SEC. 1210. TEMPORARY ACQUISITION AUTHORITY WITH RESPECT TO NORTHERN DISTRIBUTION NETWORK FOR SHIPMENT OF SUPPLIES TO AFGHANISTAN.

(a) EXTENSION OF AUTHORITY TO PURCHASES TO BE USED BY UNITED STATES FORCES.—Subsection (b)(1)(C) of section 801 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399) is amended by inserting "or the United States" after "Afghanistan".

(b) TECHNICAL AMENDMENT.—Subsection (f) of such section is amended by striking "on or after" and all that follows through "Act" and inserting "after October 27, 2012".

Section-by-Section Analysis

This proposal would provide temporary acquisition authority for purchases to be used by United States forces (in addition to the existing authority for Afghan forces) under section 801 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399). This change is necessitated by recent developments in the establishment and use of the Northern Distribution Network.

To support efforts in Iraq and Afghanistan, the United States and its allies depend on the free flow of regular, reliable, large-scale shipments of goods and supplies through Iraq and Afghanistan's regional neighbors. This is particularly true in Afghanistan, a land-locked country where United States presence likely will remain high, as will the number of persons providing civilian and humanitarian assistance.

Most supplies currently enter Afghanistan from the south through Pakistan. Helping to stabilize other nearby areas, as well as streamlining procurements requirements, will provide logistical flexibility while providing economic opportunity and stability for the region. Furthermore, local purchases will decrease transportation costs and risks.

Increased instability in Pakistan highlights the need for the United States to have additional tools to stabilize supply lines. United States Transportation Command (USTRANSCOM) and United States Central Command (USCENTCOM) are implementing the use of the Northern Distribution Network, which consists of air, sea, and land transportation and multiple routes. This additional tool complements this endeavor.

Budget Implications: This proposal has marginal budget implications as it addresses procurement processes and sources of supply and not amounts appropriated for procurement of

items or services. This proposal only provides flexibility in execution and will not increase the overall budget requirements of the Department of Defense.

	RESOURCE REQUIREMENTS ($MILLIONS)							
	FY 2012	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
DLA Increase	0	-	-	-	-	-	-	-
Baseline	$200M*	-	-	-	-	Working Capital Fund	Various	Various
Total	$200M*	-	-	-	-	Working Capital Fund	Various	Various

*This amount represents monies expended during FY 2010 under the powers granted by the current authority. The monies expended come from funds provided in separate appropriations to DOD elements for the purchase of troop supply materials. No increase in these expenditures is contemplated in either FY 2011 or FY 2012.

Changes to Existing Law: This proposal would make the following changes to section 801 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84; 123 Stat. 2399):

SEC. 801. TEMPORARY AUTHORITY TO ACQUIRE PRODUCTS AND SERVICES PRODUCED IN COUNTRIES ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN; REPORT.

(a) IN GENERAL.—In the case of a product or service to be acquired in support of military or stability operations in Afghanistan for which the Secretary of Defense makes a determination described in subsection (b), the Secretary may conduct a procurement in which—

(1) competition is limited to products or services that are from one or more countries along a major route of supply to Afghanistan; or

(2) a preference is provided for products or services that are from one or more countries along a major route of supply to Afghanistan.

(b) DETERMINATION.—A determination described in this subsection is a determination by the Secretary that—

(1) the product or service concerned is to be used—

(A) in the country that is the source of the product or service;

(B) in the course of efforts by the United States and the NATO International Security Assistance Force to ship goods to Afghanistan in support of military or stability operations in Afghanistan; or

(C) by the military forces, police, or other security personnel of Afghanistan **<u>or the United States</u>**;

(2) it is in the national security interest of the United States to limit competition or provide a preference as described in subsection (a) because such limitation or preference is necessary—

(A) to reduce overall United States transportation costs and risks in shipping goods in support of military or stability operations in Afghanistan;

(B) to encourage countries along a major route of supply to Afghanistan to cooperate in expanding supply routes through their territory in support of military or stability operations in Afghanistan; or

(C) to help develop more robust and enduring routes of supply to Afghanistan; and

(3) limiting competition or providing a preference as described in subsection (a) will not adversely affect—

(A) military or stability operations in Afghanistan; or

(B) the United States industrial base.

(c) PRODUCTS AND SERVICES FROM A COUNTRY ALONG A MAJOR ROUTE OF SUPPLY TO AFGHANISTAN.—For the purposes of this section:

(1) A product is from a country along a major route of supply to Afghanistan if it is mined, produced, or manufactured in a covered country.

(2) A service is from a country along a major route of supply to Afghanistan if it is performed in a covered country by citizens or permanent resident aliens of a covered country.

(d) COVERED COUNTRY DEFINED.—In this section, the term ‘‘covered country’’ means Georgia, Kyrgyzstan, Pakistan, Armenia, Azerbaijan, Kazakhstan, Tajikistan, Uzbekistan, or Turkmenistan.

(e) CONSTRUCTION WITH OTHER AUTHORITY.—The authority provided in subsection (a) is in addition to the authority set forth in section 886 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110–181; 122 Stat. 266; 10 U.S.C. 2302 note).

(f) TERMINATION OF AUTHORITY.—The Secretary of Defense may not exercise the authority provided in subsection (a) ~~on or after the date occurring three years after the date of the enactment of this Act~~ **after October 27, 2012**.

(g) REPORT ON AUTHORITY.—Not later than April 1, 2010, the Secretary of Defense shall submit to the congressional defense committees a report on the use of the authority provided in subsection (a). The report shall address, at a minimum, the following:

(1) The number of determinations made by the Secretary pursuant to subsection (b).

(2) A description of the products and services acquired using the authority.

(3) The extent to which the use of the authority has met the objectives of subparagraph (A), (B), or (C) of subsection (b)(2).

(4) A list of the countries providing products or services as a result of a determination made pursuant to subsection (b).

(5) Any recommended modifications to the authority.