

104TH CONGRESS
1ST SESSION

H. R. 1530

IN THE SENATE OF THE UNITED STATES

JUNE 20 (legislative day, JUNE 19), 1995

Received; read twice and referred to the Committee on Armed Services

AN ACT

To authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Defense Au-
3 thorization Act for Fiscal Year 1996”.

4 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF**
5 **CONTENTS.**

6 (a) DIVISIONS.—This Act is organized into three divi-
7 sions as follows:

8 (1) Division A—Department of Defense Au-
9 thorizations.

10 (2) Division B—Military Construction Author-
11 izations.

12 (3) Division C—Department of Energy Na-
13 tional Security Authorizations and Other Authoriza-
14 tions.

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

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Sec. 3. Congressional defense committees defined.

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- Sec. 2812. Deposit of proceeds from leases of property located at installations being closed or realigned.
- Sec. 2813. Agreements for certain services at installations being closed.
- Sec. 2814. Removal of base closure properties from application of section 501 of the Stewart B. McKinney Homeless Assistance Act.

Subtitle C—Land Conveyances Generally

- Sec. 2821. Transfer of jurisdiction, Fort Sam Houston, Texas.
- Sec. 2822. Land acquisition or exchange, Shaw Air Force Base, Sumter, South Carolina.
- Sec. 2823. Transfer of certain real property at Naval Weapons Industrial Reserve Plant, Calverton, New York, for use as national cemetery.
- Sec. 2824. Land conveyance, Fort Ord, California.
- Sec. 2825. Land conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana.
- Sec. 2826. Land conveyance, Naval Air Station, Pensacola, Florida.
- Sec. 2827. Land conveyance, Avon Park Air Force Range, Sebring, Florida.
- Sec. 2828. Land conveyance, Parks Reserve Forces Training Area, Dublin, California.
- Sec. 2829. Land conveyance, Holston Army Ammunition Plant, Mount Carmel, Tennessee.
- Sec. 2830. Land conveyance, Naval Weapons Industrial Reserve Plant, McGregor, Texas.
- Sec. 2831. Transfer of jurisdiction and land conveyance, Fort Devens Military Reservation, Massachusetts.
- Sec. 2832. Land conveyance, Elmendorf Air Force Base, Alaska.
- Sec. 2833. Land conveyance alternative to existing lease authority, Naval Supply Center, Oakland, California.
- Sec. 2834. Land conveyance, Army Reserve Center, Youngstown, Ohio.
- Sec. 2835. Modification of land conveyance, Naval Weapons Industrial Reserve Plant, Calverton, New York.
- Sec. 2836. Land exchange, Fort Lewis, Washington.
- Sec. 2837. Modification of existing land conveyance, Hamilton Air Force Base.
- Sec. 2838. Transfer of jurisdiction, Fort Bliss, Texas.

Subtitle D—Land Conveyances Involving Utilities

- Sec. 2841. Conveyance of resource recovery facility, Fort Dix, New Jersey.
- Sec. 2842. Conveyance of water and wastewater treatment plants, Fort Gordon, Georgia.
- Sec. 2843. Conveyance of electrical distribution system, Fort Irwin, California.

Subtitle E—Other Matters

- Sec. 2851. Expansion of authority to sell electricity.
- Sec. 2852. Authority for Mississippi State Port Authority to use Navy property at Naval Construction Battalion Center, Gulfport, Mississippi.

- Sec. 2853. Prohibition on joint civil aviation use of Naval Air Station Miramar, California.
- Sec. 2854. Report regarding Army water craft support facilities and activities.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

- Sec. 3101. Weapons activities.
- Sec. 3102. Environmental restoration and waste management.
- Sec. 3103. Payment of penalties.
- Sec. 3104. Other defense activities.
- Sec. 3105. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

- Sec. 3121. Reprogramming.
- Sec. 3122. Limits on general plant projects.
- Sec. 3123. Limits on construction projects.
- Sec. 3124. Fund transfer authority.
- Sec. 3125. Authority for conceptual and construction design.
- Sec. 3126. Authority for emergency planning, design, and construction activities.
- Sec. 3127. Funds available for all national security programs of the Department of Energy.
- Sec. 3128. Availability of funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

- Sec. 3131. Authority to conduct program relating to fissile materials.
- Sec. 3132. National Ignition Facility.
- Sec. 3133. Tritium production.

Subtitle D—Other Matters

- Sec. 3141. Report on foreign tritium purchases.
- Sec. 3142. Study on nuclear test readiness postures.
- Sec. 3143. Master plan on warheads in the enduring stockpile.
- Sec. 3144. Prohibition on international inspections of Department of Energy facilities unless protection of restricted data is certified.
- Sec. 3145. Accelerated schedule for environmental management activities.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

- Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

- Sec. 3301. Fiscal year 1996 authorized uses of stockpile funds.
- Sec. 3302. Preference for domestic upgraders in disposal of chromite and manganese ores and chromium ferro and manganese metal electrolytic.

- Sec. 3303. Restrictions on disposal of manganese ferro.
 Sec. 3304. Titanium initiative to support battle tank upgrade program.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

- Sec. 3401. Authorization of appropriations.
 Sec. 3402. Price requirement on sale of certain petroleum during fiscal year 1996.
 Sec. 3403. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).
 Sec. 3404. Study regarding future of naval petroleum reserves (other than Naval Petroleum Reserve Numbered 1).

TITLE XXXV—PANAMA CANAL COMMISSION

Subtitle A—Authorization of Appropriations

- Sec. 3501. Short title.
 Sec. 3502. Authorization of expenditures.
 Sec. 3503. Expenditures in accordance with other laws.

Subtitle B—Reconstitution of Commission as Government Corporation

- Sec. 3521. Short title.
 Sec. 3522. Reconstitution of commission as government corporation.
 Sec. 3523. Supervisory board.
 Sec. 3524. International advisors.
 Sec. 3525. General and specific powers of commission.
 Sec. 3526. Congressional review of budget.
 Sec. 3527. Audits.
 Sec. 3528. Prescription of measurement rules and rates of tolls.
 Sec. 3529. Procedures for changes in rules of measurement and rates of tolls.
 Sec. 3530. Miscellaneous technical amendments.
 Sec. 3531. Conforming amendment to title 31, United States Code.

1 SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

2 For purposes of this Act, the term “congressional de-
 3 fense committees” means—

4 (1) the Committee on Armed Services and the
 5 Committee on Appropriations of the Senate; and

6 (2) the Committee on National Security and the
 7 Committee on Appropriations of the House of Rep-
 8 resentatives.

1 **DIVISION A—DEPARTMENT OF**
2 **DEFENSE AUTHORIZATIONS**
3 **TITLE I—PROCUREMENT**
4 **Subtitle A—Authorization of**
5 **Appropriations**

6 **SEC. 101. ARMY.**

7 Funds are hereby authorized to be appropriated for
8 fiscal year 1996 for procurement for the Army as follows:

9 (1) For aircraft, \$1,423,067,000.

10 (2) For missiles, \$862,830,000.

11 (3) For weapons and tracked combat vehicles,
12 \$1,359,664,000.

13 (4) For ammunition, \$1,062,715,000.

14 (5) For other procurement, \$2,545,587,000.

15 **SEC. 102. NAVY AND MARINE CORPS.**

16 (a) NAVY.—Funds are hereby authorized to be appro-
17 priated for fiscal year 1996 for procurement for the Navy
18 as follows:

19 (1) For aircraft, \$4,106,488,000.

20 (2) For weapons, including missiles and tor-
21 pedoes, \$1,626,411,000.

22 (3) For shipbuilding and conversion,
23 \$6,227,958,000.

24 (4) For other procurement, \$2,461,472,000.

1 (b) MARINE CORPS.—Funds are hereby authorized to
2 be appropriated for fiscal year 1996 for procurement for
3 the Marine Corps in the amount of \$399,247,000.

4 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
5 are hereby authorized to be appropriated for procurement
6 of ammunition for Navy and the Marine Corps in the
7 amount of \$461,779,000.

8 **SEC. 103. AIR FORCE.**

9 Funds are hereby authorized to be appropriated for
10 fiscal year 1996 for procurement for the Air Force as fol-
11 lows:

12 (1) For aircraft, \$7,031,952,000.

13 (2) For missiles, \$3,430,083,000.

14 (3) For ammunition, \$321,328,000.

15 (4) For other procurement, \$6,784,801,000.

16 **SEC. 104. DEFENSE-WIDE ACTIVITIES.**

17 Funds are hereby authorized to be appropriated for
18 fiscal year 1996 for Defense-wide procurement in the
19 amount of \$2,205,917,000.

20 **SEC. 105. RESERVE COMPONENTS.**

21 Funds are hereby authorized to be appropriated for
22 fiscal year 1996 for procurement of aircraft, vehicles, com-
23 munications equipment, and other equipment for the re-
24 serve components of the Armed Forces as follows:

1 (1) For the Army National Guard,
2 \$150,000,000.

3 (2) For the Air National Guard, \$227,800,000.

4 (3) For the Army Reserve, \$84,300,000.

5 (4) For the Naval Reserve, \$86,000,000.

6 (5) For the Air Force Reserve, \$171,200,000.

7 (6) For the Marine Corps Reserve,
8 \$50,700,000.

9 **SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.**

10 (a) AUTHORIZATION.—There is hereby authorized to
11 be appropriated for fiscal year 1996 the amount of
12 \$746,698,000 for—

13 (1) the destruction of lethal chemical agents
14 and munitions in accordance with section 1412 of
15 the Department of Defense Authorization Act, 1986
16 (50 U.S.C. 1521); and

17 (2) the destruction of chemical warfare materiel
18 of the United States that is not covered by section
19 1412 of such Act.

20 (b) ALLOCATION.—Of the funds specified in sub-
21 section (a)—

22 (1) \$393,850,000 is for operations and mainte-
23 nance;

24 (2) \$299,448,000 is for procurement; and

1 **SEC. 132. REPEAL OF LIMITATION ON TOTAL COST FOR**
2 **SSN-21 AND SSN-22 SEAWOLF SUBMARINES.**

3 Section 122 of the National Defense Authorization
4 Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat.
5 2682) is repealed.

6 **SEC. 133. COMPETITION REQUIRED FOR SELECTION OF**
7 **SHIPYARDS FOR CONSTRUCTION OF VESSELS**
8 **FOR NEXT GENERATION ATTACK SUBMARINE**
9 **PROGRAM.**

10 (a) COMPETITION REQUIRED.—The Secretary of the
11 Navy shall select on a competitive basis the shipyard for
12 construction of each vessel for the next generation attack
13 submarine program.

14 (b) PROGRAM IDENTIFIED.—The next generation at-
15 tack submarine program shall begin with the first sub-
16 marine for which the Secretary of the Navy enters into
17 a contract for construction after the submarine that is
18 programmed to be constructed using funds appropriated
19 for fiscal year 1998.

20 **SEC. 134. SONOBUOY PROGRAMS.**

21 Of the amount provided in section 102(a)(4)—

22 (1) none of such amount shall be available for
23 the AN/SSQ-53 (DIFAR) program; and

24 (2) \$8,902,000 shall be available for the AN/
25 SSQ-110 (EER) program.

1 **Subtitle D—Air Force Programs**

2 **SEC. 141. REPEAL OF LIMITATIONS.**

3 The following provisions of law are repealed:

4 (1) Section 112 of the National Defense Au-
5 thorization Act for Fiscal Years 1990 and 1991
6 (Public Law 101–189; 103 Stat. 1373).

7 (2) Section 151(c) of the National Defense Au-
8 thorization Act for Fiscal Year 1993 (Public Law
9 102–484; 106 Stat. 2339).

10 (3) Sections 131(c) and 131(d) of the National
11 Defense Authorization Act for Fiscal Year 1994
12 (Public Law 103–160; 107 Stat. 1569).

13 (4) Section 133(e) of the National Defense Au-
14 thorization Act for Fiscal Year 1995 (Public Law
15 103–337; 108 Stat. 2688).

16 **Subtitle E—Chemical** 17 **Demilitarization Program**

18 **SEC. 151. REPEAL OF REQUIREMENT TO PROCEED EXPEDI-** 19 **TIOUSLY WITH DEVELOPMENT OF CHEMICAL** 20 **DEMILITARIZATION CRYOFRACTURE FACIL-** 21 **ITY AT TOOELE ARMY DEPOT, UTAH.**

22 Subsection (a) of section 173 of the National Defense
23 Authorization Act for Fiscal Years 1990 and 1991 (Public
24 Law 101–189; 103 Stat. 1393) is repealed.

1 **SEC. 152. SENSE OF CONGRESS REGARDING COST GROWTH**
2 **IN PROGRAM FOR DESTRUCTION OF THE EX-**
3 **ISTING STOCKPILE OF LETHAL CHEMICAL**
4 **AGENTS AND MUNITIONS.**

5 The Congress is concerned that growth in the esti-
6 mated cost of the program to demilitarize the United
7 States' stockpile of lethal chemical agents and munitions
8 raises serious questions regarding that program. Accord-
9 ingly, it is the sense of Congress that the Secretary of
10 Defense should consider measures to reduce the overall
11 cost of the chemical stockpile demilitarization program,
12 while minimizing total risk and ensuring the maximum
13 protection for the environment, the general public, and the
14 personnel involved in the destruction of lethal chemical
15 agents and munitions.

16 **SEC. 153. ASSISTANCE FOR CHEMICAL WEAPONS STOCK-**
17 **PILE COMMUNITIES AFFECTED BY BASE CLO-**
18 **SURE.**

19 The Secretary of Defense shall review and evaluate
20 issues associated with closure and reutilization of Depart-
21 ment of Defense facilities co-located with continuing chem-
22 ical stockpile and chemical demilitarization operations.
23 The review shall include analysis of the economic impacts
24 on these communities and the unique reuse problems fac-
25 ing local communities associated with ongoing chemical
26 weapons programs. The review should also include rec-

1 ommendations from the Secretary on methods for expedi-
2 tious and cost-effective transfer of these facilities to local
3 communities for base reuse or privatization. The Secretary
4 shall submit to Congress a report on the review and eval-
5 uation not later than 90 days after the date of the enact-
6 ment of this Act.

7 **TITLE II—RESEARCH, DEVELOP-**
8 **MENT, TEST, AND EVALUA-**
9 **TION**

10 **Subtitle A—Authorization of**
11 **Appropriations**

12 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

13 Funds are hereby authorized to be appropriated for
14 fiscal year 1996 for the use of the Department of Defense
15 for research, development, test, and evaluation as follows:

16 (1) For the Army, \$4,774,947,000.

17 (2) For the Navy, \$8,516,509,000.

18 (3) For the Air Force, \$13,184,102,000.

19 (4) For Defense-wide activities,
20 \$9,548,986,000, of which \$239,341,000 is author-
21 ized for the activities of the Director, Test and Eval-
22 uation.

1 **SEC. 202. AMOUNT FOR BASIC RESEARCH AND EXPLOR-**
2 **ATORY DEVELOPMENT.**

3 (a) FISCAL YEAR 1996.—Of the amounts authorized
4 to be appropriated by section 201, \$4,181,076,000 shall
5 be available for basic research and exploratory develop-
6 ment projects.

7 (b) BASIC RESEARCH AND EXPLORATORY DEVELOP-
8 MENT DEFINED.—For purposes of this section, the term
9 “basic research and exploratory development” means work
10 funded in program elements for defense research and de-
11 velopment under Department of Defense category 6.1 or
12 6.2.

13 **SEC. 203. MODIFICATIONS TO STRATEGIC ENVIRONMENTAL**
14 **RESEARCH AND DEVELOPMENT PROGRAM.**

15 (a) PURPOSES OF PROGRAM.—Section 2901(b) of
16 title 10, United States Code, is amended—

17 (1) in paragraph (1)—

18 (A) by striking out “and the Department
19 of Energy”; and

20 (B) by striking out “their” and inserting
21 in lieu thereof “its”;

22 (2) by striking out paragraph (3); and

23 (3) by redesignating paragraph (4) as para-
24 graph (3).

25 (b) COUNCIL.—Section 2902 of such title is amend-
26 ed—

1 (1) in subsection (b)—

2 (A) by striking out “thirteen” and insert-
3 ing in lieu thereof “12”;

4 (B) by striking out paragraph (3);

5 (C) by redesignating paragraphs (4), (5),
6 (6), (7), (8), (9), and (10) as paragraphs (3),
7 (4), (5), (6), (7), (8), and (9), respectively; and

8 (D) in paragraph (8), as redesignated, by
9 striking out “, who shall be nonvoting mem-
10 bers”;

11 (2) in subsection (d)—

12 (A) by striking out paragraph (3);

13 (B) by redesignating paragraph (4) as
14 paragraph (3) and in that paragraph by strik-
15 ing out “Federal Coordinating Council on
16 Science, Engineering, and Technology” and in-
17 serting in lieu thereof “National Science and
18 Technology Council”; and

19 (C) by redesignating paragraphs (5) and
20 (6) as paragraphs (4) and (5), respectively;

21 (3) in subsection (e)—

22 (A) by striking out paragraphs (1), (2),
23 and (3);

1 (B) by redesignating paragraphs (4), (5),
2 (6), (7), (8), (9), and (10) as paragraphs (1),
3 (2), (3), (4), (5), (6), and (7) respectively;

4 (C) in paragraph (2), as redesignated, by
5 striking out “such national and international
6 environmental problems as climate change and
7 ozone depletion” and inserting in lieu thereof
8 “national and international environmental prob-
9 lems”; and

10 (D) in paragraph (4), as redesignated, by
11 striking out “clauses (2) through (6)” and in-
12 serting in lieu thereof “paragraphs (1) through
13 (3)”;

14 (4) by striking out subsections (f) and (h); and

15 (5) by redesignating subsection (g) as sub-
16 section (f).

17 (c) COMPETITIVE PROCEDURES.—Section 2903(c) of
18 such title is amended—

19 (1) by striking out “or” after “contracts” and
20 inserting in lieu thereof “using competitive proce-
21 dures. The Executive Director may enter into”; and

22 (2) by striking out “law, except that” and in-
23 serting in lieu thereof “law. In either case,”.

24 (d) SCIENTIFIC ADVISORY BOARD.—Section 2904 of
25 such title is amended—

1 (1) in subsection (a)—

2 (A) by striking out “and the Secretary of
3 Energy”; and

4 (B) by inserting after “in consultation
5 with” the following: “the Secretary of Energy
6 and”;

7 (2) in subsection (b)—

8 (A) by striking out paragraph (3); and

9 (B) by redesignating paragraph (4) as
10 paragraph (3) and in that paragraph by strik-
11 ing out “three” and inserting in lieu thereof
12 “not less than two years and not more than
13 six”;

14 (3) by striking out subsections (g) and (h); and

15 (4) by redesignating subsection (i) as subsection
16 (g).

17 **Subtitle B—Program Require-**
18 **ments, Restrictions, and Limita-**
19 **tions**

20 **SEC. 211. SPACE LAUNCH MODERNIZATION.**

21 (a) ALLOCATION OF FUNDS.—Of the amount appro-
22 priated pursuant to the authorization in section 201(3)—

23 (1) \$100,000,000 shall be available for a com-
24 petitive reusable rocket technology program (PE
25 63401F); and

1 M) system and whether there is a cost and effectiveness
2 analysis supporting such requirement.

3 (b) LIMITATIONS.—(1) The Secretary of the Army
4 may not obligate more than \$280,000,000 (based on fiscal
5 year 1995 constant dollars) to develop and deliver for test
6 and evaluation by the Army the following items:

7 (A) 44 EFOG-M test missiles.

8 (B) 256 fully operational EFOG-M missiles.

9 (C) 12 fully operational fire units.

10 (2) The Secretary of the Army may not spend funds
11 for the EFOG-M system after September 30, 1998, if the
12 items described in paragraph (1) have not been delivered
13 to the Army by that date at the cost estimated for such
14 system as of the date of the enactment of this Act.

15 (c) GOVERNMENT-FURNISHED EQUIPMENT.—The
16 Secretary of the Army shall assure that all Government-
17 furnished equipment that the Army agrees to provide
18 under the contract for the EFOG-M system is provided
19 to the prime contractor in accordance with the terms of
20 the contract.

21 **SEC. 216. JOINT ADVANCED STRIKE TECHNOLOGY (JAST)**

22 **PROGRAM.**

23 (a) ALLOCATION OF FUNDS.—Of the amount appro-
24 priated pursuant to the authorizations in section 201,

1 \$280,156,000 shall be available for the Joint Advanced
2 Strike Technology (JAST) program. Of that amount—

3 (1) \$123,795,000 shall be available for PE
4 63800N;

5 (2) \$125,686,000 shall be available for PE
6 63800F; and

7 (3) \$30,675,000 shall be available for PE
8 63800E.

9 (b) LIMITATION.—Not more than 75 percent of the
10 amount appropriated for such program pursuant to the
11 authorizations in section 201 may be obligated until a pe-
12 riod of 30 days has expired after the report specified in
13 subsection (c) is submitted to the congressional defense
14 committees.

15 (c) REPORT.—The Secretary of Defense shall submit
16 to the congressional defense committees a report, in un-
17 classified and classified form, not later than March 1,
18 1996, that sets forth in detail the following information
19 for the period 1997 through 2005:

20 (1) What the total joint requirement, under two
21 major regional contingency (MRC) assumptions, is
22 for the following:

23 (A) Numbers of tactical combat aircraft
24 and the characteristics required of those air-

1 craft in terms of capabilities, range, and observ-
2 ability-stealthiness.

3 (B) Surface- and air-launched standoff
4 precision guided munitions.

5 (C) Cruise missiles.

6 (D) Ground-based systems, such as Ex-
7 tended Range-Multiple Launch Rocket System
8 and the Army Tactical Missile System
9 (ATACMS), for joint warfighting capability.

10 (2) What the major regional contingency warn-
11 ing time assumptions are, and what the effect on fu-
12 ture tactical fighter/attack aircraft requirements are
13 using other warning time assumptions.

14 (3) What requirements exist for the Joint Ad-
15 vanced Strike Technology program that cannot be
16 met by existing aircraft or by those in development.

17 **SEC. 217. DEVELOPMENT OF LASER PROGRAM.**

18 (a) LASER PROGRAM.—The amount authorized for
19 appropriation by section 201 is hereby increased by
20 \$9,000,000, to be used for the development by the Naval
21 High Energy Laser Office of a continuous wave,
22 superconducting radio frequency free electron laser pro-
23 gram.

24 (b) OFFSET.—The amount authorized by section 201
25 is hereby reduced by \$9,000,000, of which—

1 (1) \$7,000,000 shall be derived from amounts
2 authorized for experimental evaluation of major in-
3 novative technologies (PE 63226E); and

4 (2) \$2,000,000 shall be derived from amounts
5 authorized for the space test program (PE 63402F).

6 **Subtitle C—Ballistic Missile**
7 **Defense Act of 1995**

8 **SEC. 231. SHORT TITLE.**

9 This subtitle may be cited as the “Ballistic Missile
10 Defense Act of 1995”.

11 **SEC. 232. BALLISTIC MISSILE DEFENSE POLICY OF THE**
12 **UNITED STATES.**

13 It is the policy of the United States—

14 (1) to deploy at the earliest practical date high-
15 ly effective theater missile defenses (TMDs) to pro-
16 tect forward-deployed and expeditionary elements of
17 the Armed Forces of the United States and to com-
18 plement and support the missile defense capabilities
19 of friendly forces and of allies of the United States;
20 and

21 (2) to deploy at the earliest practical date a na-
22 tional missile defense (NMD) system that is capable
23 of providing a highly effective defense of the United
24 States against limited ballistic missile attacks.

1 **SEC. 233. IMPLEMENTATION OF POLICY.**

2 (a) TMD DEPLOYMENT.—To implement the policy
3 established in section 232(1), the Secretary of Defense
4 shall develop and deploy at the earliest practical date ad-
5 vanced theater missile defense (TMD) systems.

6 (b) NMD SYSTEM ARCHITECTURE.—To implement
7 the policy established in section 232(2), the Secretary of
8 Defense shall develop for deployment at the earliest prac-
9 tical date an affordable, operationally-effective National
10 Missile Defense (NMD) system designed to protect the
11 United States against limited ballistic missile attacks. The
12 system to be developed for deployment shall include the
13 following:

14 (1) Up to 100 ground-based interceptors at a
15 single site or a greater number of interceptors at a
16 number of sites, as determined necessary by the Sec-
17 retary.

18 (2) Fixed, ground-based radars.

19 (3) Space-based sensors, including, within the
20 type of space-based sensors known as ABM-adjunct
21 sensors (such sensors not being prohibited by the
22 ABM Treaty), those sensor systems (such as the
23 Space and Missile Tracking System) that are capa-
24 ble of cuing ground-based anti-ballistic missile inter-
25 ceptors and of providing initial targeting vectors.

1 (4) Battle management, command, control, and
2 communications.

3 (c) REPORT ON PLAN FOR DEPLOYMENT.—Not later
4 than 90 days after the date of the enactment of this Act,
5 the Secretary of Defense shall submit to the congressional
6 defense committees a report setting forth the Secretary’s
7 plan for—

8 (1) the deployment of advanced theater missile
9 defense (TMD) systems pursuant to subsection (a);
10 and

11 (2) the deployment of a national missile defense
12 system which meets the requirements specified in
13 subsection (b).

14 **SEC. 234. FOLLOW-ON TECHNOLOGIES RESEARCH AND DE-**
15 **VELOPMENT.**

16 (a) FOLLOW-ON NATIONAL AND THEATER MISSILE
17 DEFENSE TECHNOLOGY.—The Secretary shall pursue re-
18 search and development of technologies and systems relat-
19 ed to national missile defense and theater missile defense
20 in order to provide future options for—

21 (1) protecting the United States against limited
22 ballistic missile attacks; and

23 (2) defending forward-deployed and expedition-
24 ary elements of the Armed Forces of the United
25 States and complementing and supporting the mis-

1 sile defense capabilities of friendly forces and allies
2 of the United States.

3 (b) EXCLUSION OF CERTAIN SYSTEMS FROM INITIAL
4 DEPLOYMENT.—The initial National Missile Defense sys-
5 tem architecture developed for deployment pursuant to
6 section 233(b) may not include—

7 (1) ground-based or space-based directed en-
8 ergy weapons; or

9 (2) space-based interceptors.

10 **SEC. 235. POLICY ON COMPLIANCE WITH THE ABM TREATY.**

11 (a) POLICY CONCERNING SYSTEMS SUBJECT TO
12 ABM TREATY.—Congress finds that, unless and until a
13 missile defense system, system upgrade, or system compo-
14 nent is flight tested in an ABM-qualifying flight test (as
15 defined in subsection (c)), such system, system upgrade,
16 or system component—

17 (1) has not, for purposes of the ABM Treaty,
18 been tested in an ABM mode nor been given capa-
19 bilities to counter strategic ballistic missiles; and

20 (2) therefore is not subject to any application,
21 limitation, or obligation under the ABM Treaty.

22 (b) PROHIBITIONS.—(1) Funds appropriated to the
23 Department of Defense may not be obligated or expended
24 for the purpose of—

1 (A) prescribing, enforcing, or implementing any
2 Executive order, regulation, or policy that would
3 apply the ABM Treaty (or any limitation or obliga-
4 tion under such Treaty) to research, development,
5 testing, or deployment of a theater missile defense
6 system, a theater missile defense system upgrade, or
7 a theater missile defense system component; or

8 (B) taking any other action to provide for the
9 ABM Treaty (or any limitation or obligation under
10 such Treaty) to be applied to research, development,
11 testing, or deployment of a theater missile defense
12 system, a theater missile defense system upgrade, or
13 a theater missile defense system component.

14 (2) This subsection applies with respect to each mis-
15 sile defense system, missile defense system upgrade, or
16 missile defense system component that is capable of coun-
17 tering modern theater ballistic missiles.

18 (3) This subsection shall cease to apply with respect
19 to a missile defense system, missile defense system up-
20 grade, or missile defense system component when that sys-
21 tem, system upgrade, or system component has been flight
22 tested in an ABM-qualifying flight test.

23 (c) ABM-QUALIFYING FLIGHT TEST DEFINED.—
24 For purposes of this section, an ABM-qualifying flight test
25 is a flight test against a ballistic missile which, in that

1 flight test, exceeds (1) a range of 3,500 kilometers, or (2)
2 a velocity of 5 kilometers per second.

3 **SEC. 236. BALLISTIC MISSILE DEFENSE PROGRAM AC-**
4 **COUNTABILITY.**

5 (a) ANNUAL BMD PROGRAMS REPORT.—The Sec-
6 retary of Defense shall submit to the congressional defense
7 committees an annual report describing the technical mile-
8 stones, schedule, and cost of each ballistic missile defense
9 program specified in subsection (c).

10 (b) MATTERS TO BE INCLUDED.—Each report under
11 subsection (a) shall list all technical milestones, program
12 schedule milestones, and costs of each phase of develop-
13 ment and acquisition, together with total estimated pro-
14 gram costs, covering the entire life of each program speci-
15 fied in subsection (c).

16 (c) COVERED PROGRAMS.—The reports under this
17 section shall cover the following programs:

18 (1) Theater High Altitude Area Defense
19 (THAAD).

20 (2) Patriot Advanced Capability-3.

21 (3) Navy Lower Tier.

22 (4) Navy Upper Tier.

23 (5) Corps Surface-to-Air Missile.

24 (6) Hawk.

25 (7) Boost Phase Intercept.

1 (8) National Missile Defense.

2 (9) Arrow.

3 (10) Medium Extended Air Defense.

4 (11) Any theater missile defense program or
5 national missile defense program which the Depart-
6 ment of Defense initiates after the date of the enact-
7 ment of this Act.

8 (d) VARIANCE REPORTING REQUIREMENTS.—(1) In
9 the annual report under this section, the Secretary shall
10 describe, with respect to each program covered in the re-
11 port, any difference in the technical milestones, program
12 schedule milestones, and costs for that program—

13 (A) compared with the information relating to
14 that program in the report submitted in the previous
15 year; and

16 (B) compared with the information relating to
17 that program in the first report submitted under
18 this section in which that program is covered.

19 (2) Paragraph (1)(A) shall not apply to the first re-
20 port submitted under this section.

21 (e) DATE OF SUBMISSION.—The report required by
22 this section for any year shall be submitted not later than
23 30 days after the date on which the President's budget
24 for the next fiscal year is submitted, except that the first

1 report shall be submitted not later than 90 days after the
2 date of the enactment of this Act.

3 **SEC. 237. ABM TREATY DEFINED.**

4 For purposes of this subtitle and subtitle D, the term
5 “ABM Treaty” means the Treaty Between the United
6 States and the Union of Soviet Socialist Republics on the
7 Limitation of Anti-Ballistic Missile Systems, and signed
8 at Moscow on May 26, 1972, and includes Protocols to
9 that Treaty, signed at Moscow on July 3, 1974.

10 **SEC. 238. REPEAL OF MISSILE DEFENSE ACT OF 1991.**

11 The Missile Defense Act of 1991 is repealed.

12 **Subtitle D—Other Ballistic Missile**
13 **Defense Provisions**

14 **SEC. 241. BALLISTIC MISSILE DEFENSE FUNDING FOR FIS-**
15 **CAL YEAR 1996.**

16 Of the amounts authorized to be appropriated pursu-
17 ant to section 201 for fiscal year 1996 or otherwise made
18 available to the Department of Defense for fiscal year
19 1996, not more than \$3,070,199,000 may be obligated for
20 Ballistic Missile Defense programs.

21 **SEC. 242. POLICY CONCERNING BALLISTIC MISSILE**
22 **DEFENSE.**

23 (a) **BALLISTIC MISSILE DEFENSE AND OTHER**
24 **COUNTERPROLIFERATION EFFORTS.**—The Congress
25 views the deployment of ballistic missile defenses as a nec-

1 essary, but not sufficient, element of a broader strategy
2 to discourage both the proliferation of weapons of mass
3 destruction and the proliferation of means of their delivery
4 and to defend against the consequences of such prolifera-
5 tion. The Congress, therefore, endorses and supports
6 measures designed to slow or halt the proliferation of ad-
7 vanced technologies that pose a threat to the safety and
8 security of the United States and to international stability.

9 (b) BALLISTIC MISSILE DEFENSE AND STRATEGIC
10 STABILITY.—(1) The Congress views the deployment of
11 ballistic missile defenses as a strategically stabilizing
12 measure.

13 (2) The deployment of Theater Missile Defense sys-
14 tems at the earliest practical date pursuant to section
15 232(a)(1) will deny potential adversaries the option of es-
16 calating a conflict by threatening or attacking United
17 States forces, coalition partners of the United States, or
18 allies of the United States with ballistic missiles armed
19 with weapons of mass destruction to offset the operational
20 and technical advantages of the United States and its coa-
21 lition partners and allies.

22 (3) The deployment of a National Missile Defense
23 system at the earliest practical date pursuant to section
24 232(a)(2) against the threat of limited ballistic missile
25 attacks—

1 (A) will strengthen deterrence at the levels of
2 forces agreed to by the United States and Russia
3 under the Strategic Arms Reduction Talks Treaties
4 (START-I and START-II); and

5 (B) would further strengthen deterrence if re-
6 ductions below the levels permitted under START-
7 II should be agreed to in the future.

8 (c) PRESIDENTIAL DISCUSSIONS WITH OTHER NA-
9 TIONS.—(1) The Congress—

10 (A) notes that on the basis of section 235 it is
11 no longer necessary for the United States to con-
12 tinue discussions with Russia to clarify the distinc-
13 tion between ABM and TMD systems and, therefore,
14 urges the President to discontinue any such discus-
15 sions;

16 (B) notes that the ABM Treaty prohibits de-
17 ployment of ground-based interceptors in a number
18 that would be sufficient to assure that the entire
19 continental United States, Alaska, and Hawaii are
20 defended against limited ballistic missile attacks;
21 and

22 (C) notes that past discussions with Russia,
23 based on Russian President Yeltsin's proposal for a
24 Global Protection System, held promise of an agree-
25 ment to amend the ABM Treaty to allow defense

1 against a limited ballistic missile attack that would
2 have included (among other measures) permitted de-
3 ployment of as many as four ground-based intercep-
4 tor sites in addition to the one site currently per-
5 mitted under the ABM Treaty and unrestricted ex-
6 ploitation of ground-based and space-based sensors.

7 (2) In light of the findings in paragraph (1), Con-
8 gress urges the President to pursue high-level discussions
9 with Russia to amend the ABM Treaty to permit—

10 (A) deployment of the number of ground-based
11 ABM sites necessary to provide effective defense of
12 the entire territory of the United States against lim-
13 ited ballistic missile attack; and

14 (B) the unrestricted exploitation of sensors
15 based within the atmosphere and in space.

16 (3) It is in the interest of the United States to de-
17 velop its own missile defense capabilities in a manner that
18 will permit the United States to complement and support
19 the missile defense capabilities developed and deployed by
20 its allies and possible coalition partners. Therefore, the
21 Congress urges the President—

22 (A) to pursue high-level discussions with allies
23 and selected other states on the means and methods
24 by which the parties on a bilateral basis can cooper-

1 ate in the development, deployment, and operation of
2 ballistic missile defenses;

3 (B) to take the initiative within the North At-
4 lantic Treaty Organization to develop consensus in
5 the Alliance for a timely deployment of effective bal-
6 listic missile defenses by the Alliance; and

7 (C) in the interim, to seek agreement with allies
8 and selected other states on steps the parties should
9 take, consistent with their national interests, to re-
10 duce the risks posed by the threat of limited ballistic
11 missile attacks, such steps to include—

12 (i) the sharing of early warning informa-
13 tion derived from sensors deployed by the Unit-
14 ed States and other states;

15 (ii) the exchange on a reciprocal basis of
16 technical data and technology to support both
17 joint development programs and the sale and
18 purchase of missile defense systems and compo-
19 nents; and

20 (iii) operational level planning to exploit
21 current missile defense capabilities and to help
22 define future requirements.

1 **SEC. 243. TESTING OF THEATER MISSILE DEFENSE INTER-**
2 **CEPTORS.**

3 Subsection (a) of section 237 of the National Defense
4 Authorization Act for Fiscal Year 1994 (Public Law 103-
5 160; 107 Stat. 1600) is amended to read as follows:

6 “(a) TESTING OF THEATER MISSILE DEFENSE
7 INTERCEPTORS.—(1) The Secretary of Defense may not
8 approve a theater missile defense interceptor program pro-
9 ceeding beyond the low-rate initial production acquisition
10 stage until the Secretary certifies to the congressional de-
11 fense committees that such program has successfully com-
12 pleted initial operational test and evaluation.

13 “(2) In order to be certified under paragraph (1) as
14 having been successfully completed, the initial operational
15 test and evaluation conducted with respect to an intercep-
16 tors program must have included flight tests—

17 “(A) that were conducted with multiple inter-
18 ceptors and multiple targets in the presence of real-
19 istic countermeasures; and

20 “(B) the results of which demonstrate the
21 achievement by the interceptors of the baseline per-
22 formance thresholds.

23 “(3) For purposes of this subsection, the baseline
24 performance thresholds with respect to a program are the
25 weapons systems performance thresholds specified in the
26 baseline description for the system established (pursuant

1 to section 2435(a)(1) of title 10, United States Code) be-
2 fore the program entered the engineering and manufactur-
3 ing development stage.

4 “(4) The number of flight tests described in para-
5 graph (2) that are required in order to make the certifi-
6 cation under paragraph (1) shall be a number determined
7 by the Secretary of Defense to be sufficient for the pur-
8 poses of this section.

9 “(5) The Secretary may augment live-fire testing to
10 demonstrate weapons system performance goals for pur-
11 poses of the certification under paragraph (1) through the
12 use of modeling and simulation that is validated by ground
13 and flight testing.”.

14 **SEC. 244. REPEAL OF MISSILE DEFENSE PROVISIONS.**

15 The following provisions of law are repealed:

16 (1) Section 222 of the Department of Defense
17 Authorization Act, 1986 (Public Law 99-145; 99
18 Stat. 613; 10 U.S.C. 2431 note).

19 (2) Section 225 of the Department of Defense
20 Authorization Act, 1986 (Public Law 99-145; 99
21 Stat. 614).

22 (3) Section 226 of the National Defense Au-
23 thorization Act for Fiscal Years 1988 and 1989
24 (Public Law 100-180; 101 Stat. 1057; 10 U.S.C.
25 2431 note).

1 (4) Section 8123 of the Department of Defense
2 Appropriations Act, 1989 (Public Law 100-463;
3 102 Stat. 2270-40).

4 (5) Section 8133 of the Department of Defense
5 Appropriations Act, 1992 (Public Law 102-172;
6 105 Stat. 1211).

7 (6) Section 234 of the National Defense Au-
8 thorization Act for Fiscal Year 1994 (Public Law
9 103-160; 107 Stat. 1595; 10 U.S.C. 2431 note).

10 **Subtitle E—Other Matters**

11 **SEC. 251. ALLOCATION OF FUNDS FOR MEDICAL COUNTER-** 12 **MEASURES AGAINST BIOWARFARE THREATS.**

13 Section 2370a of title 10, United States Code, is
14 amended—

15 (1) in subsection (a), by striking out “Depart-
16 ment of Defense—” and all that follows through
17 “not more than 20 percent” and inserting in lieu
18 thereof “Department of Defense, not more than 50
19 percent”; and

20 (2) in subsection (b), by striking out paragraph
21 (2) and redesignating paragraphs (3), (4), and (5)
22 as paragraphs (2), (3), and (4), respectively.

1 **SEC. 252. ANALYSIS OF CONSOLIDATION OF BASIC RE-**
2 **SEARCH ACCOUNTS OF MILITARY DEPART-**
3 **MENTS.**

4 (a) ANALYSIS REQUIRED.—The Secretary of Defense
5 shall conduct an analysis of the cost and effectiveness of
6 consolidating the basic research accounts of the military
7 departments. The analysis shall determine potential infra-
8 structure savings and other benefits of co-locating and
9 consolidating the management of basic research.

10 (b) DEADLINE.—On or before March 1, 1996, the
11 Secretary shall submit to the Committee on Armed Serv-
12 ices of the Senate and the Committee on National Security
13 of the House of Representatives a report on the analysis
14 conducted under subsection (a).

15 **SEC. 253. CHANGE IN REPORTING PERIOD FROM CAL-**
16 **ENDAR YEAR TO FISCAL YEAR FOR ANNUAL**
17 **REPORT ON CERTAIN CONTRACTS TO COL-**
18 **LEGES AND UNIVERSITIES.**

19 Section 2361(c)(2) of title 10, United States Code,
20 is amended—

21 (1) by striking out “calendar year” and insert-
22 ing in lieu thereof “fiscal year”; and

23 (2) by striking out “after the year” and insert-
24 ing in lieu thereof “after the fiscal year”.

1 **SEC. 254. MODIFICATION TO UNIVERSITY RESEARCH INI-**
2 **TIATIVE SUPPORT PROGRAM.**

3 Section 802 of the National Defense Authorization
4 Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat.
5 1701) is amended—

6 (1) in subsections (a) and (b), by striking out
7 “shall” both places it appears and inserting in lieu
8 thereof “may”; and

9 (2) in subsection (e), by striking out the sen-
10 tence beginning with “Such selection process”.

11 **SEC. 255. ADVANCED FIELD ARTILLERY SYSTEM (CRU-**
12 **SADER).**

13 (a) **AUTHORITY TO USE FUNDS FOR ALTERNATIVE**
14 **PROPELLANT TECHNOLOGIES.**—During fiscal year 1996,
15 the Secretary of the Army may use funds appropriated
16 for the liquid propellant portion of the Advanced Field Ar-
17 tillery System (Crusader) program for fiscal year 1996 for
18 alternative propellant technologies and integration of
19 those technologies into the design of the Crusader system
20 if—

21 (1) the Secretary determines that the technical
22 risk associated with liquid propellant will increase
23 costs and delay the initial operational capability of
24 the Crusader system; and

1 (2) the Secretary notifies the congressional de-
2 fense committees of the proposed use of the funds
3 and the reasons for the proposed use of the funds.

4 (b) LIMITATION.—The Secretary of the Army may
5 not spend funds for the liquid propellant portion of the
6 Crusader system after August 1, 1996, unless significant
7 progress has been made toward meeting the objectives set
8 forth in subsection (c) and the statement described in sub-
9 section (d) has been submitted to the congressional de-
10 fense committees.

11 (c) OBJECTIVES.—The objectives referred to in sub-
12 section (b) are the following:

13 (1) Breech and ignition design criteria for rate
14 of fire for the cannon of the Crusader system have
15 been met.

16 (2) The final ignition concept has been designed
17 and successfully bench tested for the next prototype
18 of the cannon of the Crusader system.

19 (3) Designs to prevent chamber piston reversals
20 have been tested in a fixed weapons test stand.

21 (4) The chemistry and physics of propellant
22 burn resulting from the firing of liquid propellant
23 into any target zone are fully understood, and pre-
24 dictable firings have been demonstrated.

1 (5) An analysis of the management of heat dis-
2 sipation has been made for the full range of per-
3 formance requirements for the cannon, and concept
4 designs supported by that analysis are completed
5 and proposed for engineering.

6 (6) Engineering designs to control pressure os-
7 cillations in the chamber during firing are proven
8 and planned for integration into the next prototype
9 of the cannon.

10 (7) Fill designs for the cannon chamber that
11 focus on preventing future chamber explosions have
12 been electronically simulated and bench tested.

13 (8) An assessment of the sensitivity of liquid
14 propellant to contamination by various materials to
15 which it may be exposed throughout the handling
16 and operation of the cannon is completed.

17 (d) STATEMENT.—The statement referred to in sub-
18 section (b) is a statement submitted to the congressional
19 defense committees not later than March 30, 1996, that
20 contains the following:

21 (1) An assertion that all the hazards associated
22 with liquid propellant have been identified and are
23 controllable to acceptable levels.

24 (2) An assessment of the technology for each
25 component of the Crusader system (the cannon, ve-

1 hicle, and crew module). The technology assessment
2 shall include, for each performance goal of the Cru-
3 sader system (including total system weight), infor-
4 mation about the maturity of the technology to
5 achieve that goal, the maturity of the design of the
6 technology, and the manner in which the design has
7 been proven (for example, through simulation, bench
8 testing, or weapon firing).

9 (3) An assessment of the cost of continued de-
10 velopment of the Crusader system after August 1,
11 1996, the cost of each unit of the Crusader system
12 in the year the Crusader system will be completed,
13 and the cost of each unit of the Future Armored Re-
14 supply Vehicle (FARV) in the year that vehicle will
15 be completed.

16 **SEC. 256. REVIEW OF C⁴I BY NATIONAL RESEARCH**
17 **COUNCIL.**

18 (a) REVIEW BY NATIONAL RESEARCH COUNCIL.—
19 Not later than 90 days after the date of the enactment
20 of this Act, the Secretary of Defense shall enter into a
21 contract with the National Research Council of the Na-
22 tional Academy of Sciences to conduct a comprehensive
23 review of current and planned service and defense-wide
24 programs for command, control, communications, comput-

1 ers, and intelligence (C⁴I) with a special focus on cross-
2 service and inter-service issues.

3 (b) MATTERS TO BE ASSESSED IN REVIEW.—The
4 review shall address the following:

5 (1) The match between the capabilities provided
6 by current service and defense-wide C⁴I programs
7 and the actual needs of users of these programs.

8 (2) The interoperability of service and defense-
9 wide C⁴I systems that are planned to be operational
10 in the future.

11 (3) The need for an overall defense-wide archi-
12 tecture for C⁴I.

13 (4) Proposed strategies for ensuring that future
14 C⁴I acquisitions are compatible and interoperable
15 with an overall architecture.

16 (5) Technological and administrative aspects of
17 the C⁴I modernization effort to determine the sound-
18 ness of the underlying plan and the extent to which
19 it is consistent with concepts for joint military oper-
20 ations in the future.

21 (c) TWO-YEAR PERIOD FOR CONDUCTING REVIEW.—
22 The National Research Council shall conduct the review
23 over the two-year period beginning upon completion of the
24 performance of the contract described in subsection (a).

1 (d) REPORTS.—(1) The National Research Council
2 shall submit to the Department of Defense and Congress
3 interim reports and progress updates on a regular basis
4 as the review proceeds. A final report on the review shall
5 set forth the findings, conclusions, and recommendations
6 of the Council for defense-wide and service C⁴I programs
7 and shall be submitted to the Committee on Armed Serv-
8 ices of the Senate, the Committee on National Security
9 of the House of Representatives, and the Secretary of De-
10 fense.

11 (2) To the maximum degree possible, the final report
12 shall be submitted in unclassified form with classified an-
13 nexes as necessary.

14 (e) INTERAGENCY COOPERATION WITH STUDY.—All
15 military departments, defense agencies, and other compo-
16 nents of the Department of Defense shall cooperate fully
17 with the National Research Council in its activities in car-
18 rying out the review under this section.

19 (f) EXPEDITED PROCESSING OF SECURITY CLEAR-
20 ANCES FOR STUDY.—For the purpose of facilitating the
21 commencement of the study under this section, the Sec-
22 retary of Defense shall expedite to the fullest degree pos-
23 sible the processing of security clearances that are nec-
24 essary for the National Research Council to conduct the
25 study.

1 (g) FUNDING.—Of the amount authorized to be ap-
2 propriated in section 201 for defense-wide activities,
3 \$900,000 shall be available for the study under this sec-
4 tion.

5 **SEC. 257. FIVE-YEAR PLAN FOR FEDERALLY FUNDED RE-**
6 **SEARCH AND DEVELOPMENT CENTERS**
7 **(FFRDCS).**

8 (a) FIVE-YEAR PLAN.—The Secretary of Defense, in
9 consultation with the Secretaries of the military depart-
10 ments, shall develop a five-year plan to reduce and consoli-
11 date the activities performed by federally funded research
12 and development centers (FFRDCs) and establish a
13 framework for the future workload of such centers.

14 (b) OBJECTIVES.—The plan shall set forth the man-
15 ner in which the Secretary of Defense could achieve by
16 October 1, 2000, the following:

17 (1) Implementation by federally funded re-
18 search and development centers of only those core
19 activities, as defined by the Secretary, that require
20 the unique capabilities and arrangements afforded
21 by such centers.

22 (2) Consolidation of such core level activities
23 into as few federally funded research and develop-
24 ment centers as is practical and possible.

1 (3) Acquisition of systems engineering and sys-
2 tems integration activities currently performed by
3 federally funded research and development centers
4 through the use of competitive procedures.

5 (4) Transfer of the management of the Soft-
6 ware Engineering Institute activities to the Defense
7 Information Systems Agency for purposes of sup-
8 porting command, control, communications, comput-
9 ing, and intelligence (C⁴I) programs.

10 (5) Transfer of the management of the core ac-
11 tivities of Lincoln Laboratory to the Office of the
12 Secretary of Defense.

13 (6) Acquisition of services provided to the De-
14 partment of Defense by university-affiliated research
15 centers (that operate like federally funded research
16 and development centers) through the use of com-
17 petitive procedures.

18 (c) OTHER MATTERS.—The plan also shall include
19 the following:

20 (1) An assessment of the number of staff need-
21 ed in each federally funded research and develop-
22 ment center during each year over the five years cov-
23 ered by the plan.

24 (2) A specific timetable for phasing in the ob-
25 jectives set forth in subsection (b).

1 (d) REPORT.—Not later than February 1, 1996, the
2 Secretary of Defense shall submit to the congressional de-
3 fense committees a report on the plan.

4 (e) UNDISTRIBUTED REDUCTION.—The total amount
5 authorized to be appropriated for research, development,
6 test, and evaluation in section 201 for federally funded
7 research and development centers and university-affiliated
8 research centers is hereby reduced by \$90,097,000.

9 **SEC. 258. MANUFACTURING TECHNOLOGY PROGRAM.**

10 (a) IN GENERAL.—Section 2525 of title 10, United
11 States Code, is amended as follows:

12 (1) The heading is amended by striking out the
13 second and third words.

14 (2) Subsection (a) is amended by striking out
15 “Science and”.

16 (3) Subsection (d) is amended—

17 (A) in paragraph (2)—

18 (i) by striking out “or” at the end of
19 subparagraph (A);

20 (ii) by striking out the period at the
21 end of subparagraph (B) and inserting in
22 lieu thereof “; or”; and

23 (iii) by adding at the end the follow-
24 ing new subparagraph:

1 “(C) will be carried out by an institution of
2 higher education.”; and

3 (B) by adding at the end the following new
4 paragraph:

5 “(3) At least 25 percent of the funds available for
6 the program each fiscal year shall be used for awarding
7 grants and entering into contracts, cooperative agree-
8 ments, and other transactions on a cost-share basis under
9 which the ratio of recipient costs to Government costs is
10 two to one.”.

11 (b) CLERICAL AMENDMENT.—The item relating to
12 section 2525 in the table of sections at the beginning of
13 chapter 148 of title 10, United States Code, is amended
14 to read as follows:

 “2525. Manufacturing technology program.”.

15 **SEC. 259. FIVE-YEAR PLAN FOR CONSOLIDATION OF DE-**
16 **FENSE LABORATORIES AND TEST AND EVAL-**
17 **UATION CENTERS.**

18 (a) FIVE-YEAR PLAN.—The Secretary of Defense
19 shall develop a five-year plan to consolidate and restruc-
20 ture the laboratories and test and evaluation centers of
21 the Department of Defense.

22 (b) OBJECTIVE.—The plan shall set forth the specific
23 actions needed to consolidate the laboratories and test and
24 evaluation centers into as few laboratories and centers as

1 is practical and possible, in the judgment of the Secretary,
2 by October 1, 2005.

3 (c) MATTERS TO BE CONSIDERED.—In developing
4 the plan, the Secretary shall consider the following:

5 (1) Consolidation of common support functions,
6 including the following:

7 (A) Aircraft (fixed wing and rotary).

8 (B) Weapons.

9 (C) Space systems.

10 (D) Command, control, communications,
11 computers, and intelligence.

12 (2) The extent to which any military construc-
13 tion is planned at the laboratories and centers.

14 (3) The encroachment on the laboratories and
15 centers by residential and industrial expansion.

16 (4) The cost of operations and maintenance at
17 the laboratories and centers.

18 (5) The cost of environmental remediation at
19 the laboratories and centers.

20 (d) REPORT.—Not later than May 1, 1996, the Sec-
21 retary of Defense shall submit to the congressional defense
22 committees a report on the plan.

23 (e) LIMITATION.—Of the amounts appropriated or
24 otherwise made available pursuant to an authorization in
25 section 201 for the central test and evaluation investment

1 development program, not more than 40 percent may be
2 obligated before the report required by subsection (d) is
3 submitted to Congress.

4 **SEC. 260. AERONAUTICAL RESEARCH AND TEST CAPABILI-**
5 **TIES ASSESSMENT.**

6 (a) POLICY.—(1) It is in the Nation’s long-term na-
7 tional security interests to maintain preeminence in the
8 area of aeronautical research and test capabilities.

9 (2) Continued advances in aeronautical science and
10 engineering are critical to sustaining the strategic and tac-
11 tical air superiority of the United States and coalition
12 forces, as well as United States economic security and
13 international aerospace leadership.

14 (3) Encouragement of active Department of Defense
15 partnership with other Government agencies, academic in-
16 stitutions, and private industry to develop, maintain, and
17 enhance aeronautical research and test capabilities is in
18 the national security and economic interest of the Depart-
19 ment and the United States.

20 (b) REVIEW.—(1) In pursuit of the aeronautical re-
21 search and test capabilities policy set forth in subsection
22 (a), the Secretary of Defense shall conduct a comprehen-
23 sive review of the aeronautical research and test facilities
24 and capabilities of the United States in order to assess
25 the current condition of such facilities and capabilities.

1 (2) The review shall identify options for providing af-
2 fordable, operable, reliable, and responsive long-term aero-
3 nautical research and test capabilities for military and ci-
4 vilian purposes and for the organization and conduct of
5 such capabilities within the Department or through shared
6 operations with other Government agencies, academic in-
7 stitutions, and private industry. The review also shall set
8 forth in detail the projected costs of such options, includ-
9 ing costs of acquisition and technical and financial ar-
10 rangements (including the use of Government facilities for
11 reimbursable private use).

12 (c) REPORT.—Not later than March 1, 1996, the
13 Secretary of Defense shall submit to the congressional de-
14 fense committees a report setting forth in detail the find-
15 ings of the review required by subsection (b). The report
16 shall include recommendations on the most efficient and
17 economic means of developing, maintaining, and contin-
18 ually modernizing aeronautical research and test capabili-
19 ties to meet current, planned, and prospective military and
20 civilian needs.

21 **SEC. 261. LIMITATION ON T-38 AVIONICS UPGRADE PRO-**
22 **GRAM.**

23 (a) REQUIREMENT.—The Secretary of Defense shall
24 ensure that, in evaluating proposals submitted in response
25 to a solicitation issued for a contract for the T-38 Avi-

1 onics Upgrade Program, the proposal of an entity may not
2 be considered unless—

3 (1) in the case of an entity that conducts sub-
4 stantially all of its business in a foreign country, the
5 foreign country provides equal access to similar con-
6 tract solicitations in that country to United States
7 entities; and

8 (2) in the case of an entity that conducts busi-
9 ness in the United States but that is owned or con-
10 trolled by a foreign government or by an entity in-
11 corporated in a foreign country, the foreign govern-
12 ment or foreign country of incorporation provides
13 equal access to similar contract solicitations in that
14 country to United States entities.

15 (b) DEFINITION.—In this section, the term “United
16 States entity” means an entity that is owned or controlled
17 by persons a majority of whom are United States citizens.

18 **SEC. 262. CROSS REFERENCE TO CONGRESSIONAL DE-**
19 **FENSE POLICY CONCERNING NATIONAL**
20 **TECHNOLOGY AND INDUSTRIAL BASE, REIN-**
21 **VESTMENT, AND CONVERSION IN OPERATION**
22 **OF DEFENSE RESEARCH AND DEVELOPMENT**
23 **PROGRAMS.**

24 (a) SECTION 2358 PROJECTS.—Section
25 2358(a)(2)(B) of title 10, United States Code, is amended

1 by inserting before the period the following: “and advance
2 the defense policies and objectives specified in section
3 2501 of this title”.

4 (b) SECTION 2371 PROJECTS.—Section 2371(a) of
5 such title is amended by inserting before the period in the
6 first sentence the following: “for the purpose of advancing
7 the defense policies and objectives specified in section
8 2501 of this title”.

9 **SEC. 263. DEMILITARIZATION OF CONVENTIONAL MUNI-**
10 **TIONS, ROCKETS, AND EXPLOSIVES.**

11 Of the amount appropriated pursuant to the author-
12 ization in section 201 for the joint Department of De-
13 fense-Department of Energy munitions technology devel-
14 opment program (PE 63225D), \$15,000,000 shall be
15 available for cooperative development and demonstration
16 of processes that comply with applicable environmental
17 laws for the demilitarization and disposal of unserviceable,
18 obsolete, or nontreaty compliant munitions, rocket motors,
19 and explosives. In carrying out such development and
20 demonstration, the Secretary of Defense and the Secretary
21 of Energy should consider a number of potential tech-
22 nologies, including super-critical water oxidation, molten
23 metal pyrolysis, plasma arc, catalytic fluidized-bed oxida-
24 tion, molten salt oxidation, incineration, critical fluid ex-

1 traction and ingredient recovery, and underground con-
2 tained burning.

3 **SEC. 264. FIBER OPTIC ACOUSTIC SENSOR SYSTEM.**

4 (a) FIBER OPTIC ACOUSTIC SENSOR SYSTEM.—Of
5 the amount appropriated pursuant to the authorization in
6 section 201, \$28,181,000 shall be available for fiscal year
7 1996 for the advanced submarine combat systems develop-
8 ment program (PE 63504N). Of that amount, \$6,900,000
9 shall be available for research and development of a fiber
10 optic acoustic sensor system, including the development of
11 common optical towed arrays.

12 (b) OFFSET.—The amount authorized in section 201
13 for the advanced submarine systems development program
14 (PE 63561N) is hereby reduced by \$6,900,000.

15 **SEC. 265. JOINT TARGETING SUPPORT SYSTEM TESTBED.**

16 (a) JOINT TARGETING SUPPORT SYSTEM
17 TESTBED.—The amount authorized in section 201(2) for
18 theater mission planning (project A1784) is hereby in-
19 creased by \$10,000,000, to be used to establish a joint
20 targeting support system testbed (in PE 0204229N).

21 (b) OFFSET.—The amount authorized in section
22 201(2) for the Tomahawk (project A0545) is hereby re-
23 duced by \$10,000,000.

1 **TITLE III—OPERATION AND**
2 **MAINTENANCE**
3 **Subtitle A—Authorization of**
4 **Appropriations**

5 **SEC. 301. OPERATION AND MAINTENANCE FUNDING.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 1996 for the use of the Armed Forces and other
8 activities and agencies of the Department of Defense for
9 expenses, not otherwise provided for, for operation and
10 maintenance in amounts as follows:

11 (1) For the Army, \$19,339,936,000.

12 (2) For the Navy, \$21,677,510,000.

13 (3) For the Marine Corps, \$2,603,622,000.

14 (4) For the Air Force, \$18,984,162,000.

15 (5) For Defense-wide activities,
16 \$10,680,371,000.

17 (6) For the Army Reserve, \$1,139,591,000.

18 (7) For the Naval Reserve, \$838,042,000.

19 (8) For the Marine Corps Reserve,
20 \$91,783,000.

21 (9) For the Air Force Reserve, \$1,507,447,000.

22 (10) For the Army National Guard,
23 \$2,394,108,000.

24 (11) For the Air National Guard,
25 \$2,734,221,000.

1 (12) For the Defense Inspector General,
2 \$177,226,000.

3 (13) For the United States Court of Appeals
4 for the Armed Forces, \$6,521,000.

5 (14) For Environmental Restoration, Defense,
6 \$1,422,200,000.

7 (15) For Drug Interdiction and Counter-drug
8 Activities, Defense-wide, \$680,432,000.

9 (16) For Medical Programs, Defense,
10 \$9,876,525,000.

11 (17) For Summer Olympics, \$15,000,000.

12 (18) For Cooperative Threat Reduction pro-
13 grams, \$200,000,000.

14 (19) For Overseas Humanitarian, Disaster, and
15 Civic Aid programs, \$50,000,000.

16 **SEC. 302. WORKING CAPITAL FUNDS.**

17 Funds are hereby authorized to be appropriated for
18 fiscal year 1996 for the use of the Armed Forces and other
19 activities and agencies of the Department of Defense for
20 providing capital for working capital and revolving funds
21 in amounts as follows:

22 (1) For the Defense Business Operations Fund,
23 \$878,700,000.

24 (2) For the National Defense Sealift Fund,
25 \$1,574,220,000.

1 **SEC. 303. ARMED FORCES RETIREMENT HOME.**

2 There is hereby authorized to be appropriated for fis-
3 cal year 1996 from the Armed Forces Retirement Home
4 Trust Fund the sum of \$59,120,000 for the operation of
5 the Armed Forces Retirement Home, including the United
6 States Soldiers' and Airmen's Home and the Naval Home.

7 **SEC. 304. OFFICE OF ECONOMIC ADJUSTMENT.**

8 Of the amount authorized in section 301(5) for De-
9 fense-wide activities, \$60,578,000 is for the Office of Eco-
10 nomic Adjustment of the Department of Defense.

11 **Subtitle B—Defense Business**
12 **Operations Fund**

13 **SEC. 311. CODIFICATION OF DEFENSE BUSINESS OPER-**
14 **ATIONS FUND.**

15 (a) MANAGEMENT OF WORKING-CAPITAL FUNDS.—
16 (1) Chapter 131 of title 10, United States Code, is amend-
17 ed by inserting after section 2215 the following new sec-
18 tion:

19 **“§ 2216. Defense Business Operations Fund**

20 “(a) MANAGEMENT OF WORKING-CAPITAL FUNDS
21 AND CERTAIN ACTIVITIES.—The Secretary of Defense
22 may manage the performance of the working-capital funds
23 and industrial, commercial, and support type activities de-
24 scribed in subsection (b) through the fund known as the
25 Defense Business Operations Fund, which is established
26 on the books of the Treasury. Except for the funds and

1 activities specified in subsection (b), no other functions,
2 activities, funds, or accounts of the Department of De-
3 fense may be managed through the Fund.

4 “(b) FUNDS AND ACTIVITIES INCLUDED.—The funds
5 and activities referred to in subsection (a) are the follow-
6 ing:

7 “(1) Working-capital funds established under
8 section 2208 of this title and in existence on Decem-
9 ber 5, 1991.

10 “(2) Those activities that, on December 5,
11 1991, were funded through the use of a working-
12 capital fund established under that section.

13 “(3) The Defense Finance and Accounting
14 Service.

15 “(4) The Defense Industrial Plant Equipment
16 Center.

17 “(5) The Defense Commissary Agency.

18 “(6) The Defense Technical Information Serv-
19 ice.

20 “(7) The Defense Reutilization and Marketing
21 Service.

22 “(c) SEPARATE ACCOUNTING, REPORTING, AND AU-
23 DITING OF FUNDS AND ACTIVITIES.—(1) The Secretary
24 of Defense shall provide in accordance with this subsection

1 for separate accounting, reporting, and auditing of funds
2 and activities managed through the Fund.

3 “(2) The Secretary shall maintain the separate iden-
4 tity of each fund and activity managed through the Fund
5 that (before the establishment of the Fund) was managed
6 as a separate fund or activity.

7 “(3) The Secretary shall maintain separate records
8 for each function for which payment is made through the
9 Fund and which (before the establishment of the Fund)
10 was paid directly through appropriations, including the
11 separate identity of the appropriation account used to pay
12 for the performance of the function.

13 “(d) CHARGES FOR GOODS AND SERVICES PROVIDED
14 THROUGH THE FUND.—(1) Charges for goods and serv-
15 ices provided through the Fund shall include the following
16 amounts:

17 “(A) Amounts necessary to recover the full
18 costs of—

19 “(i) the development, implementation, op-
20 eration, and maintenance of systems supporting
21 the wholesale supply and maintenance activities
22 of the Department of Defense; and

23 “(ii) the use of members of the armed
24 forces in the provision of the goods and serv-
25 ices, computed by calculating, to the maximum

1 extent practicable, such costs as if employees of
2 the Department of Defense were used in the
3 provision of the goods and services.

4 “(B) Amounts for depreciation of capital assets,
5 set in accordance with generally accepted accounting
6 principles.

7 “(C) Amounts necessary to recover the full cost
8 of the operation of the Defense Finance Accounting
9 Service.

10 “(2) Charges for goods and services provided through
11 the Fund may not include the following amounts:

12 “(A) Amounts necessary to recover the costs of
13 a military construction project (as defined in section
14 2801(b) of this title), other than a minor construc-
15 tion project financed by the Fund pursuant to sec-
16 tion 2805(c)(1) of this title.

17 “(B) Amounts necessary to cover costs incurred
18 in connection with the closure or realignment of a
19 military installation.

20 “(e) CAPITAL ASSET SUBACCOUNT.—(1) Amounts
21 charged for depreciation of capital assets pursuant to sub-
22 section (d)(1)(B) shall be credited to a separate capital
23 asset subaccount established within the Fund.

1 “(2) The Secretary of Defense may award contracts
2 for capital assets of the Fund in advance of the availability
3 of funds in the subaccount.

4 “(f) PROCEDURES FOR ACCUMULATION OF
5 FUNDS.—The Secretary of Defense shall establish billing
6 procedures to ensure that the balance in the Fund does
7 not exceed the amount necessary to provide for the work-
8 ing capital requirements of the Fund, as determined by
9 the Secretary.

10 “(g) PURCHASE FROM OTHER SOURCES.—The Sec-
11 retary of Defense or the Secretary of a military depart-
12 ment may purchase goods and services that are available
13 for purchase from the Fund from a source other than the
14 Fund if the Secretary determines that such source offers
15 a more competitive rate for the goods and services than
16 the Fund offers.

17 “(h) ANNUAL REPORTS AND BUDGET.—The Sec-
18 retary of Defense shall annually submit to Congress, at
19 the same time that the President submits the budget
20 under section 1105 of title 31, the following:

21 “(1) A detailed report that contains a state-
22 ment of all receipts and disbursements of the Fund
23 (including such a statement for each subaccount of
24 the Fund) for the year for which the report is sub-
25 mitted.

1 “(2) A detailed proposed budget for the oper-
2 ation of the Fund for the fiscal year for which the
3 budget is submitted.

4 “(3) A comparison of the amounts actually ex-
5 pended for the operation of the Fund for the pre-
6 vious fiscal year with the amount proposed for the
7 operation of the Fund for that fiscal year in the
8 President’s budget.

9 “(4) A report on the capital asset subaccount of
10 the Fund that contains the following information:

11 “(A) The opening balance of the sub-
12 account as of the beginning of the fiscal year in
13 which the report is submitted.

14 “(B) The estimated amounts to be credited
15 to the subaccount in the fiscal year in which the
16 report is submitted.

17 “(C) The estimated amounts of outlays to
18 be paid out of the subaccount in the fiscal year
19 in which the report is submitted.

20 “(D) The estimated balance of the sub-
21 account at the end of the fiscal year in which
22 the report is submitted.

23 “(E) A statement of how much of the esti-
24 mated balance at the end of the fiscal year in
25 which the report is submitted will be needed to

1 pay outlays in the immediately following fiscal
2 year that are in excess of the amount to be
3 credited to the subaccount in the immediately
4 following fiscal year.

5 “(i) DEFINITIONS.—In this section:

6 “(1) The term ‘capital assets’ means the follow-
7 ing capital assets that have a development or acqui-
8 sition cost of not less than \$15,000:

9 “(A) Minor construction projects financed
10 by the Fund pursuant to section 2805(c)(1) of
11 this title.

12 “(B) Automatic data processing equip-
13 ment, software, other equipment, and other
14 capital improvements.

15 “(2) The term ‘Fund’ means the Defense Busi-
16 ness Operations Fund.”.

17 (2) The table of sections at the beginning of such
18 chapter is amended by inserting after the item relating
19 to section 2215 the following new item:

 “2216. Defense Business Operations Fund.”.

20 (b) CONFORMING REPEALS.—The following provi-
21 sions of law are hereby repealed:

22 (1) Subsections (b), (c), (d), and (e) of section
23 311 of the National Defense Authorization Act for
24 Fiscal Year 1995 (Public Law 103–337; 10 U.S.C.
25 2208 note).

1 (2) Subsections (a) and (b) of section 333 of
2 the National Defense Authorization Act for Fiscal
3 Year 1994 (Public Law 103–160; 10 U.S.C. 2208
4 note).

5 (3) Section 342 of the National Defense Au-
6 thorization Act for Fiscal Year 1993 (Public Law
7 102–484; 10 U.S.C. 2208 note).

8 (4) Section 316 of the National Defense Au-
9 thorization Act for Fiscal Years 1992 and 1993
10 (Public Law 102–190; 10 U.S.C. 2208 note).

11 (5) Section 8121 of the Department of Defense
12 Appropriations Act, 1992 (Public Law 102–172; 10
13 U.S.C. 2208 note).

14 **SEC. 312. RETENTION OF CENTRALIZED MANAGEMENT OF**
15 **DEFENSE BUSINESS OPERATIONS FUND AND**
16 **PROHIBITION ON FURTHER EXPANSION OF**
17 **FUND.**

18 (a) CENTRALIZED MANAGEMENT.—Subsection (a) of
19 section 2216 of title 10, United States Code, as added by
20 section 311(a), is amended—

21 (1) by inserting “(1)” before “The Secretary of
22 Defense”; and

23 (2) by adding at the end the following new
24 paragraph:

1 serting in lieu thereof “using the pay and allowances of
2 the members”.

3 (b) CHARGES EXCLUDED.—Paragraph (2) of such
4 subsection is amended by adding at the end the following
5 new subparagraph:

6 “(C) Amounts necessary to recover the costs of
7 functions designated by the Secretary of Defense as
8 mission critical, such as ammunition handling safe-
9 ty, and amounts for ancillary tasks not directly re-
10 lated to the mission of the function or activity man-
11 aged through the Fund.”.

12 (c) TERMINATION OF ADVANCE BILLING PRAC-
13 TICES.—Such subsection is further amended by adding at
14 the end the following new paragraph:

15 “(3) After September 30, 1996, functions and activi-
16 ties managed through the Fund may not use advance bill-
17 ing in the provision of goods and services to customers.”.

18 **SEC. 314. ANNUAL PROPOSED BUDGET FOR OPERATION OF**
19 **DEFENSE BUSINESS OPERATIONS FUND.**

20 Subsection (h)(2) of section 2216 of title 10, United
21 States Code, as added by section 311(a), is amended by
22 adding at the end the following new sentence: “The pro-
23 posed budget shall include the amount necessary to cover
24 the operating losses, if any, of the Fund for the previous
25 fiscal year.”.

1 **SEC. 315. REDUCTION IN REQUESTS FOR TRANSPORTATION**
2 **FUNDED THROUGH DEFENSE BUSINESS OP-**
3 **ERATIONS FUND.**

4 (a) REDUCTION.—The Secretary of Defense shall di-
5 rect the heads of Defense-wide activities and the Secretar-
6 ies of the military departments to reduce requests during
7 fiscal year 1996 for purchasing transportation from the
8 transportation accounts of the Defense Business Oper-
9 ations Fund by \$70,000,000 below the level of such re-
10 quests during fiscal year 1995. The rates charged for
11 transportation funded through the Defense Business Op-
12 erations Fund shall be reduced to reflect the effect of the
13 reduced requests on overhead costs.

14 (b) REPORT REQUIRED.—Not later than March 1,
15 1996, the Secretary of Defense shall submit to Congress
16 a report regarding—

17 (1) the effect on the Defense transportation or-
18 ganization of implementing certain consolidation
19 proposals, such as the elimination of duplication in
20 the component command structure; and

21 (2) the extent that transportation overhead, the
22 cost of which is passed on to customers, can be sig-
23 nificantly reduced without adversely affecting mobili-
24 zation requirements.

1 **Subtitle C—Environmental**
2 **Provisions**

3 **SEC. 321. CLARIFICATION OF SERVICES AND PROPERTY**
4 **THAT MAY BE EXCHANGED TO BENEFIT THE**
5 **HISTORICAL COLLECTION OF THE ARMED**
6 **FORCES.**

7 Section 2572(b) of title 10, United States Code, is
8 amended in paragraph (1) by striking out “not needed by
9 the armed forces” and all that follows through the end
10 of the paragraph and inserting in lieu thereof the follow-
11 ing: “not needed by the armed forces for any of the follow-
12 ing items or services if they directly benefit the historical
13 collection of the armed forces:

14 “(A) Similar items held by any individual, orga-
15 nization, institution, agency, or nation.

16 “(B) Conservation supplies, equipment, facili-
17 ties, or systems.

18 “(C) Search, salvage, or transportation services.

19 “(D) Restoration, conservation, or preservation
20 services.

21 “(E) Educational programs.”.

1 **SEC. 322. ADDITION OF AMOUNTS CREDITABLE TO DE-**
2 **FENSE ENVIRONMENTAL RESTORATION AC-**
3 **COUNT.**

4 Section 2703(e) of title 10, United States Code is
5 amended to read as follows:

6 “(e) AMOUNTS RECOVERED.—The following amounts
7 shall be credited to the transfer account:

8 “(1) Amounts recovered under section 107 of
9 CERCLA for response actions of the Secretary.

10 “(2) Any other amounts recovered by the Sec-
11 retary or the Secretary of the military department
12 concerned from a contractor, insurer, surety, or
13 other person to reimburse the Department of De-
14 fense for any expenditure for environmental response
15 activities.”.

16 **SEC. 323. REPEAL OF CERTAIN ENVIRONMENTAL EDU-**
17 **CATION PROGRAMS.**

18 Sections 1333 and 1334 of the National Defense Au-
19 thorization Act for Fiscal Year 1994 (Public Law 103-
20 160; 10 U.S.C. 2701 note) are repealed.

21 **SEC. 324. REPEAL OF LIMITATION ON OBLIGATION OF**
22 **AMOUNTS TRANSFERRED FROM ENVIRON-**
23 **MENTAL RESTORATION TRANSFER ACCOUNT.**

24 (a) REPEAL OF LIMITATION.—Section 2703 of title
25 10, United States Code, is further amended—

26 (1) by striking out subsection (c); and

1 (2) by redesignating subsection (d), subsection
2 (e) (as amended by section 322), and subsection (f)
3 as subsections (c), (d), and (e), respectively.

4 (b) EFFECT ON CONTRACTS.—Nothing in the amend-
5 ment made by subsection (a) shall be considered to negate
6 or invalidate any legal protection or legal defense available
7 to the Department of Defense under “force majeure”
8 clauses in environmental restoration contracts or agree-
9 ments existing on the date of the enactment of this Act.

10 **SEC. 325. ELIMINATION OF AUTHORITY TO TRANSFER**
11 **AMOUNTS FOR TOXICOLOGICAL PROFILES.**

12 Section 2704 of title 10, United States Code, is
13 amended in subsections (c) and (d)(3)—

14 (1) by striking out “, such sums from amounts
15 appropriated to the Department of Defense,”; and

16 (2) by striking out “, including the manner for
17 transferring funds and personnel and for coordina-
18 tion of activities under this section”.

19 **SEC. 326. SENSE OF CONGRESS ON USE OF DEFENSE ENVI-**
20 **RONMENTAL RESTORATION ACCOUNT.**

21 It is the sense of Congress that the Secretary of De-
22 fense should make every effort to limit, by the end of fiscal
23 year 1997, spending for administration, support, studies,
24 and investigations associated with the Defense Environ-

1 mental Restoration Account to 20 percent of the total
2 funding for that account.

3 **Subtitle D—Civilian Employees**
4 **and Nonappropriated Fund In-**
5 **strumentality Employees**

6 **SEC. 331. MANAGEMENT OF DEPARTMENT OF DEFENSE CI-**
7 **VILIAN PERSONNEL.**

8 Section 129 of title 10, United States Code, is
9 amended—

10 (1) in subsection (a)—

11 (A) by inserting “(including any limitation
12 on full-time equivalent positions)” before the
13 period at the end of the second sentence; and

14 (B) by adding at the end the following new
15 sentence: “The Secretary shall not be required
16 to make a reduction in the number of full-time
17 equivalent positions in the Department of De-
18 fense unless such reduction is necessary due to
19 a reduction in funds available to the Depart-
20 ment or is required under a law that is enacted
21 after the date of the enactment of the National
22 Defense Authorization Act for Fiscal Year 1996
23 and that refers specifically to this subsection.”;
24 and

1 (2) by adding at the end the following new sub-
2 section:

3 “(d) With respect to each budget activity within an
4 appropriation for any fiscal year for operations and main-
5 tenance, the Secretary of Defense shall ensure that there
6 are employed during that fiscal year employees in the
7 number, and of the type and with the skill mix, that are
8 necessary to carry out the functions within that budget
9 activity for which funds are provided for that fiscal year.”.

10 **SEC. 332. MANAGEMENT OF DEPOT EMPLOYEES.**

11 (a) DEPOT EMPLOYEES.—Chapter 146 of title 10,
12 United States Code, is amended by adding at the end the
13 following new section:

14 **“§ 2472. Management of depot employees**

15 “(a) PROHIBITION ON MANAGEMENT BY END
16 STRENGTH.—The civilian employees of the Department of
17 Defense involved in the depot-level maintenance and repair
18 of materiel may not be managed on the basis of any end-
19 strength constraint or limitation on the number of such
20 employees who may be employed on the last day of a fiscal
21 year. Such employees shall be managed solely on the basis
22 of the available workload and the funds made available
23 for such depot-level maintenance and repair.

24 “(b) ANNUAL REPORT.—Not later than 60 days after
25 the beginning of each fiscal year, the Secretary of Defense

1 shall submit to the Committee on Armed Services of the
2 Senate and the Committee on National Security of the
3 House of Representatives a report on the number of em-
4 ployees employed and expected to be employed by the De-
5 partment of Defense during that fiscal year to perform
6 depot-level maintenance and repair of materiel. The report
7 shall indicate whether that number is sufficient to perform
8 the depot-level maintenance and repair functions for which
9 funds have been appropriated for that fiscal year for per-
10 formance by Department of Defense employees.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 at the beginning of chapter 146 of such title is amended
13 by adding at the end the following new item:

“2472. Management of depot employees.”.

14 **SEC. 333. CONVERSION TO PERFORMANCE BY CIVILIAN EM-**
15 **PLOYEES OF ACTIVE-DUTY POSITIONS.**

16 (a) CONVERSION TO CIVILIAN PERFORMANCE.—Dur-
17 ing fiscal year 1996, the Secretary of Defense shall change
18 to performance by employees of the Department of De-
19 fense the performance of not less than 10,000 positions
20 in the Department of Defense that, as of September 30,
21 1995, were designated to be performed by members of the
22 Armed Forces on active duty.

23 (b) IMPLEMENTATION PLAN.—Not later than March
24 31, 1996, the Secretary of Defense shall submit to the
25 Committee on Armed Services of the Senate and the Com-

1 mittee on National Security of the House of Representa-
2 tives a plan for the implementation of subsection (a).

3 **SEC. 334. PERSONNEL ACTIONS INVOLVING EMPLOYEES OF**
4 **NONAPPROPRIATED FUND INSTRUMENTAL-**
5 **ITIES.**

6 (a) CLARIFICATION OF DEFINITION OF NONAP-
7 PROPRIATED FUND INSTRUMENTALITY EMPLOYEE.—
8 Subsection (a)(1) of section 1587 of title 10, United
9 States Code, is amended by adding at the end the follow-
10 ing new sentence: “Such term includes a civilian employee
11 of a support organization within the Department of De-
12 fense or a military department, such as the Defense Fi-
13 nance and Accounting Service, who is paid from
14 nonappropriated funds on account of the nature of the em-
15 ployee’s duties.”.

16 (b) DIRECT REPORTING OF VIOLATIONS.—Sub-
17 section (e) of such section is amended in the second sen-
18 tence by inserting before the period the following: “and
19 to permit the direct reporting of alleged violations of sub-
20 section (b) to the Inspector General of the Department
21 of Defense”.

22 (c) TECHNICAL AMENDMENT.—Subsection (a)(1) of
23 such section is further amended by striking out “Navy Re-
24 sale and Services Support Office” and inserting in lieu
25 thereof “Navy Exchange Service Command”.

1 (d) CLERICAL AMENDMENTS.—(1) The heading of
2 such section is amended to read as follows:

3 **“§ 1587. Employees of nonappropriated fund instru-**
4 **mentalities: personnel actions”.**

5 (2) The item relating to section 1587 in the table of
6 sections at the beginning of chapter 81 of such title is
7 amended to read as follows:

“1587. Employees of nonappropriated fund instrumentalities: personnel ac-
tions.”.

8 **SEC. 335. LIMITATION ON PROVISION OF OVERSEAS LIVING**
9 **QUARTERS ALLOWANCES FOR**
10 **NONAPPROPRIATED FUND INSTRUMENTAL-**
11 **ITY EMPLOYEES.**

12 (a) CONFORMING ALLOWANCE TO ALLOWANCES FOR
13 OTHER CIVILIAN EMPLOYEES.—Subject to subsection (b),
14 any overseas living quarters allowance paid from
15 nonappropriated funds and provided to a nonappropriated
16 fund instrumentality employee after the date of the enact-
17 ment of this Act may not exceed the amount of a quarters
18 allowance provided under subchapter III of chapter 59 of
19 title 5 to a similarly situated civilian employee of the De-
20 partment of Defense paid from appropriated funds.

21 (b) APPLICATION TO CERTAIN CURRENT EMPLOY-
22 EES.—In the case of a nonappropriated fund instrumen-
23 tality employee who, as of the date of the enactment of
24 this Act, receives an overseas living quarters allowance

1 under any other authority, subsection (a) shall apply to
2 such employee only after the earlier of—

3 (1) September 30, 1998; or

4 (2) the date on which the employee otherwise
5 ceases to be eligible for such an allowance under
6 such other authority.

7 (c) NONAPPROPRIATED FUND INSTRUMENTALITY
8 EMPLOYEE DEFINED.—For purposes of this section, the
9 term “nonappropriated fund instrumentality employee”
10 has the meaning given such term in section 1587(a)(1)
11 of title 10, United States Code.

12 **SEC. 336. OVERTIME EXEMPTION FOR NONAPPROPRIATED**
13 **FUND EMPLOYEES.**

14 Section 6121(2) of title 5, United States Code, is
15 amended to read as follows:

16 “(2) ‘employee’ has the meaning given it by sec-
17 tion 2105(a) and also includes those paid from
18 nonappropriated funds of the Army and Air Force
19 Exchange Service, Navy Ship’s Stores Ashore, Navy
20 exchanges, Marine Corps exchanges, Coast Guard
21 exchanges, and other instrumentalities of the United
22 States under the jurisdiction of the armed forces
23 conducted for the comfort, pleasure, contentment,
24 and mental and physical improvement of personnel
25 of the armed forces;”.

1 **SEC. 337. CONTINUED HEALTH INSURANCE COVERAGE.**

2 Section 8905a(d)(4) of title 5, United States Code,
3 is amended—

4 (1) in subparagraph (A), by inserting “, or a
5 voluntary separation from a surplus position,” after
6 “an involuntary separation from a position”; and

7 (2) by adding at the end the following new sub-
8 paragraph:

9 “(C) For the purpose of this paragraph, ‘surplus po-
10 sition’ means a position which is identified in pre-reduc-
11 tion in force planning as no longer required, and which
12 is expected to be eliminated under formal reduction-in-
13 force procedures.”.

14 **SEC. 338. CREDITABILITY OF CERTAIN NAFI SERVICE**
15 **UNDER THE FEDERAL EMPLOYEES’ RETIRE-**
16 **MENT SYSTEM.**

17 (a) IN GENERAL.—Subject to subsections (b) and (c),
18 upon application to the Office of Personnel Management,
19 any individual who, on the date of making such applica-
20 tion, is an employee within the Department of Defense or
21 the legislative branch of the Government shall be allowed
22 credit under chapter 84 of title 5, United States Code (for
23 purposes of benefits payable out of the Fund) for any serv-
24 ice if—

25 (1) such service was performed by such individ-
26 ual as an employee of a nonappropriated fund in-

1 instrumentality of the Department of Defense or the
2 Coast Guard, described in section 2105(c) of such
3 title; and

4 (2) such individual has served continuously,
5 since moving (after December 31, 1986, and without
6 a break in service of more than 3 days) from a
7 nonappropriated fund instrumentality referred to in
8 paragraph (1), in—

9 (A) the Department of Defense; or

10 (B) the legislative branch of the Govern-
11 ment.

12 (b) CONDITIONS.—An individual may not be allowed
13 credit for service under this section unless—

14 (1) an application is filed before the deadline
15 under subsection (c);

16 (2) such individual has been subject to chapter
17 84 of title 5, United States Code, since moving in
18 the manner described in subsection (a)(2); and

19 (3) such individual deposits to the credit of the
20 Fund an amount equal to 1.3 percent of the basic
21 pay paid to such individual for such service, with in-
22 terest (computed in accordance with paragraphs (2)
23 and (3) of section 8334(e) of title 5, United States
24 Code).

1 (c) DEADLINE.—An application under this section
2 may not be filed after—

3 (1) the end of the 6-month period beginning on
4 the date of the enactment of this Act; or

5 (2) if earlier, the date on which a written deter-
6 mination is made by the Office of Personnel Man-
7 agement that the actuarial present value of all bene-
8 fits payable as a result of the enactment of this sec-
9 tion has reached \$50,000,000.

10 (d) REGULATIONS.—The Office of Personnel Man-
11 agement shall prescribe any regulations necessary to carry
12 out this section.

13 (e) DEFINITION.—For purposes of this section, the
14 term “Fund” means the Civil Service Retirement and Dis-
15 ability Fund under section 8348 of title 5, United States
16 Code.

17 **Subtitle E—Commissaries and**
18 **Nonappropriated Fund Instru-**
19 **mentalities**

20 **SEC. 341. OPERATION OF COMMISSARY STORE SYSTEM.**

21 (a) COOPERATION WITH OTHER ENTITIES.—Section
22 2482 of title 10, United States Code, is amended—

23 (1) in the section heading, by striking out
24 “**private**”;

1 (2) by inserting “(a) PRIVATE OPERATION.—”
2 before “Private persons”; and

3 (3) by adding at the end the following new sub-
4 section:

5 “(b) CONTRACTS WITH OTHER AGENCIES AND IN-
6 STRUMENTALITIES.—(1) The Defense Commissary Agen-
7 cy, and other agencies of the Department of Defense that
8 support the operation of the commissary store system,
9 may enter into contracts or other agreements with other
10 appropriated fund or nonappropriated fund instrumentality-
11 ties of the Department of Defense or other departments
12 or agencies of the United States to facilitate efficiency in
13 the management and operation of the commissary store
14 system.

15 “(2) A commissary store operated by a
16 nonappropriated fund instrumentality shall be operated in
17 accordance with section 2484 of this title. Subject to such
18 section, the Secretary of Defense may authorize a transfer
19 of goods, supplies, and facilities of, and funds appro-
20 priated for, the Defense Commissary Agency to a
21 nonappropriated fund instrumentality operating a com-
22 missary store.”.

23 (b) AUTHORIZATION FOR DISTRIBUTORS TO SERVE
24 AS VENDOR AGENTS.—Such section is further amended

1 by adding after subsection (b), as added by subsection (a),
2 the following new subsection:

3 “(c) PAYMENTS TO VENDOR AGENTS.—If a distribu-
4 tor for a vendor of resale products under contract to the
5 Defense Commissary Agency is designated as an agent by
6 and for the vendor, the distributor may invoice the agency
7 and accept payments from the agency under the vendor’s
8 contract. A distributor designated as a agent for purposes
9 of this subsection may request payment for more than one
10 product of the vendor on the same invoice. All payments
11 made by the agency to a distributor designated by a ven-
12 dor as the vendor’s agent shall be considered payments
13 under the vendor’s contract, and the payments shall fulfill
14 the payment obligations of the United States in the same
15 manner as if the payments had been made directly to the
16 vendor.”.

17 (c) CLERICAL AMENDMENT.—The item relating to
18 such section in the table of sections at the beginning of
19 chapter 147 of such title is amended to read as follows:

“2482. Commissary stores: operation.”.

20 **SEC. 342. PRICING POLICIES FOR COMMISSARY STORE**
21 **MERCHANDISE.**

22 Section 2486(d)(1) of title 10, United States Code,
23 is amended—

24 (1) by striking out “each item” and inserting in
25 lieu thereof “items”; and

1 (2) by striking out “actual product cost of the
2 item” and inserting in lieu thereof “total average
3 product cost of merchandise sold”.

4 **SEC. 343. LIMITED RELEASE OF COMMISSARY STORES**
5 **SALES INFORMATION TO MANUFACTURERS,**
6 **DISTRIBUTORS, AND OTHER VENDORS DOING**
7 **BUSINESS WITH DEFENSE COMMISSARY**
8 **AGENCY.**

9 Section 2487(b) of title 10, United States Code, is
10 amended in the second sentence by inserting before the
11 period the following: “unless the agreement is between the
12 Defense Commissary Agency and a manufacturer, dis-
13 tributor, or other vendor doing business with the Agency
14 and is restricted to information directly related to mer-
15 chandise provided by that manufacturer, distributor, or
16 vendor”.

17 **SEC. 344. ECONOMICAL DISTRIBUTION OF DISTILLED SPIR-**
18 **ITS BY NONAPPROPRIATED FUND INSTRU-**
19 **MENTALITIES.**

20 (a) **ECONOMICAL DISTRIBUTION.**—Subsection (a)(1)
21 of section 2488 of title 10, United States Code, is amend-
22 ed by inserting after “most competitive source” the follow-
23 ing: “and distributed in the most economical manner”.

24 (b) **DETERMINATION OF MOST ECONOMICAL DIS-**
25 **TRIBUTION METHOD.**—Such section is further amended—

1 (1) by redesignating subsection (c) as sub-
2 section (d); and

3 (2) by inserting after subsection (b) the follow-
4 ing new subsection:

5 “(c)(1) In the case of covered alcoholic beverage pur-
6 chases of distilled spirits, to determine whether a
7 nonappropriated fund instrumentality of the Department
8 of Defense represents the most economical method of dis-
9 tribution to package stores, the Secretary of Defense shall
10 consider all components of the distribution costs incurred
11 by the nonappropriated fund instrumentality, such as
12 overhead costs (including management, logistics, adminis-
13 tration, depreciation, and utilities), the costs of carrying
14 inventory, and handling and distribution costs.

15 “(2) If the use of a private distributor would subject
16 covered alcoholic beverage purchases of distilled spirits to
17 direct or indirect State taxation, a nonappropriated fund
18 instrumentality shall be considered to be the most eco-
19 nomical method of distribution regardless the results of
20 the determination under paragraph (1).

21 “(3) The Secretary shall use the agencies performing
22 audit functions on behalf of the armed forces and the In-
23 specter General of the Department of Defense to make
24 determinations under this subsection.”.

1 **SEC. 345. TRANSPORTATION BY COMMISSARIES AND EX-**
2 **CHANGES TO OVERSEAS LOCATIONS.**

3 (a) IN GENERAL.—Chapter 157 of title 10, United
4 States Code, is amended by adding at the end the follow-
5 ing new section:

6 **“§2643. Commissary and exchange services: trans-**
7 **portation overseas**

8 “The Secretary of Defense shall give the officials re-
9 sponsible for operation of commissaries and military ex-
10 changes the authority to negotiate directly with private
11 carriers for the most cost-effective transportation of com-
12 missary and exchange supplies by sea without relying on
13 the Military Sealift Command or the Military Traffic Man-
14 agement Command. Section 2631 of this title, regarding
15 the preference for vessels of the United States or belong-
16 ing to the United States in the transportation of supplies
17 by sea, shall apply to the negotiation of transportation
18 contracts under the authority of this section.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 at the beginning of such chapter is amended by adding
21 at the end the following new item:

“2643. Commissary and exchange services: transportation overseas.”.

1 **SEC. 346. DEMONSTRATION PROGRAM FOR UNIFORM**
2 **FUNDING OF MORALE, WELFARE, AND**
3 **RECREATION ACTIVITIES AT CERTAIN MILI-**
4 **TARY INSTALLATIONS.**

5 (a) DEMONSTRATION PROGRAM REQUIRED.—The
6 Secretary of Defense shall conduct a demonstration pro-
7 gram at six military installations, under which funds ap-
8 propriated for the support of morale, welfare, and recre-
9 ation programs at the installations are combined with
10 nonappropriated funds available for such programs and
11 treated as nonappropriated funds. Under this demonstra-
12 tion program, the combined appropriated funds shall be
13 expended pursuant to the laws and regulations that apply
14 to nonappropriated funds.

15 (b) COVERED MILITARY INSTALLATIONS.—The Sec-
16 retary of Defense shall select two military installations
17 from each military department to participate in the dem-
18 onstration program.

19 (c) EFFECT ON CIVILIAN EMPLOYEES.—Civilian em-
20 ployees of the Department of Defense who are normally
21 paid using the appropriated funds that are combined
22 under subsection (a) shall be considered to be
23 nonappropriated fund instrumentality employees unless
24 they continue to be paid using other appropriated funds.
25 Any converted employee shall automatically revert to the
26 employee's former status at the end of the program or

1 upon any action by management to terminate the em-
2 ployee, whichever occurs first. Any converted employee
3 shall retain retirement and medical benefits under the em-
4 ployee's former status.

5 (d) PERIOD OF DEMONSTRATION PROGRAM.—The
6 demonstration program shall terminate at the end of the
7 first full fiscal year beginning on or after the date of the
8 enactment of this Act.

9 (e) REPORT.—Not later than 90 days after the end
10 of the demonstration program, the Secretary of Defense
11 shall submit to Congress a report describing the results
12 of the demonstration program.

13 **SEC. 347. CONTINUED OPERATION OF BASE EXCHANGE**
14 **MART AT FORT WORTH NAVAL AIR STATION**
15 **AND AUTHORITY TO EXPAND BASE EX-**
16 **CHANGE MART PROGRAM.**

17 (a) CONTINUED OPERATION OF BASE EXCHANGE
18 MART.—Section 375 of the National Defense Authoriza-
19 tion Act for Fiscal Year 1995 (Public Law 103–337; 108
20 Stat. 2736) is amended by striking out “, until December
21 31, 1995,”.

22 (b) EXPANSION OF BASE EXCHANGE MART PRO-
23 GRAM.—(1) Subject to paragraph (2), the Secretary of
24 Defense may provide for the operation by a
25 nonappropriated fund instrumentality of not more than

1 ten combined exchange and commissary stores, in which
2 groceries are sold at five percent above cost and other
3 items are sold at the typical military exchange markup.

4 (2) The Secretary may select a military installation
5 as the location for a combined exchange and commissary
6 store only if—

7 (A) the installation has been or is selected for
8 closure or realignment; or

9 (B) the continued operation of a separate mili-
10 tary exchange and commissary store at the installa-
11 tion is not economically feasible.

12 (3) If a nonappropriated fund instrumentality incurs
13 a loss in operating a commissary store as a result of the
14 pricing requirements specified in paragraph (1), the Sec-
15 retary may authorize a transfer of funds appropriated for
16 the Defense Commissary Agency to the nonappropriated
17 fund instrumentality to offset the loss. However, the total
18 amount of appropriated funds transferred during a fiscal
19 year to support the operation of a commissary store may
20 not exceed an amount equal to 25 percent of the appro-
21 priated funds provided during the last full year of oper-
22 ation of the commissary store by the Defense Commissary
23 Agency.

24 (4) The combined military exchange and commissary
25 stores authorized under this subsection shall include the

1 combined military exchange and commissary store oper-
2 ated at the Naval Air Station Fort Worth, Joint Reserve
3 Center, Carswell Field, Texas.

4 (5) For purposes of this section, the term
5 “nonappropriated fund instrumentality” means the Army
6 and Air Force Exchange Service, Navy Exchange Service
7 Command, Marine Corps exchanges, or any other instru-
8 mentality of the United States under the jurisdiction of
9 the Armed Forces which is conducted for the comfort,
10 pleasure, contentment, or physical or mental improvement
11 of members of the Armed Forces.

12 **SEC. 348. UNIFORM DEFERRED PAYMENTS PROGRAM FOR**
13 **MILITARY EXCHANGES.**

14 (a) USE OF COMMERCIAL BANKING INSTITUTIONS.—
15 As soon as possible after the date of the enactment of this
16 Act, the Secretary of Defense shall endeavor to enter into
17 an agreement with a commercial banking institution under
18 which the commercial banking institution will fund and
19 operate the deferred payment programs of the Army and
20 Air Force Exchange Service and Navy Exchange Service
21 Command. To ease the transition to commercial operation,
22 the Secretary may initially limit the agreement to one of
23 the two military exchange services.

24 (b) UNIFORM EXCHANGE CREDIT PROGRAM.—Not
25 later than January 1, 1997, the Secretary shall establish

1 a uniform deferred payment program for use in all mili-
2 tary exchanges to replace the separate deferred payment
3 programs currently operated by the Army and Air Force
4 Exchange Service and Navy Exchange Service Command.

5 (c) REPORT.—Not later than December 31, 1995, the
6 Secretary of Defense shall submit to Congress a report
7 describing the implementation of this section.

8 **SEC. 349. AVAILABILITY OF FUNDS TO OFFSET EXPENSES**
9 **INCURRED BY ARMY AND AIR FORCE EX-**
10 **CHANGE SERVICE ON ACCOUNT OF TROOP**
11 **REDUCTIONS IN EUROPE.**

12 Of funds authorized to be appropriated under section
13 301(5), not more than \$70,000,000 shall be available to
14 the Secretary of Defense for transfer to the Army and Air
15 Force Exchange Service to offset expenses incurred by the
16 Army and Air Force Exchange Service on account of re-
17 ductions in the number of members of the United States
18 Armed Forces assigned to permanent duty ashore in Eu-
19 rope.

1 **SEC. 350. STUDY REGARDING IMPROVING EFFICIENCIES IN**
2 **OPERATION OF MILITARY EXCHANGES AND**
3 **OTHER MORALE, WELFARE, AND RECRE-**
4 **ATION ACTIVITIES AND COMMISSARY**
5 **STORES.**

6 (a) **STUDY REQUIRED.**—The Secretary of Defense
7 shall conduct a study regarding the manner in which
8 greater efficiencies can be achieved in the operation of—

9 (1) military exchanges;

10 (2) other instrumentalities of the United States
11 under the jurisdiction of the Armed Forces which
12 are conducted for the comfort, pleasure, content-
13 ment, or physical or mental improvement of mem-
14 bers of the Armed Forces; and

15 (3) commissary stores.

16 (b) **REPORT OF STUDY.**—Not later than March 1,
17 1996, the Secretary of Defense shall submit to Congress
18 a report describing the results of the study and containing
19 such recommendations as the Secretary considers appro-
20 priate to implement efficiency-building options identified
21 in the study.

1 **SEC. 351. EXTENSION OF DEADLINE FOR CONVERSION OF**
2 **NAVY SHIPS' STORES TO OPERATION AS**
3 **NONAPPROPRIATED FUND INSTRUMENTAL-**
4 **ITIES.**

5 (a) EXTENSION.—Section 371(a) of the National De-
6 fense Authorization Act for Fiscal Year 1994 (Public Law
7 103–160; 10 U.S.C. 7604 note) is amended by striking
8 out “December 31, 1995” and inserting in lieu thereof
9 “December 31, 1996”.

10 (b) INSPECTOR GENERAL REVIEW.—Not later than
11 April 1, 1996, the Inspector General of the Department
12 of Defense shall submit to Congress a report—

13 (1) evaluating the costs and benefits of convert-
14 ing the operation of all Navy ships' stores to oper-
15 ation by the Navy Exchange Service Command, as
16 required by section 371(a) of the National Defense
17 Authorization Act for Fiscal Year 1994 (Public Law
18 103–160; 10 U.S.C. 7604 note); and

19 (2) reviewing the Navy Audit Agency report re-
20 garding such conversion prepared pursuant to sec-
21 tion 374 of the National Defense Authorization Act
22 for Fiscal Year 1995 (Public Law 103–337; 108
23 Stat. 2736).

1 **Subtitle F—Contracting Out**

2 **SEC. 357. PROCUREMENT OF ELECTRICITY FROM MOST EC-** 3 **ONOMICAL SOURCE.**

4 (a) PROCUREMENT OF ELECTRICITY.—(1) Chapter
5 147 of title 10, United States Code, is amended by insert-
6 ing after section 2483 the following new section:

7 **“§ 2483a. Procurement of electricity from most eco-** 8 **nomical source**

9 “The Secretary of Defense shall procure electricity
10 for use on military installations and by other activities and
11 functions of the Department of Defense from the most ec-
12 onomical source, as determined by the Secretary. The Sec-
13 retary shall make the determination required by this sec-
14 tion in the manner provided in section 2462 of this title.”.

15 (2) The table of sections at the beginning of such
16 chapter is amended by inserting after the item relating
17 to section 2483 the following new item:

“2483a. Procurement of electricity from most economical source.”.

18 (b) EFFECTIVE DATE; RULE OF CONSTRUCTION.—
19 The amendment made by subsection (a) shall take effect
20 on March 1, 1996, except that the amendment shall not
21 be construed to require the termination of any contract
22 for the purchase of electricity for the Department of De-
23 fense entered into before that date.

1 **SEC. 358. PROCUREMENT OF CERTAIN COMMODITIES**
2 **FROM MOST ECONOMICAL SOURCE.**

3 (a) **PROCUREMENT OF SUPPLIES.**—In the case of
4 supplies for the Department of Defense procured through
5 the General Services Administration as of the date of the
6 enactment of this Act, the Secretary of Defense shall pro-
7 cure such supplies from another source if the Secretary
8 determines that the source can provide the supplies at a
9 lower cost. The Secretary shall make the determinations
10 required by this section in the manner provided in section
11 2462 of title 10, United States Code.

12 (b) **EFFECTIVE DATE; RULE OF CONSTRUCTION.**—
13 The amendment made by subsection (a) shall take effect
14 on March 1, 1996, except that the amendment shall not
15 be construed to require the termination of any contract
16 between the Secretary of Defense and the General Services
17 Administration entered into before that date.

18 **SEC. 359. COMMERCIAL PROCUREMENT OF PRINTING AND**
19 **DUPLICATION SERVICES.**

20 Consistent with the requirements of title 44, United
21 States Code, during fiscal year 1996, the Defense Printing
22 Service shall competitively procure a minimum of 70 per-
23 cent of its printing and duplication services.

1 **SEC. 360. DIRECT DELIVERY OF ASSORTED CONSUMABLE**
2 **INVENTORY ITEMS OF DEPARTMENT OF DE-**
3 **FENSE.**

4 To reduce the expense and necessity of maintaining
5 extensive warehouses for consumable inventory items of
6 the Department of Defense, the Secretary of Defense shall
7 arrange for direct vendor delivery of food, clothing, medi-
8 cal and pharmaceutical supplies, automotive, electrical,
9 fuel, and construction supplies, and other consumable in-
10 ventory items for military installations throughout the
11 United States. The Secretary shall complete implementa-
12 tion of this direct vendor delivery system not later than
13 September 30, 1996.

14 **SEC. 361. PRIVATE OPERATION OF FUNCTIONS OF DE-**
15 **FENSE REUTILIZATION AND MARKETING**
16 **SERVICE.**

17 (a) SOLICITATION OF PROPOSALS.—(1) Not later
18 than March 15, 1996, the Secretary of Defense shall so-
19 licit for the selected performance by commercial entities
20 of those functions of the Defense Reutilization and Mar-
21 keting Service, a unit of the Defense Logistics Agency,
22 for which the Secretary determines that privatization
23 would result in cost savings for the United States and the
24 generation of additional revenues for the United States.

25 (b) REPORT ON RETENTION OF FUNCTIONS.—Not
26 later than January 15, 1996, the Secretary shall submit

1 a report to the Congress describing those functions of the
2 Defense Reutilization and Marketing Service that the Sec-
3 retary believes should be currently retained for exclusive
4 performance by civilian employees of the Department of
5 Defense or military personnel and the reasons why such
6 functions should be so retained.

7 **SEC. 362. PRIVATE OPERATION OF PAYROLL FUNCTIONS**
8 **OF DEPARTMENT OF DEFENSE FOR PAYMENT**
9 **OF CIVILIAN EMPLOYEES.**

10 (a) PLAN ON CONTRACTING OUT.—Not later than
11 March 1, 1996, the Secretary of Defense shall submit to
12 Congress a plan regarding private operation of payroll
13 functions for civilian employees of the Department of De-
14 fense.

15 (b) IMPLEMENTATION.—Not later than October 1,
16 1996, the Secretary shall implement the plan developed
17 under subsection (a).

18 **SEC. 363. DEMONSTRATION PROGRAM TO IDENTIFY**
19 **UNDERDEDUCTIONS AND OVERPAYMENTS**
20 **MADE TO VENDORS.**

21 (a) DEMONSTRATION PROGRAM REQUIRED.—The
22 Secretary of Defense shall conduct a demonstration pro-
23 gram at the Defense Personnel Support Center, Philadel-
24 phia, Pennsylvania, to evaluate the feasibility of using pri-
25 vate contractors to audit accounting and procurement

1 records of the Department of Defense to identify moneys
2 due the United States because of underdeductions and
3 overpayments made to vendors. Pursuant to an agreement
4 between the Secretary and one or more private contractors
5 selected by the Secretary, the contractors shall perform
6 an audit of accounting and procurement records of the De-
7 partment for at least fiscal years 1993, 1994, and 1995
8 using commercial sector data processing techniques, which
9 would compare purchase documents and agreements with
10 vendor invoices to discover discrepancies in allowances,
11 pricing, discounts, billback allowances, backhaul allow-
12 ances, and freight routing instructions. The audit shall
13 also attempt to identify duplicate payments and unauthor-
14 ized invoice charges.

15 (b) BONUS PAYMENT.—From amounts made avail-
16 able to conduct the demonstration program, the Secretary
17 may pay the contractors a negotiated amount not to ex-
18 ceed 25 percent of all amounts recovered as a result of
19 the audit.

20 (c) AVAILABILITY OF FUNDS.—From amounts au-
21 thorized to be appropriated pursuant to section 301(5),
22 not more than \$5,000,000 shall be available to cover the
23 costs of the demonstration program, including the cost of
24 any bonus payment under subsection (b).

1 **SEC. 364. PILOT PROGRAM TO EVALUATE POTENTIAL FOR**
2 **PRIVATE OPERATION OF OVERSEAS DEPEND-**
3 **ENTS' SCHOOLS.**

4 (a) PILOT PROGRAM.—The Secretary of Defense may
5 conduct a pilot program to assess the feasibility of using
6 private contractors to operate schools of the defense de-
7 pendants' education system established under section
8 1402(a) of the Defense Dependents' Education Act of
9 1978 (20 U.S.C. 921(a)).

10 (b) SELECTION OF SCHOOL FOR PROGRAM.—If the
11 Secretary of Defense conducts the pilot program, the Sec-
12 retary shall select one school of the defense dependents'
13 education system for participation in the program. Under
14 the pilot program, the Secretary shall provide for the oper-
15 ation of the school by an appropriate private contractor
16 for not less than one complete school year.

17 (c) REPORT.—Not later than 30 days after the end
18 of the first school year in which the pilot program is con-
19 ducted, the Secretary of Defense shall submit to Congress
20 a report on the results of the program. The report shall
21 include the recommendation of the Secretary with respect
22 to the extent to which other schools of the defense depend-
23 ents' education system should be operated by private con-
24 tractors.

1 **SEC. 365. PILOT PROGRAM FOR EVALUATION OF IMPROVED**
2 **DEFENSE TRAVEL PROCESSING PROTO-**
3 **TYPES.**

4 (a) PILOT PROGRAM REQUIRED; LOCATION.—(1)
5 The Secretary of Defense, acting through the Under Sec-
6 retary of Defense (Comptroller), shall conduct a pilot pro-
7 gram regarding two prototype tests of commercial travel
8 applications to determine the best approach for the De-
9 partment of Defense Travel System.

10 (2) The Secretary shall conduct the pilot program at
11 six military installations containing approximately equal
12 numbers of members of the Armed Forces. Two installa-
13 tions shall be selected from each military department.

14 (b) DESCRIPTION OF PROTOTYPE TESTS.—The two
15 respective tests shall be as follows:

16 (1) In this test, three installations (one for each
17 military department), with the Department of De-
18 fense acting as its own integrator, will implement
19 the travel processes proposed by the task force on
20 travel management chartered by the Secretary of
21 Defense in July 1994, and will offer specific busi-
22 ness opportunities in the services areas currently uti-
23 lized, namely reservations and credit card tech-
24 nologies.

25 (2) In this test, three installations (one for each
26 military department), will contract out their entire

1 travel process, reserving only essential elements,
2 such as travel authorization, for performance by em-
3 ployees of the Department of Defense. Particular at-
4 tention will be focused on the ability of the vendor
5 to integrate all processes into a responsive, reason-
6 ably priced, uniform travel system.

7 (c) CONDUCT OF TESTS.—The two prototype tests
8 shall be conducted as follows:

9 (1) Each test must accommodate the guidelines
10 for travel management issued by the Under Sec-
11 retary of Defense (Comptroller).

12 (2) The tests must take no more than 60 days
13 to set up and be operational for one year.

14 (d) EVALUATION CRITERIA.—The Secretary of De-
15 fense shall establish evaluation criteria that include, at a
16 minimum—

17 (1) aligning travel policy and cost estimates
18 with mission at the point of reservation;

19 (2) using fully integrated solutions envisioned
20 by the Department of Defense travel reengineering
21 report of January 1995;

22 (3) matching credit card data and reservation
23 data with cost estimate data;

24 (4) matching data with a trip pro forma plan
25 to eliminate the need for further approvals; and

1 (5) a responsive and flexible management infor-
2 mation system for managers at all levels to monitor
3 travel expenses throughout the year, budget accu-
4 rately for any future year, and assess cost and value
5 relationship regarding temporary duty travel for
6 each mission.

7 (e) PLAN FOR PROGRAM.—Before conducting the
8 pilot program, the Secretary of Defense shall develop a
9 plan for the program that addresses the following:

10 (1) The purposes of the prototype test, includ-
11 ing the objective of reducing the total costs of man-
12 aging travel by at least one-half.

13 (2) The methodology, duration, and anticipated
14 costs, including an arrangement whereby the con-
15 tractor would receive its agreed upon contract pay-
16 ment plus an additional negotiated amount not to
17 exceed 50 percent of the dollar savings achieved in
18 excess of the objective specified in paragraph (1).

19 (3) A specific citation to any provision or law,
20 rule, or regulation that, if not waived, would prohibit
21 the conduct of the program or any part of the pro-
22 gram.

23 (4) The evaluation mechanism required by sub-
24 section (d).

1 (5) A provision for implementing the most suc-
2 cessful prototype Department-wide, based upon final
3 assessment of results.

4 **SEC. 366. PILOT PROGRAM FOR PRIVATE OPERATION OF**
5 **CONSOLIDATED INFORMATION TECHNOLOGY**
6 **FUNCTIONS OF DEPARTMENT OF DEFENSE.**

7 (a) PILOT PROGRAM REQUIRED.—(1) The Secretary
8 of Defense shall enter into discussions with private sector
9 entities for the purpose of issuing a request for proposal
10 to establish a pilot program to test and evaluate the cost
11 savings and efficiencies of private operation of all informa-
12 tion technology services for the Department of Defense
13 currently being consolidated in Defense MegaCenters. The
14 negotiations shall be conducted so that the request for pro-
15 posal may be issued within 60 days after the date of the
16 enactment of this Act.

17 (2) The minimum workload to be contracted out in
18 the pilot program shall be equivalent to the workload of
19 at least three Defense MegaCenters.

20 (b) ESTABLISHMENT AND DURATION.—The Sec-
21 retary of Defense shall implement private operations
22 under the pilot program within one year after the date
23 of the enactment of this Act. The pilot program shall oper-
24 ate for not more than a three-year period after implemen-
25 tation.

1 (c) GOAL OF PROGRAM.—The goal of the pilot pro-
2 gram is to receive proposals from private sector entities
3 that, if implemented, would reduce operating costs to the
4 Department of Defense for information technology func-
5 tions by at least 35 percent in comparison to annual oper-
6 ating cost as of the date of the enactment of this Act.

7 (d) PLAN OF PROGRAM.—Before conducting the pilot
8 program, the Secretary of Defense shall develop a plan
9 for the program that addresses the following:

10 (1) The purposes of the program.

11 (2) The methodology, duration, and anticipated
12 costs of the program, including the cost of an ar-
13 rangement whereby the private contractor would re-
14 ceive the agreed upon contract payment plus an ad-
15 ditional negotiated amount not to exceed 50 percent
16 of the dollar savings achieved in excess of the goal
17 specified in subsection (c).

18 (3) A specific citation to any provisions of law,
19 rule, or regulation that, if not waived, would prohibit
20 the conduct of the program or any part of the pro-
21 gram.

22 (4) An evaluation mechanism for the program.

23 (5) A provision for expanding the program to
24 all information technology functions of the Depart-

1 ment of Defense, based upon final assessment of the
2 results of the program.

3 (e) SUSPENSION OF FURTHER CONSOLIDATION.—

4 Until the completion of the pilot program and submission
5 of the final report required under subsection (f)(2), none
6 of the funds appropriated to the Department of Defense
7 for a fiscal year after fiscal year 1995 may be used to
8 reduce the number of data centers of the Department of
9 Defense to fewer than the 16 Defense MegaCenters identi-
10 fied as of the date of the enactment of this Act.

11 (f) REPORTING REQUIREMENTS.—(1) Not later than
12 six months after commencing contracting out activities
13 under the pilot program, the Secretary of Defense shall
14 submit to Congress an initial assessment report regarding
15 the implementation of the pilot program.

16 (2) The Secretary shall submit to Congress a final
17 assessment report, including a recommendation for ex-
18 panding the program as appropriate, not later than one
19 year after commencing contracting out activities under the
20 pilot program.

21 **SEC. 367. INCREASED RELIANCE ON THE PRIVATE SECTOR.**

22 (a) GENERAL RULE.—The Secretary of Defense shall
23 endeavor to carry out through an entity in the private sec-
24 tor any activity to provide a commercial product or service
25 for the Department of Defense if—

1 (1) the product or service can be provided
2 through a source in the private sector; and

3 (2) an adequate competitive environment exists
4 to provide for economical accomplishment of the
5 function by the private sector.

6 (b) APPLICABILITY.—(1) Subsection (a) shall not be
7 construed to apply to any commercial product or service
8 with respect to which the Secretary of Defense determines
9 that—

10 (A) production, manufacture, or provision of
11 that product or service by the Government is nec-
12 essary for reasons of national security; or

13 (B) the product or service is so inherently gov-
14 ernmental in nature that it is in the public interest
15 to require production or performance, respectively,
16 by the Department of Defense.

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

20 (c) REGULATIONS.—The Secretary of Defense shall
21 prescribe regulations for the purposes of this section. Such
22 regulations shall be prescribed in consultation with the Di-
23 rector of the Office of Management and Budget.

24 (d) REPORT.—(1) The Secretary of Defense shall
25 identify all activities of the Department of Defense that

1 are carried out to provide commercial products or services
2 for the Department of Defense and that are carried out
3 by personnel of the Department of Defense (other than
4 activities specified by the Secretary pursuant to subsection
5 (b)).

6 (2) The Secretary shall transmit to Congress, not
7 later than April 15, 1996, a report on matters relating
8 to increased use of the private sector for the performance
9 of commercial functions for the Department of Defense.
10 The report shall include a list of all activities identified
11 under paragraph (1) and indicate, for each activity,
12 whether the Secretary proposes to convert the perform-
13 ance of such activity to performance by the private sector
14 and, if not, the reasons why.

15 (3) The report shall include—

16 (A) a description of the advantages and dis-
17 advantages of using contractor personnel, rather
18 than employees of the Department of Defense, to
19 perform functions of the Department that are not
20 essential to the warfighting mission of the Armed
21 Forces;

22 (B) specification of all legislative and regulatory
23 impediments to contracting those functions for pri-
24 vate performance; and

1 (C) the views of the Secretary of Defense on
2 the desirability of terminating the applicability of
3 OMB Circular A-76 to the Department of Defense.

4 (4) The Secretary shall carry out paragraph (1) in
5 consultation with the Director of the Office of Manage-
6 ment and Budget and the Comptroller General of the
7 United States. In carrying out that paragraph, the Sec-
8 retary shall consult with, and seek the views of, represent-
9 atives of the private sector, including organizations rep-
10 resenting small businesses.

11 **SEC. 368. PILOT PROGRAM FOR PRIVATE OPERATION OF**
12 **PAYROLL AND ACCOUNTING FUNCTIONS OF**
13 **NONAPPROPRIATED FUND INSTRUMENTAL-**
14 **ITIES.**

15 (a) PILOT PROGRAM REQUIRED; LOCATION.—(1)
16 The Secretary of Defense, acting through the Under Sec-
17 retary of Defense (Comptroller), shall enter into discus-
18 sions with private sector entities for the purpose of issuing
19 a request for proposal to establish a pilot program to test
20 and evaluate the cost savings and efficiencies of private
21 operation of accounting and payroll function of
22 nonappropriated fund instrumentalities of the Department
23 of Defense. The negotiations shall be conducted so that
24 the request for proposal may be issued within 60 days
25 after the date of the enactment of this Act.

1 (2) The pilot program shall consist of a major De-
2 partment of Defense Nonappropriated Fund Accounting
3 and Payroll function.

4 (b) GOAL OF PROGRAM.—The goal of the pilot pro-
5 gram is to receive proposals from private sector entities
6 that, if implemented, would reduce by at least 25 percent
7 the total costs to the Government for each pay event.

8 (c) PLAN OF PROGRAM.—Before conducting the pilot
9 program, the Secretary of Defense shall develop a plan
10 for the program that addresses the following:

11 (1) The purposes of the program.

12 (2) The methodology, duration, and anticipated
13 costs of the program, including the cost of an ar-
14 rangement whereby the private contractor would re-
15 ceive the agreed upon contract payment plus an ad-
16 ditional negotiated amount not to exceed 50 percent
17 of the dollar savings achieved in excess of the goal
18 specified in subsection (b).

19 (3) A specific citation to any provisions of law,
20 rule, or regulation that, if not waived, would prohibit
21 the conduct of the program or any part of the pro-
22 gram.

23 (4) An evaluation mechanism for the program.

24 (5) A provision for expanding the program to
25 all accounting and payroll functions of

1 nonappropriated fund instrumentalities of the De-
2 partment of Defense, based upon final assessment of
3 the results of the program.

4 **Subtitle G—Miscellaneous Reviews,** 5 **Studies, and Reports**

6 **SEC. 371. QUARTERLY READINESS REPORTS.**

7 (a) IN GENERAL.—(1) Chapter 22 of title 10, United
8 States Code, is amended by adding at the end the follow-
9 ing new section:

10 **“§ 452. Quarterly readiness reports**

11 “(a) REQUIREMENT.—Not later than 30 days after
12 the end of each calendar-year quarter, the Secretary of
13 Defense shall submit to the Committee on Armed Services
14 of the Senate and the Committee on National Security of
15 the House of Representatives a report on military readi-
16 ness. The report for any quarter shall be based on assess-
17 ments that are provided during that quarter—

18 “(1) to any council, committee, or other body of
19 the Department of Defense (A) that has responsibil-
20 ity for readiness oversight, and (B) the membership
21 of which includes at least one civilian officer in the
22 Office of the Secretary of Defense at the level of As-
23 sistant Secretary of Defense or higher;

1 “(2) by senior civilian and military officers of
2 the military departments and the commanders of the
3 unified and specified commands; and

4 “(3) as part of any regularly established proc-
5 ess of periodic readiness reviews for the Department
6 of Defense as a whole.

7 “(b) MATTERS TO BE INCLUDED.—Each such re-
8 port—

9 “(1) shall specifically describe identified readi-
10 ness problems or deficiencies and planned remedial
11 actions; and

12 “(2) shall include the key indicators and other
13 relevant data related to the identified problem area
14 or deficiency.

15 “(c) CLASSIFICATION OF REPORTS.—Reports under
16 this section shall be submitted in unclassified form and
17 may, as the Secretary determines necessary, also be sub-
18 mitted in classified form.”.

19 (2) The table of sections at the beginning of such
20 chapter is amended by adding at the end the following
21 new item:

 “452. Quarterly readiness reports.”.

22 (b) EFFECTIVE DATE.—Section 452 of title 10, United
23 States Code, as added by subsection (a), shall take effect
24 with the calendar-year quarter during which this Act is
25 enacted.

1 **SEC. 372. REPORTS REQUIRED REGARDING EXPENDITURES**
2 **FOR EMERGENCY AND EXTRAORDINARY EX-**
3 **PENSES.**

4 Subsection (c) of section 127 of title 10, United
5 States Code, is amended to read as follows:

6 “(c)(1) In any fiscal year in which funds are ex-
7 pended under the authority of this section, the Secretary
8 of Defense shall submit a report of such expenditures on
9 a quarterly basis to the committees specified in paragraph
10 (3).

11 “(2) An obligation or expenditure in an amount of
12 \$1,000,000 or more may not be made under the authority
13 of this section for any single transaction until the Sec-
14 retary of Defense has notified the committees specified in
15 paragraph (3).

16 “(3) The committees referred to in paragraphs (1)
17 and (2) are—

18 “(A) the Committee on Armed Services and the
19 Committee on Appropriations of the Senate; and

20 “(B) the Committee on National Security and
21 the Committee on Appropriations of the House of
22 Representatives.”

1 **SEC. 373. RESTATEMENT OF REQUIREMENT FOR SEMI-**
2 **ANNUAL REPORTS TO CONGRESS ON TRANS-**
3 **FERS FROM HIGH-PRIORITY READINESS AP-**
4 **PROPRIATIONS.**

5 Section 361 of the National Defense Authorization
6 Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat.
7 2732) is amended to read as follows:

8 **“SEC. 361. SEMIANNUAL REPORTS TO CONGRESS ON**
9 **TRANSFERS FROM HIGH-PRIORITY READI-**
10 **NESS APPROPRIATIONS.**

11 “(a) ANNUAL REPORTS.—(1) During 1996 and
12 1997, the Secretary of Defense shall submit to the con-
13 gressional defense committees a report on transfers during
14 the preceding fiscal year from funds available for the
15 budget activities specified in subsection (d) (hereinafter in
16 this section referred to as ‘covered budget activities’). The
17 report each year shall be submitted not later than the date
18 in that year on which the President submits the budget
19 for the next fiscal year to Congress pursuant to section
20 1105 of title 31, United States Code.

21 “(2) Each such report shall include—

22 “(A) specific identification of each transfer dur-
23 ing the preceding fiscal year of funds available for
24 any covered budget activity, showing the amount of
25 the transfer, the covered budget activity from which

1 the transfer was made, and the budget activity to
2 which the transfer was made; and

3 “(B) with respect to each such transfer, a
4 statement of whether that transfer was made to a
5 budget activity within a different appropriation than
6 the appropriation containing the covered budget ac-
7 tivity from which the transfer was made or to a
8 budget activity within the same appropriation.

9 “(b) MIDYEAR REPORTS.—On May 1 of each year
10 specified in subsection (a), the Secretary of Defense shall
11 submit to the congressional defense committees a report
12 providing the same information, with respect to the first
13 six months of the fiscal year in which the report is submit-
14 ted, that is provided in reports under subsection (a) with
15 respect to the preceding fiscal year.

16 “(c) MATTERS TO BE INCLUDED.—In each report
17 under this section, the Secretary shall include the follow-
18 ing:

19 “(1) With respect to each transfer of funds
20 identified in the report, a statement of the specific
21 reason for the transfer.

22 “(2) For each covered budget activity—

23 “(A) a statement, for the period covered by
24 the report, of—

1 “(i) the total amount of transfers into
2 funds available for that activity;

3 “(ii) the total amount of transfers
4 from funds available for that activity; and

5 “(iii) the net amount of transfers into,
6 or out of, funds available for that activity;
7 and

8 “(B) a detailed explanation of the trans-
9 fers into, and out of, funds available for that
10 activity during the period covered by the report.

11 “(d) COVERED BUDGET ACTIVITIES.—The budget
12 activities to which this section applies are the following:

13 “(1) The budget activity groups (known as
14 ‘subactivities’) within the Operating Forces budget
15 activity of the annual Operation and Maintenance,
16 Army, appropriation that are designated as follows:

17 “(A) Combat Units.

18 “(B) Tactical Support.

19 “(C) Force-Related Training/Special Ac-
20 tivities.

21 “(D) Depot Maintenance.

22 “(E) JCS Exercises.

23 “(2) The budget activity groups (known as
24 ‘subactivities’) within the Operating Forces budget

1 activity of the annual Operation and Maintenance,
2 Navy, appropriation that are designated as follows:

3 “(A) Mission and Other Flight Operations.

4 “(B) Mission and Other Ship Operations.

5 “(C) Fleet Air Training.

6 “(D) Ship Operational Support and Train-
7 ing.

8 “(E) Aircraft Depot Maintenance.

9 “(F) Ship Depot Maintenance.

10 “(3) The budget activity groups (known as
11 ‘subactivities’), or other activity, within the Operat-
12 ing Forces budget activity of the annual Operation
13 and Maintenance, Air Force, appropriation that are
14 designated or otherwise identified as follows:

15 “(A) Primary Combat Forces.

16 “(B) Primary Combat Weapons.

17 “(C) Global and Early Warning.

18 “(D) Air Operations Training.

19 “(E) Depot Maintenance.

20 “(F) JCS Exercises.”.

1 **SEC. 374. MODIFICATION OF NOTIFICATION REQUIREMENT**
2 **REGARDING USE OF CORE LOGISTICS FUNC-**
3 **TIONS WAIVER.**

4 Section 2464(b) of title 10, United States Code, is
5 amended by striking out paragraphs (3) and (4) and in-
6 serting in lieu thereof the following new paragraph:

7 “(3) A waiver under paragraph (2) may not take ef-
8 fect until the end of the 30-day period beginning on the
9 date on which the Secretary submits a report on the waiv-
10 er to the Committee on Armed Services and the Commit-
11 tee on Appropriations of the Senate and the Committee
12 on National Security and the Committee on Appropria-
13 tions of the House of Representatives.”.

14 **SEC. 375. LIMITATION ON DEVELOPMENT OR MODERNIZA-**
15 **TION OF AUTOMATED INFORMATION SYS-**
16 **TEMS OF DEPARTMENT OF DEFENSE PEND-**
17 **ING REPORT.**

18 (a) OBLIGATIONS AND EXPENDITURES SUBJECT TO
19 REPORT.—Of the amounts appropriated pursuant to the
20 authorization of appropriations in section 301, the Sec-
21 retary of Defense may not obligate or expend amounts in
22 excess of \$2,411,947,000 for the development and mod-
23 ernization of automated data processing programs of the
24 Department of Defense until after the end of the 30-day
25 period beginning on the date on which the Inspector Gen-

1 eral of the Department of Defense submits to Congress
2 a report that—

3 (1) addresses the ongoing concerns about per-
4 formance measures and management controls re-
5 garding automated information systems;

6 (2) certifies that the Inspector General has
7 completed review of the Base Level System Mod-
8 ernization and the Sustaining Base Information Sys-
9 tem;

10 (3) certifies that the Inspector General has
11 completed the tasks identified in the review of
12 Standard Installation/Division Personnel System-3;

13 (4) provides complete functional economic anal-
14 yses for Automated System for Transportation
15 Data, Electronic Data Interchange, Flexible Com-
16 puter Integrated Manufacturing, Navy Tactical
17 Command Support System, and Defense Informa-
18 tion System Network;

19 (5) contains the resolution of the existing prob-
20 lems with the Defense Information System Network,
21 Continuous Acquisition and Life-Cycle Support, and
22 the Joint Computer-Aided Acquisition and Logistics
23 Support;

24 (6) provides the necessary waivers regarding
25 compelling military value, or provides complete func-

1 tional economic analyses, regarding Air Force
2 Wargaming Center Air Force Command Exercise
3 System, Cheyenne Mountain Upgrade, Transpor-
4 tation Coordinator Automated Command and Con-
5 trol Information Systems, and Wing Command and
6 Control System; and

7 (7) certifies the termination of the Personnel
8 Electronic Record Management System or provides
9 justification for the continued need for the program.

10 (b) AUTOMATED INFORMATION SYSTEM DEFINED.—

11 For purposes of this section, the term “automated infor-
12 mation system” means an automated information system
13 of the Department of Defense subject to section 381 of
14 the National Defense Authorization Act for Fiscal Year
15 1995 (Public Law 103–337; 108 Stat. 2738; 10 U.S.C.
16 113 note).

17 **SEC. 376. REPORT REGARDING REDUCTION OF COSTS AS-**

18 **SOCIATED WITH CONTRACT MANAGEMENT**

19 **OVERSIGHT.**

20 (a) REPORT REQUIRED.—Not later than April 1,
21 1996, the Comptroller General of the United States shall
22 submit to Congress a report identifying methods to reduce
23 the cost to the Department of Defense of management
24 oversight of contracts in connection with major defense ac-
25 quisition programs.

1 (b) MAJOR DEFENSE ACQUISITION PROGRAMS DE-
2 FINED.—For purposes of this section, the term “major de-
3 fense acquisition programs” has the meaning given that
4 term in section 2430(a) of title 10, United States Code.

5 **Subtitle H—Other Matters**

6 **SEC. 381. PROHIBITION ON CAPITAL LEASE FOR DEFENSE** 7 **BUSINESS MANAGEMENT UNIVERSITY.**

8 None of the funds appropriated to the Department
9 of Defense for fiscal year 1996 may be used to enter into
10 any lease with respect to the Center for Financial Manage-
11 ment Education and Training of the Defense Business
12 Management University if the lease would be treated as
13 a capital lease for budgetary purposes.

14 **SEC. 382. AUTHORITY OF INSPECTOR GENERAL OVER IN-** 15 **VESTIGATIONS OF PROCUREMENT FRAUD.**

16 (a) AUTHORITY.—Section 141 of title 10, United
17 States Code, is amended by adding at the end the follow-
18 ing new subsection:

19 “(c) The Inspector General shall be responsible for
20 and shall oversee all investigations of procurement fraud
21 within the Department of Defense.”.

22 (b) IMPLEMENTATION.—The Secretary of Defense
23 shall take such action as may be necessary to implement
24 the amendment made by subsection (a).

1 **SEC. 383. PROVISION OF EQUIPMENT AND FACILITIES TO**
2 **ASSIST IN EMERGENCY RESPONSE ACTIONS.**

3 Section 372 of title 10, United States Code, is
4 amended by adding at the end the following new sentence:
5 “Assistance provided under this section may include train-
6 ing facilities, sensors, protective clothing, antidotes, and
7 other materials and expertise of the Department of De-
8 fense appropriate for use by a Federal, State, or local law
9 enforcement or emergency response agency in preparing
10 for or responding to an emergency involving chemical or
11 biological agents if the Secretary determines that the ma-
12 terials or services to be provided are not reasonably avail-
13 able from another source.”.

14 **SEC. 384. CONVERSION OF THE CIVILIAN MARKSMANSHIP**
15 **PROGRAM TO A FEDERALLY CHARTERED**
16 **NONPROFIT CORPORATION.**

17 (a) CORPORATION.—

18 (1) ESTABLISHMENT.—There is hereby estab-
19 lished a private nonprofit corporation, to be known
20 as the Corporation for the Promotion of Rifle Prac-
21 tice and Firearms Safety (in this section referred to
22 as the “Corporation”), for the promotion of rifle
23 practice and firearms safety.

24 (2) DUTIES.—The Corporation shall be respon-
25 sible for the supervision, oversight, and control of
26 the Civilian Marksmanship Program.

1 (3) MEMBERSHIP.—The Corporation shall have
2 a board of directors consisting of nine members.
3 Each member shall serve for a two-year term, except
4 for four members of the initial board of directors,
5 who shall serve a one-year term, and shall be eligible
6 for reappointment. The private members of the Na-
7 tional Board for the Promotion of Rifle Practice, as
8 in existence on the day before the date of the enact-
9 ment of this Act, shall forward nominations for
10 membership on the initial board of directors of the
11 Corporation to the governing body designated by the
12 United States Olympic Committee for international
13 rifle and pistol competition (in this section referred
14 to as the “USOC designee”) not later than 10 days
15 after the date of the enactment of this Act. Unless
16 the nomination is rejected by the USOC designee by
17 written notification to the existing members of the
18 National Board within 30 days of the nomination,
19 the nominee shall be seated as a member of the
20 board of directors of the Corporation. Members of
21 the board of directors shall nominate individuals to
22 fill subsequent vacancies within 10 days of the va-
23 cancy, with a right of rejection reserved to the
24 USOC designee by written notification to the Cor-
25 poration within 30 days of each nomination.

1 (4) DIRECTOR OF CIVILIAN MARKSMANSHIP
2 AND STAFF.—The Corporation shall appoint a per-
3 son to serve as the Director of Civilian Marksman-
4 ship, who shall be responsible for the day to day op-
5 erations of the Corporation and the Civilian Marks-
6 manship Program. Subject to the approval of the
7 Corporation, the Director and civilian employees of
8 the Corporation may enroll or remain enrolled with-
9 out penalty or loss of credit in all pension and bene-
10 fits programs available to civilian employees of the
11 Department of Defense, the employer’s contribution
12 to be paid by the Corporation.

13 (b) SOLICITATION AND RECEIPT OF FUNDS.—

14 (1) IN GENERAL.—The Corporation and the Di-
15 rector may solicit, accept, hold, use, and dispose of,
16 in furtherance of the activities of the Civilian Marks-
17 manship Program, donations of money, property,
18 and services received by gift, devise, bequest, or oth-
19 erwise.

20 (2) USE OF PROCEEDS.—Amounts collected by
21 the Civilian Marksmanship Program, including the
22 proceeds from the sale of arms, ammunition, targets
23 and other supplies and appliances, shall be used to
24 carry out the Civilian Marksmanship Program.

1 (3) TRANSFER OF FUNDS.—Amounts available
2 to the National Board for the Promotion of Rifle
3 Practice as of the date of enactment of this Act
4 from rifle sales programs and from fees in connec-
5 tion with competitions sponsored by that board shall
6 be transferred to the Corporation to carry out the
7 Civilian Marksmanship Program.

8 (4) FEES CHARGED.—The Corporation may im-
9 pose such reasonable fees as are necessary to cover
10 the direct and indirect costs to the Corporation, for
11 persons and gun clubs participating in any program
12 or competition conducted under the Civilian Marks-
13 manship Program for the promotion of rifle practice
14 and firearms safety among civilians.

15 (c) RESPONSIBILITIES.—The Corporation, through
16 the Civilian Marksmanship Program, shall provide for—

17 (1) the operation and maintenance of indoor
18 and outdoor rifle ranges and their accessories and
19 appliances;

20 (2) the instruction of citizens of the United
21 States in marksmanship, and the employment of
22 trained instructors for the purpose;

23 (3) the promotion of practice in the use of ri-
24 fled arms and the maintenance and management of

1 matches and competitions in the use of those arms;
2 and

3 (4) the award to competitors of trophies, prizes,
4 badges, and other insignia.

5 (d) YOUTH ACTIVITIES.—The Corporation, through
6 the Civilian Marksmanship Program, shall give priority to
7 activities that benefit firearms safety training and com-
8 petition for youth and reach as many youth participants
9 as possible.

10 (e) ELIGIBILITY.—

11 (1) AFFIDAVIT.—Before a person may partici-
12 pate in any activity sponsored or supported by the
13 Civilian Marksmanship Program, the person shall be
14 required to certify by affidavit the following:

15 (A) The person has not been convicted of
16 any violation of section 922 of title 18, United
17 States Code. The Director may require any per-
18 son to attach certification from the appropriate
19 State or Federal law enforcement agency to the
20 person's affidavit.

21 (B) The person is not a member of any or-
22 ganization that advocates the violent overthrow
23 of the United States Government.

24 (2) EFFECT OF CONVICTION.—A person who
25 has been convicted of a violation of section 922 of

1 title 18, United States Code, shall not be eligible to
2 participate in any activity sponsored or supported by
3 the Corporation through the Civilian Marksmanship
4 Program.

5 (3) FURTHER LIMITATIONS ON PARTICIPA-
6 TION.—The Director may limit participation as nec-
7 essary to ensure quality instruction in the rifled
8 arms, participant safety, and firearms security.

9 (f) ARMS AND AMMUNITION.—

10 (1) ISSUANCE.—The Corporation may issue,
11 without cost, the arms, ammunition (including cali-
12 ber .22 and caliber .30 ammunition), targets, and
13 other supplies and appliances necessary for activities
14 related to the Civilian Marksmanship Program. Issu-
15 ance shall be made only to gun clubs under the di-
16 rection of the Corporation that provide training in
17 the use of rifled arms to youth, the Boy Scouts of
18 America, 4-H Clubs, Future Farmers of America,
19 and other youth-oriented organizations for training
20 and competition. The Corporation shall be respon-
21 sible for ensuring adequate oversight and account-
22 ability for these arms and ammunition.

23 (2) SALE TO CLUBS.—The Corporation may sell
24 at fair market value caliber .30 rifles and ammuni-
25 tion for caliber .30 rifles, .22 rifles, and air rifles to

1 gun clubs that are under the direction of the Cor-
2 poration and provide training in the use of rifled
3 arms. In lieu of sales, the Civilian Marksmanship
4 Program may loan caliber .30 rifles, .22 rifles, and
5 air rifles to such clubs, but the Corporation is re-
6 sponsible for ensuring the oversight and accountabil-
7 ity of such rifles.

8 (3) SALE TO INDIVIDUALS.—The Corporation
9 may sell at fair market value caliber .30 rifles, am-
10 munition, targets, and other supplies and appliances
11 necessary for target practice to citizens of the Unit-
12 ed States over 18 years of age who are members of
13 a gun club under the direction of the Corporation.
14 Such sales are subject to applicable Federal, State,
15 and local laws. In addition to any other requirement,
16 the Corporation shall provide for a criminal records
17 check of the person with appropriate Federal and
18 State law enforcement agencies, and the Corporation
19 shall not sell weapons or ammunition to a person
20 who has been convicted of a felony or Federal or
21 State firearms violation.

22 (g) OTHER DUTIES.—The Corporation shall provide
23 for or assist in providing for—

24 (1) the procurement of necessary supplies, ap-
25 pliances, trophies, prizes, badges, and other insignia,

1 clerical and other services, and labor to carry out the
2 Civilian Marksmanship Program; and

3 (2) transportation of employees, instructors,
4 and civilians to give or receive instruction or to as-
5 sist or engage in practice in the use of rifled arms,
6 and the transportation and subsistence, or an allow-
7 ance in lieu of subsistence, of members of teams au-
8 thorized by the Corporation to participate in
9 matches or competitions in the use of rifled arms.

10 (h) AUTHORITY OF SECRETARY OF DEFENSE TO
11 SELL SURPLUS ARMS AND AMMUNITION.—Subject to sec-
12 tion 1208 of the National Defense Authorization Act for
13 Fiscal Years 1990 and 1991 (Public Law 101–189; 10
14 U.S.C. 372 note), relating to the transfer of excess small
15 arms and ammunition to support Government counter-
16 drug activities, the Secretary of the Army shall reserve
17 for the Civilian Marksmanship Program all remaining M-
18 1 Garand rifles, and ammunition for such rifles, held by
19 the Army on the date of the enactment of this Act. After
20 such date, the Secretary of the Army shall cease demili-
21 tarization of remaining M–1 Garand rifles in the Army
22 inventory unless such rifles are determined to be irrep-
23 arable by the Defense Logistics Agency. Any transfers of
24 arms and ammunition to the Corporation under this sec-
25 tion shall be made without cost to the Civilian Marksman-

1 ship Program, except that the Corporation shall assume
2 the cost of preparation and transportation of the trans-
3 ferred rifles.

4 (i) LOGISTICAL SUPPORT TO CIVILIAN MARKSMAN-
5 SHIP PROGRAM.—The Secretary of Defense, under such
6 regulations as the Secretary may prescribe, may provide
7 logistical support to the Civilian Marksmanship Program,
8 for competitions and other activities conducted by the Cor-
9 poration. The Secretary shall recoup only the incremental
10 cost for this support from the Corporation. The National
11 Matches may continue to be held at the current Depart-
12 ment of Defense facilities as part of the support author-
13 ized under this section.

14 (j) REPEAL.—(1) Sections 4307, 4308, 4310, and
15 4311 of title 10, United States Code, are repealed.

16 (2) The table of sections at the beginning of chapter
17 401 of such title is amended by striking out the items re-
18 lating to sections 4307, 4308, 4310, and 4311.

19 **SEC. 385. PERSONNEL SERVICES AND LOGISTICAL SUP-**
20 **PORT FOR CERTAIN ACTIVITIES HELD ON**
21 **MILITARY INSTALLATIONS.**

22 Section 2544 of title 10, United States Code, is
23 amended—

24 (1) by redesignating subsection (g) as sub-
25 section (h); and

1 (2) by inserting after subsection (f) the follow-
 2 ing new subsection:

3 “(g) In the case of a Boy Scout Jamboree held on
 4 a United States military installation, the Secretary of De-
 5 fense may provide personnel services and logistical support
 6 at the military installation in addition to the support au-
 7 thorized under subsections (a) and (d).”.

8 **SEC. 386. RETENTION OF MONETARY AWARDS.**

9 (a) MONETARY AWARDS.—Chapter 155 of title 10,
 10 United States Code, is amended by adding at the end the
 11 following new section:

12 **“§2610. Acceptance of monetary awards from com-
 13 petition for excellence**

14 “(a) ACCEPTANCE AUTHORIZED.—The Secretary of
 15 Defense may accept any monetary award given to the De-
 16 partment of Defense by a nongovernmental entity as an
 17 award in competition recognizing excellence or innovation
 18 in providing services or administering programs.

19 “(b) DISPOSITION OF AWARDS.—(1) Subject to para-
 20 graph (2), a monetary award accepted under subsection
 21 (a) shall be credited to the appropriation supporting the
 22 operation of the command, installation, or other activity
 23 that is recognized for the award and, in such amount as
 24 is provided in advance in appropriation Acts, shall be

1 available for the same purposes as the underlying appro-
2 priation.

3 “(2) Subject to such limitations as may be provided
4 in appropriation Acts, the Secretary of Defense may dis-
5 burse an amount not to exceed 50 percent of the monetary
6 award to persons who are responsible for the excellence
7 or innovation recognized by the award. A person may not
8 receive more than \$10,000 under the authority of this
9 paragraph from any monetary reward.

10 “(c) INCIDENTAL EXPENSES.—Subject to such limi-
11 tations as may be provided in appropriation Acts, appro-
12 priations available to the Department of Defense may be
13 used to pay incidental expenses incurred to compete in a
14 competition described in subsection (a) or to accept a
15 monetary award under this section.

16 “(d) REGULATIONS AND REPORTING.—(1) The Sec-
17 retary of Defense shall prescribe regulations to determine
18 the disposition of any monetary awards accepted under
19 this section and the payment of incidental expenses under
20 subsection (c).

21 “(2) The Secretary of Defense shall submit to Con-
22 gress an annual report describing the disposition of any
23 monetary awards accepted under this section and the pay-
24 ment of any incidental expenses under this subsection
25 (c).”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of such chapter is amended by adding
3 at the end the following new item:

“2610. Acceptance of monetary awards from competition for excellence.”.

4 **SEC. 387. CIVIL RESERVE AIR FLEET.**

5 Section 9512 of title 10, United States Code, is
6 amended by striking out “full” before “Civil Reserve Air
7 Fleet” in subsections (b)(2) and (e).

8 **SEC. 388. PERMANENT AUTHORITY REGARDING USE OF**
9 **PROCEEDS FROM SALE OF LOST, ABAN-**
10 **DONED, AND UNCLAIMED PERSONAL PROP-**
11 **ERTY AT CERTAIN INSTALLATIONS.**

12 (a) CONVERSION OF EXISTING DEMONSTRATION
13 PROJECT.—Section 343 the National Defense Authoriza-
14 tion Act for Fiscal Years 1992 and 1993 (Public Law
15 102–190; 105 Stat. 1343) is amended by striking out sub-
16 sections (d) and (e) and inserting in lieu thereof the fol-
17 lowing new subsection:

18 “(d) APPLICATION OF SPECIAL RULE.—The special
19 rule provided by subsection (a) shall apply with respect
20 to the disposal under section 2575 of title 10, United
21 States Code, of property found on the military installa-
22 tions referred to in subsection (b).”.

23 (b) CONFORMING AMENDMENTS.—Subsection (a) of
24 such section is amended—

1 (1) by striking out “DEMONSTRATION
2 PROJECT” in the subsection heading and inserting
3 in lieu thereof “SPECIAL RULE REGARDING PRO-
4 CEEDS”; and

5 (2) by striking out “demonstration project” and
6 inserting in lieu thereof “permanent program”.

7 **SEC. 389. TRANSFER OF EXCESS PERSONAL PROPERTY TO**
8 **SUPPORT LAW ENFORCEMENT ACTIVITIES.**

9 Section 1208(a)(1)(A) of the National Defense Au-
10 thorization Act for Fiscal Years 1990 and 1991 (P.L.
11 101–189; 10 U.S.C. 372 note) is amended by striking out
12 “counter-drug activities” and inserting in lieu thereof “law
13 enforcement activities, including counter-drug activities”.

14 **SEC. 390. DEVELOPMENT AND IMPLEMENTATION OF INNO-**
15 **VATIVE PROCESSES TO IMPROVE OPERATION**
16 **AND MAINTENANCE.**

17 Of the amounts authorized to be appropriated under
18 section 301(5), \$350,000,000 shall be available to the Sec-
19 retary of Defense for the development or acquisition of
20 information technologies and reengineered functional proc-
21 esses, such as in the areas of personnel management, fi-
22 nance, and depot-level maintenance, for implementation
23 within the Department of Defense. Before obligating or
24 expending funds under this section for an information
25 technology or reengineered functional process, the Sec-

1 retary shall certify to Congress that the information tech-
2 nology or reengineered functional process—

3 (1) demonstrates a rate of return, within three
4 years, of 300 percent compared to the investment
5 made under this section; or

6 (2) would have a measurable effect upon the ef-
7 fectiveness of the readiness of the Armed Forces or
8 the operation and management of the Department of
9 Defense.

10 **SEC. 391. REVIEW OF USE OF DEFENSE LOGISTICS AGENCY**
11 **TO MANAGE INVENTORY CONTROL POINTS.**

12 (a) REVIEW OF CONSOLIDATION OF INVENTORY
13 CONTROL POINTS.—The Secretary of Defense shall con-
14 duct a review regarding the consolidation under the De-
15 fense Logistics Agency of all inventory control points, in-
16 cluding the inventory management and acquisition of
17 depot-level repairables.

18 (b) SUBMISSION OF RESULTS.—Not later than
19 March 31, 1996, the Secretary shall complete the review
20 and submit a report to the congressional defense commit-
21 tees describing the results the review.

22 (c) LIMITATION ON IMPLEMENTATION OF MATERIEL
23 MANAGEMENT STANDARD SYSTEM.—Pending the submis-
24 sion of the report, the Secretary of Defense may not pro-
25 ceed with the implementation of the automated data proc-

1 essing program of the Department of Defense known as
2 the Materiel Management Standard System.

3 **SEC. 392. SALE OF 50 PERCENT OF CURRENT WAR RESERVE**
4 **FUEL STOCKS.**

5 (a) SALE REQUIRED.—Notwithstanding section
6 2390(a) of title 10, United States Code, the Secretary of
7 Defense shall reduce war reserve fuel stocks of the Depart-
8 ment of Defense to a level equal to 50 percent of the level
9 of such stocks on January 1, 1995. The Secretary shall
10 achieve the reduction through consumption of fuel in the
11 Department of Defense and, if necessary, sales of fuel out-
12 side the Department to the highest qualified bidders.

13 (b) SUBSEQUENT FUEL PURCHASES.—After the date
14 of the enactment of this Act, fuel purchases for the De-
15 partment of Defense shall be made on the basis of the
16 actual fuel needs of the Department.

17 (c) REPORT.—Not later than March 1, 1996, the
18 Secretary of Defense shall submit to Congress a report
19 describing the manner in which the reduction of war re-
20 serve fuel stocks is to be made and the time period within
21 which the reduction is to be achieved.

22 (d) SUSPENSION OF REDUCTION; INCREASES.—The
23 Secretary of Defense may suspend the reduction of war
24 reserve fuel stocks, and in fact increase such stocks as
25 otherwise authorized by law, in the event of a national

1 emergency or to advance the national security interests of
2 the United States.

3 **SEC. 393. MILITARY CLOTHING SALES STORES, REPLACE-**
4 **MENT SALES.**

5 (a) IN GENERAL.—(1) Chapter 651 of title 10, Unit-
6 ed States Code, is amended by adding at the end the fol-
7 lowing new section:

8 **“§ 7606. Subsistence and other supplies: members of**
9 **armed forces; veterans; executive or mili-**
10 **tary departments and employees; prices**

11 “(a) The branch, office, or officer designated by the
12 Secretary of the Navy shall procure and sell, for cash or
13 credit—

14 “(1) articles specified by the Secretary of the
15 Navy or a person designated by the Secretary, to
16 members of the Navy and Marine Corps; and

17 “(2) items of individual clothing and equipment
18 to members of the Navy and Marine Corps, under
19 such restrictions as the Secretary may prescribe.

20 An account of sales on credit shall be kept and the amount
21 due reported to any branch office, or officer designated
22 by the Secretary. Except for articles and items acquired
23 through the use of working capital funds under section
24 2208 of this title, sales of articles shall be at cost, and
25 sales of individual clothing and equipment shall be at aver-

1 age current prices, including overhead, as determined by
2 the Secretary.

3 “(b) The branch, office, or officer designated by the
4 Secretary shall sell subsistence supplies to members of
5 other armed forces at the prices at which like property
6 is sold to members of the Navy and Marine Corps.

7 “(c) The branch, office, or officer designated by the
8 Secretary may sell serviceable supplies, other than subsist-
9 ence supplies, to members of other armed forces at the
10 prices at which like property is sold to members of the
11 Navy and Marine Corps.

12 “(d) A person who has been discharged honorably or
13 under honorable conditions from the Army, Navy, Air
14 Force, or Marine Corps and who is receiving care and
15 medical treatment from the Public Health Service or the
16 Department of Veterans Affairs may buy subsistence sup-
17 plies and other supplies, except articles of uniform, at the
18 prices at which like property is sold to members of the
19 Navy and Marine Corps.

20 “(e) Under such conditions as the Secretary may pre-
21 scribe, exterior articles of uniform may be sold to a person
22 who has been discharged from the Navy or Marine Corps
23 honorably or under honorable conditions at the prices at
24 which like articles are sold to members of the Navy or

1 Marine Corps. This subsection does not modify section
2 772 or 773 of this title.

3 “(f) Under regulations prescribed by the Secretary,
4 payment for subsistence supplies shall be made in cash
5 or by commercial credit.

6 “(g) The Secretary may provide for the procurement
7 and sale of stores designated by him to such civilian offi-
8 cers and employees of the United States, and such other
9 persons, as he considers proper—

10 “(1) at military installations outside the United
11 States (provided such sales conform with host nation
12 support agreements); and

13 “(2) at military installations inside the United
14 States where the Secretary determines that it is im-
15 practicable for those civilian officers, employees, and
16 persons to obtain those stores from commercial en-
17 terprises without impairing the efficient operation of
18 military activities.

19 However, sales to such civilian officers and employees in-
20 side the United States may be only to those who reside
21 within military installations.

22 “(h) Appropriations for subsistence of the Navy or
23 Marine Corps may be applied to the purchase of subsist-
24 ence supplies for sale to members of the Navy and Marine

1 Corps on active duty for the use of themselves and their
2 families.”.

3 (2) The table of sections at the beginning of such
4 chapter is amended by adding at the end the following
5 new item:

“7606. Subsistence and other supplies: members of armed forces; veterans; executive or military departments and employees; prices.”.

6 (b) CONFORMING AMENDMENTS FOR OTHER ARMED
7 FORCES.—(1) Section 4621(f) of such title is amended by
8 inserting before the period at the end the following: “or
9 by commercial credit”.

10 (2) Section 9621(f) of such title is amended by insert-
11 ing before the period at the end the following: “or by com-
12 mercial credit”.

13 **SEC. 394. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
14 **THAT BENEFIT DEPENDENTS OF MEMBERS**
15 **OF THE ARMED FORCES AND DEPARTMENT**
16 **OF DEFENSE CIVILIAN EMPLOYEES.**

17 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
18 PROGRAM.—Of the amounts authorized to be appro-
19 priated in section 301(5)—

20 (1) \$50,000,000 shall be available for providing
21 educational agencies assistance (as defined in sub-
22 section (d)(1)) to local educational agencies; and

1 (2) \$8,000,000 shall be available for making
2 educational agencies payments (as defined in sub-
3 section (d)(2)) to local educational agencies.

4 (b) NOTIFICATION OF AVAILABILITY OF FUNDS.—
5 Not later than June 30, 1996—

6 (1) the Secretary of Defense shall notify each
7 local educational agency that is eligible for edu-
8 cational agencies assistance for fiscal year 1996 of
9 that agency's eligibility for such assistance and the
10 amount of such assistance for which that agency is
11 eligible; and

12 (2) the Secretary of Education shall notify each
13 local educational agency that is eligible for an edu-
14 cational agencies payment for fiscal year 1996 of
15 that agency's eligibility for such payment and the
16 amount of the payment for which that agency is eli-
17 gible.

18 (c) DISBURSEMENT.—The Secretary of Defense
19 (with respect to funds made available under subsection
20 (a)(1)) and the Secretary of Education (with respect to
21 funds made available under subsection (a)(2)) shall dis-
22 burse such funds not later than 30 days after the date
23 on which notification to the eligible local education agen-
24 cies is provided pursuant to subsection (b).

25 (d) DEFINITIONS.—For purposes of this section:

1 (1) The term “educational agencies assistance”
2 means assistance authorized under subsection (b) of
3 section 386 of the National Defense Authorization
4 Act for Fiscal Year 1993 (Public Law 102–484; 20
5 U.S.C. 238 note).

6 (2) The term “educational agencies payments”
7 means payments authorized under subsection (d) of
8 that section.

9 (e) REDUCTION IN IMPACT THRESHOLD.—Sub-
10 section (c)(1) of section 386 of the National Defense Au-
11 thorization Act for Fiscal Year 1993 (Public Law 102–
12 484; 20 U.S.C. 238 note) is amended—

13 (1) by striking out “30 percent” and inserting
14 in lieu thereof “20 percent”; and

15 (2) by striking out “counted under subsection
16 (a) or (b) of section 3 of the Act of September 30,
17 1950 (Public Law 874, Eighty-first Congress; 20
18 U.S.C. 238)”.

19 (f) EXTENSION OF REPORTING REQUIREMENT.—
20 Subsection (e)(1) of section 386 of the National Defense
21 Authorization Act for Fiscal Year 1993 (Public Law 102–
22 484; 20 U.S.C. 238 note) is amended by striking out “and
23 1995” and inserting in lieu thereof “1995, and 1996”.

24 (g) TECHNICAL AMENDMENTS TO CORRECT REF-
25 ERENCES TO REPEALED LAW.—Section 386 of the Na-

1 tional Defense Authorization Act for Fiscal Year 1993
2 (Public Law 102–484; 20 U.S.C. 238 note) is amended—

3 (1) in subsection (d), by striking out “under
4 section 3” and all that follows through “of such sub-
5 section that result from” and inserting in lieu there-
6 of “payments under section 8003(e) of the Elemen-
7 tary and Secondary Education Act of 1965 (20
8 U.S.C. 7703(e)) as a result of”;

9 (2) in subsection (e)(2)(C), by inserting after
10 “et seq.,” the following: “title VIII of the Elemen-
11 tary and Secondary Education Act of 1965 (20
12 U.S.C. 7701 et seq.)”;

13 (3) in subsection (e)(2)(D), by striking out
14 “under subsections (a) and (b) of section 3 of such
15 Act (20 U.S.C. 238)”;

16 (4) in subsection (h)—

17 (A) in paragraph (1), by striking out “sec-
18 tion 1471(12) of the Elementary and Secondary
19 Education Act of 1965 (20 U.S.C. 2891(12))”
20 and inserting in lieu thereof “section 8013(9) of
21 the Elementary and Secondary Education Act
22 of 1965 (20 U.S.C. 7713(9))”;

23 (B) by striking out paragraph (3) and in-
24 serting in lieu thereof the following new para-
25 graph:

1 “(3) The term ‘State’ does not include Puerto
2 Rico, Wake Island, Guam, American Samoa, the
3 Northern Mariana Islands, or the Virgin Islands.”.

4 **SEC. 395. CORE LOGISTICS CAPABILITIES OF THE DEPART-**
5 **MENT OF DEFENSE.**

6 (a) IN GENERAL.—Chapter 146 of title 10, United
7 States Code, is amended by adding at the end the follow-
8 ing new section:

9 **“§ 2473. Depot-level maintenance and repair work-**
10 **load**

11 “(a) IMPORTANCE OF DEPOT-LEVEL MAINTENANCE
12 AND REPAIR CORE CAPABILITIES.—It is essential for the
13 national defense that the United States maintain a core
14 depot-level maintenance and repair capability (including
15 skilled personnel, equipment, and facilities) within facili-
16 ties owned and operated by the Department of Defense
17 that—

18 “(1) is of the proper size (A) to ensure a ready
19 and controlled source of technical competence and
20 repair and maintenance capability necessary to meet
21 the requirements of the National Military Strategy
22 and other requirements for responding to military
23 contingencies, and (B) to provide for rapid aug-
24 mentation in time of emergency; and

1 “(2) is assigned sufficient workload to ensure
2 cost efficiency and proficiency in time of peace.

3 “(b) DETERMINATION OF CORE DEPOT MAINTENANCE
4 ACTIVITIES.—(1) The Secretary of each military
5 department shall identify those depot-level maintenance
6 and repair activities under that Secretary’s jurisdiction
7 that are necessary to ensure for that military department
8 the depot-level maintenance and repair capability de-
9 scribed in subsection (a) and as required by section 2464
10 of this title.

11 “(2) The Secretary of each military department shall
12 prescribe the procedures to be used to quantify the re-
13 quirements necessary to support the capability described
14 in subsection (a).

15 “(c) PERFORMANCE OF WORKLOAD THAT SUPPORTS
16 DEPOT-LEVEL MAINTENANCE AND REPAIR CORE CAPA-
17 BILITIES.—The Secretary of each military department
18 shall require the performance of depot-level maintenance
19 and repair of activities identified under subsection (b) at
20 organic Department of Defense maintenance depots at lev-
21 els sufficient to ensure that the Department of Defense
22 maintains the core depot-level maintenance and repair ca-
23 pability described in subsection (a).

24 “(d) INTERSERVICING OF WORKLOAD.—The Sec-
25 retary of Defense, after consultation with the Secretaries

1 of the military departments, may transfer workload that
2 supports the core capability described in subsection (a)
3 from one military department to another. The Secretary
4 of Defense shall use merit-based criteria in evaluating
5 such transfers.

6 “(e) SOURCE OF REPAIR FOR OTHER DEPOT-LEVEL
7 WORKLOADS.—In the case of depot-level maintenance and
8 repair workloads in excess of the workload required pursu-
9 ant to subsection (c) to be performed at organic Depart-
10 ment of Defense depots, the Secretary of Defense, after
11 consultation with the Secretaries of the military depart-
12 ments, may provide for the performance of those work-
13 loads through sources selected by competition. The Sec-
14 retary of Defense shall use competition between private
15 firms and organic Department of Defense depots for any
16 such workload when the Secretary determines there are
17 less than two qualified sources of supply among private
18 firms for the performance of that specific depot-level
19 maintenance workload.

20 “(f) DEPOT-LEVEL WORKLOAD COMPETITIONS.—In
21 any competition under this section for a depot-level work-
22 load (whether among private firms or between Department
23 of Defense activities and private firms), bids from any en-
24 tity participating in the competition shall accurately dis-
25 close all costs properly and consistently derived from ac-

1 counting systems and practices that comply with laws,
2 policies, and standards applicable to that entity. In any
3 competition between Department of Defense activities and
4 private firms, the Government calculation for the cost of
5 performance of the function by Department of Defense ci-
6 vilian employees shall be based on an estimate using the
7 most efficient and cost effective manner for performance
8 of such function by Department of Defense civilian em-
9 ployees.

10 “(g) ANNUAL REPORT.—Not later than March 1 of
11 each year, the Secretary of Defense shall submit to Con-
12 gress a report specifying depot maintenance core capabil-
13 ity requirements determined in accordance with the proce-
14 dures established to comply with subsection (b)(2) and the
15 planned amount of workload to be accomplished in the or-
16 ganic depots of each military department in support of
17 those requirements for the following fiscal year. The re-
18 port shall identify the planned amount of workload meas-
19 ured by direct labor hours and by amounts expended and
20 shall be shown separately for each commodity group.”.

21 (b) REPEAL OF 60/40 REQUIREMENT AND REQUIRE-
22 MENT RELATING TO COMPETITION.—Effective December
23 31, 1996—

1 (1) section 2466 of title 10, United States
2 Code, is repealed unless Congress takes further ac-
3 tion regarding such repeal; and

4 (2) section 2469 of title 10, United States
5 Code, is repealed unless Congress takes further ac-
6 tion regarding such repeal.

7 (c) INTERIM EXCLUSION OF LARGE MAINTENANCE
8 AND REPAIR PROJECTS FROM 60/40 REQUIREMENT.—
9 Effective on the date of the enactment of this Act, section
10 2466(d) of title 10, United States Code, is amended—

11 (1) by striking out “EXCEPTION.—” and insert-
12 ing in lieu thereof “EXCEPTIONS.—(1)”; and

13 (2) by adding at the end the following new
14 paragraph:

15 “(2) If a maintenance or repair project for a single
16 item that is contracted for performance by non-Federal
17 Government personnel accounts for 5 percent or more of
18 the funds made available in a fiscal year to a military de-
19 partment or a Defense Agency for depot-level maintenance
20 and repair workload, the project and the funds necessary
21 for the project shall not be considered when applying the
22 percentage limitation specified in subsection (a) to that
23 military department or Defense Agency.”.

24 (d) CLERICAL AMENDMENTS.—The table of sections
25 at the beginning of chapter 146 of such title is amended—

1 (1) effective December 31, 1996, by striking
2 out the items relating to sections 2466 and 2469;
3 and

4 (2) by adding at the end the following new
5 item:

“2473. Depot-level maintenance and repair workload.”.

6 (e) REPORT ON DEPOT-LEVEL MAINTENANCE AND
7 REPAIR WORKLOAD.—Not later than March 1, 1996, the
8 Secretary of Defense shall submit to Congress a report
9 on the depot-level maintenance and repair workload of the
10 Department of Defense. The report shall include the fol-
11 lowing:

12 (1) The analysis required by subsection (f) of
13 the effect on that workload of the so-called 60/40 re-
14 quirement.

15 (2) The analysis required by subsection (g) of
16 the projected effect on that workload using a defini-
17 tion of core capability consistent with the description
18 in section 2473(a) of title 10, United States Code,
19 as added by subsection (a).

20 (3) The comparison of those analyses required
21 by subsection (h).

22 (4) Identification and analysis of significant is-
23 sues that arise if organic Department of Defense de-
24 pots are allowed to participate in a full and open

1 competition with private firms for repair workloads
2 in excess of work that supports core capabilities.

3 (f) 60/40 REQUIREMENT.—(1) The report under sub-
4 section (e) shall include an analysis of the requirement
5 under section 2466 of title 10, United States Code, that
6 no more than 40 percent of the depot-level maintenance
7 and repair work of the Department of Defense be con-
8 tracted for performance by non-Government personnel.
9 That analysis shall include the following:

10 (A) A description of the effect on military read-
11 iness and the national security resulting from that
12 requirement, including a description of any specific
13 difficulties experienced by the Department of De-
14 fense as a result of that requirement.

15 (B) A determination of the depot-level mainte-
16 nance and repair workload of the Department of De-
17 fense allocated for performance by organic Depart-
18 ment of Defense depots for any fiscal year during
19 which the requirement has been in effect, the per-
20 centage of funds for that workload that were obli-
21 gated to private sector entities, shown for each such
22 fiscal year and for the entire period during which
23 the requirement has been in effect.

24 (2) That analysis shall be made with respect to—

1 (A) the distribution during the five fiscal years
2 ending with fiscal year 1995 of the depot-level main-
3 tenance and repair workload of the Department of
4 Defense between organic Department of Defense de-
5 pots and non-Government personnel, measured by
6 direct labor hours and by amounts expended, and
7 displayed, for that five-year period and for each year
8 of that period, so as to show (for each military de-
9 partment (and separately for the Navy and Marine
10 Corps)) such distribution for each commodity group
11 (such as naval vessels, aircraft, tracked combat vehi-
12 cles); and

13 (B) the projected distribution during the five
14 fiscal years beginning with fiscal year 1996 of the
15 depot-level maintenance and repair workload of the
16 Department of Defense between organic Department
17 of Defense depots and non-Government personnel,
18 set forth in the same manner as described in sub-
19 paragraph (A).

20 (g) CORE WORKLOAD ANALYSIS.—The report under
21 subsection (e) shall include an analysis of the depot-level
22 maintenance and repair workload of the Department of
23 Defense in which the Secretary uses the capability de-
24 scribed in section 2473(a) of title 10, United States Code,
25 as added by subsection (a), as the standard for determin-

1 ing that portion of such workload that is required to be
2 performed in organic Department of Defense facilities.

3 That analysis shall be made with respect to—

4 (1) the distribution that would (using that
5 standard) have been made during the five fiscal
6 years ending with fiscal year 1995 of the depot-level
7 maintenance and repair workload of the Department
8 of Defense between organic Department of Defense
9 depots and non-Government personnel, measured by
10 direct labor hours and by amounts expended, and
11 displayed, for that five-year period and for each year
12 of that period, so as to show (for each military de-
13 partment (and separately for the Navy and Marine
14 Corps)) such distribution for each commodity group
15 (such as naval vessels, aircraft, tracked combat vehi-
16 cles); and

17 (2) the projected distribution (using that stand-
18 ard) during the five fiscal years beginning with fiscal
19 year 1996 of the depot-level maintenance and repair
20 workload of the Department of Defense between or-
21 ganic Department of Defense depots and non-Gov-
22 ernment personnel, set forth in the same manner as
23 described in paragraph (1).

24 (h) COMPARISON.—The report under subsection (e)
25 shall include a comparison of the results of the analysis

1 of the depot-level maintenance and repair workload of the
2 Department of Defense under subsection (f) with the re-
3 sults of the analysis of that workload under subsection (g).
4 The comparison shall include a comparison of the two
5 analyses by service and commodity group with respect to
6 each of the following:

7 (1) Identification, based on each analysis, of
8 core workloads and of the capabilities and equipment
9 needed to perform depot-level maintenance and re-
10 pair for those core workloads.

11 (2) Identification, based on each analysis, of
12 depot-level maintenance and repair work performed
13 (or that would be performed) at organic Department
14 of Defense depots and of depot-level maintenance
15 and repair work performed (or that would be per-
16 formed) by non-Government personnel.

17 (3) Readiness.

18 (4) The Department of Defense budget.

19 (5) The depot-level maintenance and repair
20 workload distribution, under each analysis, by direct
21 labor hours performed and by dollars expended.

22 (6) Projected level, for each analysis, of Govern-
23 ment capital investment in public and private depot-
24 level maintenance and repair facilities.

1 (i) REVIEW BY GAO.—(1) The Comptroller General
2 of the United States shall conduct an independent audit
3 of the findings of the Secretary of Defense in the report
4 under subsection (e). The Secretary of Defense shall pro-
5 vide to the Comptroller General for such purpose all infor-
6 mation used by the Secretary in preparing such report.

7 (2) Not later than April 1, 1996, the Comptroller
8 General shall submit to the congressional defense commit-
9 tees a report on the analysis by the Comptroller General
10 of the report submitted by the Secretary of Defense under
11 this section.

12 **SEC. 396. EXPANSION OF SOUTHWEST BORDER STATES**

13 **ANTI-DRUG INFORMATION SYSTEM.**

14 Congress finds that the Southwest Border States
15 Anti-Drug Information Systems program is an important
16 element in the effort of the Department of Defense to sup-
17 port law enforcement agencies in the fight against illegal
18 trafficking of narcotics.

19 **TITLE IV—MILITARY**
20 **PERSONNEL AUTHORIZATIONS**
21 **Subtitle A—Active Forces**

22 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

23 The Armed Forces are authorized strengths for active
24 duty personnel as of September 30, 1996 , as follows:

25 (1) The Army, 495,000.

- 1 (2) The Navy, 428,000.
- 2 (3) The Marine Corps, 174,000.
- 3 (4) The Air Force, 388,200.

4 **SEC. 402. TEMPORARY VARIATIONS IN DOPMA AUTHOR-**
 5 **IZED END STRENGTH LIMITATIONS FOR AC-**
 6 **TIVE DUTY NAVY AND AIR FORCE OFFICERS**
 7 **IN CERTAIN GRADES.**

8 (a) AIR FORCE OFFICERS IN GRADE OF MAJOR.—
 9 Notwithstanding section 523(a)(1) of title 10, United
 10 States Code, and except as provided in section 523(c) of
 11 such title, of the total number of commissioned officers
 12 serving on active duty in the Air Force at the end of any
 13 fiscal year through fiscal year 1997 (excluding officers in
 14 categories specified in section 523(b) of title 10, United
 15 States Code), the number of officers who may be serving
 16 on active duty in the grade of major may not, as of the
 17 end of such fiscal year, exceed the number determined in
 18 accordance with the following table:

Total number of Air Force commissioned of- ficers (excluding officers in categories speci- fied in section 523(b) of title 10, United States Code) on active duty	Number of offi- cers who may be serving on active duty in grade of major
70,000	14,612
75,000	15,407
80,000	16,202
85,000	16,997
90,000	17,792
95,000	18,587
100,000	19,382
105,000	20,177
110,000	20,971
115,000	21,766

Total number of Air Force commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of major
120,000	22,561
125,000	23,356

1 (b) NAVY OFFICERS IN GRADES OF LIEUTENANT
2 COMMANDER, COMMANDER, AND CAPTAIN.—Notwith-
3 standing section 523(a)(2) of title 10, United States Code,
4 and except as provided in section 523(c) of such title, of
5 the total number of commissioned officers serving on ac-
6 tive duty in the Navy at the end of any fiscal year through
7 fiscal year 1997 (excluding officers in categories specified
8 in section 523(b) of title 10, United States Code), the
9 number of officers who may be serving on active duty in
10 each of the grades of lieutenant commander, commander,
11 and captain may not, as of the end of such fiscal year,
12 exceed a number determined in accordance with the fol-
13 lowing table:

Total number of Navy commissioned officers (excluding officers in categories specified in section 523(b) of title 10, United States Code) on active duty	Number of officers who may be serving on active duty in grade of		
	Lieutenant Commander	Commander	Captain
45,000	10,034	6,498	2,801
48,000	10,475	6,706	2,902
51,000	10,916	6,912	3,002
54,000	11,357	7,120	3,103
57,000	11,798	7,328	3,204
60,000	12,239	7,535	3,305
63,000	12,680	7,742	3,406
66,000	13,121	7,949	3,506
70,000	13,709	8,226	3,641
90,000	16,649	9,608	4,313

1 **Subtitle B—Reserve Forces**

2 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

3 (a) IN GENERAL.—The Armed Forces are authorized
4 strengths for Selected Reserve personnel of the reserve
5 components as of September 30, 1996, as follows:

6 (1) The Army National Guard of the United
7 States, 373,000.

8 (2) The Army Reserve, 230,000.

9 (3) The Naval Reserve, 98,608.

10 (4) The Marine Corps Reserve, 42,000.

11 (5) The Air National Guard of the United
12 States, 109,458.

13 (6) The Air Force Reserve, 73,969.

14 (7) The Coast Guard Reserve, 8,000.

15 (b) WAIVER AUTHORITY.—The Secretary of Defense
16 may vary the end strength authorized by subsection (a)
17 by not more than 2 percent.

18 (c) ADJUSTMENTS.—The end strengths prescribed by
19 subsection (a) for the Selected Reserve of any reserve com-
20 ponent shall be proportionately reduced by—

21 (1) the total authorized strength of units orga-
22 nized to serve as units of the Selected Reserve of
23 such component which are on active duty (other
24 than for training) at the end of the fiscal year, and

1 (2) the total number of individual members not
2 in units organized to serve as units of the Selected
3 Reserve of such component who are on active duty
4 (other than for training or for unsatisfactory partici-
5 pation in training) without their consent at the end
6 of the fiscal year.

7 Whenever such units or such individual members are re-
8 leased from active duty during any fiscal year, the end
9 strength prescribed for such fiscal year for the Selected
10 Reserve of such reserve component shall be proportion-
11 ately increased by the total authorized strengths of such
12 units and by the total number of such individual members.

13 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**
14 **DUTY IN SUPPORT OF THE RESERVES.**

15 Within the end strengths prescribed in section
16 411(a), the reserve components of the Armed Forces are
17 authorized, as of September 30, 1996 , the following num-
18 ber of Reserves to be serving on full-time active duty or
19 full-time duty, in the case of members of the National
20 Guard, for the purpose of organizing, administering, re-
21 cruiting, instructing, or training the reserve components:

22 (1) The Army National Guard of the United
23 States, 23,390.

24 (2) The Army Reserve, 11,575.

25 (3) The Naval Reserve, 17,490.

1 (4) The Marine Corps Reserve, 2,285.

2 (5) The Air National Guard of the United
3 States, 9,817.

4 (6) The Air Force Reserve, 628.

5 **SEC. 413. COUNTING OF CERTAIN ACTIVE COMPONENT**
6 **PERSONNEL ASSIGNED IN SUPPORT OF RE-**
7 **SERVE COMPONENT TRAINING.**

8 Section 414(c) of the National Defense Authorization
9 Act for Fiscal Years 1992 and 1993 (Public Law 102–
10 190; 10 U.S.C. 12001 note) is amended—

11 (1) by inserting “(1)” before “The Secretary”;
12 and

13 (2) by adding at the end the following new
14 paragraph:

15 “(2) The Secretary of Defense may count toward the
16 number of active component personnel required under
17 paragraph (1) to be assigned to serve as advisers under
18 the program under this section any active component per-
19 sonnel who are assigned to an active component unit (A)
20 that was established principally for the purpose of provid-
21 ing dedicated training support to reserve component units,
22 and (B) the primary mission of which is to provide such
23 dedicated training support.”.

1 **Subtitle C—Military Training**
2 **Student Loads**

3 **SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS.**

4 (a) IN GENERAL.—For fiscal year 1996, the compo-
5 nents of the Armed Forces are authorized average military
6 training loads as follows:

7 (1) The Army, 75,013.

8 (2) The Navy, 44,238.

9 (3) The Marine Corps, 26,095.

10 (4) The Air Force, 33,232.

11 (b) SCOPE.—The average military training student
12 loads authorized for an armed force under subsection (a)
13 apply to the active and reserve components of that armed
14 force.

15 (c) ADJUSTMENTS.—The average military student
16 loads authorized in subsection (a) shall be adjusted con-
17 sistent with the end strengths authorized in subtitles A
18 and B. The Secretary of Defense shall prescribe the man-
19 ner in which such adjustments shall be apportioned.

20 **Subtitle D—Authorization of**
21 **Appropriations**

22 **SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**
23 **TARY PERSONNEL.**

24 There is hereby authorized to be appropriated to the
25 Department of Defense for military personnel for fiscal

1 year 1996 a total of \$68,951,663,000. The authorization
2 in the preceding sentence supersedes any other authoriza-
3 tion of appropriations (definite or indefinite) for such pur-
4 pose for fiscal year 1996.

5 **SEC. 432. AUTHORIZATION FOR INCREASE IN ACTIVE-DUTY**
6 **END STRENGTHS.**

7 (a) AUTHORIZATION.—There is hereby authorized to
8 be appropriated to the Department of Defense for fiscal
9 year 1996 for military personnel the sum of
10 \$112,000,000. Any amount appropriated pursuant to this
11 section shall be allocated, in such manner as the Secretary
12 of Defense prescribes, among appropriations for active-
13 component military personnel for that fiscal year and shall
14 be available only to increase the number of members of
15 the Armed Forces on active duty during that fiscal year
16 (compared to the number of members that would be on
17 active duty but for such appropriation).

18 (b) EFFECT ON END STRENGTHS.—The end-
19 strength authorizations in section 401 shall each be
20 deemed to be increased by such number as necessary to
21 take account of additional members of the Armed Forces
22 authorized by the Secretary of Defense pursuant to sub-
23 section (a).

1 **TITLE V—MILITARY PERSONNEL**
2 **POLICY**
3 **Subtitle A—Officer Personnel**
4 **Policy**

5 **SEC. 501. AUTHORITY TO EXTEND TRANSITION PERIOD FOR**
6 **OFFICERS SELECTED FOR EARLY RETIRE-**
7 **MENT.**

8 (a) SELECTIVE RETIREMENT OF WARRANT OFFI-
9 CERS.—Section 581 of title 10, United States Code, is
10 amended by adding at the end the following new sub-
11 section:

12 “(e) The Secretary concerned may defer for not more
13 than 90 days the retirement of an officer otherwise ap-
14 proved for early retirement under this section in order to
15 prevent a personal hardship to the officer or for other hu-
16 manitarian reasons.”.

17 (b) SELECTIVE EARLY RETIREMENT OF ACTIVE-
18 DUTY OFFICERS.—Section 638(b) of title 10, United
19 States Code, is amended by adding at the end the follow-
20 ing new paragraph:

21 “(3) The Secretary concerned may defer for not more
22 than 90 days the retirement of an officer otherwise ap-
23 proved for early retirement under this section or section
24 638a of this title in order to prevent a personal hardship
25 to the officer or for other humanitarian reasons.”.

1 **Subtitle B—Matters Relating to**
2 **Reserve Components**

3 **SEC. 511. MILITARY TECHNICIAN FULL-TIME SUPPORT**
4 **PROGRAM FOR ARMY AND AIR FORCE RE-**
5 **SERVE COMPONENTS.**

6 (a) REQUIREMENT OF ANNUAL AUTHORIZATION OF
7 END STRENGTH.—(1) Section 115 of title 10, United
8 States Code, is amended by adding at the end the follow-
9 ing new subsection:

10 “(g) Congress shall authorize for each fiscal year the
11 end strength for military technicians for each reserve com-
12 ponent of the Army and Air Force. Funds available to the
13 Department of Defense for any fiscal year may not be
14 used for the pay of a military technician during that fiscal
15 year unless the technician fills a position that is within
16 the number of such positions authorized by law for that
17 fiscal year for the reserve component of that technician.
18 This subsection applies without regard to section 129 of
19 this title.”.

20 (2) The amendment made by paragraph (1) does not
21 apply with respect to fiscal year 1995.

22 (b) AUTHORIZATION FOR FISCAL YEARS 1996 AND
23 1997.—For each of fiscal years 1996 and 1997, the num-
24 ber of military technicians, as of the last day of that fiscal
25 year, for the Army and the Air Force (notwithstanding

1 section 129 of title 10, United States Code) may not ex-
2 ceed the following:

3 (1) Army National Guard, 25,500.

4 (2) Army Reserve, 6,630.

5 (3) Air National Guard, 22,906.

6 (4) Air Force Reserve, 9,802.

7 (c) ADMINISTRATION OF MILITARY TECHNICIAN
8 PROGRAM.—(1) Chapter 1007 of title 10, United States
9 Code, is amended by adding at the end the following new
10 section:

11 **“§ 10216. Military technicians**

12 “(a) PRIORITY FOR MANAGEMENT OF MILITARY
13 TECHNICIANS.—(1) As a basis for making the annual re-
14 quest to Congress pursuant to section 115 of this title for
15 authorization of end strengths for military technicians of
16 the Army and Air Force reserve components, the Sec-
17 retary of Defense shall give priority to supporting author-
18 izations for dual status military technicians in the follow-
19 ing high-priority units and organizations:

20 “(A) Units of the Selected Reserve that are
21 scheduled to deploy no later than 90 days after mo-
22 bilization.

23 “(B) Units of the Selected Reserve that are or
24 will deploy to relieve active duty peacetime oper-
25 ations tempo.

1 “(C) Those organizations with the primary mis-
2 sion of providing direct support surface and aviation
3 maintenance for the reserve components of the Army
4 and Air Force, to the extent that the military techni-
5 cians in such units would mobilize and deploy in a
6 skill that is compatible with their civilian position
7 skill.

8 “(2) For each fiscal year, the Secretary of Defense
9 shall, for the high-priority units and organizations re-
10 ferred to in paragraph (1), achieve a programmed man-
11 ning level for military technicians that is not less than 90
12 percent of the programmed manpower structure for those
13 units and organizations for military technicians for that
14 fiscal year.

15 “(3) For each fiscal year, the Secretary of Defense
16 shall, for reserve component management headquarters
17 organizations (including national and State-level National
18 Guard headquarters, in United States Property and Fiscal
19 Offices, and in similar management-level headquarters in
20 the Army and Air Force Reserve), achieve a programmed
21 manning level for military technicians that is not more
22 than 70 percent of the programmed manpower structure
23 for those organizations for military technicians for that
24 fiscal year.

1 “(4) Military technician authorizations and personnel
2 in high-priority units and organizations specified in para-
3 graph (1) shall be exempt from any requirement (imposed
4 by law or otherwise) for reductions in Department of De-
5 fense civilian personnel and shall only be reduced as part
6 of military force structure reductions. Planned reductions
7 in Department of Defense civilian personnel that would
8 apply to such technician authorizations and personnel but
9 for this paragraph shall be reallocated by the Secretary
10 of Defense on a proportional basis throughout the Depart-
11 ment of Defense, with an emphasis on reducing head-
12 quarters personnel.

13 “(b) DUAL-STATUS REQUIREMENT.—The Secretary
14 of Defense shall require the Secretary of the Army and
15 the Secretary of the Air Force to establish as a condition
16 of employment for each individual who is hired after the
17 date of the enactment of this section as a military techni-
18 cian that the individual maintain membership in the Se-
19 lected Reserve (so as to be a so-called ‘dual-status’ techni-
20 cian) and shall require that the civilian and military posi-
21 tion skill requirements of dual-status military technicians
22 be compatible. No Department of Defense funds may be
23 spent for compensation for any military technician hired
24 after the date of the enactment of this section who is not
25 a member of the Selected Reserve, except that compensa-

1 tion may be paid for up to six months following loss of
2 membership in the selected reserve if such loss of member-
3 ship was not due to the failure to meet military stand-
4 ards.”.

5 (2) The table of sections at the beginning of such
6 chapter is amended by adding at the end the following
7 new item:

“10216. Military technicians.”.

8 (d) REVIEW OF RESERVE COMPONENT MANAGE-
9 MENT HEADQUARTERS.—(1) The Secretary of Defense
10 shall, within six months after the date of the enactment
11 of this Act, undertake steps to reduce, consolidate, and
12 streamline management headquarters operations of the re-
13 serve components. As part of those steps, the Secretary
14 shall identify those military technicians positions in such
15 headquarters operations that are excess to the require-
16 ments of those headquarters.

17 (2) Of the military technicians positions that are
18 identified under paragraph (1), the Secretary shall reallo-
19 cate up to 95 percent of those positions to the high-prior-
20 ity units and activities specified in section 10216(a) of
21 title 10, United States Code, as added by subsection (c).

22 (e) ANNUAL DEFENSE MANPOWER REQUIREMENTS
23 REPORT.—Section 115a of title 10, United States Code,
24 is amended by adding at the end the following new sub-
25 section:

1 “(h) In each such report, the Secretary shall include
2 a separate report on the Army and Air Force military
3 technician programs. The report shall include a presen-
4 tation, shown by reserve component and shown both as
5 of the end of the preceding fiscal year and for the next
6 fiscal year, of the following:

7 “(1) The number of military technicians re-
8 quired to be employed (as specified in accordance
9 with Department of Defense procedures), the num-
10 ber authorized to be employed under Department of
11 Defense personnel procedures, and the number actu-
12 ally employed.

13 “(2) Within each of the numbers under para-
14 graph (1)—

15 “(A) the number applicable to a reserve
16 component management headquarter organiza-
17 tion; and

18 “(B) the number applicable to high-prior-
19 ity units and organizations (as specified in sec-
20 tion 10216(a) of this title).

21 “(3) Within each of the numbers under para-
22 graph (1), the numbers of military technicians who
23 are not themselves members of a reserve component
24 (so-called ‘single-status’ technicians), with a further

1 display of such numbers as specified in paragraph
2 (2).”.

3 **SEC. 512. MILITARY LEAVE FOR MILITARY RESERVE TECH-**
4 **NICIANS FOR CERTAIN DUTY OVERSEAS.**

5 Section 6323 of title 5, United States Code is amend-
6 ed by adding at the end the following new subsection:

7 “(d)(1) A military reserve technician described in sec-
8 tion 8401(30) is entitled at such person’s request to leave
9 without loss of, or reduction in, pay, leave to which such
10 person is otherwise entitled, credit for time or service, or
11 performance or efficiency rating for each day, not to ex-
12 ceed 44 workdays in a calendar year, in which such person
13 is on active duty without pay, as authorized pursuant to
14 section 12315 of title 10, under section 12301(b) or
15 12301(d) of title 10 (other than active duty during a war
16 or national emergency declared by the President or Con-
17 gress) for participation in noncombat operations outside
18 the United States, its territories and possessions.

19 “(2) An employee who requests annual leave or com-
20 pensatory time to which the employee is otherwise entitled,
21 for a period during which the employee would have been
22 entitled upon request to leave under this subsection, may
23 be granted such annual leave or compensatory time with-
24 out regard to this section or section 5519.”.

1 **SEC. 513. REVISIONS TO ARMY GUARD COMBAT REFORM**
2 **INITIATIVE TO INCLUDE ARMY RESERVE**
3 **UNDER CERTAIN PROVISIONS AND MAKE**
4 **CERTAIN REVISIONS.**

5 (a) PRIOR ACTIVE DUTY PERSONNEL.—Section
6 1111 of the Army National Guard Combat Readiness Re-
7 form Act of 1992 (title XI of Public Law 102–484) is
8 amended—

9 (1) in the section heading, by striking out the
10 first three words;

11 (2) by striking out subsections (a) and (b) and
12 inserting in lieu thereof the following:

13 “(a) ADDITIONAL PRIOR ACTIVE DUTY OFFICERS.—
14 The Secretary of the Army shall increase the number of
15 qualified prior active-duty officers in the Army National
16 Guard by providing a program that permits the separation
17 of officers on active duty with at least two, but less than
18 three, years of active service upon condition that the offi-
19 cer is accepted for appointment in the Army National
20 Guard. The Secretary shall have a goal of having not fewer
21 than 150 officers become members of the Army National
22 Guard each year under this section.

23 “(b) ADDITIONAL PRIOR ACTIVE DUTY ENLISTED
24 MEMBERS.—The Secretary of the Army shall increase the
25 number of qualified prior active-duty enlisted members in
26 the Army National Guard through the use of enlistments

1 as described in section 8020 of the Department of Defense
2 Appropriations Act, 1994 (Public Law 103–139). The
3 Secretary shall enlist not fewer than 1,000 new enlisted
4 members each year under enlistments described in that
5 section.”; and

6 (3) by striking out subsections (d) and (e).

7 (b) SERVICE IN THE SELECTED RESERVE IN LIEU
8 OF ACTIVE DUTY SERVICE FOR ROTC GRADUATES.—
9 Section 1112(b) of such Act (106 Stat. 2537) is amended
10 by striking out “National Guard” before the period at the
11 end and inserting in lieu thereof “Selected Reserve”.

12 (c) REVIEW OF OFFICER PROMOTIONS.—Section
13 1113 of such Act (106 Stat. 2537) is amended—

14 (1) in subsection (a), by striking out “National
15 Guard” both places it appears and inserting in lieu
16 thereof “Selected Reserve”;

17 (2) by striking out subsection (b) and inserting
18 in lieu thereof the following:

19 “(b) COVERAGE OF SELECTED RESERVE COMBAT
20 AND EARLY DEPLOYING UNITS.—(1) Subsection (a) ap-
21 plies to officers in all units of the Selected Reserve that
22 are designated as combat units or that are designated for
23 deployment within 75 days of mobilization.

24 “(2) Subsection (a) shall take effect with respect to
25 officers of the Army Reserve, and with respect to officers

1 of the Army National Guard in units not subject to sub-
2 section (a) as of the date of the enactment of the National
3 Defense Authorization Act for Fiscal Year 1996, at the
4 end of the 90-day period beginning on such date of enact-
5 ment.”.

6 (d) INITIAL ENTRY TRAINING AND NONDEPLOYABLE
7 PERSONNEL.—Section 1115 of such Act (106 Stat. 2538)
8 is amended—

9 (1) in subsections (a) and (b), by striking out
10 “National Guard” each place it appears and insert-
11 ing in lieu thereof “Selected Reserve”; and

12 (2) in subsection (c)—

13 (A) by striking out “a member of the
14 Army National Guard enters the National
15 Guard” and inserting in lieu thereof “a member
16 of the Army Selected Reserve enters the Army
17 Selected Reserve”; and

18 (B) by striking out “from the Army Na-
19 tional Guard”.

20 (e) ACCOUNTING OF MEMBERS WHO FAIL PHYSICAL
21 DEPLOYABILITY STANDARDS.—Section 1116 of such Act
22 (106 Stat. 2539) is amended by striking out “National
23 Guard” each place it appears and inserting in lieu thereof
24 “Selected Reserve”.

1 (f) USE OF COMBAT SIMULATORS.—Section 1120 of
2 such Act (106 Stat. 2539) is amended by inserting “and
3 the Army Reserve” before the period at the end.

4 **SEC. 514. ROTC SCHOLARSHIPS FOR THE NATIONAL**
5 **GUARD.**

6 (a) CLARIFICATION OF RESTRICTION ON ACTIVE
7 DUTY.—Paragraph (2) of section 2107(h) of title 10,
8 United States Code, is amended by inserting “full-time”
9 before “active duty” in the second sentence.

10 (b) REDESIGNATION OF ROTC SCHOLARSHIPS.—
11 Such paragraph is further amended by inserting after the
12 first sentence the following new sentence: “A cadet des-
13 igned under this paragraph who, having initially con-
14 tracted for service as provided in subsection (b)(5)(A) and
15 having received financial assistance for two years under
16 an award providing for four years of financial assistance
17 under this section, modifies such contract with the consent
18 of the Secretary of the Army to provide for service as de-
19 scribed in subsection (b)(5)(B), may be counted, for the
20 year in which the contract is modified, toward the number
21 of appointments required under the preceding sentence for
22 financial assistance awarded for a period of four years.”.

1 **SEC. 515. REPORT ON FEASIBILITY OF PROVIDING EDU-**
2 **CATION BENEFITS PROTECTION INSURANCE**
3 **FOR SERVICE ACADEMY AND ROTC SCHOLAR-**
4 **SHIP STUDENTS WHO BECOME MEDICALLY**
5 **UNABLE TO SERVE.**

6 Not later than June 30, 1996, the Secretary of De-
7 fense shall submit to Congress a report on the desirability
8 and the feasibility of the establishment of an insurance
9 program, to operate at no cost to the Government, to in-
10 sure individuals who are cadets or midshipmen at one of
11 the service academies or who hold Reserve Officer Train-
12 ing Corps scholarships under section 2107 or 2107a of
13 title 10, United States Code, against the loss of the value
14 of attendance at such service academy (in terms of the
15 cost of education at another institution), or the value of
16 the scholarship, in cases in which such attendance or such
17 scholarship is terminated by the Secretary of the military
18 department concerned because the individual has become,
19 through no fault of the individual, medically disqualified
20 from military service.

1 **SEC. 516. ACTIVE DUTY OFFICERS DETAILED TO ROTC**
2 **DUTY AT SENIOR MILITARY COLLEGES TO**
3 **SERVE AS COMMANDANT AND ASSISTANT**
4 **COMMANDANT OF CADETS AND AS TACTICAL**
5 **OFFICERS.**

6 (a) IN GENERAL.—Chapter 103 of title 10, United
7 States Code, is amended by adding at the end the follow-
8 ing new section:

9 **“§2111a. Detail of officers to senior military colleges**

10 “(a) DETAIL OF OFFICERS TO SERVE AS COM-
11 MANDANT OR ASSISTANT COMMANDANT OF CADETS.—(1)
12 Upon the request of a senior military college, the Sec-
13 retary of Defense shall detail an officer on the active-duty
14 list to serve as Commandant of Cadets at that college or
15 (in the case of a college with an Assistant Commandant
16 of Cadets) detail an officer on the active-duty list to serve
17 as Assistant Commandant of Cadets at that college (but
18 not both).

19 “(2) In the case of an officer detailed as Com-
20 mandant of Cadets, the officer may, upon the request of
21 the college, be assigned from among the Professor of Mili-
22 tary Science, the Professor of Naval Science (if any), and
23 the Professor of Aerospace Science (if any) at that college
24 or may be in addition to any other officer detailed to that
25 college in support of the program.

1 “(3) In the case of an officer detailed as Assistant
2 Commandant of Cadets, the officer may, upon the request
3 of the college, be assigned from among officers otherwise
4 detailed to duty at that college in support of the program
5 or may be in addition to any other officer detailed to that
6 college in support of the program.

7 “(b) DESIGNATION OF OFFICERS AS TACTICAL OFFI-
8 CERS.—Upon the request of a senior military college, the
9 Secretary of Defense shall authorize officers (other than
10 officers covered by subsection (a)) who are detailed to duty
11 as instructors at that college to act simultaneously as tac-
12 tical officers (with or without compensation) for the Corps
13 of Cadets at that college.

14 “(c) DETAIL OF OFFICERS.—The Secretary of a mili-
15 tary department shall designate officers for detail to the
16 program at a senior military college in accordance with
17 criteria provided by the college. An officer may not be de-
18 tailed to a senior military college without the approval of
19 that college.

20 “(d) SENIOR MILITARY COLLEGES.—The senior mili-
21 tary colleges are the following:

22 “(1) Texas A&M University.

23 “(2) Norwich College.

24 “(3) The Virginia Military Institute.

25 “(4) The Citadel.

1 “(5) Virginia Polytechnic Institute and State
2 University.

3 “(6) North Georgia College.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by adding
6 at the end the following new item:

“2111a. Detail of officers to senior military colleges.”.

7 **SEC. 517. MOBILIZATION INCOME INSURANCE PROGRAM**
8 **FOR MEMBERS OF READY RESERVE.**

9 (a) ESTABLISHMENT OF PROGRAM.—(1) Subtitle E
10 of title 10, United States Code, is amended by inserting
11 after chapter 1213 the following new chapter:

12 **“CHAPTER 1214—READY RESERVE**
13 **INCOME INSURANCE**

“Sec.
“12521. Definitions.
“12522. Establishment and purpose of program.
“12523. Program administration.
“12524. Eligible insurance companies.
“12525. Persons insured; amount.
“12526. Deductions; payment.
“12527. Payment of insurance; beneficiaries.
“12528. Premiums; accounting to the Secretary.
“12529. Forfeiture.

14 **“§ 12521. Definitions**

15 “‘In this chapter:

16 “(1) The term ‘covered service’ means active
17 duty in the armed forces performed by a member of
18 a reserve component under orders for more than 30
19 days which specify that the member’s service is in

1 support of an operational mission for which mem-
2 bers of the reserve components have been ordered to
3 active duty without their consent or in support of
4 forces activated during a period of war or during a
5 period of national emergency as declared by the
6 President or Congress.

7 “(2) The term ‘covered member’ means a mem-
8 ber of the Ready Reserve who is eligible for and who
9 has not declined coverage under this chapter.

10 “(3) The term ‘Secretary’ means the Secretary
11 of Defense.

12 “(4) The term ‘Department’ means the Depart-
13 ment of Defense.

14 “(5) The term ‘Board’ means the Board of Ac-
15 tuaries established under section 2006(e)(1) of this
16 title.

17 “(6) The term ‘Fund’ means the Department of
18 Defense Ready Reserve Income Insurance Fund.

19 **“§ 12522. Establishment and purpose of program**

20 “(a) ESTABLISHMENT.—There is established an in-
21 surance program for members of the Ready Reserve to
22 be known as the Department of Defense Ready Reserve
23 Income Insurance Program which shall be administered
24 by the Secretary. There is also established on the books
25 of the Treasury a fund to be known as the Department

1 of Defense Ready Reserve Income Insurance Fund, which
2 shall be administered by the Secretary of the Treasury.
3 The Fund shall be used for the accumulation of funds in
4 order to finance on an actuarially sound basis liabilities
5 of the Program.

6 “(b) ASSETS OF FUND.—There shall be deposited
7 into the Fund the following, which shall constitute the as-
8 sets of the Fund:

9 “(1) Amounts paid into the Fund under sec-
10 tions 12526 and 12528 of this title.

11 “(2) Any amount appropriated to the Fund.

12 “(3) Any return on investment of the assets of
13 the Fund.

14 “(c) BOARD OF ACTUARIES.—The Department of
15 Defense Education Benefits Fund Board of Actuaries
16 shall have the actuarial responsibility for the Program.

17 “(d) DETERMINATION OF CONTRIBUTIONS TO THE
18 FUND.—(1) Not later than six months after the Program
19 is established, the Board shall determine (project) the pre-
20 mium rate for the coverage to be offered.

21 “(2) If at the time of any such valuation there has
22 been a change in benefits under the Program that has
23 been made since the last such valuation and such change
24 in benefits increases or decreases the present value of
25 amounts payable from the Fund, the Board shall deter-

1 mine a premium rate methodology and schedule for the
2 liquidation of any liability (or actuarial gain to the Fund)
3 created by such change and any previous such changes
4 so that the present value of the sum of the scheduled pre-
5 mium payments (or reduction in payments that would oth-
6 erwise be made) equals the cumulative increase (or de-
7 crease) in the present value of such benefits.

8 “(3) If at the time of any such valuation the Board
9 determines that, based upon changes in actuarial assump-
10 tions since the last valuation, there has been an actuarial
11 gain or loss to the Fund, the Board shall recommend a
12 premium rate schedule for the amortization of the cumu-
13 lative gain or loss to the Fund created by such change
14 in assumptions and any previous such changes in assump-
15 tions through an increase or decrease in the payments that
16 would otherwise be made to the Fund.

17 “(4) If at any time liabilities exceed assets of the
18 Fund as a result of a call up, and funds are unavailable
19 to pay benefits, the Secretary shall seek a special appro-
20 priation to cover the unfunded liability. If appropriations
21 are not made, in any fiscal year, the Secretary shall limit
22 the value of any benefits conferred by this program to an
23 amount that does not exceed assets of the Fund expected
24 to accrue at the end of such fiscal year. Benefits that can-

1 not be paid because of such limitation of funds shall be
2 deferred and paid only after funds become available.

3 “(e) PAYMENTS INTO THE FUND.—(1) Payment into
4 the Fund under this subsection shall accumulate in ac-
5 cordance with the provisions of section 12526 of this title.

6 “(2) At the beginning of each fiscal year, the Sec-
7 retary shall determine the sum of the following:

8 “(A) The projected amount of the premiums to
9 be collected, investment earnings, and any special
10 appropriations received for that fiscal year.

11 “(B) The amount for that year of any cumu-
12 lative unfunded liability (including any negative
13 amount or any gain to the Fund) resulting from
14 payments of benefits.

15 “(C) The amount for that year (including any
16 negative amount) of any cumulative actuarial gain
17 or loss to the Fund.

18 “(f) INVESTMENT OF ASSETS OF FUND.—The Sec-
19 retary of the Treasury shall invest such portion of the
20 Fund as is not in the judgment of the Secretary of De-
21 fense required to meet current liabilities. Such investments
22 shall be in public debt securities with maturities suitable
23 to the needs of the Fund, as determined by the Secretary
24 of Defense, and bearing interest at rates determined by
25 the Secretary of the Treasury, taking into consideration

1 current market yields on outstanding marketable obliga-
2 tions of the United States of comparable maturities. The
3 income on such investments shall be credited to and form
4 a part of the Fund.

5 **“§ 12523. Program administration**

6 “The insurance program provided for in this chapter
7 shall be administered by the Secretary, who is authorized
8 to adopt such rules, procedures, and policies as in the Sec-
9 retary’s judgment may be necessary or appropriate to
10 carry out the purposes of this chapter.

11 **“§ 12524. Eligible insurance companies**

12 “(a) The Secretary may, without regard to section
13 3709 of the Revised Statutes (41 U.S.C. 5), purchase
14 from one or more insurance companies a policy or policies
15 of group insurance to offer benefits to all members. Each
16 such insurance company shall (1) be licensed to issue in-
17 surance in each of the 50 States and in the District of
18 Columbia, and (2) as of the most recent December 31 for
19 which information is available to the Secretary, have in
20 effect at least 1 percent of the total amount of insurance
21 which all such insurance companies have in effect in the
22 United States.

23 “(b) Any insurance company which issues a policy
24 under subsection (a) shall establish an administrative of-

1 fice at a place and under a name designated by the Sec-
2 retary.

3 “(c) The Secretary may use the facilities and services
4 of any insurance company issuing any policy under this
5 chapter and may designate one such company as the rep-
6 resentative of the other companies and contract to pay a
7 reasonable fee to the designated company for its services.

8 “(d) The Secretary shall arrange with the insurance
9 company issuing any policy under this chapter to reinsure,
10 under conditions approved by the Secretary, portions of
11 the total amount of insurance under such policy or policies
12 with such other insurance companies (which meet qualify-
13 ing criteria set forth by the Secretary) as may elect to
14 participate in such reinsurance.

15 “(e) The Secretary may at any time discontinue any
16 policy purchased under this section.

17 **“§ 12525. Persons insured; amount**

18 “(a)(1) Any policy of insurance provided under this
19 chapter shall insure each covered member of the Ready
20 Reserve against covered service. Any covered member or-
21 dered into covered service shall be entitled to payment of
22 a basic benefit of \$1,000 for each month of covered service
23 which is in excess of the initial 30 days of covered service,
24 unless the member has elected in writing (A) not to be
25 insured under this chapter, (B) to be insured for a lower

1 benefit of half the basic benefit, or (C) to be insured in
2 a greater amount, in increments of \$500, above the basic
3 benefit not to exceed \$5,000 per month of covered service
4 (adjusted pursuant to paragraph (2)), following the initial
5 30 days of covered service, except that no member may
6 be paid under this chapter for more than 12 months of
7 covered service served during any period of 18 months.
8 Payment for any period of covered service less than one
9 month shall be at the rate of one-thirtieth of the monthly
10 rate for each day served. Payment shall be based solely
11 on insured status and on the period of covered service
12 served; no proof of lost income or expenses incurred as
13 a result of covered service shall be required.

14 “(2) The Secretary shall determine annually the ef-
15 fect of inflation on the benefits and establish an adjust-
16 ment rate which ensures that there is no loss of value in
17 the benefits payable to a member. Adjustments shall apply
18 to benefits for members with existing coverage and for
19 newly eligible members. Such adjustments for inflation
20 will be rounded to the nearest \$10 increment.

21 “(3) Members of the Ready Reserve who, under regu-
22 lations prescribed by the Secretary of Defense in coordina-
23 tion with the Secretary of Transportation, are serving on
24 active duty (or full-time National Guard duty) shall not
25 be eligible to purchase insurance under this chapter. Addi-

1 tional categories of members of the Ready Reserve, in the
2 discretion of the Secretary of Defense, may also be ex-
3 cluded from eligibility to purchase insurance under this
4 chapter.

5 “(b) Promptly following the effective date of this
6 chapter, the Secretary shall make a one-time offer of in-
7 surance coverage under this chapter to all persons who
8 were members of the Ready Reserve of an armed force
9 on that date and who remain members of the Ready Re-
10 serve. Members of the Ready Reserve, first becoming eligi-
11 ble for coverage after the effective date of this chapter,
12 shall be automatically enrolled for the basic benefit unless
13 declined, or another amount is elected under subsection
14 (a)(1).

15 “(c) Members shall be given a written explanation of
16 the insurance and be advised that they have the right (1)
17 to decline coverage altogether, (2) to select half the basic
18 benefit, or (3) to select increased benefits. The right of
19 a member of the Ready Reserve to decline, increase, or
20 decrease coverage shall be exercised within 30 days of first
21 being eligible for coverage.

22 **“§ 12526. Deductions; payment**

23 “(a)(1) During any period in which a member insured
24 under this chapter is participating in paid reserve training
25 or other duty, there shall be deducted each month from

1 the member's basic pay or compensation for inactive duty
2 training an amount determined by the Secretary to be the
3 same for all members of the Ready Reserve who subscribe
4 to the same amount of insurance as the share of the cost
5 attributable to insuring such member. As provided in sec-
6 tion 12525 of this title, the Secretary may establish grad-
7 uated monthly premiums for an amount of insurance less
8 than the basic amount of coverage or in excess of the basic
9 coverage amount.

10 “(2) Any member insured under this chapter who is
11 not in a pay status in which the member receives pay on
12 a monthly basis shall pay the cost attributable to insuring
13 such member in accordance with regulations to be adopted
14 by the Secretary.

15 “(b) An amount equal to the first amount due on in-
16 surance under this chapter may be advanced from current
17 appropriations for military pay to any such member, which
18 amount shall constitute a lien upon the pay for military
19 service accruing to the person to whom such advance was
20 made, and shall be collected therefrom if not otherwise
21 paid. No disbursing or certifying officer shall be respon-
22 sible for any loss by reason of such advance.

23 “(c) The sums withheld from the basic or other pay
24 of insured members or deposited by insured members, to-
25 gether with the income derived from any dividends or pre-

1 mium rate adjustments, shall be deposited to the credit
2 of the Fund. All premium payments for insurance issued
3 under this chapter shall be deposited into the Fund.

4 **“§ 12527. Payment of insurance; beneficiaries**

5 “(a) A member insured under this chapter who serves
6 in excess of 30 days of covered service shall be paid the
7 amount to which such member is entitled on a monthly
8 basis, with the first payment due no later than one month
9 following the 30th day of covered service. The Secretary
10 shall adopt regulations prescribing the manner in which
11 payments shall be made, either to the member or, in ac-
12 cordance with subsection (d), to a designated person or
13 entity.

14 “(b) A member may designate in writing another per-
15 son (including a spouse, parent, or other person with an
16 insurable interest as determined by the Secretary by regu-
17 lation) to whom the insurance payments to which such
18 member is entitled are to be paid. Such designation may
19 be made to a bank or other financial institution, to the
20 credit of a designated person. In the latter event, insur-
21 ance payments to which a member becomes entitled shall
22 be paid to the designated person, bank or financial institu-
23 tion.

24 “(c) Any amount of insurance payable under this
25 chapter on account of a deceased member’s period of cov-

1 ered service shall be paid, upon the establishment of a
2 valid claim therefor, to the beneficiary or beneficiaries
3 which the former member had designated in writing. If
4 no such designation has been made, the amount shall be
5 payable in accordance with the laws of the State of the
6 member's domicile.

7 **“§ 12528. Premiums; accounting to the Secretary**

8 “(a) Each policy of insurance provided by the Sec-
9 retary under this chapter shall include for the first policy
10 years a fixed monetary premium per \$1,000 of insurance,
11 based, in consultation with the Board, on the best avail-
12 able estimate of risk and financial exposure, levels of sub-
13 scription by members, and other relevant factors. Dif-
14 ferent premium levels may be established for different
15 amounts of coverage, provided that the premium rate es-
16 tablished for the basic benefit shall not be at a premium
17 rate higher than the premium rate set for increased cov-
18 erages.

19 “(b) Each policy shall include provisions whereby the
20 premium rate for the first policy year shall be continued
21 for subsequent policy years (but the premium amount may
22 be increased to account or inflation-adjusted benefit in-
23 creases). The rate may be readjusted for any subsequent
24 year with the consent of the Secretary based on prior con-
25 sultation with the Board of Actuaries.

1 **“§ 12529. Forfeiture**

2 “Any person found guilty of mutiny, treason, spying,
3 or desertion, or who refuses to perform service in the
4 armed forces or refuses to wear the uniform of any of the
5 armed forces, shall forfeit all rights to insurance under
6 this chapter.”.

7 (2) The tables of chapters at the beginning of subtitle
8 E, and at the beginning of part II of subtitle E, of title
9 10, United States Code, are amended by inserting after
10 the item relating to chapter 1213 the following new item:

“1214. Ready Reserve Income Insurance12521”.

11 (b) EFFECTIVE DATE.—The insurance program pro-
12 vided for in chapter 1218 of title 10, United States Code,
13 as added by subsection (a), and the deductions and con-
14 tributions for that program shall take effect on a date des-
15 igned by the Secretary. Such date may not be later than
16 September 30, 1996. The Secretary shall publish in the
17 Federal Register notice of such effective date.

18 **SEC. 518. DELAY IN REORGANIZATION OF ARMY ROTC RE-**
19 **REGIONAL HEADQUARTERS STRUCTURE.**

20 (a) DELAY.—The Secretary of the Army may not
21 take any action to reorganize the regional headquarters
22 and basic camp structure of the Reserve Officers Training
23 Corps program of the Army until six months after the date
24 on which the report required by subsection (d) is submit-
25 ted.

1 (b) COST-BENEFIT ANALYSIS.—The Secretary of the
2 Army shall conduct a comparative cost-benefit analysis of
3 various options for the reorganization of the regional head-
4 quarters and basic camp structure of the Army ROTC
5 program. As part of such analysis, the Secretary shall
6 measure each reorganization option considered against a
7 common set of criteria.

8 (c) SELECTION OF REORGANIZATION OPTION FOR
9 IMPLEMENTATION.—Based on the findings resulting from
10 the cost-benefit analysis under subsection (b) and such
11 other factors as the Secretary considers appropriate, the
12 Secretary shall select one reorganization option for imple-
13 mentation. The Secretary may select an option for imple-
14 mentation only if the Secretary finds that the cost-benefit
15 analysis and other factors considered clearly demonstrate
16 that such option, better than any other option consid-
17 ered—

18 (1) provides the structure to meet projected
19 mission requirements;

20 (2) achieves the most significant personnel and
21 cost savings;

22 (3) uses existing basic and advanced camp fa-
23 cilities to the maximum extent possible;

24 (4) minimizes additional military construction
25 costs; and

1 (5) makes maximum use of the reserve compo-
2 nents to support basic and advanced camp oper-
3 ations, thereby minimizing the effect of those oper-
4 ations on active duty units.

5 (d) REPORT.—Not later than 60 days after the date
6 of the enactment of this Act, the Secretary of the Army
7 shall submit to the Committee on Armed Services of the
8 Senate and the Committee on National Security of the
9 House of Representatives a report describing the reorga-
10 nization option selected under subsection (c). The report
11 shall include the results of the cost-benefit analysis under
12 subsection (b) and a detailed rationale for the reorganiza-
13 tion option selected.

14 **SEC. 519. ACTIVE DUTY ASSOCIATE UNIT RESPONSIBILITY.**

15 (a) ASSOCIATE UNITS.—Subsection (a) of section
16 1131 of the National Defense Authorization Act for Fiscal
17 Year 1993 (Public Law 102–484; 106 Stat. 2540) is
18 amended to read as follows:

19 “(a) ASSOCIATE UNITS.—The Secretary of the Army
20 shall require—

21 “(1) that each ground combat maneuver bri-
22 gade of the Army National Guard that (as deter-
23 mined by the Secretary) is essential for the execu-
24 tion of the National Military Strategy be associated
25 with an active-duty combat unit; and

1 “(2) that combat support and combat service
2 support units of the Army Selected Reserve that (as
3 determined by the Secretary) are essential for the
4 execution of the National Military Strategy be asso-
5 ciated with active-duty units.”.

6 (b) RESPONSIBILITIES.—Subsection (b) of such sec-
7 tion is amended—

8 (1) by striking out “National Guard combat
9 unit” in the matter preceding paragraph (1) and in-
10 sserting in lieu thereof “National Guard unit or
11 Army Selected Reserve unit that (as determined by
12 the Secretary under subsection (a)) is essential for
13 the execution of the National Military Strategy”;
14 and

15 (2) by striking out “of the National Guard
16 unit” in paragraphs (1), (2), (3), and (4) and insert-
17 ing in lieu thereof “of that unit”.

18 **Subtitle C—Matters Relating to**
19 **Force Levels**

20 **SEC. 521. FLOOR ON END STRENGTHS.**

21 (a) IN GENERAL.—Chapter 39 of title 10, United
22 States Code, is amended by adding at the end the follow-
23 ing new section:

1 **“§ 691. Permanent end strength levels to support two**
2 **major regional contingencies**

3 “(a) The end strengths specified in subsection (b) are
4 the minimum strengths necessary to enable the armed
5 forces to fulfill a national defense strategy calling for the
6 United States to be able to successfully conduct two nearly
7 simultaneous major regional contingencies.

8 “(b) Unless otherwise provided by law, the number
9 of members of the armed forces (other than the Coast
10 Guard) on active duty at the end of any fiscal year shall
11 be not less than the following:

12 “(1) For the Army, 495,000.

13 “(2) For the Navy, 395,000.

14 “(3) For the Marine Corps, 174,000.

15 “(4) For the Air Force, 381,000.

16 “(c) No funds appropriated to the Department of De-
17 fense may be used to reduce the active duty end strengths
18 for the armed forces below the levels specified in sub-
19 section (b) unless the Secretary of Defense submits to
20 Congress notice of the proposed lower end strength levels
21 and a justification for those levels. No action may then
22 be taken to reduce such end strengths below the levels
23 specified in subsection (b) until the end of the six-month
24 period beginning on the date of the submission of such
25 notification to Congress.

1 “(d) The number of members of the armed forces on
2 active duty shall be counted for purposes of this section
3 in the same manner as applies under section 115(a)(1)
4 of this title.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 at the beginning of such chapter is amended by adding
7 at the end the following new item:

“691. Permanent end strength levels to support two major regional contin-
gencies.”.

8 **SEC. 522. ARMY OFFICER MANNING LEVELS.**

9 (a) IN GENERAL.—(1) Chapter 331 of title 10, Unit-
10 ed States Code, is amended by inserting after the table
11 of sections the following new section:

12 **“§ 3201. Officers on active duty: minimum strength**
13 **based on requirements**

14 “(a) The Secretary of the Army shall ensure that (be-
15 ginning with fiscal year 1999) the strength at the end of
16 each fiscal year of officers on active duty is sufficient to
17 enable the Army to meet at least 90 percent of the pro-
18 grammed manpower structure for the active component of
19 the Army.

20 “(b) The number of officers on active duty shall be
21 counted for purposes of this section in the same manner
22 as applies under section 115(a)(1) of this title.

23 “(c) In this section:

1 “(1) The term ‘programmed manpower struc-
2 ture’ means the aggregation of billets describing the
3 full manpower requirements for units and organiza-
4 tions in the programmed force structure.

5 “(2) The term ‘programmed force structure’
6 means the set of units and organizations that exist
7 in the current year and that is planned to exist in
8 each future year under the then-current Future-
9 Years Defense Program.”.

10 (2) The table of sections at the beginning of such
11 chapter is amended by inserting after “Sec.” the following
12 new item:

“3201. Officers on active duty: minimum strength based on requirements.”.

13 (b) ASSISTANCE IN ACCOMPLISHING REQUIREMENT.—
14 The Secretary of Defense shall provide to the Army suffi-
15 cient personnel and financial resources (including re-
16 sources from outside Army accounts) to enable the Army
17 to meet the requirement specified in section 3201 of title
18 10, United States Code, as added by subsection (a).

19 **SEC. 523. COMPTROLLER GENERAL REVIEW OF PROPOSED**
20 **ARMY END STRENGTH ALLOCATIONS.**

21 (a) IN GENERAL.—During fiscal years 1996 through
22 2001, the Comptroller General of the United States shall
23 analyze the plans of the Secretary of the Army for the
24 allocation of assigned active component end strengths for
25 the Army through the requirements process known as

1 Total Army Analysis 2003 and through any subsequent
2 similar requirements process of the Army that is con-
3 ducted before 2002. The Comptroller General's analysis
4 shall consider whether the proposed active component end
5 strengths and planned allocation of forces for that period
6 will be sufficient to implement the national military strat-
7 egy. In monitoring those plans, the Comptroller General
8 shall determine the extent to which the Army will be able
9 during that period—

10 (1) to man fully the combat force based on the
11 projected active component Army end strength for
12 each of fiscal years 1996 through 2001;

13 (2) to meet the support requirements for the
14 force and strategy specified in the report of the Bot-
15 tom-Up Review, including requirements for oper-
16 ations other than war; and

17 (3) to streamline further Army infrastructure in
18 order to eliminate duplication and inefficiencies and
19 replace active duty personnel in overhead positions,
20 whenever practicable, with civilian or reserve person-
21 nel.

22 (b) ACCESS TO DOCUMENTS, ETC.—The Secretary of
23 the Army shall ensure that the Comptroller General is pro-
24 vided access, on a timely basis and in accordance with the
25 needs of the Comptroller General, to all analyses, models,

1 memoranda, reports, and other documents prepared or
2 used in connection with the requirements process of the
3 Army known as Total Army Analysis 2003 and any subse-
4 quent similar requirements process of the Army that is
5 conducted before 2002.

6 (c) ANNUAL REPORT.—Not later than March 1 of
7 each year through 2002, the Comptroller General shall
8 submit to Congress a report on the findings and conclu-
9 sions of the Comptroller General under this section.

10 **SEC. 524. MANNING STATUS OF HIGHLY DEPLOYABLE SUP-**
11 **PORT UNITS.**

12 Not later than September 30, 1996, the Secretary of
13 each military department shall submit to the Committee
14 on Armed Services of the Senate and the Committee on
15 National Security of the House of Representatives a re-
16 port on the units under that Secretary's jurisdiction that
17 (as determined by the Secretary) are high-priority support
18 units that would deploy early in a contingency operation
19 or other crisis and that are, as a matter of policy, man-
20 aged at less than 100 percent of their authorized
21 strengths. The Secretary shall include in the report the
22 number of such high-priority support units (shown by type
23 of unit), the level of manning within such high-priority
24 support units, and either the justification for manning of
25 less than 100 percent or the status of corrective action.

1 **SEC. 525. SENSE OF CONGRESS CONCERNING PERSONNEL**

2 **TEMPO RATES.**

3 (a) FINDINGS.—Congress makes the following find-
4 ings:

5 (1) Excessively high personnel tempo rates for
6 members of the Armed Forces resulting from high-
7 tempo unit operations degrades unit readiness and
8 morale and eventually can be expected to adversely
9 affect unit retention.

10 (2) The Armed Forces have begun to develop
11 methods to measure and manage personnel tempo
12 rates.

13 (3) The Armed Forces have attempted to re-
14 duce operations and personnel tempo for heavily
15 tasked units by employing alternative capabilities
16 and reducing tasking requirements.

17 (b) SENSE OF CONGRESS.—The Secretary of Defense
18 should continue to enhance the knowledge within the
19 Armed Forces of personnel tempo and to improve the tech-
20 niques by which personnel tempo is managed with a view
21 toward establishing and achieving reasonable personnel
22 tempo standards for all personnel, regardless of unit or
23 assignment.

1 **Subtitle D—Amendments to the**
2 **Uniform Code of Military Justice**

3 **SEC. 541. REFERENCES TO UNIFORM CODE OF MILITARY**
4 **JUSTICE.**

5 Except as otherwise expressly provided, whenever in
6 this subtitle an amendment or repeal is expressed in terms
7 of an amendment to, or repeal of, a section or other provi-
8 sion, the reference shall be considered to be made to a
9 section or other provision of chapter 47 of title 10, United
10 States Code (the Uniform Code of Military Justice).

11 **SEC. 542. FORFEITURE OF PAY AND ALLOWANCES DURING**
12 **CONFINEMENT BY SENTENCE OF COURT-**
13 **MARTIAL.**

14 (a) FORFEITURE.—(1) Subchapter VIII is amended
15 by inserting after section 857 (article 57) the following
16 new section (article):

17 **“§857a. Art. 57a. Sentences: forfeiture of pay and al-**
18 **lowances during confinement by sentence**
19 **of court-martial**

20 “(a) A court-martial sentence, as announced by the
21 sentencing authority, that includes confinement shall re-
22 sult in the forfeiture of pay and allowances due that mem-
23 ber during the period of the confinement or while on pa-
24 role. The forfeiture shall be effective on the date on which
25 the sentence is announced. The percentage of pay and al-

1 lowances forfeited shall be the maximum percentage that
2 the court-martial could have directed as part of the sen-
3 tence.

4 “(b) If the sentence of a member who forfeits pay
5 and allowances under subsection (a) is set aside or dis-
6 approved or, as finally approved, does not provide for con-
7 finement, the member shall be paid the pay and allowances
8 which the member would have been paid, but for the for-
9 feiture, for the period during which the forfeiture was in
10 effect.”.

11 (2) The table of sections at the beginning of sub-
12 chapter VIII is amended by inserting after the item relat-
13 ing to section 857 (article 57) the following new item:

“857a. 57a. Sentences: forfeiture of pay and allowances during confinement by
sentence of court-martial.”.

14 (b) ACTION BY THE CONVENING AUTHORITY.—Sec-
15 tion 860 (article 60) is amended—

16 (1) by redesignating subsections (d) and (e) as
17 subsections (e) and (f) respectively; and

18 (2) by inserting after subsection (c) the follow-
19 ing new subsection:

20 “(d) In a case involving an accused who has depend-
21 ents and in which the sentence, as approved, includes con-
22 finement, the convening authority or other person taking
23 action under this section may waive some or all of the for-
24 feiture of pay and allowances otherwise required by section

1 857a of this title (article 57a). Any amount of pay and
2 allowances payable only by reason of such a waiver shall
3 be paid, as the convening authority or other person taking
4 action under this section directs, to the dependents of the
5 accused.”

6 (c) CONFORMING AMENDMENT.—(1) Section 804 of
7 title 37, United States Code, is repealed.

8 (2) The table of sections at the beginning of chapter
9 15 of such title is amended by striking out the item relat-
10 ing to section 804.

11 **SEC. 543. REFUSAL TO TESTIFY BEFORE COURT-MARTIAL.**

12 Section 847(b) (article 47(b)) is amended by striking
13 out “shall be” in the second sentence and all that follows
14 inserting in lieu thereof “shall be fined or imprisoned, or
15 both, at the court’s discretion.”.

16 **SEC. 544. FLIGHT FROM APPREHENSION.**

17 (a) IN GENERAL.—Section 895 (article 95) is amend-
18 ed to read as follows:

19 **“§ 895. Art. 95. Resistance, flight, breach of arrest,
20 and escape**

21 “Any person subject to this chapter who—

22 “(1) resists apprehension;

23 “(2) flees from apprehension;

24 “(3) breaks arrest; or

25 “(4) escapes from custody or confinement;

1 shall be punished as a court-martial may direct.”.

2 (b) CLERICAL AMENDMENT.—The item relating to
3 section 895 (article 95) in the table of sections at the be-
4 ginning of subchapter X is amended to read as follows:

“895. 95. Resistance, flight, breach of arrest, and escape.”.

5 **SEC. 545. CARNAL KNOWLEDGE.**

6 (a) GENDER NEUTRALITY.—Subsection (b) of section
7 920 (article 120) is amended to read as follows:

8 “(b) Any person subject to this chapter who, under
9 circumstances not amounting to rape, commits an act of
10 sexual intercourse with a person—

11 “(1) who is not that person’s spouse; and

12 “(2) who has not attained the age of sixteen
13 years;

14 is guilty of carnal knowledge and shall be punished as a
15 court-martial may direct.”.

16 (b) MISTAKE OF FACT.—Such section (article) is fur-
17 ther amended by adding at the end the following new sub-
18 section:

19 “(d) In a prosecution under subsection (b), it is a
20 defense that—

21 “(1) the person with whom the accused commit-
22 ted the act of sexual intercourse had at the time of
23 the alleged offense attained the age of twelve years;
24 and

1 “(2) the accused reasonably believed that that
2 person had at the time of the alleged offense at-
3 tained the age of sixteen years.”.

4 **SEC. 546. TIME AFTER ACCESSION FOR INITIAL INSTRU-**
5 **CTION IN THE UNIFORM CODE OF MILITARY**
6 **JUSTICE.**

7 Section 937(a)(1) (article 137(a)(1)) is amended by
8 striking out “within six days” and inserting in lieu thereof
9 “within fourteen days”.

10 **SEC. 547. PERSONS WHO MAY APPEAR BEFORE THE UNIT-**
11 **ED STATES COURT OF APPEALS FOR THE**
12 **ARMED FORCES.**

13 Section 944 (article 144) is amended by adding at
14 the end the following new sentence: “However, no person
15 may appear before the court (whether on a brief or in per-
16 son) other than an attorney who is admitted to practice
17 before the court or who is authorized to appear by the
18 court in a particular case (except that the court may per-
19 mit a third-year law student certified under a State rule
20 for practical training of law students to appear as an ami-
21 cus curiae).”.

1 **SEC. 548. DISCRETIONARY REPRESENTATION BY GOVERN-**
2 **MENT APPELLATE DEFENSE COUNSEL IN PE-**
3 **TITIONING SUPREME COURT FOR WRIT OF**
4 **CERTIORARI.**

5 Section 870 (article 70) is amended—

6 (1) in subsection (c), by inserting “(except as
7 provided in subsection (f))” before “the Supreme
8 Court”; and

9 (2) by adding at the end the following new sub-
10 section:

11 “(f) Representation of the accused by appellate de-
12 fense counsel in preparation of a petition to the Supreme
13 Court for a writ of certiorari shall be at the discretion
14 of the appellate defense counsel.”.

15 **SEC. 549. REPEAL OF TERMINATION OF AUTHORITY FOR**
16 **CHIEF JUSTICE OF UNITED STATES TO DES-**
17 **IGNATE ARTICLE III JUDGES FOR TEM-**
18 **PORARY SERVICE ON COURT OF APPEALS**
19 **FOR THE ARMED FORCES.**

20 Subsection (i) of section 1301 of the National De-
21 fense Authorization Act for Fiscal Years 1990 and 1991
22 (Public Law 101-189; 10 U.S.C. 942 note) is repealed.

23 **SEC. 550. TECHNICAL AMENDMENT.**

24 Section 866(f) (article 66(f)) is amended by striking
25 out “Courts of Military Review” both places it appears

1 and inserting in lieu thereof “Courts of Criminal Ap-
2 peals”.

3 **Subtitle E—Other Matters**

4 **SEC. 551. EQUALIZATION OF ACCRUAL OF SERVICE CREDIT**
5 **FOR OFFICERS AND ENLISTED MEMBERS.**

6 (a) ENLISTED SERVICE CREDIT.—Section 972 of
7 title 10, United States Code, is amended—

8 (1) by inserting “(a) ENLISTED MEMBERS RE-
9 QUIRED TO MAKE UP TIME LOST.—” before “An
10 enlisted member”;

11 (2) by striking out paragraphs (3) and (4) and
12 inserting in lieu thereof the following:

13 “(3) is confined by military or civilian authori-
14 ties for more than one day before, during, or after
15 trial; or”; and

16 (3) by redesignating paragraph (5) as para-
17 graph (4).

18 (b) OFFICER SERVICE CREDIT.—Such section is fur-
19 ther amended by adding at the end the following:

20 “(b) OFFICERS NOT ALLOWED SERVICE CREDIT FOR
21 TIME LOST.—In the case of an officer of an armed force
22 who after the date of the enactment of the National De-
23 fense Authorization Act for Fiscal Year 1996—

24 “(1) deserts;

1 “(2) is absent from his organization, station, or
2 duty for more than one day without proper author-
3 ity, as determined by competent authority;

4 “(3) is confined by military or civilian authori-
5 ties for more than one day before, during, or after
6 trial; or

7 “(4) is unable for more than one day, as deter-
8 mined by competent authority, to perform his duties
9 because of intemperate use of drugs or alcoholic liq-
10 uor, or because of disease or injury resulting from
11 his misconduct;

12 the period of such desertion, absence, confinement, or in-
13 ability to perform duties may not be counted in computing,
14 for any purpose other than basic pay under section 205
15 of title 37, the officer’s length of service.”.

16 (c) CLERICAL AMENDMENTS.—(1) The heading of
17 such section is amended to read as follows:

18 “**§ 972. Members: effect of time lost**

19 (2) The item relating to section 972 in the table of
20 sections at the beginning of chapter 49 of such title is
21 amended to read as follows:

 “972. Members: effect of time lost.”.

22 (d) CONFORMING AMENDMENTS.—(1) Section
23 1405(c) is amended—

1 (A) by striking out “MADE UP.—Time” and in-
2 sserting in lieu thereof “MADE UP OR EXCLUDED.—
3 (1) Time”;

4 (B) by striking out “section 972” and inserting
5 in lieu thereof “section 972(a)”;

6 (C) by inserting after “of this title” the follow-
7 ing: “, or required to be made up by an enlisted
8 member of the Navy, Marine Corps, or Coast Guard
9 under that section with respect to a period of time
10 after the date of the enactment of the National De-
11 fense Authorization Act for Fiscal Year 1995,”; and

12 (D) by adding at the end the following:

13 “(2) Section 972(b) of this title excludes from com-
14 putation of an officer’s years of service for purposes of
15 this section any time identified with respect to that officer
16 under that section.”.

17 (2) Chapter 367 of such title is amended—

18 (A) in section 3925(b), by striking out “section
19 972” and inserting in lieu thereof “section 972(a)”;
20 and

21 (B) by adding at the end of section 3926 the
22 following new subsection:

23 “(e) Section 972(b) of this title excludes from com-
24 putation of an officer’s years of service for purposes of

1 this section any time identified with respect to that officer
2 under that section.”.

3 (3)(A) Chapter 571 of such title is amended by in-
4 serting after section 6327 the following new section:

5 **“§6328. Computation of years of service: voluntary**
6 **retirement**

7 “(a) ENLISTED MEMBERS.—Time required to be
8 made up under section 972(a) of this title after the date
9 of the enactment of this section may not be counted in
10 computing years of service under this chapter.

11 “(b) OFFICERS.—Section 972(b) of this title excludes
12 from computation of an officer’s years of service for pur-
13 poses of this chapter any time identified with respect to
14 that officer under that section.”.

15 (B) The table of sections at the beginning of such
16 chapter is amended by inserting after the item relating
17 to section 6327 the following new item:

“6328. Computation of years of service: voluntary retirement.”.

18 (4) Chapter 867 of such title is amended—

19 (A) in section 8925(b), by striking out “section
20 972” and inserting in lieu thereof “section 972(a)”;
21 and

22 (B) by adding at the end of section 8926 the
23 following new subsection:

24 “(d) Section 972(b) of this title excludes from com-
25 putation of an officer’s years of service for purposes of

1 this section any time identified with respect to that officer
2 under that section.”.

3 (e) EFFECTIVE DATE AND APPLICABILITY.—The
4 amendments made by this section shall take effect on the
5 date of the enactment of this Act and shall apply to any
6 period of time covered by section 972 of title 10, United
7 States Code, that occurs after that date.

8 **SEC. 552. EXTENSION OF EXPIRING PERSONNEL AUTHORI-**
9 **TIES.**

10 (a) GRADE DETERMINATION AUTHORITY FOR CER-
11 TAIN RESERVE MEDICAL OFFICERS.—Sections 3359(b)
12 and 8359(b) of title 10, United States Code, are amended
13 by striking out “September 30, 1995” and inserting in
14 lieu thereof “September 30, 1996”.

15 (n) PROMOTION AUTHORITY FOR CERTAIN RESERVE
16 OFFICERS SERVING ON ACTIVE DUTY.—Sections 3380(d)
17 and 8380(d) of such title are amended by striking out
18 “September 30, 1995” and inserting in lieu thereof “Sep-
19 tember 30, 1996”.

20 (c) YEARS OF SERVICE FOR MANDATORY TRANSFER
21 TO THE RETIRED RESERVE.—Section 1016(d) of the De-
22 partment of Defense Authorization Act, 1984 (10 U.S.C.
23 3360 note), is amended by striking out “September 30,
24 1995” and inserting in lieu thereof “September 30,
25 1996”.

1 (d) AUTHORITY FOR TEMPORARY PROMOTIONS OF
2 CERTAIN NAVY LIEUTENANTS.—Section 5721 of title 10,
3 United States Code, is amended by striking out “Septem-
4 ber 30, 1995” and inserting in lieu thereof “September
5 30, 1998”.

6 **SEC. 553. INCREASE IN EDUCATIONAL ASSISTANCE ALLOW-**
7 **ANCE WITH RESPECT TO SKILLS OR SPECIAL-**
8 **TIES FOR WHICH THERE IS A CRITICAL**
9 **SHORTAGE OF PERSONNEL.**

10 Section 16131 of title 10, United States Code, is
11 amended by adding at the end the following new sub-
12 section:

13 “(j)(1) In the case of a person who has a skill or
14 specialty designated by the Secretary concerned as a skill
15 or specialty in which there is a critical shortage of person-
16 nel or for which it is difficult to recruit or, in the case
17 of critical units, retain personnel, the Secretary concerned
18 may increase the rate of the educational assistance allow-
19 ance applicable to that person to such rate in excess of
20 the rate prescribed under subparagraphs (A) through (D)
21 of subsection (b)(1) as the Secretary of Defense considers
22 appropriate, but the amount of any such increase may not
23 exceed \$350 per month.

24 “(2) The authority provided by paragraph (1) shall
25 be exercised by the Secretaries of the military departments

1 under regulations prescribed by the Secretary of De-
2 fense.”.

3 **SEC. 554. AMENDMENTS TO EDUCATION LOAN REPAYMENT**
4 **PROGRAMS.**

5 (a) GENERAL EDUCATION LOAN REPAYMENT PRO-
6 GRAM.—Section 2171(a)(1) of title 10, United States
7 Code, is amended—

8 (1) by striking out “or” at the end of subpara-
9 graph (A);

10 (2) by redesignating subparagraph (B) as sub-
11 paragraph (C); and

12 (3) by inserting after subparagraph (A) the fol-
13 lowing new subparagraph (B):

14 “(B) any loan made under part D of such title
15 (the William D. Ford Federal Direct Loan Program,
16 20 U.S.C. 1087a et seq.); or”.

17 (b) EDUCATION LOAN REPAYMENT PROGRAM FOR
18 ENLISTED MEMBERS OF SELECTED RESERVE WITH
19 CRITICAL SPECIALTIES.—Section 16301(a)(1) of such
20 title is amended—

21 (1) by striking out “or” at the end of subpara-
22 graph (A);

23 (2) by redesignating subparagraph (B) as sub-
24 paragraph (C); and

1 (3) by inserting after subparagraph (A) the fol-
2 lowing new subparagraph (B):

3 “(B) any loan made under part D of such title
4 (the William D. Ford Federal Direct Loan Program,
5 20 U.S.C. 1087a et seq.); or”.

6 (c) EDUCATION LOAN REPAYMENT PROGRAM FOR
7 HEALTH PROFESSIONS OFFICERS SERVING IN SELECTED
8 RESERVE WITH WARTIME CRITICAL MEDICAL SKILL
9 SHORTAGES.—Section 16302(a) of such title is amend-
10 ed—

11 (1) by redesignating paragraphs (2) through
12 (4) as paragraphs (3) through (5) respectively; and

13 (2) by inserting after paragraph (1) the follow-
14 ing new paragraph (2):

15 “(2) any loan made under part D of such title
16 (the William D. Ford Federal Direct Loan Program,
17 20 U.S.C. 1087a et seq.); or”.

18 **SEC. 555. RECOGNITION BY STATES OF LIVING WILLS OF**
19 **MEMBERS, CERTAIN FORMER MEMBERS, AND**
20 **THEIR DEPENDENTS.**

21 (a) RECOGNITION BY STATES REQUIRED.—(1) Chap-
22 ter 53 of title 10, United States Code, is amended by in-
23 serting after section 1044b the following new section:

1 **“§ 1044c. Military advance medical directives: re-**
2 **quirement for recognition by States**

3 “(a) INSTRUMENTS TO BE GIVEN LEGAL EFFECT
4 WITHOUT REGARD TO STATE LAW.—A military advance
5 medical directive—

6 “(1) is exempt from any requirement of form,
7 substance, formality, or recording that is provided
8 for advance medical directives under the laws of a
9 State; and

10 “(2) shall be given the same legal effect as an
11 advance medical directive prepared and executed in
12 accordance with the laws of the State concerned.

13 “(b) MILITARY ADVANCE MEDICAL DIRECTIVES.—
14 For the purposes of this section, a military advance medi-
15 cal directive is any written declaration regarding future
16 medical treatment that—

17 “(1) is executed by a person eligible for legal
18 assistance under section 1044(a) of this title or reg-
19 ulations of the Secretary concerned; and

20 “(2) is intended—

21 “(A) to provide, withdraw, or withhold life-
22 prolonging procedures, including hydration and
23 sustenance, in the event of a terminal condition
24 or persistent vegetative state of the declarant;
25 or

1 “(B) to appoint another person to make
2 health care decisions for the declarant under
3 circumstances stated in the declaration if the
4 declarant is determined to be incapable of mak-
5 ing informed health care decisions.

6 “(c) STATEMENT TO BE INCLUDED.—Under regula-
7 tions prescribed by the Secretary concerned, a written dec-
8 laration described in subsection (b) shall contain a state-
9 ment that clearly indicates the purpose of the declaration
10 to serve as the military advance medical directive of the
11 declarant. However, the failure of a military advance med-
12 ical directive to include such a statement shall not be con-
13 strued to negate the legal effect of the directive under sub-
14 section (a).

15 “(d) STATE DEFINED.—In this section, the term
16 ‘State’ includes the District of Columbia, the Common-
17 wealth of Puerto Rico, and a possession of the United
18 States.”.

19 (2) The table of sections at the beginning of such
20 chapter is amended by inserting after the item relating
21 to section 1044b the following new item:

 “1044c. Military advance medical directives: requirement for recognition by
 States.”.

22 (b) EFFECTIVE DATE.—Section 1044c of title 10,
23 United States Code, as added by subsection (a), shall
24 apply with respect to any military advance medical direc-

1 tive described in such section declared before, on, or after
2 the date of the enactment of this Act.

3 **SEC. 556. TRANSITIONAL COMPENSATION FOR DEPEND-**
4 **ENTS OF MEMBERS OF THE ARMED FORCES**
5 **SEPARATED FOR DEPENDENT ABUSE.**

6 (a) MANDATORY PROGRAM.—Subsection (a) of sec-
7 tion 1059 of title 10, United States Code, is amended by
8 striking out “may each establish a program” and inserting
9 in lieu thereof “shall each establish a program”.

10 (b) PAYMENT TO DEPENDENTS OF MEMBERS NOT
11 DISCHARGED.—Subsection (d) of such section is amended
12 by striking out “of a separation from active duty as” in
13 the first sentence.

14 **SEC. 557. ARMY RANGER TRAINING.**

15 (a) IN GENERAL.—(1) Chapter 401 of title 10, Unit-
16 ed States Code, is amended by inserting after section 4302
17 the following new section:

18 **“§ 4303. Army Ranger Training: instructor staffing;**
19 **safety**

20 **“(a) LEVELS OF PERSONNEL ASSIGNED TO BE NOT**
21 **LESS THAN NUMBER REQUIRED.—(1) The Secretary of**
22 **the Army shall ensure that at all times the number of offi-**
23 **cers, and the number of enlisted members, permanently**
24 **assigned to the Army Ranger Training Brigade (or other**
25 **organizational element of the Army primarily responsible**

1 for ranger student training) are not less than the required
2 manning spaces for that brigade.

3 “(2) If at any time the number of officers, or the
4 number of enlisted members, permanently assigned to the
5 Ranger Training Brigade is less than the required man-
6 ning spaces for officers, or for enlisted members, as the
7 case may be, for the Brigade, the Secretary of the Army
8 shall submit to Congress a notice of such shortage, to-
9 gether with a statement of the reasons for the shortage
10 and of the expected date when the number assigned will
11 be not less than the required manning spaces, in accord-
12 ance with paragraph (1).

13 “(b) REQUIRED MANNING SPACES.—(1) The Sec-
14 retary of the Army may not (except as provided in para-
15 graph (3)) reduce the required manning spaces for the
16 Ranger Training Brigade below the baseline required
17 manning spaces.

18 “(2) In this section:

19 “(A) The term ‘required manning spaces’
20 means the number of personnel spaces for officers,
21 and the number of personnel spaces for enlisted
22 members, that are designated in Army authorization
23 documents as the number required to accomplish the
24 missions of a particular unit or organization.

1 “(B) The term ‘baseline required manning
2 spaces’ means the required manning spaces for the
3 Army Ranger Training Brigade as of February 10,
4 1995, of 94 officers and 658 enlisted members.

5 “(3) The Secretary may (subject to paragraph (4))
6 make reductions in required manning spaces for the Army
7 Ranger Training Brigade from the baseline required man-
8 ning spaces if—

9 “(A) reductions in ranger student training
10 loads result in decreased instructor workload; and

11 “(B) one or more of the three major phases of
12 the Ranger Course (conducted at Fort Benning,
13 Georgia, at the Mountain Ranger Camp, and in
14 Florida) is eliminated.

15 “(4) Before making a reduction authorized by para-
16 graph (3) in required manning spaces, the Secretary of
17 the Army shall submit to Congress a report on the pro-
18 posed reduction. Such a reduction may not be made unless
19 the report includes a certification by the Secretary that
20 the reduction will not reduce the ability of the commander
21 of the Ranger Training Brigade to conduct training safely.
22 The report shall include a description of the reduction (in-
23 cluding specification of the number of officers and the
24 number of enlisted members that will be considered to be
25 required to carry out the missions of the Army Ranger

1 Training Brigade after the reduction) and shall set forth
2 the rationale of the Secretary for the reduction.

3 “(c) TRAINING SAFETY CELLS.—(1) The Secretary
4 of the Army shall establish and maintain an organizational
5 entity known as a ‘safety cell’ as part of the organizational
6 elements of the Army responsible for conducting each of
7 the three major phases of the Ranger Course. The safety
8 cell in each different geographic area of Ranger Course
9 training shall be comprised of personnel who have suffi-
10 cient continuity and experience in that geographic area of
11 such training to be knowledgeable of the local conditions
12 year-round, including conditions of terrain, weather,
13 water, and climate and other conditions and the potential
14 effect on those conditions on Ranger student training and
15 safety.

16 “(2) Members of each safety cell shall be assigned
17 in sufficient numbers to serve as advisers to the officers
18 in charge of the major phase of Ranger training and shall
19 assist those officers in making informed daily ‘go’ and ‘no-
20 go’ decisions regarding training in light of all relevant con-
21 ditions, including conditions of terrain, weather, water,
22 and climate and other conditions.”.

23 (2) The table of sections at the beginning of such
24 chapter is amended by inserting after the item relating
25 to section 4302 the following new item:

“4303. Army Ranger Training: instructor staffing: safety.”.

1 (b) ACCOMPLISHMENT OF REQUIRED MANNING LEV-
2 ELS.—(1) If, as of the date of the enactment of this Act,
3 the number of officers, or the number of enlisted members,
4 permanently assigned to the Ranger Training Brigade is
5 not 100 percent (or more) of the requirement specified in
6 subsection (b) of section 4303 of title 10, United States
7 Code, as added by subsection (a), the Secretary of the
8 Army—

9 (A) shall take such steps as necessary to accom-
10 plish that requirement within 12 months after such
11 date of enactment; and

12 (B) not later than 90 days after such date of
13 enactment, shall submit to Congress a plan to
14 achieve and maintain that requirement.

15 (2) If the Secretary does not accomplish the require-
16 ment referred to in paragraph (1) with respect to both
17 officers and enlisted members within 12 months after the
18 date of the enactment of this Act (as required by para-
19 graph (1)(A)), the Secretary shall halt all training activi-
20 ties of the Ranger Training Brigade until the requirement
21 is met.

22 **SEC. 558. REPEAL OF CERTAIN CIVIL-MILITARY PROGRAMS.**

23 (a) REPEAL OF CIVIL-MILITARY COOPERATIVE AC-
24 TION PROGRAM.—(1) Section 410 of title 10, United
25 States Code, and section 1081(a) of the National Defense

1 Authorization Act for Fiscal Year 1993 (Public Law 102–
2 484; 10 U.S.C. 410 note) are repealed:

3 (2) The table of sections at the beginning of chapter
4 20 of title 10, United States Code, is amended by striking
5 out the item relating to section 410.

6 (b) REPEAL OF RELATED PROVISIONS.—The follow-
7 ing sections of the National Defense Authorization Act for
8 Fiscal Year 1993 (Public Law 102–484) are repealed:

9 (1) Section 1045 (10 U.S.C. 410 note), relating
10 to a pilot outreach program to reduce demand for il-
11 legal drugs.

12 (2) Section 1091 (32 U.S.C. 501 note), relating
13 to the National Guard Civilian Youth Opportunities
14 Program.

15 (c) TERMINATION OF SUPPORT OF CIVILIAN COMMU-
16 NITY CORPS.—(1) The Secretary of Defense may not pro-
17 vide support to, or participate in, the Civilian Community
18 Corps Demonstration Program established under subtitle
19 E of title I of the National and Community Service Act
20 of 1990 (42 U.S.C. 12611–12626) or the Civilian Commu-
21 nity Corps required as part of that demonstration pro-
22 gram.

23 (2) Section 1093 of the National Defense Authoriza-
24 tion Act for Fiscal Year 1993 (Public Law 102–484; 42
25 U.S.C. 12612 note), relating to coordination between the

1 National Guard Civilian Youth Opportunities Pilot Pro-
2 gram and the Civilian Community Corps Demonstration
3 Program, is repealed.

4 **SEC. 559. ELIGIBILITY FOR ARMED FORCES EXPEDITION-**
5 **ARY MEDAL BASED UPON SERVICE IN EL SAL-**
6 **VADOR.**

7 (a) IN GENERAL.—For the purpose of determining
8 eligibility of members and former members of the Armed
9 Forces for the Armed Forces Expeditionary Medal, the
10 country of El Salvador during the period beginning on
11 January 1, 1981 and ending on February 1, 1992, shall
12 be treated as having been designated as an area and a
13 period of time in which members of the Armed Forces par-
14 ticipated in operations in significant numbers and other-
15 wise met the general requirements for the award of that
16 medal.

17 (b) INDIVIDUAL DETERMINATION.—The Secretary of
18 the military department concerned shall determine wheth-
19 er individual members or former members of the Armed
20 Forces who served in El Salvador during the period begin-
21 ning on January 1, 1981 and ending on February 1, 1992
22 meet the individual service requirements for award of the
23 Armed Forces Expeditionary Medal as established in ap-
24 plicable regulations. Such determinations shall be made as

1 expeditiously as possible after the date of the enactment
2 of this Act.

3 **SEC. 560. REVISION AND CODIFICATION OF MILITARY FAM-**
4 **ILY ACT AND MILITARY CHILD CARE ACT.**

5 (a) IN GENERAL.—(1) Subtitle A of title 10, United
6 States Code, is amended by inserting after chapter 87 the
7 following new chapter:

8 **“CHAPTER 88—MILITARY FAMILY**
9 **PROGRAMS AND MILITARY CHILD CARE**

“Subchapter	Sec.
“I. Military Family Programs	1781
“II. Military Child Care	1791

10 **“SUBCHAPTER I—MILITARY FAMILY PROGRAMS**

“Sec.
“1781. Office of Family Policy.
“1782. Surveys of military families.
“1783. Family members serving on advisory committees.
“1784. Employment opportunities for military spouses.
“1785. Youth sponsorship program.
“1786. Dependent student travel within the United States.
“1787. Reporting of child abuse.

11 **“§ 1781. Office of Family Policy**

12 “(a) ESTABLISHMENT.—There is in the Office of the
13 Secretary of Defense an Office of Family Policy (herein-
14 after in this section referred to as the ‘Office’). The Office
15 shall be under the Assistant Secretary of Defense for
16 Force Management and Personnel.

17 “(b) DUTIES.—The Office—

1 “(1) shall coordinate programs and activities of
2 the military departments to the extent that they re-
3 late to military families; and

4 “(2) shall make recommendations to the Sec-
5 retaries of the military departments with respect to
6 programs and policies regarding military families.

7 “(c) STAFF.—The Office shall have not less than five
8 professional staff members.

9 **“§ 1782. Surveys of military families**

10 “(a) AUTHORITY.—The Secretary of Defense may
11 conduct surveys of members of the armed forces on active
12 duty or in an active status, members of the families of
13 such members, and retired members of the armed forces
14 to determine the effectiveness of Federal programs relat-
15 ing to military families and the need for new programs.

16 “(b) RESPONSES TO BE VOLUNTARY.—Responses to
17 surveys conducted under this section shall be voluntary.

18 “(c) FEDERAL RECORDKEEPING REQUIREMENTS.—
19 With respect to such surveys, family members of members
20 of the armed forces and reserve and retired members of
21 the armed forces shall be considered to be employees of
22 the United States for purposes of section 3502(4)(A) of
23 title 44.

1 **“§ 1783. Family members serving on advisory commit-**
2 **tees**

3 “A committee within the Department of Defense
4 which advises or assists the Department in the perform-
5 ance of any function which affects members of military
6 families and which includes members of military families
7 in its membership shall not be considered an advisory com-
8 mittee under section 3(2) of the Federal Advisory Com-
9 mittee Act (5 U.S.C. App.) solely because of such member-
10 ship.

11 **“§ 1784. Employment opportunities for military**
12 **spouses**

13 “(a) AUTHORITY.—The President shall order such
14 measures as the President considers necessary to increase
15 employment opportunities for spouses of members of the
16 armed forces. Such measures may include—

17 “(1) excepting, pursuant to section 3302 of title
18 5, from the competitive service positions in the De-
19 partment of Defense located outside of the United
20 States to provide employment opportunities for
21 qualified spouses of members of the armed forces in
22 the same geographical area as the permanent duty
23 station of the members; and

24 “(2) providing preference in hiring for positions
25 in nonappropriated fund activities to qualified
26 spouses of members of the armed forces stationed in

1 the same geographical area as the nonappropriated
2 fund activity for positions in wage grade UA-8 and
3 below and equivalent positions and for positions paid
4 at hourly rates.

5 “(b) REGULATIONS.—The Secretary of Defense shall
6 prescribe regulations—

7 “(1) to implement such measures as the Presi-
8 dent orders under subsection (a);

9 “(2) to provide preference to qualified spouses
10 of members of the armed forces in hiring for any ci-
11 vilian position in the Department of Defense if the
12 spouse is among persons determined to be best
13 qualified for the position and if the position is lo-
14 cated in the same geographical area as the perma-
15 nent duty station of the member;

16 “(3) to ensure that notice of any vacant posi-
17 tion in the Department of Defense is provided in a
18 manner reasonably designed to reach spouses of
19 members of the armed forces whose permanent duty
20 stations are in the same geographic area as the area
21 in which the position is located; and

22 “(4) to ensure that the spouse of a member of
23 the armed forces who applies for a vacant position
24 in the Department of Defense shall, to the extent
25 practicable, be considered for any such position lo-

1 cated in the same geographic area as the permanent
2 duty station of the member.

3 “(c) STATUS OF PREFERENCE ELIGIBLES.—Nothing
4 in this section shall be construed to provide a spouse of
5 a member of the armed forces with preference in hiring
6 over an individual who is a preference eligible.

7 **“§ 1785. Youth sponsorship program**

8 “(a) REQUIREMENT.—The Secretary of Defense shall
9 require that there be at each military installation a youth
10 sponsorship program to facilitate the integration of de-
11 pendent children of members of the armed forces into new
12 surroundings when moving to that military installation as
13 a result of a parent’s permanent change of station.

14 “(b) DESCRIPTION OF PROGRAMS.—The program at
15 each installation shall provide for involvement of depend-
16 ent children of members presently stationed at the military
17 installation and shall be directed primarily toward children
18 in their preteen and teenage years.

19 **“§ 1786. Dependent student travel within the United**
20 **States**

21 “Funds available to the Department of Defense for
22 the travel and transportation of dependent students of
23 members of the armed forces stationed overseas may be
24 obligated for transportation allowances for travel within
25 or between the contiguous States.

1 **“§ 1787. Reporting of child abuse**

2 “(a) IN GENERAL.—The Secretary of Defense shall
3 request each State to provide for the reporting to the Sec-
4 retary of any report the State receives of known or sus-
5 pected instances of child abuse and neglect in which the
6 person having care of the child is a member of the armed
7 forces (or the spouse of the member).

8 “(b) DEFINITION.—In this section, the term ‘child
9 abuse and neglect’ has the meaning provided in section
10 3(1) of the Child Abuse Prevention and Treatment Act
11 (42 U.S.C. 5102).

12 **“SUBCHAPTER II—MILITARY CHILD CARE**

“Sec.

“1791. Funding for military child care.

“1792. Child care employees.

“1793. Parent fees.

“1794. Child abuse prevention and safety at facilities.

“1795. Parent partnerships with child development centers.

“1796. Subsidies for family home day care.

“1797. Early childhood education program.

“1798. Definitions.

13 **“§ 1791. Funding for military child care**

14 “It is the policy of Congress that the amount of ap-
15 propriated funds available during a fiscal year for operat-
16 ing expenses for military child development centers and
17 programs shall be not less than the amount of child care
18 fee receipts that are estimated to be received by the De-
19 partment of Defense during that fiscal year.

1 **“§ 1792. Child care employees**

2 “(a) REQUIRED TRAINING.—(1) The Secretary of
3 Defense shall prescribe regulations implementing, a train-
4 ing program for child care employees. Those regulations
5 shall apply uniformly among the military departments.
6 Subject to paragraph (2), satisfactory completion of the
7 training program shall be a condition of employment of
8 any person as a child care employee.

9 “(2) Under those regulations, the Secretary shall re-
10 quire that each child care employee complete the training
11 program not later than six months after the date on which
12 the employee is employed as a child care employee.

13 “(3) The training program established under this
14 subsection shall cover, at a minimum, training in the fol-
15 lowing:

16 “(A) Early childhood development.

17 “(B) Activities and disciplinary techniques ap-
18 propriate to children of different ages.

19 “(C) Child abuse prevention and detection.

20 “(D) Cardiopulmonary resuscitation and other
21 emergency medical procedures.

22 “(b) TRAINING AND CURRICULUM SPECIALISTS.—(1)
23 The Secretary of Defense shall require that at least one
24 employee at each military child development center be a
25 specialist in training and curriculum development. The

1 Secretary shall ensure that such employees have appro-
2 priate credentials and experience.

3 “(2) The duties of such employees shall include the
4 following:

5 “(A) Special teaching activities at the center.

6 “(B) Daily oversight and instruction of other
7 child care employees at the center.

8 “(C) Daily assistance in the preparation of les-
9 son plans.

10 “(D) Assistance in the center’s child abuse pre-
11 vention and detection program.

12 “(E) Advising the director of the center on the
13 performance of other child care employees.

14 “(3) Each employee referred to in paragraph (1) shall
15 be an employee in a competitive service position.

16 “(c) COMPETITIVE RATES OF PAY.—For the purpose
17 of providing military child development centers with a
18 qualified and stable civilian workforce, employees at a
19 military installation who are directly involved in providing
20 child care and are paid from nonappropriated funds—

21 “(1) in the case of entry-level employees, shall
22 be paid at rates of pay competitive with the rates of
23 pay paid to other entry-level employees at that in-
24 stallation who are drawn from the same labor pool;
25 and

1 “(2) in the case of other employees, shall be
2 paid at rates of pay substantially equivalent to the
3 rates of pay paid to other employees at that installa-
4 tion with similar training, seniority, and experience.

5 “(d) EMPLOYMENT PREFERENCE PROGRAM FOR
6 MILITARY SPOUSES.—(1) The Secretary of Defense shall
7 conduct a program under which qualified spouses of mem-
8 bers of the armed forces shall be given a preference in
9 hiring for the position of child care employee in a position
10 paid from nonappropriated funds if the spouse is among
11 persons determined to be best qualified for the position.

12 “(2) A spouse who is provided a preference under this
13 subsection at a military child development center may not
14 be precluded from obtaining another preference, in accord-
15 ance with section 1794 of this title, in the same geographic
16 area as the military child development center.

17 “(e) COMPETITIVE SERVICE POSITION DEFINED.—
18 In this section, the term ‘competitive service position’
19 means a position in the competitive service, as defined in
20 section 2102(a)(1) of title 5.

21 **“§ 1793. Parent fees**

22 “(a) IN GENERAL.—The Secretary of Defense shall
23 prescribe regulations establishing fees to be charged par-
24 ents for the attendance of children at military child devel-
25 opment centers. Those regulations shall be uniform for the

1 military departments and shall require that, in the case
2 of children who attend the centers on a regular basis, the
3 fees shall be based on family income.

4 “(b) LOCAL WAIVER AUTHORITY.—The Secretary of
5 Defense may provide authority to installation command-
6 ers, on a case-by-case basis, to establish fees for attend-
7 ance of children at child development centers at rates
8 lower than those prescribed under subsection (a) if the
9 rates prescribed under subsection (a) are not competitive
10 with rates at local non-military child development centers.

11 **“§ 1794. Child abuse prevention and safety at facili-**
12 **ties**

13 “(a) CHILD ABUSE TASK FORCE.—The Secretary of
14 Defense shall maintain a special task force to respond to
15 allegations of widespread child abuse at a military installa-
16 tion. The task force shall be composed of personnel from
17 appropriate disciplines, including, where appropriate, med-
18 icine, psychology, and childhood development. In the case
19 of such allegations, the task force shall provide assistance
20 to the commander of the installation, and to parents at
21 the installation, in helping them to deal with such allega-
22 tions.

23 “(b) NATIONAL HOTLINE.—(1) The Secretary of De-
24 fense shall maintain a national telephone number for per-
25 sons to use to report suspected child abuse or safety viola-

1 tions at a military child development center or family
2 home day care site. The Secretary shall ensure that such
3 reports may be made anonymously if so desired by the
4 person making the report. The Secretary shall establish
5 procedures for following up on complaints and information
6 received over that number.

7 “(2) The Secretary shall publicize the existence of the
8 number.

9 “(c) ASSISTANCE FROM LOCAL AUTHORITIES.—The
10 Secretary of Defense shall prescribe regulations requiring
11 that, in a case of allegations of child abuse at a military
12 child development center or family home day care site, the
13 commander of the military installation or the head of the
14 task force established under subsection (a) shall seek the
15 assistance of local child protective authorities if such as-
16 sistance is available.

17 “(d) SAFETY REGULATIONS.—The Secretary of De-
18 fense shall prescribe regulations on safety and operating
19 procedures at military child development centers. Those
20 regulations shall apply uniformly among the military de-
21 partments.

22 “(e) INSPECTIONS.—The Secretary of Defense shall
23 require that each military child development center be in-
24 spected not less often than four times a year. Each such
25 inspection shall be unannounced. At least one inspection

1 a year shall be carried out by a representative of the in-
2 stallation served by the center, and one inspection a year
3 shall be carried out by a representative of the major com-
4 mand under which that installation operates.

5 “(f) REMEDIES FOR VIOLATIONS.—(1) Except as
6 provided in paragraph (2), any violation of a safety,
7 health, or child welfare law or regulation (discovered at
8 an inspection or otherwise) at a military child development
9 center shall be remedied immediately.

10 “(2) In the case of a violation that is not life threat-
11 ening, the commander of the major command under which
12 the installation concerned operates may waive the require-
13 ment that the violation be remedied immediately for a pe-
14 riod of up to 90 days beginning on the date of the discov-
15 ery of the violation. If the violation is not remedied as
16 of the end of that 90-day period, the military child devel-
17 opment center shall be closed until the violation is rem-
18 edied. The Secretary of the military department concerned
19 may waive the preceding sentence and authorize the center
20 to remain open in a case in which the violation cannot
21 reasonably be remedied within that 90-day period or in
22 which major facility reconstruction is required.

23 “(3) If a military child development center is closed
24 under paragraph (2), the Secretary of the military depart-
25 ment concerned shall promptly submit to the Committee

1 on Armed Services of the Senate and the Committee on
2 National Security of the House of Representatives a re-
3 port notifying those committees of the closing. The report
4 shall include—

5 “(A) notice of the violation that resulted in the
6 closing and the cost of remedying the violation; and

7 “(B) a statement of the reasons why the viola-
8 tion has not been remedied as of the time of the re-
9 port.

10 **“§ 1795. Parent partnerships with child development**
11 **centers**

12 “(a) PARENT BOARDS.—The Secretary of Defense
13 shall require that there be established at each military
14 child development center a board of parents, to be com-
15 posed of parents of children attending the center. The
16 board shall meet periodically with staff of the center and
17 the commander of the installation served by the center for
18 the purpose of discussing problems and concerns. The
19 board, together with the staff of the center, shall be re-
20 sponsible for coordinating the parent participation pro-
21 gram described in subsection (b).

22 “(b) PARENT PARTICIPATION PROGRAMS.—The Sec-
23 retary of Defense shall require the establishment of a par-
24 ent participation program at each military child develop-
25 ment center. As part of such program, the Secretary of

1 Defense may establish fees for attendance of children at
2 such a center, in the case of parents who participate in
3 the parent participation program at that center, at rates
4 lower than the rates that otherwise apply.

5 **“§ 1796. Subsidies for family home day care**

6 “The Secretary of Defense may use appropriated
7 funds available for military child care purposes to provide
8 assistance to family home day care providers so that fam-
9 ily home day care services can be provided to members
10 of the armed forces at a cost comparable to the cost of
11 services provided by military child development centers.
12 The Secretary shall prescribe regulations for the provision
13 of such assistance.

14 **“§ 1797. Early childhood education program**

15 “The Secretary of Defense shall require that all mili-
16 tary child development centers meet standards of oper-
17 ation necessary for accreditation by an appropriate na-
18 tional early childhood programs accrediting body.

19 **“§ 1798. Definitions**

20 “In this subchapter:

21 “(1) The term ‘military child development cen-
22 ter’ means a facility on a military installation (or on
23 property under the jurisdiction of the commander of
24 a military installation) at which child care services
25 are provided for members of the armed forces or any

1 other facility at which such child care services are
2 provided that is operated by the Secretary of a mili-
3 tary department.

4 “(2) The term ‘family home day care’ means
5 home-based child care services that are provided for
6 members of the armed forces by an individual who
7 (A) is certified by the Secretary of the military de-
8 partment concerned as qualified to provide those
9 services, and (B) provides those services on a regu-
10 lar basis for compensation.

11 “(3) The term ‘child care employee’ means a ci-
12 vilian employee of the Department of Defense who
13 is employed to work in a military child development
14 center (regardless of whether the employee is paid
15 from appropriated funds or nonappropriated funds).

16 “(4) The term ‘child care fee receipts’ means
17 those nonappropriated funds that are derived from
18 fees paid by members of the armed forces for child
19 care services provided at military child development
20 centers.”.

21 (2) The tables of chapters at the beginning of subtitle
22 A, and at the beginning of part II of subtitle A, of title
23 10, United States Code, are amended by inserting after
24 the item relating to chapter 87 the following new item:

“88. Military Family Programs and Military Child Care ... 1781”.

1 (b) REPORT ON FIVE-YEAR DEMAND FOR CHILD
2 CARE.—(1) Not later than the date of the submission of
3 the budget for fiscal year 1997 pursuant to section 1105
4 of title 31, United States Code, the Secretary of Defense
5 shall submit to Congress a report on the expected demand
6 for child care by military and civilian personnel of the De-
7 partment of Defense during fiscal years 1997 through
8 2001.

9 (2) The report shall include—

10 (A) a plan for meeting the expected child care
11 demand identified in the report; and

12 (B) an estimate of the cost of implementing
13 that plan.

14 (3) The report shall also include a description of
15 methods for monitoring family home day care programs
16 of the military departments.

17 (c) PLAN FOR IMPLEMENTATION OF ACCREDITATION
18 REQUIREMENT.—The Secretary of Defense shall submit
19 to the Committee on Armed Services of the Senate and
20 the Committee on National Security of the House of Rep-
21 resentatives a plan for carrying out the requirements of
22 section 1787 of title 10, United States Code, as added by
23 subsection (a). The plan shall be submitted not later than
24 April 1, 1997.

1 (d) CONTINUATION OF DELEGATION OF AUTHORITY
2 WITH RESPECT TO HIRING PREFERENCE FOR QUALIFIED
3 MILITARY SPOUSES.—The provisions of Executive Order
4 No. 12568, issued October 2, 1986 (10 U.S.C. 113 note),
5 shall apply as if the reference in that Executive order to
6 section 806(a)(2) of the Department of Defense Author-
7 ization Act of 1986 refers to section 1784 of title 10, Unit-
8 ed States Code, as added by subsection (a).

9 (e) CONFORMING AMENDMENT.—Effective October
10 1, 1995, section 1782(c) of title 10, United States Code,
11 as added by subsection (a), is amended by striking out
12 “section 3502(4)(A) of title 44” and inserting in lieu
13 thereof “section 3502(3)(A)(i) of title 44”.

14 (f) REPEALER.—The following provisions of law are
15 repealed:

16 (1) The Military Family Act of 1985 (title VIII
17 of Public Law 99–145; 10 U.S.C. 113 note).

18 (2) The Military Child Care Act of 1989 (title
19 XV of Public Law 101–189; 10 U.S.C. 113 note).

20 **SEC. 561. DISCHARGE OF MEMBERS OF THE ARMED**
21 **FORCES WHO HAVE THE HIV-1 VIRUS.**

22 (a) IN GENERAL.—(1) Section 1177 of title 10, Unit-
23 ed States Code, is amended to read as follows:

1 **“§ 1177. Members infected with HIV-1 virus: manda-**
2 **tory discharge or retirement**

3 “(a) MANDATORY SEPARATION.—A member of the
4 armed forces who is HIV-positive shall be separated. Such
5 separation shall be made on a date determined by the Sec-
6 retary concerned, which shall be as soon as practicable
7 after the date on which the determination is made that
8 the member is HIV-positive and not later than the last
9 day of the sixth month beginning after such date.

10 “(b) FORM OF SEPARATION.—If a member to be sep-
11 arated under this section is eligible to retire under any
12 provision of law or to be transferred to the Fleet Reserve
13 or Fleet Marine Corps Reserve, the member shall be so
14 retired or so transferred. Otherwise, the member shall be
15 discharged. The characterization of the service of the
16 member shall be determined without regard to the deter-
17 mination that the member is HIV-positive.

18 “(c) DEFERRAL OF SEPARATION FOR MEMBERS IN
19 18-YEAR RETIREMENT SANCTUARY.—In the case of a
20 member to be discharged under this section who on the
21 date on which the member is to be discharged is within
22 two years of qualifying for retirement under any provision
23 of law, or of qualifying for transfer to the Fleet Reserve
24 or Fleet Marine Corps Reserve under section 6330 of this
25 title, the member may, as determined by the Secretary
26 concerned, be retained on active duty until the member

1 is qualified for retirement or transfer to the Fleet Reserve
2 or Fleet Marine Corps Reserve, as the case may be, and
3 then be so retired or transferred, unless the member is
4 sooner retired or discharged under any other provision of
5 law.

6 “(d) SEPARATION TO BE CONSIDERED INVOLUN-
7 TARY.—A separation under this section shall be consid-
8 ered to be an involuntary separation for purposes of any
9 other provision of law.

10 “(e) COUNSELING ABOUT AVAILABLE MEDICAL
11 CARE.—A member to be separated under this section shall
12 be provided information, in writing, before such separation
13 of the available medical care (through the Department of
14 Veterans Affairs and otherwise) to treat the member’s
15 condition. Such information shall include identification of
16 specific medical locations near the member’s home of
17 record or point of discharge at which the member may
18 seek necessary medical care.

19 “(f) HIV-POSITIVE MEMBERS.—A member shall be
20 considered to be HIV-positive for purposes of this section
21 if there is serologic evidence that the member is infected
22 with the virus known as Human Immunodeficiency Virus–
23 1 (HIV–1), the virus most commonly associated with the
24 acquired immune deficiency syndrome (AIDS) in the Unit-
25 ed States. Such serologic evidence shall be considered to

1 exist if there is a reactive result given by an enzyme-linked
2 immunosorbent assay (ELISA) serologic test that is con-
3 firmed by a reactive and diagnostic immunoelectrophoresis
4 test (Western blot) on two separate samples. Any such se-
5 rologic test must be one that is approved by the Food and
6 Drug Administration.”.

7 (2) The item relating to such section in the table of
8 sections at the beginning of chapter 59 of such title is
9 amended to read as follows:

“1177. Members infected with HIV-1 virus: mandatory discharge or retire-
ment.”.

10 (b) EFFECTIVE DATE.—Section 1177 of title 10,
11 United States Code, as amended by subsection (a), applies
12 with respect to members of the Armed Forces determined
13 to be HIV-positive before, on, or after the date of the en-
14 actment of this Act. In the case of a member of the Armed
15 Forces determined to be HIV-positive before such date,
16 the deadline for separation of the member under sub-
17 section (a) of such section, as so amended, shall be deter-
18 mined from the date of the enactment of this Act (rather
19 than from the date of such determination).

1 **SEC. 562. AUTHORITY TO APPOINT BRIGADIER GENERAL**
2 **CHARLES E. YEAGER, UNITED STATES AIR**
3 **FORCES (RETIRED) TO THE GRADE OF MAJOR**
4 **GENERAL ON THE RETIRED LIST.**

5 The President is authorized to appoint, by and with
6 the advice and consent of the Senate, Brigadier General
7 Charles E. Yeager, United States Air Force (retired), to
8 the grade of major general on the retired list of the Air
9 Force. Any such appointment shall not affect the retired
10 pay or other benefits of Charles E. Yeager or any benefits
11 to which any other person is or may become entitled based
12 upon his service.

13 **SEC. 563. DETERMINATION OF WHEREABOUTS AND STATUS**
14 **OF MISSING PERSONS.**

15 (a) PURPOSE.—The purpose of this section is to en-
16 sure that any member of the Armed Forces, and any civil-
17 ian employee of the United States or contractor of the
18 United States who serves with or accompanies the Armed
19 Forces in the field under orders, is accounted for by the
20 United States (by the return of such person alive, by the
21 return of the remains of such person, or by the decision
22 that credible evidence exists to support another determina-
23 tion of the status of such person) and, as a general rule,
24 is not declared dead solely because of the passage of time.

1 (b) IN GENERAL.—(1) Part II of subtitle A of title
2 10, United States Code, is amended by inserting after
3 chapter 75 the following new chapter:

4 **“CHAPTER 76—MISSING PERSONS**

“Sec.

“1501. System for accounting for missing persons.

“1502. Missing persons: initial report.

“1503. Initial board inquiry; actions of theater component commander and head
of the agency.

“1504. Subsequent board inquiry; actions of head of the agency.

“1505. Further review.

“1506. Personnel files.

“1507. Recommendation of status of death.

“1508. Judicial review.

“1509. Persons previously declared dead.

“1510. Procedures applicable in case of civilians.

“1511. Return alive of person declared missing or dead.

“1512. Effect on State law.

“1513. Definitions.

5 **“§ 1501. System for accounting for missing persons**

6 “(a) OFFICE FOR MISSING PERSONNEL.—(1) The
7 Secretary of Defense shall establish within the Office of
8 the Secretary of Defense an office to have responsibility
9 for Department of Defense policy relating to missing per-
10 sons. Subject to the authority, direction, and control of
11 the Secretary of Defense, the responsibilities of the office
12 shall include—

13 “(A) policy, control, and oversight within the
14 Department of Defense of the entire process for in-
15 vestigation and recovery (including search and res-
16 cue) related to missing persons; and

17 “(B) coordination for the Department of De-
18 fense with other departments and agencies of the

1 United States on all matters concerning missing per-
2 sons.

3 “(2) In carrying out the responsibilities of the office
4 established under this subsection, the head of the office
5 shall coordinate the efforts of that office with those of
6 other departments and agencies and other elements of the
7 Department of Defense for such purposes and shall be re-
8 sponsible for the coordination for such purposes within the
9 Department of Defense among the military departments,
10 the Joint Staff, and the commanders of the combatant
11 commands.

12 “(3) The office shall establish policies, which shall
13 apply uniformly through the Department of Defense, for
14 personnel recovery (including search and rescue).

15 “(4) The office shall establish procedures to be fol-
16 lowed by Department of Defense boards of inquiry, and
17 by officers reviewing the reports of such boards, under this
18 chapter.

19 “(b) OTHER DEPARTMENTS AND AGENCIES.—(1)
20 The Secretary of State shall designate an officer of the
21 Department of State to have responsibility within that De-
22 partment for matters relating to missing persons.

23 “(2) The Secretary of Transportation shall designate
24 an officer of the Department of Transportation to have

1 responsibility within that Department for matters relating
2 to missing persons.

3 “(3) The Director of Central Intelligence shall des-
4 ignate an officer of the Central Intelligence Agency to
5 have responsibility within that Agency for matters relating
6 to missing persons.

7 “(4) The President shall direct the heads of such
8 other departments and agencies as the President considers
9 appropriate to make a similar designation for their respec-
10 tive departments and agencies.

11 “(c) UNIFORM DOD PROCEDURES.—(1) The Sec-
12 retary of Defense shall prescribe procedures, to apply uni-
13 formly through the Department of Defense, for—

14 “(A) the determination of the status of persons
15 described in subsection (d); and

16 “(B) for the systematic, comprehensive, and
17 timely collection, analysis, review, dissemination, and
18 periodic update of information related to such per-
19 sons.

20 “(2) Such procedures shall be prescribed in a single
21 directive applicable to all elements of the Department of
22 Defense.

23 “(3) As part of such procedures, the Secretary may
24 provide for the extension, on a case-by-case basis, of any
25 time limit specified in section 1502, 1503, or 1504 of this

1 title. Any such extension may not be for a period in excess
2 of one-half of the period with respect to which the exten-
3 sion is provided. Subsequent extensions may be provided
4 on the same basis.

5 “(d) COVERED PERSONS.—Section 1502 of this title
6 applies in the case of the following persons:

7 “(1) Any member of the armed forces on active
8 duty who disappears as a result of a hostile action,
9 or under circumstances suggesting that the dis-
10 appearance is a result of a hostile action, and whose
11 status is undetermined or who is unaccounted for
12 (except under circumstances suggesting that the dis-
13 appearance is voluntary).

14 “(2) Any civilian employee of the United States
15 or employee of a contractor of the United States
16 who, while serving with or accompanying the armed
17 forces in the field, disappears under circumstances
18 described in paragraph (1) and whose status is un-
19 determined or who is unaccounted for (except under
20 circumstances suggesting that the disappearance is
21 voluntary).

22 “(e) PRIMARY NEXT OF KIN.—The individual who is
23 primary next of kin of a person described in subsection
24 (d) may for purposes of this chapter designate another
25 individual to act on behalf of that individual as primary

1 next of kin. The Secretary of Defense shall treat an indi-
2 vidual so designated as if the individual designated were
3 the primary next of kin for purposes of this chapter. A
4 designation under this subsection may be revoked at any
5 time by the person who made the designation.

6 “(f) TERMINATION OF APPLICABILITY OF PROCE-
7 DURES WHEN MISSING PERSON IS ACCOUNTED FOR.—

8 The provisions of this chapter relating to boards of inquiry
9 and to actions by the Secretary concerned on the reports
10 of those boards shall cease to apply in the case of a miss-
11 ing person upon that person becoming accounted for or
12 otherwise being determined to be in a status other than
13 the status of missing or missing in action.

14 **“§ 1502. Missing persons: initial report by unit com-
15 mander**

16 “(a) PRELIMINARY ASSESSMENT AND RECOMMENDA-
17 TION BY COMMANDER.—After receiving information that
18 the whereabouts or status of a person described in section
19 1501(d) of this title is uncertain and that the absence of
20 the person may be involuntary, the commander of the unit,
21 facility, or area to or in which the person is assigned shall
22 make a preliminary assessment of the circumstances. If,
23 as a result of that assessment, the commander concludes
24 that the person is missing, the commander shall—

1 “(1) recommend that the person be placed in a
2 missing status; and

3 “(2) not later than 48 hours after receiving
4 such information, transmit that recommendation to
5 the theater component commander with jurisdiction
6 over the missing person in accordance with proce-
7 dures prescribed under section 1501(c) of this title.

8 “(b) FORWARDING OF RECORDS.—The commander
9 making the initial assessment shall (in accordance with
10 procedures prescribed under section 1501(c) of this title)
11 safeguard and forward for official use any information re-
12 lating to the whereabouts or status of the person that re-
13 sult from the preliminary assessment or from actions
14 taken to locate the person.

15 **“§ 1503. Initial board inquiry; actions of theater com-
16 ponent commander and head of the
17 agency**

18 “(a) APPOINTMENT OF BOARD.—Not later than ten
19 days after receiving notification under section 1502(a)(2)
20 of this title that a person has been recommended for place-
21 ment in a missing status, the theater component com-
22 mander to whom the notification is transmitted shall ap-
23 point a board to conduct an inquiry into the whereabouts
24 and status of the person.

1 “(b) INQUIRIES INVOLVING MORE THAN ONE MISS-
2 ING PERSON.—If it appears to the commander who ap-
3 points a board under this section that the absence or miss-
4 ing status of two or more persons is factually related, the
5 commander may appoint a single board under this section
6 to conduct the inquiry into the whereabouts or status of
7 all such persons.

8 “(c) COMPOSITION.—(1) A board appointed under
9 this section shall consist of at least one individual de-
10 scribed in paragraph (2) who has experience with and un-
11 derstanding of military operations or activities similar to
12 the operation or activity in which the person disappeared.

13 “(2) An individual referred to in paragraph (1) is the
14 following:

15 “(A) A military officer, in the case of an in-
16 quiry with respect to a member of the armed forces.

17 “(B) A civilian, in the case of an inquiry with
18 respect to a civilian employee of the United States
19 or of a contractor of the United States.

20 “(3) An individual may be appointed as a member
21 of a board under this section only if the individual has
22 a security clearance that affords the member access to all
23 information relating to the whereabouts and status of the
24 missing persons covered by the inquiry.

1 “(d) DUTIES OF BOARD.—A board appointed to con-
2 duct an inquiry into the whereabouts or status of a miss-
3 ing person under this section shall—

4 “(1) collect, develop, and investigate all facts
5 and evidence relating to the disappearance, where-
6 abouts, or status of that person;

7 “(2) collect appropriate documentation of the
8 facts and evidence covered by the investigation;

9 “(3) analyze the facts and evidence, make find-
10 ings based on that analysis, and draw conclusions as
11 to the current whereabouts and status of the person;
12 and

13 “(4) with respect to each person covered by the
14 inquiry, recommend to the commander who ap-
15 pointed the board that—

16 “(A) the person be placed in a missing sta-
17 tus; or

18 “(B) the person be declared to have de-
19 serted, to be absent without leave, or to be
20 dead.

21 “(e) INQUIRY PROCEEDINGS.—(1) During the pro-
22 ceedings of an inquiry under this section, a board shall—

23 “(A) collect, record, and safeguard all facts,
24 documents, statements, photographs, tapes, mes-
25 sages, maps, sketches, reports, and other informa-

1 tion (whether classified or unclassified) relating to
2 the whereabouts or status of each person covered by
3 the inquiry;

4 “(B) gather information relating to actions
5 taken to find the person, including any evidence of
6 the whereabouts or status of the person arising from
7 such actions; and

8 “(C) maintain a record of its proceedings.

9 “(2) The commander who appoints a board under
10 this section may request the commander of the combatant
11 command to provide such assistance as the board or the
12 commander may require for purposes of this section.

13 “(f) COUNSEL FOR MISSING PERSON.—(1) The com-
14 mander appointing a board to conduct an inquiry under
15 this section shall appoint counsel to represent each person
16 covered by the inquiry, or, in the case described by
17 1503(c) of this title, one counsel to represent all persons
18 covered by the inquiry. Counsel appointed under this para-
19 graph may be referred to as ‘missing person’s counsel’.

20 “(2) To be appointed as a missing person’s counsel,
21 a person must—

22 “(A) have the qualifications specified in section
23 827(b) of this title (article 27(b) of the Uniform
24 Code of Military Justice) for trial counsel or defense
25 counsel detailed for a general court-martial; and

1 “(B) have a security clearance that affords the
2 counsel access to all information relating to the
3 whereabouts or status of the person or persons cov-
4 ered by the inquiry.

5 “(3) A missing person’s counsel—

6 “(A) shall have access to all facts and evidence
7 considered by the board during the proceedings
8 under the inquiry for which the counsel is appointed;

9 “(B) shall observe all official activities of the
10 board during such proceedings;

11 “(C) may question witnesses before the board;
12 and

13 “(D) shall monitor the deliberations of the
14 board.

15 “(4) A missing person’s counsel shall review the re-
16 port of the board under subsection (i) and submit to the
17 commander who appointed the board an independent re-
18 view of that report. That review shall be made an official
19 part of the record of the board.

20 “(g) ACCESS TO PROCEEDINGS.—The proceedings of
21 a board during an inquiry under this section shall be
22 closed to the public (including, with respect to any missing
23 person covered by the inquiry, the primary next of kin,
24 other members of the immediate family, and any other

1 previously designated person designated under section 655
2 of this title).

3 “(h) RECOMMENDATION ON STATUS OF MISSING
4 PERSONS.—(1) Upon completion of its inquiry, a board
5 appointed under this section shall make a recommendation
6 to the commander who appointed the board as to the ap-
7 propriate determination of the current whereabouts or sta-
8 tus of each person whose whereabouts were covered by the
9 inquiry.

10 “(2)(A) A board may not recommend under para-
11 graph (1) that a person be declared dead unless the board
12 determines that the evidence before it established conclu-
13 sive proof of the death of the person.

14 “(B) In this paragraph, the term ‘conclusive proof
15 of death’ means evidence establishing that death is the
16 only credible explanation for the absence of the person.

17 “(i) REPORT.—(1) A board appointed under this sec-
18 tion shall submit to the commander who appointed it a
19 report on the inquiry carried out by the board. The report
20 shall include—

21 “(A) a discussion of the facts and evidence con-
22 sidered by the board in the inquiry;

23 “(B) the recommendation of the board under
24 subsection (h) with respect to each person covered
25 by the report; and

1 “(C) disclosure of whether classified documents
2 and information were reviewed by the board or were
3 otherwise used by the board in forming rec-
4 ommendations under subparagraph (B).

5 “(2) A report under this subsection with respect to
6 a missing person shall be submitted not later than 45 days
7 after the date on which that person is first reported miss-
8 ing.

9 “(3) A report submitted under this subsection may
10 not be made public until one year after the date on which
11 the report is submitted.

12 “(j) REVIEW AND DETERMINATION OF STATUS BY
13 COMPONENT COMMANDER.—(1) Not later than 15 days
14 after the date of the receipt of a report under subsection
15 (i), the commander who appointed the board shall re-
16 view—

17 “(A) the report; and

18 “(B) the review of that report submitted under
19 subsection (f)(4) by the missing person’s counsel.

20 “(2) In reviewing a report under paragraph (1), the
21 commander receiving the report shall determine whether
22 or not the report is complete and free of administrative
23 error. If the commander determines that the report is in-
24 complete, or that the report is not free of administrative

1 error, the commander may return the report to the board
2 for further action on the report by the board.

3 “(3) Upon a determination by the commander review-
4 ing a report under this subsection that the report is com-
5 plete and free of administrative error, the commander
6 shall make a determination of the status of each person
7 covered by the report.

8 “(4) The report, together with the determination
9 under paragraph (3), shall be promptly forwarded to the
10 commander of the combatant command for the geographic
11 area in which the missing person disappeared.

12 “(k) REVIEW BY CINC.—(1) The commander of the
13 combatant command shall review a report received under
14 subsection (j)(4). Not later than 30 days after receiving
15 such report, that commander shall forward that report to
16 the Secretary concerned. In the case of a missing person
17 who is a member of the Army, Navy, Air Force, or Marine
18 Corps, the report shall be forwarded to or through the Sec-
19 retary of Defense in accordance with procedures pre-
20 scribed under section 1501(c) of this title.

21 “(2) The review under paragraph (1) shall be con-
22 ducted in accordance with procedures prescribed under
23 section 1501(a)(3) of this title.

24 “(l) DETERMINATION BY SECRETARY.—(1) The Sec-
25 retary of Defense (or the Secretary of the military depart-

1 ment concerned acting under delegation of authority from
2 the Secretary of Defense) shall review the determinations
3 of a theater component commander in a report forwarded
4 under this section.

5 “(2) After conducting such review, the Secretary
6 shall make a determination, with respect to each person
7 whose status is covered by the report, whether to leave
8 unchanged the status of such person as determined by the
9 theater component commander under subsection (j)(3) or
10 whether to change that status to another appropriate sta-
11 tus, as determined by the Secretary.

12 “(3) In making such determination, the Secretary
13 may convene a board in accordance with section 1504 of
14 this title.

15 “(m) REPORT TO FAMILY MEMBERS AND OTHER IN-
16 TERESTED PERSONS.—Not later than 30 days after the
17 date on which the Secretary makes a determination under
18 subsection (k), the Secretary of Defense, acting through
19 the head of the office established under section 1501(a)
20 of this title, shall—

21 “(1) provide an unclassified summary of the re-
22 port of the board (including the name of the missing
23 person’s counsel for the inquiry, the names of the
24 members of the board, and the name of the com-
25 mander who convened the board) to the primary

1 next of kin, to the other members of the immediate
2 family, and to any other previously designated per-
3 son of the missing person; and

4 “(2) inform each individual to whom such sum-
5 mary is provided that the United States will conduct
6 a subsequent inquiry into the whereabouts or status
7 of the person not earlier than one year after the
8 date of the first official notice of the disappearance
9 of the missing person, unless information becomes
10 available sooner that would result in a substantial
11 change in the determination of the status of the per-
12 son.

13 **“§ 1504. Subsequent board inquiry; actions of head of**
14 **the agency**

15 “(a) ADDITIONAL BOARD.—If information on the
16 whereabouts or status of a person covered by an inquiry
17 under section 1503 of this title becomes available within
18 one year after the date of the submission of the report
19 submitted under section 1502 of this title, the Secretary
20 of Defense, acting through the head of the office estab-
21 lished under section 1501(a) of this title, shall appoint a
22 board under this section to conduct an inquiry into the
23 information.

1 “(b) AUTHORITY FOR INQUIRY.—The Secretary of
2 Defense may delegate authority over such subsequent in-
3 quiry to the Secretary concerned.

4 “(c) SECRETARY CONCERNED.—In this chapter, the
5 term ‘Secretary concerned’, in the case of a civilian em-
6 ployee of the United States or contractor of the United
7 States, means the Secretary of the executive department
8 or head of the agency employing the employee or contract-
9 ing with the contractor, as the case may be.

10 “(d) DATE OF APPOINTMENT.—The Secretary shall
11 appoint a board under this section to conduct an inquiry
12 into the whereabouts and status of a missing person on
13 or about one year after the date of the report concerning
14 that person submitted under section 1502 of this title.

15 “(e) COMBINED INQUIRIES.—If it appears to the Sec-
16 retary that the absence or status of two or more persons
17 is factually related, the Secretary may appoint one board
18 under this section to conduct the inquiry into the where-
19 abouts or status of all such persons.

20 “(f) COMPOSITION.—(1) Subject to paragraphs (2)
21 and (3), a board appointed under this section shall consist
22 of the following:

23 “(A) In the case of a board appointed to in-
24 quire into the whereabouts or status of a member of
25 the armed forces, not less than three officers having

1 the grade of major or lieutenant commander or
2 above.

3 “(B) In the case of a board appointed to in-
4 quire into the whereabouts or status of a civilian em-
5 ployee of the United States or an employee of a con-
6 tractor of the United States—

7 “(i) not less than three employees of the
8 Department of Defense whose rate of annual
9 pay is equal to or greater than the rate of an-
10 nual pay payable for grade GS-13 of the Gen-
11 eral Schedule under section 5332 of title 5; and

12 “(ii) such members of the armed forces as
13 the Secretary of Defense considers advisable.

14 “(2) The Secretary shall designate one member of a
15 board appointed under this section as president of the
16 board. The president of the board shall have a security
17 clearance that affords the president access to all informa-
18 tion relating to the whereabouts and status of each person
19 covered by the inquiry.

20 “(3)(A) One member of each board appointed under
21 this subsection shall be an attorney or judge advocate who
22 has expertise in the public law relating to missing persons,
23 the determination of death of such persons, and the rights
24 of family members and dependents of such persons.

1 “(B) One member of each board appointed under this
2 subsection shall be an individual who—

3 “(i) has an occupational specialty similar to
4 that of one or more of the persons covered by the
5 inquiry; and

6 “(ii) has an understanding of and expertise in
7 the official activities of one or more such persons at
8 the time such person or persons disappeared.

9 “(g) DUTIES OF BOARD.—A board appointed under
10 this section to conduct an inquiry into the whereabouts
11 or status of a person shall—

12 “(1) review the report under subsection (i) of
13 section 1503 of this title of the board appointed to
14 conduct the inquiry into the status or whereabouts
15 of the person under section 1503 of this title and
16 the recommendation under subsection (j)(3) of that
17 section of the commander who appointed the board
18 under that subsection as to the status of the person;

19 “(2) collect and evaluate any document, fact, or
20 other evidence with respect to the whereabouts or
21 status of the person that has become available since
22 the completion of the inquiry under section 1503 of
23 this title;

24 “(3) draw conclusions as to the whereabouts or
25 status of the person;

1 “(4) determine on the basis of the activities
2 under paragraphs (1) and (2) whether the status of
3 the person should be continued or changed; and

4 “(5) submit to the Secretary of Defense a re-
5 port describing the findings and conclusions of the
6 board, together with a recommendation for a deter-
7 mination by the Secretary concerning the where-
8 abouts or status of the person.

9 “(h) COUNSEL FOR MISSING PERSONS.—(1) When
10 the Secretary appoints a board to conduct an inquiry
11 under this section, the Secretary shall appoint counsel to
12 represent each person covered by the inquiry.

13 “(2) A person appointed as counsel under this sub-
14 section shall meet the qualifications and have the duties
15 set forth in section 1503(f) of this title for a missing per-
16 son’s counsel appointed under that section.

17 “(3) The review of the report of a board on an inquiry
18 that is submitted by such counsel shall be made an official
19 part of the record of the board with respect to the inquiry.

20 “(i) ATTENDANCE OF FAMILY MEMBERS AND CER-
21 TAIN OTHER INTERESTED PERSONS AT PROCEEDINGS.—

22 (1) With respect to any person covered by an inquiry
23 under this section, the primary next of kin, other members
24 of the immediate family, and any other previously des-
25 ignated person of the missing person may attend the pro-

1 ceedings of the board during the inquiry in accordance
2 with this section.

3 “(2) The Secretary shall notify each individual re-
4 ferred to in paragraph (1) of the opportunity to attend
5 the proceedings of a board. Such notice shall be provided
6 not less than 60 days before the first meeting of the board.

7 “(3) An individual who receives a notice under para-
8 graph (2) shall notify the Secretary of the intent, if any,
9 of that individual to attend the proceedings of the board
10 not less than 21 days after the date on which the individ-
11 ual receives the notice.

12 “(4) Each individual who notifies the Secretary under
13 paragraph (3) of the individual’s intent to attend the pro-
14 ceedings of the board—

15 “(A) in the case of an individual who is the pri-
16 mary next of kin or the previously designated per-
17 son, may attend the proceedings of the board with
18 private counsel;

19 “(B) shall have access to the personnel file of
20 the missing person, to unclassified reports (if any)
21 of the board appointed under section 1503 of this
22 title to conduct the inquiry into the whereabouts and
23 status of the person, and to any other unclassified
24 information or documents relating to the where-
25 abouts and status of the person;

1 “(C) shall be afforded the opportunity to
2 present information at the proceedings of the board
3 that such individual considers to be relevant to those
4 proceedings; and

5 “(D) subject to paragraph (5), shall be given
6 the opportunity to submit in writing objection to any
7 recommendation of the board under subsection (k)
8 as to the status of the missing person.

9 “(5) Objections under paragraph (4)(D) to any rec-
10 ommendation of the board shall be submitted to the presi-
11 dent of the board not later than 30 days after the date
12 on which the recommendations are made. The president
13 shall include any such objections in the report of the board
14 under subsection (k).

15 “(6) An individual referred to in paragraph (1) who
16 attends the proceedings of a board under this subsection
17 shall not be entitled to reimbursement by the United
18 States for any costs (including travel, lodging, meals, local
19 transportation, legal fees, transcription costs, witness ex-
20 penses, and other expenses) incurred by that individual
21 in attending such proceedings.

22 “(j) AVAILABILITY OF INFORMATION TO BOARDS.—
23 (1) In conducting proceedings in an inquiry under this sec-
24 tion, a board may secure directly from any department
25 or agency of the United States any information that the

1 board considers necessary in order to conduct the proceed-
2 ings.

3 “(2) Upon written request from the president of a
4 board, the head of a department or agency of the United
5 States shall release information covered by the request to
6 the board. In releasing such information, the head of the
7 department or agency shall—

8 “(A) declassify to an appropriate degree classi-
9 fied information; or

10 “(B) release the information in a manner not
11 requiring the removal of markings indicating the
12 classified nature of the information.

13 “(3)(A) If a request for information under paragraph
14 (2) covers classified information that cannot be declas-
15 sified, cannot be removed before release from the informa-
16 tion covered by the request, or cannot be summarized in
17 a manner that prevents the release of classified informa-
18 tion, the classified information shall be made available
19 only to president of the board making the request and the
20 counsel for the missing person appointed under subsection
21 (f).

22 “(B) The president of a board shall close to persons
23 who do not have appropriate security clearances those por-
24 tions of the proceeding of the Board during which classi-
25 fied information is discussed. Participants at a proceeding

1 of a board at which classified information is discussed
2 shall comply with all applicable laws and regulations relat-
3 ing to the disclosure of classified information. The Sec-
4 retary concerned shall assist the president of a board in
5 ensuring that classified information is not compromised
6 through board proceedings.

7 “(k) RECOMMENDATION ON STATUS.—(1) Upon
8 completion of an inquiry under this subsection, a board
9 shall make a recommendation as to the current where-
10 abouts or status of each missing person covered by the
11 inquiry.

12 “(2) A board may not recommend under paragraph
13 (1) that a person be declared dead unless—

14 “(A) proof of death is established by the board;
15 and

16 “(B) in making the recommendation, the board
17 complies with section 1507 of this title.

18 “(l) REPORT.—A board appointed under this section
19 shall submit to the Secretary of Defense a report on the
20 inquiry carried out by the board, together with the evi-
21 dence considered by the board during the inquiry. The re-
22 port may include a classified annex.

23 “(m) ACTIONS BY SECRETARY.—(1) Not later than
24 30 days after the receipt of a report from a board under
25 subsection (k), the Secretary shall review—

1 “(A) the report;

2 “(B) the review of the report submitted to the
3 Secretary under subsection (f)(3) by the counsel for
4 each person covered by the report; and

5 “(C) the objections, if any, to the report sub-
6 mitted to the president of the board under sub-
7 section (g)(6).

8 “(2) In reviewing a report under paragraph (1) (in-
9 cluding the review and objections described in subpara-
10 graphs (A) and (B) of that paragraph), the Secretary shall
11 determine whether or not the report is complete and free
12 of administrative error. If the Secretary determines that
13 the report is incomplete, or that the report is not free of
14 administrative error, the Secretary may return the report
15 to the board for further action on the report by the board.

16 “(3) Upon a determination by the Secretary that a
17 report reviewed under this subsection is complete and free
18 of administrative error, the Secretary shall make a deter-
19 mination concerning the status of each person covered by
20 the report.

21 “(n) REPORT TO FAMILY MEMBERS AND OTHER IN-
22 TERESTED PERSONS.—Not later than 90 days after the
23 date on which a board submits a report on a person under
24 subsection (l), the Secretary of Defense shall—

1 “(1) with respect to each missing person whose
2 status or whereabouts are covered by the report,
3 provide an unclassified summary of the report to the
4 primary next of kin, the other members of the imme-
5 diate family, and any other previously designated
6 person; and

7 “(2) in the case of a person who continues to
8 be in a missing status, inform each individual re-
9 ferred to in paragraph (1) that the United States
10 will conduct a further investigation into the where-
11 abouts or status of the person not later than three
12 years after the date of the official notice of the dis-
13 appearance of the person, unless information be-
14 comes available within that time that would result in
15 a substantial change in the official status of the per-
16 son.

17 **“§ 1505. Further review**

18 “(a) SUBSEQUENT REVIEW.—The Secretary shall
19 conduct subsequent inquiries into the whereabouts or sta-
20 tus of any person determined by the Secretary under sec-
21 tion 1504 of this title to be in a missing status.

22 “(b) FREQUENCY OF SUBSEQUENT REVIEWS.—(1)
23 Subject to paragraph (3), the Secretary shall appoint a
24 board to conduct an inquiry with respect to a person under
25 this subsection—

1 “(A) on or about three years after the date of
2 the official notice of the disappearance of the person;
3 and

4 “(B) not later than every three years there-
5 after.

6 “(2) In addition to appointment of boards under
7 paragraph (1), the Secretary shall appoint a board to con-
8 duct an inquiry with respect to a person under this sub-
9 section upon receipt of information that could result in
10 a change or revision of status of a missing person. When-
11 ever the Secretary appoints a board under this paragraph,
12 the time for subsequent appointments of a board under
13 paragraph (1)(B) shall be determined from the date of the
14 receipt of such information.

15 “(3) The Secretary is not required to appoint a board
16 under paragraph (1) with respect to the disappearance of
17 any person—

18 “(A) more than 30 years after the first notice
19 of the disappearance of the missing person; or

20 “(B) if, before the end of such 30-year period,
21 the missing person is accounted for.

22 “(c) CONDUCT OF PROCEEDINGS.—The appointment
23 of, and activities before, a board appointed under this sec-
24 tion shall be governed by the provisions of section 1504

1 of this title with respect to a board appointed under that
2 section.

3 **“§ 1506. Personnel files**

4 “(a) INFORMATION IN FILES.—Except as provided in
5 subsection (b), the Secretary of the department having ju-
6 risdiction over a missing person at the time of the person’s
7 disappearance shall, to the maximum extent practicable,
8 ensure that the personnel file of the person contains all
9 information in the possession of the United States relating
10 to the disappearance and whereabouts or status of the per-
11 son.

12 “(b) CLASSIFIED INFORMATION.—(1) The Secretary
13 concerned may withhold classified information from a per-
14 sonnel file under this section.

15 “(2) If the Secretary concerned withholds classified
16 information from the personnel file of a person, the Sec-
17 retary shall ensure that the file contains the following:

18 “(A) A notice that the withheld information ex-
19 ists.

20 “(B) A notice of the date of the most recent re-
21 view of the classification of the withheld information.

22 “(c) WRONGFUL WITHHOLDING.—Any person who
23 knowingly and willfully withholds from the personnel file
24 of a missing person any information (other than classified
25 information) relating to the disappearance or whereabouts

1 or status of a missing person shall be fined as provided
2 in title 18 or imprisoned not more than one year, or both.

3 “(d) AVAILABILITY OF INFORMATION.—The Sec-
4 retary concerned shall, upon request, make available the
5 contents of the personnel file of a missing person to the
6 missing person’s primary next of kin, the other members
7 of the missing person’s immediate family, or any other
8 previously designated person of the missing person.

9 **“§ 1507. Recommendation of status of death**

10 “(a) REQUIREMENTS RELATING TO RECOMMENDA-
11 TION.—A board appointed under section 1504 or 1505 of
12 this title may not recommend that a person be declared
13 dead unless—

14 “(1) credible evidence exists to suggest that the
15 person is dead;

16 “(2) the United States possesses no credible
17 evidence that suggests that the person is alive;

18 “(3) representatives of the United States have
19 made a complete search of the area where the per-
20 son was last seen (unless, after making a good faith
21 effort to obtain access to such area, such representa-
22 tives are not granted such access); and

23 “(4) representatives of the United States have
24 examined the records of the government or entity
25 having control over the area where the person was

1 last seen (unless, after making a good faith effort to
2 obtain access to such records, such representatives
3 are not granted such access).

4 “(b) SUBMITTAL OF INFORMATION ON DEATH.—If
5 a board appointed under section 1504 or 1505 of this title
6 makes a recommendation that a missing person be de-
7 clared dead, the board shall include in the report of the
8 board with respect to the person under such section the
9 following:

10 “(1) A detailed description of the location
11 where the death occurred.

12 “(2) A statement of the date on which the
13 death occurred.

14 “(3) A description of the location of the body,
15 if recovered.

16 “(4) If the body has been recovered and is not
17 identifiable through visual means, a certification by
18 a practitioner of an appropriate forensic science that
19 the body recovered is that of the missing person.

20 **“§ 1508. Judicial review**

21 “(a) IN GENERAL.—(1) A person referred to in para-
22 graph (2) may obtain review of a finding described in
23 paragraph (3) by the court of appeals of the United States
24 for the circuit in which the person resides or in which the

1 finding was made. Judicial review under this section shall
2 be as provided in section 706 of title 5.

3 “(2) Paragraph (1) applies to any of the following
4 persons with respect to a missing person subject to a find-
5 ing described in paragraph (3):

6 “(A) The primary next of kin of the person.

7 “(B) A member of the immediate family of the
8 person.

9 “(C) A dependent of the person.

10 “(D) A person previously designated by the per-
11 son.

12 “(3) Paragraph (1) applies to the following findings:

13 “(A) A finding by a board appointed under sec-
14 tion 1504 or 1505 of this title that a missing person
15 is dead.

16 “(B) A finding by a board appointed under sec-
17 tion 1509 of this title that confirms that a missing
18 person formerly declared dead is in fact dead.

19 “(4) A person referred to in paragraph (2) shall re-
20 quest review of a finding under this subsection by filing
21 with the appropriate court a written petition requesting
22 that the finding be set aside.

23 “(b) FINALITY.—The decision of the court of appeals
24 on a petition for review under subsection (a) is final, ex-
25 cept that such decision is subject to review by the Supreme

1 Court upon certiorari, as provided in section 1254 of title
2 28.

3 “(c) ADDITIONAL REVIEW.—(1) Subject to para-
4 graph (2), upon request by a person referred to in sub-
5 section (a)(2), the Secretary concerned shall appoint a
6 board to review the status of a person covered by a finding
7 described in subsection (a)(3) if the court of appeals sets
8 aside the finding and—

9 “(A) the time allowed for filing a petition for
10 certiorari has expired and no such petition has been
11 duly filed;

12 “(B) the petition for certiorari has been denied;
13 or

14 “(C) the decision of the court of appeals has
15 been affirmed by the Supreme Court.

16 “(2) A person referred to in paragraph (1) shall make
17 a request referred to in that paragraph not later than
18 three years after the date of the event under that para-
19 graph that entitles the person to request the appointment
20 of a board.

21 **“§ 1509. Persons previously declared dead**

22 “(a) REVIEW OF STATUS.—(1) Not later than three
23 years after the date of the enactment of this chapter, a
24 person referred to in paragraph (2) may submit a request
25 for appointment of a board to review the status of a person

1 previously declared dead while in a missing status, in a
2 case in which the death is declared to have occurred on
3 or after December 7, 1941.

4 “(2) A board shall be appointed under this section
5 with respect to the death of any person based on the re-
6 quest of any of the following persons:

7 “(A) The primary next of kin of such person.

8 “(B) An adult member of the immediate family
9 of the person previously declared dead.

10 “(C) An adult dependent of such person.

11 “(D) A person previously designated by such
12 person.

13 “(3) A request under this section shall be submitted
14 to the Secretary of the executive department or head of
15 the agency of the United States that had jurisdiction over
16 the person covered by the request at the time of the per-
17 son’s disappearance.

18 “(b) APPOINTMENT OF BOARD.—Upon receiving a
19 request under subsection (a), the official to whom the re-
20 quest is submitted shall appoint a board to review the sta-
21 tus of the person covered by the request.

22 “(c) DUTIES OF BOARD.—A board appointed under
23 this section to review the status of a person previously de-
24 clared dead shall—

1 “(1) conduct an investigation to determine the
2 status of the person; and

3 “(2) issue a report describing the findings of
4 the board under the investigation and the rec-
5 ommendations of the board as to the status of the
6 person.

7 “(d) EFFECT OF CHANGE IN STATUS.—If a board
8 appointed under this section recommends placing in a
9 missing status a person previously declared dead, such
10 person shall accrue no pay or allowances as a result of
11 the placement of the person in such status.

12 “(e) CONDUCT OF PROCEEDINGS.—The appointment
13 of, and activities before, a board appointed under this sec-
14 tion shall, to the extent practicable, be governed by the
15 provisions of section 1504 of this title with respect to a
16 board appointed under that section.

17 **“§ 1510. Procedures applicable in case of civilians**

18 “(a) IN GENERAL.—In applying the procedures spec-
19 ified in this chapter in the case of a person described in
20 section 1501(d)(2) of this title—

21 “(1) any reference to the commander of the
22 unit, facility, or area to which the missing person is
23 assigned shall be treated as referring to the local au-
24 thority or supervisor of the department or agency of
25 the United States under whom the missing person

1 was directly operating or to whom the missing per-
2 son was responsible;

3 “(2) any reference to the theater component
4 commander shall be treated as referring to the sen-
5 ior official in the region in which the missing person
6 disappeared of the department or agency of the
7 United States with jurisdiction over the missing per-
8 son (or, if there is no such official, such other per-
9 son (including the appropriate theater component
10 commander) as may be designated by the head of
11 that department of agency);

12 “(3) any reference to the Secretary concerned
13 shall be treated as referring to the head of the de-
14 partment or agency of the United States with juris-
15 diction over the missing person.

16 “(b) CINC REVIEW NOT TO APPLY.—The provisions
17 of section 1503(k) shall not apply in the case of a person
18 described in section 1501(d)(2) of this title. In such a
19 case, the report under section 1503(j)(4) of this title shall
20 be submitted directly to the head of the department or
21 agency of the United States with jurisdiction over the
22 missing person.

23 “(c) RULE FOR DEPARTMENT OF DEFENSE CIVIL-
24 IANS.—In the case of a person described in section
25 1501(d)(2) of this title who is an employee of the Depart-

1 ment of Defense, or an employee of a contractor of the
2 Department of Defense, the head of the department or
3 agency of the United States with jurisdiction over that
4 person—

5 “(1) if the person is an employee of, or an em-
6 ployee of a contractor of, a military department,
7 shall be considered to be the Secretary of that mili-
8 tary department; and

9 “(2) otherwise shall be considered to be the
10 Secretary of Defense.

11 **“§1511. Return alive of person declared missing or**
12 **dead**

13 “(a) PAY AND ALLOWANCES.—Any person in a miss-
14 ing status or declared dead under the Missing Persons Act
15 of 1942 (56 Stat. 143) or chapter 10 of title 37 or by
16 a board appointed under this chapter who is found alive
17 and returned to the control of the United States shall be
18 paid for the full time of the absence of the person while
19 given that status or declared dead under the law and regu-
20 lations relating to the pay and allowances of persons re-
21 turning from a missing status.

22 “(b) EFFECT ON GRATUITIES PAID AS A RESULT OF
23 STATUS.—Subsection (a) shall not be interpreted to invali-
24 date or otherwise affect the receipt by any person of a
25 death gratuity or other payment from the United States

1 on behalf of a person referred to in subsection (a) before
2 the date of the enactment of this chapter.

3 **“§ 1512. Effect on State law**

4 “(a) NONPREEMPTION OF STATE AUTHORITY.—
5 Nothing in this chapter shall be construed to invalidate
6 or limit the power of any State court or administrative
7 entity, or the power of any court or administrative entity
8 of any political subdivision thereof, to find or declare a
9 person dead for purposes of the laws of such State or polit-
10 ical subdivision.

11 “(b) STATE DEFINED.—In this section, the term
12 ‘State’ includes the District of Columbia, the Common-
13 wealth of Puerto Rico, and any territory or possession of
14 the United States.

15 **“§ 1513. Definitions**

16 “In this chapter:

17 “(1) The term ‘missing person’ means—

18 “(A) a member of the armed forces on ac-
19 tive duty who is in a missing status; or

20 “(B) a civilian employee of the United
21 States or of a contractor of the United States
22 who is serving with or accompanying the armed
23 forces under orders and who is in a missing sta-
24 tus.

1 “(2) The term ‘missing status’ means the sta-
2 tus of a missing person who is determined to be ab-
3 sent in a status of—

4 “(A) missing;

5 “(B) missing in action;

6 “(C) interned in a foreign country;

7 “(D) captured, beleaguered, or besieged by
8 a hostile force; or

9 “(E) detained in a foreign country against
10 that person’s will.

11 “(3) The term ‘accounted for’, with respect to
12 a person in a missing status, means that—

13 “(A) the person is returned to United
14 States control alive;

15 “(B) the remains of the person are re-
16 turned to the United States; or

17 “(C) credible evidence exists to support an-
18 other determination of the person’s status.

19 “(4) The term ‘member of the immediate fam-
20 ily’, in the case of a missing person, means the
21 spouse or a child, parent, or sibling of the person.

22 “(5) The term ‘previously designated person’, in
23 the case of a missing person, means an individual
24 designated by the missing person under section 655
25 of this title for purposes of this chapter.

1 “(6) The term ‘classified information’ means
2 any information the unauthorized disclosure of
3 which (as determined under applicable law and regu-
4 lations) could reasonably be expected to damage the
5 national security.

6 “(7) The term ‘theater component commander’
7 means, with respect to any of the combatant com-
8 mands, an officer of any of the armed forces who
9 (A) is commander of all forces of that armed force
10 assigned to that combatant command, and (B) is di-
11 rectly subordinate to the commander of the combat-
12 ant command.”.

13 (2) The tables of chapters at the beginning of subtitle
14 A, and at the beginning of part II of subtitle A, of title
15 10, United States Code, are amended by inserting after
16 the item relating to chapter 75 the following new item:

“76. Missing Persons 1501”.

17 (c) CONFORMING AMENDMENTS.—Chapter 10 of title
18 37, United States Code, is amended as follows:

19 (1) Section 555 is amended—

20 (A) in subsection (a), by striking out
21 “When a member” and inserting in lieu thereof
22 “Except as provided in subsection (d), when a
23 member”; and

24 (B) by adding at the end the following new
25 subsection:

1 “(d) This section does not apply in a case to which
2 section 1502 of title 10 applies.”.

3 (2) Section 552 is amended—

4 (A) in subsection (a), by striking out “for
5 all purposes,” in the second sentence of the
6 matter following paragraph (2) and all that fol-
7 lows through the end of the sentence and in-
8 serting in lieu thereof “for all purposes.”;

9 (B) in subsection (b), by inserting “or is
10 determined under chapter 76 title 10” before
11 the period at the end; and

12 (C) in subsection (e), by inserting “or
13 under chapter 76 of title 10” after “section 555
14 of this title”.

15 (3) Section 553 is amended—

16 (A) in subsection (f), by striking out “the
17 date the Secretary concerned receives evidence
18 that” and inserting in lieu thereof “the date on
19 which, in a case covered by section 555 of this
20 title, the Secretary concerned receives evidence,
21 or, in a case covered by chapter 76 of title 10
22 the Secretary concerned determines pursuant to
23 that chapter, that”; and

1 (B) in subsection (g), by inserting “or
2 under chapter 76 of title 10” after “section 555
3 of this title”.

4 (4) Section 556 is amended—

5 (A) in subsection (a), by inserting after
6 paragraph (7) the following:

7 “Paragraphs (1), (5), (6), and (7) shall only apply with
8 respect to a case to which section 555 of this title ap-
9 plies.”;

10 (B) in subsection (b), by inserting “, in a
11 case to which section 555 of this title applies,”
12 after “When the Secretary concerned”; and

13 (C) in subsection (h)—

14 (i) in the first sentence, by striking
15 out “status” and inserting in lieu thereof
16 “pay”; and

17 (ii) in the second sentence, by insert-
18 ing “in a case to which section 555 of this
19 title applies” after “under this section”.

20 (d) DESIGNATION OF INDIVIDUALS HAVING INTER-
21 EST IN STATUS OF SERVICE MEMBERS.—(1) Chapter 37
22 of title 10, United States Code, is amended by adding at
23 the end the following new section:

1 **“§ 655. Designation of persons having interest in sta-**
2 **tus of member as a missing person**

3 “(a) The Secretary concerned shall, upon the enlist-
4 ment or appointment of a person in the armed forces, re-
5 quire that the person specify in writing the person (if any),
6 other than that person’s primary next of kin, to whom in-
7 formation on the whereabouts or status of the member
8 shall be provided if such whereabouts or status are inves-
9 tigated under chapter 76 of this title. The Secretary shall
10 periodically, and whenever the member is deployed as part
11 of a contingency operation or in other circumstances speci-
12 fied by the Secretary, require that such designation be re-
13 confirmed, or modified, by the member.

14 “(b) The Secretary concerned shall, upon the request
15 of a member, permit the member to change the person
16 or persons specified by the member under subsection (a)
17 at any time. Any such change shall be in writing.”.

18 (2) The table of sections at the beginning of such
19 chapter is amended by adding at the end the following
20 new item:

“655. Designation of persons having interest in status of member as a missing
person.”.

1 **SEC. 564. NOMINATIONS TO SERVICE ACADEMIES FROM**
2 **COMMONWEALTH OF THE NORTHERN MARI-**
3 **ANAS ISLANDS.**

4 (a) **MILITARY ACADEMY.**—Section 4342(a) of title
5 10, United States Code, is amended by inserting after
6 paragraph (9) the following new paragraph:

7 “(10) One cadet from the Commonwealth of the
8 Northern Marianas Islands, nominated by the resi-
9 dent representative from the commonwealth.”.

10 (b) **NAVAL ACADEMY.**—Section 6954(a) of title 10,
11 United States Code, is amended by inserting after para-
12 graph (9) the following new paragraph:

13 “(10) One from the Commonwealth of the
14 Northern Marianas Islands, nominated by the resi-
15 dent representative from the commonwealth.”.

16 (c) **AIR FORCE ACADEMY.**—Section 9342(a) of title
17 10, United States Code, is amended by inserting after
18 paragraph (9) the following new paragraph:

19 “(10) One cadet from the Commonwealth of the
20 Northern Marianas Islands, nominated by the resi-
21 dent representative from the commonwealth.”.

1 **SEC. 565. REPORT ON THE CONSISTENCY OF REPORTING**
2 **OF FINGERPRINT CARDS AND FINAL DISPOSI-**
3 **TION FORMS TO THE FEDERAL BUREAU OF**
4 **INVESTIGATION.**

5 (a) REPORT.—The Secretary of Defense shall submit
6 to Congress a report on the consistency with which finger-
7 print cards and final disposition forms, as described in
8 Criminal Investigations Policy Memorandum 10 issued by
9 the Defense Inspector General on March 25, 1987, are
10 reported by the Defense Criminal Investigative Organiza-
11 tions to the Federal Bureau of Investigation for inclusion
12 in the Bureau’s criminal history identification files.

13 (b) MATTERS TO BE INCLUDED.—In the report, the
14 Secretary shall—

15 (1) survey fingerprint cards and final disposi-
16 tion forms filled out in the past 24 months by each
17 investigative organization;

18 (2) compare the fingerprint cards and final dis-
19 position forms filled out to all judicial and
20 nonjudicial procedures initiated as a result of actions
21 taken by each investigative service in the past 24
22 months;

23 (3) account for any discrepancies between the
24 forms filled out and the judicial and nonjudicial pro-
25 cedures initiated;

1 (4) compare the fingerprint cards and final dis-
2 position forms filled out with the information held
3 by the Federal Bureau of Investigation criminal his-
4 tory identification files;

5 (5) identify any weaknesses in the collection of
6 fingerprint cards and final disposition forms and in
7 the reporting of that information to the Federal Bu-
8 reau of Investigation; and

9 (6) determine whether or not other law enforce-
10 ment activities of the military services collect and re-
11 port such information or, if not, should collect and
12 report such information.

13 (c) SUBMISSION OF REPORT.—The report shall be
14 submitted not later than 180 days after the date of the
15 enactment of this Act.

16 (d) DEFINITION.—For the purposes of this section,
17 the term “criminal history identification files”, with re-
18 spect to the Federal Bureau of Investigation, means the
19 criminal history record system maintained by the Federal
20 Bureau of Investigation based on fingerprint identification
21 and any other method of positive identification.

1 **SEC. 566. SEPARATION BENEFITS DURING FORCE REDUC-**
2 **TION FOR OFFICERS OF COMMISSIONED**
3 **CORPS OF NATIONAL OCEANIC AND ATMOS-**
4 **PHERIC ADMINISTRATION.**

5 (a) SEPARATION BENEFITS.—Subsection (a) of sec-
6 tion 3 of the Act of August 10, 1956 (33 U.S.C. 857a),
7 is amended by adding at the end the following new para-
8 graph:

9 “(15) Section 1174a, special separation benefits
10 (except that benefits under subsection (b)(2)(B) of
11 such section are subject to the availability of appro-
12 priations for such purpose and are provided at the
13 discretion of the Secretary of Commerce).”.

14 (b) TECHNICAL CORRECTIONS.—Such section is fur-
15 ther amended—

16 (1) by striking out “Coast and Geodetic Sur-
17 vey” in subsections (a) and (b) and inserting in lieu
18 thereof “commissioned officer corps of the National
19 Oceanic and Atmospheric Administration”; and

20 (2) in subsection (a), by striking out “including
21 changes in those rules made after the effective date
22 of this Act” in the matter preceding paragraph (1)
23 and inserting in lieu thereof “as those provisions are
24 in effect from time to time”.

25 (c) TEMPORARY EARLY RETIREMENT AUTHOR-
26 ITY.—Section 4403 (other than subsection (f)) of the Na-

1 tional Defense Authorization Act for Fiscal Year 1993
2 (Public Law 102-484; 106 Stat. 2702; 10 U.S.C. 1293
3 note) shall apply to the commissioned officer corps of the
4 National Oceanic and Atmospheric Administration in the
5 same manner and to the same extent as that section ap-
6 plies to the Department of Defense. The Secretary of
7 Commerce shall implement the provisions of that section
8 with respect to such commissioned officer corps and shall
9 apply the provisions of that section to the provisions of
10 the Coast and Geodetic Survey Commissioned Officers'
11 Act of 1948 relating to the retirement of members of such
12 commissioned officer corps.

13 (d) EFFECTIVE DATE.—This section shall apply only
14 to members of the commissioned officer corps of the Na-
15 tional Oceanic and Atmospheric Administration who are
16 separated after September 30, 1995.

17 **TITLE VI—COMPENSATION AND**
18 **OTHER PERSONNEL BENEFITS**

19 **Subtitle A—Pay and Allowances**

20 **SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1996.**

21 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any
22 adjustment required by section 1009 of title 37, United
23 States Code, in elements of compensation of members of
24 the uniformed services to become effective during fiscal
25 year 1996 shall not be made.

1 (b) INCREASE IN BASIC PAY AND BAS.—Effective on
2 January 1, 1996, the rates of basic pay and basic allow-
3 ance for subsistence of members of the uniformed services
4 are increased by 2.4 percent.

5 (c) INCREASE IN BAQ.—Effective on January 1,
6 1996, the rates of basic allowance for quarters of members
7 of the uniformed services are increased by 5.2 percent.

8 (d) UNIFORMED SERVICES DEFINED.—For purposes
9 of this section, the term “uniformed services” does not in-
10 clude the National Oceanic and Atmospheric Administra-
11 tion.

12 **SEC. 602. LIMITATION ON BASIC ALLOWANCE FOR SUBSIST-**
13 **ENCE FOR MEMBERS WITHOUT DEPENDENTS**
14 **RESIDING IN GOVERNMENT QUARTERS.**

15 (a) PERCENTAGE LIMITATION.—Subsection (b) of
16 section 402 of title 37, United States Code, is amended
17 by adding after the last sentence the following new para-
18 graph:

19 “(4) In the case of members of the Army, Navy, Air
20 Force, or Marine Corps who, when present at their perma-
21 nent duty station, reside without dependents in Govern-
22 ment quarters, the Secretary concerned may not provide
23 a basic allowance for subsistence to more than 12 percent
24 of such members under the jurisdiction of the Secretary
25 concerned. The Secretary concerned may exceed such per-

1 centage during a fiscal year if the Secretary determines
2 that compliance would increase costs to the Government,
3 would impose financial hardships on members otherwise
4 entitled to a basic allowance for subsistence, or would re-
5 duce the quality of life for such members. This paragraph
6 shall not apply to members described in the first sentence
7 when the members are not residing at their permanent
8 duty station. The percentage limitation specified in this
9 paragraph shall be achieved as soon as possible after the
10 date of the enactment of this paragraph, but in no case
11 later than September 30, 1996.”.

12 (b) **STYLISTIC AMENDMENTS.**—Such subsection is
13 further amended—

14 (1) by redesignating paragraphs (1), (2), and
15 (3) as subparagraphs (A), (B), and (C);

16 (2) by inserting “(1)” after “(b)”;

17 (3) by designating the second sentence as para-
18 graph (2); and

19 (4) by designating the fifth sentence as para-
20 graph (3).

21 (c) **CONFORMING AMENDMENTS.**—(1) Subsection (e)
22 of such section is amended—

23 (A) in paragraph (1), by striking out “the third
24 sentence of subsection (b)” and inserting in lieu
25 thereof “subsection (b)(2)”; and

1 (B) in paragraph (2), by striking out “sub-
2 section (b)” and inserting in lieu thereof “subsection
3 (b)(2)”.

4 (2) Section 1012 of title 37, United States Code, is
5 amended by striking out “the last sentence of section
6 402(b)” and inserting in lieu thereof “section 402(b)(3)”.

7 (d) REPORT REQUIRED.—Not later than March 31,
8 1996, the Secretary of Defense shall submit to Congress
9 a report identifying, for the Army, Navy, Air Force, and
10 the Marine Corps—

11 (1) the number of members without dependents
12 who reside in Government quarters at their perma-
13 nent duty stations and receive a basic allowance for
14 subsistence under section 402 of title 37, United
15 States Code;

16 (2) such number as a percentage of the total
17 number of members without dependents who reside
18 in Government quarters;

19 (3) a recommended maximum percentage of
20 members without dependents who reside in Govern-
21 ment quarters at their permanent duty station and
22 should receive a basic allowance for subsistence; and

23 (4) the reasons such maximum percentage was
24 selected.

1 **SEC. 603. AUTHORIZATION OF PAYMENT OF BASIC ALLOW-**
2 **ANCE FOR QUARTERS TO ADDITIONAL MEM-**
3 **BERS ASSIGNED TO SEA DUTY.**

4 (a) EXPANSION OF ELIGIBLE MEMBERS.—Section
5 403(c)(2) of title 37, United States Code, is amended—

6 (1) in the first sentence, by striking out “E-7”
7 and inserting in lieu thereof “E-6”; and

8 (2) in the second sentence, by striking out “E-
9 6” and inserting in lieu thereof “E-5”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 subsection (a) shall take effect on July 1, 1996.

12 **SEC. 604. ESTABLISHMENT OF MINIMUM AMOUNTS OF**
13 **VARIABLE HOUSING ALLOWANCE FOR HIGH**
14 **HOUSING COST AREAS AND ADDITIONAL LIM-**
15 **ITATION ON REDUCTION OF ALLOWANCE FOR**
16 **CERTAIN MEMBERS.**

17 (a) MINIMUM AMOUNTS OF VHA.—Subsection (c) of
18 section 403a of title 37, United States Code, is amended
19 by striking out paragraph (1) and inserting in lieu thereof
20 the following new paragraph:

21 “(1) The monthly amount of a variable housing allow-
22 ance under this section for a member of a uniformed serv-
23 ice with respect to an area is equal to the greater of the
24 following:

25 “(A) An amount equal to the difference be-
26 tween—

1 “(i) the median monthly cost of housing in
2 that area for members of the uniformed services
3 serving in the same pay grade and with the
4 same dependency status as that member; and

5 “(ii) 80 percent of the median monthly
6 cost of housing in the United States for mem-
7 bers of the uniformed services serving in the
8 same pay grade and with the same dependency
9 status as that member.

10 “(B) An amount determined by the Secretary
11 of Defense as the minimum necessary to meet the
12 cost of adequate housing in that area, as determined
13 by the Secretary, for all residents in that area with
14 an appropriate income level selected by the Sec-
15 retary.”.

16 (b) LIMITATION ON REDUCTION IN VHA.—Para-
17 graph (3) of such subsection is amended by adding at the
18 end the following new sentence: “However, on and after
19 January 1, 1996, the monthly amount of a variable hous-
20 ing allowance under this section for a member of a uni-
21 formed service with respect to an area may not be reduced
22 so long as the member retains uninterrupted eligibility to
23 receive a variable housing allowance within that area and
24 the member’s certified housing costs are not reduced, as

1 indicated by certifications provided by the member under
2 subsection (b)(4).”.

3 (c) EFFECT ON TOTAL AMOUNT AVAILABLE FOR
4 VHA.—Subsection (d)(3) of such section is amended by
5 inserting after the first sentence the following new sen-
6 tence: “In addition, the total amount determined under
7 paragraph (1) shall be adjusted to ensure that sufficient
8 amounts are available to allow payment of any additional
9 variable housing allowance necessary as a result of para-
10 graph (1)(B) and the requirements of the second sentence
11 of paragraph (3).”

12 (d) CONFORMING AMENDMENTS.—Subsection (c) of
13 such section is further amended—

14 (1) in paragraph (3), as amended by subsection
15 (b), by striking out “this subsection” and inserting
16 in lieu thereof “paragraph (1)(A) or minimum levels
17 of variable housing allowances under paragraph
18 (1)(B)”; and

19 (2) in paragraph (5), by inserting “or minimum
20 levels of variable housing allowances” after “costs of
21 housing”.

22 (e) DELAYED IMPLEMENTATION OF MINIMUM
23 AMOUNTS OF VHA.—Subsection (c)(1)(B) of section 403a
24 of title 37, United States Code, as added by subsection
25 (a), shall be used to determine the monthly amount of a

1 variable housing allowance under such section for mem-
2 bers of the uniformed services only for months beginning
3 after June 30, 1996.

4 (f) REPORT ON IMPLEMENTATION.—Not later than
5 June 1, 1996, the Secretary of Defense shall submit to
6 Congress a report describing the procedures to be used
7 to implement the amendments made by this section and
8 the costs of such amendments.

9 **SEC. 605. CLARIFICATION OF LIMITATION ON RECEIPT OF**
10 **FAMILY SEPARATION ALLOWANCE.**

11 Section 427(b)(4) of title 37, United States Code, is
12 amended by inserting before the period at the end of the
13 first sentence the following: “unless such entitlement is
14 based on paragraph (1)(B)”.

15 **Subtitle B—Bonuses and Special**
16 **and Incentive Pays**

17 **SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE**
18 **FORCES.**

19 (a) SELECTED RESERVE REENLISTMENT BONUS.—
20 Section 308b(f) of title 37, United States Code, is amend-
21 ed by striking out “September 30, 1996” and inserting
22 in lieu thereof “September 30, 1998”.

23 (b) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
24 tion 308c(e) of such title is amended by striking out “Sep-

1 tember 30, 1996” and inserting in lieu thereof “Septem-
2 ber 30, 1998”.

3 (c) **SELECTED RESERVE AFFILIATION BONUS.**—Sec-
4 tion 308e(e) of such title is amended by striking out “Sep-
5 tember 30, 1996” and inserting in lieu thereof “Septem-
6 ber 30, 1998”.

7 (d) **READY RESERVE ENLISTMENT AND REENLIST-**
8 **MENT BONUS.**—Section 308h(g) of such title is amended
9 by striking out “September 30, 1996” and inserting in
10 lieu thereof “September 30, 1998”.

11 (e) **PRIOR SERVICE ENLISTMENT BONUS.**—Section
12 308i(i) of such title is amended by striking out “Septem-
13 ber 30, 1996” and inserting in lieu thereof “September
14 30, 1998”.

15 **SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
16 **PAY FOR NURSE OFFICER CANDIDATES, REG-**
17 **ISTERED NURSES, AND NURSE ANES-**
18 **THETISTS.**

19 (a) **NURSE OFFICER CANDIDATE ACCESSION PRO-**
20 **GRAM.**—Section 2130a(a)(1) of title 10, United States
21 Code, is amended by striking out “September 30, 1996”
22 and inserting in lieu thereof “September 30, 1998”.

23 (b) **ACCESSION BONUS FOR REGISTERED NURSES.**—
24 Section 302d(a)(1) of title 37, United States Code, is

1 amended by striking out “September 30, 1996” and in-
2 serting in lieu thereof “September 30, 1998”.

3 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-
4 THETISTS.—Section 302e(a)(1) of title 37, United States
5 Code, is amended by striking out “September 30, 1996”
6 and inserting in lieu thereof “September 30, 1998”.

7 **SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAY-**
8 **MENT OF OTHER BONUSES AND SPECIAL**
9 **PAYS.**

10 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
11 tion 301b(a) of title 37, United States Code, is amended
12 by striking out “September 30, 1995” and inserting in
13 lieu thereof “September 30, 1998”.

14 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
15 BERS.—Section 308(g) of such title is amended by strik-
16 ing out “September 30, 1996” and inserting in lieu there-
17 of “September 30, 1998”.

18 (c) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—
19 Sections 308a(c) and 308f(c) of such title are each amend-
20 ed by striking out “September 30, 1996” and inserting
21 in lieu thereof “September 30, 1998”.

22 (d) SPECIAL PAY FOR ENLISTED MEMBERS OF THE
23 SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRI-
24 ORITY UNITS.—Section 308d(c) of such title is amended

1 by striking out “September 30, 1996” and inserting in
2 lieu thereof “September 30, 1998”.

3 (e) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
4 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
5 312(e) of such title is amended by striking out “Septem-
6 ber 30, 1996” and inserting in lieu thereof “September
7 30, 1998”.

8 (f) NUCLEAR CAREER ACCESSION BONUS.—Section
9 312b(c) of such title is amended by striking out “Septem-
10 ber 30, 1996” and inserting in lieu thereof “September
11 30, 1998”.

12 (g) NUCLEAR CAREER ANNUAL INCENTIVE
13 BONUS.—Section 312c(d) of such title is amended by
14 striking out “October 1, 1996” and inserting in lieu there-
15 of “October 1, 1998”.

16 (h) REPAYMENT OF EDUCATION LOANS FOR CER-
17 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
18 LECTED RESERVE.—Section 16302(d) of title 10, United
19 States Code, is amended by striking out “October 1,
20 1996” and inserting in lieu thereof “October 1, 1998”.

1 **SEC. 614. CODIFICATION AND EXTENSION OF SPECIAL PAY**
2 **FOR CRITICALLY SHORT WARTIME HEALTH**
3 **SPECIALISTS IN THE SELECTED RESERVES.**

4 (a) SPECIAL PAY AUTHORIZED.—(1) Chapter 5 of
5 title 37, United States Code, is amended by inserting after
6 section 302f the following new section:

7 **“§ 302g. Special pay: Selected Reserve health care**
8 **professionals in critically short wartime**
9 **specialties**

10 “(a) SPECIAL PAY AUTHORIZED.—An officer of a re-
11 serve component of the armed forces described in sub-
12 section (b) who executes a written agreement under which
13 the officer agrees to serve in the Selected Reserve of an
14 armed force for a period of not less than one year nor
15 more than three years, beginning on the date the officer
16 accepts the award of special pay under this section, may
17 be paid special pay at an annual rate not to exceed
18 \$10,000.

19 “(b) ELIGIBLE OFFICERS.—An officer referred to in
20 subsection (a) is an officer in a health care profession who
21 is qualified in a specialty designated by regulations as a
22 critically short wartime specialty.

23 “(c) TIME FOR PAYMENT.—Special pay under this
24 section shall be paid annually at the beginning of each
25 twelve-month period for which the officer has agreed to
26 serve.

1 “(d) REFUND REQUIREMENT.—An officer who volun-
2 tarily terminates service in the Selected Reserve of an
3 armed force before the end of the period for which a pay-
4 ment was made to such officer under this section shall
5 refund to the United States the full amount of the pay-
6 ment made for the period on which the payment was
7 based.

8 “(e) INAPPLICABILITY OF DISCHARGE IN BANK-
9 RUPTCY.—A discharge in bankruptcy under title 11 that
10 is entered less than five years after the termination of an
11 agreement under this section does not discharge the per-
12 son receiving special pay under the agreement from the
13 debt arising under the agreement.

14 “(f) TERMINATION OF AGREEMENT AUTHORITY.—
15 No agreement under this section may be entered into after
16 September 30, 1998.”.

17 (2) The table of sections at the beginning of such
18 chapter is amended by inserting after the item relating
19 to section 302f the following new item:

 “302g. Special pay: Selected Reserve health care professionals in critically short
 wartime specialties.”.

20 (b) CONFORMING AMENDMENT.—Section 303a of
21 title 37, United States Code is amended by striking out
22 “302, 302a, 302b, 302c, 302d, 302e,” each place it ap-
23 pears and inserting in lieu thereof “302 through 302g.”.

1 (c) CONFORMING REPEAL.—(1) Section 613 of the
2 National Defense Authorization Act, Fiscal Year 1989
3 (Public Law 100–456; 37 U.S.C. 302 note) is repealed.

4 (2) The repeal of section 613 of the National Defense
5 Authorization Act, Fiscal Year 1989, by paragraph (1)
6 shall not affect the validity or terms of any agreement en-
7 tered into under such section before the date of the enact-
8 ment of this Act.

9 **SEC. 615. CHANGE IN ELIGIBILITY REQUIREMENTS FOR**
10 **CONTINUOUS MONTHLY AVIATION INCEN-**
11 **TIVE PAY.**

12 (a) LOWER INCENTIVE PAY GATE.—Section
13 301a(a)(4) of title 37, United States Code, is amended
14 by striking out “9” in the first sentence and inserting in
15 lieu thereof “8”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect on October 1, 1995.

18 **SEC. 616. CONTINUOUS ENTITLEMENT TO CAREER SEA PAY**
19 **FOR CREWMEMBERS OF SHIPS DESIGNATED**
20 **AS TENDERS.**

21 (a) CONTINUOUS ENTITLEMENT.—Section
22 305a(d)(1)(A) of title 37, United States Code, is amend-
23 ed—

24 (1) by striking out “or” after “under way” and
25 inserting in lieu thereof a comma; and

1 (2) by inserting before the semicolon at the end
2 the following: “, or while serving as a member of a
3 tender-class ship (with the hull classification of sub-
4 marine or destroyer)”.

5 (b) EFFECTIVE DATE.—The amendments made by
6 subsection (a) shall take effect on October 1, 1995.

7 **SEC. 617. INCREASE IN MAXIMUM RATE OF SPECIAL DUTY**
8 **ASSIGNMENT PAY FOR ENLISTED MEMBERS**
9 **SERVING AS RECRUITERS.**

10 (a) SPECIAL MAXIMUM RATE FOR RECRUITERS.—
11 Section 307(a) of title 37, United States Code, is amended
12 by adding at the end the following new sentence: “In the
13 case of a member who is serving as a military recruiter
14 and is eligible for special duty assignment pay under this
15 subsection on account of such duty, the Secretary con-
16 cerned may increase the monthly rate of special duty as-
17 signment pay for the member to not more than \$375.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall take effect on January 1, 1996.

1 **Subtitle C—Travel and**
2 **Transportation Allowances**

3 **SEC. 621. AUTHORIZATION OF RETURN TO UNITED STATES**
4 **OF FORMERLY DEPENDENT CHILDREN OF**
5 **MEMBERS.**

6 (a) RETURN AT GOVERNMENT EXPENSE.—Section
7 406(h)(1) of title 37, United States Code, is amended in
8 the last sentence—

9 (1) by striking out “who became 21 years of
10 age” and inserting in lieu thereof “who, by reason
11 of age or graduation from (or cessation of enroll-
12 ment in) an institution of higher education, would
13 otherwise cease to be a dependent of the member”;
14 and

15 (2) by inserting “still” after “shall”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect on October 1, 1995.

18 **SEC. 622. AUTHORIZATION OF DISLOCATION ALLOWANCE**
19 **FOR MOVES IN CONNECTION WITH BASE**
20 **REALIGNMENTS AND CLOSURES.**

21 (a) DISLOCATION ALLOWANCE AUTHORIZED.—Sub-
22 section (a) of section 407 of title 37, United States Code,
23 is amended—

24 (1) by striking out “or” at the end of para-
25 graph (3);

1 (2) by striking out the period at the end of
2 paragraph (4)(B) and inserting in lieu thereof “;
3 or”; and

4 (3) by inserting after paragraph (4)(B) the fol-
5 lowing new paragraph:

6 “(5) the member’s dependents actually make an
7 authorized move in connection with the member’s di-
8 rected order to move as a result of the closure or re-
9 alignment of a military installation.”.

10 (b) CONFORMING AMENDMENTS.—Such section is
11 further amended—

12 (1) in the sentence following subsection
13 (a)(4)—

14 (A) by striking out “clause (3) or (4)(B)”
15 and inserting in lieu thereof “paragraph (3) or
16 (4)(B)”;

17 (B) by striking out “clause (1)” and in-
18 serting in lieu thereof “paragraph (1) or (5)”;

19 (2) in subsection (b)—

20 (A) by striking out “subsection (a)(3) or
21 (a)(4)(B)” and inserting in lieu thereof “para-
22 graph (3) or (4)(B) of subsection (a)”;

23 (B) by striking out “subsection (a)(1)”
24 and inserting in lieu thereof “paragraph (1) or
25 (5) of subsection (a)”.

1 **SEC. 623. REPEAL OF PROHIBITION ON PAYMENT OF LODG-**
2 **ING EXPENSES WHEN ADEQUATE GOVERN-**
3 **MENT QUARTERS ARE AVAILABLE.**

4 (a) REPEAL.—Section 1589 of title 10, United States
5 Code, is repealed.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 at the beginning of chapter 81 of such title is amended
8 by striking out the item relating to section 1589.

9 **Subtitle D—Other Matters**

10 **SEC. 631. ELIMINATION OF UNNECESSARY ANNUAL RE-**
11 **PORTING REQUIREMENTS REGARDING COM-**
12 **PENSATION MATTERS.**

13 (a) REPORT ON TRAVEL AND TRANSPORTATION AL-
14 LOWANCES FOR DEPENDENTS.—(1) Section 406 of title
15 37, United States Code, is amended—

16 (A) by striking out subsection (i); and

17 (B) by redesignating subsections (j), (k), (l),
18 (m), and (n) as subsections (i), (j), (k), (l), and (m),
19 respectively.

20 (2) Section 2634(d) of title 10, United States Code,
21 is amended by striking out “section 406(l) of title 37”
22 and inserting in lieu thereof “section 406(k) of title 37”.

23 (b) ANNUAL REVIEW OF PAY AND ALLOWANCES.—
24 Subsection (a) of section 1008 of title 37, United States
25 Code, is amended to read as follows:

1 “(a) Not later than March 31 of each year, the Presi-
2 dent shall submit to Congress such recommendations (if
3 any) as the President considers appropriate for adjust-
4 ments in the rates of pay and allowances authorized by
5 this title for members of the uniformed services.”.

6 **SEC. 632. STUDY REGARDING JOINT PROCESS FOR DETER-**
7 **MINING LOCATION OF RECRUITING STA-**
8 **TIONS.**

9 (a) **STUDY REQUIRED.**—The Secretary of Defense
10 shall conduct a study regarding the feasibility of—

11 (1) using a joint process among the Armed
12 Forces for determining the location of recruiting sta-
13 tions and the number of military personnel required
14 to operate such stations; and

15 (2) basing such determinations on market re-
16 search and analysis conducted jointly by the Armed
17 Forces.

18 (b) **REPORT.**—Not later than March 31, 1996, the
19 Secretary of Defense shall submit to Congress a report
20 describing the results of the study. The report shall in-
21 clude a recommended method for measuring the efficiency
22 of individual recruiting stations, such as cost per accession
23 or other efficiency standard, as determined by the Sec-
24 retary.

1 **SEC. 633. ELIMINATION OF DISPARITY BETWEEN EFFEC-**
2 **TIVE DATES FOR MILITARY AND CIVILIAN RE-**
3 **TIREE COST-OF-LIVING ADJUSTMENTS FOR**
4 **FISCAL YEAR 1996.**

5 (a) IN GENERAL.—The fiscal year 1996 increase in
6 military retired pay shall (notwithstanding subparagraph
7 (B) of section 1401a(b)(2) of title 10, United States Code)
8 first be payable as part of such retired pay for the month
9 of March 1996.

10 (b) DEFINITIONS.—For the purposes of subsection
11 (a):

12 (1) The term “fiscal year 1996 increase in mili-
13 tary retired pay” means the increase in retired pay
14 that, pursuant to paragraph (1) of section 1401a(b)
15 of title 10, United States Code, becomes effective on
16 December 1, 1995.

17 (2) The term “retired pay” includes retainer
18 pay.

19 (c) LIMITATION.—Subsection (a) shall be effective
20 only if there is appropriated to the Department of Defense
21 Military Retirement Fund (in an Act making appropria-
22 tions for the Department of Defense for fiscal year 1996
23 that is enacted before March 1, 1996) such amount as
24 is necessary to offset increased outlays to be made from
25 that fund during fiscal year 1996 by reason of the provi-
26 sions of subsection (a).

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated for fiscal year 1996 to the
3 Department of Defense Military Retirement Fund the sum
4 of \$403,000,000 to offset increased outlays to be made
5 from that fund during fiscal year 1996 by reason of the
6 provisions of subsection (a).

7 **TITLE VII—HEALTH CARE**
8 **PROVISIONS**

9 **Subtitle A—Health Care Services**

10 **SEC. 701. MODIFICATION OF REQUIREMENTS REGARDING**
11 **ROUTINE PHYSICAL EXAMINATIONS AND IM-**
12 **MUNIZATIONS UNDER CHAMPUS.**

13 Section 1079(a) of title 10, United States Code, is
14 amended by striking out paragraph (2) and inserting in
15 lieu thereof the following new paragraph:

16 “(2) consistent with such regulations as the
17 Secretary of Defense may prescribe regarding the
18 content of health promotion and disease prevention
19 visits, the schedule of pap smears and mammo-
20 grams, and the types and schedule of immuniza-
21 tions—

22 “(A) for dependents under six years of age,
23 both health promotion and disease prevention
24 visits and immunizations may be provided; and

1 “(B) for dependents six years of age or
2 older, health promotion and disease prevention
3 visits may be provided in connection with im-
4 munizations or with diagnostic or preventive
5 pap smears and mammograms;”.

6 **SEC. 702. CORRECTION OF INEQUITIES IN MEDICAL AND**
7 **DENTAL CARE AND DEATH AND DISABILITY**
8 **BENEFITS FOR CERTAIN RESERVISTS.**

9 (a) MEDICAL AND DENTAL CARE.—Section 1074a(a)
10 of title 10, United States Code, is amended by adding at
11 the end the following new paragraph:

12 “(3) Each member of the armed forces who in-
13 curs or aggravates an injury, illness, or disease in
14 the line of duty while remaining overnight, between
15 successive periods of inactive-duty training, at or in
16 the vicinity of the site of the inactive-duty training,
17 and the site is outside reasonable commuting dis-
18 tance from the member’s residence.”.

19 (b) RECOVERY, CARE, AND DISPOSITION OF RE-
20 MAINS.—Section 1481(a)(2) of title 10, United States
21 Code, is amended—

22 (1) in subparagraph (C), by striking out “or”
23 at the end of the subparagraph;

24 (2) by redesignating subparagraph (D) as sub-
25 paragraph (E); and

1 (3) by inserting after subparagraph (C) the fol-
2 lowing new subparagraph:

3 “(D) remaining overnight, between succes-
4 sive periods of inactive-duty training, at or in
5 the vicinity of the site of the inactive-duty
6 training, and the site is outside reasonable com-
7 muting distance from the member’s residence;
8 or”.

9 (c) ENTITLEMENT TO BASIC PAY.—(1) Subsection
10 (g)(1) of section 204 of title 37, United States Code, is
11 amended—

12 (A) in subparagraph (B), by striking out “or”
13 at the end of the subparagraph;

14 (B) in subparagraph (C), by striking out the
15 period at the end of the subparagraph and inserting
16 in lieu thereof “; or”; and

17 (C) by inserting after subparagraph (C) the fol-
18 lowing new subparagraph:

19 “(D) in line of duty while remaining overnight,
20 between successive periods of inactive-duty training,
21 at or in the vicinity of the site of the inactive-duty
22 training, and the site is outside reasonable commut-
23 ing distance from the member’s residence.”.

24 (2) Subsection (h)(1) of such section is amended—

1 (A) in subparagraph (B), by striking out “or”
2 at the end of the subparagraph;

3 (B) in subparagraph (C), by striking out the
4 period at the end of the subparagraph and inserting
5 in lieu thereof “; or”; and

6 (C) by inserting after subparagraph (C) the fol-
7 lowing new subparagraph:

8 “(D) in line of duty while remaining overnight,
9 between successive periods of inactive-duty training,
10 at or in the vicinity of the site of the inactive-duty
11 training, and the site is outside reasonable commut-
12 ing distance from the member’s residence.”.

13 (d) COMPENSATION FOR INACTIVE-DUTY TRAIN-
14 ING.—Section 206(a)(3) of title 37, United States Code,
15 is amended—

16 (1) in subparagraph (A), by striking out “or”
17 at the end of clause (ii);

18 (2) in subparagraph (B), by striking out the pe-
19 riod at the end of the subparagraph and inserting in
20 lieu thereof “; or”; and

21 (3) by inserting after subparagraph (B) the fol-
22 lowing new subparagraph:

23 “(C) in line of duty while remaining over-
24 night, between successive periods of inactive-
25 duty training, at or in the vicinity of the site of

1 the inactive-duty training, and the site is out-
2 side reasonable commuting distance from the
3 member's residence.”.

4 **SEC. 703. MEDICAL AND DENTAL CARE FOR MEMBERS OF**
5 **THE SELECTED RESERVE.**

6 (a) MEMBERS OF EARLY DEPLOYING UNITS OF THE
7 ARMY SELECTED RESERVE.—Section 1074a of title 10,
8 United States Code, is amended—

9 (1) in subsection (c), by striking out “this sec-
10 tion” and inserting in lieu thereof “subsection (b)”;
11 and

12 (2) by adding at the end the following new sub-
13 section:

14 “(d)(1) The Secretary of the Army shall provide to
15 members of the Selected Reserve of the Army who are as-
16 signed to units scheduled for deployment within 75 days
17 after mobilization the following medical and dental serv-
18 ices:

19 “(A) An annual medical screening.

20 “(B) For members who are over 40 years of
21 age, a full physical examination not less often than
22 once every two years.

23 “(C) An annual dental screening.

24 “(D) The dental care identified in an annual
25 dental screening as required to ensure that a mem-

1 ber meets the dental standards required for deploy-
2 ment in the event of mobilization.

3 “(2) The services provided under this subsection shall
4 be provided at no cost to the member.”.

5 (b) VOLUNTARY DEMONSTRATION PROGRAM TO IM-
6 PROVE DENTAL READINESS OF SELECTED RESERVE.—

7 (1) For members of the Selected Reserve who are not cov-
8 ered by subsection (a), the Secretary of Defense shall con-
9 duct a demonstration program to offer such members af-
10 fordable dental care for the purpose of ensuring that such
11 members meet the dental standards required for deploy-
12 ment in the event of mobilization. The Secretary shall de-
13 termine the geographical scope of the demonstration pro-
14 gram and the number of members of the Selected Reserve
15 who will be invited to participate in the program. However,
16 participation in the demonstration program shall be of-
17 fered to the members of at least one ground combat ma-
18 neuver unit of the Selected Reserve of the Army scheduled
19 for deployment within 90 days after mobilization.

20 (2) The Secretary may model the dental demonstra-
21 tion program after the dependents’ dental program au-
22 thorized under section 1076a of title 10, United States
23 Code, except that participants in the demonstration pro-
24 gram shall be responsible for all costs incurred to provide
25 dental care under the program. The Secretary shall pro-

1 vide for allotment or deduction from the military pay of
2 participants as a means to pay any premiums required
3 under the demonstration program.

4 (3) The authority to carry out the dental demonstra-
5 tion program under this subsection shall expire on Sep-
6 tember 30, 1997.

7 (c) EVALUATION OF DEMONSTRATION PROGRAM.—
8 Not later than March 1, 1997, the Secretary shall submit
9 to Congress a report evaluating the success of the dental
10 demonstration program conducted under subsection (b) in
11 improving the dental readiness of the Selected Reserve.
12 The Secretary shall submit a revised report under this
13 subsection not later than 30 days after the expiration of
14 the demonstration program.

15 (d) CONFORMING REPEALS.—Sections 1117 and
16 1118 of the Army National Guard Combat Readiness Re-
17 form Act of 1992 (title XI of Public Law 102-484; 10
18 U.S.C. 3077 note) are repealed.

19 **Subtitle B—TRICARE Program**

20 **SEC. 711. PRIORITY USE OF MILITARY TREATMENT FACILI-** 21 **TIES FOR PERSONS ENROLLED IN MANAGED** 22 **CARE INITIATIVES.**

23 Section 1097(c) of title 10, United States Code, is
24 amended in the third sentence by striking out “However,
25 the Secretary may” and inserting in lieu thereof “Notwith-

1 standing the preferences established by sections 1074(b)
2 and 1076 of this title, the Secretary shall”.

3 **SEC. 712. STAGGERED PAYMENT OF ENROLLMENT FEES**
4 **FOR TRICARE.**

5 Section 1097(e) of title 10, United States Code, is
6 amended by adding at the end the following new sentence:
7 “Without imposing additional costs on covered bene-
8 ficiaries who participate in contracts for health care serv-
9 ices under this section or health care plans offered under
10 section 1099 of this title, the Secretary shall permit such
11 covered beneficiaries to pay, on a monthly or quarterly
12 basis, any enrollment fee required for such participation.”.

13 **SEC. 713. REQUIREMENT OF BUDGET NEUTRALITY FOR**
14 **TRICARE TO BE BASED ON ENTIRE PRO-**
15 **GRAM.**

16 (a) CHANGE IN BUDGET NEUTRALITY REQUIRE-
17 MENTS.—Subsection (c) of section 731 of the National
18 Defense Authorization Act for Fiscal Year 1994 (Public
19 Law 103–160; 10 U.S.C. 1073 note) is amended—

20 (1) by striking out “each managed health care
21 initiative that includes the option” and inserting in
22 lieu thereof “the TRICARE program”; and

23 (2) by striking out “covered beneficiaries who
24 enroll in the option” and inserting in lieu thereof
25 “members of the uniformed services and covered

1 beneficiaries who participate in the TRICARE pro-
2 gram”.

3 (b) ADDITION OF DEFINITION OF TRICARE PRO-
4 GRAM.—Subsection (d) of such section is amended to read
5 as follows:

6 “(d) DEFINITIONS.—For purposes of this section:

7 “(1) The term ‘covered beneficiary’ means a
8 beneficiary under chapter 55 of title 10, United
9 States Code, other than a beneficiary under section
10 1074(a) of such title.

11 “(2) The term ‘TRICARE program’ means the
12 managed health care program that is established by
13 the Secretary of Defense under the authority of
14 chapter 55 of title 10, United States Code, prin-
15 cipally section 1097 of such title, and includes the
16 competitive selection of contractors to financially un-
17 derwrite the delivery of health care services under
18 the Civilian Health and Medical Program of the
19 Uniformed Services.”.

20 **SEC. 714. TRAINING IN HEALTH CARE MANAGEMENT AND**
21 **ADMINISTRATION FOR TRICARE LEAD**
22 **AGENTS.**

23 (a) PROVISION OF TRAINING.—Not later than six
24 months after the date of the enactment of this Act, the
25 Secretary of Defense shall implement a professional edu-

1 cational program to provide appropriate training in health
2 care management and administration to each commander
3 of a military medical treatment facility of the Department
4 of Defense who is selected to serve as a lead agent to co-
5 ordinate the delivery of health care by military and civilian
6 providers under the TRICARE program.

7 (b) TRICARE PROGRAM DEFINED.—For purposes
8 of this section, the term “TRICARE program” means the
9 managed health care program that is established by the
10 Secretary of Defense under the authority of chapter 55
11 of title 10, United States Code, principally section 1097
12 of such title, and includes the competitive selection of con-
13 tractors to financially underwrite the delivery of health
14 care services under the Civilian Health and Medical Pro-
15 gram of the Uniformed Services.

16 (c) REPORT ON IMPLEMENTATION.—Not later than
17 six months after the date of the enactment of this Act,
18 the Secretary of Defense shall submit to Congress a report
19 describing the professional educational program imple-
20 mented pursuant to this section.

21 **SEC. 715. EVALUATION AND REPORT ON TRICARE EFFEC-**
22 **TIVENESS.**

23 (a) EVALUATION REQUIRED.—The Secretary of De-
24 fense shall arrange for an on-going evaluation of the effec-
25 tiveness of the TRICARE program in meeting the goals

1 of increasing the access of covered beneficiaries under
2 chapter 55 of title 10, United States Code, to health care
3 and improving the quality of health care provided to cov-
4 ered beneficiaries, without increasing the costs incurred by
5 the Government or covered beneficiaries. The evaluation
6 shall specifically address the impact of the TRICARE pro-
7 gram on military retirees with regard to access, costs, and
8 quality of health care services and identify noncatchment
9 areas in which the HMO option of the TRICARE program
10 will be available. The Secretary shall use a federally fund-
11 ed research and development center to conduct the evalua-
12 tion required by this section.

13 (b) ANNUAL REPORT.—Not later than March 1 of
14 each year, the center conducting the evaluation under sub-
15 section (a) shall submit to Congress a report describing
16 the results of the evaluation during the preceding year.

17 (c) TRICARE PROGRAM DEFINED.—For purposes
18 of this section, the term “TRICARE program” means the
19 managed health care program that is established by the
20 Secretary of Defense under the authority of chapter 55
21 of title 10, United States Code, principally section 1097
22 of such title, and includes the competitive selection of con-
23 tractors to financially underwrite the delivery of health
24 care services under the Civilian Health and Medical Pro-
25 gram of the Uniformed Services.

1 **Subtitle C—Uniformed Services**
2 **Treatment Facilities**

3 **SEC. 721. LIMITATION ON EXPENDITURES TO SUPPORT**
4 **UNIFORMED SERVICES TREATMENT FACILI-**
5 **TIES AND LIMITATION ON NUMBER OF PAR-**
6 **TICIPANTS IN USTF MANAGED CARE PLANS.**

7 Subsection (f) of section 1252 of the Department of
8 Defense Authorization Act, 1984 (42 U.S.C. 248d), is
9 amended to read as follows:

10 “(f) LIMITATION ON EXPENDITURES AND PARTICI-
11 PANTS.—(1) The total amount of expenditures by the Sec-
12 retary of Defense to carry out this section and section 911
13 of the Military Construction Authorization Act, 1982 (42
14 U.S.C. 248c), for fiscal year 1996 may not exceed
15 \$300,000,000, adjusted by the Secretary to reflect the in-
16 flation factor used by the Department of Defense for such
17 year.

18 “(2) During fiscal year 1996, the number of covered
19 beneficiaries under chapter 55 of title 10, United States
20 Code (including covered beneficiaries described in section
21 1086(d)(1) of such title), who are enrolled in managed
22 care plans offered by facilities described in subsection (a)
23 and designated under subsection (c) may not exceed the
24 number of such covered beneficiaries so enrolled as of Oc-
25 tober 1, 1994.”.

1 **SEC. 722. APPLICATION OF FEDERAL ACQUISITION REGU-**
2 **LATION TO PARTICIPATION AGREEMENTS**
3 **WITH UNIFORMED SERVICES TREATMENT FA-**
4 **CILITIES.**

5 (a) Section 718(c) of the National Defense Author-
6 ization Act for Fiscal Year 1991 (Public Law 101-510;
7 104 Stat. 1587) is amended—

8 (1) in the second sentence of paragraph (1), by
9 striking out “A participation agreement” and insert-
10 ing in lieu thereof “Except as provided in paragraph
11 (4), a participation agreement”;

12 (2) by redesignating paragraph (4) as para-
13 graph (6); and

14 (3) by inserting after paragraph (3) the follow-
15 ing new paragraph:

16 “(4) APPLICATION OF FEDERAL ACQUISITION
17 REGULATION.—On and after the date of the enact-
18 ment of this paragraph, Uniformed Services Treat-
19 ment Facilities and any participation agreement be-
20 tween Uniformed Services Treatment Facilities and
21 the Secretary of Defense shall be subject to the Fed-
22 eral Acquisition Regulation issued pursuant to sec-
23 tion 25(c) of the Office of Federal Procurement Pol-
24 icy Act (41 U.S.C. 421(c)) notwithstanding any pro-
25 vision to the contrary in such a participation agree-
26 ment. The requirements regarding competition in

1 the Federal Acquisition Regulation shall apply with
2 regard to the negotiation of any new participation
3 agreement between the Uniformed Services Treat-
4 ment Facilities and the Secretary of Defense under
5 this subsection or any other provision of law.”.

6 (b) SENSE OF CONGRESS.—(1) Congress finds that
7 the Uniformed Services Treatment Facilities provide qual-
8 ity health care to the 120,000 Department of Defense
9 beneficiaries enrolled in the Uniformed Services Family
10 Health Plan provided by these facilities.

11 (2) In light of such finding, it is the sense of Con-
12 gress that the Uniformed Services Family Health Plan
13 provided by the Uniformed Services Treatment Facilities
14 should not be terminated for convenience under provisions
15 of the Federal Acquisition Regulation by the Secretary of
16 Defense before the expiration of the current participation
17 agreements.

18 **SEC. 723. DEVELOPMENT OF PLAN FOR INTEGRATING UNI-**
19 **FORMED SERVICES TREATMENT FACILITIES**
20 **IN MANAGED CARE PROGRAMS OF DEPART-**
21 **MENT OF DEFENSE.**

22 Section 718(c) of the National Defense Authorization
23 Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat.
24 1587) is amended by inserting after paragraph (4), as
25 added by section 722, the following new paragraph:

1 “(5) PLAN FOR INTEGRATING FACILITIES.—(A)
2 Not later than March 1, 1996, the Secretary of De-
3 fense shall submit to Congress a plan under which
4 Uniformed Services Treatment Facilities, on or be-
5 fore September 30, 1997, shall be included in the
6 exclusive health care provider networks established
7 by the Secretary for the geographic regions in which
8 the facilities are located. The Secretary shall address
9 in the plan the feasibility of implementing the man-
10 aged care plan of the Uniformed Services Treatment
11 Facilities, known as Option II, on a mandatory basis
12 for all USTF Medicare-eligible beneficiaries and the
13 potential cost savings to the Military Health Care
14 Program that could be achieved under such option.

15 “(B) The plan developed under this paragraph
16 shall be consistent with the requirements specified in
17 paragraph (4). If the plan is not submitted to Con-
18 gress by the expiration date of the participation
19 agreements entered into under this section, the par-
20 ticipation agreements shall remain in effect, at the
21 option of the Uniformed Services Treatment Facili-
22 ties, until the end of the 180-day period beginning
23 on the date the plan is finally submitted.

24 “(C) For purposes of this paragraph, the term
25 ‘USTF Medicare-eligible beneficiaries’ means cov-

1 ered beneficiaries under chapter 55 of title 10, Unit-
2 ed States Code, who are enrolled in a managed
3 health plan offered by the Uniformed Services Treat-
4 ment Facilities and entitled to hospital insurance
5 benefits under part A of title XVIII of the Social Se-
6 curity Act (42 U.S.C. 1395c et seq.).”.

7 **SEC. 724. EQUITABLE IMPLEMENTATION OF UNIFORM**
8 **COST SHARING REQUIREMENTS FOR UNI-**
9 **FORMED SERVICES TREATMENT FACILITIES.**

10 (a) TIME FOR FEE IMPLEMENTATION.—The uniform
11 managed care benefit fee and copayment schedule devel-
12 oped by the Secretary of Defense for use in all managed
13 care initiatives of the military health service system, in-
14 cluding the managed care program of the Uniformed Serv-
15 ices Treatment Facilities, shall be extended to the man-
16 aged care program of a Uniformed Services Treatment
17 Facility only after the later of—

18 (1) the implementation of the TRICARE re-
19 gional program covering the service area of the Uni-
20 formed Services Treatment Facility; or

21 (2) the end of the 180-day period beginning on
22 the date of the enactment of this Act.

23 (b) SUBMISSION OF ACTUARIAL ESTIMATES.—Para-
24 graph (2) of subsection (a) shall operate as a condition
25 on the extension of the uniform managed care benefit fee

1 and copayment schedule to the Uniformed Services Treat-
2 ment Facilities only if the Uniformed Services Treatment
3 Facilities submit to the Comptroller General of the United
4 States, within 30 days after the date of the enactment of
5 this Act, actuarial estimates in support of their contention
6 that the extension of such fees and copayments will have
7 an adverse effect on the operation of the Uniformed Serv-
8 ices Treatment Facilities and the enrollment of partici-
9 pants.

10 (c) EVALUATION.—Except as provided in paragraph
11 (2), not later than 90 days after the date of the enactment
12 of this Act, the Comptroller General shall submit to Con-
13 gress the results of an evaluation of the effect on the Uni-
14 formed Services Treatment Facilities of the extension of
15 the uniform benefit fee and copayment schedule to the
16 Uniformed Services Treatment Facilities. The evaluation
17 shall include an examination of whether the benefit fee
18 and copayment schedule may—

19 (A) cause adverse selection of enrollees;

20 (B) be inappropriate for a fully at-risk program
21 similar to civilian health maintenance organizations;

22 or

23 (C) result in an enrolled population dissimilar
24 to the general beneficiary population.

1 (2) The Comptroller General shall not be required to
2 prepare or submit the evaluation under paragraph (1) if
3 the Uniformed Services Treatment Facilities fail to satis-
4 factorily comply with subsection (b), as determined by the
5 Comptroller General.

6 **Subtitle D—Other Changes to Ex-**
7 **isting Laws Regarding Health**
8 **Care Management**

9 **SEC. 731. MAXIMUM ALLOWABLE PAYMENTS TO INDIVID-**
10 **UAL HEALTH-CARE PROVIDERS UNDER**
11 **CHAMPUS.**

12 (a) MAXIMUM PAYMENT.—Subsection (h) of section
13 1079 of title 10, United States Code, is amended by strik-
14 ing out paragraph (1) and inserting in lieu thereof the
15 following new paragraph:

16 “(1) Payment for a charge for services by an individ-
17 ual health care professional (or other noninstitutional
18 health care provider) for which a claim is submitted under
19 a plan contracted for under subsection (a) may not exceed
20 the lesser of—

21 “(A) an amount equivalent to the 80th percent-
22 ile of billed charges made for similar services in the
23 same locality during a 12-month base period; or

24 “(B) an amount determined to be appropriate,
25 to the extent practicable, in accordance with the

1 same reimbursement rules as apply to payments for
2 similar services under title XVIII of the Social Secu-
3 rity Act (42 U.S.C. 1395 et seq.).”.

4 (b) COMPARISON TO MEDICARE PAYMENTS.—Such
5 subsection is further amended by adding at the end the
6 following new paragraph:

7 “(3) For the purposes of paragraph (1)(B), the ap-
8 propriate payment amount shall be determined by the Sec-
9 retary of Defense, in consultation with the other admin-
10 istering Secretaries.”.

11 (c) EXCEPTIONS AND LIMITATIONS.—Such sub-
12 section is further amended by inserting after paragraph
13 (3), as added by subsection (b), the following new para-
14 graphs:

15 “(4) The Secretary of Defense, in consultation with
16 the other administering Secretaries, shall prescribe regula-
17 tions to provide for such exceptions to the payment limita-
18 tions under paragraph (1) as the administering Secretar-
19 ies determine to be necessary to assure that covered bene-
20 ficiaries retain adequate access to health care services.
21 Such exceptions may include the payment of amounts
22 greater than the amount allowed under paragraph (1)
23 when enrollees in managed care programs obtain covered
24 emergency services from nonparticipating providers. To
25 transition from the payment methods in effect before the

1 date of the enactment of this paragraph to the methodol-
2 ogy required by paragraph (1), the amount allowable for
3 any service may not be reduced by more than 15 percent
4 from the amount allowed for the same service during the
5 immediately preceding 12-month period (or other period
6 as established by the Secretary of Defense).

7 “(5) The Secretary of Defense, in consultation with
8 the other administering Secretaries, shall prescribe regula-
9 tions to establish limitations (similar to those limitations
10 established under title XVIII of the Social Security Act
11 (42 U.S.C. 1395 et seq.)) on beneficiary liability for
12 charges of an individual health care professional (or other
13 noninstitutional health care provider).”.

14 (d) CONFORMING AMENDMENT.—Paragraph (2) of
15 such subsection is amended by striking out “paragraph
16 (1)” and inserting in lieu thereof “paragraph (1)(A)”.

17 (e) REPORT ON EFFECT OF AMENDMENTS.—Not
18 later than March 1, 1996, the Secretary of Defense shall
19 submit to Congress a report analyzing the effect of the
20 amendments made by this section on the ability or willing-
21 ness of individual health care professionals and other
22 noninstitutional health care providers to participate in the
23 Civilian Health and Medical Program of the Uniformed
24 Services.

1 **SEC. 732. EXPANSION OF EXISTING RESTRICTION ON USE**
2 **OF DEFENSE FUNDS FOR ABORTIONS.**

3 (a) INCLUSION OF DEFENSE FACILITIES.—Section
4 1093 of title 10, United States Code, is amended by in-
5 serting after “Department of Defense” the following: “,
6 and medical treatment facilities or other facilities of the
7 Department of Defense,”.

8 (b) CLERICAL AMENDMENTS.—(1) The heading of
9 such section is amended by inserting “**or facilities**”
10 after “**funds**”.

11 (2) The item relating to such section in the table of
12 sections at the beginning of chapter 55 of such title is
13 amended to read as follows:

“1093. Restriction on use of funds or facilities for abortions.”.

14 **SEC. 733. IDENTIFICATION OF THIRD-PARTY PAYER SITUA-**
15 **TIONS.**

16 Section 1095 of title 10, United States Code, is
17 amended by adding at the end the following new sub-
18 section:

19 “(k)(1) To improve the administration of this section
20 and sections 1079(j)(1) and 1086(d) of this title, the Sec-
21 retary of Defense, in consultation with the other admin-
22 istering Secretaries, may prescribe regulations to collect
23 information regarding insurance, medical service, or
24 health plans of third-party payers held by covered bene-
25 ficiaries.

1 “(2) The collection of information under regulations
2 issued under paragraph (1) shall be conducted in the same
3 manner as provided in section 1862(b)(5) of the Social
4 Security Act (42 U.S.C. 1395y(b)(5)). The Secretary may
5 provide for obtaining from the Commissioner of Social Se-
6 curity employment information comparable to the infor-
7 mation provided to the Administrator of the Health Care
8 Financing Administration pursuant to such section. Such
9 regulations may require the mandatory disclosure of social
10 security account numbers for all covered beneficiaries.

11 “(3) The Secretary of Defense may disclosure rel-
12 evant employment information collected under this sub-
13 section to fiscal intermediaries or other designated con-
14 tractors.

15 “(4) The Secretary of Defense may provide for con-
16 tacting employers of covered beneficiaries to obtain group
17 health plan information comparable to the information au-
18 thorized to be obtained under section 1862(b)(5)(C) of the
19 Social Security Act (42 U.S.C. 1395y(b)(5)(C)). Clause
20 (ii) of such section regarding the imposition of civil money
21 penalties shall apply to the collection of information under
22 this paragraph.

23 “(5) Information obtained under this subsection may
24 not be disclosed for any purpose other than to carry out

1 the purpose of this section and sections 1079(j)(1) and
2 1086(d) of this title.”.

3 **SEC. 734. REDESIGNATION OF MILITARY HEALTH CARE AC-**
4 **COUNT AS DEFENSE HEALTH PROGRAM AC-**
5 **COUNT AND TWO-YEAR AVAILABILITY OF**
6 **CERTAIN ACCOUNT FUNDS.**

7 (a) REDESIGNATION.—Section 1100 of title 10, Unit-
8 ed States Code, is amended—

9 (1) in subsection (a)(1)—

10 (A) by striking out “Military Health Care
11 Account” and inserting in lieu thereof “Defense
12 Health Program Account”; and

13 (B) by striking out “the Civilian Health
14 and Medical Program of the Uniformed Serv-
15 ices” and inserting in lieu thereof “medical and
16 health care programs of the Department of De-
17 fense”; and

18 (2) in subsection (b)—

19 (A) by striking out “entering into a con-
20 tract” and inserting in lieu thereof “conducting
21 programs and activities under this chapter, in-
22 cluding contracts entered into”; and

23 (B) by inserting a comma after “title”.

1 (b) TWO YEAR AVAILABILITY OF CERTAIN APPRO-
2 PRIATIONS.—Subsection (a)(2) of such section is amended
3 to read as follows:

4 “(2) Three percent of the funds appropriated annu-
5 ally for the operation and maintenance of the programs
6 and activities authorized by this chapter shall remain
7 available for obligation until the end of the fiscal year fol-
8 lowing the fiscal year for which the funds were appro-
9 priated. This paragraph shall not apply for a fiscal year
10 to the extent that a provision of law specifically refers to
11 this paragraph and specifies that this paragraph shall not
12 apply for that fiscal year.”.

13 (c) CONFORMING AMENDMENTS.—Such section is
14 further amended—

15 (1) by striking out subsections (c), (d), and (f);

16 and

17 (2) by redesignating subsection (e) as sub-
18 section (c).

19 (d) CLERICAL AMENDMENTS.—(1) The heading of
20 such section is amended to read as follows:

21 **“§ 1100. Defense Health Program Account”.**

22 (2) The item relating to such section in the table of
23 sections at the beginning of chapter 55 of such title is
24 amended to read as follows:

“1100. Defense Health Program Account.”.

1 **SEC. 735. EXPANSION OF FINANCIAL ASSISTANCE PRO-**
2 **GRAM FOR HEALTH-CARE PROFESSIONALS IN**
3 **RESERVE COMPONENTS TO INCLUDE DEN-**
4 **TAL SPECIALTIES.**

5 Section 16201(b) of title 10, United States Code, is
6 amended—

7 (1) in the subsection heading, by inserting
8 “AND DENTISTS” after “PHYSICIANS”;

9 (2) in paragraph (1)(A), by inserting “or dental
10 school” after “medical school”;

11 (3) in paragraphs (1)(B) and (2)(B), by insert-
12 ing “or dental officer” after “medical officer”; and

13 (4) in paragraph (1)(C), by striking out “physi-
14 cians in a medical specialty” and inserting in lieu
15 thereof “physicians or dentists in a medical or den-
16 tal specialty”.

17 **SEC. 736. ELIMINATION OF UNNECESSARY ANNUAL RE-**
18 **PORTING REQUIREMENTS REGARDING MILI-**
19 **TARY HEALTH CARE.**

20 Section 1252 of the Department of Defense Author-
21 ization Act, 1984 (42 U.S.C. 248d), is amended by strik-
22 ing out subsection (d).

1 **Subtitle E—Other Matters**

2 **SEC. 741. TERMINATION OF PROGRAM TO TRAIN AND UTI-**
3 **LIZE MILITARY PSYCHOLOGISTS TO PRE-**
4 **SCRIBE PSYCHOTROPIC MEDICATIONS.**

5 (a) TERMINATION.—Immediately after the date of
6 the enactment of this Act, the Secretary of Defense shall
7 terminate the demonstration pilot program for training
8 and utilizing military psychologists in the prescription of
9 psychotropic medications, which is referred to in section
10 8097 of the Department of Defense Appropriations Act,
11 1991 (Public Law 101–511; 104 Stat. 1897). None of the
12 funds appropriated to the Department of Defense for a
13 fiscal year after fiscal year 1995 may be used to train psy-
14 chologists to be able to prescribe psychotropic medications.

15 (b) EFFECT ON AUTHORITY TO PRESCRIBE PSYCHO-
16 TROPIC MEDICATIONS.—Psychologists who participated in
17 the demonstration pilot training program regarding the
18 prescription of psychotropic medications shall not be au-
19 thorized to prescribe such medications despite the comple-
20 tion of training under the program.

21 **SEC. 742. WAIVER OF COLLECTION OF PAYMENTS DUE**
22 **FROM CERTAIN PERSONS UNAWARE OF LOSS**
23 **OF CHAMPUS ELIGIBILITY.**

24 (a) AUTHORITY TO WAIVE COLLECTION.—The ad-
25 ministering Secretaries may waive the collection of pay-

1 ments otherwise due from a person described in subsection
2 (b) as a result of the receipt by the person of health bene-
3 fits under section 1086 of title 10, United States Code,
4 after the termination of the person's eligibility for such
5 benefits.

6 (b) PERSONS ELIGIBLE FOR WAIVER.—A person
7 shall be eligible for relief under subsection (a) if the per-
8 son—

9 (1) is a person described in paragraph (1) of
10 subsection (d) of section 1086 of title 10, United
11 States Code;

12 (2) in the absence of such paragraph, would
13 have been eligible for health benefits under such sec-
14 tion; and

15 (3) at the time of the receipt of such benefits,
16 satisfied the criteria specified in subparagraphs (A)
17 and (B) of paragraph (2) of such subsection.

18 (c) EXTENT OF WAIVER AUTHORITY.—The authority
19 to waive the collection of payments pursuant to this sec-
20 tion shall apply with regard to health benefits provided
21 under section 1086 of title 10, United States Code, to per-
22 sons described in subsection (b) during the period begin-
23 ning on January 1, 1967, and ending on the later of—

24 (1) the termination date of any special enroll-
25 ment period provided under title XVIII of the Social

1 Security Act (42 U.S.C. 1395c et seq.) specifically
2 for such persons; and

3 (2) July 1, 1996.

4 (d) DEFINITIONS.—For purposes of this section, the
5 term “administering Secretaries” has the meaning given
6 such term in section 1072(3) of title 10, United States
7 Code.

8 **SEC. 743. NOTIFICATION OF CERTAIN CHAMPUS COVERED**
9 **BENEFICIARIES OF LOSS OF CHAMPUS ELIGI-**
10 **BILITY.**

11 Section 1086(d) of title 10, United States Code, is
12 amended by adding at the end the following new para-
13 graph:

14 “(4) The administering Secretaries shall develop a
15 mechanism by which persons described in paragraph (1)
16 who satisfy only the criteria specified in subparagraphs
17 (A) and (B) of paragraph (2), but not subparagraph (C)
18 of such paragraph, are promptly notified of their ineligibil-
19 ity for health benefits under this section. The administer-
20 ing Secretaries shall consult with the Secretary of Health
21 and Human Services and the Health Care Financing Ad-
22 ministration regarding a method to promptly identify per-
23 sons requiring notice under this subsection.”.

1 **SEC. 744. DEMONSTRATION PROGRAM TO TRAIN MILITARY**
2 **MEDICAL PERSONNEL IN CIVILIAN SHOCK**
3 **TRAUMA UNITS.**

4 (a) DEMONSTRATION PROGRAM.—Not later than
5 April 1, 1996, the Secretary of Defense shall implement
6 a demonstration program to evaluate the feasibility of pro-
7 viding shock trauma training for military medical person-
8 nel through the use of civilian hospitals. Pursuant to an
9 agreement between the Secretary and one or more public
10 or nonprofit hospitals, the Secretary shall assign military
11 medical personnel participating in the demonstration pro-
12 gram to temporary duty in shock trauma units operated
13 by the hospitals that are parties to the agreement. As con-
14 sideration for the services provided by military medical
15 personnel under the agreement, the agreement shall re-
16 quire the hospitals to provide appropriate care to members
17 of the Armed Forces and to other persons whose care in
18 the hospital would otherwise require reimbursement by the
19 Secretary. The value of the services provided by the hos-
20 pitals shall be at least equal to the value of the services
21 provided by military medical personnel under the agree-
22 ment.

23 (b) TERMINATION OF PROGRAM.—The authority of
24 the Secretary of Defense to conduct the demonstration
25 program under this section, and any agreement entered

1 into under the demonstration program, shall expire on
2 March 31, 1998.

3 (c) REPORT AND EVALUATION OF PROGRAM.—(1)
4 Not later than March 1 of each year in which the dem-
5 onstration program is conducted under this section, the
6 Secretary of Defense shall submit to Congress a report
7 describing the scope and activities of the demonstration
8 program during the preceding year.

9 (2) Not later than May 1, 1998, the Comptroller Gen-
10 eral of the United States shall submit to Congress a report
11 evaluating the effectiveness of the demonstration program
12 in providing shock trauma training for military medical
13 personnel.

14 **SEC. 745. STUDY REGARDING DEPARTMENT OF DEFENSE**
15 **EFFORTS TO DETERMINE APPROPRIATE**
16 **FORCE LEVELS OF WARTIME MEDICAL PER-**
17 **SONNEL.**

18 (a) STUDY REQUIRED.—The Comptroller General of
19 the United States shall conduct a study to evaluate the
20 reasonableness of the models used by each military depart-
21 ment for determining the appropriate wartime force level
22 for medical personnel in the department. The study shall
23 include the following:

24 (1) An assessment of the modeling techniques
25 used by each department.

1 (2) An analysis of the data used in the models
2 to identify medical personnel requirements.

3 (3) An identification of the ability of the models
4 to integrate personnel of reserve components to meet
5 department requirements.

6 (4) An evaluation of the ability of the Secretary
7 of Defense to integrate the various modeling efforts
8 into a comprehensive, coordinated plan for obtaining
9 the optimum force level for wartime medical person-
10 nel.

11 (b) REPORT OF STUDY.—Not later than June 30,
12 1996, the Comptroller General shall report to Congress
13 on the results of the study conducted under subsection (a).

14 **SEC. 746. STUDY REGARDING EXPANDED MENTAL HEALTH**
15 **SERVICES FOR CERTAIN COVERED BENE-**
16 **FICIARIES.**

17 (a) STUDY REQUIRED.—In connection with the men-
18 tal health services already available for covered bene-
19 ficiaries under chapter 55 of title 10, United States Code,
20 who are children and require residential treatment, the
21 Secretary of Defense shall conduct a study regarding the
22 feasibility of expanding such services to include a program
23 of individualized continued care following completion of
24 the residential treatment to compliment the residential
25 treatment and prevent recidivism.

1 (b) REPORT OF STUDY.—Not later than March 1,
2 1996, the Secretary of Defense shall submit to Congress
3 a report describing the results of the study conducted
4 under subsection (a).

5 **SEC. 747. REPORT ON IMPROVED ACCESS TO MILITARY**
6 **HEALTH CARE FOR COVERED BENEFICIARIES**
7 **ENTITLED TO MEDICARE.**

8 Not later than March 1, 1996, the Secretary of De-
9 fense shall submit to Congress a report evaluating the fea-
10 sibility, costs, and consequences for the military health
11 care system of improving access to the system for covered
12 beneficiaries under chapter 55 of title 10, United States
13 Code, who have limited access to military medical treat-
14 ment facilities and are ineligible for the Civilian Health
15 and Medical Program of the Uniformed Services under
16 section 1086(d)(1) of such title. The alternatives the Sec-
17 retary shall consider to improve access for such covered
18 beneficiaries shall include—

19 (1) whether CHAMPUS should serve as a sec-
20 ond payer for covered beneficiaries who are entitled
21 to hospital insurance benefits under part A of title
22 XVIII of the Social Security Act (42 U.S.C. 1395c
23 et seq.); and

24 (2) whether such covered beneficiaries should be
25 offered enrollment in the Federal Employees Health

1 Benefits program under chapter 89 of title 5, United
2 States Code.

3 **SEC. 748. SENSE OF CONGRESS ON CONTINUITY OF**
4 **HEALTH CARE SERVICES FOR COVERED**
5 **BENEFICIARIES ADVERSELY AFFECTED BY**
6 **CLOSURES OF MILITARY MEDICAL TREAT-**
7 **MENT FACILITIES.**

8 (a) FINDING.—Congress finds the following:

9 (1) Military installations selected for closure in
10 the 1991 and 1993 rounds of the base closure proc-
11 ess are approaching their closing dates.

12 (2) Additional military installations are being
13 selected for closure in the 1995 round of the base
14 closure process.

15 (3) As a result of these base closures, tens of
16 thousands of covered beneficiaries under chapter 55
17 of title 10, United States Code, who reside in the vi-
18 cinity of affected installations will be left without im-
19 mediate access to military medical treatment facili-
20 ties.

21 (b) SENSE OF CONGRESS.—In light of the findings
22 specified in subsection (a), it is the sense of Congress that
23 the Secretary of Defense should take all appropriate steps
24 necessary to ensure the continuation of medical and phar-

1 maceutical benefits to covered beneficiaries adversely af-
2 fected by the closure of military installations.

3 **TITLE VIII—ACQUISITION POL-**
4 **ICY, ACQUISITION MANAGE-**
5 **MENT, AND RELATED MAT-**
6 **TERS**

7 **Subtitle A—Competition**

8 **SEC. 801. COMPETITION PROVISIONS.**

9 (a) CONFERENCE BEFORE SUBMISSION OF BIDS OR
10 PROPOSALS.—(1) Section 2305(a) of title 10, United
11 States Code, is amended by adding at the end the follow-
12 ing paragraph:

13 “(6) To the extent practicable, for each procurement
14 of property or services by an agency, the head of the agen-
15 cy shall provide for a conference on the procurement to
16 be held for anyone interested in submitting a bid or pro-
17 posal in response to the solicitation for the procurement.
18 The purpose of the conference shall be to inform potential
19 bidders and offerors of the needs of the agency and the
20 qualifications considered necessary by the agency to com-
21 pete successfully in the procurement.”.

22 (2) Section 303A of the Federal Property and Admin-
23 istrative Services Act of 1949 (41 U.S.C. 253a) is amend-
24 ed by adding at the end the following new subsection:

1 “(f) To the extent practicable, for each procurement
2 of property or services by an agency, an executive agency
3 shall provide for a conference on the procurement to be
4 held for anyone interested in submitting a bid or proposal
5 in response to the solicitation for the procurement. The
6 purpose of the conference shall be to inform potential bid-
7 ders and offerors of the needs of the executive agency and
8 the qualifications considered necessary by the executive
9 agency to compete successfully in the procurement.”.

10 (b) DESCRIPTION OF SOURCE SELECTION PLAN IN
11 SOLICITATION.—(1) Section 2305(a) of title 10, United
12 States Code, is further amended in paragraph (2)—

13 (A) by striking out “and” after the semicolon
14 at the end of subparagraph (A);

15 (B) by striking out the period at the end of
16 subparagraph (B) and inserting in lieu thereof “;
17 and”; and

18 (C) by adding at the end the following new sub-
19 paragraph:

20 “(C) a description, in as much detail as is prac-
21 ticable, of the source selection plan of the agency, or
22 a notice that such plan is available upon request.”.

23 (2) Section 303A of the Federal Property and Admin-
24 istrative Services Act of 1949 (41 U.S.C. 253a) is further
25 amended in subsection (b)—

1 (A) by striking out “and” after the semicolon
2 at the end of paragraph (1);

3 (B) by striking out the period at the end of
4 paragraph (2) and inserting in lieu thereof “; and”;
5 and

6 (C) by adding at the end the following new
7 paragraph:

8 “(3) a description, in as much detail as is prac-
9 ticable, of the source selection plan of the executive
10 agency, or a notice that such plan is available upon
11 request.”.

12 (c) DISCUSSIONS NOT NECESSARY WITH EVERY
13 OFFEROR.—(1) Section 2305(b)(4)(A)(i) of title 10, Unit-
14 ed States Code, is amended by inserting before the semi-
15 colon the following: “and provided that discussions need
16 not be conducted with an offeror merely to permit that
17 offeror to submit a technically acceptable revised pro-
18 posal”.

19 (2) Section 303B(d)(1)(A) of the Federal Property
20 and Administrative Services Act of 1949 (41 U.S.C. 253b)
21 is amended by inserting before the semicolon the following:
22 “and provided that discussions need not be conducted with
23 an offeror merely to permit that offeror to submit a tech-
24 nically acceptable revised proposal”.

1 (d) PRELIMINARY ASSESSMENTS OF COMPETITIVE
2 PROPOSALS.—(1) Section 2305(b)(2) of title 10, United
3 States Code, is amended by adding at the end the follow-
4 ing: “With respect to competitive proposals, the head of
5 the agency may make a preliminary assessment of a pro-
6 posal received, rather than a complete evaluation of the
7 proposal, and may eliminate the proposal from further
8 consideration if the head of the agency determines the pro-
9 posal has no chance for contract award.”.

10 (2) Section 303B(b) of the Federal Property and Ad-
11 ministrative Services Act of 1949 (41 U.S.C. 253b(b)) is
12 amended by adding at the end the following: “With respect
13 to competitive proposals, the head of the agency may make
14 a preliminary assessment of a proposal received, rather
15 than a complete evaluation of the proposal, and may elimi-
16 nate the proposal from further consideration if the head
17 of the agency determines the proposal has no chance for
18 contract award.”.

19 (e) FEDERAL ACQUISITION REGULATION.—The Fed-
20 eral Acquisition Regulation shall be revised to reflect the
21 amendments made by subsections (a), (b), (c), and (d).

22 **SEC. 802. PREAWARD DEBRIEFINGS.**

23 (a) ARMED SERVICES ACQUISITIONS.—Section
24 2305(b) of title 10, United States Code, is amended—

1 (1) by striking out subparagraph (F) of para-
2 graph (5);

3 (2) by redesignating paragraph (6) as para-
4 graph (8); and

5 (3) by inserting after paragraph (5) the follow-
6 ing new paragraphs:

7 “(6)(A) When the contracting officer excludes
8 an offeror submitting a competitive proposal from
9 the competitive range (or otherwise excludes such an
10 offeror from further consideration prior to the final
11 source selection decision), the excluded offeror may
12 request in writing, within three days after the date
13 on which the excluded offeror receives notice of its
14 exclusion, a debriefing prior to award. The contract-
15 ing officer shall make every effort to debrief the un-
16 successful offeror as soon as practicable and may
17 refuse the request for a debriefing if it is not in the
18 best interests of the Government to conduct a de-
19 briefing at that time.

20 “(B) The contracting officer is required to de-
21 brief an excluded offeror in accordance with para-
22 graph (5) of this section only if that offeror re-
23 quested and was refused a preaward debriefing
24 under subparagraph (A) of this paragraph.

1 “(C) The debriefing conducted under this sub-
2 section shall include—

3 “(i) the executive agency’s evaluation of
4 the significant elements in the offeror’s offer;

5 “(ii) a summary of the rationale for the
6 offeror’s exclusion; and

7 “(iii) reasonable responses to relevant
8 questions posed by the debriefed offeror as to
9 whether source selection procedures set forth in
10 the solicitation, applicable regulations, and
11 other applicable authorities were followed by the
12 executive agency.

13 “(D) The debriefing conducted pursuant to this
14 subsection may not disclose the number or identity
15 of other offerors and shall not disclose information
16 about the content, ranking, or evaluation of other
17 offerors’ proposals.

18 “(7) The contracting officer shall include a summary
19 of any debriefing conducted under paragraph (5) or (6)
20 in the contract file.”.

21 (b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B
22 of the Federal Property and Administrative Services Act
23 of 1949 (41 U.S.C. 253b) is amended—

24 (1) by striking out paragraph (6) of subsection
25 (e);

1 (2) by redesignating subsections (f), (g), (h),
2 and (i) as subsections (h), (i), (j), and (k), respec-
3 tively; and

4 (3) by inserting after subsection (e) the follow-
5 ing new subsections:

6 “(f)(1) When the contracting officer excludes an
7 offeror submitting a competitive proposal from the com-
8 petitive range (or otherwise excludes such an offeror from
9 further consideration prior to the final source selection de-
10 cision), the excluded offeror may request in writing, within
11 3 days after the date on which the excluded offeror re-
12 ceives notice of its exclusion, a debriefing prior to award.
13 The contracting officer shall make every effort to debrief
14 the unsuccessful offeror as soon as practicable and may
15 refuse the request for a debriefing if it is not in the best
16 interests of the Government to conduct a debriefing at
17 that time.

18 “(2) The contracting officer is required to debrief an
19 excluded offeror in accordance with subsection (e) of this
20 section only if that offeror requested and was refused a
21 preaward debriefing under paragraph (1) of this sub-
22 section.

23 “(3) The debriefing conducted under this subsection
24 shall include—

1 “(A) the executive agency’s evaluation of the
2 significant elements in the offeror’s offer;

3 “(B) a summary of the rationale for the
4 offeror’s exclusion; and

5 “(C) reasonable responses to relevant questions
6 posed by the debriefed offeror as to whether source
7 selection procedures set forth in the solicitation, ap-
8 plicable regulations, and other applicable authorities
9 were followed by the executive agency.

10 “(4) The debriefing conducted pursuant to this sub-
11 section may not disclose the number or identity of other
12 offerors and shall not disclose information about the con-
13 tent, ranking, or evaluation of other offerors’ proposals.

14 “(g) The contracting officer shall include a summary
15 of the any debriefing conducted under subsection (e) or
16 (f) in the contract file.”.

17 **SEC. 803. CONTRACT TYPES.**

18 (a) ARMED SERVICES ACQUISITIONS.—(1) Section
19 2306 of title 10, United States Code, is amended—

20 (A) by inserting before the period at the end of
21 subsection (a) the following: “, based on market con-
22 ditions, established commercial practice (if any) for
23 the product or service being acquired, and sound
24 business judgment”;

1 (B) by striking out subsections (b), (d), (e), (f),
2 and (h); and

3 (C) by redesignating subsection (g) as sub-
4 section (b).

5 (2) The heading of such section is amended to read
6 as follows:

7 **“§ 2306. Contract types”.**

8 (b) CIVILIAN AGENCY ACQUISITIONS.—(1) Section
9 304 of the Federal Property and Administrative Services
10 Act of 1949 (41 U.S.C. 254) is amended—

11 (A) by inserting before the period at the end of
12 the first sentence of subsection (a) the following: “,
13 based on market conditions, established commercial
14 practice (if any) for the product or service being ac-
15 quired, and sound business judgment”; and

16 (B) by striking out “Every contract award” in
17 the second sentence of subsection (a) and all that
18 follows through the end of the section.

19 (2) The heading of such section is amended to read
20 as follows:

21 **“SEC. 304. CONTRACT TYPES.”.**

22 (c) CONFORMING REPEALS.—(1) Sections 4540,
23 7212, and 9540 of title 10, United States Code, are re-
24 pealed.

1 (2) The table of sections at the beginning of chapter
2 433 of such title is amended by striking out the item relat-
3 ing to section 4540.

4 (3) The table of sections at the beginning of chapter
5 631 of such title is amended by striking out the item relat-
6 ing to section 7212.

7 (4) The table of sections at the beginning of chapter
8 933 of such title is amended by striking out the item relat-
9 ing to section 9540.

10 (d) CIVIL WORKS AUTHORITY.—(1) Chapter 137 of
11 title 10, United States Code, is amended by adding at the
12 end the following new section:

13 **“§ 2332. Contracts for architectural and engineering**
14 **services and construction design**

15 “The Secretary of Defense and the Secretaries of the
16 military departments may enter into contracts for archi-
17 tectural and engineering services in connection with a mili-
18 tary construction or family housing project or for other
19 Department of Defense or military department purposes.
20 Such contracts shall be awarded in accordance with the
21 Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.).”.

22 (2) The table of sections at the beginning of chapter
23 137 of such title is amended by adding at the end the
24 following new item:

“2332. Contracts for architectural and engineering services and construction de-
sign.”.

1 (3) Section 2855 of such title is repealed. The table
2 of sections at the beginning of chapter 169 of such title
3 is amended by striking out the item relating to such sec-
4 tion.

5 **Subtitle B—Commercial Items**

6 **SEC. 811. COMMERCIAL ITEM EXCEPTION TO REQUIRE-** 7 **MENT FOR COST OR PRICING DATA AND IN-** 8 **FORMATION LIMITATIONS.**

9 (a) ARMED SERVICES ACQUISITIONS.—(1) Sub-
10 sections (b), (c), and (d) of section 2306a of title 10, Unit-
11 ed States Code, are amended to read as follows:

12 “(b) EXCEPTIONS.—

13 “(1) IN GENERAL.—Submission of cost or pric-
14 ing data shall not be required under subsection (a)
15 in the case of a contract, a subcontract, or modifica-
16 tion of a contract or subcontract—

17 “(A) for which the price agreed upon is
18 based on—

19 “(i) adequate price competition; or

20 “(ii) prices set by law or regulation;

21 “(B) for the acquisition of a commercial
22 item; or

23 “(C) in an exceptional case when the head
24 of the procuring activity, without delegation, de-
25 termines that the requirements of this section

1 may be waived and justifies in writing the rea-
2 sons for such determination.

3 “(2) MODIFICATIONS OF CONTRACTS AND SUB-
4 CONTRACTS FOR COMMERCIAL ITEMS.—In the case
5 of a modification of a contract or subcontract for a
6 commercial item that is not covered by the exception
7 on the submission of cost or pricing data in para-
8 graph (1)(A) or (1)(B), submission of cost or pricing
9 data shall not be required under subsection (a) if—

10 “(A) the contract or subcontract being
11 modified is a contract or subcontract for which
12 submission of cost or pricing data may not be
13 required by reason of paragraph (1)(A) or
14 (1)(B); and

15 “(B) the modification would not change
16 the contract or subcontract, as the case may be,
17 from a contract or subcontract for the acquisi-
18 tion of a commercial item to a contract or sub-
19 contract for the acquisition of an item other
20 than a commercial item.

21 “(c) AUTHORITY TO REQUIRE COST OR PRICING
22 DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject
23 to paragraph (2), when certified cost or pricing data are
24 not required to be submitted by subsection (a) for a con-
25 tract, subcontract, or modification of a contract or sub-

1 contract, such data may nevertheless be required to be
2 submitted by the head of the procuring activity, but only
3 if the head of the procuring activity determines that such
4 data are necessary for the evaluation by the agency of the
5 reasonableness of the price of the contract, subcontract,
6 or modification of a contract or subcontract. In any case
7 in which the head of the procuring activity requires such
8 data to be submitted under this subsection, the head of
9 the procuring activity shall justify in writing the reason
10 for such requirement.

11 “(2) The head of the procuring activity may not re-
12 quire certified cost or pricing data to be submitted under
13 this paragraph for any contract or subcontract, or modi-
14 fication of a contract or subcontract, covered by the excep-
15 tions in subparagraph (A) or (B) of subsection (b)(1).

16 “(3) The head of a procuring activity may not dele-
17 gate functions under this paragraph.

18 “(d) LIMITATIONS ON OTHER INFORMATION.—The
19 Federal Acquisition Regulation shall include the following:

20 “(1) Provisions concerning the types of infor-
21 mation that contracting officers may consider in de-
22 termining whether the price of a procurement to the
23 Government is fair and reasonable when certified
24 cost or pricing data are not required to be submitted
25 under this section, including appropriate information

1 on the prices at which the same item or similar
2 items have previously been sold that is adequate for
3 evaluating the reasonableness of the price of the pro-
4 posed contract or subcontract for the procurement.

5 “(2) Reasonable limitations on requests for
6 sales data relating to commercial items.

7 “(3) A requirement that a contracting officer
8 shall, to the maximum extent practicable, limit the
9 scope of any request for information relating to com-
10 mercial items from an offeror to only that informa-
11 tion that is in the form regularly maintained by the
12 offeror in commercial operations.

13 “(4) A statement that any information received
14 relating to commercial items that is exempt from
15 disclosure under section 552(b) of title 5 shall not
16 be disclosed by the Federal Government.”.

17 (2) Section 2306a of such title is further amended—

18 (A) by striking out subsection (h); and

19 (B) by redesignating subsection (i) as sub-
20 section (h).

21 (3) Section 2375 of title 10, United States Code, is
22 amended by striking out subsection (c).

23 (b) CIVILIAN AGENCY ACQUISITIONS.—(1) Sub-
24 sections (b), (c) and (d) of section 304A of the Federal

1 Property and Administrative Services Act of 1949 (41
2 U.S.C. 254b) are amended to read as follows:

3 “(b) EXCEPTIONS.—

4 “(1) IN GENERAL.—Submission of cost or pric-
5 ing data shall not be required under subsection (a)
6 in the case of a contract, a subcontract, or a modi-
7 fication of a contract or subcontract—

8 “(A) for which the price agreed upon is
9 based on—

10 “(i) adequate price competition; or

11 “(ii) prices set by law or regulation;

12 “(B) for the acquisition of a commercial
13 item; or

14 “(C) in an exceptional case when the head
15 of the procuring activity, without delegation, de-
16 termines that the requirements of this section
17 may be waived and justifies in writing the rea-
18 sons for such determination.

19 “(2) MODIFICATIONS OF CONTRACTS AND SUB-
20 CONTRACTS FOR COMMERCIAL ITEMS.—In the case
21 of a modification of a contract or subcontract for a
22 commercial item that is not covered by the exception
23 on the submission of cost or pricing data in para-
24 graph (1)(A) or (1)(B), submission of cost or pricing
25 data shall not be required under subsection (a) if—

1 “(A) the contract or subcontract being
2 modified is a contract or subcontract for which
3 submission of cost or pricing data may not be
4 required by reason of paragraph (1)(A) or
5 (1)(B); and

6 “(B) the modification would not change
7 the contract or subcontract, as the case may be,
8 from a contract or subcontract for the acquisi-
9 tion of a commercial item to a contract or sub-
10 contract for the acquisition of an item other
11 than a commercial item.

12 “(c) AUTHORITY TO REQUIRE COST OR PRICING
13 DATA ON BELOW-THRESHOLD CONTRACTS.—(1) Subject
14 to paragraph (2), when certified cost or pricing data are
15 not required to be submitted by subsection (a) for a con-
16 tract, subcontract, or modification of a contract or sub-
17 contract, such data may nevertheless be required to be
18 submitted by the head of the procuring activity, but only
19 if the head of the procuring activity determines that such
20 data are necessary for the evaluation by the agency of the
21 reasonableness of the price of the contract, subcontract,
22 or modification of a contract or subcontract. In any case
23 in which the head of the procuring activity requires such
24 data to be submitted under this subsection, the head of

1 the procuring activity shall justify in writing the reason
2 for such requirement.

3 “(2) The head of the procuring activity may not re-
4 quire certified cost or pricing data to be submitted under
5 this paragraph for any contract or subcontract, or modi-
6 fication of a contract or subcontract, covered by the excep-
7 tions in subparagraph (A) or (B) of subsection (b)(1).

8 “(3) The head of a procuring activity may not dele-
9 gate the functions under this paragraph.

10 “(d) LIMITATIONS ON OTHER INFORMATION.—The
11 Federal Acquisition Regulation shall include the following:

12 “(1) Provisions concerning the types of infor-
13 mation that contracting officers may consider in de-
14 termining whether the price of a procurement to the
15 Government is fair and reasonable when certified
16 cost or pricing data are not required to be submitted
17 under this section, including appropriate information
18 on the prices at which the same item or similar
19 items have previously been sold that is adequate for
20 evaluating the reasonableness of the price of the pro-
21 posed contract or subcontract for the procurement.

22 “(2) Reasonable limitations on requests for
23 sales data relating to commercial items.

24 “(3) A requirement that a contracting officer
25 shall, to the maximum extent practicable, limit the

1 scope of any request for information relating to com-
2 mercial items from an offeror to only that informa-
3 tion that is in the form regularly maintained by the
4 offeror in commercial operations.

5 “(4) A statement that any information received
6 relating to commercial items that is exempt from
7 disclosure under section 552(b) of title 5 shall not
8 be disclosed by the Federal Government.”.

9 (2) Section 304A of such Act is further amended—
10 (A) by striking out subsection (h); and
11 (B) by redesignating subsection (i) as sub-
12 section (h).

13 **SEC. 812. APPLICATION OF SIMPLIFIED PROCEDURES TO**
14 **COMMERCIAL ITEMS.**

15 (a) **ARMED SERVICES ACQUISITIONS.**—Section
16 2304(e) of title 10, United States Code, as added by sec-
17 tion 801(a), is amended—

18 (1) in paragraph (1), by inserting after “special
19 simplified procedures” the following: “for purchases
20 of commercial items and”; and

21 (2) by adding at the end the following new
22 paragraph:

23 “(4) The Federal Acquisition Regulation shall pro-
24 vide that, in the case of a purchase of commercial items
25 in an amount greater than the simplified acquisition

1 threshold, the head of an agency may not conduct the pur-
2 chase on a sole source basis unless the need to do so is
3 justified in writing and approved in accordance with the
4 Federal Acquisition Regulation.

5 (b) CIVILIAN AGENCY ACQUISITIONS.—Section
6 303(e) of the Federal Property and Administrative Serv-
7 ices Act of 1949 (41 U.S.C. 253), as added by section
8 801(b), is amended—

9 (1) in paragraph (1), by inserting after “special
10 simplified procedures” the following: “for purchases
11 of commercial items and”; and

12 (2) by adding at the end the following new
13 paragraph:

14 “(5) The Federal Acquisition Regulation shall pro-
15 vide that, in the case of a purchase of commercial items
16 in an amount greater than the simplified acquisition
17 threshold, an executive agency may not conduct the pur-
18 chase on a sole source basis unless the need to do so is
19 justified in writing and approved in accordance with the
20 Federal Acquisition Regulation.”.

21 (c) SIMPLIFIED NOTICE.—Section 18 of the Office
22 of Federal Procurement Policy Act (41 U.S.C. 416) is
23 amended in subsection (a)(5) (as redesignated by section
24 801(d))—

25 (1) by striking out “limited”; and

1 (2) by inserting before “submission” the follow-
2 ing: “issuance of solicitations and the”.

3 **SEC. 813. AMENDMENT TO DEFINITION OF COMMERCIAL**
4 **ITEMS.**

5 Section 4(12)(F) of the Office of Federal Procure-
6 ment Policy Act (41 U.S.C. 403(12)(F)) is amended by
7 striking out “catalog”.

8 **SEC. 814. INAPPLICABILITY OF COST ACCOUNTING STAND-**
9 **ARDS TO CONTRACTS AND SUBCONTRACTS**
10 **FOR COMMERCIAL ITEMS.**

11 Subparagraph (B) of section 26(f)(2) of the Office
12 of Federal Procurement Policy Act (41 U.S.C. 422(f)(2))
13 is amended—

14 (1) by striking out clause (i) and inserting in
15 lieu thereof the following:

16 “(i) Contracts or subcontracts for the acquisi-
17 tion of commercial items.”; and

18 (2) by striking out clause (iii).

19 **Subtitle C—Additional Reform**
20 **Provisions**

21 **SEC. 821. REPEALS OF CERTAIN PROCUREMENT PROVI-**
22 **SIONS.**

23 (a) **POST-EMPLOYMENT RESTRICTIONS.**—Sections
24 2397, 2397a, 2397b, and 2397c of title 10, United States
25 Code, are repealed.

1 (b) LIMITATION ON EXPENDITURE OF APPROPRIA-
2 TIONS.—Section 2207 of such title is repealed.

3 (c) CERTAIN DELEGATION AUTHORITY.—Section
4 2356 of such title is repealed.

5 (d) SPARE PARTS CONTROL.—Section 2383 of such
6 title is repealed.

7 (e) CLERICAL AMENDMENTS.—(1) The table of sec-
8 tions at the beginning of chapter 131 of title 10, United
9 States Code, is amended by striking out the item relating
10 to section 2207.

11 (2) The table of sections at the beginning of chapter
12 139 of such title is amended by striking out the item relat-
13 ing to section 2356.

14 (3) The table of sections at the beginning of chapter
15 141 of title 10, United States Code, is amended by strik-
16 ing out the items relating to sections 2383, 2397, 2397a,
17 2397b, and 2397c.

18 **SEC. 822. FEES FOR CERTAIN TESTING SERVICES.**

19 Section 2539b(c) of title 10, United States Code, is
20 amended by inserting “and indirect” after “recoup the di-
21 rect”.

22 **SEC. 823. TESTING OF DEFENSE ACQUISITION PROGRAMS.**

23 (a) IN GENERAL.—Section 2366 to title 10, United
24 States Code, is amended—

1 (1) by striking out “survivability” each place it
2 appears (including in the section heading) and in-
3 serting in lieu thereof “vulnerability”; and

4 (2) in subsection (b)—

5 (A) by striking out “Survivability” and in-
6 serting in lieu thereof “Vulnerability”; and

7 (B) by inserting after paragraph (2) the
8 following new paragraph:

9 “(3) Testing should begin at the component, sub-
10 system, and subassembly level, culminating with tests of
11 the complete system configured for combat.”.

12 (b) CLERICAL AMENDMENT.—The item relating to
13 such section in the table of sections at the beginning of
14 chapter 139 of such title is amended to read as follows:

“2366. Major systems and munitions programs: vulnerability testing and
lethality testing required before full-scale production.”.

15 **SEC. 824. COORDINATION AND COMMUNICATION OF DE-**
16 **FENSE RESEARCH ACTIVITIES.**

17 Section 2364 of title 10, United States Code, is
18 amended—

19 (1) in subsection (b)(5), by striking out “mile-
20 stone O, milestone I, and milestone II” and insert-
21 ing in lieu thereof “acquisition program”; and

22 (2) in subsection (c), by striking out para-
23 graphs (2), (3), and (4) and inserting in lieu thereof
24 the following:

1 “(2) The term ‘acquisition program decisions’
2 has the meaning prescribed by the Secretary of De-
3 fense in regulations.”.

4 **SEC. 825. ADDITION OF CERTAIN ITEMS TO DOMESTIC**
5 **SOURCE LIMITATION.**

6 (a) LIMITATION.—(1) Paragraph (3) of section
7 2534(a) of title 10, United States Code, is amended to
8 read as follows:

9 “(3) VESSEL COMPONENTS FOR ALL BRANCHES
10 OF THE ARMED FORCES.—(A) The following compo-
11 nents of vessels:

12 “(i) Air circuit breakers.

13 “(ii) Vessel propellers with a diameter of
14 six feet or more, if the propellers incorporate
15 only castings poured and finished in the United
16 States.

17 “(iii) Welded shipboard anchor and moor-
18 ing chain with a diameter of four inches or less.

19 “(B) The following components of vessels, to
20 the extent they are unique to marine applications:
21 cable assemblies, hose assemblies, hydraulics and
22 pumps for steering, gyrocompasses, marine
23 autopilots, electronic navigation chart systems, navi-
24 gators, attitude and heading reference units, power
25 supplies, radars, steering controls, pumps, engines,

1 turbines, reduction gears, motors, refrigeration sys-
2 tems, generators, propulsion and machinery control
3 systems, and totally enclosed lifeboards, including
4 associated davits and winches.”.

5 (2) Section 2534 of such title is amended by adding
6 at the end the following new subsection:

7 “(h) IMPLEMENTATION OF MARINE VESSEL COMPO-
8 NENT LIMITATION.—In implementing subsection
9 (a)(3)(B), the Secretary of Defense—

10 “(1) may not use contract clauses or certifi-
11 cations; and

12 “(2) shall use management and oversight tech-
13 niques that achieve the objective of the subsection
14 without imposing a significant management burden
15 on the Government or the contractor involved.”.

16 (b) EXTENSION OF LIMITATION RELATING TO BALL
17 BEARINGS AND ROLLER BEARINGS.—Section 2534(c)(3)
18 of such title is amended by striking out “October 1, 1995”
19 and inserting in lieu thereof “October 1, 2000”.

20 (c) INAPPLICABILITY OF SIMPLIFIED ACQUISITION
21 LIMITATION TO CONTRACTS FOR BALL BEARINGS AND
22 ROLLER BEARINGS.—Section 2534(g) of title 10, United
23 States Code, is amended—

24 (1) by inserting “(1)” before “This section”;
25 and

1 (2) by adding at the end the following new
2 paragraph:

3 “(2) Paragraph (1) does not apply to contracts for
4 items described in subsection (a)(5) (relating to ball bear-
5 ings and roller bearings), notwithstanding section 33 of
6 the Office of Federal Procurement Policy Act (41 U.S.C.
7 429).”.

8 **SEC. 826. REVISIONS TO PROCUREMENT NOTICE PROVI-**
9 **SIONS.**

10 Section 18(a) of the Office of Federal Procurement
11 Policy Act (41 U.S.C. 416(a)) is amended—

12 (1) in subparagraph (B) of paragraph (1)—

13 (A) by striking out “subsection (f)—” and
14 all that follows through the end of the subpara-
15 graph and inserting in lieu thereof “subsection
16 (b); and”; and

17 (B) by inserting after “property or serv-
18 ices” the following: “for a price expected to ex-
19 ceed \$10,000 but not to exceed \$25,000”;

20 (2) by striking out paragraph (4); and

21 (3) by redesignating paragraphs (5) and (6) as
22 paragraphs (4) and (5), respectively.

1 **SEC. 827. ENCOURAGEMENT OF USE OF LEASING AUTHOR-**
2 **ITY.**

3 (a) IN GENERAL.—(1) Chapter 137 of title 10, Unit-
4 ed States Code, is amended by inserting after section 2316
5 the following new section:

6 **“§ 2317. Equipment leasing**

7 “The Secretary of Defense shall authorize and en-
8 courage the use of leasing in the acquisition of equipment
9 whenever such leasing is practicable and otherwise author-
10 ized by law.”.

11 (2) The table of sections at the beginning of such
12 chapter is amended by adding at the end the following
13 new item:

“2317. Equipment leasing.”.

14 (b) REPORT.—Not later than 90 days after the date
15 of the enactment of this Act, the Secretary of Defense
16 shall submit to Congress a report setting forth changes
17 in legislation that would be required in order to facilitate
18 the use of leases by the Department of Defense in the
19 acquisition of equipment.

20 **SEC. 828. GOVERNMENT RELIANCE ON THE PRIVATE SEC-**
21 **TOR.**

22 (a) GOVERNMENT RELIANCE ON THE PRIVATE SEC-
23 TOR.—The Office of Federal Procurement Policy Act (41
24 U.S.C. 401 et seq.) is amended by inserting after section
25 16 the following new section:

1 **“SEC. 17. GOVERNMENT RELIANCE ON THE PRIVATE SEC-**
2 **TOR.**

3 “It is the policy of the Federal Government to rely
4 on the private sector to supply the products and services
5 the Federal Government needs.”.

6 (b) CLERICAL AMENDMENT.—The table of contents
7 for the Office of Federal Procurement Policy Act (con-
8 tained in section 1(b)) is amended by inserting after the
9 item relating to section 16 the following new item:

“Sec. 17. Government reliance on the private sector.”.

10 **SEC. 829. ELIMINATION OF CERTAIN CERTIFICATION RE-**
11 **QUIREMENTS.**

12 (a) ELIMINATION OF CERTAIN STATUTORY CERTIFI-
13 CATION REQUIREMENTS.—(1)(A) Section 2410 of title 10,
14 United States Code, is amended—

15 (i) in the heading, by striking out “: **certifi-**
16 **cation**”; and

17 (ii) in subsection (a)—

18 (I) in the heading, by striking out “CER-
19 TIFICATION”;

20 (II) by striking out “unless” and all that
21 follows through “that—” and inserting in lieu
22 thereof “unless—”; and

23 (III) in paragraph (2), by striking out “to
24 the best of that person’s knowledge and belief”.

1 (B) The item relating to section 2410 in the table
2 of sections at the beginning of chapter 141 of such title
3 is amended to read as follows:

“Sec. 2410. Requests for equitable adjustment or other relief.”.

4 (2) Section 2410b of title 10, United States Code,
5 is amended in paragraph (2) by striking out “certification
6 and”.

7 (3) Section 1352(b)(2) of title 31, United States
8 Code, is amended—

9 (A) by striking out subparagraph (C); and

10 (B) by inserting “and” after the semicolon at
11 the end of subparagraph (A).

12 (4) Section 5152 of the Drug-Free Workplace Act of
13 1988 (41 U.S.C. 701) is amended—

14 (A) in subsection (a)(1), by striking out “has
15 certified to the contracting agency that it will” and
16 inserting in lieu thereof “agrees to”;

17 (B) in subsection (a)(2), by striking out “con-
18 tract includes a certification by the individual” and
19 inserting in lieu thereof “individual agrees”; and

20 (C) in subsection (b)(1)—

21 (i) by striking out subparagraph (A);

22 (ii) by redesignating subparagraph (B) as
23 subparagraph (A) and in that subparagraph by
24 striking out “such certification by failing to
25 carry out”; and

1 (iii) by redesignating subparagraph (C) as
2 subparagraph (B).

3 (b) ELIMINATION OF CERTAIN REGULATORY CER-
4 TIFICATION REQUIREMENTS.—

5 (1) CURRENT CERTIFICATION REQUIRE-
6 MENTS.—Not later than 210 days after the date of
7 the enactment of this Act, any certification required
8 of contractors or offerors by the Federal Acquisition
9 Regulation or an executive agency procurement reg-
10 ulation that is not specifically imposed by statute
11 shall be removed by the Administrator for Federal
12 Procurement Policy from the Federal Acquisition
13 Regulation or such agency regulation unless—

14 (A) written justification for such certifi-
15 cation is provided to the Administrator (i) by
16 the Federal Acquisition Regulatory Council (in
17 the case of a certification in the Federal Acqui-
18 sition Regulation), or (ii) by the head of an ex-
19 ecutive agency (in the case of a certification in
20 an executive agency procurement regulation);
21 and

22 (B) the Administrator approves in writing
23 the retention of such certification.

1 (2) FUTURE CERTIFICATION REQUIREMENTS.—

2 (A) Section 29 of the Office of Federal Procurement
3 Policy Act (41 U.S.C. 425) is amended—

4 (i) by amending the heading to read as fol-
5 lows:

6 **“SEC. 22. CONTRACT CLAUSES AND CERTIFICATIONS.”;**

7 (ii) by inserting “(a) NONSTANDARD CON-
8 TRACT CLAUSES.—” before “The Federal Ac-
9 quisition”; and

10 (iii) by adding at the end the following new
11 subsection:

12 “(b) PROHIBITION ON CERTIFICATION REQUIRE-
13 MENTS.—A requirement for a certification by a contractor
14 or offeror may not be included in the Federal Acquisition
15 Regulation or an executive agency procurement regulation
16 unless—

17 “(1) the certification is specifically imposed by
18 statute; or

19 “(2) written justification for such certification
20 is provided to the Administrator for Federal Pro-
21 curement Policy (A) by the Federal Acquisition Reg-
22 ulatory Council (in the case of a certification in the
23 Federal Acquisition Regulation), or (B) the head of
24 an executive agency (in the case of a certification in
25 an executive agency procurement regulation), and

1 the Administrator approves in writing the inclusion
2 of such certification.”.

3 (B) The item relating to section 29 in the table of
4 contents for the Office of Federal Procurement Policy Act
5 (contained in section 1(b)) (41 U.S.C. 401 note) is amend-
6 ed to read as follows:

“Sec. 29. Contract clauses and certifications.”.

7 **SEC. 830. AMENDMENT TO COMMENCEMENT AND EXPIRA-**
8 **TION OF AUTHORITY TO CONDUCT CERTAIN**
9 **TESTS OF PROCUREMENT PROCEDURES.**

10 Subsection (j) of section 5061 of the Federal Acquisi-
11 tion Streamlining Act of 1994 (41 U.S.C. 413 note) is
12 amended to read as follows:

13 “(j) COMMENCEMENT AND EXPIRATION OF AUTHOR-
14 ITY.—The authority to conduct a test under subsection
15 (a) in an agency and to award contracts under such a test
16 shall take effect on August 1, 1995, and shall expire on
17 August 1, 2000. Contracts entered into before such au-
18 thority expires in an agency pursuant to a test shall re-
19 main in effect, notwithstanding the expiration of the au-
20 thority to conduct the test under this section.”.

21 **SEC. 831. PROCUREMENT INTEGRITY.**

22 (a) AMENDMENT OF PROCUREMENT INTEGRITY PRO-
23 VISION.—Section 27 of the Office of Federal Procurement
24 Policy Act (41 U.S.C. 423) is amended to read as follows:

1 **“SEC. 27. RESTRICTIONS ON DISCLOSING AND OBTAINING**
2 **CONTRACTOR BID OR PROPOSAL INFORMA-**
3 **TION OR SOURCE SELECTION INFORMATION.**

4 “(a) PROHIBITION ON DISCLOSING PROCUREMENT
5 INFORMATION.—(1) A person described in paragraph (2)
6 shall not, other than as provided by law, knowingly dis-
7 close contractor bid or proposal information or source se-
8 lection information before the award of a Federal agency
9 procurement contract to which the information relates.

10 “(2) Paragraph (1) applies to any person who—

11 “(A) is a present or former officer or employee
12 of the United States, or a person who is acting or
13 has acted for or on behalf of, or who is advising or
14 has advised the United States with respect to, a
15 Federal agency procurement; and

16 “(B) by virtue of that office, employment, or re-
17 lationship has or had access to contractor bid or pro-
18 posal information or source selection information.

19 “(b) PROHIBITION ON OBTAINING PROCUREMENT
20 INFORMATION.—A person shall not, other than as pro-
21 vided by law, knowingly obtain contractor bid or proposal
22 information or source selection information before the
23 award of a Federal agency procurement contract to which
24 the information relates.

25 “(c) PROHIBITION ON DISCLOSING OR OBTAINING
26 PROCUREMENT INFORMATION IN CONNECTION WITH A

1 PROTEST.—(1) A person shall not, other than as provided
2 by law, knowingly violate the terms of a protective order
3 described in paragraph (2) by disclosing or obtaining con-
4 tractor bid or proposal information or source selection in-
5 formation related to the procurement contract concerned.

6 “(2) Paragraph (1) applies to any protective order
7 issued by the the United States Board of Contract Appeals
8 in connection with a protest against the award or proposed
9 award of a Federal agency procurement contract.

10 “(d) PENALTIES AND ADMINISTRATIVE ACTIONS.—

11 “(1) CRIMINAL PENALTIES.—

12 “(A) Whoever engages in conduct con-
13 stituting an offense under subsection (a), (b),
14 or (c) shall be imprisoned for not more than
15 one year or fined as provided under title 18,
16 United States Code, or both.

17 “(B) Whoever engages in conduct con-
18 stituting an offense under subsection (a), (b),
19 or (c) for the purpose of either—

20 “(i) exchanging the information cov-
21 ered by such subsection for anything of
22 value, or

23 “(ii) obtaining or giving anyone a
24 competitive advantage in the award of a
25 Federal agency procurement contract,

1 shall be imprisoned for not more than 15 years
2 or fined as provided under title 18, United
3 States Code, or both.

4 “(2) CIVIL PENALTIES.—The Attorney General
5 may bring a civil action in the appropriate United
6 States district court against any person who engages
7 in conduct constituting an offense under subsection
8 (a), (b), or (c). Upon proof of such conduct by a
9 preponderance of the evidence, the person is subject
10 to a civil penalty. An individual who engages in such
11 conduct is subject to a civil penalty of not more than
12 \$50,000 for each violation plus twice the amount of
13 compensation which the individual received or of-
14 fered for the prohibited conduct. An organization
15 that engages in such conduct is subject to a civil
16 penalty of not more than \$500,000 for each violation
17 plus twice the amount of compensation which the or-
18 ganization received or offered for the prohibited con-
19 duct.

20 “(3) ADMINISTRATIVE ACTIONS.—(A) If a Fed-
21 eral agency receives information that a contractor or
22 a person has engaged in conduct constituting an of-
23 fense under subsection (a), (b), or (c), the Federal
24 agency shall consider taking one or more of the fol-
25 lowing actions, as appropriate:

1 “(i) Cancellation of the Federal agency
2 procurement, if a contract has not yet been
3 awarded.

4 “(ii) Rescission of a contract with respect
5 to which—

6 “(I) the contractor or someone acting
7 for the contractor has been convicted for
8 an offense under subsection (a), (b), or (c),
9 or

10 “(II) the head of the agency that
11 awarded the contract has determined,
12 based upon a preponderance of the evi-
13 dence, that the contractor or someone act-
14 ing for the contractor has engaged in con-
15 duct constituting such an offense.

16 “(iii) Initiation of suspension or debarment
17 proceedings for the protection of the Govern-
18 ment in accordance with procedures in the Fed-
19 eral Acquisition Regulation.

20 “(iv) Initiation of adverse personnel action,
21 pursuant to the procedures in chapter 75 of
22 title 5, United States Code, or other applicable
23 law or regulation.

24 “(B) If a Federal agency rescinds a contract
25 pursuant to subparagraph (A)(ii), the United States

1 is entitled to recover, in addition to any penalty pre-
2 scribed by law, the amount expended under the con-
3 tract.

4 “(C) For purposes of any suspension or debar-
5 ment proceedings initiated pursuant to subpara-
6 graph (A)(iii), engaging in conduct constituting an
7 offense under subsection (a), (b), or (c) affects the
8 present responsibility of a Government contractor or
9 subcontractor.

10 “(e) DEFINITIONS.—As used in this section:

11 “(1) The term ‘contractor bid or proposal infor-
12 mation’ means any of the following information sub-
13 mitted to a Federal agency as part of or in connec-
14 tion with a bid or proposal to enter into a Federal
15 agency procurement contract, if that information has
16 not been previously made available to the public or
17 disclosed publicly:

18 “(A) Cost or pricing data (as defined by
19 section 2306a(h) of title 10, United States
20 Code, with respect to procurements subject to
21 that section, and section 304A(h) of Federal
22 Property and Administrative Services Act of
23 1949 (41 U.S.C. 254b(h), with respect to pro-
24 curements subject to that section).

25 “(B) Indirect costs and direct labor rates.

1 “(C) Proprietary information about manu-
2 facturing processes, operations, or techniques
3 marked by the contractor in accordance with
4 applicable law or regulation.

5 “(D) Information marked by the contrac-
6 tor as ‘contractor bid or proposal information’,
7 in accordance with applicable law or regulation.

8 “(2) The term ‘source selection information’
9 means any of the following information prepared for
10 use by a Federal agency for the purpose of evaluat-
11 ing a bid or proposal to enter into a Federal agency
12 procurement contract, if that information has not
13 been previously made available to the public or dis-
14 closed publicly:

15 “(A) Bid prices submitted in response to a
16 Federal agency solicitation for sealed bids, or
17 lists of those bid prices before public bid open-
18 ing.

19 “(B) Proposed costs or prices submitted in
20 response to a Federal agency solicitation, or
21 lists of those proposed costs or prices.

22 “(C) Source selection plans.

23 “(D) Technical evaluation plans.

24 “(E) Technical evaluations of proposals.

1 “(F) Cost or price evaluations of propos-
2 als.

3 “(G) Competitive range determinations
4 that identify proposals that have a reasonable
5 chance of being selected for award of a con-
6 tract.

7 “(H) Rankings of bids, proposals, or com-
8 petitors.

9 “(I) The reports and evaluations of source
10 selection panels, boards, or advisory councils.

11 “(J) Other information marked as ‘source
12 selection information’ based on a case-by-case
13 determination by the head of the agency, his
14 designee, or the contracting officer that its dis-
15 closure would jeopardize the integrity or suc-
16 cessful completion of the Federal agency pro-
17 curement to which the information relates.

18 “(3) The term ‘Federal agency’ has the mean-
19 ing provided such term in section 3 of the Federal
20 Property and Administrative Services Act of 1949
21 (40 U.S.C. 472).

22 “(4) The term ‘Federal agency procurement’
23 means the acquisition (by using competitive proce-
24 dures and awarding a contract) of goods or services

1 (including construction) from non-Federal sources
2 by a Federal agency using appropriated funds.

3 “(5) The term ‘contracting officer’ means a
4 person who, by appointment in accordance with ap-
5 plicable regulations, has the authority to enter into
6 a Federal agency procurement contract on behalf of
7 the Government and to make determinations and
8 findings with respect to such a contract.

9 “(6) The term ‘protest’ means a written objec-
10 tion by an interested party to the award or proposed
11 award of a Federal agency procurement contract,
12 pursuant to title IV of the Federal Acquisition Re-
13 form Act of 1995.

14 “(f) LIMITATION ON PROTESTS.—No person may file
15 a protest against the award or proposed award of a Fed-
16 eral agency procurement contract alleging an offense
17 under subsection (a), (b), or (c), of this section, nor may
18 the United States Board of Contract Appeals consider
19 such an allegation in deciding a protest, unless that person
20 reported to the Federal agency responsible for the pro-
21 curement information that the person believed constituted
22 evidence of the offense no later than 14 days after the
23 person first discovered the possible offense.

24 “(g) SAVINGS PROVISIONS.—This section does not—

1 “(1) restrict the disclosure of information to, or
2 its receipt by, any person or class of persons author-
3 ized, in accordance with applicable agency regula-
4 tions or procedures, to receive that information;

5 “(2) restrict a contractor from disclosing its
6 own bid or proposal information or the recipient
7 from receiving that information;

8 “(3) restrict the disclosure or receipt of infor-
9 mation relating to a Federal agency procurement
10 after it has been canceled by the Federal agency be-
11 fore contract award unless the Federal agency plans
12 to resume the procurement;

13 “(4) prohibit individual meetings between a
14 Federal agency employee and an offeror or potential
15 offeror for, or a recipient of, a contract or sub-
16 contract under a Federal agency procurement, pro-
17 vided that unauthorized disclosure or receipt of con-
18 tractor bid or proposal information or source selec-
19 tion information does not occur;

20 “(5) authorize the withholding of information
21 from, nor restrict its receipt by, Congress, a commit-
22 tee or subcommittee of Congress, the Comptroller
23 General, a Federal agency, or an inspector general
24 of a Federal agency;

1 “(6) authorize the withholding of information
2 from, nor restrict its receipt by, any board of con-
3 tract appeals of a Federal agency or the Comptroller
4 General in the course of a protest against the award
5 or proposed award of a Federal agency procurement
6 contract; or

7 “(7) limit the applicability of any requirements,
8 sanctions, contract penalties, and remedies estab-
9 lished under any other law or regulation.”.

10 (b) REPEALS.—The following provisions of law are
11 repealed:

12 (1) Sections 2397, 2397a, 2397b, and 2397c of
13 title 10, United States Code.

14 (2) Section 33 of the Federal Energy Adminis-
15 tration Act of 1974 (15 U.S.C. 789).

16 (3) Section 281 of title 18, United States Code.

17 (4) Subsection (c) of section 32 of the Office of
18 Federal Procurement Policy Act (41 U.S.C. 428).

19 (5) The first section 19 of the Federal Non-
20 nuclear Energy Research and Development Act of
21 1974 (42 U.S.C. 5918).

22 (c) CLERICAL AMENDMENTS.—

23 (1) The table of sections at the beginning of
24 chapter 141 of title 10, United States Code, is

1 amended by striking out the items relating to sec-
2 tions 2397, 2397a, 2397b, and 2397c.

3 (2) The table of sections at the beginning of
4 chapter 15 of title 18, United States Code, is
5 amended by striking out the item relating to section
6 281.

7 (3) Section 32 of the Office of Federal Procure-
8 ment Policy Act (41 U.S.C. 428) is amended by re-
9 designating subsections (d), (e), (f), and (g) as sub-
10 sections (c), (d), (e), and (f), respectively.

11 **SEC. 832. FURTHER ACQUISITION STREAMLINING PROVI-**
12 **SIONS.**

13 (a) PURPOSE OF OFFICE OF FEDERAL PROCURE-
14 MENT POLICY.—(1) Section 5(a) of the Office of Federal
15 Procurement Policy Act (41 U.S.C. 404) is amended to
16 read as follows:

17 “(a) To promote economy, efficiency, and effective-
18 ness in the procurement of property and services by the
19 executive branch of the Federal Government, there shall
20 be an Office of Federal Procurement Policy (hereinafter
21 referred to as the ‘Office’) in the Office of Management
22 and Budget to provide overall direction of Government-
23 wide procurement policies, regulations, procedures, and
24 forms for executive agencies.”.

1 (2) Sections 2 and 3 of such Act (41 U.S.C. 401 and
2 402) are repealed.

3 (b) REPEAL OF REPORT REQUIREMENT.—Section 8
4 of the Office of Federal Procurement Policy Act (41
5 U.S.C. 407) is repealed.

6 (c) REPEAL OF OBSOLETE PROVISIONS.—(1) Sec-
7 tions 10 and 11 of the Office of Federal Procurement Pol-
8 icy Act (41 U.S.C. 409 and 410) are repealed.

9 (d) CLERICAL AMENDMENTS.—The table of contents
10 for the Office of Federal Procurement Policy Act (con-
11 tained in section 1(b)) is amended by striking out the
12 items relating to sections 2, 3, 8, 10, and 11.

13 **SEC. 833. JUSTIFICATION OF MAJOR DEFENSE ACQUI-
14 TION PROGRAMS NOT MEETING GOALS.**

15 Section 2220(b) of title 10, United States Code, is
16 amended by adding at the end the following: “In addition,
17 the Secretary shall include in such annual report a jus-
18 tification for the continuation of any program that—

19 “(1) is more than 50 percent over the cost goal
20 established for the development, procurement, or
21 operational phase of the program;

22 “(2) fails to achieve at least 50 percent of the
23 performance capability goals established for the de-
24 velopment, procurement, or operational phase of the
25 program; or

1 “(3) is more than 50 percent behind schedule,
2 as determined in accordance with the schedule goal
3 established for the development, procurement, or
4 operational phase of the program.”.

5 **SEC. 834. ENHANCED PERFORMANCE INCENTIVES FOR AC-**
6 **QUISITION WORKFORCE.**

7 (a) ARMED SERVICES ACQUISITIONS.—Subsection
8 (b) of section 5001 of the Federal Acquisition Streamlin-
9 ing Act of 1994 (Public Law 103–355; 108 Stat. 3350;
10 10 U.S.C. 2220 note) is amended—

11 (1) by redesignating paragraphs (1) and (2) as
12 subparagraphs (A) and (B), respectively;

13 (2) by designating the second sentence as para-
14 graph (2);

15 (3) by inserting “(1)” after “(b) ENHANCED
16 SYSTEM OF PERFORMANCE INCENTIVES.—”; and

17 (4) by adding at the end the following:

18 “(3) The Secretary shall include in the enhanced sys-
19 tem of incentives the following:

20 “(A) Pay bands.

21 “(B) Significant and material pay and pro-
22 motion incentives to be awarded, and significant and
23 material unfavorable personnel actions to be im-
24 posed, under the system exclusively, or primarily, on
25 the basis of the contributions of personnel to the

1 performance of the acquisition program in relation
2 to cost goals, performance goals, and schedule goals.

3 “(C) Provisions for pay incentives and pro-
4 motion incentives to be awarded under the system.”.

5 (b) CIVILIAN AGENCY ACQUISITIONS.—Subsection
6 (c) of section 5051 of the Federal Acquisition Streamlin-
7 ing Act of 1994 (Public Law 103–355; 108 Stat. 3351;
8 41 U.S.C. 263 note) is amended—

9 (1) by redesignating subparagraphs (A) and
10 (B) of paragraph (2) as clauses (i) and (ii); respec-
11 tively;

12 (2) by redesignating paragraphs (1) and (2) as
13 subparagraphs (A) and (B), respectively;

14 (3) by inserting “(1)” after “(c) ENHANCED
15 SYSTEM OF PERFORMANCE INCENTIVES.—”; and

16 (4) by adding at the end the following:

17 “(2) The Deputy Director shall include in the en-
18 hanced system of incentives under paragraph (1)(B) the
19 following:

20 “(A) Pay bands.

21 “(B) Significant and material pay and pro-
22 motion incentives to be awarded, and significant and
23 material unfavorable personnel actions to be im-
24 posed, under the system exclusively, or primarily, on
25 the basis of the contributions of personnel to the

1 performance of the acquisition program in relation
2 to cost goals, performance goals, and schedule goals.

3 “(C) Provisions for pay incentives and pro-
4 motion incentives to be awarded under the system.”.

5 **SEC. 835. RESULTS ORIENTED ACQUISITION PROGRAM**
6 **CYCLE.**

7 Section 5002(a) of the Federal Acquisition Stream-
8 lining Act of 1994 (Public Law 103–355; 108 Stat. 3350)
9 is amended—

10 (1) by inserting “(1)” before “to ensure”; and

11 (2) by striking out the period at the end and inserting
12 in lieu thereof the following: “; (2) to ensure that the regu-
13 lations compress the time periods associated with develop-
14 ing, procuring, and making operational new systems; and
15 (3) to ensure that Department of Defense directives relat-
16 ing to development and procurement of information sys-
17 tems (numbered in the 8000 series) and the Department
18 of Defense directives numbered in the 5000 series are con-
19 solidated into one series of directives that is consistent
20 with such compressed time periods.”.

21 **SEC. 836. RAPID CONTRACTING GOAL.**

22 (a) GOAL.—The Office of Federal Procurement Pol-
23 icy Act is amended by adding at the end the following new
24 section:

1 **“SEC. 35. RAPID CONTRACTING GOAL.**

2 The Administrator for Federal Procurement Policy
3 shall establish a goal of reducing by 50 percent the time
4 necessary for executive agencies to acquire an item for the
5 user of that item.”.

6 (b) CLERICAL AMENDMENT.—The table of contents
7 for such Act, contained in section 1(b), is amended by add-
8 ing at the end the following new item:

“Sec. 35. Rapid contracting goal.”.

9 **SEC. 837. ENCOURAGEMENT OF MULTIYEAR CONTRACTING.**

10 (a) ARMED SERVICES ACQUISITIONS.—Section
11 2306b(a) of title 10, United States Code, is amended in
12 the matter preceding paragraph (1) by striking out “may”
13 and inserting in lieu thereof “shall, to the maximum ex-
14 tent possible,”.

15 (b) CIVILIAN AGENCY ACQUISITIONS.—Section
16 304B(a) of the Federal Property and Administrative Serv-
17 ices Act of 1949 (41 U.S.C. 254c(a)) is amended in the
18 matter preceding paragraph (1) by striking out “may”
19 and inserting in lieu thereof “shall, to the maximum ex-
20 tent possible,”.

1 **SEC. 838. CONTRACTOR SHARE OF GAINS AND LOSSES**
2 **FROM COST, SCHEDULE, AND PERFORMANCE**
3 **EXPERIENCE.**

4 (a) ARMED SERVICES ACQUISITIONS.—(1) Chapter
5 137 of title 10, United States Code, is amended by insert-
6 ing after section 2306b the following new section:

7 **“§ 2306c. Contractor share of gains and losses from**
8 **cost, schedule, and performance experi-**
9 **ence**

10 “The Federal Acquisition Regulation shall contain
11 provisions to ensure that, for any cost-type contract or in-
12 centive-type contract, the contractor may be rewarded for
13 contract performance exceeding the contract cost, sched-
14 ule, or performance parameters to the benefit of the Unit-
15 ed States and may be penalized for failing to adhere to
16 cost, schedule, or performance parameters to the det-
17 riment of the United States.”.

18 (2) The table of sections at the beginning of such
19 chapter is amended by inserting after the item relating
20 to section 2306b the following new item:

“2306c. Contractor share of gains and losses from cost, schedule, and perform-
ance experience.”.

21 (b) CIVILIAN AGENCY ACQUISITIONS.—(1) Title III
22 of the Federal Property and Administrative Services Act
23 of 1949 (41 U.S.C. 251 et seq.) is amended by inserting
24 after section 304C the following new section:

1 **“SEC. 304D. CONTRACTOR SHARE OF GAINS AND LOSSES**
2 **FROM COST, SCHEDULE, AND PERFORMANCE**
3 **EXPERIENCE.**

4 “The Federal Acquisition Regulation shall contain
5 provisions to ensure that, for any cost-type contract or in-
6 centive-type contract, the contractor may be rewarded for
7 contract performance exceeding the contract cost, sched-
8 ule, or performance parameters to the benefit of the Unit-
9 ed States and may be penalized for failing to adhere to
10 cost, schedule, or performance parameters to the det-
11 riment of the United States.”.

12 (2) The table of contents for such Act, contained in
13 section 1(b), is amended by inserting after the item relat-
14 ing to section 304C the following new item:

“Sec. 304D. Contractor share of gains and losses from cost, schedule, and per-
formance experience.”.

15 **SEC. 839. PHASE FUNDING OF DEFENSE ACQUISITION PRO-**
16 **GRAMS.**

17 Chapter 131 of title 10, United States Code, is
18 amended by adding at the end the following new section:

19 **“§ 2221. Funding for results oriented acquisition pro-**
20 **gram cycle**

21 “Before initial funding is made available for the de-
22 velopment, procurement, or operational phase of an acqui-
23 sition program for which an authorization of appropria-
24 tions is required by section 114 of this title, the Secretary

1 of Defense shall submit to Congress information about the
2 objectives and plans for the conduct of that phase and the
3 funding requirements for the entire phase. The informa-
4 tion shall identify the intended user of the system to be
5 acquired under the program and shall include objective,
6 quantifiable criteria for assessing the extent to which the
7 objectives and goals determined pursuant to section 2435
8 of this title are achieved.”.

9 (2) The table of sections at the beginning of such
10 chapter is amended by adding at the end the following
11 new item:

“2221. Funding for results oriented acquisition program cycle.”.

12 **SEC. 840. IMPROVED DEPARTMENT OF DEFENSE CON-**
13 **TRACT PAYMENT PROCEDURES.**

14 (a) REVIEW AND IMPROVEMENT OF PROCEDURES.—
15 The Comptroller General of the United States shall review
16 commercial practices regarding accounts payable and, con-
17 sidering the results of the review, develop standards for
18 the Secretary of Defense to consider using for improving
19 the contract payment procedures and financial manage-
20 ment systems of the Department of Defense.

21 (b) GAO REPORT.—Not later than September 30,
22 1996, the Comptroller General shall submit to Congress
23 a report containing the following matters:

24 (1) The weaknesses in the financial manage-
25 ment processes of the Department of Defense.

1 (2) Deviations of the Department of Defense
2 payment procedures and financial management sys-
3 tems from the standards developed pursuant to sub-
4 section (a), expressed quantitatively.

5 (3) The officials of the Department of Defense
6 who are responsible for resolving the deviations.

7 **SEC. 841. CONSIDERATION OF PAST PERFORMANCE IN AS-**
8 **SIGNMENT TO ACQUISITION POSITIONS.**

9 (a) **REQUIREMENT.**—Section 1701(a) of title 10,
10 United States Code, is amended by adding at the end the
11 following: “The policies and procedures shall provide that
12 education and training in acquisition matters, and past
13 performance of acquisition responsibilities, are major fac-
14 tors in the selection of personnel for assignment to acqui-
15 sition positions in the Department of Defense.”.

16 (b) **PERFORMANCE REQUIREMENTS FOR ASSIGN-**
17 **MENT.**—(1) Section 1723(a) of title 10, United States
18 Code, is amended by inserting “, including requirements
19 relating to demonstrated past performance of acquisition
20 duties,” in the first sentence after “experience require-
21 ments”.

22 (2) Section 1724(a)(2) of such title is amended by
23 inserting before the semicolon at the end the following:
24 “and have demonstrated proficiency in the performance of

1 acquisition duties in the contracting position or positions
2 previously held”.

3 (3) Section 1735 of such title is amended—

4 (A) in subsection (b)—

5 (i) by striking out “and” at the end of
6 paragraph (2);

7 (ii) by striking out the period at the end
8 of paragraph (3) and inserting in lieu thereof “;
9 and”; and

10 (iii) by adding at the end the following:

11 “(4) must have demonstrated proficiency in the
12 performance of acquisition duties.”;

13 (B) in subsection (c)—

14 (i) by striking out “and” at the end of
15 paragraph (2);

16 (ii) by striking out the period at the end
17 of paragraph (3) and inserting in lieu thereof “;
18 and”; and

19 (iii) by adding at the end the following:

20 “(4) must have demonstrated proficiency in the
21 performance of acquisition duties.”;

22 (C) in subsection (d), by inserting before the
23 period at the end the following: “, and have dem-
24 onstrated proficiency in the performance of acquisi-
25 tion duties”; and

1 (D) in subsection (e), by inserting before the
2 period at the end the following: “, and have dem-
3 onstrated proficiency in the performance of acquisi-
4 tion duties”.

5 **SEC. 842. VALUE ENGINEERING FOR FEDERAL AGENCIES.**

6 (a) USE OF VALUE ENGINEERING.—The Office of
7 Federal Procurement Policy Act (41 U.S.C. 401 et seq.),
8 as amended by section 837, is further amended by adding
9 at the end the following new section:

10 **“SEC. 37. VALUE ENGINEERING.**

11 “(a) IN GENERAL.—Each executive agency shall es-
12 tablish and maintain effective value engineering proce-
13 dures and processes.

14 “(b) THRESHOLD.—The procedures and processes
15 established pursuant to subsection (a) shall be applied to
16 those programs, projects, systems, and products of an ex-
17 ecutive agency that, in a ranking of all programs, projects,
18 systems, and products of the agency according to greatest
19 dollar value, are within the highest 20th percentile.

20 “(c) DEFINITION.—As used in this section, the term
21 ‘value engineering’ means a team effort, performed by
22 qualified agency or contractor personnel, directed at ana-
23 lyzing the functions of a program, project, system, prod-
24 uct, item of equipment, building, facility, service, or supply
25 for the purpose of achieving the essential functions at the

1 lowest life-cycle cost that is consistent with required or
2 improved performance, reliability, quality, and safety.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for such Act, contained in section 1(b), is amended by add-
5 ing at the end the following new item:

“Sec. 37. Value engineering.”.

6 **SEC. 843. ACQUISITION WORKFORCE.**

7 (a) ACQUISITION WORKFORCE.—(1) The Office of
8 Federal Procurement Policy Act (41 U.S.C. 401 et seq.),
9 as amended by section 843, is further amended by adding
10 at the end the following new section:

11 **“SEC. 38. ACQUISITION WORKFORCE.**

12 “(a) APPLICABILITY.—This section does not apply to
13 an executive agency that is subject to chapter 87 of title
14 10, United States Code.

15 “(b) MANAGEMENT POLICIES.—

16 “(1) POLICIES AND PROCEDURES.—The head
17 of each executive agency, after consultation with the
18 Administrator for Federal Procurement Policy, shall
19 establish policies and procedures for the effective
20 management (including accession, education, train-
21 ing, career development, and performance incentives)
22 of the acquisition workforce of the agency. The de-
23 velopment of acquisition workforce policies under
24 this section shall be carried out consistent with the
25 merit system principles set forth in paragraphs (1)

1 and (2) of section 2301(b) of title 5, United States
2 Code.

3 “(2) UNIFORM IMPLEMENTATION.—The head
4 of each executive agency shall ensure that, to the
5 maximum extent practicable, acquisition workforce
6 policies and procedures established are uniform in
7 their implementation throughout the agency.

8 “(3) GOVERNMENTWIDE POLICIES AND EVAL-
9 UATION.—The Administrator shall issue policies to
10 promote uniform implementation of this section by
11 executive agencies, with due regard for differences in
12 program requirements among agencies that may be
13 appropriate and warranted in view of the agency
14 mission. The Administrator shall coordinate with the
15 Deputy Director for Management of the Office of
16 Management and Budget to ensure that such poli-
17 cies are consistent with the policies and procedures
18 established and enhanced system of incentives pro-
19 vided pursuant to section 5051(c) of the Federal Ac-
20 quisition Streamlining Act of 1994 (41 U.S.C. 263
21 note). The Administrator shall evaluate the imple-
22 mentation of the provisions of this section by execu-
23 tive agencies.

24 “(c) SENIOR PROCUREMENT EXECUTIVE AUTHORI-
25 TIES AND RESPONSIBILITIES.—Subject to the authority,

1 direction, and control of the head of an executive agency,
2 the senior procurement executive of the agency shall carry
3 out all powers, functions, and duties of the head of the
4 agency with respect to implementation of this section. The
5 senior procurement executive shall ensure that the policies
6 of the head of the executive agency established in accord-
7 ance with this section are implemented throughout the
8 agency.

9 “(d) MANAGEMENT INFORMATION SYSTEMS.—The
10 Administrator shall ensure that the heads of executive
11 agencies collect and maintain standardized information on
12 the acquisition workforce related to implementation of this
13 section. To the maximum extent practicable, such data re-
14 quirements shall conform to standards established by the
15 Office of Personnel Management for the Central Personnel
16 Data File.

17 “(e) ACQUISITION WORKFORCE.—The programs es-
18 tablished by this section shall apply to all employees in
19 the General Schedule Contracting series (GS-1102) and
20 the General Schedule Purchasing series (GS-1105), and
21 to any employees regardless of series who have been ap-
22 pointed as contracting officers whose authority exceeds the
23 micro-purchase threshold, as that term is defined in sec-
24 tion 32(g). The head of each executive agency may include

1 employees in other series who perform acquisition or ac-
2 quisition-related functions.

3 “(f) CAREER DEVELOPMENT.—

4 “(1) CAREER PATHS.—The head of each execu-
5 tive agency shall ensure that appropriate career
6 paths for personnel who desire to pursue careers in
7 acquisition are identified in terms of the education,
8 training, experience, and assignments necessary for
9 career progression to the most senior acquisition po-
10 sitions. The head of each executive agency shall
11 make information available on such career paths.

12 “(2) CRITICAL DUTIES AND TASKS.—For each
13 career path, the head of each executive agency shall
14 identify the critical acquisition-related duties and
15 tasks in which, at minimum, employees of the agen-
16 cy in the career path shall be competent to perform
17 at full performance grade levels. For this purpose,
18 the head of the executive agency shall provide appro-
19 priate coverage of the critical duties and tasks iden-
20 tified by the Director of the Federal Acquisition In-
21 stitute.

22 “(3) MANDATORY TRAINING AND EDU-
23 CATION.—For each career path, the head of each ex-
24 ecutive agency shall establish requirements for the
25 completion of course work and related on-the-job

1 training in the critical acquisition-related duties and
2 tasks of the career path. The head of each executive
3 agency shall also encourage employees to maintain
4 the currency of their acquisition knowledge and gen-
5 erally enhance their knowledge of related acquisition
6 management disciplines through academic programs
7 and other self-developmental activities.

8 “(4) PERFORMANCE INCENTIVES.—The head of
9 each executive agency, acting through the senior
10 procurement executive for the agency, shall provide
11 for an enhanced system of incentives for the encour-
12 agement of excellence in the acquisition workforce
13 which rewards performance of employees that con-
14 tribute to achieving the agency’s performance goals.
15 The system of incentives shall include provisions
16 that—

17 “(A) relate pay to performance;

18 “(B) provide for consideration, in person-
19 nel evaluations and promotion decisions, of the
20 extent to which the performance of personnel
21 contributed to achieving the agency’s perform-
22 ance goals; and

23 “(C) provide pay and promotion incentives
24 to be awarded, and unfavorable personnel ac-
25 tions to be imposed, under the system on the

1 basis of the contributions of personnel to
2 achieving the agency's performance goals.

3 “(g) QUALIFICATION REQUIREMENTS.—

4 “(1) GENERAL SCHEDULE CONTRACTING SE-
5 RIES (GS-1102).—

6 “(A) ENTRY LEVEL QUALIFICATIONS.—

7 The Director of the Office of Personnel Man-
8 agement shall require that, after October 1,
9 1996, a person may not be appointed to a posi-
10 tion in the GS-1102 occupational series unless
11 the person—

12 “(i) has received a baccalaureate de-
13 gree from an accredited educational insti-
14 tution authorized to grant baccalaureate
15 degrees,

16 “(ii) has completed at least 24 semes-
17 ter credit hours (or the equivalent) of
18 study from an accredited institution of
19 higher education in any of the following
20 disciplines: accounting, business finance,
21 law, contracts, purchasing, economics, in-
22 dustrial management, marketing, quan-
23 titative methods, or organization and man-
24 agement, or

1 “(iii) has passed a written test deter-
2 mined by the Administrator for Federal
3 Procurement Policy, after consultation
4 with the Director of the Office of Person-
5 nel Management, to demonstrate the
6 judgmental skills necessary for positions in
7 this series.

8 “(B) QUALIFICATIONS FOR SENIOR CON-
9 TRACTING POSITIONS.—The Director of the Of-
10 fice of Personnel Management shall require
11 that, after October 1, 1996, persons may be ap-
12 pointed to positions at and above full perform-
13 ance grade levels in the GS–1102 occupational
14 series only if those persons—

15 “(i) have satisfied the educational re-
16 quirement either of subsection (g)(1)(A)(i)
17 or subsection (g)(1)(A)(ii),

18 “(ii) have successfully completed all
19 training required for the position under
20 subsection (f)(3), and

21 “(iii) have satisfied experience and
22 other requirements established by the Di-
23 rector for such positions.

24 However, this requirement shall apply to per-
25 sons employed on October 1, 1996, in GS–1102

1 positions at those grade levels only as a pre-
2 requisite for promotion to a GS-1102 position
3 at a higher grade.

4 “(2) GENERAL SCHEDULE PURCHASING SERIES
5 (GS-1105).—The Director of the Office of Personnel
6 Management shall require that, after October 1,
7 1996, a person may not be appointed to a position
8 in the GS-1105 occupational series unless the per-
9 son—

10 “(A) has successfully completed 2 years of
11 course work from an accredited educational in-
12 stitution authorized to grant degrees, or

13 “(B) has passed a written test determined
14 by the Administrator for Federal Procurement
15 Policy, after consultation with the Director of
16 the Office of Personnel Management, to dem-
17 onstrate the judgmental skills necessary for po-
18 sitions in this series.

19 “(3) CONTRACTING OFFICERS.—The head of
20 each executive agency shall require that, beginning
21 after October 1, 1996, a person may be appointed
22 as a contracting officer with authority to award or
23 administer contracts for amounts above the micro-
24 purchase threshold, as that term is defined in sec-
25 tion 32(g), only if the person—

1 “(A) has successfully completed all manda-
2 tory training required of an employee in an
3 equivalent GS-1102 or 1105 position under
4 subsection (f)(3); and

5 “(B) meets experience and other require-
6 ments established by the head of the agency,
7 based on the dollar value and complexity of the
8 contracts that the employee will be authorized
9 to award or administer under the appointment
10 as a contracting officer.

11 “(4) EXCEPTIONS.—(A) The requirements set
12 forth in subsection (g)(1) and (2), as applicable,
13 shall not apply to any person employed in the GS-
14 1101 or GS-1105 series on October 1, 1996.

15 “(B) Employees of an executive agency who do
16 not satisfy the full qualification requirements for ap-
17 pointment as a contracting officer under subsection
18 (g)(3) may be appointed as a contracting officer for
19 a temporary period of time under procedures estab-
20 lished by the agency head. The procedures shall—

21 “(i) require that the person have completed
22 a significant portion of the required training,

23 “(ii) require a plan be established for the
24 balance of the required training,

1 “(iii) specify a period of time for comple-
2 tion of the training, and

3 “(iv) include provisions for withdrawing or
4 terminating the appointment prior to the sched-
5 uled expiration date, where appropriate.

6 “(5) WAIVER.—The senior procurement execu-
7 tive for an executive agency may waive any or all of
8 the qualification requirements of subsections (g)(1)
9 and (2) for a person if the person possesses signifi-
10 cant potential for advancement to levels of greater
11 responsibility and authority, based on demonstrated
12 job performance and qualifying experience. This au-
13 thority may not be redelegated by the senior pro-
14 curement executive. With respect to each waiver
15 granted under this subsection, the senior procure-
16 ment executive shall set forth in writing the ration-
17 ale for the decision to waive such requirements.

18 “(h) PROGRAM ESTABLISHMENT AND IMPLEMENTA-
19 TION.—

20 “(1) FUNDING LEVELS.—(A) The head of an
21 executive agency shall request in the budget for a
22 fiscal year for the agency—

23 “(i) for education and training under this
24 section, an amount equal to no less than 2.5
25 percent of the base aggregate salary cost of the

1 acquisition workforce subject to this section for
2 that fiscal year; and

3 “(ii) for salaries of the acquisition
4 workforce, an amount equal to no more than
5 97.5 percent of such base aggregate salary cost.

6 “(B) The head of the executive agency shall set
7 forth separately the funding levels requested in the
8 budget justification documents submitted in support
9 of the President’s budget submitted to Congress
10 under section 1105 of title 31, United States Code.

11 “(C) Funds appropriated for education and
12 training under this section may not be obligated or
13 used for any other purpose.

14 “(2) INTERAGENCY AGREEMENTS.—The head
15 of an executive agency may enter into a written
16 agreement with another agency to participate in pro-
17 grams established under this section on a reimburs-
18 able basis.

19 “(3) TUITION ASSISTANCE.—Notwithstanding
20 the prohibition in section 4107(b) of title 5, United
21 States Code, the head of each executive agency may
22 provide for tuition reimbursement and education (in-
23 cluding a full-time course of study leading to a de-
24 gree) for acquisition personnel in the agency related
25 to the purposes of this section.

1 “(4) INTERN PROGRAMS.—The head of each ex-
2 ecutive agency may establish intern programs in
3 order to recruit highly qualified and talented individ-
4 uals and provide them with opportunities for acceler-
5 ated promotions, career broadening assignments,
6 and specified training for advancement to senior ac-
7 quisition positions. For such programs, the head of
8 an executive agency, without regard to the provisions
9 of title 5, United States Code, may appoint individ-
10 uals to competitive GS-5, GS-7, or GS-9 positions
11 in the General Schedule Contracting series (GS-
12 1102) who have graduated from baccalaureate or
13 master’s programs in purchasing or contracting
14 from accredited educational institutions authorized
15 to grant baccalaureate and master’s degrees.

16 “(5) COOPERATIVE EDUCATION PROGRAM.—
17 The head of each executive agency may establish an
18 agencywide cooperative education credit program for
19 acquisition positions. Under the program, the head
20 of the executive agency may enter into cooperative
21 arrangements with one or more accredited institu-
22 tions of higher education which provide for such in-
23 stitutions to grant undergraduate credit for work
24 performed in such position.

25 “(6) SCHOLARSHIP PROGRAM.—

1 “(A) ESTABLISHMENT.—Where deemed
2 appropriate, the head of each executive agency
3 may establish a scholarship program for the
4 purpose of qualifying individuals for acquisition
5 positions in the agency.

6 “(B) ELIGIBILITY.—To be eligible to par-
7 ticipate in a scholarship program established
8 under this paragraph by an executive agency,
9 an individual must—

10 “(i) be accepted for enrollment or be
11 currently enrolled as a full-time student at
12 an accredited educational institution au-
13 thorized to grant baccalaureate or grad-
14 uate degrees (as appropriate);

15 “(ii) be pursuing a course of edu-
16 cation that leads toward completion of a
17 bachelor’s, master’s, or doctor’s degree (as
18 appropriate) in a qualifying field of study,
19 as determined by the head of the agency;

20 “(iii) sign an agreement described in
21 subparagraph (C) under which the partici-
22 pant agrees to serve a period of obligated
23 service in the agency in an acquisition po-
24 sition in return for payment of educational

1 assistance as provided in the agreement;
2 and

3 “(iv) meet such other requirements as
4 the head of the agency prescribes.

5 “(C) AGREEMENT.—An agreement be-
6 tween the head of an executive agency and a
7 participant in a scholarship program established
8 under this paragraph shall be in writing, shall
9 be signed by the participant, and shall include
10 the following provisions:

11 “(i) The agreement of the head of the
12 agency to provide the participant with edu-
13 cational assistance for a specified number
14 of school years, not to exceed 4, during
15 which the participant is pursuing a course
16 of education in a qualifying field of study.
17 The assistance may include payment of
18 tuition, fees, books, laboratory expenses,
19 and a stipend.

20 “(ii) The participant’s agreement—

21 “(I) to accept such educational
22 assistance,

23 “(II) to maintain enrollment and
24 attendance in the course of education
25 until completed,

1 “(III) while enrolled in such
2 course, to maintain an acceptable level
3 of academic standing (as prescribed
4 by the head of the agency), and

5 “(IV) after completion of the
6 course of education, to serve as a full-
7 time employee in an acquisition posi-
8 tion in the agency for a period of time
9 of one calendar year for each school
10 year or part thereof for which the par-
11 ticipant was provided a scholarship
12 under the program.

13 “(D) REPAYMENT.—(i) Any person partici-
14 pating in a program established under this
15 paragraph shall agree to pay to the United
16 States the total amount of educational assist-
17 ance provided to the person under the program
18 if the person is voluntarily separated from the
19 agency or involuntarily separated for cause
20 from the agency before the end of the period for
21 which the person has agreed to continue in the
22 service of the agency in an acquisition position.

23 “(ii) If an employee fails to fulfill the
24 agreement to pay to the Government the total
25 amount of educational assistance provided to

1 the person under the program, a sum equal to
2 the amount of the educational assistance may
3 be recovered by the Government from the em-
4 ployee (or the estate of the employee) by setoff
5 against accrued pay, compensation, amount of
6 retirement credit, or other amount due the em-
7 ployee from the Government; and by such other
8 method as is provided by law for the recovery
9 of amounts owing to the Government.

10 “(iii) The head of an executive agency may
11 waive in whole or in part a repayment required
12 under this paragraph if the head of the agency
13 determines the recovery would be against equity
14 and good conscience or would be contrary to the
15 best interests of the United States.

16 “(E) TERMINATION OF AGREEMENT.—
17 There shall be no requirement that a position
18 be offered to a person after such person suc-
19 cessfully completes a course of education re-
20 quired by an agreement under this paragraph.
21 If no position is offered, the agreement shall be
22 considered terminated.”.

23 (2) The table of contents for such Act, contained in
24 section 1(b), is amended by adding at the end the follow-
25 ing new item:

“Sec. 38. Acquisition workforce.”.

1 (b) FEDERAL ACQUISITION INSTITUTE.—Section 6
2 of the Office of Federal Procurement Policy Act (41
3 U.S.C. 405), is amended—

4 (1) in subsection (d) by amending paragraph
5 (5) to read as follows:

6 “(5) providing for and directing the activities of
7 the Federal Acquisition Institute (including rec-
8 ommending to the Administrator of General Services
9 a sufficient budget for such activities), which shall
10 be located in the General Services Administration;”;
11 and

12 (2) by adding at the end the following new sub-
13 section:

14 “(l) The Federal Acquisition Institute shall—

15 “(1) recommend policies, procedures, and
16 guidelines to the Administrator, for—

17 “(A) fostering and promoting the develop-
18 ment of a professional acquisition workforce
19 governmentwide, and

20 “(B) administering the provisions of sec-
21 tion 35;

22 “(2) collect data and analyze acquisition
23 workforce data from the Office of Personnel Man-
24 agement, the heads of executive agencies, and,
25 through periodic surveys, from individual employees;

1 “(3) periodically analyze acquisition career
2 fields to identify critical competencies, duties, tasks,
3 and related academic prerequisites, skills, and
4 knowledge;

5 “(4) coordinate and assist agencies in identify-
6 ing and recruiting highly qualified candidates for ac-
7 quisition fields;

8 “(5) develop instructional materials for acquisi-
9 tion personnel in coordination with private and pub-
10 lic acquisition colleges and training facilities;

11 “(6) evaluate the effectiveness of training and
12 career development programs for acquisition person-
13 nel;

14 “(7) promote the establishment and utilization
15 of academic programs by colleges and universities in
16 acquisition fields;

17 “(8) promote, coordinate, or conduct govern-
18 mentwide research and studies to improve the acqui-
19 sition process and the laws, policies, methods, regu-
20 lations, procedures, and forms relating to acquisition
21 by the executive agencies;

22 “(9) facilitate, to the extent requested by agen-
23 cies, interagency intern and training programs; and

24 “(10) perform other career management or re-
25 search functions as directed by the Administrator.”.

1 (c) REPEAL OF SUPERSEDED PROVISION.—Section
2 502 of the Small Business and Federal Procurement Com-
3 petition Enhancement Act of 1984 (41 U.S.C. 414a) is
4 repealed.

5 **SEC. 844. COST REIMBURSEMENT RULES FOR INDIRECT**
6 **COSTS ATTRIBUTABLE TO PRIVATE SECTOR**
7 **WORK OF DEFENSE CONTRACTORS.**

8 (a) DEFENSE CAPABILITY PRESERVATION AGREE-
9 MENT.—The Secretary of Defense may enter into an
10 agreement, to be known as a “defense capability preserva-
11 tion agreement”, with a defense contractor under which
12 the cost reimbursement rules described in subsection (b)
13 shall be applied. Such an agreement may be entered into
14 in any case in which the Secretary determines that the
15 application of such cost reimbursement rules would facili-
16 tate the achievement of the policy set forth in section
17 2501(c) of title 10, United States Code.

18 (b) COST REIMBURSEMENT RULES.—(1) The cost re-
19 imbursement rules applicable under an agreement entered
20 into under subsection (a) are as follows:

21 (A) The Department of Defense shall, in deter-
22 mining the reimbursement due a contractor for its
23 indirect costs of performing a defense contract, allow
24 the contractor to allocate indirect costs to its private
25 sector work only to the extent of the contractor’s al-

1 allocable indirect private sector costs, subject to sub-
2 paragraph (C).

3 (B) For purposes of subparagraph (A), the allo-
4 cable indirect private sector costs of a contractor are
5 those costs of the contractor that are equal to the
6 amount by which the revenue attributable to the pri-
7 vate sector work of the contractor exceeds the sum
8 of—

9 (i) the direct costs attributable to such
10 work, and

11 (ii) the incremental indirect costs attrib-
12 utable to such work.

13 (C) The total amount of allocable indirect pri-
14 vate sector costs for a contract in any year of the
15 agreement may not exceed the amount of indirect
16 costs that a contractor would have allocated to its
17 private sector work during that year in accordance
18 with the contractor's accounting practices.

19 (2) The cost reimbursement rules set forth in para-
20 graph (1) may be modified if the Secretary of Defense de-
21 termines that modifications are appropriate to the particu-
22 lar situation to facilitate achievement of the policy set
23 forth in section 2501(c) of title 10, United States Code.

24 (c) RELATIONSHIP TO ACCOUNTING PRACTICE
25 CHANGE.—The use of the cost reimbursement rules de-

1 scribed in subsection (b) under such an agreement with
2 a contractor and the implementation of such an agreement
3 does not constitute a change in cost accounting practices
4 of the contractor within the meaning of section
5 26(h)(1)(B) of the Office of Federal Procurement Policy
6 Act (41 U.S.C. 422(h)(1)(B)).

7 (d) CONTRACTS COVERED.—An agreement entered
8 into with a contractor under subsection (a) shall apply to
9 all Department of Defense contracts with the contractor
10 either existing on the date on which the agreement was
11 entered into or awarded during the term of the agreement.

12 **Subtitle D—Streamlining of** 13 **Dispute Resolution**

14 **PART I—GENERAL PROVISIONS**

15 **SEC. 850. DEFINITIONS.**

16 In this subtitle:

17 (1) The term “Board” means the United States
18 Board of Contract Appeals.

19 (2) The term “Board judge” means a member
20 of the United States Board of Contract Appeals.

21 (3) The term “Chairman” means the Chairman
22 of the United States Board of Contract Appeals.

23 (4) The term “executive agency” has the mean-
24 ing given by section 2(2) of the Contract Disputes
25 Act of 1978 (41 U.S.C. 601(2)).

1 (5) The term “alternative means of dispute res-
2 olution” has the meaning given by section 571(3) of
3 title 5, United States Code.

4 (6) The term “protest” means a written objec-
5 tion by an interested party to any of the following:

6 (A) A solicitation or other request by an
7 executive agency for offers for a contract for
8 the procurement of property or services.

9 (B) The cancellation of such a solicitation
10 or other request.

11 (C) An award or proposed award of such
12 a contract.

13 (D) A termination or cancellation of an
14 award of such a contract, if the written objec-
15 tion contains an allegation that the termination
16 or cancellation is based in whole or in part on
17 improprieties concerning the award of the con-
18 tract.

19 (7) The term “interested party”, with respect
20 to a contract or a solicitation or other request for of-
21 fers, means an actual or prospective bidder or
22 offeror whose direct economic interest would be af-
23 fected by the award of the contract or by failure to
24 award the contract.

1 (8) The term “prevailing party”, with respect
2 to a determination of the Board under section
3 864(b) that a decision of a contracting officer vio-
4 lates a statute or regulation, means a party that
5 demonstrated such violation.

6 **PART II—ESTABLISHMENT OF THE UNITED**
7 **STATES BOARD OF CONTRACT APPEALS**

8 **SEC. 851. ESTABLISHMENT.**

9 There is established in the executive branch of the
10 Government an independent establishment to be known as
11 the United States Board of Contract Appeals.

12 **SEC. 852. MEMBERSHIP.**

13 (a) APPOINTMENT.—(1) The Board shall consist of
14 Board judges appointed by the Chairman, without regard
15 to political affiliation and solely on the basis of the profes-
16 sional qualifications required to perform the duties and
17 responsibilities of a Board judge, from a register of appli-
18 cants maintained by the Board.

19 (2) The members of the Board shall be selected and
20 appointed to serve in the same manner as administrative
21 law judges appointed pursuant to section 3105 of title 5,
22 United States Code, with an additional requirement that
23 such members shall have had not fewer than five years’
24 experience in public contract law.

1 (3) Notwithstanding paragraph (2) and subject to
2 subsection (b), the following persons shall serve as Board
3 judges:

4 (A) Any full-time member of an agency board
5 of contract appeals serving as such on the day before
6 the effective date of this subtitle.

7 (B) Any person serving on the day before the
8 date of the enactment of this Act in a position at
9 a level of assistant general counsel or higher with
10 authority delegated from the Comptroller General to
11 decide bid protests under subchapter V of chapter
12 35 of title 31, United States Code.

13 (b) REMOVAL.—Members of the Board shall be sub-
14 ject to removal in the same manner as administrative law
15 judges, as provided in section 7521 of title 5, United
16 States Code.

17 (c) COMPENSATION.—Compensation for the Chair-
18 man and all other members of the Board shall be deter-
19 mined under section 5273a of title 5, United States Code.

20 **SEC. 853. CHAIRMAN.**

21 (a) DESIGNATION.—(1) The Chairman shall be des-
22 igned by the President to serve for a term of five years.
23 The President shall select the Chairman from among sit-
24 ting Board judges each of whom has had at least five years
25 of service—

1 (A) as a member of an agency board of contract
2 appeals; or

3 (B) in a position at a level of assistant general
4 counsel or higher with authority delegated from the
5 Comptroller General to decide bid protests under
6 subchapter V of chapter 35 of title 31, United
7 States Code (as in effect on the day before the effec-
8 tive date of this subtitle).

9 (2) A Chairman may continue to serve after the expi-
10 ration of the Chairman's term until a successor has taken
11 office. A Chairman may be reappointed any number of
12 times.

13 (b) RESPONSIBILITIES.—The Chairman shall be re-
14 sponsible on behalf of the Board for the executive and ad-
15 ministrative operation of the Board, including functions
16 of the Board with respect to the following:

17 (1) The selection, appointment, and fixing of
18 the compensation of such personnel, pursuant to
19 part III of title 5, United States Code, as the Chair-
20 man considers necessary or appropriate, including a
21 Clerk of the Board, a General Counsel, and clerical
22 and legal assistance for Board judges.

23 (2) The supervision of personnel employed by or
24 assigned to the Board, and the distribution of work
25 among such personnel.

1 (3) The response to any request that may be
2 made by Congress or the Office of Management and
3 Budget.

4 (4) The allocation of funds among the various
5 functions of the Board.

6 (5) The entering into and performance of such
7 contracts, leases, cooperative agreements, or other
8 similar transactions with public agencies and private
9 organizations and persons, and the making of such
10 payments, as the Chairman considers necessary or
11 appropriate to carry out functions vested in the
12 Board.

13 (6) The operation of an Office of the Clerk of
14 the Board, including the receipt of all filings made
15 with the Board, the assignment of cases, and the
16 maintenance of all records of the Board.

17 (7) The acquisition, operation, and maintenance
18 of such automatic data processing resources as may
19 be needed by the Board.

20 (8) The prescription of such rules and regula-
21 tions as the Chairman considers necessary or appro-
22 priate for the administration and management of the
23 Board.

24 (c) VICE CHAIRMEN.—The Chairman may designate
25 up to four other Board judges as Vice Chairmen. The

1 Chairman may divide the Board into two or more divi-
2 sions, and, if such division is made, shall assign a Vice
3 Chairman to head each division. The Vice Chairmen, in
4 the order designated by the Chairman, shall act in the
5 place and stead of the Chairman during the absence of
6 the Chairman.

7 **SEC. 854. RULEMAKING AUTHORITY.**

8 (a) IN GENERAL.—The Board may establish—

9 (1) such procedural rules and regulations as are
10 necessary to the exercise of its functions, including
11 internal rules for the assignment of cases; and

12 (2) statements of policy of general applicability
13 with respect to its functions.

14 (b) PROHIBITION ON REVIEW BY OTHER AGENCY OR
15 PERSON.—Rules and regulations established by the Board
16 (including forms which are a part thereof) shall not be
17 subject to review by any other agency or person (including
18 the Administrator of Information and Regulatory Affairs,
19 pursuant to chapter 35 of title 44, United States Code)
20 in advance of publication.

21 **SEC. 855. LITIGATION AUTHORITY.**

22 Except as provided in section 518 of title 28, United
23 States Code, relating to litigation before the Supreme
24 Court, attorneys designated by the Chairman may appear

1 for, and represent the Board in, any civil action brought
2 in connection with any function carried out by the Board.

3 **SEC. 856. SEAL OF BOARD.**

4 The Chairman shall cause a seal of office to be made
5 for the Board of such design as the Board shall approve.
6 Judicial notice shall be taken of such seal.

7 **SEC. 857. AUTHORIZATION OF APPROPRIATIONS.**

8 There are authorized to be appropriated for fiscal
9 year 1997 and each succeeding fiscal year such sums as
10 may be necessary to carry out the provisions of this sub-
11 title and to enable the Board to perform its functions.
12 Funds appropriate pursuant to this section shall remain
13 available until expended.

14 **PART III—FUNCTIONS OF UNITED STATES BOARD**
15 **OF CONTRACT APPEALS**

16 **SEC. 861. ALTERNATIVE DISPUTE RESOLUTION SERVICES.**

17 (a) **REQUIREMENT TO PROVIDE SERVICES UPON RE-**
18 **QUEST.**—The Board shall provide alternative means of
19 dispute resolution for any disagreement regarding a con-
20 tract or prospective contract of an executive agency upon
21 the request of all parties to the disagreement.

22 (b) **PERSONNEL QUALIFIED TO ACT.**—Each Board
23 judge and each attorney employed by the Board shall be
24 considered to be qualified to act for the purpose of con-

1 ducting alternative means of dispute resolution under this
2 section.

3 (c) SERVICES TO BE PROVIDED WITHOUT
4 CHARGE.—Any services provided by the Board or any
5 Board judge or employee pursuant to this section shall be
6 provided without charge.

7 (d) RECUSAL OF CERTAIN PERSONNEL UPON RE-
8 QUEST.—In the event that a matter which is presented
9 to the Board for alternative means of dispute resolution,
10 pursuant to this section, later becomes the subject of for-
11 mal proceedings before the Board, any Board judge or em-
12 ployee who was involved in the alternative means shall,
13 if requested by any party to the formal proceeding, take
14 no part in that proceeding.

15 **SEC. 862. ALTERNATIVE DISPUTE RESOLUTION OF DIS-**
16 **PUTES AND PROTESTS SUBMITTED TO**
17 **BOARD.**

18 With reasonable promptness after the submission to
19 the Board of a contract dispute under section 863 or a
20 bid protest under section 864, a Board judge to whom the
21 contract dispute or protest is assigned shall request the
22 parties to meet with a Board judge, or an attorney em-
23 ployed by the Board, for the purpose of attempting to re-
24 solve the dispute or protest through alternative means of
25 dispute resolution. Formal proceedings in the appeal shall

1 then be suspended until such time as any party or a Board
2 judge to whom the dispute or protest is assigned deter-
3 mines that alternative means of dispute resolution are not
4 appropriate for resolution of the dispute or protest.

5 **SEC. 863. CONTRACT DISPUTES.**

6 The Board shall have jurisdiction as provided by sec-
7 tion 8(a) of the Contract Disputes Act of 1978 (41 U.S.C.
8 601–613).

9 **SEC. 864. PROTESTS.**

10 (a) REVIEW REQUIRED UPON REQUEST.—Upon re-
11 quest of an interested party in connection with any pro-
12 curement conducted by any executive agency, the Board
13 shall review, as provided in this section, any decision by
14 a contracting officer alleged to violate a statute or regula-
15 tion. The authority of the Board to conduct such review
16 shall include the authority to review regulations to deter-
17 mine their consistency with applicable statutes. A decision
18 or order of the Board pursuant to this section shall not
19 be subject to interlocutory appeal or review.

20 (b) STANDARD OF REVIEW.—In deciding a protest,
21 the Board may consider all evidence that is relevant to
22 the decision under protest. It shall accord a presumption
23 of correctness to all facts found and determinations made
24 by the contracting officer whose decision is being pro-
25 tested. The protester may rebut this presumption by show-

1 ing, by a preponderance of the evidence, that a finding
2 or determination was incorrect. The Board may find that
3 a decision by a contracting officer violates a statute or
4 regulation for any of the reasons stated in section 706(2)
5 of title 5, United States Code.

6 (c) DETERMINATION OF WHETHER TO SUSPEND AU-
7 THORITY TO CONDUCT PROCUREMENT IN PROTEST
8 FILED BEFORE CONTRACT AWARD.—(1) When a protest
9 under this section is filed before the award of a contract
10 in a protested procurement, the Board, at the request of
11 an interested party and within 10 days after the submis-
12 sion of the protest, shall hold a hearing to determine
13 whether the Board should suspend the authority of the
14 executive agency involved (or its head) to conduct such
15 procurement until the Board can decide the protest.

16 (2) The Board shall suspend the authority of the ex-
17 ecutive agency (or its head) unless the agency concerned
18 establishes that—

19 (A) absent action by the Board, contract award
20 is likely to occur within 30 days after the hearing;
21 and

22 (B) urgent and compelling circumstances which
23 significantly affect interests of the United States will
24 not permit waiting for the decision of the Board.

1 (3) A suspension under paragraph (2) shall not pre-
2 clude the executive agency concerned from continuing the
3 procurement process up to but not including award of the
4 contract unless the Board determines such action is not
5 in the best interests of the United States.

6 (d) DETERMINATION OF WHETHER TO SUSPEND AU-
7 THORITY TO CONDUCT PROCUREMENT IN PROTEST
8 FILED AFTER CONTRACT AWARD.—(1) If, with respect
9 to an award of a contract, the Board receives notice of
10 a protest under this section within the period described
11 in paragraph (2), the Board shall, at the request of an
12 interested party, hold a hearing to determine whether the
13 Board should suspend the authority of the executive agen-
14 cy involved (or its head) to conduct such procurement
15 until the Board can decide the protest.

16 (2) The period referred to in paragraph (1) is the
17 period beginning on the date on which the contract is
18 awarded and ending at the end of the later of—

19 (A) the tenth day after the date of contract
20 award; or

21 (B) the fifth day after the debriefing date of-
22 fered to an unsuccessful offeror for any debriefing
23 that is requested and, when requested, is required.

24 (3) The Board shall hold the requested hearing with-
25 in 5 days after the date of the filing of the protest or,

1 in the case of a request for debriefing, within 5 days after
2 the later of the date of the filing of the protest or the
3 date of the debriefing.

4 (4) The Board shall suspend the procurement author-
5 ity of the executive agency involved (or its head) to acquire
6 any goods or services under the contract which are not
7 previously delivered and accepted unless such agency es-
8 tablishes that urgent and compelling circumstances which
9 significantly affect interests of the United States will not
10 permit waiting for the decision of the Board.

11 (e) PROCEDURES.—

12 (1) PROCEEDINGS AND DISCOVERY.—The
13 Board shall conduct proceedings and allow such dis-
14 covery as may be required for the expeditious, fair,
15 and reasonable resolution of the protest. The Board
16 shall limit discovery to material which is relevant to
17 the grounds of protest or to such affirmative de-
18 fenses as the executive agency involved, or any inter-
19 venor supporting the agency, may raise.

20 (2) PRIORITY.—The Board shall give priority to
21 protests filed under this section over contract dis-
22 putes and alternative dispute services. Except as
23 provided in paragraph (3), the Board shall issue its
24 final decision within 65 days after the date of the
25 filing of the protest, unless the Chairman determines

1 that the specific and unique circumstances of the
2 protest require a longer period, in which case the
3 Board shall issue such decision within the longer pe-
4 riod determined by the Chairman. An amendment
5 that adds a new ground of protest should be re-
6 solved, to the maximum extent practicable, within
7 the time limits established for resolution of the ini-
8 tial protest.

9 (3) THRESHOLD.—Any protest in which the an-
10 ticipated value of the contract award that will result
11 from the protested procurement, as estimated by the
12 executive agency involved, is less than \$1,000,000
13 shall be considered under simplified rules of proce-
14 dure. These rules shall provide that discovery in
15 such protests shall be in writing only. Such protests
16 shall be decided by a single Board judge, whose deci-
17 sion shall be final and conclusive and shall not be set
18 aside except in cases of fraud. The Board shall issue
19 its final decision in each such protest within 35 days
20 after the date of the filing of the protest.

21 (4) CALCULATION OF TIME FOR ADR.—In cal-
22 culating time for purposes of paragraph (2) or (3)
23 of this subsection, any days during which proceed-
24 ings are suspended for the purpose of attempting to
25 resolve the protest by alternative means of dispute

1 resolution, up to a maximum of 20 days, shall not
2 be counted.

3 (5) DISMISSAL OF FRIVOLOUS PROTESTS.—The
4 Board may dismiss a protest that the Board deter-
5 mines is frivolous or which, on its face, does not
6 state a valid basis for protest.

7 (6) PAYMENT OF COSTS FOR FRIVOLOUS PRO-
8 TESTS.—(A) If the Board expressly finds that a pro-
9 test or a portion of a protest is frivolous or does not
10 state on its face a valid basis for protest, the Board
11 shall declare that the protester or other interested
12 party who joins the protest is liable to the United
13 States for payment of the costs described in sub-
14 paragraph (B) unless—

15 (i) special circumstances would make such
16 payment unjust; or

17 (ii) the protester obtains documents or
18 other information after the protest is filed with
19 the Board that establishes that the protest or
20 a portion of the protest is frivolous or does not
21 state on its face a valid basis for protest, and
22 the protester then promptly withdraws the pro-
23 test or portion of the protest.

24 (B) The costs referred to in subparagraph (A)
25 are all of the costs incurred by the United States of

1 reviewing the protest, or of reviewing that portion of
2 the protest for which the finding is made, including
3 the fees and other expenses (as defined in section
4 2412(d)(2)(A) of title 28, United States Code) in-
5 curred by the United States in defending the pro-
6 test.

7 (f) DECISIONS AND CORRECTIVE ACTIONS ON PRO-
8 TESTS.—(1) In making a decision on protests filed under
9 this section, the Board shall accord due weight to the goals
10 of economic and efficient procurement, and shall take due
11 account of the rule of prejudicial error.

12 (2) If the Board determines that a decision of a con-
13 tracting officer violates a statute or regulation, the Board
14 may order the agency (or its head) to take such corrective
15 action as the Board considers appropriate. Corrective ac-
16 tion includes requiring that the Federal agency—

17 (A) refrain from exercising any of its options
18 under the contract;

19 (B) recompete the contract immediately;

20 (C) issue a new solicitation;

21 (D) terminate the contract;

22 (E) award a contract consistent with the re-
23 quirements of such statute and regulation;

24 (F) implement any combination of requirements
25 under subparagraphs (A), (B), (C), (D), and (E); or

1 (G) implement such other actions as the Board
2 determines necessary.

3 (3) If the Board orders corrective action after the
4 contract award, the affected contract shall be presumed
5 valid as to all goods or services delivered and accepted
6 under the contract before the corrective action was or-
7 dered.

8 (4) Any agreement that provides for the dismissal of
9 a protest and involves a direct or indirect expenditure of
10 appropriated funds shall be submitted to the Board and
11 shall be made a part of the public record (subject to any
12 protective order considered appropriate by the Board) be-
13 fore dismissal of the protest.

14 (g) AUTHORITY TO DECLARE ENTITLEMENT TO
15 COSTS.—(1)(A) Whenever the Board determines that a
16 decision of a contracting officer violates a statute or regu-
17 lation, it may, in accordance with section 1304 of title 31,
18 United States Code, further declare an appropriate pre-
19 vailing party to be entitled to the costs of—

20 (i) filing and pursuing the protest, including
21 reasonable attorneys' fees and consultant and expert
22 witness fees, and

23 (ii) bid and proposal preparation.

24 (B) No party (other than a small business concern
25 (within the meaning of section 3(a) of the Small Business

1 Act)) may be declared entitled under this paragraph to
2 costs for—

3 (i) consultants and expert witness fees that ex-
4 ceed the highest rate of compensation for expert wit-
5 nesses paid by the Federal Government, or

6 (ii) attorneys' fees that exceed \$150 per hour
7 unless the Board, on a case by case basis, deter-
8 mines that an increase in the cost of living or a spe-
9 cial factor, such as the limited availability of quali-
10 fied attorneys for the proceedings involved, justifies
11 a higher fee.

12 (2) Payment of amounts due from an agency under
13 paragraph (1) or under the terms of a settlement agree-
14 ment under subsection (e)(4) shall be made from the ap-
15 propriation made by section 1304 of title 31, United
16 States Code, for the payment of judgments. The executive
17 agency concerned shall reimburse that appropriation ac-
18 count out of funds available for the procurement.

19 (h) APPEALS.—Except as provided in subsection
20 (e)(3), a final decision of the Board may be appealed as
21 set forth in section 8(d)(1) of the Contract Disputes Act
22 of 1978 by the head of the executive agency concerned
23 and by any interested party, including interested parties
24 who intervene in any protest filed under this section.

1 (i) ADDITIONAL RELIEF.—Nothing contained in this
2 section shall affect the power of the Board to order any
3 additional relief which it is authorized to provide under
4 any statute or regulation.

5 (j) NONEXCLUSIVITY OF REMEDIES.—Nothing con-
6 tained in this section shall affect the right of any inter-
7 ested party to file a protest with the contracting agency
8 or to file an action in the United States Court of Federal
9 Claims or in a United States district court.

10 **SEC. 865. APPLICABILITY TO CONTRACTS FOR COMMER-**
11 **CIAL ITEMS.**

12 Notwithstanding section 34 of the Office of Federal
13 Procurement Policy Act (41 U.S.C. 430), the authority
14 conferred on the Board by this subtitle is applicable to
15 contracts for the procurement of commercial items.

16 **PART IV—REPEAL OF OTHER STATUTES**
17 **AUTHORIZING ADMINISTRATIVE PROTESTS**

18 **SEC. 871. REPEALS.**

19 (a) GSBCA PROVISIONS.—Subsection (f) of the
20 Brooks Automatic Data Processing Act (section 111 of the
21 Federal Property and Administrative Services Act of
22 1949; 40 U.S.C. 759) is repealed.

23 (b) GAO PROVISIONS.—Subchapter V of chapter 35
24 of title 31, United States Code (31 U.S.C. 3551-3556)
25 is repealed.

1 **PART V—TRANSFERS AND TRANSITIONAL,**
2 **SAVINGS, AND CONFORMING PROVISIONS**

3 **SEC. 881. TRANSFER AND ALLOCATION OF APPROPRIA-**
4 **TIONS AND PERSONNEL.**

5 (a) TRANSFER.—The personnel employed in connec-
6 tion with, and the assets, liabilities, contracts, property,
7 records, and unexpended balance of appropriations, au-
8 thorizations, allocations, and other funds employed, held,
9 used, arising from, available to, or to be made available
10 in connection with the functions vested by law in the
11 Comptroller General pursuant to subchapter V of chapter
12 35 of title 31, United States Code, and in the boards of
13 contract appeals established pursuant to section 8 of the
14 Contract Disputes Act of 1978 (41 U.S.C. 607) (as in ef-
15 fect on the day before the effective date of this Act), shall
16 be transferred to the Board for appropriate allocation by
17 the Chairman.

18 (b) EFFECT ON PERSONNEL.—Personnel transferred
19 pursuant to this subtitle shall not be separated or reduced
20 in compensation for one year after such transfer, except
21 for cause.

22 (c) REGULATIONS.—(1) The Board shall prescribe
23 regulations for the release of competing employees in a
24 reduction in force that gives due effect to—

25 (A) efficiency or performance ratings;

26 (B) military preference; and

1 (C) tenure of employment.

2 (2) In prescribing the regulations, the Board shall
3 provide for military preference in the same manner as set
4 forth in subchapter I of chapter 35 of title 5, United
5 States Code.

6 **SEC. 882. TERMINATIONS AND SAVINGS PROVISIONS.**

7 (a) TERMINATION OF BOARDS OF CONTRACT AP-
8 PEALS.—On the effective date of this subtitle, the boards
9 of contract appeals established pursuant to section 8 of
10 the Contract Disputes Act of 1978 (41 U.S.C. 607) (as
11 in effect on the day before the effective date of this Act)
12 shall terminate.

13 (b) SAVINGS PROVISION FOR CONTRACT DISPUTE
14 MATTERS PENDING BEFORE BOARDS.—The provisions of
15 this subtitle shall not affect any proceedings (other than
16 bid protests pending before the board of contract appeals
17 of the General Services Administration) pending on the
18 effective date of this Act before any board of contract ap-
19 peals described in subsection (a). Such proceedings shall
20 be continued by the Board, and orders which were issued
21 in any such proceeding by any board of contract appeals
22 shall continue in effect until modified, terminated, super-
23 seded, or revoked by the Board, by a court of competent
24 jurisdiction, or by operation of law.

1 (c) BID PROTEST TRANSITION PROVISIONS.—(1) No
2 protest may be submitted to the Comptroller General pur-
3 suant to section 3553(a) of title 31, United States Code,
4 or to the board of contract appeals for the General Serv-
5 ices Administration pursuant to the Brooks Automatic
6 Data Processing Act (40 U.S.C. 759) on or after the effec-
7 tive date of this Act.

8 (2) The provisions repealed by section 871 shall con-
9 tinue to apply to proceedings pending on the effective date
10 of this subtitle before the board of contract appeals of the
11 General Services Administration and the Comptroller Gen-
12 eral pursuant to those provisions, until the board or the
13 Comptroller General determines such proceedings have
14 been completed.

15 **SEC. 883. CONTRACT DISPUTE AUTHORITY OF BOARD.**

16 (a) Section 2 of the Contract Disputes Act of 1978
17 (41 U.S.C. 601) is amended by striking out paragraph (6)
18 and inserting in lieu thereof the following:

19 “(6) the term ‘Board’ means the United States
20 Board of Contract Appeals; and”.

21 (b) Section 6(c) of the Contract Disputes Act of 1978
22 (41 U.S.C. 605(c)) is amended—

23 (1) in paragraph (4)—

24 (A) by striking out “the agency board of
25 contract appeals” and inserting in lieu thereof

1 “the United States Board of Contract Ap-
2 peals”; and

3 (B) by striking out “the board” and insert-
4 ing in lieu thereof “the Board”; and
5 (2) in paragraph (6)—

6 (A) by striking out “an agency board of
7 contract appeals” and inserting in lieu thereof
8 “the United States Board of Contract Ap-
9 peals”; and

10 (B) by striking out “agency board” and in-
11 serting in lieu thereof “the Board”.

12 (c) Section 7 of the Contract Disputes Act of 1978
13 (41 U.S.C. 606) is amended by striking out “an agency
14 board of contract appeals” and inserting in lieu thereof
15 “the United States Board of Contract Appeals”.

16 (d) Section 8 of the Contract Disputes Act of 1978
17 (41 U.S.C. 607) is amended—

18 (1) by amending the heading to read as follows:

19 “UNITED STATES BOARD OF CONTRACT APPEALS”;

20 (2) by striking out subsections (a), (b), and (c);

21 (3) in subsection (d)—

22 (A) by striking out the first sentence and
23 inserting in lieu thereof the following:

24 “The United States Board of Contract Appeals shall have
25 jurisdiction to decide any appeal from a decision of a con-

1 tracting officer of any executive agency relative to a con-
2 tract made by that agency.”; and

3 (B) in the second sentence, by striking out
4 “the agency board” and inserting in lieu thereof
5 “the Board”;

6 (4) in subsection (e), by striking out “An agen-
7 cy board” and inserting in lieu thereof “The United
8 States Board of Contract Appeals”;

9 (5) in subsection (f), by striking out “each
10 agency board” and inserting in lieu thereof “the
11 United States Board of Contract Appeals”;

12 (6) in subsection (g)—

13 (A) in the first sentence of paragraph (1),
14 by striking out “an agency board of contract
15 appeals” and inserting in lieu thereof “the
16 United States Board of Contract Appeals”;

17 (B) by striking out paragraph (2); and

18 (C) by redesignating paragraph (3) as
19 paragraph (2);

20 (7) by striking out subsections (h) and (i); and

21 (8) by redesignating subsections (d), (e), (f),
22 and (g) (as amended) as subsections (a), (b), (c),
23 and (d), respectively.

24 (e) Section 9 of the Contract Disputes Act of 1978
25 (41 U.S.C. 608) is amended—

1 (1) in subsection (a), by striking out “each
2 agency board” and inserting in lieu thereof “the
3 United States Board of Contract Appeals”; and

4 (2) in subsection (b), by striking out “the agen-
5 cy board” and inserting in lieu thereof “the Board”.

6 (f) Section 10 of the Contract Disputes Act of 1978
7 (41 U.S.C. 609) is amended—

8 (1) in subsection (a)—

9 (A) in the first sentence of paragraph

10 (1)—

11 (i) by striking out “Except as pro-
12 vided in paragraph (2), and in” and insert-
13 ing in lieu thereof “In”; and

14 (ii) by striking out “an agency board”
15 and inserting in lieu thereof “the United
16 States Board of Contract Appeals”;

17 (B) by striking out paragraph (2); and

18 (C) by redesignating paragraph (3) as
19 paragraph (2), and in that paragraph, by strik-
20 ing out “or (2)”;

21 (2) in subsection (b), by striking out “any
22 agency board” and “the agency board” and inserting
23 in lieu of each “the Board”;

1 (3) in subsection (c), by striking out “an agency
2 board” and “the agency board” and inserting in
3 lieu of each “the Board”; and

4 (4) in subsection (d), by striking out “one or
5 more agency boards” and “or among the agency
6 boards involved” and inserting in lieu of each “the
7 Board”.

8 (g) Section 11 of the Contract Disputes Act of 1978
9 (41 U.S.C. 610) is amended—

10 (1) in the first sentence, by striking out “an
11 agency board of contract appeals” and inserting in
12 lieu thereof “the United States Board of Contract
13 Appeals”; and

14 (2) in the second sentence, by striking out “the
15 agency board through the Attorney General; or upon
16 application by the board of contract appeals of the
17 Tennessee Valley Authority” and inserting in lieu
18 thereof “the Board”.

19 (h) Section 13 of the Contract Disputes Act of 1978
20 (41 U.S.C. 612) is amended—

21 (1) in subsection (b), by striking out “an agency
22 board of contract appeals” and inserting in lieu
23 thereof “the United States Board of Contract Ap-
24 peals”; and

1 (2) in subsection (d)(2), by striking out “by the
2 board of contract appeals for” and inserting in lieu
3 thereof “by the Board from”.

4 **SEC. 884. REFERENCES TO AGENCY BOARDS OF CONTRACT**
5 **APPEALS.**

6 Any reference to an agency board of contract appeals
7 in any provision of law or in any rule, regulation, or other
8 paper of the United States shall be treated as referring
9 to the United States Board of Contract Appeals.

10 **SEC. 885. CONFORMING AMENDMENTS.**

11 (a) TITLE 5.—Section 5372a of title 5, United States
12 Code, is amended—

13 (1) in subsection (a)(1), by striking out “an
14 agency board of contract appeals appointed under
15 section 8 of the Contract Disputes Act of 1978” and
16 inserting in lieu thereof “the United States Board of
17 Contract Appeals”;

18 (2) in subsection (a)(2), by striking out “an
19 agency board of contract appeals established pursu-
20 ant to section 8 of the Contract Disputes Act of
21 1978” and inserting in lieu thereof “the United
22 States Board of Contract Appeals”; and

23 (3) in subsection (b), by striking out “an ap-
24 peals board” each place it appears and inserting in
25 lieu thereof “the appeals board”.

1 (b) TITLE 10.—(1) Section 2305(e) of title 10, Unit-
2 ed States Code, is amended—

3 (A) in paragraph (1), by striking out “sub-
4 chapter V of chapter 35 of title 31” and inserting
5 in lieu thereof “title IV of the Federal Acquisition
6 Reform Act of 1995”; and

7 (B) by striking out paragraph (3).

8 (2) Section 2305(f) of such title is amended—

9 (A) in paragraph (1), by striking out “in sub-
10 paragraphs (A) through (F) of subsection (b)(1) of
11 section 3554 of title 31” and inserting in lieu there-
12 of “section 424(f)(2) of the Federal Acquisition Re-
13 form Act of 1995”; and

14 (B) in paragraph (2), by striking out “para-
15 graph (1) of section 3554(c) of title 31” and insert-
16 ing in lieu thereof “section 424(g)(1)(A) of the Fed-
17 eral Acquisition Reform Act of 1995”.

18 (c) FEDERAL PROPERTY AND ADMINISTRATIVE
19 SERVICES ACT OF 1949.—(1) Section 303B(h) of the
20 Federal Property and Administrative Services Act of 1949
21 (41 U.S.C. 253b(h)) is amended—

22 (A) in paragraph (1), by striking out “sub-
23 chapter V of chapter 35 of title 31” and inserting
24 in lieu thereof “title IV of the Federal Acquisition
25 Reform Act of 1995”; and

1 (B) by striking out paragraph (3).

2 (2) Section 303B(i) of such Act (41 U.S.C. 253b(i))
3 is amended—

4 (A) in paragraph (1), by striking out “in sub-
5 paragraphs (A) through (F) of subsection (b)(1) of
6 section 3554 of title 31” and inserting in lieu there-
7 of “section 424(f)(2) of the Federal Acquisition Re-
8 form Act of 1995”; and

9 (B) in paragraph (2), by striking out “para-
10 graph (1) of section 3554(c) of title 31” and insert-
11 ing in lieu thereof “section 424(g)(1)(A) of the Fed-
12 eral Acquisition Reform Act of 1995”.

13 **PART VI—EFFECTIVE DATE; INTERIM**

14 **APPOINTMENT AND RULES**

15 **SEC. 891. EFFECTIVE DATE.**

16 This subtitle shall take effect on October 1, 1996.

17 **SEC. 892. INTERIM APPOINTMENT.**

18 The Board judge serving as chairman of the board
19 of contract appeals of the General Services Administration
20 on the date of the enactment of this Act shall serve as
21 Chairman during the two-year period beginning on the ef-
22 fective date of this subtitle, unless such individual resigns
23 such position or the position otherwise becomes vacant be-
24 fore the expiration of such period. The authority vested
25 in the President by section 853 shall take effect upon the

1 expiration of such two-year period or on the date such po-
2 sition is vacated, whichever occurs earlier.

3 **SEC. 893. INTERIM RULES.**

4 (a) RULES OF PROCEDURE.—Until such date as the
5 Board promulgates rules of procedure, the rules of proce-
6 dure of the board of contract appeals of the General Serv-
7 ices Administration, as in effect on the effective date of
8 this Act, shall be the rules of procedure of the Board.

9 (b) RULES REGARDING BOARD JUDGES.—Until such
10 date as the Board promulgates rules governing the estab-
11 lishment and maintenance of a register of eligible appli-
12 cants and the selection of Board judges, the rules of the
13 Armed Services Board of Contract Appeals governing the
14 establishment and maintenance of a register of eligible ap-
15 plicants and the selection of board members shall be the
16 rules of the Board governing the establishment and main-
17 tenance of a register of eligible applicants and the selec-
18 tion of Board judges, except that any provisions of the
19 rules of the Armed Services Board of Contract Appeals
20 that authorize any individual other than the chairman of
21 such board to select a Board judge shall have no effect.

1 **Subtitle E—Effective Dates and**
2 **Implementation**

3 **SEC. 895. EFFECTIVE DATE AND APPLICABILITY.**

4 (a) EFFECTIVE DATE.—Except as otherwise provided
5 in this title, this title and the amendments made by this
6 title shall take effect on the date of the enactment of this
7 Act.

8 (b) APPLICABILITY OF AMENDMENTS.—(1) An
9 amendment made by this title shall apply, in the manner
10 prescribed in the final regulations promulgated pursuant
11 to section 896 to implement such amendment, with respect
12 to any solicitation that is issued, any unsolicited proposal
13 that is received, and any contract entered into pursuant
14 to such a solicitation or proposal, on or after the date de-
15 scribed in paragraph (3).

16 (2) An amendment made by this title shall also apply,
17 to the extent and in the manner prescribed in the final
18 regulations promulgated pursuant to section 896 to imple-
19 ment such amendment, with respect to any matter related
20 to—

21 (A) a contract that is in effect on the date de-
22 scribed in paragraph (3);

23 (B) an offer under consideration on the date
24 described in paragraph (3); or

1 (C) any other proceeding or action that is ongoing
2 on the date described in paragraph (3).

3 (3) The date referred to in paragraphs (1) and (2)
4 is the date specified in such final regulations. The date
5 so specified shall be October 1, 1996, or any earlier date
6 that is not within 30 days after the date on which such
7 final regulations are published.

8 **SEC. 896. IMPLEMENTING REGULATIONS.**

9 (a) PROPOSED REVISIONS.—Proposed revisions to
10 the Federal Acquisition Regulation and such other proposed
11 regulations (or revisions to existing regulations) as
12 may be necessary to implement this title shall be published
13 in the Federal Register not later than 210 days after the
14 date of the enactment of this Act.

15 (b) PUBLIC COMMENT.—The proposed regulations
16 described in subsection (a) shall be made available for
17 public comment for a period of not less than 60 days.

18 (c) FINAL REGULATIONS.—Final regulations shall be
19 published in the Federal Register not later than 330 days
20 after the date of enactment of this Act.

21 (d) MODIFICATIONS.—Final regulations promulgated
22 pursuant to this section to implement an amendment
23 made by this title may provide for modification of an existing
24 contract without consideration upon the request of the
25 contractor.

1 (e) SAVINGS PROVISIONS.—(1) Nothing in this title
2 shall be construed to affect the validity of any action taken
3 or any contract entered into before the date specified in
4 the regulations pursuant to section 895(b)(3) except to the
5 extent and in the manner prescribed in such regulations.

6 (2) Except as specifically provided in this title, noth-
7 ing in this title shall be construed to require the renegoti-
8 ation or modification of contracts in existence on the date
9 of the enactment of this Act.

10 (3) Except as otherwise provided in this title, a law
11 amended by this title shall continue to be applied accord-
12 ing to the provisions thereof as such law was in effect on
13 the day before the date of the enactment of this Act
14 until—

15 (A) the date specified in final regulations imple-
16 menting the amendment of that law (as promulgated
17 pursuant to this section); or

18 (B) if no such date is specified in regulations,
19 October 1, 1996.

1 **TITLE IX—DEPARTMENT OF DE-**
2 **FENSE ORGANIZATION AND**
3 **MANAGEMENT**

4 **SEC. 901. REORGANIZATION OF OFFICE OF THE SEC-**
5 **RETARY OF DEFENSE.**

6 (a) REORGANIZATION.—The Secretary of Defense
7 shall carry out in accordance with this section a reorga-
8 nization of the Office of the Secretary of Defense. The
9 reorganization shall include a substantial streamlining and
10 reduction in size of that office, as provided in this section.

11 (b) PLAN FOR REORGANIZATION.—The Secretary
12 shall submit to Congress a report setting forth a com-
13 prehensive plan by which the Secretary will carry out the
14 reorganization of the Office of the Department of Defense
15 required by this section. The Secretary shall include in the
16 report identification of all provisions of law (or other con-
17 gressional directives) that preclude or inhibit any proposed
18 reorganization or streamlining of the Office of the Sec-
19 retary of Defense set forth in the plan. The report shall
20 be submitted when the budget of the President for fiscal
21 year 1997 is submitted to Congress.

22 (c) CONTENT OF PLAN.—The plan required by sub-
23 section (b) shall enable the Secretary to accomplish the
24 following:

1 (1) Reduce the number of military and civilian
2 personnel assigned to, or employed in, the Office of
3 the Secretary of Defense by 25 percent over a period
4 of four years, as required by subsection (e).

5 (2) Increase organizational efficiency and civil-
6 ian control.

7 (3) Eliminate (or substantially reduce) duplica-
8 tion of functions between the Office of the Secretary
9 of Defense and the military departments.

10 (4) Eliminate (or substantially reduce) duplica-
11 tion of functions between the Office of the Secretary
12 of Defense and the Joint Chiefs of Staff.

13 (d) DEVELOPMENT OF PLAN.—In developing the
14 plan required by subsection (b), the Secretary shall—

15 (1) reassess the appropriate function and mis-
16 sion of the Office of the Secretary of Defense;

17 (2) reassess whether the current organization of
18 the Office of the Secretary of Defense provides the
19 most efficient and effective organization to support
20 the Secretary in carrying out the Secretary's respon-
21 sibilities;

22 (3) examine alternative organizational struc-
23 tures for that office and alternative allocations of
24 functional responsibilities within that office, includ-
25 ing—

1 (A) a reduction in the number of Under
2 Secretaries of Defense;

3 (B) a reduction in the number of Deputy
4 Assistant Secretaries of Defense and Deputy
5 Under Secretaries of Defense; and

6 (C) decentralizing functions of the Office
7 of the Secretary of Defense; and

8 (4) reassess the size, number, and functional al-
9 location of the Defense Agencies and other Depart-
10 ment of Defense support organizations.

11 (e) PERSONNEL REDUCTION.—(1) The number of
12 military and civilian personnel of the Department of De-
13 fense who as of October 1, 1998, are assigned to, or em-
14 ployed in, functions in the Office of the Secretary of De-
15 fense (including Direct Support Activities of that Office
16 and the Washington Headquarters Services of the Depart-
17 ment of Defense) may not exceed 75 percent of the num-
18 ber of such personnel as of October 1, 1994.

19 (2) In carrying out reductions under paragraph (1),
20 the Secretary may not reassign functions solely in order
21 to evade the requirement contained in that paragraph.

22 (f) REDUCTION IN NUMBER AND SPECIFICATION OF
23 ASSISTANT SECRETARY OF DEFENSE POSITIONS.—(1)
24 Section 138 of title 10, United States Code, is amended—

1 (A) in subsection (a), by striking out “eleven”
2 and inserting in lieu thereof “nine”; and

3 (B) by striking out subsection (b) and inserting
4 in lieu thereof the following:

5 “(b) The Assistant Secretaries shall perform such du-
6 ties and exercise such powers as the Secretary of Defense
7 may prescribe.”.

8 (2) Section 5315 of title 5, United States Code, is
9 amended by striking out “(11)” after “Assistant Secretar-
10 ies of Defense” and inserting in lieu thereof “(9)”.

11 (g) REPEAL OF STATUTORY ESTABLISHMENT OF
12 VARIOUS OSD POSITIONS.—(1)(A) The following sections
13 of chapter 4 of title 10, United States Code, are repealed:
14 sections 133a, 134a, 137, 139, and 142.

15 (B) The table of sections at the beginning of such
16 chapter is amended by striking out the items relating to
17 the sections specified in paragraph (1).

18 (2) Section 1056 is amended by striking out sub-
19 section (d).

20 (h) SENIOR STAFF FLOOR FOR SPECIFIED ASSIST-
21 ANT SECRETARY OF DEFENSE.—Section 355 of the Na-
22 tional Defense Authorization Act for Fiscal Year 1991
23 (Public Law 101–510; 104 Stat. 1540) is repealed.

1 (i) CONFORMING AMENDMENTS TO TITLE 10, UNIT-
2 ED STATES CODE.—Title 10, United States Code, is
3 amended as follows:

4 (1) Section 131(b) is amended—

5 (A) by striking out paragraphs (6) and
6 (8); and

7 (B) by redesignating paragraphs (7), (9),
8 (10), and (11), as paragraphs (6), (7), (8), and
9 (9), respectively.

10 (2) Section 138(d) is amended by striking out
11 “the Under Secretaries of Defense, and the Director
12 of Defense Research and Engineering” and inserting
13 in lieu thereof “and the Under Secretaries of De-
14 fense”.

15 (3) Section 176(a)(3) is amended—

16 (A) by striking out “Assistant Secretary of
17 Defense for Health Affairs” and inserting in
18 lieu thereof “official in the Department of De-
19 fense with principal responsibility for health af-
20 fairs”; and

21 (B) by striking out “Chief Medical Direc-
22 tor of the Department of Veterans Affairs” and
23 inserting in lieu thereof “Under Secretary for
24 Health of the Department of Veterans Affairs”.

1 (4) Section 1216(d) is amended by striking out
2 “Assistant Secretary of Defense for Health Affairs”
3 and inserting in lieu thereof “official in the Depart-
4 ment of Defense with principal responsibility for
5 health affairs”.

6 (5) Section 1587(d) is amended by striking out
7 “Assistant Secretary of Defense for Manpower and
8 Logistics” and inserting in lieu thereof “official in
9 the Department of Defense with principal respon-
10 sibility for personnel and readiness”.

11 (6) The text of section 10201 is amended to
12 read as follows:

13 “The official in the Department of Defense with re-
14 sponsibility for overall supervision of reserve component
15 affairs of the Department of Defense is the official des-
16 ignated by the Secretary of Defense to have that respon-
17 sibility.”.

18 (j) CONFORMING AMENDMENTS RELATING TO OPER-
19 ATIONAL TEST AND EVALUATION AUTHORITY.—Section
20 2399 of such title is amended—

21 (1) in subsection (a)—

22 (A) in paragraph (2)—

23 (i) by inserting “a conventional weap-
24 ons system that” after “means” in the
25 matter preceding subparagraph (A); and

1 (ii) in subparagraph (A), by striking
2 out “a conventional weapons system that”;
3 and

4 (B) by adding at the end the following new
5 paragraph:

6 “(3) The Secretary of Defense shall designate an offi-
7 cial of the Department of Defense to perform the duties
8 of the position referred to in this section as the ‘designated
9 OT&E official.’”;

10 (2) in subsection (b)—

11 (A) by striking out “Director of Oper-
12 ational Test and Evaluation of the Department
13 of Defense” in paragraph (1) and inserting in
14 lieu thereof “designated OT&E official”; and

15 (B) by striking out “Director” each place
16 it appears in paragraphs (2) and (3) and insert-
17 ing in lieu thereof “designated OT&E official”;

18 (3) in subsection (c), by striking out “Director
19 of Operational Test and Evaluation of the Depart-
20 ment of Defense” and inserting in lieu thereof “des-
21 ignated OT&E official”;

22 (4) in subsection (e), by striking out “Director”
23 each place it appears and inserting in lieu thereof
24 “designated OT&E official”;

25 (5) by striking out subsection (g); and

1 (6) by redesignating subsection (h) as sub-
2 section (g).

3 (k) OTHER CONFORMING AMENDMENT.—Section
4 1211(b)(2) of the National Defense Authorization Act for
5 Fiscal Year 1988 and 1989 (P.L. 100–180; 101 Stat
6 1155; 10 U.S.C. 167 note) is amended by striking out
7 “the Assistant Secretary of Defense for Special Oper-
8 ations and Low Intensity Conflict” and inserting in lieu
9 thereof “the official designated by the Secretary of De-
10 fense to have principal responsibility for matters relating
11 to special operations and low intensity conflict”.

12 **SEC. 902. RESTRUCTURING OF DEPARTMENT OF DEFENSE**
13 **ACQUISITION ORGANIZATION AND**
14 **WORKFORCE.**

15 (a) RESTRUCTURING REPORT.—Not later than
16 March 1, 1996, the Secretary of Defense shall submit to
17 Congress a report on the acquisition organization and
18 workforce of the Department of Defense. The report shall
19 include—

- 20 (1) the plan described in subsection (b); and
21 (2) the assessment of streamlining and restruc-
22 turing options described in subsection (c).

23 (b) PLAN FOR RESTRUCTURING.—(1) The Secretary
24 shall include in the report under subsection (a) a plan on
25 how to restructure the current acquisition organization of

1 the Department of Defense in a manner that would enable
2 the Secretary to accomplish the following:

3 (A) Reduce the number of military and civilian
4 personnel assigned to, or employed in, acquisition or-
5 ganizations of the Department of Defense by 25 per-
6 cent over a period of four years, as required by sub-
7 section (d).

8 (B) Eliminate duplication of functions among
9 existing acquisition organizations of the Department
10 of Defense.

11 (C) Maximize opportunity for consolidation
12 among acquisition organizations of the Department
13 of Defense to reduce management overhead.

14 (2) In the report, the Secretary shall also identify any
15 statutory requirement or congressional directive that in-
16 hibits any proposed restructuring plan or reduction in the
17 size of the defense acquisition organization.

18 (3) In designing the plan under paragraph (1), the
19 Secretary shall give full consideration to the process effi-
20 ciencies expected to be achieved through the implementa-
21 tion of the Federal Acquisition Streamlining Act of 1994
22 (Public Law 103–355) and other ongoing initiatives to in-
23 crease the use of commercial practices and reduce contract
24 overhead in the defense procurement system.

1 (c) ASSESSMENT OF SPECIFIED RESTRUCTURING
2 OPTIONS.—The Secretary shall include in the report
3 under subsection (a) a detailed assessment of each of the
4 following options for streamlining and restructuring the
5 existing defense acquisition organization, together with a
6 specific recommendation as to whether each such option
7 should be implemented:

8 (1) Consolidation of certain functions of the
9 Defense Contract Audit Agency and the Defense
10 Contract Management Command.

11 (2) Contracting for performance of a significant
12 portion of the workload of the Defense Contract
13 Audit Agency and other Defense Agencies that per-
14 form acquisition functions.

15 (3) Consolidation or selected elimination of De-
16 partment of Defense acquisition organizations.

17 (4) Any other defense acquisition infrastructure
18 streamlining or restructuring option the Secretary
19 may determine.

20 (d) REDUCTION OF ACQUISITION WORKFORCE.—(1)
21 Effective as of October 1, 1998, the total number of de-
22 fense acquisition personnel may not exceed 75 percent of
23 the total number of defense acquisition personnel as of Oc-
24 tober 1, 1994.

1 (2) In carrying out paragraph (1), the Secretary of
2 Defense shall exempt personnel who possess technical
3 competence in trade-skill maintenance and repair positions
4 involved in performing depot maintenance functions for
5 the Department of Defense.

6 (3) In carrying out paragraph (1), the Secretary of
7 Defense shall accomplish reductions in defense acquisition
8 personnel positions during fiscal year 1996 so that the
9 total number of such personnel as of October 1, 1996, is
10 less than the total number of such personnel as of October
11 1, 1995, by at least 30,000.

12 (4) For purposes of this section, the term “defense
13 acquisition personnel” means military and civilian person-
14 nel of the Department of Defense assigned to, or employed
15 in, acquisition organizations of the Department of De-
16 fense.

17 (e) ACQUISITION ORGANIZATION DEFINED.—For
18 purposes of this section, acquisition organizations of the
19 Department of Defense are those organizations specified
20 in Department of Defense Instruction Numbered 5000.58,
21 dated January 14, 1992.

1 **SEC. 903. PLAN FOR INCORPORATION OF DEPARTMENT OF**
2 **ENERGY NATIONAL SECURITY FUNCTIONS IN**
3 **DEPARTMENT OF DEFENSE.**

4 (a) REPORT REQUIRED.—The Secretary of Defense
5 shall submit to Congress a report setting forth the Sec-
6 retary's plan for the incorporation into the Department
7 of Defense of the national security programs of the De-
8 partment of Energy. The plan submitted shall be one
9 which could be implemented if the Department of Energy
10 is abolished and the national security programs of that
11 department are transferred to the Department of Defense
12 and consolidated with programs of the Department of De-
13 fense.

14 (b) MATTERS TO BE INCLUDED.—The plan submit-
15 ted in the report under subsection (a) shall include the
16 following:

17 (1) A detailed plan for the integration into the
18 Department of Defense of the offices and labora-
19 tories of the Department of Energy which could be
20 anticipated to be transferred to the Department of
21 Defense as part of such a transfer of functions.

22 (2) An assessment of the personnel end-
23 strength reductions estimated to be achieved as a re-
24 sult of such a transfer of functions.

25 (3) An assessment of costs, or savings, associ-
26 ated with the various transfer of function options.

1 (4) An identification of all applicable provisions
2 of law that may inhibit or preclude such a transfer
3 of functions.

4 (c) PRESERVATION OF INTEGRITY OF DOE NA-
5 TIONAL SECURITY PROGRAMS.—In developing the plan
6 under subsection (a), the Secretary shall make every effort
7 to ensure that the mission and functioning of the national
8 security programs of the Department of Energy are not
9 unduly affected adversely during the transfer of those
10 functions to the Department of Defense and the consolida-
11 tion of those functions into activities of the Department.

12 (d) SUBMISSION OF REPORT.—The report required
13 under subsection (a) shall be submitted not later than
14 February 1, 1996.

15 **SEC. 904. CHANGE IN TITLES OF CERTAIN MARINE CORPS**
16 **GENERAL OFFICER BILLETS RESULTING**
17 **FROM REORGANIZATION OF THE HEAD-**
18 **QUARTERS, MARINE CORPS.**

19 (a) HEADQUARTERS, MARINE CORPS, FUNCTION;
20 COMPOSITION.—Subsection (b) of section 5041 of title 10,
21 United States Code, is amended by striking out para-
22 graphs (2) through (5) and inserting in lieu thereof the
23 following:

24 “(2) The Vice Commandant of the Marine
25 Corps.

1 “(b) The officers specified in subsection (a) shall be
2 detailed by the Secretary of the Navy from officers on the
3 active-duty list of the Marine Corps.”.

4 (d) CLERICAL AMENDMENT.—The items relating to
5 sections 5044 and 5045 in the table of sections at the be-
6 ginning of chapter 506 of such title are amended to read
7 as follows:

“5044. Vice Commandant of the Marine Corps.

“5045. Director of the Marine Corps Staff; Deputy and Assistant Com-
mandants.”.

8 **SEC. 905. INCLUSION OF INFORMATION RESOURCES MAN-**
9 **AGEMENT COLLEGE IN THE NATIONAL DE-**
10 **FENSE UNIVERSITY.**

11 (a) TECHNICAL AMENDMENT AND ADDITION OF IN-
12 FORMATION RESOURCES MANAGEMENT COLLEGE TO THE
13 DEFINITION OF THE NATIONAL DEFENSE UNIVERSITY.—
14 Section 1595(d)(2) of title 10, United States Code, is
15 amended by striking out “the Institute for National Stra-
16 tegic Study,” and inserting in lieu thereof “the Institute
17 for National Strategic Studies, the Information Resources
18 Management College,”.

19 (b) CONFORMING AMENDMENT.—Section 2162(d)(2)
20 of such title is amended by inserting “the Institute for
21 National Strategic Studies, the Information Resources
22 Management College,” after “the Armed Forces Staff Col-
23 lege,”.

1 **SEC. 906. EMPLOYMENT OF CIVILIANS AT THE ASIA-PA-**
2 **CIFIC CENTER FOR SECURITY STUDIES.**

3 Section 1595 of title 10, United States Code, is
4 amended—

5 (1) in subsection (c), by adding at the end the
6 following new paragraph:

7 “(4) The Asia-Pacific Center for Security Stud-
8 ies.”; and

9 (2) by adding at the end the following new sub-
10 section:

11 “(f) APPLICATION TO DIRECTOR AND DEPUTY DI-
12 RECTOR AT ASIA-PACIFIC CENTER FOR SECURITY STUD-
13 IES.—In the case of the Asia-Pacific Center for Security
14 Studies, this section also applies with respect to the Direc-
15 tor and the Deputy Director.”.

16 **SEC. 907. CONTINUED OPERATION OF UNIFORMED SERV-**
17 **ICES UNIVERSITY OF THE HEALTH SCIENCES.**

18 (a) CLOSURE PROHIBITED.—In light of the impor-
19 tant role of the Uniformed Services University of the
20 Health Sciences in providing trained health care providers
21 for the uniformed services, Congress reaffirms the require-
22 ment contained in section 922 of the National Defense Au-
23 thorization Act for Fiscal Year 1995 (Public Law 103-
24 337; 108 Stat 2829) that the Uniformed Services Univer-
25 sity of the Health Sciences may not be closed.

1 (b) BUDGETARY COMMITMENT TO CONTINUATION.—
2 It is the sense of Congress that the Secretary of Defense
3 should budget for the operation of the Uniformed Services
4 University of the Health Sciences during fiscal year 1997
5 at a level at least equal to the level of operations conducted
6 at the University during fiscal year 1995.

7 **SEC. 908. REDESIGNATION OF ADVANCED RESEARCH**
8 **PROJECTS AGENCY.**

9 (a) REDESIGNATION.—The agency in the Depart-
10 ment of Defense known as the Advanced Research
11 Projects Agency shall after the date of the enactment of
12 this Act be designated as the Defense Advanced Research
13 Projects Agency.

14 (b) REFERENCES.—Any reference in any law, regula-
15 tion, document, record, or other paper of the United
16 States to the Advanced Research Projects Agency shall be
17 considered to be a reference to the Defense Advanced Re-
18 search Projects Agency.

19 **SEC. 909. NAVAL NUCLEAR PROPULSION PROGRAM.**

20 No department or agency may regulate or direct any
21 change in function for facilities under the Naval Nuclear
22 Propulsion Program unless otherwise permitted or speci-
23 fied by law.

1 **SEC. 910. AVIATION TESTING CONSOLIDATION.**

2 (a) LIMITATION.—The Secretary of the Army may
3 not consolidate the Aviation Technical Test Center, Fort
4 Rucker, Alabama, with any other aviation testing facility
5 until 60 days after the date on which a report containing
6 the results of the evaluation of such consolidation de-
7 scribed in subsection (b) is received by the congressional
8 defense committees.

9 (b) INDEPENDENT EVALUATION.—The Secretary of
10 the Army shall provide for an evaluation by the Institute
11 for Defense Analyses (a Federal contract research center)
12 of the proposal of the Test and Evaluation Command of
13 the Army to relocate the Aviation Technical Test Center
14 to Yuma Proving Ground, Arizona. The evaluation of such
15 proposal shall include consideration of the following:

16 (1) A review and validation of studies con-
17 ducted by the Army Materiel Command and the
18 Army Test and Evaluation Command of the pro-
19 posed relocation.

20 (2) The effect on, and cost of, maintenance and
21 logistics capability (including maintenance of a parts
22 inventory) to support the test evaluation fleet.

23 (3) The availability of facilities and infrastruc-
24 ture necessary to conduct the aviation testing mis-
25 sion at Yuma Proving Ground.

1 (4) The availability of engineers and mainte-
2 nance technicians to support the aviation testing
3 mission at Yuma Proving Ground.

4 (5) The effect on current and planned aircraft
5 programs.

6 (6) Consistency with the efforts of the Army to
7 become the Department of Defense leader for ro-
8 tary-wing aircraft.

9 (7) Potential savings, including the time period
10 over which such savings could be realized.

11 (8) Comparison of live-fire testing with com-
12 puter-simulated testing.

13 (c) TIME REQUIREMENT FOR COMPLETION OF EVAL-
14 UATION.—The evaluation under subsection (b) shall be
15 completed not later than 120 days after the date of the
16 enactment of this Act.

17 **TITLE X—GENERAL PROVISIONS**

18 **Subtitle A—Financial Matters**

19 **SEC. 1001. TRANSFER AUTHORITY.**

20 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

21 (1) Upon determination by the Secretary of Defense that
22 such action is necessary in the national interest, the Sec-
23 retary may transfer amounts of authorizations made avail-
24 able to the Department of Defense in this division for fis-
25 cal year 1996 between any such authorizations for that

1 fiscal year (or any subdivisions thereof). Amounts of au-
2 thorizations so transferred shall be merged with and be
3 available for the same purposes as the authorization to
4 which transferred.

5 (2) The total amount of authorizations that the Sec-
6 retary of Defense may transfer under the authority of this
7 section may not exceed \$2,000,000,000.

8 (b) LIMITATIONS.—The authority provided by this
9 section to transfer authorizations—

10 (1) may only be used to provide authority for
11 items that have a higher priority than the items
12 from which authority is transferred; and

13 (2) may not be used to provide authority for an
14 item that has been denied authorization by Con-
15 gress.

16 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
17 transfer made from one account to another under the au-
18 thority of this section shall be deemed to increase the
19 amount authorized for the account to which the amount
20 is transferred by an amount equal to the amount trans-
21 ferred.

22 **SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.**

23 (a) STATUS OF CLASSIFIED ANNEX.—The Classified
24 Annex prepared by the Committee on National Security
25 of the House of Representatives to accompany the bill

1 H.R. 1530 of the One Hundred Fourth Congress and
2 transmitted to the President is hereby incorporated into
3 this Act.

4 (b) CONSTRUCTION WITH OTHER PROVISIONS OF
5 ACT.—The amounts specified in the Classified Annex are
6 not in addition to amounts authorized to be appropriated
7 by other provisions of this Act.

8 (c) LIMITATION ON USE OF FUNDS.—Funds appro-
9 priated pursuant to an authorization contained in this Act
10 that are made available for a program, project, or activity
11 referred to in the Classified Annex may only be expended
12 for such program, project, or activity in accordance with
13 such terms, conditions, limitations, restrictions, and re-
14 quirements as are set out for that program, project, or
15 activity in the Classified Annex.

16 (d) DISTRIBUTION OF CLASSIFIED ANNEX.—The
17 President shall provide for appropriate distribution of the
18 Classified Annex, or of appropriate portions of the annex,
19 within the executive branch of the Government.

20 **SEC. 1003. IMPROVED FUNDING MECHANISMS FOR**
21 **UNBUDGETED OPERATIONS.**

22 (a) REVISION OF FUNDING MECHANISM.—(1) Chap-
23 ter 3 of title 10, United States Code, is amended by strik-
24 ing out section 127a and inserting in lieu thereof the fol-
25 lowing:

1 **“§ 127a. Operations for which funds are not provided**
2 **in advance: funding mechanisms**

3 “(a) IN GENERAL.—(1) The Secretary of Defense
4 shall use the procedures prescribed by this section with
5 respect to any operation of the Department of Defense—

6 “(A) that involves the deployment (other than
7 for a training exercise) of elements of the armed
8 forces for a purpose other than a purpose for which
9 funds have been specifically provided in advance; or

10 “(B) that involves humanitarian assistance, dis-
11 aster relief, or support for law enforcement (includ-
12 ing immigration control) for which funds have not
13 been specifically provided in advance.

14 “(2) Whenever any operation described in paragraph
15 (1) is commenced, the Secretary of Defense shall designate
16 and identify that operation for the purposes of this section
17 and shall promptly notify Congress of that designation
18 (and of the identification of the operation).

19 “(3) This section does not provide authority for the
20 President or the Secretary of Defense to carry out any
21 operation, but establishes mechanisms for the Department
22 of Defense by which funds are provided for operations that
23 the armed forces are required to carry out under some
24 other authority.

25 “(b) WAIVER OF REQUIREMENT TO REIMBURSE
26 SUPPORT UNITS.—(1) The Secretary of Defense shall di-

1 rect that, when a unit of the armed forces participating
2 in an operation described in subsection (a) receives serv-
3 ices from an element of the Department of Defense that
4 operates through the Defense Business Operations Fund
5 (or a successor fund), such unit of the armed forces may
6 not be required to reimburse that element for the incre-
7 mental costs incurred by that element in providing such
8 services, notwithstanding any other provision of law or any
9 Government accounting practice.

10 “(2) The amounts which but for paragraph (1) would
11 be required to be reimbursed to an element of the Depart-
12 ment of Defense (or a fund) shall be recorded as an ex-
13 pense attributable to the operation and shall be accounted
14 for separately.

15 “(c) TRANSFER AUTHORITY.—(1) Whenever there is
16 an operation of the Department of Defense described in
17 subsection (a), the Secretary of Defense may, subject to
18 the provisions of appropriations Acts, transfer amounts
19 described in paragraph (3) to accounts from which incre-
20 mental expenses for that operation were incurred in order
21 to reimburse those accounts for those incremental ex-
22 penses. Amounts so transferred shall be merged with and
23 be available for the same purposes as the accounts to
24 which transferred.

1 “(2) The total amount that the Secretary of Defense
2 may transfer under the authority of this section in any
3 fiscal year is \$200,000,000.

4 “(3) Transfers under this subsection may only be
5 made from amounts appropriated to the Department of
6 Defense for any fiscal year that remain available for obli-
7 gation from any of the following accounts:

8 “(A) Environmental Restoration, Defense.

9 “(B) Cooperative Threat Reduction programs.

10 “(C) Overseas Humanitarian, Disaster, and
11 Civic Aid (OHDACA) programs.

12 “(D) Operations and Maintenance, Defense-
13 Wide (but only from funds available for administra-
14 tion and service-wide activities).

15 “(4) The authority provided by this subsection is in
16 addition to any other authority provided by law authoriz-
17 ing the transfer of amounts available to the Department
18 of Defense. However, the Secretary may not use any such
19 authority under another provision of law for a purpose de-
20 scribed in paragraph (1) if there is authority available
21 under this subsection for that purpose.

22 “(5) The authority provided by this subsection to
23 transfer amounts may not be used to provide authority
24 for an activity that has been denied authorization by Con-
25 gress.

1 “(6) A transfer made from one account to another
2 under the authority of this subsection shall be deemed to
3 increase the amount authorized for the account to which
4 the amount is transferred by an amount equal to the
5 amount transferred.

6 “(d) FINANCIAL PLAN.—(1) Within 30 days after the
7 beginning of an operation described in subsection (a), the
8 Secretary of Defense shall submit to Congress a financial
9 plan for the operation that sets forth the manner by which
10 the Secretary proposes to obtain funds for the cost to the
11 United States of the operation. The plan shall specify in
12 detail how the Secretary proposes to restore balances in
13 the Defense Business Operations Fund (or a successor
14 fund) to the levels that would have been anticipated but
15 for the provisions of subsection (b). The Secretary may
16 not include in such a plan a means to restore such bal-
17 ances that is prohibited by paragraph (2) or (4).

18 “(2) The Secretary may not restore (or propose in
19 a plan under paragraph (1) to restore) balances in the
20 Defense Business Operations Fund through increases in
21 rates charged by that fund in order to compensate for
22 costs incurred and not reimbursed due to subsection (b).

23 “(3) If the Secretary of Defense transfers funds
24 under subsection (c), the Secretary shall submit to Con-
25 gress, within 30 days of such transfer, a plan for the res-

1 toration of the balance in the each account from which
2 the transfer was made to the level that would have been
3 the case but for the transfer.

4 “(4) The Secretary may not restore (or propose in
5 a plan under paragraph (1) or (3) to restore) balances
6 in any the Defense Business Operations Fund or any
7 other fund or account through the use of unobligated
8 amounts in an appropriation made for operation and
9 maintenance that are available within that appropriation
10 for an account (known as a budget activity 1 account) that
11 is specified as being for operating forces.

12 “(e) SUBMISSION OF REQUESTS FOR SUPPLEMENTAL
13 APPROPRIATIONS.—(1) Whenever there is an operation
14 described in subsection (a), the President shall submit to
15 Congress a request for the enactment of supplemental ap-
16 propriations for the then-current fiscal year, to be des-
17 igned as an emergency supplemental appropriations, in
18 order to provide funds to replenish the Defense Business
19 Operations Fund or any other fund or account of the De-
20 partment of Defense from which funds for the incremental
21 expenses of that operation were derived under this section.

22 “(2) A request under paragraph (1) shall be submit-
23 ted not later than the earlier of (A) the time at which
24 incremental expenses for the operation exceed
25 \$10,000,000, or (B) 90 days after the date on which the

1 operation begins. The request shall be submitted as a sep-
2 arate request from any other legislative proposal.

3 “(f) INCREMENTAL COSTS.—For purposes of this
4 section, incremental costs of the Department of Defense
5 with respect to an operation are the costs of the Depart-
6 ment that are directly attributable to the operation (and
7 would not have been incurred but for the operation).

8 “(g) RELATIONSHIP TO WAR POWERS RESOLU-
9 TION.—This section may not be construed as altering or
10 superseding the War Powers Resolution. This section does
11 not provide authority to conduct any military operation.

12 “(h) GAO COMPLIANCE REVIEWS.—The Comptroller
13 General of the United States shall from time to time, and
14 when requested by a committee of Congress, conduct a
15 review of the defense funding structure under this section
16 to determine whether the Department of Defense is com-
17 plying with the requirements and limitations of this sec-
18 tion.

19 **“§ 127b. Budgeting for ongoing operations**

20 “(a) REQUIREMENT FOR INCLUSION IN BUDGET.—
21 In the case of an operation of the Department of Defense
22 described in subsection (c), the President shall include
23 with the budget submitted to Congress pursuant to section
24 1105 of title 31 for the next fiscal year a specific request
25 for enactment of legislation to provide for the provision

1 of funds for such operation for that fiscal year in a man-
2 ner that will result in there not being a lower amount of
3 funds available to the Department of Defense for that fis-
4 cal year than would be the case if that operation were not
5 carried out during that year. Such a request shall include
6 one or more of the following:

7 “(1) A request for enactment of appropriation
8 of funds for the incremental costs for that operation
9 that are expected to be incurred by the Department
10 of Defense during the fiscal year for which the budg-
11 et is submitted, with such funds to be provided in,
12 and charged to, a budget function other than the na-
13 tional defense budget function (function 050).

14 “(2) A request for enactment of appropriation
15 of funds for the incremental costs for that operation
16 that are expected to be incurred by the Department
17 of Defense during the fiscal year for which the budg-
18 et is submitted, with such designations or waivers as
19 may be necessary to ensure that (if enacted) such
20 appropriations are not counted against the total
21 amount of funds for the Department of Defense, or
22 for the national defense budget function, for purpose
23 of any statutory limitation or restriction.

24 “(3) A request for enactment of rescissions.

1 “(b) LIMITATION.—In the case of any operation to
2 which the requirement of subsection (a) applies, no funds
3 may be obligated or expended for that operation after the
4 beginning of the fiscal year for which the budget is submit-
5 ted if the requirement in subsection (a) is not complied
6 with.

7 “(c) COVERED OPERATIONS.—This section applies
8 with respect to any operation of the Department of De-
9 fense involving the use of the Armed Forces that—

10 “(1) is ongoing in the first quarter of a fiscal
11 year;

12 “(2) is not expected to end during the current
13 fiscal year;

14 “(3) for which appropriations were not specifi-
15 cally provided in advance for the current fiscal year.

16 “(d) WAIVER AUTHORITY.—The President may
17 waive the provisions of this section for any fiscal year—

18 “(1) during which there is in effect a declara-
19 tion of war; or

20 “(2) during which authority is in effect pursu-
21 ant to section 12302 of this title to order units and
22 members of the Ready Reserve to active duty with-
23 out the consent of the persons concerned.”.

1 (2) The table of sections at the beginning of such
2 chapter is amended by striking out the item relating to
3 section 127a and inserting in lieu thereof the following:

“127a. Operations for which funds are not provided in advance: funding mechanisms.

“127b. Budgeting for ongoing operations.”.

4 (b) **EFFECTIVE DATE.**—The amendment to section
5 127a of title 10, United States Code, made by subsection
6 (a) shall take effect on October 1, 1995, and shall apply
7 to any operation of the Department of Defense, whether
8 begun before, on, or after such date. In the case of any
9 operation begun before such date, any reference in such
10 section to the date of the beginning of such operation shall
11 be treated as referring to the effective date under the pre-
12 ceding sentence.

13 **SEC. 1004. DESIGNATION AND LIABILITY OF DISBURSING**
14 **AND CERTIFYING OFFICIALS.**

15 (a) **DISBURSING OFFICIALS.**—(1) Section 3321(c) of
16 title 31, United States Code, is amended by striking out
17 paragraph (2) and inserting in lieu thereof the following:

18 “(2) The Department of Defense.

19 “(3) The Coast Guard (when not operating as
20 a service in the Navy).”.

21 (2) Section 2773 of title 10, United States Code, is
22 amended—

23 (A) in subsection (a)—

1 (i) by striking out “With the approval of
2 the Secretary of a military department when
3 the Secretary considers it necessary, a disburs-
4 ing official of the military department” and in-
5 serting in lieu thereof “Subject to paragraph
6 (3), a disbursing official of the Department of
7 Defense”; and

8 (ii) by adding at the end the following new
9 paragraph:

10 “(3) A disbursing official may make a designation
11 under paragraph (1) only with the approval of the Sec-
12 retary of Defense or, in the case of a disbursing official
13 of a military department, the Secretary of that military
14 department.”; and

15 (B) in subsection (b)(1)—

16 (i) by striking out “any military depart-
17 ment” and inserting in lieu thereof “the De-
18 partment of Defense”; and

19 (ii) by striking out “2d month” and insert-
20 ing in lieu thereof “second month”.

21 (b) DESIGNATION OF MEMBERS OF THE ARMED
22 FORCES TO HAVE AUTHORITY TO CERTIFY VOUCH-
23 ERS.—(1) Section 3325(b) of title 31, United States Code,
24 is amended to read as follows:

1 “(b) In addition to officers and employees referred
2 to in subsection (a)(1)(B) of this section as having author-
3 ization to certify vouchers, the Secretary of Defense and
4 the Secretary of Transportation (with respect to the Coast
5 Guard when it is not operating as a service in the Navy)
6 may authorize, in writing, members of the armed forces
7 under their jurisdiction to certify vouchers.”.

8 (2) Section 3528(d) of title 31, United States Code,
9 is repealed.

10 (c) RELIEF OF ACCOUNTABLE OFFICIALS AND
11 AGENTS FROM LIABILITY.—Section 3527(b)(1) of title
12 31, United States Code, is amended—

13 (1) by striking out “armed forces” in the mat-
14 ter preceding subparagraph (A) and inserting in lieu
15 thereof “Department of Defense or the Coast
16 Guard”; and

17 (2) in subparagraph (A), by striking out “ap-
18 propriate Secretary of the military department of
19 the Department of Defense” and inserting in lieu
20 thereof “Secretary of Transportation (with respect
21 to the Coast Guard when it is not operating as a
22 service in the Navy)”.

23 (d) CONFORMING AMENDMENTS.—(1) Section 1012
24 of title 37, United States Code, is amended by striking

1 out “Secretary concerned” both places it appears and in-
2 serting in lieu thereof “Secretary of Defense”.

3 (2)(A) Section 7863 of title 10, United States Code,
4 is amended—

5 (i) in the first sentence, by striking out “dis-
6 bursements of public moneys or” and “the money
7 was paid or”; and

8 (ii) in the second sentence, by striking out “dis-
9 bursement or”.

10 (B)(i) The heading of such section is amended to read
11 as follows:

12 **“§ 7863. Disposal of public stores by order of com-
13 manding officer”.**

14 (ii) The item relating to such section in the table of
15 sections at the beginning of chapter 661 of such title is
16 amended to read as follows:

“7863. Disposal of public stores by order of commanding officer.”.

17 **SEC. 1005. AUTHORITY FOR OBLIGATION OF CERTAIN UN-
18 AUTHORIZED FISCAL YEAR 1995 DEFENSE AP-
19 PROPRIATIONS.**

20 (a) **AUTHORITY.**—The amounts described in sub-
21 section (b) may be obligated and expended for programs,
22 projects, and activities of the Department of Defense in
23 accordance with fiscal year 1995 defense appropriations.

24 (b) **COVERED AMOUNTS.**—The amounts referred to
25 in subsection (a) are the amounts provided for programs,

1 projects, and activities of the Department of Defense in
2 fiscal year 1995 defense appropriations that are in excess
3 of the amounts provided for such programs, projects, and
4 activities in fiscal year 1995 defense authorizations.

5 (c) DEFINITIONS.—For the purposes of this section:

6 (1) FISCAL YEAR 1995 DEFENSE APPROPRIA-
7 TIONS.—The term “fiscal year 1995 defense appro-
8 priations” means amounts appropriated or otherwise
9 made available to the Department of Defense for fis-
10 cal year 1995 in the Department of Defense Appro-
11 priations Act, 1995 (Public Law 103–335).

12 (2) FISCAL YEAR 1995 DEFENSE AUTHORIZA-
13 TIONS.—The term “fiscal year 1995 defense author-
14 izations” means amounts authorized to be appro-
15 priated for the Department of Defense for fiscal
16 year 1995 in the National Defense Authorization
17 Act for Fiscal Year 1995 (Public Law 103–337).

18 **SEC. 1006. AUTHORIZATION OF PRIOR EMERGENCY SUP-**
19 **PLEMENTAL APPROPRIATIONS FOR FISCAL**
20 **YEAR 1995.**

21 (a) ADJUSTMENT TO PREVIOUS AUTHORIZATIONS.—
22 Amounts authorized to be appropriated to the Department
23 of Defense for fiscal year 1995 in the National Defense
24 Authorization Act for Fiscal Year 1995 (Public Law 103–
25 337) are hereby adjusted, with respect to any such author-

1 ized amount, by the amount by which appropriations pur-
2 suant to such authorization were increased (by a supple-
3 mental appropriation) or decreased (by a rescission), or
4 both, in title I of the Emergency Supplemental Appropria-
5 tions and Rescissions for the Department of Defense to
6 Preserve and Enhance Military Readiness Act of 1995
7 (Public Law 104–6).

8 (b) NEW AUTHORIZATION.—The appropriation pro-
9 vided in section 104 of such Act is hereby authorized.

10 **SEC. 1007. PROHIBITION OF INCREMENTAL FUNDING OF**
11 **PROCUREMENT ITEMS.**

12 Section 114 of title 10, United States Code, is
13 amended by adding at the end the following new sub-
14 section:

15 “(f)(1) No funds may be appropriated, or authorized
16 to be appropriated, for any fiscal year for a purpose
17 named in paragraph (1), (3), (4), or (5) of subsection (a)
18 using incremental funding.

19 “(2) In the budget submitted by the President for
20 any fiscal year, the President may not request appropria-
21 tions, or authorization of appropriations, on the basis of
22 incremental funding for a purpose specified in paragraph
23 (1).

24 “(3) In this subsection, the term ‘incremental fund-
25 ing’ means the provision of funds for a fiscal year for a

1 procurement in less than the full amount required for pro-
2 curement of a complete and usable product, with the ex-
3 pectation (or plan) for additional funding to be made for
4 subsequent fiscal years to complete the procurement of a
5 complete and usable product.

6 “(4) This subsection does not apply with respect to
7 funding classified as advance procurement funding.”.

8 **Subtitle B—Naval Vessels and**
9 **Shipyards**

10 **SEC. 1021. CONTRACT OPTIONS FOR LMSR VESSELS.**

11 (a) FINDINGS.—Congress makes the following find-
12 ings:

13 (1) A requirement for the Department of the
14 Navy to acquire 19 large, medium-speed, roll-on/roll-
15 off (LMSR) vessels was established by the Secretary
16 of Defense in the Mobility Requirements Study con-
17 ducted after the Persian Gulf War pursuant to sec-
18 tion 909 of the National Defense Authorization Act
19 for Fiscal Year 1991 (Public law 101–510; 104
20 Stat. 1623) and was revalidated by the Secretary of
21 Defense in the report entitled “Mobility Require-
22 ments Study Bottom-Up Review Update”, submitted
23 to Congress in April 1995.

24 (2) The Strategic Sealift Program is a vital ele-
25 ment of the national military strategy calling for the

1 Nation to be able to fight and win two nearly simul-
2 taneous major regional contingencies.

3 (3) The Secretary of the Navy has entered into
4 contracts with shipyards covering acquisition of a
5 total of 17 such LMSR vessels, of which five are ves-
6 sel conversions and 12 are new construction vessels.
7 Under those contracts, the Secretary has placed or-
8 ders for the acquisition of 11 vessels and has options
9 for the acquisition of six more, all of which would be
10 new construction vessels. The options allow the Sec-
11 retary to place orders for one vessel to be con-
12 structed at each of two shipyards for award before
13 December 31, 1995, December 31, 1996, and De-
14 cember 31, 1997, respectively.

15 (4) Acquisition of an additional two such
16 LMSR vessels, for a total of 19 vessels (the require-
17 ment described in paragraph (1)) would contribute
18 to preservation of the industrial base of United
19 States shipyards capable of building auxiliary and
20 sealift vessels.

21 (b) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that the Secretary of the Navy should plan for, and
23 budget to provide for, the acquisition as soon as possible
24 of a total of 19 large, medium-speed, roll-on/roll-off
25 (LMSR) vessels (the number determined to be required

1 in the Mobility Requirements Study referred to in sub-
2 section (a)(1)), rather than only 17 such vessels (the num-
3 ber of vessels under contract as of May 1995).

4 (c) **ADDITIONAL NEW CONSTRUCTION CONTRACT**
5 **OPTION.**—The Secretary of the Navy should negotiate
6 with each of the two shipyards holding new construction
7 contracts referred to in subsection (a)(3) (Department of
8 the Navy contracts numbered N00024–93–C–2203 and
9 N00024–93–C–2205) for an option under each such con-
10 tract for construction of one additional such LMSR vessel,
11 with such option to be available to the Secretary for exer-
12 cise during 1995, 1996, or 1997.

13 (d) **REPORT.**—The Secretary of the Navy shall sub-
14 mit to the congressional defense committees, by March 31,
15 1996, a report stating the intentions of the Secretary re-
16 garding the acquisition of options for the construction of
17 two additional LMSR vessels as described in subsection
18 (c).

19 **SEC. 1022. VESSELS SUBJECT TO REPAIR UNDER PHASED**
20 **MAINTENANCE CONTRACTS.**

21 (a) **IN GENERAL.**—(1) Chapter 633 of title 10, Unit-
22 ed States Code, is amended by adding at the end the fol-
23 lowing new section:

1 **“§ 7315. Phased maintenance contracts: vessels cov-**
2 **ered**

3 “In any case in which the Secretary of the Navy en-
4 ters into a contract for the phased maintenance of a class
5 of vessels or vessels of an identified type, the Secretary
6 shall ensure that—

7 “(1) any vessel that is covered by the contract
8 when it is entered into remains covered by the con-
9 tract, regardless of operating command to which the
10 vessel is subsequently assigned, unless the vessel is
11 taken out of service for the Department of the Navy;
12 and

13 “(2) any vessel of a class or type covered by the
14 contract that is delivered to the Navy while the con-
15 tract is in effect is covered by the contract.”.

16 (2) The table of sections at the beginning of such
17 chapter is amended by adding at the end the following
18 new item:

“7315. Phased maintenance contracts: vessels covered.”.

19 (b) EFFECTIVE DATE.—Section 7315 of title 10, Unit-
20 ed States Code, as added by subsection (a), shall apply
21 with respect to contracts entered into after the date of
22 the enactment of this Act.

1 **SEC. 1023. CLARIFICATION OF REQUIREMENTS RELATING**
2 **TO REPAIRS OF VESSELS.**

3 Section 7310(a) of title 10, United States Code, is
4 amended by inserting “or Guam” after “the United
5 States” the second place it appears.

6 **SEC. 1024. NAMING OF NAVAL VESSEL.**

7 It is the sense of Congress that the Secretary of the
8 Navy should name an appropriate ship of the United
9 States Navy the U.S.S. Joseph Vittori, in honor of Marine
10 Corporal Joseph Vittori (1929–1951) of Beverly, Massa-
11 chusetts, who was posthumously awarded the Medal of
12 Honor for actions against the enemy in Korea on Septem-
13 ber 15–16, 1951.

14 **SEC. 1025. TRANSFER OF RIVERINE PATROL CRAFT.**

15 (a) **AUTHORITY TO TRANSFER VESSEL.**—Notwith-
16 standing subsections (a) and (d) of section 7306 of title
17 10, United States Code, but subject to subsections (b) and
18 (c) of that section, the Secretary of the Navy may transfer
19 a vessel described in subsection (b) to Tidewater Commu-
20 nity College, Portsmouth, Virginia, for scientific and edu-
21 cational purposes.

22 (b) **VESSEL.**—The authority under subsection (a) ap-
23 plies in the case of a riverine patrol craft of the U.S.S.
24 Swift class.

25 (c) **LIMITATION.**—The transfer authorized by sub-
26 section (a) may be made only if the Secretary determines

1 that the vessel to be transferred is of no further use to
2 the United States for national security purposes.

3 (d) TERMS AND CONDITIONS.—The Secretary may
4 require such terms and conditions in connection with the
5 transfer authorized by this section as the Secretary consid-
6 ers appropriate.

7 **Subtitle C—Other Matters**

8 **SEC. 1031. TERMINATION AND MODIFICATION OF AUTHORI-** 9 **TIES REGARDING NATIONAL DEFENSE TECH-** 10 **NOLOGY AND INDUSTRIAL BASE, DEFENSE** 11 **REINVESTMENT, AND DEFENSE CONVERSION** 12 **PROGRAMS.**

13 (a) CONGRESSIONAL DEFENSE POLICY.—Section
14 2501 of title 10, United States Code, is amended—

15 (1) in subsection (a), by striking out paragraph
16 (5); and

17 (2) in subsection (b)—

18 (A) by striking out “DEFENSE REINVEST-
19 MENT, DIVERSIFICATION, AND CONVERSION” in
20 the subsection heading and inserting in lieu
21 thereof “TECHNOLOGY DEVELOPMENT FOR NA-
22 TIONAL SECURITY”;

23 (B) by striking out “, during a period of
24 reduction in defense expenditures,” in the mat-
25 ter preceding paragraph (1);

1 (C) by striking out “of reinvestment, diver-
2 sification, and conversion of defense resources”
3 in the matter preceding paragraph (1); and

4 (D) in paragraph (5), by striking out “de-
5 fense economic reinvestment” and inserting in
6 lieu thereof “economic investment”.

7 (b) NATIONAL DEFENSE TECHNOLOGY AND INDUS-
8 TRIAL BASE COUNCIL.—Section 2502(c) of such title is
9 amended—

10 (1) in paragraph (1)(B), by striking out “, dur-
11 ing a period of reduction in defense expenditures,
12 the defense reinvestment, diversification, and conver-
13 sion objectives” and inserting in lieu thereof “the
14 objectives”;

15 (2) by striking out paragraph (2); and

16 (3) by redesignating paragraph (3) as para-
17 graph (2).

18 (c) MODIFICATION OF DEFENSE DUAL-USE CRITI-
19 CAL TECHNOLOGY PARTNERSHIPS PROGRAM.—(1) Sub-
20 section (a) of section 2511 of such title is amended—

21 (A) by striking out “PARTNERSHIPS” in the
22 subsection heading and inserting in lieu thereof
23 “PROGRAM”;

24 (B) in the first sentence, by striking out “, by
25 providing for the establishment” and all that follows

1 through “encourage and provide” and inserting in
2 lieu thereof “by encouraging and providing”;

3 (C) in the second sentence, by striking out “in
4 order to establish the partnerships” and inserting in
5 lieu thereof “in furtherance of the program”; and

6 (D) by adding at the end the following new sen-
7 tence: “The Secretary shall identify projects to be
8 conducted as part of the program.”.

9 (2) Such section is further amended by striking out
10 subsections (b), (c), and (d) and inserting in lieu thereof
11 the following new subsection:

12 “(b) ASSISTANCE AUTHORIZED.—The Secretary of
13 Defense may provide technical and other assistance to fa-
14 cilitate the achievement of the purposes of projects con-
15 ducted under the program. In providing such assistance,
16 the Secretary may make available, as appropriate for the
17 work to be performed, equipment and facilities of Depart-
18 ment of Defense laboratories (including the scientists and
19 engineers at those laboratories) for purposes of projects
20 selected by the Secretary.”.

21 (3) Such section is further amended—

22 (A) by redesignating subsections (e), (f), and
23 (g), as subsections (c), (d), and (e), respectively;

24 (B) in subsection (c), as so redesignated, by
25 striking out “establishment of partnerships” and in-

1 serting in lieu thereof “conduct of the program”;
2 and

3 (C) in subsection (d), as so redesignated—

4 (i) by striking out “proposed partnerships
5 for establishment under this section” in the
6 matter preceding paragraph (1) and inserting
7 in lieu thereof “projects under the program”;

8 (ii) in paragraphs (1) and (2), by striking
9 out “program proposed to be conducted by the
10 partnership” both places it appears and insert-
11 ing in lieu thereof “proposed project”;

12 (iii) in paragraph (3), by striking out
13 “partnership’s” and inserting in lieu thereof
14 “proposed project’s”; and

15 (iv) in paragraphs (4) through (7), by
16 striking out “partnership” each place it appears
17 and inserting in lieu thereof “project”.

18 (d) REPEAL OF COMMERCIAL-MILITARY INTEGRA-
19 TION PARTNERSHIPS PROGRAM.—Section 2512 of such
20 title is repealed.

21 (e) REPEAL OF REGIONAL TECHNOLOGY ALLIANCES
22 ASSISTANCE PROGRAM.—Section 2513 of such title is re-
23 pealed.

1 (f) MILITARY-CIVILIAN INTEGRATION AND TECH-
2 NOLOGY TRANSFER ADVISORY BOARD.—Section 2516(b)
3 of such title is amended—

4 (1) by inserting “and” at the end of paragraph
5 (2);

6 (2) by striking out “; and” at the end of para-
7 graph (3) and inserting in lieu thereof a period; and

8 (3) by striking out paragraph (4).

9 (g) FEDERAL DEFENSE LABORATORY DIVERSIFICA-
10 TION PROGRAM.—Section 2519 of such title is amended—

11 (1) in subsection (b), by striking out “referred
12 to in section 2511(b) of this title”;

13 (2) in subsection (d)—

14 (A) by striking out “(1)” before “The Sec-
15 retary shall”; and

16 (B) by striking out paragraph (2); and

17 (3) in subsection (f), by striking out “section
18 2511(f)” and inserting in lieu thereof “section
19 2511(d)”.

20 (h) REPEAL OF NAVY REINVESTMENT PROGRAM.—
21 Section 2520 of such title is repealed.

22 (i) REPEAL OF NATIONAL DEFENSE MANUFACTUR-
23 ING TECHNOLOGY PROGRAM.—Section 2521 of such title
24 is repealed.

1 (j) REPEAL OF DEFENSE ADVANCED MANUFACTUR-
2 ING TECHNOLOGY PARTNERSHIPS PROGRAM.—Section
3 2522 of such title is repealed.

4 (k) REPEAL OF MANUFACTURING EXTENSION PRO-
5 GRAM.—Section 2523 of such title is repealed.

6 (l) REPEAL OF DEFENSE DUAL-USE ASSISTANCE
7 EXTENSION PROGRAM.—Section 2524 of such title is re-
8 pealed.

9 (m) CLERICAL AMENDMENTS.—(1) The heading of
10 section 2511 of such title is amended to read as follows:

11 **“§2511. Defense dual-use critical technology pro-**
12 **gram”.**

13 (2) The table of sections at the beginning of sub-
14 chapter III of chapter 148 of such title is amended—

15 (A) by striking out the item relating to section
16 2511 and inserting in lieu thereof the following new
17 item:

“2511. Defense dual-use critical technology program.”; and

18 (B) by striking out the items relating to sec-
19 tions 2512, 2513, and 2520.

20 (3) The table of sections at the beginning of sub-
21 chapter IV of such chapter is amended by striking out the
22 items relating to sections 2521, 2522, 2523, and 2524.

1 **SEC. 1032. REPEAL OF MISCELLANEOUS PROVISIONS OF**
2 **LAW.**

3 (a) VOLUNTEERS INVESTING IN PEACE AND SECUR-
4 RITY PROGRAM.—(1) Chapter 89 of title 10, United
5 States Code, is repealed.

6 (2) The tables of chapters at the beginning of subtitle
7 A, and at the beginning of part II of subtitle A, of such
8 title are amended by striking out the item relating to chap-
9 ter 89.

10 (b) SECURITY AND CONTROL OF SUPPLIES.—(1)
11 Chapter 171 of such title is repealed.

12 (2) The tables of sections at the beginning of subtitle
13 A, and at the beginning of part IV of subtitle A, of such
14 title are each amended by striking out the item relating
15 to chapter 171.

16 (c) ANNUAL AUTHORIZATION OF MILITARY TRAIN-
17 ING STUDENT LOADS.—Section 115 of such title is
18 amended—

19 (1) in subsection (a), by striking out paragraph

20 (3);

21 (2) in subsection (b)—

22 (A) by inserting “or” at the end of para-
23 graph (1);

24 (B) by striking out “; or” at the end of
25 paragraph (2) and inserting in lieu thereof a
26 period; and

1 (C) by striking out paragraph (3); and

2 (3) by striking out subsection (f).

3 (d) PORTIONS OF ANNUAL MANPOWER REQUIRE-
4 MENTS REPORT.—Section 115a of such title is amended—

5 (1) in subsection (b)(2), by striking out sub-
6 paragraph (C);

7 (2) by striking out subsection (d);

8 (3) by redesignating subsection (e) as sub-
9 section (d) and striking out paragraphs (4) and (5)
10 thereof;

11 (4) by striking out subsection (f); and

12 (5) by redesignating subsection (g) as sub-
13 section (e).

14 (e) OBSOLETE AUTHORITY FOR PAYMENT OF STI-
15 PENDS FOR MEMBERS OF CERTAIN ADVISORY COMMIT-
16 TEES AND BOARDS OF VISITORS OF SERVICE ACAD-
17 EMIES.—(1) The second sentence of each of sections
18 173(b) and 174(b) of such title is amended to read as fol-
19 lows: “Other members and part-time advisers shall (except
20 as otherwise specifically authorized by law) serve without
21 compensation for such service.”.

22 (2) Sections 4355(h), 6968(h), and 9355(h) of such
23 title are amended by striking out “is entitled to not more
24 than \$5 a day and”.

1 (f) ANNUAL BUDGET INFORMATION CONCERNING
2 RECRUITING COSTS.—(1) Section 227 of such title is re-
3 pealed.

4 (2) The table of sections at the beginning of chapter
5 9 of such title is amended by striking out the item relating
6 to section 227.

7 (g) EXPIRED AUTHORITY RELATING TO PEACEKEEP-
8 ING ACTIVITIES.—(1) Section 403 of such title is repealed.

9 (2) The table of sections at the beginning of sub-
10 chapter I of chapter 20 of such title is amended by strik-
11 ing out the item relating to section 403.

12 (h) MANAGEMENT TRAINING PROGRAM IN JAPANESE
13 LANGUAGE AND CULTURE.—(1) Section 2198 of such
14 title is repealed.

15 (2) The table of sections at the beginning of chapter
16 111 of such title is amended by striking out the item relat-
17 ing to section 2198.

18 (i) PROCUREMENT OF GASOHOL FOR DEPARTMENT
19 OF DEFENSE MOTOR VEHICLES.—(1) Subsection (a) of
20 section 2398 of such title is repealed.

21 (2) Such section is further amended—

22 (A) by redesignating subsections (b) and (c) as
23 subsections (a) and (b), respectively; and

1 (B) in subsection (b), as so redesignated, by
2 striking out “subsection (b)” and inserting in lieu
3 thereof “subsection (a)”.

4 (j) REQUIREMENT OF NOTICE OF CERTAIN DISPOS-
5 ALS AND GIFTS BY SECRETARY OF NAVY.—Section 7545
6 of such title is amended by striking out subsection (c).

7 (k) ANNUAL REPORT ON BIOLOGICAL DEFENSE RE-
8 SEARCH PROGRAM.—(1) Section 2370 of such title is re-
9 pealed.

10 (2) The table of sections at the beginning of chapter
11 139 of such title is amended by striking out the item relat-
12 ing to such section.

13 (l) REPORTS AND NOTIFICATIONS RELATING TO
14 CHEMICAL AND BIOLOGICAL AGENTS.—(1) Subsection (a)
15 of section 409 of Public Law 91–121 (50 U.S.C. 1511)
16 is repealed.

17 (2) Subsection (b) of such section (50 U.S.C. 1512)
18 is amended—

19 (A) by inserting “and” at the end of paragraph

20 (2);

21 (B) by striking out “; and” at the end of para-
22 graph (3) and inserting in lieu thereof a period; and

23 (C) by striking out paragraph (4).

1 (3) Subsection (c) of such section (50 U.S.C. 1513)
2 is amended by striking out the second sentence of para-
3 graph (1).

4 (m) PROVISION GIVING PERMANENT STATUS TO EX-
5 ECUTIVE ORDER RELATING TO NAVAL NUCLEAR PRO-
6 PULSION PROGRAM.—Section 1634 of the Department of
7 Defense Authorization, 1985 (Public Law 98–525; 98
8 Stat. 2649; 42 U.S.C. 7158 note), is repealed.

9 (n) ANNUAL REPORT ON BALANCED TECHNOLOGY
10 INITIATIVE.—Subsection (e) of section 211 of the Na-
11 tional Defense Authorization Act for Fiscal Years 1990
12 and 1991 (Public Law 101–189; 103 Stat. 1394) is re-
13 pealed.

14 (o) OBSOLETE AUTHORITY REGARDING ANNISTON
15 ARMY DEPOT, ALABAMA.—Section 352 of the National
16 Defense Authorization Act for Fiscal Year 1991 (Public
17 Law 101–510; 104 Stat. 1539) is repealed.

18 (p) REPORT ON ENVIRONMENTAL RESTORATION
19 COSTS FOR INSTALLATIONS TO BE CLOSED UNDER 1990
20 BASE CLOSURE LAW.—Section 2827 of the National De-
21 fense Authorization Act for Fiscal Years 1992 and 1993
22 (Public Law 102–190; 10 U.S.C. 2687 note) is amended
23 by striking out subsection (b).

24 (q) LIMITATION ON AMERICAN DIPLOMATIC FACILI-
25 TIES IN GERMANY.—Section 1432 of the National Defense

1 Authorization Act for Fiscal Year 1994 (Public Law 103–
2 160; 107 Stat. 1833) is repealed.

3 (r) REQUIREMENT RELATING TO ATHLETIC DIREC-
4 TOR OF NAVAL ACADEMY.—Section 556(b) of the Na-
5 tional Defense Authorization Act for Fiscal Year 1995
6 (Public Law 103–337; 108 Stat. 2774) (including the sec-
7 tion of title 10, United States Code, added by that section
8 effective January 1, 1996, and the table of sections item
9 added by that section) is repealed.

10 **SEC. 1033. POLICY CONCERNING EXCESS DEFENSE INDUS-**
11 **TRIAL CAPACITY.**

12 (a) FINDINGS.—Congress finds as follows:

13 (1) The Base Closure and Realignment Com-
14 missions have recommended that certain Govern-
15 ment-owned defense industrial facilities which
16 produce goods and services that were required dur-
17 ing the Cold War, but which are no longer required
18 for the national security, be closed.

19 (2) The Secretary of Defense has determined
20 that the maintenance of certain other Government-
21 owned defense industrial facilities is necessary to
22 support the research, development, and manufacture
23 of goods and services that are still required to pro-
24 tect the security of the United States.

1 (3) These Government-owned defense industrial
2 facilities are critical to the security of the Nation
3 and should remain under Government control.

4 (4) Current work requirements at some of these
5 Government-owned defense industrial facilities have
6 fallen below a reasonably economic level of oper-
7 ation, increasing the cost of producing required
8 goods and services.

9 (5) Existing law and policy have failed to ad-
10 dress adequately the supplemental requirements nec-
11 essary to operate these Government-owned defense
12 industrial facilities in a cost-efficient manner and,
13 thereby, to maintain appropriate readiness for future
14 national security needs.

15 (6) The security interests of the United States
16 would be served by the establishment under law of
17 a policy that requires the best-value operation of
18 Government-owned defense industrial facilities.

19 (7) Such a policy should include, but not nec-
20 essarily be limited to, requirements that—

21 (A) the required capability and capacity
22 not being fully used at such Government-owned
23 facilities be maintained with separate funding
24 so as to stabilize operational costs; and

1 (B) those facilities not be limited by
2 workyear/end strength hiring constraints.

3 (b) PROHIBITION.—No funds appropriated pursuant
4 to an authorization of appropriations in this Act may be
5 used for capital investment in, or the development and
6 construction of, a Government-owned, Government-oper-
7 ated defense industrial facility unless the Secretary of De-
8 fense certifies to the Congress that no similar capability
9 or minimally used capacity exists in any other Govern-
10 ment-owned, Government-operated defense industrial fa-
11 cility.

12 **SEC. 1034. ROTC ACCESS TO CAMPUSES.**

13 (a) IN GENERAL.—Chapter 49 of title 10, United
14 States Code, is amended by adding at the end the follow-
15 ing new section:

16 **“§ 983. Institutions of higher education that prohibit**
17 **Senior ROTC units: denial of Department**
18 **of Defense grants and contracts**

19 “(a) DENIAL OF DEPARTMENT OF DEFENSE GRANTS
20 AND CONTRACTS.—(1) No funds appropriated or other-
21 wise available to the Department of Defense may be made
22 obligated by contract or by grant (including a grant of
23 funds to be available for student aid) to any institution
24 of higher education that, as determined by the Secretary
25 of Defense, has an anti-ROTC policy and at which, as de-

1 terminated by the Secretary, the Secretary would otherwise
2 maintain or seek to establish a unit of the Senior Reserve
3 Officer Training Corps or at which the Secretary would
4 otherwise enroll or seek to enroll students for participation
5 in a unit of the Senior Reserve Officer Training Corps
6 at another nearby institution of higher education.

7 “(2) In the case of an institution of higher education
8 that is ineligible for Department of Defense grants and
9 contracts by reason of paragraph (1), the prohibition
10 under that paragraph shall cease to apply to that institu-
11 tion upon a determination by the Secretary that the insti-
12 tution no longer has an anti-ROTC policy.

13 “(b) NOTICE OF DETERMINATION.—Whenever the
14 Secretary makes a determination under subsection (a)
15 that an institution has an anti-ROTC policy, or that an
16 institution previously determined to have an anti-ROTC
17 policy no longer has such a policy, the Secretary—

18 “(1) shall transmit notice of that determination
19 to the Secretary of Education and to the Committee
20 on Armed Services of the Senate and the Committee
21 on National Security of the House of Representa-
22 tives; and

23 “(2) shall publish in the Federal Register notice
24 of that determination and of the effect of that deter-
25 mination under subsection (a)(1) on the eligibility of

1 that institution for Department of Defense grants
2 and contracts.

3 “(c) SEMIANNUAL NOTICE IN FEDERAL REG-
4 ISTER.—The Secretary shall publish in the Federal Reg-
5 ister once every six months a list of each institution of
6 higher education that is currently ineligible for Depart-
7 ment of Defense grants and contracts by reason of a de-
8 termination of the Secretary under subsection (a).

9 “(d) ANTI-ROTC POLICY.—In this section, the term
10 ‘anti-ROTC policy’ means a policy or practice of an insti-
11 tution of higher education that—

12 “(1) prohibits, or in effect prevents, the Sec-
13 retary of Defense from maintaining or establishing
14 a unit of the Senior Reserve Officer Training Corps
15 at that institution, or

16 “(2) prohibits, or in effect prevents, a student
17 at that institution from enrolling in a unit of the
18 Senior Reserve Officer Training Corps at another in-
19 stitution of higher education.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by adding
22 at the end the following new item:

“983. Institutions of higher education that prohibit Senior ROTC units: denial
of Department of Defense grants and contracts.”.

1 **SEC. 1035. APPLICATION OF BUY AMERICAN ACT PRIN-**
2 **CIPLES.**

3 (a) REINSTATEMENT OF PRINCIPLES.—(1) If the
4 Secretary of Defense, after consultation with the United
5 States Trade Representative, determines that a foreign
6 country which is party to an agreement described in para-
7 graph (2) has violated the terms of the agreement by dis-
8 criminating against certain types of products produced in
9 the United States that are covered by the agreement, the
10 Secretary of Defense shall rescind the Secretary's blanket
11 waiver of the Buy American Act with respect to such types
12 of products produced in that foreign country.

13 (2) An agreement referred to in paragraph (1) is any
14 reciprocal defense procurement memorandum of under-
15 standing, between the United States and a foreign country
16 pursuant to which the Secretary of Defense has prospec-
17 tively waived the Buy American Act for certain products
18 in that country.

19 (b) REPORT.—The Secretary of Defense shall submit
20 to Congress a report on the amount of Department of De-
21 fense purchases from foreign entities in fiscal year 1996.
22 Such report shall separately indicate the dollar value of
23 items for which the Buy American Act was waived pursu-
24 ant to any agreement described in subsection (a)(2), the
25 Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.),

1 or any international agreement to which the United States
2 is a party.

3 (c) DEFINITION.—For purposes of this section, the
4 term “Buy American Act” means title III of the Act enti-
5 tled “An Act making appropriations for the Treasury and
6 Post Office Departments for the fiscal year ending June
7 30, 1934, and for other purposes”, approved March 3,
8 1933 (41 U.S.C. 10a et seq.).

9 **TITLE XI—COOPERATIVE**
10 **THREAT REDUCTION WITH**
11 **STATES OF FORMER SOVIET**
12 **UNION**

13 **SEC. 1101. SPECIFICATION OF COOPERATIVE THREAT RE-**
14 **DUCTION PROGRAMS.**

15 (a) IN GENERAL.—For purposes of section 301 and
16 other provisions of this Act, Cooperative Threat Reduction
17 programs are the programs specified in subsection (b).

18 (b) SPECIFIED PROGRAMS.—The programs referred
19 to in subsection (a) are the following:

20 (1) Programs to facilitate the elimination, and
21 the safe and secure transportation and storage, of
22 nuclear, chemical, and other weapons and their de-
23 livery vehicles.

1 (2) Programs to facilitate the safe and secure
2 storage of fissile materials derived from the elimi-
3 nation of nuclear weapons.

4 (3) Programs to prevent the proliferation of
5 weapons, weapons components, and weapons-related
6 technology and expertise.

7 (4) Programs to expand military-to-military and
8 defense contacts.

9 **SEC. 1102. FISCAL YEAR 1996 AUTHORIZATION.**

10 Of the amount authorized in section 301 for Coopera-
11 tive Threat Reduction programs, not more than the follow-
12 ing amounts shall be available for the purposes specified:

13 (1) \$50,000,000 for elimination of Russian
14 strategic offensive weapons.

15 (2) \$20,000,000 for elimination of Ukraine
16 strategic nuclear weapons.

17 (3) \$15,000,000 for elimination of Kazakhstan
18 strategic nuclear weapons.

19 (4) \$5,000,000 for elimination of Belarus stra-
20 tegic nuclear weapons.

21 (5) \$6,000,000 for design of a storage facility
22 for Russian fissile material.

23 (6) \$42,500,000 for weapons security in Rus-
24 sia.

1 **SEC. 1106. PRIOR NOTICE TO CONGRESS OF OBLIGATION**
2 **OF FUNDS.**

3 (a) ANNUAL REQUIREMENT.—(1) Not less than 15
4 days before any obligation of any funds appropriated for
5 any fiscal year for a program specified under section 1101
6 as a Cooperative Threat Reduction program, the Secretary
7 of Defense shall submit to the congressional committees
8 specified in paragraph (2) a report on that proposed obli-
9 gation for that program for that fiscal year.

10 (2) The congressional committees referred to in para-
11 graph (1) are the following:

12 (A) The Committee on Armed Services, the
13 Committee on Foreign Relations, and the Committee
14 on Appropriations of the Senate.

15 (B) The Committee on National Security, the
16 Committee on International Relations, and the Com-
17 mittee on Appropriations of the House of Represent-
18 atives.

19 (b) MATTERS TO BE SPECIFIED IN REPORTS.—Each
20 such report shall specify—

21 (1) the activities and forms of assistance for
22 which the Secretary of Defense plans to obligate
23 funds;

24 (2) the amount of the proposed obligation; and

25 (3) the projected involvement (if any) of any de-
26 partment or agency of the United States (in addition

1 to the Department of Defense) and of the private
2 sector of the United States in the activities and
3 forms of assistance for which the Secretary of De-
4 fense plans to obligate such funds.

5 **SEC. 1107. REPORT ON ACCOUNTING FOR UNITED STATES**
6 **ASSISTANCE.**

7 (a) REPORT.—(1) The Secretary of Defense shall
8 submit to Congress an annual report on the efforts made
9 by the United States (including efforts through the use
10 of audits, examinations, and on-site inspections) to ensure
11 that assistance provided under Cooperative Threat Reduc-
12 tion programs is fully accounted for and that such assist-
13 ance is being used for its intended purposes.

14 (2) A report shall be submitted under this section not
15 later than January 31 of each year until the Cooperative
16 Threat Reduction programs are completed.

17 (b) INFORMATION TO BE INCLUDED.—Each report
18 under this section shall include the following:

19 (1) A list of cooperative threat reduction assist-
20 ance that has been provided before the date of the
21 report.

22 (2) A description of the current location of the
23 assistance provided and the current condition of
24 such assistance.

1 **TITLE XII—MATTERS RELATING**
2 **TO OTHER NATIONS**
3 **Subtitle A—Peacekeeping**
4 **Provisions**

5 **SEC. 1201. LIMITATION ON EXPENDITURE OF DEPARTMENT**
6 **OF DEFENSE FUNDS FOR UNITED STATES**
7 **FORCES PLACED UNDER UNITED NATIONS**
8 **COMMAND OR CONTROL.**

9 (a) IN GENERAL.—(1) Chapter 20 of title 10, United
10 States Code, is amended by inserting after section 404 the
11 following new section:

12 **“§ 405. Placement of United States forces under Unit-**
13 **ed Nations command or control: limita-**
14 **tion**

15 “(a) LIMITATION.—Except as provided in subsections
16 (b) and (c), funds appropriated or otherwise made avail-
17 able for the Department of Defense may not be obligated
18 or expended for activities of any element of the Armed
19 Forces that after the date of the enactment of this section
20 is placed under United Nations command or control, as
21 defined in subsection (f).

22 “(b) EXCEPTION FOR PRESIDENTIAL CERTIFI-
23 CATION.—(1) Subsection (a) shall not apply in the case
24 of a proposed placement of an element of the Armed
25 Forces under United Nations command or control if the

1 President, not less than 15 days before the date on which
2 such United Nations command or control is to become ef-
3 fective (or as provided in paragraph (2)), meets the re-
4 quirements of subsection (d).

5 “(2) If the President certifies to Congress that an
6 emergency exists that precludes the President from meet-
7 ing the requirements of subsection (d) 15 days before plac-
8 ing an element of the Armed Forces under United Nations
9 command or control, the President may place such forces
10 under such command or control and meet the require-
11 ments of subsection (d) in a timely manner, but in no
12 event later than 48 hours after such command or control
13 becomes effective.

14 “(c) ADDITIONAL EXCEPTIONS.—

15 “(1) EXCEPTION FOR AUTHORIZATION BY
16 LAW.—Subsection (a) shall not apply in the case of
17 a proposed placement of any element of the Armed
18 Forces under United Nations command or control if
19 the Congress specifically authorizes by law that par-
20 ticular placement of United States forces under
21 United Nations command or control.

22 “(2) EXCEPTION FOR NATO OPERATIONS.—
23 Subsection (a) shall not apply in the case of a pro-
24 posed placement of any element of the armed forces

1 in an operation conducted by the North Atlantic
2 Treaty Organization.

3 “(d) PRESIDENTIAL CERTIFICATIONS.—The require-
4 ments referred to in subsection (b)(1) are that the Presi-
5 dent submit to Congress the following:

6 “(1) Certification by the President that—

7 “(A) such a United Nations command or
8 control arrangement is necessary to protect na-
9 tional security interests of the United States;

10 “(B) the commander of any unit of the
11 Armed Forces proposed for placement under
12 United Nations command or control will at all
13 times retain the right—

14 “(i) to report independently to supe-
15 rior United States military authorities; and

16 “(ii) to decline to comply with orders
17 judged by the commander to be illegal,
18 militarily imprudent, or beyond the man-
19 date of the mission to which the United
20 States agreed with the United Nations,
21 until such time as that commander receives
22 direction from superior United States mili-
23 tary authorities with respect to the orders
24 that the commander has declined to com-
25 ply with;

1 “(C) any element of the Armed Forces
2 proposed for placement under United Nations
3 command or control will at all times remain
4 under United States administrative command
5 for such purposes as discipline and evaluation;
6 and

7 “(D) the United States will retain the au-
8 thority to withdraw any element of the Armed
9 Forces from the proposed operation at any time
10 and to take any action it considers necessary to
11 protect those forces if they are engaged.

12 “(2) A report setting forth the following:

13 “(A) A description of the national security
14 interests that require the placement of United
15 States forces under United Nations command
16 or control.

17 “(B) The mission of the United States
18 forces involved.

19 “(C) The expected size and composition of
20 the United States forces involved.

21 “(D) The incremental cost to the United
22 States of participation in the United Nations
23 operation by the United States forces which are
24 proposed to be placed under United Nations
25 command or control.

1 “(E) The precise command and control re-
2 lationship between the United States forces in-
3 volved and the United Nations command struc-
4 ture.

5 “(F) The precise command and control re-
6 lationship between the United States forces in-
7 volved and the commander of the United States
8 unified command for the region in which those
9 United States forces are to operate.

10 “(G) The extent to which the United
11 States forces involved will rely on non-United
12 States forces for security and self-defense and
13 an assessment on the ability of those non-Unit-
14 ed States forces to provide adequate security to
15 the United States forces involved.

16 “(H) The timetable for complete with-
17 drawal of the United States forces involved.

18 “(e) CLASSIFICATION OF REPORT.—A report under
19 subsection (d) shall be submitted in unclassified form and,
20 if necessary, in classified form.

21 “(f) UNITED NATIONS COMMAND OR CONTROL.—
22 For purposes of this section, an element of the Armed
23 Forces shall be considered to be placed under United Na-
24 tions command or control if—

1 “(1) that element is under the command or
2 operational control of an individual acting on behalf
3 of the United Nations for the purpose of inter-
4 national peacekeeping, peacemaking, peace-enforc-
5 ing, or similar activity that is authorized by the Se-
6 curity Council under chapter VI or VII of the Char-
7 ter of the United Nations; and

8 “(2) the senior military commander of the Unit-
9 ed Nations force or operation—

10 “(A) is a foreign national or is a citizen of
11 the United States who is not a United States
12 military officer serving on active duty; or

13 “(B) is a United States military officer
14 serving on active duty but—

15 “(i) that element of the armed forces
16 is under the command or operational con-
17 trol of a subordinate commander who is a
18 foreign national or a citizen of the United
19 States who is not a United States military
20 officer serving on active duty; and

21 “(ii) that senior military commander
22 does not have the authority—

23 “(I) to dismiss any subordinate
24 officer in the chain of command who
25 is exercising command or operational

1 control over United States forces and
2 who is a foreign national or a citizen
3 of the United States who is not a
4 United States military officer serving
5 on active duty;

6 “(II) to establish rules of engage-
7 ment for United States forces in-
8 volved; and

9 “(III) to establish criteria gov-
10 erning the operational employment of
11 United States forces involved.

12 “(g) INTERPRETATION.—Nothing in this section may
13 be construed—

14 “(1) as authority for the President to use any
15 element of the armed forces in any operation;

16 “(2) as authority for the President to place any
17 element of the armed forces under the command or
18 operational control of a foreign national; or

19 “(3) as an unconstitutional infringement on the
20 authority of the President as commander-in-chief.”.

21 (2) The table of sections at the beginning of sub-
22 chapter I of such chapter is amended by adding at the
23 end the following new item:

“405. Placement of United States forces under United Nations command or
control: limitation.”.

1 (b) REPORT RELATING TO CONSTITUTIONALITY.—

2 No certification may be submitted by the President under
3 section 405(d)(1) of title 10, United States Code, as added
4 by subsection (a), until the President has submitted to the
5 Congress (after the date of the enactment of this Act) a
6 memorandum of legal points and authorities explaining
7 why the placement of elements of United States Armed
8 Forces under the command or operational control of a for-
9 eign national acting on behalf of the United Nations does
10 not violate the Constitution.

11 (c) EXCEPTION FOR ONGOING OPERATIONS IN MAC-
12 EDONIA AND CROATIA.—Section 405 of title 10, United
13 States Code, as added by subsection (a), does not apply
14 in the case of activities of the Armed Forces as part of
15 the United Nations force designated as the United Na-
16 tions Protection Force (UNPROFOR) that are carried
17 out—

18 (1) in Macedonia pursuant to United Nations
19 Security Council Resolution 795, adopted December
20 11, 1992, and subsequent reauthorization Resolu-
21 tions; or

22 (2) in Croatia pursuant to United Nations Se-
23 curity Council Resolution 743, adopted February 21,
24 1992, and subsequent reauthorization Resolutions.

1 **SEC. 1202. LIMITATION ON USE OF DEPARTMENT OF DE-**
2 **FENSE FUNDS FOR UNITED STATES SHARE**
3 **OF COSTS OF UNITED NATIONS PEACEKEEP-**
4 **ING ACTIVITIES.**

5 (a) IN GENERAL.—(1) Chapter 20 of title 10, United
6 States Code, is amended by inserting after section 405,
7 as added by section 1201, the following new section:

8 **“§ 406. Use of Department of Defense funds for Unit-**
9 **ed States share of costs of United Nations**
10 **peacekeeping activities: limitation**

11 “(a) PROHIBITION ON USE OF FUNDS.—Funds avail-
12 able to the Department of Defense may not be used to
13 make a financial contribution (directly or through another
14 department or agency of the United States) to the United
15 Nations—

16 “(1) for the costs of a United Nations peace-
17 keeping activity; or

18 “(2) for any United States arrearage to the
19 United Nations.

20 “(b) APPLICATION OF PROHIBITION.—The prohibi-
21 tion in subsection (a) applies to voluntary contributions,
22 as well as to contributions pursuant to assessment by the
23 United Nations for the United States share of the costs
24 of a peacekeeping activity.”.

25 (2) The table of sections at the beginning of such
26 chapter is amended by inserting after the item relating

1 to section 405, as added by section 1201, the following
2 new item:

“406. Use of Department of Defense funds for United States share of costs of
United Nations peacekeeping activities: limitation.”.

3 (b) EFFECTIVE DATE.—Section 406 of title 10, Unit-
4 ed States Code, as added by subsection (a), shall take ef-
5 fect on October 1, 1995.

6 **Subtitle B—Humanitarian**
7 **Assistance Programs**

8 **SEC. 1211. OVERSEAS HUMANITARIAN, DISASTER, AND**
9 **CIVIC AID PROGRAMS.**

10 For purposes of section 301 and other provisions of
11 this Act, programs of the Department of Defense des-
12 ignated as Overseas Humanitarian, Disaster, and Civic
13 Aid (OHDACA) programs are the programs provided by
14 sections 401, 402, 404, 2547, and 2551 of title 10, United
15 States Code.

16 **SEC. 1212. HUMANITARIAN ASSISTANCE.**

17 Section 2551 of title 10, United States Code is
18 amended—

19 (1) by striking out subsections (b) and (c);

20 (2) by redesignating subsection (d) as sub-
21 section (b);

22 (3) by striking out subsection (e) and inserting
23 in lieu thereof the following:

1 “(c) STATUS REPORTS.—(1) The Secretary of De-
2 fense shall submit to the congressional committees speci-
3 fied in subsection (f) an annual report on the provision
4 of humanitarian assistance pursuant to this section for the
5 prior fiscal year. The report shall be submitted each year
6 at the time of the budget submission by the President for
7 the next fiscal year.

8 “(2) Each report required by paragraph (1) shall
9 cover all provisions of law that authorize appropriations
10 for humanitarian assistance to be available from the De-
11 partment of Defense for the purposes of this section.

12 “(3) Each report under this subsection shall set forth
13 the following information regarding activities during the
14 previous fiscal year:

15 “(A) The total amount of funds obligated for
16 humanitarian relief under this section.

17 “(B) The number of scheduled and completed
18 transportation missions for purposes of providing
19 humanitarian assistance under this section.

20 “(C) A description of any transfer of excess
21 nonlethal supplies of the Department of Defense
22 made available for humanitarian relief purposes
23 under section 2547 of this title. The description
24 shall include the date of the transfer, the entity to

1 whom the transfer is made, and the quantity of
2 items transferred.”;

3 (4) by redesignating subsection (f) as sub-
4 section (d) and in that subsection striking out “the
5 Committees on” and all that follows through “House
6 of Representatives of the” and inserting in lieu
7 thereof “the congressional committees specified in
8 subsection (f) and the Committees on Appropriations
9 of the Senate and House of Representatives of the”;

10 (5) by redesignating subsection (g) as sub-
11 section (e); and

12 (6) by adding at the end the following new sub-
13 section:

14 “(f) CONGRESSIONAL COMMITTEES.—The congres-
15 sional committees referred to in subsections (c)(1) and (d)
16 are the following:

17 “(1) The Committee on Armed Services and the
18 Committee on Foreign Relations of the Senate.

19 “(2) The Committee on National Security and
20 the Committee on International Relations of the
21 House of Representatives.”.

22 **SEC. 1213. LANDMINE CLEARANCE PROGRAM.**

23 (a) INCLUSION IN GENERAL HUMANITARIAN ASSIST-
24 ANCE PROGRAM.—Subsection (e) of section 401 of title
25 10, United States Code, is amended—

1 (1) by striking out “means—” and inserting in
2 lieu thereof “means:”;

3 (2) by revising the first word in each of para-
4 graphs (1) through (4) so that the first letter of
5 such word is upper case;

6 (3) by striking out the semicolon at the end of
7 paragraphs (1) and (2) and inserting in lieu thereof
8 a period;

9 (4) by striking out “; and” at the end of para-
10 graph (3) and inserting in lieu thereof a period; and

11 (5) by adding at the end the following new
12 paragraph:

13 “(5) Detection and clearance of landmines, in-
14 cluding activities relating to the furnishing of edu-
15 cation, training, and technical assistance with re-
16 spect to the detection and clearance of landmines.”.

17 (b) LIMITATION ON LANDMINE ASSISTANCE BY
18 MEMBERS OF ARMED FORCES.—Subsection (a) of such
19 section is amended by adding at the end the following new
20 paragraph:

21 “(4) The Secretary of Defense shall ensure that no
22 member of the armed forces, while providing assistance
23 under this section that is described in subsection (e)(5)—

24 “(A) engages in the physical detection, lifting,
25 or destroying of landmines (unless the member does

1 so for the concurrent purpose of supporting a Unit-
2 ed States military operation); or

3 “(B) provides such assistance as part of a mili-
4 tary operation that does not involve the armed
5 forces.”.

6 (c) REPEAL.—Section 1413 of the National Defense
7 Authorization Act for Fiscal Year 1995 (Public Law 103-
8 337; 108 Stat. 2913; 10 U.S.C. 401 note) is repealed.

9 **Subtitle C—Other Matters**

10 **SEC. 1221. REVISION OF DEFINITION OF LANDMINE FOR** 11 **PURPOSES OF LANDMINE EXPORT MORATO-** 12 **RIUM.**

13 Section 1423(d)(3) of the National Defense Author-
14 ization Act for Fiscal Year 1994 (Public Law 103-160;
15 107 Stat. 1831) is amended by striking out “by remote
16 control or” .

17 **SEC. 1222. EXTENSION AND AMENDMENT OF** 18 **COUNTERPROLIFERATION AUTHORITIES.**

19 (a) ONE-YEAR EXTENSION OF PROGRAM.—Section
20 1505 of the Weapons of Mass Destruction Control Act of
21 1992 (title XV of Public Law 102-484; 22 U.S.C. 5859a)
22 is amended—

23 (1) in subsection (a), by striking out “during
24 fiscal years 1994 and 1995”;

1 (2) in subsection (e)(1), by striking out “fiscal
2 years 1994 and 1995” and inserting in lieu thereof
3 “a fiscal year during which the authority of the Sec-
4 retary of Defense to provide assistance under this
5 section is in effect”; and

6 (3) by adding at the end the following new sub-
7 section:

8 “(f) TERMINATION OF AUTHORITY.—The authority
9 of the Secretary of Defense to provide assistance under
10 this section terminates at the close of fiscal year 1996.”.

11 (b) PROGRAM AUTHORITIES.—(1) Subsections (b)(2)
12 and (d)(3) of such section are amended by striking out
13 “the On-Site Inspection Agency” and inserting in lieu
14 thereof “the Department of Defense”.

15 (2) Subsection (c)(3) of such section is amended by
16 striking out “will be counted” and all that follows and in-
17 serting in lieu thereof “will be counted as discretionary
18 spending in the national defense budget function (function
19 050).”.

20 (c) AMOUNT OF ASSISTANCE.—Subsection (d) of
21 such section is amended—

22 (1) in paragraph (1)—

23 (A) by striking out “for fiscal year 1994”
24 the first place it appears and all that follows
25 through the period at the end of the second

1 sentence and inserting in lieu thereof “for any
2 fiscal year shall be derived from amounts made
3 available to the Department of Defense for that
4 fiscal year.”; and

5 (B) by striking out “referred to in this
6 paragraph”; and

7 (2) in paragraph (3)—

8 (A) by striking out “may not exceed” and
9 all that follows through “1995”; and

10 (B) by inserting before the period at the
11 end the following: “, may not exceed
12 \$25,000,000 for fiscal year 1994, \$20,000,000
13 for fiscal year 1995, or \$15,000,000 for fiscal
14 year 1996”.

15 **SEC. 1223. PROHIBITION ON USE OF FUNDS FOR ACTIVI-**
16 **TIES ASSOCIATED WITH THE UNITED STATES-**
17 **PEOPLE’S REPUBLIC OF CHINA JOINT DE-**
18 **FENSE CONVERSION COMMISSION.**

19 Funds appropriated to the Department of Defense
20 for fiscal year 1996 may not be obligated or expended for
21 any activity associated with the United States-People’s
22 Republic of China Joint Defense Conversion Commission.

1 **SEC. 1224. DEFENSE EXPORT LOAN GUARANTEES.**

2 (a) ESTABLISHMENT OF PROGRAM.—(1) Chapter
3 148 of title 10, United States Code, is amended by adding
4 at the end the following new subchapter:

5 “SUBCHAPTER VI—DEFENSE EXPORT LOAN
6 GUARANTEES

“Sec.

“2540. Establishment of loan guarantee program.

“2540a. Transferability.

“2540b. Limitations.

“2540c. Fees charged and collected.

“2540d. Definitions.

7 **“§ 2540. Establishment of loan guarantee program**

8 “(a) ESTABLISHMENT.—In order to meet the na-
9 tional security objectives in section 2501(a) of this title,
10 the Secretary of Defense shall establish a program under
11 which the Secretary may issue guarantees assuring a lend-
12 er against losses of principal or interest, or both principal
13 and interest, arising out of the financing of the sale or
14 long-term lease of defense articles, defense services, or de-
15 sign and construction services to a country referred to in
16 subsection (b).

17 “(b) COVERED COUNTRIES.—The authority under
18 subsection (a) applies with respect to the following coun-
19 tries:

20 “(1) A member nation of the North Atlantic
21 Treaty Organization (NATO).

1 “(2) A country designated as of March 31,
2 1995, as a major non-NATO ally pursuant to sec-
3 tion 2350a(i)(3) of this title.

4 “(3) A country that was a member nation of
5 the Asia Pacific Economic Cooperation (APEC) as
6 of March 31, 1995.

7 “(c) AUTHORITY SUBJECT TO PROVISIONS OF AP-
8 PROPRIATION ACTS.—The Secretary may guarantee a
9 loan under this subchapter only to such extent or in such
10 amounts as may be provided in advance in appropriations
11 Acts.

12 **“§ 2540a. Transferability**

13 “A guarantee issued under this subchapter shall be
14 fully and freely transferable.

15 **“§ 2540b. Limitations**

16 “(a) TERMS AND CONDITIONS OF LOAN GUARAN-
17 TEES.—In issuing a guarantee under this subchapter for
18 a medium-term or long-term loan, the Secretary may not
19 offer terms and conditions more beneficial than those that
20 would be provided to the recipient by the Export-Import
21 Bank of the United States under similar circumstances
22 in conjunction with the provision of guarantees for
23 nondefense articles and services.

24 “(b) LOSSES ARISING FROM FRAUD OR MISREPRE-
25 SENTATION.—No payment may be made under a guaran-

1 tee issued under this subchapter for a loss arising out of
2 fraud or misrepresentation for which the party seeking
3 payment is responsible.

4 “(c) NO RIGHT OF ACCELERATION.—The Secretary
5 of Defense may not accelerate any guaranteed loan or in-
6 crement, and may not pay any amount, in respect of a
7 guarantee issued under this subchapter, other than in ac-
8 cordance with the original payment terms of the loan.

9 **“§ 2540c. Fees charged and collected**

10 “(a) IN GENERAL.—The Secretary of Defense shall
11 charge a fee (known as ‘exposure fee’) for each guarantee
12 issued under this subchapter.

13 “(b) AMOUNT.—To the extent that the cost of the
14 loan guarantees under this subchapter is not otherwise
15 provided for in appropriations Acts, the fee imposed under
16 this section with respect to a loan guarantee shall be fixed
17 in an amount sufficient to meet potential liabilities of the
18 United States under the loan guarantee.

19 “(c) PAYMENT TERMS.—The fee for each guarantee
20 shall become due as the guarantee is issued. In the case
21 of a guarantee for a loan which is disbursed incrementally,
22 and for which the guarantee is correspondingly issued in-
23 crementally as portions of the loan are disbursed, the fee
24 shall be paid incrementally in proportion to the amount
25 of the guarantee that is issued.

1 **“§ 2540d. Definitions**

2 “In this subchapter:

3 “(1) The terms ‘defense article’, ‘defense serv-
4 ices’, and ‘design and construction services’ have the
5 meanings given those terms in section 47 of the
6 Arms Export Control Act (22 U.S.C. 2794).

7 “(2) The term ‘cost’, with respect to a loan
8 guarantee, has the meaning given that term in sec-
9 tion 502 of the Congressional Budget and Impound-
10 ment Control Act of 1974 (2 U.S.C. 661a).”.

11 (2) The table of subchapters at the beginning of such
12 chapter is amended by adding at the end the following
13 new item:

“VI. Defense Export Loan Guarantees 2540”.

14 (b) REPORT.—Not later than two years after the date
15 of the enactment of this Act, the President shall submit
16 to Congress a report on the loan guarantee program estab-
17 lished pursuant to section 2540 of title 10, United States
18 Code, as added by subsection (a). The report shall in-
19 clude—

20 (1) an analysis of the costs and benefits of the
21 loan guarantee program; and

22 (2) any recommendations for modification of
23 the program that the President considers appro-
24 priate, including—

1 (A) any recommended addition to the list
2 of countries for which a guarantee may be is-
3 sued under the program; and

4 (B) any proposed legislation necessary to
5 authorize a recommended modification.

6 **SEC. 1225. ACCOUNTING FOR BURDENSARING CONTRIBU-**
7 **TIONS.**

8 (a) AUTHORITY TO MANAGE CONTRIBUTIONS IN
9 LOCAL CURRENCY, ETC.—Subsection (b) of section 2350j
10 of title 10, United States Code, is amended to read as
11 follows:

12 “(b) ACCOUNTING.—Contributions accepted under
13 subsection (a) which are not related to security assistance
14 may be accepted, managed, and expended in dollars or in
15 the currency of the host nation (or, in the case of a con-
16 tribution from a regional organization, in the currency in
17 which the contribution was provided). Any such contribu-
18 tion shall be placed in an account established for such pur-
19 pose and shall remain available until expended for the pur-
20 poses specified in subsection (c). The Secretary of Defense
21 shall establish a separate account for such purpose for
22 each country or regional organization from which such
23 contributions are accepted under subsection (a).”.

24 (b) CONFORMING AMENDMENT.—Subsection (d) of
25 such section is amended by striking out “credited under

1 subsection (b) to an appropriation account of the Depart-
2 ment of Defense” and inserting in lieu thereof “placed in
3 an account established under subsection (b)”.

4 (c) TECHNICAL AMENDMENT.—Such section is fur-
5 ther amended—

6 (1) in subsection (e)(1), by striking out “a re-
7 port to the congressional defense committees” and
8 inserting in lieu thereof “to the congressional com-
9 mittees specified in subsection (g) a report”; and

10 (2) by adding at the end the following new sub-
11 section:

12 “(g) CONGRESSIONAL COMMITTEES.—The congres-
13 sional committees referred to in subsection (e)(1) are—

14 “(1) the Committee on Armed Services and the
15 Committee on Appropriations of the Senate; and

16 “(2) the Committee on National Security and
17 the Committee on Appropriations of the House of
18 Representatives.”.

19 **SEC. 1226. AUTHORITY TO ACCEPT CONTRIBUTIONS FOR**
20 **EXPENSES OF RELOCATION WITHIN HOST NA-**
21 **TION OF UNITED STATES ARMED FORCES**
22 **OVERSEAS.**

23 (a) IN GENERAL.—(1) Subchapter II of chapter 138
24 of title 10, United States Code, is amended by adding at
25 the end the following new section:

1 **“§ 2350k. Relocation within host nation of elements of**
2 **armed forces overseas**

3 “(a) AUTHORITY TO ACCEPT CONTRIBUTIONS.—The
4 Secretary of Defense may accept contributions from any
5 nation because of or in support of the relocation of ele-
6 ments of the armed forces from or to any location within
7 that nation. Such contributions may be accepted in dollars
8 or in the currency of the host nation. Any such contribu-
9 tion shall be placed in an account established for such pur-
10 pose and shall remain available until expended for the pur-
11 poses specified in subsection (b). The Secretary shall es-
12 tablish a separate account for such purpose for each coun-
13 try from which such contributions are accepted.

14 “(b) USE OF CONTRIBUTIONS.—The Secretary may
15 use a contribution accepted under subsection (a) only for
16 payment of costs incurred in connection with the reloca-
17 tion concerning which the contribution was made. Those
18 costs include the following:

19 “(1) Design and construction services, including
20 development and review of statements of work, mas-
21 ter plans and designs, acquisition of construction,
22 and supervision and administration of contracts re-
23 lating thereto.

24 “(2) Transportation and movement services, in-
25 cluding packing, unpacking, storage, and transpor-
26 tation.

1 “(3) Communications services, including instal-
2 lation and deinstallation of communications equip-
3 ment, transmission of messages and data, and rental
4 of transmission capability.

5 “(4) Supply and administration, including ac-
6 quisition of expendable office supplies, rental of of-
7 fice space, budgeting and accounting services, audit-
8 ing services, secretarial services, and translation
9 services.

10 “(5) Personnel costs, including salary, allow-
11 ances and overhead of employees whether full-time
12 or part-time, temporary or permanent (except for
13 military personnel), and travel and temporary duty
14 costs.

15 “(6) All other clearly identifiable expenses di-
16 rectly related to relocation.

17 “(c) METHOD OF CONTRIBUTION.—Contributions
18 may be accepted in any of the following forms:

19 “(1) Irrevocable letter of credit issued by a fi-
20 nancial institution acceptable to the Treasurer of the
21 United States.

22 “(2) Drawing rights on a commercial bank ac-
23 count established and funded by the host nation,
24 which account is blocked such that funds deposited

1 cannot be withdrawn except by or with the approval
2 of the United States.

3 “(3) Cash, which shall be deposited in a sepa-
4 rate trust fund in the United States Treasury pend-
5 ing expenditure and which shall accrue interest in
6 accordance with section 9702 of title 31.

7 “(d) ANNUAL REPORT TO CONGRESS.—Not later
8 than 30 days after the end of each fiscal year, the Sec-
9 retary shall submit to Congress a report specifying—

10 “(1) the amount of the contributions accepted
11 by the Secretary during the preceding fiscal year
12 under subsection (a) and the purposes for which the
13 contributions were made; and

14 “(2) the amount of the contributions expended
15 by the Secretary during the preceding fiscal year
16 and the purposes for which the contributions were
17 expended.”.

18 (2) The table of sections at the beginning of sub-
19 chapter II of chapter 138 of such title is amended by add-
20 ing at the end the following new item:

“2350k. Relocation within host nation of elements of armed forces overseas.”.

21 (b) EFFECTIVE DATE.—Section 2350k of title 10,
22 United States Code, as added by subsection (a), shall take
23 effect on October 1, 1995, and shall apply to contributions
24 for relocation of elements of the Armed Forces in or to
25 any nation received on or after such date.

1 **SEC. 1227. SENSE OF CONGRESS ON ABM TREATY VIOLA-**
2 **TIONS.**

3 (a) FINDINGS.—The Congress finds the following:

4 (1) The 1972 Anti-Ballistic Missile Treaty pro-
5 hibits either party from deploying ballistic missile
6 early warning radars except at locations along the
7 periphery of its national territory and oriented out-
8 ward.

9 (2) The 1972 Anti-Ballistic Missile Treaty pro-
10 hibits either party from deploying an ABM system
11 to defend its national territory and from providing
12 a base for any such nationwide defense.

13 (3) Large phased-array radars were recognized
14 during negotiation of the Anti-Ballistic Missile Trea-
15 ty as the critical long lead-time element of a nation-
16 wide defense against ballistic missiles.

17 (4) In 1983 the United States discovered the
18 construction, in the interior of the Soviet Union near
19 the town of Krasnoyarsk, of a large phased-array
20 radar that was judged to be for ballistic missile early
21 warning and tracking.

22 (5) The Krasnoyarsk radar was certified by the
23 Reagan Administration and previous sessions of
24 Congress as an unequivocal violation by the Soviet
25 Union of the Anti-Ballistic Missile Treaty.

1 (6) Retired Soviet General Y.V. Votintsev, Di-
2 rector of the Soviet National Air Defense Forces
3 from 1967 to 1985, has publicly stated that he was
4 directed by the Chief of the Soviet General staff to
5 locate the large phased-array radar at Krasnoyarsk
6 despite the recognition that its location would be a
7 clear violation of the ABM Treaty.

8 (7) General Votintsev has publicly stated that
9 Marshal D.F. Ustinov, Soviet Minister of Defense,
10 threatened to relieve from duty any Soviet officer
11 who continued to object to the construction of a
12 large-phased array radar at Krasnoyarsk.

13 (b) SENSE OF CONGRESS.—It is the sense of Con-
14 gress that—

15 (1) the government of the Soviet Union inten-
16 tionally violated its legal obligations under the 1972
17 Anti-Ballistic Missile Treaty in order to advance its
18 national security interests; and

19 (2) the United States should remain vigilant in
20 ensuring compliance by Russia with its arms control
21 obligations and should, when pursuing future arms
22 control agreements with Russia, bear in mind viola-
23 tions of arms control obligations by the Soviet
24 Union.

1 **SEC. 1228. REDUCTION OF UNITED STATES MILITARY**
2 **FORCES IN EUROPE.**

3 (a) END STRENGTH REDUCTIONS FOR MILITARY
4 PERSONNEL IN EUROPE.—Notwithstanding section
5 1002(c)(1) of the National Defense Authorization Act,
6 1985 (22 U.S.C. 1928 note), but subject to subsection (d),
7 for each of fiscal years 1996, 1997, 1998, and 1999, the
8 Secretary of Defense shall reduce the end strength level
9 of members of the Armed Forces of the United States as-
10 signed to permanent duty ashore in European member na-
11 tions of the North Atlantic Treaty Organization (NATO)
12 in accordance with subsection (b).

13 (b) REDUCTION FORMULA.—

14 (1) APPLICATION OF FORMULA.—For each per-
15 centage point by which, as of the end of a fiscal
16 year, the allied contribution level determined under
17 paragraph (2) is less than the allied contribution
18 goal specified in subsection (c), the Secretary of De-
19 fense shall reduce the end strength level of members
20 of the Armed Forces of the United States assigned
21 to permanent duty ashore in European member na-
22 tions of NATO by 1,000 for the next fiscal year.
23 The reduction shall be made from the end strength
24 level in effect, pursuant to section 1002(c)(1) of the
25 National Defense Authorization Act, 1985 (22
26 U.S.C. 1928 note), and subsection (a) of this section

1 (if applicable), for the fiscal year in which the allied
2 contribution level is less than the goal specified in
3 subsection (c).

4 (2) DETERMINATION OF ALLIED CONTRIBUTION
5 LEVEL.—To determine the allied contribution level
6 with respect to a fiscal year, the Secretary of De-
7 fense shall calculate the aggregate amount of
8 nonpersonnel costs for United States military instal-
9 lations in European member nations of NATO that
10 are assumed during that fiscal year by such nations,
11 except that the Secretary may consider only those
12 cash and in-kind contributions by such nations that
13 replace expenditures that would otherwise be made
14 by the Secretary using funds appropriated or other-
15 wise made available in defense appropriations Acts.

16 (c) ANNUAL ALLIED CONTRIBUTION GOALS.—

17 (1) GOALS.—In continuing efforts to enter into
18 revised host-nation agreements as described in the
19 provisions of law specified in paragraph (2), the
20 President is urged to seek to have European member
21 nations of NATO assume an increased share of the
22 nonpersonnel costs of United States military instal-
23 lations in those nations in accordance with the fol-
24 lowing timetable:

1 (A) By September 30, 1996, 18.75 percent
2 of such costs should be assumed by those na-
3 tions.

4 (B) By September 30, 1997, 37.5 percent
5 of such costs should be assumed by those na-
6 tions.

7 (C) By September 30, 1998, 56.25 percent
8 of such costs should be assumed by those na-
9 tions.

10 (D) By September 30, 1999, 75 percent of
11 such costs should be assumed by those nations.

12 (2) SPECIFIED LAWS.—The provisions of law
13 referred to in paragraph (1) are—

14 (A) section 1301(e) of National Defense
15 Authorization Act for Fiscal Year 1993 (Public
16 Law 102–484; 106 Stat. 2545);

17 (B) section 1401(c) of the National De-
18 fense Authorization Act for Fiscal Year 1994
19 (Public Law 103–160; 107 Stat. 1824); and

20 (C) section 1304 of the National Defense
21 Authorization Act for Fiscal Year 1995 (Public
22 Law 103–337; 108 Stat. 2890),

23 (d) EXCEPTIONS.—

24 (1) MINIMUM END STRENGTH AUTHORITY.—
25 Notwithstanding reductions required pursuant to

1 subsection (a), the Secretary of Defense may main-
2 tain an end strength of at least 25,000 members of
3 the Armed Forces of the United States assigned to
4 permanent duty ashore in European member nations
5 of NATO.

6 (2) WAIVER AUTHORITY.—The President may
7 waive operation of this section if the President de-
8 clares an emergency. The President shall imme-
9 diately inform Congress of any such waiver and the
10 reasons for the waiver.

11 (e) ALLOCATION OF FORCE REDUCTIONS.—To the
12 extent that there is a reduction in end strength level for
13 any of the Armed Forces in European member nations
14 of NATO in a fiscal year pursuant to subsection (a)—

15 (1) half of the reduction shall be used to make
16 a corresponding reduction in the authorized end
17 strength level for active duty personnel for such
18 Armed Force for that fiscal year; and

19 (2) half of the reduction shall be used to make
20 a corresponding increase in permanent assignments
21 or deployments of forces in the United States or
22 other nations (other than European member nations
23 of NATO) for each such Armed Force for that fiscal
24 year, as determined by the Secretary of Defense.

1 (f) NONPERSONNEL COSTS DEFINED.—For purposes
2 of this section, the term “nonpersonnel costs”, with re-
3 spect to United States military installations in European
4 member nations of NATO, means costs for those installa-
5 tions other than costs paid from military personnel ac-
6 counts.

7 **SEC. 1229. SENSE OF CONGRESS CONCERNING UNILATERAL**
8 **IMPLEMENTATION OF START II TREATY.**

9 (a) FINDINGS.—Congress finds that—

10 (1) the START II Treaty has not entered into
11 force; and

12 (2) the United States is nevertheless taking
13 unilateral steps to implement the reductions in stra-
14 tegic forces called for by that treaty.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that the Secretary of Defense should not implement
17 any reduction in strategic forces that is called for in the
18 START II Treaty unless and until that treaty enters into
19 force.

20 (c) DEFINITIONS.—For purposes of this section, the
21 term “START II Treaty” means the Treaty between the
22 United States of America and the Russian Federation on
23 Further Reduction and Limitation of Strategic Offensive
24 Arms.

1 **SEC. 1230. SENSE OF THE CONGRESS REGARDING THE**
2 **CHEMICAL WEAPONS CONVENTION.**

3 (a) FINDINGS.—The Congress finds that—

4 (1) events such as the March 1995 terrorist re-
5 lease of a chemical nerve agent in the Tokyo sub-
6 way, the threatened use of chemical weapons during
7 the 1991 Persian Gulf War, and the widespread use
8 of chemical weapons during the Iran-Iraq War of the
9 1980's are all potent reminders of the menace posed
10 by chemical weapons, of the fact that the threat of
11 chemical weapons is unappreciated and not suffi-
12 ciently addressed, and of the need to outlaw the de-
13 velopment, production, and possession of chemical
14 weapons;

15 (2) the Convention on the Prohibition of the
16 Development, Production, Stockpiling, and Use of
17 Chemical Weapons and on Their Destruction (here-
18 after in this section referred to as the “Convention”)
19 would establish a comprehensive ban on chemical
20 weapons, and its negotiation has enjoyed strong bi-
21 partisan congressional support, as well as the sup-
22 port of the last 6 administrations, both Republican
23 and Democratic;

24 (3) United States military authorities, including
25 Chairman of the Joint Chiefs of Staff General John
26 Shalikashvili, have stated that United States mili-

1 tary forces will deter and respond to chemical weap-
2 ons threats with a robust chemical defense and an
3 overwhelming superior conventional response, as
4 demonstrated in the Persian Gulf War, and have
5 testified in support of the Convention's ratification;

6 (4) the Congress in 1985 mandated the unilat-
7 eral destruction of the bulk of the chemical weapons
8 stockpile of the United States, and the Convention,
9 which requires participating states to destroy their
10 chemical arsenals and production facilities under
11 international supervision, would accelerate progress
12 toward the disarmament of chemical weapons in a
13 majority of the states believed to harbor chemical
14 weapons capabilities, as this majority is among the
15 Convention's 159 signatories;

16 (5) the United States chemical industry was an
17 important partner during the negotiation of the Con-
18 vention, assisted in crafting a reasonable, effective
19 verification protocol, participated in both United
20 States and international trials to test provisions of
21 the Convention during its negotiation, and testified
22 in support of the Convention's ratification;

23 (6) the United States intelligence community
24 has testified that the Convention will provide new
25 and important sources of information, through regu-

1 lar data exchanges and routine and challenge inspec-
2 tions, to improve the ability of the United States to
3 assess the chemical weapons status in countries of
4 concern;

5 (7) the Convention will gradually isolate and
6 automatically penalize states that refuse to join by
7 preventing them from gaining access to dual-use
8 chemicals and creating a basis for monitoring illegal
9 diversions of those materials;

10 (8) the Convention has not entered into force
11 for lack of the requisite number of ratifications;

12 (9) the United States played a leading role in
13 drafting the Convention, and, as a global leader,
14 must remain at the helm of this effort to deter fur-
15 ther proliferation of chemical weapons and provide
16 the legal framework that will minimize the threat
17 posed by chemical weapons;

18 (10) Russia has signed the Convention, but has
19 not yet ratified it;

20 (11) there have been reports by Russian sources
21 of continued Russian production and testing of
22 chemical weapons, including a statement by a
23 spokesman of the Russian Ministry of Defense on
24 December 5, 1994, that “We cannot say that all

1 chemical weapons production and testing has
2 stopped altogether.”; and

3 (12) the Convention will impose a legally bind-
4 ing obligation on Russia and other nations that pos-
5 sess chemical weapons to cease offensive chemical
6 weapons activities and to destroy their chemical
7 weapons stockpiles and production facilities.

8 (b) SENSE OF CONGRESS.—It is the sense of the
9 Congress that—

10 (1) the United States should signify its commit-
11 ment to reducing the threat posed by chemical weap-
12 ons by promptly joining the 28 other nations that
13 have ratified the Convention;

14 (2) both Houses of Congress should further
15 demonstrate United States preparedness to adopt
16 the Convention by acting expeditiously to pass the
17 required implementing legislation as soon as the
18 Senate gives its advice and consent to the ratifica-
19 tion of the Convention;

20 (3) both Houses of Congress should continue to
21 lend their full support for the indefinite future to
22 programs that maintain, as the Convention allows
23 and monitors, United States defensive preparedness
24 against chemical weapons;

1 (4) the United States must be prepared to exer-
2 cise fully its rights under the Convention, including
3 the request of challenge inspections when warranted,
4 and to exercise leadership in pursuing punitive
5 measures against violators of the Convention, when
6 warranted;

7 (5) the United States should strongly encourage
8 full implementation at the earliest possible date of
9 the terms and conditions of the United States - Rus-
10 sia bilateral chemical weapons destruction agreement
11 signed in 1990;

12 (6) understanding that Western assistance
13 would be helpful to a successful Russian chemical
14 weapons destruction program, the United States
15 should encourage Russia to ratify promptly the Con-
16 vention and implement a plan that will ensure full
17 compliance with the Convention, including the de-
18 struction of chemical weapons stockpiles in accord-
19 ance with the Convention's time lines; and

20 (7) the United States should seek to encourage
21 other nations to ratify promptly the Convention and
22 to implement faithfully all its terms and conditions.

1 **DIVISION B—MILITARY CON-**
 2 **STRUCTION AUTHORIZA-**
 3 **TIONS**

4 **SEC. 2001. SHORT TITLE.**

5 This division may be cited as the “Military Construc-
 6 tion Authorization Act for Fiscal Year 1996”.

7 **TITLE XXI—ARMY**

8 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**
 9 **ACQUISITION PROJECTS.**

10 (a) INSIDE THE UNITED STATES.—Using amounts
 11 appropriated pursuant to the authorization of appropria-
 12 tions in section 2104(a)(1), the Secretary of the Army
 13 may acquire real property and carry out military construc-
 14 tion projects for the installations and locations inside the
 15 United States, and in the amounts, set forth in the follow-
 16 ing table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Fort Rucker	\$5,900,000
	Redstone Arsenal	\$5,000,000
Arizona	Fort Huachuca	\$18,550,000
California	Fort Irwin	\$25,500,000
	Presidio of San Francisco	\$3,000,000
Colorado	Fort Carson	\$30,850,000
District of Columbia	Fort McNair	\$13,500,000
Georgia	Fort Benning	\$37,900,000
	Fort Gordon	\$5,750,000
	Fort Stewart	\$8,400,000
Hawaii	Schofield Barracks	\$15,000,000
Kentucky	Fort Knox	\$5,600,000
Missouri	Fort Leonard Wood	\$3,900,000
New Jersey	Picatinny Arsenal	\$5,500,000

Army: Inside the United States—Continued

State	Installation or location	Amount
New Mexico	White Sands Missile Range	\$2,050,000
New York	Fort Drum	\$11,450,000
	United States Military Academy	\$8,300,000
	Watervliet Arsenal	\$680,000
North Carolina	Fort Bragg	\$29,700,000
Oklahoma	Fort Sill	\$14,300,000
South Carolina	Naval Weapons Station, Charleston	\$25,700,000
	Fort Jackson	\$32,000,000
Texas	Fort Hood	\$32,500,000
	Fort Bliss	\$56,900,000
	Fort Sam Houston	\$7,000,000
Virginia	Fort Eustis	\$16,400,000
	Fort Myer	\$17,000,000
Washington	Fort Lewis	\$32,100,000
CONUS Classified	Classified Location	\$1,900,000
	Total:	\$472,330,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2104(a)(2), the Secretary of the Army
4 may acquire real property and carry out military construc-
5 tion projects for the locations outside the United States,
6 and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Korea	Camp Casey	\$4,150,000
	Camp Hovey	\$13,500,000
	Camp Pelham	\$5,600,000
	Camp Stanley	\$6,800,000
	Yongsan	\$1,450,000
Overseas Classified	Classified Location	\$48,000,000
	Total:	\$79,500,000

1 **SEC. 2102. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using
 3 amounts appropriated pursuant to the authorization of ap-
 4 propriations in section 2104(a)(5)(A), the Secretary of the
 5 Army may construct or acquire family housing units (in-
 6 cluding land acquisition) at the installations, for the pur-
 7 poses, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Amount
Alabama	Redstone Arsenal	118 units	\$12,000,000
Kentucky	Fort Knox	262 units	\$19,000,000
New York	United States Military Academy, West Point	119 units	\$16,500,000
Virginia	Fort Lee	135 units	\$19,500,000
Washington	Fort Lewis	84 units	\$10,800,000
		Total:	\$77,800,000

8 (b) PLANNING AND DESIGN.—Using amounts appro-
 9 priated pursuant to the authorization of appropriations in
 10 section 2104(a)(5)(A), the Secretary of the Army may
 11 carry out architectural and engineering services and con-
 12 struction design activities with respect to the construction
 13 or improvement of family housing units in an amount not
 14 to exceed \$2,000,000.

15 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 16 **UNITS.**

17 Subject to section 2825 of title 10, United States
 18 Code, and using amounts appropriated pursuant to the
 19 authorization of appropriations in section 2104(a)(5)(A),

1 the Secretary of the Army may improve existing military
2 family housing in an amount not to exceed \$46,600,000.

3 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

4 (a) IN GENERAL.—Funds are hereby authorized to
5 be appropriated for fiscal years beginning after September
6 30, 1995, for military construction, land acquisition, and
7 military family housing functions of the Department of the
8 Army in the total amount of \$2,167,190,000 as follows:

9 (1) For military construction projects inside the
10 United States authorized by section 2101(a),
11 \$472,330,000.

12 (2) For military construction projects outside
13 the United States authorized by section 2101(b),
14 \$79,500,000.

15 (3) For unspecified minor military construction
16 projects authorized by section 2805 of title 10, Unit-
17 ed States Code, \$9,000,000.

18 (4) For architectural and engineering services
19 and construction design under section 2807 of title
20 10, United States Code, \$70,778,000.

21 (5) For military family housing functions:

22 (A) For construction and acquisition, plan-
23 ning and design, and improvements of military
24 family housing and facilities, \$126,400,000.

1 (B) For support of military family housing
2 (including the functions described in section
3 2833 of title 10, United States Code),
4 \$1,333,596,000.

5 (6) For the Homeowners Assistance Program,
6 as authorized by section 2832 of title 10, United
7 States Code, \$75,586,000, to remain available until
8 expended.

9 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
10 PROJECTS.—Notwithstanding the cost variations author-
11 ized by section 2853 of title 10, United States Code, and
12 any other cost variation authorized by law, the total cost
13 of all projects carried out under section 2101 of this Act
14 may not exceed the total amount authorized to be appro-
15 priated under paragraphs (1) and (2) of subsection (a).

16 **TITLE XXII—NAVY**

17 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND**
18 **ACQUISITION PROJECTS.**

19 (a) INSIDE THE UNITED STATES.—Using amounts
20 appropriated pursuant to the authorization of appropria-
21 tions in section 2204(a)(1), the Secretary of the Navy may
22 acquire real property and carry out military construction
23 projects for the installations and locations inside the Unit-
24 ed States, and in the amounts, set forth in the following
25 table:

Navy: Inside the United States

State	Installation or location	Amount
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	\$2,490,000
	Marine Corps Base, Camp Pendleton	\$27,584,000
	Nav Com Control & Ocean Sur Cen RDT&E Div, San Diego	\$3,170,000
	Naval Air Station, Lemoore	\$7,600,000
	Naval Air Station, North Island	\$99,150,000
	Naval Air Warfare Center Weapons Division, China Lake	\$3,700,000
	Naval Air Warfare Center Weapons Division, Point Mugu	\$1,300,000
	Naval Construction Battalion Center, Port Hueneme	\$16,700,000
	Naval Station, San Diego	\$19,960,000
Florida	Naval School Explosive Ordinance Disposal, Eglin Air Force Base	\$16,150,000
	Naval Technical Training Center, Corry Station, Pensacola	\$2,565,000
Georgia	Strategic Weapons Facility, Atlantic, Kings Bay	\$2,450,000
	Marine Corps Logistics Base, Albany	\$1,300,000
Hawaii	Intelligence Center Pacific, Pearl Harbor ..	\$2,200,000
	Naval Com & Telecoms Area MASTSTA EASTPAC, Honolulu	\$1,980,000
	Naval Submarine Base, Pearl Harbor	\$22,500,000
Illinois	Naval Training Center, Great Lakes	\$12,440,000
Indiana	Crane Naval Surface Warfare Center	\$3,300,000
Maryland	Naval Academy, Annapolis	\$3,600,000
	Various Maryland Locations	\$1,200,000
New Jersey	Naval Air Warfare Center Aircraft Division, Lakehurst	\$1,700,000
North Carolina	Marine Corps Air Station, Cherry Point ...	\$11,430,000
	Marine Corps Air Station, New River	\$14,650,000
	Marine Corps Base, Camp LeJeune	\$59,300,000
Pennsylvania	Philadelphia Naval Shipyard	\$6,000,000
South Carolina	Marine Corps Air Station, Beaufort	\$15,000,000
Texas	Naval Air Station, Corpus Christi	\$4,400,000
	Naval Air Station, Kingsville	\$2,710,000
	Naval Station, Ingleside	\$2,640,000
Virginia	Fleet and Industrial Supply Center, Williamsburg	\$8,390,000
	Marine Corps Combat Development Command, Quantico	\$3,500,000
	Naval Hospital, Portsmouth	\$9,500,000
	Naval Station, Norfolk	\$28,580,000
	Naval Weapons Station, Yorktown	\$1,300,000
Washington	Naval Undersea Warfare Center Division, Keyport	\$5,300,000
	Puget Sound Naval Shipyard, Bremerton	\$19,870,000
	Total:	\$445,609,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2204(a)(2), the Secretary of the Navy may
 4 acquire real property and carry out military construction
 5 projects for the installations and locations outside the
 6 United States, and in the amounts, set forth in the follow-
 7 ing table:

Navy: Outside the United States

Country	Installation or location	Amount
Guam	Naval Com & Telecoms Area MASTSTA WESTPAC	\$2,250,000
	Navy Public Works Center, Guam	\$16,180,000
Italy	Naval Air Station, Sigonella	\$12,170,000
	Naval Support Activity, Naples	\$24,950,000
Puerto Rico	Naval Security Group Activity, Sabana Seca	\$2,200,000
	Naval Station, Roosevelt Roads	\$11,500,000
	Total	\$69,250,000

8 **SEC. 2202. FAMILY HOUSING.**

9 (a) CONSTRUCTION AND ACQUISITION.—Using
 10 amounts appropriated pursuant to the authorization of ap-
 11 propriations in section 2204(a)(5)(A), the Secretary of the
 12 Navy may construct or acquire family housing units (in-
 13 cluding land acquisition) at the installations, for the pur-
 14 poses, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation	Purpose	Amount
California	Marine Corps Base, Camp Pendleton	205 units	\$30,080,000
	Marine Corps Base, Camp Pendleton	Community Center ..	\$1,438,000
	Marine Corps Base, Camp Pendleton	Housing Office	\$707,000

Navy: Family Housing—Continued

State	Installation	Purpose	Amount
	Naval Air Station, Lemoore	240 units	\$34,900,000
	Pacific Missile Test Center, Point Mugu .	Housing Office	\$1,020,000
	Public Works Center, San Diego	346 units	\$49,310,000
Hawaii	Naval Complex, Oahu ..	252 units	\$48,400,000
Maryland	Naval Air Test Center, Patuxent River	Warehouse	\$890,000
	US Naval Academy, Annapolis	Housing Office	\$800,000
North Carolina	Marine Corps Air Sta- tion, Cherry Point	Community Center ..	\$1,003,000
Pennsylvania	Navy Ships Parts Con- trol Center, Mechan- icsburg	Housing Office	\$300,000
Puerto Rico	Naval Station, Roo- sevelt Roads	Housing Office	\$710,000
Virginia	Naval Surface Warfare Center, Dahlgren	Housing Office	\$520,000
	Public Works Center, Norfolk	320 units	\$42,500,000
	Public Works Center, Norfolk	Housing Office	\$1,390,000
		Total:	\$230,752,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2204(a)(5)(A), the Secretary of the Navy may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of military family housing units in an
7 amount not to exceed \$24,390,000.

8 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
9 **UNITS.**

10 Subject to section 2825 of title 10, United States
11 Code, and using amounts appropriated pursuant to the

1 authorization of appropriations in section 2204(a)(5)(A),
2 the Secretary of the Navy may improve existing military
3 family housing units in an amount not to exceed
4 \$292,931,000.

5 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

6 (a) IN GENERAL.—Funds are hereby authorized to
7 be appropriated for fiscal years beginning after September
8 30, 1994, for military construction, land acquisition, and
9 military family housing functions of the Department of the
10 Navy in the total amount of \$2,164,861,000 as follows:

11 (1) For military construction projects inside the
12 United States authorized by section 2201(a),
13 \$445,609,000.

14 (2) For military construction projects outside
15 the United States authorized by section 2201(b),
16 \$69,250,000.

17 (3) For unspecified minor construction projects
18 authorized by section 2805 of title 10, United States
19 Code, \$7,200,000.

20 (4) For architectural and engineering services
21 and construction design under section 2807 of title
22 10, United States Code, \$66,184,000.

23 (5) For military family housing functions:

1 (A) For construction and acquisition, plan-
 2 ning and design, and improvement of military
 3 family housing and facilities, \$531,289,000.

4 (B) For support of military housing (in-
 5 cluding functions described in section 2833 of
 6 title 10, United States Code), \$1,045,329,000.

7 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
 8 PROJECTS.—Notwithstanding the cost variations author-
 9 ized by section 2853 of title 10, United States Code, and
 10 any other cost variation authorized by law, the total cost
 11 of all projects carried out under section 2201 of this Act
 12 may not exceed the total amount authorized to be appro-
 13 priated under paragraphs (1) and (2) of subsection (a).

14 **TITLE XXIII—AIR FORCE**

15 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND**
 16 **LAND ACQUISITION PROJECTS.**

17 (a) INSIDE THE UNITED STATES.—Using amounts
 18 appropriated pursuant to the authorization of appropria-
 19 tions in section 2304(a)(1), the Secretary of the Air Force
 20 may acquire real property and carry out military construc-
 21 tion projects for the installations and locations inside the
 22 United States, and in the amounts, set forth in the follow-
 23 ing table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	\$3,700,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Alaska	Eielson Air Force Base	\$3,850,000
	Elmendorf Air Force Base	\$9,100,000
	Tin City Long Range RADAR Site	\$2,500,000
Arizona	Davis-Monthan Air Force Base	\$4,800,000
	Luke Air Force Base	\$5,200,000
Arkansas	Little Rock Air Force Base	\$2,500,000
California	Beale Air Force Base	\$7,500,000
	Edwards Air Force Base	\$33,800,000
	Travis Air Force Base	\$26,700,000
	Vandenberg Air Force Base	\$6,000,000
Colorado	Buckley Air National Guard Base	\$5,500,000
	Peterson Air Force Base	\$4,390,000
	US Air Force Academy	\$12,874,000
Delaware	Dover Air Force Base	\$5,500,000
District of Columbia	Bolling Air Force Base	\$12,100,000
Florida	Cape Canaveral Air Force Station	\$1,600,000
	Eglin Air Force Base	\$13,500,000
	Tyndall Air Force Base	\$1,200,000
Georgia	Moody Air Force Base	\$19,190,000
	Robins Air Force Base	\$6,900,000
Hawaii	Hickam Air Force Base	\$10,700,000
Idaho	Mountain Home Air Force Base	\$18,650,000
Illinois	Scott Air Force Base	\$12,700,000
Kansas	McConnell Air Force Base	\$15,950,000
Louisiana	Barksdale Air Force Base	\$2,500,000
Maryland	Andrews Air Force Base	\$12,886,000
Mississippi	Columbus Air Force Base	\$1,150,000
	Keesler Air Force Base	\$14,800,000
Missouri	Whiteman Air Force Base	\$24,600,000
Nevada	Nellis Air Force Base	\$10,500,000
New Jersey	McGuire Air Force Base	\$21,500,000
New Mexico	Cannon Air Force Base	\$13,420,000
	Kirtland Air Force Base	\$9,156,000
North Carolina	Pope Air Force Base	\$8,250,000
	Seymour Johnson Air Force Base	\$7,530,000
North Dakota	Grand Forks Air Force Base	\$14,800,000
	Minot Air Force Base	\$1,550,000
Ohio	Wright Patterson Air Force Base	\$4,100,000
Oklahoma	Altus Air Force Base	\$5,200,000
	Tinker Air Force Base	\$5,100,000
South Carolina	Charleston Air Force Base	\$12,500,000
	Shaw Air Force Base	\$1,300,000
Tennessee	Arnold Air Force Base	\$5,000,000
Texas	Dyess Air Force Base	\$5,400,000
	Goodfellow Air Force Base	\$1,000,000
	Kelly Air Force Base	\$3,244,000
	Laughlin Air Force Base	\$1,400,000
	Randolph Air Force Base	\$3,100,000
	Reese Air Force Base	\$1,200,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
	Sheppard Air Force Base	\$1,500,000
Virginia	Langley Air Force Base	\$1,000,000
Washington	Fairchild Air Force Base	\$15,700,000
	McChord Air Force Base	\$9,900,000
Wyoming	F.E. Warren Air Force Base	\$13,000,000
CONUS Classified	Classified Location	\$700,000
	Total:	\$479,390,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2304(a)(2), the Secretary of the Air Force
4 may acquire real property and may carry out military con-
5 struction projects for the installations and locations out-
6 side the United States, and in the amounts, set forth in
7 the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	\$8,380,000
	Vogelweh Annex	2,600,000
Greece	Araxos Radio Relay Site	1,950,000
Italy	Aviano Air Base	2,350,000
	Gheddi Radio Relay Site	1,450,000
Turkey	Ankara Air Station	7,000,000
	Incirlik Air Base	4,500,000
United Kingdom	Lakenheath Royal Air Force Base	1,820,000
	Mildenhall Royal Air Force Base	2,250,000
Overseas Classified	Classified Location	17,100,000
	Total:	\$49,400,000

8 SEC. 2302. FAMILY HOUSING.

9 (a) CONSTRUCTION AND ACQUISITION.—Using
10 amounts appropriated pursuant to the authorization of ap-

1 appropriations in section 2304(a)(5)(A), the Secretary of the
 2 Air Force may construct or acquire family housing units
 3 (including land acquisition) at the installations, for the
 4 purposes, and in the amounts set forth in the following
 5 table:

Air Force: Family Housing

State/Country	Installation	Purpose	Amount
Alaska	Elmendorf Air Force Base	Housing Office/ Maintenance Facility	\$3,000,000
Arizona	Davis-Monthan Air Force Base	80 units	9,498,000
Arkansas	Little Rock Air Force Base	Replace 1 General Officer Quarters ..	210,000
California	Beale Air Force Base ...	Family Housing Office	842,000
	Edwards Air Force Base	127 units	20,750,000
	Vandenberg Air Force Base	Family Housing Office	900,000
	Vandenberg Air Force Base	143 units	20,200,000
Colorado	Peterson Air Force Base	Family Housing Office	570,000
District of Columbia	Bolling Air Force Base	32 units	4,100,000
Florida	Eglin Air Force Base ...	Family Housing Office	500,000
	Eglin Auxiliary Field 9	Family Housing Office	880,000
	MacDill Air Force Base	Family Housing Office	646,000
	Patrick Air Force Base	70 units	7,947,000
Georgia	Tyndall Air Force Base	82 units	9,800,000
	Moody Air Force Base .	1 Officer & 1 General Officer Quarter	513,000
Guam	Andersen Air Force Base	Housing Maintenance Facility	1,700,000
Idaho	Mountain Home Air Force Base	Housing Management Facility	844,000
Kansas	McConnell Air Force Base	39 units	5,193,000
Louisiana	Barksdale Air Force Base	62 units	10,299,000

Air Force: Family Housing—Continued

State/Country	Installation	Purpose	Amount
Massachusetts	Hanscom Air Force Base	32 units	4,900,000
Mississippi	Keesler Air Force Base	98 units	9,300,000
Missouri	Whiteman Air Force Base	72 units	9,948,000
Nevada	Nellis Air Force Base ..	143 Units	22,357,000
New Mexico	Holloman Air Force Base	1 General Officer Quarters	225,000
	Kirtland Air Force Base	105 units	11,000,000
North Carolina	Pope Air Force Base	104 units	9,984,000
	Seymour Johnson Air Force Base	1 General Officer Quarters	204,000
South Carolina	Shaw Air Force Base ...	Housing Mainte- nance Facility	715,000
Texas	Dyess Air Force Base ..	Housing Mainte- nance Facility	580,000
	Lackland Air Force Base	67 units	6,200,000
	Sheppard Air Force Base	Management Office .	500,000
	Sheppard Air Force Base	Housing Mainte- nance Facility	600,000
Turkey	Incirlik Air Base	150 units	10,146,000
Washington	McChord Air Force Base	50 units	9,504,000
		Total:	\$194,555,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2304(a)(5)(A), the Secretary of the Air Force may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of military family housing units in an
7 amount not to exceed \$8,989,000.

1 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
2 **UNITS.**

3 Subject to section 2825 of title 10, United States
4 Code, and using amounts appropriated pursuant to the
5 authorization of appropriations in section 2304(a)(5)(A),
6 the Secretary of the Air Force may improve existing mili-
7 tary family housing units in an amount not to exceed
8 \$90,959,000.

9 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
10 **FORCE.**

11 (a) IN GENERAL.—Funds are hereby authorized to
12 be appropriated for fiscal years beginning after September
13 30, 1995, for military construction, land acquisition, and
14 military family housing functions of the Department of the
15 Air Force in the total amount of \$1,727,557,000 as fol-
16 lows:

17 (1) For military construction projects inside the
18 United States authorized by section 2301(a),
19 \$479,390,000.

20 (2) For military construction projects outside
21 the United States authorized by section 2301(b),
22 \$49,400,000.

23 (3) For unspecified minor construction projects
24 authorized by section 2805 of title 10, United States
25 Code, \$9,030,000.

1 (4) For architectural and engineering services
2 and construction design under section 2807 of title
3 10, United States Code, \$49,021,000.

4 (5) For military housing functions:

5 (A) For construction and acquisition, plan-
6 ning and design and improvement of military
7 family housing and facilities, \$294,503,000.

8 (B) For support of military family housing
9 (including the functions described in section
10 2833 of title 10, United States Code),
11 \$846,213,000.

12 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
13 PROJECTS.—Notwithstanding the cost variations author-
14 ized by section 2853 of title 10, United States Code, and
15 any other cost variation authorized by law, the total cost
16 of all projects carried out under section 2301 of this Act
17 may not exceed the total amount authorized to be appro-
18 priated under paragraphs (1) and (2) of subsection (a).

19 **SEC. 2305. RETENTION OF ACCRUED INTEREST ON FUNDS**
20 **DEPOSITED FOR CONSTRUCTION OF FAMILY**
21 **HOUSING, SCOTT AIR FORCE BASE, ILLINOIS.**

22 (a) RETENTION OF INTEREST.—Section 2310 of the
23 Military Construction Authorization Act for Fiscal Year
24 1994 (division B of Public Law 103–160; 107 Stat. 1874)
25 is amended—

1 (1) by redesignating subsection (b) as sub-
2 section (c); and

3 (2) by inserting after subsection (a) the follow-
4 ing new subsection:

5 “(b) RETENTION OF INTEREST.—Interest accrued on
6 the funds transferred to the County pursuant to sub-
7 section (a) shall be retained in the same account as the
8 transferred funds and shall be available to the County for
9 the same purpose as the transferred funds.”.

10 (b) LIMITATION ON UNITS CONSTRUCTED.—Sub-
11 section (c) of such section, as redesignated by subsection
12 (a)(1), is amended by adding at the end the following new
13 sentence: “The number of units constructed using the
14 transferred funds (and interest accrued on these funds)
15 may not exceed the number of units of military family
16 housing authorized for Scott Air Force Base, Illinois, in
17 section 2302(a) of the Military Construction Authorization
18 Act for Fiscal Year 1993 (division B of Public Law 102–
19 484; 106 Stat. 2595).”.

20 (c) EFFECT OF COMPLETION OF CONSTRUCTION.—
21 Such section is further amended by adding at the end the
22 following new subsection:

23 “(d) COMPLETION OF CONSTRUCTION.—Upon the
24 completion of the construction authorized by this section,
25 all funds remaining from the funds transferred pursuant

1 to subsection (a) and the interest accrued on these funds
 2 shall be deposited in the general fund of the Treasury of
 3 the United States.”.

4 **TITLE XXIV—DEFENSE**
 5 **AGENCIES**

6 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.**

8 (a) INSIDE THE UNITED STATES.—Using amounts
 9 appropriated pursuant to the authorization of appropriations in section 2405(a)(1), and, in the case of the project
 10 described in section 2405(b)(2), other amounts appropriated pursuant to authorizations enacted after this Act
 11 described in section 2405(b)(2), other amounts appropriated pursuant to authorizations enacted after this Act
 12 for that project, the Secretary of Defense may acquire real
 13 property and carry out military construction projects for
 14 the installations and locations inside the United States,
 15 and in the amounts, set forth in the following table:
 16

Defense Agencies: Inside the United States

Agency/State	Installation or location	Amount
Ballistic Missile Defense Organization		
Texas	Fort Bliss	\$13,600,000
Defense Finance & Accounting Service		
Ohio	Columbus Center	\$72,403,000
Defense Intelligence Agency		
District of Columbia	Bolling Air Force Base	\$1,743,000
Defense Logistics Agency		
Alabama	Defense Distribution Anniston	\$3,550,000
California	Defense Distribution Stockton	\$15,000,000
	DFSC, Point Mugu	\$750,000

Defense Agencies: Inside the United States—Continued

Agency/State	Installation or location	Amount
Delaware	DFSC, Dover Air Force Base	\$15,554,000
Florida	DFSC, Eglin Air Force Base	\$2,400,000
Louisiana	DFSC, Barksdale Air Force Base	\$13,100,000
New Jersey	DFSC, McGuire Air Force Base	\$12,000,000
Pennsylvania	Def Distribution New Cumberland— DDSP	\$4,600,000
Virginia	Defense Distribution Depot—DDNV	\$10,400,000
Defense Mapping Agency		
Missouri	Defense Mapping Agency Aerospace Cen- ter..	\$40,300,000
Defense Medical Fa- cility Office		
Arizona	Luke Air Force Base	\$8,100,000
California	Fort Irwin	\$6,900,000
	Marine Corps Base, Camp Pendleton	\$1,700,000
	Vandenberg Air Force Base	\$5,700,000
Delaware	Dover Air Force Base	\$4,400,000
Georgia	Fort Benning	\$5,600,000
Louisiana	Barksdale Air Force Base	\$4,100,000
Maryland	Bethesda Naval Hospital	\$1,300,000
	Walter Reed Army Institute of Research ..	\$1,550,000
Texas	Fort Hood	\$5,500,000
	Lackland Air Force Base	\$6,100,000
	Reese Air Force Base	\$1,000,000
Virginia	Northwest Naval Security Group Activity	\$4,300,000
National Security Agency		
Maryland	Fort Meade	\$18,733,000
Office of the Sec- retary of Defense		
Inside the United States	Classified location	\$11,500,000
Department of De- fense Dependents Schools		
Alabama	Maxwell Air Force Base	\$5,479,000
Georgia	Fort Benning	\$1,116,000
South Carolina	Fort Jackson	\$576,000
Special Operations Command		
California	Naval Air Station, Miramar	\$5,200,000
Florida	Duke Field	\$2,400,000
	Eglin Auxiliary Field 9	\$14,150,000
Louisiana	Naval Support Activity, New Orleans	\$730,000

Defense Agencies: Inside the United States—Continued

Agency/State	Installation or location	Amount
North Carolina	Fort Bragg	\$23,800,000
Pennsylvania	Olmstead Field, Harrisburg IAP	\$1,643,000
Virginia	Dam Neck	\$6,100,000
	Naval Amphibious Base, Little Creek	\$4,500,000
	Total:	\$357,577,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2405(a)(2), the Secretary of Defense may
4 acquire real property and carry out military construction
5 projects for the installations and locations outside the
6 United States, and in the amounts, set forth in the follow-
7 ing table:

Defense Agencies: Outside the United States

Agency/Country	Installation Name	Amount
Defense Logistics Agency		
Puerto Rico	Defense Fuel Support Point, Roosevelt Roads	\$6,200,000
Spain	DFSC Rota	\$7,400,000
Defense Medical Facility Office		
Italy	Naval Support Activity, Naples	\$5,000,000
Department of Defense Dependents Schools		
Germany	Ramstein Air Force Base	\$19,205,000
Italy	Naval Air Station, Sigonella	\$7,595,000
National Security Agency		
United Kingdom	Menwith Hill Station	\$677,000
Special Operations Command		
Guam	Naval Station, Guam	\$8,800,000
	Total:	\$54,877,000

1 **SEC. 2402. FAMILY HOUSING PRIVATE INVESTMENT.**

2 Using amounts appropriated pursuant to the author-
3 ization of appropriations in section 2405(a)(13)(A), the
4 Secretary of Defense may enter into agreements to con-
5 struct, acquire, and improve family housing units (includ-
6 ing land acquisition) at or near military installations, for
7 the purpose of encouraging private investments, in the
8 amount of \$22,000,000. Amounts appropriated pursuant
9 to such section may be transferred from the Department
10 of Defense Family Housing Improvement Fund estab-
11 lished under section 2873 of title 10, United States Code,
12 to the family housing accounts of the military departments
13 for the purpose of encouraging private investments.

14 **SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
15 **UNITS.**

16 Subject to section 2825 of title 10, United States
17 Code, and using amounts appropriated pursuant to the
18 authorization of appropriations in section 2405(a)(13)(A),
19 the Secretary of Defense may improve existing military
20 family housing units in an amount not to exceed
21 \$3,772,000.

22 **SEC. 2404. ENERGY CONSERVATION PROJECTS.**

23 Using amounts appropriated pursuant to the author-
24 ization of appropriations in section 2405(a)(11), the Sec-
25 retary of Defense may carry out energy conservation

1 projects under section 2865 of title 10, United States
2 Code.

3 **SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DE-**
4 **FENSE AGENCIES.**

5 (a) IN GENERAL.—Funds are hereby authorized to
6 be appropriated for fiscal years beginning after September
7 30, 1995, for military construction, land acquisition, and
8 military family housing functions of the Department of
9 Defense (other than the military departments), in the total
10 amount of \$4,692,463,000 as follows:

11 (1) For military construction projects inside the
12 United States authorized by section 2401(a),
13 \$322,574,000.

14 (2) For military construction projects outside
15 the United States authorized by section 2401(b),
16 \$54,877,000.

17 (3) For military construction projects at Ports-
18 mouth Naval Hospital, Virginia, authorized by sec-
19 tion 2401(a) of the Military Construction Authoriza-
20 tion Act for Fiscal Years 1990 and 1991 (division
21 B of Public Law 101-189; 103 Stat. 1640),
22 \$47,900,000.

23 (4) For military construction projects at El-
24 mendorf Air Force Base, Alaska, hospital replace-
25 ment, authorized by section 2401(a) of the Military

1 Construction Authorization Act for Fiscal Year 1993
2 (division B of Public Law 102-484; 106 Stat.
3 2599), \$28,100,000.

4 (5) For military construction projects at Walter
5 Reed Army Institute of Research, Maryland, hospital
6 replacement, authorized by section 2401(a) of the
7 Military Construction Authorization Act for Fiscal
8 Year 1993 (division B of Public Law 102-484; 106
9 Stat. 2599), \$27,000,000.

10 (6) For military construction projects at Pine
11 Bluff Arsenal, Arkansas, authorized by section
12 2401(a) of the Military Construction Authorization
13 Act for Fiscal Year 1995 (division B of Public Law
14 103-337; 108 Stat. 3040), \$40,000,000.

15 (7) For military construction projects at
16 Umatilla Army Depot, Oregon, authorized by section
17 2401(a) of the Military Construction Authorization
18 Act for Fiscal Year 1995 (division B of Public Law
19 103-337; 108 Stat. 3040), \$55,000,000.

20 (8) For unspecified minor construction projects
21 under section 2805 of title 10, United States Code,
22 \$23,007,000.

23 (9) For contingency construction projects of the
24 Secretary of Defense under section 2804 of title 10,
25 United States Code, \$11,037,000.

1 (10) For architectural and engineering services
2 and construction design under section 2807 of title
3 10, United State Code, \$68,837,000.

4 (11) For energy conservation projects author-
5 ized by section 2404, \$50,000,000.

6 (12) For base closure and realignment activities
7 as authorized by the Defense Base Closure and Re-
8 alignment Act of 1990 (part A of title XXIX of
9 Public Law 101-510; 10 U.S.C. 2687 note),
10 \$3,897,892,000.

11 (13) For military family housing functions:

12 (A) For construction and acquisition and
13 improvement of military family housing and fa-
14 cilities, \$25,772,000.

15 (B) For support of military housing (in-
16 cluding functions described in section 2833 of
17 title 10, United States Code), \$40,467,000, of
18 which not more than \$24,874,000 may be obli-
19 gated or expended for the leasing of military
20 family housing units worldwide.

21 (b) LIMITATION OF TOTAL COST OF CONSTRUCTION
22 PROJECTS.—Notwithstanding the cost variation author-
23 ized by section 2853 of title 10, United States Code, and
24 any other cost variations authorized by law, the total cost

1 of all projects carried out under section 2401 of this Act
2 may not exceed—

3 (1) the total amount authorized to be appro-
4 priated under paragraphs (1) and (2) of subsection
5 (a); and

6 (2) \$35,003,000 (the balance of the amount au-
7 thorized under section 2401(a) for the construction
8 of a center of the Defense Finance and Accounting
9 Service at Columbus, Ohio).

10 **SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT**
11 **FISCAL YEAR 1995 PROJECTS.**

12 The table in section 2401 of the Military Construc-
13 tion Authorization Act for Fiscal Year 1995 (division B
14 of Public Law 103-337; 108 Stat. 3040), under the agen-
15 cy heading relating to Chemical Weapons and Munitions
16 Destruction, is amended—

17 (1) in the item relating to Pine Bluff Arsenal,
18 Arkansas, by striking out “\$3,000,000” in the
19 amount column and inserting in lieu thereof
20 “\$115,000,000”; and

21 (2) in the item relating to Umatilla Army
22 Depot, Oregon, by striking out “\$12,000,000” in
23 the amount column and inserting in lieu thereof
24 “\$186,000,000”.

1 **SEC. 2407. LIMITATION ON EXPENDITURES FOR CONSTRU-**
2 **CTION PROJECT AT UMATILLA ARMY DEPOT,**
3 **OREGON.**

4 None of the funds appropriated to the Department
5 of Defense for fiscal year 1996 for the construction of a
6 chemical munitions incinerator facility at Umatilla Army
7 Depot may be obligated or expended before March 1,
8 1996.

9 **TITLE XXV—NORTH ATLANTIC**
10 **TREATY ORGANIZATION IN-**
11 **FRAStructure**

12 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**
13 **ACQUISITION PROJECTS.**

14 The Secretary of Defense may make contributions for
15 the North Atlantic Treaty Organization Infrastructure
16 program as provided in section 2806 of title 10, United
17 States Code, in an amount not to exceed the sum of the
18 amount authorized to be appropriated for this purpose in
19 section 2502 and the amount collected from the North At-
20 lantic Treaty Organization as a result of construction pre-
21 viously financed by the United States.

22 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

23 Funds are hereby authorized to be appropriated for
24 fiscal years beginning after September 30, 1995, for con-
25 tributions by the Secretary of Defense under section 2806
26 of title 10, United States Code, for the share of the United

1 States of the cost of projects for the North Atlantic Treaty
2 Organization Infrastructure program, as authorized by
3 section 2501, in the amount of \$161,000,000.

4 **TITLE XXVI—GUARD AND**
5 **RESERVE FORCES FACILITIES**

6 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**
7 **TION AND LAND ACQUISITION PROJECTS.**

8 There are authorized to be appropriated for fiscal
9 years beginning after September 30, 1995, for the costs
10 of acquisition, architectural and engineering services, and
11 construction of facilities for the Guard and Reserve
12 Forces, and for contributions therefor, under chapter 133
13 of title 10, United States Code (including the cost of ac-
14 quisition of land for those facilities), the following
15 amounts:

- 16 (1) For the Department of the Army—
17 (A) for the Army National Guard of the
18 United States, \$72,537,000; and
19 (B) for the Army Reserve, \$42,963,000.
20 (2) For the Department of the Navy, for the
21 Naval and Marine Corps Reserve, \$19,655,000.
22 (3) For the Department of the Air Force—
23 (A) for the Air National Guard of the
24 United States, \$118,267,000; and

1 (B) for the Air Force Reserve,
2 \$31,502,000.

3 **SEC. 2602. CORRECTION IN AUTHORIZED USES OF FUNDS**
4 **FOR ARMY NATIONAL GUARD PROJECTS IN**
5 **MISSISSIPPI.**

6 Amounts appropriated pursuant to the authorization
7 of appropriations in section 2601(1)(A) of the Military
8 Construction Authorization Act for Fiscal Year 1994 (di-
9 vision B of Public Law 103-160; 107 Stat. 1878) for the
10 addition or alteration of Army National Guard Armories
11 at various locations in the State of Mississippi shall be
12 available for the addition, alteration, or new construction
13 of armory facilities and an operation and maintenance
14 shop facility (including the acquisition of land for such fa-
15 cilities) at various locations in the State of Mississippi.

16 **TITLE XXVII—EXPIRATION AND**
17 **EXTENSION OF AUTHORIZA-**
18 **TIONS**

19 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**
20 **AMOUNTS REQUIRED TO BE SPECIFIED BY**
21 **LAW.**

22 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE
23 YEARS.—Except as provided in subsection (b), all author-
24 izations contained in titles XXI through XXVI for military
25 construction projects, land acquisition, family housing

1 projects and facilities, and contributions to the North At-
2 lantic Treaty Organization Infrastructure program (and
3 authorizations of appropriations therefor) shall expire on
4 the later of—

5 (1) October 1, 1998; or

6 (2) the date of the enactment of an Act author-
7 izing funds for military construction for fiscal year
8 1999.

9 (b) EXCEPTION.—Subsection (a) shall not apply to
10 authorizations for military construction projects, land ac-
11 quisition, family housing projects and facilities, and con-
12 tributions to the North Atlantic Treaty Organization In-
13 frastructure program (and authorizations of appropria-
14 tions therefor), for which appropriated funds have been
15 obligated before the later of—

16 (1) October 1, 1998; or

17 (2) the date of the enactment of an Act author-
18 izing funds for fiscal year 1999 for military con-
19 struction projects, land acquisition, family housing
20 projects and facilities, or contributions to the North
21 Atlantic Treaty Organization Infrastructure pro-
22 gram.

1 **SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
 2 **FISCAL YEAR 1993 PROJECTS.**

3 (a) EXTENSIONS.—Notwithstanding section 2701 of
 4 the Military Construction Authorization Act for Fiscal
 5 Year 1993 (division B of Public Law 102–484; 106 Stat.
 6 2602), authorizations for the projects set forth in the ta-
 7 bles in subsection (b), as provided in section 2101, 2102,
 8 2201, 2301, or 2601 of that Act, shall remain in effect
 9 until October 1, 1996, or the date of the enactment of
 10 an Act authorizing funds for military construction for fis-
 11 cal year 1997, whichever is later.

12 (b) TABLES.—The tables referred to in subsection (a)
 13 are as follows:

Army: Extension of 1993 Project Authorizations

State	Installation or loca- tion	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demili- tarization Support Fa- cility	\$15,000,000
Hawaii	Schofield Barracks	Additions and Alter- ations Sewage Treat- ment Plant	\$17,500,000
Virginia	Fort Pickett	Sewage Treatment Plant Family Housing (26 Units)	\$5,800,000 \$2,300,000

Navy: Extension of 1993 Project Authorizations

State	Installation or loca- tion	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Treatment Plant	\$19,740,000
Maryland	Patuxent River Naval Warfare Center	Advanced Systems Inte- gration Facility	\$60,990,000

Navy: Extension of 1993 Project Authorizations—Continued

State	Installation or location	Project	Amount
Mississippi	Meridian Naval Air Station	Child Development Center	\$1,100,000
Virginia	Dam Neck Fleet Combat Training Center	Land Acquisition	\$4,500,000

Air Force: Extension of 1993 Project Authorization

State or country	Installation or location	Project	Amount
District of Columbia	Bolling Air Force Base .	Base Engineer Complex	\$1,300,000
North Carolina .	Pope Air Force Base	Munitions Storage Complex	\$4,300,000
Virginia	Langley Air Force Base	Civil Engineer Complex .	\$5,300,000
Guam	Andersen Air Force Base	Solid Waste Complex	\$10,000,000
Portugal	Lajes Field	Water Wells	\$865,000
		Fire Training Facility ..	\$1,300,000

Army Reserve: Extension of 1993 Project Authorizations

State	Location	Project	Amount
West Virginia ...	Bluefield	Additions and Alterations Reserve Center	\$1,921,000
	Clarksburg	Additions and Alterations AMSA	\$1,156,000
	Grantville	Reserve Center/OMS	\$2,785,000
	Jane Lew	Reserve Center	\$1,566,000
	Lewisburg	Reserve Center/OMS	\$1,631,000
	Weirton	Reserve Center/OMS	\$3,481,000

Army National Guard: Extension of 1993 Project Authorizations

State	Location	Project	Amount
Alabama	Tuscaloosa	Additions and Alterations Armory	\$800,000
	Union Springs	Additions and Alterations Armory	\$300,000
New Jersey	Fort Dix	Additions and Alterations Armory	\$4,750,000
Oregon	La Grande	OMS	\$995,000
		Armory Addition	\$3,049,000

1 **SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
 2 **FISCAL YEAR 1992 PROJECTS.**

3 (a) EXTENSIONS.—Notwithstanding section 2701 of
 4 the Military Construction Authorization Act for Fiscal
 5 Year 1992 (division B of Public Law 102–190; 105 Stat.
 6 1535), authorizations for the projects set forth in the ta-
 7 bles in subsection (b), as provided in section 2101 or 2601
 8 of that Act and extended by section 2702(a) of the Mili-
 9 tary Construction Authorization Act for Fiscal Year 1995
 10 (division B of Public Law 103–337; 108 Stat. 3047), shall
 11 remain in effect until October 1, 1996, or the date of the
 12 enactment of an Act authorizing funds for military con-
 13 struction for fiscal year 1997, whichever is later.

14 (b) TABLES.—The tables referred to in subsection (a)
 15 are as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitarization Support Facility	\$3,600,000
		Ammunition Demilitarization Utilities	\$7,500,000

Army Reserve: Extension of 1992 Project Authorization

State	Location	Project	Amount
Tennessee	Jackson	Joint Training Facility ..	\$1,537,000

Army National Guard: Extension of 1992 Project Authorization

State	Location	Project	Amount
Ohio	Toledo	Armory	\$3,183,000

1 **SEC. 2704. EFFECTIVE DATE.**

2 Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI
3 shall take effect on the later of—

4 (1) October 1, 1995; or

5 (2) the date of the enactment of this Act.

6 **TITLE XXVIII—GENERAL**
7 **PROVISIONS**

8 **Subtitle A—Military Construction**
9 **Program and Military Family**
10 **Housing Changes**

11 **SEC. 2801. ALTERNATIVE MEANS OF ACQUIRING AND IM-**
12 **PROVING MILITARY FAMILY HOUSING AND**
13 **SUPPORTING FACILITIES FOR THE ARMED**
14 **FORCES.**

15 (a) FINDINGS AND PURPOSE.—(1) Congress finds
16 the following:

17 (A) Adequate military family housing is essen-
18 tial to the retention of well-trained and professional
19 members of the Armed Forces.

20 (B) Current military family housing is in many
21 circumstances substandard, inadequately main-
22 tained, or obsolete. Of the more than 375,000 mili-
23 tary families living on military installations, two-
24 thirds of such families reside in unsuitable quarters.

25 (C) Traditional military construction techniques
26 are frequently lengthy and more expensive than com-

1 mercial methods. At current appropriation levels,
 2 modernization of military family housing located on
 3 military installations could require more than 30
 4 years to accomplish.

5 (D) A combination of private housing capital
 6 and commercial construction techniques could help
 7 to alleviate the shortage of suitable military family
 8 housing in a far more timely and cost effective man-
 9 ner.

10 (2) It is the purpose of this section to obtain new
 11 and improved military family housing and ancillary sup-
 12 porting facilities for the Armed Forces using private cap-
 13 ital and expertise.

14 (b) ALTERNATIVE PROVISION OF HOUSING AND FA-
 15 CILITIES.—(1) Chapter 169 of title 10, United States
 16 Code, is amended by adding at the end the following new
 17 subchapter:

18 “SUBCHAPTER IV—ALTERNATIVE PROVISION
 19 OF MILITARY FAMILY HOUSING

“Sec.

“2871. Definitions.

“2872. General limitations and authorities.

“2873. Department of Defense Family Housing Improvement Fund.

“2875. Housing finance and acquisition authorities.

“2876. Expiration of authority.

20 “**§ 2871. Definitions**

21 “In this subchapter:

1 “(1) The term ‘construction’ means the con-
2 struction of additional units of military family hous-
3 ing and ancillary supporting facilities or the replace-
4 ment or renovation of existing units or ancillary sup-
5 porting facilities.

6 “(2) The term ‘ancillary supporting facilities’
7 means facilities related to military family housing,
8 such as day care centers, community centers, hous-
9 ing offices, maintenance complexes, tot lots, and
10 parks. Such term does not include commercial facili-
11 ties that could not otherwise be constructed using
12 funds appropriated to the Department of Defense.

13 “(3) The term ‘contract’ includes any contract,
14 lease, or other agreement entered into under the au-
15 thority of this subchapter.

16 “(4) The term ‘Fund’ means the Department of
17 Defense Family Housing Improvement Fund estab-
18 lished under section 2873(a) of this title.

19 **“§ 2872. General limitations and authorities**

20 “(a) USE OF AUTHORITIES.—The Secretary con-
21 cerned may use the authorities provided by this sub-
22 chapter, singly or in conjunction with other authorities
23 provided under this chapter, to help meet the military fam-
24 ily housing needs of members of the armed forces and the
25 dependents of such members at military installations at

1 which there is a shortage of suitable housing for members
2 and their dependents.

3 “(b) TERM.—Subject to section 2873(d)(2) of this
4 title, a contract entered into under this subchapter may
5 be for such term as the Secretary concerned considers to
6 be in the best interests of the United States.

7 “(c) PHASED OCCUPANCY.—A contract under this
8 subchapter may provide for phased occupancy of com-
9 pleted family housing units under one or more interim
10 leases during the period of the construction or renovation
11 of the housing units. In no case shall any such interim
12 lease extend beyond the construction or renovation period.

13 “(d) UNIT SIZE AND TYPE.—Section 2826 of this
14 title shall not apply to military family housing units ac-
15 quired or constructed under this subchapter, except that
16 room and floor area size of such housing units should gen-
17 erally be comparable to private sector housing available
18 in the same locality. When acquiring existing family hous-
19 ing in lieu of construction under section 2824 of this title,
20 the Secretary concerned may vary the number of types of
21 units to be acquired as long as the total number of units
22 is substantially the same as authorized by law.

23 “(e) LOCATION.—The Secretary concerned may use
24 the authorities provided under this subchapter to acquire
25 or construct military family housing units and ancillary

1 supporting facilities in the United States, the Common-
2 wealth of Puerto Rico, and in any territory or possession
3 of the United States.

4 “(f) NOTIFICATION REQUIRED FOR CONTRACTS.—
5 The Secretary concerned may not enter into a contract
6 under this subchapter until after the end of the 21-day
7 period beginning on the date the Secretary concerned sub-
8 mits to the appropriate committees of Congress written
9 notice of the nature and terms of the contract.

10 “(g) ASSIGNMENTS.—The Secretary concerned may
11 assign members of the armed forces to any military family
12 housing obtained using the authorities provided in this
13 subchapter in accordance with section 403(b) of title 37.

14 “(h) ALLOTMENTS.—The Secretary concerned may
15 require a member of the armed forces to pay rent by allot-
16 ment as a condition of occupying military family housing
17 obtained using the authorities provided in this subchapter.

18 “(i) SUPPORTING FACILITIES.—Any contract entered
19 into under this subchapter may include provisions for the
20 construction or acquisition of ancillary supporting facili-
21 ties.

22 “(j) AUTHORITY TO LEASE OR SELL LAND, HOUS-
23 ING, AND SUPPORTING FACILITIES.—(1) The Secretary
24 concerned may lease or sell land, housing, and ancillary
25 supporting facilities under the jurisdiction of the Secretary

1 for the purpose of providing additional military family
2 housing or improving existing military family housing
3 under this subchapter, except that the authority to lease
4 or sell real property under this subchapter shall not extend
5 to property located at a military installation approved for
6 closure.

7 “(2) A sale or lease under this subsection may be
8 made for such consideration and upon such terms and
9 conditions as the Secretary concerned shall determine to
10 be consistent with the purposes of this subchapter and the
11 public interest. The acreage and legal description of any
12 property leased or conveyed under this subsection shall be
13 determined by a survey satisfactory to the Secretary con-
14 cerned.

15 “(3) Section 2667 of this title, the Federal Property
16 and Administrative Services Act of 1949 (40 U.S.C. 471),
17 section 501 of the Stewart B. McKinney Homeless Assist-
18 ance Act (42 U.S.C. 11411), and section 321 of the Act
19 of June 30, 1932 (47 Stat. 412) shall not apply to leases
20 and sales under this subsection.

21 “(4) As part or all of the consideration for the sale
22 or lease of property under this subsection, the Secretary
23 concerned shall require an ancillary agreement under
24 which the person receiving the property agrees to give pri-
25 ority to military members and their dependents in the

1 leasing of existing or new housing units under the control
2 or provided by the person. Such agreements may provide
3 for the payment by the Secretary concerned of security
4 or damage deposits.

5 **“§ 2873. Department of Defense Family Housing Im-**
6 **provement Fund**

7 “(a) ESTABLISHMENT.—There is hereby established
8 on the books of the Treasury an account to be known as
9 the Department of Defense Family Housing Improvement
10 Fund, which shall be administered by the Secretary of De-
11 fense as a single account. Amounts in the Fund shall be
12 available without fiscal year limitation.

13 “(b) DEPOSITS.—There shall be deposited into the
14 Fund the following:

15 “(1) Amounts authorized for and appropriated
16 into the Fund.

17 “(2) Subject to subsection (c), any amounts
18 that the Secretary of Defense may transfer to the
19 Fund from amounts appropriated to the Department
20 of Defense for construction of military family hous-
21 ing.

22 “(3) Proceeds received from the conveyance or
23 lease of real property under section 2872(j) of this
24 title, income from operations conducted under this
25 subchapter, including refunds of deposits, and any

1 return of capital or return on investments entered
2 into under this subchapter.

3 “(c) NOTIFICATION REQUIRED FOR TRANSFERS.—A
4 transfer of appropriated amounts to the Fund under sub-
5 section (b)(2) may be made only after the end of the 30-
6 day period beginning on the date the Secretary of Defense
7 submits written notice of, and justification for, the trans-
8 fer to the appropriate committees of Congress.

9 “(d) USE OF FUNDS.—(1) In such total amount as
10 is provided in advance in appropriation Acts, the Secretary
11 of Defense may use amounts in the Fund for alternative
12 means of financing military family housing and ancillary
13 supporting facilities as authorized in this subchapter.

14 “(2) The Secretary may not enter into a contract
15 under this subchapter unless the Fund contains sufficient
16 amounts, as of the time the contract is entered into, to
17 satisfy the total obligations to be incurred by the United
18 States under the contract.

19 “(3) The total value in budget authority of all con-
20 tracts and investments undertaken using the authorities
21 provided in the subchapter shall not exceed
22 \$1,000,000,000.

23 “(e) LOANS AND LOAN GUARANTEES.—Loans and
24 loan guarantees may be entered into under this subchapter
25 only to the extent that appropriations of budget authority

1 to cover their costs (as defined in section 502(5) of the
2 Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)))
3 are made in advance, or authority is otherwise provided
4 in appropriations Acts.

5 “(f) ANNUAL REPORT.—The Secretary of Defense
6 shall submit to the appropriate committees of Congress
7 an annual report detailing the expenditures from and de-
8 posits into the Fund during the preceding year and the
9 utilization and effectiveness of the authorities provided by
10 this subchapter. The Secretary shall submit the report at
11 the same time that the President submits the budget to
12 Congress under section 1105 of title 31.

13 **“§ 2875. Housing finance and acquisition authorities**

14 “(a) GUARANTEES.—(1) The Secretary concerned
15 may enter into contracts that provide for guarantees, in-
16 surance, or other contingent payments to owners, mortga-
17 gors, or assignees of housing units and ancillary support-
18 ing facilities that are made available for use by members
19 of the armed forces.

20 “(2) Contingencies under which payments may be
21 made under such a contract include the following:

22 “(A) A failure to pay interest or principal on
23 mortgages, generally or as a result of a base closure
24 or realignment, a reduction in force, an extended de-
25 ployment of assigned forces, or similar contingencies.

1 “(B) A failure to achieve specified occupancy
2 levels of, or rental income from, housing units cov-
3 ered by a contract.

4 “(3) Such contracts may be on such terms and condi-
5 tions as the Secretary concerned considers necessary or
6 desirable to induce the provision of housing and ancillary
7 supporting facilities, whether by acquisition or construc-
8 tion, for use by members of the armed forces, and to pro-
9 tect the financial interests of the United States.

10 “(b) LEASES.—The Secretary concerned may enter
11 into a contract for the lease of housing units to be ac-
12 quired or constructed on or near a military installation.
13 Such a contract may provide for the owner of the property
14 to operate and maintain the facilities.

15 “(c) DIFFERENTIAL PAYMENTS.—In entering into
16 contracts under this subchapter, the Secretary concerned
17 may make a differential payment in addition to rental pay-
18 ments made by individual members.

19 “(d) INVESTMENTS.—(1) The Secretary concerned
20 may make investments in nongovernmental entities in-
21 volved in the acquisition or construction of housing and
22 ancillary supporting facilities on or near a military instal-
23 lation for such consideration and upon such terms and
24 conditions as the Secretary concerned determines to be

1 consistent with the purposes of this subchapter and the
2 public interest.

3 “(2) Such investments may take the form of limited
4 partnership interests, stock, debt instruments, or a com-
5 bination thereof.

6 “(3) The investment made by the Secretary con-
7 cerned in an acquisition or construction project under this
8 subsection, whether the investment is in the form of cash,
9 land or buildings under section 2872(j) of this title, or
10 other form, may not exceed 35 percent of the capital costs
11 of the acquisition or construction project.

12 “(e) COLLATERAL INCENTIVE AGREEMENTS.—The
13 Secretary concerned may also enter into collateral incen-
14 tive agreements in connection with investments made
15 under subsection (d) to ensure that a suitable preference
16 will be afforded members of the armed forces to lease or
17 purchase, at affordable rates, a reasonable number of the
18 housing units covered by the investment contract.

19 **“§ 2876. Expiration of authority**

20 “The authority of the Secretaries concerned to enter
21 into contracts and partnerships and to make investments
22 under this subchapter shall expire on September 30,
23 2000.”.

24 (2) The table of subchapters at the beginning of
25 chapter 169 of title 10, United States Code, is amended

1 by inserting after the item relating to subchapter III the
 2 following new item:

“IV. Alternative Provision of Military Family Housing 2871”.

3 **SEC. 2802. INCLUSION OF OTHER ARMED FORCES IN NAVY**
 4 **PROGRAM OF LIMITED PARTNERSHIPS WITH**
 5 **PRIVATE DEVELOPERS FOR MILITARY**
 6 **HOUSING.**

7 (a) EXPANDED AUTHORITY FOR HOUSING PARTNER-
 8 SHIPS.—(1) Subchapter IV of chapter 169 of title 10,
 9 United States Code, as added by section 2801, is amended
 10 by inserting after section 2873 the following new section:

11 **§“2874. Limited partnerships with private developers**
 12 **of housing**

13 “(a) LIMITED PARTNERSHIPS.—In order to meet the
 14 housing requirements of members of the armed forces, and
 15 the dependents of such members, at a military installation
 16 described in section 2872(a) of this title, the Secretary
 17 concerned may enter into a limited partnership with one
 18 or more private developers to encourage the construction
 19 of housing and ancillary supporting facilities within com-
 20 muting distance of the installation. Section 2875(d) of this
 21 title shall apply with respect to the investments the Sec-
 22 retary concerned may make toward development costs
 23 under a limited partnership.

24 “(b) COLLATERAL INCENTIVE AGREEMENTS.—The
 25 Secretary concerned may also enter into collateral incen-

1 tive agreements with private developers who enter into a
2 limited partnership under subsection (a) to ensure that,
3 where appropriate—

4 “(1) a suitable preference will be afforded mem-
5 bers of the armed forces in the lease or purchase, as
6 the case may be, of a reasonable number of the
7 housing units covered by the limited partnership; or

8 “(2) the rental rates or sale prices, as the case
9 may be, for some or all of such units will be afford-
10 able for such members.

11 “(c) SELECTION OF INVESTMENT OPPORTUNITIES.—

12 (1) The Secretary concerned shall use publicly advertised,
13 competitively bid or competitively negotiated, contracting
14 procedures, as provided in chapter 137 of this title, to
15 enter into limited partnerships under subsection (a).

16 “(2) When a decision is made by the Secretary con-
17 cerned to enter into a limited partnership under subsection
18 (a), the Secretary shall submit a report in writing to the
19 appropriate committees of Congress on that decision.
20 Each such report shall include the justification for the lim-
21 ited partnership, the terms and conditions of the limited
22 partnership, a description of the development costs for
23 projects under the limited partnership, and a description
24 of the share of such costs to be incurred by the Secretary
25 concerned. The Secretary concerned may then enter into

1 the limited partnership only after the end of the 21-day
2 period beginning on the date the report is received by such
3 committees.

4 “(d) HOUSING INVESTMENT BOARDS.—(1) Each
5 Secretary concerned shall establish a housing investment
6 board, which shall have the duties—

7 “(A) of advising the Secretary concerned re-
8 garding those proposed limited partnerships under
9 subsection (a), if any, that are financially and other-
10 wise sound investments for meeting the objectives of
11 this section;

12 “(B) of administering amounts in the Account
13 established under section 2873 of this title that are
14 made available to the Secretary concerned to carry
15 out this section; and

16 “(C) of performing such other tasks as the Sec-
17 retary concerned determines to be necessary and ap-
18 propriate to assist the Secretary to carry out the du-
19 ties of the Secretary under this section.

20 “(2) A housing investment board shall be composed
21 of seven members appointed for a two-year term by the
22 Secretary concerned. Among such members, the Secretary
23 concerned may appoint two persons from the private sec-
24 tor who have knowledge and experience in the financing

1 and the construction of housing. The Secretary concerned
2 shall designate one of the members as chairperson.

3 “(3) Members of a housing investment board, other
4 than those members regularly employed by the Federal
5 Government, may be paid while attending meetings of the
6 board or otherwise serving at the request of the Secretary
7 concerned, compensation at a rate equal to the daily equiv-
8 alent of the minimum annual rate of basic pay payable
9 for level IV of the Executive Schedule under section 5315
10 of title 5 for each day (including travel time) during which
11 the member is engaged in the actual performance of duties
12 vested in the board. Members shall receive travel expenses,
13 including per diem in lieu of subsistence, in accordance
14 with sections 5702 and 5703 of title 5.

15 “(4) The Federal Advisory Committee Act (5 U.S.C.
16 App.) shall not apply to the housing investment boards.

17 “(5) The housing investment boards shall terminate
18 on September 30, 2000.”.

19 (2) The table of sections at the beginning of such sub-
20 chapter is amended by inserting after the item relating
21 to section 2873 the following new item:

“2874. Limited partnerships with private developers of housing.”.

22 (b) PROCEEDS FROM PARTICIPATION IN PARTNER-
23 SHIPS.—Section 2873(b) of title 10, United States Code,
24 as added by section 2801, is amended by adding at the
25 end the following new paragraph:

1 “(4) Proceeds received by the Secretary con-
2 cerned from the repayment of investments or profits
3 on investments of the Secretary under section
4 2874(a) of this title.”.

5 (c) CONFORMING REPEAL.—(1) Section 2837 of title
6 10, United States Code, is repealed. The repeal of such
7 section shall not be construed to affect the validity or
8 terms of any limited partnership or collateral incentive
9 agreement entered into by the Secretary of the Navy
10 under such section before the date of the enactment of
11 this Act. Amounts in the Navy Housing Investment Ac-
12 count shall be transferred to the Department of Defense
13 Family Housing Improvement Fund established under
14 section 2873 of such title, as added by section 2801.

15 (2) The table of sections at the beginning of sub-
16 chapter II of chapter 169 of title 10, United States Code,
17 is amended by striking out the item relating to section
18 2837.

19 **SEC. 2803. SPECIAL UNSPECIFIED MINOR CONSTRUCTION**
20 **THRESHOLDS FOR PROJECTS TO CORRECT**
21 **LIFE, HEALTH, AND SAFETY DEFICIENCIES**
22 **AND CLARIFICATION OF UNSPECIFIED**
23 **MINOR CONSTRUCTION AUTHORITY.**

24 (a) SPECIAL THRESHOLDS.—Section 2805 of title
25 10, United States Code, is amended—

1 (1) in subsection (a)(1), by adding at the end
2 the following new sentence: “However, if the military
3 construction project is intended solely to correct a
4 life, health, or safety deficiency, a minor military
5 construction project may have an approved cost
6 equal to or less than \$3,000,000.”; and

7 (2) in subsection (c)(1), by striking out “not
8 more than \$300,000.” and inserting in lieu thereof
9 the following: “not more than—

10 “(A) \$1,000,000, in the case of an unspecified
11 military construction project intended solely to cor-
12 rect a life, health, or safety deficiency; or

13 “(B) \$300,000, in the case of other unspecified
14 military construction projects.”.

15 (b) DESCRIPTION OF MINOR CONSTRUCTION.—Sub-
16 section (a)(1) of such section is further amended by strik-
17 ing out “(1) that is for a single undertaking at a military
18 installation, and (2)”.

19 **SEC. 2804. DISPOSITION OF AMOUNTS RECOVERED AS A RE-**
20 **SULT OF DAMAGE TO REAL PROPERTY.**

21 (a) IN GENERAL.—Chapter 165 of title 10, United
22 States Code, is amended by inserting after section 2781
23 the following new section:

1 **“§2782. Damage to real property: disposition of**
2 **amounts recovered**

3 “Except as provided in section 2775 of this title,
4 amounts recovered for damage caused to real property
5 under the jurisdiction of the Secretary of a military de-
6 partment or, with respect to the Defense Agencies, under
7 the jurisdiction of the Secretary of Defense shall be cred-
8 ited to the account available for the repair or replacement
9 of the real property at the time of recovery. In such
10 amounts as are provided in advance in appropriation Acts,
11 amounts so credited shall be available for use for the same
12 purposes and under the same circumstances as other
13 funds in the account.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 at the beginning of such chapter is amended by inserting
16 after the item relating to section 2781 the following new
17 item:

“2782. Damage to real property: disposition of amounts recovered.”.

18 **SEC. 2805. RENTAL OF FAMILY HOUSING IN FOREIGN**
19 **COUNTRIES.**

20 Section 2828(e) of title 10, United States Code, is
21 amended—

22 (1) in paragraph (1)—

23 (A) by striking out “300 units” in the first
24 sentence and inserting in lieu thereof “450
25 units”; and

1 (B) by striking out “220 such units” in
2 the second sentence and inserting in lieu there-
3 of “350 such units”; and

4 (2) in paragraph (2), by striking out “300
5 units” and inserting in lieu thereof “450 units”.

6 **SEC. 2806. PILOT PROGRAM TO PROVIDE INTEREST RATE**
7 **BUY DOWN AUTHORITY ON LOANS FOR HOUS-**
8 **ING WITHIN HOUSING SHORTAGE AREAS AT**
9 **MILITARY INSTALLATIONS.**

10 (a) SHORT TITLE.—This section may be cited as the
11 “Military Housing Assistance Act of 1995”.

12 (b) MORTGAGE ASSISTANCE PAYMENT AUTHORITY
13 OF THE SECRETARY OF VETERANS AFFAIRS.—(1) Chap-
14 ter 37 of title 38, United States Code, is amended by in-
15 serting after section 3707 the following:

16 **“§ 3708. Authority to buy down interest rates: pilot**
17 **program**

18 “(a) In order to enable the purchase of housing in
19 areas where the supply of suitable military housing is in-
20 adequate, the Secretary may conduct a pilot program
21 under which the Secretary may make periodic or lump
22 sum assistance payments on behalf of an eligible veteran
23 for the purpose of buying down the interest rate on a loan
24 to that veteran that is guaranteed under this chapter for

1 a purpose described in paragraph (1), (2), (3), (6), or (10)
2 of section 3710(a).

3 “(b) An individual is an eligible veteran for the pur-
4 poses of this section if—

5 “(1) the individual is a veteran, as defined in
6 section 3701(b)(4) of this title, or is on active Guard
7 and Reserve duty, as defined by section 101(d) of
8 title 10;

9 “(2) the individual submits an application for a
10 loan guaranteed under this chapter within one year
11 of an assignment of the individual to duty at a mili-
12 tary installation in the United States designated by
13 the Secretary of Defense as a housing shortage area;

14 “(3) at the time the loan referred to in sub-
15 section (a) is made, the individual is an enlisted
16 member, warrant officer, or an officer (other than a
17 warrant officer) at a pay grade of O-3 or below;

18 “(4) the individual has not previously used any
19 of the individual’s entitlement to housing loan bene-
20 fits under this chapter; and

21 “(5) the individual receives comprehensive
22 prepurchase counseling from the Secretary (or the
23 designee of the Secretary) before making application
24 for a loan guaranteed under this chapter.

1 “(c) Loans with respect to which the Secretary may
2 exercise the buy down authority under subsection (a)
3 shall—

4 “(1) provide for a buy down period of not more
5 than three years in duration;

6 “(2) specify the maximum and likely amounts
7 of increases in mortgage payments that the loans
8 would require; and

9 “(3) be subject to such other terms and condi-
10 tions as the Secretary may prescribe by regulation.

11 “(d) The Secretary shall promulgate underwriting
12 standards for loans for which the interest rate assistance
13 payments may be made under subsection (a). Such stand-
14 ards shall be based on the interest rate for the second year
15 of the loan.

16 “(e) The Secretary or lender shall provide com-
17 prehensive prepurchase counseling to eligible veterans ex-
18 plaining the features of interest rate buy downs under sub-
19 section (a), including a hypothetical payment schedule
20 that displays the increases in monthly payments to the
21 mortgagor over the first five years of the mortgage term.
22 For the purposes of this subsection, the Secretary may
23 assign personnel to military installations referred to in
24 subsection (b)(2).

1 “(f) There is authorized to be appropriated
2 \$3,000,000 annually to carry out this section.

3 “(g) The Secretary may not guarantee a loan under
4 this chapter after September 30, 1998, on which the Sec-
5 retary is obligated to make payments under this section.”.

6 (2) The table of sections at the beginning of chapter
7 37 of title 38, United States Code, is amended by inserting
8 after the item relating to section 3707 to following new
9 item:

“3708. Authority to buy down interest rates: pilot program.”.

10 (c) AUTHORITY OF SECRETARY OF DEFENSE.—

11 (1) REIMBURSEMENT FOR BUY DOWN COSTS.—

12 The Secretary of Defense shall reimburse the Sec-
13 retary of Veterans Affairs for amounts paid by the
14 Secretary of Veterans Affairs to mortgagees under
15 section 3708 of title 38, United States Code.

16 (2) DESIGNATION OF HOUSING SHORTAGE
17 AREAS.—For purposes of section 3708 of title 38,
18 United States Code, the Secretary of Defense may
19 designate as a housing shortage area a military in-
20 stallation in the United States at which the Sec-
21 retary determines there is a shortage of suitable
22 housing to meet the military family needs of mem-
23 bers of the Armed Forces and the dependents of
24 such members.

1 (3) REPORT.—Not later than six months after
2 September 30, 1998, the Secretary shall submit a
3 report to Congress regarding the effectiveness in
4 providing housing to members of the Armed Forces
5 and their dependents through the provisions of this
6 subsection and section 3708 of title 38, United
7 States Code.

8 (4) EARMARK.—Of the amount provided in sec-
9 tion 2405(a)(13)(B), \$10,000,000 for fiscal year
10 1996 shall be available to carry out this subsection.

11 (5) SUNSET.—This subsection shall not apply
12 with respect to housing loans guaranteed after Sep-
13 tember 30, 1998, for which assistance payments are
14 paid under section 3708 of title 38, United States
15 Code.

16 **Subtitle B—Base Closure and** 17 **Realignment**

18 **SEC. 2811. AUTHORITY TO TRANSFER PROPERTY AT MILI-**
19 **TARY INSTALLATIONS TO BE CLOSED TO**
20 **PERSONS WHO CONSTRUCT OR PROVIDE**
21 **MILITARY FAMILY HOUSING.**

22 (a) BASE CLOSURES UNDER 1988 ACT.—Section
23 204 of the Defense Authorization Amendments and Base
24 Closure and Realignment Act (title II of Public Law 100–

1 526; 10 U.S.C. 2687 note) is amended by adding at the
2 end the following new subsection:

3 “(e) TRANSFER AUTHORITY IN CONNECTION WITH
4 CONSTRUCTION OR PROVISION OF MILITARY FAMILY
5 HOUSING.—(1) Subject to paragraph (2), the Secretary
6 may enter into an agreement to transfer by deed real prop-
7 erty or facilities located at an installation closed or to be
8 closed under this title with any person who agrees, in ex-
9 change for the real property or facilities, to transfer to
10 the Secretary housing units that are constructed or pro-
11 vided by the person and located at or near a military in-
12 stallation at which there is a shortage of suitable housing
13 to meet the requirements of members of the Armed Forces
14 and their dependents. The Secretary may not select real
15 property for transfer under this paragraph if the property
16 is identified in the redevelopment plan for the installation
17 as items essential to the reuse or redevelopment of the
18 installation.

19 “(2) A transfer of real property or facilities may be
20 made under paragraph (1) only if—

21 “(A) the fair market value of the housing units
22 to be received by the Secretary in exchange for the
23 property or facilities to be transferred is equal to or
24 greater than the fair market value of such property
25 or facilities, as determined by the Secretary; or

1 “(B) the recipient of the property or facilities
2 agrees to pay to the Secretary the difference be-
3 tween the fair market values if the fair market value
4 of the housing units is lower than the fair market
5 value of the property or facilities to be transferred.

6 “(3) Notwithstanding section 207(a)(7), the Sec-
7 retary shall deposit funds received under paragraph (2)(B)
8 in the Department of Defense Family Housing Improve-
9 ment Fund established under section 2873(a) of title 10,
10 United States Code.

11 “(4) The Secretary shall submit to the appropriate
12 committees of Congress a report describing each agree-
13 ment proposed to be entered into under paragraph (1),
14 including the consideration to be received by the United
15 States under the agreement. The Secretary may not enter
16 into the agreement until the end of the 21-day period be-
17 ginning on the date the appropriate committees of Con-
18 gress receive the report regarding the agreement.

19 “(5) The Secretary may require any additional terms
20 and conditions in connection with an agreement author-
21 ized by this subsection as the Secretary considers appro-
22 priate to protect the interests of the United States.”.

23 (b) BASE CLOSURES UNDER 1990 ACT.—Section
24 2905 of the Defense Base Closure and Realignment Act
25 of 1990 (part A of title XXIX of Public Law 101–510;

1 10 U.S.C. 2687 note) is amended by adding at the end
2 the following new subsection:

3 “(f) TRANSFER AUTHORITY IN CONNECTION WITH
4 CONSTRUCTION OR PROVISION OF MILITARY FAMILY
5 HOUSING.—(1) Subject to paragraph (2), the Secretary
6 may enter into an agreement to transfer by deed real prop-
7 erty or facilities located at an installation closed or to be
8 closed under this part with any person who agrees, in ex-
9 change for the real property or facilities, to transfer to
10 the Secretary housing units that are constructed or pro-
11 vided by the person and located at or near a military in-
12 stallation at which there is a shortage of suitable housing
13 to meet the requirements of members of the Armed Forces
14 and their dependents. The Secretary may not select real
15 property for transfer under this paragraph if the property
16 is identified in the redevelopment plan for the installation
17 as items essential to the reuse or redevelopment of the
18 installation.

19 “(2) A transfer of real property or facilities may be
20 made under paragraph (1) only if—

21 “(A) the fair market value of the housing units
22 to be received by the Secretary in exchange for the
23 property or facilities to be transferred is equal to or
24 greater than the fair market value of such property
25 or facilities, as determined by the Secretary; or

1 “(B) the recipient of the property or facilities
2 agrees to pay to the Secretary the difference be-
3 tween the fair market values if the fair market value
4 of the housing units is lower than the fair market
5 value of the property or facilities to be transferred.

6 “(3) Notwithstanding section 2906(a)(2), the Sec-
7 retary shall deposit funds received under paragraph (2)(B)
8 in the Department of Defense Family Housing Improve-
9 ment Fund established under section 2873(a) of title 10,
10 United States Code.

11 “(4) The Secretary shall submit to the appropriate
12 committees of Congress a report describing each agree-
13 ment proposed to be entered into under paragraph (1),
14 including the consideration to be received by the United
15 States under the agreement. The Secretary may not enter
16 into the agreement until the end of the 30-day period be-
17 ginning on the date the appropriate committees of Con-
18 gress receive the report regarding the agreement.

19 “(5) The Secretary may require any additional terms
20 and conditions in connection with an agreement author-
21 ized by this subsection as the Secretary considers appro-
22 priate to protect the interests of the United States.”.

23 (c) REGULATIONS.—Not later than nine months after
24 the date of the enactment of this Act, the Secretary of
25 Defense shall prescribe any regulations necessary to carry

1 out subsection (e) of section 204 of the Defense Authoriza-
2 tion Amendments and Base Closure and Realignment Act
3 (title II of Public Law 100–526; 10 U.S.C. 2687 note),
4 as added by subsection (a), and subsection (f) of section
5 2905 of the Defense Base Closure and Realignment Act
6 of 1990 (part A of title XXIX of Public Law 101–510;
7 10 U.S.C. 2687 note), as added by subsection (b).

8 **SEC. 2812. DEPOSIT OF PROCEEDS FROM LEASES OF PROP-**
9 **ERTY LOCATED AT INSTALLATIONS BEING**
10 **CLOSED OR REALIGNED.**

11 (a) EXCEPTION TO EXISTING REQUIREMENTS.—Sec-
12 tion 2667(d) of title 10, United States Code, is amended—

13 (1) in paragraph (1)(A)(ii), by inserting “or
14 (5)” after “paragraph (4)”; and

15 (2) by adding at the end the following new
16 paragraph:

17 “(5) Money rentals received by the United States
18 from a lease under subsection (f) shall be deposited into
19 the relevant account established under section 207(a) of
20 the Defense Authorization Amendments and Base Closure
21 and Realignment Act (Public Law 100–526; 10 U.S.C.
22 2687 note) or section 2906(a) of the Defense Base Closure
23 and Realignment Act of 1990 (part A of title XXIX of
24 Public Law 101–510; 10 U.S.C. 2687 note).”.

1 (b) CORRESPONDING AMENDMENTS TO BASE CLO-
2 SURE LAWS.—(1) Section 207(a) of the Defense Author-
3 ization Amendments and Base Closure and Realignment
4 Act (Public Law 100–526; 10 U.S.C. 2687 note) is
5 amended—

6 (A) in paragraph (2)—

7 (i) by striking out “and” at the end of
8 subparagraph (B);

9 (ii) by striking out the period at the end
10 of subparagraph (C) and inserting in lieu there-
11 of “; and”; and

12 (iii) by adding at the end the following new
13 subparagraph:

14 “(D) proceeds from leases of property under
15 section 2667(f) of title 10, United States Code, at
16 a military installation to be closed or realigned
17 under this title.”; and

18 (B) in paragraph (7), by striking out “transfer
19 or disposal” and inserting in lieu thereof “lease,
20 transfer, or disposal”.

21 (2) Section 2906(a)(2) of the Defense Base Closure
22 and Realignment Act of 1990 (part A of title XXIX of
23 Public Law 101–510; 10 U.S.C. 2867 note) is amended—

1 (A) in subparagraph (C), by striking out
2 “transfer or disposal” and inserting in lieu thereof
3 “lease, transfer, or disposal”; and

4 (B) in subparagraph (D), by striking out
5 “transfer or disposal” and inserting in lieu thereof
6 “lease, transfer, or disposal”.

7 **SEC. 2813. AGREEMENTS FOR CERTAIN SERVICES AT IN-**
8 **STALLATIONS BEING CLOSED.**

9 (a) CLOSURES UNDER 1988 ACT.—Section 204(b)(8)
10 of the Defense Authorization Amendments and Base Clo-
11 sure and Realignment Act (Public Law 100–526; 10
12 U.S.C. 2687 note) is amended by striking out subpara-
13 graph (A) and inserting in lieu thereof the following new
14 subparagraph:

15 “(A) Subject to subparagraph (C), the Secretary may
16 enter into agreements (including contracts, cooperative
17 agreements, or other arrangements for reimbursement)
18 with local governments for the provision of police or secu-
19 rity services, fire protection services, airfield operation
20 services, or other community services by such governments
21 at military installations to be closed under this title if the
22 Secretary determines that the provision of such services
23 under such an agreement is in the best interests of the
24 Department of Defense.”.

1 (b) CLOSURES UNDER 1990 ACT.—Section
2 2905(b)(8) of the Defense Base Closure and Realignment
3 Act of 1990 (part A of title XXIX of Public Law 101–
4 510; 10 U.S.C. 2867 note) is amended by striking out sub-
5 paragraph (A) and inserting in lieu thereof the following
6 new subparagraph:

7 “(A) Subject to subparagraph (C), the Secretary may
8 enter into agreements (including contracts, cooperative
9 agreements, or other arrangements for reimbursement)
10 with local governments for the provision of police or secu-
11 rity services, fire protection services, airfield operation
12 services, or other community services by such governments
13 at military installations to be closed under this part if the
14 Secretary determines that the provision of such services
15 under such an agreement is in the best interests of the
16 Department of Defense.”.

17 **SEC. 2814. REMOVAL OF BASE CLOSURE PROPERTIES FROM**
18 **APPLICATION OF SECTION 501 OF THE STEW-**
19 **ART B. MCKINNEY HOMELESS ASSISTANCE**
20 **ACT.**

21 (a) CLOSURES UNDER 1988 ACT.—(1) Section
22 204(b) of the Defense Authorization Amendments and
23 Base Closure and Realignment Act (Public Law 100–526;
24 10 U.S.C. 2687 note) is amended by striking out para-

1 graph (6) and inserting in lieu thereof the following new
2 paragraph:

3 “(6) Section 501 of the Stewart B. McKinney Home-
4 less Assistance Act (42 U.S.C. 11411) shall not apply with
5 respect to the transfer or disposal of real property located
6 at military installations closed or realigned under this
7 title.”.

8 (b) CLOSURES UNDER 1990 ACT.—(1) Section
9 2905(b) of the Defense Base Closure and Realignment Act
10 of 1990 (part A of title XXIX of Public Law 101–510;
11 10 U.S.C. 2687 note) is amended by striking out para-
12 graphs (6) and (7) and inserting in lieu thereof the follow-
13 ing new paragraph:

14 “(7) Section 501 of the Stewart B. McKinney Home-
15 less Assistance Act (42 U.S.C. 11411) shall not apply with
16 respect to the transfer or disposal of real property located
17 at military installations closed or realigned under this
18 part.”.

19 **Subtitle C—Land Conveyances** 20 **Generally**

21 **SEC. 2821. TRANSFER OF JURISDICTION, FORT SAM HOUS-**
22 **TON, TEXAS.**

23 (a) TRANSFER OF LAND FOR NATIONAL CEME-
24 TERY.—The Secretary of the Army may transfer, without
25 reimbursement, to the administrative jurisdiction of the

1 Secretary of Veterans Affairs a parcel of real property (in-
2 cluding any improvements thereon) consisting of approxi-
3 mately 53 acres and comprising a portion of Fort Sam
4 Houston, Texas.

5 (b) USE OF LAND.—The Secretary of Veterans Af-
6 fairs shall use the real property transferred under sub-
7 section (a) as a national cemetery under chapter 24 of
8 title 38, United States Code.

9 (c) RETURN OF UNUSED LAND.—If the Secretary of
10 Veterans Affairs determines that any portion of the real
11 property transferred under subsection (a) is not needed
12 for use as a national cemetery, the Secretary of Veterans
13 Affairs shall return such portion to the administrative ju-
14 risdiction of the Secretary of the Army.

15 (d) LEGAL DESCRIPTION.—The exact acreage and
16 legal description of the real property to be transferred
17 under this section shall be determined by surveys that are
18 satisfactory to the Secretary of the Army. The cost of such
19 surveys shall be borne by the Secretary of Veterans Af-
20 fairs.

21 (e) ADDITIONAL TERMS AND CONDITIONS.—The
22 Secretary of the Army may require such additional terms
23 and conditions in connection with the transfer under this
24 section as the Secretary of the Army considers appropriate
25 to protect the interests of the United States.

1 **SEC. 2822. LAND ACQUISITION OR EXCHANGE, SHAW AIR**
2 **FORCE BASE, SUMTER, SOUTH CAROLINA.**

3 (a) LAND ACQUISITION.—By means of an exchange
4 of property, acceptance as a gift, or other means that does
5 not require the use of appropriated funds, the Secretary
6 of the Air Force may acquire all right, title, and interest
7 in and to a parcel of real property (together with any im-
8 provements thereon) consisting of approximately 1,100
9 acres and located adjacent to the eastern end of Shaw Air
10 Force Base, South Carolina, and extending to Stamey
11 Livestock Road in Sumter County, South Carolina.

12 (b) LAND EXCHANGE AUTHORIZED.—For purposes
13 of acquiring the real property described in subsection (a),
14 the Secretary may participate in a land exchange and con-
15 vey all right, title, and interest of the United States in
16 and to a parcel of real property in the possession of the
17 Air Force if—

18 (1) the Secretary determines that the land ex-
19 change is in the best interests of the Air Force; and

20 (2) the fair market value of the Air Force par-
21 cel to be conveyed does not exceed the fair market
22 value of the parcel to be acquired.

23 (c) DETERMINATIONS OF FAIR MARKET VALUE.—
24 The Secretary shall determine the fair market value of the
25 parcels of real property to be conveyed pursuant to sub-
26 sections (a) and (b). Such determinations shall be final.

1 (d) DESCRIPTIONS OF PROPERTY.—The exact acre-
2 age and legal descriptions of the parcels of real property
3 to be conveyed pursuant to subsections (a) and (b) shall
4 be determined by surveys that are satisfactory to the Sec-
5 retary.

6 (e) ADDITIONAL TERMS AND CONDITIONS.—The
7 Secretary may require such additional terms and condi-
8 tions in connection with the acquisition under subsection
9 (a) or conveyance under subsection (b) as the Secretary
10 considers appropriate to protect the interests of the Unit-
11 ed States.

12 (f) REVERSION OF GIFT CONVEYANCE.—If the Sec-
13 retary acquires the real property described in subsection
14 (a) by way of gift, the Secretary may accept in the deed
15 of conveyance terms or conditions that require that the
16 land be reconveyed to the donor, or the heirs of the donor,
17 if Shaw Air Force Base ceases operations and is closed.

18 **SEC. 2823. TRANSFER OF CERTAIN REAL PROPERTY AT**
19 **NAVAL WEAPONS INDUSTRIAL RESERVE**
20 **PLANT, CALVERTON, NEW YORK, FOR USE AS**
21 **NATIONAL CEMETERY.**

22 (a) TRANSFER AUTHORIZED.—Notwithstanding sec-
23 tion 2854 of the Military Construction Authorization Act
24 for Fiscal Year 1993 (division B of Public Law 102-484;
25 106 Stat. 2626), the Secretary of the Navy may transfer,

1 without reimbursement, to the Secretary of Veterans Af-
2 fairs a parcel of real property consisting of approximately
3 150 acres located adjacent to the Calverton National Cem-
4 etery, Calverton, New York, and comprising a portion of
5 the buffer zone of the Naval Weapons Industrial Reserve
6 Plant, Calverton.

7 (b) USE OF PROPERTY.—The Secretary of Veterans
8 Affairs shall use the real property transferred under sub-
9 section (a) as an addition to the Calverton National Ceme-
10 tery and administer such real property pursuant to chap-
11 ter 24 of title 38, United States Code.

12 (c) SURVEYS.—The cost of any surveys necessary for
13 the transfer of jurisdiction of the real property described
14 in subsection (a) from the Secretary of the Navy to the
15 Secretary of Veterans Affairs shall be borne by the Sec-
16 retary of Veterans Affairs.

17 **SEC. 2824. LAND CONVEYANCE, FORT ORD, CALIFORNIA.**

18 (a) CONVEYANCE AUTHORIZED.—The Secretary of
19 the Army may convey to the City of Seaside, California
20 (in this section referred to as the “City”), all right, title,
21 and interest of the United States in and to a parcel of
22 real property (including improvements thereon) consisting
23 of approximately 477 acres located in Monterey County,
24 California, and comprising a portion of the former Fort
25 Ord Military Complex. The real property to be conveyed

1 to the City includes the two Fort Ord Golf Courses, Black
2 Horse and Bayonet, and the Hayes Housing Facilities.

3 (b) CONSIDERATION.—As consideration for the con-
4 veyance of the real property and improvements under sub-
5 section (a), the City shall pay to the United States an
6 amount equal to the fair market value of the property to
7 be conveyed, as determined by the Secretary under such
8 terms and conditions as are determined to be fair and eq-
9 uitable to both parties.

10 (c) USE AND DEPOSIT OF PROCEEDS.—(1) From the
11 funds paid by the City under subsection (b), the Secretary
12 shall deposit in the Morale, Welfare, and Recreation Fund
13 Account of the Department of the Army an amount equal
14 to the portion of such funds corresponding to the fair mar-
15 ket value of the two Fort Ord Golf Courses conveyed
16 under subsection (a), as established under subsection (b).

17 (2) The Secretary shall deposit the balance of the
18 funds paid by the City under subsection (b), after deduct-
19 ing the amount deposited under paragraph (1), in the De-
20 partment of Defense Base Closure Account 1990.

21 (d) DESCRIPTION OF PROPERTY.—The exact acreage
22 and legal description of the real property (including im-
23 provements thereon) to be conveyed under subsection (a)
24 shall be determined by a survey satisfactory to the Sec-

1 retary and the City. The cost of the survey shall be borne
2 by the City.

3 (e) ADDITIONAL TERMS AND CONDITIONS.—The
4 Secretary may require such additional terms and condi-
5 tions in connection with the conveyance under this section
6 as the Secretary considers appropriate to protect the inter-
7 ests of the United States.

8 **SEC. 2825. LAND CONVEYANCE, INDIANA ARMY AMMUNI-**
9 **TION PLANT, CHARLESTOWN, INDIANA.**

10 (a) CONVEYANCE AUTHORIZED.—The Secretary of
11 the Army may convey, without consideration, to the State
12 of Indiana (in this section referred to as the “State”), all
13 right, title, and interest of the United States in and to
14 a parcel of real property, including any improvements
15 thereon, that consists of approximately 1125 acres at the
16 inactivated Indiana Army Ammunition Plant in Charles-
17 town, Indiana, and is the subject of a 25-year lease be-
18 tween the Secretary and the State.

19 (b) CONDITION OF CONVEYANCE.—The conveyance
20 authorized under subsection (a) shall be subject to the
21 condition that the State use the conveyed property for rec-
22 reational purposes.

23 (c) DESCRIPTION OF PROPERTY.—The exact acreage
24 and legal description of the real property to be conveyed
25 under subsection (a) shall be determined by a survey satis-

1 factory to the Secretary. The cost of such survey shall be
2 borne by the State.

3 (d) ADDITIONAL TERMS AND CONDITIONS.—The
4 Secretary may require such additional terms and condi-
5 tions in connection with the conveyance under subsection
6 (a) as the Secretary considers appropriate to protect the
7 interests of the United States.

8 **SEC. 2826. LAND CONVEYANCE, NAVAL AIR STATION, PEN-**
9 **SACOLA, FLORIDA.**

10 (a) CONVEYANCE AUTHORIZED.—The Secretary of
11 the Navy may convey to West Florida Developers, Inc. (in
12 this section referred to as “WFD”), all right, title, and
13 interest of the United States in and to a parcel of unim-
14 proved real property consisting of approximately 135 acres
15 at Naval Air Station, Pensacola, Florida.

16 (b) CONSIDERATION.—(1) As consideration for the
17 conveyance under subsection (a), WFD shall agree to re-
18 strict the use of all lands located within the Air Installa-
19 tion Compatible Use Zones of Naval Air Station Pensacola
20 and owned by WFD at the time of the conveyance under
21 subsection (a) in such manner as specified by the Sec-
22 retary. The lands subject to such restriction shall total at
23 least 300 acres.

24 (2) If the fair market value of the property conveyed
25 under subsection (a) is more than the fair market value

1 of the restriction on usage under paragraph (1), WFD
2 shall pay to the United States an amount equal to the
3 difference between the fair market values.

4 (c) DETERMINATION OF FAIR MARKET VALUE.—The
5 Secretary shall determine the fair market value of the
6 property to be conveyed under subsection (a) and the fair
7 market value of the restriction on usage under subsection
8 (b)(1). Such determination shall be final.

9 (d) DESCRIPTION OF PROPERTY.—The exact acreage
10 and legal description of the real property to be conveyed
11 under subsection (a) shall be determined by a survey satis-
12 factory to the Secretary. The cost of such survey shall be
13 borne by WFD.

14 (e) ADDITIONAL TERMS AND CONDITIONS.—The
15 Secretary may require such additional terms and condi-
16 tions in connection with the conveyance authorized by sub-
17 section (a) as the Secretary considers appropriate to pro-
18 tect the interests of the United States.

19 **SEC. 2827. LAND CONVEYANCE, AVON PARK AIR FORCE**
20 **RANGE, SEBRING, FLORIDA.**

21 (a) CONVEYANCE AUTHORIZED.—The Secretary of
22 the Air Force may convey, without consideration, to High-
23 lands County, Florida (in this section referred to as the
24 “County”), all right, title, and interest of the United
25 States in and to a parcel of real property (including any

1 improvements thereon) located within the boundaries of
2 the Avon Park Air Force Range near Sebring, Florida,
3 which has previously served as the location of a support
4 complex and recreational facilities for the Avon Park Air
5 Force Range.

6 (b) CONDITIONS OF CONVEYANCE.—The conveyance
7 authorized under subsection (a) shall be subject to the
8 conditions that the County—

9 (1) directly or through an agreement with an
10 appropriate public or private entity, use the con-
11 veyed property, including the support complex and
12 recreational facilities, for operation of a juvenile or
13 other correctional facility; and

14 (2) enter into an agreement with the Secretary
15 to reconvey the property to the United States if the
16 Secretary determines that the conveyed property is
17 necessary to accomplish the military mission of the
18 Avon Park Air Force Range.

19 (c) REVERSIONARY INTEREST.—If the Secretary de-
20 termines at any time that the property conveyed under
21 subsection (a) is not being used in accordance with sub-
22 section (b), all right, title, and interest in the property
23 shall revert to the United States, and the United States
24 shall have the right of immediate entry onto the property.

1 (d) DESCRIPTION OF PROPERTY.—The exact acreage
2 and legal description of the real property to be conveyed
3 under subsection (a) shall be determined by a survey satis-
4 factory to the Secretary. The cost of such survey shall be
5 borne by the County.

6 (e) ADDITIONAL TERMS AND CONDITIONS.—The
7 Secretary may require such additional terms and condi-
8 tions in connection with the conveyance under this section
9 as the Secretary considers appropriate to protect the inter-
10 ests of the United States.

11 **SEC. 2828. LAND CONVEYANCE, PARKS RESERVE FORCES**
12 **TRAINING AREA, DUBLIN, CALIFORNIA.**

13 (a) CONVEYANCE AUTHORIZED.—(1) Except as pro-
14 vided in paragraph (2), the Secretary of the Army may
15 convey to the County of Alameda, California (in this sec-
16 tion referred to as the “County”), all right, title, and in-
17 terest of the United States in and to a parcel of real prop-
18 erty consisting of approximately 31 acres, together with
19 improvements thereon, located at Parks Reserve Forces
20 Training Area, Dublin, California.

21 (2) The conveyance authorized by this section shall
22 not include any oil, gas, or mineral interest of the United
23 States in the real property to be conveyed.

24 (b) CONSIDERATION.—(1) As consideration for the
25 conveyance under subsection (a)(1), the County shall pro-

1 vide the Army with services at the portion of Parks Re-
2 serve Forces Training Area retained by the Army—

3 (A) to relocate the main gate of the retained
4 Army Training Area from Dougherty Road to Dub-
5 lin Boulevard across from the Bay Area Rapid Tran-
6 sit District East Dublin station, including the clo-
7 sure of the existing main gate on Dougherty Road,
8 construction of a security facility, and construction
9 of a roadway from the new entrance to Fifth Street;

10 (B) to fence and landscape the southern bound-
11 ary of the retained Army Training Area installation
12 located northerly of Dublin Boulevard;

13 (C) to fence and landscape the eastern bound-
14 ary of the retained Army Training Area from Dublin
15 Boulevard to Gleason Drive;

16 (D) to resurface roadways within the retained
17 Army Training Area;

18 (E) to provide such other services in connection
19 with the retained Army Training Area, including re-
20 location or reconstruction of water lines, relocation
21 or reconstruction of sewer lines, construction of
22 drainage improvements, and construction of build-
23 ings, as the Secretary and the County may deter-
24 mine to be appropriate; and

1 (F) to provide for and fund any environmental
2 mitigation that is necessary as a result of a change
3 in use of the conveyed property by the County.

4 (2) The detailed specifications for the services to be
5 provided under paragraph (1) may be determined and ap-
6 proved on behalf of the Secretary by the Commander of
7 Parks Reserve Forces Training Area. The preparation
8 costs of such specifications shall be borne by the County.

9 (3) The value of improvements and services received
10 by the United States from the County under paragraph
11 (1) must be equal to or exceed the appraised value of the
12 real property to be conveyed under subsection (a)(1). The
13 appraisal of the value of the property shall be subject to
14 Government review and approval.

15 (c) DESCRIPTION OF PROPERTY.—The exact acreage
16 and legal description of the real property to be conveyed
17 under subsection (a)(1) shall be determined by a survey
18 satisfactory to the Secretary. The cost of such survey shall
19 be borne by the County.

20 (d) TIME FOR TRANSFER OF TITLE.—The transfer
21 of title to the County under subsection (a)(1) may be exe-
22 cuted by the Secretary only upon the satisfactory guaran-
23 tee by the County of completion of the services to be pro-
24 vided under subsection (b).

1 (e) ADDITIONAL TERMS AND CONDITIONS.—The
2 Secretary may require such additional terms and condi-
3 tions in connection with the conveyance under subsection
4 (a)(1) as the Secretary considers appropriate to protect
5 the interests of the United States.

6 **SEC. 2829. LAND CONVEYANCE, HOLSTON ARMY AMMUNI-**
7 **TION PLANT, MOUNT CARMEL, TENNESSEE.**

8 (a) CONVEYANCE AUTHORIZED.—The Secretary of
9 the Army may convey, without reimbursement, to the City
10 of Mount Carmel, Tennessee (in this section referred to
11 as the “City”), all right, title, and interest of the United
12 States in and to a parcel of real property consisting of
13 approximately 6.5 acres, together with any improvements
14 thereon, located at Holston Army Ammunition Plant, Ten-
15 nessee. The property is located adjacent to the Mount Car-
16 mel Cemetery and is intended for expansion of the ceme-
17 tery.

18 (b) DESCRIPTION OF PROPERTY.—The exact acreage
19 and legal description of the real property to be conveyed
20 under subsection (a) shall be determined by a survey satis-
21 factory to the Secretary. The cost of such survey shall be
22 borne by the City.

23 (c) ADDITIONAL TERMS AND CONDITIONS.—The
24 Secretary may require such additional terms and condi-
25 tions in connection with the conveyance under subsection

1 (a) as the Secretary considers appropriate to protect the
2 interests of the United States.

3 **SEC. 2830. LAND CONVEYANCE, NAVAL WEAPONS INDUS-**
4 **TRIAL RESERVE PLANT, MCGREGOR, TEXAS.**

5 (a) CONVEYANCE AUTHORIZED.—The Secretary of
6 the Navy may convey, without consideration, to the City
7 of McGregor, Texas (in this section referred to as the
8 “City”), all right, title, and interest of the United States
9 in and to a parcel of real property, including any improve-
10 ments thereon, containing the Naval Weapons Industrial
11 Reserve Plant in McGregor, Texas. After screening the fa-
12 cilities, equipment, and fixtures (including special tooling
13 and special test equipment) located on the parcel for other
14 uses within the Department of the Navy, the Secretary
15 may include in the conveyance remaining facilities, equip-
16 ment, and fixtures if the Secretary determines that manu-
17 facturing activities requiring the use of such facilities,
18 equipment, and fixtures are likely to continue or be rein-
19 stated on the parcel after conveyance.

20 (b) LEASE AUTHORITY.—Until such time as the real
21 property described in subsection (a) is conveyed by deed,
22 the Secretary may lease the property, along with improve-
23 ments thereon, to the City in exchange for security serv-
24 ices, fire protection, and maintenance provided by the City
25 for the property.

1 (c) CONDITION OF CONVEYANCE.—The conveyance
2 authorized under subsection (a) shall be subject to the
3 condition that the City, directly or through an agreement
4 with a public or private entity, use the conveyed property
5 (or offer the conveyed property for use) for economic rede-
6 velopment to replace all or a part of the economic activity
7 being lost at the parcel.

8 (d) DESCRIPTION OF PROPERTY.—The exact acreage
9 and legal description of the real property to be conveyed
10 under subsection (a) shall be determined by a survey satis-
11 factory to the Secretary. The cost of such survey shall be
12 borne by the City.

13 (e) ADDITIONAL TERMS AND CONDITIONS.—The
14 Secretary may require such additional terms and condi-
15 tions in connection with the conveyance under subsection
16 (a) or a lease under subsection (b) as the Secretary consid-
17 ers appropriate to protect the interests of the United
18 States.

19 **SEC. 2831. TRANSFER OF JURISDICTION AND LAND CON-**
20 **VEYANCE, FORT DEVENS MILITARY RESERVA-**
21 **TION, MASSACHUSETTS.**

22 (a) TRANSFER OF LAND FOR WILDLIFE REFUGE.—
23 Subject to subsection (b), the Secretary of the Army shall
24 transfer, without reimbursement, to the administrative ju-
25 risdiction of the Secretary of the Interior that portion of

1 Fort Devens Military Reservation in the State of Massa-
2 chusetts that is situated south of Massachusetts State
3 Route 2, for inclusion in the Oxbow National Wildlife Ref-
4 uge. The transfer shall be made as soon as possible after
5 the date on which the property is determined to be excess
6 to the needs of the Department of Defense.

7 (b) LAND CONVEYANCE AUTHORIZED.—The Sec-
8 retary of the Army shall convey to the Town of Lancaster,
9 Massachusetts (in this section referred to as the “Town”),
10 all right, title, and interest of the United States in and
11 to a parcel of real property consisting of approximately
12 100 acres of the parcel available for transfer under sub-
13 section (a) and located adjacent to Massachusetts State
14 Highway 70.

15 (c) LEGAL DESCRIPTION.—(1) The exact acreage
16 and legal description of the real property to be transferred
17 under subsection (a) shall be determined by surveys that
18 are mutually satisfactory to the Secretary of the Army and
19 the Secretary of the Interior. The cost of such surveys
20 shall be borne by the Secretary of the Interior.

21 (2) The exact acreage and legal description of the real
22 property to be conveyed under subsection (b) shall be de-
23 termined by surveys that are mutually satisfactory to the
24 Secretary of the Army, the Secretary of the Interior, and

1 the Board of Selectman of the Town. The cost of such
2 surveys shall be borne by the Town.

3 (d) ADDITIONAL TERMS AND CONDITIONS.—The
4 Secretary of the Army may require such additional terms
5 and conditions in connection with the transfer and convey-
6 ance under this section as the Secretary of the Army con-
7 siders appropriate to protect the interests of the United
8 States.

9 **SEC. 2832. LAND CONVEYANCE, ELMENDORF AIR FORCE**
10 **BASE, ALASKA.**

11 (a) SALE TO PRIVATE PERSON AUTHORIZED.—(1)
12 The Secretary of the Air Force may sell to a private per-
13 son all right, title, and interest of the United States in
14 and to a parcel of real property consisting of approxi-
15 mately 31.69 acres that is located at Elmendorf Air Force
16 Base, Anchorage, Alaska, and identified in land lease W-
17 95-507-ENG-58.

18 (2) The Secretary may select as purchaser of the real
19 property such private person as the Secretary, in the sole
20 exercise of the Secretary's discretion, considers appro-
21 priate. The conveyance shall be subject to the condition
22 that the purchaser agree to provide appropriate mainte-
23 nance for the apartment complex located on the property
24 to be conveyed and used by members of the Armed Forces

1 stationed at Elmendorf Air Force Base and their depend-
2 ents.

3 (b) CONSIDERATION.—In consideration for the con-
4 veyance under subsection (a), the purchaser shall pay to
5 the United States an amount equal to the fair market
6 value of the real property to be conveyed, as determined
7 by an appraisal satisfactory to the Secretary. In determin-
8 ing the fair market value of the real property, the Sec-
9 retary shall consider the property as encumbered by land
10 lease W-95-507-ENG-58, with an expiration date of
11 June 13, 2024.

12 (c) DEPOSIT OF PROCEEDS.—The Secretary shall de-
13 posit the amount received from the purchaser under sub-
14 section (b) in the special account established under section
15 204(h)(2) of the Federal Property and Administrative
16 Services Act of 1949 (40 U.S.C. 585(h)(2)).

17 (d) DESCRIPTION OF PROPERTY.—The exact acreage
18 and legal description of the real property to be conveyed
19 under subsection (a) shall be determined by a survey satis-
20 factory to the Secretary. The cost of such survey shall be
21 borne by the purchaser.

22 (e) ADDITIONAL TERMS AND CONDITIONS.—The
23 Secretary may require such additional terms and condi-
24 tions in connection with the conveyance under this section

1 as the Secretary considers appropriate to protect the inter-
2 ests of the United States.

3 **SEC. 2833. LAND CONVEYANCE ALTERNATIVE TO EXISTING**
4 **LEASE AUTHORITY, NAVAL SUPPLY CENTER,**
5 **OAKLAND, CALIFORNIA.**

6 Section 2834(b) of the Military Construction Author-
7 ization Act for Fiscal Year 1993 (division B of Public Law
8 102-484; 106 Stat. 2614), as amended by section 2833
9 of the Military Construction Authorization Act for Fiscal
10 Year 1994 (division B of Public Law 103-160) and sec-
11 tion 2821 of the Military Construction Authorization Act
12 for Fiscal Year 1995 (division B of Public Law 103-337),
13 is further amended by adding at the end the following new
14 paragraphs:

15 “(4) In lieu of entering into a lease under paragraph
16 (1), or in place of an existing lease under such paragraph,
17 the Secretary may convey, without consideration, the prop-
18 erty described in such paragraph to the City of Oakland,
19 California, the Port of Oakland, California, or the City
20 of Alameda, California, under such terms and conditions
21 as the Secretary considers appropriate.

22 “(5) The exact acreage and legal description of any
23 property conveyed under paragraph (4) shall be deter-
24 mined by a survey satisfactory to the Secretary. The cost

1 of each survey shall be borne by the recipient of the prop-
2 erty.”.

3 **SEC. 2834. LAND CONVEYANCE, ARMY RESERVE CENTER,**
4 **YOUNGSTOWN, OHIO.**

5 (a) CONVEYANCE AUTHORIZED.—The Secretary of
6 the Army may convey, without consideration, to the City
7 of Youngstown, Ohio, all right, title, and interest of the
8 United States in and to a parcel of excess real property,
9 including improvements thereon, that is located at 399
10 Miller Street in Youngstown, Ohio, and contains the
11 Kefurt Army Reserve Center.

12 (b) CONDITION OF CONVEYANCE.—The conveyance
13 authorized under subsection (a) shall be subject to the
14 condition that the City of Youngstown retain the conveyed
15 property for the use and benefit of the Youngstown Fire
16 Department.

17 (c) DESCRIPTION OF PROPERTY.—The exact acreage
18 and legal description of the real property to be conveyed
19 under subsection (a) shall be determined by a survey satis-
20 factory to the Secretary. The cost of such survey shall be
21 borne by the City of Youngstown.

22 (d) ADDITIONAL TERMS AND CONDITIONS.—The
23 Secretary may require such additional terms and condi-
24 tions in connection with the conveyance under subsection

1 (a) as the Secretary considers appropriate to protect the
2 interests of the United States.

3 **SEC. 2835. MODIFICATION OF LAND CONVEYANCE, NAVAL**
4 **WEAPONS INDUSTRIAL RESERVE PLANT,**
5 **CALVERTON, NEW YORK.**

6 (a) **CONDITION ON CONVEYANCE.**—Subsection (b) of
7 section 2833 of the Military Construction Authorization
8 Act for Fiscal Year 1995 (division B of Public Law 103–
9 337; 108 Stat. 3061) is amended by striking out “to re-
10 place all or a part of the economic activity lost at the
11 Naval Weapons Industrial Reserve Plant”.

12 (b) **REMOVAL OF REVERSIONARY INTEREST; ADDI-**
13 **TION OF LEASE AUTHORITY.**—Subsection (c) of such sec-
14 tion is amended to read as follows:

15 “(c) **LEASE AUTHORITY.**—Until such time as the real
16 property described in subsection (a) is conveyed by deed,
17 the Secretary may lease the property, along with improve-
18 ments thereon, to the Community Development Agency in
19 exchange for security services, fire protection, and mainte-
20 nance provided by the Community Development Agency
21 for the property.”.

22 (c) **CONFORMING AMENDMENTS.**—Subsection (e) of
23 such section is amended by striking out “subsection (a)”
24 and inserting in lieu thereof “subsection (a) or a lease
25 under subsection (c)”.

1 **SEC. 2836. LAND EXCHANGE, FORT LEWIS, WASHINGTON.**

2 (a) CONVEYANCE AUTHORIZED.—The Secretary of
3 the Army may convey to Weyerhaeuser Real Estate Com-
4 pany, Tacoma, Washington (in this section referred to as
5 “WRECO”), all right, title, and interest of the United
6 States in and to a parcel of real property at Fort Lewis,
7 Washington, known as an unimproved portion of Tract
8 1000 (formerly being in the DuPont Steilacoom Road,
9 consisting of approximately 1.23 acres), and Tract 26E,
10 0.03 acre.

11 (b) CONSIDERATION.—As consideration for the con-
12 veyance authorized by subsection (a), WRECO shall con-
13 vey or cause to be conveyed to the United States by war-
14 ranty deed all right, title, and interest in and to a 0.39
15 acre parcel of real property located within the boundaries
16 of Fort Lewis, Washington, together with other consider-
17 ation acceptable to the Secretary. The total consideration
18 conveyed to the United States shall not be less than the
19 fair market value of the land conveyed under subsection
20 (a).

21 (c) DETERMINATION OF FAIR MARKET VALUE.—The
22 determinations of the Secretary of the Army regarding the
23 fair market values of the parcels of real property and im-
24 provements to be conveyed pursuant to subsections (a)
25 and (b) shall be final.

1 (d) DESCRIPTION OF PROPERTY.—The exact acreage
2 and legal description of the parcels of real property to be
3 conveyed pursuant to subsections (a) and (b) shall be de-
4 termined by surveys that are satisfactory to the Secretary
5 of the Army. The cost of such surveys shall be borne by
6 WRECO.

7 (e) EFFECT ON EXISTING REVERSIONARY INTER-
8 EST.—The Secretary may enter into an agreement with
9 the appropriate officials of Pierce County, Washington,
10 under which—

11 (1) the existing reversionary interest of Pierce
12 County in the lands to be conveyed by the United
13 States under subsection (a) is extinguished; and

14 (2) the conveyance to the United States under
15 subsection (b) is made subject to a similar reversion-
16 ary interest in favor of Pierce County in the lands
17 conveyed under such subsection.

18 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
19 retary may require such additional terms and conditions
20 in connection with the conveyances under this section as
21 the Secretary considers appropriate to protect the inter-
22 ests of the United States.

1 **SEC. 2837. MODIFICATION OF EXISTING LAND CONVEY-**
2 **ANCE, HAMILTON AIR FORCE BASE.**

3 (a) AUTHORITIES IN EVENT OF PARTIAL SALE.—In
4 the event that the purchaser purchases only a portion of
5 the Sale Parcel and exercises its option to withdraw from
6 the sale as to the rest of the Sale Parcel, the portion of
7 the Sale Parcel that is not purchased (other than Landfill
8 26 and an appropriate buffer area around it and the
9 groundwater treatment facility site), together with any of
10 the land referred to in section 9099(e) of Public Law 102–
11 396 that is not purchased by the purchaser, may be sold
12 to the City of Novato, in the State of California, for the
13 sum of One Dollar as a public benefit transfer for school,
14 classroom or other educational use, for use as a public
15 park or recreation area or for further conveyance as pro-
16 vided herein, subject to the following restrictions: (1) if
17 the City sells any portion of such land to any third party
18 within 10 years after the transfer to the City, which sale
19 may be made without the foregoing use restrictions, any
20 proceeds received by the City in connection with such sale,
21 minus the demonstrated reasonable costs of conducting
22 the sale and of any improvements made by the City to
23 the land following its acquisition of the land (but only to
24 the extent such improvements increase the value of the
25 portion sold), shall be immediately turned over to the
26 Army in reimbursement of the withdrawal payment made

1 by the Army to the contract purchaser and the costs of
2 cleaning up the Landfill and (2) until one year following
3 completion of the cleanup of contaminated soil in the
4 Landfill and completion of the groundwater treatment fa-
5 cilities, the sale must be at a per-acre price for the portion
6 sold that is at least equal to the per-acre contract price
7 paid by the purchaser for the portion of the Sale Parcel
8 purchased under the Agreement and Modification, as
9 amended, and thereafter must be at a price at least equal
10 to the fair market value of the portion sold. The foregoing
11 restrictions shall not apply to a transfer to another public
12 or quasi-public agency for public uses of the kind de-
13 scribed above. The deed to the City shall contain a clause
14 providing that, if any of the proceeds referred to in clause
15 (1) are not delivered to the Army within 30 days after
16 sale, or any portion of the land not sold as provided herein
17 is used for other than educational, park or recreational
18 uses, title to the applicable portion of such land shall re-
19 vert to the United States at the election of the Adminis-
20 trator of the General Services Administration. The Sec-
21 retary of the Army shall agree to deliver into the applica-
22 ble closing escrow an acknowledgement of receipt of any
23 proceeds described in clause (1) above and a release of
24 the reverter right as to the affected land, effective upon
25 such receipt.

1 (b) SPECIAL CONVEYANCE REGARDING BUILDING
2 138 PARCEL.—The Secretary of the Army may convey the
3 Building 138 parcel, which has been designated by the
4 parties as Parcel A4 to the purchaser of the Sale Parcel.
5 The per-acre price for the portion sold shall be at least
6 equal to the per-acre contract price paid by the purchaser
7 for the portion of the Sale Parcel purchased under the
8 Agreement and Modification, dated September 25, 1990,
9 as amended.

10 **SEC. 2838. TRANSFER OF JURISDICTION, FORT BLISS,**
11 **TEXAS.**

12 (a) TRANSFER OF LAND FOR NATIONAL CEME-
13 TERY.—The Secretary of the Army may transfer, without
14 reimbursement, to the administrative jurisdiction of the
15 Secretary of Veterans Affairs a parcel of real property (in-
16 cluding any improvements thereon) consisting of approxi-
17 mately 22 acres and comprising a portion of Fort Bliss,
18 Texas.

19 (b) USE OF LAND.—The Secretary of Veterans Af-
20 fairs shall use the real property transferred under sub-
21 section (a) as an addition to the Fort Bliss National Cem-
22 etery and administer such real property pursuant to chap-
23 ter 24 of title 38, United States Code.

24 (c) RETURN OF UNUSED LAND.—If the Secretary of
25 Veterans Affairs determines that any portion of the real

1 property transferred under subsection (a) is not needed
2 for use as a national cemetery, the Secretary of Veterans
3 Affairs shall return such portion to the administrative ju-
4 risdiction of the Secretary of the Army.

5 (d) LEGAL DESCRIPTION.—The exact acreage and
6 legal description of the real property to be transferred
7 under this section shall be determined by surveys that are
8 satisfactory to the Secretary of the Army. The cost of such
9 surveys shall be borne by the Secretary of Veterans Af-
10 fairs.

11 (e) ADDITIONAL TERMS AND CONDITIONS.—The
12 Secretary of the Army may require such additional terms
13 and conditions in connection with the transfer under this
14 section as the Secretary of the Army considers appropriate
15 to protect the interests of the United States.

16 **Subtitle D—Land Conveyances**
17 **Involving Utilities**

18 **SEC. 2841. CONVEYANCE OF RESOURCE RECOVERY FACIL-**
19 **ITY, FORT DIX, NEW JERSEY.**

20 (a) AUTHORITY TO CONVEY.—The Secretary of the
21 Army may convey to Burlington County, New Jersey (in
22 this section referred to as the “County”), all right, title,
23 and interest of the United States in and to a parcel of
24 real property at Fort Dix, New Jersey, consisting of ap-

1 proximately two acres and containing a resource recovery
2 facility, known as the Fort Dix resource recovery facility.

3 (b) RELATED EASEMENTS.—The Secretary may
4 grant to the County any easement that is necessary for
5 access to and operation of the resource recovery facility
6 conveyed under subsection (a).

7 (c) CONDITIONS ON CONVEYANCE.—The conveyance
8 of the resource recovery facility authorized by subsection
9 (a) is subject to the following conditions:

10 (1) That the County accept the resource recovery
11 facility in its existing condition at the time of
12 conveyance.

13 (2) That the County provide refuse and steam
14 service to Fort Dix, New Jersey, at the rate estab-
15 lished by the appropriate Federal or State regu-
16 latory authority.

17 (3) That the County comply with all applicable
18 environmental laws and regulations relating to the
19 resource recovery facility, including any permit or li-
20 cense requirements.

21 (4) That the County assume full responsibility
22 for ownership, operation, maintenance, repair, and
23 all regulatory compliance requirements for the re-
24 source recovery facility.

1 (d) CONDITION ON EXPANSION.—The conveyance of
2 the resource recovery facility under subsection (a) shall
3 also be subject to the condition that the County may not
4 expand the resource recovery facility without prior ap-
5 proval by the Secretary.

6 (e) ENVIRONMENTAL COMPLIANCE.—The County
7 shall be responsible for owning, operating, and upgrading
8 the resource recovery facility in accordance with all appli-
9 cable Federal, State, and municipal laws and regulations
10 promulgated thereunder.

11 (f) DESCRIPTION OF THE PROPERTY.—The exact
12 acreage and legal description of the real property to be
13 conveyed under subsection (a), and of any easements to
14 be granted under subsection (b), shall be determined by
15 a survey satisfactory to the Secretary. The cost of such
16 survey shall be borne by the County.

17 (g) ADDITIONAL TERMS AND CONDITIONS.—The
18 Secretary may require such additional terms and condi-
19 tions in connection with the conveyance under subsection
20 (a) and the grant of any easement under subsection (b)
21 as the Secretary considers appropriate to protect the inter-
22 ests of the United States.

1 **SEC. 2842. CONVEYANCE OF WATER AND WASTEWATER**
2 **TREATMENT PLANTS, FORT GORDON, GEOR-**
3 **GIA.**

4 (a) CONVEYANCE AUTHORIZED.—The Secretary of
5 the Army may convey to the city of Augusta, Georgia (in
6 this section referred to as the “City”), all right, title, and
7 interest of the United States to several parcels of real
8 property located at Fort Gordon, Georgia, and consisting
9 of approximately seven acres each. The parcels are im-
10 proved with a water filtration plant, water distribution
11 system with storage tanks, sewage treatment plant, and
12 sewage collection system.

13 (b) RELATED EASEMENTS.—The Secretary may
14 grant to the City any easement that is necessary for access
15 to the real property conveyed under subsection (a) and op-
16 eration of the conveyed facilities.

17 (c) CONDITIONS ON CONVEYANCE.—The conveyance
18 authorized by subsection (a) is subject to the following
19 conditions:

20 (1) That the City accept the water and
21 wastewater treatment plants and distribution and
22 collection systems in their existing condition at the
23 time of conveyance.

24 (2) That the City provide water and sewer serv-
25 ice to Fort Gordon, Georgia, at a rate established by

1 the appropriate Federal or State regulatory author-
2 ity.

3 (3) That the City comply with all applicable en-
4 vironmental laws and regulations regarding the real
5 property conveyed under subsection (a), including
6 any permit or license requirements.

7 (4) That the City assume full responsibility for
8 ownership, operation, maintenance, repair, and all
9 regulatory compliance requirements for the water
10 and wastewater treatment plants and distribution
11 and collection systems.

12 (d) CONDITION ON EXPANSION.—The conveyance
13 under subsection (a) shall also be subject to the condition
14 that the City may not expand the water and wastewater
15 treatment plants and distribution and collection systems
16 without prior approval by the Secretary.

17 (e) ENVIRONMENTAL COMPLIANCE.—The City shall
18 be responsible for owning, operating, and upgrading the
19 water and wastewater treatment plants and distribution
20 and collection systems in accordance with all applicable
21 Federal, State, and municipal laws and regulations pro-
22 mulgated thereunder.

23 (f) DESCRIPTION OF PROPERTY.—The exact acreage
24 and legal description of the real property to be conveyed
25 under subsection (a), and of any easements granted under

1 subsection (b), shall be determined by a survey satisfac-
2 tory to the Secretary. The cost of such survey shall be
3 borne by the City.

4 (g) ADDITIONAL TERMS AND CONDITIONS.—The
5 Secretary may require such additional terms and condi-
6 tions in connection with the conveyance under subsection
7 (a) and the grant of any easement under subsection (b)
8 as the Secretary considers appropriate to protect the inter-
9 ests of the United States.

10 **SEC. 2843. CONVEYANCE OF ELECTRICAL DISTRIBUTION**
11 **SYSTEM, FORT IRWIN, CALIFORNIA.**

12 (a) CONVEYANCE AUTHORIZED.—The Secretary of
13 the Army may convey to the Southern California Edison
14 Company, California (in this section referred to as the
15 “Company”), all right, title, and interest of the United
16 States in and to the electrical distribution system located
17 at Fort Irwin, California.

18 (b) DESCRIPTION OF SYSTEM AND CONVEYANCE.—
19 The electrical distribution system authorized to be con-
20 veyed under subsection (a) consists of approximately 115
21 miles of electrical distribution lines, including poles,
22 switches, reclosers, transformers, regulators, switchgears,
23 and service lines. The conveyance includes the equipment,
24 fixtures, structures, and other improvements the Federal

1 Government utilizes to provide electrical services at Fort
2 Irwin. The conveyance shall not include any real property.

3 (c) RELATED EASEMENTS.—The Secretary may
4 grant to the Company any easement that is necessary for
5 access to and operation of the electrical distribution sys-
6 tem conveyed under subsection (a).

7 (d) CONDITIONS ON CONVEYANCE.—The conveyance
8 authorized by subsection (a) is subject to the following
9 conditions:

10 (1) That the Company accept the electrical dis-
11 tribution system in its existing condition at the time
12 of conveyance.

13 (2) That the Company provide electrical service
14 to Fort Irwin, California, at a rate established by
15 the appropriate Federal or State regulatory author-
16 ity.

17 (3) That the Company comply with all applica-
18 ble environmental laws and regulations regarding the
19 electrical distribution system, including any permit
20 or license requirements.

21 (4) That the Company assume full responsibil-
22 ity for ownership, operation, maintenance, repair,
23 and all regulatory compliance requirements for the
24 electrical distribution system.

1 (e) CONDITION ON EXPANSION.—The conveyance
2 under subsection (a) shall also be subject to the condition
3 that the Company may not expand the electrical distribu-
4 tion system without prior approval by the Secretary.

5 (f) ENVIRONMENTAL COMPLIANCE.—The Company
6 shall be responsible for owning, operating, and upgrading
7 the electrical distribution system in accordance with all ap-
8 plicable Federal, State, and municipal laws and regula-
9 tions promulgated thereunder.

10 (g) DESCRIPTION OF EASEMENT.—The exact acreage
11 and legal description of any easement granted under sub-
12 section (c) shall be determined by a survey satisfactory
13 to the Secretary. The cost of such survey shall be borne
14 by the Company.

15 (h) ADDITIONAL TERMS AND CONDITIONS.—The
16 Secretary may require such additional terms and condi-
17 tions in connection with the conveyance under subsection
18 (a) and the grant of any easement under subsection (c)
19 as the Secretary considers appropriate to protect the inter-
20 ests of the United States.

21 **Subtitle E—Other Matters**

22 **SEC. 2851. EXPANSION OF AUTHORITY TO SELL ELEC-** 23 **TRICITY.**

24 (a) INCLUSION OF ADDITIONAL ENERGY PRODUC-
25 TION FACILITIES.—Subsection (a) of section 2483 of title

1 10, United States Code, is amended by striking out “alter-
2 nate energy and cogeneration type production facilities”
3 in the first sentence and inserting in lieu thereof “energy
4 production facilities”.

5 (b) CLERICAL AMENDMENTS.—(1) The heading of
6 such section is amended to read as follows:

7 **“§ 2483. Special sale authority regarding electricity”.**

8 (2) The table of sections at the beginning of chapter
9 147 of title 10, United States Code, is amended by strik-
10 ing out the item relating to section 2483 and inserting
11 in lieu thereof the following new item:

“2483. Special sale authority regarding electricity.”.

12 **SEC. 2852. AUTHORITY FOR MISSISSIPPI STATE PORT AU-**
13 **THORITY TO USE NAVY PROPERTY AT NAVAL**
14 **CONSTRUCTION BATTALION CENTER, GULF-**
15 **PORT, MISSISSIPPI.**

16 (a) JOINT USE AGREEMENT AUTHORIZED.—The
17 Secretary of the Navy may enter into an agreement with
18 the Port Authority of the State of Mississippi (in this sec-
19 tion referred to as the “Port Authority”), under which the
20 Port Authority may use real property comprising up to
21 50 acres located at the Naval Construction Battalion Cen-
22 ter, Gulfport, Mississippi (in this section referred to as
23 the “Center”).

24 (b) TERM OF AGREEMENT.—The agreement author-
25 ized under subsection (a) may be for an initial period of

1 not more than 15 years. Under the agreement, the Sec-
2 retary shall provide the Port Authority with an option to
3 extend the agreement for at least three additional periods
4 of five years each.

5 (c) CONDITIONS ON USE.—The agreement author-
6 ized under subsection (a) shall require the Port Author-
7 ity—

8 (1) to suspend operations under the agreement
9 in the event Navy contingency operations are con-
10 ducted at the Center; and

11 (2) to use the property covered by the agree-
12 ment in a manner consistent with Navy operations
13 conducted at the Center.

14 (d) CONSIDERATION.—(1) As consideration for the
15 use of the property covered by the agreement under sub-
16 section (a), the Port Authority shall pay to the Navy an
17 amount equal to the fair market rental value of the prop-
18 erty, as determined by the Secretary taking into consider-
19 ation the Port Authority's use of the property.

20 (2) The Secretary may include a provision in the
21 agreement requiring the Port Authority—

22 (A) to pay the Navy an amount (as determined
23 by the Secretary) to cover the costs of replacing at
24 the Center any facilities vacated by the Navy on ac-

1 count of the agreement or to construct suitable re-
2 placement facilities for the Navy; and

3 (B) to pay the Navy an amount (as determined
4 by the Secretary) for the costs of relocating Navy
5 operations from the vacated facilities to the replace-
6 ment facilities.

7 (e) CONGRESSIONAL NOTIFICATION.—The Secretary
8 may not enter into the agreement authorized by subsection
9 (a) until the end of the 21-day period beginning on the
10 date on which the Secretary submits to Congress a report
11 containing an explanation of the terms of the proposed
12 agreement and a description of the consideration that the
13 Secretary expects to receive under the agreement.

14 (f) USE OF PAYMENT.—(1) In such amounts as are
15 provided in advance in appropriation Acts, the Secretary
16 may use amounts paid under subsection (d)(1) to pay for
17 general supervision, administration, and overhead ex-
18 penses and for improvement, maintenance, repair, con-
19 struction, or restoration of the roads, railways, and facili-
20 ties serving the Center.

21 (2) In such amounts as are provided in advance in
22 appropriation Acts, the Secretary may use amounts paid
23 under subsection (d)(2) to pay for constructing new facili-
24 ties, or making modifications to existing facilities, that are
25 necessary to replace facilities vacated by the Navy on ac-

1 count of the agreement under subsection (a) and for relo-
2 cating operations of the Navy from the vacated facilities
3 to replacement facilities.

4 (g) CONSTRUCTION BY PORT AUTHORITY.—The Sec-
5 retary may authorize the Port Authority to demolish exist-
6 ing facilities located on the property covered by the agree-
7 ment under subsection (a) and, consistent with the restric-
8 tion specified in subsection (c)(2), construct new facilities
9 on the property for joint use by the Port Authority and
10 the Navy.

11 (h) ADDITIONAL TERMS AND CONDITIONS.—The
12 Secretary may require such additional terms and condi-
13 tions in connection with the agreement authorized under
14 subsection (a) as the Secretary considers appropriate to
15 protect the interests of the United States.

16 **SEC. 2853. PROHIBITION ON JOINT CIVIL AVIATION USE OF**
17 **NAVAL AIR STATION MIRAMAR, CALIFORNIA.**

18 The Secretary of the Navy may not enter into any
19 agreement that would provide for or permit civil aircraft
20 to regularly use Naval Air Station Miramar, California.

21 **SEC. 2854. REPORT REGARDING ARMY WATER CRAFT SUP-**
22 **PORT FACILITIES AND ACTIVITIES.**

23 Not later than February 15, 1996, the Secretary of
24 the Army shall submit to Congress a report describing—

1 (1) the location, assets, and mission of each
2 Army facility, active or reserve component, that sup-
3 ports water transportation operations;

4 (2) an infrastructure inventory and utilization
5 rate of each Army facility supporting water trans-
6 portation operations;

7 (3) options for consolidating these operations to
8 reduce overhead; and

9 (4) actions that can be taken to affirmatively
10 respond to requests from the residents of Marcus
11 Hook, Pennsylvania, to close the Army Reserve facil-
12 ity located in Marcus Hook and make the facility
13 available for use by the community.

14 **DIVISION C—DEPARTMENT OF**
15 **ENERGY NATIONAL**
16 **SECURITY AUTHORIZATIONS**
17 **AND OTHER AUTHORIZATIONS**
18 **TITLE XXXI—DEPARTMENT OF**
19 **ENERGY NATIONAL SECURITY**
20 **PROGRAMS**

21 **Subtitle A—National Security**
22 **Programs Authorizations**

23 **SEC. 3101. WEAPONS ACTIVITIES.**

24 (a) STOCKPILE STEWARDSHIP.—Subject to sub-
25 section (d), funds are hereby authorized to be appro-

1 priated to the Department of Energy for fiscal year 1996
2 for stockpile stewardship in carrying out weapons activi-
3 ties necessary for national security programs in the
4 amount of \$3,610,914,000, to be allocated as follows:

5 (1) For core stockpile stewardship,
6 \$1,189,708,000 for fiscal year 1996, to be allocated
7 as follows:

8 (A) For operation and maintenance,
9 \$1,098,403,000.

10 (B) For plant projects (including mainte-
11 nance, restoration, planning, construction, ac-
12 quisition, modification of facilities, and the con-
13 tinuation of projects authorized in prior years,
14 and land acquisition related thereto),
15 \$96,305,000, to be allocated as follows:

16 Project 96-D-102, stockpile steward-
17 ship facilities revitalization, Phase VI, var-
18 ious locations, \$2,520,000.

19 Project 96-D-103, ATLAS, Los Ala-
20 mos National Laboratory, Los Alamos,
21 New Mexico, \$8,400,000.

22 Project 96-D-104, processing and en-
23 vironmental technology laboratory
24 (PETL), Sandia National Laboratories,
25 Albuquerque, New Mexico, \$1,800,000.

1 Project 96-D-105, contained firing
2 facility addition, Lawrence Livermore Na-
3 tional Laboratory, Livermore, California,
4 \$6,600,000.

5 Project 95-D-102, Chemical and
6 Metallurgy Research Building upgrades
7 project, Los Alamos National Laboratory,
8 Los Alamos, New Mexico, \$9,940,000.

9 Project 94-D-102, nuclear weapons
10 research, development, and testing facili-
11 ties revitalization, Phase V, various loca-
12 tions, \$12,200,000.

13 Project 93-D-102, Nevada support
14 facility, North Las Vegas, Nevada,
15 \$15,650,000.

16 Project 90-D-102, nuclear weapons
17 research, development, and testing facili-
18 ties revitalization, Phase III, various loca-
19 tions, \$6,200,000.

20 Project 88-D-106, nuclear weapons
21 research, development, and testing facili-
22 ties revitalization, Phase II, various loca-
23 tions, \$27,995,000.

24 (2) For inertial fusion, \$240,667,000, to be al-
25 located as follows:

1 (A) For operation and maintenance,
2 \$203,267,000.

3 (B) For plant projects (including mainte-
4 nance, restoration, planning, construction, ac-
5 quisition, modification of facilities, and the con-
6 tinuation of projects authorized in prior years,
7 and land acquisition related thereto),
8 \$37,400,000 to be allocated as follows:

9 Project 96-D-111, national ignition
10 facility, TBD, \$37,400,000.

11 (3) For technology transfer, \$25,000,000.

12 (4) For Marshall Islands, \$6,800,000.

13 (b) STOCKPILE MANAGEMENT.—Subject to sub-
14 section (d), funds are hereby authorized to be appro-
15 priated to the Department of Energy for fiscal year 1996
16 for stockpile management in carrying out weapons activi-
17 ties necessary for national security programs in the
18 amount of \$2,142,083,000, to be allocated as follows:

19 (1) For operation and maintenance,
20 \$2,028,458,000.

21 (2) For plant projects (including maintenance,
22 restoration, planning, construction, acquisition,
23 modification of facilities, and the continuation of
24 projects authorized in prior years, and land acquisi-

1 tion related thereto), \$113,625,000, to be allocated
2 as follows:

3 Project 96-D-122, sewage treatment qual-
4 ity upgrade (STQU), Pantex Plant, Amarillo,
5 Texas, \$600,000.

6 Project 96-D-123, retrofit HVAC and
7 chillers for ozone protection, Y-12 Plant, Oak
8 Ridge, Tennessee, \$3,100,000.

9 Project 96-D-125, Washington measure-
10 ments operations facility, Andrews Air Force
11 Base, Camp Springs, Maryland, \$900,000.

12 Project 96-D-126, tritium loading line
13 modifications, Savannah River Site, South
14 Carolina, \$12,200,000.

15 Project 95-D-122, sanitary sewer up-
16 grade, Y-12 Plant, Oak Ridge, Tennessee,
17 \$6,300,000.

18 Project 94-D-124, hydrogen fluoride sup-
19 ply system, Y-12 Plant, Oak Ridge, Tennessee,
20 \$8,700,000.

21 Project 94-D-125, upgrade life safety,
22 Kansas City Plant, Kansas City, Missouri,
23 \$5,500,000.

1 Project 94-D-127, emergency notification
2 system, Pantex Plant, Amarillo, Texas,
3 \$2,000,000.

4 Project 94-D-128, environmental safety
5 and health analytical laboratory, Pantex Plant,
6 Amarillo, Texas, \$4,000,000.

7 Project 93-D-122, life safety upgrades,
8 Y-12 Plant, Oak Ridge, Tennessee,
9 \$7,200,000.

10 Project 93-D-123, complex-21, various lo-
11 cations, \$41,065,000.

12 Project 88-D-122, facilities capability as-
13 surance program, various locations, \$8,660,000.

14 Project 88-D-123, security enhancement,
15 Pantex Plant, Amarillo, Texas, \$13,400,000.

16 (c) PROGRAM DIRECTION.—Subject to subsection
17 (d), funds are hereby authorized to be appropriated to the
18 Department of Energy for fiscal year 1996 for program
19 direction in carrying out weapons activities necessary for
20 national security programs in the amount of
21 \$118,000,000.

22 (d) ADJUSTMENTS.—The total amount authorized to
23 be appropriated pursuant to this section is the sum of the
24 amounts authorized to be appropriated in subsections (a)
25 through (c) reduced by the sum of—

1 (1) \$25,000,000, for savings resulting from
2 procurement reform; and

3 (2) \$86,344,000, for use in prior year balances.

4 **SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE**
5 **MANAGEMENT.**

6 (a) CORRECTIVE ACTIVITIES.—Subject to subsection
7 (i), funds are hereby authorized to be appropriated to the
8 Department of Energy for fiscal year 1996 for corrective
9 activities in carrying out environmental restoration and
10 waste management activities necessary for national secu-
11 rity programs in the amount of \$3,406,000, all of which
12 shall be available for the following plant project (including
13 maintenance, restoration, planning, construction, acquisi-
14 tion, modification of facilities, and land acquisition related
15 thereto):

16 Project 90–D–103, environment, safety and
17 health improvements, weapons research and develop-
18 ment complex, Los Alamos National Laboratory,
19 Los Alamos, New Mexico.

20 (b) ENVIRONMENTAL RESTORATION.—Subject to
21 subsection (i), funds are hereby authorized to be appro-
22 priated to the Department of Energy for fiscal year 1996
23 for environmental restoration in carrying out environ-
24 mental restoration and waste management activities nec-

1 essary for national security programs in the amount of
2 \$1,575,973,000.

3 (c) WASTE MANAGEMENT.—Subject to subsection (i),
4 funds are hereby authorized to be appropriated to the De-
5 partment of Energy for fiscal year 1996 for waste man-
6 agement in carrying out environmental restoration and
7 waste management activities necessary for national secu-
8 rity programs in the amount of \$2,351,596,000, to be allo-
9 cated as follows:

10 (1) For operation and maintenance,
11 \$2,168,994,000.

12 (2) For plant projects (including maintenance,
13 restoration, planning, construction, acquisition,
14 modification of facilities, and the continuation of
15 projects authorized in prior years, and land acquisi-
16 tion related thereto), \$182,602,000, to be allocated
17 as follows:

18 Project 96–D–406, K-Basin operations
19 program, Richland, Washington, \$26,000,000.

20 Project 96–D–407, mixed waste low level
21 waste treatment projects, Rocky Flats, Golden,
22 Colorado, \$2,900,000.

23 Project 96–D–408, waste management up-
24 grades, various locations, \$5,615,000.

1 Project 95-D-402, install permanent elec-
2 trical service for the Waste Isolation Pilot
3 Plant, Carlsbad, New Mexico, \$4,314,000.

4 Project 95-D-405, industrial landfill V
5 and construction/demolition landfill VII, Phase
6 III, Y-12 Plant, Oak Ridge, Tennessee,
7 \$4,600,000.

8 Project 95-D-406, road 5-01 reconstruc-
9 tion, area 5, Nevada Test Site, Nevada,
10 \$1,023,000.

11 Project 94-D-400, high explosive
12 wastewater treatment system, Los Alamos Na-
13 tional Laboratory, Los Alamos, New Mexico,
14 \$4,445,000.

15 Project 94-D-402, liquid waste treatment
16 system, Nevada Test Site, Nevada, \$282,000.

17 Project 94-D-404, Melton Valley storage
18 tanks capacity increase, Oak Ridge National
19 Laboratory, Oak Ridge, Tennessee,
20 \$11,000,000.

21 Project 94-D-407, initial tank retrieval
22 systems, Richland, Washington, \$9,400,000.

23 Project 94-D-411, solid waste operations
24 complex project, Richland, Washington,
25 \$5,500,000.

1 Project 94-D-417, intermediate level and
2 low activity waste vaults, Savannah River Site,
3 Aiken, South Carolina, \$2,704,000.

4 Project 93-D-178, building 374 liquid
5 waste treatment facility, Rocky Flats Environ-
6 mental Technology Site, Golden, Colorado,
7 \$3,900,000.

8 Project 93-D-182, replacement of cross-
9 site transfer system, Richland, Washington,
10 \$19,795,000.

11 Project 93-D-183, multi-function waste
12 remediation facility, Richland, Washington,
13 \$31,000,000.

14 Project 93-D-187, high-level waste re-
15 moval from filled waste tanks, Savannah River
16 Site, Aiken, South Carolina, \$19,700,000.

17 Project 92-D-171, mixed waste receiving
18 and storage facility, Los Alamos National Lab-
19 oratory, Los Alamos, New Mexico, \$1,105,000.

20 Project 92-D-188, waste management en-
21 vironmental, safety and health (ES&H) and
22 compliance activities, various locations,
23 \$1,100,000.

24 Project 90-D-172, aging waste transfer
25 lines, Richland, Washington, \$2,000,000.

1 Project 90-D-177, RWMC transuranic
2 (TRU) waste characterization and storage facil-
3 ity, Idaho National Engineering Laboratory,
4 Idaho, \$1,428,000.

5 Project 90-D-178, TSA retrieval enclo-
6 sure, Idaho National Engineering Laboratory,
7 Idaho, \$2,606,000.

8 Project 89-D-173, tank farm ventilation
9 upgrade, Richland, Washington, \$800,000.

10 Project 89-D-174, replacement high-level
11 waste evaporator, Savannah River Site, Aiken,
12 South Carolina, \$11,500,000.

13 Project 86-D-103, decontamination and
14 waste treatment facility, Lawrence Livermore
15 National Laboratory, Livermore, California,
16 \$8,885,000.

17 Project 83-D-148, nonradioactive hazard-
18 ous waste management, Savannah River Site,
19 Aiken, South Carolina, \$1,000,000.

20 (d) TECHNOLOGY DEVELOPMENT.—Subject to sub-
21 section (i), funds are hereby authorized to be appropriated
22 to the Department of Energy for fiscal year 1996 for tech-
23 nology development in carrying out environmental restora-
24 tion and waste management activities necessary for na-
25 tional security programs in the amount of \$390,510,000.

1 (e) TRANSPORTATION MANAGEMENT.—Subject to
2 subsection (i), funds are hereby authorized to be appro-
3 priated to the Department of Energy for fiscal year 1996
4 for transportation management in carrying out environ-
5 mental restoration and waste management activities nec-
6 essary for national security programs in the amount of
7 \$10,158,000.

8 (f) NUCLEAR MATERIALS AND FACILITIES STA-
9 BILIZATION.—Subject to subsection (i), funds are hereby
10 authorized to be appropriated to the Department of En-
11 ergy for fiscal year 1996 for nuclear materials and facili-
12 ties stabilization in carrying out environmental restoration
13 and waste management activities necessary for national
14 security programs in the amount of \$1,514,504,000 to be
15 allocated as follows:

16 (1) For operation and maintenance,
17 \$1,427,108,000.

18 (2) For plant projects (including maintenance,
19 restoration, planning, construction, acquisition,
20 modification of facilities, and the continuation of
21 projects authorized in prior years, and land acquisi-
22 tion related thereto), \$87,396,000, to be allocated as
23 follows:

24 Project 96–D–458, site drainage control,
25 Mound Plant, Miamisburg, Ohio, \$885,000.

1 Project 96–D–461, Idaho National Engi-
2 neering Laboratory electrical distribution up-
3 grade, Idaho National Engineering Laboratory,
4 Idaho, \$1,539,000.

5 Project 96–D–462, health physics instru-
6 ment laboratory, Idaho National Engineering
7 Laboratory, Idaho, \$1,126,000.

8 Project 96–D–464, electrical and utility
9 systems upgrade, Idaho Chemical Processing
10 Plant, Idaho National Engineering Laboratory,
11 Idaho, \$4,952,000.

12 Project 96–D–470, environmental monitor-
13 ing laboratory, Savannah River Site, Aiken,
14 South Carolina, \$3,500,000.

15 Project 96–D–471, CFC HVAC/chiller ret-
16 rofit, Savannah River Site, Aiken, South Caro-
17 lina, \$1,500,000.

18 Project 96–D–473, health physics site sup-
19 port facility, Savannah River Site, Aiken, South
20 Carolina, \$2,000,000.

21 Project 95–D–155, upgrade site road in-
22 frastructure, Savannah River site, Aiken, South
23 Carolina, \$2,900,000.

1 Project 95-D-156, radio trunking system,
2 Savannah River site, Aiken, South Carolina,
3 \$6,000,000.

4 Project 95-D-454, 324 facility compliance/
5 renovation, Richland, Washington, \$3,500,000.

6 Project 95-D-456, security facilities con-
7 solidation, Idaho Chemical Processing Plant,
8 Idaho National Engineering Laboratory, Idaho,
9 \$8,382,000.

10 Project 94-D-122, underground storage
11 tanks, Rocky Flats Plant, Golden, Colorado,
12 \$5,000,000.

13 Project 94-D-401, emergency response fa-
14 cility, Idaho National Engineering Laboratory,
15 Idaho, \$5,074,000.

16 Project 94-D-412, 300 area process sewer
17 piping system upgrade, Richland, Washington,
18 \$1,000,000.

19 Project 94-D-415, Idaho National Engi-
20 neering Laboratory medical facilities, Idaho Na-
21 tional Engineering Laboratory, Idaho,
22 \$3,601,000.

23 Project 94-D-451, infrastructure replace-
24 ment, Rocky Flats Plant, Golden, Colorado,
25 \$2,940,000.

1 Project 93-D-147, domestic water system
2 upgrade, Phase I and II, Savannah River Site,
3 Aiken, South Carolina, \$7,130,000.

4 Project 93-D-172, Idaho National Engi-
5 neering Laboratory electrical upgrade, Idaho
6 National Engineering Laboratory, Idaho,
7 \$124,000.

8 Project 92-D-123, plant fire/security
9 alarm system replacement, Rocky Flats Plant,
10 Golden, Colorado, \$9,560,000.

11 Project 92-D-125, master safeguards and
12 security agreement/materials surveillance task
13 force security upgrades, Rocky Flats Plant,
14 Golden, Colorado, \$7,000,000.

15 Project 92-D-181, Idaho National Engi-
16 neering Laboratory fire and life safety improve-
17 ments, Idaho National Engineering Laboratory,
18 Idaho, \$6,883,000.

19 Project 91-D-127, criticality alarm and
20 plant annunciation utility replacement, Rocky
21 Flats Plant, Golden, Colorado, \$2,800,000.

22 (g) COMPLIANCE AND PROGRAM COORDINATION.—
23 Subject to subsection (i), funds are hereby authorized to
24 be appropriated to the Department of Energy for fiscal
25 year 1996 for compliance and program coordination in

1 carrying out environmental restoration and waste manage-
2 ment activities necessary for national security programs
3 in the amount of \$31,251,000, to be allocated as follows:

4 (1) For operation and maintenance,
5 \$16,251,000.

6 (2) For the following plant project (including
7 maintenance, restoration, planning, construction, ac-
8 quisition, modification of facilities, and the continu-
9 ation of projects authorized in prior years, and land
10 acquisition related thereto):

11 Project 95-E-600, hazardous materials
12 management and emergency response training
13 center, Richland, Washington, \$15,000,000.

14 (h) ANALYSIS, EDUCATION, AND RISK MANAGE-
15 MENT.—Subject to subsection (i), funds are hereby au-
16 thorized to be appropriated to the Department of Energy
17 for fiscal year 1996 analysis, education, and risk manage-
18 ment in carrying out environmental restoration and waste
19 management activities necessary for national security pro-
20 grams in the amount of \$77,022,000.

21 (i) ADJUSTMENTS.—The total amount authorized to
22 be appropriated pursuant to this section is the sum of the
23 amounts specified in subsections (a) through (h) reduced
24 by the sum of—

1 (1) \$651,942,000, for use of prior year bal-
2 ances; and

3 (2) \$37,000,000 for Savannah River Pension
4 Refund.

5 **SEC. 3103. PAYMENT OF PENALTIES.**

6 The Secretary of Energy may pay to the Hazardous
7 Substance Superfund established under section 9507 of
8 the Internal Revenue Code of 1986 (26 U.S.C. 9507),
9 from funds appropriated to the Department of Energy for
10 environmental restoration and waste management activi-
11 ties pursuant to section 3102, stipulated civil penalties as-
12 sessed under the Comprehensive Environmental Response,
13 Compensation, and Liability Act of 1980 (42 U.S.C. 9601
14 et seq.) in the amount of \$350,000 assessed against the
15 Rocky Flats site, Colorado, under such Act.

16 **SEC. 3104. OTHER DEFENSE ACTIVITIES.**

17 (a) OTHER DEFENSE ACTIVITIES.—Subject to sub-
18 section (b), funds are hereby authorized to be appro-
19 priated to the Department of Energy for fiscal year 1996
20 for other defense activities in carrying out programs nec-
21 essary for national security in the amount of
22 \$1,328,841,000, to be allocated as follows:

23 (1) For verification and control technology,
24 \$353,200,000, to be allocated as follows:

1 (A) For nonproliferation and verification
2 research and development, \$163,500,000.

3 (B) For arms control, \$147,364,000.

4 (C) For intelligence, \$42,336,000.

5 (2) For nuclear safeguards and security,
6 \$83,395,000.

7 (3) For security investigations, \$25,000,000.

8 (4) For security evaluations, \$14,707,000.

9 (5) For the Office of Nuclear Safety,
10 \$15,050,000.

11 (6) For worker and community transition as-
12 sistance, \$75,000,000.

13 (7) For fissile materials disposition,
14 \$70,000,000.

15 (8) For emergency management, \$23,321,000.

16 (9) For naval reactors development,
17 \$682,168,000, to be allocated as follows:

18 (A) For operation and infrastructure,
19 \$659,168,000.

20 (B) For plant projects (including mainte-
21 nance, restoration, planning, construction, ac-
22 quisition, modification of facilities, and the con-
23 tinuation of projects authorized in prior years,
24 and land acquisition related thereto),
25 \$23,000,000, to be allocated as follows:

1 Project 95–D–200, laboratory systems
2 and hot cell upgrades, various locations,
3 \$11,300,000.

4 Project 95–D–201, advanced test re-
5 actor radioactive waste system upgrades,
6 Idaho National Engineering Laboratory,
7 Idaho, \$4,800,000.

8 Project 93–D–200, engineering serv-
9 ices facilities, Knolls Atomic Power Lab-
10 oratory, Niskayuna, New York,
11 \$3,900,000.

12 Project 90–N–102, expended core fa-
13 cility dry cell project, Naval Reactors facil-
14 ity, Idaho, \$3,000,000.

15 (b) ADJUSTMENT.—The total amount that may be
16 appropriated pursuant to this section is the amount au-
17 thorized to be appropriated in subsection (a) reduced by
18 the sum of \$13,000,000, for use of prior year balances.

19 **SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.**

20 Funds are hereby authorized to be appropriated to
21 the Department of Energy for fiscal year 1996 for pay-
22 ment to the Nuclear Waste Fund established in section
23 302(c) of the Nuclear Waste Policy Act of 1982 (42
24 U.S.C. 10222(c)) in the amount of \$198,400,000.

1 **Subtitle B—Recurring General** 2 **Provisions**

3 **SEC. 3121. REPROGRAMMING.**

4 (a) IN GENERAL.—Until the Secretary of Energy
5 submits to the congressional defense committees the re-
6 port referred to in subsection (b) and a period of 30 days
7 has elapsed after the date on which such committees re-
8 ceive the report, the Secretary may not use amounts ap-
9 propriated pursuant to this title for any program—

10 (1) in amounts that exceed, in a fiscal year—

11 (A) 110 percent of the amount authorized
12 for that program by this title; or

13 (B) \$1,000,000 more than the amount au-
14 thorized for that program by this title; or

15 (2) which has not been presented to, or re-
16 quested of, Congress.

17 (b) REPORT.—(1) The report referred to in sub-
18 section (a) is a report containing a full and complete state-
19 ment of the action proposed to be taken and the facts and
20 circumstances relied upon in support of such proposed ac-
21 tion.

22 (2) In the computation of the 30-day period under
23 subsection (a), there shall be excluded any day on which
24 either House of Congress is not in session because of an
25 adjournment of more than 3 days to a day certain.

1 (c) LIMITATIONS.—(1) In no event may the total
2 amount of funds obligated pursuant to this title exceed
3 the total amount authorized to be appropriated by this
4 title.

5 (2) Funds appropriated pursuant to this title may not
6 be used for an item for which Congress has specifically
7 denied funds.

8 **SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.**

9 (a) IN GENERAL.—The Secretary of Energy may
10 carry out any construction project under the general plant
11 projects authorized by this title if the total estimated cost
12 of the construction project does not exceed \$2,000,000.

13 (b) REPORT TO CONGRESS.—If, at any time during
14 the construction of any general plant project authorized
15 by this title, the estimated cost of the project is revised
16 because of unforeseen cost variations and the revised cost
17 of the project exceeds \$2,000,000, the Secretary shall im-
18 mediately furnish a complete report to the congressional
19 defense committees explaining the reasons for the cost
20 variation.

21 **SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.**

22 (a) IN GENERAL.—(1) Except as provided in para-
23 graph (2), construction on a construction project may not
24 be started or additional obligations incurred in connection
25 with the project above the total estimated cost, whenever

1 the current estimated cost of the construction project,
2 which is authorized by sections 3101, 3102, and 3104, or
3 which is in support of national security programs of the
4 Department of Energy and was authorized by any pre-
5 vious Act, exceeds by more than 25 percent the higher
6 of—

7 (A) the amount authorized for the project; or

8 (B) the amount of the total estimated cost for
9 the project as shown in the most recent budget jus-
10 tification data submitted to Congress.

11 (2) An action described in paragraph (1) may be
12 taken if—

13 (A) the Secretary of Energy has submitted to
14 the congressional defense committees a report on the
15 actions and the circumstances making such action
16 necessary; and

17 (B) a period of 30 days has elapsed after the
18 date on which the report is received by the commit-
19 tees.

20 (3) In the computation of the 30-day period under
21 paragraph (2), there shall be excluded any day on which
22 either House of Congress is not in session because of an
23 adjournment of more than 3 days to a day certain.

1 (b) EXCEPTION.—Subsection (a) shall not apply to
2 any construction project which has a current estimated
3 cost of less than \$5,000,000.

4 **SEC. 3124. FUND TRANSFER AUTHORITY.**

5 (a) TRANSFER TO OTHER FEDERAL AGENCIES.—
6 The Secretary of Energy may transfer funds authorized
7 to be appropriated to the Department of Energy pursuant
8 to this title to other Federal agencies for the performance
9 of work for which the funds were authorized. Funds so
10 transferred may be merged with and be available for the
11 same purposes and for the same time period as the author-
12 izations of the Federal agency to which the amounts are
13 transferred.

14 (b) TRANSFER WITHIN DEPARTMENT OF ENERGY;
15 LIMITATIONS.—(1) Subject to paragraph (2), the Sec-
16 retary of Energy may transfer funds authorized to be ap-
17 propriated to the Department of Energy pursuant to this
18 title between any such authorizations. Amounts of author-
19 izations so transferred may be merged with and be avail-
20 able for the same purposes and for the same time period
21 as the authorization to which the amounts are transferred.

22 (2) Not more than 5 percent of any such authoriza-
23 tion may be transferred between authorizations under
24 paragraph (1). No such authorization may be increased

1 or decreased by more than 5 percent by a transfer under
2 such paragraph.

3 (3) The authority provided by this section to transfer
4 authorizations—

5 (A) may only be used to provide funds for items
6 that have a higher priority than the items from
7 which the funds are transferred; and

8 (B) may not be used to provide authority for an
9 item that has been denied funds by Congress.

10 (c) NOTICE TO CONGRESS.—The Secretary of Energy
11 shall promptly notify the Committee on Armed Services
12 of the Senate and the Committee on National Security of
13 the House of Representatives of any transfer of funds to
14 or from authorizations under this title.

15 **SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.**
16

17 (a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1)
18 Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for
19 funds for a construction project that is in support of a
20 national security program of the Department of Energy,
21 the Secretary of Energy shall complete a conceptual design for that project.
22
23

24 (2) If the estimated cost of completing a conceptual
25 design for a construction project exceeds \$3,000,000, the

1 Secretary shall submit to Congress a request for funds for
2 the conceptual design before submitting a request for
3 funds for the construction project.

4 (3) The requirement in paragraph (1) does not apply
5 to a request for funds—

6 (A) for a construction project the total esti-
7 mated cost of which is less than \$2,000,000, or

8 (B) for emergency planning, design, and con-
9 struction activities under section 3126.

10 (b) **AUTHORITY FOR CONSTRUCTION DESIGN.**—(1)
11 Within the amounts authorized by this title, the Secretary
12 of Energy may carry out construction design services (in-
13 cluding architectural and engineering services) in connec-
14 tion with any proposed construction project if the total
15 estimated cost for such design does not exceed \$600,000.

16 (2) If the total estimated cost for construction design
17 in connection with any construction project exceeds
18 \$600,000, funds for such design must be specifically au-
19 thorized by law.

20 **SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DE-**
21 **SIGN, AND CONSTRUCTION ACTIVITIES.**

22 (a) **AUTHORITY.**—The Secretary of Energy may use
23 any funds available to the Department of Energy pursuant
24 to an authorization in this title, including those funds au-
25 thorized to be appropriated for advance planning and con-

1 construction design under sections 3101, 3102, and 3104, to
2 perform planning, design, and construction activities for
3 any Department of Energy defense activity construction
4 project that, as determined by the Secretary, must proceed
5 expeditiously in order to protect public health and safety,
6 meet the needs of national defense, or to protect property.

7 (b) LIMITATION.—The Secretary may not exercise
8 the authority under subsection (a) in the case of any con-
9 struction project until the Secretary has submitted to the
10 congressional defense committees a report on the activities
11 that the Secretary intends to carry out under this section
12 and the circumstances making such activities necessary.

13 (c) SPECIFIC AUTHORITY.—The requirement of sec-
14 tion 3125(b)(2) does not apply to emergency planning, de-
15 sign, and construction activities conducted under this sec-
16 tion.

17 (d) REPORT.—The Secretary of Energy shall report
18 to the congressional defense committees any exercise of
19 authority under this section.

20 **SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECU-**
21 **RITY PROGRAMS OF THE DEPARTMENT OF**
22 **ENERGY.**

23 Subject to the provisions of appropriations Acts and
24 section 3121 of this title, amounts appropriated pursuant
25 to this title for management and support activities and

1 for general plant projects are available for use, when nec-
2 essary, in connection with all national security programs
3 of the Department of Energy.

4 **SEC. 3128. AVAILABILITY OF FUNDS.**

5 When so specified in an appropriation Act, amounts
6 appropriated for operating expenses or for plant and cap-
7 ital equipment may remain available until expended.

8 **Subtitle C—Program Authoriza-**
9 **tions, Restrictions, and Limita-**
10 **tions**

11 **SEC. 3131. AUTHORITY TO CONDUCT PROGRAM RELATING**
12 **TO FISSILE MATERIALS.**

13 (a) AUTHORITY.—The Secretary of Energy may con-
14 duct programs designed to improve the protection, control,
15 and accountability of fissile materials in Russia.

16 (b) PRIOR NOTICE TO CONGRESS OF OBLIGATION OF
17 FUNDS.—

18 (1) ANNUAL REQUIREMENT.—(A) Not less than
19 15 days before any obligation of any funds appro-
20 priated for any fiscal year for a program described
21 in subsection (a), the Secretary of Energy shall sub-
22 mit to the congressional committees specified in sub-
23 paragraph (B) a report on that proposed obligation
24 for that program for that fiscal year.

1 (B) The congressional committees referred to in
2 subparagraph (A) are the following:

3 (i) The Committee on Armed Services, the
4 Committee on Foreign Relations, and the Com-
5 mittee on Appropriations of the Senate.

6 (ii) The Committee on National Security,
7 the Committee on International Relations, and
8 the Committee on Appropriations of the House
9 of Representatives.

10 (2) MATTERS TO BE SPECIFIED IN REPORTS.—

11 Each such report shall specify—

12 (A) the activities and forms of assistance
13 for which the Secretary of Energy plans to obli-
14 gate funds;

15 (B) the amount of the proposed obligation;
16 and

17 (C) the projected involvement (if any) of
18 any department or agency of the United States
19 (in addition to the Department of Energy) and
20 of the private sector of the United States in the
21 activities and forms of assistance for which the
22 Secretary of Energy plans to obligate such
23 funds.

1 **SEC. 3132. NATIONAL IGNITION FACILITY.**

2 None of the funds appropriated pursuant to this title
3 for the National Ignition Facility may be obligated until—

4 (1) the Secretary of Energy concludes that the
5 construction of the National Ignition Facility will
6 not impede the nuclear nonproliferation objectives of
7 the United States; and

8 (2) the Secretary of Energy notifies the con-
9 gressional defense committees of that conclusion.

10 **SEC. 3133. TRITIUM PRODUCTION.**

11 (a) NEW TRITIUM PRODUCTION ACTIVITIES.—

12 (1) Of the amounts authorized to be appro-
13 priated in section 3101(b), not more than
14 \$50,000,000 shall be available for a project to pro-
15 vide a long-term source of tritium, subject to para-
16 graph (2).

17 (2) The amount made available under para-
18 graph (1) may not be used until such time as the
19 Secretary of Energy has completed a record of deci-
20 sion on a tritium production program and congres-
21 sional hearings have been conducted to determine
22 the appropriate option, in light of the national secu-
23 rity needs and nonproliferation and environmental
24 consequences, for establishing a long-term source of
25 tritium.

1 (b) FISSILE MATERIALS CONTROL AND DISPOSI-
2 TION.—Funds authorized to be appropriated for fiscal
3 year 1996 for fissile materials storage and disposition ac-
4 tivities shall be available only for completing the evalua-
5 tion and beginning the implementation of the plutonium
6 storage and disposition option, including the multipurpose
7 advanced light water reactor, in the amount of
8 \$70,000,000, of which—

9 (1) \$5,000,000 shall be made available to the
10 Idaho National Engineering Laboratory for evalua-
11 tion of plutonium conversion to oxide fuel material
12 in the multipurpose advanced light water reactor;
13 and

14 (2) sufficient funds shall be made available for
15 a complete consideration of the multipurpose ad-
16 vanced light water reactor in the Department of En-
17 ergy programmatic environmental impact statement.

18 **Subtitle D—Other Matters**

19 **SEC. 3141. REPORT ON FOREIGN TRITIUM PURCHASES.**

20 Not later than February 1, 1996, the President shall
21 submit to Congress a report on the feasibility of, the cost
22 of, and the political, legal, and other issues associated with
23 purchasing tritium from various foreign suppliers in order
24 to ensure an adequate supply of tritium in the United
25 States for nuclear weapons.

1 **SEC. 3142. STUDY ON NUCLEAR TEST READINESS POS-**
2 **TURES.**

3 Not later than February 15, 1996, the Secretary of
4 Energy shall submit to Congress a report on the cost of,
5 and the programmatic and other issues associated with,
6 sustaining an ability to conduct an underground nuclear
7 test in 6, 18, and 36 months from the date on which the
8 President determines that such a test is necessary to en-
9 sure the national security of the United States.

10 **SEC. 3143. MASTER PLAN ON WARHEADS IN THE ENDURING**
11 **STOCKPILE.**

12 (a) MASTER PLAN.—Not later than March 15, 1996,
13 the President shall submit to Congress a master plan that
14 describes in detail how the Government plans to dem-
15 onstrate, by 2002—

16 (1) the capability to refabricate and certify war-
17 heads in the enduring stockpile; and

18 (2) the capability to design, fabricate, and cer-
19 tify new warheads.

20 (b) FORM OF PLAN.—The plan should be submitted
21 in classified and unclassified forms.

1 **SEC. 3144. PROHIBITION ON INTERNATIONAL INSPECTIONS**
2 **OF DEPARTMENT OF ENERGY FACILITIES UN-**
3 **LESS PROTECTION OF RESTRICTED DATA IS**
4 **CERTIFIED.**

5 (a) PROHIBITION ON INSPECTIONS.—The Secretary
6 of Energy may not allow an inspection of a nuclear weap-
7 ons facility by the International Atomic Energy Agency
8 until—

9 (1) the Secretary certifies to Congress that no
10 restricted data or classified information will be re-
11 vealed during such inspection; and

12 (2) a period of 30 days has passed since the
13 date on which such certification was made.

14 (b) RESTRICTED DATA DEFINED.—In this section,
15 the term “restricted data” has the meaning provided by
16 section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C.
17 2014(y)).

18 **SEC. 3145. ACCELERATED SCHEDULE FOR ENVIRON-**
19 **MENTAL MANAGEMENT ACTIVITIES.**

20 (a) ACCELERATED CLEANUP.—The Secretary of En-
21 ergy shall accelerate the schedule for environmental man-
22 agement activities and projects for any specific Depart-
23 ment of Energy defense nuclear facility site if, in the opin-
24 ion of the Secretary, such an accelerated schedule will re-
25 sult in substantial long-term cost savings to the Federal

1 Government and speed up release of land for economic de-
2 velopment.

3 (b) SITE SELECTION.—In selecting sites for an accel-
4 erated schedule under subsection (a), the Secretary shall
5 give highest priority to sites that are in close proximity
6 to populated areas, that pose significant risk, and that
7 have the greatest potential to result in privatization, com-
8 mercialization, and economic development of unneeded fa-
9 cilities.

10 (c) ELIGIBILITY.—For purposes of subsection (a),
11 environmental management activities and projects shall be
12 eligible for an accelerated schedule under subsection (a)
13 if the time for completion at the site of such activities can
14 be reduced by 50 percent or more below the time estab-
15 lished in the report of the Department of Energy Office
16 of Environmental Management titled “1995 Baseline En-
17 vironmental Management Report”, March 1995.

18 (d) SAVINGS PROVISION.—Nothing in this section
19 shall be construed as affecting a specific statutory require-
20 ment for a specific project or as modifying or otherwise
21 affecting applicable statutory or regulatory environmental
22 restoration requirements, including substantive standards
23 intended to protect public health and the environment.

1 **TITLE XXXII—DEFENSE NU-**
2 **CLEAR FACILITIES SAFETY**
3 **BOARD**

4 **SEC. 3201. AUTHORIZATION.**

5 There are authorized to be appropriated for fiscal
6 year 1996 \$17,000,000 for the operation of the Defense
7 Nuclear Facilities Safety Board under chapter 21 of the
8 Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.)

9 **TITLE XXXIII—NATIONAL**
10 **DEFENSE STOCKPILE**

11 **SEC. 3301. FISCAL YEAR 1996 AUTHORIZED USES OF STOCK-**
12 **PILE FUNDS.**

13 (a) OBLIGATION OF STOCKPILE FUNDS.—During fis-
14 cal year 1996, the National Defense Stockpile Manager
15 may obligate up to \$77,100,000 of the funds in the Na-
16 tional Defense Stockpile Transaction Fund established
17 under subsection (a) of section 9 of the Strategic and Crit-
18 ical Materials Stock Piling Act (50 U.S.C. 98h) for the
19 authorized uses of such funds under subsection (b)(2) of
20 such section.

21 (b) ADDITIONAL OBLIGATIONS.—The National De-
22 fense Stockpile Manager may obligate amounts in excess
23 of the amount specified in subsection (a) if the National
24 Defense Stockpile Manager notifies Congress that extraor-
25 dinary or emergency conditions necessitate the additional

1 obligations. The National Defense Stockpile Manager may
2 make the additional obligations described in the notifica-
3 tion after the end of the 45-day period beginning on the
4 date Congress receives the notification.

5 (c) LIMITATIONS.—The authorities provided by this
6 section shall be subject to such limitations as may be pro-
7 vided in appropriations Acts.

8 **SEC. 3302. PREFERENCE FOR DOMESTIC UPGRADERS IN**
9 **DISPOSAL OF CHROMITE AND MANGANESE**
10 **ORES AND CHROMIUM FERRO AND MAN-**
11 **GANESE METAL ELECTROLYTIC.**

12 (a) PREFERENCE FOR DOMESTIC UPGRADING.—In
13 offering to enter into agreements pursuant to any provi-
14 sion of law for the disposal from the National Defense
15 Stockpile of chromite and manganese ores of metallurgical
16 grade or chromium ferro and manganese metal electro-
17 lytic, the President shall give a right of first refusal on
18 all such offers to domestic ferroalloy upgraders.

19 (b) DOMESTIC FERROALLOY UPGRADER DEFINED.—
20 For purposes of this section, the term “domestic ferroalloy
21 upgrader” means a company or other business entity that,
22 as determined by the President—

23 (1) is engaged in (or is capable of engaging in)
24 operations to upgrade chromite or manganese ores

1 of metallurgical grade or chromium ferro and man-
2 ganese metal electrolytic; and

3 (2) conducts a significant level of its research,
4 development, engineering, and upgrading operations
5 in the United States.

6 (c) NATIONAL DEFENSE STOCKPILE DEFINED.—For
7 purposes of this section, the term “National Defense
8 Stockpile” means the stockpile provided for in section 4
9 of the Strategic and Critical Materials Stock Piling Act
10 (50 U.S.C. 98c).

11 **SEC. 3303. RESTRICTIONS ON DISPOSAL OF MANGANESE**
12 **FERRO.**

13 (a) DISPOSAL OF LOWER GRADE MATERIAL
14 FIRST.—The President may not dispose of high carbon
15 manganese ferro in the National Defense Stockpile that
16 meets the National Defense Stockpile classification of
17 Grade One, Specification 30(a), as revised on May 22,
18 1992, until completing the disposal of all manganese ferro
19 in the National Defense Stockpile that does not meet such
20 classification. The President may not reclassify man-
21 ganese ferro in the National Defense Stockpile after the
22 date of the enactment of this Act.

23 (b) REQUIREMENT FOR DOMESTIC UPGRADING.—
24 Manganese ferro in the National Defense Stockpile that
25 does not meet the classification specified in subsection (a)

1 shall only be sold for domestic remelting in a submerged
2 arc ferromanganese furnace.

3 (c) NATIONAL DEFENSE STOCKPILE DEFINED.—For
4 purposes of this section, the term “National Defense
5 Stockpile” means the stockpile provided for in section 4
6 of the Strategic and Critical Materials Stock Piling Act
7 (50 U.S.C. 98c).

8 **SEC. 3304. TITANIUM INITIATIVE TO SUPPORT BATTLE**
9 **TANK UPGRADE PROGRAM.**

10 (a) TRANSFER OF TITANIUM.—During each of the
11 fiscal years 1996 through 2003, the Secretary of Defense
12 shall transfer from stocks of the National Defense Stock-
13 pile up to 250 short tons of titanium sponge to the Sec-
14 retary of the Army for use in the weight reduction portion
15 of the main battle tank upgrade program. Transfers under
16 this section shall be without charge to the Army, except
17 that the Secretary of the Army shall pay all transportation
18 and related costs incurred in connection with the transfer.

19 (b) NATIONAL DEFENSE STOCKPILE DEFINED.—
20 For purposes of this section, the term “National Defense
21 Stockpile” means the stockpile provided for in section 4
22 of the Strategic and Critical Materials Stock Piling Act
23 (50 U.S.C. 98c).

1 **TITLE XXXIV—NAVAL**
2 **PETROLEUM RESERVES**

3 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

4 There is hereby authorized to be appropriated to the
5 Secretary of Energy \$101,028,000 for fiscal year 1996 for
6 the purpose of carrying out activities under chapter 641
7 of title 10, United States Code, relating to the naval petro-
8 leum reserves (as defined in section 7420(2) of such title).
9 Funds appropriated pursuant to such authorization shall
10 remain available until expended.

11 **SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PE-**
12 **TROLEUM DURING FISCAL YEAR 1996.**

13 Notwithstanding section 7430(b)(2) of title 10, Unit-
14 ed States Code, during fiscal year 1996, any sale of any
15 part of the United States share of petroleum produced
16 from Naval Petroleum Reserves Numbered 1, 2, and 3
17 shall be made at a price not less than 90 percent of the
18 current sales price, as estimated by the Secretary of En-
19 ergy, of comparable petroleum in the same area.

20 **SEC. 3403. SALE OF NAVAL PETROLEUM RESERVE NUM-**
21 **BERED 1 (ELK HILLS).**

22 (a) SALE OF ELK HILLS UNIT REQUIRED.—Chapter
23 641 of title 10, United States Code, is amended by insert-
24 ing after section 7421 the following new section:

1 **“§ 7421a. Sale of Naval Petroleum Reserve Numbered**
2 **1 (Elk Hills)**

3 “(a) SALE REQUIRED.—(1) Notwithstanding any
4 other provision of this chapter, the Secretary shall sell all
5 right, title, and interest of the United States in and to
6 lands owned or controlled by the United States inside
7 Naval Petroleum Reserve Numbered 1, commonly referred
8 to as the Elk Hills Unit, located in Kern County, Califor-
9 nia, and established by Executive order of the President,
10 dated September 2, 1912. Within one year after the effec-
11 tive date, the Secretary shall enter into one or more con-
12 tracts for the sale of all of the interest of the United
13 States in the reserve.

14 “(2) In this section:

15 “(A) The term ‘reserve’ means Naval Petroleum
16 Reserve Numbered 1.

17 “(B) The term ‘unit plan contract’ means the
18 unit plan contract between equity owners of the
19 lands within the boundaries of Naval Petroleum Re-
20 serve Numbered 1 entered into on June 19, 1944.

21 “(C) The term ‘effective date’ means the date
22 of the enactment of the National Defense Authoriza-
23 tion Act for Fiscal Year 1996.

24 “(b) EQUITY FINALIZATION.—(1) Not later than five
25 months after the effective date, the Secretary shall finalize
26 equity interests of the known oil and gas zones in Naval

1 Petroleum Reserve Numbered 1 in the manner provided
2 by this subsection.

3 “(2) The Secretary shall retain the services of an
4 independent petroleum engineer, mutually acceptable to
5 the equity owners, who shall prepare a recommendation
6 on final equity figures. The Secretary may accept the rec-
7 ommendation of the independent petroleum engineer for
8 final equity in each known oil and gas zone and establish
9 final equity interest in the Naval Petroleum Reserve Num-
10 bered 1 in accordance with such recommendation, or the
11 Secretary may use such other method to establish final
12 equity interest in the reserve as the Secretary considers
13 appropriate.

14 “(3) If, on the effective date, there is an ongoing eq-
15 uity redetermination dispute between the equity owners
16 under section 9(b) of the unit plan contract, such dispute
17 shall be resolved in the manner provided in the unit plan
18 contract within five months after the effective date. Such
19 resolution shall be considered final for all purposes under
20 this section.

21 “(c) TIMING AND ADMINISTRATION OF SALE.—(1)
22 Not later than two months after the effective date, the
23 Secretary shall retain the services of five independent ex-
24 perts in the valuation of oil and gas fields to conduct sepa-
25 rate assessments, in a manner consistent with commercial

1 practices, of the fair market value of the interest of the
2 United States in Naval Petroleum Reserve Numbered 1.
3 In making their assessments, the independent experts
4 shall consider (among other factors) all equipment and fa-
5 cilities to be included in the sale, the net present value
6 of the reserve, and the net present value of the anticipated
7 revenue stream that the Secretary determines the Treas-
8 ury would receive from the reserve if the reserve were not
9 sold, adjusted for any anticipated increases in tax reve-
10 nues that would result if the reserve were sold. The inde-
11 pendent experts shall complete their assessments within
12 five months after the effective date. In setting the mini-
13 mum acceptable price for the reserve, the Secretary shall
14 consider the average of the five assessments or, if more
15 advantageous to the Government, the average of three as-
16 sessments after excluding the high and low assessments.

17 “(2) Not later than two months after the effective
18 date, the Secretary shall retain the services of an invest-
19 ment banker to independently administer, in a manner
20 consistent with commercial practices and in a manner that
21 maximizes sale proceeds to the Government, the sale of
22 Naval Petroleum Reserve Numbered 1 under this section.

23 “(3) Not later than five months after the effective
24 date, the sales administrator selected under paragraph (2)
25 shall complete a draft contract for the sale of Naval Petro-

1 leum Reserve Numbered 1, which shall accompany the in-
2 vitation for bids and describe the terms and provisions of
3 the sale of the interest of the United States in the reserve.
4 The draft contract shall identify all equipment and facili-
5 ties to be included in the sale. The draft contract, includ-
6 ing the terms and provisions of the sale of the interest
7 of the United States in the reserve, shall be subject to
8 review and approval by the Secretary, the Secretary of the
9 Treasury, and the Director of the Office of Management
10 and Budget.

11 “(4) Not later than six months after the effective
12 date, the Secretary shall publish an invitation for bids for
13 the purchase of the reserve.

14 “(5) Not later than nine months after the effective
15 date, the Secretary shall accept the highest responsible
16 offer for purchase of the interest of the United States in
17 Naval Petroleum Reserve Numbered 1 that meets or ex-
18 ceeds the minimum acceptable price determined under
19 paragraph (1).

20 “(d) FUTURE LIABILITIES.—The United States shall
21 hold harmless and fully indemnify the purchaser of the
22 interest of the United States in Naval Petroleum Reserve
23 Numbered 1 from and against any claim or liability as
24 a result of ownership in the reserve by the United States.

1 “(e) TREATMENT OF STATE OF CALIFORNIA
2 CLAIM.—(1) All claims against the United States by the
3 State of California or the Teachers’ Retirement Fund of
4 the State of California with respect to land within the
5 Naval Petroleum Reserve Numbered 1 or production or
6 proceeds of sale from the reserve shall be resolved only
7 as follows:

8 “(A) A payment from funds provided for this
9 purpose in advance in appropriation Acts.

10 “(B) A grant of nonrevenue generating land in
11 lieu of such a payment pursuant to sections 2275
12 and 2276 of the Revised Statutes of the United
13 States (43 U.S.C. 851 and 852).

14 “(C) Any other means that would not be incon-
15 sistent with the Congressional Budget Act of 1974
16 (2 U.S.C. 621 et seq.).

17 “(D) Any combination of subparagraphs (A),
18 (B), and (C).

19 “(2) The value of any payment, grant, or means (or
20 combination thereof) under paragraph (1) may not exceed
21 an amount equal to seven percent of the proceeds from
22 the sale of the reserve, after deducting the costs incurred
23 to conduct the sale.

24 “(f) PRODUCTION ALLOCATION FOR SALE.—(1) As
25 part of the contract for purchase of Naval Petroleum Re-

1 serve Numbered 1, the purchaser of the interest of the
2 United States in the reserve shall agree to make up to
3 25 percent of the purchaser's share of annual petroleum
4 production from the purchased lands available for sale to
5 small refiners, which do not have their own adequate
6 sources of supply of petroleum, for processing or use only
7 in their own refineries. None of the reserved production
8 sold to small refiners may be resold in kind. The purchaser
9 of the reserve may reduce the quantity of petroleum re-
10 served under this subsection in the event of an insufficient
11 number of qualified bids. The seller of this petroleum pro-
12 duction has the right to refuse bids that are less than the
13 prevailing market price of comparable oil.

14 “(2) The purchaser of the reserve shall also agree to
15 ensure that the terms of every sale of the purchaser's
16 share of annual petroleum production from the purchased
17 lands shall be so structured as to give full and equal op-
18 portunity for the acquisition of petroleum by all interested
19 persons, including major and independent oil producers
20 and refiners alike.

21 “(g) MAINTAINING ELK HILLS UNIT PRODUC-
22 TION.—Until the sale of Naval Petroleum Reserve Num-
23 bered 1 is completed under this section, the Secretary shall
24 continue to produce the reserve at the maximum daily oil
25 or gas rate from a reservoir, which will permit maximum

1 economic development of the reservoir consistent with
2 sound oil field engineering practices in accordance with
3 section 3 of the unit plan contract. The definition of maxi-
4 mum efficient rate in section 7420(6) of this title shall
5 not apply to the reserve.

6 “(h) EFFECT ON EXISTING CONTRACTS.—(1) In the
7 case of any contract, in effect on the effective date, for
8 the purchase of production from any part of the United
9 States’ share of Naval Petroleum Reserve Numbered 1,
10 the sale of the interest of the United States in the reserve
11 shall be subject to the contract for a period of three
12 months after the closing date of the sale or until termi-
13 nation of the contract, whichever occurs first. The term
14 of any contract entered into after the effective date for
15 the purchase of such production shall not exceed the an-
16 ticipated closing date for the sale of the reserve.

17 “(2) The Secretary shall exercise the termination pro-
18 cedures provided in the contract between the United
19 States and Bechtel Petroleum Operation, Inc., Contract
20 Number DE-ACO1-85FE60520 so that the contract ter-
21 minates not later than the date of closing of the sale of
22 Naval Petroleum Reserve Numbered 1 under subsection
23 (c).

24 “(3) The Secretary shall exercise the termination pro-
25 cedures provided in the unit plan contract so that the unit

1 plan contract terminates not later than the date of closing
2 of the sale of reserve under subsection (c).

3 “(i) EFFECT ON ANTITRUST LAWS.—Nothing in this
4 section shall be construed to alter the application of the
5 antitrust laws of the United States to the purchaser of
6 Naval Petroleum Reserve Numbered 1 or to the lands in
7 the reserve subject to sale under this section upon the
8 completion of the sale.

9 “(j) PRESERVATION OF PRIVATE RIGHT, TITLE, AND
10 INTEREST.—Nothing in this section shall be construed to
11 adversely affect the ownership interest of any other entity
12 having any right, title, and interest in and to lands within
13 the boundaries of Naval Petroleum Reserve Numbered 1
14 and which are subject to the unit plan contract.

15 “(k) CONGRESSIONAL NOTIFICATION.—Section 7431
16 of this title shall not apply to the sale of Naval Petroleum
17 Reserve Numbered 1 under this section. However, the Sec-
18 retary may not enter into a contract for the sale of the
19 reserve until the end of the 31-day period beginning on
20 the date on which the Secretary notifies the Committee
21 on Armed Services of the Senate and the Committee on
22 National Security and the Committee on Commerce of the
23 House of Representatives of the proposed sale.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 at the beginning of such chapter is amended by inserting

1 after the item relating to section 7421 the following new
2 item:

“7421a. Sale of Naval Petroleum Reserve Numbered 1 (Elk Hills).”.

3 **SEC. 3404. STUDY REGARDING FUTURE OF NAVAL PETRO-**
4 **LEUM RESERVES (OTHER THAN NAVAL PE-**
5 **TROLEUM RESERVE NUMBERED 1).**

6 (a) **STUDY REQUIRED.**—The Secretary of Energy
7 shall conduct a study to determine which of the following
8 options regarding the naval petroleum reserves represents
9 the most cost-effective option for the United States:

10 (1) Retention and operation of the naval petro-
11 leum reserves by the Secretary under chapter 641 of
12 title 10, United States Code.

13 (2) Transfer of all or a part of the naval petro-
14 leum reserves to the jurisdiction of another Federal
15 agency.

16 (3) Lease of the naval petroleum reserves.

17 (4) Sale of the interest of the United States in
18 the naval petroleum reserves.

19 (b) **CONDUCT OF STUDY.**—The Secretary shall retain
20 an independent petroleum consultant to conduct the study.

21 (c) **CONSIDERATIONS UNDER STUDY.**—An examina-
22 tion of the benefits to be derived by the United States
23 from the sale of the naval petroleum reserves shall include
24 an assessment and estimate, in a manner consistent with
25 commercial practices, of the fair market value of the inter-

1 est of the United States in the naval petroleum reserves.
2 An examination of the benefits to be derived by the United
3 States from the lease of the naval petroleum reserves shall
4 consider full exploration, development, and production of
5 petroleum products in the naval petroleum reserves, with
6 a royalty payment to the United States.

7 (d) REPORT REGARDING STUDY.—Not later than
8 December 31, 1995, the Secretary shall submit to Con-
9 gress a report describing the results of the study and con-
10 taining such recommendations as the Secretary considers
11 necessary to implement the most cost-effective option
12 identified in the study.

13 (e) NAVAL PETROLEUM RESERVES DEFINED.—For
14 purposes of this section, the term “naval petroleum re-
15 serves” has the meaning given that term in section
16 7420(2) of title 10, United States Code, except that such
17 term does not include Naval Petroleum Reserve Numbered
18 1.

19 **TITLE XXXV—PANAMA CANAL**
20 **COMMISSION**

21 **Subtitle A—Authorization of**
22 **Appropriations**

23 **SEC. 3501. SHORT TITLE.**

24 This subtitle may be cited as the “Panama Canal
25 Commission Authorization Act for Fiscal Year 1996”.

1 **SEC. 3502. AUTHORIZATION OF EXPENDITURES.**

2 (a) IN GENERAL.—Subject to subsection (b), the
3 Panama Canal Commission is authorized to make such ex-
4 penditures within the limits of funds and borrowing au-
5 thority available to it in accordance with law, and to make
6 such contracts and commitments without regard to fiscal
7 year limitations, as may be necessary under the Panama
8 Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the oper-
9 ation, maintenance, and improvement of the Panama
10 Canal for fiscal year 1996.

11 (b) LIMITATIONS.—For fiscal year 1996, the Panama
12 Canal Commission may expend from funds in the Panama
13 Canal Revolving Fund not more than \$50,741,000 for ad-
14 ministrative expenses, of which not more than—

15 (1) \$11,000 may be used for official reception
16 and representation expenses of the Supervisory
17 Board of the Commission;

18 (2) \$5,000 may be used for official reception
19 and representation expenses of the Secretary of the
20 Commission; and

21 (3) \$30,000 may be used for official reception
22 and representation expenses of the Administrator of
23 the Commission.

24 (c) REPLACEMENT VEHICLES.—Funds available to
25 the Panama Canal Commission shall be available for the
26 purchase of not to exceed 38 passenger motor vehicles

1 built in the United States (including large heavy-duty ve-
2 hicles to be used to transport Commission personnel
3 across the isthmus of Panama). A vehicle may be pur-
4 chased with such funds only as necessary to replace an-
5 other passenger motor vehicle of the Commission.

6 **SEC. 3503. EXPENDITURES IN ACCORDANCE WITH OTHER**
7 **LAWS.**

8 Expenditures authorized under this subtitle may be
9 made only in accordance with the Panama Canal Treaties
10 of 1977 and any law of the United States implementing
11 those treaties.

12 **Subtitle B—Reconstitution of Com-**
13 **mission as Government Cor-**
14 **poration**

15 **SEC. 3521. SHORT TITLE.**

16 This subtitle may be cited as the “Panama Canal
17 Amendments Act of 1995”.

18 **SEC. 3522. RECONSTITUTION OF COMMISSION AS GOVERN-**
19 **MENT CORPORATION.**

20 Section 1101 of the Panama Canal Act of 1979 (22
21 U.S.C. 3611) is amended to read as follows:

22 “ESTABLISHMENT, PURPOSES, OFFICES, AND RESIDENCE
23 OF THE COMMISSION

24 “SEC. 1101. (a) For the purposes of managing, oper-
25 ating, and maintaining the Panama Canal and its com-
26 plementary works, installations and equipment, and of

1 conducting operations incident thereto, in accordance with
2 the Panama Canal Treaty of 1977 and related agree-
3 ments, the Panama Canal Commission (hereinafter in this
4 Act referred to as the ‘Commission’) is established as a
5 wholly owned government corporation (as that term is
6 used in chapter 91 of title 31, United States Code) within
7 the executive branch of the Government of the United
8 States. The authority of the President with respect to the
9 Commission shall be exercised through the Secretary of
10 Defense.

11 “(b) The principal office of the Commission shall be
12 located in the Republic of Panama in one of the areas
13 made available for use of the United States under the
14 Panama Canal Treaty of 1977 and related agreements,
15 but the Commission may establish branch offices in such
16 other places as it deems necessary or appropriate for the
17 conduct of its business. Within the meaning of the laws
18 of the United States relating to venue in civil actions, the
19 Commission is an inhabitant and resident of the District
20 of Columbia and the eastern judicial district of Louisi-
21 ana.”.

22 **SEC. 3523. SUPERVISORY BOARD.**

23 Section 1102 of the Panama Canal Act of 1979 (22
24 U.S.C. 3612) is amended by striking so much as precedes
25 subsection (b) and inserting the following:

1 “SUPERVISORY BOARD

2 “SEC. 1102. (a) The Commission shall be supervised
3 by a Board composed of nine members, one of whom shall
4 be the Secretary of Defense or an officer of the Depart-
5 ment of Defense designated by the Secretary. Not less
6 than five members of the Board shall be nationals of the
7 United States and the remaining members of the Board
8 shall be nationals of the Republic of Panama. Three mem-
9 bers of the Board who are nationals of the United States
10 shall hold no other office in, and shall not be employed
11 by, the Government of the United States, and shall be cho-
12 sen for the independent perspective they can bring to the
13 Commission’s affairs. Members of the Board who are na-
14 tionals of the United States shall cast their votes as di-
15 rected by the Secretary of Defense or a designee of the
16 Secretary of Defense.”.

17 **SEC. 3524. INTERNATIONAL ADVISORS.**

18 Section 1102 of the Panama Canal Act of 1979 (22
19 U.S.C. 3612) is amended by adding at the end the follow-
20 ing new subsection:

21 “(d)(1) In order to enhance the prestige of the Com-
22 mission in the world shipping community and allow for
23 the exchange of varied perspectives between the Board and
24 distinguished international guests in the important delib-
25 erations of the Commission, the Government of the United

1 States and the Republic of Panama may each invite to
2 attend meetings of the Board, as a designated inter-
3 national advisor to the Board, one individual chosen for
4 the independent perspective that individual can bring to
5 the Commission's affairs, and who—

6 “(A) is not a citizen of Panama;

7 “(B) does not represent any user or customer
8 of the Panama Canal, or any particular interest
9 group or nation; and

10 “(C) does not have any financial interest which
11 could constitute an actual or apparent conflict with
12 regard to the relationship of the individual with the
13 Board of the Commission.

14 “(2) Such designated international advisors may be
15 compensated by the Commission in the same manner and
16 under the same circumstances as apply under subsection
17 (b) with regard to members of the Board. Such designated
18 international advisors shall have no vote on matters pend-
19 ing before the Board.”.

20 **SEC. 3525. GENERAL AND SPECIFIC POWERS OF COMMIS-**
21 **SION.**

22 The Panama Canal Act of 1979 (22 U.S.C. 3601 et
23 seq.) is amended by inserting after section 1102 the fol-
24 lowing new sections:

1 “GENERAL POWERS OF THE COMMISSION

2 “SEC. 1102a. (a) The Commission, subject to the
3 Panama Canal Treaty of 1977 and related agreements,
4 and to chapter 91 of title 31, United States Code, popu-
5 larly known as the Government Corporation Control Act—

6 “(1) may adopt, alter, and use a corporate seal,
7 which shall be judicially noticed;

8 “(2) may by action of the Board of Directors
9 adopt, amend, and repeal bylaws governing the con-
10 duct of its general business and the performance of
11 the powers and duties granted to or imposed upon
12 it by law;

13 “(3) may sue and be sued in its corporate
14 name, except that—

15 “(A) its amenability to suit is limited by
16 Article VIII of the Panama Canal Treaty of
17 1977, section 1401 of this Act, and otherwise
18 by law;

19 “(B) an attachment, garnishment, or simi-
20 lar process may not be issued against salaries
21 or other moneys owed by the Commission to its
22 employees except as provided by section 5520a
23 of title 5, United States Code, and section 459,
24 461, and 462 of the Social Security Act (42
25 U.S.C. 659, 661, 662), or as otherwise specifi-

1 cally authorized by the laws of the United
2 States; and

3 “(C) it is exempt from the payment of in-
4 terest on claims and judgments;

5 “(4) may enter into contracts, leases, agree-
6 ments, or other transactions; and

7 “(5) may determine the character of, and neces-
8 sity for, its obligations and expenditures and the
9 manner in which they shall be incurred, allowed, and
10 paid, and may incur, allow, and pay them, subject
11 to pertinent provisions of law generally applicable to
12 Government corporations.

13 “(b) The Commission shall have the priority of the
14 Government of the United States in the payment of debts
15 out of bankrupt estates.

16 “SPECIFIC POWERS OF COMMISSION

17 “SEC. 1102b. (a) Subject to the Panama Canal Trea-
18 ty of 1977 and related agreements, and to chapter 91 of
19 title 31, United States Code, popularly known as the Gov-
20 ernment Corporation Control Act, the Commission may—

21 “(1) manage, operate, and maintain the Pan-
22 ama Canal;

23 “(2) construct or acquire, establish, maintain,
24 and operate docks, wharves, piers, shoreline facili-
25 ties, shops, yards, marine railways, salvage and tow-
26 ing facilities, fuel-handling facilities, motor transpor-

1 tation facilities, power systems, water systems, a
2 telephone system, construction facilities, living quar-
3 ters and other buildings, warehouses, storehouses, a
4 printing plant, and manufacturing, processing, or
5 service facilities in connection therewith, recreational
6 facilities, and other activities, facilities, and appur-
7 tenances necessary and appropriate for the accom-
8 plishment of the purposes of this Act;

9 “(3) use the United States mails in the same
10 manner and under the same conditions as the execu-
11 tive departments of the Federal Government; and

12 “(4) take such actions as are necessary or ap-
13 propriate to carry out the powers specifically con-
14 ferred upon it.”.

15 **SEC. 3526. CONGRESSIONAL REVIEW OF BUDGET.**

16 Section 1302 of the Panama Canal Act of 1979 (22
17 U.S.C. 3712) is amended—

18 (1) in subsection (c)(1) by striking “and subject
19 to paragraph (2)”;

20 (2) by striking paragraph (2);

21 (3) by redesignating paragraph (3) as para-
22 graph (2); and

23 (4) by amending subsection (e) to read as fol-
24 lows:

1 “(e) In accordance with section 9104 of title 31,
2 United States Code, the Congress shall review the annual
3 budget of the Commission.”.

4 **SEC. 3527. AUDITS.**

5 Section 1313 of the Panama Canal Act of 1979 (22
6 U.S.C. 3723) is amended—

7 (1) by striking the heading for the section and
8 inserting the following:

9 “AUDITS”;

10 (2) in subsection (a) by striking “Financial
11 transactions” and inserting “Subject to subsection
12 (d), financial transactions”;

13 (3) in subsection (b) in the first sentence by
14 striking “The Comptroller General” and inserting
15 “Subject to subsection (d), the Comptroller Gen-
16 eral”; and

17 (4) by adding at the end the following new sub-
18 sections:

19 “(d) At the discretion of the Board provided for in
20 section 1102, the Commission may hire independent audi-
21 tors to perform, in lieu of the Comptroller General, the
22 audit and reporting functions prescribed in subsections (a)
23 and (b).

24 “(e) In addition to auditing the financial statements
25 of the Commission, the independent auditor shall, in ac-
26 cordance with standards for an examination of a financial

1 forecast established by the American Institute of Certified
2 Public Accountants, examine and report on the Commis-
3 sion's financial forecast that it will be in a position to meet
4 its financial liabilities on December 31, 1999.”.

5 **SEC. 3528. PRESCRIPTION OF MEASUREMENT RULES AND**
6 **RATES OF TOLLS.**

7 Section 1601 of the Panama Canal Act of 1979 (22
8 U.S.C. 3791) is amended to read as follows:

9 “PRESCRIPTION OF MEASUREMENT RULES AND RATES OF
10 TOLLS

11 “SEC. 1601. The Commission may, subject to the
12 provisions of this Act, prescribe and from time to time
13 change—

14 “(1) the rules for the measurement of vessels
15 for the Panama Canal; and

16 “(2) the tolls that shall be levied for use of the
17 Panama Canal.”.

18 **SEC. 3529. PROCEDURES FOR CHANGES IN RULES OF MEAS-**
19 **UREMENT AND RATES OF TOLLS.**

20 Section 1604 of the Panama Canal Act of 1979 (22
21 U.S.C. 3794) is amended—

22 (1) in subsection (a) in the first sentence by
23 striking “1601(a)” and inserting “1601”;

24 (2) by amending subsection (c) to read as fol-
25 lows:

1 “(c) After the proceedings have been conducted pur-
2 suant to subsections (a) and (b) of this section, the Com-
3 mission may change the rules of measurement or rates of
4 tolls, as the case may be. The Commission shall, however,
5 publish notice of such change in the Federal Register not
6 less than 30 days before the effective date of the change.”;

7 and

8 (3) by striking subsections (d) and (e) and re-
9 designating subsection (f) as subsection (d).

10 **SEC. 3530. MISCELLANEOUS TECHNICAL AMENDMENTS.**

11 The Panama Canal Act of 1979 is amended—

12 (1) in section 1205 (22 U.S.C. 3645) in the last
13 sentence by striking “appropriation” and inserting
14 “fund”;

15 (2) in section 1303 (22 U.S.C. 3713) by strik-
16 ing “The authority of this section may not be used
17 for administrative expenses.”;

18 (3) in section 1321(d) (22 U.S.C. 3731(d)) in
19 the second sentence by striking “appropriations or”;

20 (4) in section 1401(c) (22 U.S.C. 3761(c)) by
21 striking “appropriated for or”;

22 (5) in section 1415 (22 U.S.C. 3775) by strik-
23 ing “appropriated or”; and

24 (6) in section 1416 (22 U.S.C. 3776) in the
25 third sentence by striking “appropriated or”.

1 **SEC. 3531. CONFORMING AMENDMENT TO TITLE 31, UNITED**
2 **STATES CODE.**

3 Section 9101(3) of title 31, United States Code, is
4 amended by adding at the end the following:

5 “(P) the Panama Canal Commission.”.

Passed the House of Representatives June 15, 1995.

Attest: ROBIN H. CARLE,
Clerk.

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