

Section 1063—Policy Regarding Appropriate Use of Department of Defense Resources

This section would amend title 10, United States Code, by adding a new section 113b to ensure that all resources of the Department of Defense are used only for activities that:

- (1) Fulfill a legitimate government purpose;
- (2) Comply with all applicable laws, regulations and policies of the Department; and
- (3) Contribute to the mission of the Department.

This section would also separately establish a prohibition on the use of any Department of Defense funds for activity that does not comply with the policy established in section 113b, as added by this section, and would prohibit the payment of salary to any employee who engages in an intentional violation of such policy.

Section 1064—Executive Agent for Preventing Counterfeit Microelectronics Into the Defense Supply Chain

This section would require the Secretary of Defense designate a senior official of the Department of Defense to serve as an executive agent for preventing the introduction of counterfeit microelectronics into the defense supply chain. This section would also require the Secretary of Defense to provide the congressional defense committees with a description of the roles, responsibilities and authorities for the executive agent, as well as a strategy and implementation plan to identify, mitigate, prevent and eliminate counterfeit microelectronics within the defense supply chain.

TITLE XI—CIVILIAN PERSONNEL MATTERS

ITEMS OF SPECIAL INTEREST

Civilian Personnel Authorizations

The committee notes that chapter 129 of title 10, United States Code, requires each Department of Defense component to manage its civilian workforce based on workload and available funding, and not on end strength, full time equivalents, or any other numerical limits unless otherwise established by law. Each Department of Defense component currently is required to provide to the congressional defense committees an annual certification in February that its civilian workforce is managed in this manner.

The committee is aware that it is the Department's policy to lock the personnel authorization levels until the next budget cycle, notwithstanding changes in workload that may occur. This has led the Department to meet the workload changes either with "overhires" or through hiring contractors. However, the committee is concerned that this emphasis on authorizations is being enforced at the expense of workload-based analysis and presents challenges for the Department to efficiently manage and grow its workforce at a time when it is attempting to reduce its reliance on contractors and to right size its workforce.

The committee encourages the Secretary of Defense, as supported by the Under Secretary of Defense (Comptroller) and the Under Secretary of Defense for Personnel and Readiness, to re-examine

this policy and to submit any recommended statutory revisions at the time of the President's budget submission for fiscal year 2012.

Conversion of Department of Defense Civilian Positions to General Schedule

Section 1113 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) repealed the Department of Defense (DOD) National Security Personnel System (NSPS). All DOD civilian employees covered by NSPS are to be converted back to the General Schedule (GS) system by January 1, 2012. The committee is aware that the Department has stood up a transition office and is aggressively moving forward with the conversion. While the committee applauds this action, it is concerned that many potential issues arising from a rapid conversion may not be addressed, such as personnel being placed in a retained pay status. The committee recognizes that this may be inevitable. However, the committee expects the Department's transition office to move expeditiously in reviewing all classifications and adjust the descriptions where appropriate to address those circumstances. The committee directs the Under Secretary of Defense for Personnel and Readiness to brief the Senate Committee on Armed Services, the House Committee on Armed Services, the Senate Committee on Homeland Security and Government Affairs, and the House Committee on Oversight and Government Reform by November 15, 2010, on the Department's plans for a nation-wide adjustment to be paid out in January 2011, along with any other salary increases, including for individuals in a pay retention status.

The committee further notes that the Department was provided with performance management and hiring flexibilities which would apply across the DOD civilian workforce within the context of the GS system and consistent with collective bargaining principles. The committee believes that many of the problems encountered under the GS system that were related to position classifications, hiring or performance appraisals, and rewarding performance are regulatory barriers that have been imposed either by the Office of Personnel Management or internally by the Department. The committee commends the work to date of the transition office in beginning to tackle these issues. The committee expects the Department to exercise fully the authorities provided under section 1113 of Public Law 111-84 and to continue to work with its civilian workforce, the federal employee labor unions, and Congress to establish a fair and transparent personnel system within the GS system. By utilizing these authorities, the committee believes that the Department's initiatives could serve as a model for personnel reform, under GS, for the entire federal workforce.

Deployed Civilians

The committee continues to address issues related to the benefits provided to federal civilian employees who are assigned, on a voluntary basis, to work in a combat zone. In this title, provisions are included to address post-combat care coordinators to assist civilians who have been injured while serving in a combat zone as well as the extension of premium pay. However, the committee had been anticipating that the Office of Personnel Management, in coordina-