

FY 2015 National Defense Authorization Act (NDAA) Set to Pass

Posted At : December 4, 2014 10:10 AM | Posted By : John Slye

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The National Defense Authorization Act (NDAA) for Fiscal Year 2015 has crossed a major hurdle to passage before the end of the calendar year as a House-Senate compromise bill has emerged. The final bill has implications for information technology acquisition and management at the Pentagon and beyond.

The **legislation** is a combination of two bills that each passed last May: HR 4435, which passed the full House, and S 2410, which passed in the Senate Armed Services Committee. As is typical, this year's NDAA goes well beyond funding of national defense operations to include organizational and acquisition reform efforts and information technology priorities. Below is an overview of the high points of the bill.

Overview

- Authorizes **\$521.3 billion in base discretionary** defense spending and an **additional \$63.7 billion for Overseas Contingency Operations (OCO)**, reflecting the President's initial request of \$58.6 billion and the additional request of \$5.1 billion to primarily cover counter-ISIL operations. The FY '15 NDAA is \$48.0 billion less than the enacted FY '14 NDAA.
- Does not reflect a proposed **BRAC** round as requested by the Administration, citing concerns that previous rounds did not yield the promised savings but rather imposed large up-front costs only to shift property between federal agencies. The current flux of military size and structure is also cited as a reason to postpone a BRAC round.
- Selectively supports some White House proposals – like limited **compensation** increases for military personnel, including a for a pay freeze for General and Flag Officers – while adjusting others – like replacing a 5% reduction in basic allowance for housing (BAH) with a 1% decrease. This NDAA also **blocks retirement of the A-10 aircraft**, but provides for some reprogramming of those funds to higher priorities if needed.

Reform Efforts

- Restores the **Office of Net Assessment (ONA)** to an independent status, reporting directly to the Secretary of Defense, and increases the ONA budget for FY '15 by \$10 million to \$18.9 million
- Directs the SECDEF to report on the feasibility of reducing or consolidating **combatant command** functions by FY20 and a plan to implement a periodic review and analysis of management headquarters. This NDAA would also task GAO with assessing the DoD's headquarter reduction efforts as part of GAO's previous work assessing HQ growth.
- Directs the Under Secretary for Acquisition, Technology, and Logistics, (USD (AT&L)) and senior acquisition executives for the Navy and the Air Force to issue DoD-wide policies implementing a standard **checklist** to be completed before issuing a solicitation for any new **contract for services** or exercising an option under an existing services contract. The FY '08 NDAA established an annual **services contracts inventory** requirement that DoD has yet to fully implement.
- As a **cost-control** mechanism, the bill requires the Comptroller General to conduct a review of cases in which an acquisition program office believes that the Director of Operational Test and Evaluation has required **testing** above the required test plan.
- Directs the SECDEF to provide the congressional defense committees with frequent reports on DoD's damage assessment resulting from **unauthorized disclosures of classified information** and steps the Department is taking to mitigate the damage.
- Provides for an **overhaul of the Quadrennial Defense Review (QDR)** process to produce a new Defense Strategy Review that is more long-term and strategic in nature and a more useful oversight tool.

Information Technology and Cyber Operations

- Directs the President to maintain a list of nation-states or individuals that engage in economic or industrial **espionage using cyber tools**, and allows for the President to impose sanctions on such individuals or nation-states
- Directs the SECDEF to designate an executive agency for **cyber test ranges** and another for **cyber training ranges** to better coordinate and resource each
- Requires the development of a Major Force Program for cyber to better account for the **budgeting and resourcing of cyber operations** capabilities
- Requires mandatory reporting on **penetrations of operationally critical contractor networks**
- Requires the development and implementation of **operational metrics** for the performance of the Joint Information Environment (**JIE**)
- Implements the Federal Information Technology Reform Act (**FITARA**) that has stalled and been removed from last year's NDAA, **according to Nextgov**. FITARA will give additional budgetary and management authorities to agency CIOs, although no so much in the DoD. Nextgov also notes that the NDAA also supports federal data center consolidation efforts, the DoD's move to cloud computing, and a plan to expand the use special IT acquisition experts.

While the final bill still needs to pass both the full House and Senate and be signed by the president, the FITARA provisions should not be a major reason for a presidential veto, according to a **Federal News Radio interview** with some members of Congress.

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