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PUBLIC LAW 114–328—DEC. 23, 2016

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2017

Public Law 114–328
114th Congress

An Act

Dec. 23, 2016
[S. 2943]

To authorize appropriations for fiscal year 2017 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National Defense Authorization Act for Fiscal Year 2017.

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2017".

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

(a) DIVISIONS.—This Act is organized into five divisions as follows:

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(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(4) Division D—Funding Tables.

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(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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Sec. 4. Budgetary effects of this Act.

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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

10 USC 101 note.

In this Act, the term “congressional defense committees” has the meaning given that term in section 101(a)(16) of title 10, United States Code.

SEC. 4. BUDGETARY EFFECTS OF THIS ACT.

The budgetary effects of this Act, for the purposes of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on the conference report or amendment between the Houses.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Authorization of appropriations.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for AH–64E Apache helicopters.
Sec. 112. Multiyear procurement authority for UH–60M and HH–60M Black Hawk helicopters.
Sec. 113. Distributed Common Ground System–Army increment 1.
Sec. 114. Assessment of certain capabilities of the Department of the Army.

Subtitle C—Navy Programs

Sec. 121. Determination of vessel delivery dates.
Sec. 122. Incremental funding for detail design and construction of LHA replacement ship designated LHA 8.
Sec. 123. Littoral Combat Ship.
Sec. 124. Limitation on use of sole-source shipbuilding contracts for certain vessels.
Sec. 125. Limitation on availability of funds for the Advanced Arresting Gear Program.
Sec. 126. Limitation on availability of funds for procurement of U.S.S. Enterprise (CVN–80).
Sec. 127. Sense of Congress on aircraft carrier procurement schedules.
Sec. 128. Report on P–8 Poseidon aircraft.
Sec. 129. Design and construction of replacement dock landing ship designated LX(R) or amphibious transport dock designated LPD–29.

Subtitle D—Air Force Programs

Sec. 131. EC–130H Compass Call recapitalization program.
Sec. 132. Repeal of requirement to preserve certain retired C–5 aircraft.
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Sec. 134. Prohibition on availability of funds for retirement of A–10 aircraft.
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Subtitle E—Defense-wide, Joint, and Multiservice Matters

Sec. 141. Standardization of 5.56mm rifle ammunition.
Sec. 142. Fire suppressant and fuel containment standards for certain vehicles.
Sec. 143. Limitation on availability of funds for destruction of certain cluster munitions.
Sec. 144. Report on Department of Defense munitions strategy for the combatant commands.
Sec. 145. Modifications to reporting on use of combat mission requirements funds.
Sec. 146. Report on alternative management structures for the F–35 joint strike fighter program.
Sec. 147. Comptroller General review of F–35 Lightning II aircraft sustainment support.
Sec. 148. Briefing on acquisition strategy for Ground Mobility Vehicle.
Sec. 149. Study and report on optimal mix of aircraft capabilities for the Armed Forces.

Subtitle A—Authorization of Appropriations

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2017 for procurement for the Army, the Navy and the Marine

Corps, the Air Force, and Defense-wide activities, as specified in the funding table in section 4101.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR AH–64E APACHE HELICOPTERS.

(a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—Subject to section 2306b of title 10, United States Code, the Secretary of the Army may enter into one or more multiyear contracts, beginning with the fiscal year 2017 program year, for the procurement of AH–64E Apache helicopters.

(b) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for a fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such later fiscal year.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR UH–60M AND HH–60M BLACK HAWK HELICOPTERS.

(a) AUTHORITY FOR MULTIYEAR PROCUREMENT.—Subject to section 2306b of title 10, United States Code, the Secretary of the Army may enter into one or more multiyear contracts, beginning with the fiscal year 2017 program year, for the procurement of UH–60M and HH–60M Black Hawk helicopters.

(b) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for a fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such later fiscal year.

SEC. 113. DISTRIBUTED COMMON GROUND SYSTEM–ARMY INCREMENT 1.

(a) TRAINING FOR OPERATORS.—The Secretary of the Army shall take such actions as may be necessary to improve and tailor training for covered units in the versions of increment 1 that are in use on the date of the enactment of this Act.

(b) FIELDING OF CAPABILITY.—

(1) IN GENERAL.—The Secretary shall rapidly identify and field a capability for fixed and deployable multi-source ground processing systems for covered units.

(2) COMMERCIALLY AVAILABLE CAPABILITIES.—In carrying out paragraph (1), the Secretary shall procure commercially available off-the-shelf technologies that—

(A) meet essential tactical requirements for processing, analyzing, and displaying intelligence information;

(B) can integrate and communicate with covered units at the tactical unit level and at higher unit levels;

(C) are substantially easier for personnel to use than the Distributed Common Ground System–Army; and

(D) require less training than the Distributed Common Ground System–Army.

(c) LIMITATION ON THE AWARD OF CONTRACT.—The Secretary may not enter into a contract for the design, development, or procurement of any data architecture, data integration, or "cloud" capability, or any data analysis or data visualization and workflow

capability (including warfighting function tools relating to increment 1 of the Distributed Common Ground System–Army) for covered units unless the contract—

(1) is awarded not later than 180 days after the date of the enactment of this Act;

(2) is awarded in accordance with applicable law and regulations providing for the use of competitive procedures or procedures applicable to the procurement of commercial items including parts 12 and 15 of the Federal Acquisition Regulation;

(3) is a fixed-price contract; and

(4) provides that the technology to be procured under the contract will—

(A) begin initial fielding rapidly after the contract award;

(B) achieve initial operating capability not later than nine months after the date on which the contract is awarded; and

(C) achieve full operating capability not later than 18 months after the date on which the contract is awarded.

(d) WAIVER.—

(1) IN GENERAL.—The Secretary of Defense may waive the limitation in subsection (c) if the Secretary submits to the appropriate congressional committees a written statement declaring that such limitation would adversely affect ongoing operational activities.

(2) NONDELEGATION.—The Secretary of Defense may not delegate the waiver authority under paragraph (1).

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the congressional defense committees;

(B) the Select Committee on Intelligence of the Senate; and

(C) the Permanent Select Committee on Intelligence of the House of Representatives.

(2) COVERED UNITS.—The term “covered units” means military units that use increment 1 of the Distributed Common Ground System–Army, including tactical units and operators at the division, brigade, and battalion levels, and tactical units below the battalion level.

SEC. 114. ASSESSMENT OF CERTAIN CAPABILITIES OF THE DEPARTMENT OF THE ARMY.

(a) ASSESSMENT.—The Secretary of Defense, in consultation with the Secretary of the Army and the Chief of Staff of the Army, shall conduct an assessment of the following capabilities with respect to the Department of the Army:

(1) The capacity of AH–64 Apache-equipped attack reconnaissance battalions to meet future needs.

(2) Air defense artillery capacity and responsiveness, including—

(A) the capacity of short-range air defense artillery to address existing and emerging threats, including threats posed by unmanned aerial systems, cruise missiles, and manned aircraft; and

(B) the potential for commercial off-the-shelf solutions.

(3) Chemical, biological, radiological, and nuclear capabilities and modernization needs.

(4) Field artillery capabilities, including—

(A) modernization needs;

(B) munitions inventory shortfalls; and

(C) changes in doctrine and war plans consistent with the Memorandum of the Secretary of Defense dated June 19, 2008, regarding the Department of Defense policy on cluster munitions and unintended harm to civilians.

(5) Fuel distribution and water purification capacity and responsiveness.

(6) Watercraft and port-opening capabilities and responsiveness.

(7) Transportation capacity and responsiveness, particularly with respect to the transportation of fuel, water, and cargo.

(8) Military police capacity.

(9) Tactical mobility and tactical wheeled vehicle capacity, including heavy equipment prime movers.

(b) REPORT.—Not later than April 1, 2017, the Secretary of Defense shall submit to the congressional defense committees a report that includes—

(1) the assessment conducted under subsection (a);

(2) recommendations for reducing or eliminating shortfalls in responsiveness and capacity with respect to each of the capabilities described in such subsection; and

(3) an estimate of the costs of implementing such recommendations.

(c) FORM.—The report under subsection (b) shall be submitted in unclassified form, but may include a classified annex.

Subtitle C—Navy Programs

SEC. 121. DETERMINATION OF VESSEL DELIVERY DATES.

(a) DETERMINATION OF VESSEL DELIVERY DATES.—

(1) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by inserting after section 7300 the following new section:

"§ 7301. Determination of vessel delivery dates

10 USC 7301.

"(a) IN GENERAL.—The delivery of a covered vessel shall be deemed to occur on the date on which—

"(1) the Secretary of the Navy determines that the vessel is assembled and complete; and

"(2) custody of the vessel and all systems contained in the vessel transfers to the Navy.

"(b) INCLUSION IN BUDGET AND ACQUISITION REPORTS.—The delivery dates of covered vessels shall be included—

"(1) in the materials submitted to Congress by the Secretary of Defense in support of the budget of the President for each fiscal year (as submitted to Congress under section 1105(a) of title 31, United States Code); and

"(2) in any relevant Selected Acquisition Report submitted to Congress under section 2432 of this title.

"(c) COVERED VESSEL DEFINED.—In this section, the term 'covered vessel' means any vessel of the Navy that is under construction

on or after the date of the enactment of this section using amounts authorized to be appropriated for the Department of Defense for shipbuilding and conversion, Navy.''.

10 USC 7291 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7300 the following new item:

``7301. Determination of vessel delivery dates.''.

10 USC 7301 note.

(b) CERTIFICATION.—

(1) IN GENERAL.—Not later than January 1, 2017, the Secretary of the Navy shall certify to the congressional defense committees that the delivery dates of the following vessels have been adjusted in accordance with section 7301 of title 10, United States Code, as added by subsection (a):

(A) The U.S.S. John F. Kennedy (CVN–79).

(B) The U.S.S. Zumwalt (DDG–1000).

(C) The U.S.S. Michael Monsoor (DDG–1001).

(D) The U.S.S. Lyndon B. Johnson (DDG–1002).

(E) Any other vessel of the Navy that is under construction on the date of the enactment of this Act.

(2) CONTENTS.—The certification under paragraph (1) shall include—

(A) an identification of each vessel for which the delivery date was adjusted; and

(B) the delivery date of each such vessel, as so adjusted.

SEC. 122. INCREMENTAL FUNDING FOR DETAIL DESIGN AND CONSTRUCTION OF LHA REPLACEMENT SHIP DESIGNATED LHA 8.

(a) AUTHORITY TO USE INCREMENTAL FUNDING.—The Secretary of the Navy may enter into and incrementally fund a contract for detail design and construction of the LHA Replacement ship designated LHA 8 and, subject to subsection (b), funds for payments under the contract may be provided from amounts authorized to be appropriated for the Department of Defense for Shipbuilding and Conversion, Navy, for fiscal years 2017 and 2018.

(b) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under the contract for any subsequent fiscal year is subject to the availability of appropriations for that purpose for such subsequent fiscal year.

SEC. 123. LITTORAL COMBAT SHIP.

(a) REPORT ON LITTORAL COMBAT SHIP MISSION PACKAGES.—

(1) IN GENERAL.—The Secretary of Defense shall include in the materials submitted in support of the budget of the President (as submitted to Congress under section 1105(a) of title 31, United States Code) for each fiscal year through fiscal year 2022 a report on Littoral Combat Ship mission packages.

(2) ELEMENTS.—Each report under paragraph (1) shall include, with respect to each Littoral Combat Ship mission package and increment, the following:

(A) A description of the status of and plans for development, production, and sustainment, including—

(i) projected unit costs compared to originally estimated unit costs for each system that comprises the mission package;

(ii) projected development costs, procurement costs, and 20-year sustainment costs compared to original estimates of such costs for each system that comprises the mission package;

(iii) demonstrated performance compared to required performance for each system that comprises the mission package and for the mission package as a whole;

(iv) problems relating to realized and potential costs, schedule, or performance; and

(v) any development plans, production plans, or sustainment and mitigation plans that may be implemented to address such problems.

(B) A description, including dates, of each developmental test, operational test, integrated test, and follow-on test event that is—

(i) completed in the fiscal year preceding the fiscal year covered by the report; and

(ii) expected to be completed in the fiscal year covered by the report and any of the following five fiscal years.

(C) The date on which initial operational capability is expected to be attained and a description of the performance level criteria that must be demonstrated to declare that such capability has been attained.

(D) A description of—

(i) the systems that attained initial operational capability in the fiscal year preceding the fiscal year covered by the report; and

(ii) the performance level demonstrated by such systems compared to the performance level required of such systems.

(E) The acquisition inventory objective for each system.

(F) An identification of—

(i) each location (including the city, State, and country) to which systems were delivered in the fiscal year preceding the fiscal year covered by the report; and

(ii) the quantity of systems delivered to each such location.

(G) An identification of—

(i) each location (including the city, State, and country) to which systems are projected to be delivered in the fiscal year covered by the report and any of the following five fiscal years; and

(ii) the quantity of systems projected to be delivered to each such location.

(b) CERTIFICATION OF LITTORAL COMBAT SHIP MISSION PACKAGE PROGRAM OF RECORD.—

(1) IN GENERAL.—The Under Secretary of Defense for Acquisition, Technology, and Logistics shall include in the materials submitted in support of the budget of the President (as submitted to Congress under section 1105(a) of title 31, United States Code) for fiscal year 2018 the certification described in paragraph (2).

(2) CERTIFICATION.—The certification described in this paragraph is a certification with respect to Littoral Combat

Ship mission packages that includes, as of the fiscal year covered by the certification, the program of record quantity for—

(A) surface warfare mission packages;

(B) anti-submarine warfare mission packages; and

(C) mine countermeasures mission packages.

(c) LIMITATIONS.—

(1) LIMITATION ON DEVIATION FROM ACQUISITION STRATEGY.—

(A) IN GENERAL.—The Secretary of Defense may not revise or deviate from revision three of the Littoral Combat Ship acquisition strategy, until the date on which the Secretary submits to the congressional defense committees the certification described in subparagraph (B).

(B) CERTIFICATION.—The certification described in this subparagraph is a certification that includes—

(i) the rationale of the Secretary for revising or deviating from revision three of the Littoral Combat Ship acquisition strategy;

(ii) a description of each such revision or deviation; and

(iii) the Littoral Combat Ship acquisition strategy that is in effect following the implementation of such revisions or deviations.

(2) LIMITATION ON SELECTION OF SINGLE CONTRACTOR.— The Secretary of Defense may not select only a single prime contractor to construct the Littoral Combat Ship or any successor frigate class ship unless such selection—

(A) is conducted using competitive procedures and for the limited purpose of awarding a contract or contracts for—

(i) an engineering change proposal for a frigate class ship; or

(ii) the construction of a frigate class ship; and

(B) occurs only after a frigate design has—

(i) reached sufficient maturity and completed a preliminary design review; or

(ii) demonstrated an equivalent level of design completeness.

(d) DEFINITIONS.—In this section:

(1) LITTORAL COMBAT SHIP MISSION PACKAGE.—The term "Littoral Combat Ship mission package" means a mission module for a Littoral Combat Ship combined with the crew detachment and support aircraft for such ship.

(2) MISSION MODULE.—The term "mission module" means the mission systems (including vehicles, communications, sensors, and weapons systems) combined with support equipment (including support containers and standard interfaces) and software (including software relating to the computing environment and multiple vehicle communications system of the mission package).

(3) REVISION THREE.—The term "revision three of the Littoral Combat Ship acquisition strategy" means the third revision of the Littoral Combat Ship acquisition strategy approved by the Under Secretary of Defense for Acquisition, Technology, and Logistics on March 29, 2016.

(e) REPEAL OF QUARTERLY REPORTING REQUIREMENT.—Section 126 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 1657) is amended—

(1) by striking subsection (b); and

(2) by striking "(a) DESIGNATION REQUIRED.—".

SEC. 124. LIMITATION ON USE OF SOLE-SOURCE SHIPBUILDING CONTRACTS FOR CERTAIN VESSELS.

(a) LIMITATION.—None of the funds authorized to be appropriated by this Act or otherwise made available for the Department of Defense for fiscal year 2017 for joint high speed vessels or expeditionary fast transports may be used to enter into or prepare to enter into a contract on a sole-source basis for the construction of such vessels or transports unless the Secretary of the Navy submits to the congressional defense committees the certification described in subsection (b) and the report described in subsection (c).

(b) CERTIFICATION.—The certification described in this subsection is a certification by the Secretary of the Navy that—

(1) awarding a contract for the construction of one or more joint high speed vessels or expeditionary fast transports on a sole-source basis is in the national security interests of the United States;

(2) the construction of the vessels or transports will not result in exceeding the requirement for the ship class, as described in the most recent Navy force structure assessment;

(3) the contract will be a fixed-price contract;

(4) the price of the contract will be fair and reasonable, as determined by the service acquisition executive of the Navy; and

(5) the contract will provide for the United States to have Government purpose rights in the data for the ship design.

(c) REPORT.—The report described in this subsection is a report that includes—

(1) an explanation of the rationale for awarding a contract for the construction of joint high speed vessels or expeditionary fast transports on a sole-source basis; and

(2) a description of—

(A) actions that may be carried out to ensure that, if additional ships in the class are procured after the award of the contract referred to in paragraph (1), the contracts for the ships shall be awarded using competitive procedures; and

(B) with respect to each such action, an implementation schedule and any associated cost savings, as compared to a contract awarded on a sole-source basis.

SEC. 125. LIMITATION ON AVAILABILITY OF FUNDS FOR THE ADVANCED ARRESTING GEAR PROGRAM.

(a) ADVANCED ARRESTING GEAR FOR U.S.S. ENTERPRISE.—None of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the research and development, design, procurement, or advanced procurement of materials for advanced arresting gear for the U.S.S. Enterprise (CVN–80) may be obligated or expended until the Secretary of Defense submits to the congressional defense committees the report described in section 2432 of title 10, United States Code, for the most recently

concluded fiscal quarter for the Advanced Arresting Gear Program in accordance with subsection (c)(1).

(b) ADVANCED ARRESTING GEAR FOR U.S.S. JOHN F. KENNEDY.— None of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the research and development, design, procurement, or advanced procurement of materials for advanced arresting gear for the U.S.S. John F. Kennedy (CVN–79) may be obligated or expended unless—

(1) the decision to install advanced arresting gear on the vessel is determined by the milestone decision authority for the Program; and

(2) the milestone decision authority for the Program submits notification of such determination to the congressional defense committees.

(c) ADDITIONAL REQUIREMENTS.—

(1) TREATMENT OF BASELINE ESTIMATE.—The Secretary of Defense shall deem the Baseline Estimate for the Advanced Arresting Gear Program for fiscal year 2009 as the original Baseline Estimate for the Program.

(2) UNIT COST REPORTS AND CRITICAL COST GROWTH.—

(A) Subject to subparagraph (B), the Secretary shall carry out sections 2433 and 2433a of title 10, United States Code, with respect to the Advanced Arresting Gear Program, as if the Department had submitted a Selected Acquisition Report for the Program that included the Baseline Estimate for the Program for fiscal year 2009 as the original Baseline Estimate, except that the Secretary shall not carry out subparagraph (B) or subparagraph (C) of section 2433a(c)(1) of such title with respect to the Program.

(B) In carrying out the review required by section 2433a of such title, the Secretary shall not approve a contract, enter into a new contract, exercise an option under a contract, or otherwise extend the scope of a contract for advanced arresting gear for the U.S.S. Enterprise (CVN–80), except to the extent determined necessary by the milestone decision authority, on a non-delegable basis, to ensure that the Program can be restructured as intended by the Secretary without unnecessarily wasting resources.

(d) DEFINITIONS.—In this section:

(1) BASELINE ESTIMATE.—The term "Baseline Estimate" has the meaning given the term in section 2433(a)(2) of title 10, United States Code.

(2) MILESTON DECISION AUTHORITY.—The term "milestone decision authority" has the meaning given the term in section 2366b(g)(3) of title 10, United States Code.

(3) ORIGINAL BASELINE ESTIMATE.—The term "original Baseline Estimate" has the meaning given the term in section 2435(d)(1) of title 10, United States Code.

(4) SELECTED ACQUISITION REPORT.—The term "Selected Acquisition Report" means a Selected Acquisition Report submitted to Congress under section 2432 of title 10, United States Code.

SEC. 126. LIMITATION ON AVAILABILITY OF FUNDS FOR PROCUREMENT OF U.S.S. ENTERPRISE (CVN–80).

(a) LIMITATION.—Of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for

advance procurement or procurement for the U.S.S. Enterprise (CVN–80), not more than 25 percent may be obligated or expended until the date on which the Secretary of the Navy and the Chief of Naval Operations jointly submit to the congressional defense committees the report under subsection (b).

(b) INITIAL REPORT ON CVN–79 AND CVN–80.—Not later than December 1, 2016, the Secretary of the Navy and the Chief of Naval Operations shall jointly submit to the congressional defense committees a report that includes a description of actions that may be carried out (including de-scoping requirements, if necessary) to achieve a ship end cost of—

(1) not more than $12,000,000,000 for the CVN–80; and

(2) not more than $11,000,000,000 for the U.S.S. John F. Kennedy (CVN–79).

(c) ANNUAL REPORT ON CVN–79 AND CVN–80.—

(1) IN GENERAL.—Together with the budget of the President for each fiscal year through fiscal year 2021 (as submitted to Congress under section 1105(a) of title 31, United States Code) the Secretary of the Navy and the Chief of Naval Operations shall submit a report on the efforts of the Navy to achieve the ship end costs described in subsection (b) for the CVN–79 and CVN–80.

(2) ELEMENTS.—The report under paragraph (1) shall include, with respect to the procurement of the CVN–79 and the CVN–80, the following:

(A) A description of the progress made toward achieving the ship end costs described in subsection (b), including realized cost savings.

(B) A description of low value-added or unnecessary elements of program cost that have been reduced or eliminated.

(C) Cost savings estimates for current and planned initiatives.

(D) A schedule that includes—

(i) a plan for spending with phasing of key obligations and outlays;

(ii) decision points describing when savings may be realized; and

(iii) key events that must occur to execute initiatives and achieve savings.

(E) Instances of lower Government estimates used in contract negotiations.

(F) A description of risks that may result from achieving the procurement end costs specified in subsection (b).

(G) A description of incentives or rewards provided or planned to be provided to prime contractors for meeting the procurement end costs specified in subsection (b).

SEC. 127. SENSE OF CONGRESS ON AIRCRAFT CARRIER PROCUREMENT SCHEDULES.

(a) FINDINGS.—Congress finds the following:

(1) In the Congressional Budget Office report titled "An Analysis of the Navy's Fiscal Year 2016 Shipbuilding Plan", the Office stated as follows: "To prevent the carrier force from declining to 10 ships in the 2040s, 1 short of its inventory

goal of 11, the Navy could accelerate purchases after 2018 to 1 every four years, rather than 1 every five years".

(2) In a report submitted to Congress on March 17, 2015, the Secretary of the Navy indicated the Department of the Navy has a requirement of 11 aircraft carriers.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the plan of the Department of the Navy to schedule the procurement of one aircraft carrier every five years will reduce the overall aircraft carrier inventory to 10 aircraft carriers, a level insufficient to meet peacetime and war plan requirements; and

(2) to accommodate the required aircraft carrier force structure, the Department of the Navy should—

(A) begin to program construction for the next aircraft carrier to be built after the U.S.S. Enterprise (CVN–80) in fiscal year 2022; and

(B) program the required advance procurement activities to accommodate the construction of such carrier.

SEC. 128. REPORT ON P–8 POSEIDON AIRCRAFT.

(a) REPORT REQUIRED.—Not later than October 1, 2017, the Secretary of the Navy shall submit to the congressional defense committees a report on potential upgrades to the capabilities of the P–8 Poseidon aircraft.

(b) ELEMENTS.—The report under subsection (a) shall include, with respect to the P–8 Poseidon aircraft, the following:

(1) A review of potential upgrades to the sensors onboard the aircraft, including upgrades to intelligence sensors, surveillance sensors, and reconnaissance sensors such as those being fielded on MQ–4 Global Hawk aircraft platforms.

(2) An assessment of the ability of the Navy to use long-range multispectral imaging systems onboard the aircraft that are similar to such systems being used onboard the MQ–4 Global Hawk aircraft.

SEC. 129. DESIGN AND CONSTRUCTION OF REPLACEMENT DOCK LANDING SHIP DESIGNATED LX(R) OR AMPHIBIOUS TRANSPORT DOCK DESIGNATED LPD–29.

(a) IN GENERAL.—The Secretary of the Navy may enter into a contract, beginning with the fiscal year 2017 program year, for the design and construction of the replacement dock landing ship designated LX(R) or the amphibious transport dock designated LPD–29 using amounts authorized to be appropriated for the Department of Defense for Shipbuilding and Conversion, Navy.

(b) USE OF INCREMENTAL FUNDING.—With respect to the contract entered into under subsection (a), the Secretary may use incremental funding to make payments under the contract.

(c) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—The contract entered into under subsection (a) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2017 is subject to the availability of appropriations for that purpose for such fiscal year.

Subtitle D—Air Force Programs

SEC. 131. EC–130H COMPASS CALL RECAPITALIZATION PROGRAM.

(a) AUTHORIZATION.—Subject to subsection (b), the Secretary of the Air Force may carry out a program to transfer the primary mission equipment of the EC–130H Compass Call aircraft fleet to an aircraft platform that the Secretary determines—

(1) is more operationally effective and survivable than the existing EC–130H Compass Call aircraft platform; and

(2) meets the requirements of the combatant commands.

(b) LIMITATION.—

(1) Except as provided in paragraph (2), none of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 or any other fiscal year for procurement may be obligated or expended on the program under subsection (a) until the date on which the Secretary of the Air Force determines that there is a high likelihood that the program will meet the requirements of the combatant commands.

(2) The limitation in paragraph (1)—

(A) shall not apply to the development and procurement of the first two aircraft under the program; and

(B) shall not limit the authority of the Secretary to enter into a contract that may include an option for the future production of aircraft under the program if—

(i) the exercise of such option is at the discretion of the Secretary; and

(ii) such option is not exercised until the Secretary determines that there is a high likelihood that the program will meet the requirements of the combatant commands.

SEC. 132. REPEAL OF REQUIREMENT TO PRESERVE CERTAIN RETIRED C–5 AIRCRAFT.

Section 141 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 1659) is amended by striking subsection (d).

SEC. 133. REPEAL OF REQUIREMENT TO PRESERVE F–117 AIRCRAFT IN RECALLABLE CONDITION.

Section 136 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364; 120 Stat. 2114) is amended by striking subsection (b).

SEC. 134. PROHIBITION ON AVAILABILITY OF FUNDS FOR RETIREMENT OF A–10 AIRCRAFT.

(a) PROHIBITION ON AVAILABILITY OF FUNDS FOR RETIREMENT.— None of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the Air Force may be obligated or expended to retire, prepare to retire, or place in storage or on backup aircraft inventory status any A–10 aircraft.

(b) ADDITIONAL LIMITATION ON RETIREMENT.—In addition to the prohibition in subsection (a), the Secretary of the Air Force may not retire, prepare to retire, or place in storage or on backup aircraft inventory status any A–10 aircraft until a period of 90 days has elapsed following the date on which the Secretary submits

to the congressional defense committees the report under subsection (e)(2).

(c) PROHIBITION ON SIGNIFICANT REDUCTIONS IN MANNING LEVELS.—None of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the Air Force may be obligated or expended to make significant reductions to manning levels with respect to any A–10 aircraft squadrons or divisions.

(d) MINIMUM INVENTORY REQUIREMENT.—The Secretary of the Air Force shall ensure the Air Force maintains a minimum of 171 A–10 aircraft designated as primary mission aircraft inventory until a period of 90 days has elapsed following the date on which the Secretary submits to the congressional defense committees the report under subsection (e)(2).

(e) REPORTS REQUIRED.—

(1) The Director of Operational Test and Evaluation shall submit to the congressional defense committees a report that includes—

(A) the results and findings of the initial operational test and evaluation of the F–35 aircraft program; and

(B) a comparison test and evaluation that examines the capabilities of the F–35A and A–10C aircraft in conducting close air support, combat search and rescue, and forward air controller airborne missions.

(2) Not later than 180 days after the date of the submission of the report under paragraph (1), the Secretary of the Air Force shall submit to the congressional defense committees a report that includes—

(A) the views of the Secretary with respect to the results of the initial operational test and evaluation of the F–35 aircraft program as summarized in the report under paragraph (1), including any issues or concerns of the Secretary with respect to such results;

(B) a plan for addressing any deficiencies and carrying out any corrective actions identified in such report; and

(C) short-term and long-term strategies for preserving the capability of the Air Force to conduct close air support, combat search and rescue, and forward air controller airborne missions.

(f) SPECIAL RULE.—

(1) Subject to paragraph (2), the Secretary of the Air Force may carry out the transition of the A–10 unit at Fort Wayne Air National Guard Base, Indiana, to an F–16 unit as described by the Secretary in the Force Structure Actions map submitted in support of the budget of the President for fiscal year 2017 (as submitted to Congress under section 1105(a) of title 31, United States Code).

(2) Subsections (a) through (e) shall apply with respect to any A–10 aircraft affected by the transition described in paragraph (1).

SEC. 135. LIMITATION ON AVAILABILITY OF FUNDS FOR DESTRUCTION OF A–10 AIRCRAFT IN STORAGE STATUS.

(a) LIMITATION.—None of the funds authorized to be appropriated by this Act or otherwise made available for the Air Force for fiscal year 2017 or any fiscal year thereafter may be obligated or expended to scrap, destroy, or otherwise dispose of any potential

donor A–10 aircraft until the date on which the Secretary of the Air Force submits to the congressional defense committees the report required under section 134(e)(2).

(b) NOTIFICATION AND CERTIFICATION.—Not later than 45 days before taking any action to scrap, destroy, or otherwise dispose of any A–10 aircraft in any storage status in the 309th Aerospace Maintenance and Regeneration Group, the Secretary of the Air Force shall—

(1) notify the congressional defense committees of the intent of the Secretary to take such action; and

(2) certify that the A–10 aircraft subject to such action does not have serviceable wings or other components that could be used to prevent the permanent removal of any active inventory A–10 aircraft from flyable status.

(c) PLAN TO PREVENT REMOVAL A–10 AIRCRAFT FROM FLYABLE STATUS.—The Secretary of the Air Force shall—

(1) include with the materials submitted to Congress in support of the budget of the Department of Defense for fiscal year 2018 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a plan to prevent the permanent removal of any active inventory A–10 aircraft from flyable status due to unserviceable wings or any other required component during the period covered by the future years defense plan submitted to Congress under section 221 of title 10, United States Code; and

(2) carry out such plan to prevent the permanent removal of any active inventory A–10 aircraft from flyable status.

(d) POTENTIAL DONOR A–10 AIRCRAFT DEFINED.—In this section, the term "potential donor A–10 aircraft" means any A–10 aircraft in any storage status in the 309th Aerospace Maintenance and Regeneration Group that has serviceable wings or other components that could be used to prevent any active inventory A–10 aircraft from being permanently removed from flyable status due to unserviceable wings or other components.

SEC. 136. PROHIBITION ON AVAILABILITY OF FUNDS FOR RETIREMENT OF JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM AIRCRAFT.

(a) PROHIBITION.—Except as provided by subsection (b) and in addition to the prohibition under section 144 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 758), none of the funds authorized to be appropriated or otherwise made available for fiscal year 2018 for the Air Force may be obligated or expended to retire, or prepare to retire, any Joint Surveillance Target Attack Radar System aircraft.

(b) EXCEPTION.—The prohibition in subsection (a) shall not apply to individual Joint Surveillance Target Attack Radar System aircraft that the Secretary of the Air Force determines, on a case-by-case basis, to be non-operational because of mishaps, other damage, or being uneconomical to repair.

SEC. 137. ELIMINATION OF ANNUAL REPORT ON AIRCRAFT INVENTORY.

Section 231a of title 10, United States Code, is amended—

(1) by striking subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

Subtitle E—Defense-wide, Joint, and Multiservice Matters

SEC. 141. STANDARDIZATION OF 5.56MM RIFLE AMMUNITION.

(a) REPORT.—If, on the date that is 180 days after the date of the enactment of this Act, the Army and the Marine Corps are using in combat two different types of enhanced 5.56mm rifle ammunition, the Secretary of Defense shall, on such date, submit to the congressional defense committees a report explaining the reasons that the Army and the Marine Corps are using different types of such ammunition.

(b) STANDARDIZATION REQUIREMENT.—Except as provided in subsection (c), not later than one year after the date of the enactment of this Act, the Secretary of Defense shall ensure that the Army and the Marine Corps are using in combat one standard type of enhanced 5.56mm rifle ammunition.

(c) EXCEPTION.—Subsection (b) shall not apply in a case in which the Secretary of Defense—

(1) determines that a state of emergency requires the Army and the Marine Corps to use in combat different types of enhanced 5.56mm rifle ammunition; and

(2) certifies to the congressional defense committees that such a determination has been made.

10 USC 2430 note.

SEC. 142. FIRE SUPPRESSANT AND FUEL CONTAINMENT STANDARDS FOR CERTAIN VEHICLES.

(a) GUIDANCE REQUIRED.—

(1) The Secretary of the Army shall issue guidance regarding fire suppressant and fuel containment standards for covered vehicles of the Army.

(2) The Secretary of the Navy shall issue guidance regarding fire suppressant and fuel containment standards for covered vehicles of the Marine Corps.

(b) ELEMENTS.—The guidance regarding fire suppressant and fuel containment standards issued pursuant to subsection (a) shall—

(1) meet the survivability requirements applicable to each class of covered vehicles;

(2) include standards for vehicle armor, vehicle fire suppression systems, and fuel containment technologies in covered vehicles; and

(3) balance cost, survivability, and mobility.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army and the Secretary of the Navy shall each submit to the congressional defense committees a report that includes—

(1) the policy guidance established pursuant to subsection (a), set forth separately for each class of covered vehicle; and

(2) any other information the Secretaries determine to be appropriate.

(d) COVERED VEHICLES.—In this section, the term "covered vehicles" means ground vehicles acquired on or after October 1, 2018, under a major defense acquisition program (as such term is defined in section 2430 of title 10, United States Code), including light tactical vehicles, medium tactical vehicles, heavy tactical vehicles, and ground combat vehicles.

SEC. 143. LIMITATION ON AVAILABILITY OF FUNDS FOR DESTRUCTION OF CERTAIN CLUSTER MUNITIONS.

(a) LIMITATION.—Except as provided in subsection (b), none of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the Department of Defense may be obligated or expended for the destruction of cluster munitions until the date on which the Secretary of Defense submits the report required by subsection (c).

(b) EXCEPTION FOR SAFETY.—The limitation under subsection (a) shall not apply to the destruction of cluster munitions that the Secretary determines—

(1) are unserviceable as a result of an inspection, test, field incident, or other significant failure to meet performance or logistics requirements; or

(2) are unsafe or could pose a safety risk if not demilitarized or destroyed.

(c) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2017, the Secretary of Defense shall submit to the congressional defense committees a report that includes each of the following elements:

(A) A description of the policy of the Department of Defense regarding the use of cluster munitions, including an explanation of the process through which commanders may seek waivers to use such munitions.

(B) A 10-year projection of the requirements and inventory levels for all cluster munitions that takes into account future production of cluster munitions, any plans for demilitarization of such munitions, any plans for the recapitalization of such munitions, the age of the munitions, storage and safety considerations, and other factors that will affect the size of the inventory.

(C) A 10-year projection for the cost to achieve the inventory levels projected in subparagraph (B), including the cost for potential demilitarization or disposal of such munitions.

(D) A 10-year projection for the cost to develop and produce new cluster munitions that comply with the Memorandum of the Secretary of Defense dated June 19, 2008, regarding the Department of Defense policy on cluster munitions and unintended harm to civilians that the Secretary determines are necessary to meet the demands of current operational plans.

(E) An assessment, by the Chairman of the Joint Chiefs of Staff, of the effects of the projected cluster inventory on operational plans.

(F) Any other matters that the Secretary determines should be included in the report.

(2) FORM OF REPORT.—The report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(d) CLUSTER MUNITIONS DEFINED.—In this section, the term "cluster munitions" includes systems delivered by aircraft, cruise missiles, artillery, mortars, missiles, tanks, rocket launchers, or naval guns that deploy payloads of explosive submunitions that detonate via target acquisition, impact, or altitude, or that self-destruct.

SEC. 144. REPORT ON DEPARTMENT OF DEFENSE MUNITIONS STRATEGY FOR THE COMBATANT COMMANDS.

(a) REPORT REQUIRED.—Not later than April 1, 2017, the Secretary of Defense shall submit to the congressional defense committees a report on the munitions strategy for the combatant commands for the six-year period beginning on January 1, 2017.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) For each year covered by the report, an identification of the munitions requirements of the combatant commands, including—

(A) plans, programming, and budgeting for each type of munition; and

(B) the inventory of each type of munition.

(2) An assessment of any gaps and shortfalls with respect to munitions determined to be essential to the ability of the combatant commands to fulfill mission requirements.

(3) An assessment of how current and planned munitions programs may affect operational concepts and capabilities of the combatant commands.

(4) An identification of limitations in relevant industrial bases and a description of necessary munitions investments.

(5) An assessment of how munitions capability and capacity may be affected by changes consistent with the memorandum of the Secretary of Defense dated June 19, 2008, regarding the policy of the Department of Defense on cluster munitions and unintended harm to civilians.

(6) Any other matters the Secretary determines appropriate.

SEC. 145. MODIFICATIONS TO REPORTING ON USE OF COMBAT MISSION REQUIREMENTS FUNDS.

Section 123 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 124 Stat. 4158; 10 U.S.C. 167 note) is amended—

(1) in the section heading, by striking "**QUARTERLY**" and inserting "**ANNUAL**";

(2) in the subsection heading of subsection (a), by striking "QUARTERLY" and inserting "ANNUAL"; and

(3) by striking "quarter" each place it appears and inserting "year".

SEC. 146. REPORT ON ALTERNATIVE MANAGEMENT STRUCTURES FOR THE F–35 JOINT STRIKE FIGHTER PROGRAM.

(a) IN GENERAL.—Not later than March 31, 2017, the Secretary of Defense shall submit to the congressional defense committees a report on potential alternative management structures for the F–35 joint strike fighter program.

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) An analysis of potential alternative management structures for the F–35 joint strike fighter program, including—

(A) continuation of the joint program office for the program;

(B) the establishment of separate program offices for the program in the Department of the Air Force and the Department of the Navy;

(C) the establishment of separate program offices for each variant of the F–35A, F–35B, and F–35C;

(D) division of responsibilities for the program between a joint program office and the military departments; and

(E) such other alternative management structures as the Secretary determines to be appropriate.

(2) An evaluation of the benefits and drawbacks of each alternative management structure analyzed in the report with respect to—

(A) cost;

(B) alignment of responsibility and accountability; and

(C) the adequacy of representation from military departments and program partners.

(c) FORM.—The report under subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SEC. 147. COMPTROLLER GENERAL REVIEW OF F–35 LIGHTNING II AIRCRAFT SUSTAINMENT SUPPORT.

(a) REVIEW.—Not later than September 30, 2017, the Comptroller General of the United States shall submit to the congressional defense committees a report on the sustainment support structure for the F–35 Lightning II aircraft program.

(b) ELEMENTS.—The review under subsection (a) shall include, with respect to the F–35 Lightning II aircraft program, the following:

(1) The status of the sustainment support strategy for the program, including goals for personnel training, required infrastructure, and fleet readiness.

(2) Approaches, including performance-based logistics, considered in developing the sustainment support strategy for the program.

(3) Other information regarding sustainment and logistics support for the program that the Comptroller General determines to be of critical importance to the long-term viability of the program.

SEC. 148. BRIEFING ON ACQUISITION STRATEGY FOR GROUND MOBILITY VEHICLE.

(a) BRIEFING REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Secretary of the Army, shall provide a briefing to the congressional defense committees on the acquisition strategy for the Ground Mobility Vehicle for use with the Global Response Force of the 82nd Airborne Division.

(b) ELEMENTS.—The briefing under subsection (a) shall include an assessment of the following:

(1) The feasability of acquiring the Ground Mobility Vehicle—

(A) as a commercially available off-the-shelf item (as such term is defined in section 104 of title 41, United States Code); or

(B) as a modified version of such an item.

(2) Whether acquiring the Ground Mobility Vehicle in a manner described in paragraph (1) would satisfy the requirements of the program and reduce the life-cycle cost of the program.

(3) Whether the acquisition strategy for the Ground Mobility Vehicle meets the focus areas specified in the most recent version of the Better Buying Power initiative of the Secretary of Defense.

(4) Whether including an active safety system in the Ground Mobility Vehicle, such as the electronic stability control system used on the joint light tactical vehicle, would reduce the risk of vehicle rollover.

SEC. 149. STUDY AND REPORT ON OPTIMAL MIX OF AIRCRAFT CAPABILITIES FOR THE ARMED FORCES.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Defense shall conduct a study to determine—

(A) an optimal mix of short-range fighter-class strike aircraft and long-range strike aircraft for the use of the Armed Forces during the covered period;

(B) an optimal mix of manned aerial platforms and unmanned aerial platforms for the use of the Armed Forces during such period; and

(C) an optimal mix of other aircraft and capabilities for the use of the Armed Forces during such period, including—

(i) long-range, medium-range, and short-range intelligence, surveillance, reconnaissance, or strike aircraft, or combination of such aircraft;

(ii) aircraft with varying observability characteristics;

(iii) land-based and sea-based aircraft;

(iv) advanced legacy fourth-generation aircraft platforms of proven design;

(v) next generation air superiority capabilities; and

(vi) advanced technology innovations.

(2) CONSIDERATIONS.—In making the determinations under paragraph (1), the Secretary shall consider defense strategy, critical assumptions, priorities, force size, and cost.

(b) REPORT.—

(1) IN GENERAL.—Not later than April 14, 2017, the Secretary shall submit to the appropriate congressional committees a report that includes the following:

(A) The results of the study conducted under subsection (a).

(B) A discussion of the specific assumptions, observations, conclusions, and recommendations of the study.

(C) A description of the modeling and analysis techniques used for the study.

(D) A plan for fielding complementary aircraft and capabilities identified as an optimal mix in the study under subsection (a).

(E) A plan to meet objectives and fulfill the warfighting capability and capacity requirements of the combatant commands using the aircraft and capabilities described in subsection (a).

(2) FORM.—The report under paragraph (1) may be submitted in classified form, but shall include an unclassified executive summary.

(3) NONDUPLICATION OF EFFORT.—If any information required under paragraph (1) has been included in another report or notification previously submitted to any of the appropriate congressional committees by law, the Secretary may provide a list of such reports and notifications at the time of submitting the report required under such paragraph instead of including such information in such report.

(4) DEFINITIONS.—ln this subsection:

(A) The term "appropriate congressional committees" means the congressional defense committees, the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives.

(B) The term "covered period" means the period beginning on the date of the enactment of this Act and ending on January 1, 2030.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Laboratory quality enhancement program.
Sec. 212. Modification of mechanisms to provide funds for defense laboratories for research and development of technologies for military missions.
Sec. 213. Making permanent authority for defense research and development rapid innovation program.
Sec. 214. Authorization for National Defense University and Defense Acquisition University to enter into cooperative research and development agreements.
Sec. 215. Manufacturing Engineering Education Grant Program.
Sec. 216. Notification requirement for certain rapid prototyping, experimentation, and demonstration activities.
Sec. 217. Increased micro-purchase threshold for research programs and entities.
Sec. 218. Improved biosafety for handling of select agents and toxins.
Sec. 219. Designation of Department of Defense senior official with principal responsibility for directed energy weapons.
Sec. 220. Restructuring of the distributed common ground system of the Army.
Sec. 221. Limitation on availability of funds for the countering weapons of mass destruction system Constellation.
Sec. 222. Limitation on availability of funds for Defense Innovation Unit Experimental.
Sec. 223. Limitation on availability of funds for Joint Surveillance Target Attack Radar System (JSTARS) recapitalization program.
Sec. 224. Acquisition program baseline and annual reports on follow-on modernization program for F–35 Joint Strike Fighter.

Subtitle C—Reports and Other Matters

Sec. 231. Strategy for assured access to trusted microelectronics.
Sec. 232. Pilot program on evaluation of commercial information technology.
Sec. 233. Pilot program for the enhancement of the research, development, test, and evaluation centers of the Department of Defense.
Sec. 234. Pilot program on modernization and fielding of electromagnetic spectrum warfare systems and electronic warfare capabilities.
Sec. 235. Pilot program on disclosure of certain sensitive information to federally funded research and development centers.
Sec. 236. Pilot program on enhanced interaction between the Defense Advanced Research Projects Agency and the service academies.
Sec. 237. Independent review of F/A–18 physiological episodes and corrective actions.
Sec. 238. B–21 bomber development program accountability matrices.
Sec. 239. Study on helicopter crash prevention and mitigation technology.

Sec. 240. Strategy for Improving Electronic and Electromagnetic Spectrum Warfare Capabilities.
Sec. 241. Sense of Congress on development and fielding of fifth generation airborne systems.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2017 for the use of the Department of Defense for research, development, test, and evaluation, as specified in the funding table in section 4201.

Subtitle B—Program Requirements, Restrictions, and Limitations

10 USC 2358 note.

SEC. 211. LABORATORY QUALITY ENHANCEMENT PROGRAM.

(a) IN GENERAL.—The Secretary of Defense, acting through the Assistant Secretary of Defense for Research and Engineering, shall carry out a program to be known as the "Laboratory Quality Enhancement Program" under which the Secretary shall establish the panels described in subsection (b) and direct such panels—

(1) to review and make recommendations to the Secretary with respect to—

(A) existing policies and practices affecting the science and technology reinvention laboratories to improve the mission effectiveness of such laboratories; and

(B) new initiatives proposed by the science and technology reinvention laboratories;

(2) to support implementation of current and future initiatives affecting the science and technology reinvention laboratories; and

(3) to conduct assessments or data analysis on such other issues as the Secretary determines to be appropriate.

(b) PANELS.—The panels described in this subsection are:

(1) A panel on personnel, workforce development, and talent management.

(2) A panel on facilities, equipment, and infrastructure.

(3) A panel on research strategy, technology transfer, and industry and university partnerships.

(4) A panel on governance and oversight processes.

(c) COMPOSITION OF PANELS.—(1) Each panel described in paragraphs (1) through (3) of subsection (b) may be composed of subject matter and technical management experts from—

(A) laboratories and research centers of the Army, Navy, and Air Force;

(B) appropriate Defense Agencies;

(C) the Office of the Assistant Secretary of Defense for Research and Engineering; and

(D) such other entities as the Secretary determines to be appropriate.

(2) The panel described in subsection (b)(4) shall be composed of—

(A) the Director of the Army Research Laboratory;

(B) the Director of the Air Force Research Laboratory;

(C) the Director of the Naval Research Laboratory;

(D) the Director of the Engineer Research and Development Center of the Army Corps of Engineers; and

(E) such other members as the Secretary determines to be appropriate.

(d) GOVERNANCE OF PANELS.—(1) The chairperson of each panel shall be selected by its members.

(2) Each panel, in coordination with the Assistant Secretary of Defense for Research and Engineering, shall transmit to the Science and Technology Executive Committee of the Department of Defense such information or findings on topics requiring decision or approval as the panel considers appropriate.

(e) DISCHARGE OF CERTAIN AUTHORITIES TO CONDUCT PERSONNEL DEMONSTRATION PROJECTS.—Subparagraph (C) of section 342(b)(3) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as added by section 1114(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–315), is amended by inserting before the period at the end the following: "through the Assistant Secretary of Defense for Research and Engineering (who shall place an emphasis in the exercise of such authorities on enhancing efficient operations of the laboratory and who may, in exercising such authorities, request administrative support from science and technology reinvention laboratories to review, research, and adjudicate personnel demonstration project proposals)".

(f) SCIENCE AND TECHNOLOGY REINVENTION LABORATORY DEFINED.—In this section, the term "science and technology reinvention laboratory" means a science and technology reinvention laboratory designated under section 1105 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 10 U.S.C. 2358 note), as amended.

SEC. 212. MODIFICATION OF MECHANISMS TO PROVIDE FUNDS FOR DEFENSE LABORATORIES FOR RESEARCH AND DEVELOPMENT OF TECHNOLOGIES FOR MILITARY MISSIONS.

(a) AMOUNT AUTHORIZED UNDER CURRENT MECHANISM.—Paragraph (1) of subsection (a) of section 219 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (10 U.S.C. 2358 note) is amended in the matter before subparagraph (A) by striking "not more than three percent" and inserting "not less than two percent and not more than four percent".

(b) ADDITIONAL MECHANISM TO PROVIDE FUNDS.—Such subsection is further amended by adding at the end the following new paragraph:

"(3) FEE.—After consultation with the science and technology executive of the military department concerned, the director of a defense laboratory may charge customer activities a fixed percentage fee, in addition to normal costs of performance, in order to obtain funds to carry out activities authorized by this subsection. The fixed fee may not exceed four percent of costs.".

(c) MODIFICATION OF COST LIMIT COMPLIANCE FOR INFRASTRUCTURE PROJECTS.—Subsection (b)(4) of such section is amended by adding at the end the following new subparagraph:

"(C) Section 2802 of such title, with respect to construction projects that exceed the cost specified in subsection (a)(2) of section 2805 of such title for certain unspecified minor military construction projects for laboratories.".

(d) REPEAL OF SUNSET.—Such section is amended by striking subsection (d).

SEC. 213. MAKING PERMANENT AUTHORITY FOR DEFENSE RESEARCH AND DEVELOPMENT RAPID INNOVATION PROGRAM.

Section 1073 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 10 U.S.C. 2359 note) is amended—

(1) in subsection (d), by striking "for each of fiscal years 2011 through 2023 may be used for any such fiscal year" and inserting "for a fiscal year may be used for such fiscal year"; and

(2) by striking subsection (f).

SEC. 214. AUTHORIZATION FOR NATIONAL DEFENSE UNIVERSITY AND DEFENSE ACQUISITION UNIVERSITY TO ENTER INTO COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

(a) NATIONAL DEFENSE UNIVERSITY.—Section 2165 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.—(1) In engaging in research and development projects pursuant to subsection (a) of section 2358 of this title by a contract, cooperative agreement, or grant pursuant to subsection (b)(1) of such section, the Secretary may enter into such contract or cooperative agreement or award such grant through the National Defense University.

"(2) The National Defense University shall be considered a Government-operated Federal laboratory for purposes of section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).".

(b) DEFENSE ACQUISITION UNIVERSITY.—Section 1746 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.—(1) In engaging in research and development projects pursuant to subsection (a) of section 2358 of this title by a contract, cooperative agreement, or grant pursuant to subsection (b)(1) of such section, the Secretary may enter into such contract or cooperative agreement or award such grant through the Defense Acquisition University.

"(2) The Defense Acquisition University shall be considered a Government-operated Federal laboratory for purposes of section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a).".

SEC. 215. MANUFACTURING ENGINEERING EDUCATION GRANT PROGRAM.

Section 2196 of title 10, United States Code, is amended to read as follows:

“§ 2196. Manufacturing engineering education program

“(a) ESTABLISHMENT OF MANUFACTURING ENGINEERING EDUCATION PROGRAM.—(1) The Secretary of Defense shall establish a program under which the Secretary makes grants or other awards to support—

“(A) the enhancement of existing programs in manufacturing engineering education to further a mission of the department; or

“(B) the establishment of new programs in manufacturing engineering education that meet such requirements.

“(2) Grants and awards under this section may be made to industry, not-for-profit institutions, institutions of higher education, or to consortia of such institutions or industry.

“(3) The Secretary shall establish the program in consultation with the Secretary of Education, the Director of the National Science Foundation, the Director of the Office of Science and Technology Policy, and the secretaries of such other relevant Federal agencies as the Secretary considers appropriate.

“(4) The Secretary shall ensure that the program is coordinated with Department programs associated with advanced manufacturing.

“(5) The program shall be known as the ‘Manufacturing Engineering Education Program’.

“(b) GEOGRAPHICAL DISTRIBUTION OF GRANTS AND AWARDS.—In awarding grants and other awards under this subsection, the Secretary shall, to the maximum extent practicable, avoid geographical concentration of awards.

“(c) COVERED PROGRAMS.—A program of engineering education supported pursuant to this section shall meet the requirements of this section.

“(d) COMPONENTS OF PROGRAM.—The program of education for which such a grant is made shall be a consolidated and integrated multidisciplinary program of education with an emphasis on the following components:

“(1) Multidisciplinary instruction that encompasses the total manufacturing engineering enterprise and that may include—

“(A) manufacturing engineering education and training through classroom activities, laboratory activities, thesis projects, individual or team projects, internships, cooperative work-study programs, and interactions with industrial facilities, consortia, or such other activities and organizations in the United States and foreign countries as the Secretary considers appropriate;

“(B) faculty development programs;

“(C) recruitment of educators highly qualified in manufacturing engineering to teach or develop manufacturing engineering courses;

“(D) presentation of seminars, workshops, and training for the development of specific manufacturing engineering skills;

“(E) activities involving interaction between students and industry, including programs for visiting scholars, personnel exchange, or industry executives;

“(F) development of new, or updating and modification of existing, manufacturing curriculum, course offerings, and education programs;

"(G) establishment of programs in manufacturing workforce training;

"(H) establishment of joint manufacturing engineering programs with defense laboratories and depots; and

"(I) expansion of manufacturing training and education programs and outreach for members of the armed forces, dependents and children of such members, veterans, and employees of the Department of Defense.

"(2) Opportunities for students to obtain work experience in manufacturing through such activities as internships, summer job placements, or cooperative work-study programs.

"(3) Faculty and student engagement with industry that is directly related to, and supportive of, the education of students in manufacturing engineering because of—

"(A) the increased understanding of manufacturing engineering challenges and potential solutions; and

"(B) the enhanced quality and effectiveness of the instruction that result from that increased understanding.

"(e) PROPOSALS.—The Secretary of Defense shall solicit proposals for grants and other awards to be made pursuant to this section for the support of programs of manufacturing engineering education that are consistent with the purposes of this section.

"(f) MERIT COMPETITION.—Applications for awards shall be evaluated on the basis of merit pursuant to competitive procedures prescribed by the Secretary.

"(g) SELECTION CRITERIA.—The Secretary may select a proposal for an award pursuant to this section if the proposal, at a minimum, does each of the following:

"(1) Contains innovative approaches for improving engineering education in manufacturing technology.

"(2) Demonstrates a strong commitment by the proponents to apply the resources necessary to achieve the objectives for which the award is to be made.

"(3) Provides for effective engagement with industry or government organizations that supports the instruction to be provided in the proposed program and is likely to improve manufacturing engineering and technology.

"(4) Demonstrates a significant level of involvement of United States industry in the proposed instructional and research activities.

"(5) Is likely to attract superior students and promote careers in manufacturing engineering.

"(6) Proposes to involve fully qualified personnel who are experienced in manufacturing engineering education and technology.

"(7) Proposes a program that, within three years after the award is made, is likely to attract from sources other than the Federal Government the financial and other support necessary to sustain such program.

"(8) Proposes to achieve a significant level of participation by women, members of minority groups, and individuals with disabilities through active recruitment of students from among such persons.

"(9) Trains students in advanced manufacturing and in relevant emerging technologies and production processes.

"(h) INSTITUTION OF HIGHER EDUCATION DEFINED.—In this section, the term 'institution of higher education' has the meaning

given such term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).''.

SEC. 216. NOTIFICATION REQUIREMENT FOR CERTAIN RAPID PROTOTYPING, EXPERIMENTATION, AND DEMONSTRATION ACTIVITIES.

(a) NOTICE REQUIRED.—The Secretary of the Navy shall not initiate a covered activity until a period of 10 business days has elapsed following the date on which the Secretary submits to the congressional defense committees the notice described in subsection (b) with respect to such activity.

(b) ELEMENTS OF NOTICE.—The notice described in this subsection is a written notice of the intention of the Secretary to initiate a covered activity. Each such notice shall include the following:

(1) A description of the activity.

(2) Estimated costs and funding sources for the activity, including a description of any cost-sharing or in-kind support arrangements with other participants.

(3) A description of any transition agreement, including the identity of any partner organization that may receive the results of the covered activity under such an agreement.

(4) Identification of major milestones and the anticipated date of completion of the activity.

(c) COVERED ACTIVITY.—In this section, the term ''covered activity'' means a rapid prototyping, experimentation, or demonstration activity carried out under program element 0603382N.

(d) SUNSET.—The requirements of this section shall terminate five years after the date of the enactment of this Act.

SEC. 217. INCREASED MICRO-PURCHASE THRESHOLD FOR RESEARCH PROGRAMS AND ENTITIES.

(a) INCREASED MICRO-PURCHASE THRESHOLD FOR BASIC RESEARCH PROGRAMS AND ACTIVITIES OF THE DEPARTMENT OF DEFENSE SCIENCE AND TECHNOLOGY REINVENTION LABORATORIES.—

(1) IN GENERAL.—Chapter 137 of title 10, United States Code, as amended by section 821(a), is further amended by adding at the end the following new section:

''§ 2339. Micro-purchase threshold for basic research programs and activities of the Department of Defense science and technology reinvention laboratories

10 USC 2339.

''Notwithstanding subsection (a) of section 1902 of title 41, the micro-purchase threshold for the Department of Defense for purposes of such section is $10,000 for purposes of basic research programs and for the activities of the Department of Defense science and technology reinvention laboratories.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 821b, is further amended by adding at the end the following new item:

10 USC 2301 prec.

''2339. Micro-purchase threshold for basic research programs and activities of the Department of Defense science and technology reinvention laboratories.''.

(b) INCREASED MICRO-PURCHASE THRESHOLD FOR UNIVERSITIES, INDEPENDENT RESEARCH INSTITUTES, AND NONPROFIT RESEARCH ORGANIZATIONS.—Section 1902 of title 41, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "For purposes" and inserting "(1) Except as provided in sections 2338 and 2339 of title 10 and paragraph (2) of this subsection, for purposes"; and

(B) by adding at the end the following new paragraph:

"(2) For purposes of this section, the micro-purchase threshold for procurement activities administered under sections 6303 through 6305 of title 31 by institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), or related or affiliated nonprofit entities, or by nonprofit research organizations or independent research institutes is—

"(A) $10,000; or

"(B) such higher threshold as determined appropriate by the head of the relevant executive agency and consistent with clean audit findings under chapter 75 of title 31, internal institutional risk assessment, or State law."; and

(2) in subsections (d) and (e), by striking "not greater than $3,000" and inserting "with a price not greater than the micro-purchase threshold".

50 USC 1527 note.

SEC. 218. IMPROVED BIOSAFETY FOR HANDLING OF SELECT AGENTS AND TOXINS.

(a) QUALITY CONTROL AND QUALITY ASSURANCE PROGRAM.—The Secretary of Defense, acting through the executive agent for the biological select agent and toxin biosafety program of the Department of Defense, shall carry out a program to implement certain quality control and quality assurance measures at each covered facility.

(b) QUALITY CONTROL AND QUALITY ASSURANCE MEASURES.—Subject to subsection (c), the quality control and quality assurance measures implemented at each covered facility under subsection (a) shall include the following:

(1) Designation of an external manager to oversee quality assurance and quality control.

(2) Environmental sampling and inspection.

(3) Production procedures that prohibit operations where live biological select agents and toxins are used in the same laboratory where viability testing is conducted.

(4) Production procedures that prohibit work on multiple organisms or multiple strains of one organism within the same biosafety cabinet.

(5) A video surveillance program that uses video monitoring as a tool to improve laboratory practices in accordance with regulatory requirements.

(6) Formal, recurring data reviews of production in an effort to identify data trends and nonconformance issues before such issues affect end products.

(7) Validated protocols for production processes to ensure that process deviations are adequately vetted prior to implementation.

(8) Maintenance and calibration procedures and schedules for all tools, equipment, and irradiators.

(c) WAIVER.—In carrying out the program under subsection (a), the Secretary may waive any of the quality control and quality assurance measures required under subsection (b) in the interest of national defense.

(d) STUDY AND REPORT REQUIRED.—

(1) STUDY.—The Secretary of Defense shall carry out a study to evaluate—

(A) the feasibility of consolidating covered facilities within a unified command to minimize risk;

(B) opportunities to partner with industry for the production of biological select agents and toxins and related services in lieu of maintaining such capabilities within the Department of the Army; and

(C) whether operations under the biological select agent and toxin production program should be transferred to another government or commercial laboratory that may be better suited to execute production for non-Department of Defense customers.

(2) REPORT.—Not later than February 1, 2017, the Secretary shall submit to the congressional defense committees a report on the results of the study under paragraph (1).

(e) COMPTROLLER GENERAL REVIEW.—Not later than September 1, 2017, the Comptroller General of the United States shall submit to the congressional defense committees a report that includes the following:

(1) A review of—

(A) the actions taken by the Department of Defense to address the findings and recommendations of the report of the Department of the Army titled "Individual and Institutional Accountability for the Shipment of Viable Bacillus Anthracis from Dugway Proving Grounds", dated December 15, 2015, including any actions taken to address the culture of complacency in the biological select agent and toxin production program identified in such report; and

(B) the progress of the Secretary in carrying out the program under subsection (a).

(2) An analysis of the study and report under subsection (d).

(f) DEFINITIONS.—In this section:

(1) The term "biological select agent and toxin" means any agent or toxin identified under—

(A) section 331.3 of title 7, Code of Federal Regulations;

(B) section 121.3 or section 121.4 of title 9, Code of Federal Regulations; or

(C) section 73.3 or section 73.4 of title 42, Code of Federal Regulations.

(2) The term "covered facility" means any facility of the Department of Defense that produces biological select agents and toxins.

SEC. 219. DESIGNATION OF DEPARTMENT OF DEFENSE SENIOR OFFICIAL WITH PRINCIPAL RESPONSIBILITY FOR DIRECTED ENERGY WEAPONS.

10 USC 2431 note.

(a) DESIGNATION OF SENIOR OFFICIAL.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall designate a senior official already serving within the Department of Defense as the official with principal responsibility for the development and demonstration of directed energy weapons for the Department.

(2) DEVELOPMENT OF STRATEGIC PLAN.—

(A) IN GENERAL.—The senior official designated under paragraph (1) shall develop a detailed strategic plan to develop, mature, and transition directed energy technologies to acquisition programs of record.

(B) ROADMAP.—Such strategic plan shall include a strategic roadmap for the development and fielding of directed energy weapons and key enabling capabilities for the Department, identifying and coordinating efforts across military departments to achieve overall joint mission effectiveness.

(3) ACCELERATION OF DEVELOPMENT AND FIELDING OF DIRECTED ENERGY WEAPONS CAPABILITIES.—

(A) IN GENERAL.—To the degree practicable, the senior official designated under paragraph (1) shall use the flexibility of the policies of the Department in effect on the day before the date of the enactment of this Act, or any successor policies, to accelerate the development and fielding of directed energy capabilities.

(B) ENGAGEMENT.—The Secretary shall use the flexibility of the policies of the Department in effect on the day before the date of the enactment of this Act, or any successor policies, to ensure engagement with defense and private industries, research universities, and unaffiliated, nonprofit research institutions.

(4) ADVICE FOR EXERCISES AND DEMONSTRATIONS.—The senior official designated under paragraph (1) shall, to the degree practicable, provide technical advice and support to entities in the Department of Defense and the military departments conducting exercises or demonstrations with the purpose of improving the capabilities of or operational viability of technical capabilities supporting directed energy weapons, including supporting military utility assessments of the relevant cost and benefits of directed energy weapon systems.

(5) SUPPORT FOR DEVELOPMENT OF REQUIREMENTS.—The senior official designated under paragraph (1) shall coordinate with the military departments, Defense Agencies, and the Joint Directed Energy Transition Office to define requirements for directed energy capabilities that address the highest priority warfighting capability gaps of the Department.

(6) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall ensure that the senior official designated under paragraph (1) has access to such information on programs and activities of the military departments and other defense agencies as the Secretary considers appropriate to coordinate departmental directed energy efforts.

(b) JOINT DIRECTED ENERGY TRANSITION OFFICE.—

(1) REDESIGNATION.—The High Energy Laser Joint Technology Office of the Department of Defense is hereby redesignated as the "Joint Directed Energy Transition Office" (in this subsection referred to as the "Office"), and shall report to the official designated under subsection (a)(1).

(2) ADDITIONAL FUNCTIONS.—In addition to the functions and duties of the Office in effect on the day before the date of the enactment of this Act, the Office shall assist the senior official designated under paragraph (1) of subsection (a) in carrying out paragraphs (2) through (5) of such subsection.

(3) FUNDING.—The Secretary may make available such funds to the Office for basic research, applied research, advanced technology development, prototyping, studies and analyses, and organizational support as the Secretary considers appropriate to support the efficient and effective development of directed energy systems and technologies and transition of those systems and technologies into acquisition programs or operational use.

SEC. 220. RESTRUCTURING OF THE DISTRIBUTED COMMON GROUND SYSTEM OF THE ARMY.

10 USC 3013 note.

(a) IN GENERAL.—Not later that April 1, 2017, the Secretary of the Army shall restructure versions of the distributed common ground system of the Army after Increment 1—

(1) by discontinuing development of new software code, excluding the configuration and testing of system interfaces to commercial, open source, and existing Government off the shelf (GOTS) software, of any component of the system for which there is commercial, open source, or Government off the shelf software that is capable of fulfilling at least 80 percent of the system requirements applicable to such component; and

(2) by conducting a review of the acquisition strategy of the program to ensure that procurement of commercial software is the preferred method of meeting program requirements for major system components.

(b) LIMITATION.—The Secretary of the Army shall not award any contract for the development of new component software capability for the distributed common ground system of the Army if such a capability is already a commercial item or open source, except for configuration of capabilities that are incidental to and necessary for the proper functioning of the system.

(c) REPORT REQUIRED.—

(1) REQUIREMENT.—Not later than March 1, 2018, the Under Secretary of Defense for Acquisition, Technology and Logistics, in consultation with the Director, Operational Test and Evaluation, shall submit to the congressional defense committees a report on the Increment 2 of the distributed common ground system of the Army.

(2) ELEMENTS OF REPORT.—The report required by paragraph (1) shall include, at a minimum, the following:

(A) The overall assessment of the system and each individual major component of the system.

(B) The status of alignment with the Intelligence Community Information Technology Enterprise (IC-ITE).

(C) The ease of use of Increment 2 as compared with Increment 1 for operators in deployed environments.

(D) The extent to which a common, synchronized view of all system data is globally available to all system users, at all times.

(E) The level of maturity of the technologies underlying core system components and application programming interfaces.

(F) The extent to which program operators can move data seamlessly between different components of the system.

SEC. 221. LIMITATION ON AVAILABILITY OF FUNDS FOR THE COUNTERING WEAPONS OF MASS DESTRUCTION SYSTEM CONSTELLATION.

(a) LIMITATION.—Not more than 50 percent of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for the countering weapons of mass destruction situational awareness information system commonly known as "Constellation" may be obligated or expended for research, development, or prototyping for such system until the report required by subsection (b)(4) has been delivered to the congressional defense committees.

(b) INDEPENDENT REVIEW AND ASSESSMENT.—

(1) IN GENERAL.—The Secretary of Defense shall provide for an independent review and assessment of the requirements and implementation for research, development, and prototyping for the Constellation system prior to a Milestone A decision or other operational use.

(2) ELEMENTS OF INDEPENDENT REVIEW.—The independent review provided for under paragraph (1) shall include the following:

(A) A review of the major software components of the system and an explanation of the requirements of the Department of Defense with respect to each such component.

(B) A review of the requirements validated in the Information System Initial Capabilities Document (ISICD) and capability gaps identified for duplication and redundancy with other validated information technology requirements and capability gaps.

(C) Identification of elements and applications of the system that cannot be implemented using the existing technical infrastructure and tools of the Department of Defense or the infrastructure and tools in development.

(D) An overview of a security plan to achieve an accredited cross-domain solution system, including security milestones and proposed security architecture to mitigate both insider and outsider threats.

(E) Identification of the planned categories of end-users of the system, linked to organizations, mission requirements, and concept of operations, the expected total number of end-users, and the associated permissions granted to such users.

(3) ENTITY CONDUCTING INDEPENDENT REVIEW AND ASSESSMENT.—The Secretary shall ensure that—

(A) the independent review and assessment provided for under paragraph (1) is conducted by a federally funded research and development center selected (or entered into an arrangement with) by the Secretary or such other entity as the Secretary considers appropriate; and

(B) such center or entity provides periodic updates to the congressional defense committees on such independent review and assessment prior to the completion of the independent review and assessment.

(4) REPORT ON INDEPENDENT REVIEW AND ASSESSMENT.—The Secretary shall submit to the congressional defense committees a report containing—

(A) the findings of the center or entity selected (or entered into an arrangement with) under paragraph (3)(A) with respect to the independent review and assessment conducted by such center or entity pursuant to such paragraph; and

(B) an assessment of the need to continue Constellation research, development, and prototyping.

SEC. 222. LIMITATION ON AVAILABILITY OF FUNDS FOR DEFENSE INNOVATION UNIT EXPERIMENTAL.

(a) LIMITATION.—

(1) OPERATION AND MAINTENANCE.—Of the funds specified in subsection (c)(1), not more than 75 percent may be obligated or expended until the date on which the Secretary of Defense submits to the congressional defense committees the report under subsection (b).

(2) RESEARCH, DEVELOPMENT, TEST, AND EVALUATION.—Of the funds specified in subsection (c)(2), not more than 25 percent may be obligated or expended until the date on which the Secretary submits to the congressional defense committees the report under subsection (b).

(b) REPORT REQUIRED.—The Secretary of Defense shall submit to the congressional defense committees a report on the Defense Innovation Unit Experimental. Such report shall include the following:

(1) The charter and mission statement of the Unit.

(2) A description of—

(A) the management and operations of the Unit, including—

(i) the governance structure of the Unit;

(ii) the process for coordinating and deconflicting the activities of the Unit with similar activities of the Small Business Innovation Research Program, military departments, Defense Agencies, and other departments and agencies of the Federal Government, including activities carried out by In-Q-Tel, the Defense Advanced Research Projects Agency, and Department of Defense laboratories;

(iii) the direct staffing requirements of the Unit, including a description of the desired skills and expertise of such staff at each location;

(iv) the number of civilian and military personnel provided by the military departments and Defense Agencies to support the Unit; and

(v) any planned expansion to new sites, the metrics used to identify such sites, and an explanation of how such expansion will provide access to innovations of nontraditional defense contractors (as such term is defined in section 2302 of title 10, United States Code) that are not otherwise accessible; and

(B) policies and practices that will enable the Unit to best support Department of Defense missions, including—

(i) the metrics used to measure the effectiveness of the Unit;

(ii) how compliance with Department of Defense or Federal Government requirements could affect the

ability of nontraditional defense contractors (as such term is defined in section 2302 of title 10, United States Code) to market products and obtain funding;

(iii) how to treat intellectual property that has been developed with little or no government funding;

(iv) detailed justification for the expansion of the mission of the Unit, including authority to use research and development agreements, contracts, and merit-based prize competitions to explore emerging technologies and additional physical locations;

(v) a description of how existing Department of Defense agencies, services, entities, and other elements are authorized to better use streamlined acquisition procedures, research and development agreements, contracts, and merit-based prize competitions to explore emerging technologies, including modification of guidance and procedures to permit effective and streamlined implementation of authorities provided by Congress for rapid execution;

(vi) an account of the successes and failures of contracts already awarded by the unit;

(vii) recommendations on practices, policies, and authorities that will permit increased public-private partnership in financing and funding of research and technology development efforts; and

(viii) a description of technology transition strategies to ensure that research and technology programs funded by the Unit will be effectively and efficiently transitioned into operational use or acquisition programs, including a description of the role of Defense laboratories in such technology transition efforts.

(3) Any other information the Secretary determines to be appropriate.

(c) FUNDS SPECIFIED.—The funds specified in this subsection are as follows:

(1) Funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for operation and maintenance, Defense-wide, for the Defense Innovation Unit Experimental.

(2) Funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for research, development, test, and evaluation, Defense-wide, for the Defense Innovation Unit Experimental.

SEC. 223. LIMITATION ON AVAILABILITY OF FUNDS FOR JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM (JSTARS) RECAPITALIZATION PROGRAM.

(a) IN GENERAL.—Except as provided in subsection (b), none of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 or any other fiscal year for the Air Force may be made available for the Air Force's Joint Surveillance Target Attack Radar System (JSTARS) recapitalization program unless the contract for engineering and manufacturing development uses a firm fixed-price contract structure.

(b) NATIONAL SECURITY WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (a) if the Secretary determines that such a waiver is in the national security interests of the United States.

SEC. 224. ACQUISITION PROGRAM BASELINE AND ANNUAL REPORTS ON FOLLOW-ON MODERNIZATION PROGRAM FOR F–35 JOINT STRIKE FIGHTER.

(a) LIMITATION.—The Secretary of Defense may not award any follow-on modernization development contracts for the F–35 Joint Strike Fighter until the Secretary has submitted the report required by subsection (b)(1) in accordance with such subsection.

(b) ACQUISITION PROGRAM BASELINE.—

(1) IN GENERAL.—Not later than March 31, 2017, the Secretary of Defense shall submit to the congressional defense committees a report that contains the basic elements of an acquisition program baseline for Block 4 Modernization.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) Cost estimates for development, production, and modification.

(B) Projected key schedule dates, including dates for the completion of—

(i) a capabilities development document;

(ii) an independent cost estimate;

(iii) an initial preliminary design review;

(iv) a development contract award; and

(v) a critical design review.

(C) Technical performance parameters.

(D) Technology readiness levels.

(E) Annual funding profiles for development and procurement.

(c) REVIEW BY COMPTROLLER GENERAL OF THE UNITED STATES.—Not later than 60 days after the date on which the report required by subsection (b)(1) is submitted to the congressional defense committees in accordance with such subsection, the Comptroller General of the United States shall—

(1) review such report; and

(2) brief the congressional defense committees on the findings of the Comptroller General with respect to such review.

(d) ANNUAL REPORTS BY SECRETARY OF DEFENSE.—Not later than one year after the date on which the Secretary awards a development contract for follow-on modernization of the F–35 Joint Strike Fighter and not less frequently than once each year thereafter until March 31, 2023, the Secretary shall submit to the congressional defense committees a report on the cost, schedule, and performance progress against the baseline set forth in the report submitted pursuant to subsection (b)(1).

Subtitle C—Reports and Other Matters

SEC. 231. STRATEGY FOR ASSURED ACCESS TO TRUSTED MICROELECTRONICS.

10 USC 2302 note.

(a) STRATEGY.—The Secretary of Defense shall develop a strategy to ensure that the Department of Defense has assured

access to trusted microelectronics by not later than September 30, 2019.

(b) ELEMENTS.—The strategy under subsection (a) shall include the following:

(1) Definitions of the various levels of trust required by classes of Department of Defense systems.

(2) Means of classifying systems of the Department of Defense based on the level of trust such systems are required to maintain with respect to microelectronics.

(3) Means by which trust in microelectronics can be assured.

(4) Means to increase the supplier base for assured microelectronics to ensure multiple supply pathways.

(5) An assessment of the microelectronics needs of the Department of Defense in future years, including the need for trusted, radiation-hardened microelectronics.

(6) An assessment of the microelectronic needs of the Department of Defense that may not be fulfilled by entities outside the Department of Defense.

(7) The resources required to assure access to trusted microelectronics, including infrastructure, workforce, and investments in science and technology.

(8) A research and development strategy to ensure that the Department of Defense can, to the maximum extent practicable, use state of the art commercial microelectronics capabilities or their equivalent, while satisfying the needs for trust.

(9) Recommendations for changes in authorities, regulations, and practices, including acquisition policies, financial management, public-private partnership policies, or in any other relevant areas, that would support the achievement of the goals of the strategy.

(c) SUBMISSION AND UPDATES.—(1) Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees the strategy developed under subsection (a). The strategy shall be submitted in unclassified form, but may include a classified annex.

(2) Not later than two years after submitting the strategy under paragraph (1) and not less frequently than once every two years thereafter until September 30, 2024, the Secretary shall update the strategy as the Secretary considers appropriate to support Department of Defense missions.

(d) DIRECTIVE REQUIRED.—Not later than September 30, 2019, the Secretary of Defense shall issue a directive for the Department of Defense describing how Department of Defense entities may access assured and trusted microelectronics supply chains for Department of Defense systems.

(e) REPORT AND CERTIFICATION.—Not later than September 30, 2020, the Secretary of the Defense shall submit to the congressional defense committees—

(1) a report on—

(A) the status of the implementation of the strategy developed under subsection (a);

(B) the actions being taken to achieve full implementation of such strategy, and a timeline for such implementation; and

(C) the status of the implementation of the directive required by subsection (d); and

(2) a certification of whether the Department of Defense has an assured means for accessing a sufficient supply of trusted microelectronics, as required by the strategy developed under subsection (a).

(f) DEFINITIONS.—In this section:

(1) The term "assured" refers, with respect to microelectronics, to the ability of the Department of Defense to guarantee availability of microelectronics parts at the necessary volumes and with the performance characteristics required to meet the needs of the Department of Defense.

(2) The terms "trust" and "trusted" refer, with respect to microelectronics, to the ability of the Department of Defense to have confidence that the microelectronics function as intended and are free of exploitable vulnerabilities, either intentionally or unintentionally designed or inserted as part of the system at any time during its life cycle.

SEC. 232. PILOT PROGRAM ON EVALUATION OF COMMERCIAL INFORMATION TECHNOLOGY.

10 USC 2223 note.

(a) PILOT PROGRAM.—The Director of the Defense Information Systems Agency may carry out a pilot program to evaluate commercially available information technology tools to better understand the potential impact of such tools on networks and computing environments of the Department of Defense.

(b) ACTIVITIES.—Activities under the pilot program may include the following:

(1) Prototyping, experimentation, operational demonstration, military user assessments, and other means of obtaining quantitative and qualitative feedback on the commercial information technology products.

(2) Engagement with the commercial information technology industry to—

(A) forecast military requirements and technology needs; and

(B) support the development of market strategies and program requirements before finalizing acquisition decisions and strategies.

(3) Assessment of novel or innovative commercial technology for use by the Department of Defense.

(4) Assessment of novel or innovative contracting mechanisms to speed delivery of capabilities to the Armed Forces.

(5) Solicitation of operational user input to shape future information technology requirements of the Department of Defense.

(c) LIMITATION ON AVAILABILITY OF FUNDS.—Of the amounts authorized to be appropriated for research, development, test, and evaluation, Defense-wide, for each of fiscal years 2017 through 2022, not more than $15,000,000 may be expended on the pilot program in any such fiscal year.

SEC. 233. PILOT PROGRAM FOR THE ENHANCEMENT OF THE RESEARCH, DEVELOPMENT, TEST, AND EVALUATION CENTERS OF THE DEPARTMENT OF DEFENSE.

10 USC 2358 note.

(a) PILOT PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense and the secretaries of the military departments shall jointly carry out a

pilot program to demonstrate methods for the more effective development of technology and management of functions at eligible centers.

(2) ELIGIBLE CENTERS.—For purposes of the pilot program, the eligible centers are—

(A) the science and technology reinvention laboratories, as specified in section 1105(a) of the National Defense Authorization Act for Fiscal Year 2010 (10 U.S.C. 2358 note);

(B) the test and evaluation centers which are activities specified as part of the Major Range and Test Facility Base in Department of Defense Directive 3200.11; and

(C) the Defense Advanced Research Projects Agency.

(b) SELECTION.—

(1) IN GENERAL.—The secretaries described in subsection (a) shall ensure that participation in the pilot program includes—

(A) the Defense Advanced Research Projects Agency; and

(B) in accordance with paragraph (2)—

(i) five additional eligible centers described in subparagraph (A) of subsection (a)(2) from each of the military departments; and

(ii) five additional eligible centers described in subparagraph (B) of such subsection from each of the military departments.

(2) SELECTION PROCEDURES.—(A) The head of an eligible center described in subparagraph (A) or (B) of subsection (a)(2) seeking to participate in the pilot program shall submit to the appropriate reviewer an application therefor at such time, in such manner, and containing such information as the appropriate reviewer shall specify.

(B) Not later than 120 days after the date of the enactment of this Act, each appropriate reviewer shall—

(i) evaluate each application received under subparagraph (A); and

(ii) approve or disapprove of the application.

(C) If the head of an eligible center submits an application under subparagraph (A) in accordance with the requirements specified by the appropriate reviewer for purposes of such subparagraph and the appropriate reviewer neither approves nor disapproves such application pursuant to subparagraph (B)(ii) on or before the date that is 120 days after the date of the enactment of this Act, such eligible center shall be considered a participant in the pilot program.

(D) For purposes of this paragraph, the appropriate reviewer is—

(i) in the case of an eligible center described in subparagraph (A) of subsection (a)(2), the Laboratory Quality Enhancement Program; and

(ii) in the case of an eligible center described in subparagraph (B) of such subsection, the Director of the Test Resource Management Center.

(c) PARTICIPATION IN PROGRAM.—

(1) IN GENERAL.—Subject to paragraph (2), the head of each eligible center selected under subsection (b)(1) shall propose and implement alternative and innovative methods of

effective management and operations of eligible centers, rapid project delivery, support, experimentation, prototyping, and partnership with universities and private sector entities to—

(A) generate greater value and efficiencies in research and development activities;

(B) enable more efficient and effective operations of supporting activities, such as—

(i) facility management, construction, and repair;

(ii) business operations;

(iii) personnel management policies and practices; and

(iv) intramural and public outreach; and

(C) enable more rapid deployment of warfighter capabilities.

(2) IMPLEMENTATION.—(A) The head of an eligible center described in subparagraph (A) or (B) of subsection (a)(2) shall implement each method proposed under paragraph (1) unless such method is disapproved in writing by the Assistant Secretary concerned within 60 days of receiving a proposal from an eligible center selected under subsection (b)(1) by such Assistant Secretary.

(B) The Director of the Defense Advanced Research Projects Agency shall implement each method proposed under paragraph (1) unless such method is disapproved in writing by the Chief Management Officer within 60 days of receiving a proposal from the Director.

(C) In this paragraph, the term "Assistant Secretary concerned" means—

(i) the Assistant Secretary of the Air Force for Acquisition, with respect to matters concerning the Air Force;

(ii) the Assistant Secretary of the Army for Acquisition, Technology, and Logistics, with respect to matters concerning the Army; and

(iii) the Assistant Secretary of the Navy for Research, Development, and Acquisition, with respect to matters concerning the Navy.

(d) WAIVER AUTHORITY FOR DEMONSTRATION AND IMPLEMENTATION.—Until the termination of the pilot program under subsection (e), the head of an eligible center selected under subsection (b)(1) may waive any regulation, restriction, requirement, guidance, policy, procedure, or departmental instruction that would affect the implementation of a method proposed under subsection (c)(1), unless such implementation would be prohibited by a provision of a Federal statute or common law.

(e) TERMINATION.—The pilot program shall terminate on September 30, 2022.

(f) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the pilot program.

(2) CONTENTS.—The report required by paragraph (1) shall include the following:

(A) Identification of the eligible centers participating in the pilot program.

(B) Identification of the eligible centers whose applications to participate in the pilot program were disapproved

under subsection (b), including justifications for such disapprovals.

(C) A description of the methods implemented pursuant to subsection (c).

(D) A description of the methods that were proposed pursuant to paragraph (1) of subsection (c) but disapproved under paragraph (2) of such subsection.

(E) An assessment of how methods implemented pursuant to subsection (c) have contributed to the objectives identified in subparagraphs (A), (B), and (C) of paragraph (1) of such subsection.

10 USC 113 note.

SEC. 234. PILOT PROGRAM ON MODERNIZATION AND FIELDING OF ELECTROMAGNETIC SPECTRUM WARFARE SYSTEMS AND ELECTRONIC WARFARE CAPABILITIES.

(a) PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Defense may carry out a pilot program on the modernization and fielding of electromagnetic spectrum warfare systems and electronic warfare systems.

(2) SELECTION.—If the Secretary carries out the pilot program under paragraph (1), the Electronic Warfare Executive Committee shall select from the list described in section 240(b)(4) a total of 10 electromagnetic spectrum warfare systems and electronic warfare systems across at least two military departments for modernization and fielding under the pilot program.

(b) TERMINATION.—The pilot program authorized by subsection (a) shall terminate on September 30, 2023.

(c) FUNDING.—For the purposes of this pilot program, funds authorized to be appropriated for electromagnetic spectrum warfare and electronic warfare may be used for the development and fielding of electromagnetic spectrum warfare systems and electronic warfare capabilities.

(d) DEFINITIONS.—In this section:

(1) The term "electromagnetic spectrum warfare" means electronic warfare that encompasses military communications and sensing operations that occur in the electromagnetic operational domain.

(2) The term "electronic warfare" means military action involving the use of electromagnetic and directed energy to control the electromagnetic spectrum or to attack the enemy.

10 USC 2367 note.

SEC. 235. PILOT PROGRAM ON DISCLOSURE OF CERTAIN SENSITIVE INFORMATION TO FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) IN GENERAL.—The Secretary of Defense shall carry out a pilot program on—

(1) permitting officers and employees of the Department of Defense to disclose sensitive information to federally funded research and development centers of the Department for the sole purpose of the performance of administrative, technical, or professional services under and within the scope of the contracts with the parent organizations of such federally funded research and development centers; and

(2) appropriately protecting proprietary information from unauthorized disclosure or use by such centers.

(b) FFRDCS.—The pilot program shall be carried out with one or more federally funded research and development centers of the Department selected by the Secretary for participation in the pilot program.

(c) FFRDC PERSONNEL.—Sensitive information may be disclosed to personnel of a federally funded research and development center under the pilot program only if such personnel and contractors agree to be subject to, and comply with, appropriate ethics standards and requirements applicable to Government personnel, including the Ethics in Government Act of 1978, section 1905 of title 18, United States Code, and chapter 21 of title 41, United States Code.

(d) CONDITIONS ON DISCLOSURE.—Sensitive information may be disclosed under the pilot program only if the federally funded research and development center concerned and its parent organization agree to and acknowledge in the parent organization's contract with the Department of Defense that—

(1) sensitive information furnished to the federally funded research and development center will be accessed and used only for the purposes stated in the contract between the parent organization of the federally funded research and development center and the Department of Defense;

(2) the federally funded research and development center will take all precautions necessary to prevent disclosure of the sensitive information furnished to anyone not authorized access to the information in order to perform the applicable contract;

(3) sensitive information furnished under the pilot program shall not be used by the federally funded research and development center or parent organization to compete against a third party for a Government or non-Government contract or funding, or to support other current or future research or technology development activities performed by the federally funded research and development center; and

(4) any personnel of a federally funded research and development center participating in the pilot program may not disclose or use any trade secrets or any nonpublic information accessed under the pilot program, unless specifically authorized by this section.

(e) DURATION.—(1) The pilot program may commence at any time after the review and issuance of policy guidance, updated appropriately, pertaining to the identification, mitigation, and prevention of potentially unfair competitive advantage conferred to federally funded research and development center personnel with access to sensitive information who serve as technical advisors to acquisition programs.

(2) The pilot program shall terminate on the date that is three years after the date of the commencement of the pilot program.

(f) ASSESSMENT.—Not later than two years after the commencement of the pilot program, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program, including an assessment of the effectiveness of activities under the pilot program in improving acquisition processes and the effectiveness of protections of private-sector intellectual property in the course of such activities.

(g) SENSITIVE INFORMATION DEFINED.—In this section, the term "sensitive information" means confidential commercial, financial, or proprietary information, technical data, contract performance, contract performance evaluation, management, and administration data, or other privileged information owned by other contractors of the Department of Defense that is exempt from public disclosure under section 552(b)(4) of title 5, United States Code, or which would otherwise be prohibited from disclosure under section 1832 or 1905 of title 18, United States Code.

10 USC 2358 note.

SEC. 236. PILOT PROGRAM ON ENHANCED INTERACTION BETWEEN THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY AND THE SERVICE ACADEMIES.

(a) IN GENERAL.—The Secretary of Defense, acting through the Director of the Defense Advanced Research Projects Agency, shall carry out a pilot program to enhance interaction between the Defense Advanced Research Projects Agency and the service academies to promote technology transition, education, and training in science, technology, engineering, and mathematics fields that are relevant to the Department of Defense.

(b) AWARDS OF FUNDS.—(1) In carrying out the pilot program, the Secretary, acting through the Director, shall provide funds to contractors and grantees of the Defense Advanced Research Projects Agency in order to encourage such contractors and grantees to develop research partnerships with the service academies to support more efficient and effective technology transition of research programs and products.

(2) It shall be the responsibility of the Director to ensure that such funds are used effectively and that sufficient efforts are made to build appropriate partnerships.

(c) SERVICE ACADEMY TECHNOLOGY TRANSITION NETWORKS.—In carrying out the pilot program, the Director shall prioritize the leveraging of—

(1) the technology transition networks that service academies maintain among their academic departments and resident research centers; and

(2) partnerships with Department of Defense laboratories, other Federal degree granting institutions, academia, and industry.

(d) TERMINATION.—The authority to carry out the pilot program shall terminate on September 30, 2020.

(e) SERVICE ACADEMIES DEFINED.—In this section, the term "service academies" means the following:

(1) The United States Military Academy.

(2) The United States Naval Academy.

(3) Th United States Air Force Academy.

(4) The United States Coast Guard Academy.

(5) The United States Merchant Marine Academy.

SEC. 237. INDEPENDENT REVIEW OF F/A–18 PHYSIOLOGICAL EPISODES AND CORRECTIVE ACTIONS.

(a) INDEPENDENT REVIEW REQUIRED.—The Secretary of the Navy shall conduct an independent review of the plans, programs, and research of the Department of the Navy with respect to—

(1) physiological events affecting aircrew of the F/A–18 Hornet and the F/A–18 Super Hornet aircraft during the covered period; and

(2) the efforts of the Navy and Marine Corps to prevent and mitigate the affects of such physiological events.

(b) CONDUCT OF REVIEW.—In conducting the review under subsection (a), the Secretary of the Navy shall—

(1) designate an appropriate senior official in the Office of the Secretary of the Navy to oversee the review; and

(2) consult experts from outside the Department of Defense in appropriate technical and medical fields.

(c) REVIEW ELEMENTS.—The review under subsection (a) shall include an evaluation of—

(1) any data of the Department of the Navy relating to the increased frequency of physiological events affecting aircrew of the F/A–18 Hornet and the F/A–18 Super Hornet aircraft during the covered period;

(2) aircraft mishaps potentially related to such physiological events;

(3) the cost and effectiveness of all material, operational, maintenance, and other measures carried out by the Department of the Navy to mitigate such physiological events during the covered period;

(4) material, operational, maintenance, or other measures that may reduce the rate of such physiological events in the future; and

(5) the performance of—

(A) the onboard oxygen generation system in the F/A–18 Super Hornet;

(B) the overall environmental control system in the F/A–18 Hornet and F/A–18 Super Hornet; and

(C) other relevant subsystems of the F/A–18 Hornet and F/A–18 Super Hornet, as determined by the Secretary.

(d) REPORT REQUIRED.—Not later than December 1, 2017, the Secretary of Navy shall submit to the congressional defense committees a report that includes the results of the review under subsection (a).

(e) COVERED PERIOD.—In this section, the term "covered period" means the period beginning on January 1, 2009, and ending on the date of the submission of the report under subsection (d).

SEC. 238. B–21 BOMBER DEVELOPMENT PROGRAM ACCOUNTABILITY MATRICES.

(a) SUBMITTAL OF MATRICES.—Concurrent with the President's annual budget request submitted to Congress under section 1105 of title 31, United States Code, for fiscal year 2018, the Secretary of the Air Forces shall submit to the congressional defense committees and the Comptroller General of the United States the matrices described in subsection (b) relating to the B–21 bomber aircraft program.

(b) MATRICES DESCRIBED.—The matrices described in this subsection are the following:

(1) EMD GOALS.—A matrix that identifies, in six month increments, key milestones, development events, and specific performance goals for the EMD phase of the B–21 bomber aircraft program, which shall be subdivided, at a minimum, according to the following:

(A) Technology readiness levels of major components and key demonstration events.

(B) Design maturity.

(C) Software maturity.

(D) Manufacturing readiness levels for critical manufacturing operations and key demonstration events.

(E) Manufacturing operations.

(F) System verification and key flight test events.

(G) Reliability.

(2) COST.—A matrix expressing, in six month increments, the total cost for the Air Force service cost position for the EMD phase and low initial rate of production lots of the B–21 bomber aircraft and a matrix expressing the total cost for the prime contractor's estimate for such EMD phase and production lots, both of which shall be phased over the entire EMD period and subdivided according to the costs of the following:

(A) Air vehicle.

(B) Propulsion.

(C) Mission systems.

(D) Vehicle subsystems.

(E) Air vehicle software.

(F) Systems engineering.

(G) Program management.

(H) System test and evaluation.

(I) Support and training systems.

(J) Contract fee.

(K) Engineering changes.

(L) Direct mission support, including Congressional General Reductions.

(M) Government testing.

(c) SEMIANNUAL UPDATE OF MATRICES.—

(1) IN GENERAL.—Not later than 180 days after the date on which the Secretary of the Air Force submits the matrices required by subsection (a), concurrent with the submittal of each annual budget request to Congress under section 1105 of title 31, United States Code, thereafter, and not later than 180 days after each such submittal, the Secretary of the Air Force shall submit to the congressional defense committees and the Comptroller General of the United States updates to the matrices described in subsection (b).

(2) ELEMENTS.—Each update submitted under paragraph (1) shall detail progress made toward the goals identified in the matrix described in subsection (b)(1) and provide updated cost estimates.

(3) TREATMENT OF INITIAL MATRICES AS BASELINE.—The matrices submitted pursuant to subsection (a) shall be treated as the baseline for the full EMD phase and low rate initial production of the B–21 bomber aircraft program for purposes of the updates submitted pursuant to paragraph (1) of this subsection.

(d) ASSESSMENT BY COMPTROLLER GENERAL OF THE UNITED STATES.—Not later than the date that is 45 days after the date on which the Comptroller General of the United States receives an update to a matrix under subsection (d)(1), the Comptroller General shall review the sufficiency of such matrix and submit to the congressional defense committees an assessment of such matrix, including by identifying cost, schedule, or performance trends.

SEC. 239. STUDY ON HELICOPTER CRASH PREVENTION AND MITIGATION TECHNOLOGY.

(a) STUDY REQUIRED.—The Secretary of Defense shall seek to enter into a contract with a federally funded research and development center to conduct a study on technologies with the potential to prevent and mitigate helicopter crashes.

(b) ELEMENTS.—The study required under subsection (a) shall include the following:

(1) Identification of technologies with the potential—

(A) to prevent helicopter crashes (such as collision avoidance technologies and battle space and terrain situational awareness technologies); and

(B) to improve survivability among individuals involved in such crashes (such as adaptive flight control technologies and improved energy absorbing technologies).

(2) A cost-benefit analysis of each technology identified under paragraph (1) that takes into account the cost of developing and deploying the technology compared to the potential of the technology to prevent casualties or injuries.

(3) A list that ranks the technologies identified under paragraph (1) based on—

(A) the results of the cost-benefit analysis under paragraph (2); and

(B) the readiness level of each technology.

(4) An analysis of helicopter crashes that—

(A) compares the casualty rates of cockpit occupants to the casualty rates of occupants of cargo compartments and troop seats; and

(B) identifies the root causes of the casualties described in subparagraph (A).

(c) BRIEFING.—Not later than one year after the date of the enactment of this Act, the Secretary shall provide to the Committees on Armed Services of the Senate and the House of Representatives (and the other congressional defense committees on request) a briefing that includes—

(1) the results of the study required under subsection (a); and

(2) the list described in subsection (b)(3).

SEC. 240. STRATEGY FOR IMPROVING ELECTRONIC AND ELECTROMAGNETIC SPECTRUM WARFARE CAPABILITIES.

(a) STRATEGY REQUIRED.—Not later than April 1, 2017, the Under Secretary of Defense for Acquisition, Technology and Logistics, acting through the Electronic Warfare Executive Committee, shall submit to the congressional defense committees a strategy on the electronic and electromagnetic spectrum warfare capabilities of the Department of Defense.

(b) ELEMENTS.—The strategy required by subsection (a) shall include the following:

(1) A strategy for advancing and accelerating research, development, test, and evaluation, and fielding, of electronic warfare capabilities to meet current and projected requirements, including intra-service ground and air interoperabilities, as well as recommendations for streamlining acquisition processes with respect to such capabilities.

(2) A methodology for synchronizing and overseeing electronic warfare strategies, operational concepts, and programs

across the Department of Defense, including electronic warfare programs that support or enable cyber operations.

(3) A description of the training and operational support required for fielding and sustaining current and planned investments in electronic warfare capabilities, including the requirements for conducting large-scale simulated exercises and training in contested electronic warfare environments.

(4) A comprehensive list of investments of the Department of Defense in electronic warfare capabilities, including the capabilities to be developed, procured, or sustained in—

(A) the budget of the President for fiscal year 2018 submitted to Congress under section 1105(a) of title 31, United States Code; and

(B) the future-years defense program submitted to Congress under section 221 of title 10, United States Code, for that fiscal year.

(5) A description of the threat environment for electromagnetic spectrum for current and future warfare needs.

(6) An assessment of progress on increasing interoperability between Services and Agencies, as well as increasing application of innovative electromagnetic spectrum warfighting methods and operational concepts that provide advantages within the electromagnetic spectrum operational domain.

(7) Specific attributes needed in future electronic and electromagnetic spectrum warfare capabilities, such as networking, adaptability, agility, multifunctionality, and miniaturization, and progress toward incorporating such attributes in new electronic warfare systems.

(8) Capability gaps with respect to asymmetric and near-peer adversaries identified pursuant to a capability gap assessment.

(9) A joint strategy on achieving near real-time system adaption to rapidly advancing modern digital electronics.

(10) Any other information the Secretary determines to be appropriate.

(c) FORM.—The strategy required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) ELECTRONIC WARFARE EXECUTIVE COMMITTEE DEFINED.—In this section the term "Electronic Warfare Executive Committee" means the committee established on March 17, 2015, and chartered on August 11, 2015, by the Deputy Secretary of Defense to serve as the principal forum within the Department of Defense to inform, coordinate, and evaluate electronic warfare matters to maintain a strong technological advantage in United States capabilities.

SEC. 241. SENSE OF CONGRESS ON DEVELOPMENT AND FIELDING OF FIFTH GENERATION AIRBORNE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) The term "fifth generation", with respect to airborne systems, means those airborne systems capable of operating effectively in highly contested battle spaces defined by the most capable currently fielded threats, and those reasonably expected to be operational in the foreseeable future.

(2) Continued modernization of Department of Defense airborne systems such as fighters, bombers, and intelligence, surveillance, and reconnaissance (ISR) aircraft with fifth generation capabilities is required because—

(A) adversary integrated air defense systems (IADS) have created regions where fourth generation airborne systems may be limited in their ability to effectively operate;

(B) adversary aircraft, air-to-air missiles, and airborne electronic attack or electronic protection systems are advancing beyond the capabilities of fourth generation airborne systems; and

(C) fifth generation airborne systems provide a wider variety of options for a given warfighting challenge, preserve the technological advantage of the United States over near-peer threats, and serve as a force multiplier by increasing situational awareness and combat effectiveness of fourth generation airborne systems.

(b) SENSE OF CONGRESS.—It is the sense of Congress that development and fielding of fifth generation airborne system systems should include the following:

(1) Multispectral (radar, infrared, visual, emissions) low observable (LO) design features, self-protection jamming, and other capabilities that significantly delay or deny threat system detection, tracking, and engagement.

(2) Integrated avionics that autonomously fuse and prioritize onboard multispectral sensors and offboard information data to provide an accurate realtime operating picture and data download for postmission exploitation and analysis.

(3) Resilient communications, navigation, and identification techniques designed to effectively counter adversary attempts to deny or confuse friendly systems.

(4) Robust and secure networks linking individual platforms to create a common, accurate, and highly integrated picture of the battle space for friendly forces.

(5) Advanced onboard diagnostics capable of monitoring system health, accurately reporting system faults, and increasing overall system performance and reliability.

(6) Integrated platform and subsystem designs to maximize lethality and survivability while enabling decision superiority.

(7) Maximum consideration for the fielding of unmanned platforms either employed in concert with fifth generation manned platforms or as standalone unmanned platforms, to increase warfighting effectiveness and reduce risk to personnel during high risk missions.

(8) Advanced air-to-air, air-to-ground, and other weapons able to leverage fifth generation capabilities.

(9) Comprehensive and high-fidelity live, virtual, and constructive training systems, updated range infrastructure, and sufficient threat-representative adversary training assets to maximize fifth generation force proficiency, effectiveness, and readiness while protecting sensitive capabilities.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Authorization of appropriations.

Subtitle B—Energy and Environment

Sec. 311. Modified reporting requirement related to installations energy management.

Sec. 312. Waiver authority for alternative fuel procurement requirement.
Sec. 313. Utility data management for military facilities.
Sec. 314. Alternative technologies for munitions disposal.
Sec. 315. Report on efforts to reduce high energy costs at military installations.
Sec. 316. Sense of Congress on funding decisions relating to climate change.

Subtitle C—Logistics and Sustainment

Sec. 321. Revision of deployability rating system and planning reform.
Sec. 322. Revision of guidance relating to corrosion control and prevention executives.
Sec. 323. Pilot program for inclusion of certain industrial plants in the Armament Retooling and Manufacturing Support Initiative.
Sec. 324. Repair, recapitalization, and certification of dry docks at naval shipyards.
Sec. 325. Private sector port loading assessment.
Sec. 326. Strategy on revitalizing Army organic industrial base.

Subtitle D—Reports

Sec. 331. Modifications to Quarterly Readiness Report to Congress.
Sec. 332. Report on average travel costs of members of the reserve components.
Sec. 333. Report on HH–60G sustainment and Combat Rescue Helicopter program.

Subtitle E—Other Matters

Sec. 341. Air navigation matters.
Sec. 342. Contract working dogs.
Sec. 343. Plan, funding documents, and management review relating to explosive ordnance disposal.
Sec. 344. Process for communicating availability of surplus ammunition.
Sec. 345. Mitigation of risks posed by window coverings with accessible cords in certain military housing units.
Sec. 346. Access to military installations by transportation companies.
Sec. 347. Access to wireless high-speed Internet and network connections for certain members of the Armed Forces.
Sec. 348. Limitation on availability of funds for Office of the Under Secretary of Defense for Intelligence.
Sec. 349. Limitation on development and fielding of new camouflage and utility uniforms.
Sec. 350. Plan for improved dedicated adversary air training enterprise of the Air Force.
Sec. 351. Independent review and assessment of the Ready Aircrew Program of the Air Force.
Sec. 352. Study on space-available travel system of the Department of Defense.
Sec. 353. Evaluation of motor carrier safety performance and safety technology.

Subtitle A—Authorization of Appropriations

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2017 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, as specified in the funding table in section 4301.

Subtitle B—Energy and Environment

SEC. 311. MODIFIED REPORTING REQUIREMENT RELATED TO INSTALLATIONS ENERGY MANAGEMENT.

Subsection (a) of section 2925 of title 10, United States Code, is amended—

(1) in the subsection heading, by inserting “, RESILIENCY, AND MISSION ASSURANCE” after “ANNUAL REPORT RELATED TO INSTALLATIONS ENERGY MANAGEMENT”;

(2) by striking paragraphs (2), (3), (4), (5), (6), (7), (8), and (10);

(3) by redesignating paragraphs (9) and (11) as paragraphs (3), and (4), respectively; and

(4) by inserting after paragraph (1), the following:

"(2) A description of the energy savings, return on investment, and enhancements to installation mission assurance realized by the fulfillment of the goals described in paragraph (1).".

SEC. 312. WAIVER AUTHORITY FOR ALTERNATIVE FUEL PROCUREMENT REQUIREMENT.

42 USC 17142 note.

(a) IN GENERAL.—The Secretary of Defense may waive the requirement under section 526 of the Energy Independence and Security Act of 2007 (Public Law 110–140; 42 U.S.C. 17142) if the Secretary determines it is in the national security interest of the United States.

(b) NOTIFICATION REQUIREMENT.—The Secretary of Defense shall notify the congressional defense committees not later than 15 days after exercising the waiver authority under subsection (a).

SEC. 313. UTILITY DATA MANAGEMENT FOR MILITARY FACILITIES.

10 USC 2302 note.

(a) PILOT PROGRAM.—The Secretary of Defense, in consultation with the Secretary of Energy, may carry out a pilot program to investigate the use of utility data management services to perform utility bill aggregation, analysis, third-party payment, storage, and distribution for the Department of Defense.

(b) USE OF FUNDS.—Of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for operation and maintenance, Navy, for enterprise information, not more than $250,000 may be obligated or expended to carry out the pilot program under subsection (a).

SEC. 314. ALTERNATIVE TECHNOLOGIES FOR MUNITIONS DISPOSAL.

10 USC 4681 note prec.

In carrying out the disposal of munitions in the stockpile of conventional munitions awaiting demilitarization and disposal, the Secretary of the Army may use cost-competitive technologies that minimize waste generation and air emissions as alternatives to disposal by open burning, open detonation, direct contact combustion, and incineration.

SEC. 315. REPORT ON EFFORTS TO REDUCE HIGH ENERGY COSTS AT MILITARY INSTALLATIONS.

(a) REPORT.—

(1) REPORT REQUIRED.—Not later than 270 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics, in conjunction with the assistant secretaries responsible for installations and environment for the military services and the Defense Logistics Agency, shall submit to the congressional defense committees a report detailing the efforts to achieve cost savings at military installations with high levels of energy intensity.

(2) ELEMENTS.—The report required under paragraph (1) shall include the following elements:

(A) A comprehensive, installation-specific assessment of feasible and mission-appropriate energy initiatives supporting energy production and consumption at military installations with high levels of energy intensity.

(B) An assessment of current sources of energy in areas with high energy costs and potential future sources that are technologically feasible, cost-effective, and mission-appropriate for military installations.

(C) A comprehensive implementation strategy to include required investment for feasible energy efficiency options determined to be the most beneficial and cost-effective, where appropriate, and consistent with Department of Defense priorities.

(D) An explanation of how military services are working collaboratively in order to leverage lessons learned on potential energy efficiency solutions.

(E) An assessment of the extent to which activities administered under the Federal Energy Management Program could be used to assist with the implementation strategy.

(F) An assessment of State and local partnership opportunities that could achieve efficiency and cost savings, and any legislative authorities required to carry out such partnerships or agreements.

(3) COORDINATION WITH STATE AND LOCAL AND OTHER ENTITIES.—In preparing the report required under paragraph (1), the Under Secretary may work in conjunction and coordinate with the States containing areas of high levels of energy intensity, local communities, and other Federal departments and agencies.

(b) DEFINITIONS.—In this section, the term "high levels of energy intensity" means costs for the provision of energy by kilowatt of electricity or British thermal unit of heat or steam for a military installation in the United States that is in the highest 20 percent of all military installations for a military department.

SEC. 316. SENSE OF CONGRESS ON FUNDING DECISIONS RELATING TO CLIMATE CHANGE.

It is the sense of Congress that—

(1) decisions relating to the funding of the Department of Defense for fiscal year 2017 should prioritize the support and enhancement of the combat capabilities of the Department, in addition to seeking efficiency and efficacy;

(2) funds should be allocated among the programs of the Department in the manner that best serves the national security interests of the United States; and

(3) decisions relating to energy efficiency, energy use, and climate change should adhere to the principles described in paragraphs (1) and (2).

Subtitle C—Logistics and Sustainment

SEC. 321. REVISION OF DEPLOYABILITY RATING SYSTEM AND PLANNING REFORM.

(a) DEPLOYMENT PRIORITIZATION AND READINESS.—

(1) IN GENERAL.—Chapter 1003 of title 10, United States Code, is amended by inserting after section 10102 the following new section:

"§ 10102a. Deployment prioritization and readiness of Army components

10 USC 10102a.

"(a) DEPLOYMENT PRIORITIZATION.—The Secretary of the Army shall maintain a system for identifying the priority of deployment for units of all components of the Army.

"(b) DEPLOYABILITY READINESS RATING.—The Secretary of the Army shall maintain a readiness rating system for units of all components of the Army that provides an accurate assessment of the deployability of a unit and those shortfalls of a unit that require the provision of additional resources. The system shall ensure—

"(1) that the personnel readiness rating of a unit reflects—

"(A) both the percentage of the overall personnel requirement of the unit that is manned and deployable and the fill and deployability rate for critical occupational specialties necessary for the unit to carry out its basic mission requirements; and

"(B) the number of personnel in the unit who are qualified in their primary military occupational specialty; and

"(2) that the equipment readiness assessment of a unit—

"(A) documents all equipment required for deployment;

"(B) reflects only that equipment that is directly possessed by the unit;

"(C) specifies the effect of substitute items; and

"(D) assesses the effect of missing components and sets on the readiness of major equipment items.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1003 of such title is amended by inserting after the item relating to section 10102 the following new item:

10 USC 10101 prec.

"10102a. Deployment prioritization and readiness of Army components.".

(b) REPEAL OF SUPERSEDED PROVISIONS OF LAW.—Sections 1121 and 1135 of the Army National Guard Combat Readiness Reform Act of 1992 (title XI of Public Law 102–484; 10 U.S.C. 10105 note) are repealed.

SEC. 322. REVISION OF GUIDANCE RELATING TO CORROSION CONTROL AND PREVENTION EXECUTIVES.

10 USC 2228 note.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Director of Corrosion Policy and Oversight for the Department of Defense, shall revise guidance relating to corrosion control and prevention executives to—

(1) clarify the role of each such executive with respect to assisting the Office of Corrosion Policy and Oversight in holding the appropriate project management office in each military department accountable for submitting the annual report required under section 903(b)(5) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 10 U.S.C. 2228 note); and

(2) ensure that corrosion control and prevention executives emphasize the reduction of corrosion and the effects of corrosion on the military equipment and infrastructure of the Department

of Defense, as required in the long-term strategy of the Department of Defense under section 2228(d) of title 10, United States Code.

(b) CORROSION CONTROL AND PREVENTION EXECUTIVE DEFINED.—In this section, the term "corrosion control and prevention executive" means the employee of a military department designated as the corrosion control and prevention executive of the department under section 903(a) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 10 U.S.C. 2228 note).

10 USC 4551 note.

SEC. 323. PILOT PROGRAM FOR INCLUSION OF CERTAIN INDUSTRIAL PLANTS IN THE ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE.

During the five-year period beginning on the date of the enactment of this Act, the Secretary of Defense may treat a Government-owned, contractor-operated industrial plant of the Department of Defense as an eligible facility under section 4551(2) of title 10, United States Code.

SEC. 324. REPAIR, RECAPITALIZATION, AND CERTIFICATION OF DRY DOCKS AT NAVAL SHIPYARDS.

(a) SPECIAL AUTHORITY TO TRANSFER AUTHORIZATIONS.—In addition to the authority to transfer funds provided under section 1001, the Secretary of Defense may transfer not more than $250,000,000 of authorizations made available to the Department of Defense in this Act for fiscal year 2017 to the Department of the Navy for the repair, recapitalization, and certification of dry docks at Government-owned, Government-operated shipyards of the Navy.

(b) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

(c) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), transfers under this section shall be subject to the same terms and conditions as transfers under section 1001.

(2) EFFECT ON DOLLAR LIMIT.—A transfer of funds under this section shall not be counted toward the dollar limitation described in section 1001(a)(2).

SEC. 325. PRIVATE SECTOR PORT LOADING ASSESSMENT.

(a) ASSESSMENTS REQUIRED.—During the period beginning on the date of the enactment of this Act and ending on the date of the final briefing under subsection (c), the Secretary of the Navy shall conduct quarterly assessments of naval ship maintenance and loading activities carried out by private sector entities at each covered port.

(b) ELEMENTS OF ASSESSMENTS.—Each assessment under subsection (a) shall include, with respect to each covered port, the following:

(1) Resources per day, including daily ship availabilities and the workforce available to carry out maintenance and loading activities, for the fiscal year preceding the quarter covered by the assessment through the end of such quarter.

(2) Projected resources per day, including daily ship availabilities and the workforce available to carry out maintenance and loading activities, through the end of the second fiscal year beginning after the quarter covered by the assessment.

(3) A description of the methods by which the Secretary communicates projected workloads to private sector entities engaged in ship maintenance activities and ship loading activities.

(4) A description of any processes that have been implemented to allow for timely feedback from private sector entities engaged in ship maintenance activities and ship loading activities.

(c) BRIEFINGS REQUIRED.—Not later than 30 days after the date of the enactment of this Act, and on a quarterly basis thereafter until September 30, 2021, the Secretary shall provide to the Committees on Armed Services of the Senate and House of Representatives (and other congressional defense committees on request)—

(1) a briefing on the results of the assessments conducted under subsection (a); and

(2) a chart depicting the information described in paragraphs (1) and (2) of subsection (b) with respect to each covered port.

(d) COVERED PORTS.—In this section, the term "covered ports" means port facilities used by the Department of Defense in each of the following locations:

(1) Mayport, Florida.

(2) Norfolk, Virginia.

(3) Pearl Harbor, Hawaii.

(4) Puget Sound, Washington.

(5) San Diego, California.

SEC. 326. STRATEGY ON REVITALIZING ARMY ORGANIC INDUSTRIAL BASE.

(a) STRATEGY.—Not later than October 1, 2017, the Secretary of Army shall submit to the congressional defense committees a strategy to revitalize the organic industrial base of the Army.

(b) ELEMENTS.—The strategy under subsection (a) shall include, with respect to the organic industrial base of the Army, the following:

(1) A plan to ensure the long-term viability of the organic industrial base.

(2) An assessment of legacy items of the Army that are sustained by the Defense Logistics Agency.

(3) A description of how the organic industrial base may be used to address diminishing manufacturing sources and material shortages.

(4) A description of critical capabilities that are required across the organic industrial base.

(5) An assessment of infrastructure across the organic industrial base.

(6) An assessment of manufacturing sources in the organic industrial base and the private sector.

(7) An explanation of how contracting may be used to meet organic industrial base requirements.

(8) An assessment of current and future workloads across the organic industrial base.

(9) An assessment of the processes used to identify critical capabilities for the organic industrial base and the methods used to determine workloads.

(10) An assessment of existing labor rates.

(11) A description of manufacturing skills that are needed to sustain readiness.

(12) A description of how public-private partnerships may be used to improve the organic industrial base.

(13) A description of how working capital funds may be used to improve the organic industrial base.

(14) An assessment of operating expenses and the potential for reducing or recovering such expenses.

(15) Identification of the tooling, equipment, and facilities upgrades necessary for a facility in the organic industrial base to manufacture the legacy items of the Defense Logistics Agency, including items described in section 333(a) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 792).

(16) An assessment of the suitability of manufacturing the legacy items of the Defense Logistics Agency in a facility in the organic industrial base.

(c) DEFINITIONS.—In this section:

(1) LEGACY ITEMS.—The term "legacy items" means manufactured items that are no longer produced by the private sector but continue to be used for weapons systems of the Department of Defense, but does not include information systems and information technology (as those terms are defined in section 11101 of title 40, United States Code).

(2) ORGANIC INDUSTRIAL BASE.—The term "organic industrial base" means United States military facilities, including arsenals, depots, munition plants and centers, and storage sites, that advance a vital national security interest by producing, maintaining, repairing, and storing materiel, munitions, and hardware.

Subtitle D—Reports

SEC. 331. MODIFICATIONS TO QUARTERLY READINESS REPORT TO CONGRESS.

(a) DEADLINE FOR REPORT.—Subsection (a) of section 482 of title 10, United States Code, is amended by striking "Not later than 45 days after the end of each calendar-year quarter" and inserting "Not later than 30 days after the end of each calendar-year quarter".

(b) ELIMINATION OF REPORTING REQUIREMENTS RELATED TO PREPOSITIONED STOCKS AND NATIONAL GUARD CIVIL SUPPORT MISSION READINESS.—Such section is further amended—

(1) in subsection (a), by striking "subsections (b), (d), (e), (f), (g), (h), and (i)" and inserting "subsections (b), (d), (e), (f), and (g)";

(2) by striking subsections (d) and (e); and

(3) by redesignating subsections (f), (g), (h), (i), and (j) as subsections (d), (e), (f), (g), and (i) respectively.

(c) INCLUSION OF INFORMATION ON CANNIBALIZATION RATES.—Such section, as amended by subsection (b), is further amended by inserting after subsection (g), as redesignated by paragraph (3) of such subsection (b), the following new subsection:

"(h) CANNIBALIZATION RATES.—Each report under this section shall include a separate unclassified report containing the information collected pursuant to section 117(c)(7) of this title.".

SEC. 332. REPORT ON AVERAGE TRAVEL COSTS OF MEMBERS OF THE RESERVE COMPONENTS.

Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the congressional defense committees a report on the travel expenses of members of reserve components associated with performing active duty service, active service, full-time National Guard duty, active Guard and Reserve duty, and inactive-duty training, as such terms are defined in section 101(d) of title 10, United States Code. Such report shall include the average annual cost for all travel expenses for a member of a reserve component.

SEC. 333. REPORT ON HH–60G SUSTAINMENT AND COMBAT RESCUE HELICOPTER PROGRAM.

(a) REPORT ON SUSTAINMENT PLAN.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that sets forth a plan to modernize, sustain training, and conduct depot-level maintenance and repair for all components of the HH–60 helicopter fleet until total force combat rescue units have been fully equipped with HH–60W Combat Rescue Helicopters.

(b) ELEMENTS.—The report required by subsection (a) shall include a description of the plans of the Air Force—

(1) to modernize legacy HH–60G combat rescue helicopters;

(2) to maintain the training pipeline for the HH–60G aircrew and the maintenance force required to maintain full readiness through the end of fiscal year 2029; and

(3) to carry out depot-level maintenance and repair (as that term is defined in section 2460 of title 10, United States Code) to ensure the legacy HH–60G fleet of helicopters is maintained to meet readiness rates through the end of fiscal year 2029.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

Subtitle E—Other Matters

SEC. 341. AIR NAVIGATION MATTERS.

(a) EXPANSION OF DEFINITION OF STRUCTURES INTERFERING WITH AIR COMMERCE AND NATIONAL DEFENSE.—

(1) NOTICE.—Section 44718(a) of title 49, United States Code, is amended—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(3) the interests of national security, as determined by the Secretary of Defense.”.

(2) STUDIES.—Section 44718(b) of title 49, United States Code, is amended to read as follows:

“(b) STUDIES.—

“(1) IN GENERAL.—Under regulations prescribed by the Secretary, if the Secretary decides that constructing or altering a structure may result in an obstruction of the navigable airspace, an interference with air navigation facilities and equipment or the navigable airspace, or, after consultation with

the Secretary of Defense, an adverse impact on military operations and readiness, the Secretary of Transportation shall conduct an aeronautical study to decide the extent of any adverse impact on the safe and efficient use of the airspace, facilities, or equipment. In conducting the study, the Secretary shall—

"(A) consider factors relevant to the efficient and effective use of the navigable airspace, including—

"(i) the impact on arrival, departure, and en route procedures for aircraft operating under visual flight rules;

"(ii) the impact on arrival, departure, and en route procedures for aircraft operating under instrument flight rules;

"(iii) the impact on existing public-use airports and aeronautical facilities;

"(iv) the impact on planned public-use airports and aeronautical facilities;

"(v) the cumulative impact resulting from the proposed construction or alteration of a structure when combined with the impact of other existing or proposed structures; and

"(vi) other factors relevant to the efficient and effective use of navigable airspace; and

"(B) include the finding made by the Secretary of Defense under subsection (f).

"(2) REPORT.—On completing the study, the Secretary of Transportation shall issue a report disclosing the extent of the—

"(A) adverse impact on the safe and efficient use of the navigable airspace that the Secretary finds will result from constructing or altering the structure; and

"(B) unacceptable risk to the national security of the United States, as determined by the Secretary of Defense under subsection (f).

"(3) SEVERABILITY.—A determination by the Secretary of Transportation on hazard to air navigation under this section shall remain independent of a determination of unacceptable risk to the national security of the United States by the Secretary of Defense under subsection (f).".

(3) NATIONAL SECURITY FINDING; DEFINITIONS.—Section 44718 of title 49, United States Code, is amended by adding at the end the following:

"(f) NATIONAL SECURITY FINDING.—As part of an aeronautical study conducted under subsection (b), the Secretary of Defense shall—

"(1) make a finding on whether the construction, alteration, establishment, or expansion of a structure or sanitary landfill included in the study would result in an unacceptable risk to the national security of the United States; and

"(2) transmit the finding to the Secretary of Transportation for inclusion in the report required under subsection (b)(2).

"(g) DEFINITIONS.—In this section, the following definitions apply:

"(1) ADVERSE IMPACT ON MILITARY OPERATIONS AND READINESS.—The term 'adverse impact on military operations and readiness' has the meaning given the term in section 211.3

of title 32, Code of Federal Regulations, as in effect on January 6, 2014.

"(2) UNACCEPTABLE RISK TO THE NATIONAL SECURITY OF THE UNITED STATES.—The term 'unacceptable risk to the national security of the United States' has the meaning given the term in section 211.3 of title 32, Code of Federal Regulations, as in effect on January 6, 2014.".

(4) CONFORMING AMENDMENTS.—

(A) SECTION HEADING.—Section 44718 of title 49, United States Code, is amended in the section heading by inserting "**or national security**" after "**air commerce**".

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 447 of title 49, United States Code, is amended by striking the item relating to section 44718 and inserting the following:

49 USC 44701 prec.

"44718. Structures interfering with air commerce or national security.".

(b) PERFORMANCE-BASED NAVIGATION.—Section 213(c) of the FAA Modernization and Reform Act of 2012 (Public Law 112–95; 49 U.S.C. 40101 note) is amended by adding at the end the following:

"(3) NOTIFICATIONS AND CONSULTATIONS.—Not later than 90 days before applying a categorical exclusion under this subsection to a new procedure at an OEP airport, the Administrator shall—

"(A) notify and consult with the operator of the airport at which the procedure would be implemented; and

"(B) consider consultations or other engagement with the community in the which the airport is located to inform the public of the procedure.

"(4) REVIEW OF CERTAIN CATEGORICAL EXCLUSIONS.—

"(A) IN GENERAL.—The Administrator shall review any decision of the Administrator made on or after February 14, 2012, and before the date of the enactment of this paragraph to grant a categorical exclusion under this subsection with respect to a procedure to be implemented at an OEP airport that was a material change from procedures previously in effect at the airport to determine if the implementation of the procedure had a significant effect on the human environment in the community in which the airport is located.

"(B) CONTENT OF REVIEW.—If, in conducting a review under subparagraph (A) with respect to a procedure implemented at an OEP airport, the Administrator, in consultation with the operator of the airport, determines that implementing the procedure had a significant effect on the human environment in the community in which the airport is located, the Administrator shall—

"(i) consult with the operator of the airport to identify measures to mitigate the effect of the procedure on the human environment; and

"(ii) in conducting such consultations, consider the use of alternative flight paths that do not substantially degrade the efficiencies achieved by the implementation of the procedure being reviewed.

"(C) HUMAN ENVIRONMENT DEFINED.—In this paragraph, the term 'human environment' has the meaning given such term in section 1508.14 of title 40, Code of Federal Regulations (as in effect on the day before the date of the enactment of this paragraph).".

SEC. 342. CONTRACT WORKING DOGS.

(a) REQUIRED CONTRACT CLAUSE.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2410r.

"§ 2410r. Contract working dogs: requirement to transfer animals to 341st Training Squadron after service life

"(a) IN GENERAL.—Each contract entered into by the Secretary of Defense for the provision of a contract working dog shall require that the dog be transferred to the 341st Training Squadron after the service life of the dog has terminated as described in subsection (b) for reclassification as a military animal and placement for adoption in accordance with section 2583 of this title.

"(b) SERVICE LIFE.—The service life of a contract working dog has terminated and the dog is available for transfer to the 341st Training Squadron pursuant to a contract under subsection (a) only if the contracting officer concerned has determined that—

"(1) the final contractual obligation of the dog preceding such transfer is with the Department of Defense; and

"(2) the dog cannot be used by another department or agency of the Federal Government due to age, injury, or performance.

"(c) CONTRACT WORKING DOG.—In this section, the term 'contract working dog' means a dog—

"(1) that performs a service for the Department of Defense pursuant to a contract; and

"(2) that is trained and kenneled by an entity that provides such a dog pursuant to such a contract.".

10 USC 2381 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2410r. Contract working dogs: requirement to transfer animals to 341st Training Squadron after service life.".

(b) INCLUSION IN DEFINITION OF MILITARY ANIMAL.—Paragraph (1) of section 2583(h) of title 10, United States Code, is amended to read as follows:

"(1) A military working dog, which may include a contract working dog (as such term is defined in section 2410r) that has been transferred to the 341st Training Squadron.".

10 USC 2701 note.

SEC. 343. PLAN, FUNDING DOCUMENTS, AND MANAGEMENT REVIEW RELATING TO EXPLOSIVE ORDNANCE DISPOSAL.

(a) PLAN REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall develop a plan to establish an explosive ordnance disposal program in the Department of Defense to ensure close and continuous coordination among the military departments on matters relating to explosive ordnance disposal.

(2) ROLES, RESPONSIBILITIES, AND AUTHORITIES.—The plan under paragraph (1) shall include provisions under which—

(A) the Secretary of Defense shall—

(i) assign responsibility for the coordination and integration of explosive ordnance disposal to a joint office or entity in the Office of the Secretary of Defense; and

(ii) designate the Secretary of the Navy (or a designee of the Secretary of the Navy) as the executive agent for the Department of Defense to coordinate and integrate research, development, test, and evaluation activities and procurement activities of the military departments relating to explosive ordnance disposal; and

(B) the Secretary of each military department shall assess the needs of the military department concerned with respect to explosive ordnance disposal and may carry out research, development, test, and evaluation activities and procurement activities to address such needs.

(b) ANNUAL EXPLOSIVE ORDNANCE DISPOSAL FUNDING DOCUMENTS.—

(1) IN GENERAL.—The Secretary of Defense shall submit to Congress, as a part of the defense budget materials for each fiscal year after fiscal year 2017, a consolidated funding display, in classified and unclassified form, that identifies the funding source for all explosive ordnance disposal activities within the Department of Defense.

(2) ELEMENTS.—The funding display under paragraph (1) for a fiscal year shall include a single program element from each military department for each of the following:

(A) Research, development, test, and evaluation.

(B) Procurement.

(C) Operation and maintenance.

(D) Any other program element used to fund explosive ordnance disposal activities (but not including any program element relating to military construction).

(c) MANAGEMENT REVIEW AND ASSESSMENT.—

(1) IN GENERAL.—The Secretary of Defense shall review and assess the effectiveness of current management structures in supporting the explosive ordnance disposal needs of the combatant commands and the military departments.

(2) ELEMENTS.—The review and assessment under paragraph (1) shall include the following:

(A) A review of the organizational structures and responsibilities within the Office of the Secretary of Defense that provide policy and oversight of the policies, programs, acquisition activities, and personnel of the military departments relating to explosive ordnance disposal.

(B) A review of the organizational structures and responsibilities within the military departments that—

(i) man, equip, and train explosive ordnance disposal forces; and

(ii) support such forces with manpower, technology, equipment, and readiness.

(C) A review of the organizational structures and responsibilities of the Secretary of the Navy as the executive agent for explosive ordnance disposal technology and training.

(D) Budget displays for each military department that support research, development, test, and evaluation; procurement; and operation and maintenance, relating to explosive ordnance disposal.

(E) An assessment of the adequacy of the organizational structures and responsibilities and the alignment of funding within the military departments in supporting the needs of the combatant commands and the military departments with respect to explosive ordnance disposal.

(d) BRIEFING.—Not later than March 1, 2017, the Secretary shall provide to the Committees on Armed Services of the Senate and the House of Representatives a briefing that includes—

(1) details of the plan required under subsection (a);

(2) the results of the review and assessment under subsection (c);

(3) a description of any measures undertaken to improve joint coordination, oversight, and management of programs relating to explosive ordnance disposal;

(4) recommendations to the Secretary to improve the capabilities and readiness of explosive ordnance disposal forces; and

(5) an explanation of the advantages and disadvantages of assigning responsibility for the coordination and integration of explosive ordnance disposal to a single joint office or entity in the Office of the Secretary of Defense.

(e) DEFINITIONS.—In this section:

(1) EXPLOSIVE ORDNANCE.—The term "explosive ordnance" means any munition containing explosives, nuclear fission or fusion materials, or biological or chemical agents, including—

(A) bombs and warheads;

(B) guided and ballistic missiles;

(C) artillery, mortar, rocket, and small arms munitions;

(D) mines, torpedoes, and depth charges;

(E) demolition charges;

(F) pyrotechnics;

(G) clusters and dispensers;

(H) cartridge and propellant actuated devices;

(I) electro-explosive devices; and

(J) clandestine and improvised explosive devices.

(2) DISPOSAL.—The term "disposal" means, with respect to explosive ordnance, the detection, identification, field evaluation, defeat, disablement, or rendering safe, recovery and exploitation, and final disposition of the ordnance.

10 USC 2576a note.

SEC. 344. PROCESS FOR COMMUNICATING AVAILABILITY OF SURPLUS AMMUNITION.

(a) IN GENERAL.—The Secretary of Defense shall implement a formal process to provide Federal Government agencies outside the Department of Defense with information on the availability of surplus, serviceable ammunition from the Department of Defense for the purpose of reducing costs relating to the storage and disposal of such ammunition.

(b) IMPLEMENTATION DEADLINE.—The Secretary shall implement the process described in subsection (a) beginning not later than 180 days after the date of the enactment of this Act.

SEC. 345. MITIGATION OF RISKS POSED BY WINDOW COVERINGS WITH ACCESSIBLE CORDS IN CERTAIN MILITARY HOUSING UNITS.

10 USC 2821 note.

(a) REMOVAL OF CERTAIN WINDOW COVERINGS.—Not later than three years after the date of enactment of this Act, the Secretary of Defense shall remove and replace disqualified window coverings from—

(1) military housing units owned by the Department of Defense in which children under the age of 9 may reside; and

(2) military housing units leased by the Department of Defense in which children under the age of 9 may reside if the lease for such units requires the Department to provide window coverings.

(b) PROHIBITION ON DISQUALIFIED WINDOW COVERINGS IN MILITARY HOUSING UNITS ACQUIRED OR CONSTRUCTED BY CONTRACT.—All contracts entered into by the Secretary of Defense after September 30, 2017, for the acquisition or construction of military family housing, including military family housing acquired or constructed pursuant to subchapter IV of chapter 169 of title 10, United States Code, shall prohibit the use of disqualified window coverings in such housing.

(c) DISQUALIFIED WINDOW COVERING DEFINED.—In this section, the term "disqualified window covering" means—

(1) a window covering with an accessible cord that exceeds 8 inches in length; or

(2) a window covering with an accessible continuous loop cord that does not have a cord tension device that prevents operation when the cord is not anchored to the wall.

SEC. 346. ACCESS TO MILITARY INSTALLATIONS BY TRANSPORTATION COMPANIES.

10 USC 113 note.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall establish policies under which covered drivers may be authorized to access military installations.

(b) ELEMENTS.—The policies established under subsection (a)—

(1) shall include the terms and conditions under which a covered driver may be authorized to access a military installation;

(2) may require a transportation company and a covered driver to enter into a written agreement with the Department of Defense as a precondition for obtaining authorization to access a military installation;

(3) shall be consistent across military installations, to the extent practicable;

(4) shall be designed to promote the expeditious entry of covered drivers onto military installations for purposes of providing commercial transportation services;

(5) shall place appropriate restrictions on entry into sensitive areas of military installations;

(6) shall be designed, to the extent practicable, to give covered drivers access to barracks areas, housing areas, temporary lodging facilities, hospitals, and community support facilities;

(7) shall require transportation companies—

(A) to track, in real-time, the location of the entry and exit of covered drivers onto and off of military installations; and

(B) to provide, on demand, the information described in subparagraph (A) to appropriate personnel and agencies of the Department; and

(8) shall take into account force protection requirements and ensure the protection and safety of members of the Armed Forces, civilian employees of the Department of Defense, and the families of such members and employees.

(c) CONFIDENTIALITY OF INFORMATION.—The Secretary shall ensure that any information provided to the Department by a transportation company under subsection (b)(7)—

(1) is treated as confidential and proprietary information of the company that is exempt from public disclosure pursuant to section 552 of title 5, United States Code (commonly known as the "Freedom of Information Act"); and

(2) except as provided in subsection (b)(7), is not disclosed to any person or entity without the express written consent of the company unless disclosure of such information is required by a court order.

(d) DEFINITIONS.—In this section:

(1) TRANSPORTATION COMPANY.—The term "transportation company" means a corporation, partnership, sole proprietorship, or other entity outside of the Department of Defense that provides a commercial transportation service to a rider, including a company that uses a digital network to connect riders to covered drivers for the purpose of providing such transportation service.

(2) COVERED DRIVER.—The term "covered driver"—

(A) means an individual—

(i) who is an employee of a transportation company or who is affiliated with a transportation company; and

(ii) who provides a commercial transportation service to a rider; and

(B) includes a vehicle operated by such individual for the purpose of providing such service.

10 USC 1030 note prec.

SEC. 347. ACCESS TO WIRELESS HIGH-SPEED INTERNET AND NETWORK CONNECTIONS FOR CERTAIN MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—In providing members of the Armed Forces with access to high-speed wireless Internet and network connections at military installations outside the United States, the Secretary of Defense may provide such access without charge to the members and their dependents.

(b) CONTRACT AUTHORITY.—The Secretary may enter into contracts for the purpose of carrying out subsection (a).

SEC. 348. LIMITATION ON AVAILABILITY OF FUNDS FOR OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE.

Of the funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2017 for Operation and Maintenance, Defense-wide, for the Office of the Under Secretary of Defense for Intelligence, not more than 90 percent may be obligated or expended until the Secretary of Defense issues guidance on the process by which members of the Armed Forces may carry

an appropriate firearm on a military installation, as required by section 526 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 813; 10 U.S.C. 2672 note).

SEC. 349. LIMITATION ON DEVELOPMENT AND FIELDING OF NEW CAMOUFLAGE AND UTILITY UNIFORMS.

None of the funds authorized to be appropriated by this Act or otherwise made available for the Department of Defense may be obligated or expended to develop or field new camouflage uniforms, new utility uniforms, or new families of uniforms until the date that is one year after the date on which the Secretary of Defense submits to the congressional defense committees notice of the intent of the Secretary to develop or field such uniforms.

SEC. 350. PLAN FOR IMPROVED DEDICATED ADVERSARY AIR TRAINING ENTERPRISE OF THE AIR FORCE.

(a) IN GENERAL.—The Chief of Staff of the Air Force shall develop a plan for an improved dedicated adversary air training enterprise for the Air Force—

(1) to maximize warfighting effectiveness and synergies of the current and planned fourth and fifth generation combat air forces through optimized training and readiness;

(2) to harness intelligence analysis, emerging live-virtual-constructive training technologies, range infrastructure improvements, and results of experimentation and prototyping efforts in operational concept development;

(3) to challenge the combat air forces of the Air Force with threat representative adversary-to-friendly aircraft ratios, known and emerging adversary tactics, and high fidelity replication of threat airborne and ground capabilities; and

(4) to achieve training and readiness goals and objectives of the Air Force with demonstrated institutional commitment to the adversary air training enterprise through the application of Air Force policy and resources, partnering with the other Armed Forces, allies, and friends, and employing the use of industry contracted services.

(b) ELEMENTS.—The plan under subsection (a) shall include, with respect to an improved dedicated adversary air training enterprise, the following:

(1) Goals and objectives.

(2) Concepts of operations.

(3) Timelines for the phased implementation of the enterprise.

(4) Analysis of readiness improvements that may result from the enterprise.

(5) Prioritized resource requirements.

(6) Such other matters as the Chief of Staff considers appropriate.

(c) WRITTEN PLAN AND BRIEFING.—Not later than March 3, 2017, the Chief of Staff shall provide to the Committees on Armed Services of the Senate and the House of Representatives—

(1) a written version of the plan developed under subsection (a); and

(2) a briefing on such plan.

SEC. 351. INDEPENDENT REVIEW AND ASSESSMENT OF THE READY AIRCREW PROGRAM OF THE AIR FORCE.

(a) INDEPENDENT REVIEW AND ASSESSMENT.—The Secretary of the Air Force shall enter into a contract with an independent entity with appropriate expertise—

(1) to conduct a review and assessment of—

(A) the assumptions underlying the annual continuation training requirements of the Air Force; and

(B) the overall effectiveness of the Ready Aircrew Program of the Air Force in managing aircrew training requirements; and

(2) to make recommendations for the improved management of such training requirements.

(b) REPORT.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Air Force shall submit to the congressional defense committees a report on the review and assessment conducted under subsection (a).

(2) ELEMENTS.—The report under paragraph (1) shall include an examination of the following:

(A) For the aircrews of each type of combat aircraft and by mission type—

(i) the number of sorties required to reach minimum and optimal levels of proficiency, respectively;

(ii) the optimal mix of live and virtual training sorties; and

(iii) the optimal mix of experienced aircrews versus inexperienced aircrews.

(B) The availability of assets and infrastructure to support the achievement of aircrew proficiency levels and an explanation of any requirements relating to such assets and infrastructure.

(C) The accumulated flying hours or other measurements used to determine if an aircrew qualifies for designation as an experienced aircrew, and whether different measurements should be used.

(D) Any actions taken or planned to be taken to implement recommendations resulting from the independent review and assessment under subsection (a), including an estimate of the resources required to implement such recommendations.

(E) Any other matters the Secretary determines are appropriate to ensure a comprehensive review and assessment.

(c) COMPTROLLER GENERAL REVIEW.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit to the congressional defense committees a review of the report described in subsection (b). Such review shall include an assessment of—

(A) the extent to which the report addressed the elements described in paragraph (2) of such subsection;

(B) the adequacy and completeness of the assumptions reviewed to establish the annual training requirements of the Air Force;

(C) any actions the Air Force plans to carry out to incorporate the results of the report into annual training documents; and

(D) any other matters the Comptroller General determines are relevant.

(2) BRIEFING.—Not later than 60 days after the date on which the Secretary of the Air Force submits the report under subsection (b) and prior to submitting the review required under paragraph (1), the Comptroller General shall provide a briefing to the congressional defense committees on the preliminary results of the review conducted under such paragraph.

SEC. 352. STUDY ON SPACE-AVAILABLE TRAVEL SYSTEM OF THE DEPARTMENT OF DEFENSE.

10 USC 2641b note.

(a) STUDY REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall seek to enter into a contract with a federally funded research and development center to conduct an independent study on the space-available travel system of the Department of Defense.

(b) REPORT REQUIRED.—Not later than 180 days after entering into a contract with a federally funded research and development center under subsection (a), the Secretary shall submit to the congressional defense committees a report summarizing the results of the study conducted under such subsection.

(c) ELEMENTS.—The report under subsection (b) shall include, with respect to the space-available travel system, the following:

(1) A determination of—

(A) the capacity of the system as of the date of the enactment of this Act;

(B) the projected capacity of the system for the 10-year period following such date of enactment; and

(C) the projected number of reserve retirees, active duty retirees, and dependents of such retirees that will exist by the end of such 10-year period.

(2) Estimates of system capacity based the projections described in paragraph (1).

(3) A discussion of the efficiency of the system and data regarding the use of available space with respect to each category of passengers eligible for space-available travel under existing regulations.

(4) A description of the effect on system capacity if eligibility for space-available travel is extended to—

(A) drilling reserve component personnel and dependents of such personnel on international flights;

(B) dependents of reserve component retirees who are less than 60 years of age;

(C) retirees who are less than 60 years of age on international flights;

(D) drilling reserve component personnel traveling to drilling locations; and

(E) members or former members of the Armed Forces who have a disability rated as total, if space-available travel is provided to such members on the same basis as such travel is provided to members of the Armed Forces entitled to retired or retainer pay.

(5) A discussion of logistical and management problems, including congestion at terminals, waiting times, lodging availability, and personal hardships experienced by travelers.

(6) An evaluation of the cost of the system and whether space-available travel is and can remain cost-neutral.

(7) An evaluation of the feasibility of expanding the categories of passengers eligible for space-available travel to include—

(A) in the case of overseas travel, retired members of an active or reserve component, including retired members of reserve components, who, but for being under the eligibility age applicable to the member under section 12731 of title 10, United States Code, would be eligible for retired pay under chapter 1223 of such title;

(B) unremarried widows and widowers of active or reserve component members of the Armed Forces; and

(C) members or former members of the Armed Forces who have a disability rated as total, if space-available travel is provided to such members on the same basis as such travel is provided to members of the Armed Forces entitled to retired or retainer pay.

(8) Such other factors relating to the efficiency and cost of the system as the Secretary determines to be appropriate.

(d) ADDITIONAL RESPONSIBILITIES.—In addition to carrying out subsections (a) through (c), the Secretary of Defense shall—

(1) analyze the methods used to prioritize among the categories of individuals eligible for space-available travel and make recommendations for—

(A) re-ordering the priority of such categories; and

(B) adding additional categories of eligible individuals; and

(2) collect data on travelers who request but do not obtain available travel spaces under the space-available travel system.

(e) DISABILITY RATED AS TOTAL DEFINED.—In this section, the term "disability rated as total" has the meaning given the term in section 1414(e)(3) of title 10, United States Code.

SEC. 353. EVALUATION OF MOTOR CARRIER SAFETY PERFORMANCE AND SAFETY TECHNOLOGY.

(a) IN GENERAL.—The Secretary of Defense shall evaluate the need for proven safety technology in vehicles transporting shipments under the Transportation Protective Services program of the United States Transportation Command, including—

(1) electronic logging devices;

(2) roll stability control;

(3) forward collision avoidance systems;

(4) lane departure warning systems; and

(5) speed limiters.

(b) CONSIDERATIONS.—In carrying out subsection (a), the Secretary shall—

(1) consider the need to avoid catastrophic accidents and exposure of security-sensitive materials; and

(2) take into the account the findings of the Government Accountability Office report numbered GAO–16–82 and titled "Defense Transportation; DoD Needs to Improve the Evaluation of Safety and Performance Information for Carriers Transporting Security-Sensitive Materials".

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revisions in permanent active duty end strength minimum levels.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2017 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.
Sec. 416. Technical corrections to annual authorization for personnel strengths.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2017, as follows:

(1) The Army, 476,000.
(2) The Navy, 323,900.
(3) The Marine Corps, 185,000.
(4) The Air Force, 321,000.

SEC. 402. REVISIONS IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Section 691(b) of title 10, United States Code, is amended by striking paragraphs (1) through (4) and inserting the following new paragraphs:

“(1) For the Army, 476,000.
“(2) For the Navy, 323,900.
“(3) For the Marine Corps, 185,000.
“(4) For the Air Force, 321,000.”.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2017, as follows:

(1) The Army National Guard of the United States, 343,000.
(2) The Army Reserve, 199,000.
(3) The Navy Reserve, 58,000.
(4) The Marine Corps Reserve, 38,500.
(5) The Air National Guard of the United States, 105,700.
(6) The Air Force Reserve, 69,000.
(7) The Coast Guard Reserve, 7,000.

(b) END STRENGTH REDUCTIONS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which

are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2017, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 30,155.

(2) The Army Reserve, 16,261.

(3) The Navy Reserve, 9,955.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 14,764.

(6) The Air Force Reserve, 2,955.

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

(a) IN GENERAL.—The authorized number of military technicians (dual status) as of September 30, 2017, for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army National Guard of the United States, 25,507.

(2) For the Army Reserve, 7,570.

(3) For the Air National Guard of the United States, 22,103.

(4) For the Air Force Reserve, 10,061.

(b) VARIANCE.—Notwithstanding section 115 of title 10, United States Code, the end strength prescribed by subsection (a) for a reserve component specified in that subsection may be increased—

(1) by 3 percent, upon determination by the Secretary of Defense that such action is in the national interest; and

(2) by 2 percent, upon determination by the Secretary of the military department concerned that such action would enhance manning and readiness in essential units or in critical specialties or ratings.

SEC. 414. FISCAL YEAR 2017 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2017, may not exceed the following:

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

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

(2) ARMY RESERVE.—The number of non-dual status technicians employed by the Army Reserve as of September 30, 2017, may not exceed 420.

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2017, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term "non-dual status technician" has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2017, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

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

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

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

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

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

SEC. 416. TECHNICAL CORRECTIONS TO ANNUAL AUTHORIZATION FOR PERSONNEL STRENGTHS.

Section 115 of title 10, United States Code, is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (B), by striking "502(f)(2)" and inserting "502(f)(1)(B)"; and

(B) in subparagraph (C), by striking "502(f)(2)" and inserting "502(f)(1)(B)"; and

(2) in subsection (i)(7), by striking "502(f)(1)" and inserting "502(f)(1)(A)".

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2017 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for military personnel, as specified in the funding table in section 4401.

(b) CONSTRUCTION OF AUTHORIZATION.—The authorization of appropriations in subsection (a) supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2017.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Reduction in number of general and flag officers on active duty and authorized strength after December 31, 2022, of such general and flag officers.
Sec. 502. Repeal of statutory specification of general or flag officer grade for various positions in the Armed Forces.
Sec. 503. Number of Marine Corps general officers.
Sec. 504. Promotion eligibility period for officers whose confirmation of appointment is delayed due to nonavailability to the Senate of probative information under control of non-Department of Defense agencies.
Sec. 505. Continuation of certain officers on active duty without regard to requirement for retirement for years of service.
Sec. 506. Equal consideration of officers for early retirement or discharge.
Sec. 507. Modification of authority to drop from rolls a commissioned officer.
Sec. 508. Extension of force management authorities allowing enhanced flexibility for officer personnel management.
Sec. 509. Pilot programs on direct commissions to cyber positions.
Sec. 510. Length of joint duty assignments.
Sec. 510A. Revision of definitions used for joint officer management.

Subtitle B—Reserve Component Management

Sec. 511. Authority for temporary waiver of limitation on term of service of Vice Chief of the National Guard Bureau.
Sec. 512. Rights and protections available to military technicians.
Sec. 513. Inapplicability of certain laws to National Guard technicians performing active Guard and Reserve duty.
Sec. 514. Extension of removal of restrictions on the transfer of officers between the active and inactive National Guard.
Sec. 515. Extension of temporary authority to use Air Force reserve component personnel to provide training and instruction regarding pilot training.
Sec. 516. Expansion of eligibility for deputy commander of combatant command having United States among geographic area of responsibility to include officers of the Reserves.

Subtitle C—General Service Authorities

Sec. 521. Matters relating to provision of leave for members of the Armed Forces, including prohibition on leave not expressly authorized by law.
Sec. 522. Transfer of provision relating to expenses incurred in connection with leave canceled due to contingency operations.
Sec. 523. Expansion of authority to execute certain military instruments.
Sec. 524. Medical examination before administrative separation for members with post-traumatic stress disorder or traumatic brain injury in connection with sexual assault.
Sec. 525. Reduction of tenure on the temporary disability retired list.
Sec. 526. Technical correction to voluntary separation pay and benefits.
Sec. 527. Consolidation of Army marketing and pilot program on consolidated Army recruiting.

Subtitle D—Member Whistleblower Protections and Correction of Military Records

Sec. 531. Improvements to whistleblower protection procedures.
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Subtitle F—National Commission on Military, National, and Public Service

Sec. 551. Purpose, scope, and definitions.
Sec. 552. Preliminary report on purpose and utility of registration system under Military Selective Service Act.
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Subtitle G—Member Education, Training, Resilience, and Transition

Sec. 561. Modification of program to assist members of the Armed Forces in obtaining professional credentials.
Sec. 562. Inclusion of alcohol, prescription drug, opioid, and other substance abuse counseling as part of required preseparation counseling.
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Sec. 567. Report and guidance on Job Training, Employment Skills Training, Apprenticeships, and Internships and SkillBridge initiatives for members of the Armed Forces who are being separated.
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Subtitle H—Defense Dependents' Education and Military Family Readiness Matters

Sec. 571. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 572. One-year extension of authorities relating to the transition and support of military dependent students to local educational agencies.
Sec. 573. Annual notice to members of the Armed Forces regarding child custody protections guaranteed by the Servicemembers Civil Relief Act.
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Subtitle I—Decorations and Awards

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Sec. 585. Authorization for award of the Distinguished Service Cross to Chaplain (First Lieutenant) Joseph Verbis LaFleur for acts of valor during World War II.
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Sec. 592. Extension of limitation on reduction in number of military and civilian personnel assigned to duty with service review agencies.
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Sec. 594. Report on feasability of electronic tracking of operational active-duty service performed by members of the Ready Reserve of the Armed Forces.
Sec. 595. Report on discharge by warrant officers of pilot and other flight officer positions in the Navy, Marine Corps, and Air Force currently discharged by commissioned officers.
Sec. 596. Body mass index test.
Sec. 597. Report on career progression tracks of the Armed Forces for women in combat arms units.

Subtitle A—Officer Personnel Policy

10 USC 525 note.

SEC. 501. REDUCTION IN NUMBER OF GENERAL AND FLAG OFFICERS ON ACTIVE DUTY AND AUTHORIZED STRENGTH AFTER DECEMBER 31, 2022, OF SUCH GENERAL AND FLAG OFFICERS.

(a) REDUCTION IN NUMBER OF GENERAL AND FLAG OFFICERS BY DECEMBER 31, 2022.—

(1) REQUIRED REDUCTION.—Except as otherwise provided by an Act enacted after the date of the enactment of this Act that expressly modifies the requirements of this paragraph, by not later than December 31, 2022, the Secretary of Defense shall reduce the number of general and flag officers on active duty by 110 from the aggregate authorized number of general and flag officers authorized by sections 525 and 526 of title 10, United States Code, as of December 31, 2015.

(2) DISTRIBUTION OF AUTHORIZED POSITIONS.—Effective as of December 31, 2022, and reflecting the reduction required by paragraph (1), authorized general and flag officer positions shall be distributed among the Army, Navy, Air Force, Marine Corps, and joint pool as follows:

(A) The Army is authorized 220 positions in the general officer grades.

(B) The Navy is authorized 151 positions in the flag officer grades.

(C) The Air Force is authorized 187 positions in the general officer grades.

(D) The Marine Corps is authorized 62 positions in the general officer grades.

(E) The joint pool is authorized 232 positions in the general or flag officer grades, to be distributed as follows:

(i) 82 positions in the general officer grades from the Army.

(ii) 60 positions in the flag officer grades from the Navy.

(iii) 69 positions in the general officer grades from the Air Force.

(iv) 21 positions in the general officer grades from the Marine Corps.

(3) TEMPORARY ADDITIONAL JOINT POOL ALLOCATION.—In addition to the positions authorized by paragraph (2), the 30 general and flag officer positions designated for overseas contingency operations are authorized as an additional maximum temporary allocation to the joint pool.

(b) PLAN TO ACHIEVE REQUIRED REDUCTION AND DISTRIBUTION.—

(1) PLAN REQUIRED.—Utilizing the study conducted under subsection (c), the Secretary of Defense shall develop a plan to achieve, by the date specified in subsection (a)(1)—

(A) the reduction required by such subsection in the number of general and flag officers; and

(B) the distribution of authorized positions required by subsection (a)(2).

(2) SUBMISSION OF PLAN.—When the budget for the Department of Defense for fiscal year 2019 is submitted to Congress pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the plan developed under this subsection.

(3) PROGRESS REPORTS.—The Secretary of Defense shall include with the budget for the Department of Defense for each of fiscal years 2020, 2021, and 2022 a report describing and assessing the progress of the Secretary in implementing the plan developed under this subsection.

(c) STUDY FOR PURPOSES OF PLAN.—

(1) STUDY REQUIRED.—For purposes of complying with subsection (a) and preparing the plan required by subsection (b), the Secretary of Defense shall conduct a comprehensive and deliberate global manpower study of requirements for general and flag officers with the goal of identifying—

(A) the requirement justification for each general or flag officer position in terms of overall force structure, scope of responsibility, command and control requirements, and force readiness and execution;

(B) an additional 10 percent reduction in the aggregate number of authorized general officer and flag officer positions after the reductions required by subsection (a); and

(C) an appropriate redistribution of all general officer and flag officer positions within the reductions so identified.

(2) SUBMISSION OF STUDY RESULTS.—Not later than April 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the results of the study conducted under this subsection, including the justification for general and flag officer position to be retained and the reductions identified by general and flag officer position.

(3) INTERIM REPORT.—If practicable before the date specified in paragraph (2), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives an interim report describing the progress made toward the completion of the study under this subsection, including—

(A) the specific general and flag officer positions that have been evaluated;

(B) the results of that evaluation; and

(C) recommendations for achieving the additional 10 percent reduction in the aggregate number of authorized general officer and flag officer positions to be identified under paragraph (1)(C) and recommendations for redistribution of general and flag officer positions that have been developed to that point.

(d) EXCLUSIONS.—

(1) RELATED TO JOINT DUTY ASSIGNMENTS.—For purposes of complying with subsection (a), the Secretary of Defense may exclude—

(A) a general or flag officer released from a joint duty assignment, but only during the 60-day period beginning on the date the officer departs the joint duty assignment, except that the Secretary may authorize the Secretary of a military department to extend the 60-day period by an additional 120 days, but not more than three officers on active duty from each Armed Force may be covered by the additional extension at the same time; and

(B) the number of officers required to serve in joint duty assignments for each Armed Force as authorized by the Secretary under section 526a(b) of title 10, United States Code, as added by subsection (h) of this section.

(2) RELATED TO RELIEF FROM CHIEF OF STAFF DUTY.—For purposes of complying with subsection (a), the Secretary of Defense may exclude an officer who continues to hold the grade of general or admiral under section 601(b)(5) of title 10, United States Code, after relief from the position of Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps.

(3) RELATED TO RETIREMENT, SEPARATION, RELEASE, OR RELIEF.—For purposes of complying with subsection (a), the Secretary of Defense may exclude the following officers:

(A) An officer of an Armed Force in the grade of brigadier general or above or, in the case of the Navy, in the grade of rear admiral (lower half) or above, who is on leave pending the retirement, separation, or release of that officer from active duty, but only during the 60-day period beginning on the date of the commencement of such leave of such officer.

(B) An officer of an Armed Force who has been relieved from a position designated under section 601(a) of title 10, United States Code, or by law to carry one of the grades specified in such section, but only during the 60-day period beginning on the date on which the assignment of the officer to the first position is terminated or until the officer is assigned to a second such position, whichever occurs first.

(e) SECRETARIAL AUTHORITY TO GRANT EXCEPTIONS TO LIMITATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Defense may alter the reduction otherwise required by subsection (a)(1) in the number of general and flag officer or the distribution of authorized positions otherwise required by subsection (a)(2) in the interest of the national security of the United States.

(2) NOTICE TO CONGRESS OF EXCEPTIONS.—Not later than 30 days after authorizing a number of general or flag officers in excess of the number required as a result of the reduction required by subsection (a)(1) or altering the distribution of authorized positions under subsection (a)(2), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives written notice of such exception, including a statement of the reason for such exception and the anticipated duration of the exception.

(f) ORDERLY TRANSITION FOR OFFICERS RECENTLY ASSIGNED TO POSITIONS TO BE ELIMINATED.—

(1) COVERED OFFICERS.—In order to provide an orderly transition for personnel in general or flag officer positions to be eliminated pursuant to the plan prepared under subsection (b), any general or flag officer who has not completed, as of December 31, 2022, at least 24 months in a position to be eliminated pursuant to the plan may remain in the position until the last day of the month that is 24 months after the month in which the officer assumed the duties of the position.

(2) REPORT TO CONGRESS ON COVERED OFFICERS.—The Secretary of Defense shall include in the annual report required by section 526(j) of title 10, United States Code, in 2020 a description of the positions in which an officer will remain pursuant to paragraph (1), including the latest date on which the officer may remain in such position pursuant to that paragraph.

(3) NOTICE TO CONGRESS ON DETACHMENT OF COVERED OFFICERS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a notice on the date on which each officer covered by paragraph (1) is detached from the officer's position pursuant to such paragraph.

(g) RELATION TO SUBSEQUENT GENERAL OR FLAG NOMINATIONS.—

(1) NOTICE TO SENATE WITH NOMINATION.—In order to help achieve the requirements of the plan required by subsection (b), effective 30 days after the commencement of the implementation of the plan, the Secretary of Defense shall include with each nomination of an officer to a grade above colonel or captain (in the case of the Navy) that is forwarded by the President to the Senate for appointment, by and with the advice and consent of the Senate, a certification to the Committee on Armed Services of the Senate that the appointment of the officer to the grade concerned will not interfere with achieving the reduction required by subsection (a)(1) in the number of general and flag officer positions or the distribution of authorized positions required by subsection (a)(2).

(2) IMPLEMENTATION.—Not later than 120 days after the date of the submission of the plan required by subsection (b), the Secretary of Defense shall revise applicable guidance of the Department of Defense on general and flag officer authorizations in order to ensure that—

(A) the achievement of the reductions required pursuant to subsection (a) is incorporated into the planning for the execution of promotions by the military departments and for the joint pool;

(B) to the extent practicable, the resulting grades for general and flag officer positions are uniformly applied to positions of similar duties and responsibilities across the military departments and the joint pool; and

(C) planning achieves a reduction in the headquarters functions and administrative and support activities and staffs of the Department of Defense and the military departments commensurate with the achievement of the reductions required pursuant to subsection (a).

(h) AUTHORIZED STRENGTH AFTER DECEMBER 31, 2022, OF GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—

(1) IN GENERAL.—Chapter 32 of title 10, United States Code, is amended by inserting after section 526 the following new section:

10 USC 526a.

"§ 526a. Authorized strength after December 31, 2022: general officers and flag officers on active duty

"(a) LIMITATIONS.—The number of general officers on active duty in the Army, Air Force, and Marine Corps, and the number of flag officers on active duty in the Navy, after December 31, 2022, may not exceed the number specified for the armed force concerned as follows:

"(1) For the Army, 220.

"(2) For the Navy, 151.

"(3) For the Air Force, 187.

"(4) For the Marine Corps, 62.

"(b) LIMITED EXCLUSION FOR JOINT DUTY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Defense may designate up to 232 general officer and flag officer positions that are joint duty assignments for purposes of chapter 38 of this title for exclusion from the limitations in subsection (a).

"(2) MINIMUM NUMBER.—Unless the Secretary of Defense determines that a lower number is in the best interest of the Department of Defense, the minimum number of officers serving in positions designated under paragraph (1) for each armed force shall be as follows:

"(A) For the Army, 75.

"(B) For the Navy, 53.

"(C) For the Air Force, 68.

"(D) For the Marine Corps, 17.

"(c) EXCLUSION OF CERTAIN OFFICERS PENDING SEPARATION OR RETIREMENT OR BETWEEN SENIOR POSITIONS.—The limitations of this section do not apply to—

"(1) an officer of an armed force in the grade of brigadier general or above or, in the case of the Navy, in the grade of rear admiral (lower half) or above, who is on leave pending the retirement, separation, or release of that officer from active duty, but only during the 60-day period beginning on the date of the commencement of such leave of such officer; or

"(2) an officer of an armed force who has been relieved from a position designated under section 601(a) of this title or by law to carry one of the grades specified in such section, but only during the 60-day period beginning on the date on which the assignment of the officer to the first position is terminated or until the officer is assigned to a second such position, whichever occurs first.

"(d) TEMPORARY EXCLUSION FOR ASSIGNMENT TO CERTAIN TEMPORARY BILLETS.—

"(1) IN GENERAL.—The limitations in subsection (a) do not apply to a general officer or flag officer assigned to a temporary joint duty assignment designated by the Secretary of Defense.

"(2) DURATION OF EXCLUSION.—A general officer or flag officer assigned to a temporary joint duty assignment as described in paragraph (1) may not be excluded under this subsection from the limitations in subsection (a) for a period of longer than one year.

"(e) EXCLUSION OF OFFICERS DEPARTING FROM JOINT DUTY ASSIGNMENTS.—The limitations in subsection (a) do not apply to an officer released from a joint duty assignment, but only during the 60-day period beginning on the date the officer departs the joint duty assignment. The Secretary of Defense may authorize the Secretary of a military department to extend the 60-day period by an additional 120 days, except that not more than three officers on active duty from each armed force may be covered by the additional extension at the same time.

"(f) ACTIVE-DUTY BASELINE.—

"(1) NOTICE AND WAIT REQUIREMENTS.—If the Secretary of a military department proposes an action that would increase above the baseline the number of general officers or flag officers of an armed force under the jurisdiction of that Secretary who would be on active duty and would count against the statutory limit applicable to that armed force under subsection (a), the action shall not take effect until after the end of the 60-calendar day period beginning on the date on which the Secretary provides notice of the proposed action, including the rationale for the action, to the Committees on Armed Services of the Senate and the House of Representatives.

"(2) BASELINE DEFINED.—In paragraph (1), the term 'baseline' for an armed force means the lower of—

"(A) the statutory limit of general officers or flag officers of that armed force under subsection (a); or

"(B) the actual number of general officers or flag officers of that armed force who, as of January 1, 2023, counted toward the statutory limit of general officers or flag officers of that armed force under subsection (a).

"(g) JOINT DUTY ASSIGNMENT BASELINE.—

"(1) NOTICE AND WAIT REQUIREMENT.—If the Secretary of Defense, the Secretary of a military department, or the Chairman of the Joint Chiefs of Staff proposes an action that would increase above the baseline the number of general officers and flag officers of the armed forces in joint duty assignments who count against the statutory limit under subsection (b)(1), the action shall not take effect until after the end of the 60-calendar day period beginning on the date on which such Secretary or the Chairman, as the case may be, provides notice of the proposed action, including the rationale for the action, to the Committees on Armed Services of the Senate and the House of Representatives.

"(2) BASELINE DEFINED.—In paragraph (1), the term 'baseline' means the lower of—

"(A) the statutory limit on general officer and flag officer positions that are joint duty assignments under subsection (b)(1); or

"(B) the actual number of general officers and flag officers who, as of January 1, 2023, were in joint duty assignments counted toward the statutory limit under subsection (b)(1).

"(h) ANNUAL REPORT.—Not later than March 1 each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report specifying the following:

"(1) The numbers of general officers and flag officers who, as of January 1 of the calendar year in which the report is submitted, counted toward the service-specific limits of subsection (a).

"(2) The number of general officers and flag officers in joint duty assignments who, as of such January 1, counted toward the statutory limit under subsection (b)(1).".

(2) CONFORMING AMENDMENT.—Section 526 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(k) CESSATION OF APPLICABILITY.—The provisions of this section shall not apply to number of general officers and flag officers in the armed forces after December 31, 2022. For provisions applicable to the number of such officers after that date, see section 526a of this title.".

10 USC 521 prec.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 32 of title 10, United States Code, is amended by inserting after the item relating to section 526 the following new item:

"526a. Authorized strength after December 31, 2022: general officers and flag officers on active duty.".

SEC. 502. REPEAL OF STATUTORY SPECIFICATION OF GENERAL OR FLAG OFFICER GRADE FOR VARIOUS POSITIONS IN THE ARMED FORCES.

(a) ASSISTANTS TO CJCS FOR NG MATTERS AND RESERVE MATTERS.—

(1) IN GENERAL.—Section 155a of title 10, United States Code, is repealed.

10 USC 151 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 155a.

(b) LEGAL COUNSEL TO CJCS.—Section 156 of title 10, United States Code, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) DIRECTOR OF TEST RESOURCE MANAGEMENT CENTER.—Section 196(b)(1) of title 10, United States Code, is amended by striking the second and third sentences.

(d) DIRECTOR OF MISSILE DEFENSE AGENCY.—

(1) IN GENERAL.—Section 203 of title 10, United States Code, is repealed.

10 USC 201 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 8 of such title is amended by striking the item relating to section 203.

(e) JOINT 4-STAR POSITIONS.—Section 604(b) of title 10, United States Code, is amended by striking paragraph (3).

(f) SENIOR MEMBERS OF MILITARY STAFF COMMITTEE OF UN.—Section 711 of title 10, United States Code, is amended by striking the second sentence.

(g) CHIEF OF STAFF TO PRESIDENT.—

(1) IN GENERAL.—Section 720 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 of such title is amended by striking the item relating to section 720.

10 USC 711 prec.

(h) ATTENDING PHYSICIAN TO CONGRESS.—

(1) IN GENERAL.—Section 722 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 41 of such title is amended by striking the item relating to section 722.

10 USC 711 prec.

(i) PHYSICIAN TO WHITE HOUSE.—

(1) IN GENERAL.—Section 744 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 43 of such title is amended by striking the item relating to section 744.

10 USC 741 prec.

(j) CHIEF OF LEGISLATIVE LIAISON OF THE ARMY.—Section 3023(a) of title 10, United States Code, is amended by striking the second sentence.

(k) CHIEFS OF BRANCHES OF THE ARMY.—Section 3036(b) of title 10, United States Code, is amended in the flush matter following paragraph (2)—

(1) by striking the first sentence; and

(2) in the second sentence, by striking ", and while so serving, has the grade of lieutenant general".

(l) JUDGE ADVOCATE GENERAL OF THE ARMY.—Section 3037(a) of title 10, United States Code, is amended by striking the last two sentences.

(m) CHIEF OF ARMY RESERVE.—Section 3038(c) of title 10, United States Code, is amended—

(1) in the subsection heading, by striking "; GRADE";

(2) by striking "(1)"; and

(3) by striking paragraph (2).

(n) DEPUTY AND ASSISTANT CHIEFS OF BRANCHES OF THE ARMY.—

(1) IN GENERAL.—Section 3039 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 305 of such title is amended by striking the item relating to section 3039.

10 USC 3031 prec.

(o) CHIEF OF ARMY NURSE CORPS.—Section 3069(b) of title 10, United States Code, is amended by striking the second sentence.

(p) ASSISTANT CHIEFS OF ARMY MEDICAL SPECIALIST CORPS.—

(1) IN GENERAL.—Section 3070 of title 10, United States Code, is amended—

(A) in subsection (a), by striking "and assistant chiefs";

(B) by striking subsection (c); and

(C) by redesignating subsection (d) as subsection (c).

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 3070. Army Medical Specialist Corps: organization; Chief".

10 USC 3061 prec.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 307 of such title is amended by striking the item relating to section 3070 and inserting the following new item:

"3070. Army Medical Specialist Corps: organization; Chief.".

(q) JUDGE ADVOCATE GENERAL'S CORPS OF THE ARMY.—Section 3072 of title 10, United States Code, is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(r) CHIEF OF VETERINARY CORPS OF THE ARMY.—

(1) IN GENERAL.—Section 3084 of title 10, United States Code, is amended by striking the second sentence.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 3084. Chief of Veterinary Corps".

10 USC 3061 prec.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 307 of such title is amended by striking the item relating to section 3084 and inserting the following new item:

"3084. Chief of Veterinary Corps.".

(s) ARMY AIDES.—

(1) IN GENERAL.—Section 3543 of title 10, United States Code, is repealed.

10 USC 3531 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 343 of such title is amended by striking the item relating to section 3543.

(t) PRINCIPAL MILITARY DEPUTY TO ASSISTANT SECRETARY OF THE NAVY FOR RD&A.—Section 5016(b)(4)(B) of title 10, United States Code, is amended by striking "a vice admiral of the Navy or a lieutenant general of the Marine Corps" and inserting "an officer of the Navy or the Marine Corps".

(u) CHIEF OF NAVAL RESEARCH.—Section 5022 of title 10, United States Code, is amended—

(1) by striking "(1)"; and

(2) by striking paragraph (2).

(v) CHIEF OF LEGISLATIVE AFFAIRS OF THE NAVY.—Section 5027(a) of title 10, United States Code, is amended by striking the second sentence.

(w) DIRECTOR FOR EXPEDITIONARY WARFARE.—Section 5038 of title 10, United States Code, is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(x) SJA TO COMMANDANT OF THE MARINE CORPS.—Section 5046(a) of title 10, United States Code, is amended by striking the last sentence.

(y) LEGISLATIVE ASSISTANT TO COMMANDANT OF THE MARINE CORPS.—Section 5047 of title 10, United States Code, is amended by striking the second sentence.

(z) BUREAU CHIEFS OF THE NAVY.—

(1) IN GENERAL.—Section 5133 of title 10, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 513 of such title is amended by striking the item relating to section 5133.

10 USC 5131 prec.

(aa) CHIEF OF DENTAL CORPS OF THE NAVY.—Section 5138 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "not below the grade of rear admiral (lower half)"; and

(2) in subsection (c), by striking the first sentence.

(bb) BUREAU OF NAVAL PERSONNEL.—

(1) IN GENERAL.—Section 5141 of title 10, United States Code, is amended—

(A) in subsection (a), by striking the first sentence; and

(B) in subsection (b), by striking the first sentence.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 5141. Chief of Naval Personnel; Deputy Chief of Naval Personnel".

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 513 of such title is amended by striking the item relating to section 5141 and inserting the following new item:

10 USC 5131 prec.

"5141. Chief of Naval Personnel; Deputy Chief of Naval Personnel.".

(cc) CHIEF OF CHAPLAINS OF THE NAVY.—Section 5142 of title 10, United States Code, is amended by striking subsection (e).

(dd) CHIEF OF NAVY RESERVE.—Section 5143(c) of title 10, United States Code, is amended—

(1) in the subsection heading, by striking "; GRADE";

(2) by striking "(1)"; and

(3) by striking paragraph (2).

(ee) COMMANDER, MARINE FORCES RESERVE.—Section 5144(c) of title 10, United States Code, is amended—

(1) in the subsection heading, by striking "; GRADE";

(2) by striking "(1)"; and

(3) by striking paragraph (2).

(ff) JUDGE ADVOCATE GENERAL OF THE NAVY.—Section 5148(b) of title 10, United States Code, is amended by striking the last sentence.

(gg) DEPUTY AND ASSISTANT JUDGE ADVOCATES GENERAL OF THE NAVY.—Section 5149 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in the first sentence, by striking ", by and with the advice and consent of the Senate,"; and

(B) by striking the second sentence; and

(2) in each of subsections (b) and (c), by striking the second and last sentences.

(hh) CHIEFS OF STAFF CORPS OF THE NAVY.—Section 5150 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking "Subject to subsection (c), the Secretary" and inserting "The Secretary"; and

(2) by striking subsection (c).

(ii) PRINCIPAL MILITARY DEPUTY TO ASSISTANT SECRETARY OF THE AIR FORCE FOR ACQUISITION.—Section 8016(b)(4)(B) of title

10, United States Code, is amended by striking "a lieutenant general" and inserting "an officer".

(jj) CHIEF OF LEGISLATIVE LIAISON OF THE AIR FORCE.—Section 8023(a) of title 10, United States Code, is amended by striking the second sentence.

(kk) JUDGE ADVOCATE GENERAL AND DEPUTY JUDGE ADVOCATE GENERAL OF THE AIR FORCE.—Section 8037 of title 10, United States Code, is amended—

(1) in subsection (a), by striking the last sentence; and

(2) in subsection (d)(1), by striking the last sentence.

(ll) CHIEF OF THE AIR FORCE RESERVE.—Section 8038(c) of title 10, United States Code, is amended—

(1) in the subsection heading, by striking "; GRADE";

(2) by striking "(1)"; and

(3) by striking paragraph (2).

(mm) CHIEF OF CHAPLAINS OF THE AIR FORCE.—Section 8039 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(2) by striking subsection (c).

(nn) CHIEF OF AIR FORCE NURSES.—

(1) IN GENERAL.—Section 8069 of title 10, United States Code, is amended—

(A) in subsection (a)—

(i) in the subsection heading, by striking "POSITIONS OF CHIEF AND ASSISTANT CHIEF" and inserting "POSITION OF CHIEF"; and

(ii) by striking "and assistant chief";

(B) in subsection (b), by striking the second sentence; and

(C) by striking subsection (c).

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"§ 8069. Air Force nurses: Chief; appointment".

10 USC 8061 prec.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 807 of such title is amended by striking the item relating to section 8069 and inserting the following new item:

"8069. Air Force nurses: Chief; appointment.".

(oo) ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES OF THE AIR FORCE.—Section 8081 of title 10, United States Code, is amended by striking the second sentence.

(pp) AIR FORCE AIDES.—

(1) IN GENERAL.—Section 8543 of title 10, United States Code, is repealed.

10 USC 8531 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 843 of such title is amended by striking the item relating to section 8543.

(qq) DEAN OF FACULTY OF THE AIR FORCE ACADEMY.—Section 9335(b) of title 10, United States Code, is amended by striking the first and third sentences.

(rr) VICE CHIEF OF THE NATIONAL GUARD BUREAU.—Section 10505(a) of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (C), by adding "and" at the end;

(B) in subparagraph (D), by striking "; and" at the end and inserting a period; and

(C) by striking subparagraph (E); and

(2) by striking subsection (c).

(ss) OTHER SENIOR NATIONAL GUARD BUREAU OFFICERS.—Section 10506(a)(1) of title 10, United States Code, is amended in each of subparagraphs (A) and (B)—

(1) by striking "general"; and

(2) by striking ", and shall hold the grade of lieutenant general while so serving,".

SEC. 503. NUMBER OF MARINE CORPS GENERAL OFFICERS.

(a) DISTRIBUTION OF COMMISSIONED OFFICERS ON ACTIVE DUTY IN GENERAL OFFICER AND FLAG OFFICER GRADES.—Section 525(a)(4) of title 10, United States Code, is amended—

(1) in subparagraph (B), by striking "15" and inserting "17"; and

(2) in subparagraph (C), by striking "23" and inserting "22".

(b) GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a)(4) of such title is amended by striking "61" and inserting "62".

(c) DEPUTY COMMANDANTS.—Section 5045 of such title is amended by striking "six" and inserting "seven".

SEC. 504. PROMOTION ELIGIBILITY PERIOD FOR OFFICERS WHOSE CONFIRMATION OF APPOINTMENT IS DELAYED DUE TO NONAVAILABILITY TO THE SENATE OF PROBATIVE INFORMATION UNDER CONTROL OF NON-DEPARTMENT OF DEFENSE AGENCIES.

Section 629(c) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) Paragraph (1) does not apply when the Senate is not able to obtain information necessary to give its advice and consent to the appointment concerned because that information is under the control of a department or agency of the Federal Government other than the Department of Defense.".

SEC. 505. CONTINUATION OF CERTAIN OFFICERS ON ACTIVE DUTY WITHOUT REGARD TO REQUIREMENT FOR RETIREMENT FOR YEARS OF SERVICE.

(a) AUTHORITY FOR CONTINUATION ON ACTIVE DUTY.—

(1) IN GENERAL.—Subchapter IV of chapter 36 of title 10, United States Code, is amended by inserting after section 637 the following new section:

"§ 637a. Continuation on active duty: officers in certain military specialties and career tracks

10 USC 637a.

"(a) IN GENERAL.—The Secretary of the military department concerned may authorize an officer in a grade above grade O–4 to remain on active duty after the date otherwise provided for the retirement of the officer in section 633, 634, 635, or 636 of this title, as applicable, if the officer has a military occupational

specialty, rating, or specialty code in a military specialty designated pursuant to subsection (b).

"(b) MILITARY SPECIALTIES.—Each Secretary of a military department shall designate the military specialties in which a military occupational specialty, rating, or specialty code, as applicable, assigned to members of the armed forces under the jurisdiction of such Secretary authorizes the members to be eligible for continuation on active duty as provided in subsection (a).

"(c) DURATION OF CONTINUATION.—An officer continued on active duty pursuant to this section shall, if not earlier retired, be retired on the first day of the month after the month in which the officer completes 40 years of active service.

"(d) REGULATIONS.—The Secretaries of the military departments shall carry out this section in accordance with regulations prescribed by the Secretary of Defense. The regulations shall specify the criteria to be used by the Secretaries of the military departments in designating military specialities for purposes of subsection (b).".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter IV of chapter 36 of title 10, United States Code, is amended by inserting after the item relating to section 637 the following new item:

10 USC 637 prec.

"637a. Continuation on active duty: officers in certain military specialties and career tracks.".

(b) CONFORMING AMENDMENTS.—The following provisions of title 10, United States Code, are amended by inserting "or 637a" after "637(b)":

(1) Section 633(a).
(2) Section 634(a).
(3) Section 635.
(4) Section 636(a).

SEC. 506. EQUAL CONSIDERATION OF OFFICERS FOR EARLY RETIREMENT OR DISCHARGE.

Section 638a of title 10, United States Code, is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

"(4) Convening selection boards under section 611(b) of this title to consider for early retirement or discharge regular officers on the active-duty list in a grade below lieutenant colonel or commander—

"(A) who have served at least one year of active duty in the grade currently held; and

"(B) whose names are not on a list of officers recommended for promotion.";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection (e):

"(e)(1) In the case of action under subsection (b)(4), the Secretary of the military department concerned shall specify the total number of officers described in that subsection that a selection board convened under section 611(b) of this title pursuant to the authority of that subsection may recommend for early retirement or discharge. Officers who are eligible, or are within two years of becoming eligible, to be retired under any provision of law (other than by reason of eligibility pursuant to section 4403 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484)), if selected by the board, shall be retired or retained until

becoming eligible to retire under section 3911, 6323, or 8911 of this title, and those officers who are otherwise ineligible to retire under any provision of law shall, if selected by the board, be discharged.

"(2) In the case of action under subsection (b)(4), the Secretary of the military department concerned may submit to a selection board convened pursuant to that subsection—

"(A) the names of all eligible officers described in that subsection, whether or not they are eligible to be retired under any provision of law, in a particular grade and competitive category; or

"(B) the names of all eligible officers described in that subsection in a particular grade and competitive category, whether or not they are eligible to be retired under any provision of law, who are also in particular year groups, specialties, or retirement categories, or any combination thereof, with that competitive category.

"(3) The number of officers specified under paragraph (1) may not be more than 30 percent of the number of officers considered.

"(4) An officer who is recommended for discharge by a selection board convened pursuant to the authority of subsection (b)(4) and whose discharge is approved by the Secretary concerned shall be discharged on a date specified by the Secretary concerned.

"(5) Selection of officers for discharge under this subsection shall be based on the needs of the service.".

SEC. 507. MODIFICATION OF AUTHORITY TO DROP FROM ROLLS A COMMISSIONED OFFICER.

Section 1161(b) of title 10, United States Code, is amended by inserting "or the Secretary of Defense, or in the case of a commissioned officer of the Coast Guard, the Secretary of the department in which the Coast Guard is operating when it is not operating in the Navy," after "President".

SEC. 508. EXTENSION OF FORCE MANAGEMENT AUTHORITIES ALLOWING ENHANCED FLEXIBILITY FOR OFFICER PERSONNEL MANAGEMENT.

(a) TEMPORARY EARLY RETIREMENT AUTHORITY.—Section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1293 note) is amended by striking "December 31, 2018" and inserting "December 31, 2025".

(b) CONTINUATION ON ACTIVE DUTY.—Section 638a(a)(2) of title 10, United States Code, is amended by striking "December 31, 2018" and inserting "December 31, 2025".

(c) VOLUNTARY SEPARATION PAY.—Section 1175a(k)(1) of such title is amended by striking "December 31, 2018" and inserting "December 31, 2025".

(d) SERVICE-IN-GRADE WAIVERS.—Section 1370(a)(2)(F) of such title is amended by striking "2018" and inserting "2025".

SEC. 509. PILOT PROGRAMS ON DIRECT COMMISSIONS TO CYBER POSITIONS.

10 USC 503 note.

(a) PILOT PROGRAMS AUTHORIZED.—Each Secretary of a military department may carry out a pilot program to improve the ability of an Armed Force under the jurisdiction of the Secretary to recruit cyber professionals.

(b) ELEMENTS.—Under a pilot program established under this section, an individual who meets educational, physical, and other

requirements determined appropriate by the Secretary of the military department concerned may receive an original appointment as a commissioned officer in a cyber specialty.

(c) CONSULTATION.—In developing a pilot program for the Army or the Air Force under this section, the Secretary of the Army and the Secretary of the Air Force may consult with the Secretary of the Navy with respect to an existing, similar program carried out by the Secretary of the Navy.

(d) DURATION.—

(1) COMMENCEMENT.—The Secretary of a military department may commence a pilot program under this section on or after January 1, 2017.

(2) TERMINATION.—All pilot programs under this section shall terminate no later than December 31, 2022.

(e) STATUS REPORT.—Not later than January 1, 2020, each Secretary of a military department who conducts a pilot program under this section shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an evaluation of the success of the program in obtaining skilled cyber personnel for the Armed Forces.

SEC. 510. LENGTH OF JOINT DUTY ASSIGNMENTS.

(a) IN GENERAL.—Subsection (a) of section 664 of title 10, United States Code, is amended by striking "assignment—" and all that follows and inserting "assignment shall be not less than two years.".

(b) REPEAL OF AUTHORITY FOR SHORTER LENGTH FOR OFFICERS INITIALLY ASSIGNED TO CRITICAL OCCUPATIONAL SPECIALTIES.—Such section is further amended by striking subsection (c).

(c) EXCLUSIONS FROM TOUR LENGTH.—Subsection (d) of such section is amended—

(1) in the matter preceding paragraph (1), by striking "the standards prescribed in subsection (a)" and inserting "the requirement in subsection (a)";

(2) in paragraph (1)(D), by striking "assignment—" and all that follows and inserting "assignment as prescribed by the Secretary of Defense in regulations.";

(3) by striking paragraph (2);

(4) by redesignating paragraph (3) as paragraph (2); and

(5) in paragraph (2), as redesignated by paragraph (4) of this subsection, by striking "the applicable standard prescribed in subsection (a)" and inserting "the requirement in subsection (a)".

(d) REPEAL OF AVERAGE TOUR LENGTH REQUIREMENTS.—Such section is further amended by striking subsection (e).

(e) FULL TOUR OF DUTY.—Subsection (f) of such section is amended—

(1) in paragraph (1), by striking "standards prescribed in subsection (a)" and inserting "the requirement in subsection (a)";

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraphs (3), (5), and (6) as paragraphs (2), (3), and (4), respectively; and

(4) in paragraph (4), as redesignated by paragraph (3) of this subsection, by striking ", but not less than two years".

(f) CONSTRUCTIVE CREDIT.—Subsection (h) of such section is amended—

(1) by striking “(1)”;
(2) by striking “accord” and inserting “award”; and
(3) by striking paragraph (2).

(g) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by redesignating subsections (d), (f), (g), and (h), as amended by this section, as subsections (c), (d), (e), and (f), respectively;

(2) in paragraph (2) of subsection (c), as so redesignated and amended, by striking “subsection (f)(3)” and inserting “subsection (d)(2)”.

(3) paragraph (2) of subsection (d), as so redesignated and amended, by striking “subsection (g)” and inserting “subsection (e)”;

(4) in subsection (e), as so redesignated and amended, by striking “subsection (f)(3)” and inserting “subsection (d)(2)”; and

(5) in subsection (f), as so redesignated and amended, by striking “paragraphs (1), (2), and (4) of subsection (f)” and inserting “subsection (d)(1)”.

SEC. 510A. REVISION OF DEFINITIONS USED FOR JOINT OFFICER MANAGEMENT.

(a) DEFINITION OF JOINT MATTERS.—Paragraph (1) of section 668(a) of title 10, United States Code, is amended to read as follows:

“(1) In this chapter, the term ‘joint matters’ means matters related to any of the following:

“(A) The development or achievement of strategic objectives through the synchronization, coordination, and organization of integrated forces in operations conducted across domains, such as land, sea, or air, in space, or in the information environment, including matters relating to any of the following:

“(i) National military strategy.

“(ii) Strategic planning and contingency planning.

“(iii) Command and control, intelligence, fires, movement and maneuver, protection or sustainment of operations under unified command.

“(iv) National security planning with other departments and agencies of the United States.

“(v) Combined operations with military forces of allied nations.

“(B) Acquisition matters conducted by members of the armed forces and covered under chapter 87 of this title involved in developing, testing, contracting, producing, or fielding of multi-service programs or systems.

“(C) Other matters designated in regulation by the Secretary of Defense in consultation with the Chairman of the Joint Chiefs of Staff.”.

(b) DEFINITION OF INTEGRATED FORCES.—Section 668(a)(2) of title 10, United States Code, is amended in the matter preceding subparagraph (A)—

(1) by striking “integrated military forces” and inserting “integrated forces”; and

(2) by striking “the planning or execution (or both) of operations involving” and inserting “achieving unified action with”.

(c) DEFINITION OF JOINT DUTY ASSIGNMENT.—Section 668(b)(1) of title 10, United States Code, is amended by striking subparagraph (A) and inserting the following new subparagraph:

"(A) shall be limited to assignments in which—

"(i) the preponderance of the duties of the officer involve joint matters and

"(ii) the officer gains significant experience in joint matters; and".

(d) REPEAL OF DEFINITION OF CRITICAL OCCUPATIONAL SPECIALITY.—Section 668 of title 10, United States Code, is amended by striking subsection (d).

Subtitle B—Reserve Component Management

SEC. 511. AUTHORITY FOR TEMPORARY WAIVER OF LIMITATION ON TERM OF SERVICE OF VICE CHIEF OF THE NATIONAL GUARD BUREAU.

Section 10505(a)(4) of title 10, United States Code, is amended by striking "paragraph (3)(B) for a limited period of time" and inserting "paragraph (3) for not more than 90 days".

SEC. 512. RIGHTS AND PROTECTIONS AVAILABLE TO MILITARY TECHNICIANS.

(a) IN GENERAL.—Section 709 of title 32, United States Code, is amended—

(1) in subsection (f)—

(A) in paragraph (4), by striking "; and" and inserting "when the appeal concerns activity occurring while the member is in a military pay status, or concerns fitness for duty in the reserve components;";

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph (5):

"(5) with respect to an appeal concerning any activity not covered by paragraph (4), the provisions of sections 7511, 7512, and 7513 of title 5, and section 717 of the Civil Rights Act of 1991 (42 U.S.C. 2000e–16) shall apply; and"; and

(2) in subsection (g), by striking "Sections" and inserting "Except as provided in subsection (f), sections".

(b) DEFINITIONS.—Section 709 of title 32, United States Code, is further amended by adding at the end the following new subsection:

"(j) In this section:

"(1) The term 'military pay status' means a period of service where the amount of pay payable to a technician for that service is based on rates of military pay provided for under title 37.

"(2) The term 'fitness for duty in the reserve components' refers only to military-unique service requirements that attend to military service generally, including service in the reserve components or service on active duty.".

(c) CONFORMING AMENDMENT.—Section 7511(b) of title 5, United States Code, is amended by striking paragraph (5).

SEC. 513. INAPPLICABILITY OF CERTAIN LAWS TO NATIONAL GUARD TECHNICIANS PERFORMING ACTIVE GUARD AND RESERVE DUTY.

Section 709(g) of title 32, United States Code, as amended by section 512(a)(2), is further amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following new paragraph:

"(2) In addition to the sections referred to in paragraph (1), section 6323(a)(1) of title 5 also does not apply to a person employed under this section who is performing active Guard and Reserve duty (as that term is defined in section 101(d)(6) of title 10).".

SEC. 514. EXTENSION OF REMOVAL OF RESTRICTIONS ON THE TRANSFER OF OFFICERS BETWEEN THE ACTIVE AND INACTIVE NATIONAL GUARD.

Section 512 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 127 Stat. 752; 32 U.S.C. prec. 301 note) is amended—

(1) in subsection (a) in the matter preceding paragraph (1), by striking "December 31, 2016" and inserting "December 31, 2019"; and

(2) in subsection (b) in the matter preceding paragraph (1), by striking "December 31, 2016" and inserting "December 31, 2019".

SEC. 515. EXTENSION OF TEMPORARY AUTHORITY TO USE AIR FORCE RESERVE COMPONENT PERSONNEL TO PROVIDE TRAINING AND INSTRUCTION REGARDING PILOT TRAINING.

Section 514(a)(1) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 810) is amended by inserting "and fiscal year 2017" after "During fiscal year 2016".

SEC. 516. EXPANSION OF ELIGIBILITY FOR DEPUTY COMMANDER OF COMBATANT COMMAND HAVING UNITED STATES AMONG GEOGRAPHIC AREA OF RESPONSIBILITY TO INCLUDE OFFICERS OF THE RESERVES.

Section 164(e)(4) of title 10, United States Code, is amended—

(1) by striking "the National Guard" and inserting "a reserve component of the armed forces"; and

(2) by striking "a National Guard officer" and inserting "a reserve component officer".

Subtitle C—General Service Authorities

SEC. 521. MATTERS RELATING TO PROVISION OF LEAVE FOR MEMBERS OF THE ARMED FORCES, INCLUDING PROHIBITION ON LEAVE NOT EXPRESSLY AUTHORIZED BY LAW.

(a) PRIMARY AND SECONDARY CAREGIVER LEAVE.—Section 701 of title 10, United States Code, is amended—

(1) by striking subsections (i) and (j); and

(2) by inserting after subsection (h) the following new subsections (i) and (j):

"(i)(1)(A) Under regulations prescribed by the Secretary of Defense, a member of the armed forces described in paragraph (2) who is the primary caregiver in the case of the birth of a child is allowed up to twelve weeks of total leave, including up

to six weeks of medical convalescent leave, to be used in connection with such birth.

"(B) Under the regulations prescribed for purposes of this subsection, a member of the armed forces described in paragraph (2) who is the primary caregiver in the case of the adoption of a child is allowed up to six weeks of total leave to be used in connection with such adoption.

"(2) Paragraph (1) applies to the following members:

"(A) A member on active duty.

"(B) A member of a reserve component performing active Guard and Reserve duty.

"(C) A member of a reserve component subject to an active duty recall or mobilization order in excess of 12 months.

"(3) The Secretary shall prescribe in the regulations referred to in paragraph (1) a definition of the term 'primary caregiver' for purposes of this subsection.

"(4) Notwithstanding paragraph (1)(A), a member may receive more than six weeks of medical convalescent leave in connection with the birth of a child, but only if the additional medical convalescent leave—

"(A) is specifically recommended, in writing, by the medical provider of the member to address a diagnosed medical condition; and

"(B) is approved by the commander of the member.

"(5) Any leave taken by a member under this subsection, including leave under paragraphs (1) and (4), may be taken only in one increment in connection with such birth or adoption.

"(6)(A) Any leave authorized by this subsection that is not taken within one year of such birth or adoption shall be forfeited.

"(B) Any leave authorized by this subsection for a member of a reserve component on active duty that is not taken by the time the member is separated from active duty shall be forfeited at that time.

"(7) The period of active duty of a member of a reserve component may not be extended in order to permit the member to take leave authorized by this subsection.

"(8) Under the regulations prescribed for purposes of this subsection, a member taking leave under paragraph (1) may, as a condition for taking such leave, be required—

"(A) to accept an extension of the member's current service obligation, if any, by one week for every week of leave taken under paragraph (1); or

"(B) to incur a reduction in the member's leave account by one week for every week of leave taken under paragraph (1).

"(9)(A) Leave authorized by this subsection is in addition to any other leave provided under other provisions of this section.

"(B) Medical convalescent leave under paragraph (4) is in addition to any other leave provided under other provisions of this subsection.

"(10)(A) Subject to subparagraph (B), a member taking leave under paragraph (1) during a period of obligated service shall not be eligible for terminal leave, or to sell back leave, at the end such period of obligated service.

"(B) Under the regulations for purposes of this subsection, the Secretary concerned may waive, whether in whole or in part, the applicability of subparagraph (A) to a member who reenlists

at the end of the member's period of obligated service described in that subparagraph if the Secretary determines that the waiver is in the interests of the armed force concerned.

"(j)(1) Under regulations prescribed by the Secretary of Defense, a member of the armed forces described in subsection (i)(2) who is the secondary caregiver in the case of the birth of a child or the adoption of a child is allowed up to 21 days of leave to be used in connection with such birth or adoption.

"(2) The Secretary shall prescribe in the regulations referred to in paragraph (1) a definition of the term 'secondary caregiver' for purposes of this subsection.

"(3) Any leave taken by a member under this subsection may be taken only in one increment in connection with such birth or adoption.

"(4) Under the regulations prescribed for purposes of this subsection, paragraphs (6) through (10) of subsection (i) (other than paragraph (9)(B) of such subsection) shall apply to leave, and the taking of leave, authorized by this subsection.".

(b) PROHIBITION ON LEAVE NOT EXPRESSLY AUTHORIZED BY LAW.—

(1) PROHIBITION.—Chapter 40 of title 10, United States Code, is amended by inserting after section 704 the following new section:

"§ 704a. Administration of leave: prohibition on authorizing, granting, or assigning leave not expressly authorized by law

10 USC 704a.

"No member or category of members of the armed forces may be authorized, granted, or assigned leave, including uncharged leave, not expressly authorized by a provision of this chapter or another statute unless expressly authorized by an Act of Congress enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2017.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 40 of title 10, United States Code, is amended by inserting after the item relating to section 704 the following new item:

10 USC 701 prec.

"704a. Administration of leave: prohibition on authorizing, granting, or assigning leave not expressly authorized by law.".

SEC. 522. TRANSFER OF PROVISION RELATING TO EXPENSES INCURRED IN CONNECTION WITH LEAVE CANCELED DUE TO CONTINGENCY OPERATIONS.

(a) ENACTMENT IN TITLE 10, UNITED STATES CODE, OF AUTHORITY FOR REIMBURSEMENT OF EXPENSES.—Chapter 40 of title 10, United States Code, is amended by inserting after section 709 the following new section:

"§ 709a. Expenses incurred in connection with leave canceled due to contingency operations: reimbursement

10 USC 709a.

"(a) AUTHORIZATION TO REIMBURSE.—The Secretary concerned may reimburse a member of the armed forces under the jurisdiction of the Secretary for travel and related expenses (to the extent not otherwise reimbursable under law) incurred by the member as a result of the cancellation of previously approved leave when—

"(1) the leave is canceled in connection with the member's participation in a contingency operation; and

"(2) the cancellation occurs within 48 hours of the time the leave would have commenced.

"(b) REGULATIONS.—The Secretary of Defense and, in the case of the Coast Guard when it is not operating as a service in the Navy, the Secretary of Homeland Security shall prescribe regulations to establish the criteria for the applicability of subsection (a).

"(c) CONCLUSIVENESS OF SETTLEMENT.—The settlement of an application for reimbursement under subsection (a) is final and conclusive.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 40 of such title is amended by inserting after the item relating to section 709 the following new item:

10 USC 701 prec.

"709a. Expenses incurred in connection with leave canceled due to contingency operations: reimbursement.".

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 453 of title 37, United States Code, is amended by striking subsection (g).

SEC. 523. EXPANSION OF AUTHORITY TO EXECUTE CERTAIN MILITARY INSTRUMENTS.

(a) EXPANSION OF AUTHORITY TO EXECUTE MILITARY TESTAMENTARY INSTRUMENTS.—Section 1044d(c) of title 10, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) the execution of the instrument is notarized by—

"(A) a military legal assistance counsel;

"(B) a person who is authorized to act as a notary under section 1044a of this title who—

"(i) is not an attorney; and

"(ii) is supervised by a military legal assistance counsel; or

"(C) a State-licensed notary employed by a military department or the Coast Guard who is supervised by a military legal assistance counsel;"; and

(2) in paragraph (3), by striking "presiding attorney" and inserting "person notarizing the instrument in accordance with paragraph (2)".

(b) EXPANSION OF AUTHORITY TO NOTARIZE DOCUMENTS TO CIVILIANS SERVING IN MILITARY LEGAL ASSISTANCE OFFICES.—Section 1044a(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) All civilian paralegals serving at military legal assistance offices, supervised by a military legal assistance counsel (as defined in section 1044d(g) of this title).".

SEC. 524. MEDICAL EXAMINATION BEFORE ADMINISTRATIVE SEPARATION FOR MEMBERS WITH POST-TRAUMATIC STRESS DISORDER OR TRAUMATIC BRAIN INJURY IN CONNECTION WITH SEXUAL ASSAULT.

Section 1177(a)(1) of title 10, United States Code, is amended—

(1) by inserting ", or sexually assaulted," after "deployed overseas in support of a contingency operation"; and

(2) by inserting "or based on such sexual assault," after "while deployed,".

SEC. 525. REDUCTION OF TENURE ON THE TEMPORARY DISABILITY RETIRED LIST.

(a) REDUCTION OF TENURE.—Section 1210 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "five years" and inserting "three years"; and

(2) in subsection (h), by striking "five years" and inserting "three years".

(b) APPLICABILITY.—The amendments made by subsection (a) shall take effect on January 1, 2017, and shall apply to members of the Armed Forces whose names are placed on the temporary disability retired list on or after that date.

10 USC 1210 note.

SEC. 526. TECHNICAL CORRECTION TO VOLUNTARY SEPARATION PAY AND BENEFITS.

Section 1175a(j) of title 10, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking "or 12304" and inserting "12304, 12304a, or 12304b"; and

(B) by striking "502(f)(1)" and inserting "502(f)(1)(A)"; and

(2) in paragraph (3), by striking "502(f)(2)" and inserting "502(f)(1)(B)".

SEC. 527. CONSOLIDATION OF ARMY MARKETING AND PILOT PROGRAM ON CONSOLIDATED ARMY RECRUITING.

10 USC 3013 note.

(a) CONSOLIDATION OF ARMY MARKETING.—Not later than October 1, 2017, the Secretary of the Army shall consolidate into a single organization within the Department of the Army all functions relating to the marketing of the Army and each of the components of the Army in order to assure unity of effort and cost effectiveness in the marketing of the Army and each of the components of the Army.

(b) PILOT PROGRAM ON CONSOLIDATED ARMY RECRUITING.—

(1) PILOT PROGRAM REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall carry out a pilot program to consolidate the recruiting efforts of the Regular Army, Army Reserve, and Army National Guard under which a recruiter in one of the components participating in the pilot program may recruit individuals to enlist in any of the components regardless of the funding source of the recruiting activity.

(2) CREDIT TOWARD ENLISTMENT GOALS.—Under the pilot program, a recruiter shall receive credit toward periodic enlistment goals for each enlistment regardless of the component in which the individual enlists.

(3) DURATION.—The Secretary shall carry out the pilot program for a period of not less than three years.

(c) BRIEFING AND REPORTS.—

(1) BRIEFING ON CONSOLIDATION PLAN.—Not later than March 1, 2017, the Secretary of the Army shall provide to the Committees on Armed Services of the Senate and the House of Representatives a briefing on the Secretary's plan to carry out the Army marketing consolidation required by subsection (a).

(2) INTERIM REPORT ON PILOT PROGRAM.—

(A) IN GENERAL.—Not later than one year after the date on which the pilot program under subsection (b) commences, the Secretary shall submit to the congressional committees specified in paragraph (1) a report on the pilot program.

(B) ELEMENTS.—The report under subparagraph (A) shall include each of the following:

(i) An analysis of the effects that consolidated recruiting efforts has on the overall ability of recruiters to attract and place qualified candidates.

(ii) A determination of the extent to which consolidating recruiting efforts affects efficiency and recruiting costs.

(iii) An analysis of any challenges associated with a recruiter working to recruit individuals to enlist in a component in which the recruiter has not served.

(iv) An analysis of the satisfaction of recruiters and the component recruiting commands with the pilot program.

(3) FINAL REPORT ON PILOT PROGRAM.—Not later than 180 days after the date on which the pilot program is completed, the Secretary shall submit to the congressional committees specified in paragraph (1) a final report on the pilot program. The final report shall include any recommendations of the Secretary with respect to extending or making permanent the pilot program and a description of any related legislative actions that the Secretary considers appropriate.

Subtitle D—Member Whistleblower Protections and Correction of Military Records

SEC. 531. IMPROVEMENTS TO WHISTLEBLOWER PROTECTION PROCEDURES.

(a) ACTIONS TREATABLE AS PROHIBITED PERSONNEL ACTIONS.—Paragraph (2) of section 1034(b) of title 10, United States Code, is amended to read as follows:

"(2)(A) The actions considered for purposes of this section to be a personnel action prohibited by this subsection shall include any action prohibited by paragraph (1), including any of the following:

"(i) The threat to take any unfavorable action.

"(ii) The withholding, or threat to withhold, any favorable action.

"(iii) The making of, or threat to make, a significant change in the duties or responsibilities of a member of the armed forces not commensurate with the member's grade.

"(iv) The failure of a superior to respond to any retaliatory action or harassment (of which the superior had actual knowledge) taken by one or more subordinates against a member.

"(v) The conducting of a retaliatory investigation of a member.

"(B) In this paragraph, the term 'retaliatory investigation' means an investigation requested, directed, initiated, or conducted for the primary purpose of punishing, harassing, or ostracizing a member of the armed forces for making a protected communication.

"(C) Nothing in this paragraph shall be construed to limit the ability of a commander to consult with a superior in the chain of command, an inspector general, or a judge advocate general on the disposition of a complaint against a member of the armed forces for an allegation of collateral misconduct or for a matter unrelated to a protected communication. Such consultation shall provide an affirmative defense against an allegation that a member requested, directed, initiated, or conducted a retaliatory investigation under this section.".

(b) ACTION IN RESPONSE TO HARDSHIP IN CONNECTION WITH PERSONNEL ACTIONS.—Section 1034 of title 10, United States Code, is amended—

(1) in subsection (c)(4)—

(A) by redesignating subparagraph (E) as subparagraph (F); and

(B) by inserting after subparagraph (D) the following new subparagraph (E):

"(E) If the Inspector General makes a preliminary determination in an investigation under subparagraph (D) that, more likely than not, a personnel action prohibited by subsection (b) has occurred and the personnel action will result in an immediate hardship to the member alleging the personnel action, the Inspector General shall promptly notify the Secretary of the military department concerned or the Secretary of Homeland Security, as applicable, of the hardship, and such Secretary shall take such action as such Secretary considers appropriate."; and

(2) in subsection (e)(1), by striking "subsection (c)(4)(E)" and inserting "subsection (c)(4)(F)".

(c) PERIODIC NOTICE TO MEMBERS ON PROGRESS OF INSPECTOR GENERAL INVESTIGATIONS.—Paragraph (3) of section 1034(e) of title 10, United States Code, is amended to read as follows:

"(3)(A) Not later than 180 days after the commencement of an investigation of an allegation under subsection (c)(4), and every 180 days thereafter until the transmission of the report on the investigation under paragraph (1) to the member concerned, the Inspector General conducting the investigation shall submit a notice on the investigation described in subparagraph (B) to the following:

"(i) The member.

"(ii) The Secretary of Defense.

"(iii) The Secretary of the military department concerned, or the Secretary of Homeland Security in the case of a member of the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"(B) Each notice on an investigation under subparagraph (A) shall include the following:

"(i) A description of the current progress of the investigation.

"(ii) An estimate of the time remaining until the completion of the investigation and the transmittal of the report required by paragraph (1) to the member concerned.".

(d) CORRECTION OF RECORDS.—Paragraph (2) of section 1034(g) of title 10, United States Code, is amended to read as follows:

"(2) In resolving an application described in paragraph (1) for which there is a report of the Inspector General under subsection (e)(1), a correction board—

"(A) shall review the report of the Inspector General;

"(B) may request the Inspector General to gather further evidence;

"(C) may receive oral argument, examine and cross-examine witnesses, and take depositions; and

"(D) shall consider a request by a member or former member in determining whether to hold an evidentiary hearing.".

10 USC 1034 note.

(e) UNIFORM STANDARDS FOR INSPECTOR GENERAL INVESTIGATIONS OF PROHIBITED PERSONNEL ACTIONS AND OTHER MATTERS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Inspector General of the Department of Defense shall prescribe uniform standards for the following:

(A) The investigation of allegations of prohibited personnel actions under section 1034 of title 10, United States Code (as amended by this section), by the Inspector General and the Inspectors General of the military departments.

(B) The training of the staffs of the Inspectors General referred to in subparagraph (A) on the conduct of investigations described in that subparagraph.

(2) USE.—Commencing 180 days after prescription of the standards required by paragraph (1), the Inspectors General referred to in that paragraph shall comply with such standards in the conduct of investigations described in that paragraph and in the training of the staffs of such Inspectors General in the conduct of such investigations.

SEC. 532. MODIFICATION OF WHISTLEBLOWER PROTECTION AUTHORITIES TO RESTRICT CONTRARY FINDINGS OF PROHIBITED PERSONNEL ACTION BY THE SECRETARY CONCERNED.

(a) IN GENERAL.—Section 1034(f) of title 10, United States Code, is amended—

(1) in the subsection heading, by striking "VIOLATIONS" and inserting "SUBSTANTIATED VIOLATIONS"; and

(2) in paragraph (1), by striking "there is sufficient basis" and all that follows and inserting "corrective or disciplinary action should be taken. If the Secretary concerned determines that corrective or disciplinary action should be taken, the Secretary shall take appropriate corrective or disciplinary action.".

(b) ACTIONS FOLLOWING DETERMINATIONS.—Paragraph (2) of such section is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking "the Secretary concerned determines under paragraph (1)" and inserting "the Inspector General determines"; and

(B) by striking "the Secretary shall" and inserting "the Secretary concerned shall";

(2) in subparagraph (A), by inserting ", including referring the report to the appropriate board for the correction of military records" before the semicolon; and

(3) by striking subparagraph (B) and inserting the following new subparagraph (B):

"(B) submit to the Inspector General a report on the actions taken by the Secretary pursuant to this paragraph, and provide for the inclusion of a summary of the report under this subparagraph (with any personally identifiable information redacted) in the semiannual report to Congress of the Inspector General

of the Department of Defense or the Inspector General of the Department of Homeland Security, as applicable, under section 5 of the Inspector General Act of 1978 (5 U.S.C. App.).".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to reports received by the Secretaries of the military departments and the Secretary of Homeland Security under section 1034(e) of title 10, United States Code, on or after that date.

10 USC 1034 note.

SEC. 533. AVAILABILITY OF CERTAIN CORRECTION OF MILITARY RECORDS AND DISCHARGE REVIEW BOARD INFORMATION THROUGH THE INTERNET.

(a) BOARD FOR THE CORRECTION OF MILITARY RECORDS.—Section 1552 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) Each board established under this section shall make available to the public each calender quarter, on an Internet website of the military department concerned or the Department of Homeland Security, as applicable, that is available to the public the following:

"(1) The number of claims considered by such board during the calendar quarter preceding the calender quarter in which such information is made available, including cases in which a mental health condition of the claimant, including post-traumatic stress disorder or traumatic brain injury, is alleged to have contributed, whether in whole or part, to the original characterization of the discharge or release of the claimant.

"(2) The number of claims submitted during the calendar quarter preceding the calender quarter in which such information is made available that relate to service by a claimant during a war or contingency operation, catalogued by each war or contingency operation.

"(3) The number of military records corrected pursuant to the consideration described in paragraph (1) to upgrade the characterization of discharge or release of claimants.".

(b) DISCHARGE REVIEW BOARD.—Section 1553 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) Each board established under this section shall make available to the public each calender quarter, on an Internet website of the military department concerned or the Department of Homeland Security, as applicable, that is available to the public the following:

"(1) The number of motions or requests for review considered by such board during the calendar quarter preceding the calender quarter in which such information is made available, including cases in which a mental health condition of the former member, including post-traumatic stress disorder or traumatic brain injury, is alleged to have contributed, whether in whole or part, to the original characterization of the discharge or dismissal of the former member.

"(2) The number of claims submitted during the calendar quarter preceding the calender quarter in which such information is made available that relate to service by a claimant

during a war or contingency operation, catalogued by each war or contingency operation.

"(3) The number of discharges or dismissals corrected pursuant to the consideration described in paragraph (1) to upgrade the characterization of discharge or dismissal of former members.".

SEC. 534. IMPROVEMENTS TO AUTHORITIES AND PROCEDURES FOR THE CORRECTION OF MILITARY RECORDS.

(a) PROCEDURES OF BOARDS.—Paragraph (3) of section 1552(a) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)"; and

(2) by adding at the end the following new subparagraphs:

"(B) If a board makes a preliminary determination that a claim under this section lacks sufficient information or documents to support the claim, the board shall notify the claimant, in writing, indicating the specific information or documents necessary to make the claim complete and reviewable by the board.

"(C) If a claimant is unable to provide military personnel or medical records applicable to a claim under this section, the board shall make reasonable efforts to obtain the records. A claimant shall provide the board with documentary evidence of the efforts of the claimant to obtain such records. The board shall inform the claimant of the results of the board's efforts, and shall provide the claimant copies of any records so obtained upon request of the claimant.

"(D) Any request for reconsideration of a determination of a board under this section, no matter when filed, shall be reconsidered by a board under this section if supported by materials not previously presented to or considered by the board in making such determination.".

(b) PUBLICATION OF FINAL DECISIONS OF BOARDS.—Such section is further amended by adding at the end the following new paragraph:

"(5) Each final decision of a board under this subsection shall be made available to the public in electronic form on a centralized Internet website. In any decision so made available to the public there shall be redacted all personally identifiable information.".

10 USC 1552 note.

(c) TRAINING OF MEMBERS OF BOARDS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, each Secretary concerned shall develop and implement a comprehensive training curriculum for members of boards for the correction of military records under the jurisdiction of such Secretary in the duties of such boards under section 1552 of title 10, United States Code. The curriculum shall address all areas of administrative law applicable to the duties of such boards.

(2) UNIFORM CURRICULA.—The Secretary of Defense and the Secretary of Homeland Security shall jointly ensure that the curricula developed and implemented pursuant to this subsection are, to the extent practicable, uniform.

(3) TRAINING.—

(A) IN GENERAL.—Each member of a board for the correction of military records shall undergo retraining (consistent with the curriculum developed and implemented pursuant to this subsection) regarding the duties of boards for the correction of military records under section 1552

of title 10, United States Code, at least once every five years during the member's tenure on the board.

(B) CURRENT MEMBERS.—Each member of a board for the correction of military records as of the date of the implementation of the curriculum required by paragraph (1) (in this paragraph referred to as the "curriculum implementation date") shall undergo training described in subparagraph (A) not later than 90 days after the curriculum implementation date.

(C) NEW MEMBERS.—Each individual who becomes a member of a board for the correction of military records after the curriculum implementation date shall undergo training described in subparagraph (A) by not later than 90 days after the date on which such individual becomes a member of the board.

(4) REPORTS.—Not later than 18 months after the date of the enactment of this Act, each Secretary concerned shall submit to Congress a report setting forth the following:

(A) A description and assessment of the progress made by such Secretary in implementing training requirements for members of boards for the correction of military records under the jurisdiction of such Secretary.

(B) A detailed description of the training curriculum required of such Secretary by paragraph (1).

(C) A description and assessment of any impediments to the implementation of training requirements for members of boards for the correction of military records under the jurisdiction of such Secretary.

(5) SECRETARY CONCERNED DEFINED.—In this subsection, the term "Secretary concerned" means a "Secretary concerned" as that term is used in section 1552 of title 10, United States Code.

SEC. 535. TREATMENT BY DISCHARGE REVIEW BOARDS OF CLAIMS ASSERTING POST-TRAUMATIC STRESS DISORDER OR TRAUMATIC BRAIN INJURY IN CONNECTION WITH COMBAT OR SEXUAL TRAUMA AS A BASIS FOR REVIEW OF DISCHARGE.

Section 1553(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3)(A) In addition to the requirements of paragraphs (1) and (2), in the case of a former member described in subparagraph (B), the Board shall—

"(i) review medical evidence of the Secretary of Veterans Affairs or a civilian health care provider that is presented by the former member; and

"(ii) review the case with liberal consideration to the former member that post-traumatic stress disorder or traumatic brain injury potentially contributed to the circumstances resulting in the discharge of a lesser characterization.

"(B) A former member described in this subparagraph is a former member described in paragraph (1) or a former member whose application for relief is based in whole or in part on matters relating to post-traumatic stress disorder or traumatic brain injury as supporting rationale, or as justification for priority consideration, whose post-traumatic stress disorder or traumatic brain injury is

related to combat or military sexual trauma, as determined by the Secretary concerned.''.

SEC. 536. COMPTROLLER GENERAL OF THE UNITED STATES REVIEW OF INTEGRITY OF DEPARTMENT OF DEFENSE WHISTLE-BLOWER PROGRAM.

(a) REPORT REQUIRED.—Not later than 18 months after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth a review of the integrity of the Department of Defense whistleblower program.

(b) ELEMENTS.—The review for purposes of the report required by subsection (a) shall include the following elements:

(1) An assessment of the extent to which the Department of Defense whistleblower program meets executive branch policies and goals for whistleblower protections.

(2) An assessment of the adequacy of procedures to handle and address complaints submitted by employees in the Office of the Inspector General of the Department of Defense to ensure that such employees themselves are able to disclose a suspected violation of law, rule, or regulation without fear of reprisal.

(3) An assessment of the extent to which there have been violations of standards used in regard to the protection of confidentiality provided to whistleblowers by the Inspector General of the Department of Defense.

(4) An assessment of the extent to which there have been incidents of retaliatory investigations against whistleblowers within the Office of the Inspector General.

(5) An assessment of the extent to which the Inspector General of the Department of Defense has thoroughly investigated and substantiated allegations within the past 10 years against civilian officials of the Department of Defense appointed to their positions by and with the advice and consent of the Senate, and whether Congress has been notified of the results of such investigations.

(6) An assessment of the ability of the Inspector General of the Department of Defense and the Inspectors General of the military departments to access agency information necessary to the execution of their duties, including classified and other sensitive information, and an assessment of the adequacy of security procedures to safeguard such classified or sensitive information when so accessed.

Subtitle E—Military Justice and Legal Assistance Matters

SEC. 541. UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES.

(a) CLARIFICATION OF AUTHORITY OF JUDGES OF THE COURT TO ADMINISTER OATHS AND ACKNOWLEDGMENTS.—Subsection (c) of section 936 of title 10, United States Code (article 136 of the Uniform Code of Military Justice), is amended to read as follows:

''(c) Each judge and senior judge of the United States Court of Appeals for the Armed Forces shall have the powers relating

to oaths, affirmations, and acknowledgments provided to justices and judges of the United States by section 459 of title 28.”.

(b) MODIFICATION OF TERM OF JUDGES OF THE COURT TO RESTORE ROTATION OF JUDGES.—

10 USC 942 note.

(1) EARLY RETIREMENT AUTHORIZED FOR ONE CURRENT JUDGE.—If the judge of the United States Court of Appeals for the Armed Forces who is the junior in seniority of the two judges of the court whose terms of office under section 942(b)(2) of title 10, United States Code (article 142(b)(2) of the Uniform Code of Military Justice), expire on July 31, 2021, chooses to retire one year early, that judge—

(A) may retire from service on the court effective August 1, 2020; and

(B) shall be treated, upon such retirement, for all purposes as having completed a term of service for which the judge was appointed as a judge of the court.

(2) STAGGERING OF FUTURE APPOINTMENTS.—Section 942(b)(2) of title 10, United States Code (article 142(b)(2) of the Uniform Code of Military Justice), is amended—

(A) by inserting “(A)” after “(2)”;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(C) by adding at the end the following new subparagraph:

“(B) If at the time of the appointment of a judge the date that is otherwise applicable under subparagraph (A) for the expiration of the term of service of the judge is the same as the date for the expiration of the term of service of a judge already on the court, then the term of the judge being appointed shall expire on the first July 31 after such date on which no term of service of a judge already on the court will expire.”.

10 USC 942 note.

(3) APPLICATION OF AMENDMENTS.—The amendments made by paragraph (2) shall apply with respect to appointments to the United States Court of Appeals for the Armed Forces that are made on or after the date of the enactment of this Act.

(c) REPEAL OF REQUIREMENT RELATING TO POLITICAL PARTY STATUS OF JUDGES OF THE COURT.—Section 942(b)(3) of title 10, United States Code (article 142(b)(3) of the Uniform Code of Military Justice), is amended by striking “Not more than three of the judges of the court may be appointed from the same political party, and no” and by inserting “No”.

(d) MODIFICATION OF DAILY RATE OF COMPENSATION FOR SENIOR JUDGES PERFORMING JUDICIAL DUTIES WITH THE COURT.—Section 942(e)(2) of title 10, United States Code (article 142(e)(2) of the Uniform Code of Military Justice), is amended by striking “equal to” and all that follows and inserting “equal to the difference between—

“(A) the daily equivalent of the annual rate of pay provided for a judge of the court; and

“(B) the daily equivalent of the annuity of the judge under section 945 of this title (article 145), the applicable provisions of title 5, or any other retirement system for employees of the Federal Government under which the senior judge receives an annuity.”.

(e) REPEAL OF DUAL COMPENSATION PROVISION RELATING TO JUDGES OF THE COURT.—Section 945 of title 10, United States

Code (article 145 of the Uniform Code of Military Justice), is amended—

(1) in subsection (d), by striking "subsection (g)(1)(B)" and inserting "subsection (f)(1)(B)";

(2) by striking subsection (f); and

(3) by redesignating subsections (g), (h), and (i) as subsections (f), (g), and (h), respectively.

10 USC 827 note.

SEC. 542. EFFECTIVE PROSECUTION AND DEFENSE IN COURTS-MARTIAL AND PILOT PROGRAMS ON PROFESSIONAL MILITARY JUSTICE DEVELOPMENT FOR JUDGE ADVOCATES.

(a) PROGRAM FOR EFFECTIVE PROSECUTION AND DEFENSE.—The Secretary concerned shall carry out a program to ensure that—

(1) trial counsel and defense counsel detailed to prosecute or defend a court-martial have sufficient experience and knowledge to effectively prosecute or defend the case; and

(2) a deliberate professional developmental process is in place to ensure effective prosecution and defense in all courts-martial.

(b) MILITARY JUSTICE EXPERIENCE DESIGNATORS OR SKILL IDENTIFIERS.—The Secretary concerned shall establish and use a system of military justice experience designators or skill identifiers for purposes of identifying judge advocates with skill and experience in military justice proceedings in order to ensure that judge advocates with experience and skills identified through such experience designators or skill identifiers are assigned to develop less experienced judge advocates in the prosecution and defense in courts-martial under a program carried out pursuant to subsection (a).

(c) PILOT PROGRAMS ON PROFESSIONAL DEVELOPMENTAL PROCESS FOR JUDGE ADVOCATES.—

(1) PURPOSE.—The Secretary concerned shall carry out a pilot program to assess the feasibility and advisability of establishing a deliberate professional developmental process for judge advocates under the jurisdiction of the Secretary that leads to judge advocates with military justice expertise serving as military justice practitioners capable of prosecuting and defending complex cases in military courts-martial.

(2) ADDITIONAL MATTERS.—A pilot program may also assess such other matters related to professional military justice development for judge advocates as the Secretary concerned considers appropriate.

(3) DURATION.—Each pilot program shall be for a period of five years.

(4) REPORT.—Not later than four years after the date of the enactment of this Act, the Secretary concerned shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot programs conducted under this section. The report shall include the following:

(A) A description and assessment of each pilot program.

(B) Such recommendations as the Secretary considers appropriate in light of the pilot programs, including whether any pilot program should be extended or made permanent.

(d) SECRETARY CONCERNED DEFINED.—In this section, the term "Secretary concerned" has the meaning given that term in section 101(a)(9) of title 10, United States Code.

SEC. 543. INCLUSION IN ANNUAL REPORTS ON SEXUAL ASSAULT PREVENTION AND RESPONSE EFFORTS OF THE ARMED FORCES OF INFORMATION ON COMPLAINTS OF RETALIATION IN CONNECTION WITH REPORTS OF SEXUAL ASSAULT IN THE ARMED FORCES.

10 USC 1561 note.

Section 1631(b) of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 10 U.S.C. 1561 note) is amended by adding at the end the following new paragraph:

"(12) Information on each claim of retaliation in connection with a report of sexual assault in the Armed Force made by or against a member of such Armed Force as follows:

"(A) A narrative description of each complaint.

"(B) The nature of such complaint, including whether the complainant claims professional or social retaliation.

"(C) The gender of the complainant.

"(D) The gender of the individual claimed to have committed the retaliation.

"(E) The nature of the relationship between the complainant and the individual claimed to have committed the retaliation.

"(F) The nature of the relationship, if any, between the individual alleged to have committed the sexual assault concerned and the individual claimed to have committed the retaliation.

"(G) The official or office that received the complaint.

"(H) The organization that investigated or is investigating the complaint.

"(I) The current status of the investigation.

"(J) If the investigation is complete, a description of the results of the investigation, including whether the results of the investigation were provided to the complainant.

"(K) If the investigation determined that retaliation occurred, whether the retaliation was an offense under chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).".

SEC. 544. EXTENSION OF THE REQUIREMENT FOR ANNUAL REPORT REGARDING SEXUAL ASSAULTS AND COORDINATION WITH RELEASE OF FAMILY ADVOCACY PROGRAM REPORT.

Section 1631 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 124 Stat. 4433; 10 U.S.C. 1561 note) is amended—

(1) in subsection (a), by striking "March 1, 2017" and inserting "March 1, 2021"; and

(2) by adding at the end the following new subsection:

"(g) COORDINATION OF RELEASE DATE BETWEEN ANNUAL REPORTS REGARDING SEXUAL ASSAULTS AND FAMILY ADVOCACY REPORT.—The Secretary of Defense shall ensure that the reports required under subsection (a) for a given year are delivered to the Committees on Armed Services of the Senate and House of Representatives simultaneously with the Family Advocacy Program report for that year regarding child abuse and domestic violence, as required by section 574 of the National Defense Authorization Act for Fiscal Year 2017.".

10 USC 1561 note.

SEC. 545. METRICS FOR EVALUATING THE EFFORTS OF THE ARMED FORCES TO PREVENT AND RESPOND TO RETALIATION IN CONNECTION WITH REPORTS OF SEXUAL ASSAULT IN THE ARMED FORCES.

(a) METRICS REQUIRED.—The Sexual Assault Prevention and Response Office of the Department of Defense shall establish and issue to the military departments metrics to be used to evaluate the efforts of the Armed Forces to prevent and respond to retaliation in connection with reports of sexual assault in the Armed Forces.

(b) BEST PRACTICES.—For purposes of enhancing and achieving uniformity in the efforts of the Armed Forces to prevent and respond to retaliation in connection with reports of sexual assault in the Armed Forces, the Sexual Assault Prevention and Response Office shall identify and issue to the military departments best practices to be used in the prevention of and response to retaliation in connection with such reports.

10 USC 1561 note.

SEC. 546. TRAINING FOR DEPARTMENT OF DEFENSE PERSONNEL WHO INVESTIGATE CLAIMS OF RETALIATION.

(a) TRAINING REGARDING NATURE AND CONSEQUENCES OF RETALIATION.—The Secretary of Defense shall ensure that the personnel of the Department of Defense specified in subsection (b) who investigate claims of retaliation receive training on the nature and consequences of retaliation, and, in cases involving reports of sexual assault, the nature and consequences of sexual assault trauma. The training shall include such elements as the Secretary shall specify for purposes of this section.

(b) COVERED PERSONNEL.—The personnel of the Department of Defense covered by subsection (a) are the following:

(1) Personnel of military criminal investigation services.

(2) Personnel of Inspectors General offices.

(3) Personnel of any command of the Armed Forces who are assignable by the commander of such command to investigate claims of retaliation made by or against members of such command.

(c) RETALIATION DEFINED.—In this section, the term "retaliation" has the meaning given the term by the Secretary of Defense in the strategy required by section 539 of the National Defense Authorization Act of Fiscal Year 2016 (Public Law 114–92; 129 Stat. 818) or a subsequent meaning specified by the Secretary.

10 USC 1561 note.

SEC. 547. NOTIFICATION TO COMPLAINANTS OF RESOLUTION OF INVESTIGATIONS INTO RETALIATION.

(a) NOTIFICATION REQUIRED.—

(1) MEMBERS OF THE ARMY, NAVY, AIR FORCE, AND MARINE CORPS.—Under regulations prescribed by the Secretary of Defense, upon the conclusion of an investigation by an office, element, or personnel of the Department of Defense or of the Armed Forces of a complaint by a member of the Armed Forces of retaliation, the member shall be informed in writing of the results of the investigation, including whether the complaint was substantiated, unsubstantiated, or dismissed.

(2) MEMBERS OF COAST GUARD.—The Secretary of Homeland Security shall provide in a similar manner for notification in writing of the results of investigations by offices, elements, or personnel of the Department of Homeland Security or of the Coast Guard of complaints of retaliation made by members

of the Coast Guard when it is not operating as a service in the Navy.

(b) RETALIATION DEFINED.—In this section, the term "retaliation" has the meaning given the term by the Secretary of Defense in the strategy required by section 539 of the National Defense Authorization Act of Fiscal Year 2016 (Public Law 114–92; 129 Stat. 818) or a subsequent meaning specified by the Secretary.

SEC. 548. MODIFICATION OF DEFINITION OF SEXUAL HARASSMENT FOR PURPOSES OF INVESTIGATIONS BY COMMANDING OFFICERS OF COMPLAINTS OF HARASSMENT.

(a) IN GENERAL.—Section 1561(e) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "(constituting a form of sex discrimination)"; and

(B) in subparagraph (B), by striking "the work environment" and inserting "the environment"; and

(2) in paragraph (3), by striking "in the workplace".

10 USC 1561 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to complaints described in section 1561 of title 10, United States Code, that are first received by a commanding officer or officer in charge on or after that date.

10 USC 113 note.

SEC. 549. IMPROVED DEPARTMENT OF DEFENSE PREVENTION OF AND RESPONSE TO HAZING IN THE ARMED FORCES.

(a) ANTI-HAZING DATABASE.—The Secretary of Defense shall provide for the establishment and use of a comprehensive and consistent data-collection system for the collection of reports, including anonymous reports, of incidents of hazing involving a member of the Armed Forces. The Secretary shall issue department-wide guidance regarding the availability and use of the database, including information on protected classes, such as race and religion, who are often the victims of hazing.

(b) IMPROVED TRAINING.—Each Secretary of a military department, in consultation with the Chief of Staff of each Armed Force under the jurisdiction of such Secretary, shall seek to improve training to assist members of the Armed Forces better recognize, prevent, and respond to hazing at all command levels.

(c) ANNUAL REPORTS ON HAZING.—

(1) REPORT REQUIRED.—Not later than January 31 of each year through January 31, 2021, each Secretary of a military department, in consultation with the Chief of Staff of each Armed Force under the jurisdiction of such Secretary, shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing a description of efforts during the previous year—

(A) to prevent and to respond to incidents of hazing involving members of the Armed Forces;

(B) to track and encourage reporting, including reporting anonymously, incidents of hazing in the Armed Force; and

(C) to ensure the consistent implementation of anti-hazing policies.

(2) ADDITIONAL ELEMENTS.—Each report required by this subsection also shall address the same elements originally addressed in the anti-hazing reports required by section 534

of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat. 1726).

Subtitle F—National Commission on Military, National, and Public Service

SEC. 551. PURPOSE, SCOPE, AND DEFINITIONS.

(a) PURPOSE.—The purpose of this subtitle is to establish the National Commission on Military, National, and Public Service to—

(1) conduct a review of the military selective service process (commonly referred to as "the draft"); and

(2) consider methods to increase participation in military, national, and public service in order to address national security and other public service needs of the Nation.

(b) SCOPE OF REVIEW.—In order to provide the fullest understanding of the matters required under the review under subsection (a), the Commission shall consider—

(1) the need for a military selective service process, including the continuing need for a mechanism to draft large numbers of replacement combat troops;

(2) means by which to foster a greater attitude and ethos of service among United States youth, including an increased propensity for military service;

(3) the feasibility and advisability of modifying the military selective service process in order to obtain for military, national, and public service individuals with skills (such as medical, dental, and nursing skills, language skills, cyber skills, and science, technology, engineering, and mathematics (STEM) skills) for which the Nation has a critical need, without regard to age or sex; and

(4) the feasibility and advisability of including in the military selective service process, as so modified, an eligibility or entitlement for the receipt of one or more Federal benefits (such as educational benefits, subsidized or secured student loans, grants or hiring preferences) specified by the Commission for purposes of the review.

(c) DEFINITIONS.—In this subtitle:

(1) The term "military service" means active service (as that term is defined in subsection (d)(3) of section 101 of title 10, United States Code) in one of the uniformed services (as that term is defined in subsection (a)(5) of such section).

(2) The term "national service" means civilian employment in Federal or State Government in a field in which the Nation and the public have critical needs.

(3) The term "public service" means civilian employment in any non-governmental capacity, including with private for-profit organizations and non-profit organizations (including with appropriate faith-based organizations), that pursues and enhances the common good and meets the needs of communities, the States, or the Nation in sectors related to security, health, care for the elderly, and other areas considered appropriate by the Commission for purposes of this subtitle.

SEC. 552. PRELIMINARY REPORT ON PURPOSE AND UTILITY OF REGISTRATION SYSTEM UNDER MILITARY SELECTIVE SERVICE ACT.

(a) REPORT REQUIRED.—To assist the Commission in carrying out its duties under this subtitle, the Secretary of Defense shall—

(1) submit, not later than July 1, 2017, to the Committees on Armed Services of the Senate and the House of Representatives and to the Commission a report on the current and future need for a centralized registration system under the Military Selective Service Act (50 U.S.C. 3801 et seq.); and

(2) provide a briefing on the results of the report.

(b) ELEMENTS OF REPORT.—The report required by subsection (a) shall include the following:

(1) A detailed analysis of the current benefits derived, both directly and indirectly, from the Military Selective Service System, including—

(A) the extent to which mandatory registration benefits military recruiting;

(B) the extent to which a national registration capability serves as a deterrent to potential enemies of the United States; and

(C) the extent to which expanding registration to include women would impact these benefits.

(2) An analysis of the functions currently performed by the Selective Service System that would be assumed by the Department of Defense in the absence of a national registration capability.

(3) An analysis of the systems, manpower, and facilities that would be needed by the Department to physically mobilize inductees in the absence of the Selective Service System.

(4) An analysis of the feasibility and utility of eliminating the current focus on mass mobilization of primarily combat troops in favor of a system that focuses on mobilization of all military occupational specialties, and the extent to which such a change would impact the need for both male and female inductees.

(5) A detailed analysis of the Department's personnel needs in the event of an emergency requiring mass mobilization, including—

(A) a detailed timeline, along with the factors considered in arriving at this timeline, of when the Department would require—

(i) the first inductees to report for service;

(ii) the first 100,000 inductees to report for service; and

(iii) the first medical personnel to report for service; and

(B) an analysis of any additional critical skills that would be needed in the event of a national emergency, and a timeline for when the Department would require the first inductees to report for service.

(6) A list of the assumptions used by the Department when conducting its analysis in preparing the report.

(c) COMPTROLLER GENERAL REVIEW.—Not later than December 1, 2017, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House

of Representatives and to the Commission a review of the procedures used by the Department of Defense in evaluating selective service requirements.

SEC. 553. NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE.

(a) ESTABLISHMENT.—There is established in the executive branch an independent commission to be known as the National Commission on Military, National, and Public Service (in this subtitle referred to as the "Commission"). The Commission shall be considered an independent establishment of the Federal Government as defined by section 104 of title 5, United States Code, and a temporary organization under section 3161 of such title.

(b) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 11 members appointed as follows:

(A) The President shall appoint three members.

(B) The Majority Leader of the Senate shall appoint one member.

(C) The Minority Leader of the Senate shall appoint one member.

(D) The Speaker of the House of Representatives shall appoint one member.

(E) The Minority Leader of the House of Representatives shall appoint one member.

(F) The Chairman of the Committee on Armed Services of the Senate shall appoint one member.

(G) The ranking minority member of the Committee on Armed Services of the Senate shall appoint one member.

(H) The Chairman of the Committee on Armed Services of the House of Representatives shall appoint one member.

(I) The ranking minority member of the Committee on Armed Services of the House of Representatives shall appoint one member.

(2) DEADLINE FOR APPOINTMENT.—Members shall be appointed to the Commission under paragraph (1) not later than 90 days after the Commission establishment date.

(3) EFFECT OF LACK OF APPOINTMENT BY APPOINTMENT DATE.—If one or more appointments under subparagraph (A) of paragraph (1) is not made by the appointment date specified in paragraph (2), the authority to make such appointment or appointments shall expire, and the number of members of the Commission shall be reduced by the number equal to the number of appointments so not made. If an appointment under subparagraph (B), (C), (D), (E), (F), (G), (H), or (I) of paragraph (1) is not made by the appointment date specified in paragraph (2), the authority to make an appointment under such subparagraph shall expire, and the number of members of the Commission shall be reduced by the number equal to the number otherwise appointable under such subparagraph.

(c) CHAIR AND VICE CHAIR.—The Commission shall elect a Chair and Vice Chair from among its members.

(d) TERMS.—Members shall be appointed for the life of the Commission. A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner as the original appointment was made.

(e) STATUS AS FEDERAL EMPLOYEES.—Notwithstanding the requirements of section 2105 of title 5, United States Code, including the required supervision under subsection (a)(3) of such section, the members of the Commission shall be deemed to be Federal employees.

(f) PAY FOR MEMBERS OF THE COMMISSION.—

(1) IN GENERAL.—Each member, other than the Chair, of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) CHAIR.—The Chair of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level III of the Executive Schedule under section 5314, of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(g) USE OF GOVERNMENT INFORMATION.—The Commission may secure directly from any department or agency of the Federal Government such information as the Commission considers necessary to carry out its duties. Upon such request of the chair of the Commission, the head of such department or agency shall furnish such information to the Commission.

(h) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(i) AUTHORITY TO ACCEPT GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services, goods, and property from non-Federal entities for the purposes of aiding and facilitating the work of the Commission. The authority in this subsection does not extend to gifts of money.

(j) PERSONAL SERVICES.—

(1) AUTHORITY TO PROCURE.—The Commission may—

(A) procure the services of experts or consultants (or of organizations of experts or consultants) in accordance with the provisions of section 3109 of title 5, United States Code; and

(B) pay in connection with such services travel expenses of individuals, including transportation and per diem in lieu of subsistence, while such individuals are traveling from their homes or places of business to duty stations.

(2) LIMITATION.—The total number of experts or consultants procured pursuant to paragraph (1) may not exceed five experts or consultants.

(3) MAXIMUM DAILY PAY RATES.—The daily rate paid an expert or consultant procured pursuant to paragraph (1) may not exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(k) FUNDING.—Of the amounts authorized to be appropriated by this Act for fiscal year 2017 for the Department of Defense, up to $15,000,000 shall be made available to the Commission to carry out its duties under this subtitle. Funds made available

to the Commission under the preceding sentence shall remain available until expended.

SEC. 554. COMMISSION HEARINGS AND MEETINGS.

(a) IN GENERAL.—The Commission shall conduct hearings on the recommendations it is taking under consideration. Any such hearing, except a hearing in which classified information is to be considered, shall be open to the public. Any hearing open to the public shall be announced on a Federal website at least 14 days in advance. For all hearings open to the public, the Commission shall release an agenda and a listing of materials relevant to the topics to be discussed. The Commission is authorized and encouraged to hold hearings and meetings in various locations throughout the country to provide maximum opportunity for public comment and participation in the Commission's execution of its duties.

(b) MEETINGS.—

(1) INITIAL MEETING.—The Commission shall hold its initial meeting not later than 30 days after the date as of which all members have been appointed.

(2) SUBSEQUENT MEETINGS.—After its initial meeting, the Commission shall meet upon the call of the chair or a majority of its members.

(3) PUBLIC MEETINGS.—Each meeting of the Commission shall be held in public unless any member objects or classified information is to be considered.

(c) QUORUM.—Six members of the Commission shall constitute a quorum, but a lesser number may hold hearings or meetings.

(d) PUBLIC COMMENTS.—

(1) SOLICITATION.—The Commission shall seek written comments from the general public and interested parties on matters of the Commission's review under this subtitle. Comments shall be requested through a solicitation in the Federal Register and announcement on the Internet website of the Commission.

(2) PERIOD FOR SUBMITTAL.—The period for the submittal of comments pursuant to the solicitation under paragraph (1) shall end not earlier than 30 days after the date of the solicitation and shall end on or before the date on which recommendations are transmitted to the Commission under section 555(d).

(3) USE BY COMMISSION.—The Commission shall consider the comments submitted under this subsection when developing its recommendations.

(e) SPACE FOR USE OF COMMISSION.—Not later than 90 days after the date of the enactment of this Act, the Administrator of General Services, in consultation with the Secretary, shall identify and make available suitable excess space within the Federal space inventory to house the operations of the Commission. If the Administrator is not able to make such suitable excess space available within such 90-day period, the Commission may lease space to the extent the funds are available.

(f) CONTRACTING AUTHORITY.—The Commission may acquire administrative supplies and equipment for Commission use to the extent funds are available.

SEC. 555. PRINCIPLES AND PROCEDURE FOR COMMISSION RECOMMENDATIONS.

(a) CONTEXT OF COMMISSION REVIEW.—The Commission shall—

(1) conduct a review of the military selective service process; and

(2) consider methods to increase participation in military, national, and public service opportunities to address national security and other public service needs of the Nation.

(b) DEVELOPMENT OF COMMISSION RECOMMENDATIONS.—The Commission shall develop recommendations on the matters subject to its review under subsection (a) that are consistent with the principles established by the President under subsection (c).

(c) PRESIDENTIAL PRINCIPLES.—

(1) IN GENERAL.—Not later than three months after the Commission establishment date, the President shall establish and transmit to the Commission and Congress principles for reform of the military selective service process, including means by which to best acquire for the Nation skills necessary to meet the military, national, and public service requirements of the Nation in connection with that process.

(2) ELEMENTS.—The principles required under this subsection shall address the following:

(A) Whether, in light of the current and predicted global security environment and the changing nature of warfare, there continues to be a continuous or potential need for a military selective service process designed to produce large numbers of combat members of the Armed Forces, and if so, whether such a system should include mandatory registration by all citizens and residents, regardless of sex.

(B) The need, and how best to meet the need, of the Nation, the military, the Federal civilian sector, and the private sector (including the non-profit sector) for individuals possessing critical skills and abilities, and how best to employ individuals possessing those skills and abilities for military, national, or public service.

(C) How to foster within the Nation, particularly among United States youth, an increased sense of service and civic responsibility in order to enhance the acquisition by the Nation of critically needed skills through education and training, and how best to acquire those skills for military, national, or public service.

(D) How to increase a propensity among United States youth for service in the military, or alternatively in national or public service, including how to increase the pool of qualified applicants for military service.

(E) The need in Government, including the military, and in the civilian sector to increase interest, education, and employment in certain critical fields, including science, technology, engineering, and mathematics (STEM), national security, cyber, linguistics and foreign language, education, health care, and the medical professions.

(F) How military, national, and public service may be incentivized, including through educational benefits, grants, federally-insured loans, Federal or State hiring preferences, or other mechanisms that the President considers appropriate.

(G) Any other matters the President considers appropriate for purposes of this subtitle.

(d) CABINET RECOMMENDATIONS.—Not later than seven months after the Commission establishment date, the Secretary of Defense, the Attorney General, the Secretary of Homeland Security, the Secretary of Labor, and such other Government officials, and such experts, as the President shall designate for purposes of this subsection shall jointly transmit to the Commission and Congress recommendations for the reform of the military selective service process and military, national, and public service in connection with that process.

(e) COMMISSION REPORT AND RECOMMENDATIONS.—

(1) REPORT.—Not later than 30 months after the Commission establishment date, the Commission shall transmit to the President and Congress a report containing the findings and conclusions of the Commission, together with the recommendations of the Commission regarding the matters reviewed by the Commission pursuant to this subtitle. The Commission shall include in the report legislative language and recommendations for administrative action to implement the recommendations of the Commission. The findings and conclusions in the report shall be based on the review and analysis by the Commission of the recommendations made under subsection (d).

(2) REQUIREMENT FOR APPROVAL.—The recommendations of the Commission must be approved by at least five members of the Commission before the recommendations may be transmitted to the President and Congress under paragraph (1).

(3) PUBLIC AVAILABILITY.—The Commission shall publish a copy of the report required by paragraph (1) on an Internet website available to the public on the same date on which it transmits that report to the President and Congress under that paragraph.

(f) JUDICIAL REVIEW PRECLUDED.—Actions under this section of the President, the officials specified or designated under subsection (d), and the Commission shall not be subject to judicial review.

SEC. 556. EXECUTIVE DIRECTOR AND STAFF.

(a) EXECUTIVE DIRECTOR.—The Commission shall appoint and fix the rate of basic pay for an Executive Director in accordance with section 3161 of title 5, United States Code.

(b) STAFF.—Subject to subsections (c) and (d), the Executive Director, with the approval of the Commission, may appoint and fix the rate of basic pay for additional personnel as staff of the Commission in accordance with section 3161 of title 5, United States Code.

(c) LIMITATIONS ON STAFF.—

(1) NUMBER OF DETAILEES FROM EXECUTIVE DEPARTMENTS.—Not more than one-third of the personnel employed by or detailed to the Commission may be on detail from the Department of Defense and other executive branch departments.

(2) PRIOR DUTIES WITHIN EXECUTIVE BRANCH.—A person may not be detailed from the Department of Defense or other executive branch department to the Commission if, in the year before the detail is to begin, that person participated personally and substantially in any matter concerning the preparation

of recommendations for the military selective service process and military and public service in connection with that process.

(d) LIMITATIONS ON PERFORMANCE REVIEWS.—No member of the uniformed services, and no officer or employee of the Department of Defense or other executive branch department (other than a member of the uniformed services or officer or employee who is detailed to the Commission), may—

(1) prepare any report concerning the effectiveness, fitness, or efficiency of the performance of the staff of the Commission or any person detailed to that staff;

(2) review the preparation of such a report (other than for administrative accuracy); or

(3) approve or disapprove such a report.

SEC. 557. TERMINATION OF COMMISSION.

Except as otherwise provided in this subtitle, the Commission shall terminate not later than 36 months after the Commission establishment date.

Subtitle G—Member Education, Training, Resilience, and Transition

SEC. 561. MODIFICATION OF PROGRAM TO ASSIST MEMBERS OF THE ARMED FORCES IN OBTAINING PROFESSIONAL CREDENTIALS.

(a) SCOPE OF PROGRAM.—Section 2015(a)(1) of title 10, United States Code, is amended by striking "incident to the performance of their military duties".

(b) QUALITY ASSURANCE OF CERTIFICATION PROGRAMS AND STANDARDS.—Section 2015(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "is accredited by an accreditation body that" and all that follows and inserting "meets one of the requirements specified in paragraph (2)."; and

(2) by striking paragraph (2) and inserting the following new paragraph (2):

"(2) The requirements for a credentialing program specified in this paragraph are that the credentialing program—

"(A) is accredited by a nationally-recognized, third-party personnel certification program accreditor;

"(B)(i) is sought or accepted by employers within the industry or sector involved as a recognized, preferred, or required credential for recruitment, screening, hiring, retention, or advancement purposes; and

"(ii) where appropriate, is endorsed by a nationally-recognized trade association or organization representing a significant part of the industry or sector;

"(C) grants licenses that are recognized by the Federal Government or a State government; or

"(D) meets credential standards of a Federal agency.".

SEC. 562. INCLUSION OF ALCOHOL, PRESCRIPTION DRUG, OPIOID, AND OTHER SUBSTANCE ABUSE COUNSELING AS PART OF REQUIRED PRESEPARATION COUNSELING.

Section 1142(b)(11) of title 10, United States Code, is amended by inserting before the period the following: "and information concerning the availability of treatment options and resources to address substance abuse, including alcohol, prescription drug, and opioid abuse".

SEC. 563. INCLUSION OF INFORMATION IN TRANSITION ASSISTANCE PROGRAM REGARDING EFFECT OF RECEIPT OF BOTH VETERAN DISABILITY COMPENSATION AND VOLUNTARY SEPARATION PAY.

Section 1144(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(10) Provide information regarding the required deduction, pursuant to subsection (h) of section 1175a of this title, from disability compensation paid by the Secretary of Veterans Affairs of amounts equal to any voluntary separation pay received by the member under such section.".

SEC. 564. TRAINING UNDER TRANSITION ASSISTANCE PROGRAM ON CAREER AND EMPLOYMENT OPPORTUNITIES ASSOCIATED WITH TRANSPORTATION SECURITY CARDS.

(a) IN GENERAL.—Section 1144(b) of title 10, United States Code, as amended by section 563, is further amended by adding at the end the following new paragraph:

"(11) Acting through the Secretary of the department in which the Coast Guard is operating, provide information on career and employment opportunities available to members with transportation security cards issued under section 70105 of title 46.".

10 USC 1144 note.

(b) DEADLINE FOR IMPLEMENTATION.—The program carried out under section 1144 of title 10, United States Code, shall satisfy the requirements of subsection (b)(11) of such section (as added by subsection (a) of this section) by not later than 180 days after the date of the enactment of this Act.

SEC. 565. EXTENSION OF SUICIDE PREVENTION AND RESILIENCE PROGRAM.

Section 10219(g) of title 10, United States Code, is amended by striking "October 1, 2017" and inserting "October 1, 2018".

SEC. 566. CONGRESSIONAL NOTIFICATION IN ADVANCE OF APPOINTMENTS TO SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4342(a) of title 10, United States Code, is amended in the matter after paragraph (10) by adding at the end the following new sentence: "When a nominee of a Senator, Representative, or Delegate is selected for appointment as a cadet, the Senator, Representative, or Delegate shall be notified at least 48 hours before the official notification or announcement of the appointment is made.".

(b) UNITED STATES NAVAL ACADEMY.—Section 6954(a) of title 10, United States Code, is amended in the matter after paragraph (10) by adding at the end the following new sentence: "When a nominee of a Senator, Representative, or Delegate is selected for appointment as a midshipman, the Senator, Representative, or

Delegate shall be notified at least 48 hours before the official notification or announcement of the appointment is made.''.

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9342(a) of title 10, United States Code, is amended in the matter after paragraph (10) by adding at the end the following new sentence: ''When a nominee of a Senator, Representative, or Delegate is selected for appointment as a cadet, the Senator, Representative, or Delegate shall be notified at least 48 hours before the official notification or announcement of the appointment is made.''.

(d) UNITED STATES MERCHANT MARINE ACADEMY.—Section 51302 of title 46, United States Code, is amended by adding at the end the following:

''(e) CONGRESSIONAL NOTIFICATION IN ADVANCE OF APPOINTMENTS.—When a nominee of a Senator, Representative, or Delegate is selected for appointment as a cadet, the Senator, Representative, or Delegate shall be notified at least 48 hours before the official notification or announcement of the appointment is made.''.

10 USC 4342 note.

(e) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply with respect to the appointment of cadets and midshipmen to the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, and the United States Merchant Marine Academy for classes entering these service academies after January 1, 2018.

SEC. 567. REPORT AND GUIDANCE ON JOB TRAINING, EMPLOYMENT SKILLS TRAINING, APPRENTICESHIPS, AND INTERNSHIPS AND SKILLBRIDGE INITIATIVES FOR MEMBERS OF THE ARMED FORCES WHO ARE BEING SEPARATED.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Under Secretary of Defense for Personnel and Readiness shall submit to the Committees on Armed Services of the Senate and the House of Representatives, and make available to the public, a report evaluating the success of the Job Training, Employment Skills Training, Apprenticeships, and Internships (known as JTEST–AI) and SkillBridge initiatives, under which civilian businesses and companies make available to members of the Armed Forces who are being separated from the Armed Forces training or internship opportunities that offer a high probability of employment for the members after their separation.

(b) ELEMENTS.—In preparing the report required by subsection (a), the Under Secretary of Defense for Personnel and Readiness shall use the effectiveness metrics described in Enclosure 5 of Department of Defense Instruction No. 1322.29. The report shall include the following:

(1) An assessment of the successes of the Job Training, Employment Skills Training, Apprenticeships, and Internships and SkillBridge initiatives.

(2) Recommendations by the Under Secretary on ways in which the administration of the initiatives could be improved.

(3) Recommendations by civilian companies participating in the initiatives on ways in which the administration of the initiatives could be improved.

SEC. 568. MILITARY-TO-MARINER TRANSITION.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of the department in which the Coast Guard is operating shall

jointly report to the Committee on Armed Services and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate on steps the Departments of Defense and Homeland Security have taken or intend to take—

(1) to maximize the extent to which United States Armed Forces service, training, and qualifications are creditable toward meeting the laws and regulations governing United States merchant mariner license, certification, and document laws and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, including steps to enhance interdepartmental coordination; and

(2) to promote better awareness among Armed Forces personnel who serve in vessel operating positions of the requirements for postservice use of Armed Forces training, education, and practical experience in satisfaction of requirements for merchant mariner credentials under section 11.213 of title 46, Code of Federal Regulations, and the need to document such service in a manner suitable for post-service use.

(b) LIST OF TRAINING PROGRAMS.—The report under subsection (a) shall include a list of Army, Navy, and Coast Guard training programs open to Army, Navy, and Coast Guard vessel operators, respectively, that shows—

(1) which programs have been approved for credit toward merchant mariner credentials;

(2) which programs are under review for such approval;

(3) which programs are not relevant to the training needed for merchant mariner credentials; and

(4) which programs could become eligible for credit toward merchant mariner credentials with minor changes.

Subtitle H—Defense Dependents' Education and Military Family Readiness Matters

SEC. 571. CONTINUATION OF AUTHORITY TO ASSIST LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) ASSISTANCE TO SCHOOLS WITH SIGNIFICANT NUMBERS OF MILITARY DEPENDENT STUDENTS.—Of the amount authorized to be appropriated for fiscal year 2017 by section 301 and available for operation and maintenance for Defense-wide activities as specified in the funding table in division D, $30,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (a) of section 572 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 20 U.S.C. 7703b).

(b) IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.—Of the amount authorized to be appropriated for fiscal year 2017 by section 301 and available for operation and maintenance for Defense-wide activities as specified in the funding table in section 4301, $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act

for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77; 20 U.S.C. 7703a).

(c) LOCAL EDUCATIONAL AGENCY DEFINED.—In this section, the term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 572. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO THE TRANSITION AND SUPPORT OF MILITARY DEPENDENT STUDENTS TO LOCAL EDUCATIONAL AGENCIES.

(a) EXTENSION.—Section 574(c)(3) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (20 U.S.C. 7703b note) is amended by striking "September 30, 2016" and inserting "September 30, 2017".

20 USC 7703b note.

(b) INFORMATION TO BE INCLUDED WITH FUTURE REQUESTS FOR EXTENSION.—The budget justification materials that accompany any budget of the President for a fiscal year after fiscal year 2017 (as submitted to Congress pursuant to section 1105 of title 31, United States Code) that includes a request for the extension of section 574(c) of the John Warner National Defense Authorization Act for Fiscal Year 2007 shall include the following:

(1) A full accounting of the expenditure of funds pursuant to such section 574(c) during the last fiscal year ending before the date of the submittal of the budget.

(2) An assessment of the impact of the expenditure of such funds on the quality of opportunities for elementary and secondary education made available for military dependent students.

50 USC 3938a.

SEC. 573. ANNUAL NOTICE TO MEMBERS OF THE ARMED FORCES REGARDING CHILD CUSTODY PROTECTIONS GUARANTEED BY THE SERVICEMEMBERS CIVIL RELIEF ACT.

The Secretaries of each of the military departments shall ensure that each member of the Armed Forces with dependents receives annually, and prior to each deployment, notice of the child custody protections afforded to members of the Armed Forces under the Servicemembers Civil Relief Act (50 U.S.C. 3901 et seq.).

SEC. 574. REQUIREMENT FOR ANNUAL FAMILY ADVOCACY PROGRAM REPORT REGARDING CHILD ABUSE AND DOMESTIC VIOLENCE.

(a) ANNUAL REPORT ON CHILD ABUSE AND DOMESTIC VIOLENCE.—Not later than April 30, 2017, and annually thereafter through April 30, 2021, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the child abuse and domestic abuse incident data from the Department of Defense Family Advocacy Program central registry of child abuse and domestic abuse incidents for the preceding calendar year.

(b) CONTENTS.—The report shall contain each of the following:

(1) The number of incidents reported during the year covered by the report involving—

(A) spouse physical or sexual abuse;

(B) intimate partner physical or sexual abuse;

(C) child physical or sexual abuse; and

(D) child or domestic abuse resulting in a fatality.

(2) An analysis of the number of such incidents that met the criteria for substantiation.

(3) An analysis of—

(A) the types of abuse reported;

(B) for cases involving children as the reported victims of the abuse, the ages of the abused children; and

(C) other relevant characteristics of the reported victims.

(4) An analysis of the military status, sex, and pay grade of the alleged perpetrator of the child or domestic abuse.

(5) An analysis of the effectiveness of the Family Advocacy Program.

(c) COORDINATION OF RELEASE DATE BETWEEN ANNUAL REPORTS REGARDING SEXUAL ASSAULTS AND FAMILY ADVOCACY PROGRAM REPORT.—The Secretary of Defense shall ensure that the sexual assault reports required to be submitted under section 1631(d) of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 (Public Law 111–383; 10 U.S.C. 1561 note) for a year are delivered to the Committees on Armed Services of the House of Representatives and the Senate simultaneously with the report for that year required under this section.

10 USC 1787 note.

SEC. 575. REPORTING ON ALLEGATIONS OF CHILD ABUSE IN MILITARY FAMILIES AND HOMES.

(a) REPORTS TO FAMILY ADVOCACY PROGRAM OFFICES.—

(1) IN GENERAL.—The following information shall be reported immediately to the Family Advocacy Program office at the military installation to which the member of the Armed Forces concerned is assigned:

(A) Credible information (which may include a reasonable belief), obtained by any individual within the chain of command of the member, that a child in the family or home of the member has suffered an incident of child abuse.

(B) Information, learned by a member of the Armed Forces engaged in a profession or activity described in section 226(b) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13031(b)) for members of the Armed Forces and their dependents, that gives reason to suspect that a child in the family or home of the member has suffered an incident of child abuse.

(2) REGULATIONS.—The Secretary of Defense and the Secretary of Homeland Security (with respect to the Coast Guard when it is not operating as a service in the Navy) shall jointly prescribe regulations to carry out this subsection.

(3) CHILD ABUSE DEFINED.—In this subsection, the term "child abuse" has the meaning given that term in section 226(c) of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13031(c)).

(b) REPORTS TO STATE CHILD WELFARE SERVICES.—Section 226 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13031) is amended—

(1) in subsection (a), by inserting " and to the agency or agencies provided for in subsection (e), if applicable" before the period;

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

(3) by inserting after subsection (d) the following new subsection (e):

"(e) REPORTERS AND RECIPIENT OF REPORT INVOLVING CHILDREN AND HOMES OF MEMBERS OF THE ARMED FORCES.—

"(1) RECIPIENTS OF REPORTS.—In the case of an incident described in subsection (a) involving a child in the family or home of member of the Armed Forces (regardless of whether the incident occurred on or off a military installation), the report required by subsection (a) shall be made to the appropriate child welfare services agency or agencies of the State in which the child resides. The Attorney General, the Secretary of Defense, and the Secretary of Homeland Security (with respect to the Coast Guard when it is not operating as a service in the Navy) shall jointly, in consultation with the chief executive officers of the States, designate the child welfare service agencies of the States that are appropriate recipients of reports pursuant to this subsection. Any report on an incident pursuant to this subsection is in addition to any other report on the incident pursuant to this section.

"(2) MAKERS OF REPORTS.—For purposes of the making of reports under this section pursuant to this subsection, the persons engaged in professions and activities described in subsection (b) shall include members of the Armed Forces who are engaged in such professions and activities for members of the Armed Forces and their dependents.".

SEC. 576. REPEAL OF ADVISORY COUNCIL ON DEPENDENTS' EDUCATION.

Section 1411 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 929) is repealed.

SEC. 577. SUPPORT FOR PROGRAMS PROVIDING CAMP EXPERIENCE FOR CHILDREN OF MILITARY FAMILIES.

10 USC 1781 note.

(a) AUTHORITY TO PROVIDE SUPPORT.—The Secretary of Defense may provide financial or non-monetary support to qualified nonprofit organizations in order to assist such organizations in carrying out programs to support the attendance at a camp, or camp-like setting, of children of military families who have experienced the death of a family member or other loved one or who have another family member living with a substance use disorder or post-traumatic stress disorder.

(b) APPLICATION FOR SUPPORT.—

(1) IN GENERAL.—Each organization seeking support pursuant to subsection (a) shall submit to the Secretary of Defense an application therefor containing such information as the Secretary shall specify for purposes of this section.

(2) CONTENTS.—Each application submitted under paragraph (1) shall include the following:

(A) A description of the program for which support is being sought, including the location of the setting or settings under the program, the duration of such setting or settings, any local partners participating in or contributing to the program, and the ratio of counselors, trained volunteers, or both to children at such setting or settings.

(B) An estimate of the number of children of military families to be supported using the support sought.

(C) A description of the type of activities that will be conducted using the support sought, including the manner in which activities are particularly supportive to children of military families described in subsection (a).

(D) A description of the outreach conducted or to be conducted by the organization to military families regarding the program.

(c) USE OF SUPPORT.—Support provided by the Secretary of Defense to an organization pursuant to subsection (a) shall be used by the organization to support attendance at a camp, or camp-like setting, of children of military families described in subsection (a).

SEC. 578. COMPTROLLER GENERAL OF THE UNITED STATES ASSESSMENT AND REPORT ON EXCEPTIONAL FAMILY MEMBER PROGRAMS.

(a) ASSESSMENT AND REPORT REQUIRED.—

(1) ASSESSMENT.—The Comptroller General of the United States shall conduct an assessment on the effectiveness of each Exceptional Family Member Program of the Armed Forces.

(2) REPORT.—Not later than December 31, 2017, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the assessment conducted under this subsection.

(b) ELEMENTS.—The assessment and report under subsection (a) shall address the following:

(1) The differences between each Exceptional Family Member Program of the Armed Forces.

(2) The manner in which Exceptional Family Member Programs are implemented on joint bases and installations.

(3) The extent to which military family members are screened for potential coverage under an Exceptional Family Member Program and the manner of such screening.

(4) The degree to which conditions of military family members who qualify for coverage under an Exceptional Family Member Program are taken into account in making assignments of military personnel.

(5) The types of services provided to address the needs of military family members who qualify for coverage under an Exceptional Family Member Program.

(6) The extent to which the Department of Defense has implemented specific directives for providing family support and enhanced case management services, such as special needs navigators, to military families with special needs children.

(7) The extent to which the Department has conducted periodic reviews of best practices in the United States for the provision of medical and educational services to military family members with special needs.

(8) The necessity in the Department for an advisory panel on community support for military families members with special needs.

(9) The development and implementation of the uniform policy for the Department regarding families with special needs required by section 1781c(e) of title 10, United States Code.

(10) The implementation by each Armed Force of the recommendations in the Government Accountability Report entitled "Military Dependent Students, Better Oversight Needed to Improve Services for Children with Special Needs" (GAO–12–680).

SEC. 579. IMPACT AID AMENDMENTS.

20 USC 7703 note.

(a) MILITARY "BUILD TO LEASE" PROGRAM HOUSING.—Notwithstanding section 5(d) of the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1806), the amendment made by section 7004(1) of such Act (Public Law 114–95; 129 Stat. 2077)—

(1) for fiscal year 2016—

(A) shall be applied as if amending section 8003(a)(5)(A) of the Elementary and Secondary Education Act of 1965, as in effect on the day before the date of enactment of the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802); and

(B) shall be applicable with respect to appropriations for use under title VIII of the Elementary and Secondary Education Act of 1965 (Public Law 114–95; 129 Stat. 1802); and

(2) for fiscal year 2017 and each succeeding fiscal year, shall be in effect with respect to appropriations for use under title VII of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802).

(b) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—

(1) AMENDMENT.—Subclause (I) of section 7003(b)(2)(B)(i) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(B)(i)(I)) is amended to read as follows:

"(I) is a local educational agency—

"(aa) whose boundaries are the same as a Federal military installation; or

"(bb)(AA) whose boundaries are the same as an island property designated by the Secretary of the Interior to be property that is held in trust by the Federal Government; and

"(BB) that has no taxing authority;".

20 USC 7703 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect with respect to appropriations for use under title VII of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802), beginning with fiscal year 2017 and as if enacted as part of title VII of the Every Student Succeeds Act.

20 USC 7703 note.

(c) SPECIAL RULE REGARDING THE PER-PUPIL EXPENDITURE REQUIREMENT.—

(1) REFERENCES.—Except as otherwise expressly provided, any reference in this subsection to a section or other provision of title VII of the Elementary and Secondary Education Act of 1965 shall be considered to be a reference to the section or other provision of such title VII as amended by the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802).

(2) IN GENERAL.—Notwithstanding section 5(d) of the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1806) or section 7003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)), with respect to any application submitted under section 7005 of such Act (20 U.S.C. 7705) for eligibility consideration under subclause (II) or (V) of section 7003(b)(2)(B)(i) of such Act for fiscal year 2017, 2018, or 2019, the Secretary of Education shall determine that a local educational agency meets the per-pupil expenditure

requirement for purposes of such subclause (II) or (V), as applicable, only if—

(A) in the case of a local educational agency that received a basic support payment for fiscal year 2001 under section 8003(b)(2)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(B)) (as such section was in effect for such fiscal year), the agency, for the year for which the application is submitted, has a per-pupil expenditure that is less than the average per-pupil expenditure of the State in which the agency is located or the average per-pupil expenditure of all States (whichever average per-pupil expenditure is greater), except that a local educational agency with a total student enrollment of less than 350 students shall be deemed to have satisfied such per-pupil expenditure requirement; or

(B) in the case of a local educational agency that did not receive a basic support payment for fiscal year 2015 under such section 8003(b)(2)(B), as so in effect, the agency, for the year for which the application is submitted—

(i) has a total student enrollment of 350 or more students and a per-pupil expenditure that is less than the average per-pupil expenditure of the State in which the agency is located; or

(ii) has a total student enrollment of less than 350 students and a per-pupil expenditure that is less than the average per-pupil expenditure of a comparable local educational agency or 3 comparable local educational agencies (whichever average per-pupil expenditure is greater), in the State in which the agency is located.

(d) PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.—

(1) AMENDMENTS.—Section 7003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)), as amended by subsection (b) and sections 7001 and 7004 of the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 2074, 2077), is further amended—

(A) in subclause (IV) of subparagraph (B)(i)—

(i) in the matter preceding item (aa), by inserting "received a payment for fiscal year 2015 under section 8003(b)(2)(E) (as such section was in effect for such fiscal year) and" before "has";

(ii) in item (aa), by striking "50" and inserting "35"; and

(iii) by striking item (bb) and inserting the following:

"(bb)(AA) not less than 3,500 of such children are children described in subparagraphs (A) and (B) of subsection (a)(1); or

"(BB) not less than 7,000 of such children are children described in subparagraph (D) of subsection (a)(1);"; and

(B) in subparagraph (D)—

(i) in clause (i)—

(I) in subclause (I), by striking "clause (ii)" and inserting "clauses (ii), (iii), and (iv)"; and

(II) in subclause (II)—

(aa) by inserting "received a payment for fiscal year 2015 under section 8003(b)(2)(E) (as such section was in effect for such fiscal year) and" after "agency that";

(bb) by striking "50 percent" and inserting "35 percent";

(cc) by striking "subsection (a)(1) and not less than 5,000" and inserting the following: "subsection (a)(1) and—

"(aa) not less than 3,500"; and

(dd) by striking "subsection (a)(1)." and inserting the following: "subsection (a)(1); or

"(bb) not less than 7,000 of such children are children described in subparagraph (D) of subsection (a)(1).";

(ii) in clause (ii), by striking "shall be 1.35." and inserting the following: "shall be—

"(I) for fiscal year 2016, 1.35;

"(II) for each of fiscal years 2017 and 2018, 1.38;

"(III) for fiscal year 2019, 1.40;

"(IV) for fiscal year 2020, 1.42; and

"(V) for fiscal year 2021 and each fiscal year thereafter, 1.45."; and

(iii) by adding at the end the following:

"(iii) FACTOR FOR CHILDREN WHO LIVE OFF BASE.—For purposes of calculating the maximum amount described in clause (i), the factor used in determining the weighted student units under subsection (a)(2) with respect to children described in subsection (a)(1)(D) shall be—

"(I) for fiscal year 2016, .20;

"(II) for each of fiscal years 2017 and 2018, .22;

"(III) for each of fiscal years 2019 and 2020, .25; and

"(IV) for fiscal year 2021 and each fiscal year thereafter—

"(aa) .30 with respect to each of the first 7,000 children; and

"(bb) .25 with respect to the number of children that exceeds 7,000.

"(iv) SPECIAL RULE.—Notwithstanding clauses (ii) and (iii), for fiscal year 2020 or any succeeding fiscal year, if the number of students who are children described in subparagraphs (A) and (B) of subsection (a)(1) for a local educational agency subject to this subparagraph exceeds 7,000 for such year or the number of students who are children described in subsection (a)(1)(D) for such local educational agency exceeds 12,750 for such year, then—

"(I) the factor used, for the fiscal year for which the determination is being made, to determine the weighted student units under subsection (a)(2) with respect to children described in subparagraphs (A) and (B) of subsection (a)(1) shall be 1.40; and

"(II) the factor used, for such fiscal year, to determine the weighted student units under subsection (a)(2) with respect to children described in subsection (a)(1)(D) shall be .20.".

20 USC 7703 note.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect with respect to appropriations for use under title VII of the Elementary and Secondary Education Act of 1965 beginning with fiscal year 2017 and as if enacted as part of title VII of the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 2074).

20 USC 7703 note.

(3) SPECIAL RULES.—

(A) APPLICABILITY FOR FISCAL YEAR 2016.—Notwithstanding any other provision of law, in making basic support payments under section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) for fiscal year 2016, the Secretary of Education shall carry out subparagraphs (B)(i) and (E) of such section as if the amendments made to subparagraphs (B)(i)(IV) and (D) of section 7003(b)(2) of such Act (as amended and redesignated by this subsection and the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802)) had also been made to the corresponding provisions of section 8003(b)(2) of the Elementary and Secondary Education Act of 1965, as in effect on the day before the date of enactment of the Every Student Succeeds Act.

(B) LOSS OF ELIGIBILITY.—For fiscal year 2016 or any succeeding fiscal year, if a local educational agency is eligible for a basic support payment under subclause (IV) of section 7003(b)(2)(B)(i) of the Elementary and Secondary Education Act of 1965 (as amended by this section and the Every Student Succeeds Act (Public Law 114–95; 129 Stat. 1802)) or through a corresponding provision under subparagraph (A), such local educational agency shall be ineligible to apply for a payment for such fiscal year under any other subclause of such section (or, for fiscal year 2016, any other item of section 8003(b)(2)(B)(i)(II) of the Elementary and Secondary Education Act of 1965).

(C) PAYMENT AMOUNTS.—If, before the date of enactment of this Act, a local educational agency receives 1 or more payments under section 8003(b)(2)(E) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(E)) for fiscal year 2016, the sum of which is greater than the amount the Secretary of Education determines the local educational agency is entitled to receive under such section in accordance with subparagraph (A)—

(i) the Secretary shall allow the local educational agency to retain the larger amount; and

(ii) such local educational agency shall not be eligible to receive any additional payment under such section for fiscal year 2016.

Subtitle I—Decorations and Awards

SEC. 581. POSTHUMOUS ADVANCEMENT OF COLONEL GEORGE E. "BUD" DAY, UNITED STATES AIR FORCE, ON THE RETIRED LIST .

(a) ADVANCEMENT.—Colonel George E. "Bud" Day, United States Air Force (retired), is entitled to hold the rank of brigadier general while on the retired list of the Air Force.

(b) ADDITIONAL BENEFITS NOT TO ACCRUE.—The advancement of George E. "Bud" Day on the retired list of the Air Force under subsection (a) shall not affect the retired pay or other benefits from the United States to which George E. "Bud" Day would have been entitled based upon his military service or affect any benefits to which any other person may become entitled based on his military service.

SEC. 582. AUTHORIZATION FOR AWARD OF MEDALS FOR ACTS OF VALOR DURING CERTAIN CONTINGENCY OPERATIONS.

(a) AUTHORIZATION.—Notwithstanding the time limitations specified in sections 3744, 6248, and 8744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the Armed Forces, the President may award a medal specified in subsection (c) to a member or former member of the Armed Forces identified as warranting award of that medal pursuant to the review of valor award nominations for Operation Enduring Freedom, Operation Iraqi Freedom, Operation New Dawn, Operation Freedom's Sentinel, and Operation Inherent Resolve that was directed by the Secretary of Defense on January 7, 2016.

(b) AWARD OF MEDAL OF HONOR.—If, pursuant to the review referred to in subsection (a), the President decides to award to a member or former member of the Armed Forces the Medal of Honor, the medal may only be awarded after the Secretary of Defense submits to the Committees on Armed Services of the Senate and the House of Representatives a letter identifying the intended recipient of the Medal of Honor and the rationale for awarding the Medal of Honor to such intended recipient.

(c) MEDALS.—The medals covered by subsection (a) are any of the following:

(1) The Medal of Honor under section 3741, 6241, or 8741 of title 10, United States Code.

(2) The Distinguished-Service Cross under section 3742 of such title.

(3) The Navy Cross under section 6242 of such title.

(4) The Air Force Cross under section 8742 of such title.

(5) The Silver Star under section 3746, 6244, or 8746 of such title.

(d) TERMINATION.—No medal may be awarded under the authority of this section after December 31, 2019.

SEC. 583. AUTHORIZATION FOR AWARD OF THE MEDAL OF HONOR TO GARY M. ROSE AND JAMES C. MCCLOUGHAN FOR ACTS OF VALOR DURING THE VIETNAM WAR.

(a) GARY M. ROSE.—

(1) AUTHORIZATION.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or

any other time limitation with respect to the awarding of certain medals to persons who served in the Armed Forces, the President is authorized to award the Medal of Honor under section 3741 of such title to Gary M. Rose for the acts of valor described in paragraph (2).

(2) ACTS OF VALOR DESCRIBED.—The acts of valor referred to in paragraph (1) are the actions of Gary M. Rose in Laos from September 11 through 14, 1970, during the Vietnam War while a member of the United States Army, Military Assistance Command Vietnam-Studies and Observation Group (MACVSOG).

(b) JAMES C. MCCLOUGHAN.—

(1) AUTHORIZATION.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the Armed Forces, the President is authorized to award the Medal of Honor under section 3741 of such title to James C. McCloughan for the acts of valor described in paragraph (2).

(2) ACTS OF VALOR DESCRIBED.—The acts of valor referred to in paragraph (1) are the actions of James C. McCloughan during combat operations between May 13, 1969, and May 15, 1969, while serving as a Combat Medic with Company C, 3d Battalion, 21st Infantry, 196th Light Infantry Brigade, American Division, Republic of Vietnam, for which he was previously awarded the Bronze Star Medal with "V" Device.

SEC. 584. AUTHORIZATION FOR AWARD OF DISTINGUISHED-SERVICE CROSS TO FIRST LIEUTENANT MELVIN M. SPRUIELL FOR ACTS OF VALOR DURING WORLD WAR II.

(a) WAIVER OF TIME LIMITATIONS.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the Armed Forces, the Secretary of the Army may award the Distinguished-Service Cross under section 3742 of such title to First Lieutenant Melvin M. Spruiell of the Army for the acts of valor during World War II described in subsection (b).

(b) ACTS OF VALOR DESCRIBED.—The acts of valor referred to in subsection (a) are the actions of First Lieutenant Melvin M. Spruiell on June 10 and 11, 1944, as a member of the Army serving in France with the 377th Parachute Field Artillery, 101st Airborne Division.

SEC. 585. AUTHORIZATION FOR AWARD OF THE DISTINGUISHED SERVICE CROSS TO CHAPLAIN (FIRST LIEUTENANT) JOSEPH VERBIS LAFLEUR FOR ACTS OF VALOR DURING WORLD WAR II.

(a) AUTHORIZATION.—Notwithstanding the time limitations specified in section 3744 of title 10, United States Code, or any other time limitation with respect to the awarding of certain medals to persons who served in the Armed Forces, the Secretary of the Army may award the Distinguished Service Cross under section 3742 of that title to Chaplain (First Lieutenant) Joseph Verbis LaFleur for the acts of valor referred to in subsection (b).

(b) ACTS OF VALOR DESCRIBED.—The acts of valor referred to in subsection (a) are the actions of Chaplain (First Lieutenant)

Joseph Verbis LaFleur while interned as a prisoner-of- war by Japan from December 30, 1941, to September 7, 1944.

SEC. 586. REVIEW REGARDING AWARD OF MEDAL OF HONOR TO CERTAIN ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER WAR VETERANS.

10 USC 3741 note.

(a) REVIEW REQUIRED.—The Secretary of each military department shall review the service records of each Asian American and Native American Pacific Islander war veteran described in subsection (b) to determine whether that veteran should be awarded the Medal of Honor.

(b) COVERED VETERANS.—The Asian American and Native American Pacific Islander war veterans whose service records are to be reviewed under subsection (a) are any former members of the Armed Forces whose service records identify them as an Asian American or Native American Pacific Islander war veteran who was awarded the Distinguished-Service Cross, the Navy Cross, or the Air Force Cross during the Korean War or the Vietnam War.

(c) CONSULTATIONS.—In carrying out the review under subsection (a), the Secretary of each military department shall consult with such veterans service organizations as the Secretary considers appropriate.

(d) RECOMMENDATIONS BASED ON REVIEW.—If the Secretary concerned determines, based upon the review under subsection (a) of the service records of any Asian American or Native American Pacific Islander war veteran, that the award of the Medal of Honor to that veteran is warranted, the Secretary shall submit to the President a recommendation that the President award the Medal of Honor to that veteran.

(e) AUTHORITY TO AWARD MEDAL OF HONOR.—A Medal of Honor may be awarded to an Asian American or Native American Pacific Islander war veteran in accordance with a recommendation of the Secretary concerned under subsection (d).

(f) CONGRESSIONAL NOTIFICATION.—No Medal of Honor may be awarded pursuant to subsection (e) until the Secretary of Defense submits to the Committees on Armed Services of the Senate and the House of Representatives notice of the recommendations under subsection (d), including the name of each Asian American or Native American Pacific Islander war veteran recommended to be awarded a Medal of Honor and the rationale for such recommendation.

(g) WAIVER OF TIME LIMITATIONS.—An award of the Medal of Honor may be made under subsection (e) without regard to—

(1) section 3744, 6248, or 8744 of title 10, United States Code, as applicable; and

(2) any regulation or other administrative restriction on—

(A) the time for awarding the Medal of Honor; or

(B) the awarding of the Medal of Honor for service for which a Distinguished-Service Cross, Navy Cross, or Air Force Cross has been awarded.

(h) DEFINITION.—In this section, the term “Native American Pacific Islander” means a Native Hawaiian or Native American Pacific Islander, as those terms are defined in section 815 of the Native American Programs Act of 1974 (42 U.S.C. 2992c).

Subtitle J—Miscellaneous Reports and Other Matters

SEC. 591. REPEAL OF REQUIREMENT FOR A CHAPLAIN AT THE UNITED STATES AIR FORCE ACADEMY APPOINTED BY THE PRESIDENT.

(a) REPEAL.—Section 9337 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 903 of such title is amended by striking the item related to section 9337.

10 USC 9331 prec.

SEC. 592. EXTENSION OF LIMITATION ON REDUCTION IN NUMBER OF MILITARY AND CIVILIAN PERSONNEL ASSIGNED TO DUTY WITH SERVICE REVIEW AGENCIES.

Section 1559(a) of title 10, United States Code, is amended by striking "December 31, 2016" and inserting "December 31, 2019".

SEC. 593. ANNUAL REPORTS ON PROGRESS OF THE ARMY AND THE MARINE CORPS IN INTEGRATING WOMEN INTO MILITARY OCCUPATIONAL SPECIALITIES AND UNITS RECENTLY OPENED TO WOMEN.

(a) REPORTS REQUIRED.—Not later than April 1, 2017, and each year thereafter through 2020, the Chief of Staff of the Army and the Commandant of the Marine Corps shall each submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the current status of the implementation by the Army and the Marine Corps, respectively, of the policy of Secretary of Defense dated March 9, 2016, to open to women military occupational specialties and units previously closed to women.

(b) ELEMENTS.—Each report shall include, current as of the date of such report and for the Armed Force covered by such report, the following:

(1) The status of gender-neutral standards throughout the Entry Level Training continuum.

(2) The propensity of applicants to apply for and access into newly-opened ground combat programs, by gender and program.

(3) Success rates in Initial Screening Tests and Military Occupational Speciality (MOS) Classification Standards for newly-opened ground combat military occupational specialties, by gender.

(4) Attrition rates and the top three causes of attrition throughout the Entry Level Training continuum, by gender and military occupational specialty.

(5) Reclassification rates and the top three causes of reclassification throughout the Entry Level Training continuum, by gender and military occupational specialty.

(6) Injury rates and the top five causes of injury throughout the Entry Level Training continuum, by gender and military occupational specialty.

(7) Injury rates and nondeployability rates in newly-opened ground combat military occupational specialties, by gender and military occupational specialty.

(8) Lateral move approval rates into newly-opened military occupational specialties, by gender and military occupational specialty.

(9) Reenlistment and retention rates in newly-opened ground combat military occupational specialties, by gender and military occupational specialty.

(10) Promotion rates in newly-opened ground combat military occupational specialties, by grade and gender.

(11) Actions taken to address matters relating to equipment sizing and supply, and facilities, in connection with the implementation by such Armed Force of the policy referred to in paragraph (1).

(c) APPLICABILITY TO SOCOM.—In addition to the reports required by subsection (a), the Commander of the United States Special Operations Command shall submit to the Committees on Armed Services of the Senate and the House of Representatives, on the dates provided for in subsection (a), a report on the current status of the implementation by the United States Special Operations Command of the policy of Secretary of Defense referred to in subsection (a). Each report shall include the matters specified in subsection (b) with respect to the United States Special Operations Command.

SEC. 594. REPORT ON FEASABILITY OF ELECTRONIC TRACKING OF OPERATIONAL ACTIVE-DUTY SERVICE PERFORMED BY MEMBERS OF THE READY RESERVE OF THE ARMED FORCES.

Not later than March 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the feasability of establishing an electronic means by which members of the Ready Reserve of the Armed Forces can track their operational active-duty service performed after January 28, 2008, under section 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10, United States Code. The means assessed for purposes of the report shall include a tour calculator that specifies early retirement credit authorized for each qualifying tour of active duty, as well as cumulative early reserve retirement credit authorized to date under section 12731(f) of such title.

SEC. 595. REPORT ON DISCHARGE BY WARRANT OFFICERS OF PILOT AND OTHER FLIGHT OFFICER POSITIONS IN THE NAVY, MARINE CORPS, AND AIR FORCE CURRENTLY DISCHARGED BY COMMISSIONED OFFICERS.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Navy and the Secretary of the Air Force shall each submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the feasibility and advisability of the discharge by warrant officers of pilot and other flight officer positions in the Armed Forces under the jurisdiction of such Secretary that are currently discharged by commissioned officers.

(b) ELEMENTS.—Each report under subsection (a) shall set forth, for each Armed Force covered by such report, the following:

(1) An assessment of the feasibility and advisability of the discharge by warrant officers of pilot and other flight officer positions that are currently discharged by commissioned officers.

(2) An identification of each such position, if any, for which the discharge by warrant officers is assessed to be feasible and advisable.

SEC. 596. BODY MASS INDEX TEST.

(a) REVIEW REQUIRED.—Each Secretary of a military department shall review—

(1) the current body mass index test procedure used by each Armed Force under the jurisdiction of that Secretary; and

(2) other methods to measure body fat with a more holistic health and wellness approach.

(b) ELEMENTS.—The review required under subsection (a) shall—

(1) address nutrition counseling;

(2) determine the best methods to be used by the Armed Forces to assess body fat percentages; and

(3) improve the accuracy of body fat measurements.

SEC. 597. REPORT ON CAREER PROGRESSION TRACKS OF THE ARMED FORCES FOR WOMEN IN COMBAT ARMS UNITS.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth a description, for each Armed Force, of the following:

(1) The career progression track for entry level women as officers in combat arms units of such Armed Force.

(2) The career progression track for laterally transferred women as officers in combat arms units of such Armed Force.

(3) The career progression track for entry level women as enlisted members in combat arms units of such Armed Force.

(4) The career progression track for laterally transferred women as enlisted members in combat arms units of such Armed Force.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Fiscal year 2017 increase in military basic pay.
Sec. 602. Publication by Department of Defense of actual rates of basic pay payable to members of the Armed Forces by pay grade for annual or other pay periods.
Sec. 603. Extension of authority to provide temporary increase in rates of basic allowance for housing under certain circumstances.
Sec. 604. Reports on a new single-salary pay system for members of the Armed Forces.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of authorities relating to title 37 consolidated special pay, incentive pay, and bonus authorities.
Sec. 615. One-year extension of authorities relating to payment of other title 37 bonuses and special pays.

Sec. 616. Aviation incentive pay and bonus matters.
Sec. 617. Conforming amendment to consolidation of special pay, incentive pay, and bonus authorities.
Sec. 618. Technical amendments relating to 2008 consolidation of certain special pay authorities.

Subtitle C—Travel and Transportation Allowances

Sec. 621. Maximum reimbursement amount for travel expenses of members of the Reserves attending inactive duty training outside of normal commuting distances.

Subtitle D—Disability Pay, Retired Pay, and Survivor Benefits

PART I—AMENDMENTS IN CONNECTION WITH RETIRED PAY REFORM

Sec. 631. Election period for members in the service academies and inactive Reserves to participate in the modernized retirement system.
Sec. 632. Effect of separation of members from the uniformed services on participation in the Thrift Savings Plan.
Sec. 633. Continuation pay for full Thrift Savings Plan members who have completed 8 to 12 years of service.
Sec. 634. Combat-related special compensation coordinating amendment.

PART II—OTHER MATTERS

Sec. 641. Use of member's current pay grade and years of service and retired pay cost-of-living adjustments, rather than final retirement pay grade and years of service, in a division of property involving disposable retired pay.
Sec. 642. Equal benefits under Survivor Benefit Plan for survivors of reserve component members who die in the line of duty during inactive-duty training.
Sec. 643. Authority to deduct Survivor Benefit Plan premiums from combat-related special compensation when retired pay not sufficient.
Sec. 644. Extension of allowance covering monthly premium for Servicemembers' Group Life Insurance while in certain overseas areas to cover members in any combat zone or overseas direct support area.
Sec. 645. Authority for payment of pay and allowances and retired and retainer pay pursuant to power of attorney.
Sec. 646. Extension of authority to pay special survivor indemnity allowance under the Survivor Benefit Plan.
Sec. 647. Repeal of obsolete authority for combat-related injury rehabilitation pay.
Sec. 648. Independent assessment of the Survivor Benefit Plan.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits and Operations

Sec. 661. Protection and enhancement of access to and savings at commissaries and exchanges.
Sec. 662. Acceptance of Military Star Card at commissaries.

Subtitle F—Other Matters

Sec. 671. Recovery of amounts owed to the United States by members of the uniformed services.
Sec. 672. Modification of flat rate per diem requirement for personnel on long-term temporary duty assignments.

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2017 INCREASE IN MILITARY BASIC PAY.

37 USC 1009 note.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2017 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2017, the rates of monthly basic pay for members of the uniformed services are increased by 2.1 percent.

37 USC 203 note.

SEC. 602. PUBLICATION BY DEPARTMENT OF DEFENSE OF ACTUAL RATES OF BASIC PAY PAYABLE TO MEMBERS OF THE ARMED FORCES BY PAY GRADE FOR ANNUAL OR OTHER PAY PERIODS.

Any pay table published or otherwise issued by the Department of Defense to indicate the rates of basic pay of the Armed Forces in effect for members of the Armed Forces for a calendar year or other period shall state the rate of basic pay to be received by members in each pay grade for such year or period as specified or otherwise provided by applicable law, including any rate to be so received pursuant during such year or period by the operation of a ceiling under section 203(a)(2) of title 37, United States Code, or a similar provision in an annual defense authorization Act.

SEC. 603. EXTENSION OF AUTHORITY TO PROVIDE TEMPORARY INCREASE IN RATES OF BASIC ALLOWANCE FOR HOUSING UNDER CERTAIN CIRCUMSTANCES.

Section 403(b)(7)(E) of title 37, United States Code, is amended by striking "December 31, 2016" and inserting "December 31, 2017".

SEC. 604. REPORTS ON A NEW SINGLE-SALARY PAY SYSTEM FOR MEMBERS OF THE ARMED FORCES.

(a) REPORT ON PLAN TO IMPLEMENT NEW PAY STRUCTURE.—Not later than March 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representative a report that sets forth the following:

(1) The military pay tables as of January 1, 2017, reflecting the Regular Military Compensation of members of the Armed Forces as of that date in the range of grades, dependency statuses, and assignment locations.

(2) A comprehensive description of the manner in which the Department of Defense would begin, by not later than January 1, 2018, to implement a transition between the current pay structure for members of the Armed Forces and a new pay structure for members of the Armed Forces as provided for by this section.

(b) REPORT ON ELEMENTS OF NEW PAY STRUCTURE.—Not later than January 1, 2018, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representative a report that sets forth the following:

(1) A description and comparison of the current pay structure for members of the Armed Forces and a new pay structure for members of the Armed Forces, including new pay tables, that uses a single-salary pay system (as adjusted by the same cost-of-living adjustment that the Department of Defense uses worldwide for civilian employees) based on the assumptions in subsection (c).

(2) A proposal for such legislative and administrative action as the Secretary considers appropriate to implement the new pay structure, and to provide for a transition between the current pay structure and the new pay structure.

(3) A comprehensive schedule for the implementation of the new pay structure and for the transition between the current pay structure and the new pay structure, including all significant deadlines.

(c) NEW PAY STRUCTURE.—The new pay structure described pursuant to subsection (b)(1) shall assume the repeal of the basic

allowance for housing and basic allowance subsistence for members of the Armed Forces in favor of a single-salary pay system, and shall include the following:

(1) A statement of pay comparability with the civilian sector adequate to effectively recruit and retain a high-quality All-Volunteer Force.

(2) The level of pay necessary by grade and years of service to meet pay comparability as described in paragraph (1) in order to recruit and retain a high-quality All-Volunteer Force.

(3) Necessary modifications to the military retirement system, including the retired pay multiplier, to ensure that members of the Armed Forces under the pay structure are situated similarly to where they would otherwise be under the military retirement system that will take effect on January 1, 2018, by reason part I of subtitle D of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 842), and the amendments made by that part.

(d) COST CONTAINMENT.—The single-salary pay system under the new pay structure provided for by this section shall be a single-salary pay system that will result in no or minimal additional costs to the Government, both in terms of annual discretionary outlays and entitlements, when compared with the continuation of the current pay system for members of the Armed Forces.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

The following sections of title 37, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

(1) Section 308b(g), relating to Selected Reserve reenlistment bonus.

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

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

(4) Section 308g(f)(2), relating to Ready Reserve enlistment bonus for persons without prior service.

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

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

(7) Section 478a(e), relating to reimbursement of travel expenses for inactive-duty training outside of normal commuting distance.

(8) Section 910(g), relating to income replacement payments for reserve component members experiencing extended and frequent mobilization for active duty service.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR HEALTH CARE PROFESSIONALS.

(a) TITLE 10 AUTHORITIES.—The following sections of title 10, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

(1) Section 2130a(a)(1), relating to nurse officer candidate accession program.

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

(b) TITLE 37 AUTHORITIES.—The following sections of title 37, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

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

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

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

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

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

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

(7) Section 302k(f), relating to accession bonus for medical officers in critically short wartime specialties.

(8) Section 302l(g), relating to accession bonus for dental specialist officers in critically short wartime specialties.

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

The following sections of title 37, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

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

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

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

SEC. 614. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO TITLE 37 CONSOLIDATED SPECIAL PAY, INCENTIVE PAY, AND BONUS AUTHORITIES.

The following sections of title 37, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

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

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

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

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

(5) Section 335(k), relating to special bonus and incentive pay authorities for officers in health professions.

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

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

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

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

(10) Section 355(h), relating to retention incentives for members qualified in critical military skills or assigned to high priority units.

SEC. 615. ONE-YEAR EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER TITLE 37 BONUSES AND SPECIAL PAYS.

The following sections of title 37, United States Code, are amended by striking "December 31, 2016" and inserting "December 31, 2017":

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

(2) Section 307a(g), relating to assignment incentive pay.

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

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

(5) Section 316a(g), relating to incentive pay for members of precommissioning programs pursuing foreign language proficiency.

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

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

(8) Section 327(h), relating to incentive bonus for transfer between Armed Forces.

(9) Section 330(f), relating to accession bonus for officer candidates.

SEC. 616. AVIATION INCENTIVE PAY AND BONUS MATTERS.

(a) MAXIMUM INCENTIVE PAY AND BONUS AMOUNTS.—Paragraph (1) of section 334(c) of title 37, United States Code, is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

"(A) aviation incentive pay under subsection (a) shall be paid at a monthly rate not to exceed $1,000 per month; and

"(B) an aviation bonus under subsection (b) may not exceed $35,000 for each 12-month period of obligated service agreed to under subsection (d).".

(b) ANNUAL BUSINESS CASE FOR PAYMENT OF AVIATION BONUS.—Such section is further amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) ANNUAL BUSINESS CASE FOR PAYMENT OF AVIATION BONUS AMOUNTS.—

"(A) IN GENERAL.—The Secretary concerned shall determine the amount of the aviation bonus payable under paragraph (1)(B) under agreements entered into under subsection (d) during a fiscal year solely through a business case analysis of the amount required to be paid under such agreements in order to address anticipated manning shortfalls for such fiscal year by aircraft type category.

"(B) BUDGET JUSTIFICATION DOCUMENTS.—The budget justification documents in support of the budget of the President for a fiscal year (as submitted to Congress pursuant to section 1105 of title 31) shall set forth for each uniformed service the following:

"(i) The amount requested for the payment of aviation bonuses under subsection (b) using amounts authorized to be appropriated for the fiscal year concerned by aircraft type category.

"(ii) The business case analysis supporting the amount so requested by aircraft type category.

"(iii) For each aircraft type category, whether or not the amount requested will permit the payment during the fiscal year concerned of the maximum amount of the aviation bonus authorized by paragraph (1)(B).

"(iv) If any amount requested is to address manning shortfalls, a description of any plans of the Secretary concerned to address such shortfalls by nonmonetary means.".

SEC. 617. CONFORMING AMENDMENT TO CONSOLIDATION OF SPECIAL PAY, INCENTIVE PAY, AND BONUS AUTHORITIES.

Section 332(c)(1)(B) of title 37, United States Code, is amended by striking "$12,000" and inserting "$20,000".

SEC. 618. TECHNICAL AMENDMENTS RELATING TO 2008 CONSOLIDATION OF CERTAIN SPECIAL PAY AUTHORITIES.

(a) FAMILY CARE PLANS.—Section 586 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 10 U.S.C. 991 note) is amended by inserting "or 351" after "section 310".

(b) DEPENDENTS' MEDICAL CARE.—Section 1079(g)(1) of title 10, United States Code, is amended by inserting "or 351" after "section 310".

(c) RETENTION ON ACTIVE DUTY DURING DISABILITY EVALUATION PROCESS.—Section 1218(d)(1) of title 10, United States Code, is amended by inserting "or 351" after "section 310".

(d) STORAGE SPACE.—Section 362(1) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109–364; 10 U.S.C. 2825 note) is amended by inserting ", or paragraph (1) or (3) of section 351(a)," after "section 310".

(e) STUDENT ASSISTANCE PROGRAMS.—Sections 455(o)(3)(B) and 465(a)(2)(D) of the Higher Education Act of 1965 (20 U.S.C. 1087e(o)(3)(B), 1087ee(a)(2)(D)) are amended by inserting ", or paragraph (1) or (3) of section 351(a)," after "section 310".

(f) ARMED FORCES RETIREMENT HOME.—Section 1512(a)(3)(A) of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 412(a)(3)(A)) is amended by inserting "or 351" after "section 310".

(g) VETERANS OF FOREIGN WARS MEMBERSHIP.—Section 230103(3) of title 36, United States Code, is amended by inserting "or 351" after "section 310".

(h) MILITARY PAY AND ALLOWANCES.—Title 37, United States Code, is amended—

(1) in section 212(a), by inserting ", or paragraph (1) or (3) of section 351(a)," after "section 310";

(2) in section 402a(b)(3)(B), by inserting "or 351" after "section 310";

(3) in section 481a(a), by inserting “or 351” after “section 310”;

(4) in section 907(d)(1)(H), by inserting “or 351” after “section 310”; and

(5) in section 910(b)(2)(B), by inserting “, or paragraph (1) or (3) of section 351(a),” after “section 310”.

(i) EXCLUSIONS FROM INCOME FOR PURPOSE OF SUPPLEMENTAL SECURITY INCOME.—Section 1612(b)(20) of the Social Security Act (42 U.S.C. 1382a(b)(20)) is amended by inserting “, or paragraph (1) or (3) of section 351(a),” after “section 310”.

(j) EXCLUSIONS FROM INCOME FOR PURPOSE OF HEAD START PROGRAM.—Section 645(a)(3)(B)(i) of the Head Start Act (42 U.S.C. 9840(a)(3)(B)(i)) is amended by inserting “or 351” after “section 310”.

(k) EXCLUSIONS FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.—Section 112(c)(5)(B) of the Internal Revenue Code of 1986 is amended by inserting “, or paragraph (1) or (3) of section 351(a),” after “section 310”.

26 USC 112.

Subtitle C—Travel and Transportation Allowances

SEC. 621. MAXIMUM REIMBURSEMENT AMOUNT FOR TRAVEL EXPENSES OF MEMBERS OF THE RESERVES ATTENDING INACTIVE DUTY TRAINING OUTSIDE OF NORMAL COMMUTING DISTANCES.

Section 478a(c) of title 37, United States Code, is amended—

(1) by striking “The amount” and inserting the following: “(1) Except as provided by paragraph (2), the amount”; and

(2) by adding at the end the following new paragraph:

“(2) The Secretary concerned may authorize, on a case-by-case basis, a higher reimbursement amount for a member under subsection (a) when the member—

“(A) resides—

“(i) in the same State as the training location; and

“(ii) outside of an urbanized area with a population of 50,000 or more, as determined by the Bureau of the Census; and

“(B) is required to commute to a training location—

“(i) using an aircraft or boat on account of limited or nonexistent vehicular routes to the training location or other geographical challenges; or

“(ii) from a permanent residence located more than 75 miles from the training location.”.

Subtitle D—Disability Pay, Retired Pay, and Survivor Benefits

PART I—AMENDMENTS IN CONNECTION WITH RETIRED PAY REFORM

SEC. 631. ELECTION PERIOD FOR MEMBERS IN THE SERVICE ACADEMIES AND INACTIVE RESERVES TO PARTICIPATE IN THE MODERNIZED RETIREMENT SYSTEM.

(a) IN GENERAL.—Paragraph (4)(C) of section 1409(b) of title 10, United States Code, is amended—

(1) in clause (i), by striking "and (iii)" and inserting ", (iii), (iv), and (v)"; and

(2) by adding at the end the following new clauses:

"(iv) CADETS AND MIDSHIPMEN, ETC.—A member of a uniformed service who serves as a cadet, midshipman, or member of the Senior Reserve Officers' Training Corps during the election period specified in clause (i) shall make the election described in subparagraph (B)—

"(I) on or after the date on which such cadet, midshipman, or member of the Senior Reserve Officers' Training Corps is appointed as a commissioned officer or otherwise begins to receive basic pay; and

"(II) not later than 30 days after such date or the end of such election period, whichever is later.

"(v) INACTIVE RESERVES.—A member of a reserve component who is not in an active status during the election period specified in clause (i) shall make the election described in subparagraph (B)—

"(I) on or after the date on which such member is transferred from an inactive status to an active status or active duty; and

"(II) not later than 30 days after such date or the end of such election period, whichever is later.".

10 USC 1409 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 2018, immediately after the coming into effect of the amendments made by section 631(a) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 842), to which the amendments made by subsection (a) relate.

5 USC 8432 note.

SEC. 632. EFFECT OF SEPARATION OF MEMBERS FROM THE UNIFORMED SERVICES ON PARTICIPATION IN THE THRIFT SAVINGS PLAN.

Effective as of the date of the enactment of this Act, paragraph (2) of section 632(c) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 847) is repealed, and the amendment proposed to be made by that paragraph shall not be made or go into effect.

SEC. 633. CONTINUATION PAY FOR FULL THRIFT SAVINGS PLAN MEMBERS WHO HAVE COMPLETED 8 TO 12 YEARS OF SERVICE.

(a) CONTINUATION PAY.—Subsection (a) of section 356 of title 37, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following new paragraph (1):

"(1) has completed not less than 8 and not more than 12 years of service in a uniformed service; and"; and

(2) in paragraph (2), by striking "an additional 4 years" and inserting "not less than 3 additional years".

(b) PAYMENT AMOUNT.—Subsection (b) of such section is amended by striking all the matter preceding paragraph (1) and inserting the following:

"(b) PAYMENT AMOUNT.—The Secretary concerned shall determine the payment amount under this section as a multiple of a full TSP member's monthly basic pay. The multiple for a full TSP member who is a member of a regular component or a reserve component, if the member is performing active Guard and Reserve duty (as defined in section 101(d)(6) of title 10), shall not be less than 2.5 times the member's monthly basic pay. The multiple for a full TSP member who is a member of a reserve component not performing active Guard or Reserve duty (as so defined) shall not be less than 0.5 times the monthly basic pay to which the member would be entitled if the member were a member of a regular component. The maximum amount the Secretary concerned may pay a member under this section is—".

(c) TIMING OF PAYMENT.—Subsection (d) of such section is amended to read as follows:

"(d) TIMING OF PAYMENT.—The Secretary concerned shall pay continuation pay under subsection (a) to a full TSP member when the member has completed not less than 8 and not more than 12 years of service in a uniformed service.".

(d) CONFORMING AND CLERICAL AMENDMENTS.—

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

"§ 356. Continuation pay: full TSP members with 8 to 12 years of service".

(2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 356 and inserting the following new item:

37 USC 301 prec.

"356. Continuation pay: full TSP members with 8 to 12 years of service.".

37 USC 356 note.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2018, immediately after the coming into effect of the amendments providing for section 356 of title 37, United States Code, to which the amendments made by this section relate.

SEC. 634. COMBAT-RELATED SPECIAL COMPENSATION COORDINATING AMENDMENT.

(a) IN GENERAL.—Section 1413a(b)(3)(B) of title 10, United States Code, is amended by striking " 2½ percent" and inserting "the retired pay percentage (determined for the member under section 1409(b) of this title)".

10 USC 1413a note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2018, immediately after the coming into effect of the amendments made by part I of subtitle D of title VI of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 842), to which the amendment made by subsection (a) relates.

PART II—OTHER MATTERS

SEC. 641. USE OF MEMBER'S CURRENT PAY GRADE AND YEARS OF SERVICE AND RETIRED PAY COST-OF-LIVING ADJUSTMENTS, RATHER THAN FINAL RETIREMENT PAY GRADE AND YEARS OF SERVICE, IN A DIVISION OF PROPERTY INVOLVING DISPOSABLE RETIRED PAY.

(a) IN GENERAL.—Section 1408(a)(4) of title 10, United States Code, is amended—

(1) by redesignating subparagraphs (A), (B), (C), (D) as clauses (i), (ii), (iii), (iv), respectively;

(2) by inserting "(A)" after "(4)";

(3) in subparagraph (A), as designated by paragraph (2), by inserting "(as determined pursuant to subparagraph (B)" after "member is entitled"; and

(4) by adding at the end the following new subparagraph:

"(B) For purposes of subparagraph (A), the total monthly retired pay to which a member is entitled shall be—

"(i) the amount of basic pay payable to the member for the member's pay grade and years of service at the time of the court order, as increased by

"(ii) each cost-of-living adjustment that occurs under section 1401a(b) of this title between the time of the court order and the time of the member's retirement using the adjustment provisions under that section applicable to the member upon retirement.".

10 USC 1408 note.

(b) APPLICATION OF AMENDMENTS.—The amendments made by subsection (a) shall apply with respect to any division of property as part of a final decree of divorce, dissolution, annulment, or legal separation involving a member of the Armed Forces to which section 1408 of title 10, United States Code, applies that becomes final after the date of the enactment of this Act.

SEC. 642. EQUAL BENEFITS UNDER SURVIVOR BENEFIT PLAN FOR SURVIVORS OF RESERVE COMPONENT MEMBERS WHO DIE IN THE LINE OF DUTY DURING INACTIVE-DUTY TRAINING.

(a) TREATMENT OF INACTIVE-DUTY TRAINING IN SAME MANNER AS ACTIVE DUTY.—Section 1451(c)(1)(A) of title 10, United States Code, is amended—

(1) in clause (i)—

(A) by inserting "or 1448(f)" after "section 1448(d)"; and

(B) by inserting "or (iii)" after "clause (ii)"; and

(2) in clause (iii)—

(A) by striking "section 1448(f) of this title" and inserting "section 1448(f)(1)(A) of this title by reason of the death of a member or former member not in line of duty"; and

(B) by striking "active service" and inserting "service".

(b) CONSISTENT TREATMENT OF DEPENDENT CHILDREN.—Paragraph (2) of section 1448(f) of title 10, United States Code, is amended to read as follows:

"(2) DEPENDENT CHILDREN ANNUITY.—

"(A) ANNUITY WHEN NO ELIGIBLE SURVIVING SPOUSE.—In the case of a person described in paragraph (1), the Secretary concerned shall pay an annuity under this subchapter to the dependent children of that person under section 1450(a)(2) of this title as applicable.

"(B) OPTIONAL ANNUITY WHEN THERE IS AN ELIGIBLE SURVIVING SPOUSE.—The Secretary may pay an annuity under this subchapter to the dependent children of a person described in paragraph (1) under section 1450(a)(3) of this title, if applicable, instead of paying an annuity to the surviving spouse under paragraph (1), if the Secretary concerned, in consultation with the surviving spouse, determines it appropriate to provide an annuity for the dependent children under this paragraph instead of an annuity for the surviving spouse under paragraph (1).".

(c) DEEMED ELECTIONS.—Section 1448(f) of title 10, United States Code, is further amended by adding at the end the following new paragraph:

"(5) DEEMED ELECTION TO PROVIDE AN ANNUITY FOR DEPENDENT.—Paragraph (6) of subsection (d) shall apply in the case of a member described in paragraph (1) who dies after November 23, 2003, when no other annuity is payable on behalf of the member under this subchapter.".

(d) AVAILABILITY OF SPECIAL SURVIVOR INDEMNITY ALLOWANCE.—Section 1450(m)(1)(B) of title 10, United States Code, is amended by inserting "or (f)" after "subsection (d)".

(e) APPLICATION OF AMENDMENTS.—

10 USC 1448 note.

(1) PAYMENT.—No annuity benefit under subchapter II of chapter 73 of title 10, United States Code, shall accrue to any person by reason of the amendments made by this section for any period before the date of the enactment of this Act.

(2) ELECTIONS.—For any death that occurred before the date of the enactment of this Act with respect to which an annuity under such subchapter is being paid (or could be paid) to a surviving spouse, the Secretary concerned may, within six months of that date and in consultation with the surviving spouse, determine it appropriate to provide an annuity for the dependent children of the decedent under paragraph 1448(f)(2)(B) of title 10, United States Code, as added by subsection (b), instead of an annuity for the surviving spouse. Any such determination and resulting change in beneficiary shall be effective as of the first day of the first month following the date of the determination.

SEC. 643. AUTHORITY TO DEDUCT SURVIVOR BENEFIT PLAN PREMIUMS FROM COMBAT-RELATED SPECIAL COMPENSATION WHEN RETIRED PAY NOT SUFFICIENT.

(a) AUTHORITY.—Subsection (d) of section 1452 of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) DEDUCTION FROM COMBAT-RELATED SPECIAL COMPENSATION WHEN RETIRED PAY NOT ADEQUATE.—In the case of a person who has elected to participate in the Plan and who has been awarded both retired pay and combat-related special compensation under section 1413a of this title, if a deduction from the person's retired pay for any period cannot be made in the full amount required, there shall be deducted from the person's combat-related special compensation in lieu of deduction from the person's retired pay the amount that would otherwise have been deducted from the person's retired pay for that period.".

(b) CONFORMING AMENDMENTS TO SECTION 1452.—

(1) Subsection (d) of such section is further amended—

(A) in the subsection heading, by inserting "OR NOT SUFFICIENT" after "NOT PAID";

(B) in paragraph (1), by inserting before the period at the end the following: ", except to the extent that the required deduction is made pursuant to paragraph (2)"; and

(C) in paragraph (3), as redesignated by subsection (a)(1), by striking "Paragraph (1) does not" and inserting "Paragraphs (1) and (2) do not".

(2) Subsection (f)(1) of such section is amended by inserting "or combat-related special compensation" after "from retired pay".

(3) Subsection (g)(4) of such section is amended—

(A) in the paragraph heading, by inserting "OR CRSC" after "RETIRED PAY"; and

(B) by inserting "or combat-related special compensation" after "from the retired pay".

(c) CONFORMING AMENDMENTS TO OTHER PROVISIONS OF SBP STATUTE.—

(1) Section 1449(b)(2) of such title is amended—

(A) in the paragraph heading, by inserting "OR CRSC" after "RETIRED PAY"; and

(B) by inserting "or combat-related special compensation" after "from retired pay".

(2) Section 1450(e) of such title is amended—

(A) in the subsection heading, by inserting "OR CRSC" after "RETIRED PAY"; and

(B) in paragraph (1), by inserting "or combat-related special compensation" after "from the retired pay".

SEC. 644. EXTENSION OF ALLOWANCE COVERING MONTHLY PREMIUM FOR SERVICEMEMBERS' GROUP LIFE INSURANCE WHILE IN CERTAIN OVERSEAS AREAS TO COVER MEMBERS IN ANY COMBAT ZONE OR OVERSEAS DIRECT SUPPORT AREA.

(a) EXPANSION OF COVERAGE.—Subsection (a) of section 437 of title 37, United States Code, is amended—

(1) by inserting "(1)" before "In the case of";

(2) by striking "who serves in the theater of operations for Operation Enduring Freedom or Operation Iraqi Freedom" and inserting "who serves in a designated duty assignment"; and

(3) by adding at the end the following new paragraph:

"(2) In this subsection, the term 'designated duty assignment' means a permanent or temporary duty assignment outside the

United States or its possessions in support of a contingency operation in an area that—

"(A) has been designated a combat zone; or

"(B) is in direct support of an area that has been designated a combat zone.".

(b) CONFORMING AMENDMENTS.—

(1) CROSS-REFERENCE.—Subsection (b) of such section is amended by striking "theater of operations" and inserting "designated duty assignment".

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

"§ 437. Allowance to cover monthly premiums for Servicemembers' Group Life Insurance: members serving in a designated duty assignment".

(3) TABLE OF SECTIONS.—The item relating to section 437 in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

37 USC 401 prec.

"437. Allowance to cover monthly premium for Servicemembers' Group Life Insurance: members serving in a designated duty assignment.".

37 USC 437 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to service by members of the Armed Forces in a designated duty assignment (as defined in subsection (a)(2) of section 437 of title 37, United States Code) for any month beginning on or after the date of the enactment of this Act.

SEC. 645. AUTHORITY FOR PAYMENT OF PAY AND ALLOWANCES AND RETIRED AND RETAINER PAY PURSUANT TO POWER OF ATTORNEY.

Section 602 of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by striking ", in the opinion of a board of medical officers or physicians,"; and

(B) by striking "use or benefit" and all that follows through "any person designated" and inserting the following: "use or benefit to—

"(1) a legal committee, guardian, or other representative that has been appointed by a court of competent jurisdiction;

"(2) an individual to whom the member has granted authority to manage such funds pursuant to a valid and legally executed durable power of attorney; or

"(3) any person designated";

(2) in subsection (b)—

(A) by striking "The board shall consist" and inserting "An individual may not be designated under subsection (a)(3) to receive payments unless a board consisting"; and

(B) by inserting "determines that the member is mentally incapable of managing the member's affairs. Any such board shall be" after "treatment of mental disorders,";

(3) in subsection (c), by striking "designated" and inserting "authorized to receive payments";

(4) in subsection (d), by inserting ", unless a court of competent jurisdiction orders payment of such fee, commission, or other charge" before the period;

(5) by striking subsection (e);

(6) by redesignating subsection (f) as subsection (e); and

(7) in subsection (e), as redesignated by paragraph (6)—

(A) by inserting "under subsection (a)(3)" after "who is designated"; and

(B) by striking "$1,000" and inserting "$25,000".

SEC. 646. EXTENSION OF AUTHORITY TO PAY SPECIAL SURVIVOR INDEMNITY ALLOWANCE UNDER THE SURVIVOR BENEFIT PLAN.

Section 1450(m) of title 10, United States Code, is amended—

(1) in paragraph (2)(I), by striking "fiscal year 2017" and inserting "each of fiscal years 2017 and 2018"; and

(2) in paragraph (6)—

(A) by striking "September 30, 2017" and inserting "May 31, 2018"; and

(B) by striking "October 1, 2017" both places it appears and inserting "June 1, 2018".

SEC. 647. REPEAL OF OBSOLETE AUTHORITY FOR COMBAT-RELATED INJURY REHABILITATION PAY.

(a) REPEAL.—Section 328 of title 37, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by striking the item relating to section 328.

37 USC 301 prec.

SEC. 648. INDEPENDENT ASSESSMENT OF THE SURVIVOR BENEFIT PLAN.

(a) ASSESSMENT REQUIRED.—The Secretary of Defense shall provide for an independent assessment of the Survivor Benefit Plan (SBP) under subchapter II of chapter 73 of title 10, United States Code, by a Federally-funded research and development center (FFRDC).

(b) ASSESSMENT ELEMENTS.—The assessment conducted pursuant to subsection (a) shall include, but not be limited to, the following:

(1) The purposes of the Survivor Benefit Plan, the manner in which the Plan interacts with other Federal programs to provide financial stability and resources for survivors of members of the Armed Forces and military retirees, and a comparison between the benefits available under the Plan, on the one hand, and benefits available to Government and private sector employees, on the other hand, intended to provide financial stability and resources for spouses and other dependents when a primary family earner dies.

(2) The effectiveness of the Survivor Benefit Plan in providing survivors with intended benefits, including the provision of survivor benefits for survivors of members of the Armed Forces dying on active duty and members dying while in reserve active-status.

(3) The feasibility and advisability of providing survivor benefits through alternative insurance products available commercially for similar purposes, the extent to which the Government could subsidize such products at no cost in excess of the costs of the Survivor Benefit Plan, and the extent to which such products might meet the needs of survivors, especially those on fixed incomes, to maintain financial stability.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives

a report setting forth the results of the assessment conducted pursuant to subsection (a), together with such recommendations as the Secretary considers appropriate for legislative or administration action in light of the results of the assessment.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits and Operations

SEC. 661. PROTECTION AND ENHANCEMENT OF ACCESS TO AND SAVINGS AT COMMISSARIES AND EXCHANGES.

(a) OPTIMIZATION STRATEGY.—Section 2481(c) of title 10, United States Code, is amended by adding at the end the following paragraph:

"(3)(A) The Secretary of Defense shall develop and implement a comprehensive strategy to optimize management practices across the defense commissary system and the exchange system that reduce reliance of those systems on appropriated funding without reducing benefits to the patrons of those systems or the revenue generated by nonappropriated fund entities or instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

"(B) The Secretary shall ensure that savings generated due to such optimization practices are shared by the defense commissary system and the exchange system through contracts or agreements that appropriately reflect the participation of the systems in the development and implementation of such practices.

"(C) If the Secretary determines that the reduced reliance on appropriated funding pursuant to subparagraph (A) is insufficient to maintain the benefits to the patrons of the defense commissary system, and if the Secretary converts the defense commissary system to a nonappropriated fund entity or instrumentality pursuant to paragraph (1) of section 2484(j) of this title, the Secretary shall transfer appropriated funds pursuant to paragraph (2) of such section to ensure the maintenance of such benefits.

"(4) On not less than a quarterly basis, the Secretary shall provide to the congressional defense committees a briefing on the defense commissary system, including—

"(A) an assessment of the savings the system provides patrons;

"(B) the status of implementing section 2484(i) of this title;

"(C) the status of implementing section 2484(j) of this title, including whether the system requires any appropriated funds pursuant to paragraph (2) of such section;

"(D) the status of carrying out a program for such system to sell private label merchandise; and

"(E) any other matters the Secretary considers appropriate.".

(b) AUTHORIZATION TO SUPPLEMENT APPROPRIATIONS THROUGH BUSINESS OPTIMIZATION.—Section 2483(c) of such title is amended by adding at the end the following new sentence: "Such appropriated amounts may also be supplemented with additional funds derived from improved management practices implemented pursuant to sections 2481(c)(3) and 2487(c) of this title and the variable pricing program implemented pursuant to section 2484(i) of this title.".

(c) VARIABLE PRICING PILOT PROGRAM.—Section 2484 of such title is amended by adding at the end the following new subsections:

"(i) VARIABLE PRICING PROGRAM.—(1) Notwithstanding subsection (e), and subject to subsection (k), the Secretary of Defense may establish a variable pricing program pursuant to which prices may be established in response to market conditions and customer demand, in accordance with the requirements of this subsection. Notwithstanding the amount of the uniform surcharge assessed in subsection (d), the Secretary may provide for an alternative surcharge of not more than five percent of sales proceeds under the variable pricing program to be made available for the purposes specified in subsection (h).

"(2) Subject to subsection (k), before establishing a variable pricing program under this subsection, the Secretary shall establish the following:

"(A) Specific, measurable benchmarks for success in the provision of high quality grocery merchandise, discount savings to patrons, and levels of customer satisfaction while achieving savings for the Department of Defense.

"(B) A baseline of overall savings to patrons achieved by commissary stores prior to the initiation of the variable pricing program, based on a comparison of prices charged by those stores on a regional basis with prices charged by relevant local competitors for a representative market basket of goods.

"(3) The Secretary shall ensure that the defense commissary system implements the variable pricing program by conducting price comparisons using the methodology established for paragraph (2)(B) and adjusting pricing as necessary to ensure that pricing in the variable pricing program achieves overall savings to patrons that are consistent with the baseline savings established for the relevant region pursuant to such paragraph.

"(j) CONVERSION TO NONAPPROPRIATED FUND ENTITY OR INSTRUMENTALITY.—(1) Subject to subsection (k), if the Secretary of Defense determines that the variable pricing program has met the benchmarks for success established pursuant to paragraph (2)(A) of subsection (i) and the savings requirements established pursuant to paragraph (3) of such subsection over a period of at least six months, the Secretary may convert the defense commissary system to a nonappropriated fund entity or instrumentality, with operating expenses financed in whole or in part by receipts from the sale of products and the sale of services. Upon such conversion, appropriated funds shall be transferred to the defense commissary system only in accordance with paragraph (2) or section 2491 of this title. The requirements of section 2483 of this title shall not apply to the defense commissary system operating as a nonappropriated fund entity or instrumentality.

"(2) If the Secretary determines that the defense commissary system operating as a nonappropriated fund entity or instrumentality is likely to incur a loss in any fiscal year as a result of compliance with the savings requirement established in subsection (i), the Secretary shall authorize a transfer of appropriated funds available for such purpose to the commissary system in an amount sufficient to offset the anticipated loss. Any funds so transferred shall be considered to be nonappropriated funds for such purpose.

"(3)(A) The Secretary may identify positions of employees in the defense commissary system who are paid with appropriated

funds whose status may be converted to the status of an employee of a nonappropriated fund entity or instrumentality.

"(B) The status and conversion of employees in a position identified by the Secretary under subparagraph (A) shall be addressed as provided in section 2491(c) of this title for employees in morale, welfare, and recreation programs, including with respect to requiring the consent of such employee to be so converted.

"(C) No individual who is an employee of the defense commissary system as of the date of the enactment of this subsection shall suffer any loss of or decrease in pay as a result of a conversion made under this paragraph.

"(k) OVERSIGHT REQUIRED TO ENSURE CONTINUED BENEFIT TO PATRONS.—(1) With respect to each action described in paragraph (2), the Secretary of Defense may not carry out such action until—

"(A) the Secretary provides to the congressional defense committees a briefing on such action, including a justification for such action; and

"(B) a period of 30 days has elapsed following such briefing.

"(2) The actions described in this paragraph are the following:

"(A) Establishing the representative market basket of goods pursuant to subsection (i)(2)(B).

"(B) Establishing the variable pricing program under subsection (i)(1).

"(C) Converting the defense commissary system to a nonappropriated fund entity or instrumentality under subsection (j)(1).".

(d) ESTABLISHMENT OF COMMON BUSINESS PRACTICES.—Section 2487 of such title is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) COMMON BUSINESS PRACTICES.—(1) Notwithstanding subsections (a) and (b), the Secretary of Defense may establish common business processes, practices, and systems—

"(A) to exploit synergies between the defense commissary system and the exchange system; and

"(B) to optimize the operations of the defense retail systems as a whole and the benefits provided by the commissaries and exchanges.

"(2) The Secretary may authorize the defense commissary system and the exchange system to enter into contracts or other agreements—

"(A) for products and services that are shared by the defense commissary system and the exchange system; and

"(B) for the acquisition of supplies, resale goods, and services on behalf of both the defense commissary system and the exchange system.

"(3) For the purpose of a contract or agreement authorized under paragraph (2), the Secretary may—

"(A) use funds appropriated pursuant to section 2483 of this title to reimburse a nonappropriated fund entity or instrumentality for the portion of the cost of a contract or agreement entered by the nonappropriated fund entity or instrumentality that is attributable to the defense commissary system; and

"(B) authorize the defense commissary system to accept reimbursement from a nonappropriated fund entity or

instrumentality for the portion of the cost of a contract or agreement entered by the defense commissary system that is attributable to the nonappropriated fund entity or instrumentality.''.

(e) AUTHORITY FOR EXPERT COMMERCIAL ADVICE.—Section 2485 of such title is amended by adding at the end the following new subsection:

''(i) EXPERT COMMERCIAL ADVICE.—The Secretary of Defense may enter into a contract with an entity to obtain expert commercial advice, commercial assistance, or other similar services not otherwise carried out by the Defense Commissary Agency, to implement section 2481(c), subsections (i) and (j) of section 2484, and section 2487(c) of this title.''.

(f) CLARIFICATION OF REFERENCES TO ''THE EXCHANGE SYSTEM''.—Section 2481(a) of such title is amended by adding at the end the following new sentence: '' Any reference in this chapter to 'the exchange system' shall be treated as referring to each separate administrative entity within the Department of Defense through which the Secretary has implemented the requirement under this subsection for a world-wide system of exchange stores.''.

10 USC 2484 note.

(g) OPERATION OF DEFENSE COMMISSARY SYSTEM AS A NONAPPROPRIATED FUND ENTITY.—In the event that the defense commissary system is converted to a nonappropriated fund entity or instrumentality as authorized by section 2484(j)(1) of title 10, United States Code, as added by subsection (c) of this section, the Secretary of Defense may—

(1) provide for the transfer of commissary assets, including inventory and available funds, to the nonappropriated fund entity or instrumentality; and

(2) ensure that revenues accruing to the defense commissary system are appropriately credited to the nonappropriated fund entity or instrumentality.

(h) CONFORMING CHANGE.—Section 2643(b) of such title is amended by adding at the end the following new sentence: ''Such appropriated funds may be supplemented with additional funds derived from improved management practices implemented pursuant to sections 2481(c)(3) and 2487(c) of this title.''.

10 USC 2485 note.

SEC. 662. ACCEPTANCE OF MILITARY STAR CARD AT COMMISSARIES.

(a) IN GENERAL.—The Secretary of Defense shall ensure that—

(1) commissary stores accept as payment the Military Star Card; and

(2) any financial liability of the United States relating to such acceptance as payment be assumed by the Army and Air Force Exchange Service.

(b) MILITARY STAR CARD DEFINED.—In this section, the term ''Military Star Card'' means a credit card administered under the Exchange Credit Program by the Army and Air Force Exchange Service.

Subtitle F—Other Matters

SEC. 671. RECOVERY OF AMOUNTS OWED TO THE UNITED STATES BY MEMBERS OF THE UNIFORMED SERVICES.

(a) STATUTE OF LIMITATIONS.—Section 1007(c)(3) of title 37, United States Code, is amended by adding at the end the following new subparagraphs:

"(C)(i) In accordance with clause (ii), if the indebtedness of a member of the uniformed services to the United States occurs, through no fault of the member, as a result of the overpayment of pay or allowances to the member or upon the settlement of the member's accounts, the Secretary concerned may not recover the indebtedness from the member, including a retired or former member, using deductions from the pay of the member, deductions from retired or separation pay, or any other collection method unless recovery of the indebtedness commences before the end of the 10-year period beginning on the date on which the indebtedness was incurred.

"(ii) Clause (i) applies with respect to indebtedness incurred on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2017.

"(D)(i) Not later than January 1 of each of 2017 through 2027, the Director of the Defense Finance and Accounting Service shall review all cases occurring during the 10-year period prior to the date of the review of indebtedness of a member of the uniformed services, including a retired or former member, to the United States in which—

"(I) the recovery of the indebtedness commenced after the end of the 10-year period beginning on the date on which the indebtedness was incurred; or

"(II) the Director did not otherwise notify the member of such indebtedness during such 10-year period.

"(ii) The Director shall submit to the congressional defense committees and the Committees on Veterans' Affairs of the House of Representatives and the Senate each review conducted under clause (i), including the amounts owed to the United States by the members included in such review.".

(b) REMISSION OR CANCELLATION OF INDEBTEDNESS OF RESERVES NOT ON ACTIVE DUTY.—

(1) ARMY.—Section 4837(a) of title 10, United States Code, is amended by striking "on active duty as a member of the Army" and inserting "as a member of the Army, whether as a regular or a reserve in active status".

(2) NAVY.—Section 6161(a) of such title is amended by striking "on active duty as a member of the naval service" and inserting "as a member of the naval service, whether as a regular or a reserve in active status".

(3) AIR FORCE.—Section 9837(a) of such title is amended by striking "on active duty as a member of the Air Force" and inserting "as a member of the Air Force, whether as a regular or a reserve in active status".

(4) COAST GUARD.—Section 461(1) of title 14, United States Code, is amended by striking "on active duty as a member of the Coast Guard" and inserting "as a member of the Coast Guard, whether as a regular or a reserve in active status".

10 USC 4837 note.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act, and shall apply with respect to debt incurred on or after October 7, 2001.

(c) BENEFITS PAID TO MEMBERS OF CALIFORNIA NATIONAL GUARD.—

(1) REVIEW OF CERTAIN BENEFITS PAID.—

(A) IN GENERAL.—The Secretary of Defense shall conduct a review of all bonus pays, special pays, student loan repayments, and similar special payments that were paid to members of the National Guard of the State of California during the period beginning on January 1, 2004, and ending on December 31, 2015.

(B) EXCEPTION.—A review is not required under this paragraph for benefits paid as described in subparagraph (A) that were reviewed before the date of the enactment of this Act and in which fraud or other ineligibility was identified in connection with payment.

(C) CONDUCT OF REVIEW.—The Secretary shall establish a process to expedite the review required by this paragraph. The Secretary shall allocate appropriate personnel and other resources of the Department of Defense for the process, and for such other purposes as the Secretary considers appropriate, in order to achieve the completion of the review by the date specified in subparagraph (D).

(D) COMPLETION.—The review required by this paragraph shall be completed by not later than July 30, 2017.

(2) REVIEW.—

(A) IN GENERAL.—In conducting the review of benefits paid to members of the National Guard of the State of California pursuant to paragraph (1), the board of review concerned shall—

(i) carry out a complete review of all bonus pay and special pay contracts awarded to such members during the period described in paragraph (1)(A) for which the Department has reason to believe a recoupment of pay may be warranted in order to determine whether such members were eligible for the contracts so awarded and whether the contracts so awarded accurately specified the amounts of pay for which members were eligible;

(ii) carry out a complete review of all student loan repayment contracts awarded to such members during the period for which the Department has reason to believe a recoupment of payment may be warranted in order to determine whether such members were eligible for the contracts so awarded and whether the contracts so awarded accurately specified the amounts of payment for which members were eligible;

(iii) carry out a complete review of any other similar special payments paid to such members during the period for which the Department has reason to believe a recoupment of payments may be warranted in order to determine whether such members were eligible for payment and in such amount;

(iv) if any member is determined not to have been eligible for a bonus pay, special pay, student loan

repayment, or other special payment paid, determine whether waiver of recoupment is warranted; and

(v) if any bonus pay, special pay, student loan repayment, or other special payment paid to any such member during the period has been recouped, determine whether the recoupment was unwarranted.

(B) WAIVER OF RECOUPMENT.—For purposes of clause (iv) of subparagraph (A), the board of review shall determine that waiver of recoupment is warranted with respect to a particular member unless the board makes an affirmative determination, by a preponderance of the evidence, that the member knew or reasonably should have known that the member was ineligible for the bonus pay, special pay, student loan repayment, or other special payment otherwise subject to recoupment.

(C) PROPRIETY OF RECOUPMENT.—For purposes of clause (v) of subparagraph (A), the board of review shall determine that recoupment was unwarranted with respect to a particular member unless the board makes an affirmative determination, by a preponderance of the evidence, that the member knew or reasonably should have known that the member was ineligible for the bonus pay, special pay, student loan repayment, or other special payment recouped.

(D) STANDARD OF REVIEW.—In applying subparagraph (B) or (C) in making a determination under clause (iv) or (v) of subparagraph (A), as applicable, with respect to a member, the board of review shall evaluate the evidence in a light most favorable to the member.

(3) PARTICIPATION OF MEMBERS.—

(A) IN GENERAL.—A member subject to a determination under clause (iv) or (v) of paragraph (2)(A) may submit to the board of review concerned such documentary and other evidence as the member considers appropriate to assist the board of review in the determination.

(B) NOTICE.—The Secretary shall notify, in writing, each member subject to a determination under clause (iv) or (v) of paragraph (2)(A) of the review under paragraph (1) and the applicability of the determination process under such clause to such member. The notice shall be provided at a time designed to give each member a reasonable opportunity to submit documentary and other evidence as authorized by subparagraph (A). The notice shall provide each member the following:

(i) Notice of the opportunity for such member to submit evidence to assist the board of review.

(ii) A description of resources available to such member to submit such evidence.

(C) CONSIDERATION.—In making a determination under clause (iv) or (v) of paragraph (2)(A) with respect to a member, the board of review shall undertake a comprehensive review of any submissions made by the member pursuant to this paragraph.

(4) ACTIONS FOLLOWING REVIEW.—

(A) WAIVER OF RECOUPMENT.—Upon completion of a review pursuant to paragraph (2)(A)(iv) with respect to a member—

(i) the board of review shall submit to the Secretary concerned a notice setting forth—

(I) the determination of the board pursuant to that paragraph with respect to the member; and

(II) the recommendation of the board whether or not the recoupment of the bonus pay, special pay, student loan repayment, or other special payment covered by the determination should be waived; and

(ii) the Secretary may waive recoupment of the pay, repayment, or other payment from the member.

(B) REPAYMENT OF AMOUNT RECOUPED.—Upon completion of a review pursuant to paragraph (2)(A)(v) with respect to a member—

(i) the board of review shall submit to the Secretary concerned a notice setting forth—

(I) the determination of the board pursuant to that paragraph with respect to the member; and

(II) the recommendation of the board whether or not the recouped bonus pay, special pay, student loan repayment, or other special payment covered by the determination should be repaid the member; and

(ii) the Secretary may repay the member the amount so recouped.

(C) CONSUMER CREDIT AND RELATED MATTERS.—If the Secretary concerned waives recoupment of a bonus pay, special pay, student loan repayment, or other special payment paid a member pursuant to paragraph (4)(A)(ii), or repays a member an amount of a bonus pay, special pay, student loan repayment, or other special payment recouped pursuant to paragraph (4)(B)(ii), the Secretary shall—

(i) in the event the Secretary had previously notified a consumer reporting agency of the existence of the debt subject to the relief granted the member pursuant to this paragraph, notify such consumer reporting agency that such debt was never valid; and

(ii) if the member is experiencing or has experienced financial hardship as a result of the actions of the United States to obtain recoupment of such debt, assist the member, to the extent practicable, in addressing such financial hardship in accordance with such mechanisms as the Secretary shall develop for purposes of this clause.

(D) EFFECT OF CONSUMER CREDIT NOTIFICATION.—A consumer reporting agency notified of the invalidity of a debt pursuant to subparagraph (C)(i) may not, after the date of the notice, make any consumer report containing any information relating to the debt.

(E) DEFINITIONS.—In this paragraph, the terms "consumer reporting agency" and "consumer report" have the meaning given such terms in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(5) FUNDING.—Amounts for activities under this subsection, including for the conduct of the review required by paragraph

(1), for activities in connection with the review, for repayments pursuant to paragraph (4)(B), and for activities under paragraph (4)(C), shall be derived from amounts available for the National Guard of the United States for the State of California.

(6) SECRETARY OF DEFENSE REPORT.—

(A) IN GENERAL.—Not later than August 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the review conducted pursuant to paragraph (1).

(B) ELEMENTS.—The report under this paragraph shall include the following:

(i) The total amount of bonus pays, special pays, student loan repayments, and other special pays paid to members of the National Guard of the State of California during the period beginning on September 1, 2001, and ending on December 31, 2015.

(ii) The number of bonus pay and special pay contracts reviewed pursuant to paragraph (2)(A)(i), and the amounts of such pays paid under each such contract.

(iii) The number of student loan repayment contracts reviewed pursuant to paragraph (2)(A)(ii), and the amounts of such payments made pursuant to each such contract.

(iv) The number of other special pay payments reviewed pursuant to paragraph (2)(A)(iii), and the amounts of such payments made to each particular member so paid.

(v) The number of bonus pay and special pay contracts, student loan repayments, and other special pay payments that were determined pursuant to the review to be paid in error, and the total amount, if any, recouped from each member concerned.

(vi) Any additional fraud or other ineligibility identified in the course of the review in the payment of bonus pays, special pays, student loan repayments, and other special pays paid to the members of the National Guard of the State of California during the period beginning on September 1, 2001, and ending on December 31, 2015.

(7) COMPTROLLER GENERAL REPORT.—

(A) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions of the National Guard of the State of California relating to the payment of bonus pays, special pays, student loan repayments, and other special pays from 2004 through 2015.

(B) ELEMENTS.—The report under this paragraph shall include the following:

(i) An assessment whether the National Guard of the State of California and the National Guard Bureau have established policies and procedures that will minimize the chance of improper payment of such

pays and repayments and of managerial abuse in the payment of such pays and repayments.

(ii) An assessment whether the procedures, processes, and resources of the Defense Finance and Accounting Service and the Defense Office of Hearings and Appeals were appropriate to identify and respond to fraud or other ineligibility in connection with the payment of such pays and repayments, and to do so in a timely manner.

(iii) Any recommendations the Comptroller General considers appropriate to streamline the procedures and processes for the waiver of recoupment of the payment of such pays and repayments by the United States when recoupment is unwarranted.

37 USC 474 note.

SEC. 672. MODIFICATION OF FLAT RATE PER DIEM REQUIREMENT FOR PERSONNEL ON LONG-TERM TEMPORARY DUTY ASSIGNMENTS.

(a) MODIFICATION OF FLAT RATE.—

(1) IN GENERAL.—The Secretary of Defense shall take such action as may be necessary to provide that, to the extent that regulations implementing travel and transportation authorities for military and civilian personnel of the Department of Defense impose a flat rate per diem for meals and incidental expenses for authorized travelers on long-term temporary duty assignments that is at a reduced rate compared to the per diem rate otherwise applicable, the Secretary concerned may waive the applicability of such reduced rate and pay such travelers actual expenses up to the full per diem rate for such travel in any case when the Secretary concerned determines that the reduced flat rate per diem for meals and incidental expenses is not sufficient under the circumstances of the temporary duty assignment.

(2) APPLICABILITY.—The Secretary concerned may exercise the authority provided pursuant to paragraph (1) with respect to per diem payable for any day on or after the date of the enactment of this Act.

(b) DELEGATION OF AUTHORITY.—The authority pursuant to subsection (a) may be delegated by the Secretary concerned to an officer at the level of lieutenant general or vice admiral, or above. Such authority may not be delegated to an officer below that level.

(c) WAIVER OF COLLECTION OF RECEIPTS.—The Secretary concerned or an officer to whom the authority pursuant to subsection (a) is delegated pursuant to subsection (b) may waive any requirement for the submittal of receipts by travelers on long-term temporary duty assignments for the purpose of receiving the full per diem rate pursuant to subsection (a) if the Secretary concerned or officer, as described in subsection (b), personally certifies that requiring travelers to submit receipts for that purpose will negatively affect mission performance or create an undue administrative burden.

(d) SECRETARY CONCERNED DEFINED.—In this section, the term "Secretary concerned" has the meaning given that term in section 101 of title 37, United States Code.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Reform of TRICARE and Military Health System

Sec. 701. TRICARE Select and other TRICARE reform.
Sec. 702. Reform of administration of the Defense Health Agency and military medical treatment facilities.
Sec. 703. Military medical treatment facilities.
Sec. 704. Access to urgent and primary care under TRICARE program.
Sec. 705. Value-based purchasing and acquisition of managed care support contracts for TRICARE program.
Sec. 706. Establishment of high performance military-civilian integrated health delivery systems.
Sec. 707. Joint Trauma System.
Sec. 708. Joint Trauma Education and Training Directorate.
Sec. 709. Standardized system for scheduling medical appointments at military treatment facilities.

Subtitle B—Other Health Care Benefits

Sec. 711. Extended TRICARE program coverage for certain members of the National Guard and dependents during certain disaster response duty.
Sec. 712. Continuity of health care coverage for Reserve Components.
Sec. 713. Provision of hearing aids to dependents of retired members.
Sec. 714. Coverage of medically necessary food and vitamins for certain conditions under the TRICARE program.
Sec. 715. Eligibility of certain beneficiaries under the TRICARE program for participation in the Federal Employees Dental and Vision Insurance Program.
Sec. 716. Applied behavior analysis.
Sec. 717. Evaluation and treatment of veterans and civilians at military treatment facilities.
Sec. 718. Enhancement of use of telehealth services in military health system.
Sec. 719. Authorization of reimbursement by Department of Defense to entities carrying out State vaccination programs for costs of vaccines provided to covered beneficiaries.

Subtitle C—Health Care Administration

Sec. 721. Authority to convert military medical and dental positions to civilian medical and dental positions.
Sec. 722. Prospective payment of funds necessary to provide medical care for the Coast Guard.
Sec. 723. Reduction of administrative requirements relating to automatic renewal of enrollments in TRICARE Prime.
Sec. 724. Modification of authority of Uniformed Services University of the Health Sciences to include undergraduate and other medical education and training programs.
Sec. 725. Adjustment of medical services, personnel authorized strengths, and infrastructure in military health system to maintain readiness and core competencies of health care providers.
Sec. 726. Program to eliminate variability in health outcomes and improve quality of health care services delivered in military medical treatment facilities.
Sec. 727. Acquisition strategy for health care professional staffing services.
Sec. 728. Adoption of core quality performance metrics.
Sec. 729. Improvement of health outcomes and control of costs of health care under TRICARE program through programs to involve covered beneficiaries.
Sec. 730. Accountability for the performance of the military health system of certain leaders within the system.
Sec. 731. Establishment of advisory committees for military treatment facilities.

Subtitle D—Reports and Other Matters

Sec. 741. Extension of authority for joint Department of Defense-Department of Veterans Affairs Medical Facility Demonstration Fund and report on implementation of information technology capabilities.
Sec. 742. Pilot program on expansion of use of physician assistants to provide mental health care to members of the Armed Forces.
Sec. 743. Pilot program for prescription drug acquisition cost parity in the TRICARE pharmacy benefits program.
Sec. 744. Pilot program on display of wait times at urgent care clinics and pharmacies of military medical treatment facilities.
Sec. 745. Requirement to review and monitor prescribing practices at military treatment facilities of pharmaceutical agents for treatment of post-traumatic stress.

Sec. 746. Department of Defense study on preventing the diversion of opioid medications.
Sec. 747. Incorporation into survey by Department of Defense of questions on experiences of members of the Armed Forces with family planning services and counseling.
Sec. 748. Assessment of transition to TRICARE program by families of members of reserve components called to active duty and elimination of certain charges for such families.
Sec. 749. Oversight of graduate medical education programs of military departments.
Sec. 750. Study on health of helicopter and tiltrotor pilots.
Sec. 751. Comptroller General reports on health care delivery and waste in military health system.

Subtitle A—Reform of TRICARE and Military Health System

SEC. 701. TRICARE SELECT AND OTHER TRICARE REFORM.

(a) ESTABLISHMENT OF TRICARE SELECT.—

(1) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1074n the following new section:

10 USC 1075.

"§ 1075. TRICARE Select

"(a) ESTABLISHMENT.—(1) Not later than January 1, 2018, the Secretary of Defense shall establish a self-managed, preferred-provider network option under the TRICARE program. Such option shall be known as 'TRICARE Select'.

"(2) The Secretary shall establish TRICARE Select in all areas. Under TRICARE Select, eligible beneficiaries will not have restrictions on the freedom of choice of the beneficiary with respect to health care providers.

"(b) ENROLLMENT ELIGIBILITY.—(1) The beneficiary categories for purposes of eligibility to enroll in TRICARE Select and cost-sharing requirements applicable to such category are as follows:

"(A) An 'active-duty family member' category that consists of beneficiaries who are covered by section 1079 of this title (as dependents of active duty members).

"(B) A 'retired' category that consists of beneficiaries covered by subsection (c) of section 1086 of this title, other than Medicare-eligible beneficiaries described in subsection (d)(2) of such section.

"(C) A 'reserve and young adult' category that consists of beneficiaries who are covered by—

"(i) section 1076d of this title;

"(ii) section 1076e; or

"(iii) section 1110b.

"(2) A covered beneficiary who elects to participate in TRICARE Select shall enroll in such option under section 1099 of this title.

"(c) COST-SHARING REQUIREMENTS.—The cost-sharing requirements under TRICARE Select are as follows:

"(1) With respect to beneficiaries in the active-duty family member category or the retired category by reason of being a member or former member of the uniformed services who originally enlists or is appointed in the uniformed services on or after January 1, 2018, or by reason of being a dependent of such a member, the cost-sharing requirements shall be calculated pursuant to subsection (d)(1).

"(2)(A) Except as provided by subsection (e), with respect to beneficiaries described in subparagraph (B) in the active-duty family member category or the retired category, the cost-sharing requirements shall be calculated as if the beneficiary were enrolled in TRICARE Extra or TRICARE Standard as if TRICARE Extra or TRICARE Standard, as the case may be, were still being carried out by the Secretary.

"(B) Beneficiaries described in this subparagraph are beneficiaries who are eligible to enroll in the TRICARE program by reason of being a member or former member of the uniformed services who originally enlists or is appointed in the uniformed services before January 1, 2018, or by reason of being a dependent of such a member.

"(3) With respect to beneficiaries in the reserve and young adult category, the cost-sharing requirements shall be calculated pursuant to subsection (d)(1) as if the beneficiary were in the active-duty family member category or the retired category, as applicable, except that the premiums calculated pursuant to section 1076d, 1076e, or 1110b of this title, as the case may be, shall apply instead of any enrollment fee required under this section.

"(d) COST-SHARING AMOUNTS FOR CERTAIN BENEFICIARIES.—(1) Beneficiaries described in subsection (c)(1) enrolled in TRICARE Select shall be subject to cost-sharing requirements in accordance with the amounts and percentages under the following table during calendar year 2018 and as such amounts are adjusted under paragraph (2) for subsequent years:

"TRICARE Select	Active-Duty Family Member (Individual/Family)	Retired (Individual/Family)
Annual Enrollment	$0	$450 / $900
Annual deductible	E4 & below: $50 / $100 E5 & above: $150 / $300	$150 / $300 Network $300 / $600 out of network
Annual catastrophic cap	$1,000	$3,500
Outpatient visit civilian network	$15 primary care $25 specialty care Out of network: 20%	$25 primary care $40 specialty care 25% of out of network
ER visit civilian network	$40 network 20% out of network	$80 network 25% out of network
Urgent care civilian network	$20 network	$40 network

“TRICARE Select	Active-Duty Family Member (Individual/Family)	Retired (Individual/Family)
	20% out of network	25% out of network
Ambulatory surgery civilian network	$25 network 20% out of network	$95 network 25% out of network
Ambulance civilian network	$15	$60
Durable medical equipment civilian network	10% of negotiated fee	20% network
Inpatient visit civilian network	$60 per network admission 20% out of network	$175 per admission network 25% out of network
Inpatient skilled nursing/ rehab civilian	$25 per day network $50 per day out of network	$50 per day network Lesser of $300 per day or 20% of billed charges out of network

“(2) Each dollar amount expressed as a fixed dollar amount in the table set forth in paragraph (1), and the amounts specified under paragraphs (1) and (2) of subsection (e), shall be annually indexed to the amount by which retired pay is increased under section 1401a of this title, rounded to the next lower multiple of $1. The remaining amount above such multiple of $1 shall be carried over to, and accumulated with, the amount of the increase for the subsequent year or years and made when the aggregate amount of increases carried over under this clause for a year is $1 or more.

“(3) Enrollment fees, deductible amounts, and catastrophic caps under this section are on a calendar-year basis.

“(e) EXCEPTIONS TO CERTAIN COST-SHARING AMOUNTS FOR CERTAIN BENEFICIARIES ELIGIBLE PRIOR TO 2018.—(1) Subject to paragraph (4), and in accordance with subsection (d)(2), the Secretary shall establish an annual enrollment fee for beneficiaries described in subsection (c)(2)(B) in the retired category who enroll in TRICARE Select (other than such beneficiaries covered by paragraph (3)). Such enrollment fee shall be $150 for an individual and $300 for a family.

“(2) For the calendar year for which the Secretary first establishes the annual enrollment fee under paragraph (1), the Secretary shall adjust the catastrophic cap amount to be $3,500 for beneficiaries described in subsection (c)(2)(B) in the retired category

who are enrolled in TRICARE Select (other than such beneficiaries covered by paragraph (3)).

"(3) The enrollment fee established pursuant to paragraph (1) and the catastrophic cap adjusted under paragraph (2) for beneficiaries described in subsection (c)(2)(B) in the retired category shall not apply with respect to the following beneficiaries:

"(A) Retired members and the family members of such members covered by paragraph (1) of section 1086(c) of this title by reason of being retired under chapter 61 of this title or being a dependent of such a member.

"(B) Survivors covered by paragraph (2) of such section 1086(c).

"(4) The Secretary may not establish an annual enrollment fee under paragraph (1) until 90 days has elapsed following the date on which the Comptroller General of the United States is required to submit the review under paragraph (5).

"(5) Not later than February 1, 2020, the Comptroller General of the United States shall submit to the Committees on Armed Services of the House of Representatives and the Senate a review of the following:

"(A) Whether health care coverage for covered beneficiaries has changed since the enactment of this section.

"(B) Whether covered beneficiaries are able to obtain appointments for health care according to the access standards established by the Secretary of Defense.

"(C) The percent of network providers that accept new patients under the TRICARE program.

"(D) The satisfaction of beneficiaries under TRICARE Select.

"(f) EXCEPTION TO COST-SHARING REQUIREMENTS FOR TRICARE FOR LIFE BENEFICIARIES.—A beneficiary enrolled in TRICARE for Life is subject to cost-sharing requirements pursuant to section 1086(d)(3) of this title and calculated as if the beneficiary were enrolled in TRICARE Standard as if TRICARE Standard were still being carried out by the Secretary.

"(g) CONSTRUCTION.—Nothing in this section may be construed as affecting the availability of TRICARE Prime and TRICARE for Life or the cost-sharing requirements for TRICARE for Life under section 1086(d)(3) of this title.

"(h) DEFINITIONS.—In this section:

"(1) The terms 'active-duty family member category', 'retired category', and 'reserve and young adult category' mean the respective categories of TRICARE Select enrollment described in subsection (b).

"(2) The term 'network' means—

"(A) with respect to health care services, such services provided to beneficiaries by TRICARE-authorized civilian health care providers who have entered into a contract under this chapter with a contractor under the TRICARE program; and

"(B) with respect to providers, civilian health care providers who have agreed to accept a pre-negotiated rate as the total charge for services provided by the provider and to file claims for beneficiaries.

"(3) The term 'out-of-network' means, with respect to health care services, such services provided by TRICARE-authorized

civilian providers who have not entered into a contract under this chapter with a contractor under the TRICARE program.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by inserting after the item relating to section 1074n, the following new item:

10 USC 1071 prec.

''1075. TRICARE Select.''.

(b) TRICARE PRIME COST SHARING.—

(1) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1075, as added by subsection (a), the following new section:

10 USC 1075a.

''§ 1075a. TRICARE Prime: cost sharing

''(a) COST-SHARING REQUIREMENTS.—The cost-sharing requirements under TRICARE Prime are as follows:

''(1) There are no cost-sharing requirements for beneficiaries who are covered by section 1074(a) of this title.

''(2) With respect to beneficiaries in the active-duty family member category or the retired category (as described in section 1075(b)(1) of this title) by reason of being a member or former member of the uniformed services who originally enlists or is appointed in the uniformed services on or after January 1, 2018, or by reason of being a dependent of such a member, the cost-sharing requirements shall be calculated pursuant to subsection (b)(1).

''(3)(A) With respect to beneficiaries described in subparagraph (B) in the active-duty family member category or the retired category (as described in section 1075(b)(1) of this title), the cost-sharing requirements shall be calculated in accordance with the other provisions of this chapter without regard to subsection (b).

''(B) Beneficiaries described in this subparagraph are beneficiaries who are eligible to enroll in the TRICARE program by reason of being a member or former member of the uniformed services who originally enlists or is appointed in the uniformed services before January 1, 2018, or by reason of being a dependent of such a member.

''(b) COST-SHARING AMOUNTS.—(1) Beneficiaries described in subsection (a)(2) enrolled in TRICARE Prime shall be subject to cost-sharing requirements in accordance with the amounts and percentages under the following table during calendar year 2018 and as such amounts are adjusted under paragraph (2) for subsequent years:

''TRICARE Prime	**Active-Duty Family Member (Individual/Family)**	**Retired (Individual/Family)**
Annual Enrollment	$0	$350 / $700
Annual deductible	No	No

“TRICARE Prime	Active-Duty Family Member (Individual/Family)	Retired (Individual/Family)
Annual catastrophic cap	$1,000	$3,500
Outpatient visit civilian network	$0	$20 primary care
		$30 specialty care
ER visit civilian network	$0	$60 network
Urgent care civilian network	$0	$30 network
Ambulatory surgery civilian network	$0	$60 network
Ambulance civilian network	$0	$40
Durable medical equipment civilian network	$0	20% of negotiated fee, network
Inpatient visit civilian network	$0	$150 per admission
Inpatient skilled nursing/rehab civilian	$0	$30 per day network

“(2) Each dollar amount expressed as a fixed dollar amount in the table set forth in paragraph (1) shall be annually indexed to the amount by which retired pay is increased under section 1401a of this title, rounded to the next lower multiple of $1. The remaining amount above such multiple of $1 shall be carried over to, and accumulated with, the amount of the increase for the subsequent year or years and made when the aggregate amount of increases carried over under this clause for a year is $1 or more.

“(3) Enrollment fees, deductible amounts, and catastrophic caps under this section are on a calendar-year basis.

“(c) SPECIAL RULE FOR AMOUNTS WITHOUT REFERRALS.—Notwithstanding subsection (b)(1), the cost-sharing amount for a beneficiary enrolled in TRICARE Prime who does not obtain a referral for care under paragraph (1) of section 1075f(a) of this title (or a waiver pursuant to paragraph (2) of such section for such care) shall be an amount equal to 50 percent of the allowed point-of-service charge for such care.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is

10 USC 1071 prec.

amended by inserting after the item relating to section 1075, as added by subsection (a), the following new item:

"1075a. TRICARE Prime: cost sharing.".

(c) REFERRALS AND PREAUTHORIZATION FOR TRICARE PRIME.—Section 1095f of title 10, United States Code, is amended to read as follows:

"§ 1095f. TRICARE program: referrals and preauthorizations under TRICARE Prime

"(a) REFERRALS.—(1) Except as provided by paragraph (2), a beneficiary enrolled in TRICARE Prime shall be required to obtain a referral for care through a designated primary care manager (or other care coordinator) prior to obtaining care under the TRICARE program.

"(2) The Secretary may waive the referral requirement in paragraph (1) in such circumstances as the Secretary may establish for purposes of this subsection.

"(3) The cost-sharing amounts for a beneficiary enrolled in TRICARE Prime who does not obtain a referral for care under paragraph (1) (or a waiver pursuant to paragraph (2) for such care) shall be determined under section 1075a(c) of this title.

"(b) PREAUTHORIZATION.—A beneficiary enrolled in TRICARE Prime shall be required to obtain preauthorization only with respect to a referral for the following:

"(1) Inpatient hospitalization.

"(2) Inpatient care at a skilled nursing facility.

"(3) Inpatient care at a rehabilitation facility.

"(c) PROHIBITION REGARDING PRIOR AUTHORIZATION FOR CERTAIN REFERRALS.—The Secretary of Defense shall ensure that no contract for managed care support under the TRICARE program includes any requirement that a managed care support contractor require a primary care or specialty care provider to obtain prior authorization before referring a patient to a specialty care provider that is part of the network of health care providers or institutions of the contractor.".

(d) ENROLLMENT PERIODS.—

(1) ANNUAL PERIODS AND QUALIFYING EVENTS.—Section 1099(b) of title 10, United States Code, is amended by amending paragraph (1) to read as follows:

"(1) allow covered beneficiaries to elect to enroll in a health care plan, or modify a previous election, from eligible health care plans designated by the Secretary of Defense during—

"(A) an annual open enrollment period; and

"(B) any period based on a qualifying event experienced by the beneficiary, as determined appropriate by the Secretary; or".

10 USC 1099 note.

(2) APPLICATION.—The Secretary of Defense shall implement the initial annual open enrollment period pursuant to section 1099(b)(1) of title 10, United States Code, as amended by paragraph (1), during 2018.

10 USC 1099 note.

(3) GRACE PERIOD DURING FIRST YEAR.—

(A) At any time during the one-year period beginning on the date on which the initial annual open enrollment period begins pursuant to section 1099(b)(1) of title 10,

United States Code, as amended by paragraph (1), a covered beneficiary may make an election, or modify such an election, described in such section.

(B) If during such one-year period an individual who is eligible to enroll in the TRICARE program, but does not elect to enroll in such program, receives health care services for an episode of care that would be covered under the TRICARE program if such individual were enrolled in the TRICARE program, the Secretary—

(i) shall pay the out-of-network fees only for the first episode of care and inform the individual of the opportunity to enroll in the TRICARE program; and

(ii) may not pay any costs relating to any subsequent episode of care if such individual is not enrolled in the TRICARE program.

(4) TRANSITION PLAN.—Not later than March 1, 2017, the Secretary shall provide to the Committees on Armed Services of the Senate and the House of Representatives a briefing on the transition plan of the Department of Defense for implementing an annual enrollment period for TRICARE Prime and TRICARE Select pursuant to section 1099(b)(1) of title 10, United States Code, as amended by paragraph (1). Such plan shall include strategies to notify each beneficiary of the changes to the TRICARE options and the changes to the enrollment process.

10 USC 1073 note.

(e) TERMINATION OF TRICARE STANDARD AND TRICARE EXTRA.—Beginning on January 1, 2018, the Secretary of Defense may not carry out TRICARE Standard and TRICARE Extra under the TRICARE program. The Secretary shall ensure that any individual who is covered under TRICARE Standard or TRICARE Extra as of December 31, 2017, enrolls in TRICARE Prime or TRICARE Select, as the case may be, as of January 1, 2018, for the individual to continue coverage under the TRICARE program.

(f) IMPLEMENTATION PLAN.—

(1) IN GENERAL.—Not later than June 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate an implementation plan to improve access to health care for TRICARE beneficiaries pursuant to the amendments made by this section.

(2) ELEMENTS.—The plan under paragraph (1) shall—

(A) ensure that at least 85 percent of the beneficiary population under TRICARE Select is covered by the network by January 1, 2018;

(B) ensure access standards for appointments for health care that meet or exceed those of high-performing health care systems in the United States, as determined by the Secretary;

(C) establish mechanisms for monitoring compliance with access standards;

(D) establish health care provider-to-beneficiary ratios;

(E) monitor on a monthly basis complaints by beneficiaries with respect to network adequacy and the availability of health care providers;

(F) establish requirements for mechanisms to monitor the responses to complaints by beneficiaries;

(G) establish mechanisms to evaluate the quality metrics of the network providers established under section 728;

(H) include any recommendations for legislative action the Secretary determines necessary to carry out the plan; and

(I) include any other elements the Secretary determines appropriate.

(g) GAO REVIEWS.—

(1) IMPLEMENTATION PLAN.—Not later than December 1, 2017, the Comptroller General of the United States shall submit to the Committees on Armed Services of the House of Representatives and the Senate a review of the implementation plan of the Secretary under paragraph (1) of subsection (f), including an assessment of the adequacy of the plan in meeting the elements specified in paragraph (2) of such subsection.

(2) NETWORK.—Not later than September 1, 2017, the Comptroller General shall submit to the Committees on Armed Services of the House of Representatives and the Senate a review of the network established under TRICARE Extra, including the following:

(A) An identification of the percent of beneficiaries who are covered by the network.

(B) An assessment of the extent to which beneficiaries are able to obtain appointments under TRICARE Extra.

(C) The percent of network providers under TRICARE Extra that accept new patients under the TRICARE program.

(D) An assessment of the satisfaction of beneficiaries under TRICARE Extra.

10 USC 1073 note.

(h) PILOT PROGRAM ON INCORPORATION OF VALUE-BASED HEALTH CARE IN PURCHASED CARE COMPONENT OF TRICARE PROGRAM.—

(1) IN GENERAL.—Not later than January 1, 2018, the Secretary of Defense shall carry out a pilot program to demonstrate and assess the feasibility of incorporating value-based health care methodology in the purchased care component of the TRICARE program by reducing copayments or cost shares for targeted populations of covered beneficiaries in the receipt of high-value medications and services and the use of high-value providers under such purchased care component, including by exempting certain services from deductible requirements.

(2) REQUIREMENTS.—In carrying out the pilot program under paragraph (1), the Secretary shall—

(A) identify each high-value medication and service that is covered under the purchased care component of the TRICARE program for which a reduction or elimination of the copayment or cost share for such medication or service would encourage covered beneficiaries to use the medication or service;

(B) reduce or eliminate copayments or cost shares for covered beneficiaries to receive high-value medications and services;

(C) reduce or eliminate copayments or cost shares for covered beneficiaries to receive health care services from high-value providers;

(D) credit the amount of any reduction or elimination of a copayment or cost share under subparagraph (B) or (C) for a covered beneficiary towards meeting a deductible applicable to the covered beneficiary in the purchased care component of the TRICARE program to the same extent as if such reduction or elimination had not applied; and

(E) develop a process to reimburse high-value providers at rates higher than those rates for health care providers that are not high-value providers.

(3) REPORT ON VALUE-BASED HEALTH CARE METHODOLOGY.— Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that includes the following:

(A) A list of each high-value medication and service identified under paragraph (2)(A) for which the copayment or cost share amount will be reduced or eliminated under the pilot program to encourage covered beneficiaries to use such medications and services through the purchased care component of the TRICARE program.

(B) For each high-value medication and service identified under paragraph (2)(A), the amount of the copayment or cost share required under the purchased care component of the TRICARE program and the amount of any reduction or elimination of such copayment or cost share pursuant to the pilot program.

(C) A description of a plan to identify and communicate to covered beneficiaries, through multiple communication media—

(i) the list of high-value medications and services described in subparagraph (A); and

(ii) a list of high-value providers.

(D) A description of modifications, if any, to existing health care contracts that may be required to implement value-based health care methodology in the purchased care component of the TRICARE program under the pilot program and the estimated costs of those contract modifications.

(4) COMPTROLLER GENERAL PRELIMINARY REVIEW AND ASSESSMENT.—

(A) Not later than March 1, 2021, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a review and assessment of the preliminary results of the pilot program.

(B) The review and assessment required under subparagraph (A) shall include the following:

(i) An assessment of the extent of the use of value-based health care methodology in the purchased care component of the TRICARE program under the pilot program.

(ii) An analysis demonstrating how reducing or eliminating the copayment or cost share for each high-value medication and service identified under paragraph (2)(A) resulted in—

(I) increased adherence to medication regimens;

(II) improvement of quality measures;
(III) improvement of health outcomes;
(IV) reduction of number of emergency room visits or hospitalizations; and
(V) enhancement of experience of care for covered beneficiaries.

(iii) Such recommendations for incentivizing the use of high-value medications and services to improve health outcomes and the experience of care for beneficiaries as the Comptroller General considers appropriate.

(5) REVIEW AND ASSESSMENT OF PILOT PROGRAM.—

(A) Not later than January 1, 2023, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a review and assessment of the pilot program.

(B) The review and assessment required under subparagraph (A) shall include the following:

(i) An assessment of the extent of the use of value-based health care methodology in the purchased care component of the TRICARE program under the pilot program.

(ii) An analysis demonstrating how reducing or eliminating the copayment or cost share for each high-value medication and service identified under paragraph (2)(A) resulted in—

(I) increased adherence to medication regimens;
(II) improvement of quality measures;
(III) improvement of health outcomes; and
(IV) enhancement of experience of care for covered beneficiaries.

(iii) A cost-benefit analysis of the implementation of value-based health care methodology in the purchased care component of the TRICARE program under the pilot program.

(iv) Such recommendations for incentivizing the use of high-value medications and services to improve health outcomes and the experience of care for covered beneficiaries as the Secretary considers appropriate.

(6) TERMINATION.—The Secretary may not carry out the pilot program after December 31, 2022.

10 USC 1073 note.

(i) DEFINITIONS.—In this section:

(1) The terms "uniformed services", "covered beneficiary", "TRICARE Extra", "TRICARE for Life", "TRICARE Prime", and "TRICARE Standard", have the meaning given those terms in section 1072 of title 10, United States Code, as amended by subsection (j).

(2) The term "TRICARE Select" means the self-managed, preferred-provider network option under the TRICARE program established by section 1075 of such title, as added by subsection (a).

(3) The term "chronic conditions" includes diabetes, chronic obstructive pulmonary disease, asthma, congestive heart failure, hypertension, history of stroke, coronary artery disease, mood disorders, and such other diseases or conditions as the Secretary considers appropriate.

(4) The term "high-value medications and services" means prescription medications and clinical services for the management of chronic conditions that the Secretary determines would improve health outcomes and create health value for covered beneficiaries (such as preventive care, primary and specialty care, diagnostic tests, procedures, and durable medical equipment).

(5) The term "high-value provider" means an individual or institutional health care provider that provides health care under the purchased care component of the TRICARE program and that consistently improves the experience of care, meets established quality of care and effectiveness metrics, and reduces the per capita costs of health care.

(6) The term "value-based health care methodology" means a methodology for identifying specific prescription medications and clinical services provided under the TRICARE program for which reduction of copayments, cost shares, or both, would improve the management of specific chronic conditions because of the high value and clinical effectiveness of such medications and services for such chronic conditions.

(j) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Title 10, United States Code, is amended as follows:

(A) Section 1072 is amended—

(i) by striking paragraph (7) and inserting the following:

"(7) The term 'TRICARE program' means the various programs carried out by the Secretary of Defense under this chapter and any other provision of law providing for the furnishing of medical and dental care and health benefits to members and former members of the uniformed services and their dependents, including the following health plan options:

"(A) TRICARE Prime.

"(B) TRICARE Select.

"(C) TRICARE for Life."; and

(ii) by adding at the end the following new paragraphs:

"(11) The term 'TRICARE Extra' means the preferred-provider option of the TRICARE program made available prior to January 1, 2018, under which TRICARE Standard beneficiaries may obtain discounts on cost sharing as a result of using TRICARE network providers.

"(12) The term 'TRICARE Select' means the self-managed, preferred-provider network option under the TRICARE program established by section 1075 of this title.

"(13) The term 'TRICARE for Life' means the Medicare wraparound coverage option of the TRICARE program made available to the beneficiary by reason of section 1086(d) of this title.

"(14) The term 'TRICARE Prime' means the managed care option of the TRICARE program.

"(15) The term 'TRICARE Standard' means the TRICARE program made available prior to January 1, 2018, covering—

"(A) medical care to which a dependent described in section 1076(a)(2) of this title is entitled; and

"(B) health benefits contracted for under the authority of section 1079(a) of this title and subject to the same

rates and conditions as apply to persons covered under that section.”.

(B) Section 1076d is amended—

(i) in subsection (d)(1), by inserting after “coverage.” the following: “Such premium shall apply instead of any enrollment fees required under section 1075 of this section.”; and

(ii) in subsection (f), by striking paragraph (2) and inserting the following new paragraph:

“(2) The term ‘TRICARE Reserve Select’ means the TRICARE Select self-managed, preferred-provider network option under section 1075 made available to beneficiaries by reason of this section and in accordance with subsection (d)(1).”; and

(iii) by striking “TRICARE Standard” each place it appears (including in the heading of such section) and inserting “TRICARE Reserve Select”.

(C) Section 1076e is amended—

(i) in subsection (d)(1), by inserting after “coverage.” the following: “Such premium shall apply instead of any enrollment fees required under section 1075 of this section.”; and

(ii) in subsection (f), by striking paragraph (2) and inserting the following new paragraph:

“(2) The term ‘TRICARE Retired Reserve’ means the TRICARE Select self-managed, preferred-provider network option under section 1075 made available to beneficiaries by reason of this section and in accordance with subsection (d)(1).”;

(iii) in subsection (b), by striking “TRICARE Standard coverage at” and inserting “TRICARE coverage at”; and

(iv) by striking “TRICARE Standard” each place it appears (including in the heading of such section) and inserting “TRICARE Retired Reserve”.

(D) Section 1079a is amended—

(i) in the section heading, by striking “**CHAMPUS**” and inserting “**TRICARE program**”; and

(ii) by striking “the Civilian Health and Medical Program of the Uniformed Services” and inserting “the TRICARE program”.

(E) Section 1099(c) is amended by striking paragraph (2) and inserting the following new paragraph:

“(2) A plan under the TRICARE program.”.

(F) Section 1110b(c)(1) is amended by inserting after “(b).” the following: “Such premium shall apply instead of any enrollment fees required under section 1075 of this section.”.

(2) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is further amended—

10 USC 1071 prec.

(A) in the item relating to section 1076d, by striking “TRICARE Standard” and inserting “TRICARE Reserve Select”;

(B) in the item relating to section 1076e, by striking “TRICARE Standard” and inserting “TRICARE Retired Reserve”;

(C) in the item relating to section 1079a, by striking "CHAMPUS" and inserting "TRICARE program"; and

(D) in the item relating to section 1095f, by striking "for specialty health care" and inserting "and preauthorizations under TRICARE Prime".

(3) CONFORMING STYLE.—Any new language inserted or added to title 10, United States Code, by an amendment made by this subsection shall conform to the typeface and typestyle of the matter in which the language is so inserted or added.

(k) APPLICATION.—The amendments made by this section shall apply with respect to the provision of health care under the TRICARE program beginning on January 1, 2018.

10 USC 1072 note.

SEC. 702. REFORM OF ADMINISTRATION OF THE DEFENSE HEALTH AGENCY AND MILITARY MEDICAL TREATMENT FACILITIES.

(a) ADMINISTRATION.—

(1) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1073b the following new section:

"§ 1073c. Administration of Defense Health Agency and military medical treatment facilities

10 USC 1073c.

"(a) ADMINISTRATION OF MILITARY MEDICAL TREATMENT FACILITIES.—(1) Beginning October 1, 2018, the Director of the Defense Health Agency shall be responsible for the administration of each military medical treatment facility, including with respect to—

"(A) budgetary matters;

"(B) information technology;

"(C) health care administration and management;

"(D) administrative policy and procedure;

"(E) miliary medical construction; and

"(F) any other matters the Secretary of Defense determines appropriate.

"(2) The commander of each military medical treatment facility shall be responsible for—

"(A) ensuring the readiness of the members of the armed forces and civilian employees at such facility; and

"(B) furnishing the health care and medical treatment provided at such facility.

"(3) The Secretary of Defense shall establish within the Defense Health Agency a professional staff to provide policy, oversight, and direction to carry out subsection (a). The Secretary shall carry out this paragraph by appointing the positions specified in subsections (b) and (c).

"(b) DHA ASSISTANT DIRECTOR.—(1) There is in the Defense Health Agency an Assistant Director for Health Care Administration. The Assistant Director shall—

"(A) be a career appointee within the Department; and

"(B) report directly to the Director of the Defense Health Agency.

"(2) The Assistant Director shall be appointed from among individuals who have equivalent education and experience as a chief executive officer leading a large, civilian health care system.

"(3) The Assistant Director shall be responsible for the following:

"(A) Establishing priorities for health care administration and management.

"(B) Establishing policies, procedures, and direction for the provision of direct care at military medical treatment facilities.

"(C) Establishing priorities for budgeting matters with respect to the provision of direct care at military medical treatment facilities.

"(D) Establishing policies, procedures, and direction for clinic management and operations at military medical treatment facilities.

"(E) Establishing priorities for information technology at and between the military medical treatment facilities.

"(c) DHA DEPUTY ASSISTANT DIRECTORS.—(1)(A) There is in the Defense Health Agency a Deputy Assistant Director for Information Operations.

"(B) The Deputy Assistant Director for Information Operations shall be responsible for policies, management, and execution of information technology operations at and between the military medical treatment facilities.

"(2)(A) There is in the Defense Health Agency a Deputy Assistant Director for Financial Operations.

"(B) The Deputy Assistant Director for Financial Operations shall be responsible for the policy, procedures, and direction of budgeting matters and financial management with respect to the provision of direct care across the military health system.

"(3)(A) There is in the Defense Health Agency a Deputy Assistant Director for Health Care Operations.

"(B) The Deputy Assistant Director for Health Care Operations shall be responsible for the policy, procedures, and direction of health care administration in the military medical treatment facilities.

"(4)(A) There is in the Defense Health Agency a Deputy Assistant Director for Medical Affairs.

"(B) The Deputy Assistant Director for Medical Affairs shall be responsible for policy, procedures, and direction of clinical quality and process improvement, patient safety, infection control, graduate medical education, clinical integration, utilization review, risk management, patient experience, and civilian physician recruiting.

"(5) Each Deputy Assistant Director appointed under paragraphs (1) through (4) shall report directly to the Assistant Director for Health Care Administration.

"(d) CERTAIN RESPONSIBILITIES OF DHA DIRECTOR.—(1) In addition to the other duties of the Director of the Defense Health Agency, the Director shall coordinate with the Joint Staff Surgeon to ensure that the Director most effectively carries out the responsibilities of the Defense Health Agency as a combat support agency under section 193 of this title.

"(2) The responsibilities of the Director shall include the following:

"(A) Ensuring that the Defense Health Agency meets the operational needs of the commanders of the combatant commands.

"(B) Coordinating with the military departments to ensure that the staffing at the military medical treatment facilities supports readiness requirements for members of the armed forces and health care personnel.

"(e) DEFINITIONS.—In this section:

"(1) The term 'career appointee' has the meaning given that term in section 3132(a)(4) of title 5.

"(2) The term 'Defense Health Agency' means the Defense Agency established pursuant to Department of Defense Directive 5136.13, or such successor Defense Agency.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1073b the following new item:

10 USC 1071 prec.

"1073c. Administration of Defense Health Agency and military medical treatment facilities.".

(b) POSITIONS OF SURGEON GENERAL IN THE ARMED FORCES.—

(1) SURGEON GENERAL OF THE ARMY.—Section 3036 of title 10, United States Code, is amended—

(A) in subsection (d), by striking "(1)";

(B) by redesignating subsection (e) as subsection (g);

(C) by inserting after subsection (d) a new subsection (e);

(D) by transferring paragraphs (2) and (3) of subsection (d) to subsection (e), as added by subparagraph (C), and redesignating such paragraphs as paragraphs (1) and (2), respectively; and

(E) by adding after subsection (e), as added by subparagraph (C), the following new subsection (f):

"(f)(1) The Surgeon General serves as the principal advisor to the Secretary of the Army and the Chief of Staff of the Army on all health and medical matters of the Army, including strategic planning and policy development relating to such matters.

"(2) The Surgeon General serves as the chief medical advisor of the Army to the Director of the Defense Health Agency on matters pertaining to military health readiness requirements and safety of members of the Army.

"(3) The Surgeon General, acting under the authority, direction, and control of the Secretary of the Army, shall recruit, organize, train, and equip, medical personnel of the Army.".

(2) SURGEON GENERAL OF THE NAVY.—

(A) IN GENERAL.—Section 5137 of title 10, United States Code, is amended to read as follows:

"§ 5137. Surgeon General: appointment; duties

"(a) APPOINTMENT.—The Surgeon General of the Navy shall be appointed by the President, by and with the advice and consent of the Senate, for a term of four years, from officers on the active-duty list of the Navy in any corps of the Navy Medical Department.

"(b) DUTIES.—(1) The Surgeon General serves as the Chief of the Bureau of Medicine and Surgery and serves as the principal advisor to the Secretary of the Navy and the Chief of Naval Operations on all health and medical matters of the Navy and the Marine Corps, including strategic planning and policy development relating to such matters.

"(2) The Surgeon General serves as the chief medical advisor of the Navy and the Marine Corps to the Director of the Defense Health Agency on matters pertaining to military health readiness requirements and safety of members of the Navy and the Marine Corps.

"(3) The Surgeon General, acting under the authority, direction, and control of the Secretary of the Navy, shall recruit, organize, train, and equip, medical personnel of the Navy and the Marine Corps.".

10 USC 5131 prec.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 513 of such title is amended by striking the item relating to section 5137 and inserting the following new item:

"5137. Surgeon General: appointment; duties.".

(3) SURGEON GENERAL OF THE AIR FORCE.—

(A) IN GENERAL.—Section 8036 of title 10, United States Code, is amended to read as follows:

"§ 8036. Surgeon General: appointment; duties

"(a) APPOINTMENT.—The Surgeon General of the Air Force shall be appointed by the President, by and with the advice and consent of the Senate from officers of the Air Force who are in the Air Force medical department.

"(b) DUTIES.—(1) The Surgeon General serves as the principal advisor to the Secretary of the Air Force and the Chief of Staff of the Air Force on all health and medical matters of the Air Force, including strategic planning and policy development relating to such matters.

"(2) The Surgeon General serves as the chief medical advisor of the Air Force to the Director of the Defense Health Agency on matters pertaining to military health readiness requirements and safety of members of the Air Force.

"(3) The Surgeon General, acting under the authority, direction, and control of the Secretary of the Air Force, shall recruit, organize, train, and equip, medical personnel of the Air Force.".

10 USC 8031 prec.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 805 of such title is amended by striking the item relating to section 8036 and inserting the following new item:

"8036. Surgeon General: appointment; duties.".

10 USC 1073c note.

(c) APPOINTMENTS.—The Secretary of Defense shall make appointments of the positions under section 1073c of title 10, United States Code, as added by subsection (a)—

(1) by not later than October 1, 2018; and

(2) by not increasing the number of full-time equivalent employees of the Defense Health Agency.

(d) IMPLEMENTATION PLAN.—

(1) IN GENERAL.—The Secretary of Defense shall develop a plan to implement section 1073c of title 10, United States Code, as added by subsection (a).

(2) ELEMENTS.—The plan developed under paragraph (1) shall include the following:

(A) How the Secretary will carry out subsection (a) of such section 1073c.

(B) Efforts to eliminate duplicative activities carried out by the elements of the Defense Health Agency and the military departments.

(C) Efforts to maximize efficiencies in the activities carried out by the Defense Health Agency.

(D) How the Secretary will implement such section 1073c in a manner that reduces the number of members of the Armed Forces, civilian employees who are full-time

equivalent employees, and contractors relating to the headquarters activities of the military health system, as of the date of the enactment of this Act.

(e) REPORTS.—

(1) INTERIM REPORT.—Not later than March 1, 2017, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report containing—

(A) a preliminary draft of the plan developed under subsection (d)(1); and

(B) any recommendations for legislative actions the Secretary determines necessary to carry out the plan.

(2) FINAL REPORT.—Not later than March 1, 2018, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report containing the final version of the plan developed under subsection (d)(1).

(3) COMPTROLLER GENERAL REVIEWS.—

(A) The Comptroller General of the United States shall submit to the Committees on Armed Services of the House of Representatives and the Senate—

(i) a review of the preliminary draft of the plan submitted under paragraph (1) by not later than September 1, 2017; and

(ii) a review of the final version of the plan submitted under paragraph (2) by not later than September 1, 2018.

(B) Each review of the plan conducted under subparagraph (A) shall determine whether the Secretary has addressed the required elements for the plan under subsection (d)(2).

SEC. 703. MILITARY MEDICAL TREATMENT FACILITIES.

(a) ADMINISTRATION.—

(1) IN GENERAL.—Chapter 55 of title 10, United States Code, as amended by section 702, is further amended by inserting after section 1073c the following new section:

"§ 1073d. Military medical treatment facilities

10 USC 1073d.

"(a) IN GENERAL.—To support the medical readiness of the armed forces and the readiness of medical personnel, the Secretary of Defense, in consultation with the Secretaries of the military departments, shall maintain the military medical treatment facilities described in subsections (b), (c), and (d).

"(b) MEDICAL CENTERS.—(1) The Secretary of Defense shall maintain medical centers in areas with a large population of members of the armed forces and covered beneficiaries.

"(2) Medical centers shall serve as referral facilities for members and covered beneficiaries who require comprehensive health care services that support medical readiness.

"(3) Medical centers shall consist of the following:

"(A) Inpatient and outpatient tertiary care facilities that incorporate specialty and subspecialty care.

"(B) Graduate medical education programs.

"(C) Residency training programs.

"(D) Level one or level two trauma care capabilities.

"(4) The Secretary may designate a medical center as a regional center of excellence for unique and highly specialized health care services, including with respect to polytrauma, organ transplantation, and burn care.

"(c) HOSPITALS.—(1) The Secretary of Defense shall maintain hospitals in areas where civilian health care facilities are unable to support the health care needs of members of the armed forces and covered beneficiaries.

"(2) Hospitals shall provide—

"(A) inpatient and outpatient health services to maintain medical readiness; and

"(B) such other programs and functions as the Secretary determines appropriate.

"(3) Hospitals shall consist of inpatient and outpatient care facilities with limited specialty care that the Secretary determines—

"(A) is cost effective; or

"(B) is not available at civilian health care facilities in the area of the hospital.

"(d) AMBULATORY CARE CENTERS.—(1) The Secretary of Defense shall maintain ambulatory care centers in areas where civilian health care facilities are able to support the health care needs of members of the armed forces and covered beneficiaries.

"(2) Ambulatory care centers shall provide the outpatient health services required to maintain medical readiness, including with respect to partnerships established pursuant to section 706 of the National Defense Authorization Act for Fiscal Year 2017.

"(3) Ambulatory care centers shall consist of outpatient care facilities with limited specialty care that the Secretary determines—

"(A) is cost effective; or

"(B) is not available at civilian health care facilities in the area of the ambulatory care center.".

10 USC 1071 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 702, is further amended by inserting after the item relating to section 1073c the following new item:

"1073d. Military medical treatment facilities.".

10 USC 1073d note.

(3) SATELLITE CENTERS.—In addition to the centers of excellence designated under section 1073d(b)(4) of title 10, United States Code, as added by paragraph (1), the Secretary of Defense may establish satellite centers of excellence to provide specialty care for certain conditions, including with respect to—

(A) post-traumatic stress;

(B) traumatic brain injury; and

(C) such other conditions as the Secretary considers appropriate.

10 USC 1073d note.

(b) EXCEPTION.—In carrying out section 1073d of title 10, United States Code, as added by subsection (a)(1), the Secretary of Defense may not restructure or realign the infrastructure of, or modify the health care services provided by, a military medical treatment facility unless the Secretary determines that, if such a restructure, realignment, or modification will eliminate the ability of a covered beneficiary to access health care services at a military medical treatment facility, the covered beneficiary will be able to access such health care services through the purchased care component of the TRICARE program.

(c) UPDATE OF STUDY.—

(1) IN GENERAL.—The Secretary of Defense, in collaboration with the Secretaries of the military departments, shall update the report described in paragraph (2) to address the restructuring or realignment of military medical treatment facilities pursuant to section 1073d of title 10, United States Code, as added by subsection (a), including with respect to any expansions or consolidations of such facilities.

(2) REPORT DESCRIBED.—The report described in this paragraph is the Military Health System Modernization Study dated May 29th, 2015, required by section 713(a)(2) of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291; 128 Stat. 3414).

(3) SUBMISSION.—Not later than 270 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees the updated report under paragraph (1).

(d) IMPLEMENTATION PLAN.—

(1) IN GENERAL.—Not later than two years after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees an implementation plan to restructure or realign the military medical treatment facilities pursuant to section 1073d of title 10, United States Code, as added by subsection (a).

(2) ELEMENTS.—The implementation plan under paragraph (1) shall include the following:

(A) With respect to each military medical treatment facility—

(i) whether the facility will be realigned or restructured under the plan;

(ii) whether the functions of such facility will be expanded or consolidated;

(iii) the costs of such realignment or restructuring;

(iv) a description of any changes to the military and civilian personnel assigned to such facility as of the date of the plan;

(v) a timeline for such realignment or restructuring;

(vi) the justifications for such realignment or restructuring, including an assessment of the capacity of the civilian health care facilities located near such facility;

(vii) a comprehensive assessment of the health care services provided at the facility;

(viii) a description of the current accessibility of covered beneficiaries to health care services provided at the facility and proposed modifications to that accessibility, including with respect to types of services provided;

(ix) a description of the current availability of urgent care, emergent care, and specialty care at the facility and in the TRICARE provider network in the area in which the facility is located, and proposed modifications to the availability of such care;

(x) a description of the current level of coordination between the facility and local health care providers

in the area in which the facility is located and proposed modifications to such level of coordination; and

(xi) a description of any unique challenges to providing health care at the facility, with a focus on challenges relating to rural, remote, and insular areas, as appropriate.

(B) A description of the relocation of the graduate medical education programs and the residency programs.

(C) A description of the plans to assist members of the Armed Forces and covered beneficiaries with travel and lodging, if necessary, in connection with the receipt of specialty care services at regional centers of excellence designated under subsection (b)(4) of such section 1073d.

(D) A description of how the Secretary will carry out subsection (b).

(3) GAO REPORT.—Not later than 60 days after the date on which the Secretary of Defense submits the report under paragraph (1), the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a review of such report.

10 USC 1073d note.

(e) DEFINITIONS.—In this section, the terms "covered beneficiary" and "TRICARE program" have the meaning given those terms in section 1072 of title 10, United States Code.

SEC. 704. ACCESS TO URGENT AND PRIMARY CARE UNDER TRICARE PROGRAM.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1077 the following new section:

10 USC 1077a.

"§ 1077a. Access to military medical treatment facilities and other facilities

"(a) URGENT CARE.—(1) The Secretary of Defense shall ensure that military medical treatment facilities, at locations the Secretary determines appropriate, provide urgent care services for members of the armed forces and covered beneficiaries until 11:00 p.m. each day.

"(2) With respect to areas in which a military medical treatment facility covered by paragraph (1) is not located, the Secretary shall ensure that members of the armed forces and covered beneficiaries may access urgent care clinics through the health care provider network under the TRICARE program.

"(3) A covered beneficiary may access urgent care services without the need for preauthorization for such services.

"(4) The Secretary shall—

"(A) publish information about changes in access to urgent care under the TRICARE program—

"(i) on the primary publicly available Internet website of the Department; and

"(ii) on the primary publicly available Internet website of each military medical treatment facility; and

"(B) ensure that such information is made available on the publicly available Internet website of each current managed care support contractor that has established a health care provider network under the TRICARE program.

"(b) NURSE ADVICE LINE.—The Secretary shall ensure that the nurse advice line of the Department directs covered beneficiaries seeking access to care to the source of the most appropriate level

of health care required to treat the medical conditions of the beneficiaries, including urgent care services described in subsection (a).

"(c) PRIMARY CARE CLINICS.—(1) The Secretary shall ensure that primary care clinics at military medical treatment facilities are available for members of the armed forces and covered beneficiaries between the hours determined appropriate under paragraph (2), including with respect to expanded hours described in subparagraph (B) of such paragraph.

"(2)(A) The Secretary shall determine the hours that each primary care clinic at a military medical treatment facility is available for members of the armed forces and covered beneficiaries based on—

"(i) the needs of the military medical treatment facility to meet the access standards under the TRICARE Prime program; and

"(ii) the primary care utilization patterns of members and covered beneficiaries at such military medical treatment facility.

"(B) The primary care clinic hours at a military medical treatment facility determined under subparagraph (A) shall include expanded hours beyond regular business hours during weekdays and the weekend if the Secretary determines under such subparagraph that sufficient demand exists at the military medical treatment facility for such expanded primary care clinic hours.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1077 the following new item:

10 USC 1071 prec.

"1077a. Access to military medical treatment facilities and other facilities".

(c) IMPLEMENTATION.—The Secretary of Defense shall implement—

10 USC 1077a note.

(1) subsection (a) of section 1077a of title 10, United States Code, as added by subsection (a) of this section, by not later than one year after the date of the enactment of this Act; and

(2) subsection (c) of such section by not later than 180 days after the date of the enactment of this Act.

SEC. 705. VALUE-BASED PURCHASING AND ACQUISITION OF MANAGED CARE SUPPORT CONTRACTS FOR TRICARE PROGRAM.

10 USC 1073a note.

(a) VALUE-BASED HEALTH CARE.—

(1) IN GENERAL.—The Secretary of Defense shall develop and implement value-based incentive programs as part of any contract awarded under chapter 55 of title 10, United States Code, for the provision of health care services to covered beneficiaries to encourage health care providers under the TRICARE program (including physicians, hospitals, and other persons and facilities involved in providing such health care services) to improve the following:

(A) The quality of health care provided to covered beneficiaries under the TRICARE program.

(B) The experience of covered beneficiaries in receiving health care under the TRICARE program.

(C) The health of covered beneficiaries.

(2) VALUE-BASED INCENTIVE PROGRAMS.—

(A) DEVELOPMENT.—In developing value-based incentive programs under paragraph (1), the Secretary shall—

(i) link payments to health care providers under the TRICARE program to improved performance with respect to quality, cost, and reducing the provision of inappropriate care;

(ii) consider the characteristics of the population of covered beneficiaries affected by the value-based incentive program;

(iii) consider how the value-based incentive program would affect the receipt of health care under the TRICARE program by such covered beneficiaries;

(iv) establish or maintain an assurance that such covered beneficiaries will have timely access to health care during the operation of the value-based incentive program;

(v) ensure that such covered beneficiaries do not incur any additional costs by reason of the value-based incentive program; and

(vi) consider such other factors as the Secretary considers appropriate.

(B) SCOPE AND METRICS.—With respect to a value-based incentive program developed and implemented under paragraph (1), the Secretary shall ensure that—

(i) the size, scope, and duration of the value-based incentive program is reasonable in relation to the purpose of the value-based incentive program; and

(ii) the value-based incentive program relies on the core quality performance metrics adopted pursuant to section 728.

(3) USE OF EXISTING MODELS.—In developing a value-based incentive program under paragraph (1), the Secretary may adapt a value-based incentive program conducted by a TRICARE managed care support contractor, the Centers for Medicare & Medicaid Services, or any other Federal Government, State government, or commercial health care program.

(b) TRANSFER OF CONTRACTING RESPONSIBILITY.—With respect to the acquisition of any managed care support contracts under the TRICARE program initiated after the date of the enactment of this Act, the Secretary of Defense shall transfer contracting responsibility for the solicitation and award of such contracts from the Defense Health Agency to the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(c) ACQUISITION OF CONTRACTS.—

(1) STRATEGY.—Not later than January 1, 2018, the Secretary of Defense shall develop and implement a strategy to ensure that managed care support contracts under the TRICARE program entered into with private sector entities, other than overseas medical support contracts—

(A) improve access to health care for covered beneficiaries;

(B) improve health outcomes for covered beneficiaries;

(C) improve the quality of health care received by covered beneficiaries;

(D) enhance the experience of covered beneficiaries in receiving health care; and

(E) lower per capita costs to the Department of Defense of health care provided to covered beneficiaries.

(2) APPLICABILITY OF STRATEGY.—

(A) IN GENERAL.—The strategy required by paragraph (1) shall apply to all managed care support contracts under the TRICARE program entered into with private sector entities.

(B) MODIFICATION OF CONTRACTS.—Contracts entered into prior to the implementation of the strategy required by paragraph (1) shall be modified to ensure consistency with such strategy.

(3) LOCAL, REGIONAL, AND NATIONAL HEALTH PLANS.—In developing and implementing the strategy required by paragraph (1), the Secretary shall ensure that local, regional, and national health plans have an opportunity to participate in the competition for managed care support contracts under the TRICARE program.

(4) CONTINUOUS INNOVATION.—The strategy required by paragraph (1) shall include incentives for the incorporation of innovative ideas and solutions into managed care support contracts under the TRICARE program through the use of teaming agreements, subcontracts, and other contracting mechanisms that can be used to develop and continuously refresh high-performing networks of health care providers at the national, regional, and local level.

(5) ELEMENTS OF STRATEGY.—The strategy required by paragraph (1) shall provide for the following with respect to managed care support contracts under the TRICARE program:

(A) The maximization of flexibility in the design and configuration of networks of individual and institutional health care providers, including a focus on the development of high-performing networks of health care providers.

(B) The establishment of an integrated medical management system between military medical treatment facilities and health care providers in the private sector that, when appropriate, effectively coordinates and integrates health care across the continuum of care.

(C) With respect to telehealth services—

(i) the maximization of the use of such services to provide real-time interactive communications between patients and health care providers and remote patient monitoring; and

(ii) the use of standardized payment methods to reimburse health care providers for the provision of such services.

(D) The use of value-based reimbursement methodologies, including through the use of value-based incentive programs under subsection (a), that transfer financial risk to health care providers and managed care support contractors.

(E) The use of financial incentives for contractors and health care providers to receive an equitable share in the cost savings to the Department resulting from improvement in health outcomes for covered beneficiaries and the experience of covered beneficiaries in receiving health care.

(F) The use of incentives that emphasize prevention and wellness for covered beneficiaries receiving health care services from private sector entities to seek such services from high-value health care providers.

(G) The adoption of a streamlined process for enrollment of covered beneficiaries to receive health care and timely assignment of primary care managers to covered beneficiaries.

(H) The elimination of the requirement for a referral to be authorized prior receiving specialty care services at a facility of the Department of Defense or through the TRICARE program.

(I) The use of incentives to encourage covered beneficiaries to participate in medical and lifestyle intervention programs.

(6) RURAL, REMOTE, AND ISOLATED AREAS.—In developing and implementing the strategy required by paragraph (1), the Secretary shall—

(A) assess the unique characteristics of providing health care services in Alaska, Hawaii, and the territories and possessions of the United States, and in rural, remote, or isolated locations in the contiguous 48 States;

(B) consider the various challenges inherent in developing robust networks of health care providers in those locations;

(C) develop a provider reimbursement rate structure in those locations that ensures—

(i) timely access of covered beneficiaries to health care services;

(ii) the delivery of high-quality primary and specialty care;

(iii) improvement in health outcomes for covered beneficiaries; and

(iv) an enhanced experience of care for covered beneficiaries; and

(D) ensure that managed care support contracts under the TRICARE program in those locations will—

(i) establish individual and institutional provider networks that will provide timely access to care for covered beneficiaries, including pursuant to such networks relating to an Indian tribe or tribal organization that is party to the Alaska Native Health Compact with the Indian Health Service or has entered into a contract with the Indian Health Service to provide health care in rural Alaska or other locations in the United States; and

(ii) deliver high-quality care, better health outcomes, and a better experience of care for covered beneficiaries.

(d) REPORT PRIOR TO CERTAIN CONTRACT MODIFICATIONS.—Not later than 60 days before the date on which the Secretary of Defense first modifies a contract awarded under chapter 55 of title 10, United States Code, to implement a value-based incentive program under subsection (a), or the managed care support contract acquisition strategy under subsection (c), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on any implementation plan of the Secretary with respect to such value-based incentive program or managed care support contract acquisition strategy.

(e) COMPTROLLER GENERAL REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date on which the Secretary submits the report under subsection (d), the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that assesses the compliance of the Secretary of Defense with the requirements of subsection (a) and subsection (c).

(2) ELEMENTS.—The report required by paragraph (1) shall include an assessment of the following:

(A) Whether the approach of the Department of Defense for acquiring managed care support contracts under the TRICARE program—

(i) improves access to care;

(ii) improves health outcomes;

(iii) improves the experience of care for covered beneficiaries; and

(iv) lowers per capita health care costs.

(B) Whether the Department has, in its requirements for managed care support contracts under the TRICARE program, allowed for—

(i) maximum flexibility in network design and development;

(ii) integrated medical management between military medical treatment facilities and network providers;

(iii) the maximum use of the full range of telehealth services;

(iv) the use of value-based reimbursement methods that transfer financial risk to health care providers and managed care support contractors;

(v) the use of prevention and wellness incentives to encourage covered beneficiaries to seek health care services from high-value providers;

(vi) a streamlined enrollment process and timely assignment of primary care managers;

(vii) the elimination of the requirement to seek authorization for referrals for specialty care services;

(viii) the use of incentives to encourage covered beneficiaries to engage in medical and lifestyle intervention programs; and

(ix) the use of financial incentives for contractors and health care providers to receive an equitable share in cost savings resulting from improvements in health outcomes and the experience of care for covered beneficiaries.

(C) Whether the Department has considered, in developing requirements for managed care support contracts under the TRICARE program, the following:

(i) The unique characteristics of providing health care services in Alaska, Hawaii, and the territories and possessions of the United States, and in rural, remote, or isolated locations in the contiguous 48 States;

(ii) The various challenges inherent in developing robust networks of health care providers in those locations.

(iii) A provider reimbursement rate structure in those locations that ensures—

(I) timely access of covered beneficiaries to health care services;

(II) the delivery of high-quality primary and specialty care;

(III) improvement in health outcomes for covered beneficiaries; and

(IV) an enhanced experience of care for covered beneficiaries.

(f) DEFINITIONS.—In this section:

(1) The terms "covered beneficiary" and "TRICARE program" have the meaning given those terms in section 1072 of title 10, United States Code.

(2) The term "high-performing networks of health care providers" means networks of health care providers that, in addition to such other requirements as the Secretary of Defense may specify for purposes of this section, do the following:

(A) Deliver high quality health care as measured by leading health quality measurement organizations such as the National Committee for Quality Assurance and the Agency for Healthcare Research and Quality.

(B) Achieve greater efficiency in the delivery of health care by identifying and implementing within such network improvement opportunities that guide patients through the entire continuum of care, thereby reducing variations in the delivery of health care and preventing medical errors and duplication of medical services.

(C) Improve population-based health outcomes by using a team approach to deliver case management, prevention, and wellness services to high-need and high-cost patients.

(D) Focus on preventive care that emphasizes—

(i) early detection and timely treatment of disease;

(ii) periodic health screenings; and

(iii) education regarding healthy lifestyle behaviors.

(E) Coordinate and integrate health care across the continuum of care, connecting all aspects of the health care received by the patient, including the patient's health care team.

(F) Facilitate access to health care providers, including—

(i) after-hours care;

(ii) urgent care; and

(iii) through telehealth appointments, when appropriate.

(G) Encourage patients to participate in making health care decisions.

(H) Use evidence-based treatment protocols that improve the consistency of health care and eliminate ineffective, wasteful health care practices.

10 USC 1096 note.

SEC. 706. ESTABLISHMENT OF HIGH PERFORMANCE MILITARY-CIVILIAN INTEGRATED HEALTH DELIVERY SYSTEMS.

(a) IN GENERAL.—Not later than January 1, 2018, the Secretary of Defense shall establish military-civilian integrated health

delivery systems through partnerships with other health systems, including local or regional health systems in the private sector—

(1) to improve access to health care for covered beneficiaries;

(2) to enhance the experience of covered beneficiaries in receiving health care;

(3) to improve health outcomes for covered beneficiaries;

(4) to share resources between the Department of Defense and the private sector, including such staff, equipment, and training assets as may be required to carry out such integrated health delivery systems;

(5) to maintain services within military treatment facilities that are essential for the maintenance of operational medical force readiness skills of health care providers of the Department; and

(6) to provide members of the Armed Forces with additional training opportunities to maintain such readiness skills.

(b) ELEMENTS OF SYSTEMS.—Each military-civilian integrated health delivery system established under subsection (a) shall—

(1) deliver high quality health care as measured by leading national health quality measurement organizations;

(2) achieve greater efficiency in the delivery of health care by identifying and implementing within each such system improvement opportunities that guide patients through the entire continuum of care, thereby reducing variations in the delivery of health care and preventing medical errors and duplication of medical services;

(3) improve population-based health outcomes by using a team approach to deliver case management, prevention, and wellness services to high-need and high-cost patients;

(4) focus on preventive care that emphasizes—

(A) early detection and timely treatment of disease;

(B) periodic health screenings; and

(C) education regarding healthy lifestyle behaviors;

(5) coordinate and integrate health care across the continuum of care, connecting all aspects of the health care received by the patient, including the patient's health care team;

(6) facilitate access to health care providers, including—

(A) after-hours care;

(B) urgent care; and

(C) through telehealth appointments, when appropriate;

(7) encourage patients to participate in making health care decisions;

(8) use evidence-based treatment protocols that improve the consistency of health care and eliminate ineffective, wasteful health care practices; and

(9) improve coordination of behavioral health services with primary health care.

(c) AGREEMENTS.—

(1) IN GENERAL.—In establishing military-civilian integrated health delivery systems through partnerships under subsection (a), the Secretary shall seek to enter into memoranda of understanding or contracts between military treatment facilities and health maintenance organizations, health care centers of excellence, public or private academic medical institutions,

regional health organizations, integrated health systems, accountable care organizations, and such other health systems as the Secretary considers appropriate.

(2) PRIVATE SECTOR CARE.—Memoranda of understanding and contracts entered into under paragraph (1) shall ensure that covered beneficiaries are eligible to enroll in and receive medical services under the private sector components of military-civilian integrated health delivery systems established under subsection (a).

(3) VALUE-BASED REIMBURSEMENT METHODOLOGIES.—The Secretary shall incorporate value-based reimbursement methodologies, such as capitated payments, bundled payments, or pay for performance, into memoranda of understanding and contracts entered into under paragraph (1) to reimburse entities for medical services provided to covered beneficiaries under such memoranda of understanding and contracts.

(4) QUALITY OF CARE.—Each memorandum of understanding or contract entered into under paragraph (1) shall ensure that the quality of services received by covered beneficiaries through a military-civilian integrated health delivery system under such memorandum of understanding or contract is at least comparable to the quality of services received by covered beneficiaries from a military treatment facility.

(d) COVERED BENEFICIARY DEFINED.—In this section, the term “covered beneficiary” has the meaning given that term in section 1072 of title 10, United States Code.

10 USC 1071 note.

SEC. 707. JOINT TRAUMA SYSTEM.

(a) PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate an implementation plan to establish a Joint Trauma System within the Defense Health Agency that promotes improved trauma care to members of the Armed Forces and other individuals who are eligible to be treated for trauma at a military medical treatment facility.

(2) IMPLEMENTATION.—The Secretary shall implement the plan under paragraph (1) after a 90-day period has elapsed following the date on which the Comptroller General of the United States is required to submit to the Committees on Armed Services of the House of Representatives and the Senate the review under subsection (c). In implementing such plan, the Secretary shall take into account any recommendation made by the Comptroller General under such review.

(b) ELEMENTS.—The Joint Trauma System described in subsection (a)(1) shall include the following elements:

(1) Serve as the reference body for all trauma care provided across the military health system.

(2) Establish standards of care for trauma services provided at military medical treatment facilities.

(3) Coordinate the translation of research from the centers of excellence of the Department of Defense into standards of clinical trauma care.

(4) Coordinate the incorporation of lessons learned from the trauma education and training partnerships pursuant to section 708 into clinical practice.

(c) REVIEW.—Not later than 180 days after the date on which the Secretary submits to the Committees on Armed Services of the House of Representatives and the Senate the implementation plan under subsection (a)(1), the Comptroller General of the United States shall submit to such committees a review of such plan to determine if each element under subsection (b) is included in such plan.

(d) REVIEW OF MILITARY TRAUMA SYSTEM.—In establishing a Joint Trauma System, the Secretary of Defense may seek to enter into an agreement with a non-governmental entity with subject matter experts to—

(1) conduct a system-wide review of the military trauma system, including a comprehensive review of combat casualty care and wartime trauma systems during the period beginning on January 1, 2001, and ending on the date of the review, including an assessment of lessons learned to improve combat casualty care in future conflicts; and

(2) make publicly available a report containing such review and recommendations to establish a comprehensive trauma system for the Armed Forces.

SEC. 708. JOINT TRAUMA EDUCATION AND TRAINING DIRECTORATE.

10 USC 1071 note.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a Joint Trauma Education and Training Directorate (in this section referred to as the "Directorate") to ensure that the traumatologists of the Armed Forces maintain readiness and are able to be rapidly deployed for future armed conflicts. The Secretary shall carry out this section in collaboration with the Secretaries of the military departments.

(b) DUTIES.—The duties of the Directorate are as follows:

(1) To enter into and coordinate the partnerships under subsection (c).

(2) To establish the goals of such partnerships necessary for trauma teams led by traumatologists to maintain professional competency in trauma care.

(3) To establish metrics for measuring the performance of such partnerships in achieving such goals.

(4) To develop methods of data collection and analysis for carrying out paragraph (3).

(5) To communicate and coordinate lessons learned from such partnerships with the Joint Trauma System established under section 707.

(6) To develop standardized combat casualty care instruction for all members of the Armed Forces, including the use of standardized trauma training platforms.

(7) To develop a comprehensive trauma care registry to compile relevant data from point of injury through rehabilitation of members of the Armed Forces.

(8) To develop quality of care outcome measures for combat casualty care.

(9) To direct the conduct of research on the leading causes of morbidity and mortality of members of the Armed Forces in combat.

(c) PARTNERSHIPS.—

(1) IN GENERAL.—The Secretary may enter into partnerships with civilian academic medical centers and large metropolitan teaching hospitals that have level I civilian trauma

centers to provide integrated combat trauma teams, including forward surgical teams, with maximum exposure to a high volume of patients with critical injuries.

(2) TRAUMA TEAMS.—Under the partnerships entered into with civilian academic medical centers and large metropolitan teaching hospitals under paragraph (1), trauma teams of the Armed Forces led by traumatologists of the Armed Forces shall embed within the trauma centers of the medical centers and hospitals on an enduring basis.

(3) SELECTION.—The Secretary shall select civilian academic medical centers and large metropolitan teaching hospitals to enter into partnerships under paragraph (1) based on patient volume, acuity, and other factors the Secretary determines necessary to ensure that the traumatologists of the Armed Forces and the associated clinical support teams have adequate and continuous exposure to critically injured patients.

(4) CONSIDERATION.—In entering into partnerships under paragraph (1), the Secretary may consider the experiences and lessons learned by the military departments that have entered into memoranda of understanding with civilian medical centers for trauma care.

(d) PERSONNEL MANAGEMENT PLAN.—

(1) PLAN.—The Secretary shall establish a personnel management plan for the following wartime medical specialties:

(A) Emergency medical services and prehospital care.

(B) Trauma surgery.

(C) Critical care.

(D) Anesthesiology.

(E) Emergency medicine.

(F) Other wartime medical specialties the Secretary determines appropriate for purposes of the plan.

(2) ELEMENTS.—The elements of the plan established under paragraph (1) shall include, at a minimum, the following:

(A) An accession plan for the number of qualified medical personnel to maintain wartime medical specialties on an annual basis in order to maintain the required number of trauma teams as determined by the Secretary.

(B) The number of positions required in each such medical specialty.

(C) Crucial organizational and operational assignments for personnel in each such medical specialty.

(D) Career pathways for personnel in each such medical specialty.

(3) IMPLEMENTATION.—The Secretaries of the military departments shall carry out the plan established under paragraph (1).

(e) IMPLEMENTATION PLAN.—Not later than July 1, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the House of Representatives and the Senate an implementation plan for establishing the Joint Trauma Education and Training Directorate under subsection (a), entering into partnerships under subsection (c), and establishing the plan under subsection (d).

(f) LEVEL I CIVILIAN TRAUMA CENTER DEFINED.—In this section, the term "level I civilian trauma center" means a comprehensive regional resource that is a tertiary care facility central to the

trauma system and is capable of providing total care for every aspect of injury from prevention through rehabilitation.

SEC. 709. STANDARDIZED SYSTEM FOR SCHEDULING MEDICAL APPOINTMENTS AT MILITARY TREATMENT FACILITIES.

10 USC 1071 note.

(a) STANDARDIZED SYSTEM.—

(1) IN GENERAL.—Not later than January 1, 2018, the Secretary of Defense shall implement a system for scheduling medical appointments at military treatment facilities that is standardized throughout the military health system to enable timely access to care for covered beneficiaries.

(2) LACK OF VARIANCE.—The system implemented under paragraph (1) shall ensure that the appointment scheduling processes and procedures used within the military health system do not vary among military treatment facilities.

(b) SOLE SYSTEM.—Upon implementation of the system under subsection (a), no military treatment facility may use an appointment scheduling process other than such system.

(c) SCHEDULING OF APPOINTMENTS.—

(1) IN GENERAL.—Under the system implemented under subsection (a), each military treatment facility shall use a centralized appointment scheduling capability for covered beneficiaries that includes the ability to schedule appointments manually via telephone as described in paragraph (2) or automatically via a device that is connected to the Internet through an online scheduling system described in paragraph (3).

(2) TELEPHONE APPOINTMENT PROCESS.—

(A) IN GENERAL.—In the case of a covered beneficiary who contacts a military treatment facility via telephone to schedule an appointment under the system implemented under subsection (a), the Secretary shall implement standard processes to ensure that the needs of the covered beneficiary are met during the first such telephone call.

(B) MATTERS INCLUDED.—The standard processes implemented under subparagraph (A) shall include the following:

(i) The ability of a covered beneficiary, during the telephone call to schedule an appointment, to also schedule wellness visits or follow-up appointments during the 180-day period beginning on the date of the request for the visit or appointment.

(ii) The ability of a covered beneficiary to indicate the process through which the covered beneficiary prefers to be reminded of future appointments, which may include reminder telephone calls, emails, or cellular text messages to the covered beneficiary at specified intervals prior to appointments.

(3) ONLINE SYSTEM.—

(A) IN GENERAL.—The Secretary shall implement an online scheduling system that is available 24 hours per day, seven days per week, for purposes of scheduling appointments under the system implemented under subsection (a).

(B) CAPABILITIES OF ONLINE SYSTEM.—The online scheduling system implemented under subparagraph (A) shall have the following capabilities:

(i) An ability to send automated email and text message reminders, including repeat reminders, to patients regarding upcoming appointments.

(ii) An ability to store appointment records to ensure rapid access by medical personnel to appointment data.

(d) STANDARDS FOR PRODUCTIVITY OF HEALTH CARE PROVIDERS.—

(1) IN GENERAL.—The Secretary shall implement standards for the productivity of health care providers at military treatment facilities.

(2) MATTERS CONSIDERED.—In developing standards under paragraph (1), the Secretary shall consider—

(A) civilian benchmarks for measuring the productivity of health care providers;

(B) the optimal number of medical appointments for each health care provider that would be required, as determined by the Secretary, to maintain access of covered beneficiaries to health care from the Department; and

(C) the readiness requirements of the Armed Forces.

(e) PLAN.—

(1) IN GENERAL.—Not later than January 1, 2017, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a comprehensive plan to implement the system required under subsection (a).

(2) ELEMENTS.—The plan required under paragraph (1) shall include the following:

(A) A description of the manual appointment process to be used at military treatment facilities under the system required under subsection (a).

(B) A description of the automated appointment process to be used at military treatment facilities under such system.

(C) A timeline for the full implementation of such system throughout the military health system.

(f) BRIEFING.—Not later than February 1, 2018, the Secretary shall brief the Committees on Armed Services of the Senate and the House of Representatives on the implementation of the system required under subsection (a) and the standards for the productivity of health care providers required under subsection (d).

(g) REPORT ON MISSED APPOINTMENTS.—

(1) IN GENERAL.—Not later than March 1 each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the total number of medical appointments at military treatment facilities for which a covered beneficiary failed to appear without prior notification during the one-year period preceding the submittal of the report.

(2) ELEMENTS.—Each report under paragraph (1) shall include for each military treatment facility the following:

(A) An identification of the top five reasons for a covered beneficiary missing an appointment.

(B) A comparison of the number of missed appointments for specialty care versus primary care.

(C) An estimate of the cost to the Department of Defense of missed appointments.

(D) An assessment of strategies to reduce the number of missed appointments.

(h) COVERED BENEFICIARY DEFINED.—In this section, the term "covered beneficiary" has the meaning given that term in section 1072 of title 10, United States Code.

Subtitle B—Other Health Care Benefits

SEC. 711. EXTENDED TRICARE PROGRAM COVERAGE FOR CERTAIN MEMBERS OF THE NATIONAL GUARD AND DEPENDENTS DURING CERTAIN DISASTER RESPONSE DUTY.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1076e the following new section:

"§ 1076f. TRICARE program: extension of coverage for certain members of the National Guard and dependents during certain disaster response duty

10 USC 1076f.

"(a) EXTENDED COVERAGE.—During a period in which a member of the National Guard is performing disaster response duty, the member may be treated as being on active duty for a period of more than 30 days for purposes of the eligibility of the member and dependents of the member for health care benefits under the TRICARE program if such period immediately follows a period in which the member served on full-time National Guard duty under section 502(f) of title 32, including pursuant to chapter 9 of such title, unless the Governor of the State (or, with respect to the District of Columbia, the mayor of the District of Columbia) determines that such extended eligibility is not in the best interest of the member or the State.

"(b) CONTRIBUTION BY STATE.—(1) The Secretary shall charge a State for the costs of providing coverage under the TRICARE program to members of the National Guard of the State and the dependents of the members pursuant to subsection (a). Such charges shall be paid from the funds of the State or from any other non-Federal funds.

"(2) Any amounts received by the Secretary under paragraph (1) shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subsection (b) of such section, including to carry out subsection (a) of this section.

"(c) DEFINITIONS.—In this section:

"(1) The term 'disaster response duty' means duty performed by a member of the National Guard in State status pursuant to an emergency declaration by the Governor of the State (or, with respect to the District of Columbia, the mayor of the District of Columbia) in response to a disaster or in preparation for an imminent disaster.

"(2) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.".

10 USC 1071 prec.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1076e the following new item:

"1076f. TRICARE program: extension of coverage for certain members of the National Guard and dependents during certain disaster response duty.".

SEC. 712. CONTINUITY OF HEALTH CARE COVERAGE FOR RESERVE COMPONENTS.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Defense shall conduct a study of options for providing health care coverage that improves the continuity of health care provided to current and former members of the Selected Reserve of the Ready Reserve who are not—

(A) serving on active duty;

(B) eligible for the Transitional Assistance Management Program under section 1145 of title 10, United States Code; or

(C) eligible for the Federal Employees Health Benefit Program.

(2) ELEMENTS.—The study under paragraph (1) shall address the following:

(A) Whether to allow current and former members of the Selected Reserve to participate in the Federal Employees Health Benefit Program.

(B) Whether to pay a stipend to current and former members to continue coverage in a health plan obtained by the member.

(C) Whether to allow current and former members to participate in the TRICARE program under section 1076d of title 10, United States Code.

(D) Whether to amend section 1076f of title 10, United States Code, as added by section 711, to require the extension of TRICARE program coverage for members of the National Guard assigned to Homeland Response Force Units mobilized for a State emergency pursuant to chapter 9 of title 32, United States Code.

(E) The findings and recommendations under section 748.

(F) Any other options for providing health care coverage to current and former members of the Selected Reserve the Secretary considers appropriate.

(3) CONSULTATION.—In carrying out the study under paragraph (1), the Secretary shall consult with, and obtain the opinions of, current and former members of the Selected Reserve, including the leadership of the Selected Reserve.

(4) SUBMISSION.—

(A) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the study under paragraph (1).

(B) MATTERS INCLUDED.—The report under subparagraph (A) shall include the following:

(i) A description of the health care coverage options addressed by the Secretary under paragraph (2).

(ii) Identification of such health care coverage option that the Secretary recommends as the best option.

(iii) The justifications for such recommended best option.

(iv) The number and proportion of the current and former members of the Selected Reserve projected to participate in such recommended best option.

(v) A determination of the appropriate cost sharing for such recommended best option with respect to the percentage contribution as a monthly premium for current members of the Selected Reserve.

(vi) An estimate of the cost of implementing such recommended best option.

(vii) Any legislative language required to implement such recommended best option.

(b) PILOT PROGRAM.—

10 USC 1076d note.

(1) AUTHORIZATION.—The Secretary of Defense and the Director may jointly carry out a pilot program, at the election of the Secretary, under which the Director provides commercial health insurance coverage to eligible reserve component members who enroll in a health benefits plan under paragraph (4) as an individual, for self plus one coverage, or for self and family coverage.

(2) ELEMENTS.—The pilot program shall—

(A) provide for enrollment by eligible reserve component members, at the election of the member, in a health benefits plan under paragraph (4) during an open enrollment period established by the Director for purposes of this subsection;

(B) include a variety of national and regional health benefits plans that—

(i) meet the requirements of this subsection;

(ii) are broadly representative of the health benefits plans available in the commercial market; and

(iii) do not contain unnecessary restrictions, as determined by the Director; and

(C) offer a sufficient number of health benefits plans in order to provide eligible reserve component beneficiaries with an ample choice of health benefits plans, as determined by the Director.

(3) DURATION.—If the Secretary elects to carry out the pilot program, the Secretary and the Director shall carry out the pilot program for not less than five years.

(4) HEALTH BENEFITS PLANS.—

(A) IN GENERAL.—In providing health insurance coverage under the pilot program, the Director shall contract with qualified carriers for a variety of health benefits plans.

(B) DESCRIPTION OF PLANS.—Health benefits plans contracted for under this subsection—

(i) may vary by type of plan design, covered benefits, geography, and price;

(ii) shall include maximum limitations on out-of-pocket expenses paid by an eligible reserve component beneficiary for the health care provided; and

(iii) may not exclude an eligible reserve component member who chooses to enroll.

(C) QUALITY OF PLANS.—The Director shall ensure that each health benefits plan offered under this subsection offers a high degree of quality, as determined by criteria that include—

(i) access to an ample number of medical providers, as determined by the Director;

(ii) adherence to industry-accepted quality measurements, as determined by the Director;

(iii) access to benefits described in paragraph (5), including ease of referral for health care services; and

(iv) inclusion in the services covered by the plan of advancements in medical treatments and technology as soon as practicable in accordance with generally accepted standards of medicine.

(5) BENEFITS.—A health benefits plan offered by the Director under this subsection shall include, at a minimum, the following benefits:

(A) The health care benefits provided under chapter 55 of title 10, United States Code, excluding pharmaceutical, dental, and extended health care option benefits.

(B) Such other benefits as the Director determines appropriate.

(6) CARE AT FACILITIES OF UNIFORMED SERVICES.—

(A) IN GENERAL.—If an eligible reserve component beneficiary receives benefits described in paragraph (5) at a facility of the uniformed services, the health benefits plan under which the beneficiary is covered shall be treated as a third-party payer under section 1095 of title 10, United States Code, and shall pay charges for such benefits as determined by the Secretary.

(B) MILITARY MEDICAL TREATMENT FACILITIES.—The Secretary, in consultation with the Director—

(i) may contract with qualified carriers with which the Director has contracted under paragraph (4) to provide health insurance coverage for health care services provided at military treatment facilities under this subsection; and

(ii) may receive payments under section 1095 of title 10, United States Code, from qualified carriers for health care services provided at military medical treatment facilities under this subsection.

(7) SPECIAL RULE RELATING TO ACTIVE DUTY PERIOD.—

(A) IN GENERAL.—An eligible reserve component member may not receive benefits under a health benefits plan under this subsection during any period in which the member is serving on active duty for more than 30 days.

(B) TREATMENT OF DEPENDENTS.—Subparagraph (A) does not affect the coverage under a health benefits plan of any dependent of an eligible reserve component member.

(8) ELIGIBILITY FOR FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.—An individual is not eligible to enroll in or be covered under a health benefits plan under this subsection if the individual is eligible to enroll in a health benefits plan under the Federal Employees Health Benefits Program.

(9) COST SHARING.—

(A) RESPONSIBILITY FOR PAYMENT.—

(i) IN GENERAL.—Except as provided in clause (ii), an eligible reserve component member shall pay an annual premium amount calculated under subparagraph (B) for coverage under a health benefits plan under this subsection and additional amounts described in subparagraph (C) for health care services in connection with such coverage.

(ii) ACTIVE DUTY PERIOD.—

(I) IN GENERAL.—During any period in which an eligible reserve component member is serving on active duty for more than 30 days, the eligible reserve component member is not responsible for paying any premium amount under subparagraph (B) or additional amounts under subparagraph (C).

(II) COVERAGE OF DEPENDENTS.—With respect to a dependent of an eligible reserve component member that is covered under a health benefits plan under this subsection, during any period described in subclause (I) with respect to the member, the Secretary shall, on behalf of the dependent, pay 100 percent of the total annual amount of a premium for coverage of the dependent under the plan and such cost-sharing amounts as may be applicable under the plan.

(B) PREMIUM AMOUNT.—

(i) IN GENERAL.—The annual premium calculated under this subparagraph is an amount equal to 28 percent of the total annual amount of a premium under the health benefits plan selected.

(ii) TYPES OF COVERAGE.—The premium amounts calculated under this subparagraph shall include separate calculations for—

(I) coverage as an individual;

(II) self plus one coverage; and

(III) self and family coverage.

(C) ADDITIONAL AMOUNTS.—The additional amounts described in this subparagraph with respect to an eligible reserve component member are such cost-sharing amounts as may be applicable under the health benefits plan under which the member is covered.

(10) CONTRACTING.—

(A) IN GENERAL.—In contracting for health benefits plans under paragraph (4), the Director may contract with qualified carriers in a manner similar to the manner in which the Director contracts with carriers under section 8902 of title 5, United States Code, including that—

(i) a contract under this subsection shall be for a uniform term of not less than one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party;

(ii) a contract under this subsection shall contain a detailed statement of benefits offered and shall include such maximums, limitations, exclusions, and other definitions of benefits determined by the Director in accordance with paragraph (5);

(iii) a contract under this subsection shall ensure that an eligible reserve component member who is

eligible to enroll in a health benefits plan pursuant to such contract is able to enroll in such plan; and

(iv) the terms of a contract under this subsection relating to the nature, provision, or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any conflicting State or local law.

(B) EVALUATION OF FINANCIAL SOLVENCY.—The Director shall perform a thorough evaluation of the financial solvency of an insurance carrier before entering into a contract with the insurance carrier under subparagraph (A).

(11) RECOMMENDATIONS AND DATA.—

(A) IN GENERAL.—The Secretary of Defense, in consultation with the Secretary of Homeland Security, shall provide recommendations and data to the Director with respect to—

(i) matters involving military medical treatment facilities;

(ii) matters unique to eligible reserve component members and dependents of such members; and

(iii) such other strategic guidance necessary for the Director to administer this subsection as the Secretary of Defense, in consultation with the Secretary of Homeland Security, considers appropriate.

(B) LIMITATION ON IMPLEMENTATION.—The Director shall not implement any recommendation provided by the Secretary of Defense under subparagraph (A) if the Director determines that the implementation of the recommendation would result in eligible reserve components beneficiaries receiving less generous health benefits under this subsection than the health benefits commonly available to individuals under the Federal Employees Health Benefits Program during the same period.

(12) TRANSMISSION OF INFORMATION.—On an annual basis during each year in which the pilot program is carried out, the Director shall provide the Secretary with information on the use of health care benefits under the pilot program, including—

(A) the number of eligible reserve component beneficiaries participating in the pilot program, listed by the health benefits plan under which the beneficiary is covered;

(B) the number of health benefits plans offered under the pilot program and a description of each such plan; and

(C) the costs of the health care provided under the plans.

(13) FUNDING.—

(A) IN GENERAL.—The Secretary of Defense and the Director shall jointly establish an appropriate mechanism to fund the pilot program.

(B) AVAILABILITY OF AMOUNTS.—Amounts shall be made available to the Director pursuant to the mechanism established under subparagraph (A), without fiscal year limitation—

(i) for payments to health benefits plans under this subsection; and

(ii) to pay the costs of administering this subsection.

(14) REPORTS.—

(A) INITIAL REPORTS.—Not later than one year after the date on which the Secretary establishes the pilot program, and annually thereafter for the following three years, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program.

(B) MATTERS INCLUDED.—The report under subparagraph (A) shall include, with respect to the year covered by the report, the following:

(i) The number of eligible reserve component beneficiaries participating in the pilot program, listed by the health benefits plan under which the beneficiary is covered.

(ii) The number of health benefits plans offered under the pilot program.

(iii) The cost of the pilot program to the Department of Defense.

(iv) The estimated cost savings, if any, to the Department of Defense.

(v) The average cost to the eligible reserve component beneficiary.

(vi) The effect of the pilot program on the medical readiness of the members of the reserve components.

(vii) The effect of the pilot program on access to health care for members of the reserve components.

(C) FINAL REPORT.—Not later than 180 days before the date on which the pilot program will terminate pursuant to paragraph (3), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program that includes—

(i) the matters specified under subparagraph (B); and

(ii) the recommendation of the Secretary regarding whether to make the pilot program permanent or to terminate the pilot program.

(c) DEFINITIONS.—In this section:

(1) The term "Director" means the Director of the Office of Personnel Management.

(2) The term "eligible reserve component beneficiary" means an eligible reserve component member enrolled in, or a dependent of such a member described in subparagraph (A), (D), or (I) of section 1072(2) of title 10, United States Code, covered under, a health benefits plan under subsection (b).

(3) The term "eligible reserve component member" means a member of the Selected Reserve of the Ready Reserve of an Armed Force.

(4) The term "extended health care option" means the program of extended benefits under subsections (d) and (e) of section 1079 of title 10, United States Code.

(5) The term "Federal Employees Health Benefits Program" means the health insurance program under chapter 89 of title 5, United States Code.

(6) The term “qualified carrier” means an insurance carrier that is licensed to issue group health insurance in any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and any territory or possession of the United States.

SEC. 713. PROVISION OF HEARING AIDS TO DEPENDENTS OF RETIRED MEMBERS.

Section 1077 of title 10, United States Code, is amended—

(1) in subsection (a)(16), by striking “A hearing aid” and inserting “Except as provided by subsection (g), a hearing aid”; and

(2) by adding at the end the following new subsection:

“(g) In addition to the authority to provide a hearing aid under subsection (a)(16), hearing aids may be sold under this section to dependents of former members of the uniformed services at cost to the United States.”.

SEC. 714. COVERAGE OF MEDICALLY NECESSARY FOOD AND VITAMINS FOR CERTAIN CONDITIONS UNDER THE TRICARE PROGRAM.

(a) IN GENERAL.—Section 1077 of title 10, United States Code, as amended by section 713, is further amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting before the period at the end the following: “, including, in accordance with subsection (g), medically necessary vitamins”; and

(B) by adding at the end the following new paragraph:

“(18) In accordance with subsection (g), medically necessary food and the medical equipment and supplies necessary to administer such food (other than durable medical equipment and supplies).”; and

(2) by adding at the end the following new subsection:

“(h)(1) Vitamins that may be provided under subsection (a)(3) are vitamins used for the management of a covered disease or condition pursuant to the prescription, order, or recommendation (as applicable) of a physician or other health care professional qualified to make such prescription, order, or recommendation.

“(2) Medically necessary food that may be provided under subsection (a)(18)—

“(A) is food, including a low protein modified food product or an amino acid preparation product, that is—

“(i) furnished pursuant to the prescription, order, or recommendation (as applicable) of a physician or other health care professional qualified to make such prescription, order, or recommendation, for the dietary management of a covered disease or condition;

“(ii) a specially formulated and processed product (as opposed to a naturally occurring foodstuff used in its natural state) for the partial or exclusive feeding of an individual by means of oral intake or enteral feeding by tube;

“(iii) intended for the dietary management of an individual who, because of therapeutic or chronic medical needs, has limited or impaired capacity to ingest, digest, absorb, or metabolize ordinary foodstuffs or certain nutrients, or who has other special medically determined nutrient requirements, the dietary management of which

cannot be achieved by the modification of the normal diet alone;

"(iv) intended to be used under medical supervision, which may include in a home setting; and

"(v) intended only for an individual receiving active and ongoing medical supervision under which the individual requires medical care on a recurring basis for, among other things, instructions on the use of the food; and

"(B) may not include—

"(i) food taken as part of an overall diet designed to reduce the risk of a disease or medical condition or as weight-loss products, even if the food is recommended by a physician or other health care professional;

"(ii) food marketed as gluten-free for the management of celiac disease or non-celiac gluten sensitivity;

"(iii) food marketed for the management of diabetes; or

"(iv) such other products as the Secretary determines appropriate.

"(3) In this subsection, the term 'covered disease or condition' means—

"(A) inborn errors of metabolism;

"(B) medical conditions of malabsorption;

"(C) pathologies of the alimentary tract or the gastrointestinal tract;

"(D) a neurological or physiological condition; and

"(E) such other diseases or conditions the Secretary determines appropriate.".

10 USC 1077 note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to health care provided under chapter 55 of such title on or after the date that is one year after the date of the enactment of this Act.

SEC. 715. ELIGIBILITY OF CERTAIN BENEFICIARIES UNDER THE TRICARE PROGRAM FOR PARTICIPATION IN THE FEDERAL EMPLOYEES DENTAL AND VISION INSURANCE PROGRAM.

(a) IN GENERAL.—

(1) DENTAL BENEFITS.—Section 8951 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking "paragraph (1) or (2)" and inserting "paragraph (1), (2), or (8)"; and

(B) by adding at the end the following new paragraph:

"(8) The term 'covered TRICARE-eligible individual' means an individual entitled to dental care under chapter 55 of title 10, pursuant to section 1076c of such title, who the Secretary of Defense determines should be an eligible individual for purposes of this chapter.".

(2) VISION BENEFITS.—Section 8981 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking "paragraph (1) or (2)" and inserting "paragraph (1), (2), or (8)"; and

(B) by adding at the end the following new paragraph:

"(8)(A) The term 'covered TRICARE-eligible individual'—

"(i) means an individual entitled to medical care under chapter 55 of title 10, pursuant to section 1076d, 1076e, 1079(a), 1086(c), or 1086(d) of such title, who the Secretary of Defense determines in accordance with an agreement

entered into under subparagraph (B) should be an eligible individual for purposes of this chapter; and

"(ii) does not include an individual covered under section 1110b of title 10.

"(B) The Secretary of Defense shall enter into an agreement with the Director of the Office relating to classes of individuals described in subparagraph (A)(i) who should be eligible individuals for purposes of this chapter.".

(b) CONFORMING AMENDMENTS.—

(1) DENTAL BENEFITS.—Section 8958(c) of title 5, United States Code, is amended—

(A) in paragraph (1), by striking "or" at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) in the case of a covered TRICARE-eligible individual who receives pay from the Federal Government or an annuity from the Federal Government due to the death of a member of the uniformed services (as defined in section 101 of title 10), and is not a former spouse of a member of the uniformed services, be withheld from—

"(A) the pay (including retired pay) of such individual; or

"(B) the annuity paid to such individual; or

"(4) in the case of a covered TRICARE-eligible individual who is not described in paragraph (3), be billed to such individual directly.".

(2) VISION BENEFITS.—Section 8988(c) of title 5, United States Code, is amended—

(A) in paragraph (1), by striking "or" at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) in the case of a covered TRICARE-eligible individual who receives pay from the Federal Government or an annuity from the Federal Government due to the death of a member of the uniformed services (as defined in section 101 of title 10), and is not a former spouse of a member of the uniformed services, be withheld from—

"(A) the pay (including retired pay) of such individual; or

"(B) the annuity paid to such individual; or

"(4) in the case of a covered TRICARE-eligible individual who is not described in paragraph (3), be billed to such individual directly.".

(3) PLAN FOR DENTAL INSURANCE FOR CERTAIN RETIREES, SURVIVING SPOUSES, AND OTHER DEPENDENTS.—Subsection (a) of section 1076c of title 10, United States Code, is amended to read as follows:

"(a) REQUIREMENT FOR PLAN.—(1) The Secretary of Defense shall establish a dental insurance plan for retirees of the uniformed services, certain unremarried surviving spouses, and dependents in accordance with this section.

"(2) The Secretary may satisfy the requirement under paragraph (1) by entering into an agreement with the Director of the Office of Personnel Management to allow persons described in subsection (b) to enroll in an insurance plan under chapter 89A of

title 5 that provides benefits similar to those benefits required to be provided under subsection (d).''.

(c) APPLICABILITY.—The amendments made by this section shall apply with respect to the first contract year for chapter 89A or 89B of title 5, United States Code, as applicable, that begins on or after January 1, 2018.

5 USC 8951 note.

SEC. 716. APPLIED BEHAVIOR ANALYSIS.

(a) RATES OF REIMBURSEMENT.—

(1) IN GENERAL.—In furnishing applied behavior analysis under the TRICARE program to individuals described in paragraph (2) during the period beginning on the date of the enactment of this Act and ending on December 31, 2018, the Secretary of Defense shall ensure that the reimbursement rates for providers of applied behavior analysis are not less than the rates that were in effect on March 31, 2016.

(2) INDIVIDUALS DESCRIBED.—Individuals described in this paragraph are individuals who are covered beneficiaries by reason of being a member or former member of the Army, Navy, Air Force, or Marine Corps, including the reserve components thereof, or a dependent of such a member or former member.

(b) ANALYSIS.—

(1) IN GENERAL.—Upon the completion of the Department of Defense Comprehensive Autism Care Demonstration, the Assistant Secretary of Defense for Health Affairs shall conduct an analysis to—

(A) use data gathered during the demonstration to set future reimbursement rates for providers of applied behavior analysis under the TRICARE program;

(B) review comparative commercial insurance claims for purposes of setting such future rates, including by—

(i) conducting an analysis of the comparative total of commercial insurance claims billed for applied behavior analysis; and

(ii) reviewing any covered beneficiary limitations on access to applied behavior analysis services at various military installations throughout the United States; and

(C) determine whether the use of applied behavioral analysis under the demonstration has improved outcomes for covered beneficiaries with autism spectrum disorder.

(2) SUBMISSION.—The Assistant Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives the analysis conducted under paragraph (1).

(c) DEFINITIONS.—In this section, the terms ''covered beneficiary'' and ''TRICARE program'' have the meaning given those terms in section 1072 of title 10, United States Code.

SEC. 717. EVALUATION AND TREATMENT OF VETERANS AND CIVILIANS AT MILITARY TREATMENT FACILITIES.

10 USC 1071 note.

(a) IN GENERAL.—The Secretary of Defense shall authorize a veteran (in consultation with the Secretary of Veterans Affairs) or civilian to be evaluated and treated at a military treatment facility if the Secretary of Defense determines that—

(1) the evaluation and treatment of the individual is necessary to attain the relevant mix and volume of medical casework required to maintain medical readiness skills and competencies of health care providers at the facility;

(2) the health care providers at the facility have the competencies, skills, and abilities required to treat the individual; and

(3) the facility has available space, equipment, and materials to treat the individual.

(b) PRIORITY OF COVERED BENEFICIARIES.—The evaluation and treatment of covered beneficiaries at military treatment facilities shall be prioritized ahead of the evaluation and treatment of veterans and civilians at such facilities under subsection (a).

(c) REIMBURSEMENT FOR TREATMENT.—

(1) CIVILIANS.—A military treatment facility that evaluates or treats an individual (other than an individual described in paragraph (2)) under subsection (a) shall bill the individual and accept reimbursement from the individual or a third-party payer (as that term is defined in section 1095(h) of title 10, United States Code) on behalf of such individual for the costs of any health care services provided to the individual under such subsection.

(2) VETERANS.—The Secretary of Defense shall enter into a memorandum of agreement with the Secretary of Veterans Affairs under which the Secretary of Veterans Affairs will pay a military treatment facility using a prospective payment methodology (including interagency transfers of funds or obligational authority and similar transactions) for the costs of any health care services provided at the facility under subsection (a) to individuals eligible for such health care services from the Department of Veterans Affairs.

(3) USE OF AMOUNTS.—The Secretary of Defense shall make available to a military treatment facility any amounts collected by such facility under paragraph (1) or (2) for health care services provided to an individual under subsection (a).

(d) COVERED BENEFICIARY DEFINED.—In this section, the term "covered beneficiary" has the meaning given that term in section 1072 of title 10, United States Code.

10 USC 1071 note.

SEC. 718. ENHANCEMENT OF USE OF TELEHEALTH SERVICES IN MILITARY HEALTH SYSTEM.

(a) INCORPORATION OF TELEHEALTH.—

(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Defense shall incorporate, throughout the direct care and purchased care components of the military health system, the use of telehealth services, including mobile health applications—

(A) to improve access to primary care, urgent care, behavioral health care, and specialty care;

(B) to perform health assessments;

(C) to provide diagnoses, interventions, and supervision;

(D) to monitor individual health outcomes of covered beneficiaries with chronic diseases or conditions;

(E) to improve communication between health care providers and patients; and

(F) to reduce health care costs for covered beneficiaries and the Department of Defense.

(2) TYPES OF TELEHEALTH SERVICES.—The telehealth services required to be incorporated under paragraph (1) shall include those telehealth services that—

(A) maximize the use of secure messaging between health care providers and covered beneficiaries to improve the access of covered beneficiaries to health care and reduce the number of visits to medical facilities for health care needs;

(B) allow covered beneficiaries to schedule appointments; and

(C) allow health care providers, through video conference, telephone or tablet applications, or home health monitoring devices—

(i) to assess and evaluate disease signs and symptoms;

(ii) to diagnose diseases;

(iii) to supervise treatments; and

(iv) to monitor health outcomes.

(b) COVERAGE OF ITEMS OR SERVICES.—An item or service furnished to a covered beneficiary via a telecommunications system shall be covered under the TRICARE program to the same extent as the item or service would be covered if furnished in the location of the covered beneficiary.

(c) REIMBURSEMENT RATES FOR TELEHEALTH SERVICES.—The Secretary shall develop standardized payment methods to reimburse health care providers for telehealth services provided to covered beneficiaries in the purchased care component of the TRICARE program, including by using reimbursement rates that incentivize the provision of telehealth services.

(d) REDUCTION OR ELIMINATION OF COPAYMENTS.—The Secretary shall reduce or eliminate, as the Secretary considers appropriate, copayments or cost shares for covered beneficiaries in connection with the receipt of telehealth services under the purchased care component of the TRICARE program.

(e) REPORTS.—

(1) INITIAL REPORT.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report describing the full range of telehealth services to be available in the direct care and purchased care components of the military health system and the copayments and cost shares, if any, associated with those services.

(B) REIMBURSEMENT PLAN.—The report required under subparagraph (A) shall include a plan to develop standardized payment methods to reimburse health care providers for telehealth services provided to covered beneficiaries in the purchased care component of the TRICARE program, as required under subsection (c).

(2) FINAL REPORT.—

(A) IN GENERAL.—Not later than three years after the date on which the Secretary begins incorporating, throughout the direct care and purchased care components of the military health system, the use of telehealth services as

required under subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report describing the impact made by the use of telehealth services, including mobile health applications, to carry out the actions specified in subparagraphs (A) through (F) of subsection (a)(1).

(B) ELEMENTS.—The report required under subparagraph (A) shall include an assessment of the following:

(i) The satisfaction of covered beneficiaries with telehealth services furnished by the Department of Defense.

(ii) The satisfaction of health care providers in providing telehealth services furnished by the Department.

(iii) The effect of telehealth services furnished by the Department on the following:

(I) The ability of covered beneficiaries to access health care services in the direct care and purchased care components of the military health system.

(II) The frequency of use of telehealth services by covered beneficiaries.

(III) The productivity of health care providers providing care furnished by the Department.

(IV) The reduction, if any, in the use by covered beneficiaries of health care services in military treatment facilities or medical facilities in the private sector.

(V) The number and types of appointments for the receipt of telehealth services furnished by the Department.

(VI) The savings, if any, realized by the Department by furnishing telehealth services to covered beneficiaries.

(f) REGULATIONS.—

(1) INTERIM FINAL RULE.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall prescribe an interim final rule to implement this section.

(2) FINAL RULE.—Not later than 180 days after prescribing the interim final rule under paragraph (1) and considering public comments with respect to such interim final rule, the Secretary shall prescribe a final rule to implement this section.

(3) OBJECTIVES.—The regulations prescribed under paragraphs (1) and (2) shall accomplish the objectives set forth in subsection (a) and ensure quality of care, patient safety, and the integrity of the TRICARE program.

(g) DEFINITIONS.—In this section, the terms "covered beneficiary" and "TRICARE program" have the meaning given those terms in section 1072 of title 10, United States Code.

10 USC 1074g note.

SEC. 719. AUTHORIZATION OF REIMBURSEMENT BY DEPARTMENT OF DEFENSE TO ENTITIES CARRYING OUT STATE VACCINATION PROGRAMS FOR COSTS OF VACCINES PROVIDED TO COVERED BENEFICIARIES.

(a) REIMBURSEMENT.—

(1) IN GENERAL.—The Secretary of Defense may reimburse an amount determined under paragraph (2) to an entity carrying out a State vaccination program for the cost of vaccines provided to covered beneficiaries through such program.

(2) AMOUNT OF REIMBURSEMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amount determined under this paragraph with respect to a State vaccination program shall be the amount assessed by the entity carrying out such program to purchase vaccines provided to covered beneficiaries through such program.

(B) LIMITATION.—The amount determined under this paragraph to provide vaccines to covered beneficiaries through a State vaccination program may not exceed the amount that the Department would reimburse an entity under the TRICARE program for providing vaccines to the number of covered beneficiaries who were involved in the applicable State vaccination program.

(b) DEFINITIONS.—In this section:

(1) COVERED BENEFICIARY; TRICARE PROGRAM.—The terms "covered beneficiary" and "TRICARE program" have the meanings given those terms in section 1072 of title 10, United States Code.

(2) STATE VACCINATION PROGRAM.—The term "State vaccination program" means a vaccination program that provides vaccinations to individuals in a State and is carried out by an entity (including an agency of the State) within the State.

Subtitle C—Health Care Administration

SEC. 721. AUTHORITY TO CONVERT MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

(a) LIMITED AUTHORITY FOR CONVERSION.—

(1) AUTHORITY.—Chapter 49 of title 10, United States Code, is amended by inserting after section 976 the following new section:

"§ 977. Conversion of military medical and dental positions to civilian medical and dental positions: limitation

10 USC 977.

"(a) PROCESS.—The Secretary of Defense, in collaboration with the Secretaries of the military departments, shall establish a process to define the military medical and dental personnel requirements necessary to meet operational medical force readiness requirements.

"(b) REQUIREMENTS RELATING TO CONVERSION.—A military medical or dental position within the Department of Defense may be converted to a civilian medical or dental position if the Secretary determines that the position is not necessary to meet operational medical force readiness requirements, as determined pursuant to subsection (a).

"(c) GRADE OR LEVEL CONVERTED.—In carrying out a conversion under subsection (b), the Secretary of Defense—

"(1) shall convert the applicable military position to a civilian position with a level of compensation commensurate with the skills and experience necessary to carry out the duties of such civilian position; and

"(2) may not place any limitation on the grade or level to which the military position is so converted.

"(d) DEFINITIONS.—In this section:

"(1) The term 'military medical or dental position' means a position for the performance of health care functions within the armed forces held by a member of the armed forces.

"(2) The term 'civilian medical or dental position' means a position for the performance of health care functions within the Department of Defense held by an employee of the Department or of a contractor of the Department.

"(3) The term 'conversion', with respect to a military medical or dental position, means a change of the position to a civilian medical or dental position, effective as of the date of the manning authorization document of the military department making the change (through a change in designation from military to civilian in the document, the elimination of the listing of the position as a military position in the document, or through any other means indicating the change in the document or otherwise).".

10 USC 971 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 49 of such title is amended by inserting after the item relating to section 976 the following new item:

"977. Conversion of military medical and dental positions to civilian medical and dental positions: limitation.".

10 USC 977 note.

(3) EFFECTIVE DATE OF CONVERSION AUTHORITY.—The Secretary of Defense may not carry out section 977(b) of title 10, United States Code, as added by paragraph (1), until the date that is 180 days after the date on which the Secretary submits the report under subsection (b).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that includes the following:

(1) A description of the process established under section 977(a) of title 10, United States Code, as added by subsection (a), to define the military medical and dental personnel requirements necessary to meet operational medical force readiness requirements.

(2) A complete list, by position, of the military medical and dental personnel requirements necessary to meet operational medical force readiness requirements.

(c) CONFORMING REPEAL.—Section 721 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 198; 10 U.S.C. 129c note) is repealed.

SEC. 722. PROSPECTIVE PAYMENT OF FUNDS NECESSARY TO PROVIDE MEDICAL CARE FOR THE COAST GUARD.

(a) IN GENERAL.—Chapter 13 of title 14, United States Code, is amended by adding at the end the following:

14 USC 520.

"§ 520. Prospective payment of funds necessary to provide medical care

"(a) PROSPECTIVE PAYMENT REQUIRED.—In lieu of the reimbursement required under section 1085 of title 10, the Secretary of Homeland Security shall make a prospective payment to the Secretary of Defense of an amount that represents the actuarial valuation of treatment or care—

"(1) that the Department of Defense shall provide to members of the Coast Guard, former members of the Coast Guard, and dependents of such members and former members (other than former members and dependents of former members who are a Medicare-eligible beneficiary or for whom the payment for treatment or care is made from the Medicare-Eligible Retiree Health Care Fund) at facilities under the jurisdiction of the Department of Defense or a military department; and

"(2) for which a reimbursement would otherwise be made under section 1085.

"(b) AMOUNT.—The amount of the prospective payment under subsection (a) shall be—

"(1) in the case of treatment or care to be provided to members of the Coast Guard and their dependents, derived from amounts appropriated for the operating expenses of the Coast Guard;

"(2) in the case of treatment or care to be provided former members of the Coast Guard and their dependents, derived from amounts appropriated for retired pay;

"(3) determined under procedures established by the Secretary of Defense;

"(4) paid during the fiscal year in which treatment or care is provided; and

"(5) subject to adjustment or reconciliation as the Secretaries determine appropriate during or promptly after such fiscal year in cases in which the prospective payment is determined excessive or insufficient based on the services actually provided.

"(c) NO PROSPECTIVE PAYMENT WHEN SERVICE IN NAVY.—No prospective payment shall be made under this section for any period during which the Coast Guard operates as a service in the Navy.

"(d) RELATIONSHIP TO TRICARE.—This section shall not be construed to require a payment for, or the prospective payment of an amount that represents the value of, treatment or care provided under any TRICARE program.".

(b) CLERICAL AMENDMENT.—The analysis for chapter 13 of title 14, United States Code, is amended by adding at the end the following:

10 USC 461 prec.

"520. Prospective payment of funds necessary to provide medical care.".

(c) REPEAL.—Section 217 of the Coast Guard Authorization Act of 2016 (Public Law 114–120), as amended by section 3503, and the item relating to that section in the table of contents in section 2 of such Act, are repealed.

10 USC 1085 note.

SEC. 723. REDUCTION OF ADMINISTRATIVE REQUIREMENTS RELATING TO AUTOMATIC RENEWAL OF ENROLLMENTS IN TRICARE PRIME.

Section 1097a(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "(1) An" and inserting "An"; and

(2) by striking paragraph (2).

SEC. 724. MODIFICATION OF AUTHORITY OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES TO INCLUDE UNDERGRADUATE AND OTHER MEDICAL EDUCATION AND TRAINING PROGRAMS.

(a) IN GENERAL.—Section 2112(a) of title 10, United States Code, is amended to read as follows:

"(a)(1) There is established a Uniformed Services University of the Health Sciences (in this chapter referred to as the 'University') with authority to grant appropriate certificates, certifications, undergraduate degrees, and advanced degrees.

"(2) The University shall be so organized as to graduate not fewer than 100 medical students annually.

"(3) The headquarters of the University shall be at a site or sites selected by the Secretary of Defense within 25 miles of the District of Columbia.".

(b) ADMINISTRATION.—Section 2113 of such title is amended—

(1) in subsection (d)—

(A) in the first sentence, by striking "located in or near the District of Columbia";

(B) in the third sentence, by striking "in or near the District of Columbia"; and

(C) by striking the fifth sentence; and

(2) in subsection (e)(3), by inserting after "programs" the following: ", including certificate, certification, and undergraduate degree programs,".

(c) REPEAL OF EXPIRED PROVISION.—Section 2112a of such title is amended—

(1) by striking subsection (b); and

(2) in subsection (a), by striking "(a) CLOSURE PROHIBITED.—".

10 USC 1074 note.

SEC. 725. ADJUSTMENT OF MEDICAL SERVICES, PERSONNEL AUTHORIZED STRENGTHS, AND INFRASTRUCTURE IN MILITARY HEALTH SYSTEM TO MAINTAIN READINESS AND CORE COMPETENCIES OF HEALTH CARE PROVIDERS.

(a) IN GENERAL.—Except as provided by subsection (c), not later than one year after the date of the enactment of this Act, the Secretary of Defense shall implement measures to maintain the critical wartime medical readiness skills and core competencies of health care providers within the Armed Forces.

(b) MEASURES.—The measures under subsection (a) shall include measures under which the Secretary ensures the following:

(1) Medical services provided through the military health system at military medical treatment facilities—

(A) maintain the critical wartime medical readiness skills and core competencies of health care providers within the Armed Forces; and

(B) ensure the medical readiness of the Armed Forces.

(2) The authorized strengths for military and civilian personnel throughout the military health system—

(A) maintain the critical wartime medical readiness skills and core competencies of health care providers within the Armed Forces; and

(B) ensure the medical readiness of the Armed Forces.

(3) The infrastructure in the military health system, including infrastructure of military medical treatment facilities—

(A) maintains the critical wartime medical readiness skills and core competencies of health care providers within the Armed Forces; and

(B) ensures the medical readiness of the Armed Forces.

(4) Any covered beneficiary who may be affected by the measures implemented under subsection (a) will be able to receive through the purchased care component of the TRICARE program any medical services that will not be available to such covered beneficiary at a military medical treatment facility by reason of such measures.

(c) EXCEPTION.—The Secretary is not required to implement measures under subsection (a)(1) with respect to military medical treatment facilities located in a foreign country if the Secretary determines that providing medical services in addition to the medical services described in such subsection is necessary to ensure that covered beneficiaries located in that foreign country have access to a similar level of care available to covered beneficiaries located in the United States.

(d) DEFINITIONS.—In this section:

(1) The term "clinical and logistical capabilities" means those capabilities relating to the provision of health care that are necessary to accomplish operational requirements, including—

(A) combat casualty care;

(B) medical response to and treatment of injuries sustained from chemical, biological, radiological, nuclear, or explosive incidents;

(C) diagnosis and treatment of infectious diseases;

(D) aerospace medicine;

(E) undersea medicine;

(F) diagnosis, treatment, and rehabilitation of specialized medical conditions;

(G) diagnosis and treatment of diseases and injuries that are not related to battle; and

(H) humanitarian assistance.

(2) The terms "covered beneficiary" and "TRICARE program" have the meanings given those terms in section 1072 of title 10, United States Code.

(3) The term "critical wartime medical readiness skills and core competencies" means those essential medical capabilities, including clinical and logistical capabilities, that are—

(A) necessary to be maintained by health care providers within the Armed Forces for national security purposes; and

(B) vital to the provision of effective and timely health care during contingency operations.

SEC. 726. PROGRAM TO ELIMINATE VARIABILITY IN HEALTH OUTCOMES AND IMPROVE QUALITY OF HEALTH CARE SERVICES DELIVERED IN MILITARY MEDICAL TREATMENT FACILITIES.

10 USC 1071 note.

(a) PROGRAM.—Beginning not later than January 1, 2018, the Secretary of Defense shall implement a program—

(1) to establish best practices for the delivery of health care services for certain diseases or conditions at military medical treatment facilities, as selected by the Secretary;

(2) to incorporate such best practices into the daily operations of military medical treatment facilities selected by the Secretary for purposes of the program, with priority in selection given to facilities that provide specialty care; and

(3) to eliminate variability in health outcomes and to improve the quality of health care services delivered at military medical treatment facilities selected by the Secretary for purposes of the program.

(b) USE OF CLINICAL PRACTICE GUIDELINES.—In carrying out the program under subsection (a), the Secretary shall develop, implement, monitor, and update clinical practice guidelines reflecting the best practices established under paragraph (1) of such subsection.

(c) DEVELOPMENT.—In developing the clinical practice guidelines under subsection (b), the Secretary shall ensure that such development includes a baseline assessment of health care delivery and outcomes at military medical treatment facilities to evaluate and determine evidence-based best practices, within the direct care component of the military health system and the private sector, for treating the diseases or conditions selected by the Secretary under subsection (a)(1).

(d) IMPLEMENTATION.—The Secretary shall implement the clinical practice guidelines under subsection (b) in military medical treatment facilities selected by the Secretary under subsection (a)(2) using means determined appropriate by the Secretary, including by communicating with the relevant health care providers of the evidence upon which the guidelines are based and by providing education and training on the most appropriate implementation of the guidelines.

(e) MONITORING.—The Secretary shall monitor the implementation of the clinical practice guidelines under subsection (b) using appropriate means, including by monitoring the results in clinical outcomes based on specific metrics included as part of the guidelines.

(f) UPDATING.—The Secretary shall periodically update the clinical practice guidelines under subsection (b) based on the results of monitoring conducted under subsection (e) and by continuously assessing evidence-based best practices within the direct care component of the military health system and the private sector.

(g) CONTINUOUS CYCLE.—The Secretary shall establish a continuous cycle of carrying out subsections (c) through (f) with respect to the clinical practice guidelines established under subsection (a).

10 USC 1091 note.

SEC. 727. ACQUISITION STRATEGY FOR HEALTH CARE PROFESSIONAL STAFFING SERVICES.

(a) ACQUISITION STRATEGY.—

(1) IN GENERAL.—The Secretary of Defense shall develop and carry out a performance-based, strategic sourcing acquisition strategy with respect to entering into contracts for the services of health care professional staff at military medical treatment facilities located in a State.

(2) ELEMENTS.—The acquisition strategy under paragraph (1) shall include the following:

(A) Except as provided by subparagraph (B), a requirement that all the military medical treatment facilities that provide direct care use contracts described under paragraph (1).

(B) A process for a military medical treatment facility to obtain a waiver of the requirement under subparagraph (A) in order to use an acquisition strategy not described in paragraph (1).

(C) Identification of the responsibilities of the military departments and the elements of the Department of Defense in carrying out such strategy.

(D) Projection of the demand by covered beneficiaries for health care services, including with respect to primary care and expanded-hours urgent care services.

(E) Estimation of the workload gaps at military medical treatment facilities for health care services, including with respect to primary care and expanded-hours urgent care services.

(F) Methods to analyze, using reliable and detailed data covering the entire direct care component of the military health system, the amount of funds expended on contracts for the services of health care professional staff.

(G) Methods to identify opportunities to consolidate requirements for such services and reduce cost.

(H) Methods to measure cost savings that are realized by using such contracts instead of purchased care.

(I) Metrics to determine the effectiveness of such strategy.

(J) Metrics to evaluate the success of the strategy in achieving its objectives, including metrics to assess the effects of the strategy on the timeliness of beneficiary access to professional health care services in military medical treatment facilities.

(K) Such other matters as the Secretary considers appropriate.

(b) REPORT.—Not later than July 1, 2017, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the status of implementing the acquisition strategy under paragraph (1) of subsection (a), including how each element under subparagraphs (A) through (K) of paragraph (2) of such subsection is being carried out.

(c) DEFINITIONS.—In this section:

(1) The term "covered beneficiary" has the meaning given that term in section 1072 of title 10, United States Code.

(2) The term "State" means the several States and the District of Columbia.

(d) CONFORMING REPEAL.—Section 725 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291; 10 U.S.C. 1091 note) is repealed.

SEC. 728. ADOPTION OF CORE QUALITY PERFORMANCE METRICS.

10 USC 1071 note.

(a) ADOPTION.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall adopt, to the extent appropriate, the core quality performance metrics agreed upon by the Core Quality Measures Collaborative for use by the military health system and in contracts awarded to carry out the TRICARE program.

(2) CORE MEASURES.—The core quality performance metrics described in paragraph (1) shall include the following sets:

(A) Accountable care organizations, patient centered medical homes, and primary care.

(B) Cardiology.

(C) Gastroenterology.

(D) HIV and hepatitis C.

(E) Medical oncology.

(F) Obstetrics and gynecology.

(G) Orthopedics.

(H) Such other sets of core quality performance metrics released by the Core Quality Measures Collaborative as the Secretary considers appropriate.

(b) PUBLICATION.—

(1) ONLINE AVAILABILITY.—Section 1073b of title 10, United States Code, is amended—

(A) in paragraph (1)—

(i) by striking "Not later than" and all that follows through "2016, the Secretary" and inserting "The Secretary"; and

(ii) by adding at the end the following new sentence: "Such data shall include the core quality performance metrics adopted by the Secretary under section 728 of the National Defense Authorization Act for Fiscal Year 2017."; and

(B) in the section heading, by inserting "**and publication of certain data**" after "**reports**".

10 USC 1071 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended by striking the item relating to section 1073b and inserting the following:

"1073b. Recurring reports and publication of certain data.".

10 USC 1071 note.

(c) DEFINITIONS.—In this section:

(1) The term "Core Quality Measures Collaborative" means the collaboration between the Centers for Medicare & Medicaid Services, major health insurance companies, national physician organizations, and other entities to reach consensus on core performance measures reported by health care providers.

(2) The term "TRICARE program" has the meaning given that term in section 1072 of title 10, United States Code.

10 USC 1073 note.

SEC. 729. IMPROVEMENT OF HEALTH OUTCOMES AND CONTROL OF COSTS OF HEALTH CARE UNDER TRICARE PROGRAM THROUGH PROGRAMS TO INVOLVE COVERED BENEFICIARIES.

(a) MEDICAL INTERVENTION INCENTIVE PROGRAM.—

(1) IN GENERAL.—The Secretary of Defense shall establish a program to incentivize covered beneficiaries to participate in medical intervention programs established by the Secretary, such as comprehensive disease management programs, that may include lowering fees for enrollment in the TRICARE program by a certain percentage or lowering copayment and cost-share amounts for health care services during a particular year for covered beneficiaries with chronic diseases or conditions described in paragraph (2) who met participation milestones, as determined by the Secretary, in the previous year in such medical intervention programs.

(2) CHRONIC DISEASES OR CONDITIONS DESCRIBED.—Chronic diseases or conditions described in this paragraph may include diabetes, chronic obstructive pulmonary disease, asthma, congestive heart failure, hypertension, history of stroke, coronary artery disease, mood disorders, obesity, and such other diseases or conditions as the Secretary determines appropriate.

(b) LIFESTYLE INTERVENTION INCENTIVE PROGRAM.—The Secretary shall establish a program to incentivize lifestyle interventions for covered beneficiaries, such as smoking cessation and weight reduction, that may include lowering fees for enrollment in the TRICARE program by a certain percentage or lowering copayment and cost share amounts for health care services during a particular year for covered beneficiaries who met participation milestones, as determined by the Secretary, in the previous year with respect to such lifestyle interventions, such as quitting smoking or achieving a lower body mass index by a certain percentage.

(c) HEALTHY LIFESTYLE MAINTENANCE INCENTIVE PROGRAM.—The Secretary shall establish a program to incentivize the maintenance of a healthy lifestyle among covered beneficiaries, such as exercise and weight maintenance, that may include lowering fees for enrollment in the TRICARE program by a certain percentage or lowering copayment and cost-share amounts for health care services during a particular year for covered beneficiaries who met participation milestones, as determined by the Secretary, in the previous year with respect to the maintenance of a healthy lifestyle, such as maintaining smoking cessation or maintaining a normal body mass index.

(d) REPORT.—

(1) IN GENERAL.—Not later than January 1, 2020, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of the programs established under subsections (a), (b), and (c).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the programs implemented under subsections (a), (b), and (c).

(B) An assessment of the impact of such programs on—

(i) improving health outcomes for covered beneficiaries; and

(ii) lowering per capita health care costs for the Department of Defense.

(e) REGULATIONS.—Not later than January 1, 2018, the Secretary shall prescribe an interim final rule to carry out this section.

(f) DEFINITIONS.—In this section, the terms "covered beneficiary" and "TRICARE program" have the meaning given those terms in section 1072 of title 10, United States Code.

SEC. 730. ACCOUNTABILITY FOR THE PERFORMANCE OF THE MILITARY HEALTH SYSTEM OF CERTAIN LEADERS WITHIN THE SYSTEM.

10 USC 1071 note.

(a) IN GENERAL.—Commencing not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Secretaries of the military departments, shall incorporate into the annual performance review of each military and civilian leader in the military health system, as determined

by the Secretary of Defense, measures of accountability for the performance of the military health system described in subsection (b).

(b) MEASURES OF ACCOUNTABILITY FOR PERFORMANCE.—The measures of accountability for the performance of the military health system incorporated into the annual performance review of an individual pursuant to this section shall include measures to assess performance and assure accountability for the following:

(1) Quality of care.

(2) Access of beneficiaries to care.

(3) Improvement in health outcomes for beneficiaries.

(4) Patient safety.

(5) Such other matters as the Secretary of Defense, in consultation with the Secretaries of the military departments, considers appropriate.

(c) REPORT ON IMPLEMENTATION.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the incorporation of measures of accountability for the performance of the military health system into the annual performance reviews of individuals as required by this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A comprehensive plan for the use of measures of accountability for performance in annual performance reviews pursuant to this section as a means of assessing and assuring accountability for the performance of the military health system.

(B) The identification of each leadership position in the military health system determined under subsection (a) and a description of the specific measures of accountability for performance to be incorporated into the annual performance reviews of each such position pursuant to this section.

10 USC 1071 note.

SEC. 731. ESTABLISHMENT OF ADVISORY COMMITTEES FOR MILITARY TREATMENT FACILITIES.

(a) IN GENERAL.—The Secretary of Defense shall establish, under such regulations as the Secretary may prescribe, an advisory committee for each military treatment facility.

(b) STATUS OF CERTAIN MEMBERS OF ADVISORY COMMITTEES.—A member of an advisory committee established under subsection (a) who is not a member of the Armed Forces on active duty or an employee of the Federal Government shall, with the approval of the commanding officer or director of the military treatment facility concerned, be treated as a volunteer under section 1588 of title 10, United States Code, in carrying out the duties of the member under this section.

(c) DUTIES.—Each advisory committee established under subsection (a) for a military treatment facility shall provide to the commanding officer or director of such facility advice on the administration and activities of such facility as it relates to the experience of care for beneficiaries at such facility.

Subtitle D—Reports and Other Matters

SEC. 741. EXTENSION OF AUTHORITY FOR JOINT DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITY DEMONSTRATION FUND AND REPORT ON IMPLEMENTATION OF INFORMATION TECHNOLOGY CAPABILITIES.

(a) IN GENERAL.—Section 1704(e) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2573), as amended by section 722 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291) and section 723 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92), is further amended by striking "September 30, 2017" and inserting "September 30, 2018".

(b) REPORT ON IMPLEMENTATION OF INFORMATION TECHNOLOGY CAPABILITIES.—Not later than March 30, 2017, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on plans to implement all information technology capabilities required by the executive agreement entered into under section 1701(a) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2567) that remain unimplemented as of the date of the report.

SEC. 742. PILOT PROGRAM ON EXPANSION OF USE OF PHYSICIAN ASSISTANTS TO PROVIDE MENTAL HEALTH CARE TO MEMBERS OF THE ARMED FORCES.

10 USC 1092 note.

(a) IN GENERAL.—The Secretary of Defense may conduct a pilot program to assess the feasibility and advisability of expanding the use by the Department of Defense of physician assistants specializing in psychiatric medicine at medical facilities of the Department of Defense in order to meet the increasing demand for mental health care providers at such facilities through the use of a psychiatry fellowship program for physician assistants.

(b) REPORT ON PILOT PROGRAM.—

(1) IN GENERAL.—If the Secretary conducts the pilot program under this section, not later than 90 days after the date on which the Secretary completes the conduct of the pilot program, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the pilot program.

(2) ELEMENTS.—The report submitted under paragraph (1) shall include the following:

(A) A description of the implementation of the pilot program, including a detailed description of the education and training provided under the pilot program.

(B) An assessment of potential cost savings, if any, to the Department of Defense resulting from the pilot program.

(C) A description of improvements, if any, to the access of members of the Armed Forces to mental health care resulting from the pilot program.

(D) A recommendation as to the feasibility and advisability of extending or expanding the pilot program.

10 USC 1074g note.

SEC. 743. PILOT PROGRAM FOR PRESCRIPTION DRUG ACQUISITION COST PARITY IN THE TRICARE PHARMACY BENEFITS PROGRAM.

(a) AUTHORITY TO ESTABLISH PILOT PROGRAM.—The Secretary of Defense may conduct a pilot program to evaluate whether, in carrying out the TRICARE pharmacy benefits program under section 1074g of title 10, United States Code, extending additional discounts for prescription drugs filled at retail pharmacies will maintain or reduce prescription drug costs for the Department of Defense.

(b) ELEMENTS OF PILOT PROGRAM.—In carrying out the pilot program under subsection (a), the Secretary shall require that for prescription medications, including non-generic maintenance medications, that are dispensed to TRICARE beneficiaries that are not Medicare eligible, through any TRICARE participating retail pharmacy, including small business pharmacies, manufacturers shall pay rebates such that those medications are available to the Department at the lowest rate available. In addition to utilizing the authority under section 1074g(f) of title 10, United States Code, the Secretary shall have the authority to enter into a blanket purchase agreement with prescription drug manufacturers for supplemental discounts for prescription drugs dispensed in the pilot to be paid in the form of manufacturer's rebates.

(c) CONSULTATION.—The Secretary shall develop the pilot program in consultation with—

(1) the Secretaries of the military departments;

(2) the Chief of the Pharmacy Operations Division of the Defense Health Agency; and

(3) stakeholders, including TRICARE beneficiaries and retail pharmacies.

(d) DURATION OF PILOT PROGRAM.—If the Secretary carries out the pilot program under subsection (a), the Secretary shall commence such pilot program no later than October 1, 2017, and shall terminate such program no later than September 30, 2018.

(e) REPORTS.—If the Secretary carries out the pilot program under subsection (a), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives reports on the pilot program as follows:

(1) Not later than 90 days after the date of the enactment of this Act, a report containing an implementation plan for the pilot program.

(2) Not later than 180 days after the date on which the pilot program commences, an interim report on the pilot program.

(3) Not later than 90 days after the date on which the pilot program terminates, a final report describing the results of the pilot program, including—

(A) any recommendations of the Secretary to expand such program;

(B) an analysis of the changes in prescription drug costs for the Department of Defense relating to the pilot program;

(C) an analysis of the impact on beneficiary access to prescription drugs;

(D) a survey of beneficiary satisfaction with the pilot program; and

(E) a summary of any fraud and abuse activities related to the pilot and actions taken in response by the Department.

SEC. 744. PILOT PROGRAM ON DISPLAY OF WAIT TIMES AT URGENT CARE CLINICS AND PHARMACIES OF MILITARY MEDICAL TREATMENT FACILITIES.

10 USC 1092 note.

(a) PILOT PROGRAM AUTHORIZED.—Beginning not later than one year after the date of the enactment of this Act, the Secretary of Defense shall carry out a pilot program for the display of wait times in urgent care clinics and pharmacies of military medical treatment facilities selected under subsection (b).

(b) SELECTION OF FACILITIES.—

(1) CATEGORIES.—The Secretary shall select not fewer than four military medical treatment facilities from each of the following categories to participate in the pilot program:

(A) Medical centers.

(B) Hospitals.

(C) Ambulatory care centers.

(2) OCONUS LOCATIONS.—Of the military medical treatment facilities selected under each category described in subparagraphs (A) through (C) of paragraph (1), not fewer than one shall be located outside of the continental United States.

(3) CONTRACTOR-OPERATED FACILITIES.—The Secretary may select Government-owned, contractor-operated facilities among those military medical treatment facilities selected under paragraph (1).

(c) URGENT CARE CLINICS.—

(1) PLACEMENT.—With respect to each military medical treatment facility participating in the pilot program with an urgent care clinic, the Secretary shall place in a conspicuous location at the urgent care clinic an electronic sign that displays the current average wait time determined under paragraph (2) for a patient to be seen by a qualified medical professional.

(2) DETERMINATION.—In carrying out paragraph (1), every 30 minutes, the Secretary shall determine the average wait time to display under such paragraph by calculating, for the four-hour period preceding the calculation, the average length of time beginning at the time of the arrival of a patient at the urgent care clinic and ending at the time at which the patient is first seen by a qualified medical professional.

(d) PHARMACIES.—

(1) PLACEMENT.—With respect to each military medical treatment facility participating in the pilot program with a pharmacy, the Secretary shall place in a conspicuous location at the pharmacy an electronic sign that displays the current average wait time to receive a filled prescription for a pharmaceutical agent.

(2) DETERMINATION.—In carrying out paragraph (1), every 30 minutes, the Secretary shall determine the average wait time to display under such paragraph by calculating, for the four-hour period preceding the calculation, the average length of time beginning at the time of submission by a patient of a prescription for a pharmaceutical agent and ending at the time at which the pharmacy dispenses the pharmaceutical agent to the patient.

(e) DURATION.—The Secretary shall carry out the pilot program for a period that is not more than two years.

(f) REPORT.—

(1) SUBMISSION.—Not later than 90 days after the completion of the pilot program, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the pilot program.

(2) ELEMENTS.—The report under paragraph (1) shall include—

(A) the costs for displaying the wait times under subsections (c) and (d);

(B) any changes in patient satisfaction;

(C) any changes in patient behavior with respect to using urgent care and pharmacy services;

(D) any changes in pharmacy operations and productivity;

(E) a cost-benefit analysis of posting such wait times; and

(F) the feasibility of expanding the posting of wait times in emergency departments in military medical treatment facilities.

(g) QUALIFIED MEDICAL PROFESSIONAL DEFINED.—In this section, the term “qualified medical professional” means a doctor of medicine, a doctor of osteopathy, a physician assistant, or an advanced registered nurse practitioner.

10 USC 1074 note.

SEC. 745. REQUIREMENT TO REVIEW AND MONITOR PRESCRIBING PRACTICES AT MILITARY TREATMENT FACILITIES OF PHARMACEUTICAL AGENTS FOR TREATMENT OF POST-TRAUMATIC STRESS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) conduct a comprehensive review of the prescribing practices at military treatment facilities of pharmaceutical agents for the treatment of post-traumatic stress;

(2) implement a process or processes to monitor the prescribing practices at military treatment facilities of pharmaceutical agents that are discouraged from use under the VA/DOD Clinical Practice Guideline for Management of Post-Traumatic Stress; and

(3) implement a plan to address any deviations from such guideline in prescribing practices of pharmaceutical agents for management of post-traumatic stress at such facilities.

(b) PHARMACEUTICAL AGENT DEFINED.—In this section, the term “pharmaceutical agent” has the meaning given that term in section 1074g(g) of title 10, United States Code.

SEC. 746. DEPARTMENT OF DEFENSE STUDY ON PREVENTING THE DIVERSION OF OPIOID MEDICATIONS.

(a) STUDY.—The Secretary of Defense shall conduct a study on the feasibility and effectiveness in preventing the diversion of opioid medications of the following measures:

(1) Requiring that, in appropriate cases, opioid medications be dispensed in vials using affordable technologies designed to prevent access to the medications by anyone other than the intended patient, such as a vial with a locking-cap closure mechanism.

(2) Providing education on the risks of opioid medications to individuals for whom such medications are prescribed, and to their families, with special consideration given to raising awareness among adolescents on such risks.

(b) BRIEFING.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall provide to the Committees on Armed Services of the Senate and the House of Representatives a briefing on the results of the study conducted under subsection (a).

(2) ELEMENTS.—The briefing under paragraph (1) shall include an assessment of the cost effectiveness of the measures studied under subsection (a).

SEC. 747. INCORPORATION INTO SURVEY BY DEPARTMENT OF DEFENSE OF QUESTIONS ON EXPERIENCES OF MEMBERS OF THE ARMED FORCES WITH FAMILY PLANNING SERVICES AND COUNSELING.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall initiate action to integrate into the Health Related Behavior Survey of Active Duty Military Personnel questions designed to obtain information on the experiences of members of the Armed Forces—

(1) in accessing family planning services and counseling; and

(2) in using family planning methods, including information on which method was preferred and whether deployment conditions affected the decision on which family planning method or methods to be used.

SEC. 748. ASSESSMENT OF TRANSITION TO TRICARE PROGRAM BY FAMILIES OF MEMBERS OF RESERVE COMPONENTS CALLED TO ACTIVE DUTY AND ELIMINATION OF CERTAIN CHARGES FOR SUCH FAMILIES.

(a) ASSESSMENT OF TRANSITION TO TRICARE PROGRAM.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall complete an assessment of the extent to which families of members of the reserve components of the Armed Forces serving on active duty pursuant to a call or order to active duty for a period of more than 30 days experience difficulties in transitioning from health care arrangements relied upon when the member is not in such an active duty status to health care benefits under the TRICARE program.

(2) ELEMENTS.—The assessment under paragraph (1) shall address the following:

(A) The extent to which family members of members of the reserve components of the Armed Forces are required to change health care providers when they become eligible for health care benefits under the TRICARE program.

(B) The extent to which health care providers in the private sector with whom such family members have established relationships when not covered under the TRICARE program are providers who—

(i) are in a preferred provider network under the TRICARE program;

(ii) are participating providers under the TRICARE program; or

(iii) will agree to treat covered beneficiaries at a rate not to exceed 115 percent of the maximum allowable charge under the TRICARE program.

(C) The extent to which such family members encounter difficulties associated with a change in health care claims administration, health care authorizations, or other administrative matters when transitioning to health care benefits under the TRICARE program.

(D) Any particular reasons for, or circumstances that explain, the conditions described in subparagraphs (A), (B), and (C).

(E) The effects of the conditions described in subparagraphs (A), (B), and (C) on the health care experience of such family members.

(F) Recommendations for changes in policies and procedures under the TRICARE program, or other administrative action by the Secretary, to remedy or mitigate difficulties faced by such family members in transitioning to health care benefits under the TRICARE program.

(G) Recommendations for legislative action to remedy or mitigate such difficulties.

(H) Such other matters as the Secretary determines relevant to the assessment.

(3) REPORT.—

(A) IN GENERAL.—Not later than 180 days after completing the assessment under paragraph (1), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report detailing the results of the assessment.

(B) ANALYSIS OF RECOMMENDATIONS.—The report required by subparagraph (A) shall include an analysis of each recommendation for legislative action addressed under paragraph (2)(G), together with a cost estimate for implementing each such action.

(b) EXPANSION OF AUTHORITY TO ELIMINATE BALANCE BILLING.—Section 1079(h)(4)(C)(ii) of title 10, United States Code, is amended by striking "in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title".

(c) DEFINITIONS.—In this section, the terms "covered beneficiary" and "TRICARE program" have the meanings given those terms in section 1072 of title 10, United States Code.

10 USC 1094a note.

SEC. 749. OVERSIGHT OF GRADUATE MEDICAL EDUCATION PROGRAMS OF MILITARY DEPARTMENTS.

(a) PROCESS.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall establish and implement a process to provide oversight of the graduate medical education programs of the military departments to ensure that such programs fully support the operational medical force readiness requirements for health care providers of the Armed Forces and the medical readiness of the Armed Forces. The process shall include the following:

(1) A process to review such programs to ensure, to the extent practicable, that such programs are—

(A) conducted jointly among the military departments; and

(B) focused on, and related to, operational medical force readiness requirements.

(2) A process to minimize duplicative programs relating to such programs among the military departments.

(3) A process to ensure that—

(A) assignments of faculty, support staff, and students within such programs are coordinated among the military departments; and

(B) the Secretary optimizes resources by using military medical treatment facilities as training platforms when and where most appropriate.

(4) A process to review and, if necessary, restructure or realign, such programs to sustain and improve operational medical force readiness.

(b) REPORT.—Not later than 30 days after the date on which the Secretary establishes the process under subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that describes such process. The report shall include a description of each graduate medical education program of the military departments, categorized by the following:

(1) Programs that provide direct support to operational medical force readiness.

(2) Programs that provide indirect support to operational medical force readiness.

(3) Academic programs that provide other medical support.

(c) COMPTROLLER GENERAL REVIEW AND REPORT.—

(1) REVIEW.—The Comptroller General of the United States shall conduct a review of the process established under subsection (a), including with respect to each process described in paragraphs (1) through (4) of such subsection.

(2) REPORT.—Not later than 180 days after the date on which the Secretary submits the report under subsection (b), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives the review conducted under paragraph (1), including an assessment of the elements of the process established under subsection (a).

SEC. 750. STUDY ON HEALTH OF HELICOPTER AND TILTROTOR PILOTS.

(a) STUDY REQUIRED.—The Secretary of Defense shall carry out a study of career helicopter and tiltrotor pilots to assess potential links between the operation of helicopter and tiltrotor aircraft and acute and chronic medical conditions experienced by such pilots.

(b) ELEMENTS.—The study under subsection (a) shall include the following:

(1) A study of career helicopter and tiltrotor pilots compared to a control population that—

(A) takes into account the amount of time such pilots operated aircraft;

(B) examines the severity and rates of acute and chronic injuries experienced by such pilots; and

(C) determines whether such pilots experience a higher degree of acute and chronic medical conditions than the control population.

(2) If a higher degree of acute and chronic medical conditions is observed among such pilots, an explanation of—

(A) the specific causes of the conditions (such as whole body vibration, seat and cockpit ergonomics, landing loads, hard impacts, and pilot-worn gear); and

(B) any costs associated with treating the conditions if the causes are not mitigated.

(3) A review of relevant scientific literature and prior research.

(4) Such other information as the Secretary determines to be appropriate.

(c) DURATION.—The duration of the study under subsection (a) shall be not more than two years.

(d) REPORT.—Not later than 30 days after the completion of the study under subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study.

SEC. 751. COMPTROLLER GENERAL REPORTS ON HEALTH CARE DELIVERY AND WASTE IN MILITARY HEALTH SYSTEM.

(a) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and not less frequently than once each year thereafter for four years, the Comptroller General of the United States shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report assessing the delivery of health care in the military health system, with an emphasis on identifying potential waste and inefficiency.

(b) ELEMENTS.—

(1) IN GENERAL.—The reports submitted under subsection (a) shall, within the direct and purchased care components of the military health system, evaluate the following:

(A) Processes for ensuring that health care providers adhere to clinical practice guidelines.

(B) Processes for reporting and resolving adverse medical events.

(C) Processes for ensuring program integrity by identifying and resolving medical fraud and waste.

(D) Processes for coordinating care within and between the direct and purchased care components of the military health system.

(E) Procedures for administering the TRICARE program.

(F) Processes for assessing and overseeing the efficiency of clinical operations of military hospitals and clinics, including access to care for covered beneficiaries at such facilities.

(2) ADDITIONAL INFORMATION.—The reports submitted under subsection (a) may include, if the Comptroller General considers feasible—

(A) an estimate of the costs to the Department of Defense relating to any waste or inefficiency identified in the report; and

(B) such recommendations for action by the Secretary of Defense as the Comptroller General considers appropriate, including eliminating waste and inefficiency in the direct and purchased care components of the military health system.

(c) DEFINITIONS.—In this section, the terms "covered beneficiary" and "TRICARE program" have the meaning given those terms in section 1072 of title 10, United States Code.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

Sec. 801. Rapid acquisition authority amendments.
Sec. 802. Authority for temporary service of Principal Military Deputies to the Assistant Secretaries of the military departments for acquisition as Acting Assistant Secretaries.
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Subtitle B—Department of Defense Acquisition Agility

Sec. 805. Modular open system approach in development of major weapon systems.
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Subtitle D—Provisions Relating to Major Defense Acquisition Programs

Sec. 841. Change in date of submission to Congress of Selected Acquisition Reports.
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Sec. 880. Pilot programs for authority to acquire innovative commercial items using general solicitation competitive procedures.

Subtitle G—Industrial Base Matters

Sec. 881. Greater integration of the national technology and industrial base.
Sec. 882. Integration of civil and military roles in attaining national technology and industrial base objectives.
Sec. 883. Pilot program for distribution support and services for weapon systems contractors.
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Subtitle H—Other Matters

Sec. 885. Report on bid protests.
Sec. 886. Review and report on indefinite delivery contracts.
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Sec. 890. Study and report on contracts awarded to minority-owned and women-owned businesses.
Sec. 891. Authority to provide reimbursable auditing services to certain non-Defense Agencies.
Sec. 892. Selection of service providers for auditing services and audit readiness services.
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Sec. 898. Establishment of Panel on Department of Defense and AbilityOne Contracting Oversight, Accountability, and Integrity; Defense Acquisition University training.
Sec. 899. Coast Guard major acquisition programs.
Sec. 899A. Enhanced authority to acquire products and services produced in Africa in support of certain activities.

Subtitle A—Acquisition Policy and Management

SEC. 801. RAPID ACQUISITION AUTHORITY AMENDMENTS.

Section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 10 U.S.C. 2302 note) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking "; or" and inserting a semicolon;

(B) in subparagraph (B), by striking "; and" and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(C) developed or procured under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note); and";

(2) in subsection (b), by adding at the end the following new paragraph:

"(3) Specific procedures in accordance with the guidance developed under section 804(a) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note)."; and

(3) in subsection (c)—

(A) in paragraph (2)(A)—

(i) by striking "Whenever the Secretary" and inserting "(i) Except as provided under clause (ii), whenever the Secretary"; and

(ii) by adding at the end the following new clause:

"(ii) Clause (i) does not apply to acquisitions initiated in the case of a determination by the Secretary that funds are necessary to immediately initiate a project under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note) if the designated

official for acquisitions using such pathways is the service acquisition executive.";

(B) in paragraph (3)—

(i) in subparagraph (A), by inserting "or upon the Secretary making a determination that funds are necessary to immediately initiate a project under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note) based on a compelling national security need," after "of paragraph (1),";

(ii) in subparagraph (B)—

(I) by striking "The authority" and inserting "Except as provided under subparagraph (C), the authority";

(II) in clause (ii), by striking "; and" and inserting a semicolon;

(III) in clause (iii), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following new clause:

"(iv) in the case of a determination by the Secretary that funds are necessary to immediately initiate a project under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note), in an amount not more than $200,000,000 during any fiscal year."; and

(iii) by adding at the end the following new subparagraph:

"(C) For each of fiscal years 2017 and 2018, the limits set forth in clauses (i) and (ii) of subparagraph (B) do not apply to the exercise of authority under such clauses provided that the total amount of supplies and associated support services acquired as provided under such subparagraph does not exceed $800,000,000 during such fiscal year.";

(C) in paragraph (4)—

(i) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(ii) by inserting after subparagraph (B) the following new subparagraph:

"(C) In the case of a determination by the Secretary under paragraph (3)(A) that funds are necessary to immediately initiate a project under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note), the Secretary shall notify the congressional defense committees of the determination within 10 days after the date of the use of such funds."; and

(D) in paragraph (5)—

(i) by striking "Any acquisition" and inserting "(A) Any acquisition"; and

(ii) by adding at the end the following new subparagraph:

"(B) Subparagraph (A) does not apply to acquisitions initiated in the case of a determination by the Secretary that

funds are necessary to immediately initiate a project under the rapid fielding or rapid prototyping acquisition pathways under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note).".

SEC. 802. AUTHORITY FOR TEMPORARY SERVICE OF PRINCIPAL MILITARY DEPUTIES TO THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS FOR ACQUISITION AS ACTING ASSISTANT SECRETARIES.

(a) ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS, AND TECHNOLOGY.—Section 3016(b)(5)(B) of title 10, United States Code, is amended by adding at the end the following new sentence: "In the event of a vacancy in the position of Assistant Secretary of the Army for Acquisition, Logistics, and Technology, the Principal Military Deputy may serve as Acting Assistant Secretary for a period of not more than one year.".

(b) ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT, AND ACQUISITION.—Section 5016(b)(4)(B) of such title is amended by adding at the end the following new sentence: "In the event of a vacancy in the position of Assistant Secretary of the Navy for Research, Development, and Acquisition, the Principal Military Deputy may serve as Acting Assistant Secretary for a period of not more than one year.".

(c) ASSISTANT SECRETARY OF THE AIR FORCE FOR ACQUISITION.—Section 8016(b)(4)(B) of such title is amended by adding at the end the following new sentence: "In the event of a vacancy in the position of Assistant Secretary of the Air Force for Acquisition, the Principal Military Deputy may serve as Acting Assistant Secretary for a period of not more than one year.".

SEC. 803. MODERNIZATION OF SERVICES ACQUISITION.

10 USC 2330 note.

(a) REVIEW OF SERVICES ACQUISITION CATEGORIES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall review and, if necessary, revise Department of Defense Instruction 5000.74, dated January 5, 2016 (in this section referred to as the "Acquisition of Services Instruction"), and other guidance pertaining to the acquisition of services. In conducting the review, the Secretary shall examine—

(1) how the acquisition community should consider the changing nature of the technology and professional services markets, particularly the convergence of hardware and services; and

(2) the services acquisition portfolio groups referenced in the Acquisition of Services Instruction and other guidance in order to ensure the portfolio groups are fully reflective of changes to the technology and professional services market.

10 USC 1741 note.

(b) GUIDANCE REGARDING TRAINING AND DEVELOPMENT OF THE ACQUISITION WORKFORCE.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance addressing the training and development of the Department of Defense workforce engaged in the procurement of services, including those personnel not designated as members of the acquisition workforce.

(2) IDENTIFICATION OF TRAINING AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES AND ALTERNATIVES.—The guidance required under paragraph (1) shall identify training and professional development opportunities and alternatives, not

limited to existing Department of Defense institutions, that focus on and provide relevant training and professional development in commercial business models and contracting.

(3) TREATMENT OF TRAINING AND PROFESSIONAL DEVELOPMENT.—Any training and professional development provided pursuant to this subsection outside Department of Defense institutions shall be deemed to be equivalent to similar training certified or provided by the Defense Acquisition University.

SEC. 804. DEFENSE MODERNIZATION ACCOUNT AMENDMENTS.

(a) FUNDS AVAILABLE FOR ACCOUNT.—Section 2216(b)(1) of title 10, United States Code, is amended by striking "commencing".

(b) TRANSFERS TO ACCOUNT.—Section 2216(c) of such title is amended—

(1) in paragraph (1)(A)—

(A) by striking "or the Secretary of Defense with respect to Defense-wide appropriations accounts" and inserting ", or the Secretary of Defense with respect to Defense-wide appropriations accounts,"; and

(B) by striking "that Secretary" and inserting "the Secretary concerned";

(2) in paragraph (1)(B)—

(A) by inserting after "following funds" the following: "that have been appropriated for fiscal years after fiscal year 2016 and are";

(B) in clause (i)—

(i) by striking "for procurement" and inserting "for new obligations";

(ii) by striking "a particular procurement" and inserting "an acquisition program"; and

(iii) by striking "that procurement" and inserting "that program";

(C) by striking clause (ii); and

(D) by redesignating clause (iii) as clause (ii);

(3) in paragraph (2)—

(A) by striking ", other than funds referred to in subparagraph (B)(iii) of such paragraph,"; and

(B) by striking "if—" and all that follows through "(B) the balance of funds" and inserting "if the balance of funds";

(4) in paragraph (3)—

(A) by striking "credited to" both places it appears and inserting "deposited in"; and

(B) by inserting "and obligation" after "available for transfer"; and

(5) by striking paragraph (4).

(c) AUTHORIZED USE OF FUNDS.—Section 2216(d) of such title is amended—

(1) in paragraph (1)—

(A) by striking "commencing"; and

(B) by striking "Secretary of Defense" and inserting "Secretary concerned";

(2) in paragraph (2), by striking "a procurement program" and inserting "an acquisition program";

(3) by amending paragraph (3) to read as follows:

"(3) For research, development, test, and evaluation, for procurement, and for sustainment activities necessary for paying costs of unforeseen contingencies that are approved

by the milestone decision authority concerned, that could prevent an ongoing acquisition program from meeting critical schedule or performance requirements.”; and

(4) by inserting at the end the following new paragraph:

“(4) For paying costs of changes to program requirements or system configuration that are approved by the configuration steering board for a major defense acquisition program.”.

(d) LIMITATIONS.—Section 2216(e) of such title is amended—

(1) in paragraph (1), by striking “procurement program” both places it appears and inserting “acquisition program”; and

(2) in paragraph (2), by striking “authorized appropriations” and inserting “authorized appropriations, unless the procedures for initiating a new start program are complied with”.

(e) TRANSFER OF FUNDS.—Section 2216(f)(1) of such title is amended by striking “Secretary of Defense” and inserting “Secretary of a military department, or the Secretary of Defense with respect to Defense-wide appropriations accounts,”.

(f) AVAILABILITY OF FUNDS BY APPROPRIATION.—Section 2216(g) of such title is amended—

(1) by striking “in accordance with the provisions of appropriations Acts”; and

(2) by adding at the end the following: “Funds deposited in the Defense Modernization Account shall remain available for obligation until the end of the third fiscal year that follows the fiscal year in which the amounts are deposited in the account.”.

(g) SECRETARY TO ACT THROUGH COMPTROLLER.—Section 2216(h)(2) of such title is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively;

(2) by inserting before subparagraph (B), as so redesignated, the following new subparagraph (A):

“(A) the establishment and management of subaccounts for each of the military departments and Defense Agencies concerned for the use of funds in the Defense Modernization Account, consistent with each military department’s or Defense Agency’s deposits in the Account;”;

(3) in subparagraph (C), as so redesignated, by inserting “and subaccounts” after “Account”; and

(4) in subparagraph (D), as so redesignated, by striking “subsection (c)(1)(B)(iii)” and inserting “subsection (c)(1)(B)(ii)”.

(h) DEFINITIONS.—Paragraph (1) of section 2216(i) of such title is amended to read as follows:

“(1) The term ‘major defense acquisition program’ has the meaning given the term in section 2430(a) of this title.”.

(j) EXPIRATION OF AUTHORITY.—Section 2216(j)(1) of such title is amended by striking “terminates at the close of September 30, 2006” and inserting “terminates at the close of September 30, 2022”.

Subtitle B—Department of Defense Acquisition Agility

SEC. 805. MODULAR OPEN SYSTEM APPROACH IN DEVELOPMENT OF MAJOR WEAPON SYSTEMS.

(a) MODULAR OPEN SYSTEM APPROACH.—

10 USC 2446a prec.

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144A the following new chapter:

"CHAPTER 144B—WEAPON SYSTEMS DEVELOPMENT AND RELATED MATTERS

"Subchapter **Sec.**
"I. Modular Open System Approach in Development of Weapon Systems 2446a
"II. Development, Prototyping, and Deployment of Weapon System Components and Technology 2447a
"III. Cost, Schedule, and Performance of Major Defense Acquisition Programs 2448a

10 USC 2446a prec.

"SUBCHAPTER I—MODULAR OPEN SYSTEM APPROACH IN DEVELOPMENT OF WEAPON SYSTEMS

"Sec.
"2446a. Requirement for modular open system approach in major defense acquisition programs; definitions.
"2446b. Requirement to address modular open system approach in program capabilities development and acquisition weapon system design.
"2446c. Requirements relating to availability of major system interfaces and support for modular open system approach.

10 USC 2446a.

"§ 2446a. Requirement for modular open system approach in major defense acquisition programs; definitions

"(a) MODULAR OPEN SYSTEM APPROACH REQUIREMENT.—A major defense acquisition program that receives Milestone A or Milestone B approval after January 1, 2019, shall be designed and developed, to the maximum extent practicable, with a modular open system approach to enable incremental development and enhance competition, innovation, and interoperability.

"(b) DEFINITIONS.—In this chapter:

"(1) The term 'modular open system approach' means, with respect to a major defense acquisition program, an integrated business and technical strategy that—

"(A) employs a modular design that uses major system interfaces between a major system platform and a major system component, between major system components, or between major system platforms;

"(B) is subjected to verification to ensure major system interfaces comply with, if available and suitable, widely supported and consensus-based standards;

"(C) uses a system architecture that allows severable major system components at the appropriate level to be incrementally added, removed, or replaced throughout the life cycle of a major system platform to afford opportunities for enhanced competition and innovation while yielding—

"(i) significant cost savings or avoidance;

"(ii) schedule reduction;

"(iii) opportunities for technical upgrades;
"(iv) increased interoperability, including system of systems interoperability and mission integration; or
"(v) other benefits during the sustainment phase of a major weapon system; and
"(D) complies with the technical data rights set forth in section 2320 of this title.
"(2) The term 'major system platform' means the highest level structure of a major weapon system that is not physically mounted or installed onto a higher level structure and on which a major system component can be physically mounted or installed.
"(3) The term 'major system component'—
"(A) means a high level subsystem or assembly, including hardware, software, or an integrated assembly of both, that can be mounted or installed on a major system platform through well-defined major system interfaces; and
"(B) includes a subsystem or assembly that is likely to have additional capability requirements, is likely to change because of evolving technology or threat, is needed for interoperability, facilitates incremental deployment of capabilities, or is expected to be replaced by another major system component.
"(4) The term 'major system interface'—
"(A) means a shared boundary between a major system platform and a major system component, between major system components, or between major system platforms, defined by various physical, logical, and functional characteristics, such as electrical, mechanical, fluidic, optical, radio frequency, data, networking, or software elements; and
"(B) is characterized clearly in terms of form, function, and the content that flows across the interface in order to enable technological innovation, incremental improvements, integration, and interoperability.
"(5) The term 'program capability document' means, with respect to a major defense acquisition program, a document that specifies capability requirements for the program, such as a capability development document or a capability production document.
"(6) The terms 'program cost targets' and 'fielding target' have the meanings provided in section 2448a(a) of this title.
"(7) The term 'major defense acquisition program' has the meaning provided in section 2430 of this title.
"(8) The term 'major weapon system' has the meaning provided in section 2379(f) of this title.

"§ 2446b. Requirement to address modular open system approach in program capabilities development and acquisition weapon system design

10 USC 2446b.

"(a) PROGRAM CAPABILITY DOCUMENT.—A program capability document for a major defense acquisition program shall identify and characterize—
"(1) the extent to which requirements for system performance are likely to evolve during the life cycle of the system

because of evolving technology, threat, or interoperability needs; and

"(2) for requirements that are expected to evolve, the minimum acceptable capability that is necessary for initial operating capability of the major defense acquisition program.

"(b) ANALYSIS OF ALTERNATIVES.—The Director of Cost Assessment and Performance Evaluation, in formulating study guidance for analyses of alternatives for major defense acquisition programs and performing such analyses under section 139a(d)(4) of this title, shall ensure that any such analysis for a major defense acquisition program includes consideration of evolutionary acquisition, prototyping, and a modular open system approach.

"(c) ACQUISITION STRATEGY.—In the case of a major defense acquisition program that uses a modular open system approach, the acquisition strategy required under section 2431a of this title shall—

"(1) clearly describe the modular open system approach to be used for the program;

"(2) differentiate between the major system platform and major system components being developed under the program, as well as major system components developed outside the program that will be integrated into the major defense acquisition program;

"(3) clearly describe the evolution of major system components that are anticipated to be added, removed, or replaced in subsequent increments;

"(4) identify additional major system components that may be added later in the life cycle of the major system platform;

"(5) clearly describe how intellectual property and related issues, such as technical data deliverables, that are necessary to support a modular open system approach, will be addressed; and

"(6) clearly describe the approach to systems integration and systems-level configuration management to ensure mission and information assurance.

"(d) REQUEST FOR PROPOSALS.—The milestone decision authority for a major defense acquisition program that uses a modular open system approach shall ensure that a request for proposals for the development or production phases of the program shall describe the modular open system approach and the minimum set of major system components that must be included in the design of the major defense acquisition program.

"(e) MILESTONE B.—A major defense acquisition program may not receive Milestone B approval under section 2366b of this title until the milestone decision authority determines in writing that—

"(1) in the case of a program that uses a modular open system approach—

"(A) the program incorporates clearly defined major system interfaces between the major system platform and major system components, between major system components, and between major system platforms;

"(B) such major system interfaces are consistent with the widely supported and consensus-based standards that exist at the time of the milestone decision, unless such standards are unavailable or unsuitable for particular major system interfaces; and

"(C) the Government has arranged to obtain appropriate and necessary intellectual property rights with respect to such major system interfaces upon completion of the development of the major system platform; or

"(2) in the case of a program that does not use a modular open system approach, that the use of a modular open system approach is not practicable.

"§ 2446c. Requirements relating to availability of major system interfaces and support for modular open system approach

10 USC 2446c.

"The Secretary of each military department shall—

"(1) coordinate with the other military departments, the defense agencies, defense and other private sector entities, national standards-setting organizations, and, when appropriate, with elements of the intelligence community with respect to the specification, identification, development, and maintenance of major system interfaces and standards for use in major system platforms, where practicable;

"(2) ensure that major system interfaces incorporate commercial standards and other widely supported consensus-based standards that are validated, published, and maintained by recognized standards organizations to the maximum extent practicable;

"(3) ensure that sufficient systems engineering and development expertise and resources are available to support the use of a modular open system approach in requirements development and acquisition program planning;

"(4) ensure that necessary planning, programming, and budgeting resources are provided to specify, identify, develop, and sustain the modular open system approach, associated major system interfaces, systems integration, and any additional program activities necessary to sustain innovation and interoperability; and

"(5) ensure that adequate training in the use of a modular open system approach is provided to members of the requirements and acquisition workforce.".

(2) CLERICAL AMENDMENT.—The table of chapters for title 10, United States Code, is amended by adding after the item relating to chapter 144A the following new item:

10 USC 101 prec., 2201 prec.

"144B. Weapon Systems Development and Related Matters ....2446a".

(3) CONFORMING AMENDMENT.—Section 2366b(a)(3) of such title is amended—

(A) by striking "and" at the end of subparagraph (K); and

(B) by inserting after subparagraph (L) the following new subparagraph:

"(M) the requirements of section 2446b(e) of this title are met; and".

(4) EFFECTIVE DATE.—Subchapter I of chapter 144B of title 10, United States Code, as added by paragraph (1), shall take effect on January 1, 2017.

10 USC 2446a note.

(b) REQUIREMENT TO INCLUDE MODULAR OPEN SYSTEM APPROACH IN SELECTED ACQUISITION REPORTS.—Section 2432(c)(1) of such title is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following new subparagraph (G):

"(G) for each major defense acquisition program that receives Milestone B approval after January 1, 2019, a brief summary description of the key elements of the modular open system approach as defined in section 2446a of this title or, if a modular open system approach was not used, the rationale for not using such an approach; and".

SEC. 806. DEVELOPMENT, PROTOTYPING, AND DEPLOYMENT OF WEAPON SYSTEM COMPONENTS OR TECHNOLOGY.

(a) DEVELOPMENT, PROTOTYPING, AND DEPLOYMENT OF WEAPON SYSTEM COMPONENTS OR TECHNOLOGY.—

(1) IN GENERAL.—Chapter 144B of title 10, United States Code, as added by section 805, is further amended by adding at the end the following new subchapter:

10 USC 2447a prec.

"SUBCHAPTER II—DEVELOPMENT, PROTOTYPING, AND DEPLOYMENT OF WEAPON SYSTEM COMPONENTS OR TECHNOLOGY

"Sec.
"2447a. Weapon system component or technology prototype projects: display of budget information.
"2447b. Weapon system component or technology prototype projects: oversight.
"2447c. Requirements and limitations for weapon system component or technology prototype projects.
"2447d. Mechanisms to speed deployment of successful weapon system component or technology prototypes.
"2447e. Definition of weapon system component.

10 USC 2447a.

"§ 2447a. Weapon system component or technology prototype projects: display of budget information

"(a) REQUIREMENTS FOR BUDGET DISPLAY.—In the defense budget materials for any fiscal year after fiscal year 2017, the Secretary of Defense shall, with respect to advanced component development and prototype activities (within the research, development, test, and evaluation budget), set forth the amounts requested for each of the following:

"(1) Acquisition programs of record.

"(2) Development, prototyping, and experimentation of weapon system components or other technologies, including those based on commercial items and technologies, separate from acquisition programs of record.

"(3) Other budget line items as determined by the Secretary of Defense.

"(b) ADDITIONAL REQUIREMENTS.—For purposes of subsection (a)(2), the amounts requested for development, prototyping, and experimentation of weapon system components or other technologies shall be—

"(1) structured into either capability, weapon system component, or technology portfolios that reflect the priority areas for prototype projects; and

"(2) justified with general descriptions of the types of capability areas and technologies being funded or expected to be funded during the fiscal year concerned.

"(c) DEFINITIONS.—In this section, the terms 'budget' and 'defense budget materials' have the meaning given those terms in section 234 of this title.

"§ 2447b. Weapon system component or technology prototype projects: oversight

10 USC 2447b.

"(a) ESTABLISHMENT.—The Secretary of each military department shall establish an oversight board or identify a similar existing group of senior advisors for managing prototype projects for weapon system components and other technologies and subsystems, including the use of funds for such projects, within the military department concerned.

"(b) MEMBERSHIP.—Each oversight board shall be comprised of senior officials with—

"(1) expertise in requirements; research, development, test, and evaluation; acquisition; sustainment; or other relevant areas within the military department concerned;

"(2) awareness of technology development activities and opportunities in the Department of Defense, industry, and other sources; and

"(3) awareness of the component capability requirements of major weapon systems, including scheduling and fielding goals for such component capabilities.

"(c) FUNCTIONS.—The functions of each oversight board are as follows:

"(1) To issue a strategic plan every three years that prioritizes the capability and weapon system component portfolio areas for conducting prototype projects, based on assessments of—

"(A) high priority warfighter needs;

"(B) capability gaps or readiness issues with major weapon systems;

"(C) opportunities to incrementally integrate new components into major weapon systems based on commercial technology or science and technology efforts that are expected to be sufficiently mature to prototype within three years; and

"(D) opportunities to reduce operation and support costs of major weapon systems.

"(2) To annually recommend funding levels for weapon system component or technology development and prototype projects across capability or weapon system component portfolios.

"(3) To annually recommend to the service acquisition executive of the military department concerned specific weapon system component or technology development and prototype projects, subject to the requirements and limitations in section 2447c of this title.

"(4) To ensure projects are managed by experts within the Department of Defense who are knowledgeable in research, development, test, and evaluation and who are aware of opportunities for incremental deployment of component capabilities and other technologies to major weapon systems or directly to support warfighting capabilities.

"(5) To ensure projects are conducted in a manner that allows for appropriate experimentation and technology risk.

"(6) To ensure projects have a plan for technology transition of the prototype into a fielded system, program of record, or operational use, as appropriate, upon successful achievement of technical and project goals.

"(7) To ensure necessary technical, contracting, and financial management resources are available to support each project.

"(8) To submit to the congressional defense committees a semiannual notification that includes the following:

"(A) each weapon system component or technology prototype project initiated during the preceding six months, including an explanation of each project and its required funding.

"(B) the results achieved from weapon system component prototype and technology projects completed and tested during the preceding six months.

10 USC 2447c.

"§ 2447c. Requirements and limitations for weapon system component or technology prototype projects

"(a) LIMITATION ON PROTOTYPE PROJECT DURATION.—A prototype project shall be completed within two years of its initiation.

"(b) MERIT-BASED SELECTION PROCESS.—A prototype project shall be selected by the service acquisition executive of the military department concerned through a merit-based selection process that identifies the most promising, innovative, and cost-effective prototypes that address one or more of the elements set forth in subsection (c)(1) of section 2447b of this title and are expected to be successfully demonstrated in a relevant environment.

"(c) TYPE OF TRANSACTION.—Prototype projects shall be funded through contracts, cooperative agreements, or other transactions.

"(d) FUNDING LIMIT.—(1) Each prototype project may not exceed a total amount of $10,000,000 (based on fiscal year 2017 constant dollars), unless—

"(A) the Secretary of the military department, or the Secretary's designee, approves a larger amount of funding for the project, not to exceed $50,000,000; and

"(B) the Secretary, or the Secretary's designee, submits to the congressional defense committees, within 30 days after approval of such funding for the project, a notification that includes—

"(i) the project;

"(ii) expected funding for the project; and

"(iii) a statement of the anticipated outcome of the project.

"(2) The Secretary of Defense may adjust the amounts (and the base fiscal year) provided in paragraph (1) on the basis of Department of Defense escalation rates.

"(e) RELATED PROTOTYPE AUTHORITIES.—Prototype projects that exceed the duration and funding limits established in this section shall be pursued under the rapid prototyping process established by section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note). In addition, nothing in this subchapter shall affect the authority to carry out prototype projects under section 2371b or any other section of this title related to prototyping.

"§ 2447d. Mechanisms to speed deployment of successful weapon system component or technology prototypes

10 USC 2447d.

"(a) SELECTION OF PROTOTYPE PROJECT FOR PRODUCTION AND RAPID FIELDING.—A weapon system component or technology prototype project may be selected by the service acquisition executive of the military department concerned for a follow-on production contract or other transaction without the use of competitive procedures, notwithstanding the requirements of section 2304 of this title, if—

"(1) the follow-on production project addresses a high priority warfighter need or reduces the costs of a weapon system;

"(2) competitive procedures were used for the selection of parties for participation in the original prototype project;

"(3) the participants in the original prototype project successfully completed the requirements of the project; and

"(4) a prototype of the system to be procured was demonstrated in a relevant environment.

"(b) SPECIAL TRANSFER AUTHORITY.—(1) The Secretary of a military department may, as specified in advance by appropriations Acts, transfer funds that remain available for obligation in procurement appropriation accounts of the military department to fund the low-rate initial production of the rapid fielding project until required funding for full-rate production can be submitted and approved through the regular budget process of the Department of Defense.

"(2) The funds transferred under this subsection to fund the low-rate initial production of a rapid fielding project shall be for a period not to exceed two years, the amount for such period may not exceed $50,000,000, and the special transfer authority provided in this subsection may not be used more than once to fund procurement of a particular new or upgraded system.

"(3) The special transfer authority provided in this subsection is in addition to any other transfer authority available to the Department of Defense.

"(c) NOTIFICATION TO CONGRESS.—Within 30 days after the service acquisition executive of a military department selects a weapon system component or technology project for a follow-on production contract or other transaction, the service acquisition executive shall notify the congressional defense committees of the selection and provide a brief description of the rapid fielding project.

"§ 2447e. Definition of weapon system component

10 USC 2447e.

"In this subchapter, the term 'weapon system component' has the meaning given the term 'major system component' in section 2446a of this title.".

10 USC 2447a note.

(2) EFFECTIVE DATE.—Subchapter II of chapter 144B of title 10, United States Code, as added by paragraph (1), shall take effect on January 1, 2017.

(b) ADDITION TO REQUIREMENTS NEEDED BEFORE MILESTONE A APPROVAL.—Section 2366a(b) of such title is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by redesignating paragraph (8) as paragraph (9); and

(3) by inserting after paragraph (7) the following new paragraph (8):

"(8) that, with respect to a program initiated after January 1, 2019, technology shall be developed in the program (after

Milestone A approval) only if the milestone decision authority determines with a high degree of confidence that such development will not delay the fielding target of the program, or, if the milestone decision authority does not make such determination for a major system component being developed under the program, the milestone decision authority ensures that the technology related to the major system component shall be sufficiently matured and demonstrated in a relevant environment (after Milestone A approval) separate from the program using the prototyping authorities in subchapter II of chapter 144B of this title or other authorities, as appropriate, and have an effective plan for adoption or insertion by the relevant program; and".

SEC. 807. COST, SCHEDULE, AND PERFORMANCE OF MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) COST, SCHEDULE, AND PERFORMANCE OF MAJOR DEFENSE ACQUISITION PROGRAMS.—

10 USC 2448a prec.

(1) IN GENERAL.—Chapter 144B of title 10, United States Code, as added by section 805, is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—COST, SCHEDULE, AND PERFORMANCE OF MAJOR DEFENSE ACQUISITION PROGRAMS

"Sec.
"2448a. Program cost, fielding, and performance goals in planning major defense acquisition programs.
"2448b. Independent technical risk assessments.

10 USC 2448a.

"§ 2448a. Program cost, fielding, and performance goals in planning major defense acquisition programs

"(a) PROGRAM COST AND FIELDING TARGETS.—(1) Before funds are obligated for technology development, systems development, or production of a major defense acquisition program, the Secretary of Defense shall ensure, by establishing the goals described in paragraph (2), that the milestone decision authority for the major defense acquisition program approves a program that will—

"(A) be affordable;

"(B) incorporate program planning that anticipates the evolution of capabilities to meet changing threats, technology insertion, and interoperability; and

"(C) be fielded when needed.

"(2) The goals described in this paragraph are goals for—

"(A) the procurement unit cost and sustainment cost (referred to in this section as the 'program cost targets');

"(B) the date for initial operational capability (referred to in this section as the 'fielding target'); and

"(C) technology maturation, prototyping, and a modular open system approach to evolve system capabilities and improve interoperability.

"(b) DELEGATION.—The responsibilities of the Secretary of Defense in subsection (a) may be delegated only to the Deputy Secretary of Defense.

"(c) DEFINITIONS.—In this section:

"(1) The term 'procurement unit cost' has the meaning provided in section 2432(a)(2) of this title.

"(2) The term 'initial capabilities document' has the meaning provided in section 2366a(d)(2) of this title.

"§ 2448b. Independent technical risk assessments

10 USC 2448b.

"(a) IN GENERAL.—With respect to a major defense acquisition program, the Secretary of Defense shall ensure that an independent technical risk assessment is conducted—

"(1) before any decision to grant Milestone A approval for the program pursuant to section 2366a of this title, that identifies critical technologies and manufacturing processes that need to be matured; and

"(2) before any decision to grant Milestone B approval for the program pursuant to section 2366b of this title, any decision to enter into low-rate initial production or full-rate production, or at any other time considered appropriate by the Secretary, that includes the identification of any critical technologies or manufacturing processes that have not been successfully demonstrated in a relevant environment.

"(b) CATEGORIZATION OF TECHNICAL RISK LEVELS.—The Secretary shall issue guidance and a framework for categorizing the degree of technical and manufacturing risk in a major defense acquisition program.".

10 USC 2448a note.

(2) EFFECTIVE DATE.—Subchapter III of chapter 144B of title 10, United States Code, as added by paragraph (1), shall apply with respect to major defense acquisition programs that reach Milestone A after October 1, 2017.

10 USC 2430 note.

(b) MODIFICATION OF MILESTONE DECISION AUTHORITY.—Effective January 1, 2017, subsection (d) of section 2430 of title 10, United States Code, as added by section 825(a) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 907), is amended—

(1) in paragraph (2)(A), by inserting "subject to paragraph (5)," before "the Secretary determines"; and

(2) by adding at the end the following new paragraph:

"(5) The authority of the Secretary of Defense to designate an alternative milestone decision authority for a program with respect to which the Secretary determines that the program is addressing a joint requirement, as set forth in paragraph (2)(A), shall apply only for a major defense acquisition program that reaches Milestone A after October 1, 2016, and before October 1, 2019.".

(c) ADHERENCE TO REQUIREMENTS IN MAJOR DEFENSE ACQUISITION PROGRAMS.—Section 2547 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

"(b) ADHERENCE TO REQUIREMENTS IN MAJOR DEFENSE ACQUISITION PROGRAMS.—The Secretary of the military department concerned shall ensure that the program capability document supporting a Milestone B or subsequent decision for a major defense acquisition program may not be approved until the chief of the armed force concerned determines in writing that the requirements in the document are necessary and realistic in relation to the program cost and fielding targets established under section 2448a(a) of this title."; and

(3) by adding at the end of subsection (d), as so redesignated, the following new paragraph:

"(3) The term 'program capability document' has the meaning provided in section 2446a(b)(5) of this title.".

(d) AMENDMENT RELATING TO DETERMINATION REQUIRED BEFORE MILESTONE A APPROVAL.—Section 2366a(b)(4) of title 10, United States Code, is amended by inserting after "areas of risk" the following: ", including risks determined by the identification of critical technologies required under section 2448b(a)(1) of this title or any other risk assessment".

(e) AMENDMENT RELATING TO CERTIFICATION REQUIRED BEFORE MILESTONE B APPROVAL.—Section 2366b(a) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "assessment by the Assistant Secretary" and all that follows through "Test and Evaluation" and inserting "technical risk assessment conducted under section 2448b of this title"; and

(2) in paragraph (3), as amended by section 805(a)(3)(B)—

(A) by striking "and" at the end of subparagraph (C);

(B) by redesignating subparagraphs (D) through (M) as subparagraphs (E) through (N), respectively; and

(C) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) the estimated procurement unit cost for the program and the estimated date for initial operational capability for the baseline description for the program (established under section 2435) do not exceed the program cost and fielding targets established under section 2448a(a) of this title, or, if such estimated cost is higher than the program cost targets or if such estimated date is later than the fielding target, the program cost targets have been increased or the fielding target has been delayed by the Secretary of Defense after a request for such increase or delay by the milestone decision authority;".

SEC. 808. TRANSPARENCY IN MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) MILESTONE A REPORT.—

(1) IN GENERAL.—Section 2366a(c) of title 10, United States Code, is amended to read as follows:

"(c) SUBMISSIONS TO CONGRESS ON MILESTONE A.—

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

"(A) The program cost and fielding targets established by the Secretary of Defense under section 2448a(a) of this title.

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

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

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

"(C) The independent estimated cost for the program established pursuant to section 2334(a)(6) of this title, and any independent estimated schedule for the program, including—

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

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

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

"(E) A summary of the independent technical risk assessment conducted or approved under section 2448b of this title, including identification of any critical technologies or manufacturing processes that need to be matured.

"(F) A summary of any sufficiency review conducted by the Director of Cost Assessment and Program Evaluation of the analysis of alternatives performed for the program (as referred to in section 2366a(b)(6) of this title).

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

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

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

(2) DEFINITIONS.—Section 2366a(d) of such title is amended by adding at the end the following new paragraphs:

"(8) The term 'fielding target' has the meaning given that term in section 2448a(a) of this title.

"(9) The term 'major system component' has the meaning given that term in section 2446a(b)(3) of this title.

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

(b) MILESTONE B REPORT.—

(1) IN GENERAL.—Section 2366b(c) of title 10, United States Code, is amended to read as follows:

"(c) SUBMISSIONS TO CONGRESS ON MILESTONE B.—

"(1) BRIEF SUMMARY REPORT.—Not later than 15 days after granting Milestone B approval for a major defense acquisition program, the milestone decision authority for the program shall provide to the congressional defense committees and, in the

case of intelligence or intelligence-related activities, the congressional intelligence committees a brief summary report that contains the following elements:

"(A) The program cost and fielding targets established by the Secretary of Defense under section 2448a(a) of this title.

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

"(i) the dollar values estimated for the program acquisition unit cost, average procurement unit cost, and total life-cycle cost; and

"(ii) the planned dates for each program milestone, initial operational test and evaluation, and initial operational capability.

"(C) The independent estimated cost for the program established pursuant to section 2334(a)(6) of this title, and any independent estimated schedule for the program, including—

"(i) the dollar values and ranges estimated for the program acquisition unit cost, average procurement unit cost, and total life-cycle cost; and

"(ii) the planned dates for each program milestone, initial operational test and evaluation, and initial operational capability.

"(D) A summary of the technical and manufacturing risks associated with the program, as determined by the military department concerned, including identification of any critical technologies or manufacturing processes that have not been successfully demonstrated in a relevant environment.

"(E) A summary of the independent technical risk assessment conducted or approved under section 2448b of this title, including identification of any critical technologies or manufacturing processes that have not been successfully demonstrated in a relevant environment.

"(F) A statement of whether a modular open system approach is being used for the program.

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

"(2) CERTIFICATIONS AND DETERMINATIONS.—(A) The certifications and determination under subsection (a) with respect to a major defense acquisition program shall be submitted to the congressional defense committees with the first Selected Acquisition Report submitted under section 2432 of this title after completion of the certification.

"(B) The milestone decision authority shall retain records of the basis for the certifications and determination under paragraphs (1), (2), and (3) of subsection (a).

"(3) ADDITIONAL INFORMATION.—(A) At the request of any of the congressional defense committees or, in the case of intelligence or intelligence-related activities, the congressional intelligence committees, the milestone decision authority shall submit to the committee an explanation of the basis for the certifications and determination under paragraphs (1), (2), and (3) of subsection (a) with respect to a major defense acquisition program or further information or underlying documentation

for the information in a brief summary report submitted under paragraph (1), including the independent cost and schedule estimates and the independent technical risk assessments referred to in that paragraph.

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

(2) DEFINITIONS.—Section 2366b(g) of such title is amended by adding at the end the following new paragraphs:

"(6) The term 'fielding target' has the meaning given that term in section 2448a(a) of this title.

"(7) The term 'major system component' has the meaning given that term in section 2446a(b)(3) of this title.

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

(c) MILESTONE C REPORT.—

(1) IN GENERAL.—Chapter 139 of such title is amended by inserting after section 2366b the following new section:

"§ 2366c. Major defense acquisition programs: submissions to Congress on Milestone C

10 USC 2366c.

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

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

"(A) the dollar values estimated for the program acquisition unit cost, average procurement unit cost, and total life-cycle cost; and

"(B) the planned dates for initial operational test and evaluation and initial operational capability.

"(2) The independent estimated cost for the program established pursuant to section 2334(a)(6) of this title, and any independent estimated schedule for the program, including—

"(A) the dollar values estimated for the program acquisition unit cost, average procurement unit cost, and total life-cycle cost; and

"(B) the planned dates for initial operational test and evaluation and initial operational capability.

"(3) A summary of any production, manufacturing, and fielding risks associated with the program.

"(b) ADDITIONAL INFORMATION.—At the request of any of the congressional defense committees or, in the case of intelligence or intelligence-related activities, the congressional intelligence committees, the milestone decision authority shall submit to the committee further information or underlying documentation for the information in a brief summary report submitted under subsection (a), including the independent cost and schedule estimates and the independent technical risk assessments referred to in that subsection.

"(c) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term 'congressional intelligence committees' has the meaning given that term in section 437(c) of this title.".

10 USC 2351 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2366b the following new item:

"2366c. Major defense acquisition programs: submissions to Congress on Milestone C.".

SEC. 809. AMENDMENTS RELATING TO TECHNICAL DATA RIGHTS.

(a) RIGHTS RELATING TO ITEM OR PROCESS DEVELOPED EXCLUSIVELY AT PRIVATE EXPENSE.—Subsection (a)(2)(C)(iii) of section 2320 of title 10, United States Code, is amended by inserting after "or process data" the following: ", including such data pertaining to a major system component".

(b) RIGHTS RELATING TO INTERFACE OR MAJOR SYSTEM INTERFACE.—Subsection (a)(2) of section 2320 of such title is further amended—

(1) by redesignating subparagraphs (F) and (G) as subparagraphs (H) and (I), respectively;

(2) in subparagraph (B), by striking "Except as provided in subparagraphs (C) and (D)," and inserting "Except as provided in subparagraphs (C), (D), and (G),";

(3) in subparagraph (D)(i)(II), by striking "is necessary" and inserting "is a release, disclosure, or use of technical data pertaining to an interface between an item or process and other items or processes necessary";

(4) in subparagraph (E)—

(A) by striking "In the case" and inserting "Except as provided in subparagraphs (F) and (G), in the case"; and

(B) by striking "negotiations). The United States shall have" and all that follows through "such negotiated rights shall" and inserting the following: "negotiations) and shall be based on negotiations between the United States and the contractor, except in any case in which the Secretary of Defense determines, on the basis of criteria established in the regulations, that negotiations would not be practicable. The establishment of such rights shall"; and

(5) by inserting after subparagraph (E) the following new subparagraphs (F) and (G):

"(F) INTERFACES DEVELOPED WITH MIXED FUNDING.—Notwithstanding subparagraph (E), the United States shall have government purpose rights in technical data pertaining to an interface between an item or process and other items or processes that was developed in part with Federal funds and in part at private expense, except in any case in which the Secretary of Defense determines, on the basis of criteria established in the regulations, that negotiation of different rights in such technical data would be in the best interest of the United States.

"(G) MAJOR SYSTEM INTERFACES DEVELOPED EXCLUSIVELY AT PRIVATE EXPENSE OR WITH MIXED FUNDING.—Notwithstanding subparagraphs (B) and (E), the United States shall have government purpose rights in technical data pertaining to a major system interface developed exclusively at private expense or in part with Federal funds and in part at private expense and used in a modular open system approach pursuant to section 2446a of this title, except in any case in which

the Secretary of Defense determines that negotiation of different rights in such technical data would be in the best interest of the United States. Such major system interface shall be identified in the contract solicitation and the contract. For technical data pertaining to a major system interface developed exclusively at private expense for which the United States asserts government purpose rights, the Secretary of Defense shall negotiate with the contractor the appropriate and reasonable compensation for such technical data.".

(c) AMENDMENT RELATING TO DEFERRED ORDERING.—Subsection (b)(9) of section 2320 of such title is amended—

(1) by striking "at any time" and inserting ", until the date occurring six years after acceptance of the last item (other than technical data) under a contract or the date of contract termination, whichever is later,";

(2) by striking "or utilized in the performance of a contract" and inserting "in the performance of the contract"; and

(3) by striking clause (ii) of subparagraph (B) and inserting the following:

"(ii) is described in subparagraphs (D)(i)(II), (F), and (G) of subsection (a)(2); and".

(d) DEFINITIONS.—Section 2320 of such title is further amended—

(1) in subsection (f), by inserting "COVERED GOVERNMENT SUPPORT CONTRACTOR DEFINED.—" before "In this section"; and

(2) by adding at the end the following new subsection:

"(g) ADDITIONAL DEFINITIONS.—In this section, the terms 'major system component', 'major system interface', and 'modular open system approach' have the meanings provided in section 2446a of this title.".

(e) AMENDMENTS TO ADD CERTAIN HEADINGS FOR READABILITY.—Section 2320(a) of such title is further amended—

(1) in subparagraph (A) of paragraph (2), by inserting after "(A)" the following: "DEVELOPMENT EXCLUSIVELY WITH FEDERAL FUNDS.—";

(2) in subparagraph (B) of such paragraph, by inserting after "(B)" the following: "DEVELOPMENT EXCLUSIVELY AT PRIVATE EXPENSE.—";

(3) in subparagraph (C) of such paragraph, by inserting after "(C)" the following: "EXCEPTION TO SUBPARAGRAPH (B).—";

(4) in subparagraph (D) of such paragraph, by inserting after "(D)" the following: "EXCEPTION TO SUBPARAGRAPH (B).—"; and

(5) in subparagraph (E) of such paragraph, by inserting after "(E)" the following: "DEVELOPMENT WITH MIXED FUNDING.—".

(f) GOVERNMENT-INDUSTRY ADVISORY PANEL AMENDMENTS.—Section 813(b) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 892) is amended—

(1) by adding at the end of paragraph (1) the following: "The panel shall develop recommendations for changes to sections 2320 and 2321 of title 10, United States Code, and the regulations implementing such sections.";

(2) in paragraph (3)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) Ensuring that the Department of Defense and Department of Defense contractors have the technical data rights necessary to support the modular open system approach requirement set forth in section 2446a of title 10, United States Code, taking into consideration the distinct characteristics of major system platforms, major system interfaces, and major system components developed exclusively with Federal funds, exclusively at private expense, and with a combination of Federal funds and private expense."; and

(3) by amending paragraph (4) to read as follows:

"(4) FINAL REPORT.—Not later than February 1, 2017, the advisory panel shall submit its final report and recommendations to the Secretary of Defense and the congressional defense committees. Not later than 60 days after receiving the report, the Secretary shall submit any comments or recommendations to the congressional defense committees.".

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 811. MODIFIED RESTRICTIONS ON UNDEFINITIZED CONTRACTUAL ACTIONS.

Section 2326 of title 10, United States Code, is amended—

(1) in subsection (e)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(B) by inserting "(1)" before "The head"; and

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

"(2) If a contractor submits a qualifying proposal to definitize an undefinitized contractual action and the contracting officer for such action definitizes the contract after the end of the 180-day period beginning on the date on which the contractor submitted the qualifying proposal, the head of the agency concerned shall ensure that the profit allowed on the contract accurately reflects the cost risk of the contractor as such risk existed on the date the contractor submitted the qualifying proposal.";

(2) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively;

(3) by inserting after subsection (e) the following new subsections:

"(f) TIME LIMIT.—No undefinitized contractual action may extend beyond 90 days without a written determination by the Secretary of the military department concerned, the head of the Defense Agency concerned, the commander of the combatant command concerned, or the Under Secretary of Defense for Acquisition, Technology, and Logistics (as applicable) that it is in the best interests of the military department, the Defense Agency, the combatant command, or the Department of Defense, respectively, to continue the action.

"(g) FOREIGN MILITARY CONTRACTS.—(1) Except as provided in paragraph (2), a contracting officer of the Department of Defense

may not enter into an undefinitized contractual action for a foreign military sale unless the contractual action provides for agreement upon contractual terms, specifications, and price by the end of the 180-day period described in subsection (b)(1)(A).

"(2) The requirement under paragraph (1) may be waived in accordance with subsection (b)(4)."; and

(4) in subsection (i), as redesignated by paragraph (2)—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively; and

(B) in paragraph (2), by striking "complete and meaningful audits" and all that follows through the period and inserting "a meaningful audit of the information contained in the proposal.".

SEC. 812. AMENDMENTS RELATING TO INVENTORY AND TRACKING OF PURCHASES OF SERVICES.

(a) INCREASED THRESHOLD.—Subsection (a) of section 2330a of title 10, United States Code, is amended by striking "in excess of the simplified acquisition threshold" and inserting "in excess of $3,000,000".

(b) SPECIFICATION OF SERVICES.—Subsection (a) of such section is further amended by striking the period at the end and inserting the following: ", for services in the following service acquisition portfolio groups:

"(1) Logistics management services.

"(2) Equipment related services.

"(3) Knowledge-based services.

"(4) Electronics and communications services.".

(c) INVENTORY SUMMARY.—Subsection (c) of such section is amended—

(1) by striking "(c) INVENTORY.—" and inserting "(c) INVENTORY SUMMARY.—"; and

(2) in paragraph (1), by striking "submit to Congress an annual inventory" and all that follows through "for or on behalf" and inserting "prepare an annual inventory, and submit to Congress a summary of the inventory, of activities performed during the preceding fiscal year pursuant to staff augmentation contracts on behalf".

(d) ELIMINATION OF CERTAIN REQUIREMENTS.—Such section is further amended—

(1) by striking subsections (d), (g), and (h); and

(2) by redesignating subsections (e), (f), (i), and (j) as subsections (d), (e), (g), and (h), respectively.

(e) SPECIFICATION OF SERVICES TO BE REVIEWED.—Subsection (d), as so redesignated, of such section, is amended in paragraph (1) by inserting after "responsible" the following: ", with particular focus and attention on the following categories of high-risk product service codes (also referred to as Federal supply codes):

"(A) Special studies or analysis that is not research and development.

"(B) Information technology and telecommunications.

"(C) Support, including professional, administrative, and management.".

(f) COMPTROLLER GENERAL REPORT.—Such section is further amended by inserting after subsection (e), as so redesignated, the following new subsection (f):

"(f) COMPTROLLER GENERAL REPORT.—Not later than March 31, 2018, the Comptroller General of the United States shall submit to the congressional defense committees a report on the status of the data collection required in subsection (a) and an assessment of the efforts by the Department of Defense to implement subsection (e).".

(g) DEFINITIONS.—Subsection (h), as so redesignated, of such section is amended by adding at the end the following new paragraphs:

"(6) The term 'service acquisition portfolio groups' means the groups identified in Department of Defense Instruction 5000.74, Defense Acquisition of Services (January 5, 2016) or successor guidance.

"(7) The term 'staff augmentation contracts' means services contracts for personnel who are physically present in a Government work space on a full-time or permanent part-time basis, for the purpose of advising on, providing support to, or assisting a Government agency in the performance of the agency's missions, including authorized personal services contracts (as that term is defined in section 2330a(g)(5) of this title).".

10 USC 2305 note.

SEC. 813. USE OF LOWEST PRICE TECHNICALLY ACCEPTABLE SOURCE SELECTION PROCESS.

(a) STATEMENT OF POLICY.—It shall be the policy of the Department of Defense to avoid using lowest price technically acceptable source selection criteria in circumstances that would deny the Department the benefits of cost and technical tradeoffs in the source selection process.

(b) REVISION OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall revise the Defense Federal Acquisition Regulation Supplement to require that, for solicitations issued on or after the date that is 120 days after the date of the enactment of this Act, lowest price technically acceptable source selection criteria are used only in situations in which—

(1) the Department of Defense is able to comprehensively and clearly describe the minimum requirements expressed in terms of performance objectives, measures, and standards that will be used to determine acceptability of offers;

(2) the Department of Defense would realize no, or minimal, value from a contract proposal exceeding the minimum technical or performance requirements set forth in the request for proposal;

(3) the proposed technical approaches will require no, or minimal, subjective judgment by the source selection authority as to the desirability of one offeror's proposal versus a competing proposal;

(4) the source selection authority has a high degree of confidence that a review of technical proposals of offerors other than the lowest bidder would not result in the identification of factors that could provide value or benefit to the Department;

(5) the contracting officer has included a justification for the use of a lowest price technically acceptable evaluation methodology in the contract file; and

(6) the Department of Defense has determined that the lowest price reflects full life-cycle costs, including for operations and support.

(c) AVOIDANCE OF USE OF LOWEST PRICE TECHNICALLY ACCEPTABLE SOURCE SELECTION CRITERIA IN CERTAIN PROCUREMENTS.—To the maximum extent practicable, the use of lowest price technically acceptable source selection criteria shall be avoided in the case of a procurement that is predominately for the acquisition of—

(1) information technology services, cybersecurity services, systems engineering and technical assistance services, advanced electronic testing, audit or audit readiness services, or other knowledge-based professional services;

(2) personal protective equipment; or

(3) knowledge-based training or logistics services in contingency operations or other operations outside the United States, including in Afghanistan or Iraq.

(d) REPORTING.—Not later than December 1, 2017, and annually thereafter for three years, the Comptroller General of the United States shall submit to the congressional defense committees a report on the number of instances in which lowest price technically acceptable source selection criteria is used for a contract exceeding $10,000,000, including an explanation of how the situations listed in subsection (b) were considered in making a determination to use lowest price technically acceptable source selection criteria.

SEC. 814. PROCUREMENT OF PERSONAL PROTECTIVE EQUIPMENT.

10 USC 2302 note.

(a) LIMITATION.—Not later than 90 days after the date of the enactment of this Act, the Defense Federal Acquisition Regulation Supplement shall be revised—

(1) to prohibit the use by the Department of Defense of reverse auctions or lowest price technically acceptable contracting methods for the procurement of personal protective equipment if the level of quality or failure of the item could result in combat casualties; and

(2) to establish a preference for the use of best value contracting methods for the procurement of such equipment.

(b) CONFORMING AMENDMENT.—Section 884 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 948; 10 U.S.C. 2302 note) is hereby repealed.

SEC. 815. AMENDMENTS RELATED TO DETECTION AND AVOIDANCE OF COUNTERFEIT ELECTRONIC PARTS.

Section 818 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 2302 note) is amended—

(1) in paragraph (3) of subsection (c)—

(A) by striking the heading and inserting "SUPPLIERS MEETING ANTICOUNTERFEITING REQUIREMENTS.—";

(B) in subparagraph (A)(i), by striking "trusted suppliers in accordance with regulations issued pursuant to subparagraph (C) or (D) who" and inserting "suppliers that meet anticounterfeiting requirements in accordance with regulations issued pursuant to subparagraph (C) or (D) and that";

(C) in subparagraphs (A)(ii) and (A)(iii), by striking "trusted suppliers" each place it appears and inserting "suppliers that meet anticounterfeiting requirements";

(D) in subparagraph (C), by striking "as trusted suppliers those" and inserting "suppliers";

(E) in subparagraph (D) in the matter preceding clause (i), by striking "trusted suppliers" and inserting "suppliers that meet anticounterfeiting requirements"; and

(F) in subparagraphs (D)(i) and (D)(iii), by striking "trusted" each place it appears; and

(2) in subsection (e)(2)(A)(v), by striking "use of trusted suppliers" and inserting "the use of suppliers that meet applicable anticounterfeiting requirements".

SEC. 816. AMENDMENTS TO SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

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

(1) by striking "or" at the end of paragraph (1);

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

(3) by adding after paragraph (2) the following new paragraphs:

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

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

SEC. 817. COMPLIANCE WITH DOMESTIC SOURCE REQUIREMENTS FOR FOOTWEAR FURNISHED TO ENLISTED MEMBERS OF THE ARMED FORCES UPON THEIR INITIAL ENTRY INTO THE ARMED FORCES.

Section 418 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) In the case of athletic footwear needed by members of the Army, Navy, Air Force, or Marine Corps upon their initial entry into the armed forces, the Secretary of Defense shall furnish such footwear directly to the members instead of providing a cash allowance to the members for the purchase of such footwear.

"(2) In procuring athletic footwear to comply with paragraph (1), the Secretary of Defense shall—

"(A) procure athletic footwear that complies with the requirements of section 2533a of title 10, without regard to the applicability of any simplified acquisition threshold under chapter 137 of title 10 (or any other provision of law); and

"(B) procure additional athletic footwear, for two years following the date of the enactment of the National Defense Authorization Act for Fiscal Year 2017, that is necessary to provide a member described in paragraph (1) with sufficient choices in athletic shoes so as to minimize the incidence of athletic injuries and potential unnecessary harm and risk to the safety and well-being of members in initial entry training.

"(3) This subsection does not prohibit the provision of a cash allowance to a member described in paragraph (1) for the purchase of athletic footwear if such footwear—

"(A) is medically required to meet unique physiological needs of the member; and

"(B) cannot be met with athletic footwear that complies with the requirements of this subsection.".

SEC. 818. EXTENSION OF AUTHORITY FOR ENHANCED TRANSFER OF TECHNOLOGY DEVELOPED AT DEPARTMENT OF DEFENSE LABORATORIES.

Section 801(e) of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 127 Stat. 804; 10 U.S.C. 2514 note) is amended by striking "2017" and inserting "2021".

SEC. 819. MODIFIED NOTIFICATION REQUIREMENT FOR EXERCISE OF WAIVER AUTHORITY TO ACQUIRE VITAL NATIONAL SECURITY CAPABILITIES.

Subsection (d) of section 806 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note) is amended to read as follows:

"(d) NOTIFICATION REQUIREMENT.—Not later than 10 days after exercising the waiver authority under subsection (a), the Secretary of Defense shall provide a written notification to Congress providing the details of the waiver and the expected benefits it provides to the Department of Defense.".

SEC. 820. DEFENSE COST ACCOUNTING STANDARDS.

(a) AMENDMENTS TO THE COST ACCOUNTING STANDARDS BOARD.—

(1) IN GENERAL.—Section 1501 of title 41, United States Code, is amended—

(A) in subsection (b)(1)(B)(ii), by inserting "and, if possible, is a representative of a public accounting firm" after "systems";

(B) by redesignating subsections (c) through (f) as subsections (f) through (i), respectively;

(C) by inserting after subsection (b) the following new subsections:

"(c) DUTIES.—The Board shall—

"(1) ensure that the cost accounting standards used by Federal contractors rely, to the maximum extent practicable, on commercial standards and accounting practices and systems;

"(2) within one year after the date of enactment of this subsection, and on an ongoing basis thereafter, review any cost accounting standards established under section 1502 of this title and conform such standards, where practicable, to Generally Accepted Accounting Principles; and

"(3) annually review disputes involving such standards brought to the boards established in section 7105 of this title or Federal courts, and consider whether greater clarity in such standards could avoid such disputes.

"(d) MEETINGS.—The Board shall meet not less than once each quarter and shall publish in the Federal Register notice of each meeting and its agenda before such meeting is held.

"(e) REPORT.—The Board shall annually submit a report to the congressional defense committees, the Committee on Oversight and Government Reform of the House of Representatives, and the

Committee on Homeland Security and Governmental Affairs of the Senate describing the actions taken during the prior year—

"(1) to conform the cost accounting standards established under section 1502 of this title with Generally Accepted Accounting Principles; and

"(2) to minimize the burden on contractors while protecting the interests of the Federal Government."; and

(D) by amending subsection (f) (as so redesignated) to read as follows:

"(f) SENIOR STAFF.—The Administrator, after consultation with the Board—

"(1) without regard to the provisions of title 5 governing appointments in the competitive service—

"(A) shall appoint an executive secretary; and

"(B) may appoint, or detail pursuant to section 3341 of title 5, two additional staff members; and

"(2) may pay those employees without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates, except that those employees may not receive pay in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule.".

(2) VALUE OF CONTRACTS ELIGIBLE FOR WAIVER.—Section 1502(b)(3)(A) of title 41, United States Code, is amended by striking "$15,000,000" and inserting "$100,000,000".

(3) CONFORMING AMENDMENTS.—Section 1501(i) of title 41, United States Code (as redesignated by paragraph (1)), is amended—

(A) in paragraph (1), by striking "subsection (e)(1)" and inserting "subsection (h)(1)"; and

(B) in paragraph (3), by striking "subsection (e)(2)" and inserting "subsection (h)(2)".

(b) DEFENSE COST ACCOUNTING STANDARDS BOARD.—

(1) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 190.

"§ 190. Defense Cost Accounting Standards Board

"(a) ORGANIZATION.—The Defense Cost Accounting Standards Board is an independent board in the Office of the Secretary of Defense.

"(b) MEMBERSHIP.—(1) The Board consists of seven members. One member is the Chief Financial Officer of the Department of Defense or a designee of the Chief Financial Officer, who serves as Chairman. The other six members, all of whom shall have experience in contract pricing, finance, or cost accounting, are as follows:

"(A) Three representatives of the Department of Defense appointed by the Secretary of Defense; and

"(B) Three individuals from the private sector, each of whom is appointed by the Secretary of Defense, and—

"(i) one of whom is a representative of a nontraditional defense contractor (as defined in section 2302(9) of this title); and

"(ii) one of whom is a representative from a public accounting firm.

"(2) A member appointed under paragraph (1)(A) may not continue to serve after ceasing to be an officer or employee of the Department of Defense.

"(c) DUTIES OF THE CHAIRMAN.—The Chief Financial Officer of the Department of Defense, after consultation with the Defense Cost Accounting Standards Board, shall prescribe rules and procedures governing actions of the Board under this section.

"(d) DUTIES.—The Defense Cost Accounting Standards Board—

"(1) shall review cost accounting standards established under section 1502 of title 41 and recommend changes to such cost accounting standards to the Cost Accounting Standards Board established under section 1501 of such title;

"(2) has exclusive authority, with respect to the Department of Defense, to implement such cost accounting standards to achieve uniformity and consistency in the standards governing measurement, assignment, and allocation of costs to contracts with the Department of Defense; and

"(3) shall develop standards to ensure that commercial operations performed by Government employees at the Department of Defense adhere to cost accounting standards (based on cost accounting standards established under section 1502 of title 41 or Generally Accepted Accounting Principles) that inform managerial decisionmaking.

"(e) COMPENSATION.—(1) Members of the Defense Cost Accounting Standards Board who are officers or employees of the Department of Defense shall not receive additional compensation for services but shall continue to be compensated by the Department of Defense.

"(2) Each member of the Board appointed from the private sector shall receive compensation at a rate not to exceed the daily equivalent of the rate for level IV of the Executive Schedule for each day (including travel time) in which the member is engaged in the actual performance of duties vested in the Board.

"(3) While serving away from home or regular place of business, Board members and other individuals serving on an intermittent basis shall be allowed travel expenses in accordance with section 5703 of title 5.

"(f) AUDITING REQUIREMENTS.—(1) Notwithstanding any other provision of law, contractors with the Department of Defense may present, and the Defense Contract Audit Agency shall accept without performing additional audits, a summary of audit findings prepared by a commercial auditor if—

"(A) the auditor previously performed an audit of the allowability, measurement, assignment to accounting periods, and allocation of indirect costs of the contractor; and

"(B) such audit was performed using relevant commercial accounting standards (such as Generally Accepted Accounting Principles) and relevant commercial auditing standards established by the commercial auditing industry for the relevant accounting period.

"(2) The Defense Contract Audit Agency may audit direct costs of Department of Defense cost contracts and shall rely on commercial audits of indirect costs without performing additional audits, except that in the case of companies or business units that have a predominance of cost-type contracts as a percentage of sales, the Defense Contract Audit Agency may audit both direct and indirect costs.".

10 USC 171 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of such title is amended by adding after the item relating to section 189 the following new item:

"190. Defense Cost Accounting Standards Board.".

(c) REPORT.—Not later than December 31, 2019, the Comptroller General of the United States shall submit to the congressional defense committees a report on the adequacy of the method used by the Cost Accounting Standards Board established under section 1501 of title 41, United States Code, to apply cost accounting standards to indirect and fixed price incentive contracts.

10 USC 190 note.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2018.

SEC. 821. INCREASED MICRO-PURCHASE THRESHOLD APPLICABLE TO DEPARTMENT OF DEFENSE PROCUREMENTS.

(a) INCREASED MICRO-PURCHASE THRESHOLD.—Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2338.

"§ 2338. Micro-purchase threshold

"Notwithstanding subsection (a) of section 1902 of title 41, the micro-purchase threshold for the Department of Defense for purposes of such section is $5,000.".

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

10 USC 2301 prec.

"2338. Micro-purchase threshold.".

SEC. 822. ENHANCED COMPETITION REQUIREMENTS.

Section 2306a of title 10, United States Code, is amended—

(1) in subsection (a)(1)(A), by inserting "that is only expected to receive one bid" after "entered into using procedures other than sealed-bid procedures"; and

(2) in subsection (b)—

(A) in paragraph (1)(A)(i), by striking "price competition" and inserting "competition that results in at least two or more responsive and viable competing bids"; and

(B) by adding at the end the following new paragraph:

"(6) DETERMINATION BY PRIME CONTRACTOR.—A prime contractor required to submit certified cost or pricing data under subsection (a) with respect to a prime contract shall be responsible for determining whether a subcontract under such contract qualifies for an exception under paragraph (1)(A) from such requirement.".

SEC. 823. REVISION TO EFFECTIVE DATE OF SENIOR EXECUTIVE BENCHMARK COMPENSATION FOR ALLOWABLE COST LIMITATIONS.

(a) REPEAL OF RETROACTIVE APPLICABILITY.—Section 803(c) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1485; 10 U.S.C. 2324 note) is amended by striking "amendments made by" and all that follows and inserting "amendments made by this section shall apply with respect to costs of compensation incurred after January 1, 2012, under contracts entered into on or after December 31, 2011.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect as of December 31, 2011, and shall apply as if included in the National Defense Authorization Act for Fiscal Year 2012 as enacted.

10 USC 2324 note.

SEC. 824. TREATMENT OF INDEPENDENT RESEARCH AND DEVELOPMENT COSTS ON CERTAIN CONTRACTS.

(a) INDEPENDENT RESEARCH AND DEVELOPMENT COSTS: ALLOWABLE COSTS.—

(1) IN GENERAL.—Section 2372 of title 10, United States Code, is amended to read as follows:

"§ 2372. Independent research and development costs: allowable costs

"(a) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing the payment by the Department of Defense of expenses incurred by contractors for independent research and development costs. Such regulations shall provide that expenses incurred for independent research and development shall be reported independently from other allowable indirect costs.

"(b) COSTS TREATED AS FAIR AND REASONABLE, AND ALLOWABLE, EXPENSES.—The regulations prescribed under subsection (a) shall provide that independent research and development costs shall be considered a fair and reasonable, and allowable, indirect expense on Department of Defense contracts.

"(c) ADDITIONAL CONTROLS.—Subject to subsection (d), the regulations prescribed under subsection (a) may include the following provisions:

"(1) Controls on the reimbursement of costs to the contractor for expenses incurred for independent research and development to ensure that such costs were incurred for independent research and development.

"(2) Implementation of regular methods for transmission—

"(A) from the Department of Defense to contractors, in a reasonable manner, of timely and comprehensive information regarding planned or expected needs of the Department of Defense for future technology and advanced capability; and

"(B) from contractors to the Department of Defense, in a reasonable manner, of information regarding progress by the contractor on the independent research and development programs of the contractor.

"(d) LIMITATIONS ON REGULATIONS.—Regulations prescribed under subsection (a) may not include provisions that would infringe on the independence of a contractor to choose which technologies to pursue in its independent research and development program if the chief executive officer of the contractor determines that expenditures will advance the needs of the Department of Defense for future technology and advanced capability as transmitted pursuant to subsection (c)(3)(A).

"(e) EFFECTIVE DATE.—The regulations prescribed under subsection (a) shall apply to indirect costs incurred on or after October 1, 2017.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 is amended by striking the item relating to section 2372 and inserting the following new item:

10 USC 2351 prec.

"2372. Independent research and development costs: allowable costs".

(b) BID AND PROPOSAL COSTS: ALLOWABLE COSTS.—

(1) IN GENERAL.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2372 the following new section:

10 USC 2372a.

"§ 2372a. Bid and proposal costs: allowable costs

"(a) REGULATIONS.—The Secretary of Defense shall prescribe regulations governing the payment by the Department of Defense of expenses incurred by contractors for bid and proposal costs. Such regulations shall provide that expenses incurred for bid and proposal costs shall be reported independently from other allowable indirect costs.

"(b) COSTS ALLOWABLE AS INDIRECT EXPENSES.—The regulations prescribed under subsection (a) shall provide that bid and proposal costs shall be allowable as indirect expenses on covered contracts, as defined in section 2324(l) of this title, to the extent that those costs are allocable, reasonable, and not otherwise unallowable by law or under the Federal Acquisition Regulation.

"(c) GOAL FOR REIMBURSABLE BID AND PROPOSAL COSTS.—The Secretary shall establish a goal each fiscal year limiting the amount of reimbursable bid and proposal costs paid by the Department of Defense to an amount equal to not more than one percent of the total aggregate industry sales to the Department of Defense. To achieve such goal, the Secretary may not limit the payment of allowable bid and proposal costs for the covered year.

"(d) PANEL.—(1) If the Department of Defense exceeds the goal established under subsection (c) for a fiscal year, within 180 days after exceeding the goal, the Secretary shall establish an advisory panel. The panel shall be supported by the Defense Acquisition University and the National Defense University, including administrative support.

"(2) The panel shall be composed of nine individuals who are recognized experts in acquisition and procurement policy appointed by the Secretary. In making such appointments, the Secretary shall ensure that the members of the panel reflect diverse experiences in the public and private sector.

"(3) The panel shall review laws, regulations, and practices that contribute to the expenses incurred by contractors for bids and proposals in the fiscal year concerned and recommend changes to such laws, regulations, and practices that may reduce expenses incurred by contractors for bids and proposals.

"(4)(A) Not later than six months after the establishment of the panel, the panel shall submit to the Secretary and the congressional defense committees an interim report on the findings of the panel.

"(B) Not later than one year after the establishment of the panel, the panel shall submit to the Secretary and the congressional defense committees a final report on the findings of the panel.

"(5) The panel shall terminate on the day the panel submits the final report under paragraph (4)(B).

"(6) The Secretary of Defense may use amounts available in the Department of Defense Acquisition Workforce Development Fund established under section 1705 of this title to support the activities of the panel established under this subsection.

"(e) EFFECTIVE DATE.—The regulations prescribed under subsection (a) shall apply to indirect costs incurred on or after October 1, 2017.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 139 of such title is amended by inserting the following new item:

10 USC 2351 prec.

"2372a. Bid and proposal costs: allowable costs".

(c) REPORT ON ELEMENTS CONTRIBUTING TO EXPENSES INCURRED BY CONTRACTORS FOR BIDS AND PROPOSALS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall enter into a contract with an independent entity to study the laws, regulations, and practices relating to expenses incurred by contractors for bids and proposals.

(2) REPORT.—Not later than 180 days after receipt of the contract required by paragraph (1), the independent entity shall submit to the Department of Defense and the congressional defense committees a report on the laws, regulations, or practices relating to expenses incurred by contractors for bids and recommendations for changes to such laws, regulations, or practices that may reduce expenses incurred by contractors for bids and proposals.

(d) DEFENSE CONTRACT AUDIT AGENCY: ANNUAL REPORT.—

(1) IN GENERAL.—Subsection (a) of section 2313a of title 10, United States Code, is amended—

(A) by redesignating paragraphs (4) and (5) as paragraphs (6) and (7), respectively; and

(B) by inserting after paragraph (3) the following new paragraphs:

"(3) a summary, set forth separately by dollar amount and percentage, of indirect costs for independent research and development incurred by contractors in the previous fiscal year;

"(4) a summary, set forth separately by dollar amount and percentage, of indirect costs for bid and proposal costs incurred by contractors in the previous fiscal year;".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2018.

10 USC 2313a note.

SEC. 825. EXCEPTION TO REQUIREMENT TO INCLUDE COST OR PRICE TO THE GOVERNMENT AS A FACTOR IN THE EVALUATION OF PROPOSALS FOR CERTAIN MULTIPLE-AWARD TASK OR DELIVERY ORDER CONTRACTS.

(a) EXCEPTION TO REQUIREMENT TO INCLUDE COST OR PRICE AS FACTOR.—Section 2305(a)(3) of title 10, United States Code, is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting "(except as provided in subparagraph (C))" after "shall"; and

(B) in clause (ii), by inserting "(except as provided in subparagraph (C))" after "shall"; and

(2) by adding at the end the following new subparagraphs:

"(C) If the head of an agency issues a solicitation for multiple task or delivery order contracts under section 2304a(d)(1)(B) of this title for the same or similar services and intends to make a contract award to each qualifying offeror—

"(i) cost or price to the Federal Government need not, at the Government's discretion, be considered under clause (ii) of subparagraph (A) as an evaluation factor for the contract award; and

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

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

"(II) cost or price to the Federal Government shall be considered in conjunction with the issuance pursuant to section 2304c(b) of this title of a task or delivery order under any contract resulting from the solicitation.

"(D) In subparagraph (C), the term 'qualifying offeror' means an offeror that—

"(i) is determined to be a responsible source;

"(ii) submits a proposal that conforms to the requirements of the solicitation; and

"(iii) the contracting officer has no reason to believe would likely offer other than fair and reasonable pricing.

"(E) Subparagraph (C) shall not apply to multiple task or delivery order contracts if the solicitation provides for sole source task or delivery order contracts pursuant to section 8(a) of the Small Business Act (15 U.S.C. 637(a)).".

(b) AMENDMENT TO PROCEDURES RELATING TO ORDERS UNDER MULTIPLE-AWARD CONTRACTS.—Section 2304c(b) of title 10, United States Code, is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(5) the task or delivery order satisfies one of the exceptions in section 2304(c) of this title to the requirement to use competitive procedures.".

SEC. 826. EXTENSION OF PROGRAM FOR COMPREHENSIVE SMALL BUSINESS CONTRACTING PLANS.

Section 834(e) of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (15 U.S.C. 637 note) is amended by striking "December 31, 2017" and inserting "December 31, 2027".

SEC. 827. TREATMENT OF SIDE-BY-SIDE TESTING OF CERTAIN EQUIPMENT, MUNITIONS, AND TECHNOLOGIES MANUFACTURED AND DEVELOPED UNDER COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS AS USE OF COMPETITIVE PROCEDURES.

Section 2350a(g) of title 10, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) The use of side-by-side testing under this subsection may be considered to be the use of competitive procedures for purposes of chapter 137 of this title, when procuring items within 5 years after an initial determination that the items have been successfully tested and found to satisfy United States military requirements or to correct operational deficiencies.".

SEC. 828. DEFENSE ACQUISITION CHALLENGE PROGRAM AMENDMENTS.

(a) EXPANSION OF SCOPE TO INCLUDE SYSTEMS-OF-SYSTEMS AND FUNCTIONS.—Paragraph (2) of subsection (a) of section 2359b of title 10, United States Code, is amended by striking "or system" and all that follows through the end of the paragraph and inserting the following: "system, or system-of-systems level of an existing Department of Defense acquisition program, or to address any broader functional challenge to Department of Defense missions that may not fall within an acquisition program, that would result in improvements in performance, affordability, manufacturability, or operational capability of that acquisition program or function.".

(b) TREATMENT OF CHALLENGE PROPOSAL PROCEDURES AS USE OF COMPETITIVE PROCEDURES.—Such section is further amended—

(1) by redesignating subsections (j) and (k) as subsections (k) and (l), respectively; and

(2) by inserting after subsection (i) the following new subsection:

"(j) TREATMENT OF USE OF CERTAIN PROCEDURES AS USE OF COMPETITIVE PROCEDURES.—The use of general solicitation competitive procedures established under subsection (c) shall be considered to be the use of competitive procedures for purposes of chapter 137 of this title.".

(c) EXTENSION OF SUNSET FOR PILOT PROGRAM FOR PROGRAMS OTHER THAN MAJOR DEFENSE ACQUISITION PROGRAMS.—Such section is further amended in paragraph (5) of subsection (l), as redesignated by subsection (b)(1) of this subsection, by striking "2016" and inserting "2021".

(d) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (c)(3), by inserting "or functions" after "acquisition programs";

(2) in subsection (c)(4)(A)—

(A) by striking "and" at the end of clause (i);

(B) by striking the period at the end of clause (ii) and inserting "; and"; and

(C) by adding at the end the following new clause: "(iii) any functional challenges of importance to Department of Defense missions.";

(3) in subsection (c)(5), by adding at the end the following new subparagraph:

"(D) Whether the challenge proposal is likely to result in improvements to any functional challenges of importance to Department of Defense missions, and whether the proposal could be implemented rapidly, at an acceptable cost, and without unacceptable disruption to such missions."; and

(4) in subsection (c)(5)(B) and in subsection (e)(1), by striking "or system" and inserting "system, or system-of-systems".

SEC. 829. PREFERENCE FOR FIXED-PRICE CONTRACTS.

10 USC 2306 note.

(a) ESTABLISHMENT OF PREFERENCE.—Not later than 180 days after the date of the enactment of this Act, the Defense Federal Acquisition Regulation Supplement shall be revised to establish a preference for fixed-price contracts, including fixed-price incentive fee contracts, in the determination of contract type.

(b) APPROVAL REQUIREMENT FOR CERTAIN COST-TYPE CONTRACTS.—

(1) IN GENERAL.—A contracting officer of the Department of Defense may not enter into a cost-type contract described in paragraph (2) unless the contract is approved by the service acquisition executive of the military department concerned, the head of the Defense Agency concerned, the commander of the combatant command concerned, or the Under Secretary of Defense for Acquisition, Technology, and Logistics (as applicable).

(2) COVERED CONTRACTS.—A contract described in this paragraph is—

(A) a cost-type contract in excess of $50,000,000, in the case of a contract entered into on or after October 1, 2018, and before October 1, 2019; and

(B) a cost-type contract in excess of $25,000,000, in the case of a contract entered into on or after October 1, 2019.

10 USC 2762 note.

SEC. 830. REQUIREMENT TO USE FIRM FIXED-PRICE CONTRACTS FOR FOREIGN MILITARY SALES.

(a) REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations to require the use of firm fixed-price contracts for foreign military sales.

(b) EXCEPTIONS.—The regulations prescribed pursuant to subsection (a) shall include exceptions that may be exercised if the foreign country that is the counterparty to a foreign military sale—

(1) has established in writing a preference for a different contract type; or

(2) requests in writing that a different contract type be used for a specific foreign military sale.

(c) WAIVER AUTHORITY.—The regulations prescribed pursuant to subsection (a) shall include a waiver that may be exercised by the Secretary of Defense or his designee if the Secretary or his designee determines on a case-by-case basis that a different contract type is in the best interest of the United States and American taxpayers.

(d) PILOT PROGRAM FOR ACCELERATION OF FOREIGN MILITARY SALES.—

(1) IN GENERAL.—The Secretary of Defense shall establish a pilot program to reform and accelerate the contracting and pricing processes associated with full rate production of major weapon systems for no more than 10 foreign military sales contracts by—

(A) basing price reasonableness determinations on actual cost and pricing data for purchases of the same product for the Department of Defense; and

(B) reducing the cost and pricing data to be submitted in accordance with section 2306a of title 10, United States Code.

(2) EXPIRATION OF AUTHORITY.—Authority for the pilot program under this subsection expires on January 1, 2020.

SEC. 831. PREFERENCE FOR PERFORMANCE-BASED CONTRACT PAYMENTS.

(a) IN GENERAL.—Section 2307(b) of title 10, United States Code, is amended—

(1) in the subsection heading, by inserting "PREFERENCE FOR" before "PERFORMANCE-BASED";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(3) by striking "Wherever practicable, payment under subsection (a) shall be made" and inserting "(1) Whenever practicable, payments under subsection (a) shall be made using performance-based payments"; and

(4) by adding at the end the following new paragraphs:

"(2) Performance-based payments shall not be conditioned upon costs incurred in contract performance but on the achievement of performance outcomes listed in paragraph (1).

"(3) The Secretary of Defense shall ensure that nontraditional defense contractors and other private sector companies are eligible for performance-based payments, consistent with best commercial practices.

"(4)(A) In order to receive performance-based payments, a contractor's accounting system shall be in compliance with Generally Accepted Accounting Principles, and there shall be no requirement for a contractor to develop Government-unique accounting systems or practices as a prerequisite for agreeing to receive performance-based payments.

"(B) Nothing in this section shall be construed to grant the Defense Contract Audit Agency the authority to audit compliance with Generally Accepted Accounting Principles.".

(b) REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall revise the Department of Defense Federal Acquisition Regulation Supplement to conform with section 2307(b) of title 10, United States Code, as amended by subsection (a).

10 USC 2307 note.

SEC. 832. CONTRACTOR INCENTIVES TO ACHIEVE SAVINGS AND IMPROVE MISSION PERFORMANCE.

10 USC 1746 note.

Not later than 180 days after the date of the enactment of this Act, the Defense Acquisition University shall develop and implement a training program for Department of Defense acquisition personnel on fixed-priced incentive fee contracts, public-private partnerships, performance-based contracting, and other authorities in law and regulation designed to give incentives to contractors to achieve long-term savings and improve administrative practices and mission performance.

SEC. 833. SUNSET AND REPEAL OF CERTAIN CONTRACTING PROVISIONS.

(a) SUNSETS.—

(1) PLANTATIONS AND FARMS: OPERATION, MAINTENANCE, AND IMPROVEMENT.—Section 2421 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) SUNSET.—The authority under this section shall terminate on September 30, 2018.".

(2) REQUIREMENT TO ESTABLISH COST, PERFORMANCE, AND SCHEDULE GOALS FOR MAJOR DEFENSE ACQUISITION PROGRAMS AND EACH PHASE OF RELATED ACQUISITION CYCLES.—Section 2220 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) SUNSET.—The authority under this section shall terminate on September 30, 2018.".

(b) REPEALS.—

(1) LIMITATION ON USE OF OPERATION AND MAINTENANCE FUNDS FOR PURCHASE OF INVESTMENT ITEMS.—

(A) IN GENERAL.—Section 2245a of title 10, United States Code, is repealed.

10 USC 2241 prec.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the item relating to section 2245a.

(C) CONFORMING AMENDMENT.—Section 166a(e)(1)(A) of such title is amended by striking "the investment unit cost threshold in effect under section 2245a of this title" and inserting "$250,000".

(2) INFORMATION TECHNOLOGY PURCHASES: TRACKING AND MANAGEMENT.—

(A) IN GENERAL.—Section 2225 of title 10, United States Code, is repealed.

10 USC 2201 prec.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to section 2225.

(C) CONFORMING AMENDMENTS.—

(i) Section 812 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–393; 114 Stat. 1654A–213; 10 U.S.C. 2225 note) is amended by striking subsections (b) and (c).

(ii) Section 2330a(j) of title 10, United States Code, is amended—

(I) by striking paragraph (2);

(II) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(III) by adding at the end the following new paragraphs:

"(5) SIMPLIFIED ACQUISITION THRESHOLD.—The term 'simplified acquisition threshold' has the meaning given the term in section 134 of title 41.

"(6) SMALL BUSINESS ACT DEFINITIONS.—

"(A) The term 'small business concern' has the meaning given such term under section 3 of the Small Business Act (15 U.S.C. 632).

"(B) The terms 'small business concern owned and controlled by socially and economically disadvantaged individuals' and 'small business concern owned and controlled by women' have the meanings given such terms, respectively, in section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)).".

(iii) Section 222(d) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 2358 note) is amended by striking "as defined in section 2225(f)(3)" and inserting "as defined in section 2330a(j)".

(3) PROCUREMENT OF COPIER PAPER CONTAINING SPECIFIED PERCENTAGES OF POST-CONSUMER RECYCLED CONTENT.—

(A) IN GENERAL.—Section 2378 of title 10, United States Code, is repealed.

10 USC 2375 prec.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 140 of such title is amended by striking the item relating to section 2378.

(4) LIMITATION ON PROCUREMENT OF TABLE AND KITCHEN EQUIPMENT FOR OFFICERS' QUARTERS.—

(A) IN GENERAL.—Section 2387 of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by striking the item relating to section 2387.

10 USC 2381 prec.

(5) IMPLEMENTATION OF ELECTRONIC COMMERCE CAPABILITY.—

(A) REPEAL.—

(i) Section 2302c of title 10, United States Code, is repealed.

(ii) Section 2301 of title 41, United States Code, is amended by adding at the end the following new subsection:

"(f) INAPPLICABILITY TO DEPARTMENT OF DEFENSE.—In this section, the term 'executive agency' does not include the Department of Defense.".

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 137 of such title is amended by striking the item relating to section 2302c.

10 USC 2301 prec.

SEC. 834. FLEXIBILITY IN CONTRACTING AWARD PROGRAM.

10 USC 1701a note.

(a) ESTABLISHMENT OF AWARD PROGRAM.—The Secretary of Defense shall create an award to recognize those acquisition programs and professionals that make the best use of the flexibilities and authorities granted by the Federal Acquisition Regulation and Department of Defense Instruction 5000.02 (Operation of the Defense Acquisition System).

(b) PURPOSE OF AWARD.—The award established under subsection (a) shall recognize outstanding performers whose approach to program management emphasizes innovation and local adaptation, including the use of—

(1) simplified acquisition procedures;

(2) inherent flexibilities within the Federal Acquisition Regulation;

(3) commercial contracting approaches;

(4) public-private partnership agreements and practices;

(5) cost-sharing arrangements;

(6) innovative contractor incentive practices; and

(7) other innovative implementations of acquisition flexibilities.

SEC. 835. PROTECTION OF TASK ORDER COMPETITION.

(a) AMENDMENT TO VALUE OF AUTHORIZED TASK ORDER PROTESTS.—Section 2304c(e)(1)(B) of title 10, United States Code, is amended by striking "$10,000,000" and inserting "$25,000,000".

(b) REPEAL OF EFFECTIVE DATE.—Section 4106(f) of title 41, United States Code, is amended by striking paragraph (3).

SEC. 836. CONTRACT CLOSEOUT AUTHORITY.

10 USC 2302 note.

(a) AUTHORITY.—The Secretary of Defense may close out a contract or group of contracts as described in subsection (b) through the issuance of one or more modifications to such contracts without completing a reconciliation audit or other corrective action. To accomplish closeout of such contracts—

(1) remaining contract balances may be offset with balances in other contract line items within a contract regardless of

the year or type of appropriation obligated to fund each contract line item and regardless of whether the appropriation for such contract line item has closed; and

(2) remaining contract balances may be offset with balances on other contracts regardless of the year or type of appropriation obligated to fund each contract and regardless of whether the appropriation has closed.

(b) COVERED CONTRACTS.—This section covers any contract or group of contracts between the Department of Defense and a defense contractor, each one of which—

(1) was entered into prior to fiscal year 2000;

(2) has no further supplies or services deliverables due under the terms and conditions of the contract; and

(3) is determined by the Secretary of Defense to be not otherwise reconcilable because—

(A) the records have been destroyed or lost; or

(B) the records are available but the Secretary of Defense has determined that the time or effort required to determine the exact amount owed to the United States Government or amount owed to the contractor is disproportionate to the amount at issue.

(c) NEGOTIATED SETTLEMENT AUTHORITY.—Any contract or group of contracts covered by this section may be closed out through a negotiated settlement with the contractor.

(d) WAIVER AUTHORITY.—

(1) IN GENERAL.—The Secretary of Defense is authorized to waive any provision of acquisition law or regulation to carry out the authority under subsection (a).

(2) NOTIFICATION REQUIREMENT.—The Secretary of Defense shall notify the congressional defense committees not later than 10 days after exercising the authority under subsection (d). The notice shall include an identification of each provision of law or regulation waived.

(e) ADJUSTMENT AND CLOSURE OF RECORDS.—After closeout of any contract described in subsection (b) using the authority under this section, the payment or accounting offices concerned may adjust and close any open finance and accounting records relating to the contract.

(f) NO LIABILITY.—No liability shall attach to any accounting, certifying, or payment official, or any contracting officer, for any adjustments or closeout made pursuant to the authority under this section.

(g) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of the authority under this section.

SEC. 837. CLOSEOUT OF OLD DEPARTMENT OF THE NAVY CONTRACTS.

(a) AUTHORITY.—The Secretary of the Navy may close out contracts described in subsection (b) through the issuance of one or more modifications to such contracts without completing further reconciliation audits or corrective actions other than those described in this section. To accomplish closeout of such contracts—

(1) remaining contract balances may be offset with balances in other contract line items within a contract regardless of the year or type of appropriation obligated to fund each contract line item and regardless of whether the appropriation for such contract line item has closed; and

(2) remaining contract balances may be offset with balances on other contracts regardless of the year or type of appropriation obligated to fund each contract and regardless of whether the appropriation has closed.

(b) CONTRACTS COVERED.—The contracts covered by this section are a group of contracts that are with one contractor and identified by the Secretary, each one of which is a contract—

(1) to design, construct, repair, or support the construction or repair of Navy submarines that—

(A) was entered into between fiscal years 1974 and 1998; and

(B) has no further supply or services deliverables due under the terms and conditions of the contract;

(2) with respect to which the Secretary of the Navy has established the total final contract value; and

(3) with respect to which the Secretary of the Navy has determined that the final allowable cost may have a negative or positive unliquidated obligation balance for which it would be difficult to determine the year or type of appropriation because—

(A) the records for the contract have been destroyed or lost; or

(B) the records for the contract are available but the contracting officer, in collaboration with the certifying official, has determined that a discrepancy is of such a minimal value that the time and effort required to determine the cause of an out-of-balance condition is disproportionate to the amount of the discrepancy.

(c) CLOSEOUT TERMS.—The contracts described in subsection (b) may be closed out—

(1) upon receipt of $581,803 from the contractor to be deposited into the Treasury as miscellaneous receipts;

(2) without seeking further amounts from the contractor; and

(3) without payment to the contractor of any amounts that may be due under any such contracts.

(d) WAIVER AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy is authorized to waive any provision of acquisition law or regulation to carry out the authority under subsection (a).

(2) NOTIFICATION REQUIREMENT.—The Secretary of the Navy shall notify the congressional defense committees not later than 10 days after exercising the authority under paragraph (1). The notice shall include an identification of each provision of law or regulation waived.

(e) ADJUSTMENT AND CLOSURE OF RECORDS.—After closeout of any contract described in subsection (b) using the authority under this section, the payment or accounting offices concerned may adjust and close any open finance and accounting records relating to the contract.

(f) NO LIABILITY.—No liability shall attach to any accounting, certifying, or payment official or contracting officer for any adjustments or closeout made pursuant to the authority under this section.

(g) EXPIRATION OF AUTHORITY.—The authority under this section shall expire upon receipt of the funds identified in subsection (c)(1).

Subtitle D—Provisions Relating to Major Defense Acquisition Programs

SEC. 841. CHANGE IN DATE OF SUBMISSION TO CONGRESS OF SELECTED ACQUISITION REPORTS.

Section 2432(f) of title 10, United States Code, is amended by striking "45" the first place it occurs and inserting "30".

SEC. 842. AMENDMENTS RELATING TO INDEPENDENT COST ESTIMATION AND COST ANALYSIS.

(a) AMENDMENTS.—Section 2334 of title 10, United States Code, is amended—

(1) in subsection (a)(3), by striking "selection of confidence levels" both places it appears and inserting "discussion of risk";

(2) in subsection (a)(6)—

(A) by inserting "or approve" after "conduct";

(B) by striking "major defense acquisition programs" and all that follows through "Authority—" and inserting "all major defense acquisition programs and major subprograms—"; and

(C) in subparagraph (B), by striking "or upon the request" and all that follows through the semicolon at the end and inserting ", upon the request of the Under Secretary of Defense for Acquisition, Technology, and Logistics, or upon the request of the milestone decision authority";

(3) by redesignating subsections (b), (c), (d), (e), and (f) as subsections (c), (d), (e), (f), and (h), respectively;

(4) by inserting after subsection (a) the following new subsection (b):

"(b) INDEPENDENT COST ESTIMATE REQUIRED BEFORE APPROVAL.—(1) A milestone decision authority may not approve entering a milestone phase of a major defense acquisition program or major subprogram unless an independent cost estimate has been conducted or approved by the Director of Cost Assessment and Program Evaluation and considered by the milestone decision authority that—

"(A) for the technology maturation and risk reduction phase, includes the identification and sensitivity analysis of key cost drivers that may affect life-cycle costs of the program or subprogram; and

"(B) for the engineering and manufacturing development phase, or production and deployment phase, includes a cost estimate of the full life-cycle cost of the program or subprogram.

"(2) The regulations governing the content and submission of independent cost estimates required by subsection (a) shall require that the independent cost estimate of the full life-cycle cost of a program or subprogram include—

"(A) all costs of development, procurement, military construction, operations and support, and trained manpower to operate, maintain, and support the program or subprogram upon full operational deployment, without regard to funding source or management control; and

"(B) an analysis to support decisionmaking that identifies and evaluates alternative courses of action that may reduce

cost and risk, and result in more affordable programs and less costly systems.";

(5) in subsection (d), as so redesignated, in paragraph (3), by striking "confidence level" and inserting "discussion of risk";

(6) in subsection (e), as so redesignated—

(A) by amending the subsection heading to read as follows: "DISCUSSION OF RISK IN COST ESTIMATES.—";

(B) by amending paragraph (1) to read as follows: "(1) issue guidance requiring a discussion of risk, the potential impacts of risk on program costs, and approaches to mitigate risk in cost estimates for major defense acquisition programs and major subprograms;";

(C) in paragraph (2)—

(i) by striking "such confidence level provides" and inserting "cost estimates are developed, to the extent practicable, based on historical actual cost information that is based on demonstrated contractor and Government performance and that such estimates provide"; and

(ii) by inserting "or subprogram" after "the program"; and

(D) in paragraph (3), by striking "disclosure required by paragraph (1)" and inserting "information required in the guidance under paragraph (1)"; and

(7) by inserting after subsection (f), as so redesignated, the following new subsection:

"(g) GUIDELINES AND COLLECTION OF COST DATA.—(1) The Director of Cost Assessment and Program Evaluation shall, in consultation with the Under Secretary of Defense for Acquisition, Technology, and Logistics, develop policies, procedures, guidance, and a collection method to ensure that quality acquisition cost data are collected to facilitate cost estimation and comparison across acquisition programs.

"(2) The program manager and contracting officer for each acquisition program in an amount greater than $100,000,000, in consultation with the cost estimating component of the relevant military department or Defense Agency, shall ensure that cost data are collected in accordance with the requirements of paragraph (1).

"(3) The requirement under paragraph (1) may be waived only by the Director of Cost Assessment and Program Evaluation.".

(b) CONFORMING AMENDMENTS TO ADD SUBPROGRAMS.—Section 2334 of such title is further amended—

(1) in subsection (a)(2), by inserting "or major subprogram" before "under chapter 144";

(2) in paragraphs (3), (4), and (5) of subsection (a) and in subsection (c)(1) (as redesignated by subsection (a) of this section), by striking "major defense acquisition programs and major automated information system programs" and inserting "major defense acquisition programs and major subprograms" each place it appears;

(3) in paragraphs (1) and (2) of subsection (d) (as so redesignated), and in subsection (f)(4) (as so redesignated), by striking "major defense acquisition program or major automated information system program" and inserting "major defense acquisition program or major subprogram" each place it appears;

(4) in subsection (d)(4) (as so redesignated), by inserting before the period "or major subprogram";

(5) in subsection (e)(3)(B) (as so redesignated), by inserting "or major subprogram" after "major defense acquisition program"; and

(6) in subsection (f)(3) (as so redesignated), by striking "major defense acquisition program and major automated information system program" and inserting "major defense acquisition program and major subprogram".

(c) REPEAL.—Chapter 144 of such title is amended—

(1) by striking section 2434; and

10 USC 2430 prec.

(2) in the table of sections at the beginning of such chapter, by striking the item relating to such section.

SEC. 843. REVISIONS TO MILESTONE B DETERMINATIONS.

Section 2366b(a)(3) of title 10, United States Code, is amended—

(1) in subparagraph (B), by striking "acquisition cost in" and all that follows through the semicolon, and inserting "life-cycle cost;"; and

(2) in subparagraph (D), by striking "funding is" and all that follows through "made," and inserting "funding is expected to be available to execute the product development and production plan for the program,".

SEC. 844. REVIEW AND REPORT ON SUSTAINMENT PLANNING IN THE ACQUISITION PROCESS.

(a) REQUIREMENT FOR REVIEW.—The Secretary of Defense shall conduct a review of the extent to which sustainment matters are considered in decisions related to the requirements, research and development, acquisition, cost estimating, and programming and budgeting processes for major defense acquisition programs. The review shall include the following:

(1) A determination of whether information related to the operation and sustainment of major defense acquisition programs, including cost data and intellectual property requirements, is available to inform decisions made during those processes.

(2) If such information exists, an evaluation of the completeness, timeliness, quality, and suitability of the information for aiding in decisions made during those processes.

(3) A determination of whether information related to the operation and sustainment of existing major weapon systems is used to forecast the operation and sustainment needs of major weapon systems proposed for or under development.

(4) A description of the potential benefits from improved completeness, timeliness, quality, and suitability of data on operation and support costs and increased consideration of such data.

(5) Recommendations for improving access to, analyses of, and consideration of operation and support cost data.

(6) An assessment of product support strategies for major weapon systems required by section 2337 of title 10, United States Code, or other similar life-cycle sustainment strategies, including an evaluation of—

(A) the stage at which such strategies are developed during the life of a major weapon system;

(B) the content and completeness of such strategies, including whether such strategies address—

(i) all aspects of total life-cycle management of a major weapon system, including product support, logistics, product support engineering, supply chain integration, maintenance, and software sustainment; and

(ii) the capabilities, capacity, and resource constraints of the organic industrial base and the materiel commands of the military department concerned;

(C) the extent to which such strategies or their elements are or should be incorporated into the acquisition strategy required by section 2431a of title 10, United States Code;

(D) the extent to which such strategies influence the planning for major defense acquisition programs; and

(E) the extent to which such strategies influence decisions related to the life-cycle management and product support of major weapon systems.

(7) An assessment of how effectively the military departments consider sustainment matters at key decision points for acquisition and life-cycle management in accordance with the requirements of sections 2431a, 2366a, 2366b, and 2337 of title 10, United States Code, and section 832 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 2430 note).

(8) Recommendations for improving the consideration of sustainment during the requirements, acquisition, cost estimating, programming and budgeting processes.

(9) An assessment of whether research and development efforts and adoption of commercial technologies is prioritized to reduce sustainment costs.

(10) An assessment of whether alternate financing methods, including share-in-savings approaches, public-private partnerships, and energy savings performance contracts, could be used to encourage the development and adoption of technologies and practices that will reduce sustainment costs.

(11) An assessment of private sector best practices in assessing and reducing sustainment costs for complex systems.

(b) AGREEMENT WITH INDEPENDENT ENTITY.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall enter into an agreement with an independent entity with appropriate expertise to conduct the review required by subsection (a). The Secretary shall ensure that the independent entity has access to all data, information, and personnel required, and is funded, to satisfactorily complete the review required by subsection (a). The agreement also shall require the entity to provide to the Secretary a report on the findings of the entity.

(c) BRIEFING.—Not later than April 1, 2017, the Secretary shall provide a briefing to the Committees on Armed Services of the Senate and House of Representatives on the preliminary findings of the independent entity.

(d) SUBMISSION TO CONGRESS.—Not later than August 1, 2017, the Secretary shall submit to the congressional defense committees a copy of the report of the independent entity, along with comments on the report, proposed revisions or clarifications to laws related to lifecycle management or sustainment planning for major weapon

systems, and a description of any actions the Secretary may take to revise or clarify regulations and practices related to life-cycle management or sustainment planning for major weapon systems.

SEC. 845. REVISION TO DISTRIBUTION OF ANNUAL REPORT ON OPERATIONAL TEST AND EVALUATION.

Section 139(h) of title 10, United States Code, is amended—

(1) in paragraph (2)—

(A) by inserting "the Secretaries of the military departments," after "Logistics,"; and

(B) by striking "10 days" and all that follows through "title 31" and inserting "January 31 of each year, through January 31, 2021"; and

(2) in paragraph (5), by inserting after "Secretary" the following: "of Defense and the Secretaries of the military departments".

10 USC 2334 note.

SEC. 846. REPEAL OF MAJOR AUTOMATED INFORMATION SYSTEMS PROVISIONS.

Effective September 30, 2017—

10 USC 2445a prec., 2445a–2445d. 10 USC 101 prec., 2201 prec.

(1) chapter 144A of title 10, United States Code, is repealed;

(2) the tables of chapters at the beginning of subtitle A of such title, and at the beginning of part IV of subtitle A, are amended by striking the item relating to chapter 144A; and

(3) section 2334(a)(2) of title 10, United States Code, is amended by striking "or a major automated information system under chapter 144A of this title".

SEC. 847. REVISIONS TO DEFINITION OF MAJOR DEFENSE ACQUISITION PROGRAM.

(a) IN GENERAL.—Section 2430 of title 10, United States Code, is amended in subsection (a)—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by striking "In this chapter" and inserting "(1) Except as provided under paragraph (2), in this chapter"; and

(3) by adding at the end the following new paragraph: "(2) In this chapter, the term 'major defense acquisition program' does not include an acquisition program or project that is carried out using the rapid fielding or rapid prototyping acquisition pathway under section 804 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note).".

10 USC 2432 note.

(b) ANNUAL REPORTING.—The Secretary of Defense shall include in each comprehensive annual Selected Acquisition Report submitted under section 2432 of title 10, United States Code, a listing of all programs or projects being developed or procured under the exceptions to the definition of major defense acquisition program set forth in paragraph (2) of section 2430(a) of United States Code, as added by subsection (a)(1)(C) of this section.

SEC. 848. ACQUISITION STRATEGY.

Section 2431a of title 10, United States Code, is amended—

(1) in subsection (b), by inserting ", or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that

is managing the program," after "the Under Secretary of Defense for Acquisition, Technology, and Logistics";

(2) in subsection (c)—

(A) in paragraph (1), by inserting ", or the milestone decision authority, when the milestone decision authority is the service acquisition executive of the military department that is managing the program," after "the Under Secretary"; and

(B) in paragraph (2)(C), by striking ", in accordance with section 2431b of this title"; and

(3) in subsection (d)—

(A) in paragraph (1), by striking "(1) Subject to the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology, and Logistics, the" and inserting "The"; and

(B) in paragraph (2), by inserting "because of a change described in paragraph (1)(F)" after "for a program or system".

SEC. 849. IMPROVED LIFE-CYCLE COST CONTROL.

(a) MODIFIED GUIDANCE FOR RAPID FIELDING PATHWAY.—Section 804(c)(3) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 10 U.S.C. 2302 note) is amended—

(1) in subparagraph (C), by striking "; and" and inserting a semicolon;

(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(E) a process for identifying and exploiting opportunities to use the rapid fielding pathway to reduce total ownership costs.".

(b) LIFE-CYCLE COST MANAGEMENT.—Section 805(2) of such Act (Public Law 114–92; 10 U.S.C. 2302 note) is amended by inserting "life-cycle cost management," after "budgeting,".

(c) SUSTAINMENT REVIEWS.—

(1) IN GENERAL.—Chapter 144 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2441. Sustainment reviews

10 USC 2441.

"(a) IN GENERAL.—The Secretary of each military department shall conduct a sustainment review of each major weapon system not later than five years after declaration of initial operational capability of a major defense acquisition program and throughout the life cycle of the weapon system to assess the product support strategy, performance, and operation and support costs of the weapon system. For any review after the first one, the Secretary concerned shall use availability and reliability thresholds and cost estimates as the basis for the circumstances that prompt such a review. The results of the sustainment review shall be documented in a memorandum by the relevant decision authority.

"(b) ELEMENTS.—At a minimum, the review required under subsection (a) shall include the following elements:

"(1) An independent cost estimate for the remainder of the life cycle of the program.

"(2) A comparison of actual costs to the amount of funds budgeted and appropriated in the previous five years, and

if funding shortfalls exist, an explanation of the implications on equipment availability.

"(3) A comparison between the assumed and achieved system reliabilities.

"(4) An analysis of the most cost-effective source of repairs and maintenance.

"(5) An evaluation of the cost of consumables and depot-level repairables.

"(6) An evaluation of the costs of information technology, networks, computer hardware, and software maintenance and upgrades.

"(7) As applicable, an assessment of the actual fuel efficiencies compared to the projected fuel efficiencies as demonstrated in tests or operations.

"(8) As applicable, a comparison of actual manpower requirements to previous estimates.

"(9) An analysis of whether accurate and complete data are being reported in the cost systems of the military department concerned, and if deficiencies exist, a plan to update the data and ensure accurate and complete data are submitted in the future.

"(c) COORDINATION.—The review required under subsection (a) shall be conducted in coordination with the requirements of section 2337 of this title and section 832 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 10 U.S.C. 2430 note).".

10 USC 2430 prec.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2441. Sustainment reviews.".

10 USC 2337 note.

(d) COMMERCIAL OPERATIONAL AND SUPPORT SAVINGS INITIATIVE.—

(1) IN GENERAL.—The Secretary of Defense may establish a commercial operational and support savings initiative to improve readiness and reduce operations and support costs by inserting existing commercial items or technology into military legacy systems through the rapid development of prototypes and fielding of production items based on current commercial technology.

(2) PROGRAM PRIORITY.—The commercial operational and support savings initiative shall fund programs that—

(A) reduce the costs of owning and operating a military system, including the costs of personnel, consumables, goods and services, and sustaining the support and investment associated with the peacetime operation of a weapon system;

(B) take advantage of the commercial sector's technological innovations by inserting commercial technology into fielded weapon systems; and

(C) emphasize prototyping and experimentation with new technologies and concepts of operations.

(3) FUNDING PHASES.—

(A) IN GENERAL.—Projects funded under the commercial operational and support savings initiative shall consist of two phases, Phase I and Phase II.