

**AMENDMENT TO THE RULES COMMITTEE PRINT  
FOR H.R. 1735  
OFFERED BY MR. GOSAR OF ARIZONA**

At the end of title VIII (page 400, after line 23),  
add the following new section:

1 **SEC. 865. INCREASED RELIANCE ON PRIVATE-SECTOR**  
2 **SOURCES FOR COMMERCIAL PRODUCTS AND**  
3 **SERVICES.**

4 (a) **IN GENERAL.**—The Secretary of Defense shall  
5 endeavor to carry out through a private-sector source any  
6 activity to provide a commercial product or service for the  
7 Department of Defense if—

8 (1) the product or service can be provided ade-  
9 quately through such a source; and

10 (2) an adequate competitive environment exists  
11 to provide for economical performance of the activity  
12 by such a source.

13 (b) **APPLICABILITY.**—(1) Subsection (a) shall not  
14 apply to any commercial product or service with respect  
15 to which the Secretary determines that production, manu-  
16 facture, or provision of that product or service by the Gov-  
17 ernment is necessary for reasons of national security.

1           (2) A determination under paragraph (1) shall be  
2 made in accordance with regulations prescribed under sub-  
3 section (c).

4           (c) REGULATIONS.—The Secretary shall prescribe  
5 regulations to carry out this section. Such regulations  
6 shall be prescribed in consultation with the Director of the  
7 Office of Management and Budget.

8           (d) REPORT.—(1) The Secretary shall identify activi-  
9 ties of the Department (other than activities specified by  
10 the Secretary pursuant to subsection (b)) that are carried  
11 out by employees of the Department to provide commer-  
12 cial-type products or services for the Department.

13           (2) Not later than April 15, 2016, the Secretary shall  
14 transmit to the congressional defense committees a report  
15 on opportunities for increased use of private-sector sources  
16 to provide commercial products and services for the De-  
17 partment.

18           (3) The report required by paragraph (2) shall in-  
19 clude the following:

20                   (A) A list of activities identified under para-  
21 graph (1) indicating, for each activity, whether the  
22 Secretary proposes to convert the performance of  
23 that activity to performance by private-sector  
24 sources and, if not, the reasons why.

1           (B) An assessment of the advantages and dis-  
2           advantages of using private-sector sources, rather  
3           than employees of the Department, to provide com-  
4           mercial products and services for the Department  
5           that are not essential to the warfighting mission of  
6           the Armed Forces.

7           (C) A specification of all legislative and regu-  
8           latory impediments to converting the performance of  
9           activities identified under paragraph (1) to perform-  
10          ance by private-sector sources.

11          (D) The views of the Secretary on the desir-  
12          ability of terminating the moratorium on Office of  
13          Management and Budget Circular A-76 pursuant to  
14          Public Law 110-181, Public Law 111-8, and Public  
15          Law 112-74.

16          (4) The Secretary shall carry out paragraph (1) in  
17          consultation with the Director of the Office of Manage-  
18          ment and Budget and the Comptroller General of the  
19          United States. In carrying out that paragraph, the Sec-  
20          retary shall consult with, and seek the views of, represent-  
21          atives of the private sector, including organizations rep-  
22          resenting small businesses.

