

Log 12  
Revised

**AMENDMENT TO H.R. 1540**

**OFFERED BY MR. FORBES OF VIRGINIA**

**(National Defense Authorization Act for Fiscal Year 2012)**

At the appropriate place in title XII of division A of the bill, insert the following new section:

1 **SEC. 12xx. ANNUAL REPORT ON MILITARY POWER OF THE**  
2 **PEOPLE'S REPUBLIC OF CHINA.**

3 (a) **MATTERS TO BE INCLUDED.**—Subsection (b) of  
4 section 1202 of the National Defense Authorization Act  
5 for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 781;  
6 10 U.S.C. 113 note), as most recently amended by section  
7 1246(b) of the National Defense Authorization Act for  
8 Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2544),  
9 is further amended—

10 (1) in paragraph (7)—

11 (A) by adding at the end before the period  
12 the following: “or otherwise undermine the De-  
13 partment of Defense’s capability to conduct in-  
14 formation assurance”; and

15 (B) by adding at the end the following:  
16 “Such analyses shall include an assessment of  
17 the damage inflicted on the Department of De-  
18 fense by reason thereof.”; and

12✓

1           (2) in paragraph (9), by adding at the end the  
2 following: "Such analyses shall include an assess-  
3 ment of the nature of China's cyber activities di-  
4 rected against the Department of Defense and an  
5 assessment of the damage inflicted on the Depart-  
6 ment of Defense by reason thereof. Such cyber ac-  
7 tivities shall include activities originating or sus-  
8 pected of originating ~~from China and shall include~~  
9 government and non-government activities believed  
10 to be sanctioned or supported by the Government of  
11 China."

12       (b) CONFORMING AMENDMENT.—Such section is fur-  
13 ther amended in the heading by striking "**MILITARY AND**  
14 **SECURITY DEVELOPMENTS INVOLVING**" and insert-  
15 ing "**MILITARY POWER OF**".

16       (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall take effect on the date of the enactment  
18 of this Act, and shall apply with respect to reports re-  
19 quired to be submitted under subsection (a) of section  
20 1202 of the National Defense Authorization Act for Fiscal  
21 Year 2000, as so amended, on or after that date.

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Log 14  
Revised

**AMENDMENT TO H.R. 1540**  
**OFFERED BY MR. FORBES OF VIRGINIA**

At the appropriate place in title X, insert the following:

1 **SEC. 10\_\_\_\_. QUADRENNIAL DEFENSE REVIEW.**

2 (a) SENSE OF CONGRESS.—It is the sense of Con-  
3 gress that the quadrennial defense review is a critical stra-  
4 tegic document and should be based upon a process uncon-  
5 strained by budgetary influences so that such influences  
6 do not determine or limit its outcome.

7 (b) RELATIONSHIP OF QUADRENNIAL DEFENSE RE-  
8 VIEW TO DEFENSE BUDGET.—Paragraph (4) of section  
9 118(b) of title 10, United States Code, is amended to read  
10 as follows:

11 “(4) to make recommendations that are not  
12 constrained to comply with and are fully inde-  
13 pendent of the budget submitted to Congress by the  
14 President pursuant to section 1105 of title 31, in  
15 order to allow Congress to determine the level of ac-  
16 ceptable risk to execute the missions associated with  
17 the national defense strategy within appropriated  
18 funds.”



**AMENDMENT TO H.R. 1540****OFFERED BY MR. GRIFFIN OF ARKANSAS**

At the appropriate place in title VIII, insert the following new section:

1 **SEC. 8\_\_\_.** **CORRECTIVE ACTION PLAN RELATING TO EXE-**  
2 **CUTION OF FINANCIAL IMPROVEMENT AND**  
3 **AUDIT READINESS PLAN.**

4 (a) **REPORT REQUIRED.**—The Secretary of Defense  
5 shall submit to Congress a report relating to the Financial  
6 Improvement and Audit Readiness plan of the Depart-  
7 ment of Defense submitted in accordance with section 881  
8 of the Ike Skelton National Defense Authorization Act for  
9 Fiscal year 2011 (Public Law 111–383; 121 Stat. 4306;  
10 10 U.S.C. 2222 note).

11 (b) **MATTERS COVERED.**—The report shall include a  
12 corrective action plan for any weaknesses and deficiencies  
13 in the execution of the Financial Improvement and Audit  
14 Readiness. The corrective action plan shall—

15 (1) identify near-term and longer-term meas-  
16 ures for resolution of any such weaknesses and defi-  
17 ciencies;

18 (2) assign responsibilities in the Department of  
19 Defense for actions to implement such measures;

- 1           (3) specify steps for implementation of such
- 2           measures; and
- 3           (4) provide timeframes for implementation of
- 4           such measures.



## Army Contract Bundling

The committee is concerned that Army contracting officers are consolidating contracts, particularly for base support functions, which have traditionally been provided by small businesses. The committee believes that providing business opportunities to small businesses, including those owned by veterans and service-disabled veterans, is critical to our national economy and to the local communities in which Army installations are located. The committee is concerned that consolidation of contracts currently awarded to small and disadvantaged businesses may be a result of a shortfall of Army contracting personnel and may result in negative effects in the long-term. The committee is aware that section 313 of the Small Business Jobs Act of 2010 (Public Law 111-240) states that "the head of a Federal agency may not carry out an acquisition strategy that includes a consolidation of contract requirements of the Federal agency with a total value of more than \$2,000,000, unless the senior procurement executive or Chief Acquisition Officer for the Federal agency, before carrying out the acquisition strategy (A) conducts market research; (B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; (C) makes a written determination that the consolidation of contract requirements is necessary and justified; (D) identifies any negative impact by the acquisition strategy on contracting with small business concerns; and (E) certifies to the head of the Federal agency that steps will be taken to include small business concerns in the acquisition strategy."

Therefore, the committee directs the Secretary of the Army to review Department of the Army contracting actions to ensure compliance with the provisions of the Small Business Jobs Act of 2010, and to brief the congressional defense committees on the findings of the review by December 1, 2011. The review shall include an assessment of the Army's processes to allow opportunities for small businesses to provide goods and services in response to Army requirements, and shall identify challenges facing the Army acquisition workforce, including any shortage of trained personnel to administer contracts.

**AMENDMENT TO H.R. 1540**  
**OFFERED BY MS. CASTOR OF FLORIDA**

At the appropriate place in the bill, insert the following:

1 **SEC. \_\_\_\_\_. SENSE OF CONGRESS REGARDING THE KILLING**  
2 **OF OSAMA BIN LADEN.**

3 (a) **FINDINGS.**—Congress makes the following find-  
4 ings:

5 (1) Osama bin Laden was responsible for order-  
6 ing the attacks of September 11, 2001, that killed  
7 almost 3,000 American citizens.

8 (2) Osama bin Laden and his terrorist organi-  
9 zation, al-Qaeda, have been responsible for carrying  
10 out attacks on innocent men and women around the  
11 world.

12 (3) The United States Special Operations Com-  
13 mand organizes, trains, and equips Special Oper-  
14 ations Forces and is providing those forces to the  
15 United States Central Command under whose oper-  
16 ational control they serve.

17 (4) Special Operations forces were able to com-  
18 plete the mission to kill Osama bin Laden without  
19 United States casualties.

1           (5) The killing of Osama bin Laden represents  
2           a milestone victory in bringing to justice the master-  
3           mind of September 11, 2001.

4           (b) SENSE OF CONGRESS.—It is the sense of Con-  
5           gress that—

6           (1) the Special Operations Forces provide a tre-  
7           mendous service to the Nation; and

8           (2) the killing of Osama bin Laden is a major  
9           victory for international justice and for the United  
10          States in the war against terrorism and radical ex-  
11          tremists.



## Amendment Offered by Rep. Hunter

H.R. 1540—National Defense Authorization Act for Fiscal Year 2012

To be inserted in the appropriate place the report:

### Aircraft Specialty Metal Content

The committee directs the Secretary of Defense, for each military unique aircraft and engine procured by the Department of Defense in fiscal year 2012, assess the extent to which such aircraft or engine includes specialty metal not melted or produced in the United States. The Secretary of Defense should submit a report of the findings of the assessment to the Senate Committee on Armed Services and the House Committee on Armed Services by October 30, 2012. The assessment should include a description by aircraft or engine type of the average amount of specialty metal contained in such aircraft or engine that was not melted or produced in the United States, expressed as a percentage of the total specialty metal content of the aircraft or engine, and an itemized description of the use of specialty metal not melted or produced in the United States for each aircraft or engine type, including specific references to the exceptions provided by section 2533b of title 10, United States Code, per component or subsystem containing specialty metal not melted or produced in the United States.

Revise

**AMENDMENT TO H.R. 1540**

**OFFERED BY MR. COFFMAN OF COLORADO**

At the appropriate place in title XIV, insert the following:

1 **SEC. 14\_\_\_ RARE EARTH MATERIAL INVENTORY PLAN.**

2 (a) **REQUIREMENT.**—Not later than 180 days after  
3 the date of the enactment of this Act, the Administrator  
4 of the Defense Logistics Agency Strategic Materials shall  
5 submit to the Secretary of Defense a plan to establish an  
6 inventory of rare earth materials necessary to ensure the  
7 long-term availability of such rare earth materials, as  
8 identified by the report required by section 843 of the Ike  
9 Skelton National Defense Authorization Act for Fiscal  
10 Year 2011 (Public Law 111-383; 124 Stat. 4282) and  
11 as otherwise determined to be necessary. The plan shall—

12 (1) identify and describe the steps necessary to  
13 create an inventory of rare earth materials, includ-  
14 ing oxides, metals, alloys, and magnets, to support  
15 national defense requirements and ensure reliable  
16 sources of such materials for defense purposes;

17 (2) provide a detailed cost-benefit analysis of  
18 creating such an inventory in accordance with Office  
19 of Management and Budget Circular A-94;

1           (3) provide an analysis of the potential market  
2 effects, including effects on the pricing and commer-  
3 cial availability of such rare earth materials, associ-  
4 ated with creating such an inventory;

5           (4) identify and describe the mechanisms avail-  
6 able to the Administrator to make such an inventory  
7 accessible, including by purchase, to entities requir-  
8 ing such rare earth materials to support national de-  
9 fense requirements, including producers of end items  
10 containing rare earth materials;

11           (5) provide a detailed explanation of the ability  
12 of the Administrator to authorize the sale of excess  
13 materials to support a Rare Earth Material Stock-  
14 pile Inventory Program;

15           (6) analyze any potential requirements to  
16 amend or revise the Defense Logistics Agency Stra-  
17 tegic Materials Annual Material Plan for Fiscal Year  
18 2012 and subsequent years to reflect an inventory of  
19 rare earth materials to support national defense re-  
20 quirements;

21           (7) identify and describe the steps necessary to  
22 develop or maintain a competitive, multi-source sup-  
23 ply-chain to avoid reliance on a single source of sup-  
24 ply;

1           (8) identify and describe supply sources consid-  
2           ered by the Administrator to be reliable, including  
3           an analysis of the capabilities of such sources to  
4           produce such materials in forms required for mili-  
5           tary applications in the next five years, as well as  
6           the security of upstream supply for these sources of  
7           material; and

8           (9) include such other considerations and rec-  
9           ommendations as necessary to support the establish-  
10          ment of such inventory.

11         (b) DETERMINATION.—

12           (1) IN GENERAL.—Not later than 90 days after  
13           the date on which the plan is submitted under sub-  
14           section (a), the Secretary of Defense shall determine  
15           whether to execute the plan described in subsection  
16           (a).

17           (2) SUBMITTAL.—The Secretary shall submit to  
18           the congressional defense committees—

19                   (A) the plan under subsection (a); and

20                   (B) a notice of the determination under  
21           paragraph (1).

22         (c) DEFINITIONS.—In this section:

23           (1) The term “rare earth” means any of the  
24           following chemical elements in any of their physical  
25           forms or chemical combinations and alloys:

- 1 (A) Scandium.
- 2 (B) Yttrium.
- 3 (C) Lanthanum.
- 4 (D) Cerium.
- 5 (E) Praseodymium.
- 6 (F) Neodymium.
- 7 (G) Promethium.
- 8 (H) Samarium.
- 9 (I) Europium.
- 10 (J) Gadolinium.
- 11 (K) Terbium.
- 12 (L) Dysprosium.
- 13 (M) Holmium.
- 14 (N) Erbium.
- 15 (O) Thulium.
- 16 (P) Ytterbium.
- 17 (Q) Lutetium.

18 (2) The term "capability" means the required  
19 facilities, manpower, technological knowhow, and in-  
20 tellectual property necessary for the efficient and ef-  
21 fective production of rare earth materials.



**AMENDMENT TO H.R. 1540**  
**OFFERED BY MR. COFFMAN OF COLORADO**

At the appropriate place in the bill, insert the following new section:

1 **SEC. \_\_\_\_ . COMPTROLLER GENERAL ASSESSMENT OF GOV-**  
2 **ERNMENT COMPETITION IN THE DEPART-**  
3 **MENT OF DEFENSE INDUSTRIAL BASE.**

4 (a) COMPTROLLER GENERAL ASSESSMENT RE-  
5 QUIRED.—The Comptroller General of the United States  
6 shall carry out an assessment of the effect of Government  
7 mandated and supported competition in the Department  
8 of Defense industrial base that includes, at a minimum,  
9 the following:

10 (1) An examination of the aerospace propulsion  
11 business volume that the Department generates and  
12 whether such volume facilitates or supports multiple  
13 levels of competitors.

14 (2) An examination of the factors necessary to  
15 achieve cost effectiveness in initiating and sup-  
16 porting a competitive industrial base.

17 (3) An examination of the actual costs of devel-  
18 oping a second source for previous private sector

1 provided materials versus savings provided through  
2 such competitions.

3 (4) The advantages and disadvantages of other  
4 potential options or methods as well as any short-  
5 falls in the current processes.

6 (5) Recommendations for any administrative or  
7 legislative action that the Comptroller General  
8 deems appropriate in the context of the assessment.

9 (b) REPORT.—Not later than April 1, 2012, the  
10 Comptroller General shall submit to the Chairmen and  
11 ranking members of the Committees on Armed Services  
12 of the Senate and the House of Representatives a report  
13 on the findings and recommendations, as appropriate, of  
14 the Comptroller General with respect to the assessment  
15 conducted. The Comptroller General shall receive com-  
16 ments from the Secretary of Defense and others, as appro-  
17 priate.

