



NGAUS
The National Guard Association of the United States

***The National Defense
Authorization Act (NDAA) for
Fiscal Year 2017, S. 2943***

**Legislative Report on
Senate Armed Services Committee Markup**

As of May 25, 2016

(Passed by the Senate Armed Services Committee, 23-3)

Overview

On May 12, 2016, the Senate Armed Services Committee (SASC) approved its version of the National Defense Authorization Act (NDAA) for Fiscal Year 2017 by a vote of 23-3. The bill authorizes funding at the level of the President's budget request and includes \$602 billion in discretionary spending for national defense – \$543 billion for base functions in the Department of Defense and for nuclear functions within the Department of Energy, as well as \$59 billion for Overseas Contingency Operations (OCO) funding. Unlike the House-passed version of the NDAA, S. 2943 does not shift more than \$23 billion in OCO funding to fill a shortfall in the Pentagon's base budget. For full text of the Committee-passed bill, please see: <https://www.congress.gov/114/bills/s2943/BILLS-114s2943pcs.pdf>.

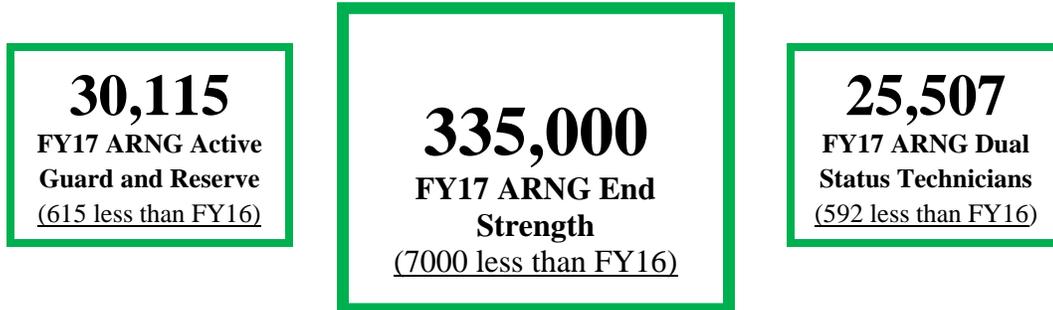
For the text of the Committee report, please see: <https://www.congress.gov/114/crpt/srpt255/CRPT-114srpt255.pdf>

Highlights include:

- Authorizes end strength for ARNG and ANG at the President's Budget Request levels.
- Authorizes a 1.6 percent military pay increase.
- Reduces the number of general and flag officers by 25 percent, to include National Guard GOL billets and eliminates the statutory requirement of 0-9 rank for the Vice Chief of the National Guard Bureau and the Directors of the Army and Air National Guard.
- Delays the conversion of selected military technicians to Title 5 civilians until October 1, 2017.
- Directs the Secretary of Defense, in consultation with the Chief of the National Guard Bureau, to submit to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2017, a report on the feasibility and advisability of converting remaining military technicians (dual status) to personnel performing active Guard and reserve duty under section 328 of title 32, United States Code, or other applicable provision of law.
- Authorizes the Chief of the National Guard Bureau to program for, appoint, employ, administer, detail, and assign federal civilian employees to provide fulltime support to the non-federalized National Guard.
- Authorizes the Chief of the National Guard Bureau the authority to delegate to the adjutants general the authority to appoint, employ, and administer federal civilian employees within the 54 states and territories with authority to conduct all personnel actions for employees.
- Amends language regarding the NORTHCOM deputy commander to allow any reserve component officer to be considered, not just National Guard officers. The language also applies to PACOM.

Army National Guard Strength

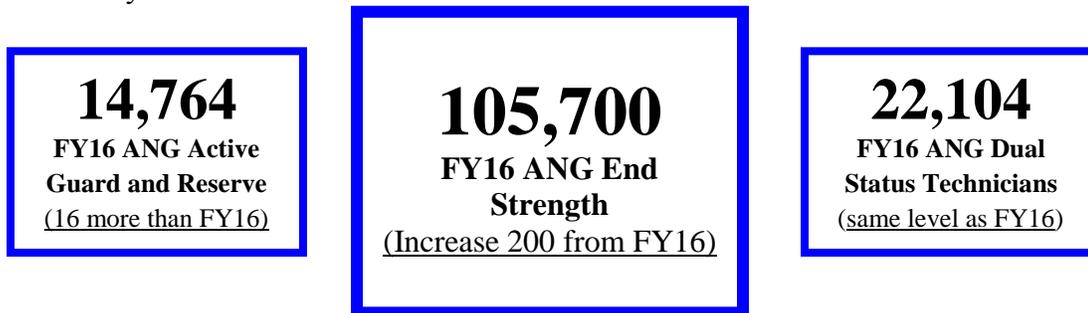
The SASC-passed NDAA authorizes Army National Guard (ARNG) overall end strength at the same levels as the President's Budget Request and 7,000 below FY16 levels. The legislation also matches the President's Budget Request on the number of Active Guard and Reserve (AGR) and dual-status technicians.



ARNG Non-Dual Status Technicians: 1,600 (same as FY16)
ARNG ADOS: 17,000 (same as FY16)

Air National Guard Strength

In the Senate Armed Services Committee approved version of S. 2943, the bill authorizes an increase in the end strength of the ANG by 200 from FY16 levels and consistent with the President's Budget Request. The number of ANG AGRs and dual status technicians holds steady compared to last year's levels.



ANG Non-Dual Status Technicians: 350 (same as FY16)
ANG ADOS: 16,000 (same as FY16)

Operation and Maintenance Authorizations

(All Figures in Thousands)

ARNG Account	FY17 Request	SASC Mark	Delta
ARNG O&M	\$6,825,370	\$6,988,970	+ \$163,600
ARNG O&M OCO	\$127,035	\$127,035	-
O&M Total	\$6,952,405	\$7,116,005	+\$163,600

(All Figures in Thousands)

ANG Account	FY17 Request	SASC Mark	Delta
ANG O&M	\$6,703,578	\$6,760,778	+ \$57,200
ANG O&M OCO	\$20,000	\$20,000	\$0
O&M Total	\$6,723,578	\$678,0778	+\$57,200

Military Construction Authorizations

Over the past few years, NGAUS and others in the Guard community have placed an increased priority on modernizing National Guard facilities across the country. For Army National Guard Military Construction, the SASC-passed bill authorizes **\$232.9 million** for FY17, which matches the President's Budget Request.

(All Figures in Thousands)

State	ARNG Military Construction Project Description	Town or Installation	FY17 Request	SASC Mark
HI	Combined Support Maintenance Shop	Hilo	\$31,000	\$31,000
IA	National Guard Readiness Center	Davenport	\$23,000	\$23,000
KS	National Guard Readiness Center	Ft. Leavenworth	\$29,000	\$29,000
NH	National Guard Vehicle Maintenance Shop	Hooksett	\$11,000	\$11,000
OK	National Guard Vehicle Maintenance Shop	Rochester	\$8,900	\$8,900
PA	National Guard Readiness Center	Ardmore	\$22,000	\$22,000
RI	National Guard Readiness Center	York	\$9,300	\$9,300
UT	National Guard/Reserve Center Building	East Greenwich	\$20,000	\$20,000
Worldwide/Unspecified	National Guard Readiness Center	Camp Williams	\$37,000	\$37,000
Unspecified Worldwide	Minor Construction	N/A	\$12,001	\$12,001
Unspecified Worldwide	Planning and Design	N/A	8,729	\$8,729
WY	National Guard Readiness Center	Laramie	\$21,000	\$21,000

For Air National Guard Military Construction, S. 2943 authorizes **\$143.957 million**, consistent with the President’s Budget Request.

(All Figures in Thousands)

State	ANG Military Construction Project Description	Installation	FY17 Request	SASC Mark
CT	Construct Small Air Terminal	Bradley IAP	\$6,300	\$6,300
FL	Replace Fire Crash/Rescue Station	Jacksonville IAP	\$9,000	\$9,000
HI	F-22 Composite Repair Facility	JB Pearl Harbor	\$11,000	\$11,000
IA	Construct Consolidated Support Functions	Sioux Gateway Airport	\$12,600	\$12,600
MN	Load Crew Training/Weapons Shops	Duluth IAP	\$7,600	\$7,600
NH	KC-46A Install Fuselage Trainer Bldg 251	Pease International Trade Port	\$1,500	\$1,500
NC	C-17 Corrosion Control/Fuel Cell Hangar	ANG Charlotte/Douglas IAP	\$29,600	\$29,600
NC	C-17 Type III Hydrant Refueling System	ANG Charlotte/Douglas IAP	\$21,000	\$21,000
SC	Replace Operations and Training Facility	McEntire ANG	\$8,400	\$8,400
TX	Consolidate Crew Readiness Facility	Ellington Field	\$4,500	\$4,500
VT	F-35 Beddown 4-Bay Flight Simulator	Burlington IAP	\$4,500	\$4,500
Unspecified Worldwide	Minor Construction	N/A	\$17,495	\$17,495
Various Worldwide	Planning and Design	N/A	\$10,462	\$10,462
TOTAL			\$143,957	\$143,957

Legislative Provisions

The SASC-passed version of S. 2943 contains a number of provisions pertaining to the National Guard. Below you will find a summary, compiled from the actual bill text:

Procurement Provisions:

Sec. 111. Distributed Common Ground System-Army

This section would require the Secretary of the Army to take action to improve training of DCGS–A operators and their leaders at division and below echelons. Secondly, the Secretary of the Army should rapidly identify and field an effective, suitable and survivable solution for division and below tactical units. The Secretary of the Army shall acquire a commercially available off the shelf, non-developmental capability that: meets essential tactical operational requirements for processing, analyzing and displaying intelligence information; is substantially easier for personnel in tactical units to use; and requires less training.

Sec. 112. Multiyear procurement authority for UH-60M/HH-60M Black Hawk Helicopters

This section would allow the Secretary of the Army to enter into a multiyear contract for UH–60M/ HH–60M Black Hawk helicopters for fiscal years 2017 through 2021. The proposed multiyear procurement will produce significant savings and facilitate industrial base stability.

Sec. 113. Multiyear procurement authority for AH-64E Apache helicopters

This section would allow the Secretary of the Army to enter into a multiyear contract for AH-64E Apache helicopters for fiscal years 2017 through 2021. The proposed multiyear procurement will produce significant savings and facilitate industrial stability.

Sec. 141. Extension of prohibition on availability of funds for retirement of A-10 aircraft

This would amend section 142 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92) by extending the prohibition on obligation or expenditure of funds to retire or prepare to retire A-10 aircraft until the Secretary of the Air Force and Chief of Staff of the Air Force submit a report to the congressional defense committees describing their views on the results of the F-35A initial operational test and evaluation (IOT&E). This section would direct the Director of Operational Test and Evaluation to provide a report to the congressional defense committees that includes the results and findings of the F-35A IOT&E, and also ensures the inclusion of comparison tests and evaluation of the F-35A and A-10C in conducting close air support, combat search and rescue, and airborne forward air controller missions. This section would also require submission of a plan by the Secretary and Chief of Staff for addressing deficiencies and corrective actions identified in the report, and short- and long-term strategies for preserving the Air Force's capability to conduct the close air support, combat search and rescue, and airborne forward air controller missions. Finally, this section would direct the Comptroller General of the United States to assess the conclusions and assertions contained in the Secretary's and Chief of Staff's report on the F-35A IOT&E.

Sec. 142. Limitation on availability of funds for destruction of A-10 aircraft in storage status

This section would limit the availability of fiscal year 2017 funds for the purpose of scrapping, destroying, or otherwise disposing of any A-10 aircraft in any storage status in the Aerospace Maintenance and Regeneration Group (AMARG) that have serviceable wings or other components that could be used to prevent total active inventory A-10 aircraft from being permanently removed from flyable status due to unserviceable wings or other components. This section would also specify a notification requirement, and would require the Secretary of the Air Force to submit, with the fiscal year 2018 budget submission, and implement, a plan to prevent any total active inventory A-10 aircraft from being permanently removed from flyable status for unserviceable wings or any other required component over the course of the future years defense plan.

Sec. 143. Repeal of the requirement to preserve certain retired C-5 aircraft

This section would repeal the requirement in Section 141 of the National Defense Authorization Act for Fiscal Year 2013 (Public Law 112-239) for the Secretary of the Air Force to continue to preserve C-5 aircraft, which were retired by the Air Force during a period in which the total inventory of strategic airlift aircraft was less than 301, in a storage condition that would allow recall of such aircraft to future service in the Air Force Reserve, Air National Guard, or active force structure.

Sec. 146. Limitation on availability of funds for Joint Surveillance Target Attack Radar System (JSTARS) recapitalization program

This section would limit the availability of fiscal year 2017 and beyond funds for the Joint Surveillance Target Attack Radar System (JSTARS) recapitalization program unless the contract for engineering and manufacturing development (EMD) uses a firm fixed price contract structure.

Operation and Maintenance Provisions:

Sec. 311. Deployment prioritization and readiness of Army units

This section would amend chapter 1003 of title 10, United States Code, and would revise the Army's deployability rating system and the manner in which the Army is required to track prioritization of deployable units. The committee notes this provision would require the Secretary of the Army to 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 additional resources.

Sec. 321. Modifications to Quarterly Readiness Report to Congress

This section would amend section 482 of title 10, United States Code, to further streamline the Quarterly Readiness Report to Congress (QRRC). The provision directs the Department to separate and alternate semi-annual assessments with semi-annual reports on remedial actions and recovery models in the next QRRC.

Sec. 322. Report on HH-60G sustainment and Combat Rescue Helicopter (CRH) program

This section would require the Secretary of Defense to submit to the congressional defense committees that sets forth a plan to modernize, sustain training, and provide depot maintenance for all components of the HH-60 helicopter fleet.

Sec. 335. Independent study to review and assess the effectiveness of the Air Force Ready Aircrew Program

This section would direct the Secretary of the Air Force to commission an independent review and assessment of the assumptions underlying the Air Force's annual continuation training requirements, and the efficacy of the overall Ready Aircrew Program in the management of Air Force's aircrew training requirements. This section would also direct the Comptroller General of the United States to assess the matters contained in the Secretary's report on the independent review and assessment.

Sec. 338. STARBASE program

This section would continue funding for the STARBASE Program by up to \$25.0 million for SAG 4GT3 Civil Military Programs in Operation and Maintenance, Defense-Wide for fiscal year 2017. The committee believes the STARBASE Program is a highly effective program that improves the knowledge and skills of students in kindergarten through 12th grades in science, technology, engineering, and mathematics.

Military Personnel Policy Provisions:

Sec. 501. Reform of distribution and authorized strength of general and flag officers

This section would add a new section 525a to title 10, United States Code, to establish the authorized distribution of general and flag officers for the Army, Navy, Marine Corps and Air Force, effective December 31, 2017. This section would require a 25 percent reduction in the number of general and flag officers in the military departments.

This section would also sunset the authorized distribution of general and flag officers in section 525 of title 10, after December 31, 2017. The provision would add a new section 526a, to title 10, United States Code, to limit the number of general and flag officers on Active Duty in the military departments and to exclude from those limits the specified number of general and flag officers serving in joint duty assignments. The provision would require a 25 percent reduction in the number of general and flag officers in the military departments and the joint pool. This section would also sunset the authorized distribution of general and flag officers in section 526 of title 10, after December 31, 2017.

This section would add a new section 12004a, to title 10, United States Code, to establish the authorized distribution of general and flag officers in an active status in the reserve component, effective December 31, 2017. This section would require a 25 percent reduction in the number of general and flag officers in active status in the reserve component, including general officers of the National Guard of the States and territories and general officers serving in the National Guard Bureau, but excluding officers serving as adjutants general or assistant adjutants general of a state. The provision would also sunset the authorized distribution of general and flag officers in section 12004 of title 10, after December 31, 2017.

Sec. 502. Repeal of statutory specification of general or flag officer grade for various positions in the Armed Forces

This section would amend or repeal various statutory specifications in title 10, United States Code, to remove the requirement that an officer serving must hold a specified general or flag officer grade for certain positions in the Armed Forces. This section would not prohibit the position from being filled by an officer with the same, or a higher, or lower grade than the law currently requires. This includes removal of the statutory O-9 requirement for the Vice Chief of the National Guard Bureau as well as the Directors of the Army and Air National Guard.

Sec. 503. Temporary suspension of officer grade strength tables

This section would amend sections 523(a) and 12011(a) of title 10, United States Code, to remove the limitations on the total number of commissioned officers authorized to serve on Active Duty or on full-time reserve component duty in the pay grades of O-4 through O-6 as of the end of the fiscal year for fiscal years 2017 through 2021.

Sec. 506. Promotion eligibility period for officers whose confirmation of appointment is delayed due to non-availability to the Senate of probative information under control of non-Department of Defense agencies

This section would amend section 629(c) of title 10, United States Code, to provide that the period for promotion eligibility of an officer would not expire during the period when the Senate is unable to obtain information necessary to give its advice and consent to the appointment concerned because the information is under control of a department or agency of the federal government other than the Department of Defense.

Sec. 507. Length of joint duty assignments

This section would amend section 664 of title 10, United States Code, to modify the qualifying period for joint duty assignments from 3 years to not less than 2 years. The proposal would repeal the average tour length requirement and repeal the authority for shorter tour lengths for officers initially assigned to critical occupational specialties.

Sec. 508. Modification of definitions relating to joint officer management

This section would amend section 668 of title 10, United States Code, to update the definitions of joint matters and joint duty assignment for the purpose of joint officer management. Joint matters and joint duty credit would now include homeland security matters conducted in close coordination with Federal, State, or local agencies in support of natural disasters or emergencies. This section would also repeal the definition of critical occupational specialty.

Sec. 509. Continuation of certain officers on active duty without regard to requirement for retirement for years of service

This section would amend chapter 36 of title 10, United States Code, to authorize service secretaries to allow officers in a grade above O-4 who are serving in military occupational specialties designated by the Secretary to remain on Active Duty for up to 40 years of active service.

Sec. 510. Extension of force management authorities allowing enhanced flexibility for officer personnel management

This section would: (a) amend section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) to extend Temporary Early Retirement Authority through December 31, 2025; (b) amend section 638a(a)(2) of title 10, United States Code, to extend through December 31, 2025 authority for service secretaries to manage authorized officer personnel strength by shortening the period of continuation of service by officers on Active Duty, to authorize involuntary early retirement for certain officers on Active Duty, and to consider officers for involuntary discharge who are not eligible for retirement; (c) amend section 1175a(k)(1) of title 10, United States Code to extend through December 31, 2025 authority to provide voluntary separation pay and benefits; and (d) amend section 1370(a)(2)(F) of title 10, United States Code to extend through fiscal year 2025, authority for early retirement of up to 4 percent of the authorized Active-Duty strength of officers in the grades of O-5 and O-6 without reduction in grade, in each fiscal year.

Sec. 521. Authority for temporary waiver of limitation on term of service of Vice Chief of the National Guard Bureau

This section would amend section 10505(a)(4) of title 10, United States Code, to authorize the Secretary of Defense to extend the term of office of the Vice Chief of the National Guard Bureau for up to 90 days to provide for the orderly transition of officers appointed to the positions of the Chief and the Vice Chief of the National Guard Bureau.

Sec. 522. Authority to designate certain reserve officers as not to be considered for selection for promotion

This section would amend section 14301 of title 10, United States Code, to authorize the secretaries of the military departments to defer promotion consideration for reserve component officers in a non-participatory (membership points only) status. This section would provide the reserve component flexibility to remove individuals from promotion consideration during a period when they are least competitive for promotion, and would allow the services to retain service members with significant military training as well as civilian technical and professional skills that could contribute to their potential for selection for promotion should the individual return to active participation in military service.

Sec. 523. Rights and protections available to military technicians

This section would amend section 709 of title 32, United States Code, to clarify the employment rights and protections of military technicians such that when a military technician files an appeal of a personnel action that concerns an activity that occurs while the member is in a military status or concerns fitness for duty in the reserve components, current statutory limitations concerning such appeals will continue to apply. With respect to an appeal concerning any other activity occurring while the member is in a civilian status, the provisions of section 717 of the Civil Rights Act of 1991 (42 U.S.C. 2000e-16) shall apply.

Sec. 524. Extension of suicide prevention and resilience programs for the National Guard and Reserves

This section would amend section 10219(g) of title 10, United States Code, to extend the authority for suicide prevention and resilience programs for the National Guard and Reserves until October 1, 2022.

Sec. 525. Inapplicability of certain laws to National Guard technicians performing active Guard and Reserve duty

This section would amend section 709 of title 32, United States Code, to clarify that the provision that grants military leave to individuals appointed to the civil service does not apply to members of the Active Guard and Reserve, just as it does not apply to members on Active Duty.

Compensation and Other Personnel Benefits Provisions:

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces

This section would extend for 1 year the authority to pay the Selected Reserve reenlistment bonus, the Selected Reserve affiliation or enlistment bonus, special pay for enlisted members assigned to certain high-priority units, the Ready Reserve enlistment bonus for persons without prior service, the Ready Reserve enlistment and reenlistment bonus for persons with prior service, the Selected Reserve enlistment and reenlistment bonus for persons with prior service, travel expenses for certain inactive-duty training, and income replacement for reserve component members experiencing extended and frequent mobilization for Active-Duty service.

Sec. 621. Maximum reimbursement amount for travel expenses of Reserves to attend inactive duty training outside or normal commuting distances

This section would amend section 478a(c) of title 37, United States Code, to allow for a higher reimbursement amount on a case-by-case basis for certain members of the Reserve component traveling to attend inactive duty training outside of normal commuting distances.

Sec. 631. Election period for members in the service academies and inactive Reserves to participate in the modernized retirement system

This section would amend section 1409 of title 10, United States Code, to clarify the timing for cadets and midshipmen at the service academies to opt-in to the new military retirement system enacted in the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92). This section would also clarify the timing of such elections for reservists who are on Inactive Duty during the election period otherwise provided for under the new retirement system.

Sec. 632. Effect of separation of members from the uniformed services on participation in the Thrift Savings Plan.

This section would repeal paragraph (2) of section 632(c) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92). This amendment makes a technical correction for the new military retirement plan enacted in that Act relative to defining separation from service under the Thrift Savings Plan.

Sec. 633. Continuation pay for members who have completed 8 to 12 years of Service

This section would amend section 356 of title 37, United States Code, to modify the continuation pay for members under the new military retirement system enacted in the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92) to provide the Secretary of Defense with the flexibility to offer continuation pay in the window between 8 and 12 years of service in exchange for a 3 years of service or greater commitment as the Secretary deems appropriate for retention.

Health Care Provisions:

Sec. 707. Pilot program to provide health insurance to members of the reserve components of the Armed Forces

This section would authorize the Secretary of Defense to carry out a pilot program jointly with the Director of the Office of Personnel Management (Director), of at least 5 years duration, to provide commercial health insurance coverage to eligible reserve component members who enroll for either individual, self plus one, or self and family coverage. If the Secretary, and the Director, determine that a pilot program is feasible, the Director would contract with qualified health insurance carriers to provide eligible beneficiaries with a variety of high quality health benefits plans, which could vary by plan design, covered benefits, geography, and price. Reserve component members and their family members would not be eligible to enroll in a health plan in the pilot program if they are eligible to enroll in a health benefits plan under the Federal Employees Health Benefits Program.

Sec. 760. 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

This section would require the Secretary of Defense, within 180 days of enactment of this Act, to 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 to 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 benefits under the TRICARE program. Within 180 days after completing the assessment, the Secretary shall submit a report detailing the results of the assessment to the Committees on Armed Services of the Senate and the House of Representatives. This section would also amend section 1079(h)(4)(C)(ii) of title 10, United States Code, to expand the authority of the Secretary to eliminate balance billing for families of members of the reserve components of the Armed Forces serving on Active Duty.

Department of Defense Organization and Management Provisions:

Sec. 904. Reduction in maximum number of personnel in Office of the Secretary of Defense and other Department of Defense headquarters offices

This section would: (1) amend section 143 of title 10, United States Code, to limit the number of civilian and detailed individuals authorized to be assigned to the Office of the Secretary of Defense to 3,767; (2) amend section 155 of title 10, to limit the number of personnel on the Joint Staff to 1,930 including not more than 1,500 Active-Duty service members; (3) amend section 3014 of title 10, to limit the total number of members of the Armed Forces and civilian employees of the Department of the Army assigned or detailed to permanent duty in the Office of the Secretary of the Army and on the Army staff to 3,105; and to reduce the total number of general officers assigned or detailed to permanent duty in the Office of the Secretary of the Army and on the Army staff from 67 to 50. (4) amend section 5014 of title 10, to limit the total number of members of the Armed Forces and civilian employees of the Department of the Navy assigned or detailed to permanent duty in the Office of the Secretary of the Navy and on the Navy staff to 2,866; and to reduce the total number of flag officers assigned or detailed to permanent duty in the Office of the Secretary of the Navy and on the Navy staff from 67 to 50. (5) amend section 8014 of title 10, to limit the total number of members of the Armed Forces and civilian employees of the Department of the Air Force assigned or detailed to permanent duty in the Office of the Secretary of the Air Force and on the Air Force staff to 2,639; and to reduce the total number of general officers assigned or detailed to permanent duty in the Office of the Secretary of the Air Force and on the Air Force staff from 60 to 45. This section would further clarify the exceptions to the personnel limits. It would allow the limits to be increased by 15 percent during a national emergency.

Sec. 905. Limitations on funds used for staff augmentation contracts at management headquarters of the Department of Defense and the military departments

This section would limit the amount of funds available for staff augmentation contracts at the Office of the Secretary of Defense and the headquarters of the military departments for fiscal years 2017 and 2018 to not more than the amount expended for those contracts in fiscal year 2016. The section would further require a 25 percent reduction to the fiscal year 2016 funding for those contracts after fiscal year 2018.

Sec. 921. Joint Chiefs of Staff and related combatant command matters

This section would amend section 151 and 153 of title 10, United States Code, to clarify the role of the Chairman of the Joint Chiefs of Staff and the key duties that this officer must perform on behalf of the joint force: providing advice on the military elements of defense strategy and the global integration of military activities, and advocating for the joint warfighter of today and tomorrow, especially with respect to developing joint capabilities, ensuring comprehensive joint readiness, and fostering joint force development. This section would enhance the role of the other members of the Joint Chiefs, and the Joint Chiefs of Staff as a corporate body, to provide military advice to civilian leaders, including on the military elements of strategy. This section would also strike the requirement that the Joint Chief provide advice to civilian leaders “upon request.”

This section would amend section 152 of title 10, to modify the term of service of the Chairman and Vice Chairman of the Joint Chiefs of Staff. The section would amend section 154 of title 10, to require the Department of Defense to return to the staggered terms of service for the Chairman and Vice Chairman, which would prevent both officers from turning over at the same time, which has been the case since 2007 but was not as the law originally intended. The committee also recommends a provision that prohibit the Vice Chairman from being eligible to serve as the Chairman or any other position in the armed services.

This section would also amend section 164 of title 10, to more clearly define the role of the combatant commanders (COCOMs), establishing that the primary duties of the COCOMs are to execute the national defense strategies in consultation with the Chairman of the Joint Chiefs of Staff, to prepare and plan for conflict, to take necessary actions to deter conflict, and if directed by the Secretary, to command U.S. armed forces in combat. This section would not prohibit the COCOMs from performing other missions, many of which are vitally important, but would rather seek to focus the COCOMs more clearly on their core missions of warfighting excellence, which is what the commands were established to do.

Finally, this section would amend chapter 6 of title 10, United States Code, to establish a new section 163a that would create a Combatant Commanders Council, consisting of all the COCOMs, the Chairman and Vice Chairman of the Joint Chiefs of Staff, and the Secretary of Defense, who would convene the Council and set the agenda, but could delegate that authority to the Chairman. In the event that the Secretary did not attend a meeting of the Council, he could send a representative. The purpose of the Council would be to aid in the execution of defense strategy and the global integration of military activities across the regional and functional divisions of the COCOMs.

Sec. 922. Delegation to Chairman of Joint Chiefs of Staff of authority to direct transfer of forces

This section would amend section 113 of title 10, United States Code, to allow the Secretary of Defense to delegate some authority to the Chairman of the Joint Chiefs of Staff for the worldwide reallocation of limited military assets on a short-term basis, consistent with the Secretary’s policy guidance and the national defense strategy. The Secretary would retain control over whether to delegate any authority—and if so, how much—and would be fully informed of any actions taken by the Chairman. The purpose of this section is to strengthen the Chairman’s

ability to assist the Secretary with the global integration of military operations in order to address trans-regional, cross-functional, and multi-domain threats more effectively.

Sec. 924. Pilot program on organization of subordinate commands of a unified combatant command as joint task forces

This section would direct the Secretary of Defense to initiate a pilot program on organizing the subordinate commands of a unified combatant command in the form of joint task forces. The Secretary would be required to establish the pilot program in at least one unified combatant command. The Secretary would be required to develop, for each combatant command participating in the pilot program, a plan to disestablish subordinate commands, identify major threat-based missions and contingencies in the area of responsibility, and establish subordinate commands as joint task forces. The plans will be developed in consultation with the Chairman of the Joint Chiefs of Staff and the commander of the combatant command participating in the pilot program. This section includes specific guidance on the objectives of each joint task force created, and how the creation of the joint task forces in general are intended to overcome problems in the organization, mission performance, planning and decision-making, and prioritization that can be improved through trans-regional, cross-functional, and multi-domain threats. The plans required to be developed under the section shall be completed by March 1, 2017, and implemented not later than September 1, 2017. The Secretary shall submit the plans to the congressional defense committees. The Secretary shall provide a report on each plan so created not later than September 1, 2018.

Sec. 925. Expansion of eligibility for deputy commander of combatant command having United States among geographic area of responsibility to include officers of the Reserves

This section would amend section 164 of title 10, United States Code, to require that at least one deputy commander of the combatant command of the geographic area of responsibility which includes the United States be a member of a reserve component of the Armed Forces, unless a reserve component officer is serving as commander of that combatant command. This section would open up PACOM to reserve components, but would also no longer require a Guardsman to always serve at NORTHCOM.

Sec. 941. Organizational strategy for the Department of Defense

This section would require the Secretary of Defense to develop and implement an organizational strategy for the Department of Defense (DOD). This strategy would enable the Department to focus its attention and resources on its most important missions and objectives through the introduction of mechanisms to integrate planning and decision-making across its functionally aligned organizations, accompanied by cultural changes in the Department to emphasize collaboration and teamwork. This section would require the Secretary, in developing the strategy, to (1) identify the most important missions and other priority output of the Department; (2) reform the way that the Office of the Secretary of Defense (OSD) operates; (3) improve the management of relationships and processes involving OSD, the Joint Staff, the combatant commands, the military departments, and the defense agencies; and (4) improve support to the President and the National Security Council. The objectives of the strategy are to enable DOD to integrate the expertise and capacities of its functional components to effective and efficient accomplishment of the Department's most important missions, and to enable the Department to operate at higher efficiencies with reduced layers of management and staffing.

Sec. 942. Department of Defense management overview by the Secretary of Defense

This section would require a series of management directives for the next Secretary of Defense. The next Secretary of Defense is directed to report back to the Committees on Armed Services of the Senate and the House of Representatives by December 1, 2017 with updates no later than December 1st of the next five years through 2022 on the following items: (1) Human Capital Strategy Plan (2) Savings Targets (3) Elimination of Functions (4) Force Management Tools and (5) Delaying and Organizations.

Sec. 943. Modification of composition and mission of Joint Requirements Oversight Council

This section would amend section 181 to clarify and modify the joint and service specific requirements setting process. This section would also ensure that the service chief of the relevant military service is responsible for all service-specific requirements, and Joint Requirements Oversight Council's validation is not required before commencing a service specific acquisition program, except in those cases that the Chairman of the Joint Chiefs of Staff decided that service-specific requirement should be a joint requirement and still subject to the oversight of the Oversight Council, or in the case the program for meeting the requirement would be a major defense acquisition program. Additionally, this section would require that the Chairman of the Joint Chiefs of Staff determine whether a major defense acquisition program may meet joint requirements before that program or subprogram may receive Milestone A approval or otherwise be initiated prior to Milestone B.

Sec. 944. Enhanced personnel management authorities for the Chief of the National Guard Bureau

This section would amend section 1058 of title 10, United States Code, to enhance the personnel management authority of the Chief of the National Guard Bureau by authorizing the Chief to program for, appoint, employ, administer, detail, and assign federal civilian employees to provide fulltime support to the non-federalized National Guard. This section clarifies that state adjutants general will continue the exercise their authority to hire, employ, and supervise the federal civilian employees providing full-time support to their state. The Chief of the National Guard Bureau would also have the authority to delegate to the adjutants general the authority to appoint, employ, and administer federal civilian employees within the 54 states and territories with authority to conduct all personnel actions for employees except in the case of any appeal right or complaint filed by an employee appointed under this section. If such an appeal or complaint arises, the adjutant general shall be considered the head of the agency for the purposes of any appeal rights or complaint filed and the National Guard of the jurisdiction concerned shall defend such an appeal or complaint and promptly implement all aspects of any final administrative or judicial order, judgment or decision. The payment of any costs associated with such decisions would be paid out of federal funds appropriated to the jurisdiction concerned. Further, in the case of a civil action or proceeding brought in any court arising from an action under this section, the United States shall be the sole defendant or respondent.

General Provisions:

Sec. 1006. Codification and modification of authority to provide support for counter-drug activities and activities to counter transnational organized crime of civilian law enforcement agencies

This section would establish a new section in title 10, United States Code, to codify section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510), as most recently amended by section 1012 of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113–291). This section would also make modifications to the types of support that may be provided with respect to foreign law enforcement.

Sec. 1046. Transition of Air Force to operation of remotely piloted aircraft by enlisted personnel

This section would require the Air Force, by September 30, 2019, to transition all remotely piloted aircraft (RPA) operations to an organizational model that uses enlisted personnel for the preponderance of RPA operators.

Sec. 1048. Modification of requirements relating to management of military technicians

This section would delay the implementation date of section 1053 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92) until October 1, 2017 and align the date of conversion for military technicians (non-dual status) with military technicians (dual status). This section would also clarify that the positions to be converted are to be reviewed and determined by leadership from the Army Reserve, the Air Force Reserve, the National Guard Bureau, and the state adjutants general for purposes of implementation. The committee directs the Secretary of Defense, in consultation with the Chief of the National Guard Bureau, to submit to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2017, a report on the feasibility and advisability of converting any remaining military technicians (dual status) to personnel performing active Guard and reserve duty under section 328 of title 32, United States Code, or other applicable provision of law. The report shall include the following: (a) An analysis of the fully-burdened costs of the conversion taking into account the new modernized military retirement system; and (b) An assessment of the ratio of members of the Armed Forces performing active Guard and Reserve duty and civilian employees of the Department of Defense under title 5, United States Code, required to best contribute to the readiness of the National Guard and the Reserves.

Sec. 1050. Enhancement of interagency support during contingency operations and transition periods

This section would authorize the Secretary of Defense and the Secretary of State to enter into an agreement allowing each Secretary to provide support, supplies, and services on a reimbursement basis, or by exchange of support, supplies, and services, to the other Secretary during a contingency operation and related transition period. The purpose of this section would be to ease bureaucratic hurdles to interagency support and therefore increase both effectiveness and efficiencies in the provision of such support.

Sec. 1051. Enhancement of information sharing and coordination of military training between Department of Homeland Security and Department of Defense

This section would require the Secretary of Homeland Security to ensure that the information needs of the Department of Homeland Security (DHS) relating to civilian law enforcement

activities in proximity to the borders of the United States are identified and communicated to the Secretary of Defense for the purposes of planning and executing military training. This section would require the Secretary of Defense to ensure that such military training conducted in proximity to the borders of the U.S. is coordinated with DHS. Further, this section would require the Secretary of Homeland Security and the Secretary of Defense to create joint guidance to ensure information relevant to drug interdiction or other civilian law enforcement matters that is collected by the U.S. military during the normal course of military training or operations is provided promptly to civilian law enforcement officials in accordance with section 371 of title 10, United States Code.

Sec. 1077. Assessment of the joint ground forces of the Armed Forces

This section would require the Secretary of Defense and Chairman of the Joint Chiefs of Staff to oversee a comprehensive assessment of the joint ground forces. The committee would require this report no later than one year after the enactment of this act. The report should explicitly address capability and capacity gaps that threaten the successful execution of decisive, operational-maneuver in a joint context. The committee's recommendation is informed by the findings of the National Commission on the Future of the United States Army (NCFA) and the Government Accountability Office's (GAO) report of April, 2016. The committee notes that both the commission and GAO identified critical capability gaps needed for operational theaters.

Sec. 1078. Report on independent assessment of the force structure of the Armed Forces to meet the national defense strategy

This section would require the Secretary of Defense to obtain and submit to Congress a report by an independent organization that assesses the threats to the United States, potential conflicts arising from those threats, likely Department of Defense responses to those threats, and the Department of Defense force posture, systems, and programs required to execute such responses. The report would also require an assessment of the ability of the forces to meet the day-to-day requirements of the commanders of the combatant commands.

Civilian Personnel Matters Provisions:

Sec. 1086. Military service management of F-35 Joint Strike Fighter program

This section require the Secretary of Defense, not later than 6 months after the F-35 Milestone C decision (currently scheduled for April 2019) would disestablish the F-35 Joint Program Office and devolve relevant responsibilities to the Air Force and the Navy. The Department of the Air Force and the Department of the Navy shall establish separate program offices to manage the production, sustainment, and modernization of their respective aircraft. The committee further directs the Secretary of Defense, not later than February 1, 2017, to submit to the congressional defense committees a report outlining the Department's implementation plan. Additionally, the committee directs the Governmental Accountability Office to review the Department's plan and to brief the congressional defense committees on their findings within 90 days of the report's submission.

Sec. 1087. Treatment of follow-on modernization for the F-35 joint strike fighter as a major defense acquisition program

This section would require the Department of Defense to treat the F-35 Follow-on Modernization program as a separate Major Defense Acquisition Program (MDAP).

Sec. 1089. Streamlining of the National Security Council

This section would streamline the statutory requirements of the National Security Council (NSC) and limit the size of the NSC professional staff to no more than 150 individuals, which includes detailees and assignees from other agencies and contractors.

Sec. 1090. Form of annual national security strategy report

This section would require each national security strategy report as required by section 108 of the National Security Act of 1947 (50 U.S.C. 3043) to be transmitted in classified form. Such report may contain an unclassified summary.

Sec. 1091. Border security metrics

This section would require the Secretary of Homeland Security to develop metrics to measure the effectiveness of security at ports of entry, between ports of entry, and in the maritime environment not later than 120 days after the enactment of this Act.

Sec. 1092. Consolidation of marketing of the Army within the Army Marketing Research Group

This section would consolidate all marketing functions of the Regular Army, Army Reserve, and Army National Guard within the Army Marketing Research Group no later than October 1, 2017.

Sec. 1095. Sense of Congress regarding the OCONUS basing of the KC-46A aircraft

This section would express the sense of the Congress regarding the basing of KC-46A tanker aircraft outside of the continental United States.

Sec. 1151. Modification of flat rate per diem requirement for personnel on longterm temporary duty assignments

This section would require the Secretary of Defense to 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 (TDY) assignments that is at a reduced rate compared to the per diem rate otherwise applicable, the Service 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 TDY assignment. This section would allow a Service Secretary to delegate this authority to any commander or head of an agency, component, or systems command of the Department of Defense at the level of lieutenant general or vice admiral, or above, or civilian equivalent thereof and would permit an agency, component, or systems command to which the authority has been delegated to waive any requirement for the submittal of receipts to receive the full per diem rate in instances in which such commander, or head of an agency, component, or systems command personally certifies that such requirement will negatively affect mission performance, create an undue administrative burden, or result in significant additional administrative processing costs.

Matters Relating to Foreign Nations Provisions:

Sec. 1257. Department of Defense State Partnership Program

This section would codify and make permanent the Department of Defense State Partnership Program (section 1205 of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66), as amended by section 1203 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92)).

Sec. 1262. Requirement for submittal of consolidated annual budget for security cooperation programs and activities of the Department of Defense

This section would require The committee recommends a provision that would require the budget of the President for each fiscal year after fiscal year 2018, as submitted to Congress by the President pursuant to section 1105 of title 31, United States Code, to include as a separate item the amounts requested for the Department of Defense (including those funds in the budgets of the military departments) for such fiscal year for all security cooperation programs and activities of the Department, including the specific amounts, if any, and the specific country or region, to the maximum extent practicable, for such programs and activities for the Security Cooperation Enhancement Fund, which is authorized elsewhere in this Act. This would include the National Guard State Partnership Program.

Strategic Programs, Cyber, and Intelligence Matters Provisions:

Sec. 1632. Cyber Mission Forces matters

This section would provide interim authorities to the Secretary of Defense to enhance the Department’s ability to hire and retain civilian personnel with the high-level of skill and aptitude necessary to provide critical technical support to the Cyber Mission Teams that are now nearing full operational capability. This section also would direct the Principal Cyber Advisor to (1) supervise the development of training standards and capacity to train civilian cyber personnel to develop tools and weapons for the Cyber Mission Forces (CMF), and (2) ensure that sufficient priority exists for the timely completion of security clearance investigations and adjudications for such personnel.

Base Realignment and Closure Provisions:

Sec. 2704. Prohibition on conducting additional base realignment and closure (BRAC) round

This section would make clear that nothing in this Act shall be construed to authorize a future Base Realignment and Closure (BRAC) round. Elsewhere in the Act, the committee recommends a reduction of \$4.0 million for BRAC planning activities.

Directive Report Language

Survivability Counter Measures

The budget request included \$9.6 million in line item AZ3507 of Aircraft Procurement, Army (APA) for Survivability Counter Measures. The committee recommends an increase of \$26.0

million in APA for aircraft Survivability Counter Measures. Additional funding for APS was included in the Chief of Staff of the Army's unfunded priority list.

Stryker upgrades

The budget request included \$444.6 million in line item G85200 of Procurement of Wheeled and Tracked Combat Vehicles, Army (W&TCV) for Stryker upgrades. The committee notes some funds are early to need for fiscal year 2017. The committee recommends a decrease of \$11.0 million in W&TCV for Stryker upgrades.

M1 Abrams Tank (Modification)

The budget request included \$480.2 million in line item GA0700 of Procurement of Wheeled and Tracked Combat Vehicles, Army (W&TCV) for M1 Abrams Tank (Modification). The committee recommends an increase of \$82.0 million in W&TCV for the procurement and integration of active protection systems (APS). Additional funding for APS was included in the Chief of Staff of the Army's unfunded priority list.

M1 Abrams Tank (Modification)

The budget request included \$480.2 million in line item GA0700 of Procurement of Wheeled and Tracked Combat Vehicles, Army (W&TCV) for M1 Abrams Tank (Modification). The committee recommends an increase of \$58.0 million in W&TCV for the M1 Abrams Tank industrial base improvement.

Army ammunition reduction

The budget request included \$1.5 billion for Procurement of Ammunition, Army (PAA). Within that amount, \$40.3 million was for LIN 0132E00700 CTG, 5.56MM, All Types; \$39.2 million was for LIN 0612E02000 CTG, 7.62MM, All Types; \$5.1 million was for LIN 1450EA3000 CTG, Handgun, All Types; \$46.6 million was for LIN 1722E08000 CTG, .50 Cal, All Types; \$7.7 million was for LIN 2650E08200 CTG, 25MM, All Types; \$118.1 million was for LIN 3222ER8001 CTG, 40MM, All Types; \$120.6 million was for LIN 1120E22203 Cartridges, Tank, 105MM and 120MM, All Types; \$64.8 million was for LIN 0530E1510 Artillery Cartridges, 75MM & 105MM, All Types; \$6.1 million was for LIN 1430E91901 Non-Lethal Ammunition, All Types; \$10.0 million was for LIN 2624EA0055 Items Less Than \$5.0 Million (AMMO); and \$17.2 million was for LIN 4370EA0575 Ammunition Peculiar Equipment.

The committee understands portions of these requests are ahead of need based on analysis by the Government Accountability Office. The committee believes these funds can be better aligned for other readiness priorities.

Accordingly, the committee recommends decreases to the following: \$2.6 million to LIN 0132E00700 CTG, 5.56MM, All Types; \$0.3 million to LIN 0612E02000 CTG, 7.62MM, All Types; \$1.3 million to LIN 1450EA3000 CTG, Handgun, All Types; \$4.7 million to 1722E08000 CTG, .50 Cal, All Types; \$1.3 million to LIN 2650E08200 CTG, 25MM, All

Types; \$6.3 million to LIN 3222ER8001 CTG, 40MM, All Types; \$2.8 million to LIN 1120E22203 Cartridges, Tank, 105MM and 120MM, All Types; \$4.0 million to LIN 0530E1510 Artillery Cartridges, 75MM & 105MM, All Types; \$0.2 million to LIN 1430E91901 Non-Lethal Ammunition, All Types; \$0.5 million to LIN 2624EA0055 Items Less Than \$5.0 Million (AMMO); and \$3.7 million to LIN 4370EA0575 Ammunition Peculiar Equipment.

High Mobility Multi-Purpose Vehicle

The budget request included \$00.0 million in Procurement of Wheeled and Tracked Combat Vehicles, Army (W&TCV) for the High Mobility Multi-Purpose Vehicle. The committee recommends an increase of \$21 million in OPA for the High Mobility Multi-Purpose Vehicle.

Modification of in Service Equipment

The budget request included \$219.5 million in line item number DA0924 of Other Procurement, Army (OPA), for Modification of In-Service Equipment. The committee notes other priorities in the budget for fiscal year 2017. The committee recommends a decrease of \$12.0 million in OPA for Modification of In-Service Equipment.

Distributed Common Ground System-Army (Military Intelligence Program)

The budget request included \$275.5 million in line item BZ7316 of Other Procurement, Army (OPA), for Distributed Common Ground System-Army (DCGS-A). The committee notes the program has changing tactical requirements for fiscal year 2017. Therefore the committee recommends a decrease of \$93.0 million in OPA for DCGS-A.

UH-1N helicopter replacement program

The budget request included \$18.3 million in Aircraft Procurement, Air Force (APAF), for the UH-1N helicopter replacement program. This program is intended to replace the over four decade-old helicopters currently in use for rapid security response team missions on the Air Force's intercontinental ballistic missile fields. These aircraft are growing increasingly unreliable due to approaching the end of their service lives, are more costly to maintain, and do not meet the minimum requirements necessary for the missile field security mission.

The committee believes the Air Force's proposed approach to procure HH-60 helicopters from the U.S. Army's current multi-year procurement contract, under The Economy Act of 1932, Title 31, United States Code, sections 1535 and 1536, represents the most prudent method to rapidly field the necessary capability, leverages the Air Force's existing organic depot maintenance and supply chain for their current HH-60 and future Combat Rescue Helicopter fleets, avoids costly and lengthy development and testing of a completely new and different aircraft, and decreases both Army and Air Force aircraft procurement unit costs through economic order of quantity.

Therefore, the committee recommends an increase of \$302.3 million in APAF for the procurement of eight HH-60 Blackhawk aircraft and initial spares and support equipment.

Fourth generation fighter capability upgrades

The budget request included \$97.3 million in Line Item F01600 of Aircraft Procurement, Air Force (APAF) for F-16 capability upgrades. Due to Air Force plans to field fourth generation fighters for a longer than expected period of time while awaiting deliveries in significant numbers of F-35A replacements, these aircraft must be upgraded with systems that will make them more operationally effective and survivable in the threat environments of the early to mid-2020 decade.

Therefore, the committee recommends an increase of \$48.3 million for F-16 multi-mission computer and Multi-functional Information Distribution System--Joint Tactical Radio System (MIDS-JTRS), an increase of \$12.0 million for F-16 active missile warning system, an increase of \$23.0 million for F-16 digital radar warning system, and an increase of \$5.0 million for F-16 anti-jam global positioning system (GPS) upgrades. The committee recommends a total increase of \$88.3 million in Line Item F01600 of APAF for these Chief of Staff of the Air Force fiscal year 2017 unfunded requirement list items.

MQ-9 Unmanned Aerial Vehicle

The budget request included \$10.6 million in Procurement, Defense-wide (PDW), Line 51, for the acquisition and support of special operations-unique mission kits for the Medium Altitude Long Endurance Tactical (MALET) MQ-9 Unmanned Aerial Vehicle (UAV). U.S. Special Operations Command (SOCOM) is responsible for the rapid development and acquisition of special operations capabilities to, among other things, effectively carry out operations against terrorist networks while avoiding collateral damage.

The committee understands that the budget request only partially addresses technology gaps identified by SOCOM on its fleet of MQ-9 UAVs. Therefore, the committee recommends an additional \$14.8 million in PDW for the MQ-9 UAV.

The committee strongly supports SOCOM's efforts to accelerate fielding of advanced weapons, sensors, and emerging technologies on its fleet of MQ-9 UAVs. The committee has authorized additional funds above the budget request in each of the last 4 years to enhance these efforts and understands that SOCOM has successfully developed and acquired a number of new capabilities, including improved weapon effectiveness, target location and tracking, image resolution, and video transmission during that time. The committee expects SOCOM to update the committee periodically on its procurement efforts under the MALET MQ-9 UAV program.

C-130 engine enhancements

The committee recognizes energy usage, specifically fuel consumption by the Air Force, continues to represent an overwhelming portion of Air Force operations and maintenance costs. To find ways to reduce fuel costs, the Air Force commissioned a study in 2006, funded industry research and development, and began an Engine Enhancement Program. These efforts result in increased service life and fuel economy of the T56 engine, and improved operational performance of the C-130H aircraft, to include increased cargo capacity and range, as well as

reduced takeoff distances. Congress authorized and appropriated funding to procure and install T56 3.5 engine upgrades in previous fiscal years. The committee notes the T56 3.5 Engine Enhancement Program is included in the Air National Guard's 2015 Weapons Systems Modernization Priorities as a 'significant major item shortage.'

The committee strongly encourages the Air Force to continue ongoing testing of the T56 3.5 engine upgrade and other C-130 propulsion system improvements to demonstrate capability improvements and fuel savings, and ultimately achieve reduced operations and sustainment costs.

Comptroller General of the United States assessment of Department of Defense F-35 deployment planning efforts

The committee recognizes the importance of the F-35 Lightning II program to our national defense. The F-35 will replace a variety of combat aircraft in the Air Force, Navy, and Marine Corps, representing the future of tactical air for the Department of Defense (DOD). In July 2015, the Marine Corps declared initial operating capability for the F-35B. The Marine Corps plans to deploy its first squadron of aircraft to Marine Corps Air Station Iwakuni (Japan) in 2017 as a permanent change of station for VMFA-121. This will signal the first operational deployment of both the F-35B aircraft platform and its associated Autonomic Logistics Information System (ALIS), and will provide an opportunity to prove operational concepts not only for the Marine Corps, but for the Air Force and Navy as well. Additionally, VMFA-121 is due to deploy aboard ship in 2018, the F-35's first operational shipboard deployment. As the Marine Corps prepares to deploy the F-35B, opportunities also exist for DOD and the services to reexamine aircraft affordability and make adjustments as needed. The F-35 program is critical to the future of tactical air for the Armed Forces and DOD will need to operate and deploy the F-35 on a widespread basis in the coming years while managing costs.

Therefore, the committee directs the Comptroller General of the United States to submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the results of a study, conducted by the Comptroller General with preliminary observations due no later than March 1, 2017 and a final report to follow, to review the DOD's ongoing F-35B deployment planning efforts. This review should include:

- (1) The extent to which DOD has developed plans to support its initial F-35 deployment to Marine Corps Air Station Iwakuni, including those related to personnel, aircraft support equipment, base infrastructure, ALIS integration, logistics, and spare parts;
- (2) The extent to which the Marine Corps' initial F-35B deployment to Marine Corps Air Station Iwakuni will enable U.S. Pacific Command to meet its operational requirements;
- (3) The challenges the F-35B program faces with its initial deployment to Marine Corps Air Station Iwakuni, and the extent to which DOD plans to measure success, challenges, and share lessons learned with the Air Force and Navy; and
- (4) The extent to which DOD has developed plans to support its initial F-35 deployment aboard ship, including those related to personnel, aircraft support

equipment, ship modifications (including communication and data links), ALIS integration, logistics, and spare parts.

F-16 mission training centers

The committee recognizes the ability to execute decisive air warfare requires realistic training. Various types of required real-world training activities are seldom conducted at Air National Guard bases due to limited availability of assets (i.e., lack of availability of dedicated adversary aircraft, realistic low level airspace for low altitude intercepts or engagements, and supersonic ranges). This lack of real-world training capability can be offset with modern and up to-date live, virtual, and constructive technologies available today.

The committee fully supports and encourages Air Force and Air National Guard efforts to field additional F-16 block 40/50 Mission Training Centers (MTC) that remotely connect to virtual networks to perform enterprise-wide training and mission rehearsal across diverse geographical locations. Additional MTC locations would provide Air National Guard aircrews the necessary continuity of training between live and virtual scenarios required to attain and sustain full combat mission readiness while reducing operations tempo, flying hour, and travel costs.

High Mobility Multipurpose Wheeled Vehicle (HMMWV) ambulance

The committee recognizes the critical medical ground evacuation mission role filled by the High Mobility Multipurpose Wheeled Vehicle (HMMWV) ambulance. The committee is concerned that the Army's current fleet of HMMWV ambulances in the active component is exceeding the expected useful life of the vehicle. Therefore, the committee directs the Army to develop a plan to deliver the next generation M997 A3 HMMWV ambulances focused on enhanced reliability and crew protection to accomplish their lifesaving mission.

The committee supports the Army's ongoing requirement to maintain a HMMWV ambulance fleet capable of meeting the continued and varied mission roles for both the active and reserve components. The committee is aware of the successful effort underway to modernize the HMMWV ambulance fleet for the Army National Guard and Army Reserve through the procurement of state-of-the-art HMMWV ambulances. The committee believes this model warrants consideration in order to field the maximum quantity of vehicles as expeditiously as possible.

Report on disposition options for previously modified C-130H Avionics Modernization Program (AMP) aircraft

The committee is encouraged by the Air Force's progress in the restructured C-130H Avionics Modernization Program (AMP) Increments 1 and 2. The Air Force appears to have a solid path forward for AMP Increment 1 to upgrade all C-130H aircraft with safety upgrades, as well as airspace access compliance modifications by the deadline of January 1, 2020. The committee is also encouraged by the planned acceleration of the AMP Increment 2 phase well before the

previously anticipated fiscal year 2042 completion date, moving estimated fleet completion forward to fiscal year 2028.

The committee is concerned with the funding and manpower resources required to maintain the five previously modified C-130H AMP aircraft at their current location. The committee understands that again modifying the previously modified C-130H AMP aircraft into the restructured AMP Increments 1 and 2 configuration is likely cost-prohibitive.

Therefore, the committee directs the Secretary of the Air Force to provide a report to the Committees on Armed Services of the Senate and the House of Representatives, not later than December 1, 2016, on:

- (1) The anticipated annual resource requirements for fiscal year 2017 and beyond to maintain the aircraft in their current status and location;
- (2) Potential options, including feasibility and costs, for declaring the five aircraft as excess to military requirements and;
 - (a) opportunities for transfer to other government agencies;
 - (b) foreign military sales;
 - (c) sales to private entities; or (d) any combination of the options in subparagraphs (2)(a), (2)(b), and (2)(c);
- (3) Other disposition options.

Distributed Common Ground/Surface System

The budget request included \$32.3 million in PE 0305208A for Distributed Common Ground/Surface System. The committee notes changing tactical requirements. Therefore the committee recommends a decrease of \$32.0 million in PE 0305208A.

Advanced Pilot Training Program

The budget request included \$12.4 million in PE 65223F for the Advanced Pilot Training (APT) program. The Air Force decided to delay awarding the development contract from the fourth quarter of fiscal year 2017 until the first quarter of fiscal year 2018. Therefore, the committee recommends a decrease of \$7.9 million in PE 65223F due to the availability of prior year funds.

KC-46 aerial refueling tanker aircraft program

The budget request included \$261.7 million in PE 65221F for KC-46A tanker development. Due to fewer than expected engineering change proposals and lower than expected test support costs, the Air Force will not obligate or expend funds at the budgeted rate.

Therefore, the committee recommends a decrease of \$140.0 million in PE 65221F due to availability of unobligated prior year funds. The committee understands that the reduction of these funds in fiscal year 2017 will not impact the program delivery schedule of the KC-46A tanker aircraft.

MQ-9 automatic takeoff and landing control system

The budget request included \$151.4 million in PE 25219F for MQ-9 Unmanned Aerial Vehicle (UAV). The committee recommends an increase of \$35.1 million in PE 25219F for development and integration of MQ-9 Automatic Takeoff and Landing Control System (ATLCS) capability in support of the provision elsewhere in this Act for the transition to enlisted remotely piloted aircraft (RPA) operators.

MQ-9 Unmanned Aerial Vehicle

The budget request included \$17.8 million in Research, Development, Test, and Evaluation, Defense-wide (RDTEDW), PE 1105219BB, for the development, integration, and testing of special operations-unique mission kits for the Medium Altitude Long Endurance Tactical (MALET) MQ-9 Unmanned Aerial Vehicle (UAV). U.S. Special Operations Command (SOCOM) is responsible for the rapid development and acquisition of special operations capabilities to, among other things, effectively carry out operations against terrorist networks while avoiding collateral damage.

The committee understands that the budget request only partially addresses technology gaps identified by SOCOM on its fleet of MQ-9 UAVs. Therefore, the committee recommends an additional \$12.0 million in RDTEDW for the MQ-9 UAV.

The committee strongly supports SOCOM's efforts to accelerate fielding of advanced weapons, sensors, and emerging technologies on its fleet of MQ-9 UAVs. The committee has authorized additional funds above the budget request in each of the last 4 years to enhance these efforts and understands that SOCOM has successfully developed and acquired a number of new capabilities, including improved weapon effectiveness, target location and tracking, image resolution, and video transmission during that time. The committee expects SOCOM to update the committee periodically on its development efforts under the MALET MQ-9 UAV program.

Army, Army Reserve, and Army National Guard readiness unfunded priorities increases

The budget request included \$33.8 billion in Operation and Maintenance, Army (OMA), of which \$791.5 million was for SAG 111 Maneuver Units, \$1.3 billion was for SAG 116 Aviation Assets, \$1.0 billion was for SAG 123 Land Forces Depot Maintenance, \$336.3 million was for SAG 211 Strategic Mobility, \$902.8 million was for SAG 322 Flight Training, and \$778.7 million was for SAG 423 Logistics Support Activities.

The budget request also included \$2.6 billion in Operation and Maintenance, Army Reserve (OMAR), of which \$491.7 million was for SAG 113 Echelons Above Brigade and \$347.4 million was for SAG 121 Force Readiness Operations Support. The budget request also included \$6.8 billion for Operation and Maintenance, Army National Guard (OMARNG), of which \$708.2 million was for SAG 111 Maneuver Units, \$37.1 million was for SAG 121 Force Readiness Operations Support, and \$219.9 million for SAG 123 Land Forces Depot Maintenance.

The committee notes that, within the Army's unfunded priorities list, the Chief of Staff of the Army has identified specific amounts in these readiness accounts that could help accelerate readiness recovery. The committee notes that these recommended increases will help restore the Army Prepositioned Stock Sustainment (APS) program in support of the European Reassurance Initiative and increase throughput for depot work. Additionally, this increase will help defray lodging costs for enlisted soldiers who sometimes must travel hundreds of miles for reserve duty. Lastly, the Chief of Staff of the Army testified before the committee that home station training for the Army National Guard to prepare for additional Combat Training Center rotations was one of his top unfunded readiness priorities.

Accordingly, the committee recommends the following increases: \$50.0 million for SAG 111 Maneuver Units; \$68.0 million was for SAG 116 Aviation Assets; \$19.4 million for SAG 123 Land Forces Depot Maintenance; \$25.0 million for SAG 211 Strategic Mobility for APS; \$36.6 million for SAG 322 Flight Training; and \$4.0 million for SAG 423 Logistics Support Activities in OMA; \$46.0 million for SAG 113 Echelons Above Brigade for Lodging in Kind and Home Station Training and \$0.3 million for Force Readiness Operations Support for range improvements in OMAR; and \$70.0 million for SAG 111 Maneuver Units for Home Station Training; \$2.4 million for SAG 121 Land Forces Operations Support; and \$54.6 million for SAG 123 Land Forces Depot Maintenance in OMARNG.

Facilities, Sustainment, Restoration, and Modernization increases

The budget request included \$33.8 billion in Operation and Maintenance, Army (OMA), of which \$2.2 billion was for SAG 132 Facilities, Sustainment, Restoration & Modernization. The budget request also included \$2.7 billion in Operation and Maintenance, Army Reserve (OMAR), of which \$214.9 million was for SAG 132 Facilities, Sustainment, Restoration & Modernization. The budget request also included \$6.8 billion in Operation and Maintenance, Army National Guard (OMARNG), of which \$676.4 million was for SAG 132 Facilities, Sustainment, Restoration & Modernization.

The budget request included \$39.4 billion in Operation and Maintenance, Navy (OMN), of which \$1.6 billion was for SAG BSM1 Sustainment, Restoration and Modernization. The budget request also included \$927.6 million in Operation and Maintenance, Navy Reserve (OMNR), of which \$27.5 million was for SAG BSMR Sustainment, Restoration and Modernization.

The budget request included \$5.9 billion in Operation and Maintenance, Marine Corps (OMMC), of which \$632.6 million was for SAG BSM1 Sustain, Restoration, & Modernization. The budget request also included \$270.6 million in Operation and Maintenance, Marine Corps Reserve (OMMCR), of which \$25.4 million was for SAG BSM1 Sustain, Restoration and Modernization.

The budget request included \$37.5 billion in Operation and Maintenance, Air Force (OMAF), of which \$1.6 billion was for SAG 011R Facilities Sustainment, Restoration & Modernization. The budget request also included \$3.1 billion in Operation and Maintenance, Air Force Reserve(OMAFR), of which \$113.4 million was for SAG 011R Facilities Sustainment, Restoration & Modernization. The budget request also included \$6.7 billion in Operation and

Maintenance, Air National Guard (OMANG), of which \$245.8 million was for SAG 011R Facilities Sustainment, Restoration & Modernization.

The committee notes that throughout all unfunded requirement lists provided by the individual services, Facilities Sustainment, Restoration & Modernization (FSRM) remained a shortfall for every service. The committee believes FSRM funding is crucial to rebuilding and maintaining readiness.

Accordingly, the committee recommends the following increases: \$354.4 million in OMA for SAG 132 Facilities, Sustainment, Restoration & Modernization; \$21.5 million in OMAR for SAG 132 Facilities, Sustainment, Restoration & Modernization; \$32.1 million in OMARNG for SAG 132 Facilities, Sustainment, Restoration & Modernization; \$160.9 million in OMN for SAG BSM1 Sustainment, Restoration and Modernization; \$5.8 million in OMNR for SAG BSMR Sustainment, Restoration and Modernization; \$39.3 million in OMMC for SAG BSM1 Sustain, Restoration, & Modernization; \$5.5 million in OMMCR for SAG BSM1 Sustain, Restoration and Modernization; \$157.7 million in OMAF for SAG 011R Facilities Sustainment, Restoration & Modernization; \$11.7 million in OMAFR for SAG 011R Facilities Sustainment, Restoration & Modernization; \$14.0 million in OMANG for SAG 011R Facilities Sustainment, Restoration & Modernization.

Army advertising reduction

The budget request included \$33.8 billion in Operation and Maintenance, Army (OMA), of which \$550.6 million was for SAG 331 Recruiting and Advertising.

The committee understands that within the Recruiting and Advertising request was an increase of \$50.8 million, or 27 percent of the budget request, to fund additional marketing and advertising efforts. The committee also understands that the National Commission on the Future of the Army recommended that Congress authorize, and that the Secretary of the Army direct the consolidation of marketing functions under the authority of the Army Marketing Research Group to ensure unity of effort across all three Army components: Regular Army, Army Reserve and Army National Guard. The committee believes the budget request is not in line with that recommendation and believes these funds can be better aligned for other readiness priorities.

Accordingly, the committee recommends a decrease of \$35.0 million in OMA to SAG 331 Recruiting and Advertising.

Distributed Common Ground System-Army

The budget request included \$33.8 billion for Operation and Maintenance, Army (OMA), of which \$126.9 million was for the Distributed Common Ground Station-Army (DCGS-A).

The committee is aware that the DCGS is a multi-service program that is intended to provide a family of fixed and deployable multi-source ground processing systems that support a range of Air Force, Navy, Marine Corps, and Army intelligence, surveillance, and reconnaissance systems.

The committee notes that DCGS-A is operationally suitable and effective when operating from fixed sites and providing direct support to operational and strategic forces. However, the committee also notes that DCGS-A is not suitable or effective in providing a reliable capability to tactical forces operating in the field. Army Brigade Combat Teams and battalions are required to improvise to overcome unreliable hardware and complex software. Operator knowledge and proficiency is low because of this complexity and unit readiness is negatively impacted.

The committee notes that since 2007 total program cost of DCGS-A has been in excess of \$3.0 billion. Costs to complete the program are estimated to be in excess of an additional \$7.0 billion.

Accordingly, the committee recommends an undistributed decrease in OMA of \$63.0 million for DCGS-A.

Army National Guard psychological health increase

The budget request included \$6.8 billion in Operation and Maintenance, Army National Guard (OMARNG), of which \$245.0 million was for SAG 434 Other Personnel Support.

The committee understands that within this request was \$7.4 million for 69 Director of Psychological Health (DPH) positions within the Army National Guard. This level of funding is insufficient to cover the full validated requirement of 157 DPH positions. The committee notes that the Army National Guard has one of the highest rates of suicides in the military and that over 60 percent of those suicides were soldiers who never deployed and are not eligible for behavioral healthcare provided by the Department of Veterans Affairs. For these members of the Army National Guard, the DPH can administer on-site screening, counseling and referral to community resources when needed.

Accordingly, the committee recommends an increase in OMARNG of \$9.5 million to SAG 434 Other Personnel Support.

Army National Guard underexecution reduction

The budget request included \$6.8 billion in Operation and Maintenance, Army National Guard (OMARNG), of which \$245.0 million was for SAG 434 Other Personnel Support.

Based on analysis by the Government Accountability Office, the committee understands this subactivity group has historically underexecuted its appropriated funding.

Accordingly, the committee recommends a decrease in OMARNG of \$5.0 million for SAG 434 Other Personnel Support.

Air Force, Air Force Reserve, and Air National Guard readiness unfunded priorities increases

The budget request included \$37.5 billion for Operation and Maintenance, Air Force (OMAF), of which \$1.6 billion was for SAG 011C Combat Enhancement Forces, \$7.1 billion was for SAG 011M Depot Maintenance and \$1.5 billion was for SAG 021M Depot Maintenance. The budget

request included \$3.1 billion in Operation and Maintenance, Air Force Reserve (OMAFR), of which 230 million was for SAG 011G Mission Support Operations. The budget request also included \$6.7 billion for Operation and Maintenance, Air National Guard (OMANG) of which \$7.0 billion was for SAG 011M Depot Maintenance.

The committee notes that, within the Air Force's unfunded priorities list, the Chief of Staff of the Air Force has identified specific amounts in these readiness accounts that could help accelerate readiness recovery. The committee notes that this recommended increase will improve shortfalls of the HC/HH-60 C4I platform. The committee further notes that this recommended increase will improve Air National Guard depot maintenance efforts.

Accordingly, the committee recommends an increase of \$2.8 million for SAG 011C Combat Enhancement Forces, \$150.4 million for SAG 011M Depot Maintenance, and \$66.4 million for SAG 021M Depot Maintenance in OMAF and \$29.0 million for SAG 011G Mission Support Operations in OMAFR. The committee also recommends an increase in OMANG of \$43.2 to SAG 011M Depot Maintenance.

Air Force advertising reduction

The budget request included \$37.5 billion in Operation and Maintenance, Air Force (OMAF), of which \$104.7 million was for SAG 033A Recruiting and Advertising.

The committee understands that within the Recruiting and Advertising request was an increase of \$29.2 million to fund additional marketing and advertising efforts. The committee notes this request would more than double the Air Force's advertising budget. The committee believes these funds can be better aligned for other readiness priorities.

Accordingly, the committee recommends a decrease of \$27.0 million in OMAF to SAG 033A Recruiting and Advertising.

Defense-wide funding decrease for base realignment and closure planning and support

The budget request included \$32.5 billion for Operation and Maintenance, Defense-wide (OMDW), of which \$1.4 billion was for SAG 4GTN Office of the Secretary of Defense.

The committee understands that \$4.0 million was to be used for base realignment and closure (BRAC) planning and support. The bill recommended by the committee would prohibit the expenditure of funds for a new BRAC round.

Accordingly, the committee recommends a decrease of \$4.0 million in OMDW for SAG 4GTN Office of the Secretary of Defense.

Advertising activities among the military service components

The committee understands that as part of its efforts to meet yearly military recruitment goals, the Department of Defense (DOD) requested almost \$575.0 million for fiscal year 2017. The

committee notes that preliminary findings from the Government Accountability Office (GAO) indicate that DOD has taken steps to coordinate some advertising activities among the military service components, but it has not developed a formal process for coordination and addressing inefficiencies to ensure information sharing among the services. The GAO found examples of possible unnecessary duplication, overlap, and fragmentation that may result from the absence of coordination. For example, the Air Force has three advertising programs that contract with three advertising agencies, but officials could not provide a rationale for requiring separate programs.

The committee also notes that the GAO found the military service components vary in their ability to determine whether their activities are generating leads for potential recruits. For example, while the Marine Corps has developed a framework to assess the effectiveness of its advertising including leads generated from advertising activities at the local level, Army officials stated they do not have reliable data to evaluate whether locally executed advertising activities are generating leads, and the Army National Guard does not require state units to report on the performance of their advertising activities. The committee concurs with the GAO finding that without fully measuring advertising performance, especially at the local levels, DOD may be unable to ensure advertising dollars are used efficiently and effectively to help meet recruiting goals.

Additionally, the committee remains concerned that some military service components are paying sport teams to provide recognition ceremonies for service members--a practice later deemed unacceptable by DOD--suggest that the absence of DOD oversight may have contributed to some activities of questionable appropriateness. Without a Department-wide policy that clearly defines its oversight role, DOD lacks reasonable assurance that advertising is carried out in an effective and appropriate manner.

Accordingly, the committee directs the Secretary of Defense, in consultation with officials from the military service components and the Joint Advertising Market Research Studies office, to develop a formal process for coordination on crosscutting issues to facilitate more effective use of advertising resources. As part of this process, the Secretary shall review existing advertising programs to identify opportunities to reduce unnecessary duplication, overlap, and fragmentation and obtain potential efficiencies. The Secretary shall also clearly define DOD's role in overseeing the advertising activities of military service components, clarify issues related to sports related advertising and marketing, and outline procedures that should guide the components' advertising activities for other types of advertising, such as concerts or other event advertising and digital advertising.

Additionally, the committee directs the secretaries of the military departments to review and ensure that each military service component fully measures advertising performance. This review shall include both the identification of measurable goals in advertising plans and contracts, and ensure that the military service components have access to the necessary performance data to determine the effectiveness of their advertising for lead generation activities.

The above mentioned formal process and review should be prepared in a report to the Committees on Armed Services of the Senate and the House of Representatives no later than March 1, 2017.

Comprehensive review of the Army sustainable readiness model

The committee notes that the Army is redesigning its process for generating forces with a goal of having units that are able to sustain a desired level of readiness over longer periods of time when not deployed on a given mission, called the sustainable readiness model (SRM). The committee understands that the SRM will rotate forces through a cycle of deployments over time, just as the Army did under the previous force generation concept, the Army force generation process (ARFORGEN). However, unlike ARFORGEN, the committee understands that SRM will have a tiered aspect that will ensure that some capabilities and unit types will be resourced to a higher readiness level than others. The committee notes that the Army's objective is to have 66 percent of the active component force in a Category 1 or 2 ready status at any moment in time to rapidly respond to a major contingency, however, the Army has not yet determined exact readiness goals for the Army National Guard and Army Reserve.

The Chief of Staff of the Army has directed that the SRM be implemented by fiscal year 2017. The committee is concerned that implementing SRM will require fundamental shifts in how the Army organizes, trains, equips, and manages the force. Among other things, the Army will need to ensure that a unit's collective training events, command changes, and personnel rotations are well synchronized, and that units returning from deployment do not suffer significant and abrupt personnel transfers that prevent them from redeploying on short notice to meet unforeseen demands. Over the next 12 months, the Army also will need to establish and codify the roles, responsibilities, and processes for coordinating these force management actions across the total Army, and for making the resource allocation decisions needed to implement SRM as the Army intends.

To inform committee oversight of the Army's plan to fundamentally restructure its force generation process, the committee directs the Comptroller General of the United States to conduct a comprehensive review of the Army's SRM force generation concept. The assessment that supports this review should compare and contrast SRM with ARFORGEN, including similarities and differences in the goals, objectives, resource requirements, and supporting force management processes. Additionally, the review shall provide the Comptroller General's assessment on the Army's goals, plans, and progress for implementing sustainable readiness, including: (1) The Army's governance of the transition to and implementation of the SRM concept; (2) the readiness goals and resources required to sustain readiness; (3) potential changes to the Army's processes for manning, equipping, and training forces in order to support Sustainable Readiness; and (4) any other aspects of the sustainable readiness concept the Comptroller General deems significant.

The committee directs that the Comptroller General should provide a briefing of preliminary findings of the review to congressional defense committees by February 15, 2017, followed by one or more reports no later than April 1, 2017.

Cyber implementation at the combat training centers

The committee recognizes and is strongly encouraged by the cyber training support to corps and below (CSCB) pilot program implemented through the cyber opposing forces support during

every Joint Readiness Training Center and National Training Center rotation. The committee understands that the CSCB pilot prepares combat training centers (CTC) to execute cyberspace operations and is intended to inform Army-wide doctrine, organization, training, materiel, leadership and education, personnel, and facilities development. The committee further understands that any future changes in the cyber force will be informed through the CSCB pilot, subsequent lessons learned, and the 2016 CTC Program Comprehensive Review, which will conduct an analysis for increased contested cyberspace activity at the CTCs.

Encouraging the use of the Innovative Readiness Training (IRT) program

The committee is aware of the readiness challenges facing the Armed Forces due to the constraints put forth by sequestration. Additionally, the committee is aware of the Innovative Readiness Training (IRT) program, which contributes to military readiness and provides realistic training in a joint environment for National Guard, Reserve, and Active-Duty members, preparing them to serve during a national crisis at home or abroad.

Examples of IRT activities include, but are not limited to, constructing rural roads and airplane runways, small building and warehouse construction in remote areas; transportation of medical supplies, and military readiness training in the areas of engineering, health care and transportation for under-served communities.

The committee understands the IRT program offers complex and challenging training opportunities for domestic and international crises. The committee is also aware that states that utilize the IRT program include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Indiana, Kentucky, Louisiana, Maine, Mississippi, Missouri, Montana, Nebraska, New Mexico, New York, North Dakota, Ohio, South Dakota, and Texas.

The committee strongly encourages the Department of Defense to continue to fully utilize IRT programs that provide hands-on and mission-essential training and that are available to active, reserve and National Guard forces.

Objective training readiness reporting

The committee is aware that some of the military services have efforts underway to establish objective and uniform standards to measure the training readiness of military forces. The committee notes, for example, that the Army is standardizing lists of mission essential tasks for like units below the brigade level and developing objective evaluation criteria that commanders will use to evaluate unit training against these critical tasks. The committee further notes that according to Army senior leadership, these initiatives will facilitate accurate and uniform readiness evaluations and enable the service to make risk-informed resourcing and force allocation decisions.

The committee notes that these initiatives to more objectively evaluate training readiness may continue the practice of giving commanders the flexibility to subjectively upgrade or downgrade the overall readiness of their units in certain circumstances based on the commander's judgement in light of a mission analysis, among other factors. While recognizing that commanders may

require some degree of flexibility in assessing their units' training readiness based on subjective factors, the committee stresses the importance of accurate readiness reporting and encourages all of the military services to define objective and uniform standards to assess training readiness.

Accordingly, the committee further encourages the military services to limit the use of subjective readiness upgrades, which could mask the department's progress transitioning from a force trained to conduct counterinsurgency operations to one trained for a broader range of military operations. The committee will continue to monitor the military services' development of objective and uniform standards to evaluate training readiness and may direct further action, including limiting the use of subjective upgrades, if these standards are not fully utilized in readiness reporting.

Employment of members of the National Guard, Reserves, and veterans of the Armed Forces

The committee remains concerned about members of the National Guard, Reserves, and veterans of the Armed Forces finding civilian employment. The committee recognizes that the Secretary of Defense, in coordination with the Department of Labor and the Department of Veterans Affairs, will submit this year to the Committees on Armed Services of the Senate and House of Representatives a report required by section 583 of the Carl Levin and Howard P. `Buck' McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291), on the feasibility of improving the efforts of the Department of Defense to provide job placement assistance and related employment services to members of the reserve components. The committee is committed to reviewing that report and taking any recommended actions to improve the processes by which members of the National Guard, Reserves, and veterans of the Armed Forces may find and obtain civilian employment.

F-35A maintainer shortage report

The committee is aware of the aircraft maintainer shortage that is impacting the stand up of F-35A squadrons and impacting the combat readiness and sustainment of all other Air Force squadrons. As a result of this shortage, the USAF is hiring contract maintainers through 2019 in non-deploying squadrons in order to ensure the Air Force is able to stand up new F-35A squadrons, as well as meet basic operations and maintained schedule for training and combat missions across the entire inventory. While the committee is supportive of increasing the number of USAF aircraft maintainers in order to fill the shortage of active-duty maintainers across the force, the committee remains concerned about a long-term plan to address these shortages. The contract maintainers will only meet the Air Force requirements through 2019. Beyond 2019, the Air Force still has a total force aircraft maintainer shortfall, and will need to access at least 4,000 active duty maintainers to replace the contract maintainers, maintain the training pipelines, reduce the deploy-to-dwell ratio, and maintain the Congressionally mandated 1,950 fighter aircraft floor.

To address this shortfall, the committee recommends that the Air Force should thoroughly assess and consider the number of additional active duty, guard, and reserve maintainers that they need in order to meet full-spectrum readiness across the entire force.

Therefore, the committee directs the Secretary of the Air Force to develop a plan to increase or reallocate authorized end strength, to include in the reserve components and to give consideration to the most effective and efficient use of the total force, to ensure that installations receiving new F-35As across the Air Force post-2019 have the necessary maintainers to ensure their operation. The committee directs the Secretary to provide a written plan to the congressional defense committees no later than 90 days following the enactment of this Act.

Pilot deficiencies

It is the sense of the Senate that the services may not be taking adequate action to remedy the shortfall of fighter pilots in the near and long term. The Air Force is currently short more than 500 fighter pilots, and expects this to surpass 800 by 2022. Some other Air Force pilot communities, particularly the remotely piloted aircraft community, also have shortages, while there are more pilots than needed to meet requirements in other communities. The Navy, while meeting current requirements, also anticipates a fighter pilot shortfall in the early 2020s.

The Committee directs the Comptroller General of the United States to conduct a report on available force management tools, as well as how these tools are used by military services with pilots, to manage their pilot accessions and force management priorities to right size their different communities. The Committee encourages the Comptroller General of the United States to provide a detailed account of all approaches currently taken by services and recommend regulatory or process changes to service force management practices, as warranted, as well as appropriate statutory changes.

Transition Assistance Program and reserve component members

The committee is concerned that the Transition Assistance Program (TAP) sometimes fails to meet the unique needs of National Guard and Reserve members returning from an active-duty deployment, especially the needs of those who have deployed, and transitioned, multiple times, which oftentimes results in an unnecessary duplication of TAP required attendance. The committee directs the Secretary of Defense to collect data about National Guard and Reserve members' transition experiences and to make recommendations to the committee on how to better serve the transition needs of this population, or alternatively to suggest a transition program specifically designed for the National Guard and Reserve

Military health system reform overview

In January 2015, the Military Compensation and Retirement Modernization Commission provided the Congress its recommendations to modernize the military compensation and retirement systems. Building on those recommendations, the committee achieved enactment of historic reforms to the military retirement system in the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92). These reforms expanded retirement benefits to the majority of military servicemembers excluded under the old system while saving taxpayers approximately \$13.0 billion in discretionary spending over the next 10 years and approximately \$12.0 billion per year in steady state mandatory spending. Modernizing the military retirement

system demonstrated that true reform can deliver better and expanded benefits to military servicemembers while saving taxpayer dollars.

In addition to its recommendations to modernize the military retirement system, the Commission recommended major reform of the military health system. Those recommendations offered a plan to improve and sustain operational medical force readiness, improve access to care, and expand beneficiaries' choices of health plans.

The committee has taken a very deliberate approach to enacting major military health system reform legislation. For more than a year, the committee has worked diligently to understand the implications and unintended consequences of any plan to reform the military health system a large, complex health program with over 9.4 million eligible beneficiaries. During this time, the committee held hearings with civilian healthcare experts and Department of Defense (DOD) officials, studied the attributes of high-performing civilian health systems, examined many published reports on military and civilian healthcare, visited military treatment facilities, held numerous meetings with military and veterans service organizations, and conducted sensing sessions with military and civilian hospital personnel. Most importantly, the committee visited with beneficiaries to better understand their current experiences with the military health system and to determine whether the existing system meets their needs. This extensive work has made invaluable contributions to the committee's oversight of the military health system.

Since 2001, battlefield injury survival rates have been higher than at any time in our nation's history. The committee applauds military healthcare personnel for professionally and compassionately caring for wounded, ill, and injured servicemembers over the last 15 years. Clearly, battlefield medicine is a pocket of excellence in the military health system that must be maintained.

However, it is also clear that the military health system, designed decades ago, has increasingly emphasized delivering peacetime healthcare at the expense of strengthening operational medical force readiness. Prior to 2001, medical force readiness suffered immeasurably, forcing the military Services to build a more robust combat casualty care capability to meet the demands of the wars in Afghanistan and Iraq. For example, the committee understands that OB/GYN physicians substituted as trauma surgeons in combat theaters because the Services had too few qualified trauma surgeons to meet combatant command requirements.

Bloated medical headquarters staffs--over 12,000 persons strong--have failed to take quick action on what needs to be fixed in the direct care component of the military health system. Despite the lack of additional capacity to enroll patients in bottle-necked primary care clinics, beneficiaries continue to be forced to receive care at military hospitals. The Services claim they need more patients in their hospitals to maintain medical force readiness, but the most common health services performed by military providers relate to pregnancy, childbirth, and pediatric care--health services not typically necessary to ensure medical force readiness training.

In addition, the current stove-piped military health system command structure leads to inevitable turf wars among the military Services and the Defense Health Agency, paralyzing decision-making and stifling healthcare innovation. Data show that military healthcare providers have

much lower productivity than their comparable civilian counterparts, which severely limits beneficiaries' access to healthcare services. Although set at an unreasonably low level, DOD's productivity goal for physicians--40 percent of the Medical Group Management Association median--cannot be met by many military medical providers. While some lower productivity should be expected due to unique medical force readiness training requirements, the committee does not believe that these requirements should hinder productivity significantly.

Moreover, a recent study shows that the Services underestimate the true costs of officer and enlisted medical personnel compared to the total costs for government civilians and contractors. The study concluded that the complete cost to the taxpayer of military medical personnel far exceeded the cost of civilian healthcare providers with comparable skills. Data also show that the total cost to provide healthcare services in military treatment facilities is greater than the cost of providing the same types of services in the private sector yet the Department continues to advocate that military treatment facilities are less expensive than private sector facilities.

The private sector component of the military health system is not without its own flaws. Beneficiaries complain about the cumbersome authorization and referral process for specialty care and a lack of access to care in large TRICARE provider networks. The current TRICARE program's myriad outmoded regulations and policies focus on 'the system' rather than doing the right thing for beneficiaries. TRICARE's obsolete medical support contract strategy results in high acquisition costs, routine bid protests, implementation delays, high management costs, and costly contract extensions. Under those contracts, the Department, and ultimately the taxpayers, remain solely at risk for the cost of all healthcare services provided, and the rigid adherence to fee-for-service provider reimbursement fails to encourage individual and institutional network providers to provide higher quality care, better access to care, and higher patient satisfaction at lower costs to the Department and the taxpayers.

As the committee formulated its defense health reform initiatives, we determined not to increase TRICARE fees unless we could create more value--provide higher quality care, better access to care, and a better experience of care. Based on the above findings and many others, the committee developed a comprehensive legislative package that would provide a gold-standard, integrated healthcare delivery system, creating high value for all beneficiaries. The committee mark contains numerous provisions to meet the following reform objectives of the committee. Improve and maintain operational medical force readiness: (1) creates specialized care centers of excellence at major military medical centers; (2) expands military-civilian trauma training sites and requires integrated trauma team training; (3) requires establishment of personnel management plans for important wartime medical specialties; (4) requires development of quality of care outcome measures for combat casualty care; (5) requires greater focus on medical research to understand better the causes of morbidity and mortality of service men and women in combat; (6) requires development of a trauma care registry; (7) requires development of standardized tactical combat casualty care training; and (8) expands eligibility for care in military treatment facilities to veterans and certain civilians.

Enhance access to high quality healthcare: (1) creates local high-performing military-civilian integrated health delivery systems; (2) expands telehealth capabilities in the military health system; (3) creates specialized care centers of excellence at major military medical centers; (4)

requires contracts for turn-key primary care/urgent care clinics at military treatment facilities; (5) authorizes a pilot program to give commercial health insurance coverage to reserve component members and their families; and (6) requires a standardized medical appointment system across the military health system.

Improve beneficiaries' health outcomes: (1) increases beneficiary involvement and shared responsibility to improve health outcomes and to lower costs--targets smoking cessation and weight reduction; (2) incentivizes participation in disease management programs; and (3) and incentivizes use of high-value providers.

Create health value: (1) expands and improves access to care by requiring a standardized appointment system in military treatment facilities; (2) expands the full range of telehealth services available to beneficiaries; (3) authorizes lower co-payments for high-value pharmaceuticals and medical services; (4) eliminates the requirement for pre-authorization for specialty care referrals; (5) requires a plan to improve pediatric care and related services; (6) incentivizes participation in disease management programs; (7) authorizes enrollment of eligible beneficiaries in federal dental and vision insurance programs managed by the Office of Personnel Management; (8) authorizes new TRICARE health plans; and (9) eliminates existing cost-shares for services provided under the current TRICARE Standard plan and replaces them with fixed co-payments to lower overall costs for beneficiaries.

Modernize TRICARE medical support contracts: (1) incorporates value-based healthcare methodology and value-based provider reimbursement into TRICARE contracts; (2) expands access to the full range of telehealth capabilities; (3) allows contractors to use the latest innovations in the private sector health plan market; (4) transfers financial risk to contractors and healthcare providers; (5) focuses contracts on building networks of high-value providers; and (6) requires a competitive, continuously open contracting strategy.

Drive efficiencies and eliminate waste: (1) right-sizes the footprint of the military health system to meet operational medical force requirements and the medical readiness of the Armed Forces; (2) realigns the medical command structure and shrinks headquarters staffing creating greater efficiency in the management of the military health system; (3) eliminates graduate medical education training programs not directly supporting operational medical readiness requirements and the medical readiness of the Armed Forces; (4) authorizes conversion of military healthcare provider positions to civilian or contractor positions; (5) requires a multi-year study by the Comptroller General of the United States to find healthcare waste throughout the military health system; (6) requires centrally-managed, performance-based professional staffing contracts; and (7) modernizes TRICARE medical support contracts.

Lower the per capita costs of healthcare for DOD and beneficiaries: (1) authorizes very modest increases in existing single and family annual enrollment fees by \$68 and \$135 respectively for working-age military retirees; (2) authorizes changes to co-payments for medical services but allows DOD to lower co-payments for high-value services and raise co-payments for low-value services; (3) increases pharmacy co-payments incrementally over a 9-year window but authorizes DOD to give preferential status to any non-generic pharmaceutical agent on the uniform formulary by establishing the same co-payment as the co-payment of a generic product

under the retail and mail order programs; (4) authorizes appointment no-show fees in military treatment facilities; and (5) incentivizes participation in disease management programs.

Demand performance accountability: (1) establishes performance accountability for military healthcare leaders throughout the military health system; (2) establishes rigorous criteria for selection of military treatment facility commanders; and (3) establishes minimum lengths of tours of duty for military treatment facility commanders.

The committee believes these significant reforms constitute a critical first step in the evolution of the military health system from an under-performing, disjointed health system into a high-performing integrated health system that gives beneficiaries what they need and deserve: the right care at the right time in the right place. True transformation, however, will require a cultural change across the entire military health system--a change from a system-first culture to a patient-first culture. Such a cross-service cultural shift is essential to building trust with beneficiaries and creating health value for them. The committee expects military health system leaders and their private sector partners to begin immediately advancing a patient-first culture throughout the military health system.

Report on provision of behavioral health and suicide prevention resources to reserve component members

The Committee notes that providing effective behavioral health and suicide prevention programs is essential to the efficiency and effectiveness of the Armed Forces and the stability of military families. The availability of these services varies widely for servicemembers, depending on their location and status in either the active or reserve component. The committee believes that determining the most efficient and effective model for the delivery of these services to these distinct populations is in the best interests of the servicemembers and the Department of Defense.

Therefore, the committee directs the Secretary of Defense to submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than October 1, 2016, a report detailing the present state of behavioral health services and suicide prevention programs provided by the Department to servicemembers in the reserve component to include: (1) information regarding which programs have been determined to be the most effective based on accepted metrics for performance; (2) an assessment of any disparity of services available between members of the active component and reserve component members; and (3) any recommendations for improving the delivery of these services in order to effectively and efficiently provide for the specific needs of servicemembers in the reserve component.

Amendment on National Guard Apache recommendations

The committee recognizes the efforts of the commissioners and staff for their completion of the National Commission on the Future of the Army (NCFA) report and recommendations. Among other recommendations, the committee supports the recommendation of the NCFA to retain four Attack Reconnaissance Battalions (ARBs) in the National Guard as part of the Aviation Restructuring Initiative. The committee believes that this approach achieves the right balance in

addressing the Army's current needs and providing the strategic depth of Army Aviation in the Army National Guard. The committee expects the Army to plan and program accordingly based on available resources across the Future Years Defense Program.

Army Modernization Strategy

The committee directs the Chief of Staff of the United States Army to develop a comprehensive modernization strategy for the total Army. This strategy should explicitly address the Army's vision, end-state, key objectives, war fighting challenges, and risks. It should be sufficiently descriptive to drive requirements, set priorities, identify opportunity costs, and establish time lines. The committee assesses that a comprehensive strategy would give strategic purpose to existing acquisition programs and branch specific strategies. It could also provide the Army an understanding of potential long term costs beyond the future year defense program and aid in the decision-making process to terminate unneeded or underperforming programs. The committee directs this strategy to be submitted with the Presidential Budget for the National Defense Authorization act for Fiscal Year 2018.

The committee is concerned the Army is woefully behind on modernization. The committee believes the Army must modernize for the harsh realities of 21st century warfare. Our soldiers must be trained, organized and equipped for an increasingly diverse and complex range of threats. They must be able to win against peers in highly lethal, combined arms maneuver; against near peers in hybrid warfare conditions; and against determined, unconventional insurgents. The committee notes other armies, including potential adversaries, are modernizing at a rapid pace.

The committee notes that the Army has published numerous strategies for specific programs such as small arms, tracked combat vehicles, wheeled vehicles and aviation. Yet the Army does not possess an all-encompassing modernization strategy that provides purpose and priority to the above. Given that the Army expends tens of billions of dollars on procurement, research, development, testing and evaluation each year, the committee views a comprehensive Army modernization strategy as essential.

The committee acknowledges the Army remains engaged in active operations across the world and accordingly has made readiness its first priority. However, the committee assesses modernization as a critical requirement for readiness in the very near future. Modernizing while supporting operational demands is not easy, but it has been done before. Army leaders like General Abrams transformed the Army before. They restored the discipline and morale of the force in the aftermath of the Vietnam War. They transitioned the Army to an All-Volunteer Force while revolutionizing training doctrine. And they built an Army that won the Cold War and removed Saddam Hussein from Kuwait.

Army Unmanned Aerial Systems (UAS)

The committee notes the Department of Defense's plans to meet the needs of the combatant commanders by increasing the number of Unmanned Aerial System (UAS) Combat Air Patrols

(CAPs) in part through an increase of Army UAS units to accommodate as many as 16 Army UAS CAPs.

Therefore, the committee directs the Secretary of the Army submit to the congressional defense committees not later than 120 days after the enactment of this Act a report on how the Army plans to increase its training resources for its Shadow and Gray Eagle platforms, improve facilities, and protect its training ranges to support the growth of Army UAS CAPs. This report shall also include an analysis on the need for the Army to re-establish an Army UAS Center of Excellence given the increased role for Army UAS training and operations.

Comptroller General assessment of national defense implications of the next generation air traffic management system

The committee is concerned with the potential national defense implications of the next generation air traffic management system, specifically with the main component of the system known as Automatic Dependent Surveillance-Broadcast (ADS-B).

The committee recognizes the significant safety, cost, and efficiency advantages of ADS-B operations over the legacy system of air traffic control radar surveillance of air traffic. ADS-B enhances system situational awareness, collision avoidance, runway and airport airspace incursion avoidance, and the ability to implement air traffic control in non-radar environments, such as sparsely populated areas and oceanic surveillance. ADS-B also contributes to more direct aircraft routing and optimized departures and approaches, which increase capacity and save time and fuel. Finally, ADS-B infrastructure relies on simple ground and airborne radio equipment that is significantly cheaper to install and maintain than the mechanical infrastructure associated with traditional radar ground stations.

The committee is concerned that many of the characteristics that give ADS-B operations its significant advantages also expose potential vulnerabilities for exploitation by entities or individuals with nefarious intent. An inexpensive software-defined radio, a laptop computer, and a small nondescript antenna are all that are needed to monitor and potentially exploit extremely accurate, real-time aircraft position and operations details that are continuously broadcast using unencrypted digital encoding.

Therefore, the committee directs the Comptroller General of the United States to conduct a study, with preliminary observations due no later than March 3, 2017 and a final report to the Committees on Armed Services of the Senate and the House of Representatives to follow. The assessment by the Comptroller General should include:

- (1) Implications for ADS-B operations on detection, identification, cueing, and targeting for air sovereignty and air defense operations against airborne threats;
- (2) Effect of ADS-B operations on integrated tactical warning and attack assessment decision-making processes and authorities;
- (3) Vulnerabilities from cyber attack against ADS-B related network operations and potential impacts to military operations;

- (4) Susceptibility of ADS-B to meaconing, intrusion, jamming, and interference and potential impacts to military operations;
- (5) Implications for ADS-B operations on force protection and operational security for military airborne assets operating en route between and on military installations;
- (6) Options for mitigating potential vulnerabilities; and
- (7) Other information such that the Comptroller General considers appropriate to include in the report.

Predictable Funding for the National Guard Counterdrug Program

The National Guard Counterdrug Program (NGCP) is a federally-funded program that provides military-specific skill-sets to law enforcement agencies and community based organizations to battle the supply and demand for illicit drugs. Reductions in funding and the timing of funding continues to be a limiting factor for the NGCP. Such factors impede the effective sustainment of relationships with supported agencies and impacts the retention of highly-trained individuals.

The committee directs the Under Secretary of Defense (Comptroller) to work with the National Guard to develop a process to ensure more consistent and predictable funding to mitigate gaps or delays. The committee expects that this effort should result in increased predictability of funding, improve long-term planning, stabilize analytic support to law enforcement agencies, increase flexibility to respond to emerging drug-related threats, reduce repetitive initial training and ramp up of personnel, and the ability to continue mission support without interruption.

Total Army end strength

The Committee remains concerned about the appropriate size of the Army, to include both the Active and Reserve Component, and its readiness posture. As a result of the Budget Control Act, the Army has drawn down its end strength with a goal of 450,000 soldiers by the end of Fiscal Year 2018.

General Mark Milley, the Chief of Staff of the Army, stated at the Army Posture hearing that the budget caps have resulted in a significant reduction in funding for modernization and research and development. He also emphasized that readiness is the top priority for the Army. In light of the threats confronting our nation, to include Russia, China, North Korea, Iran, and ISIS, the Army has accepted high military risk to meet the requirements of the National Security Strategy and the Defense Planning Guidance. But as General Milley also stated before this committee, we will 'make the most efficient and effective use of the Army that we have.'

The Committee supports the Army's efforts to increase readiness levels throughout the force, and recognizes the need to reassess the Army 's size in conjunction with available funding sources and the threats facing our country.

Inclusion of the Army National Guard Cyber Protection Teams in the Department of Defense Cyber Mission Force

In 2016, the National Guard Bureau announced the establishment of ten Army National Guard Cyber Protection Teams (CPTs). The Army did not include these teams in the forces that the Army would provide for the Department of Defense Cyber Mission Force (CMF), while the Air Force did include its National Guard CPTs in its force presentation plans. However, the committee understands that the Army is quite close to a decision that these CPTs will become part of the overall Army CMF. The committee requests that the Commander of Army Cyber Command and the Chief of the National Guard Bureau determine, prior to conference on the National Defense Authorization Act for Fiscal Year 2017, how the Army National Guard CPTs will be incorporated into the CMF. This determination should include a timeline for integration, a description of the teams' mission sets, how they will be funded, when they will be trained and what additional authorities might be necessary to allow them to carry out Title 32 missions in support of state and civil operations. The committee was disappointed to see that training for these CPTs was not funded in the budget request for fiscal year 2017 and requests that appropriate steps be taken to fund the teams in fiscal year 2017 prior to conference.

Cyber implementation at the combat training centers

The committee recognizes and is strongly encouraged by the cyber training support to corps and below (CSCB) pilot program implemented through the cyber opposing forces support during every Joint Readiness Training Center and National Training Center rotation. The committee understands that the CSCB pilot prepares combat training centers (CTC) to execute cyberspace operations and is intended to inform Army-wide doctrine, organization, training, materiel, leadership and education, personnel, and facilities development. The committee further understands that any future changes in the cyber force will be informed through the CSCB pilot, subsequent lessons learned, and the 2016 CTC Program Comprehensive Review, which will conduct an analysis for increased contested cyberspace activity at the CTCs.

Defining readiness and interoperability for commercial carriers

The committee notes that the National Airlift Policy (NAP) was established to ensure that military and commercial air carrier resources are able to meet defense mobilization and deployment requirements. The committee further notes that section 5 of the NAP states, "Consistent with the requirement to maintain the proficiency and operational readiness of organic military airlift, the Department of Defense (DOD) shall establish appropriate levels for peacetime cargo airlift augmentation in order to promote the effectiveness of the Civil Reserve Air Fleet (CRAF) and provide training within the military airlift system." The committee further notes that section 9517 of title 10, United States Code, states, "[I]t is the policy of the United States to maintain the readiness and interoperability of Civil Reserve Air Fleet carriers by providing appropriate levels of peacetime airlift augmentation to maintain networks and infrastructure, exercise the system, and interface effectively within the military airlift system."

The committee is concerned, however, that there is no clear definition of what constitutes "readiness" or "interoperability" in regard to commercial carriers. The committee understands that this has led to misunderstandings about how best to promote the effectiveness of the CRAF and what constitutes training within the military airlift system. The committee also recognizes that the absence of definitions has resulted in different assessments of what level of commercial

augmentation is sufficient to meet DOD's readiness and interoperability requirements. The committee notes that according to DOD's Report, as mandated by the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92), commercial augmentation levels will remain well above the minimum required for readiness and interoperability for the foreseeable future.

The committee believes, however, a definition of readiness and interoperability, with associated metrics, would help determine if the level of commercial augmentation is achieving the intent of the National Airlift Policy and title 10. The committee notes this will provide a more realistic assessment of the ability of commercial carriers to operate within the military airlift system. Accordingly, the committee directs the Secretary of Defense to develop definitions of readiness and interoperability for CRAF and suitable metrics to determine that readiness and interoperability are achieved, to include an explanation of the weighting of ground based activities, as specified in the "Level of Readiness of CRAF Carriers", and engagements versus level of commercial aircraft activity at DOD aerial ports. In determining those definitions, the committee directs the Department to consult with its CRAF partners through its semi-annual meetings and other forums.

Additionally, the committee directs the Department to include those definitions and metrics in the next "Level of Readiness of CRAF Carriers" report to Congress due concurrently with the submission of the President's budget for fiscal year 2018.

Comptroller General of the United States review of pilot programs on career flexibility to enhance retention of members of the armed forces

The committee directs the Comptroller General of the United States to review career intermission pilot programs implemented pursuant to section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417), as amended by section 523 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92), and the reports prepared and submitted under section 533(k) of that Act, and to provide a report on the results of the study to the Committees on Armed Services of the Senate and the House of Representatives by December 31, 2016. At a minimum, the review should assess: (a) whether the authorities of the pilot program have provided an effective means to enhance the retention of members of the armed forces possessing critical skills, talents, and leadership abilities; (b) the career progression in the armed forces of individuals who participated in the pilot program and whether their careers

have been adversely affected; (c) the usefulness of the pilot program in responding to the personal and professional needs of individual members of the armed forces; (d) the extent to which the designation as a pilot program has discouraged participation by qualified applicants; and (e) the costs incurred in the program to date, and an assessment of the expected annual costs in the expanded program as modified by section 523 of the National Defense Authorization Act for Fiscal Year 2016 to remove limits and restrictions on participation.