



# FY15 National Defense Authorization Act

*Analysis of H.R. 3979, the National Defense Authorization Act for  
Fiscal Year 2015*

*As of 19 December 2014*



***Bills Status***

	Passed in Committee	Passed in Chamber	Agreement	Final Passage	Signed into Law
House	<input checked="" type="checkbox"/> May 8, 2014	<input checked="" type="checkbox"/> May 22, 2014	<input checked="" type="checkbox"/> December 2, 2014	<input checked="" type="checkbox"/> December 4, 2014	<input checked="" type="checkbox"/> December 19, 2014
Senate	<input checked="" type="checkbox"/> May 22, 2014			<input checked="" type="checkbox"/> December 12, 2014	



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## Executive Summary

This guide provides only a short summary and analysis of the many provisions in the bill. To obtain a complete understanding of any particular provision, users are encouraged to review the actual legislative language. The bill and accompanying report are available on the NGB-LL web page at <http://www.nationalguard.mil/Leadership/JointStaff/PersonalStaff/LegislativeLiaison.aspx>

### STATUS

On 2 December, 2014 the House and Senate Armed Service Committees reached an agreement on a compromised Fiscal Year 2015 National Defense Authorization Act. The President signed the NDAA into law on December 19<sup>th</sup>, 2014.

### HIGHLIGHTS

This analysis includes numerous provisions related to the National Guard:

- The bill 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.
- Requires a Comptroller General briefing and report on Army and Army National Guard force structure changes by March 1, 2015.
- The bill prohibits any transfer of Apache aircraft in FY15, but allows personnel-related preparation activities and planning to take place and allows the Army to transfer up to 48 aircraft in FY16. The Secretary of Defense must also certify in writing commencement of preparations to transfer apaches does not create unacceptable risk to - 1. Strategic depth or regeneration capabilities 2. ARNG role as the combat reserve of the Army.
- Provides an additional \$23M for two additional ARNG Combat Training Readiness rotations.
- Provides \$1.25 billion for the National Guard and Reserve Equipment account in OCO.
- The bill contains a provision that amends section 1056(a) of title 10, United States Code to require that these general offers be selected by the Secretary of the service concerned after consultation with the Chief of the National Guard Bureau
- The bill includes the Chief of the National Guard Bureau as one of the specified persons in the Department of Defense who, by nature of their positions, require continuous security and protection; and provides the Chief of the National Guard Bureau and the Senior Enlisted Advisor to the Chief of the National Guard Bureau with pay and allowances commensurate with all other members of the Joint Chief of Staff.
- The bill precludes the Air Force from modifying or cancelling C-130 AMP. However, the Secretary of Defense may waive the prohibition if the Secretary can certify a modification is required to operate C-130 aircraft in airspace controlled by the Federal Aviation Administration or airspace controlled by the government of a foreign country.
- The bill prohibits the retirement of the A-10 aircraft and authorizes \$334 million to cover potential costs. Additionally, it allows the Air Force to place up to 36 aircraft into backup inventory status.
- The bill amends section 138 of Title 10, United States Code, to re-designate the position of Assistant Secretary of Defense for Reserve Affairs as Assistant Secretary of Defense for Manpower and Reserve Affairs

A full analysis of the bill can be found below.

## Army National Guard

### Authorization of Funding

(All Dollars in Thousands)

Army National Guard	President's FY15 Budget Request	House Passed	Delta from PB	SASC Mark	Delta from PB	Conference Report	FY15 Delta from PB
O&M*	\$6,030,773	\$6,213,573	+\$182,800	\$6,073,773	0	\$6,034,973	+\$4,200
OCO O&M*	\$76,461	-	-	-	-	\$127,261	+\$50,800
MILCON*	\$126,920	161,720	+\$34,800	\$131,920	+\$5,000	\$133,920	+\$7,000

### Army National Guard End Strength

Army National Guard	President's FY15 Budget Request	House Passed	Delta from PB	SASC Mark	Delta from PB	Conference Report	FY15 Delta from PB
End Strength	350,200	350,200	0	350,200	0	350,200	0
AGR	31,385	31,385	0	31,385	0	31,835	0
Dual Status Technicians	27,210	27,210	0	27,210	0	27,210	0
Non-Dual Status Technicians	1,600	1,600	0	1,600	0	1,600	0
ADOS	17,000	17,000	0	17,000	0	17,000	0

## Air National Guard

### Authorization of Funding

(All Dollars in Thousands)

Air National Guard	President's FY15 Budget Request	House Passed	Delta from PB	SASC Mark	Delta from PB	Conference Report	FY15 Delta from PB
O&M*	\$6,392,859	\$6,373,059	-\$19,800	\$6,397,859	+\$5,000	\$6,397,859	+\$5,000
OCO O&M*	\$20,300	-	-	-	-	\$22,600	+\$2,300
MILCON*	\$94,663	\$94,663	0	\$107,863	+\$13,000	\$105,863	+\$11,200

### Air National Guard End Strength

Air National Guard	President's FY15 Budget Request	House Passed	Delta from PB	SASC Mark	Delta from PB	Conference Report	FY15 Delta from PB
End Strength	105,000	105,000	0	105,000	0	105,000	0
AGR	14,704	14,704	0	14,704	0	14,704	0
Dual Status Technicians	21,792	21,792	0	21,792	0	21,792	0
Non-Dual Status Technicians	350	350	0	350	0	350	0
ADOS	16,000	16,000	0	16,000	0	16,000	0

\*Indicates that the funding is **Authorized** and is subject to **Appropriations** funded within the Fiscal Year 2015 Defense Appropriations Act, or the Fiscal Year 2015 Military Construction Appropriations Act

## Procurement

**Plan on modernization of UH–60A aircraft of Army National Guard:** The bill would require not later than March 15, 2015, the Secretary of the Army to submit to the congressional defense committees a prioritized plan for modernizing the entire fleet of UH–60A aircraft of the Army National Guard (Sec. 111).

**Prohibition on availability of funds for retirement of MQ-1 Predator aircraft:** The bill prohibits the Air force from retiring any MQ-1 Predator aircraft in FY15 (Sec. 131).

**Prohibition on availability of funds for retirement of A-10 aircraft:** The bill includes provisions that would prohibit funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2015 for the Department of Defense to be obligated or expended to retire A-10 aircraft or to make significant changes to manning levels with respect to any A-10 aircraft squadron. The bill provides the exception for the Air Force to move up to 36 A-10 aircraft in the active component to backup flying status and make conforming personnel adjustments during FY15. Additionally, within 30 days after enactment, the Director of Cost Assessment and Program Evaluation will conduct an assessment of alternative ways to provide manpower in FY15 to maintain fighter fleet of the Air Force and to field F-35 aircraft. The Comptroller General, no later than March 30, 2015 will also conduct a study of the Air Force's close air support capability (Sec. 133).

**Prohibition on cancellation or modification of avionics modernization program for C-130 aircraft:** The bill prohibits the Air Force in FY15 from cancelling or modifying the avionics modernization program (AMP) of record for C-130 aircraft or initiate an alternative communications, navigation, surveillance, and air traffic management program for C-130 aircraft that is designed or intended to replace AMP unless the Secretary of Defense certifies modification is required to operate C-130 aircraft in airspace controlled by the Federal Aviation Administration or airspace controlled by the government of a foreign country. The provision also limits not more than 85% of the funds authorized for operations and maintenance for the Office of the Secretary of the Air Force may be obligated or expended until the Air Force certifies it has obligated prior year AMP funding. (Sec. 134)

**Limitation on availability of funds for retirement of Air Force aircraft:** The bill recommends a provision that would require the Secretary of the Air Force to submit a report including an analysis and recommendations for not less than 80 percent of the Air Force missions and aircraft before retiring any Air Force aircraft (Sec. 135).

**Limitation on availability of funds for retirement of Airborne Warning and Control System (AWACS) aircraft:** The Senate bill includes a provision that would prohibit the Air Force from retiring or preparing to retire any Airborne Warning and Control Aircraft (AWACS) aircraft or making any significant changes in manning levels in AWACS units in 2015 (Sec. 136).

**Temporary limitation on availability of funds for transfer of Air Force C130H and C–130J aircraft:** The bill includes a provision that would require the Secretary of the Air Force to submit a report before implementing any transfers of C–130H or C–130J aircraft. That report would include: (1) A recommended basing alignment of the C–130H2, C–130H3, and C–130J aircraft; (2) An identification of how that plan deviates from the basing plan approved by the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239); (3) An explanation of what that plan deviates, if in any detail, from the plan approved by that Act; (4) An assessment of the national security benefits and any other expected benefits of the proposed transfers, including benefits for the facility or facilities expected to receive the transferred aircraft; (5) An assessment of the costs of the proposed transfers, including the impact of the proposed transfers on the facility or facilities from which the aircraft will be transferred; (6) An analysis of the recommended basing alignment that demonstrates that the recommendation is the most effective and efficient alternative for such basing alignment; and (7) For units equipped with special capabilities, such as the modular airborne firefighting system capability, an analysis of the impact of the proposed transfers on the ability to satisfy missions that utilize those capabilities. The provision would also require that the Comptroller General conduct a review of the sufficiency of the Air Force report within 45 days after the Air Force submits the report. It is the committee's intent for Congress to have sufficient time to review the Air Force report and the findings of the Comptroller General's review before the Air Force acts. (Sec. 138).

**Report on C-130 aircraft:** The bill includes a provision that would require the Air Force to submit a complete fielding plan for the C-130 aircraft, and specific details of the Air Force's plan to maintain intra-theater capacity within both the active and the reserve components, including its modernization and recapitalization plan for all C-130H and C-130J aircraft (Sec. 140)

**Report on status of F-16 aircraft:** The bill includes a provision that would require the Secretary of the Air Force to report to the congressional defense committees on the status of the F-16 fleet, including the status, location, and planned actions across the future years defense program for all F-16s in the Air Force inventory. This report shall be delivered not later than 180 days after enactment of this Act (Sec. 141).

## **Defense-Wide, Joint, and Multiservice Matters**

**Plan for Modernization or Replacement of Digital Avionics Equipment:** The bill includes a requirement that no later than 90 days after enactment, the Secretary of Defense will submit a plan for the potential modernization or replacement of digital avionics equipment, including use of commercial-off-the-shelf digital avionics equipment, to meet the equipment requirements under the Next Generation Air Transportation System of the Federal Aviation Administration. The plan will include description of requirements, aircraft in need of upgrades, schedule to meet needs in time and cost of options to modernize or replace avionics equipment in each military department. (Sec.152).

## **Research and Development**

**Limitation on retirement of Joint Surveillance and Target Attack Radar Systems aircraft:** The bill includes a provision that would prohibit the Air Force from retiring or preparing to retire operational Joint Surveillance and Target Attack Radar System (JSTARS) aircraft until the Secretary of the Air Force submits a report to the congressional defense committees including an update of the results of the analysis of alternatives (AoA) for recapitalizing the current JSTARS capability; an analysis of life cycle supports costs of maintaining the current fleet of JSTARS aircraft versus replacing the current fleet JSTARS aircraft with a new aircraft and radar system employing mature technology; and an assessment of the cost and schedule of developing and fielding a new aircraft and radar system employing mature technology to replace the current JSTARS aircraft (Sec. 219).

## **Operation and Maintenance**

**Method of funding for cooperative agreements under the Sikes Act:** The bill includes a provision that would amend this section of the Sikes Act (16 U.S.C. 670c-1) to allow the funds for such a cooperative agreement to be paid in a lump sum that includes an amount to cover future costs of the activities provided for under the agreement. The provision would also allow the funds be placed in an interest-bearing account provided that the interest or income is applied for the same purpose as the principal (Sec. 312).

**Army Assessment of Regionally Aligned Force:** The bill includes a provision that requires the Secretary of the Army to submit a report on the activities, lessons learned and future plans for regionally aligned forces (Sec. 332).

**Limitation on MC-12 aircraft transfer to United States Special Operations Command:** The bill includes a provision that would prohibit the transfer of 24 MC-12 aircraft from the Air Force to U.S. Special Operations Command (SOCOM) for manned intelligence, surveillance, and reconnaissance (ISR) until the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict, in coordination with the Commander of SOCOM, provides the congressional defense committees with an analysis and justification for such a transfer. The bill allows an exception for 13 aircraft designated by the Secretary of the Air Force to be transferred from the Air Force to SOCOM and flown by the Air National Guard in support of special operation (Sec. 343).



## **Military Personnel**

### **Retention on reserve active-status list following nonselection for promotion of certain health professions officers and first lieutenants and lieutenants (junior grade) pursuing baccalaureate**

**degrees:** The bill includes a provision that would amend section 14701 of title 10, United States Code, to authorize consideration for continuation on the reserve active-status list of first lieutenant and lieutenant (junior grade) health professions officers who have twice failed of selection for promotion to the next higher grade. The provision would also require service secretaries to retain on the reserve active-status list health professions officers who would otherwise be required to be removed from the reserve active status list until the officer has completed his or her service obligation (Sec. 511).

### **Consultation with the Chief of the National Guard Bureau in selection of Directors and Deputy Directors, Army National Guard and Air National Guard:**

The bill contains a provision that amends section 1056(a) of title 10, United States Code to require that these general offers be selected by the Secretary of the service concerned after consultation with the Chief of the National Guard Bureau (Sec. 512).

**Database on military technician positions:** The bill includes a provision that would require the Secretary of Defense to establish and maintain a centralized database of military technician positions within the Department of Defense (DOD) and require the Secretary to submit a report describing the progress made by September 1, 2014 (Sec. 513).

**Report on management of personnel records of members of the National Guard:** The bill includes a provision that would require not later than April 1, 2015, the Comptroller General must provide a report regarding the management of personnel records of members of the National Guard requires the Secretary to submit a report regarding the management of personnel records of members of the Army National Guard and the Air National Guard, to include the roles and responsibilities of States and Federal agencies and the extend that the States have digitized their records. The report must be submitted no later than December 1, 2015 (Sec 514).

### **Eligibility of members of the Reserve Components of the Armed Forces for assistance of Special**

**Victims' Counsel:** The Senate bill would authorize 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. (Sec. 533)

### **Improved consistency in data collection and reporting in Armed Forces suicide prevention efforts:**

The bill requires the Secretary of Defense to prescribe a policy for a standard method of collecting, reporting and assessing suicide data involving members of the Armed Forces and their dependents, including the reserve component. The Secretary is required, within 180 days after enactment, to submit the policy. In addition, the secretaries of military departments would be required to implement the policy no later than 180 days after the policy has been submitted (Sec. 567).

### **Review and Report on provision of Job Placement assistance and related employment services directly to members of the Reserve Components**

The bill includes a provision that requires the Secretary of Defense to conduct a review of the feasibility of improving the efforts of the DOD to provide job placement assistance and related employment services directly to members of the National Guard and Reserves (Sec. 583).

## **Compensation and Other Benefits**

### **Inclusion of Chief of the National Guard Bureau and Senior Enlisted Advisor to the Chief of the National Guard Bureau among Senior Members of the Armed Forces for purposes of pay and**

**allowances:** The bill would provide 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. The changes made by this provision would be prospective to the date of enactment of this Act (Sec. 603).

**One-Year Extension of certain bonus and special pay authorities for Reserve Forces:** The bill would extend for one year the authority to pay: the Selected Reserve reenlistment bonus, the Selected Reserve affiliation or enlistment bonus, special pay for enlisted members assigned to certain high-priority units, the Ready Reserve enlistment bonus for persons without prior service, the Ready Reserve enlistment and reenlistment bonus for persons with prior service, the Selected Reserve enlistment and reenlistment bonus for persons with prior service, reimbursement of travel expenses for inactive-duty training outside of normal commuting distance, and income replacement for reserve component members experiencing extended and frequent mobilization for active duty service (Sec. 611).

**Modification of per-fiscal year calculation of days of certain active duty or active service to reduce eligibility age for retirement for non-regular service:** The bill includes a provision that would amend section 12731(f)(2)(A) of title 10, United States Code, to clarify that qualifying days of service under that section to reduce the age at which a servicemember may receive reserve retired pay may be accumulated between 2 consecutive fiscal years, effective after the date of enactment of this Act. This provision would apply the change in law to service performed after September 30, 2014 (Sec. 625).

## Health Care Provisions

**Annual mental health assessments for members of the Armed Forces:** The bill includes a provision that would require the Secretary of Defense to provide a person-to-person mental health assessment for active duty and selected reserve members each year. The Secretary may provide such assessments in conjunction with annual periodic health assessments or pre- or post-deployment health assessments. In addition, the provision would require the Secretary to submit an annual report on the tools and processes used to provide the assessments and provide a person-to-person mental health assessment for Active Duty and Selected Reserve members each year (such assessments may be provided in conjunction with annual periodic health assessments or pre- or post-deployment health assessments) and to submit a report to the Committees on Armed Services of the Senate and the House of Representatives on the tools and processes used to provide the assessments. The amendment would also require the Secretary, through 2018, to provide person-to-person mental health screenings once during each 180-day period in which a member is deployed. (Sec. 701).

## General Provisions

**Assistant Secretary of Defense for Manpower and Reserve Affairs:** The bill contains a provision that amends section 138 of Title 10, United States Code, to re-designate the position of Assistant Secretary of Defense for Reserve Affairs as Assistant Secretary of Defense for Manpower and Reserve Affairs, whose principal duty will be the overall supervision of manpower and reserve affairs of the Department of Defense (Sec. 902)

**Inclusion of Chief of the National Guard Bureau among leadership of the Department of Defense provided physical protection and personal Security:** The bill amends section 1074 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181) to include the Chief of the National Guard Bureau as one of the specified persons in the Department of Defense who, by nature of their positions, require continuous security and protection (Sec. 1046).

**Business Case Analysis of the Creation of an Active Duty Association for the 68<sup>th</sup> Air Refueling Wing:** The bill includes a provision that would require the Secretary of the Air Force to conduct a business case analysis of the creation of a 4-PAA (Personnel-Only) KC-135R active association with the 168<sup>th</sup> Air Refueling Wing. The analysis will include consideration of any deficiencies or cost savings achieved assuming the 168<sup>th</sup> Air Refueling Wing meets 100 percent of current air refueling requirements after an active association is in place; improvements to the mission requirements of the 168<sup>th</sup> Air Refueling Wing and Air Mobility Command; and the effects on the operations of the Air Mobility Command. The report would be due 60 days after the enactment of the bill (Sec. 1054).

**Reports on recommendations of the National Commission on the Structure of the Air Force:** The bill includes a provision that would require the Secretary of the Air Force to submit annual reports for each fiscal

year from 2016 through 2019 on how the Air Force is implementing the recommendations of the National Commission on the Structure of the Air Force. In the first such report, the Secretary would be required to establish milestones for the Air Force's review of the Commission recommendations, and a preliminary implementation plan for such recommendations that do not require further review. Subsequent reports would identify progress in achieving milestones established in previous reports and establish milestones for implementing those recommendations for which analysis of the recommendation had been completed since the previous report (Sec. 1055).

**Comptroller General briefing and report on Army and Army National Guard force structure changes:**

The bill requires the Comptroller General to provide Congress by March 1, 2015 a briefing and report providing a comparison of assumptions on strategy, current demands, historical readiness rates, anticipated combat requirements and constraints and limitations associated with mobilization, utilization and rotation policies underlying the Aviation Restructure Initiative and any alternatives proposed by the Chief of the National Guard Bureau and the Department of Defense Cost Assessment and Program Evaluation Office. The report must also include an assessment of models used to estimate future cost and cost savings as well as comparison of the military and civilian personnel requirements for supporting combat aviation brigades under each proposal. The provision also includes a Sense of Congress on concern with the planned reductions and realignment the Army has proposed for the regular Army and the Army National Guard, and Army Reserve in order to comply with the funding constraints under the Budget Control Act of 2011 (Sec. 1057)

**Report on additional matters in connection with report on the force structure of the United States**

**Army:** The bill directs the Chief of Staff of the Army to provide, no later than March 15, 2015, a report and briefing containing an assessment of an alternative force structure methodology for organizing the Army. This must include an assessment of the methodology as a construct for organizing the Army to meet operational requirements consistent with defense strategic guidance and projected budget constraints (Sec. 1062).

**National Commission on the Future of the Army: Title XVII**

**National Commission on the Future of the Army:** The bill includes a provision that would set up an independent commission to study the Army's future structure, including: (1) the necessary size (2) the proper force mixture of the active component and reserve component (3) missions (4) force generation policies, including assumptions behind those policies (5) and how the structure should be modified to best fulfill mission requirements in a manner consistent with available resources.

The commission would be made up of four members appointed by the chairman and ranking members of the Committees on Armed Services of the Senate and the House of Representatives and four members appointed by the President.

The bill would require the commission to identify and evaluate the distribution of responsibility and authority for the allocation of Army National Guard personnel and force structure to the States and territories; the strategic basis or rationale, analytical methods, and decision-making processes for the allocation of Army National Guard personnel and force structure to the States and territories; and a study on the transfer of Army National Guard AH-64 Apache aircraft from the Army National Guard to the regular Army.

The bill requires the commission to submit a detailed statement of the findings and conclusions of the Commission to the President and the congressional committees no later than 1 February, 2016 (Sec. 1701-1707).

**Prohibition on the use of FY15 Funds to reduce strengths of Army Personnel:** The bill prohibits any FY15 funds for the Army to be used to reduce Army personnel below the end strength authorizations.

**Limitation on the Transfer, including preparations for the transfer, of AH-64 Apache Helicopters assigned to the Army National Guard:** The bill prohibits any transfer of Apache aircraft in FY15, but allows personnel-related preparation activities and planning to take place. It allows the Army to transfer up to 48 aircraft in FY16. The Secretary of Defense must also certify in writing commencement of preparations to

transfer apaches does not create unacceptable risk to - 1. Strategic depth or regeneration capabilities  
2. ARNG role as the combat reserve of the Army. (Sec. 1712)

### **Other Authorizations**

**Drug Interdiction and Counter Drug:** The bill authorizes \$820,687,000 for drug interdiction and counter drug activities of the Department of Defense.

**Starbase and Youth Challenge:** The bill authorizes \$25 million for Starbase and \$31 million for Youth Challenge under civil military programs.

### **Authorization of Additional Appropriations for Overseas Contingency Operations**

**European Reassurance Initiative:** The bill authorizes \$1 billion in FY15 for the European Reassurance Initiative (Sec. 1535)

**National Guard and Reserve Equipment Account:** The bill authorizes \$1.25 billion for NGREA (Sec. 4102)

### **Strategic Programs, Cyber and Intelligence Matters**

**Sense of Congress Regarding the Role of the National Guard in Defense of United States Against Cyber Attacks:** The bill includes a sense of Congress that members of the National Guard may possess knowledge of the critical infrastructure in the States in which members serve that may be of value defending against cyber attacks; may have experience in both the private and public sector that could benefit the readiness of the Department of Defense's cyber force; the long-standing relationship the National Guard has with local and civil authorities may be beneficial for purposes of providing for a coordinated response to a cyber attack; and the National Guard has a role in the defense of the United States against cyber threats. (Sec. 1638).

### **Military Construction**

**Army National Guard Construction and Land Acquisition Projections:** The bill authorizes funding for nine projects across eight states (Sec. 2601)

**Air National Guard Construction and Land Acquisition Projections:** The bill authorizes eight projects across six states (Sec. 2604).

### **Explanatory Statement**

#### **National Guard Drug Interdiction and Counter-Drug Activities**

The agreement did not include the House passed provision adding the operations and activities provided by the National Guard Counter-drug Training Centers within the United States for federal, state, and local law enforcement to the items for which the Secretary of Defense may provide funds to the governor of a state who submits to the Secretary a state drug interdiction and counter-drug activities plan, but the committees noted the role of the National Guard Counter drug mission in ensuring the security of the U.S. Homeland. As part of that mission, the National Guard Counter-drug Schools continue to play an important role in training and educating local, state, and federal law enforcement and other entities on counter-drug-related matters. We recognize the benefits of maintaining and supporting the National Guard counterdrug strategy.

#### **National Guard Cyber Protection Teams:**

The committees are aware that the Army National Guard is pursuing a decision to establish ten Cyber Protection Teams (CPTs), independent of the plans by U.S. Cyber Command to establish 68 CPTs within the active component. While they support a role for the reserve components in Department of Defense planning and organization to deal with cyber threats, they are concerned that such plans are not adequately synchronized with overall planning in this space. In particular, they are concerned about potentially creating parallel structures, personnel and training pathways, and authorities for such forces.

Therefore, the agreement directs the Secretary of the Army to submit a report to the congressional defense committees, within 90 days of the enactment of this Act, on the progress made by the Army National Guard to establish ten CPTs to support preparations to respond to emergencies involving an attack or natural disaster impacting computer networks. The report shall include the following:

- (1) A timeframe for when stationing of the CPTs will be finalized.
- (2) A timeframe for activation of the CPTs and whether the teams will be activated at the same time or staggered over time.
- (3) A description of manning and basing requirements.
- (4) The number and location of nominations received for a CPT and the activation date estimate provided in each nomination.
- (5) An assessment of the range of stated cost projections included in the nominations.
- (6) An assessment of any identified patterns regarding ease or difficulty of staffing individuals with required credentials within particular regions.
- (7) Any additional information deemed relevant by the Secretary.

## Committee Reports

Unless modified by the Joint Explanatory statement, reporting requirements for committees remain as requested.

### House Report 113-446

**Divestiture of rotorcraft through Army's Aviation Restructure Initiative:** The committee is aware of the Army's plan to divest certain rotorcraft, such as the OH-58D Kiowa Warrior, OH-58 A/C, and TH-67 primary training helicopters, as part of its Aviation Restructure Initiative. While the committee understands the fiscal pressures facing the Army and supports its efforts to restructure the rotorcraft force, the committee is concerned that the planned divestiture of more than 750 aircraft between fiscal years 2015-19 could have a negative impact on the rotorcraft industrial base which has already been impacted by declining defense spending.

Therefore, the committee directs the Secretary of the Army to provide a briefing to the House Committee on Armed Services by September 1, 2014, on the criteria for transferring these helicopters as excess defense articles into the domestic and international markets. As part of this briefing, the Army should include an assessment of how its criteria for divestiture meet all Federal laws and regulations governing such equipment, including:

- (1) A statement outlining the purposes for which the article is being provided to any foreign country, including whether such article has been previously provided to that country;
- (2) An assessment of the impact of the transfer on the military readiness of the United States;
- (3) An assessment of the impact of the transfer on the national technology and industrial base and, particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to foreign countries to which such articles might be transferred; and
- (4) A statement describing the current value of such articles and the value of such articles at acquisition.

**Abrams tank upgrades:** The budget request contained no funding for the M1A2 Abrams tank upgrade program. The committee continues to believe that the Army must maintain the capability of Armored Brigade Combat Team (ABCT) formations to over match any possible threat. The committee notes that in a hearing before the Subcommittee on Tactical Air and Land Forces, senior Army officials testified that the Army does not plan to close down the industrial facilities used to upgrade M1 Abrams tanks. In addition, the same senior Army officials testified that these critical industrial base facilities would have been at serious risk had it not been for additional funding authorized and appropriated by Congress. The committee understands the next scheduled upgrade for the Abrams tank has been moved up to 2017 from 2019. The committee commends the Army's decision to accelerate this upgrade, and notes that in the committee report (H. Rept. 113-102) accompanying the National Defense Authorization Act for Fiscal Year 2014, the committee encouraged the Army take this action. The committee continues to believe this course of action will mitigate risk within the combat vehicle industrial base.



While the committee understands that the Army believes that Foreign Military Sales (FMS) alone are enough to keep the Abrams tank line "warm" until the 2017 time frame, based on current world events, the committee continues to believe that reliance upon FMS alone poses an unacceptable level of risk to our combat vehicle industrial base and thus to our national security. As a result, the committee believes that the best course of action would be a combination of continued tank upgrades for the Abrams tank program and ongoing FMS; the combination of which should maintain production lines and suppliers until the next Abrams tank upgrade program begins. The committee acknowledges that if all FMS cases materialize as planned, the Army may not need additional funding in fiscal year 2015 in order to mitigate risk through the 2017 time frame. However, according to the information provided to the committee by the Army, the committee will not know if these FMS cases have been funded until the December 2014 time frame.

With regard to the military need for more M1A2 Abrams tank upgrades, the committee notes that six National Guard ABCTs are currently equipped with a less capable version of the Abrams tank. Therefore, the committee believes that as long as the National Guard has a less capable version of the Abrams tank, there will be a requirement for additional modernized M1A2 Abrams tanks. The committee recommends \$120.0 million in Procurement of Weapons and Tracked Combat Vehicles, Army for the Abrams tank upgrade program.

**Air National Guard MQ-1/MQ-9 Ground-Based Sense and Avoid Systems:** The committee believes that ANG MQ-1/9 operations centers configured with a GBSAA system could improve and expedite the assimilation of the MQ-1/9 into operations in both international and domestic airspace, and encourages the Department of the Air Force to work with the Department of the Army to deploy GBSAA systems where appropriate.

**C-130H Avionics Modernization Program and Propulsion System Upgrades:** The committee directs the Secretary of the Air Force to notify the congressional defense committees at any time the combat-coded fleet of C-130H and C-130J aircraft decreases below the 300 combat-coded aircraft prescribed in the 2014 Quadrennial Defense Review. Finally, the committee directs the Under Secretary of Defense (Comptroller) and the Secretary of the Air Force to immediately obligate authorized appropriations provided in fiscal year 2013 and fiscal year 2014 to continue C-130 AMP. Therefore, the committee recommends \$109.7 million, an increase of \$73.8 million, for C-130H propulsion system propeller and engine control upgrades, continued acquisition and installation of C-130 AMP kits, and no funding to begin an alternative communications, navigation, surveillance and air traffic management (CNS/ATM) system program.

**F-16 block 40/50 Mission Training Centers:** The budget request contained no funds for the procurement of F-16 block 40/50 mission training centers for the Air National Guard. Therefore, the committee encourages the Secretary of the Air Force to budget for two additional MTCs which would be located at F-16 Air National Guard units in the Midwestern United States.

**F-16 Modernization:** The committee notes that the budget request proposes the cancellation of the combat avionics programmed extension suite (CAPES). The committee believes that capability upgrades to the F-16 fleet are vitally important to address future threats. Therefore, the committee directs the Secretary of the Air Force to provide a report to the congressional defense committees not later than February 16, 2015, that describes the plan for capability upgrades to the F-16 fleet including costs by year and by appropriation, risks of not upgrading the F-16 block 40, 42, 50, and 52 fleets with the CAPES upgrade, and the effect of the cancellation of CAPES on the Air National Guard's F-16 fleet.

**KC-10 Aerial Refueling Aircraft Force Structure:** The committee notes that the President's request for the Future Years Defense Program 2016-19 did not take into account Budget Control Act of 2011 (Public Law 112-25) sequestration level Department of Defense spending limitations.

The committee understands that if the spending limitations in Public Law 112-25 are imposed on the Department of the Air Force beyond fiscal year 2015, then additional reductions in critical capabilities and aircraft force structure will likely be necessary in order for the Department of the Air Force to comply with its share of spending authority. The committee understands from briefings and discussions with Air Force officials that the KC-10 Stratotanker aircraft could succumb to sequestration impacts. The committee is concerned that a divestment of a high-demand, low-density aircraft such as the KC-10 could have detrimental impacts for the Department of Defense in meeting its global reach and global power objectives,

as it relates to supporting the 2012 Defense Strategic Guidance. The committee also notes that the Commander, U.S. Transportation Command (CUSTC) has validated that the requirement for aerial refueling aircraft capability is 567 aircraft. The Department of the Air Force currently has only 454 aerial refueling aircraft, resulting in a deficit of 113 aircraft short of the CUSTC requirement. The Air Force is not projected to have 567 aerial refueling tankers in its inventory, assuming that no KC-10 or KC-135 are divested, prior to delivery of the 112th KC-46 tanker aircraft in the next decade.

Therefore, elsewhere in this title, the committee includes a provision that would prohibit the Secretary of the Air Force from using any funds or taking any action during fiscal year 2015 to divest or transfer, or prepare to divest or transfer, any KC-10 aerial refueling aircraft of the Air Force. In addition, if the President's request for fiscal year 2016 proposes to divest the KC-10 aerial refueling aircraft from the Department of the Air Force,

the committee directs the Commander, U.S. Transportation Command, in coordination with the Chairman of the Joint Chiefs of Staff, to submit to the congressional defense committees at the time of the fiscal year 2016 budget submission, an operational risk assessment and mitigation strategy that evaluates the military's ability to meet the requirements and objectives stipulated in the Department's Guidance for Employment of the Force, the Joint Strategic Capabilities Plan, and all geographical combatant commander steady-state rotational and warfighting surge contingency operational planning documents.

**KC-46 Aerial Refueling Aircraft program:** The budget request contained \$1.6 billion for KC-46 Low-Rate Initial Production Lot 1 (LRIP 1) procurement of seven aircraft.

The committee notes that the KC-46 program has been executing to date without any requirements changes, and appreciates the requirements discipline that the Secretary of the Air Force has maintained since the beginning of the program. The committee supports the KC-46 program and the capability the aircraft will bring to the Air Force when it is eventually fielded. The committee also realizes that fiscal efficiencies can be garnered from the program at this point in time without a significant impact to program execution.

Therefore, the committee recommends \$1.4 billion, a decrease of \$226.1 million, for KC-46 LRIP 1 procurement of six aircraft to support higher priorities contained elsewhere in this Act. The committee expresses that the Secretary of the Air Force should not consider this as punitive action against the KC-46 program, and the committee expects the Secretary to maintain the same Future Years Defense Program procurement quantity of aircraft despite the one aircraft decrease in the fiscal year 2015 budget. The committee understands from discussions with Air Force program officials that a decrease of 1 aircraft in LRIP 1 will not have a significant impact to program execution and should not hinder the ability for 18 KC-46 aircraft to be delivered by the contractual required assets availability date of the fourth quarter of fiscal year 2017.

**E-8 Joint Surveillance and Target Attack Radar System replacement program:** The committee is concerned that a lengthy acquisition program will result in a capabilities gap which will leave the combatant commanders without an acceptable level of ground moving target indicator and battle management command and control capability for several years. Accordingly, the committee urges the Department of the Air Force to accelerate the NextGen JSTARS program.

**Sustainment of Deployed Terminal High-Altitude Area Defense:** The committee commends the Department of Defense for its rapid and successful deployment of an Army Air and Missile Defense Task Force (AMDTF) and Terminal High-Altitude Area Defense (THAAD) missile defense battery to Guam last spring in response to the Democratic People's Republic of Korea's aggressive posture. The committee notes that Army Chief of Staff, General Raymond Odierno, in testimony before the committee, stated that the Army is working on plans to sustain a long-term presence of a THAAD battery and an AMDTF on Guam to provide necessary protection of military manpower, assets, and civilians. In order to better understand the requirements to sustain an AMDTF and THAAD battery on Guam, the committee directs the Secretary of the Army, in consultation with the Chief of the National Guard Bureau, to report to the committee by January 31, 2015, on the following requirements related to THAAD sustainment:

- (1) An accounting of force structure needed, including potential Army National Guard or Army Reserve force structure;
- (2) Potential military construction needed for force protection and other sustainment issues;

- (3) Estimated military personnel and operation and maintenance costs; and
- (4) Any legal, statutory, or authority challenges associated with sustaining an AMDTF and THAAD battery on Guam.

**Military Personnel:** As the Active Components reduce end strength, the committee encourages the services to ensure the proper force structure and resourcing is provided to the Reserve Components in order to preserve an operational reserve. The committee also recommends that as missions such as cyber security, space operations, and unmanned aerial systems continue grow, the services incorporate the Reserve Components into these force structure.

**Continuum of Service and Reserve Component Duty Statuses:** The committee notes that the current number of duty statuses for the Reserve Components is a hindrance to achieving greater flexibility in the

force. The committee directs the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than January 1, 2015, a proposal that would reduce the duty status of the Reserve Components to no more than eight pay statutes to assist in creating greater flexibility for the Reserve Components to be more interoperable with the Active Components.

**Comptroller General Review of Army National Guard Recruiting Practices:** The committee is concerned with the management and oversight of Army National Guard recruiting practices. The committee notes a series of issues over the past 5 to 8 years with recruiter and enlistment bonus irregularities, and the ongoing criminal investigation of the Guard Recruiter Assistance Program (GRAP). The committee directs the Comptroller General of the United States to conduct a review of the Army and Army National Guard recruiting regulations, policies, and procedures to determine if the Army and Army National Guard have processes in place to ensure that these regulations and policies are being adhered to by recruiters in the States and territories. The committee directs the Comptroller General to report the results of the assessment to the congressional defense committees by June 1, 2015.

**Comptroller General Review of Army Reserve and Army National Guard Non-Availability for Mobilization:** The committee is concerned with the high percentage of soldiers in the Army Reserve and the Army National Guard that are not available for mobilization. The Army National Guard has almost 30 percent of its force non-available for mobilization, with the two largest categories being medically non-available and those who have not completed entry level training. The committee directs the Comptroller General of the United States to conduct a review of the Army Reserve and Army National Guard nonavailable population and submit a report containing the results of the review to the Committees on Armed Services of the Senate and the House of Representatives, not later than June 1, 2015.

**Modular Airborne Fire Fighting System Firefighting Mission:** The committee has become aware that, as a result of members who were killed while on a mission, the Department of Defense is reviewing a policy change dictating which authorities the Air National Guard should be activated under while in support of these missions. The committee directs the Secretary of Defense to provide the Committees on Armed Services of the Senate and the House of Representatives, 60 days prior to any change in policy, a review and assessment of the factors used to make a determination of the appropriate duty status for members of the Air National Guard under either title 10 or title 32; the benefits the member may be afforded under title 10 or title 32 status; the average response time under title 10 or title 32 status; any degradation of the readiness of the MAFFS as a result of different duty statuses; and any other issues that were considered to make a determination on the status under which MAFFS is used to response to a natural disaster or emergency. In addition, any proposed policy change shall not take effect until after the end of the 30-day calendar period beginning on the date on which the Secretary provides notice of the proposed policy change to the Committees on Armed Services of the Senate and the House of Representatives.

**Army Force Structure:** The committee is concerned with the planned reductions and realignments the Army has proposed and the proposed aviation realignment of combat aviation aircraft. Therefore, elsewhere in this Act, the committee includes a provision that would require a Comptroller General of the United States review of the methods the Army and the Department of Defense Office of Cost Assessment and Program Evaluation used to determine the future force structure of the Army, to include the appropriate mix between Active, Guard, and Reserve Component forces.



The committee understands the Army National Guard would be required to divest its AH-64 Apache attack helicopters, effectively transferring these assets to the Active Component, as well as divest its OH-58 Kiowa Warriors Scout Reconnaissance helicopters. However, the committee understands the Army National Guard would receive 111 UH-60 Black Hawk L and M model utility helicopters from the Active Component to improve the Guard's capabilities to perform title 32 crisis response and defense support to civil authority missions. Therefore, the committee expects that those units that transfer AH-64 Apache attack helicopters to the active Army will receive priority for modernized Black Hawks which should be at a minimum in the UH-60 Black Hawk L model utility helicopter configuration.

The committee also recommends increases in funding for procurement and operation and maintenance accounts to accelerate the conversions of UH-60A to UH-60L Black Hawk helicopters, and also recommends additional funding to procure six additional UH-60M Black Hawk helicopters to address Army National Guard modernization shortfalls. Finally, the committee recommends additional funding for operation and maintenance readiness accounts to increase overall training opportunities and increase depot-level maintenance in the Army National Guard.

**National Guard Counterdrug Programs:** The committee encourages the National Guard to prioritize its counterdrug programs to maximize the use of limited funds. The committee is aware that the National Guard uses a threat-based resource model to determine the highest at-risk States and regions of the United States for which to focus resources. The committee believes the National Guard should leverage this model to prioritize its counterdrug programs and resources. The committee also encourages the Secretary of Defense, in consultation with the Chief of the National Guard Bureau, to continue evaluating how to best use limited counterdrug resources to more effectively combat illicit narcotics within the homeland (Title X-Items of Special Interest).

**Information Management Systems for Response Forces:** The committee is aware that the National Guard Bureau Weapons of Mass Destruction-Civil Support Teams (WMD-CST) currently field a system called the CST Information Management System. It is also aware that in the National Guard Chemical, Biological, Radiological and Nuclear (CBRN) Response Enterprise, there are also other capabilities such as the Unified Command Suite and the Joint Incident Command Suite. The committee directs the Secretary of Defense to provide a briefing to the House Committee on Armed Services by January 15, 2015, on a comprehensive strategy for developing and fielding an information management architecture for the Department's CBRN Response Enterprise. This strategy should define the information architecture needs for the CBRN Response Enterprise as well as its plans to achieve enterprise-wide data interoperability for all operating elements within the Response Enterprise.

**Report on National Commission on the Structure of the Air Force Recommendations:** The committee directs the Secretary of the Air Force, in consultation with the Chief of the National Guard Bureau, to submit a report to the congressional defense committees not later than February 2, 2015, on whether the commission's 42 recommendations can be viably institutionalized into the Air Force's Total Force enterprise.

**National Guard State Partnership Program:** The committees notes that section 1205 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66), which authorized the SPP, required an annual report on SPP activities. In this annual report, the first of which is due by January 31, 2015, the National Guard is required to include a summary of expenditures to conduct SPP activities, including annual costs and a breakdown of such expenditures by geographic combatant command. The committee continues to encourage the National Guard to provide greater transparency and detail on the costs to plan, execute, and administer the SPP.

**National Guard and Reserve Component Equipment:** The budget request for Overseas Contingency Operations contained no funding for National Guard and Reserve Component Equipment account. Elsewhere in this Act, the committee notes that the base budget request contained \$3.3 billion for National Guard and Reserve Component equipment. The committee believes additional funds would help eliminate identified shortfalls in the areas of critical dual-use equipment for the procurement of items, including: aircraft missiles, wheeled and tracked combat vehicles, tactical wheeled vehicles, ammunition, small arms, tactical radios to include single channel ground and airborne radio systems, non-system training devices, logistics automation systems, remote weapon stations, chemical/biological protective shelters, internal and external

fuel tanks for rotorcraft, and other critical dual-use procurement items for the National Guard and Reserve Components. The committee recommends additional funding for a National Guard and Reserve Component equipment account within the Overseas Contingency Operations budget request. The committee recommends \$3.3 billion, the full amount of the base budget request, for National Guard and Reserve equipment.

## Senate Report 113-176

**Retirement of Air Force Aircraft:** The Secretary of the Air Force and the Chief of Staff of the Air Force testified to the committee that the Air Force would complete an analysis of 80 percent of the Air Force missions and aircraft by the end of calendar year 2014. That ongoing analysis is assessing the appropriate contributions of the regular Air Force, the Air National Guard, and the Air Force Reserve to the total force structure of the Air Force. The National Commission on the Structure of the Air Force found that the Air Force could save as much as \$2.0 billion per year by realigning its forces between the active and reserve components. The committee wants to ensure that any planned retirements are reassessed in view of any savings that may be achievable as a result of that analysis.

**Airborne Warning and Control System (AWACS):** The committee is concerned about the Air Force's plans to retire aircraft from some of its high-demand, low-density (HD/LD) weapon systems. Aircraft such as the E-3 AWACS, the E-8C Joint Surveillance Targeting and Reconnaissance System (JSTARS), and the EC-130 Compass Call have been under constant, heavy demand, supporting overseas contingency operations as well as homeland defense missions for the past two decades. The committee believes these systems will continue to play a critical role in our national defense until the Department of Defense is able to field capabilities to replace these HD/LD systems.

The committee understands that the proposed cuts are a result of the budget caps enacted by Congress. However, the planned retirement of seven E-3 AWACS in fiscal year 2015 from a total fleet of 31 aircraft without a planned replacement is risky and should be reconsidered. Accordingly, the committee recommends provision that would delay this action for 1 year to give the Air Force time to fully consider the recommendations of the National Commission on the Structure of the Air Force and determine whether additional savings made available by shifting force structure from the active component to the reserve component could free up additional resources to make the premature retirement of these critical aircraft unnecessary.

The committee also recommends an increase of \$34.6 million for Operation and Maintenance, Air Force, and \$24.9 million for Air Force military personnel accounts

**JSTARS:** The budget request included \$73.1 million in PE 37581F for developing a next generation system to replace the current JSTARS aircraft. The Air Force conducted an AoA 3 years ago to review options for modernizing the current E-8C JSTARS capability. That AoA concluded that a combination of Global Hawk Block 40 remotely piloted aircraft and a business class intelligence, surveillance, and reconnaissance (ISR) platform was the least cost, highest performing alternative. The AoA reported that a modern business jet outfitted with fourth generation radar based on existing technology would be the desired capability. The Chief of Staff of the Air Force also informed the committee 2 years ago that the Air Force could not afford to pursue the business jet alternative when he said, "We simply don't have the resources."

This year, the budget request proposes to retire six of the current E-8C JSTARS aircraft in fiscal years 2015 and 2016, and pursue a standard acquisition program and expend nearly \$2.0 billion on a research and development program to develop and integrate new capability onto existing business jet airframes. This new radar and aircraft would not achieve initial operational capability until fiscal year 2022.

The committee supports a rapid recapitalization program to replace the Air Force's current JSTARS aircraft fleet. However, the committee has concerns regarding the Air Force's ability to complete that new program

due to future budget uncertainties. Given the importance of restoring the capability lost by retiring E-8C aircraft in the near term, the committee believes the Air Force should pursue an effort to integrate existing technology onto an airframe, rather than starting a new research effort to develop a new capability. The committee believes the Air Force should be innovative in its recapitalization approach by using modern, but existing, components and technologies and that this should be an integration effort rather than a research and development effort.

Therefore, the committee denies the Air Force request to initiate a new major research and development program to recapitalize the JSTARS fleet and instead recommends the Air Force pursue a program that pursues integration of existing systems and components onto commercially available airframes. The committee recommends a total of \$10.0 million to begin that more modest integration and fielding effort.

**Report on C-130:** One of the recommendations in the report of the National Commission on the Structure of the Air Force was recommendation number 11: "As the Air Force acquires new equipment, force integration plans should adhere to the principle of proportional and concurrent fielding across the components." The committee wants to ensure that there will be concurrent and proportional fielding of new aircraft and new capabilities across the components. Elsewhere in another provision in this Act, the committee recommends a provision that would require the Air Force to report on its implementation plans for recommendations of the Commission. The committee will review closely how the Air Force plans to implement recommendation number 11.

**MC-12:** The committee notes that the budget request included \$41.8 million in Operation and Maintenance, Defense-wide, and \$10.5 million in Procurement, Defense-wide, to support aircraft to be flown by the Air National Guard in support of SOCOM aviation foreign internal defense (AvFID) missions. The committee supports this effort and notes that the limitation included in this provision and the reduction in funding for MC-12 modifications contained elsewhere in the bill do not apply to the AvFID program

**Light Utility Helicopter:** The Senate bill recommends allowing the Army to complete procurement of the needed additional UH-72A Light Utility helicopters and reduce future operational and fiscal risk to replace older legacy training aircraft with new build LUH. By funding the procurement of 35 more LUH in fiscal year 2015, the Army would replace all of its legacy training aircraft and reduce the risk of having to take any from the Army National Guard should procurement funds not be available in fiscal year 2016 or beyond due to full sequestration.

**UH-60 Black Hawk M model:** The Senate bill recommends an increase of \$145.0 million in Aircraft Procurement, Army (APA) for procurement of additional UH-60M Black Hawks only for the Army National Guard. Additional funding was included in the Chief of Staff of the Army's unfunded priorities list.

**C-130 aircraft modifications:** The fiscal year 2015 budget request did not request funding for the C-130 avionics modernization program (AMP), but included \$7.4 million for communication, navigation, surveillance/air traffic management (CNS/ATM) upgrades and \$7.2 million for upgrading cockpit voice and digital data recorders (CVR/DVR) for legacy C-130 aircraft in Aircraft Procurement, Air Force (APAF). The program of record for modernizing the legacy C-130 aircraft until the fiscal year 2013 budget request was the C-130 AMP. When the Air Force announced a decision to cancel AMP, the program was already in low rate initial production and had delivered five aircraft, four additional kits, and training devices.

Section 143 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) prevented the Secretary of the Air Force from canceling or modifying the AMP effort for C-130 aircraft until 90 days after submission of a cost-benefit analysis comparing the original C-130 AMP with a program that would upgrade and modernize the legacy C-130 airlift fleet using a reduced scope program for avionics and mission planning systems. The Air Force submitted that report, but there were questions about the assumptions and conclusions of the report. For example, the original Air Force study also assumed life cycle costs covering only 25 years.

Section 133 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113-66) prevented the Air Force from cancelling the AMP effort in fiscal year 2014 and directed the Comptroller General of the United States to submit to the congressional defense committees a sufficiency review of the cost benefit

analysis in the Air Force study. The committee received the Comptroller General's report which pointed out that changes of fundamental assumptions in the report could change the outcome of the analysis, including the assumed length of time used for calculating life cycle costs savings.

The Air Force will be operating approximately 150 C-130H aircraft for the foreseeable future, probably longer than the 25 years assumed in the Air Force study. The committee strongly supports modernization of this legacy C-130 fleet, and recommends an increase of \$25.0 for procurement and installation of C-130 AMP kits. In addition, the committee directs the Air Force to obligate the fiscal year 2014 funds authorized and appropriated for this program to conduct such activities as are necessary to complete testing and transition the program to production and installation of modernization kits.

**Air Force KC-46A Pegasus procurement:** The committee notes that the KC-46A Pegasus remains one of the Department of Defense's most successful and important acquisition programs. The Chief of Staff of the Air Force described aerial refueling tankers as the lifeblood of the Joint Force's ability to respond to crises and contingencies around the world. The KC-46A will replace the Air Force's 1960s era KC-135s and will significantly enhance our current capability. The Chief of Staff of the Air Force has consistently stated that the KC-46 is the Air Force's highest acquisition priority, and essential to the future of the Joint Force.

The committee also notes that the development of the KC-46As continues to meet its technical performance goals on time and under budget. In April 2014, the Government Accountability Office (GAO) reported that the KC-46's development cost has changed less than 1 percent since 2011, despite funding reductions in fiscal year 2013 associated with the Budget Control Act. Moreover, the aircraft's fixed price incentive contract shifts liability for any future cost growth to the contractor. This structure not only incentivizes the contractor to cut costs in order to generate additional profits, it also ensures maximum value for the government and the taxpayer.

To date, the Air Force reports it has saved \$900.0 million in the KC-46 Aircrew Training System and other program risk adjustments compared to previous estimates. The committee notes that disrupting this well-performing program would negatively affect the ongoing development of the KC-46s and our national security. The Air Force estimates that reducing procurement from seven aircraft to six in fiscal year 2015 would yield near-term savings of \$139.6 million. However, the Air Force projects that this reduction in quantity would adversely affect contractual cost factors over the life of the program, ultimately increasing the cost to the taxpayer by more than \$640.0 million. A reduction would also impose severe risk on the contractor's ability to meet its contractual requirement to deliver 18 aircraft by August 2017. Also, the government could risk losing the very favorable production pricing under the KC-46 contract by not living up to the government's responsibilities under the contract to provide resources matched to contractor progress. In order to ensure the KC-46 program continues to meet its cost, schedule, and performance objectives, and ultimately meet our national defense requirements, the committee recommends fully funding the President's request for procurement of seven KC-46 aircraft in fiscal year 2015, and keeping the program on a stable funding path.

**Armored vehicle transmission industrial base:** Over the last several years the committee has expressed its concern for the management of strategic risk in the armored vehicle industrial base. Strategic risk is that associated with the permanent or temporary loss of either public depot or private commercial industrial capability or capacity to repair and upgrade the Nation's current fleets or develop and produce the next generation of armored vehicles.

The committee notes that this risk is apparent in the portion of the armored vehicle industrial base that designs, develops, and produces transmissions. The committee is aware of actions on the part of the Army to manage this risk through the procurement of some armored vehicle transmissions in excess of its usual repair parts supply and production requirements. Buying extra transmissions, however, may not be a sustainable risk management approach because of declining and uncertain budgets.

Accordingly, the committee directs the Secretary of the Army, or designee, in coordination with the Deputy Assistant Secretary of Defense for Manufacturing and Industrial Base Policy, to conduct a business case analysis of the costs, benefits, risks, feasibility, and advisability of strategies to manage risk in the armored vehicle transmission industrial base including, but not limited to, increased competition, consolidation, or

other industrial approaches across public depot, private commercial, and public-private partnership entities and facilities. The results of this analysis shall be briefed to the congressional defense committees by the Secretary, or designee, not later April 30, 2015.

**Army National Guard advertising reduction:** The budget request included \$274.0 million in Operation and Maintenance, Army National Guard (OMARNG). The committee believes some of the advertising funding should be realigned to support higher priority readiness requirements. Accordingly, the committee recommends a decrease of \$13.8 million in OMARNG for advertising.

**Army National Guard readiness funding increase:** The budget request included \$6.0 billion in Operation and Maintenance, Army National Guard (OMARNG), of which \$198.3 million was for maneuver units. The budget request also included \$128.9 billion in Military Personnel Appropriations (MPA). The committee recommends an increase of \$23.0 million in OMARNG for maneuver units and \$45.0 million in MPA. The committee notes that these recommended increases will ensure that two brigade combat teams will be able to attend combat training center (CTC) rotations in fiscal year 2015, which is the top request on the Army National Guard's unfunded requirements list. These funding increases will also provide additional enabler support during CTC rotations for the active component which does not require personnel growth.

**Technician Database:** The committee notes that the September 30, 2013, Center for Naval Analyses report titled, "Report on the Termination of Military Technician as a Distinct Personnel Management Category," criticized DOD for lacking data that clearly identifies military technicians as a "fundamental problem" inhibiting oversight of a complex personnel program. The committee directs the Secretary to report to the Committees on Armed Services of the Senate and the House of Representatives by no later than January 1, 2015, on the numbers of military technicians within DOD, dual status and nondual status, where they are assigned, and a short description of their assigned duties, as of September 30, 2014.

**Active and Reserve funding efficiencies for training:** The committee understands that the pace of recent combat and contingency operations, the needs of the total force, and fiscal constraints have determined the Army's use for brigade-level combat training at each of its three Combat Training Centers (CTC). Active duty brigade combat teams (BCT) conduct training at one of the CTC every 2 to 3 years on average, while Army National Guard BCT conduct collective CTC training every 7 years on average. The committee believes that there may be cost effective and efficient options for active component training using reserve component training facilities. For active component units not assigned to combat brigades, at echelons above or below brigade-level, and for those units not routinely participating in a CTC rotation, the committee is interested to learn if reserve component regional training institutes and centers may provide a cost effective means to provide access to enhanced training resources and improve or sustain readiness.

Accordingly, the committee directs the Secretary of the Army to review current unit training funding mechanisms that do or could allow for possible integration and use of active component units at reserve component training facilities. The review should consider existing policies and processes for active and reserve component training and resources, and recommendations that may improve training effectiveness and cost efficiency. The review should also include an outline of all existing reserve component training facilities at which active component training might improve readiness. The Secretary shall submit a report on the results of this review to this committee no later than 1 year from the date of enactment of this Act.

**National Commission on the Structure of the Air Force:** The Air Force staff indicates that the Air Force: (1) Agrees with 10 recommendations now; (2) Agrees in principle with 26 other recommendations, but requires some further clarification on those; (3) Has no position on 5 recommendations that will require further analysis; and (4) Disagrees with one recommendation. The recommendation with which the Air Force disagrees is one to disestablish the Air Force Reserve Command, which would require a change in legislation. The Air Force staff further indicates that they will have completed roughly four-fifths of their reviews of the other 41 recommendations by the end of calendar year 2014. Therefore, the committee expects that the Secretary's first report will establish milestones for most, if not all, 41 Commission recommendations.

**Comptroller General of the United States report on the Department of the Army actions to determine the appropriate structure of the Army:** The committee directs the Comptroller General of the United States



to submit a report to the congressional defense committees on a comprehensive review of the Department of the Army's data, analysis, decisionmaking processes, and plans for structuring, readying, and managing the forces of the Army, including the regular Army, the Army National Guard, and the Army Reserve. The required report will include a description and assessment of the manner in which the Department of the Army determines the size and force mixtures of the components of the Army in order to fulfill the national security missions of the Army, including any data on cost, readiness, effectiveness, and other factors available and used by the Department in making that determination. The Comptroller General shall provide an interim briefing not later than March 1, 2015, and a final report on March 1, 2016.

**National Commission on the Structure of the Army:** The committee notes the difficulties expressed by the National Commission on the Structure of the Air Force associated with the Department of Defense's (DOD) interpretation and application of the Federal Advisory Committee Act (FACA) as amended (Public Law 92-463). The commissioners stated in their report that, "As the Commission proceeded with its work, it became increasingly clear that the DOD's interpretation of FACA's purpose would have a significant, and frequently negative, impact on the Commission's work." It is apparent from the views of the commissioners that the Department's interpretation of the oversight safeguards intended by the FACA may have unnecessarily complicated the conduct of their study. The committee expects the Secretary of Defense to support the National Commission on the Future of the Army in a balanced manner and in a spirit consistent with congressional intent and appropriate FACA oversight while avoiding the negative impacts that were experienced by the Air Force Commission.

The committee is also aware that certain aspects of the Army's "1993 Offsite Agreement" pertaining to reserve component core competencies has, in part, for the last 20 years, guided its analysis and decisionmaking with respect to reserve component force structure. This agreement, between senior leadership of the regular Army, ARNG, USAR, and the associations representing their members, guided the realignment of combat arms, combat support, and combat service support force structure between the ARNG and USAR. The agreement provides that the ARNG should retain a mix of combat arms and support structure while the USAR would divest its combat arms and retain combat support and combat service support capabilities. In this manner the core competencies of the Army's reserve components are established: for the ARNG a balance of combat and supporting arms, and for the USAR combat support and service support. By and since this agreement, therefore, the ARNG has been and remains the reserve component within which the Army places those combat arms capabilities to reinforce, supplement, or compliment the combat capabilities of the active Army.

The committee notes that, as appropriate and necessary to address the national security and support for civil authorities requirements of the United States, there are several examples of units and capabilities in the regular Army that are not in the reserves, as well as units and capabilities in the reserves that are not in the regular Army. This system for the alignment of core capabilities among the Army's reserve components has served the Nation, the Army, and the domestic support and public safety needs of the states very well ever since. The committee recognizes the success of this agreement, as evident by the successful partnerships in combat, security, and support missions by active and reserve servicemembers in the conflicts in Afghanistan and Iraq. The committee encourages the Army to continue to maintain the reserve components as an operational reserve and manage the distribution of combat arms, combat support, and combat service support capabilities and forces consistent with and respectful of the intent of its "1993 Offsite Agreement" regarding reserve component core competencies.

**Continuation of the Yellow Ribbon Reintegration Program:** The committee notes that since 2008, more than 1.3 million National Guard and reserve servicemembers and their families have benefited from the Yellow Ribbon Reintegration Program (YRRP). Information and counseling provided during Yellow Ribbon events help returning guard and reserve members and their families manage the unique challenges associated with transitions between military and civilian life. YRRP is designed to ensure guardsmen and reservists returning home, often to rural areas or locations far removed from military installations and traditional military support networks, have access to similar services as their active-duty counterparts. The program provides training sessions and information regarding family assistance programs, veterans' benefits, resilience and suicide prevention, mental health outreach, and other medical information, for servicemembers and their families pre-deployment, during deployment, and up to 90 days post-deployment. YRRP also supports additional state-outreach programs that coordinate state and local resources to create a comprehensive network of support throughout the deployment cycle. These extended programs are

particularly valuable given that servicemembers may continue to face reintegration challenges, including symptoms associated with post-traumatic stress disorder, up to and exceeding 180 days after deployment.

The committee believes the YRRP has enduring value, and encourages the Department of Defense to continue its support beyond the current conflict. The committee also directs the Office for Reintegration Programs Center for Excellence to evaluate the feasibility and advisability of adding additional Yellow Ribbon programming 180 days after deployment and throughout the deployment cycle. The evaluation should include an assessment of possible means to provide more efficient delivery of services, to include leveraging the value of State-based outreach programs.

**Comptroller General review of readiness:** The committee recognizes that for many years the Department of Defense (DOD) has used C-ratings to measure unit readiness of its forces. The Global Status of Resources and Training System (GSORTS) was created to measure unit readiness in terms of resources with respect to authorized and assigned or on-hand personnel and equipment, the operating status of equipment, and the level of training achieved. GSORTS was then able to capture “ready with what.” Later, Defense Readiness Reporting System was intended to take readiness reporting a step further to capture and incorporate, “ready for what.” More recently, in support of combat operations in Iraq and Afghanistan, some units have repeatedly been deployed and task organized to execute missions that have differed from their core functions or the types of military operations for which the unit is designed. Accordingly, the DOD added assigned mission and capability ratings to its traditional C-ratings. The Services and combatant commands also began reporting readiness assessment levels (RA-levels) to capture their strategic readiness.

The committee is concerned that these metrics do not fully capture or articulate the time component of readiness. For example, the C-ratings and assigned mission ratings tend to emphasize readiness at a particular point in time, or the day the rating is achieved. Meanwhile, capability and RA-ratings have an implied time component as they measure readiness against timelines required to support operation and contingency plans. However, the committee is concerned that none of these metrics clearly answer the question of when forces, if not fully manned, trained, equipped, and ready, will be ready for sourcing decisions or risk assessment. Throughout the last decade of combat operations in Iraq and Afghanistan, too often the appropriate level of readiness for deploying active and reserve component units was achieved “just in time” prior to deployment. In some cases, training shortfalls or changes in mission required additional training in theater prior to operational employment of a unit.

In an era of fiscal uncertainty and significant risk to resources, the committee believes “just in time” does not adequately inform strategic and operational risk assessments nor distinguish which units can provide ready forces to meet combatant commander requirements.

Accordingly, the committee directs the Comptroller General to report to the congressional defense committees not later than March 1, 2015, analyzing the extent to which time is or has been incorporated as a quantitative or qualitative component of current and past readiness metrics. The analysis shall describe any efforts the Services, combatant commands, Joint Staff, or the Office of the Secretary of Defense have made to modify their readiness metrics or add any additional metrics to better address the question of when units or commands will be ready.

**Military personnel funding changes:** The Committee recommends an increase of \$45.0 million to support additional Combat Training Center rotations for the Army National Guard; (6) An increase of \$4.0 million for the Office of Employer Support for the Guard and Reserve to increase the number of State support specialists; (7) An increase of \$82.8 million to fund additional personnel required relative to a limitation on retiring A-10s contained elsewhere in this Act.

**Use and adequacy of military leave for federal employees who are members of reserve components:** The committee directs the Secretary of Defense to review the use and adequacy of annual military leave used under section 6323 of title 5, United States Code, to meet reserve component readiness objectives, and to report to the Committees on Armed Services of the Senate and the House of Representatives on the results of this review by no later than February 1, 2015. The review shall include: (1) A description of the average number of hours per fiscal year that Department of Defense (DOD) employees who are also members of reserve components spend in any leave status (including leave without pay) to cover periods of

active duty for training or inactive duty for training; (2) A description of the average number of hours of military leave used per year by military technicians (dual status) in the fulfillment of their technician duties; (3) An assessment of whether the leave provided under section 6323 of title 5, United States Code, is adequate to meet the needs of employees, including military technicians (dual status), in light of the operational tempo of the reserve components; (4) An assessment of whether members of reserve components should continue to accrue and carry over military leave under section 6323 of title 5, United States Code, during periods of active duty or full-time national guard duty for which they volunteered; and (5) Any other matter relating to the use of military leave considered appropriate by the Secretary.

**Survey of preferences of members of the Armed Forces regarding military pay and benefits:** The committee is concerned that the Department of Defense has not adequately considered the views and preferences of servicemembers in making proposals designed to slow the growth of personnel costs, and that other proposals may yield similar savings with less impact on those benefits servicemembers value the most. The committee strongly encourages the Military Compensation and Retirement Modernization Commission to conduct a survey of active-duty servicemembers, reserve component members, and retirees on their preferences with respect to pay, allowances, health care, retirement, and quality-of-life benefits; how those benefits effect decisions to join or remain in the military; how they differ by grade, dependency status, and duty location; and to consider the results of this survey in the Commission's report due next February.

**Army Financial Management Optimization Initiative:** The General Fund Enterprise Business System (GFEBS) is the Army's web-based enterprise resource planning (ERP) solution. GFEBS leverages commercial off-the-shelf business enterprise software (SAP) to enable the Army to compile and share accurate, upto-date financial and accounting data across the entire active Army, Army Reserves, and Army National Guard. GFEBS replaces or absorbs more than 80 legacy accounting and asset management systems to standardize business processes and transactional input across the Army.

Seeking to optimize GFEBS utilization, the Secretary of the Army signed a memorandum on September 11, 2012, directing the Assistant Secretary of the Army for Financial Management and Comptroller (ASA(FM&C)) to conduct a doctrine, organization, training, material, leadership, personnel, facilities (DOTMLPF) review of all financial management processes, policies, organization, and workforce composition. This review, known as the Army Financial Management Optimization (AFMO) initiative is intended to examine and ultimately adjust the roles, missions, and functions of Army financial management (FM) units to optimize the capabilities of the Army's enterprise-wide FM system, maximize efficiency, eliminate or mitigate capability gaps, and meet DOD-wide auditability requirements. The AFMO Task Force made numerous recommendations, including a plan to "consolidate selected financial management activities" into "Command-Aligned Hubs" (CAH). A pilot program to test this CAH approach will begin October 1, 2014.

The committee applauds the Army's efforts. But as the Army works to reduce costs and achieve auditable financial statements, it is important that the evaluation of the CAH pilot program be analyzed not just from an Army perspective but also from a DOD wide perspective.

The committee therefore directs the Deputy Chief Management Officer to conduct a review of the CAH pilot program for any DODwide impacts and report findings of the review to the congressional defense committees within 120 days of completion of the pilot program.

**National Guard Counterdrug Program:** The committee notes that the Department of Defense (DOD) requests funding annually to support the National Guard Counterdrug Program (CDP). The committee believes that the CDP plays an important role in providing military-specific capabilities and expertise resident within the National Guard to support the counterdrug activities of federal, state, and local authorities. This support includes the provision of linguists, intelligence, transportation, logistics, reconnaissance, training, education, and prevention outreach. The committee notes that budgetary pressures have led DOD to decrease the annual budget request for the CDP in recent years.

Further, the committee understands that these cuts have caused a disruption or curtailment of CDP operations, including the planned closure of the five regional counterdrug training centers in fiscal year 2015. The committee encourages DOD to continue its support for the CDP and to provide adequate funding to ensure the sustainability of the program. Additionally, the committee encourages the Secretary of Defense, in



consultation with the Chairman of the Joint Chiefs of Staff, to examine the CDP on an ongoing basis to ensure it keeps pace with the evolving nature of illicit trafficking enterprise.

**Comptroller General of the United States review of the National Guard Counterdrug Program:**

Since 1989, the National Guard has worked with law enforcement agencies and community-based organizations to perform interdiction and anti-drug activities. The National Guard Counterdrug Program operates in 54 U.S. States and territories with approximately 2,500 soldiers and airmen supporting more than 5,000 agencies at the local, state, and federal levels to prevent illicit drugs from being imported, manufactured, and distributed. In fiscal year 2012, the National Guard Counterdrug Program began implementing a threat-based resource model to allocate funding to States and territories based on performance metrics and the severity of the narcotics threat. According to the National Guard Bureau, the model aligns with Department of Defense priorities as outlined by the National Security Strategy and Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats.

The committee is concerned that it has an incomplete picture of the goals and activities of the National Guard Counterdrug Program as well as how resources are being expended. It is imperative that the National Guard Bureau have data, metrics, and analyses to manage the program that are reliable, clearly articulated, transparent, and reflect the changing nature of narcotics trafficking activities. Moreover, given the inter-agency nature of U.S. counterdrug activities, it is critical that the National Guard Bureau cooperate and share information associated with its planned activities with relevant interagency partners, particularly the Office of National Drug Control Policy and the Drug Enforcement Agency.

Therefore, the committee directs the Comptroller General to provide an independent assessment of the program including: (1) The activities and resources associated with the National Guard Counterdrug Program and the trends, if any, over time; (2) The process used to identify, prioritize, and select activities for funding and implementation; (3) The framework used to monitor and evaluate the effectiveness of activities; and (4) Whether the plans and activities of the National Guard program support the efforts of interagency partners and align with broader U.S. goals. The Comptroller General may include other areas in the assessment as deemed appropriate if such inclusion would assist in oversight of the program. The Comptroller General should brief the committee by November 15, 2014, on the preliminary results of the study, with a report to follow as agreed to with the committee.

**Report on military construction unfunded requirements:** The committee notes that the Department of Defense's (DOD) military construction (MILCON) request for fiscal year 2015 is 40 percent less than was requested for fiscal year 2014. In particular, the Army's MILCON funding request declined by 52 percent compared to its request for fiscal year 2014. As the Deputy Under Secretary of Defense for Installations and Environment testified on April 2, 2014, "infrastructure degradation is not immediate, so DOD Components are taking more risk in the MilCon program in order to decrease risk in other operational and training budgets. This funding will still enable the Department to respond to warfighter requirements and mission readiness. However, the reduced budget will have an impact on routine operations and quality of life as projects to improve aging workplaces are deferred." The committee is concerned about the significant cuts to MILCON and their likely impact of increasing the number of facilities in poor to failing condition. The committee is concerned that MILCON cuts will ultimately lead to lasting negative impacts to our military's readiness and their ability to effectively respond to crisis abroad and at home.

These concerns apply not only to the active component, but to the guard and reserve as well. The committee believes that MILCON funding should be equitably distributed among each service's active, guard, and reserve components based on a comprehensive MILCON strategy. Furthermore, the committee would like to have a better understanding of how National Guard MILCON funding is prioritized and distributed among the States.

Therefore, the committee directs the Deputy Under Secretary of Defense for Installations and Environment, in coordination with each of the Service secretaries, to submit to the congressional defense committees a report on DOD MILCON requirements, with focus on each of the Services—active, guard, and reserve facilities. The report shall include, at a minimum: an accounting of unfunded MILCON requirements over the future years defense program by Service, component, and State; an assessment of the risk to readiness assumed by not funding these requirements; a review of the procedures the Army and the Air Force, in

collaboration with the National Guard Bureau, use to allocate National Guard MILCON funding among the States; and procedures used by each Service and their components to prioritize and allocate MILCON funding and balance risk across the active, guard, and reserve components.