

ITAPS FY15 NDAA Provisions of Interest in the Chairman's Mark H.R. 4435

Section	Title	Description
Procurement Provisions of Interest		
Section 811	Three-Year Extension of and Amendments to Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans	This section would modify and extend the test program for negotiation of comprehensive small business subcontracting plans authorized by section 402 of the Small Business Administration Reauthorization and Amendments Act of 1990 (Public Law 101-574) and last amended by section 866 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81).
Section 812	Improving Opportunities for Service-Disabled Veteran-Owned Small Businesses	This section would amend section 657 of title 15, United States Code, by consolidating the verification and appeals processes for Service-Disabled Veteran-Owned Small Business (SDVOSB) programs at the Department of Veterans Affairs and the Small Business Administration (SBA), and by moving the processes and resources of the SDVOSB verification programs at the Department of Veterans Affairs to the SBA.
Section 813	Plan for Improving Data on Bundled and Consolidated Contracts	This section would amend section 644 of title 15, United States Code, by requiring the Small Business Administration to work with other agencies to create and implement a data quality improvement plan to promote greater accuracy, transparency, and accountability in the reporting of contract bundling and consolidation.
Section 814	Authority to Provide Education to Small Businesses on Certain Requirements of Arms Export Control Act	This section would amend section 21(c)(1) of the Small Business Act (15 U.S.C. 648(c)(1)) by including a requirement that applicants receiving grants pursuant to that section shall also assist small businesses by providing, where appropriate, education on the requirements applicable to small businesses under the regulations issued pursuant to the Arms Export Control Act (chapter 39 of title 22, United States Code) and on compliance with those requirements.
Section 815	Prohibition on Reverse Auctions for Covered Contracts	This section would express a sense of Congress that reverse auctions, when used appropriately, may improve the Federal Government's procurement of commercially available goods and services by increasing competition, reducing prices, and improving opportunities for small businesses. However, the committee is concerned that, if not used appropriately, reverse auctions can harm

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		small businesses, reduce competition, and render higher purchase prices.
Section 816	SBA Surety Bond Guarantee	This section would amend section 411(c)(1) of the Small Business Investment Act of 1958 (Public Law 85-699) by raising the guarantee rate on the Small Business Administration's preferred security bond program from 70 percent to 90 percent.
DIRECTIVE REPORT LANGUAGE	Acquisitions Involving Reverse Auctions – Section 815	Acquisitions Involving Reverse Auctions The committee notes that there may be substantial benefits to contracting for goods and services through reverse auction procedures. However, the committee is concerned that Department of Defense personnel, particularly those that are not formally designated within the acquisition workforce, may lack sufficient training and experience to fully realize these benefits.
DIRECTIVE REPORT LANGUAGE	Comptroller General Assessment of Department of Defense Processes for the Acquisition of Services	To complement the committee's effort to improve the processes by which the Department of Defense acquires weapon systems, the committee directs the Comptroller General of the United States to undertake a body of work to identify further opportunities to improve the Department's processes to acquire contracted services.
DIRECTIVE REPORT LANGUAGE	Comptroller General Review of Compliance with Limitations on Contract Services Spending	The committee notes that a Government Accountability Office review found that the Department of Defense failed to adhere to the enacted limitations on contracted services in the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81), exceeding the limitations by more than \$1.0 billion in fiscal year 2012. Moreover, guidance for adherence to the extension of the limitations for fiscal year 2014 has yet to be issued. The committee is concerned that the Department does not have adequate policies, procedures, and controls in place to enforce limitations on the annual amounts expended on contracted services.
DIRECTIVE REPORT LANGUAGE:	Comptroller General Review of Rulemaking Practices of the Department of Defense	The committee is aware that the interim rulemaking process of the Department of Defense allows for the expedited promulgations of rules in certain cases, and that numerous factors lead the Department of Defense to issue interim rules in lieu of proposed rules. The committee notes that interim rules may be issued for a variety of reasons when cause can be shown that a standard public notice-and-comment period would be impracticable, unnecessary, or contrary to the public interest. Such causes include responses to emergencies, expedient measures to avert threats to public health or safety, and the need to make minor technical or insubstantial changes to

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		regulations. However, the committee is also aware that overreliance on the interim rulemaking process may limit industry participation because that process may not afford opportunities to consider industry comments before, or even after, the final rule takes effect.
Operations and Maintenance Items of Interest		
Section 912	Repeal of Extension of Comptroller General Report on Inventory	This section would amend section 803(c) of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84), as amended by section 951(b) of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66), by striking “2013, 2014, and 2015” and inserting “and 2013”. The effect of this amendment would be to repeal the requirement for the Comptroller General of the United States to report on efforts by the Department of Defense to compile and review the Department's inventory of contract services within 270 days after such inventory has been submitted to Congress.
DIRECTIVE REPORT LANGUAGE	Comptroller General Review of Department of Defense Headquarters Reductions	The committee is aware that in July 2013, the Secretary of Defense directed a 20 percent reduction in the major headquarters budgets of the Department of Defense, and announced plans to implement a series of management efficiencies and overhead reductions within the Department. In December 2013, the Secretary then announced several organizational changes and personnel reductions within the Office of the Secretary of Defense (OSD), and stated that, “every dollar that we save by reducing the size of our headquarters and back-office operations is a dollar that can be invested in warfighting capabilities and readiness.” However, the committee notes that announcements on organizational changes and personnel reductions across the Departments other major headquarters organizations have not yet been made.
National Security Provisions of Interest		
Section 1052	Response of the Department of Defense to Compromises of Classified Information	This section would require the Secretary of Defense to submit a report to the congressional defense committees within 60 days after the date of the enactment of this Act on actions taken by the Secretary regarding significant compromises of classified information.
DIRECTIVE REPORT LANGUAGE	Inspector General’s Report on Over-Classification of National Security Information	The committee directs the Secretary of Defense to submit a report to the congressional defense committees not later than March 1, 2015, on the status and implementation of the recommendations found in the Department of Defense Office of the Inspector General’s report, “DOD Evaluation of Over-Classification of National Security Information” (DODIG-2013-142). The Secretary's report should include specific actions taken to implement the recommendations

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		contained in the report and timeframes for implementing the remaining recommendations.
Supply Chain Provisions of Interest		
DIRECTIVE REPORT LANGUAGE	Rare Earth Elements Supply Chain Review	The committee remains concerned about the Department of Defense's ability to mitigate the risks associated with its dependence on foreign-sourced rare earth elements. A February 2014 Department of Defense report titled "Diversification of Supply and Reclamation Activities Related to Rare Earth Elements," received by the committee pursuant to the committee report (H. Rept. 113-102) accompanying the National Defense Authorization Act for Fiscal Year 2014, stated that the Department's mitigation strategy for foreign-sourced rare earth elements used in Department of Defense weapon systems includes "diversification of supply, pursuit of substitutes, and reclamation of waste."
DIRECTIVE REPORT LANGUAGE	Use of National Security Waiver to Specialty Metals Clause	The committee is aware of recent cases where the Secretary of Defense has waived the legal requirement to buy specialty metals from American sources, pursuant to the national security waiver clause in subsection (k) of section 2533b, title 10, United States Code. The committee believes that the national security waiver should be used only to provide flexibility to the Department of Defense when there is imminent threat of harm to U.S. service members or national security interests, not in lieu of the other exceptions provided in the clause.

Subcommittee on Intelligence, Emerging Threats and Capabilities Mark

Section	Title	Description
Section 221	Revision to the Service Requirement under the Science, Mathematics, and Research for Transformation Defense Education Program	This section would amend subparagraph (B) of section 2192a(c)(1) of title 10, United States Code, by modifying the service obligation requirement to also include employment with a public or private sector entity or organization outside the Department of Defense if the Secretary of Defense determines that employment of the person with such entity or organization for the purpose of such obligated service would provide a benefit to the Department of Defense.
Section 222	Modification to Cost	This section would amend Section 243(b) of the Ike Skelton National Defense Authorization Act for

	sharing Requirement for Pilot Program to include Technology Protection Features during Research and Development of Certain Defense Systems	Fiscal Year 2011 (Public Law 111-383) by striking “at least one half of the cost of such activities” and inserting “an appropriate share of the cost of such activities, as determined by the Secretary”.
Section 1621	Executive Agency for Cyber Test and Training Ranges	This section would require the Secretary of Defense to establish an executive agent to coordinate and oversee the management of the various cyber test and training ranges being developed and deployed by the Department of Defense.
DIRECTIVE REPORT LANGUAGE	High Performance Computing Modernization Program	The committee is aware that the Army Corps of Engineers serves as executive agent for the Department of Defense High Performance Computing Modernization (HPCM) program, a responsibility that devolved from the Office of the Secretary of Defense in fiscal year 2012. The purpose of this program is to apply supercomputing resources to solve Department of Defense problems in research, development, test, and evaluation, and acquisition engineering. To meet this mission, the HPCM program must maintain state-of-the-art supercomputing resource centers, as well as software engineering talent to maintain modern and secure software applications for the user community.
DIRECTIVE REPORT LANGUAGE	Health of the research and development enterprise	The committee remains concerned about the long-term health of the Department of Defense research and development enterprise. There are currently 67 Department laboratories across 22 states, 10 federally funded research and development centers (FFRDCs), and 13 university affiliated research centers, as well as a workforce of 60,000 employees, of which approximately 36,400 are degreed scientists and engineers. The committee recognizes the pivotal role these facilities and people play in maintaining the technological edge of the Department of Defense And providing the necessary tools for the warfighter. The committee is concerned that the declining state of much of the Department of Defense lab infrastructure, especially compared to academic, industrial, and international counterparts, can also serve to dispel many of the technology workforce that the Department would most like to attract.
DIRECTIVE REPORT	Technologies to improve spectrum efficiency	The committee is aware that spectrum is a vital national security resource which must be actively managed to ensure effective and efficient use that balances competing demands between the

LANGUAGE		<p>military services, other Federal agencies and the private sector. In the committee report accompanying the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (H. Rept. 110-652), the committee noted its concern over the availability of spectrum for defense applications and the increasing scarcity imposed by additional spectrum auctions and competition with commercial wireless providers. For this reason, the committee is pleased that the Department of Defense has recently issued an Electromagnetic Spectrum Strategy to provide more strategic guidance to shape the future of the Department's spectrum operations. As noted in the new strategy, "[the Department of Defense] must act now to ensure access to the congested and contested electromagnetic environment of the future. Specifically, the Department must adapt how it acquires and uses spectrum resources. Our approach must include acquiring more efficient, flexible, and adaptable systems while developing more agile and opportunistic spectrum operations to ensure that our forces can complete their missions."</p>
DIRECTIVE REPORT LANGUAGE	Comptroller General Review of Department of Defense Trusted Foundry and Supply Chain Risk Management Programs	<p>The committee recognizes that trusted components, both hardware and software, are vital to ensure the security and integrity of defense systems. To that end, the Department of Defense established a Trusted Foundry program to ensure a dedicated supply of trusted microelectronics for highly sensitive defense applications, as well as a trusted supplier program to provide less advanced microelectronics that still require a high degree of trust. The committee also notes that section 254 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417) required the Department to develop a Trusted Defense Systems Strategy to ensure that those capabilities were aligned with the policy framework needed to enforce the use of those capabilities.</p>
DIRECTIVE REPORT LANGUAGE	Independent Assessment of Department of Defense Cloud Computing Acquisition	<p>The committee is aware that there are significant cloud computing resources in the commercial sector that have resulted in reduced data center infrastructure and support personnel, leading to cost savings and efficiency for users of these services. The committee acknowledged that reality, as evidenced by the language in section 2867 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) that called for a strategy for transitioning to cloud computing, including the utilization of cloud computing services generally available within the private sector.</p>
DIRECTIVE REPORT LANGUAGE	Assessment of Counterfeit Detection Efforts	<p>The committee recognizes the challenges posed to the Department of Defense in identifying and mitigating the presence of counterfeit parts in its supply chain. Section 818 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112-81) was an important step in establishing</p>

		policy, guidance, and compliance reporting to move the Department forward in addressing the detection and mitigation of counterfeit parts, including microelectronics. The committee believes that it is important to take stock of the actions that have been taken to date and to evaluate their effectiveness.
DIRECTIVE REPORT LANGUAGE	Information Management Systems for Response Forces	The committee is aware that the National Guard Bureau Weapons of Mass Destruction-Civil Support Teams (WMD-CST) currently field a system called the CST Information Management System, to provide a common operating picture, promote information-sharing and real-time collaboration in an emergency situation, and support the CST mission of assisting and advising first responders and facilitating communications with other Federal resources. The committee is also aware that in the National Guard Chemical, Biological, Radiological and Nuclear (CBRN) Response Enterprise, there are also other capabilities such as the Unified Command Suite and the Joint Incident Command Suite. Because each of these tools support different echelons of command with different but related capabilities, it is vital that there be a comprehensive strategy for how to rationalize the current suite of tools, and move forward with a common, interoperable, enterprise information management solution.
DIRECTIVE REPORT LANGUAGE	Spectrum Operations Centers	The committee is aware that U.S. Strategic Command operates the Joint Electronic Warfare Center (JEWEC) at Lackland Air Force Base, Texas. An important aspect of the JEWEC is its role in connecting electronic warfare (EW) resources to the warfighter, and the committee believes that the JEWEC provides critical operational EW support to the combatant commands, including combat Operations support, opposing force EW during operational training exercises, Joint and North Atlantic Treaty Organization EW reprogramming, joint capabilities technology demonstration support and modeling analysis and simulation.
DIRECTIVE REPORT LANGUAGE	Comptroller General Assessment of U.S. Cyber Command	The committee notes that according to the Secretary of Defense, cyberspace is the new terrain for warfare where adversaries seek to do harm to the Nation, the economy, and its citizens. Adversaries, such as nations, insiders, terrorists, criminal groups, hackers, and other individuals and organizations, use an array of cyber tactics that could threaten our nation's security. The unique nature of cyber-based attacks can vastly enhance their reach and impact. To address these threats, the Department of Defense established U.S. Cyber Command as a sub-unified command under U.S. Strategic Command. In 2010 and 2011, the Government Accountability Office (GAO) reported that the Department's and U.S. Cyber Command's efforts could benefit from additional detail and clarity and that they

		<p>had not fully defined long-term mission requirements and desired capabilities to guide the military services' efforts to recruit, train, and provide forces with appropriate skill sets.</p> <p>In 2014, GAO also reported on the Department's planning efforts to maintain continuity of operations in a degraded cyber environment.</p>
DIRECTIVE REPORT LANGUAGE	Comptroller General Evaluation on Department of Defense Efforts to Protect Information and Systems From Insider Threats	<p>The committee is aware that the Department of Defense has implemented a number of measures, both technical and administrative, to try to mitigate the threat from privileged insiders. That process began with the unauthorized disclosures from Bradley Manning, but clearly gaps continue to exist that have been exploited by Edward Snowden. The committee remains concerned that the Department's efforts have not been comprehensive enough or implemented swiftly enough to get ahead of the problem. The committee is also concerned that the Department does not have an adequate baseline or rigorous metrics to assess the effectiveness or performance of the measures that are in place.</p>
DIRECTIVE REPORT LANGUAGE	Inspector General Review of the Activities Supporting the Joint Information Environment	<p>The committee has been monitoring progress on the Department of Defense's Joint Information Environment (JIE) for several years. The committee is aware that the Department does not consider JIE to be a program of record, but is a coordinating framework for other programs of record in the Department. The committee is concerned that without a strong architectural foundation, many acquisition decisions are being made by the military services and Department of Defense agencies without sufficient planning and rigor to ensure that there is transparency and competition in the process. The committee is aware of at least one instance in which the Air Force, despite a court ruling, failed to adhere to necessary contracting and Federal Acquisition Regulation requirements. The committee believes that the current process for contracting components of the JIE lends itself to an over-reliance on sole-source or brand-names contracts, or other decisions made for expediency over competition.</p>
DIRECTIVE REPORT LANGUAGE	Investments for Joint Information Environment Activities	<p>As noted elsewhere in this report, the committee has been monitoring progress on the Department of Defense's Joint Information Environment (JIE) for several years. The committee is aware JIE is an ambitious initiative to consolidate its information infrastructure, but is considered a coordinating framework for other programs of record in the Department and not a program of record itself. However, the committee recognizes that many existing acquisition programs influence, or are influenced by, the architectural framework being developed by the Department of Defense, in close coordination with each of the military services and defense agencies.</p>

Subcommittee on Readiness Mark

Section	Title	Description
Section 911	Modifications to Biennial Strategic Workforce Plan Relating to Senior Management, Functional, and Technical Workforce of the Department of Defense	This section would amend section 115b of title 10, United States Code, to modify the requirement for the Secretary of Defense to prepare a biennial Strategic Workforce Plan so as to cover "the senior management workforce" of the Department of Defense rather than the "senior management, functional, and technical workforce (including scientists and engineers)."