

**CARL LEVIN AND HOWARD P. ‘BUCK’ MCKEON NATIONAL DEFENSE  
AUTHORIZATION ACT FOR FISCAL YEAR 2015**

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

**TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT  
SUBTITLE A—DEPARTMENT OF DEFENSE MANAGEMENT**

*Periodic review of Department of Defense management headquarters (sec. 905)*

*The House bill contained a provision (sec. 909) that would require the Secretary of Defense to develop a plan and submit a report to the congressional defense committees within 120 days after the date of the enactment of this Act to implement a periodic review and analysis of the Department of Defense personnel requirements for management headquarters and submit the required plan to the congressional defense committee.*

*The Senate committee-reported bill contained no similar provision.*

*The agreement includes the House provision with a clarifying amendment.*

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**SEC. 905. PERIODIC REVIEW OF DEPARTMENT OF DEFENSE MANAGEMENT  
HEADQUARTERS.**

- (a) **PLAN REQUIRED.**—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall develop a plan for implementing a periodic review and analysis of the Department of Defense personnel requirements for management headquarters.
- (b) **ELEMENTS OF PLAN.**—The plan required by subsection (a) shall include the following for each covered organization:
- (1) A description of how current management headquarters are sized and structured to execute Department of Defense assigned mission requirements, including a list of the reference documents and instructions that explain the mission requirements of the management headquarters and how the management headquarters are sized and structured.
  - (2) A description of the critical capabilities and skillsets required by management headquarters to execute Department of Defense strategic guidance in order to fulfill mission objectives.
  - (3) An identification and analysis of the factors that directly or indirectly influence or contribute to the expense of Department of Defense management headquarters.
  - (4) An assessment of the effectiveness of current systems in use to track how military, civilian, and contract personnel are identified, managed, and tracked at the management headquarters.
  - (5) A description of the proposed timeline, required resources necessary, and Department of Defense documents, instructions, and regulations that need to be updated in order

- to implement a permanent periodic review and analysis of Department of Defense personnel requirements for management headquarters.
- (c) COVERED ORGANIZATION DEFINED.—In this section, the term “covered organization” includes each of the following:
- (1) The Office of the Secretary of Defense
  - (2) The Joint Staff.
  - (3) The Defense Agencies.
  - (4) The Department of Defense field activities.
  - (5) The headquarters of the combatant commands.
  - (6) Headquarters, Department of the Army, including the Secretary of the Army, the Office of the Chief of Staff of the Army, and the Army Staff.
  - (7) The major command headquarters of the Army.
  - (8) The Office of the Secretary of the Navy, the Office of the Chief of Naval Operations, and the Headquarters, United States Marine Corps.
  - (9) The major command headquarters of the Navy and the Marine Corps.
  - (10) Headquarters, Department of the Air Force, including the Office of the Secretary of the Air Force, the Office of the Air Force Chief of Staff, and the Air Staff.
  - (11) The major command headquarters of the Air Force.
  - (12) The National Guard Bureau.
- (d) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees the plan required by subsection (a).
- (e) AMENDMENTS.—Section 904(d)(2) of the National Defense Authorization Act for Fiscal Year 2014 (Public Law 113–66; 127 Stat. 816; 10 U.S.C. 111 note) is amended—
- (1) by striking “2016” and inserting “2017”;
  - (2) in subparagraph (B), by inserting “, consolidations,” after “through changes”;
  - (3) in subparagraph (C)—
    - (A) by inserting “, consolidations,” after “through changes”; and
    - (B) by inserting “, or other associated cost drivers, including a discussion of how the changes, consolidations, or reductions were prioritized,” after “programs and offices”;
  - (4) in subparagraph (E), by inserting “, including the risks of, and capabilities gained or lost by implementing, such modifications” before the period; and
  - (5) by adding at the end the following new subparagraphs:
    - “(F) A description of how the plan supports or affects current Department of Defense strategic guidance, policy, and mission requirements, including the quadrennial defense review, the Unified Command Plan, and the strategic choices and management review.
    - “(G) A description of the associated costs specifically addressed by the savings.”.

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**PUBLIC LAW 113-66 FY14 NDAA - SEC. 904. STREAMLINING OF DEPARTMENT  
OF DEFENSE MANAGEMENT HEADQUARTERS  
AS AMENDED BY SECTION 905 OF THE FY15 NDAA**

- (a) **PLAN REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall develop a plan for streamlining Department of Defense management headquarters by changing or reducing the size of staffs, eliminating tiers of management, cutting functions that provide little or no added value, and consolidating overlapping and duplicative programs and offices.
- (b) **ELEMENTS OF PLAN.**—The plan required by subsection (a) shall include the following for each covered organization:
- (1) A description of the planned changes or reductions in staffing and services provided by military personnel, civilian personnel, and contractor personnel.
  - (2) A description of the planned changes or reductions in management, functions, and programs and offices.
  - (3) The estimated cumulative savings to be achieved over a 10-fiscal-year period beginning with fiscal year 2015, and estimated savings to be achieved for each of fiscal years 2015 through 2024.
- (c) **COVERED ORGANIZATION.**—In this section, the term “covered organization” includes each of the following:
- (1) The Office of the Secretary of Defense.
  - (2) The Joint Staff.
  - (3) The Defense Agencies.
  - (4) The Department of Defense field activities.
  - (5) The headquarters of the combatant commands.
  - (6) Headquarters, Department of the Army, including the Office of the Secretary of the Army, the Office of the Chief of Staff of the Army, and the Army Staff.
  - (7) The major command headquarters of the Army.
  - (8) The Office of the Secretary of the Navy, the Office of the Chief of Naval Operations, and Headquarters, United States Marine Corps.
  - (9) The major command headquarters of the Navy and the Marine Corps.
  - (10) Headquarters, Department of the Air Force, including the Office of the Secretary of the Air Force, the Office of the Air Force Chief of Staff, and the Air Staff.
  - (11) The major command headquarters of the Air Force.
  - (12) The National Guard Bureau.
- (d) **REPORTS.**—
- (1) **INITIAL REPORT.**—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees the plan required by subsection (a).
  - (2) **STATUS REPORT.**—The Secretary shall include with the Department of Defense materials submitted to Congress with the budget of the President for each of fiscal years ~~2016-2017~~ through 2024 (as submitted to Congress pursuant to section 1105 of title 31, United States Code) a report describing the implementation of the plan required by subsection (a) during the preceding fiscal year and any modifications to the plan required due to changing circumstances. Each such report shall include the following:
    - (A) A summary of savings achieved for each covered organization in the fiscal year covered by such report.

- (B) A description of the savings through changes, consolidations, or reductions in staffing and services provided by military personnel, civilian personnel, and contractor personnel in the fiscal year covered by such report.
- (C) A description of the savings through changes, consolidations, or reductions in management, functions, and programs and offices, or other associated cost drivers, including a discussion of how the changes, consolidations, or reductions were prioritized, in the fiscal year covered by such report.
- (D) In any case in which savings under the plan fall short of the objective of the plan for the fiscal year covered by such report, an explanation of the reasons for the shortfall.
- (E) A description of any modifications to the plan made during the fiscal year covered by such report, and an explanation of the reasons for such modifications, including the risks of, and capabilities gained or lost by implementing, such modifications.
- (F) A description of how the plan supports or affects current Department of Defense strategic guidance, policy, and mission requirements, including the quadrennial defense review, the Unified Command Plan, and the strategic choices and management review.
- (G) A description of the associated costs specifically addressed by the savings.