Launch Vehicle (EELV) at the end of the current block buy contract to reduce U.S. dependence on foreign components and pursue new domestic development in a world-class liquid rocket engine with a waiver for national security and if space launch and services cannot be obtained at a fair and reasonable price.

• Requires the Secretary of Defense to develop a program plan to competitively produce an EELV class liquid rocket engine for production no later than 2019 with $20 million in funding already appropriated in FY14 and an additional $100 million to begin engineering design in FY15. The provision requires the plan for meeting the 2019 production date be provided to Congress by September 30, 2014.

• Requires the GAO to examine the reliance and risk of the EELV program on foreign sources.
• Requires the GAO to examine the cost and pricing accounting methods in the EELV program.

• Requires the Air Force to increase competition for the EELV program by at least one in FY15 without breaking the terms of the existing block buy. The language also allows for an additional competition between FY16 and FY17 subject to a Secretary of Defense waiver that such competition won’t break the block buy contract.

• Adds $20 million to the Operationally Responsive Space program, which was proposed to have no funding in FY15. The $20 million will enable the program to continue designing a low cost space based situational awareness satellite.

Cyber Security

• Requires the Secretary of Defense to establish procedures for designating contractors as “operationally critical contractors,” notifying such contractors that they have been designated, and requiring designated contractors to report successful penetrations of their computer networks by known or suspected advanced persistent threat actors. An operationally critical contractor is a company designated by the Secretary as a critical source of supply for airlift, sealift, intermodal transportation services, or logistical support that is essential to mobilization, deployment, or sustainment in a contingency operation.

• Includes a sense of the Senate stating that the Secretary of Defense should advise the President not to transfer the U.S. Government’s role in internet governance unless he is confident that the “.MIL” top-level domain and Internet Protocol address numbers used exclusively by the Department of Defense for national security will remain exclusively used by the Department of Defense.

• Requires the Secretary of Defense, for fiscal year 2017 and every succeeding year, for the President’s annual budget submission and supporting documents, to develop a major force program category and program elements for the Department of Defense future years defense program for the training, arming, and equipping of the cyber mission forces.

• Provides $30 million to the National Security Agency for deployment of advanced commercial cybersecurity products to defend Department of Defense networks from previously unknown threats under the Sharkseer program.

Intelligence

• Includes a sense of the Senate Resolution that the Secretary of Defense should support the relaxation of panchromatic, spectral, and infrared imagery resolution limits on the sale of commercial space imagery.

• Requires an assessment by the Vice Chairman of the Joint Chiefs of Staff of the operations research tools and capabilities used by the Joint Staff to evaluate and validate requirements for the allocation of intelligence, surveillance, and reconnaissance assets to the combatant commands and for new systems acquisitions.
• Requires the Secretary of Defense to establish an interim continuous evaluation system to continuously evaluate the security status of Department of Defense employees and contractors with access to the most sensitive classified information and privileged access to networks and databases. The provision also requires the Secretary to establish a strong inter-disciplinary team to manage the development of an insider threat detection and analysis capability.

• Provides an additional $60 million to support AFRICOM’s ongoing advise and assist operations and counterterrorism operations.

• Prohibits the Air Force from retiring any MQ-1 Predator aircraft during fiscal year 2015.

• Directs the Comptroller General to review DOD’s Remotely Piloted Aircraft training.

**Department of Energy Programs**

• Includes a provision that under Executive Order 413.1 at the end of phase CD-1 and before phase CD-4 the Secretary of Energy perform an independent life-cycle cost estimate of capital assets that have a single purpose mission.

• Requires the Administrator of the National Nuclear Security Administration to respond within 90 days to the findings of the Congressional Advisory Panel on the Governance of the Nuclear Security Enterprise, created in section 3166 of the National Defense Authorization Act for Fiscal Year 2013.

• Requires a technology readiness level of 7 or greater when replacing the technologies in building 9212 at the Y-12 plant.

• Requires the Administrator for Nuclear Security to include in the fiscal year 2016 budget request a uranium sustainment budget line for technology development past technology readiness level five so that plant-directed research and development (R&D) at facilities such as Y-12 can concentrate on projects involving technology readiness level 4 and below.

• Aligns the independent cost estimating practices for life extension programs and new nuclear facilities with that performed by the Department of Defense as required by the Weapons Systems Acquisition Reform Act (P.L. 111-23), which requires independent cost estimates early in the concept definition phase.

• Adds $7.5 million for preliminary studies for the long range standoff weapon.

• Authorizes Atomic Energy Defense Activities at the President’s request of $17.6 billion.

**Defense Nuclear Facilities Safety Board**

• Authorizes funding at $30.1 million.
SUBCOMMITTEE ON SEAPOWER

Under the leadership of the Chairman Jack Reed, R-R.I., and Ranking Member John McCain, R-Ariz., the Subcommittee on Seapower focused on the needs of the Navy, Marine Corps, and strategic mobility forces. The subcommittee put particular emphasis on supporting marine and naval forces engaged in combat operations, improving efficiencies, and applying the savings to higher-priority programs. Specifically, the subcommittee included the following funding and legislative provisions:

- Approves funding requested by the President for most of the major programs, including $1.3 billion for the Carrier Replacement Program, $5.9 billion for two Virginia class submarines, $419.5 for the DDG-1000 destroyer program, $2.8 billion for two DDG-51s, $1.4 billion for three Littoral Combat Ship (LCS) vessels, $801.7 million for a moored training ship, $1.5 billion for 19 V-22 tilt-rotor aircraft for the Marine Corps, $859.7 million for 26 UH/AH-1 helicopters for the Marine Corps, $1 billion for 29 MH-60R helicopters for the Navy, and $2.1 billion for eight P-8A maritime patrol aircraft.

- Establishes a National Sea-based Deterrence Fund, to provide resources for ensuring that we implement the Ohio-class replacement program at the appropriate level of priority assigned to it by the Secretary of the Navy and the Chief of Naval Operations.

- Provides an additional $100 million for initial funding of the National Sea-based Deterrence Fund.

- Provides an additional $276.3 million for Tomahawk missiles to maintain missile production at the minimum sustaining rate of 200 missiles, rather than the request of $194.3 million that would cut production to 100 missiles.

- Provides authority for the Secretary of the Navy to use unobligated funds from underperforming programs to transfer up to $650 million for the continued support and advance planning for the refueling of the USS George Washington (CVN-73) aircraft carrier. This will ensure the Navy is able to maintain 11 aircraft carriers once the USS Ford delivers in 2015.

- Requires a report on the effects on meeting combatant commander requirements of moving to a permanent force structure with fewer than 11 operational aircraft carriers.

- Includes a provision to preclude the Navy from spending any funds on inactivation of the CVN-73.

- Provides authority for the Secretary of the Navy to use unobligated funds from underperforming programs to transfer up to $650 million for the acquisition of a 12th ship of the USS San Antonio-class of amphibious ships. Acquisition of this ship would enable the Marine Corps to better support the Asia-Pacific defense strategy.

- Provides permissive authority to incrementally fund LPD-28.
• Establishes rules under which the Navy could use resources in the Ship Modernization, Operations, and Sustainment Fund (SMOSF).

• Requires the Director, Operational Test and Evaluation, to submit a report on the current LCS the test and evaluation master plan for seaframes and mission modules that would provide an assessment of whether or not completion of the test and evaluation master plan will demonstrate operational effectiveness and operational suitability for both seaframes and each mission module.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Subcommittee Chairman Jeanne Shaheen, D-N.H., and Ranking Member Kelly Ayotte, R-N.H., focused the subcommittee’s efforts on: (1) improving the readiness of our armed forces; (2) ensuring that members of the armed forces and their families have access to appropriate facilities, including family housing; and (3) addressing problems in the management and efficiency of DOD. The subcommittee included the following funding and legislative provisions:

Operation & Maintenance and Procurement Funding Items

• Cuts $324.7 million to improve efficiency and prevent waste through more efficient cash flow, or incrementing, of large military construction projects

• Cuts $250 million from Army O&M based on a lower than planned average civilian personnel end strength for FY15.

• Based on GAO analysis, cuts $220.9 million for excess projections in foreign currency fluctuation rates.

• Cuts $80.6 million from the Office of Economic Adjustment for projects related to the transfer of Marines to Guam.

• Cuts $75 million across all services’ travel budgets.

• Cuts $25 million from meals-ready-to-eat.

• Cuts $20 million from the Joint Enabling Capabilities Command.

• Cuts $18.4 million across the Army ammunition procurement accounts.

• Cuts $15 million from the Enterprise IT program for unjustified procurement.

• Cuts $13.8 million for Army National Guard advertising.

• Cuts $12.5 million from the Logistics IT program for unjustified growth.

• Cuts $11 million in Air Force O&M for a classified program.
• Cuts $9.1 million for the Marine Corps National Museum expansion.

• Cuts $4.8 million from Defense-wide O&M for BRAC planning.

• Cuts $4.3 million for DOD support of international sporting competitions due to under execution.

• Cuts $4 million from the COCOM Exercise Engagement and Training Transformation program for under execution.

• Adds $346.6 million for the Army (Active, National Guard, and Reserve) for depot maintenance, facilities sustainment, restoration, and modernization, and two combat training center rotations for the National Guard.

• Adds $219.2 million for the Navy to reach the 6% capital investment program for shipyards and depots, and for aircraft depot maintenance.

• Adds $57.5 million for the Marine Corps to resource two SPMAGTFs in CENTCOM and SOUTHCOM, along with additional funding for facilities sustainment, restoration, and modernization.

• Adds $39.1 million toward a critical PACOM operational shortfall and Air Force facilities sustainment, restoration, and modernization.

• Transfers $15.7 million in Marine Corps O&M for tuition assistance, at the request of the Marine Corps.

• Adds $12.7 million for the procurement technical assistance program which helps enhance the industrial base, improve local economies, and generate employment by assisting small businesses with help from DOD, federal agencies, and state and local governments.

• Adds $5 million to the historically underfunded DOD corrosion prevention and control program.

Military Construction and Basing Issues

• Authorizes $6.5 billion for military construction, housing programs, energy conservation, and base closure activities. Modifications to the budget request include:
  o A reduction of $324.7 million to improve efficiency and prevent waste through more efficient cash flow, or incrementing, of large projects;
  o An additional $219.5 million to address the top unfunded military construction requirements of each of the active, guard, and reserve components; and
  o An additional $105 million to reduce risk associated with underfunding of facilities sustainment accounts.

• Authorizes $150 million for the Energy Conservation Investment Program.
- Includes a provision making clear that nothing in the bill shall be construed to authorize a future Base Realignment and Closure Round.

- Extends the prohibition on the use of U.S. and Japanese funds for the realignment of Marine Corps’ forces from Okinawa to Guam or other Pacific locations until several conditions are met, including the completion of a master plan for military construction necessary to support such a move. The provision includes specific exceptions for facilities that would have military value independent of the movement of Marines from Okinawa to Guam and planning and design of facilities across the island.

- Limits the obligation or expenditure of funds for new military construction, with certain exceptions, in the U.S. European Command area of responsibility until the Secretary of Defense certifies to the congressional defense committees that the installations and specific military construction requirements authorized in the bill have been examined as part of the ongoing European Infrastructure Consolidation Assessment, have been determined to be of an enduring nature, and most effectively meet military requirements at the authorized location.

- Limits funding for new facilities at Guantanamo Bay, Cuba, until the Secretary of Defense certifies to the congressional defense committees that such facilities have enduring military value independent of a high-value detention mission.

- Limits the obligation or expenditure of funds for construction of new military family housing units at Camp Walker, Republic of Korea (ROK), until the Secretary of the Army, in consultation with the Commander of U.S. Forces-Korea, delivers a report to the congressional defense committees validating on-post housing requirements in the ROK and a plan for meeting such requirements.

- Expresses the concern of the committee with regard to the state of DOD laboratory facilities and test centers and the relatively low levels of DOD investments in the revitalization of such facilities.

- Modifies the unspecified minor military construction threshold for the use of Operation and Maintenance funds that can be used to correct facility deficiencies that threaten the life, safety, or health of personnel from $3 million to $4 million.

- Authorizes the Secretary of the Navy to permit a third party to establish and maintain a memorial dedicated to the victims of the shooting attack at the Washington Navy Yard that occurred on September 16, 2013.

- Expresses the concern of the committee with regard to underfunding of military construction requirements and requires a report on the risk to the readiness of facilities associated with such underfunding.

- Extends, for 1 additional year, the authority for the Secretary of Defense to use operation and maintenance funds to construct temporary facilities supporting U.S. military operations in the CENTCOM and specified countries in the AFRICOM areas of responsibility.
• Requires the Secretary of the Army to certify to the congressional defense committees that the Secretary intends to award a contract for the renovation of MacArthur Long Barracks concurrent with assuming beneficial occupancy of the renovated MacArthur Short Barracks before obligating or expending funds for construction of increment 3 of the Cadet Barracks at the United States Military Academy, New York.

• Authorizes the Secretary of Defense to exchange real property with Arlington County, Virginia, and the Commonwealth of Virginia for purposes of expanding the contiguous land available to Arlington National Cemetery.

• Authorizes the Secretary of the Navy to convey approximately 1.2 acres at Joint Base Pearl Harbor-Hickam, Hawaii, to the Honolulu Authority for Rapid Transportation for the public benefit of a rail platform.

• Authorizes the Secretary of the Army to assume administrative jurisdiction of Camp Gruber, Oklahoma, upon a determination by the Secretary that such property is needed for national defense purposes.

• Authorizes the Secretary of the Army to transfer approximately 10 acres adjacent to Lake Lanier, Georgia, in exchange for the transfer of approximately 282 acres at Camp Frank D. Merrill, Dahlonega, Georgia, by the Secretary of Agriculture.

• Requires a report on policies associated with providing unofficial visitors access to Army installations via Privatized Army Lodging facilities.

• Requires quarterly reports on the status, cost, and schedule of the renovation of the Naval Sea Systems Command headquarters.

• Requires a report on unfunded military construction requirements of the active, guard, and reserve components.

• Includes a provision that would allow for reimbursements paid by non-Federal persons or entities for administrative expenses incurred by the military departments for certain real property transactions to be merged with those in the current appropriation, fund, or account used by the military departments for payment of such expenses.

• Includes a provision that would allow for the renewal or extension of existing real estate leases in support of an on-base financial institution without competition.

• Authorizes the Department of Defense to use the ICC 700 National Green Building Standard, the LEED Green Building Standard System, or an equivalent protocol to meet an above code green building standard or rating system for residential buildings.

• Includes a provision that would expand the area around former military installations closed under the Base Realignment and Closure process that can be considered for purposes of satisfying employee residency requirements under the HUBZone program and would extend the period of applicability from 5 to 8 years.

- Combines the Deputy Chief Management Officer and the Chief Information Officer positions into the Chief Management Officer and elevates that position in precedence.

- Provides USSOCOM with new rapid acquisition authority.

- Extends section 841 of the FY13 NDAA, Contracting with the Enemy, to United States Transportation Command.

- Reorganizes the multiyear contract authority statute to make the reporting and certification provisions more logical.

- Requires the Under Secretary of Defense (Acquisition, Technology and Logistics) to provide a plan to consolidate the Department’s rapid acquisition organizations, capabilities and funding.

- Requires a strategy for program manager development and training.

- Requires program managers to stay in their positions through major program milestones.

- Requires the GAO to conduct a report to the extent, if any, to which weapon systems are required to conduct operational tests above those required to meet validated requirements.

- Reauthorizes the Small Business Comprehensive Subcontracting Plans with a process for transitioning out of the program when such transition increases small business opportunities.

- Requires a report from the Under Secretary of Defense (Acquisition, Technology and Logistics) on the implementation of the acquisition process for information technology detailing the applicable implementing regulations, instructions and policies.

- Directs the Government Accountability Office to evaluate the Joint Information Environment to ascertain the scope, costs, and implementation plans and assess the extent to which the Department is executing effective executive oversight and governance.

- Clarifies sourcing requirements related to avoiding counterfeit electronic parts.

- Requires the Department to continue its effort to reduce management headquarters staffing by extending the review to lower echelon headquarters.

- Provides a three-year extension of the Joint Urgent Operational Needs Fund.

- Requires the Secretary of Defense to report to the congressional defense committees on the impact of sequestration on the defense small business community.

- Requires the Comptroller General of the United States to conduct a review of the DOD’s
plans to achieve audit readiness with respect to its property, plant, and equipment. At a minimum, the resulting report shall include an assessment of the advantages and disadvantages of requiring asset valuations to be conducted as part of the statutory requirement for audit readiness.

- Clarifies that the Defense Contract Audit Agency has the specific authority to interview contractor employees as part of an audit.

- Requires the updating of various DOD instructions and regulations to improve tracking and reporting of headquarters personnel and resources.

- Provides DOD missions in AFRICOM a limited procurement authority giving a preference to products and services produced in the AFRICOM area of responsibility.

**Environmental Provisions**

- Authorizes the Department of Defense to remove unexploded ordnances from public areas in Culebra, Puerto Rico.

- Creates a southern sea otter military readiness zone for the U.S. Navy to conduct military readiness activities on San Clemente and San Nicholas islands and the surrounding areas.

**Readiness-Related Legislative Provisions**

The mark contains provisions that: (1) further streamline the quarterly readiness report to Congress; (2) eliminate the ability of the Secretary of the Army to abolish any U.S. arsenal that he considers unnecessary; (3) require the Commander of United States Cyber Command to report the readiness of Cyber Command in the Quarterly Readiness Report to the Congress, not the Commander of United States Strategic Command; (4) eliminate an exception from DOD policy established last year to reduce the separate development and fielding of service-specific combat and camouflage utility uniforms; (5) require a report on DOD implementation to date of the requirements for consideration of fuel logistics support; (6) direct the GAO to review the supply of rare earth materials extracted, processed, and refined from secure sources of supply to develop and produce advanced technologies in support of DOD requirements; and (7) prohibit DOD’s fiscal year 2015 funding to be used for bulk purchases of drop-in fuel for operational purposes during fiscal year 2015, unless the cost of that drop-in fuel is cost competitive with traditional fuel, subject to a national security waiver.

**Report Language**

The mark contains report language that: (1) directs the GAO to review Category I ammunition inventories; (2) documents the DODIG’s $5.3 billion return on investment through investigations and legal action; (3) directs DOD to justify Afghanistan equipment retrograde costs; (4) documents the operational energy progress made to enhance combat capability; (5) encourages DOD to continue to use power purchase agreements for energy projects; (6) directs DOD to designate an executive agent for warrior power; (7) urges DOD to explore additional efficiencies for light weight cartridge cases and ammunition; (8) directs DOD and DOE to report on options to incentivize the development of alternative fuel vehicle refueling stations, to include electric, fuel cell, and compressed natural gas vehicles on DOD property; (9)
encourages DOD to allocate the appropriate amount of coordinated resources for jungle training; and (10) directs the DLA, Services, and GAO to review war reserve stocks.

GENERAL PROVISIONS

• Expresses a sense of the Senate that sequestration is having an adverse impact on the defense budget and calls for the enactment of deficit-neutral legislation to increase the budget caps for national defense, offset by a bipartisan, comprehensive package.

• Requires a comprehensive strategy for enhancing security and stability in Europe in light of Russian aggression against Ukraine and a review of contingency plans and U.S. and NATO force posture and readiness in Europe. The provision would also limit military-to-military security cooperation with Russia, except for critical U.S. security needs.

• Prohibits contracting with Russian state corporation, Rosoboronexport, and terminates existing contracts for helicopters and spare parts for the Afghan security forces.

• Authorizes a pilot program for the Air Force to operate an Inter-European Air Forces Academy to train military personnel of allied and partnered air forces, primarily in Eastern Europe, to overcome the legacy of Cold War institutional structures.

• Authorizes the Secretary of Defense to provide equipment, training, supplies, and defense services to assist vetted members of the Syrian opposition.

• Extends the Afghanistan Special Immigrant Visa program through fiscal year 2015. This provision provides a total of 5,000 new visas for the program, as well as fixes an issue related to the International Security Assistance Force – Afghanistan.

• Affirms the committee’s support of the Department of Defense’s efforts to assist the Government of Nigeria to find the 300 young girls abducted in north-eastern Nigeria earlier this year.

Guantanamo-Related Provisions

• Authorizes the Secretary of Defense to transfer Guantanamo (GTMO) detainees to the United States for detention, trial and incarceration, subject to stringent security measures and legal protections, once the President has submitted a plan to Congress for closing GTMO and Congress has had an opportunity to vote to disapprove that plan under expedited procedures.

• Authorizes the temporary transfer of GTMO detainees to a DOD medical facility in the United States if necessary to prevent death or significant imminent harm to the detainee.

• Imposes a one-year moratorium on GTMO transfers to Yemen in light of the security challenges there.

• Requires a report on impediments to the transfer of GTMO detainees overseas and the steps being taken to address those impediments.
Afghanistan, Pakistan, and Iraq

- Extends or modifies a number of authorities relating to the conflict in Afghanistan, including:
  - Authorizing the Commanders’ Emergency Response Program to support humanitarian projects and reconstruction in Afghanistan;
  - Authorizing the use of DOD funds to provide logistical support to transport and sustain our coalition partners in Afghanistan;
  - Authorizing the use of DOD funds to support a program to reintegrate Taliban fighters into Afghan society; and
  - Authorizing up to $125 million in each of fiscal years 2015 and 2016 to conduct clearance of unexploded ordnance at closed former U.S. training ranges in Afghanistan.

- Authorizes up to $1.2 billion in Coalition Support Funds to reimburse key nations for support provided to U.S. operations in Afghanistan, of which up to $900 million may be used to reimburse Pakistan if certain certifications relating to U.S.-Pakistan cooperation and Pakistani military operations in North Waziristan can be met.

- Authorizes up to $30 million to support the activities of the Office of Security Cooperation in Iraq (OSC-I) and re-authorizes the OSC-I to provide training at military bases to Iraqi military forces and the Iraqi Counter Terrorism Services.

#####