

AMENDMENT TO
RULES COMMITTEE PRINT 119-33
OFFERED BY MR. VAN EPPS OF TENNESSEE

At the end of subtitle C of title II, add the following new section:

1 **SEC. ____ . ANNUAL REPORT ON THE TRANSITION OF SUC-**
2 **CESSFUL PROTOTYPE PROJECTS.**

3 (a) **IN GENERAL.**—Not later than the last day of
4 each of fiscal years 2027 through 2031, the Secretary of
5 Defense shall submit to the Committees on Armed Serv-
6 ices of the Senate and the House of Representatives a re-
7 port on the transition of successful prototype projects into
8 procurement, follow-on production, or operational deploy-
9 ment.

10 (b) **ANNUAL REPORTING REQUIREMENTS.**—Each re-
11 port required under subsection (a) shall include the fol-
12 lowing information:

13 (1) The average time between the successful
14 completion of a prototype project and a determina-
15 tion regarding procurement, follow-on production,
16 operational deployment, additional testing, or pro-
17 gram termination.

1 (2) The number and percentage of successful
2 prototype projects that transitioned into procure-
3 ment, follow-on production, or programs of record
4 during the preceding year.

5 (3) The number and percentage of successful
6 prototype projects that failed to transition into pro-
7 curement or production capabilities during the pre-
8 ceding year.

9 (4) Explanations for delays exceeding 365 days
10 between prototype completion and procurement or
11 production decisions.

12 (5) Data on prototype projects funded through
13 the Small Business Innovation Research (SBIR)
14 Program, Other Transaction Authority (OTA)
15 agreements, the Defense Innovation Unit (DIU),
16 and other defense innovation and prototyping initia-
17 tives.

18 (6) Data broken down by military department,
19 defense agency, and technology category, including
20 artificial intelligence, autonomy, cyber capabilities,
21 microelectronics, advanced manufacturing, and other
22 critical emerging technologies.

23 (c) ONE-TIME REPORTING REQUIREMENTS.—In ad-
24 dition to the information required under subsection (b),

1 the final report required under subsection (a) shall include
2 the following information:

3 (1) An identification of acquisition, contracting,
4 budgeting, testing, or requirements-related bottle-
5 necks that delay the transition of innovative tech-
6 nologies into operational capability.

7 (2) Recommendations to improve procurement
8 efficiency and accelerate transition timelines for pro-
9 totype projects.

10 (3) An assessment of barriers faced by small
11 businesses and nontraditional defense contractors
12 participating in defense innovation programs, includ-
13 ing challenges related to financing, cybersecurity
14 compliance, intellectual property protection, and ac-
15 cess to follow-on procurement opportunities.

16 (d) **SUCCESSFUL PROTOTYPE PROJECT DEFINED.**—
17 In this section, the term “successful prototype project”
18 means a prototype project that achieved the operational,
19 technical, or mission requirements identified by the spon-
20 soring military department or defense agency.

21 (e) **FORM OF REPORT.**—Each report required under
22 subsection (a) shall be submitted in unclassified form but
23 may include a classified annex.

