

One Hundred Twelfth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday,
the third day of January, two thousand and twelve*

An Act

To authorize appropriations for fiscal year 2013 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2013".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into four divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Department of Energy National Security Authorizations and Other Authorizations.
- (4) Division D—Funding Tables.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Authorization of appropriations.

Subtitle B—Army Programs

- Sec. 111. Multiyear procurement authority for Army CH-47 helicopters.
Sec. 112. Reports on airlift requirements of the Army.

Subtitle C—Navy Programs

- Sec. 121. Extension of Ford class aircraft carrier construction authority.
Sec. 122. Multiyear procurement authority for Virginia class submarine program.
Sec. 123. Multiyear procurement authority for Arleigh Burke class destroyers and associated systems.
Sec. 124. Limitation on availability of amounts for second Ford class aircraft carrier.
Sec. 125. Refueling and complex overhaul of the U.S.S. Abraham Lincoln.
Sec. 126. Designation of mission modules of the Littoral Combat Ship as a major defense acquisition program.
Sec. 127. Report on Littoral Combat Ship designs.
Sec. 128. Comptroller General review of Littoral Combat Ship program.
Sec. 129. Sense of Congress on importance of engineering in early stages of shipbuilding.

SEC. 832. DEPARTMENT OF DEFENSE ACCESS TO, USE OF, AND SAFEGUARDS AND PROTECTIONS FOR CONTRACTOR INTERNAL AUDIT REPORTS.

(a) **REVISED GUIDANCE REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Director of the Defense Contract Audit Agency shall revise guidance on access to defense contractor internal audit reports (including the Contract Audit Manual) to incorporate the requirements of this section.

(b) **DOCUMENTATION REQUIREMENTS.**—The revised guidance shall ensure that requests for access to defense contractor internal audit reports are appropriately documented. The required documentation shall include, at a minimum, the following:

(1) Written determination that access to such reports is necessary to complete required evaluations of contractor business systems.

(2) A copy of any request from the Defense Contract Audit Agency to a contractor for access to such reports.

(3) A record of response received from the contractor, including the contractor's rationale or justification if access to requested reports was not granted.

(b) **SAFEGUARDS AND PROTECTIONS.**—The revised guidance shall include appropriate safeguards and protections to ensure that contractor internal audit reports cannot be used by the Defense Contract Audit Agency for any purpose other than evaluating and testing the efficacy of contractor internal controls and the reliability of associated contractor business systems.

(c) **RISK-BASED AUDITING.**—A determination by the Defense Contract Audit Agency that a contractor has a sound system of internal controls shall provide the basis for increased reliance on contractor business systems or a reduced level of testing with regard to specific audits, as appropriate. Internal audit reports provided by a contractor pursuant to this section may be considered in determining whether or not a contractor has a sound system of internal controls, but shall not be the sole basis for such a determination.

(d) **COMPTROLLER GENERAL REVIEW.**—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall initiate a review of the documentation required by subsection (a). Not later than 90 days after completion of the review, the Comptroller General shall submit to the congressional defense committees a report on the results of the review, with findings and recommendations for improving the audit processes of the Defense Contract Audit Agency.

SEC. 833. CONTRACTOR RESPONSIBILITIES IN REGULATIONS RELATING TO DETECTION AND AVOIDANCE OF COUNTERFEIT ELECTRONIC PARTS.

Section 818(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1493; 10 U.S.C. 2302 note) is amended to read as follows:

“(B) the cost of counterfeit electronic parts and suspect counterfeit electronic parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts are not allowable costs under Department contracts, unless—