

SEC. 901. REVISION OF DEFENSE BUSINESS SYSTEMS REQUIREMENTS.

Section 2222 of title 10, United States Code, is amended to read as follows:

“§ 2222. Defense business systems: architecture, accountability, and modernization

(a) CONDITIONS FOR OBLIGATION OF FUNDS FOR DEFENSE BUSINESS SYSTEMS.—Funds available to the Department of Defense, whether appropriated or non-appropriated, may not be obligated for a defense business system that will have a total cost in excess of \$1,000,000 unless—

- (1) the appropriate pre-certification authority for the defense business system has determined that
 - (A) the defense business system is in compliance with the enterprise architecture developed under subsection (c) and appropriate business process re-engineering efforts have been undertaken to ensure that—
 - (i) the business process to be supported by the defense business system is as streamlined and efficient as practicable; and*
 - (ii) the need to tailor commercial-off the-shelf systems to meet unique requirements or incorporate unique requirements or incorporate unique interfaces has been eliminated or reduced to the maximum extent practicable;**
 - (B) the defense business system is necessary to achieve a critical national security capability or address a critical requirement in an area such as safety or security; or*
 - (C) the defense business system is necessary to prevent a significant adverse effect on a project that is needed to achieve an essential capability, taking into consideration the alternative solutions for preventing such adverse effect;**
- (2) the defense business system has been reviewed and certified by the investment review board established under subsection (g); and*
- (3) the certification of the investment review board has been approved by the Defense Business Systems Management Committee established by section 186 of this title.*

(b) OBLIGATION OF FUNDS IN VIOLATION OF REQUIREMENTS.—The obligation of Department of Defense funds for a business system that has not been certified and approved in accordance with subsection (a) is a violation of section 1341(a)(1)(A) of title 31.

(c) ENTERPRISE ARCHITECTURE FOR DEFENSE BUSINESS SYSTEMS.—

(1) The Secretary of Defense, acting through the Defense Business Systems Management Committee, shall develop—

- (A) an enterprise architecture, known as the defense business enterprise architecture, to cover all defense business systems, and the functions and activities supported by defense business systems, which shall be sufficiently defined to effectively guide, constrain, and permit implementation of interoperable defense business system solutions and consistent with the policies and procedures established by the Director of the Office of Management and Budget; and*
- (B) a transition plan for implementing the enterprise architecture for defense business systems.*

(2) The Secretary of Defense shall delegate responsibility and accountability for the defense business enterprise architecture as follows:

- (A) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall be responsible and accountable for the content of those portions of the defense business enterprise architecture that support acquisition activities, logistics activities, or installations and environment activities of the Department of Defense.*
- (B) The Under Secretary of Defense (Comptroller) shall be responsible and accountable for the content of those portions of the defense business enterprise architecture that support financial management activities or strategic planning and budgeting activities of the Department of Defense.*
- (C) The Under Secretary of Defense for Personnel and Readiness shall be responsible and accountable for the content of those portions of the defense business enterprise architecture that support human resource management activities of the Department of Defense.*
- (D) The Chief Information Officer of the Department of Defense shall be responsible and accountable for the content of those portions of the defense business enterprise architecture that*

support information technology infrastructure or information assurance activities of the Department of Defense.

(E) The Deputy Chief Management Officer of the Department of Defense shall be responsible and accountable for developing and maintaining the defense business enterprise architecture as well as integrating business operations covered by subparagraphs (A) through (D).

(d) COMPOSITION OF ENTERPRISE ARCHITECTURE.—The defense business enterprise architecture developed under subsection (c)(1)(A) shall include the following:

(1) An information infrastructure that, at a minimum, would enable the Department of Defense to—

(A) comply with applicable law, including Federal accounting, financial management, and reporting requirements;

(B) routinely produce timely, accurate, and reliable business and financial information for management purposes;

(C) integrate budget, accounting, and program information and systems; and

(D) provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.

(2) Policies, procedures, data standards, performance measures, and system interface requirements that are to apply uniformly throughout the Department of Defense.

(3) A defense business systems computing environment integrated into the defense business enterprise architecture for the major business processes conducted by the Department of Defense, as determined by the Chief Management Officer.

(e) COMPOSITION OF TRANSITION PLAN.—

(1) The transition plan developed under subsection (c)(1)(B) shall include the following:

(A) A listing of the additional systems that are expected to be needed to complete the defense business enterprise architecture, along with each system's time phased milestones, performance measures, financial resource needs, and risks or challenges to integration into the business enterprise architecture.

(B) A listing of the defense business systems as of December 2, 2002 (known as 'legacy systems'), that will not be part of the defense business enterprise architecture, together with the schedule for terminating those legacy systems that provides for reducing the use of those legacy systems in phases.

(C) A listing of the legacy systems (referred to in subparagraph (B)) that will be a part of the defense business systems computing environment described in subsection (d)(3), together with a strategy for making the modifications to those systems that will be needed to ensure that such systems comply with the defense business enterprise architecture.

(2) Each of the strategies under paragraph (1) shall include specific time-phased milestones, performance measures, and a statement of the financial and nonfinancial resource needs.

(f) APPROPRIATE PRE-CERTIFICATION AUTHORITIES.—For purposes of subsection (a), the appropriate precertification authority for a defense business system is as follows:

(1) In the case of an Army program, the Chief Management Officer of the Army.

(2) In the case of a Navy program, the Chief Management Officer of the Navy.

(3) In the case of an Air Force program, the Chief Management Officer of the Air Force.

(4) In the case of a program of a Defense Agency, the Director, or equivalent, of that Defense Agency unless otherwise approved by the Deputy Chief Management Officer.

(5) In the case of a program that will support the business processes of more than one military department or Defense Agency, an appropriate pre-certification authority designated by the Deputy Chief Management Officer.

(g) DEFENSE BUSINESS SYSTEM INVESTMENT REVIEW.—

(1) The Secretary of Defense shall require the Deputy Chief Management Officer, not later than October 1, 2011, to establish an investment review board and investment management process, consistent with section 11312 of title 40, to review the planning, design, acquisition, development, deployment,

operation, maintenance, modernization, and project cost benefits and risks of all defense business systems. The investment review board and investment management process so established shall specifically address the requirements of subsection (a).

- (2) The review of defense business systems under the investment management process shall include the following:
 - (A) Review and approval by the investment review board of each defense business system before the obligation of funds on the system in accordance with the requirements of subsection (a).*
 - (B) Periodic review, but not less often than annually, of all defense business systems, grouped in portfolios of defense business systems.*
 - (C) Representation on the investment review board by appropriate officials from among the Office of the Secretary of Defense, the armed forces, the combatant commands, the Joint Chiefs of Staff, and the Defense Agencies, including the Under Secretaries of Defense, the Chief Information Officer of the Department of Defense, and the Chief Management Officers of the military departments.*
 - (D) Use of threshold criteria to ensure an appropriate level of review within the Department of Defense of, and accountability for, defense business systems depending on scope, complexity, and cost.*
 - (E) Use of procedures for making certifications in accordance with the requirements of subsection (a).*
 - (F) Use of procedures for ensuring consistency with the guidance issued by the Secretary of Defense and the Defense Business Systems Management Committee, as required by section 186(c) of this title, and incorporation of common decision criteria, including standards, requirements, and priorities that result in the integration of defense business systems.**

(h) BUDGET INFORMATION.—In the materials that the Secretary submits to Congress in support of the budget submitted to Congress under section 1105 of title 31 for fiscal year 2006 and fiscal years thereafter, the Secretary of Defense shall include the following information:

- (1) Identification of each defense business system for which funding is proposed in that budget.*
- (2) Identification of all funds, by appropriation, proposed in that budget for each such system, including—*

- (A) funds for current services (to operate and maintain the system); and
 - (B) funds for business systems modernization, identified for each specific appropriation.
 - (3) For each such system, identification of the appropriate pre-certification authority under subsection (f).
 - (4) For each such system, a description of each approval made under subsection (a)(3) with regard to such system.
- (i) *CONGRESSIONAL REPORTS.*—Not later than March 15 of each year from 2012 through 2016, the Secretary of Defense shall submit to the congressional defense committees a report on Department of Defense compliance with the requirements of this section. The report shall—
- (1) describe actions taken and planned for meeting the requirements of subsection (a), including—
 - (A) specific milestones and actual performance against specified performance measures, and any revision of such milestones and performance measures; and
 - (B) specific actions on the defense business systems submitted for certification under such subsection;
 - (2) identify the number of defense business systems so certified;
 - (3) identify any defense business system during the preceding fiscal year that was not certified under subsection (a), and the reasons for the lack of certification;
 - (4) discuss specific improvements in business operations and cost savings resulting from successful defense business systems implementation or modernization efforts; and
 - (5) include a copy of the most recent report of the Chief Management Officer of each military department on implementation of business transformation initiatives by such department in accordance with section 908 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110–417; 122 Stat. 4569; 10 U.S.C. 2222 note).
- (j) *DEFINITIONS.*—In this section:
- (1) The term ‘pre-certification authority’, with respect to a defense business system, means the Department of Defense official responsible for the defense business system, as designated by subsection (f).

- (2) *The term 'defense business system' means an information system, other than a national security system, operated by, for, or on behalf of the Department of Defense, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities, such as acquisition, financial management, logistics, strategic planning and budgeting, installations and environment, and human resource management.*
- (3) *The term 'enterprise architecture' has the meaning given that term in section 3601(4) of title 44.*
- (4) *The terms 'information system' and 'information technology' have the meanings given those terms in section 11101 of title 40.*
- (5) *The term 'national security system' has the meaning given that term in section 3542(b)(2) of title 44.*