MARK BEGICH
ALASKA

COMMITTEE ON ARMED SERVICES

COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION

COMMITTEE ON VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510

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March 12, 2010

The Honorable Carl Levin
Chairman
Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, DC 20510

The Honorable John McCain
Ranking Member
Senate Committee on Armed Services
228 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Levin and Ranking Member McCain:

As the Committee begins its consideration of the Fiscal Year 2011 National Defense Authorization Act, I request support for the following defense projects, Administration budget requests, and bill language requests.

REQUESTS FOR AUTHORIZATION

Item: LUH Procurement for Hawaii and AK National Guard
Request: +$52.4M to the President's Budget Request
Account: APA
Line: 7
PE: A05001
Suggested Recipient: Hawaii and Alaska Army National Guard
Suggested Location of Performance: Alaska and Hawaii
Purpose/Project Description: The Alaska and Hawaii National Guard have identified the requirement for an additional ten Light Utility Helicopters (LUH). Four of these helicopters are for Alaska and six for Hawaii to conduct missions in their complex states and meet the unique challenge of being geographically separated from the Continental United States. Alaska is subject to a number of logistic and mission support complexities not facing the 48 contiguous states. One third of the population does not have access to the road system and is supported only by water or air. The state is subject to extreme events and conditions which include floods, fires, earthquakes and avalanches, all which in recent history have required aviation support. Emergency responders fly to villages to render aid to citizens and the LUH would be a force multiplier to the aviation posture for Alaska. With over 1538 miles of international border with Canada, 5580 miles of coastline, and Diomede

Island within 3 miles of Russia the LUH would ensure the Alaska Army National Guard has an efficient, responsive platform to patrol the areas if required. These helicopters would support the requirements for reconnaissance, security, air movement, command and control, medical evacuation, counter drug operations, Civil Support Team assistance and disaster response.

Item: Alaska National Guard Counterdrug Program
Request: $3M
Account: OMDW, Transfer Accounts
Line: Drug Interdiction
PE Number: 0105 010
Suggested Recipient: Alaska National Guard
Suggested Location of Performance: Statewide
Purpose/Project Description: This funding will be used to continue efforts of the Alaska National Guard counterdrug support program in providing operational and logistical support to law enforcement through Alaska, in the area of counter narcotics. This will also assist in continuing the far-reaching effort for providing various schools and community-based organizations in urban and rural locations of Alaska with much needed drug awareness and education to assist students in making positive life choices not involving substance abuse.

Item: PermaFrost Tunnel
Request: $2M
Account: RDA
Line: 49
PE: 0603728A
Suggested Recipient: Cold Regions Research and Engineering Laboratory AND US Army Corps of Engineers
Suggested Location of Performance: Fox, Alaska
Purpose/Project Description: US Army Corps of Engineers (USACE) relies on an existing permafrost tunnel, operated by Cold Regions Research and Engineering Facility, for strategic communication and scientific exploration regarding permafrost impacts and infrastructure development in the Arctic supporting northern tier National requirements. The strategic importance of the Arctic to U.S. national defense and homeland security is articulated in national policy directives and the Quadrennial Defense Review. DOD requires an enhanced understanding of engineering implications of permafrost-related geophysical phenomenology for current and future strategic contingency operations. The current tunnel was excavated to test equipment and techniques in permafrost. The Permafrost Tunnel Expansion Project will double

the length of the current tunnel and directly incorporate research needs into the design. It will be an open facility where U.S. and international researchers can come and study permafrost. We expect the research will focus on four critical areas:

- Improving standoff technology and surface geophysical methods for monitoring permafrost
- Understanding how permafrost will respond to warming
- Improving estimates of carbon stocks and release rates
- Developing models of permafrost heterogeneity for engineering

Item: Port of Anchorage Military Infrastructure Upgrades
Request: $10M
Account: OMDW, BA-4, Office of Economic Adjustment
Line: 240
Suggested Recipient: Port of Anchorage
Suggested Location of Performance: Anchorage, AK
Purpose/Project Description: The Port of Anchorage (POA) is a DoD designated "strategic seaport." The Port supports military deployments, redeployments, and cargo handling for five military installations in Alaska: Elmendorf AFB, Ft. Richardson, Ft. Wainwright, Ft. Greely and Eielson AFB. The Port is home base of the U.S. Coast Guard Marine Safety Team. The PoA intermodal Expansion Project will allow for the port to meet the current and future needs of Alaska's military.

Item: Alaska Land Mobile Radio System (ALMR)
Request: $1.28M
Account: OMAF, Budget Activity 1
SAG: 11Z
Suggested Recipient: Joint Task Force Alaska
Suggested Location of Performance: Elmendorf Air Force Base, Alaska
Purpose/Project Description: The Alaska Land Mobile Radio (ALMR) System is a single system Land Mobile radio infrastructure shared between federal, state and local government agencies. DOD Alaska services derive day-to-day Mission Essential JTF Alaska communications for emergency mobile radio communications for first-responders. Home Land Defense and Home Land Security Defense Support to Civil Authority roles such as responsible to weapons of mass destruction and counter-terrorism activities. On a day to day mutual aid emergency response support role it enables the synchronized and coordinative Mobilization of emergency police, fire and ambulance services for MILDEPs and interoperates with Federal, State and local agencies within the local regions. ALMR support presidential directives by complying with the "all hazards preparedness goal" providing the ability to prevent,

respond to, and recover from major events. The DOD currently owns and operates 52 of 105 radio sites as part of a Federal, state and local government cooperative termed Alaksa Land Mobile Radio. Based on the existing cost share approach with the ALMR stakeholders (US Army Alaska, 11th Air Force), State of Alaska, federal agencies non DOD and local government, the equipment owner is solely responsible for their equipment maintenance and a previously agreed to share of the systems management of the network. FY10 funding was provided in the amount of $2.093M for maintenance, leaving a $1.128M shortfall.

Item: Alaska NORAD Region Communication upgrades & Repairs
Request: $.582M
Account: OMAF, Budget Activity 1
SAG: 11Z
Suggested Recipient: 11th Air Force, 611th Air Support Group
Suggested Location of Performance: Elmendorf AFB, Anchorage, Alaska
Purpose/Project Description: Funding will be used to provide mission critical support for communication capability in the Alaska NORAD Region by providing for snow removal, equipment parts and maintenance of systems to meet Department of Defense standards.

Item: Kodiak Launch Complex
Request: $9.5M
Account: RDAF
Line: 40
PE: 060383OF
Suggested Recipient: Alaska Aerospace Corporation
Suggested Location of Performance: Kodiak, Alaska
Purpose/Project Description: The Kodiak Launch Complex (KLC), the nation's first full service spaceport not collocated on a federal reservation. Is owned and operated by the Alaska Aerospace Corporation (AAC). KLC is the second west coast launch regime available to the nation. The Kodiak Launch Complex is a full-service, state-of-the-industry spaceport, with 14 successful launches completed to date for the Air Force, Army, NASA and Missile Defense. KLC is designated as one of the five Space Launch Facilities allowed in the U.S. under the START Treaty. KLC offers cost effective launch on demand services for missile test flights and launch of space assets on Minotaur IV/V class rockets. KLC provides the same polar and sun-synchronous launch orbits as Vandenberg Air Force Base. KLC is the only northern latitude U.S. spaceport where launches into the Molniya and Tundra orbits, (developed by Russia) and can be achieved. Also, KLC is developing capabilities

enabling assured rapid access to space, (within 24 hours) in support of DOD initiatives like Operationally Responsive Space. This funding is requested to keep and maintain KLC facilities and key launch personnel in an operational ready state to support our DOD space protection program as the sustaining funds from the Missile Defense Agency go away and a more broad-based DOD source of sustaining funds becomes available. Space based capabilities and services from Space provide the U.S. a national security strategic advantage and act as a significant force multiplier for all U.S. military forces stationed at home and abroad. At the same time there is increasing evidence Space is becoming a congested and contested domain. Given the emerging nature of Space as a congested and contested domain, and increased U.S. dependencies on Space capabilities and services for U.S. national security, it is imperative that the U.S. ensure these capabilities and services are protected and assured. Furthermore, it is imperative U.S. access to Space is assured and robust without single points of failure. Thus, given the emerging nature of the Space domain and the need for assured and robust access to Space, mission assurance resources should be allocated to secure a combination of federal, state, or commercial launch sites on both the east and west coasts of the U.S. in support of the two different launch regimes needed for U.S. national security.

Item: Future Tactical Truck Composite Shelter
Request: $3M
Account: RDA
Line: 33
PE Number: 0603005A
Suggested Recipient: Alakan Shelter
Suggested Location of Performance: Fairbanks, AK
Purpose/Project Description: The Army has a need for a new high tech family of shelters for the new family of military ground vehicles and to improve and replace existing shelters for the current fleet of vehicles. Defense Appropriations in FY06 provided $2.132M for initial RDT&E and in FY10 $1.6M was added for limited T&E. A Congressional add of $3.0M is needed for the continuation of Phase 3 (RDT&E) to complete testing and prototype development of composite shelters for the current and future fleet of military tactical vehicles. The Army is developing a new generation of high tech tactical vehicles in conjunction with the Future Combat Vehicle Systems. To be on the cutting edge, future combat vehicles and currently fielded light tactical vehicles must take advantage of new emerging technologies in shelter materials. The Army's current generation of vehicle shelters is heavy, poorly insulated, noisy, and provides minimal protection and performance for the warfighter. These heavy, old technology shelters result in less than optimal mission and field

performance, especially in the areas of excessive fuel consumption and life cycle. ALKAN Shelter, LLC, is currently under a TACOM contract to analyze, conduct limited testing and prototype development for a new composite shelter system for current tactical military vehicles. This project will extend ALKAN's proven light weight composite shelter technology to military vehicle shelters. Composite materials have been proven to outperform existing metal shelter materials. Composite materials are lighter, more durable, corrosion proof, offer more thermal efficiency and can provide enhanced protection from fragmentation and NBC threats. The project will result in decreased shelter weights and increased payloads resulting in significantly greater fuel efficiency. Life cycle costs of carbon and hybrid composite vehicle shelter systems will be lower than current DOD approved vehicle shelters.

Item: SpringBoard Technology Transfer
Account: RDDW
Line: 123
PE Number: 060502DBTA
Suggested Recipient: Juneau Economic Development Council
Suggested Location of Performance: Juneau, AK
Purpose/Project Description: SpringBoard helps fulfill DoD's mandate to commercialize public-funded inventions and enhances US global economic competiveness and military preparedness by providing business and technical assistance to help companies meet DOD mission requirements, and by promoting literacy in science, technology, engineering and math (STEM) though proven professional development for teachers, engaging enrichment activities for students, and public advocacy. Collectively, these activities expand business prospects, stimulate economic growth and increase the number of professional and technical positions to support the economy. SpringBoard's technology transfer activities: Facilitate licensing of DOD-developed technologies to companies nationwide. Craft and facilitate joint R&D agreements between DOD labs and entrepreneurs. Assist companies commercializing DOD technologies by providing technologies by providing technical assistance and management consulting, supporting company growth and new job creation. Discover and support commercialization of technologies developed in the private sector that have DOD relevance. SpringBoard's STEM programs: facilitate and expand the internationally renowned FIRST robotics competitions throughout Alaska to enhance classroom achievement in STEM areas. Broaden the diversity of enrichment programs currently offered to students to include exploration of material science, K-12 robotics, biological sciences, sustainable energies, cyrospheric science, and aerospace technologies. Expand the nationally recognized SeaPerch underwater remote-operated vehicle program by including more

hands-on research in marine science. Offer relevant, ongoing, hands-on professional development for teachers with clear connections to classroom curriculum and current best practices. Educate the public about the role and importance of STEM literacy as an economic engine through invited speakers, events, book clubs and other forms of public discourse. Lacking direct access to industry partners, DOD initiated a Partnership Intermediary Agreement (PIA) with SpringBoard – one of only 5 in the nation – in 2006 to help develop markets for DOD technologies with a long-range goal of improving both military and economic competitiveness. DOD expaned SpringBoard mission in 200. The Juneau Economic Development Council seeks continuation of its present level of federal SpringBoard funding to cover anticipated program operating costs for FY2011.

Item: Alaska Industrial Supercritical Water
Request: $5 million
Account: RDAF
Line: 15
PE Number: 0603112F
Suggested Recipient: General Atomics
Suggested Location of Performance: North Pole, AK
Purpose/Project Description: The Alaska iSCWO program will result in the design and construction of Alaska's first RCRA permitted treatment, storage and disposal facility (TSDF) for hazardous liquid waste. The TSDF will treat liquid hazardous waste using an iSWCO system that was developed by GA in partnership with Pacific Environmental Corporation and the Air Force Research Laboratory. The TSDF will enable the State of Alaska to treat hazardous waste within the state rather than shipping their waste to the lower 48 states. The waste treated by the TSDF will be Alaskan waste generated by private industry, government agencies, and the military. The construction of the TSDF and implementation of the iSCWO system in a commercial environment will provide Alaska with an ultra clean waste treatment technology. The military will benefit from commercial operation of the iSWCO facility by gaining valuable data from long term, continuous operation of the equipment leading to reliability, availability and maintainability (RAM) data and eventually development of more advanced systems for deployment overseas on forward bases. Purpose: The construction of the TSDF in North Pole, AK will provide the state with the means to process hazardous waste generated within the State. Currently, waste is shipped to the lower 48 states by large barge or rail car. Shipment of the waste increases the impact to the environment along with the increased risk of accidental spill. Shipping the waste of the State not only send money elsewhere, but it

also increases the cost do doing business for local Alaskan companies which ultimately is passed along to the consumer and taxpayer.

Item: AutoScan Integrated Base Security System (AIBSS)
Request: $7.5M
Account: RDDW
Line: 70
PE Number: 0603161D8Z
Suggested Recipient: Kachemak Research Development, Inc.
Suggested Location of Performance: Homer, AK
Purpose/Project Description: The objective is to provide entry point and perimeter security for both the CONUS and OCONUS operations. With the requested funding, Kachemak Research Development, Inc. (KRD) will enhance AutoScan's capabilities and integrate it with sensors and other peripherals. Among the work we will accomplish is design enhancement for extreme environment operation, LED light source development, image consistency, autonomous cleaning, wireless data transfer, expansion hub development, anomaly detection, and the integration of sensors and other peripherals. Purpose: Will be developed for deployment at military installations, checkpoints and other secure locations. The system will increase the effectiveness and safety of Security Forces and inspection personnel. The funds requested in FY11 will be used for: salaries, direct materials, consulting, contractors, benefits, other personnel costs, and facilities. Obtained $1.5M for project last year.

Item: Expanded Telehealth Access in Rural Alaska for Wounded Warriors
Request: $2.9 million
Account: OMDW, BA-4, Office of Economic Adjustment
Line: 240
Suggested Recipient: Alaska Federal Health Care Partnership (AFHCP)
Suggested Location of Performance: Rural Alaska
Purpose/Project Description: Project provides Home Telehealth Monitoring (HTM) to improve the health readiness of DoD and Coast Guard active duty personnel while also benefiting retirees, dependents, veterans and American Indian/Alaska Native Federal Health Care beneficiary. Given the barriers to receiving timely care in Alaska, AFHCP works to coordinate the sharing of capabilities and capacities to ensure the best care for our returning military members across the federal health care organizations. With continued funding, HTM offers the potential to serve our wounded warriors and returning military members, in offering at home monitoring to support closer monitoring of vital signs. AFHCP's Executives receive regular

Warriors in Transition briefings on assessments, follow-on care, coordination of benefits, and follow-up for returning military members and their families.

Item: Acoustic Search Glider
Request: $2M
Account: RDN
Line: 13
PE Number: 0602747N
Suggested Recipient: ANT, LLC
Suggested Location of Performance: Anchorage, AK
Purpose/Project Description: ANT, LLC will modify an unmanned underwater glider to prove an air-deployable search capability to detect and locate the black boxes from aircraft that have crashed over water. Recorders are equipped with an underwater locator beacon to assist in locating in the event of an over water accident and can transmit from depths down to 14,000 ft. The recorders are orange in color and are built to withstand the harshest conditions, with an impact tolerance of up to 3400Gs, water pressure resistance to 20,000ft., fire resistance of 1,100 degree Celsius and battery shelf life of 6 years or more. At the conclusion of this project, ANT's unmanned underwater gliders will demonstrate the ability to search for over 30 days on search patterns controlled over satellite from anywhere in the world. A fleet of ten unmanned underwater gliders can search for 48,000 square miles of sea floor in 30 days. All of the gliders can be deployed from a single military transport aircraft to virtually any location on the earth's oceans within 24 hours. The overall cost of the system over a ten-year service life is one-tenth the cost of the current ship-based approach with 25 times the coverage.

Item: Upgrade Readiness Training Center Main Area
Request: $1.7M
Account: OMAF, Budget Activity 1
SAG: 11R
Suggested Recipient: Eielson Air Force Base
Suggested Location of Performance: Eielson AFB, Fairbanks, Alaska
Purpose/Project Description: The scope of renovation is the updating and potential reconfiguration of selected interior spaces, no exterior work is anticipated. The main locker room, distinguished visitor center, locker rooms, public restrooms and ancillary spaces are to be completely remodeling in a "face lift plus" framework. The goals is to brighten these spaces, integrate the finishes and fixtures with the physical fitness addition, correct deficiencies, and potentially reconfigure spatial relationships as is feasible. Selected public corridors, stairways, and lobby spaces are to receive finish

updates and incorporate clear way fining markings and signage for improved building circulation. The area repairs are needed to patch interior finishes and doors to match the recent addition. The Readiness Training Center is the cornerstone facility of Eielson AFB airmen's health and fitness, ensuring they can live an active life through Alaska 7 month winter.

Item: Entrance Road Resurfacing (Gaffney Road)
Request: $1.65M
Account: OMA, Budget Activity 1
SAG: 132
Suggested Recipient: Fort Wainwright
Suggested Location of Performance: Fort Wainwright, Fairbanks, Alaska
Purpose/Project Description: This project provides mill and overlay asphalt concrete pavement of Gaffney Road from the Main (West) Entry gate to Freeman Road. Total project length is 2.9 miles to a width of 59 feet; consisting of 4 lanes of traffic and paved shoulders. Work includes temporary traffic control, paving fabric reinforcement, and permanent pavement stripping. Gaffney Road is the primary arterial through fort Wainwright. It has pavement condition that is failing and has gone well beyond its service life. Surface pavement failure is evidenced primarily by transverse and longitudinal cracking. If not address in the near future, then failure will continue to accelerate and portions of the road will require closure and major reconstruction that exceeds the base operation maintenance contract.

Item: Camp Denali Sim Center Building
Request: $1.321M
Account: OMARNG, Budget Activity 1
SAG: 132
Suggested Recipient: Alaska Army National Guard
Suggested Location of Performance: Camp Denali, Fort Richardson, Alaska
Purpose/Project Description: This funding will construct a facility to co-locate necessary training equipment (engagement skills trainer, fire trainer, humvee egress trainer and virtual combat convoy trainer). The free-standing facility will also include a de-brief classroom. This will allow the Alaska Army National Guard (AKARNG) the ability to use these trainers year round without worry of weather or space availability. Project Number 021009.

Item: Alcantra Storage Building
Request: $.471M
Account: OMARNG, Budget Activity 1
SAG: 132
Suggested Recipient: Alaska Army National Guard
Suggested Location of Performance: Alcantra Armory Complex, Wasilla, Alaska
Purpose/Project Description: This funding will be used to construct a single story, heated equipment storage building allowing for the storage of unit and personnel equipment at the Readiness Center. The current facility lack sufficient storage space for unit and personnel equipment. Project Number 021011.

Item: Multipurpose Training Facility
Request: $1.359M
Account: OMARNG, Budget Activity 1
SAG: 132
Suggested Recipient: Alaska Army National Guard
Suggested Location of Performance: Camp Carroll, Fort Richardson, Alaska
Purpose/Project Description: This funding will be used to construct a permanent single story multi-purpose training facility on Camp Carroll to meet Arctic building codes and standards. The Alaska Army National Guard (AKARNG) currently has a shortage of training facilities at Camp Carroll and Camp Denali for the training of troops for deployment and readiness training. The proposed facility will allow for additional capacity to train troops in AK to reduce budget and time constrains of sending units to other states to train. Project Number 021010.

Item: Transient FW Aircraft Parking Apron
Request: $2.637M
Account: OMARNG, Budget Activity 1
SAG: 132
Suggested Recipient: Alaska Army National Guard
Suggested Location of Performance: NG Bryant Airfield, Anchorage, Alaska
Purpose/Project Description: This funding will be used to construct a new horizontal fixed wing aircraft parking apron and associated taxiway. Alaska is an aviation centric state; multiple aircraft need to be able to safely utilize the airfield. Currently, no transient parking is available.

Item: Environmental Restoration – Formerly Used Defense Sites (FUDS)
Request: +$100M to the President's Budget Request of $276,546,000
Account: OMDW, Transfer Accounts, Environmental Restoration
Line: 060
PE Number:
Suggested Recipient: National Association of Ordinance and Explosive Waste Contractors
Suggested Location of Performance: Nationwide
Purpose/Project Description: DoD has the ultimate legal liability for removal of unexploded ordnance. The addition of funding for UXO remediation will allow DoD to fulfill its legal responsibilities and reduce the continuing injury and danger to innocent citizens, the restrictions on use of formerly used defense property and the financial and legal burden from UXO contamination. Alaska has over 200 Formerly Used Defense Sites.

REQUEST FOR AUTHORIZATION OF ITEMS IN PRESIDENT'S BUDGET

Item: Ground-Based Midcourse Defense Element of Ballistic Missile Defense
Request: $1,346,181,000 Support President's Budget
Account: RDDW
Line: 76
PE: 0603882C
Suggested Recipient: Missile Defense Agency
Suggested Location of Performance: N/A
Purpose/Project Description: Provide protection for the homeland from ballistic missiles. The requested funding allows Ground based interceptors to be procured and emplaced in Alaska and the system to continue design, development and testing to insure continued use against an ever growing ICBM threat to the homeland.

Item: BMDS Sensors
Request: $454,859,000 Support President's Budget
Account: RDDW
Line: 79
PE: 0603884C
Suggested Recipient: Missile Defense Agency
Suggested Location of Performance: N/A
Purpose/Project Description: The FY 2011 program is balanced reflecting the four focus areas of the current Missile Defense Program: to develop, rigorously test, and

field an integrated BMDS architecture to counter existing regional threats, continue a viable Homeland Defense against rogue threats beyond 2030, demonstrate our proven technologies to show Missile Defense works, and develop technologies to hedge against future missile threat growth. This funding will support upgrades to the Early Warning Radar at clear Air Force Base and Cobra Dane Radar in Shemya, Alaska.

REQUESTS FOR BILL LANGUAGE

- INTERAGENCY TASK FORCE TO IMPROVE ACCESS TO HEALTH CARE IN THE STATE OF ALASKA (see attached)

- LAND CONVEYANCE OF DEFENSE FUEL SUPPORT POINT (DFSP) WHITTIER, ALASKA

(a) CONVEYANCE AUTHORIZED - The Secretary of the Army may convey, without consideration, to the City of Whittier, Alaska (in this section referred to as the 'City'), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, described in subsection (b) that the Secretary considers appropriate in the public interest.
(b) COVERED PROPERTY - The property to be conveyed is the Defense Fuel Support Point (DFSP) Whittier, Alaska. It is a remote fuel terminal consisting of approximately 31 acres with 13 above ground storage tanks and several under ground storage tanks located on the Passage Canal, a small inlet off Prince William Sound. It has not been used for storage of fuel since 1996. Cleanup efforts of DFSP Whittier are underway. The exact acreage and legal description of the parcel of real property to be conveyed under this section shall be determined by a survey satisfactory to the Secretary.
(c) REIMBURSEMENT OF TRANSACTION COSTS - (1) The City shall reimburse the Secretary for any costs (except for costs to demolish non-reusable facilities and clean-up and remediation of the site) incurred by the Secretary in carrying out the conveyance authorized by subsection (a).
(2) TREATMENT OF AMOUNTS RECEIVED. Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and

subject to the same conditions and limitations, as amounts in such fund or account.

(d) ADDITIONAL TERMS AND CONDITIONS - The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

- CONTINUATION OF SECTION 8016

SEC. 8016. (a) None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees unless—
(1) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed by such activity or function; (2) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the Department of Defense by an amount that equals or exceeds the lesser of— (A) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or (B) $10,000,000; and (3) the contractor does not receive an advantage for a proposal that would reduce costs for the Department of Defense by— (A) not making an employer-sponsored health insurance plan available to the workers who are to be employed in the performance of that activity or function under the contract; or (B) offering to such workers an employer sponsored health benefits plan that requires the employer to contribute less towards the premium or subscription share than the amount that is paid by the Department of Defense for health benefits for civilian employees under chapter 89 of title 5, United States Code. (b)(1) The Department of Defense, without regard to subsection (a) of this section or subsection (a), (b), or (c) of section 2461 of title 10, United States Code, and notwithstanding any administrative regulation, requirement, or policy to the contrary shall have full authority to enter into a contract for the performance of any commercial or industrial type function of the Department of Defense that— (A) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47); (B) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with

that Act; or (C) is planned to be converted to performance by a qualified firm under at least 51 percent
(2) ownership by an Indian tribe, as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)), or a Native Hawaiian Organization, as defined in section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)). (2) This section shall not apply to depot contracts or contracts for

depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code. (c) The conversion of any activity or function of the Department of Defense under the authority provided by this section shall be credited toward any competitive or outsourcing goal, target, or measurement that may be established by statute, regulation, or policy and is deemed to be awarded under the authority of, and in compliance with, subsection (h) of section 2304 of title 10, United States Code, for the competition or outsourcing of commercial activities.

- PORT OF ANCHORAGE AUTHORIZATION OF FUNDS

  Title 3, Section XX: The Office of Economic Adjustment is authorized to expend funds as required for Port of Anchorage improvements in support of military requirements.

- ALASKA RAILROAD GRANT REPROGRAMMING

  Funds available for the Office of Economic Adjustment Fort Wainwright Track Realignment/Eielson Air Force Base in the Joint Explanatory Statement to Accompany the Department of Defense Appropriations Act, 2007 (division A of Public Law 109-289) that remain available for expenditure as of the date of enactment of this Act shall instead be available for "Joint Tanana Access" as provided by the Department of Defense Appropriations Act of 2009 (division C of Public Law 110-329).

- TREATMENT FOR CERTAIN EMPLOYEES PAID SAVED OR RETAINED RATES.

  (a) IN GENERAL.—Section 1918(a)(3) of the Non- Foreign Area Retirement Equity Assurance Act of 2009 (5 U.S.C. 5304 note) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2010''. (b) INTERIM PAY ADJUSTMENTS.—

(1) IN GENERAL.—Until the Director of the Office of Personnel Management prescribes regulations in accordance with the amendment made by subsection (a), for employees receiving a cost-of-living allowance under section 5941 of title 5, United States Code, and a retained rate under section 5363 of that title (or a retained rate equivalent to a retained rate under section 5363 of that title in another pay system), agencies shall calculate the adjustment under section 5363(b)(2)(B) of that title separately from the applicable locality rate, to result in such employees receiving the full applicable locality rate. (2) GUIDANCE.—Not later than 30 days after the date of enactment of this Act, the Director of the Office of Personnel Management shall issue guidance for carrying out paragraph (1).

Thank you for your consideration. Please do not hesitate to contact Lindsay Kavanaugh or Cory Turner of my staff at (202) 224-3004 if you need additional information.

Sincerely,

Mark Begich
United States Senator