

Legislative/Regulatory Issues as of March 30, 2011



2011 Budget Issues

- **2011 DoD Budget (\$B)**

- Currently operating under a Continuing Resolution (CR) until April 8, 2011
- Proposals for full year funding/CR for entire federal government:
 - House: Cut \$61 from discretionary accounts
 - Senate: Cut \$10 from discretionary accounts
 - \$6.1 already cut in previous CRs
 - House Bill contains problematic “riders” such as defunding health care provisions and EPA restriction

- **Best guess/probable/hoped for outcome by April 8th:**

- Stand-alone full year DoD funding bill;
- Full DoD funding bill within a remaining federal government CR

4/4/2011

2012 Budget Issues

- **2012 DoD Budget (\$B)**

- \$113.1 for Procurement -- \$75.3 for RDT&E – \$117.8 for OCO
 - Army: \$144.9 (Procurement/RDT&E \$31.8 - O&M \$45.2)
 - 71 UH-60M, 47 CH-47F (32 New, 15 Remanufactured) 100 Stryker
 - Navy: \$161.4 (Procurement/RDT&E \$63.8 – O&M \$47.9)
 - 11 Ships, advance funding for one carrier and two subs
 - 6 F-35B, 28 F/A-18E/F, 12 EA-18G, 6 E-2D, 11 P-8A, 26 AH-1Z, 36 T-6A
 - Air Force: \$119.0 (Procurement/RDT&E \$41.5 – O&M \$45.3)
 - 19 F-35A, 9 C-27J, 5 CV-22B, 48 MQ-9A (Reaper) 3 RQ-4B (Global Hawk)
 - 3250 JDAM, 416 AGM-114, 240 AIM-9X, 218 AIM-120D, 142 AGM-158

- **DoD Efficiency Initiatives Re-invested in 2012 Budget and Beyond**

- FY-2012: \$24.1 FY-2012-FY 2016: \$178.4
- (Service Contributions)

4/4/2011

2011 Legislative & Regulatory Issues

1. Repeal 3% Withholding Tax

Current implementation date: January 1, 2012. Agencies must begin planning for implementation this year unless repeal/deferment is enacted early this year. NDIA is one of a 116 member coalition

Repeal Legislation Proposed:

House Bill, HR 674 (Herger bill) has 30 cosponsors

Senate bill, S. 89 (Vitter bill) has six cosponsors

Senate bill, S. 164 (Brown bill) has three cosponsors

Amendment to SBIR bill (Snowe, Brown, Vitter)

2. Permanent reauthorization of SBIR

Current program expires 31 May 2011. GAO is reviewing SBIR program...NDIA submitted 12 pages to GAO affirming value of SBIR and suggesting improvements.

Senate passed 8 year reauthorization – waiting House action

NDIA supports VC compromise

2011 Legislative & Regulatory Issues (continued)

3. Review/monitor/contribute to **DoD Efficiency Initiative**. Review any subsequent legislative changes/revisions to acquisition and procurement reforms/policies.

NDIA submitted over 89 suggestions/recommendations to DoD

4. Promote legislation to establish a cohesive **government-wide cyber acquisition strategy**
5. Support legislation to promote **energy security** for the Federal Government
6. Promote legislation to establish a **national manufacturing strategy**
7. Promote legislation for **parity** among all Small Business categories
8. Review/Monitor Administration/House/Senate **Export Control reforms**

2011 Legislative & Regulatory Issues (continued)

Federal Acquisition Circular* (FAC) 2005-50, covers the following rules:

- Proper Use and Management of **Cost-Reimbursement contracts** (*interim*)
- Requirements for Acquisitions Pursuant to **Multiple-Award Contracts** (*interim*)
- Justification and Approve of **Sole-Source 8(a) Contracts** (*interim*)
- Additional Requirements for **Market Research** (*final*)
- Socioeconomic Program **Parity** (*interim*)
- Use of **Commercial Services** Item Authority (*final*)
- **Trade Agreements** Thresholds (*final*)
- Disclosure and Consistency of **Cost Accounting Practices** for Contracts Awarded to Foreign Concerns (*final*)
- Compensation for **Personal Services** (*final*)
- Technical Amendments

*Federal Register: March 16, 2011 (Volume 76, Number 51)

Future Capability of DoD Maintenance Depots

- The Industry Logistics Coalition (including NDIA) reviewed the LMI report mandated by Section 322 of Public Law 110-417 and make the following **initial observations**:
 - The report inadequately addresses or ignores several major requirements of Section 322:
 - Private-sector depot capability and capacity (c)(2)(G)
 - Public-Private partnerships (c)(2)(F)
 - Budget and fiscal planning policies (c)(1)(G) (Affordability)
 - Performance-based logistics (c)(2)(A)
 - Supply chain management (c)(2)(B)
 - Condition-based logistics (c)(2)(C)
 - The ILC is committed to working with Congress, DoD, and all stakeholders to sustain public and private depot capabilities.

4/4/2011

Questions/Comments?
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