

104TH CONGRESS
2^D SESSION

H. R. 3230

AN ACT

To authorize appropriations for fiscal year 1997 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.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “National Defense Au-
 5 thorization Act for Fiscal Year 1997”.

6 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF**
 7 **CONTENTS.**

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

10 (1) Division A—Department of Defense Au-
 11 thorizations.

12 (2) Division B—Military Construction Author-
 13 izations.

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

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

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Sec. 2. Organization of Act into divisions; table of contents.

Sec. 3. Congressional defense committees defined.

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- Sec. 2831. Release of condition on reconveyance of transferred land, Guam.

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- Sec. 2901. Short title.
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Sec. 3151. Purpose.
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TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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Sec. 3521. Short title; references.
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- Sec. 3530. Panama Canal Employment System; merit and other employment requirements.
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- Sec. 3546. Miscellaneous repeals.
- Sec. 3547. Exemption.
- Sec. 3548. Miscellaneous conforming amendments to title 5, United States Code.
- Sec. 3549. Repeal of Panama Canal Code.
- Sec. 3550. Miscellaneous clerical and conforming amendments.

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 1997 for procurement for the Army as follows:

9 (1) For aircraft, \$1,556,615,000.

10 (2) For missiles, \$1,027,829,000.

11 (3) For weapons and tracked combat vehicles,
12 \$1,334,814,000.

13 (4) For ammunition, \$1,160,728,000.

14 (5) For other procurement, \$2,812,240,000.

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

16 (a) NAVY.—Funds are hereby authorized to be appro-
17 priated for fiscal year 1997 for procurement for the Navy
18 as follows:

19 (1) For aircraft, \$6,668,952,000.

20 (2) For weapons, including missiles and tor-
21 pedoes, \$1,305,308,000.

22 (3) For shipbuilding and conversion,
23 \$5,479,930,000.

24 (4) For other procurement, \$2,871,495,000.

1 (b) MARINE CORPS.—Funds are hereby authorized to
2 be appropriated for fiscal year 1997 for procurement for
3 the Marine Corps in the amount of \$546,748,000.

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 \$599,239,000.

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

9 Funds are hereby authorized to be appropriated for
10 fiscal year 1997 for procurement for the Air Force as fol-
11 lows:

12 (1) For aircraft, \$7,271,928,000.

13 (2) For missiles, \$4,341,178,000.

14 (3) For ammunition, \$303,899,000.

15 (4) For other procurement, \$6,117,419,000.

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

17 Funds are hereby authorized to be appropriated for
18 fiscal year 1997 for Defense-wide procurement in the
19 amount of \$1,890,212,000.

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

21 Funds are hereby authorized to be appropriated for
22 fiscal year 1997 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 \$118,000,000.

3 (2) For the Air National Guard, \$158,000,000.

4 (3) For the Army Reserve, \$106,000,000.

5 (4) For the Naval Reserve, \$192,000,000.

6 (5) For the Air Force Reserve, \$148,000,000.

7 (6) For the Marine Corps Reserve,
8 \$83,000,000.

9 **SEC. 106. DEFENSE INSPECTOR GENERAL.**

10 Funds are hereby authorized to be appropriated for
11 fiscal year 1997 for procurement for the Inspector General
12 of the Department of Defense in the amount of
13 \$2,000,000.

14 **SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.**

15 (a) AUTHORIZATION.—There is hereby authorized to
16 be appropriated for fiscal year 1997 the amount of
17 \$799,847,000 for—

18 (1) the destruction of lethal chemical agents
19 and munitions in accordance with section 1412 of
20 the Department of Defense Authorization Act, 1986
21 (50 U.S.C. 1521); and

22 (2) the destruction of chemical warfare materiel
23 of the United States that is not covered by section
24 1412 of such Act.

1 (b) AMOUNT FOR ALTERNATIVE TECHNOLOGY AND
2 APPROACHES PROJECT.—Of the amount specified in sub-
3 section (a), \$21,000,000 shall be available for the Alter-
4 native Technology and Approaches Project.

5 **SEC. 108. DEFENSE HEALTH PROGRAMS.**

6 Funds are hereby authorized to be appropriated for
7 fiscal year 1997 for the Department of Defense for pro-
8 curement for carrying out health care programs, projects,
9 and activities of the Department of Defense in the total
10 amount of \$269,470,000.

11 **Subtitle B—Army Programs**

12 **SEC. 111. REPEAL OF LIMITATION ON PROCUREMENT OF**
13 **CERTAIN AIRCRAFT.**

14 (a) APACHE HELICOPTERS.—Section 132 of the Na-
15 tional Defense Authorization Act for Fiscal Years 1990
16 and 1991 (Public Law 101–189; 103 Stat. 1383) is re-
17 pealed.

18 (b) OH–58D ARMED KIOWA WARRIOR HELI-
19 COPTERS.—Section 133 the National Defense Authoriza-
20 tion Act for Fiscal Years 1990 and 1991 (Public Law
21 101–189; 103 Stat. 1383) is repealed.

22 **SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR**
23 **ARMY PROGRAMS.**

24 (a) AVENGER AIR DEFENSE MISSILE SYSTEM.—Not-
25 withstanding the limitation in subsection (k) of section

1 2306b of title 10, United States Code, relating to the max-
2 imum duration of a multiyear contract under the authority
3 of that section, the Secretary of the Army may extend the
4 multiyear contract in effect during fiscal year 1996 for
5 the Avenger Air Defense Missile system through fiscal
6 year 1997 and may award such an extension.

7 (b) ARMY TACTICAL MISSILE SYSTEM.—The Sec-
8 retary of the Army may, in accordance with section 2306b
9 of title 10, United States Code, enter into a multiyear pro-
10 curement contract, beginning with the fiscal year 1997
11 program year, for procurement of the Army Tactical Mis-
12 sile System (Army TACMS).

13 **Subtitle C—Navy Programs**

14 **SEC. 121. NUCLEAR ATTACK SUBMARINE PROGRAMS.**

15 (a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—
16 Of the amount authorized by section 102 to be appro-
17 priated for Shipbuilding and Conversion, Navy, for fiscal
18 year 1997—

19 (1) \$699,071,000 is available for continued con-
20 struction of the third vessel (designated SSN-23) in
21 the Seawolf attack submarine class, which shall be
22 the final vessel in that class;

23 (2) \$296,186,000 is available for long-lead and
24 advance construction and procurement of compo-
25 nents for construction of a submarine (previously

1 designated by the Navy as the New Attack Sub-
2 marine) beginning in fiscal year 1998 to be built by
3 Electric Boat Division; and

4 (3) \$504,000,000 is available for long-lead and
5 advance construction and procurement of compo-
6 nents for construction of a second submarine (pre-
7 viously designated by the Navy as the New Attack
8 Submarine) beginning in fiscal year 1999 to be built
9 by Newport News Shipbuilding.

10 (b) AMOUNTS AUTHORIZED FROM NAVY RDT&E AC-
11 COUNT.—(1) Of the amount authorized to be appropriated
12 by section 201 for Research, Development, Test, and Eval-
13 uation, Navy, \$489,443,000 is available for the design of
14 the submarine previously designated by the Navy as the
15 New Attack Submarine. Such funds shall be available for
16 obligation and expenditure under contracts with Electric
17 Boat Division and Newport News Shipbuilding to carry
18 out the provisions of the “Memorandum of Agreement
19 Among the Department of the Navy, Electric Boat Cor-
20 poration (EB) and Newport News Shipbuilding and Dry-
21 dock Company (NNS) Concerning the New Attack Sub-
22 marine”, dated April 5, 1996, relating to design data
23 transfer, design improvements, integrated process teams,
24 updated design base, and other research and development
25 initiatives related to the design of such submarine.

1 (2)(A) Of the amount authorized to be appropriated
2 by section 201(2), \$60,000,000 is available to address the
3 inclusion on future nuclear attack submarines of the spe-
4 cific advanced technologies that are identified by the Sec-
5 retary of Defense (in the report of the Secretary entitled
6 “Report on Nuclear Attack Submarine Procurement and
7 Submarine Technology”, submitted to Congress on March
8 26, 1996) as those technologies the maturation of which
9 the Submarine Technology Assessment Panel rec-
10 ommended be addressed in its March 15, 1996, final re-
11 port to the Assistant Secretary of the Navy for Research,
12 Development, and Acquisition, as follows: hydrodynamics,
13 alternative sail designs, advanced arrays, electric drive, ex-
14 ternal weapons and active controls and mounts.

15 (B) Of the amount referred to in subparagraph (A),
16 \$20,000,000 shall be equally divided between the two ship-
17 yards for the purpose of ensuring that the shipyards are
18 principal participants in the process of addressing the in-
19 clusion of technologies referred to in subparagraph (A).
20 The Secretary of the Navy shall ensure that those ship-
21 yards have access for such purpose (under procedures pre-
22 scribed by the Secretary) to the Navy laboratories and the
23 Office of Naval Intelligence and (in accordance with ar-
24 rangements to be made by the Secretary) to the Defense
25 Advanced Research Projects Agency.

1 (3) Of the amount authorized to be appropriated by
2 section 201(2), \$38,000,000 is available to begin funding
3 those Category I and Category II advanced technologies
4 described in Appendix C of the report of the Secretary
5 of Defense referred to in paragraph (2).

6 (4) Of the amount authorized to be appropriated by
7 section 201(2), \$40,000,000 is available to provide funds
8 for the design improvements in accordance with subsection
9 (f), to be equally divided between the two shipyards.

10 (5)(A) Of the amount authorized to be appropriated
11 by section 201(2), \$50,000,000 is available to initiate the
12 design of a new, next-generation nuclear attack sub-
13 marine, the design of which is not intended to be an out-
14 growth of the submarine program described in section 131
15 of the National Defense Authorization Act for Fiscal Year
16 1996 (Public Law 104–106; 110 Stat. 208). Those funds
17 shall be equally divided between the two shipyards and
18 shall provide alternatives to the design or designs to be
19 derived in accordance with subsection (f). The Secretary
20 of the Navy shall compete those alternative designs with
21 the design or designs to be derived in accordance with sub-
22 section (f) for serial production beginning not earlier than
23 fiscal year 2003.

24 (B) The design under subparagraph (A) should pro-
25 ceed from, but not be limited to, the technology specified

1 in paragraph (2)(A), especially with respect to
2 hydrodynamics concepts and technologies. The Secretary
3 shall require the two shipyards to submit to the Secretary
4 an annual report on the progress of the design work under
5 subparagraph (A) and shall transmit each such report to
6 the committees specified in subsection (d)(1).

7 (c) CONTRACTS AUTHORIZED.—(1) The Secretary of
8 the Navy is authorized, using funds available pursuant to
9 paragraphs (2) and (3) of subsection (a), to enter into
10 contracts with Electric Boat Division and Newport News
11 Shipbuilding, and suppliers of components, during fiscal
12 year 1997 for—

13 (A) the procurement of long-lead components
14 for the fiscal year 1998 submarine and the fiscal
15 year 1999 submarine under this section; and

16 (B) advance construction of such components
17 and other components for such submarines.

18 (2) The Secretary may enter into a contract or con-
19 tracts under this section with the shipbuilder of the fiscal
20 year 1998 submarine only if the Secretary enters into a
21 contract or contracts under this section with the ship-
22 builder of the fiscal year 1999 submarine.

23 (d) LIMITATIONS.—(1) Of the amounts specified in
24 subsection (a), not more than \$50,000,000 may be obli-
25 gated until the Secretary of Defense certifies in writing

1 to the Committee on Armed Services of the Senate and
2 the Committee on National Security of the House of Rep-
3 resentatives that procurement of nuclear attack sub-
4 marines to be constructed after four submarines are pro-
5 cured as provided for in the plan described in section
6 131(e) of the National Defense Authorization Act for fis-
7 cal year 1996 will be under one or more contracts that
8 are entered into after competition between Electric Boat
9 Division and Newport News Shipbuilding in which the
10 Secretary of the Navy solicits competitive proposals and
11 awards the contract or contracts on the basis of best value
12 to the Government.

13 (2) Of the amounts specified in subsection (a), not
14 more than \$50,000,000 may be obligated until the Under
15 Secretary of Defense for Acquisition and Technology sub-
16 mits to the congressional committees specified in para-
17 graph (1) a report in writing detailing the following:

18 (A) The Under Secretary's oversight activities
19 to date, and plans for the future, for the develop-
20 ment and improvement of the nuclear attack sub-
21 marine program of the Navy as required by section
22 131(b)(2)(C) of the National Defense Authorization
23 Act for Fiscal Year 1996.

24 (B) The implementation of, and activities con-
25 ducted under, the program required to be estab-

1 lished by the Director of the Defense Advanced Re-
2 search Projects Agency by section 131(i) of the Na-
3 tional Defense Authorization Act for Fiscal Year
4 1996 for the development and demonstration of ad-
5 vanced submarine technologies and a rapid prototype
6 acquisition strategy for both land-based and at-sea
7 subsystem and system demonstrations of such tech-
8 nologies.

9 (C) A description of all research, development,
10 test, and evaluation programs, projects, or activities
11 within the Department of Defense which are de-
12 signed to or which could, in the opinion of the
13 Under Secretary, contribute to the development and
14 demonstration of advanced submarine technologies
15 leading to a more capable, more affordable nuclear
16 attack submarine, specifically identifying ongoing in-
17 volvement, and plans for future involvement, in any
18 such program, project or activity by either Electric
19 Boat Division, Newport News Shipbuilding, or both.

20 (3) Of the amount specified in subsection (b)(1), not
21 more than \$50,000,000 may be obligated or expended
22 until the Under Secretary of Defense (Comptroller) cer-
23 tifies in writing to the congressional committees specified
24 in paragraph (1) that the Department has complied with
25 section 132 of the National Defense Authorization Act for

1 Fiscal Year 1996 and that the funds specified in para-
2 graphs (2), (3), and (4) of subsection (b), have been obli-
3 gated.

4 (e) ACQUISITION SIMPLIFICATION.—(1) In further-
5 ance of the direction provided by subsection (d) of section
6 131 of the National Defense Authorization Act for Fiscal
7 Year 1996 to the Secretary of Defense regarding the ap-
8 plication of acquisition reform policies and procedures to
9 the submarine program under that section, the Secretary
10 shall direct the Secretary of the Navy to implement for
11 the submarine programs of the Navy the acquisition re-
12 form initiatives begun by the Secretary of the Air Force
13 in May 1995 referred to as the “Lightning Bolt” initia-
14 tives. The Secretary of the Navy shall, not later than
15 March 31, 1997, submit to the congressional committees
16 specified in subsection (d)(1) a report on the results of
17 the implementation of such initiatives.

18 (f) DESIGN RESPONSIBILITY.—(1) The Secretary of
19 the Navy shall carry out the submarine program described
20 in section 131 of the National Defense Authorization Act
21 for Fiscal Year 1996 in a manner that ensures that nei-
22 ther of the two shipyards has the lead responsibility for
23 submarine design under the program. Each of the two
24 shipyards involved in the design and construction of the
25 four submarines described in that section shall be allowed

1 to propose to the Secretary any design improvement that
2 shipyard considers appropriate for the submarines to be
3 built at that shipyard as part of those four submarines.
4 Control of the configuration of each of the four sub-
5 marines shall be separately maintained, and there shall be
6 no single design to compete for serial production with
7 those designs derived from the design work under sub-
8 section (b)(5), such competition to occur not earlier than
9 fiscal year 2003.

10 (2) The Secretary of the Navy shall submit an annual
11 report to the committees specified in subsection (d)(1) on
12 the design improvements proposed by the two shipyards
13 under paragraph (1) for incorporation on any of the four
14 submarines using the funds specified in subsection (b)(4).
15 Each annual report shall set forth each design improve-
16 ment proposed and whether that proposal was—

17 (A) reviewed, approved, and funded by the
18 Navy;

19 (B) reviewed and approved, but not funded; or

20 (C) not approved, in which case the report shall
21 include the reasons therefor and any views of the
22 shipyard making the proposal.

1 **SEC. 122. COST LIMITATIONS FOR SEAWOLF SUBMARINE**
2 **PROGRAM.**

3 (a) **FIRST TWO SUBMARINES.**—The total amount ob-
4 ligated or expended for procurement of the first two
5 Seawolf-class submarines (designated as SSN-21 and
6 SSN-22) may not exceed \$4,793,557,000.

7 (b) **THIRD SUBMARINE.**—The total amount obligated
8 or expended for procurement of the third Seawolf-class
9 submarine (designated as SSN-23) may not exceed
10 \$2,430,102,000.

11 (c) **AUTOMATIC INCREASE IN SSN-21 AND SSN-22**
12 **LIMITATION AMOUNT.**—The amount of the limitation set
13 forth in subsection (a) is increased by the following
14 amounts:

15 (1) The amounts of outfitting costs and post-
16 delivery costs incurred for the submarines referred
17 to in that subsection.

18 (2) The amounts of increases in costs for those
19 submarines attributable to economic inflation after
20 September 30, 1995.

21 (3) The amounts of increases in costs for those
22 submarines attributable to compliance with changes
23 in Federal, State, or local laws enacted after Sep-
24 tember 30, 1995.

1 (d) AUTOMATIC INCREASE IN SSN-23 LIMITATION
2 AMOUNT.—The amount of the limitation set forth in sub-
3 section (b) is increased by the following amounts:

4 (1) The amounts of outfitting costs and post-
5 delivery costs incurred for the submarine referred to
6 in that subsection.

7 (2) The amounts of increases in costs for that
8 submarine attributable to economic inflation after
9 September 30, 1995.

10 (3) The amounts of increases in costs for that
11 submarine attributable to compliance with changes
12 in Federal, State, or local laws enacted after Sep-
13 tember 30, 1995.

14 (e) REPEAL OF SUPERSEDED PROVISION.—Section
15 133 of the National Defense Authorization Act for Fiscal
16 Year 1996 (Public Law 104-106; 110 Stat. 211) is re-
17 pealed.

18 **SEC. 123. PULSE DOPPLER RADAR MODIFICATION.**

19 The Secretary of the Navy shall, to the extent specifi-
20 cally provided in an appropriations Act enacted after the
21 date of the enactment of this Act, spend \$29,000,000 sole-
22 ly for development and procurement of the Pulse Doppler
23 Upgrade modification to the AN/SPS-48E radar system,
24 to be derived by the Secretary from amounts appropriated
25 for Other Procurement, Navy, for fiscal years before fiscal

1 year 1997 that are unobligated and remain available for
2 obligation.

3 **SEC. 124. REDUCTION IN NUMBER OF VESSELS EXCLUDED**
4 **FROM LIMIT ON PURCHASE OF VESSELS**
5 **BUILT IN FOREIGN SHIPYARDS.**

6 Section 1023 of the National Defense Authorization
7 Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat.
8 2838) is amended by striking out “three ships” and in-
9 serting in lieu thereof “one ship”.

10 **SEC. 125. T-39N TRAINER AIRCRAFT FOR THE NAVY.**

11 (a) **PROCUREMENT.**—The Secretary of the Navy
12 shall, using funds appropriated for fiscal year 1996 for
13 procurement of T–39N trainer aircraft for the Navy that
14 remain available for obligation for such purpose, enter into
15 a contract only for the acquisition of not less than 17 T–
16 39N aircraft for naval flight officer training that are suit-
17 able for low-level training flights. The Secretary shall use
18 procurement procedures authorized under section 2304(c)
19 of title 10, United States Code, for a contract under sub-
20 section (a). The Secretary shall enter into such a contract
21 not later than 15 days after the date of the enactment
22 of this Act.

23 (b) **CONFORMING REPEAL.**—Subsection (a) of section
24 137 of the National Defense Authorization Act for Fiscal

1 Year 1996 (Public Law 104–106; 110 Stat. 212) is re-
2 pealed.

3 **Subtitle D—Air Force Programs**

4 **SEC. 141. REPEAL OF LIMITATION ON PROCUREMENT OF F- 5 15E AIRCRAFT.**

6 Section 134 of the National Defense Authorization
7 Act for Fiscal Years 1990 and 1991 (Public Law 101–
8 189; 103 Stat. 1383) is repealed.

9 **SEC. 142. C-17 AIRCRAFT PROCUREMENT.**

10 The Secretary of the Air Force may, in accordance
11 with section 2306b of title 10, United States Code, enter
12 into a multiyear contract under the C–17 aircraft program
13 for the procurement of a total of not more than 80 air-
14 craft. Such a contract may (notwithstanding subsection
15 (k) of such section 2306b) be entered into for a period
16 of six program years, beginning with fiscal year 1997.

17 **TITLE II—RESEARCH, DEVELOP- 18 MENT, TEST, AND EVALUA- 19 TION**

20 **Subtitle A—Authorization of 21 Appropriations**

22 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

23 Funds are hereby authorized to be appropriated for
24 fiscal year 1997 for the use of the Department of Defense
25 for research, development, test, and evaluation as follows:

1 (1) For the Army, \$4,669,979,000.

2 (2) For the Navy, \$8,189,957,000.

3 (3) For the Air Force, \$13,271,087,000.

4 (4) For Defense-wide activities,
5 \$9,406,377,000, of which—

6 (A) \$252,038,000 is authorized for the ac-
7 tivities of the Director, Test and Evaluation;
8 and

9 (B) \$21,968,000 is authorized for the Di-
10 rector of Operational Test and Evaluation.

11 **SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.**

12 (a) FISCAL YEAR 1997.—Of the amounts authorized
13 to be appropriated by section 201, \$4,088,043,000 shall
14 be available for basic research and applied research
15 projects.

16 (b) BASIC RESEARCH AND APPLIED RESEARCH DE-
17 FINED.—For purposes of this section, the term “basic re-
18 search and applied research” means work funded in pro-
19 gram elements for defense research and development
20 under Department of Defense category 6.1 or 6.2.

21 **SEC. 203. DUAL-USE TECHNOLOGY PROGRAMS.**

22 (a) DESIGNATION OF OFFICIAL FOR DUAL-USE PRO-
23 GRAMS.—The Secretary of Defense shall designate a sen-
24 ior official in the Office of the Secretary of Defense whose
25 sole responsibility is developing policy relating to, and en-

1 suring effective implementation of, dual-use programs and
2 the integration of commercial technologies into current
3 and future military systems for the period beginning on
4 October 1, 1996, and ending on September 30, 2000.
5 Such official shall report directly to the Under Secretary
6 of Defense for Acquisition and Technology.

7 (b) FUNDING REQUIREMENT.—Of the amounts ap-
8 propriated for the Department of Defense for science and
9 technology programs for each of fiscal years 1997 through
10 2000, at least the following percentages of such amounts
11 shall be available in the applicable fiscal year only for
12 dual-use programs of the Department of Defense:

13 (1) For fiscal year 1997, five percent.

14 (2) For fiscal year 1998, seven percent.

15 (3) For fiscal year 1999, 10 percent.

16 (4) For fiscal year 2000, 15 percent.

17 (c) LIMITATION ON OBLIGATIONS.—(1) Except as
18 provided in paragraph (2), funds made available pursuant
19 to subsection (b) may not be obligated until the senior offi-
20 cial designated under subsection (a) approves the obliga-
21 tion.

22 (2) Paragraph (1) does not apply with respect to
23 funds made available pursuant to subsection (b) to the De-
24 partment of the Air Force or to the Defense Advanced
25 Research Projects Agency.

1 (3) Funds made available pursuant to subsection (b)
2 may be used for a dual-use program only if the contract,
3 cooperative agreement, or other transaction by which the
4 program is carried out is entered into through the use of
5 competitive procedures.

6 (d) TRANSFER AUTHORITY.—The Secretary of De-
7 fense may transfer funds made available pursuant to sub-
8 section (b) for a dual-use program from a military depart-
9 ment or defense agency to another military department
10 or defense agency to ensure efficient implementation of
11 the program. The Secretary may delegate the authority
12 provided in the preceding sentence to the senior official
13 designated under subsection (a).

14 (e) FEDERAL COST SHARE.—(1) The share contrib-
15 uted by the Secretary of a military department for the
16 cost of a dual-use program during the fiscal years 1997,
17 1998, 1999, and 2000 may not be greater than 50 per-
18 cent.

19 (2) In calculating the share of the costs of a dual-
20 use program contributed by a military department or a
21 non-Government entity, the Secretaries of the military de-
22 partments may not consider in-kind contributions.

23 (f) DEFINITIONS.—In this section:

24 (1) The term “dual-use program” means a pro-
25 gram of a military department—

1 (A) under which research or development
2 of a dual-use technology (as defined in section
3 2491 of title 10, United States Code) is carried
4 out; and

5 (B) the costs of which are shared between
6 the Department of Defense and non-Govern-
7 ment entities.

8 (2) The term “science and technology program”
9 means a program of a military department under
10 which basic research, applied research, or advanced
11 technology development is carried out.

12 (g) REPEAL.—Section 2371(e) of title 10, United
13 States Code, is amended—

14 (1) by inserting “and” after the semicolon at
15 the end of paragraph (1);

16 (2) by striking out “; and” at the end of para-
17 graph (2) and inserting in lieu thereof a period; and

18 (3) by striking out paragraph (3).

19 **Subtitle B—Program Require-**
20 **ments, Restrictions, and Limita-**
21 **tions**

22 **SEC. 211. SPACE LAUNCH MODERNIZATION.**

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

1 \$50,000,000 shall be available for a competitive reusable
2 launch vehicle technology program (PE 63401F).

3 (b) LIMITATION.—Funds made available pursuant to
4 subsection (a)(1) may be obligated only to the extent that
5 the fiscal year 1997 current operating plan of the National
6 Aeronautics and Space Administration allocates at least
7 an equal amount for its Reusable Space Launch Vehicle
8 program.

9 **SEC. 212. LIVE-FIRE SURVIVABILITY TESTING OF V-22 AIR-**
10 **CRAFT.**

11 (a) AUTHORITY FOR RETROACTIVE WAIVER.—The
12 Secretary of Defense may exercise the waiver authority in
13 section 2366(c) of title 10, United States Code, with re-
14 spect to the application of survivability testing to the V-
15 22 aircraft system, notwithstanding that such system has
16 entered engineering and manufacturing development.

17 (b) REPORT TO CONGRESS.—In exercising the waiver
18 authority in section 2366(c), the Secretary shall submit
19 to Congress a report explaining how the Secretary plans
20 to evaluate the survivability of the V-22 aircraft system
21 and assessing possible alternatives to realistic survivability
22 testing of the system.

23 (c) ALTERNATIVE SURVIVABILITY TESTING RE-
24 QUIREMENTS.—If the Secretary of Defense submits a cer-
25 tification under section 2366(c)(2) of such title that live-

1 fire testing of the V-22 aircraft system under such section
2 would be unreasonably expensive and impractical, the Sec-
3 retary shall require that sufficiently large and realistic
4 components and subsystems that could affect the surviv-
5 ability of the V-22 aircraft system be made available for
6 any alternative live-fire testing of such system.

7 (d) FUNDING.—The funds required to carry out any
8 alternative live-fire testing of the V-22 aircraft system
9 shall be made available from amounts appropriated for the
10 V-22 program.

11 **SEC. 213. LIVE-FIRE SURVIVABILITY TESTING OF F-22 AIR-**
12 **CRAFT.**

13 (a) AUTHORITY FOR RETROACTIVE WAIVER.—The
14 Secretary of Defense may exercise the waiver authority in
15 section 2366(c) of title 10, United States Code, with re-
16 spect to the application of survivability testing to the F-
17 22 aircraft system, notwithstanding that such system has
18 entered engineering and manufacturing development.

19 (b) ALTERNATIVE SURVIVABILITY TESTING RE-
20 QUIREMENTS.—If the Secretary of Defense submits a cer-
21 tification under section 2366(c)(2) of such title that live-
22 fire testing of the F-22 aircraft system under such section
23 would be unreasonably expensive and impractical, the Sec-
24 retary of Defense shall require that sufficiently large and
25 realistic components and subsystems that could affect the

1 survivability of the F-22 aircraft system be made available
2 for any alternative live-fire testing of such system.

3 (c) FUNDING.—The funds required to carry out any
4 alternative live-fire testing of the F-22 aircraft system
5 shall be made available from amounts appropriated for the
6 F-22 program.

7 **SEC. 214. DEMILITARIZATION OF CONVENTIONAL MUNI-**
8 **TIONS, ROCKETS, AND EXPLOSIVES.**

9 (a) ESTABLISHMENT OF CONVENTIONAL MUNI-
10 TIONS, ROCKETS, AND EXPLOSIVES DEMILITARIZATION
11 PROGRAM.—The Secretary of Defense shall establish an
12 integrated program for the development and demonstra-
13 tion of technologies for the demilitarization and disposal
14 of conventional munitions, rockets, and explosives in a
15 manner that complies with applicable environmental laws.

16 (b) DURATION OF PROGRAM.—The program estab-
17 lished pursuant to subsection (a) shall be in effect for a
18 period of at least five years, beginning with fiscal year
19 1997.

20 (c) FUNDING.—Of the amount authorized to be ap-
21 propriated in section 201, \$15,000,000 is authorized to
22 be appropriated for the program established pursuant to
23 subsection (a). The funding request for the program shall
24 be set forth separately in the budget justification docu-

1 ments for the budget of the Department of Defense for
2 each fiscal year during which the program is in effect.

3 (d) REPORTS.—The Secretary of Defense shall sub-
4 mit to Congress a report on the plan for the program es-
5 tablished pursuant to subsection (a) at the same time the
6 President submits to Congress the budget for fiscal year
7 1998. The Secretary shall submit an updated version of
8 such report, setting forth in detail the progress of the pro-
9 gram, at the same time the President submits the budget
10 for each fiscal year after fiscal year 1998 during which
11 the program is in effect.

12 **SEC. 215. RESEARCH ACTIVITIES OF THE DEFENSE AD-**
13 **VANCED RESEARCH PROJECTS AGENCY RE-**
14 **LATING TO CHEMICAL AND BIOLOGICAL**
15 **WARFARE DEFENSE TECHNOLOGY.**

16 (a) AUTHORITY.—Section 1701(c) of the National
17 Defense Authorization Act for Fiscal Year 1994 (Public
18 Law 103–160; 107 Stat. 1853; 50 U.S.C. 1522) is amend-
19 ed—

20 (1) by inserting “(1)” before “The Secretary”;
21 and

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

24 “(2) The Director of the Defense Advanced Research
25 Projects Agency may conduct a program of basic and ap-

1 plied research and advanced technology development on
2 chemical and biological warfare defense technologies and
3 systems. In conducting such program, the Director shall
4 seek to avoid unnecessary duplication of the activities
5 under the program with chemical and biological warfare
6 defense activities of the military departments and defense
7 agencies and shall coordinate the activities under the pro-
8 gram with those of the military departments and defense
9 agencies.”.

10 (b) FUNDING.—Section 1701(d) of such Act is
11 amended—

12 (1) in paragraph (1), by striking out “military
13 departments” and inserting in lieu thereof “Depart-
14 ment of Defense”;

15 (2) in paragraph (2), by inserting after “re-
16 quests for the program” in the first sentence the fol-
17 lowing: “(other than for activities under the program
18 conducted by the Defense Advanced Research
19 Projects Agency under subsection (c)(2))”;

20 (3) by redesignating paragraph (3) as para-
21 graph (4); and

22 (4) by inserting after paragraph (2) the follow-
23 ing new paragraph (3):

24 “(3) The program conducted by the Defense Ad-
25 vanced Research Projects Agency under subsection (c)(2)

1 shall be set forth as a separate program element in the
2 budget of that agency.”.

3 **SEC. 216. LIMITATION ON FUNDING FOR F-16 TACTICAL**
4 **MANNED RECONNAISSANCE AIRCRAFT.**

5 (a) LIMITATION.—Effective on the date of the enact-
6 ment of this Act, not more than \$50,000,000 (in fiscal
7 year 1997 constant dollars) may be obligated or expended
8 for—

9 (1) research, development, test, and evaluation
10 for, and acquisition and modification of, the F-16
11 tactical manned reconnaissance aircraft program;
12 and

13 (2) costs associated with the termination of
14 such program.

15 (b) EXCEPTION.—The limitation in subsection (a)
16 shall not apply to obligations required for improvements
17 planned before the date of the enactment of this Act to
18 incorporate the common data link into the F-16 tactical
19 manned reconnaissance aircraft.

20 **SEC. 217. UNMANNED AERIAL VEHICLES.**

21 (a) PROHIBITION.—(1) The Secretary of Defense
22 may not enter into a contract for the Joint Tactical Un-
23 manned Aerial Vehicle project, and no funds authorized
24 to be appropriated by this Act may be obligated for such
25 project, until a period of 30 days has expired after the

1 date on which the Secretary of Defense submits to Con-
2 gress a certification that the reconnaissance programs of
3 the Department of Defense—

4 (A) are justified on the basis of the projected
5 national security threat;

6 (B) have been subjected to a roles and missions
7 determination;

8 (C) are supported by an overall national, joint,
9 and tactical reconnaissance plan;

10 (D) are affordable within the budget of the De-
11 partment of Defense as projected by the future-years
12 defense program; and

13 (E) are fully programmed for in the future-
14 years defense program.

15 (2) In this subsection, the term ‘reconnaissance pro-
16 grams of the Department of Defense’ means programs for
17 tactical unmanned aerial vehicles, endurance unmanned
18 aerial vehicles, airborne reconnaissance, manned recon-
19 naissance, and distributed common ground systems that—

20 (A) are described in the budget justification
21 documents of the Defense Airborne Reconnaissance
22 Office;

23 (B) are included in the funding request for the
24 Department of Defense; or

1 (C) are certified as acquisition reconnaissance
2 requirements by the Joint Requirements Oversight
3 Council for the future-years defense program.

4 (b) **PROCUREMENT FUNDING REQUEST.**—The fund-
5 ing request for procurement for unmanned aerial vehicles
6 for any fiscal year shall be set forth under the funding
7 requests for the military departments in the budget of the
8 Department of Defense.

9 (c) **TRANSFER OF PROGRAM MANAGEMENT.**—Pro-
10 gram management for the Predator Unmanned Aerial Ve-
11 hicle, and programmed funding for such vehicle for fiscal
12 years 1998, 1999, 2000, 2001, and 2002 (as set forth in
13 the future-years defense program), shall be transferred to
14 the Department of the Air Force, effective October 1,
15 1996, or the date of the enactment of this Act, whichever
16 is later.

17 (d) **PROHIBITION ON PROVIDING OPERATING CAPA-**
18 **BILITY FROM NAVAL VESSELS.**—No funds authorized to
19 be appropriated by this Act may be obligated for purposes
20 of providing the capability of the Predator Unmanned Aer-
21 ial Vehicle to operate from naval vessels.

22 (e) **FUNDING.**—Of the amounts authorized to be ap-
23 propriated by section 201 for program element 35154D,
24 \$10,000,000 shall be available only for an advanced con-
25 cepts technology demonstration of air-to-surface precision

1 guided munitions employment using a Predator, Hunter,
2 or Pioneer unmanned aerial vehicle and a nondevelopmental
3 laser target designator.

4 **SEC. 218. HYDRA-70 ROCKET PRODUCT IMPROVEMENT**
5 **PROGRAM.**

6 (a) **FUNDING AUTHORIZATION.**—Of the amount au-
7 thorized to be appropriated under section 201(1) for the
8 Army for Other Missile Product Improvement Programs,
9 \$15,000,000 is authorized as specified in subsection (b)
10 for completion of the Hydra-70 product improvement pro-
11 gram authorized for fiscal year 1996.

12 (b) **AUTHORIZED ACTIONS.**—Funding is authorized
13 to be appropriated for the following:

14 (1) Procurement for test and flight qualification
15 of at least one nondevelopmental item 2.75-inch
16 composite rocket motor type, along with other non-
17 developmental item candidate motors that use com-
18 posite propellant as the propulsion component and
19 that have passed initial insensitive munition criteria
20 tests.

21 (2) Platform integration, including additional
22 quantities of the motor chosen for operational cer-
23 tification on the Apache attack helicopter.

24 (c) **DEFINITION.**—In this section, the term “non-
25 developmental item” has the meaning provided in section

1 4 of the Office of Federal Procurement Policy Act (41
2 U.S.C. 403) and also includes an item the flight capability
3 of which has been demonstrated from a current Hydra-
4 70 rocket launcher.

5 **SEC. 219. SPACE-BASED INFRARED SYSTEM PROGRAM.**

6 (a) FUNDING.—Funds appropriated pursuant to the
7 authorization of appropriations in section 201(3) are au-
8 thorized to be made available for the Space-Based Infra-
9 red System program for purposes and in amounts as fol-
10 lows:

11 (1) For Space Segment High, \$180,390,000.

12 (2) For Space Segment Low (the Space and
13 Missile Tracking System), \$247,221,000.

14 (3) For Cobra Brass, \$6,930,000.

15 (b) LIMITATION.—None of the funds authorized
16 under subsection (a) to be made available for the Space-
17 Based Infrared System program may be obligated or ex-
18 pended until the Secretary of Defense certifies to Congress
19 that the requirements of section 216(a) of Public Law
20 104–106 (110 Stat. 220) have been carried out.

21 (c) PROGRAM MANAGEMENT.—Before the submission
22 of the President’s budget for fiscal year 1998, the Sec-
23 retary of Defense shall conduct a review of the appropriate
24 management responsibilities for the Space and Missile
25 Tracking System, including whether transferring such

1 management responsibility from the Air Force to the Bal-
2 listic Missile Defense Organization would result in im-
3 proved program efficiencies and support.

4 **SEC. 220. JOINT ADVANCED STRIKE TECHNOLOGY (JAST)**
5 **PROGRAM.**

6 (a) **ALLOCATION OF FUNDS.**—Of the amounts au-
7 thorized to be appropriated pursuant to the authorizations
8 in section 201, \$589,069,000 shall be available only for
9 advanced technology development for the Joint Advanced
10 Strike Technology (JAST) program. Of that amount—

11 (1) \$246,833,000 shall be available only for
12 program element 63800N in the budget of the De-
13 partment of Defense for fiscal year 1997;

14 (2) \$263,836,000 shall be available only for
15 program element 63800F in the budget of the De-
16 partment of Defense for fiscal year 1997; and

17 (3) \$78,400,000 shall be available only for pro-
18 gram element 63800E in the budget of the Depart-
19 ment of Defense for fiscal year 1997.

20 (b) **LIMITATION.**—None of the funds authorized to
21 be appropriated pursuant to the authorizations in section
22 201 may be used for Advanced Short Takeoff and Vertical
23 Landing aircraft development.

24 (c) **FORCE STRUCTURE ANALYSIS.**—Of the amount
25 made available under subsection (a), up to \$10,000,000

1 shall be available for the conduct of an analysis by the
2 Institutes of Defense Analysis of the following:

3 (1) The weapons systems force structure re-
4 quirements to meet the projected threat for the pe-
5 riod beginning on January 1, 2000, and ending on
6 December 31, 2025.

7 (2) Alternative force structures, including, at a
8 minimum, JAST derivative aircraft; remanufactured
9 AV-8 aircraft; F-18C/D, F-18E/F, AH-64, AH-
10 1W, F-14, F-16, F-15, F-117, and F-22 aircraft;
11 and air-to-surface and surface-to-surface weapons
12 systems.

13 (3) Affordability, effectiveness, commonality,
14 and roles and missions alternatives related to the al-
15 ternative force structures analyzed under paragraph
16 (2).

17 (d) COST REVIEW.—The cost analysis and improve-
18 ment group of the Office of the Secretary of Defense shall
19 review cost estimates made under the analysis conducted
20 under subsection (c) and shall provide a sensitivity analy-
21 sis for the alternatives evaluated under paragraphs (2)
22 and (3) of subsection (c).

23 (e) DEADLINE.—The Secretary of Defense shall sub-
24 mit to the congressional defense committees a copy of the
25 analysis conducted under subsection (c) and the review

1 conducted under subsection (d) not later than February
2 1, 1997.

3 **SEC. 221. JOINT UNITED STATES-ISRAELI NAUTILUS LASER/
4 THEATER HIGH ENERGY LASER PROGRAM.**

5 The Congress strongly supports the Joint United
6 States-Israeli Nautilus Laser/Theater High Energy Laser
7 programs and encourages the Secretary of Defense to re-
8 quest authorization to develop these programs as agreed
9 to on April 28, 1996, in the statement of intent signed
10 by the Secretary of Defense and the Prime Minister of
11 the State of Israel.

12 **SEC. 222. NONLETHAL WEAPONS RESEARCH AND DEVELOP-
13 MENT PROGRAM.**

14 Of the amounts authorized to be appropriated by sec-
15 tion 201 for program element 63640M, \$3,000,000 shall
16 be available for the Nonlethal Weapons Research and De-
17 velopment Program.

18 **SEC. 223. HIGH ALTITUDE ENDURANCE UNMANNED AERIAL
19 RECONNAISSANCE SYSTEM.**

20 Any funds authorized to be appropriated under this
21 title to develop concepts for an improved Tier III Minus
22 (High Altitude Endurance Unmanned Aerial Reconnaissance System) that would increase the unit flyaway cost
23 above the established contracted for amount must be
24 awarded through competitive acquisition procedures.
25

1 **SEC. 224. CERTIFICATION OF CAPABILITY OF UNITED**
2 **STATES TO PREVENT ILLEGAL IMPORTATION**
3 **OF NUCLEAR, BIOLOGICAL, OR CHEMICAL**
4 **WEAPONS.**

5 Not later than 15 days after the date of the enact-
6 ment of this Act, the President shall submit to Congress
7 a certification in writing stating specifically whether or not
8 the United States has the capability (as of the date of
9 the certification) to prevent the illegal importation of nu-
10 clear, biological, or chemical weapons into the United
11 States and its possessions.

12 **Subtitle C—Ballistic Missile**
13 **Defense Programs**

14 **SEC. 231. FUNDING FOR BALLISTIC MISSILE DEFENSE PRO-**
15 **GRAMS FOR FISCAL YEAR 1997.**

16 Of the amount appropriated pursuant to section
17 201(4), not more than \$3,258,982,000 may be obligated
18 for programs managed by the Ballistic Missile Defense Or-
19 ganization.

20 **SEC 232. CERTIFICATION OF CAPABILITY OF UNITED**
21 **STATES TO DEFEND AGAINST SINGLE BALLIS-**
22 **TIC MISSILE.**

23 Not later than 15 days after the date of the enact-
24 ment of this Act, the President shall submit to Congress
25 a certification in writing stating specifically whether or not
26 the United States has the military capability (as of the

1 time of the certification) to intercept and destroy a single
2 ballistic missile launched at the territory of the United
3 States.

4 **SEC. 233. POLICY ON COMPLIANCE WITH THE ABM TREATY.**

5 (a) POLICY CONCERNING SYSTEMS SUBJECT TO
6 ABM TREATY.—Congress finds that, unless and until a
7 missile defense system, system upgrade, or system compo-
8 nent is flight tested in an ABM-qualifying flight test (as
9 defined in subsection (c)), such system, system upgrade,
10 or system component—

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

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

16 (b) PROHIBITIONS.—(1) Funds appropriated to the
17 Department of Defense may not be obligated or expended
18 for the purpose of—

19 (A) prescribing, enforcing, or implementing any
20 Executive order, regulation, or policy that would
21 apply the ABM Treaty (or any limitation or obliga-
22 tion under such Treaty) to research, development,
23 testing, or deployment of a theater missile defense
24 system, a theater missile defense system upgrade, or
25 a theater missile defense system component; or

1 (B) taking any other action to provide for the
2 ABM Treaty (or any limitation or obligation under
3 such Treaty) to be applied to research, development,
4 testing, or deployment of a theater missile defense
5 system, a theater missile defense system upgrade, or
6 a theater missile defense system component.

7 (2) This subsection applies with respect to each mis-
8 sile defense system, missile defense system upgrade, or
9 missile defense system component that is capable of coun-
10 tering modern theater ballistic missiles.

11 (3) This subsection shall cease to apply with respect
12 to a missile defense system, missile defense system up-
13 grade, or missile defense system component when that sys-
14 tem, system upgrade, or system component has been flight
15 tested in an ABM-qualifying flight test.

16 (c) ABM-QUALIFYING FLIGHT TEST DEFINED.—
17 For purposes of this section, an ABM-qualifying flight test
18 is a flight test against a ballistic missile which, in that
19 flight test, exceeds (1) a range of 3,500 kilometers, or (2)
20 a velocity of 5 kilometers per second.

21 **SEC. 234. REQUIREMENT THAT MULTILATERALIZATION OF**
22 **THE ABM TREATY BE DONE ONLY THROUGH**
23 **TREATY-MAKING POWER.**

24 Any addition of a new signatory party to the ABM
25 Treaty (in addition to the United States and the Russian

1 Federation) constitutes an amendment to the treaty that
2 can only be agreed to by the United States through the
3 treaty-making power of the United States. No funds ap-
4 propriated or otherwise available for any fiscal year may
5 be obligated or expended for the purpose of implementing
6 or making binding upon the United States the participa-
7 tion of any additional nation as a party to the ABM Trea-
8 ty unless that nation is made a party to the treaty by an
9 amendment to the Treaty that is made in the same man-
10 ner as the manner by which a treaty is made.

11 **SEC. 235. REPORT ON BALLISTIC MISSILE DEFENSE AND**
12 **PROLIFERATION.**

13 The Secretary of Defense shall submit to Congress
14 a report on ballistic missile defense and the proliferation
15 of weapons of mass destruction, including nuclear, chemi-
16 cal, and biological weapons, and the missiles that can be
17 used to deliver them. The report shall be submitted not
18 later than December 31, 1996, and shall include the fol-
19 lowing:

20 (1) An assessment of how United States theater
21 missile defenses contribute to United States efforts
22 to prevent proliferation, including an evaluation of
23 the specific effect United States theater missile de-
24 fense systems can have on dissuading other states
25 from acquiring ballistic missiles.

1 (2) An assessment of how United States na-
2 tional missile defenses contribute to United States
3 efforts to prevent proliferation.

4 (3) An assessment of the effect of the lack of
5 national missile defenses on the desire of other
6 states to acquire ballistic missiles and an evaluation
7 of the types of missiles other states might seek to
8 acquire as a result.

9 (4) A detailed review of the linkages between
10 missile defenses (both theater and national) and
11 each of the categories of counterproliferation activi-
12 ties identified by the Secretary of Defense as part of
13 the Defense Counterproliferation Initiative an-
14 nounced by the Secretary in December 1993.

15 (5) A description of how theater and national
16 ballistic missile defenses can augment the effective-
17 ness of other counterproliferation tools.

18 **SEC. 236. REVISION TO ANNUAL REPORT ON BALLISTIC**

19 **MISSILE DEFENSE PROGRAM.**

20 Section 224(b) of the National Defense Authorization
21 Act for Fiscal Years 1990 and 1991 (10 U.S.C. 2431
22 note) is amended—

23 (1) by striking out paragraphs (3), (4), and
24 (10);

1 (2) by redesignating paragraphs (5) and (6) as
2 paragraphs (3) and (4), respectively;

3 (3) by redesignating paragraph (7) as para-
4 graph (5) and in that paragraph by striking out “of
5 the Soviet Union” and “for the Soviet Union”;

6 (4) by redesignating paragraph (8) as para-
7 graph (6); and

8 (5) by redesignating paragraph (9) as para-
9 graph (7) and in that paragraph—

10 (A) by striking out “of the Soviet Union”
11 in subparagraph (A);

12 (B) by striking out subparagraphs (C)
13 through (F); and

14 (C) by redesignating subparagraph (G) as
15 subparagraph (C).

16 **SEC. 237. ABM TREATY DEFINED.**

17 For purposes of this subtitle, the term “ABM Trea-
18 ty” means the Treaty Between the United States of Amer-
19 ica and the Union of Soviet Socialist Republics on the
20 Limitation of Anti-Ballistic Missile Systems, and signed
21 at Moscow on May 26, 1972, and includes the Protocols
22 to that Treaty, signed at Moscow on July 3, 1974.

1 **SEC. 238. CAPABILITY OF NATIONAL MISSILE DEFENSE SYS-**
2 **TEM.**

3 The Secretary of Defense shall ensure that any Na-
4 tional Missile Defense system deployed by the United
5 States is capable of defeating the threat posed by the
6 Taepo Dong II missile of North Korea.

7 **Subtitle D—Other Matters**

8 **SEC. 241. UNIFORM PROCEDURES AND CRITERIA FOR**
9 **MAINTENANCE AND REPAIR AT AIR FORCE**
10 **INSTALLATIONS.**

11 The Secretary of the Air Force shall apply uniform
12 procedures and criteria to allocate funds authorized to be
13 appropriated pursuant to this title and title III of this Act
14 for maintenance and repair of real property at military
15 installations of the Department of the Air Force.

16 **SEC. 242. REQUIREMENTS RELATING TO SMALL BUSINESS**
17 **INNOVATION RESEARCH PROGRAM.**

18 (a) **MANAGEMENT AND EXECUTION BY PROGRAM**
19 **MANAGER.**—The Secretary of Defense, in conducting
20 within the Department of Defense the Small Business In-
21 novation Research Program (as defined by section
22 2491(13) of title 10, United States Code), shall ensure
23 that the Program is managed and executed, for each pro-
24 gram element for research and development for which
25 \$20,000,000 or more is authorized for a fiscal year, by
26 the program manager for that element.

1 (b) REPORT.—Not later than March 30, 1997, the
2 Comptroller General shall submit to Congress and to the
3 Secretary of Defense a report setting forth an assessment
4 of whether there has been a demonstrable reduction in the
5 quality of research performed under funding agreements
6 awarded by the Department of Defense under the Small
7 Business Innovation Research Program since fiscal year
8 1995.

9 **SEC. 243. EXTENSION OF DEADLINE FOR DELIVERY OF EN-**
10 **HANCED FIBER OPTIC GUIDED MISSILE**
11 **(EFOG-M) SYSTEM.**

12 Section 272(a)(2) of the National Defense Authoriza-
13 tion Act for Fiscal Year 1996 (Public Law 104–106; 110
14 Stat. 239) is amended by striking out “September 30,
15 1998,” and inserting in lieu thereof “September 30,
16 1999,”.

17 **SEC. 244. AMENDMENT TO UNIVERSITY RESEARCH INITIA-**
18 **TIVE SUPPORT PROGRAM.**

19 Section 802(c) of the National Defense Authorization
20 Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat.
21 1701; 10 U.S.C. 2358 note) is amended by striking out
22 “fiscal years before the fiscal year in which the institution
23 submits a proposal” and inserting in lieu thereof “most
24 recent fiscal years for which complete statistics are avail-
25 able when proposals are requested”.

1 **SEC. 245. AMENDMENTS TO DEFENSE EXPERIMENTAL PRO-**
2 **GRAM TO STIMULATE COMPETITIVE RE-**
3 **SEARCH.**

4 Section 257(d) of the National Defense Authorization
5 Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat.
6 2705; 10 U.S.C. 2358 note) is amended—

7 (1) in paragraph (1)—

8 (A) by striking out “Director of the Na-
9 tional Science Foundation” and inserting in lieu
10 thereof “Under Secretary of Defense for Acqui-
11 sition and Technology”; and

12 (B) by striking out “and shall notify the
13 Director of Defense Research and Engineering
14 of the States so designated”; and

15 (2) in paragraph (2)—

16 (A) by striking out “Director of the Na-
17 tional Science Foundation” and inserting in lieu
18 thereof “Under Secretary of Defense for Acqui-
19 sition and Technology”;

20 (B) by striking out “as determined by the
21 Director” and inserting in lieu thereof “as de-
22 termined by the Under Secretary”;

23 (C) in subparagraph (A), by striking out
24 “(to be determined in consultation with the Sec-
25 retary of Defense);” and inserting in lieu there-
26 of “; and”;

1 (D) by striking out “; and” at the end of
2 subparagraph (B) and inserting in lieu thereof
3 a period; and

4 (E) by striking out subparagraph (C).

5 **SEC. 246. ELIMINATION OF REPORT ON THE USE OF COM-**
6 **PETITIVE PROCEDURES FOR THE AWARD OF**
7 **CERTAIN CONTRACTS TO COLLEGES AND**
8 **UNIVERSITIES.**

9 Section 2361 of title 10, United States Code, is
10 amended by striking out subsection (c).

11 **SEC. 247. NATIONAL OCEANOGRAPHIC PARTNERSHIP PRO-**
12 **GRAM.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) The oceans and coastal areas of the United
15 States are among the Nation’s most valuable natural
16 resources, making substantial contributions to eco-
17 nomic growth, quality of life, and national security.

18 (2) Oceans drive global and regional climate.
19 Hence, they contain information affecting agri-
20 culture, fishing, and the prediction of severe weath-
21 er.

22 (3) Understanding of the oceans through basic
23 and applied research is essential for using the
24 oceans wisely and protecting their limited resources.

25 Therefore, the United States should maintain its

1 world leadership in oceanography as one key to its
2 competitive future.

3 (4) Ocean research and education activities take
4 place within Federal agencies, academic institutions,
5 and industry. These entities often have similar re-
6 quirements for research facilities, data, and other re-
7 sources (such as oceanographic research vessels).

8 (5) The need exists for a formal mechanism to
9 coordinate existing partnerships and establish new
10 partnerships for the sharing of resources, intellectual
11 talent, and facilities in the ocean sciences and edu-
12 cation, so that optimal use can be made of this most
13 important natural resource for the well-being of all
14 Americans.

15 (b) PROGRAM REQUIRED.—(1) Subtitle C of title 10,
16 United States Code, is amended by adding after chapter
17 663 the following new chapter:

18 **“CHAPTER 665—NATIONAL OCEANO-**
19 **GRAPHIC PARTNERSHIP PROGRAM**

“Sec.

“7901. National Oceanographic Partnership Program.

“7902. National Ocean Research Leadership Council.

“7903. Ocean Research Partnership Coordinating Group.

“7904. Ocean Research Advisory Panel.

1 **“§ 7901. National Oceanographic Partnership Pro-**
2 **gram**

3 “(a) ESTABLISHMENT.—The Secretary of the Navy
4 shall establish a program to be known as the ‘National
5 Oceanographic Partnership Program’.

6 “(b) PURPOSES.—The purposes of the program are
7 as follows:

8 “(1) To promote the national goals of assuring
9 national security, advancing economic development,
10 protecting quality of life, and strengthening science
11 education and communication through improved
12 knowledge of the ocean.

13 “(2) To coordinate and strengthen oceano-
14 graphic efforts in support of those goals by—

15 “(A) identifying and carrying out partner-
16 ships among Federal agencies, academia, indus-
17 try, and other members of the oceanographic
18 scientific community in the areas of data, re-
19 sources, education, and communication; and

20 “(B) reporting annually to Congress on the
21 program.

22 **“§ 7902. National Ocean Research Leadership Council**

23 “(a) COUNCIL.—There is a National Ocean Research
24 Leadership Council (hereinafter in this chapter referred
25 to as the ‘Council’).

1 “(b) MEMBERSHIP.—The Council is composed of the
2 following members:

3 “(1) The Secretary of the Navy, who shall be
4 the Chairman of the Council.

5 “(2) The Administrator of the National Oceanic
6 and Atmospheric Administration, who shall be the
7 Vice Chairman of the Council.

8 “(3) The Director of the National Science
9 Foundation.

10 “(4) The Administrator of the National Aero-
11 nautics and Space Administration.

12 “(5) The Deputy Secretary of Energy.

13 “(6) The Administrator of the Environmental
14 Protection Agency.

15 “(7) The Commandant of the Coast Guard.

16 “(8) The Director of the Geological Survey of
17 the Department of the Interior.

18 “(9) The Director of the Defense Advanced Re-
19 search Projects Agency.

20 “(10) The Director of the Minerals Manage-
21 ment Service of the Department of the Interior.

22 “(11) The President of the National Academy
23 of Sciences, the President of the National Academy
24 of Engineering, and the President of the Institute of
25 Medicine.

1 “(12) The Director of the Office of Science and
2 Technology.

3 “(13) The Director of the Office of Manage-
4 ment and Budget.

5 “(14) One member appointed by the Chairman
6 from among individuals who will represent the views
7 of ocean industries.

8 “(15) One member appointed by the Chairman
9 from among individuals who will represent the views
10 of State governments.

11 “(16) One member appointed by the Chairman
12 from among individuals who will represent the views
13 of academia.

14 “(17) One member appointed by the Chairman
15 from among individuals who will represent such
16 other views as the Chairman considers appropriate.

17 “(c) TERM OF OFFICE.—The term of office of a
18 member of the Council appointed under paragraph (14),
19 (15), (16), or (17) of subsection (b) shall be two years,
20 except that any person appointed to fill a vacancy occur-
21 ring before the expiration of the term for which his prede-
22 cessor was appointed shall be appointed for the remainder
23 of such term.

24 “(d) RESPONSIBILITIES.—The Council shall have the
25 following responsibilities:

1 “(1) To establish the Ocean Research Partner-
2 ship Coordinating Group as provided in section
3 7903.

4 “(2) To establish the Ocean Research Advisory
5 Panel as provided in section 7904.

6 “(3) To submit to Congress an annual report
7 pursuant to subsection (e).

8 “(e) ANNUAL REPORT.—Not later than March 1 of
9 each year, the Council shall submit to Congress a report
10 on the National Oceanographic Partnership Program. The
11 report shall contain the following:

12 “(1) A description of activities of the program
13 carried out during the fiscal year before the fiscal
14 year in which the report is prepared. The description
15 also shall include a list of the members of the Ocean
16 Research Partnership Coordinating Group, the
17 Ocean Research Advisory Panel, and any working
18 groups in existence during the fiscal year covered.

19 “(2) A general outline of the activities planned
20 for the program during the fiscal year in which the
21 report is prepared.

22 “(3) A summary of projects continued from the
23 fiscal year before the fiscal year in which the report
24 is prepared and projects expected to be started dur-

1 ing the fiscal year in which the report is prepared
2 and during the following fiscal year.

3 “(4) A description of the involvement of the
4 program with Federal interagency coordinating enti-
5 ties.

6 “(5) The amounts requested, in the budget sub-
7 mitted to Congress pursuant to section 1105(a) of
8 title 31 for the fiscal year following the fiscal year
9 in which the report is prepared, for the programs,
10 projects, and activities of the program and the esti-
11 mated expenditures under such programs, projects,
12 and activities during such following fiscal year.

13 **“§ 7903. Ocean Research Partnership Coordinating**
14 **Group**

15 “(a) ESTABLISHMENT.—The Council shall establish
16 an entity to be known as the ‘Ocean Research Partnership
17 Coordinating Group’ (hereinafter in this chapter referred
18 to as the ‘Coordinating Group’).

19 “(b) MEMBERSHIP.—The Coordinating Group shall
20 consist of members appointed by the Council, with one
21 member appointed from each Federal department or agen-
22 cy having an oceanographic research or development pro-
23 gram.

24 “(c) CHAIRMAN.—The Council shall appoint the
25 Chairman of the Coordinating Group.

1 “(d) RESPONSIBILITIES.—Subject to the authority,
2 direction, and control of the Council, the Coordinating
3 Group shall have the following responsibilities:

4 “(1) To prescribe policies and procedures to im-
5 plement the National Oceanographic Partnership
6 Program.

7 “(2) To review, select, and identify and allocate
8 funds for partnership projects for implementation
9 under the program, based on the following criteria:

10 “(A) Whether the project addresses critical
11 research objectives or operational goals, such as
12 data accessibility and quality assurance, sharing
13 of resources, education, or communication.

14 “(B) Whether the project has broad par-
15 ticipation within the oceanographic community.

16 “(C) Whether the partners have a long-
17 term commitment to the objectives of the
18 project.

19 “(D) Whether the resources supporting the
20 project are shared among the partners.

21 “(E) Whether the project has been sub-
22 jected to adequate peer review.

23 “(3) To promote participation in partnership
24 projects by each Federal department and agency in-
25 volved with oceanographic research and development

1 by publicizing the program and by prescribing guide-
2 lines for participation in the program.

3 “(4) To submit to the Council an annual report
4 pursuant to subsection (i).

5 “(e) PARTNERSHIP PROGRAM OFFICE.—The Coordi-
6 nating Group shall establish, using competitive proce-
7 dures, and oversee a partnership program office to carry
8 out such duties as the Chairman of the Coordinating
9 Group considers appropriate to implement the National
10 Oceanographic Partnership Program, including the follow-
11 ing:

12 “(1) To establish and oversee working groups
13 to propose partnership projects to the Coordinating
14 Group and advise the Group on such projects.

15 “(2) To manage peer review of partnership
16 projects proposed to the Coordinating Group and
17 competitions for projects selected by the Group.

18 “(3) To submit to the Coordinating Group an
19 annual report on the status of all partnership
20 projects and activities of the office.

21 “(f) CONTRACT AND GRANT AUTHORITY.—The Co-
22 ordinating Group may authorize one or more of the de-
23 partments or agencies represented in the Group to enter
24 into contracts and make grants, using funds appropriated
25 pursuant to an authorization for the National Oceano-

1 graphic Partnership Program, for the purpose of imple-
2 menting the program and carrying out the Coordinating
3 Group's responsibilities.

4 “(g) FORMS OF PARTNERSHIP PROJECTS.—Partner-
5 ship projects selected by the Coordinating Group may be
6 in any form that the Coordinating Group considers appro-
7 priate, including memoranda of understanding, dem-
8 onstration projects, cooperative research and development
9 agreements, and similar instruments.

10 “(h) ANNUAL REPORT.—Not later than February 1
11 of each year, the Coordinating Group shall submit to the
12 Council a report on the National Oceanographic Partner-
13 ship Program. The report shall contain, at a minimum,
14 copies of any recommendations or reports to the Coordi-
15 nating Group by the Ocean Research Advisory Panel.

16 **“§ 7904. Ocean Research Advisory Panel**

17 “(a) ESTABLISHMENT.—The Council shall appoint
18 an Ocean Research Advisory Panel (hereinafter in this
19 chapter referred to as the ‘Advisory Panel’) consisting of
20 not less than 10 and not more than 18 members.

21 “(b) MEMBERSHIP.—Members of the Advisory Panel
22 shall be appointed from among persons who are eminent
23 in the fields of marine science or marine policy, or related
24 fields, and who are representative, at a minimum, of the
25 interests of government, academia, and industry.

1 “(c) RESPONSIBILITIES.—(1) The Coordinating
 2 Group shall refer to the Advisory Panel, and the Advisory
 3 Panel shall review, each proposed partnership project esti-
 4 mated to cost more than \$500,000. The Advisory Panel
 5 shall make any recommendations to the Coordinating
 6 Group that the Advisory Panel considers appropriate re-
 7 garding such projects.

8 “(2) The Advisory Panel shall make any rec-
 9 ommendations to the Coordinating Group regarding activi-
 10 ties that should be addressed by the National Oceano-
 11 graphic Partnership Program that the Advisory Panel
 12 considers appropriate.”.

13 (2) The tables of chapters at the beginning of subtitle
 14 C of title 10, United States Code, and at the beginning
 15 of part IV of such subtitle, are each amended by inserting
 16 after the item relating to chapter 663 the following:

“665. National Oceanographic Partnership Program 7901”.

17 (c) INITIAL APPOINTMENTS OF COUNCIL MEM-
 18 BERS.—The Secretary of the Navy shall make the ap-
 19 pointments required by section 7902(b) of title 10, United
 20 States Code, as added by subsection (b)(1), not later than
 21 December 1, 1996.

22 (d) INITIAL APPOINTMENTS OF ADVISORY PANEL
 23 MEMBERS.—The National Ocean Research Leadership
 24 Council established by section 7902 of title 10, United

1 States Code, as added by subsection (b)(1), shall make
2 the appointments required by section 7904 of such title
3 not later than January 1, 1997.

4 (e) FIRST ANNUAL REPORT OF NATIONAL OCEAN
5 RESEARCH LEADERSHIP COUNCIL.—The first annual re-
6 port required by section 7902(e) of title 10, United States
7 Code, as added by subsection (b)(1), shall be submitted
8 to Congress not later than March 1, 1997. The first report
9 shall include, in addition to the information required by
10 such section, information about the terms of office, proce-
11 dures, and responsibilities of the Ocean Research Advisory
12 Panel established by the Council.

13 (f) AUTHORIZATION.—Of the amount authorized to
14 be appropriated to the Department of Defense in section
15 201, \$30,000,000 is authorized for the National Oceano-
16 graphic Partnership Program established pursuant to sec-
17 tion 7901 of title 10, United States Code, as added by
18 subsection (b)(1).

19 (g) REQUIRED FUNDING FOR PROGRAM OFFICE.—
20 Of the amount appropriated for the National Oceano-
21 graphic Partnership Program for fiscal year 1997, at least
22 \$500,000, or 3 percent of the amount appropriated,
23 whichever is greater, shall be available for operations of
24 the partnership program office established pursuant to

1 section 7903(e) of title 10, United States Code, for such
2 fiscal year.

3 **SEC. 248. FUNDING INCREASE FOR FIELD EMISSION FLAT**
4 **PANEL TECHNOLOGY.**

5 (a) INCREASE.—The amount authorized in section
6 201(1) for the Combat Vehicle Improvement Program for
7 M1 Tank Upgrade (program element 23735A DD30) is
8 hereby increased by \$10,000,000 to assist in funding the
9 development of field emission flat panel technology.

10 (b) OFFSET.—The amount authorized in section 101
11 is hereby decreased by \$10,000,000.

12 **SEC. 249. NATURAL RESOURCES ASSESSMENT AND TRAIN-**
13 **ING DELIVERY SYSTEM.**

14 Of the amount authorized to be appropriated by sec-
15 tion 201(4) for program element 65804D, funding shall
16 be available for a proposed natural resources assessment
17 and training delivery system to enhance the ability of the
18 Department of Defense to mitigate the environmental im-
19 pact of its operational training of forces and testing of
20 weapons systems on military installations where problems
21 are most acute.

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 1997 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, \$18,436,929,000.

12 (2) For the Navy, \$20,433,797,000.

13 (3) For the Marine Corps, \$2,524,677,000.

14 (4) For the Air Force, \$17,982,955,000.

15 (5) For Defense-wide activities,
16 \$10,375,368,000.

17 (6) For the Army Reserve, \$1,155,436,000.

18 (7) For the Naval Reserve, \$858,927,000.

19 (8) For the Marine Corps Reserve,
20 \$106,467,000.

21 (9) For the Air Force Reserve, \$1,504,553,000.

22 (10) For the Army National Guard,
23 \$2,297,477,000.

24 (11) For the Air National Guard,
25 \$2,688,473,000.

1 (12) For the Defense Inspector General,
2 \$136,501,000.

3 (13) For the United States Court of Appeals
4 for the Armed Forces, \$6,797,000.

5 (14) For Environmental Restoration, Defense,
6 \$1,333,016,000.

7 (15) For Drug Interdiction and Counter-drug
8 Activities, Defense-wide, \$682,724,000.

9 (16) For Medical Programs, Defense,
10 \$9,831,288,000.

11 (17) For Cooperative Threat Reduction pro-
12 grams, \$302,900,000.

13 (18) For Overseas Humanitarian, Disaster, and
14 Civic Aid programs, \$60,544,000.

15 (19) For payment to Kaho'olawe Island,
16 \$10,000,000.

17 **SEC. 302. WORKING CAPITAL FUNDS.**

18 Funds are hereby authorized to be appropriated for
19 fiscal year 1997 for the use of the Armed Forces and other
20 activities and agencies of the Department of Defense for
21 providing capital for working capital and revolving funds
22 in amounts as follows:

23 (1) For the Defense Business Operations Fund,
24 \$947,900,000.

1 (2) For the National Defense Sealift Fund,
2 \$1,123,002,000.

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

4 There is hereby authorized to be appropriated for fis-
5 cal year 1997 from the Armed Forces Retirement Home
6 Trust Fund the sum of \$57,300,000 for the operation of
7 the Armed Forces Retirement Home, including the United
8 States Soldiers' and Airmen's Home and the Naval Home.

9 **SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCK-**
10 **PILE TRANSACTION FUND.**

11 (a) **TRANSFER AUTHORITY.**—To the extent provided
12 in appropriations Acts, not more than \$250,000,000 is au-
13 thorized to be transferred from the National Defense
14 Stockpile Transaction Fund to operation and maintenance
15 accounts for fiscal year 1997 in amounts as follows:

16 (1) For the Army, \$83,334,000.

17 (2) For the Navy, \$83,333,000.

18 (3) For the Air Force, \$83,333,000.

19 (b) **TREATMENT OF TRANSFERS.**—Amounts trans-
20 ferred under this section—

21 (1) shall be merged with, and be available for
22 the same purposes and the same period as, the
23 amounts in the accounts to which transferred; and

1 (2) may not be expended for an item that has
2 been denied authorization of appropriations by Con-
3 gress.

4 (c) RELATIONSHIP TO OTHER TRANSFER AUTHOR-
5 ITY.—The transfer authority provided in this section is in
6 addition to the transfer authority provided in section
7 1001.

8 **Subtitle B—Depot-Level Activities**

9 **SEC. 311. EXTENSION OF AUTHORITY FOR AVIATION DE-** 10 **POTS AND NAVAL SHIPYARDS TO ENGAGE IN** 11 **DEFENSE-RELATED PRODUCTION AND SERV-** 12 **ICES.**

13 Section 1425(e) of the National Defense Authoriza-
14 tion Act for Fiscal Year 1991 (Public Law 101–510; 104
15 Stat. 1684) is amended by striking out “September 30,
16 1996” and inserting in lieu thereof “September 30,
17 1997”.

18 **SEC. 312. EXCLUSION OF LARGE MAINTENANCE AND RE-** 19 **PAIR PROJECTS FROM PERCENTAGE LIMITA-** 20 **TION ON CONTRACTING FOR DEPOT-LEVEL** 21 **MAINTENANCE.**

22 Section 2466 of title 10, United States Code, is
23 amended by inserting after subsection (a) the following
24 new subsection:

1 “(b) TREATMENT OF CERTAIN LARGE PROJECTS.—
2 If a single maintenance or repair project contracted for
3 performance by non-Federal Government personnel ac-
4 counts for five percent or more of the funds made available
5 in a fiscal year to a military department or a Defense
6 Agency for depot-level maintenance and repair workload,
7 the project and the funds necessary for the project shall
8 not be considered when applying the percentage limitation
9 specified in subsection (a) to that military department or
10 Defense Agency.”.

11 **Subtitle C—Environmental**
12 **Provisions**

13 **SEC. 321. REPEAL OF REPORT ON CONTRACTOR REIM-**
14 **BURSEMENT COSTS.**

15 Section 2706 of title 10, United States Code, is
16 amended—

- 17 (1) by striking out subsection (c); and
18 (2) by redesignating subsection (d) as sub-
19 section (c).

20 **SEC. 322. PAYMENTS OF STIPULATED PENALTIES AS-**
21 **SESSED UNDER CERCLA.**

22 The Secretary of Defense may pay, from funds ap-
23 propriated pursuant to section 301(14), the following:

- 24 (1) Stipulated civil penalties, to the Hazardous
25 Substance Superfund established under section 9507

1 of the Internal Revenue Code of 1986, in amounts
2 as follows:

3 (A) Not more than \$34,000 assessed
4 against the United States Army at Fort Riley,
5 Kansas, under the Comprehensive Environ-
6 mental Response, Compensation, and Liability
7 Act of 1980 (42 U.S.C. 9601 et seq.).

8 (B) Not more than \$55,000 assessed
9 against the Massachusetts Military Reservation,
10 Massachusetts, under such Act.

11 (C) Not more than \$10,000 assessed
12 against the F.E. Warren Air Force Base, Wyo-
13 ming, under such Act.

14 (D) Not more than \$30,000 assessed
15 against the Naval Education and Training Cen-
16 ter, Newport, Rhode Island, under such Act.

17 (E) Not more than \$37,500 assessed
18 against Lake City Army Ammunition Plant,
19 under such Act.

20 (2) Not more than \$500,000 to carry out two
21 environmental restoration projects, as part of a ne-
22 gotiated agreement in lieu of stipulated penalties as-
23 sessed under the Comprehensive Environmental Re-
24 sponse, Compensation, and Liability Act of 1980 (42

1 U.S.C. 9601 et seq.) against the Massachusetts Mili-
2 tary Reservation, Massachusetts.

3 **SEC. 323. CONSERVATION AND READINESS PROGRAM.**

4 (a) ESTABLISHMENT.—The Secretary of Defense
5 may establish and carry out a program to be known as
6 the “Conservation and Readiness Program”.

7 (b) PURPOSE.—The purpose of the Conservation and
8 Readiness Program is to conduct and manage in a coordi-
9 nated manner those conservation and cultural activities
10 that have regional, multicomponent, or Department of De-
11 fense-wide significance and are necessary to meet legal re-
12 quirements or to support military operations. These activi-
13 ties include the following:

14 (1) The development of ecosystem-wide land
15 management plans.

16 (2) The conduct of wildlife studies to ensure the
17 safety of military operations.

18 (3) The identification and return of Native
19 American human remains and cultural items in the
20 possession or control of the Department of Defense,
21 or discovered on land under the jurisdiction of the
22 Department of Defense, to the appropriate Native
23 American tribes.

1 (4) The control of invasive species that may
2 hinder military activities or degrade military training
3 ranges.

4 (5) The establishment of a regional curation
5 system for artifacts found on military installations.

6 (c) COOPERATIVE AGREEMENTS AND GRANTS.—The
7 Secretary of Defense may negotiate and enter into cooper-
8 ative agreements with, and award grants to, public and
9 private agencies, organizations, institutions, individuals,
10 or other entities to carry out the Conservation and Readiness
11 Program.

12 (d) EFFECT ON OTHER LAWS.—Nothing in this sec-
13 tion shall be construed or interpreted as preempting any
14 otherwise applicable Federal, State, or local law or regula-
15 tion relating to the management of natural and cultural
16 resources on military installations.

17 **SEC. 324. NAVY COMPLIANCE WITH SHIPBOARD SOLID**
18 **WASTE CONTROL REQUIREMENTS.**

19 (a) AMENDMENT TO THE ACT TO PREVENT POLLU-
20 TION FROM SHIPS.—Subsection (c) of section 3 of the Act
21 to Prevent Pollution from Ships (33 U.S.C. 1902(c)) is
22 amended—

23 (1) in paragraph (1), by inserting “, except as
24 provided in paragraphs (4) and (5) of this sub-
25 section” before the period at the end;

1 (2) by striking out paragraph (4); and

2 (3) by adding at the end the following new
3 paragraphs:

4 “(4) A vessel owned or operated by the Department
5 of the Navy for which the Secretary of the Navy deter-
6 mines under the compliance plan submitted under para-
7 graph (2) that, due to unique military design, construc-
8 tion, manning, or operating requirements, full compliance
9 with paragraph (1) would not be technologically feasible,
10 would impair the vessel’s operations, and would impair the
11 vessel’s operational capability, is authorized to discharge
12 garbage consisting of either of the following:

13 “(A) A slurry of seawater, paper, cardboard,
14 and food waste that does not contain more than the
15 minimum amount practicable of plastic, if such slur-
16 ry is discharged not less than 3 nautical miles from
17 the nearest land and is capable of passing through
18 a screen with openings of no greater than 12 milli-
19 meters.

20 “(B) Metal and glass garbage that has been
21 shredded and bagged to ensure negative buoyancy
22 and is discharged not less than 12 nautical miles
23 from the nearest land.

24 “(5) Not later than December 31, 2000, the Sec-
25 retary of the Navy shall publish in the Federal Register—

1 “(A) a list of those surface ships planned to be
2 decommissioned between January 1, 2001, and De-
3 cember 31, 2005; and

4 “(B) standards to ensure, so far as is reason-
5 able and practicable, without impairing the oper-
6 ations or operational capabilities of such ships, that
7 such ships act in a manner consistent with the spe-
8 cial area requirements of Regulation 5 of Annex V
9 to the Convention.”.

10 (b) GOAL TO ACHIEVE FULL COMPLIANCE.—It shall
11 be the goal of the Secretary of the Navy to achieve full
12 compliance with Annex V to the International Convention
13 for the Prevention of Pollution from Ships, 1973, as soon
14 as practicable.

15 **SEC. 325. AUTHORITY TO DEVELOP AND IMPLEMENT LAND**
16 **USE PLANS FOR DEFENSE ENVIRONMENTAL**
17 **RESTORATION PROGRAM.**

18 (a) AUTHORITY.—The Secretary of Defense may, to
19 the extent possible and practical, develop and implement,
20 as part of the Defense Environmental Restoration Pro-
21 gram provided for in chapter 160 of title 10, United
22 States Code, a land use plan for any defense site selected
23 by the Secretary under subsection (b).

24 (b) SELECTION OF SITES.—The Secretary may select
25 up to 10 defense sites, from among sites where the Sec-

1 retary is planning or implementing environmental restora-
2 tion activities, for which land use plans may be developed
3 under this section.

4 (c) REQUIREMENT TO CONSULT WITH REVIEW COM-
5 MITTEE OR ADVISORY BOARD.—In developing a land use
6 plan under this section, the Secretary of Defense shall
7 consult with a technical review committee established pur-
8 suant to section 2705(c) of title 10, United States Code,
9 a restoration advisory board established pursuant to sec-
10 tion 2705(d) of such title, a local land use redevelopment
11 authority, or another appropriate State agency.

12 (d) 50-YEAR PLANNING PERIOD.—A land use plan
13 developed under this section shall cover a period of at least
14 50 years.

15 (e) IMPLEMENTATION.—For each defense site for
16 which the Secretary develops a land use plan under this
17 section, the Secretary shall take into account the land use
18 plan in selecting and implementing, in accordance with ap-
19 plicable law, environmental restoration activities at the
20 site.

21 (f) DEADLINES.—For each defense site for which the
22 Secretary of Defense intends to develop a land use plan
23 under this section, the Secretary shall develop a draft land
24 use plan by October 1, 1997, and a final land use plan
25 by March 15, 1998.

1 (g) DEFINITION OF DEFENSE SITE.—For purposes
2 of this section, the term “defense site” means (A) any
3 building, structure, installation, equipment, pipe or pipe-
4 line (including any pipe into a sewer or publicly owned
5 treatment works), well, pit, pond, lagoon, impoundment,
6 ditch, landfill, storage container, motor vehicle, rolling
7 stock, or aircraft under the jurisdiction of the Department
8 of Defense, or (B) any site or area under the jurisdiction
9 of the Department of Defense where a hazardous sub-
10 stance has been deposited, stored, disposed of, or placed,
11 or otherwise come to be located; but does not include any
12 consumer product in consumer use or any vessel.

13 (h) REPORT.—Not later than December 31, 1998,
14 the Secretary of Defense shall submit to Congress a report
15 on the land use plans developed under this section and
16 the effect such plans have had on environmental restora-
17 tion activities at the defense sites where they have been
18 implemented. The report shall include recommendations
19 on whether such land use plans should be developed and
20 implemented throughout the Department of Defense.

21 (h) SAVINGS PROVISIONS.—(1) Nothing in this sec-
22 tion or in a land use plan developed under this section
23 with respect to a defense site shall be construed as requir-
24 ing any modification to a land use plan that was developed
25 before the date of the enactment of this Act.

1 (2) Nothing in this section may be construed to affect
2 statutory requirements for an environmental restoration
3 or waste management activity or project or to modify or
4 otherwise affect applicable statutory or regulatory environ-
5 mental restoration and waste management requirements,
6 including substantive standards intended to protect public
7 health and the environment, nor shall anything in this sec-
8 tion be construed to preempt or impair any local land use
9 planning or zoning authority or State authority.

10 **SEC. 326. PILOT PROGRAM TO TEST ALTERNATIVE TECH-**
11 **NOLOGIES FOR LIMITING AIR EMISSIONS**
12 **DURING SHIPYARD BLASTING AND COATING**
13 **OPERATIONS.**

14 (a) PILOT PROGRAM.—The Secretary of the Navy
15 shall establish a pilot program to test an alternative tech-
16 nology designed to capture and destroy or remove particu-
17 late emissions and volatile air pollutants that occur during
18 abrasive blasting and coating operations at naval ship-
19 yards. In conducting the test, the Secretary shall seek to
20 demonstrate whether the technology is valid, cost effective,
21 and in compliance with environmental laws and regula-
22 tions.

23 (b) REPORT.—Upon completion of the test conducted
24 under the pilot program, the Secretary of the Navy shall
25 submit to the Committee on Armed Services of the Senate

1 and the Committee on National Security of the House of
2 Representatives a report setting forth in detail the results
3 of the test. The report shall include recommendations on
4 whether the alternative technology merits implementation
5 at naval shipyards and such other recommendations as the
6 Secretary considers appropriate.

7 **SEC. 327. NAVY PROGRAM TO MONITOR ECOLOGICAL EF-**
8 **FECTS OF ORGANOTIN.**

9 (a) **MONITORING REQUIREMENT.**—The Secretary of
10 the Navy shall, in consultation with the Administrator of
11 the Environmental Protection Agency, develop and imple-
12 ment a program to monitor the concentrations of
13 organotin in the water column, sediments, and aquatic or-
14 ganisms of representative estuaries and near-coastal wa-
15 ters in the United States, as described in section 7(a) of
16 the Organotin Antifouling Paint Control Act of 1988 (33
17 U.S.C. 2406(a)). The program shall be designed to
18 produce high-quality data to enable the Environmental
19 Protection Agency to develop water quality criteria con-
20 cerning organotin compounds.

21 (b) **REPORT.**—Not later than June 1, 1997, the Sec-
22 retary of the Navy shall submit to Congress a report con-
23 taining the following:

24 (1) A description of the monitoring program de-
25 veloped pursuant to subsection (a).

1 (2) An analysis of the results of the monitoring
2 program as of the date of the submission of the re-
3 port.

4 (3) Information about the progress of Navy
5 programs, referred to in section 7(e) of Organotin
6 Antifouling Paint Control Act of 1988 (33 U.S.C.
7 2406(e)), for evaluating the laboratory toxicity and
8 environmental risks associated with the use of
9 antifouling paints containing organotin.

10 (4) An assessment, developed in consultation
11 with the Administrator of the Environmental Protec-
12 tion Agency, of the effectiveness of existing laws and
13 rules concerning organotin compounds in ensuring
14 protection of human health and the environment.

15 (c) SENSE OF CONGRESS.—It is the sense of Con-
16 gress that the Administrator of the Environmental Protec-
17 tion Agency, in consultation with the Secretary of the
18 Navy, should develop, for purposes of the national pollut-
19 ant discharge elimination system, a model permit for the
20 discharge of organotin compounds at shipbuilding and
21 ship repair facilities. For purposes of this subsection, the
22 term “organotin” has the meaning provided in section 3
23 of the Organotin Antifouling Paint Control Act of 1988
24 (33 U.S.C. 2402).

1 **SEC. 328. AGREEMENTS FOR SERVICES OF OTHER AGEN-**
2 **CIES IN SUPPORT OF ENVIRONMENTAL**
3 **TECHNOLOGY DEMONSTRATION AND VALIDA-**
4 **TION.**

5 (a) **AUTHORITY.**—The Secretary of Defense may
6 enter into a cooperative agreement with an agency of a
7 State or local government to obtain assistance in dem-
8 onstrating, validating, and certifying environmental tech-
9 nologies.

10 (b) **TYPES OF ASSISTANCE.**— The types of assistance
11 that may be obtained under subsection (a) include the fol-
12 lowing:

13 (1) Data collection and analysis.

14 (2) Technical assistance in conducting a dem-
15 onstration of an environmental technology, including
16 the implementation of quality assurance and quality
17 control programs.

18 (c) **SERVICE CHARGES.**—The cooperative agreement
19 may provide for the payment by the Secretary of service
20 charges to the agency if the charges are reasonable, non-
21 discriminatory, and do not exceed the actual or estimated
22 cost to the agency of providing the service.

1 **Subtitle D—Civilian Employees**
2 **and Nonappropriated Fund In-**
3 **strumentality Employees**

4 **SEC. 331. REPEAL OF PROHIBITION ON PAYMENT OF LODG-**
5 **ING EXPENSES WHEN ADEQUATE GOVERN-**
6 **MENT QUARTERS ARE AVAILABLE.**

7 (a) REPEAL.—Section 1589 of title 10, United States
8 Code, is repealed.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 at the beginning of chapter 81 of such title is amended
11 by striking out the item relating to section 1589.

12 **SEC. 332. VOLUNTARY SEPARATION INCENTIVE PAY MODI-**
13 **FICATION.**

14 (a) IN GENERAL.—Section 5597(g) of title 5, United
15 States Code, is amended by adding at the end the follow-
16 ing new paragraph:

17 “(5) If the employment is without compensation, the
18 appointing official may waive the repayment.”.

19 (b) APPLICABILITY.—The amendment made by sub-
20 section (a) shall apply with respect to employment accept-
21 ed on or after the date of the enactment of this Act.

22 **SEC. 333. WAGE-BOARD COMPENSATORY TIME OFF.**

23 (a) IN GENERAL.—Section 5543 of title 5, United
24 States Code, 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) The head of an agency may, on request of an
6 employee, grant the employee compensatory time off from
7 his scheduled tour of duty instead of payment under sec-
8 tion 5544 or section 7 of the Fair Labor Standards Act
9 of 1938 for an equal amount of time spent in irregular
10 or occasional overtime work.”.

11 (b) CONFORMING AMENDMENT.—Section 5544(c) of
12 title 5, United States Code, is amended by inserting “and
13 the provisions of section 5543(b)” before “shall apply”.

14 **SEC. 334. SIMPLIFICATION OF RULES RELATING TO THE**
15 **OBSERVANCE OF CERTAIN HOLIDAYS.**

16 Section 6103 of title 5, United States Code, is
17 amended by adding at the end the following new sub-
18 section:

19 “(d)(1) For purposes of this subsection—

20 “(A) the term ‘compressed schedule’ has the
21 meaning given such term by section 6121(5); and

22 “(B) the term ‘adverse agency impact’ has the
23 meaning given such term by section 6131(b).

24 “(2) An agency may prescribe rules under which em-
25 ployees on a compressed schedule may, in the case of a

1 holiday that occurs on a regularly scheduled non-workday
2 for such employees, and notwithstanding any other provi-
3 sion of law or the terms of any collective bargaining agree-
4 ment, be required to observe such holiday on a workday
5 other than as provided by subsection (b), if the agency
6 head determines that it is necessary to do so in order to
7 prevent an adverse agency impact.”.

8 **SEC. 335. PHASED RETIREMENT.**

9 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
10 8344 of title 5, United States Code, is amended by adding
11 at the end the following new subsection:

12 “(m)(1) In order to promote the retention of employ-
13 ees having knowledge, skills, or expertise needed by the
14 Department of Defense, in a manner consistent with ongo-
15 ing downsizing efforts, the Secretary of Defense or his
16 designee may waive the application of subsection (a), with
17 respect to reemployed annuitants of the Department of
18 Defense, under this subsection.

19 “(2) A waiver under this subsection—

20 “(A) may not be granted except upon appro-
21 priate written application submitted and approved
22 not later than the date of separation on which enti-
23 tlement to annuity is based;

24 “(B) shall be contingent on the reemployment
25 commencing within such time as the Secretary or his

1 designee may require, may remain in effect for a pe-
2 riod of not to exceed 2 years, and shall not be re-
3 newable; and

4 “(C) may be granted and thereafter remain in
5 effect only if, with respect to the position in which
6 reemployed, the number of regularly scheduled hours
7 in each week or other period is at least $\frac{1}{2}$ but not
8 more than $\frac{3}{4}$ those last in effect for the individual
9 before the separation referred to in subparagraph
10 (A).

11 “(3)(A) In no event shall the sum of the rate of basic
12 pay for, plus annuity allocable to, any period of service
13 as a reemployed annuitant under this subsection exceed
14 the rate of basic pay that would then be in effect for serv-
15 ice performed during such period if separation had not oc-
16 curred.

17 “(B) If the limitation under subparagraph (A) would
18 otherwise be exceeded, an amount equal to the excess shall
19 be deducted from basic pay for the period involved (but
20 not to exceed total basic pay for such period), and any
21 amount so deducted shall be deposited in the Treasury of
22 the United States to the credit of the Fund.

23 “(4) The number of reemployed annuitants under
24 this subsection at any given time may not, when taken

1 together with the then current number under section
2 8468(j), exceed a total of 50.

3 “(5) All waivers under this subsection shall cease to
4 be effective after September 30, 2001.”.

5 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—
6 Section 8468 of title 5, United States Code, is amended
7 by adding at the end the following new subsection:

8 “(j)(1) In order to promote the retention of employ-
9 ees having knowledge, skills, or expertise needed by the
10 Department of Defense, in a manner consistent with ongo-
11 ing downsizing efforts, the Secretary of Defense or his
12 designee may waive the application of subsections (a) and
13 (b), with respect to reemployed annuitants of the Depart-
14 ment of Defense, under this subsection.

15 “(2) A waiver under this subsection—

16 “(A) may not be granted except upon appro-
17 priate written application submitted and approved
18 not later than the date of separation on which enti-
19 tlement to annuity is based;

20 “(B) shall be contingent on the reemployment
21 commencing within such time as the Secretary or his
22 designee may require, may remain in effect for a pe-
23 riod of not to exceed 2 years, and shall not be re-
24 newable; and

1 “(C) may be granted and thereafter remain in
2 effect only if, with respect to the position in which
3 reemployed, the number of regularly scheduled hours
4 in each week or other period is at least $\frac{1}{2}$ but not
5 more than $\frac{3}{4}$ those last in effect for the individual
6 before the separation referred to in subparagraph
7 (A).

8 “(3)(A) In no event shall the sum of the rate of basic
9 pay for, plus annuity allocable to, any period of service
10 as a reemployed annuitant under this subsection exceed
11 the rate of basic pay that would then be in effect for serv-
12 ice performed during such period if separation had not oc-
13 curred.

14 “(B) If the limitation under subparagraph (A) would
15 otherwise be exceeded, an amount equal to the excess shall
16 be deducted from basic pay for the period involved (but
17 not to exceed total basic pay for such period), and any
18 amount so deducted shall be deposited in the Treasury of
19 the United States to the credit of the Fund.

20 “(4) The number of reemployed annuitants under
21 this subsection at any given time may not, when taken
22 together with the then current number under section
23 8344(m), exceed a total of 50.

24 “(5) All waivers under this subsection shall cease to
25 be effective after September 30, 2001.”.

1 (c) REPORTING REQUIREMENT.—Not later than De-
2 cember 31, 2000, the Secretary of Defense shall submit
3 to each House of Congress and the Office of Personnel
4 Management a written report on the operation of sections
5 8344(m) and 8468(j) of title 5, United States Code, as
6 amended by this section. Such report shall include—

7 (1) recommendations as to whether or not those
8 provisions of law should be continued beyond Sep-
9 tember 30, 2001, and, if so, under what conditions
10 or constraints; and

11 (2) any other information which the Secretary
12 of Defense may consider appropriate.

13 **SEC. 336. MODIFICATION OF AUTHORITY FOR CIVILIAN EM-**
14 **PLOYEES OF DEPARTMENT OF DEFENSE TO**
15 **PARTICIPATE VOLUNTARILY IN REDUCTIONS**
16 **IN FORCE.**

17 Section 3502(f) of title 5, United States Code, is
18 amended to read as follows:

19 “(f)(1) The Secretary of Defense or the Secretary of
20 a military department may—

21 “(A) separate from service any employee who
22 volunteers to be separated under this subparagraph
23 even though the employee is not otherwise subject to
24 separation due to a reduction in force; and

1 “(B) for each employee voluntarily separated
2 under subparagraph (A), retain an employee in a
3 similar position who would otherwise be separated
4 due to a reduction in force.

5 “(2) The separation of an employee under paragraph
6 (1)(A) shall be treated as an involuntary separation due
7 to a reduction in force.

8 “(3) An employee with critical knowledge and skills
9 (as defined by the Secretary concerned) may not partici-
10 pate in a voluntary separation under paragraph (1)(A) if
11 the Secretary concerned determines that such participa-
12 tion would impair the performance of the mission of the
13 Department of Defense or the military department con-
14 cerned.

15 “(4) The regulations prescribed under this section
16 shall incorporate the authority provided in this subsection.

17 “(5) No authority under paragraph (1) may be exer-
18 cised after September 30, 2001.”.

1 **Subtitle E—Commissaries and Non-**
2 **appropriated Fund Instrumen-**
3 **talities**

4 **SEC. 341. CONTRACTS WITH OTHER AGENCIES AND IN-**
5 **STRUMENTALITIES FOR GOODS AND SERV-**
6 **ICES.**

7 (a) CONTRACTS TO PROMOTE EFFICIENT OPER-
8 ATION AND MANAGEMENT.—Chapter 147 of title 10,
9 United States Code, is amended by adding at the end the
10 following new section:

11 **“§ 2490b. Contracts with other agencies and instru-**
12 **mentalities for goods and services**

13 “An agency or instrumentality of the Department of
14 Defense that supports the operation of the exchange or
15 morale, welfare, and recreation systems of the Department
16 of Defense may enter into a contract or other agreement
17 with another department, agency, or instrumentality of
18 the Department of Defense or another Federal agency to
19 provide goods and services beneficial to the efficient man-
20 agement and operation of the exchange or morale, welfare,
21 and recreation systems.”.

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

“2490b. Contracts with other agencies and instrumentalities for goods and serv-
ices.”.

1 **SEC. 342. NONCOMPETITIVE PROCUREMENT OF BRAND-**
2 **NAME COMMERCIAL ITEMS FOR RESALE IN**
3 **COMMISSARY STORES.**

4 (a) CLARIFICATION OF EXCEPTION TO COMPETITIVE
5 PROCUREMENT.—Section 2486 of title 10, United States
6 Code, is amended by adding at the end the following new
7 subsection:

8 “(e) The Secretary of Defense may not use the excep-
9 tion provided in section 2304(c)(5) of this title regarding
10 the procurement of a brand-name commercial item for re-
11 sale in commissary stores unless the commercial item is
12 regularly sold outside of commissary stores under the
13 same brand name as the name by which the commercial
14 item will be sold in commissary stores.”.

15 (b) EFFECT ON EXISTING CONTRACTS.—The amend-
16 ment made by subsection (a) shall not affect the terms,
17 conditions, or duration of any contract entered into by the
18 Secretary of Defense before the date of the enactment of
19 this Act for the procurement of commercial items for re-
20 sale in commissary stores.

21 **SEC. 343. PROHIBITION OF SALE OR RENTAL OF SEXUALLY**
22 **EXPLICIT MATERIAL.**

23 (a) IN GENERAL—(1) Chapter 147 of title 10, United
24 States Code, is amended by adding after section 2490b,
25 as added by section 341, the following new section:

1 **“§ 2490c. Sale or rental of sexually explicit material**
2 **prohibited**

3 “(a) PROHIBITION OF SALE OR RENTAL.—The Sec-
4 retary of Defense may not permit the sale or rental of
5 sexually explicit written or videotaped material on prop-
6 erty under the jurisdiction of the Department of Defense.

7 “(b) PROHIBITION OF OFFICIALLY PROVIDED SEXU-
8 ALLY EXPLICIT MATERIAL.—A member of the armed
9 forces or a civilian officer or employee of the Department
10 of Defense acting in an official capacity for sale, remu-
11 nation, or rental may not provide sexually explicit mate-
12 rial to another person.

13 “(c) REGULATIONS.—The Secretary of Defense shall
14 prescribe regulations to implement this section.

15 “(d) DEFINITIONS.—In this section:

16 “(1) The term ‘sexually explicit material’ means
17 an audio recording, a film or video recording, or a
18 periodical with visual depictions, produced in any
19 medium, the dominant theme of which depicts or de-
20 scribes nudity, including sexual or excretory activi-
21 ties or organs, in a lascivious way.

22 “(2) The term ‘property under the jurisdiction
23 of the Department of Defense’ includes com-
24 missaries, all facilities operated by the Army and Air
25 Force Exchange Service, the Navy Exchange Service

1 Command, the Navy Resale and Services Support
2 Office, Marine Corps exchanges, and ship stores.”.

3 (2) The table of sections at the beginning of such
4 chapter is amended by adding after the item relating to
5 section 2490b, as added by section 341, the following new
6 item:

“2490c. Sale or rental of sexually explicit material prohibited.”.

7 (b) EFFECTIVE DATE.—Subsection (a) of section
8 2490c of title 10, United States Code, as added by sub-
9 section (a) of this section, shall take effect 90 days after
10 the date of the enactment of this Act.

11 **Subtitle F—Performance of Func-** 12 **tions by Private-Sector Sources**

13 **SEC. 351. EXTENSION OF REQUIREMENT FOR COMPETITIVE** 14 **PROCUREMENT OF PRINTING AND DUPLICA-** 15 **TION SERVICES.**

16 (a) EXTENSION.—Section 351(a) of the National De-
17 fense Authorization Act for Fiscal Year 1996 (Public Law
18 104–106; 110 Stat. 266) is amended by striking out “fis-
19 cal year 1996” and inserting in lieu thereof “fiscal years
20 1996 and 1997”.

21 (b) REPORTING REQUIREMENTS.—Such section is
22 further amended by adding at the end the following new
23 subsection:

24 “(c) REPORTING REQUIREMENTS.—(1) Not later
25 than 90 days after the end of each fiscal year in which

1 the requirement of subsection (a) applies, the Secretary
2 of Defense shall submit to Congress a report—

3 “(A) describing the extent of the compliance of
4 the Secretary with the requirement during that fiscal
5 year;

6 “(B) specifying the total volume of printing and
7 duplication services procured by Department of De-
8 fense during that fiscal year—

9 “(i) from sources within the Department of
10 Defense;

11 “(ii) from private-sector sources; and

12 “(iii) from other sources in the Federal
13 Government; and

14 “(C) specifying the total volume of printed and
15 duplicated material during that fiscal year covered
16 by the exception in subsection (b).

17 “(2) The report required for fiscal year 1996 shall
18 also include the plans of the Secretary for further imple-
19 mentation of the requirement of subsection (a) during fis-
20 cal year 1997.”.

1 **SEC. 352. REQUIREMENT REGARDING USE OF PRIVATE**
2 **SHIPYARDS FOR COMPLEX NAVAL SHIP RE-**
3 **PAIR CONTRACTS.**

4 (a) IN GENERAL.—(1) Chapter 633 of title 10, Unit-
5 ed States Code, is amended by adding at the end the fol-
6 lowing new section:

7 **“§ 7315. Use of private shipyards for complex ship re-**
8 **pair work: limitation to certain shipyards**

9 “(a) LIMITATION ON REPAIR LOCATIONS.—When-
10 ever a naval vessel (other than a submarine) is to undergo
11 complex ship repairs and the Secretary of the Navy deter-
12 mines that a private shipyard contractor is to be used for
13 the work required, such work—

14 “(1) may be performed only by a qualifying
15 shipyard contractor; and

16 “(2) shall be performed at the shipyard facility
17 of the contractor selected unless the Secretary deter-
18 mines that the work should be conducted elsewhere
19 in the interest of national security.

20 “(b) QUALIFYING SHIPYARD CONTRACTOR.—For the
21 purposes of this section, a qualifying shipyard contractor,
22 with respect to the award of any contract for ship repair
23 work, is a private shipyard that—

24 “(1) is capable of performing the repair and
25 overhaul of ships with a displacement of 800 tons or
26 more;

1 “(2) performs at least 55 percent of repairs
2 with its own facilities and work force;

3 “(3) possesses or has access to a dry-dock and
4 a pier with the capability to berth a ship with a dis-
5 placement of 800 tons or more; and

6 “(4) has all the facilities and organizational ele-
7 ments needed for the repair of a ship with a dis-
8 placement of 800 tons or more.

9 “(c) COMPLEX SHIP REPAIRS.—In this section, the
10 term ‘complex ship repairs’ means repairs to a vessel per-
11 formed at a shipyard that are estimated (before work on
12 the repairs by a shipyard begins) to require expenditure
13 of \$750,000 or more.

14 “(d) EXCEPTION REGARDING PACIFIC COAST.—This
15 section shall not apply in the case of complex ship repairs
16 to be performed at a shipyard facility located on the Pa-
17 cific Coast of the United States.”.

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:

 “7315. Use of private shipyards for complex ship repair work: limitation to cer-
 tain shipyards.”.

21 (b) EFFECTIVE DATE.—Section 7315 of title 10,
22 United States Code, as added by subsection (a), shall
23 apply with respect to contracts for complex ship repairs

1 that are awarded after the date of the enactment of this
2 Act.

3 **Subtitle G—Other Matters**

4 **SEC. 360. TERMINATION OF DEFENSE BUSINESS OPER-** 5 **ATIONS FUND AND PREPARATION OF PLAN** 6 **REGARDING IMPROVED OPERATION OF** 7 **WORKING-CAPITAL FUNDS.**

8 (a) REPEAL OF DEFENSE BUSINESS OPERATIONS
9 FUND.—(1) Section 2216 of title 10, United States Code,
10 as added by section 371(a) of the National Defense Au-
11 thorization Act for Fiscal Year 1996 (Public Law 104–
12 106; 110 Stat. 277), is repealed.

13 (2) The table of sections at the beginning of chapter
14 131 of title 10, United States Code, is amended by strik-
15 ing out the item relating to such section.

16 (3) The amendments made by this subsection shall
17 take effect on October 1, 1998.

18 (b) PLAN FOR IMPROVED OPERATION OF WORKING-
19 CAPITAL FUNDS.—Not later than September 30, 1997,
20 the Secretary of Defense shall submit to Congress a plan
21 to improve the management and performance of the indus-
22 trial, commercial, and support type activities of the mili-
23 tary departments or the Defense Agencies that are cur-
24 rently managed through the Defense Business Operations
25 Fund.

1 (c) ELEMENTS OF PLAN.—The plan required by sub-
2 section (b) shall address the following issues:

3 (1) The ability of each military department to
4 set working capital requirements and set charges at
5 its own industrial and supply activities.

6 (2) The desirability of separate business ac-
7 counts for the management of both industrial and
8 supply activities for each military department.

9 (3) Liability for operating losses at industrial
10 and supply activities.

11 (4) Reimbursement to the Department of De-
12 fense for each military department's fair share of
13 the costs of legitimate common business support
14 services provided by the Department of Defense
15 (such as accounting and financial services and
16 central logistics services).

17 (5) The role of the Department of Defense in
18 setting charges or imposing surcharges for activities
19 managed by the military department business ac-
20 counts (except for the common business support
21 costs described in paragraph (4)), and what such
22 charges should properly reflect.

23 (6) The appropriate use of operating profits
24 arising from the operations of the industrial and
25 supply activities of a military department.

1 (7) The ability of military departments to pur-
2 chase industrial and supply services from, and pro-
3 vide such services to, other military departments.

4 (8) Standardization of financial management
5 and accounting practices employed by military de-
6 partment business accounts.

7 (9) Reporting requirements related to actual
8 and projected performance of military department
9 business management account activities.

10 **SEC. 361. INCREASE IN CAPITAL ASSET THRESHOLD UNDER**
11 **DEFENSE BUSINESS OPERATIONS FUND.**

12 Section 2216 of title 10, United States Code, as
13 added by section 371(a) of the National Defense Author-
14 ization Act for Fiscal Year 1996 (Public Law 104–106;
15 110 Stat. 227), is amended in subsection (i)(1) by striking
16 out “\$50,000” and inserting in lieu thereof “\$100,000”.

17 **SEC. 362. TRANSFER OF EXCESS PERSONAL PROPERTY TO**
18 **SUPPORT LAW ENFORCEMENT ACTIVITIES.**

19 (a) TRANSFER AUTHORITY.—(1) Chapter 153 of title
20 10, United States Code, is amended by inserting after sec-
21 tion 2576 the following new section:

22 **“§ 2576a. Excess personal property: sale or donation**
23 **for law enforcement activities**

24 “(a) TRANSFER AUTHORIZED.—(1) Notwithstanding
25 any other provision of law and subject to subsection (b),

1 the Secretary of Defense may transfer to Federal and
2 State agencies personal property of the Department of De-
3 fense, including small arms and ammunition, that the Sec-
4 retary determines is—

5 “(A) suitable for use by the agencies in law en-
6 forcement activities, including counter-drug activi-
7 ties; and

8 “(B) excess to the needs of the Department of
9 Defense.

10 “(2) The Secretary shall carry out this section in con-
11 sultation with the Attorney General and the Director of
12 National Drug Control Policy.

13 “(b) CONDITIONS FOR TRANSFER.—The Secretary
14 may transfer personal property under this section only
15 if—

16 “(1) the property is drawn from existing stocks
17 of the Department of Defense; and

18 “(2) the transfer is made without the expendi-
19 ture of any funds available to the Department of
20 Defense for the procurement of defense equipment.

21 “(c) CONSIDERATION.—Personal property may be
22 transferred under this section without cost to the recipient
23 agency.

24 “(d) PREFERENCE FOR CERTAIN TRANSFERS.—In
25 considering applications for the transfer of personal prop-

erty under this section, the Secretary shall give a preference to those applications indicating that the transferred property will be used in the counter-drug activities of the recipient agency.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2576 the following new item:

“2576a. Excess personal property: sale or donation for law enforcement activities.”.

(b) CONFORMING AMENDMENTS.—(1) Section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 10 U.S.C. 372 note) is repealed.

(2) Section 1005 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1630) is amended by striking out “section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (10 U.S.C. 372 note) and section 372” and inserting in lieu thereof “sections 372 and 2576a”.

SEC. 363. STORAGE OF MOTOR VEHICLE IN LIEU OF TRANSPORTATION.

(a) STORAGE AUTHORIZED.—(1) Section 2634 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(g)(1) In lieu of transportation authorized by this section, if a member is ordered to make a change of per-

1 manent station to a foreign country and the laws, regula-
2 tions, or other restrictions imposed by the foreign country
3 or the United States preclude entry of a motor vehicle de-
4 scribed in subsection (a) into that country, or would re-
5 quire extensive modification of the vehicle as a condition
6 to entry, the member may elect to have the vehicle stored
7 at the expense of the United States at a location approved
8 by the Secretary concerned.

9 “(2) If a member is transferred or assigned to duty
10 at a location other than the permanent station of the
11 member for a period of more than 30 consecutive days,
12 but the transfer or assignment is not considered a change
13 of permanent station, the member may elect to have a
14 motor vehicle described in subsection (a) stored at the ex-
15 pense of the United States at a location approved by the
16 Secretary concerned.

17 “(3) Authorized expenses under this subsection in-
18 clude costs associated with the delivery of the motor vehi-
19 cle for storage and removal of the vehicle for delivery to
20 a destination approved by the Secretary concerned.”.

21 (2)(A) The heading of such section is amended to
22 read as follows:

1 **“§ 2634. Motor vehicles: transportation or storage for**
2 **members on change of permanent station**
3 **or extended deployment”.**

4 (B) The item relating to such section in the table of
5 sections at the beginning of chapter 157 of title 10, United
6 States Code, is amended to read as follows:

“2634. Motor vehicles: transportation or storage for members on change of per-
manent station or extended deployment.”.

7 (b) CONFORMING AMENDMENT.—Section 406(h)(1)
8 of title 37, United States Code, is amended by striking
9 out subparagraph (B) and inserting in lieu thereof the fol-
10 lowing new subparagraph:

11 “(B) in the case of a member described in para-
12 graph (2)(A), authorize the transportation of one
13 motor vehicle, which is owned or leased by the mem-
14 ber (or a dependent of the member) and is for the
15 personal use of a dependent of the member, to that
16 location by means of transportation authorized
17 under section 2634 of title 10 or authorize the stor-
18 age of the motor vehicle pursuant to subsection (g)
19 of such section.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on July 1, 1997.

1 **SEC. 364. CONTROL OF TRANSPORTATION SYSTEMS IN**
2 **TIME OF WAR.**

3 (a) RESPONSIBILITY OF SECRETARY OF DEFENSE.—
4 Chapter 157 of title 10, United States Code is amended
5 by adding at the end the following new section:

6 **“§ 2644. Control of transportation systems in time of**
7 **war**

8 “In time of war, the President, acting through the
9 Secretary of Defense, may take possession and assume
10 control of all or any part of a system of transportation
11 to transport troops, war material, and equipment, or for
12 other purposes related to the emergency. So far as nec-
13 essary, the Secretary may use the transportation system
14 to the exclusion of other traffic.”.

15 (b) CONFORMING REPEALS.—Sections 4742 and
16 9742 of title 10, United States Code are repealed.

17 (c) CLERICAL AMENDMENTS.—(1) The table of sec-
18 tions at the beginning of chapter 447 of such title is
19 amended by striking out the item relating to section 4742.

20 (2) The table of sections at the beginning of chapter
21 947 of such title is amended by striking out the item relat-
22 ing to section 9742.

23 (3) The table of sections at the beginning of chapter
24 157 of such title 10 is amended by inserting after the item
25 relating to section 2643 the following new item:

“2644. Control of transportation systems in time of war.”.

1 **SEC. 365. SECURITY PROTECTIONS AT DEPARTMENT OF DE-**
2 **FENSE FACILITIES IN NATIONAL CAPITAL RE-**
3 **GION.**

4 (a) EXPANSION OF AUTHORITY.—Subsection (b) of
5 section 2674 of title 10, United States Code, is amended
6 by striking out “at the Pentagon Reservation” and insert-
7 ing in lieu thereof “in the National Capital Region”.

8 (b) CLERICAL AMENDMENT.—(1) The heading of
9 such section is amended to read as follows:

10 **“§ 2674. Operation and control of Pentagon Reserva-**
11 **tion and defense facilities in National**
12 **Capital Region”.**

13 (2) The item relating to such section in the table of
14 sections at the beginning of chapter 159 of such title is
15 amended to read as follows:

“2674. Operation and control of Pentagon Reservation and defense facilities in
National Capital Region.”.

16 **SEC. 366. MODIFICATIONS TO ARMED FORCES RETIRE-**
17 **MENT HOME ACT OF 1991.**

18 (a) TERM OF OFFICE.—Section 1515 of the Armed
19 Forces Retirement Home Act of 1991 (24 U.S.C. 415)
20 is amended—

21 (1) in subsection (e), by adding at the end the
22 following:

23 “(3) The chairman of the Retirement Home Board
24 may appoint a member of the Retirement Home Board

1 for a second consecutive term. The chairman of a Local
2 Board may appoint a member of that Local Board for a
3 second consecutive term.”; and

4 (2) by striking out subsection (f) and inserting
5 in lieu thereof the following:

6 “(f) EARLY EXPIRATION OF TERM.—A member of
7 the Armed Forces or Federal civilian employee who is ap-
8 pointed as a member of the Retirement Home Board or
9 a Local Board may serve as a board member only so long
10 as the member of the Armed Forces or Federal civilian
11 employee is assigned to or serving in the duty position that
12 gave rise to the appointment as a board member.”.

13 (b) DISPOSAL OF REAL PROPERTY.—Section
14 1516(d) of such Act (24 U.S.C. 416(d)) is amended by
15 striking out “(d)” and all that follows through the end
16 of paragraph (1) and inserting in lieu thereof the follow-
17 ing:

18 “(d) DISPOSAL OF REAL PROPERTY.—(1) The Re-
19 tirement Home Board may dispose of real property of the
20 Retirement Home by sale or otherwise, except that the dis-
21 posal may not occur until after the end of a period of 30
22 legislative days or 60 calendar days, whichever is longer,
23 beginning on the date on which the Retirement Home
24 Board notifies the Committee on Armed Services of the
25 Senate and the Committee on National Security of the

1 House of Representatives of the proposed disposal. The
2 Federal Property and Administrative Services Act of 1949
3 (40 U.S.C. 471 et seq.), section 501 of the Stewart B.
4 McKinney Homeless Assistance Act (42 U.S.C. 11411),
5 and any other provision of law or regulation relating to
6 the handling or disposal of real property by the United
7 States shall not apply to the disposal of real property by
8 the Retirement Home Board.”.

9 (c) ANNUAL EVALUATION OF DIRECTORS.—Section
10 1517 of such Act (24 U.S.C. 417) is amended by striking
11 out subsection (f) and inserting in lieu thereof the follow-
12 ing:

13 “(f) ANNUAL EVALUATION OF DIRECTORS.—The
14 chairman of the Retirement Home Board shall annually
15 evaluate the performance of the Directors and shall make
16 such recommendations to the Secretary of Defense as the
17 chairman considers appropriate in light of the evalua-
18 tion.”.

19 (d) EFFECT OF AMENDMENT.—The amendment
20 made by subsection (a)(2) shall not affect the staggered
21 terms of members of the Armed Forces Retirement Home
22 Board or a Local Board of the Retirement Home under
23 section 1515(f) of such Act, as in effect before the date
24 of the enactment of this Act.

1 **SEC. 367. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
2 **THAT BENEFIT DEPENDENTS OF MEMBERS**
3 **OF THE ARMED FORCES AND DEPARTMENT**
4 **OF DEFENSE CIVILIAN EMPLOYEES.**

5 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
6 PROGRAM FOR FISCAL YEAR 1997.—Of the amounts au-
7 thorized to be appropriated in section 301(5)—

8 (1) \$50,000,000 shall be available for providing
9 educational agencies assistance (as defined in sub-
10 section (d)(1)) to local educational agencies; and

11 (2) \$8,000,000 shall be available for making
12 educational agencies payments (as defined in sub-
13 section (d)(2)) to local educational agencies.

14 (b) NOTIFICATION.—Not later than June 30, 1997,
15 the Secretary of Defense shall—

16 (1) notify each local educational agency that is
17 eligible for educational agencies assistance for fiscal
18 year 1997 of that agency's eligibility for such assist-
19 ance and the amount of such assistance for which
20 that agency is eligible; and

21 (2) notify each local educational agency that is
22 eligible for an educational agencies payment for fis-
23 cal year 1997 of that agency's eligibility for such
24 payment and the amount of the payment for which
25 that agency is eligible.

1 (c) DISBURSEMENT OF FUNDS.—The Secretary of
2 Defense shall disburse funds made available under para-
3 graphs (1) and (2) of subsection (a) not later than 30
4 days after the date on which notification to the eligible
5 local educational agencies is provided pursuant to sub-
6 section (b).

7 (d) DEFINITIONS.—In this section:

8 (1) The term “educational agencies assistance”
9 means assistance authorized under section 386(b) of
10 the National Defense Authorization Act for Fiscal
11 Year 1993 (Public Law 102–484; 20 U.S.C. 7703
12 note).

13 (2) The term “educational agencies payments”
14 means payments authorized under section 386(d) of
15 the National Defense Authorization Act for Fiscal
16 Year 1993 (Public Law 102–484; 20 U.S.C. 7703
17 note).

18 (3) The term “local educational agency” has
19 the meaning given that term in section 8013(9) of
20 the Elementary and Secondary Education Act of
21 1965 (20 U.S.C. 7713(9)).

1 **SEC. 368. RETENTION OF CIVILIAN EMPLOYEE POSITIONS**
2 **AT MILITARY TRAINING BASES TRANS-**
3 **FERRED TO NATIONAL GUARD.**

4 (a) **MILITARY TRAINING INSTALLATIONS AF-**
5 **FECTED.**—This section applies with respect to each mili-
6 tary training installation that—

7 (1) was approved for closure in 1995 under the
8 Defense Base Closure and Realignment Act of 1990
9 (part A of title XXIX of Public Law 101–510; 10
10 U.S.C. 2687 note);

11 (2) is scheduled for transfer during fiscal year
12 1997 to National Guard operation and control; and

13 (3) will continue to be used, after such transfer,
14 to provide training support to active and reserve
15 components of the Armed Forces.

16 (b) **RETENTION OF EMPLOYEE POSITIONS.**—In the
17 case of a military training installation described in sub-
18 section (a), the Secretary of Defense shall retain civilian
19 employee positions of the Department of Defense at the
20 installation after transfer to the National Guard to facili-
21 tate active and reserve component training at the installa-
22 tion.

23 (c) **MAXIMUM POSITIONS RETAINED.**—The maxi-
24 mum number of civilian employee positions retained at an
25 installation under this section shall not exceed 20 percent

1 of the Federal civilian workforce employed at the installa-
2 tion as of September 8, 1995.

3 (d) REMOVAL OF POSITION.—The requirement to
4 maintain a civilian employee position at an installation
5 under this section shall terminate upon the later of the
6 following:

7 (1) The date of the departure or retirement of
8 the civilian employee initially employed or retained
9 in a civilian employee position at the installation as
10 a result of this section.

11 (2) The date on which the Secretary certifies to
12 Congress that a civilian employee position at the in-
13 stallation is no longer required to ensure that effec-
14 tive support is provided at the installation for active
15 and reserve component training.

16 **SEC. 369. EXPANSION OF AUTHORITY TO DONATE UNUS-**
17 **ABLE FOOD.**

18 (a) AUTHORITY FOR DONATIONS FROM DEFENSE
19 AGENCIES.—Section 2485 of title 10, United States Code,
20 is amended by striking out “Secretary of a military de-
21 partment” in subsections (a) and (b) and inserting in lieu
22 thereof “Secretary of Defense”.

23 (b) EXPANSION OF ELIGIBLE RECIPIENTS.—Such
24 section is further amended—

1 (1) in subsection (a), by striking out “author-
2 ized charitable nonprofit food banks” and inserting
3 in lieu thereof “entities specified under subsection
4 (d)”; and

5 (2) in subsection (d), by striking out “may only
6 be made” and all that follows and inserting in lieu
7 thereof the following: “may only be made to an en-
8 tity that is one of the following:

9 “(1) A charitable nonprofit food bank that is
10 designated by the Secretary of Defense or the Sec-
11 retary of Health and Human Services as authorized
12 to receive such donations.

13 “(2) A State or local agency that is designated
14 by the Secretary of Defense or the Secretary of
15 Health and Human Services as authorized to receive
16 such donations.

17 “(3) A chapter or other local unit of a recog-
18 nized national veterans organization that provides
19 services to persons without adequate shelter and is
20 designated by the Secretary of Veterans Affairs as
21 authorized to receive such donations.

22 “(4) A not-for-profit organization that provides
23 care for homeless veterans and is designated by the
24 Secretary of Veterans Affairs as authorized to re-
25 ceive such donations.”.

1 (c) CLARIFICATION OF FOOD THAT MAY BE DO-
2 NATED.—Subsection (b) of such section is further amend-
3 ed by inserting “rations known as humanitarian daily ra-
4 tions (HDRs),” after “(MREs),”.

5 **TITLE IV—MILITARY**
6 **PERSONNEL AUTHORIZATIONS**
7 **Subtitle A—Active Forces**

8 **SEC. 401. END STRENGTHS FOR ACTIVE FORCES.**

9 The Armed Forces are authorized strengths for active
10 duty personnel as of September 30, 1997, as follows:

- 11 (1) The Army, 495,000.
12 (2) The Navy, 407,318.
13 (3) The Marine Corps, 174,000.
14 (4) The Air Force, 381,100.

15 **SEC. 402. PERMANENT END STRENGTH LEVELS TO SUP-**
16 **PORT TWO MAJOR REGIONAL CONTIN-**
17 **GENCIES.**

18 Section 691 of title 10, United States Code, is
19 amended—

20 (1) by redesignating subsections (d) and (e) as
21 subsections (e) and (f), respectively; and

22 (2) by striking out subsection (e) and inserting
23 in lieu thereof the following:

24 “(e) The budget for the Department of Defense for
25 any fiscal year as submitted to Congress shall include

1 amounts for funding for each of the armed forces (other
 2 than the Coast Guard) at least in the amounts necessary
 3 to maintain the active duty end strengths prescribed in
 4 subsection (b), as in effect at the time that such budget
 5 is submitted.

6 “(d) No funds appropriated to the Department of De-
 7 fense may be used to implement a reduction of the active
 8 duty end strength for any of the armed forces (other than
 9 the Coast Guard) for any fiscal year below the level speci-
 10 fied in subsection (b) unless the reduction in end strength
 11 for that armed force for that fiscal year is specifically au-
 12 thorized by law.”.

13 **SEC. 403. AUTHORIZED STRENGTHS FOR COMMISSIONED**
 14 **OFFICERS ON ACTIVE DUTY IN GRADES OF**
 15 **MAJOR, LIEUTENANT COLONEL, AND COLO-**
 16 **NEL AND NAVY GRADES OF LIEUTENANT**
 17 **COMMANDER, COMMANDER, AND CAPTAIN.**

18 (a) REVISION IN ARMY, AIR FORCE, AND MARINE
 19 CORPS LIMITATIONS.—The table in paragraph (1) of sec-
 20 tion 523(a) of title 10, United States Code, is amended
 21 to read as follows:

	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
Army:			
35,000	8,922	6,419	2,163
40,000	9,614	6,807	2,347
45,000	10,305	7,196	2,530
50,000	10,997	7,584	2,713
55,000	11,688	7,973	2,897

“Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in the grade of:		
	Major	Lieutenant Colonel	Colonel
60,000	12,380	8,361	3,080
65,000	13,071	8,750	3,264
70,000	13,763	9,138	3,447
75,000	14,454	9,527	3,631
80,000	15,146	9,915	3,814
85,000	15,837	10,304	3,997
90,000	16,529	10,692	4,181
95,000	17,220	11,081	4,364
100,000	17,912	11,469	4,548
110,000	19,295	12,246	4,915
120,000	20,678	13,023	5,281
130,000	22,061	13,800	5,648
170,000	27,593	16,908	7,116
Air Force:			
35,000	9,216	7,090	2,125
40,000	10,025	7,478	2,306
45,000	10,835	7,866	2,487
50,000	11,645	8,253	2,668
55,000	12,454	8,641	2,849
60,000	13,264	9,029	3,030
65,000	14,073	9,417	3,211
70,000	14,883	9,805	3,392
75,000	15,693	10,193	3,573
80,000	16,502	10,582	3,754
85,000	17,312	10,971	3,935
90,000	18,121	11,360	4,115
95,000	18,931	11,749	4,296
100,000	19,741	12,138	4,477
105,000	20,550	12,527	4,658
110,000	21,360	12,915	4,838
115,000	22,169	13,304	5,019
120,000	22,979	13,692	5,200
125,000	23,789	14,081	5,381
Marine Corps:			
10,000	2,525	1,480	571
12,500	2,900	1,600	592
15,000	3,275	1,720	613
17,500	3,650	1,840	633
20,000	4,025	1,960	654
22,500	4,400	2,080	675
25,000	4,775	2,200	695.”

- 1 (b) REVISION IN NAVY LIMITATIONS.—The table in
2 paragraph (2) of such section is amended to read as fol-
3 lows:

“Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant commander	Commander	Captain
Navy:			
30,000	7,331	5,018	2,116

“Total number of commissioned officers (excluding officers in categories specified in subsection (b)) on active duty:	Number of officers who may be serving on active duty in grade of:		
	Lieutenant commander	Commander	Captain
33,000	7,799	5,239	2,223
36,000	8,267	5,460	2,330
39,000	8,735	5,681	2,437
42,000	9,203	5,902	2,544
45,000	9,671	6,123	2,651
48,000	10,139	6,343	2,758
51,000	10,606	6,561	2,864
54,000	11,074	6,782	2,971
57,000	11,541	7,002	3,078
60,000	12,009	7,222	3,185
63,000	12,476	7,441	3,292
66,000	12,944	7,661	3,398
70,000	13,567	7,954	3,541
90,000	16,683	9,419	4,254.”

1 (c) **EFFECTIVE DATE.**—The amendments made by
2 subsections (a) and (b) shall take effect on September 1,
3 1997, except that with the approval of the Secretary of
4 Defense the Secretary of a military department may pre-
5 scribe an earlier date for that Secretary’s military depart-
6 ment. Any such date shall be published in the Federal
7 Register.

8 **Subtitle B—Reserve Forces**

9 **SEC. 411. END STRENGTHS FOR SELECTED RESERVE.**

10 (a) **FISCAL YEAR 1997.**—The Armed Forces are au-
11 thorized strengths for Selected Reserve personnel of the
12 reserve components as of September 30, 1997, as follows:

- 13 (1) The Army National Guard of the United
14 States, 366,758.
- 15 (2) The Army Reserve, 215,179.
- 16 (3) The Naval Reserve, 96,304.
- 17 (4) The Marine Corps Reserve, 42,000.

1 (5) The Air National Guard of the United
2 States, 108,843.

3 (6) The Air Force Reserve, 73,281.

4 (7) The Coast Guard Reserve, 8,000.

5 (b) WAIVER AUTHORITY.—The Secretary of Defense
6 may vary the end strength authorized by subsection (a)
7 by not more than 2 percent.

8 (c) ADJUSTMENTS.—The end strengths prescribed by
9 subsection (a) for the Selected Reserve of any reserve com-
10 ponent for a fiscal year shall be proportionately reduced
11 by—

12 (1) the total authorized strength of units orga-
13 nized to serve as units of the Selected Reserve of
14 such component which are on active duty (other
15 than for training) at the end of the fiscal year, and

16 (2) the total number of individual members not
17 in units organized to serve as units of the Selected
18 Reserve of such component who are on active duty
19 (other than for training or for unsatisfactory partici-
20 pation in training) without their consent at the end
21 of the fiscal year.

22 Whenever such units or such individual members are re-
23 leased from active duty during any fiscal year, the end
24 strength prescribed for such fiscal year for the Selected
25 Reserve of such reserve component shall be proportion-

1 ately increased by the total authorized strengths of such
2 units and by the total number of such individual members.

3 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**
4 **DUTY IN SUPPORT OF THE RESERVES.**

5 Within the end strengths prescribed in section
6 411(a), the reserve components of the Armed Forces are
7 authorized, as of September 30, 1997, the following num-
8 ber of Reserves to be serving on full-time active duty or
9 full-time duty, in the case of members of the National
10 Guard, for the purpose of organizing, administering, re-
11 cruiting, instructing, or training the reserve components:

12 (1) The Army National Guard of the United
13 States, 22,798.

14 (2) The Army Reserve, 11,729.

15 (3) The Naval Reserve, 16,603.

16 (4) The Marine Corps Reserve, 2,559.

17 (5) The Air National Guard of the United
18 States, 10,378.

19 (6) The Air Force Reserve, 625.

20 **SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS.**

21 (a) AUTHORIZATION FOR FISCAL YEAR 1997.—The
22 minimum number of military technicians as of the last day
23 of fiscal year 1997 for the reserve components of the Army
24 and the Air Force (notwithstanding section 129 of title
25 10, United States Code) shall be the following:

1 (1) For the Army Reserve, 6,799.

2 (2) For the Army National Guard of the United
3 States, 25,500.

4 (3) For the Air Force Reserve, 9,802.

5 (4) For the Air National Guard of the United
6 States, 22,906.

7 (b) INFORMATION TO BE PROVIDED WITH FUTURE
8 AUTHORIZATION REQUESTS.—Section 10216 of title 10,
9 United States Code, is amended—

10 (1) by redesignating subsection (b) as sub-
11 section (c); and

12 (2) by inserting after subsection (a) the follow-
13 ing new subsection (b):

14 “(b) INFORMATION REQUIRED TO BE SUBMITTED
15 WITH ANNUAL END STRENGTH AUTHORIZATION RE-
16 QUEST.—(1) The Secretary of Defense shall include as
17 part of the budget justification documents submitted to
18 Congress with the budget of the Department of Defense
19 for any fiscal year the following information with respect
20 to the end strengths for military technicians requested in
21 that budget pursuant to section 115(g) of this title, shown
22 separately for each of the Army and Air Force reserve
23 components:

1 “(A) The number of dual-status technicians in
2 the high priority units and organizations specified in
3 subsection (a)(1).

4 “(B) The number of technicians other than
5 dual-status technicians in the high priority units and
6 organizations specified in subsection (a)(1).

7 “(C) The number of dual-status technicians in
8 other than high priority units and organizations
9 specified in subsection (a)(1).

10 “(D) The number of technicians other than
11 dual-status technicians in other than high priority
12 units and organizations specified in subsection
13 (a)(1).

14 “(2)(A) If the budget submitted to Congress for any
15 fiscal year requests authorization for that fiscal year
16 under section 115(g) of this title of a military technician
17 end strength for a reserve component of the Army or Air
18 Force in a number that constitutes a reduction from the
19 end strength minimum established by law for that reserve
20 component for the fiscal year during which the budget is
21 submitted, the Secretary of Defense shall submit to the
22 congressional defense committees with that budget a jus-
23 tification providing the basis for that requested reduction
24 in technician end strength.

1 “(B) Any justification submitted under subparagraph
2 (A) shall clearly delineate—

3 “(i) in the case of a reduction that includes a
4 reduction in technicians described in subparagraph
5 (A) or (C) of paragraph (1), the specific force struc-
6 ture reductions forming the basis for such requested
7 technician reduction (and the numbers related to
8 those force structure reductions); and

9 “(ii) in the case of a reduction that includes re-
10 ductions in technicians described in subparagraphs
11 (B) or (D) of paragraph (1), the specific force struc-
12 ture reductions, Department of Defense civilian per-
13 sonnel reductions, or other reasons forming the basis
14 for such requested technician reduction (and the
15 numbers related to those reductions).”.

16 (c) TECHNICAL AMENDMENTS.—Such section is fur-
17 ther amended—

18 (1) in subsection (a), by striking out “section
19 115” and inserting in lieu thereof “section 115(g)”;
20 and

21 (2) in subsection (c), as redesignated by sub-
22 section (b)(1), by striking out “after the date of the
23 enactment of this section” both places it appears
24 and inserting in lieu thereof “after February 10,
25 1996,”.

1 **Subtitle C—Authorization of**
2 **Appropriations**

3 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**
4 **TARY PERSONNEL.**

5 There is hereby authorized to be appropriated to the
6 Department of Defense for military personnel for fiscal
7 year 1997 a total of \$70,206,030,000. The authorization
8 in the preceding sentence supersedes any other authoriza-
9 tion of appropriations (definite or indefinite) for such pur-
10 pose for fiscal year 1997.

11 **TITLE V—MILITARY PERSONNEL**
12 **POLICY**

13 **Subtitle A—Personnel Management**

14 **SEC. 501. AUTHORIZATION FOR SENIOR ENLISTED MEM-**
15 **BERS TO REENLIST FOR AN INDEFINITE PE-**
16 **RIOD OF TIME.**

17 Subsection (d) of section 505 of title 10, United
18 States Code, is amended to read as follows:

19 “(d)(1) For a member with less than 10 years of serv-
20 ice, the Secretary concerned may accept a reenlistment in
21 the Regular Army, Regular Navy, Regular Air Force, Reg-
22 ular Marine Corps, or Regular Coast Guard, as the case
23 may be, for periods of at least two but not more than six
24 years.

1 “(2) At the discretion of the Secretary concerned, a
2 member with 10 or more years of service who reenlists
3 in the Regular Army, Regular Navy, Regular Air Force,
4 Regular Marine Corps, or Regular Coast Guard, as the
5 case may be, and who meets all qualifications for contin-
6 ued service, may be accepted for reenlistment of an un-
7 specified period of time.”.

8 **SEC. 502. AUTHORITY TO EXTEND ENTRY ON ACTIVE DUTY**
9 **UNDER THE DELAYED ENTRY PROGRAM.**

10 Section 513(b) of title 10, United States Code, is
11 amended—

12 (1) by adding after the first sentence the follow-
13 ing new sentence: “The Secretary concerned may ex-
14 tend the 365-day period for any person for up to an
15 additional 180 days if the Secretary considers such
16 extension to be warranted on a case-by-case basis.”;
17 and

18 (2) in the last sentence, by striking out “the
19 preceding sentence” and inserting in lieu thereof
20 “under this subsection”.

21 **SEC. 503. PERMANENT AUTHORITY FOR NAVY SPOT PRO-**
22 **MOTIONS FOR CERTAIN LIEUTENANTS.**

23 Section 5721 of title 10, United States Code, is
24 amended by striking out subsection (g).

1 **SEC. 504. REPORTS ON RESPONSE TO RECOMMENDATIONS**
2 **CONCERNING IMPROVEMENTS TO DEPART-**
3 **MENT OF DEFENSE JOINT MANPOWER PROC-**
4 **ESS.**

5 (a) SEMIANNUAL REPORT.—The Secretary of De-
6 fense shall submit to Congress a semiannual report on the
7 status of actions taken by the Secretary to implement the
8 recommendations made by the Department of Defense In-
9 spector General in the report of November 29, 1995, enti-
10 tled “Inspection of the Department of Defense Joint Man-
11 power Process” (Report No. 96–029). The first such re-
12 port shall be submitted not later than February 1, 1997.

13 (b) ADDITIONAL MATTER FOR FIRST REPORT.—As
14 part of the first report under subsection (a), the Secretary
15 shall include the following:

16 (1) The Secretary’s assessment as to the need
17 to establish a joint, centralized permanent organiza-
18 tion in the Department of Defense to determine,
19 validate, approve, and manage military and civilian
20 manpower requirements resources at joint organiza-
21 tions.

22 (2) The Secretary’s assessment of the Depart-
23 ment of Defense timeline and plan to increase the
24 capability of the joint professional military education
25 system (including the Armed Forces Staff College)

1 to overcome the capacity limitations cited in the re-
2 port referred to in subsection (a).

3 (3) The Secretary's plan and timeline to pro-
4 vide the necessary training and education of reserve
5 component officers.

6 (c) GAO ASSESSMENT.—The Comptroller General of
7 the United States shall assess the completeness and ade-
8 quacy of the corrective actions taken by the Secretary with
9 respect to the matters covered in the report referred to
10 in subsection (a) and shall submit a report to Congress,
11 not later than one year after the date of enactment of this
12 Act, providing the Comptroller General's findings and rec-
13 ommendations.

14 **SEC. 505. FREQUENCY OF REPORTS TO CONGRESS ON**
15 **JOINT OFFICER MANAGEMENT POLICIES.**

16 (a) CHANGE FROM SEMIANNUAL TO ANNUAL RE-
17 PORT.—Section 662(b) of title 10, United States Code, is
18 amended by striking out “REPORT.—The Secretary of De-
19 fense shall periodically (and not less often than every six
20 months) report to Congress on the promotion rates” and
21 inserting in lieu thereof “ANNUAL REPORT.—Not later
22 than January 1 of each year, the Secretary of Defense
23 shall submit to Congress a report on the promotion rates
24 during the preceding fiscal year”.

1 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

2 Such section is further amended—

3 (1) in the first sentence, by striking out
4 “clauses” and inserting in lieu thereof “para-
5 graphs”; and

6 (2) in the second sentence—

7 (A) by inserting “for any fiscal year” after
8 “such objectives”; and

9 (B) by striking out “periodic report re-
10 quired by this subsection” and inserting in lieu
11 thereof “report for that fiscal year”.

12 **SEC. 506. REPEAL OF REQUIREMENT THAT COMMISSIONED**
13 **OFFICERS BE INITIALLY APPOINTED IN A RE-**
14 **SERVE GRADE.**

15 Section 532 of title 10, United States Code, is
16 amended by striking out subsection (e).

17 **SEC. 507. CONTINUATION ON ACTIVE STATUS FOR CERTAIN**
18 **RESERVE OFFICERS OF THE AIR FORCE.**

19 (a) AUTHORITY.—Section 14507 of title 10, United
20 States Code, is amended by adding at the end the follow-
21 ing new subsection:

22 “(c) TEMPORARY AUTHORITY TO RETAIN CERTAIN
23 OFFICERS DESIGNATED AS JUDGE ADVOCATES.—(1)
24 Notwithstanding the provisions of subsections (a) and (b),
25 the Secretary of the Air Force may retain on the reserve

1 active-status list any reserve officer of the Air Force who
2 is designated as a judge advocate and who obtained the
3 first professional degree in law while on an educational
4 delay program subsequent to being commissioned through
5 the Reserve Officers' Training Corps.

6 “(2) No more than 50 officers may be retained on
7 the reserve active-status list under the authority of para-
8 graph (1) at any time.

9 “(3) No officer may be retained on the reserve active-
10 status list under the authority of paragraph (1) for a pe-
11 riod exceeding three years from the date on which, but
12 for that authority, that officer would have been removed
13 from the reserve active-status list under subsection (a) or
14 (b).

15 “(4) The authority of the Secretary of the Air Force
16 under paragraph (1) expires on September 30, 2003.”

17 (b) EFFECTIVE DATE.—Subsection (c) of section 14507
18 of title 10, United States Code, as added by subsection
19 (a), shall take effect on October 1, 1996.

20 **SEC. 508. CLARIFICATION OF APPLICABILITY OF CERTAIN**
21 **MANAGEMENT CONSTRAINTS ON MAJOR**
22 **RANGE AND TEST FACILITY BASE STRUC-**
23 **TURE.**

24 Section 129 of title 10, United States Code, is
25 amended—

1 (1) in subsection (c)(1), by inserting after “in-
2 dustrial-type activities” the following: “, the Major
3 Range and Test Facility Base,”; and

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

6 “(e) Subsections (a), (b), and (c) apply to the Major
7 Range and Test Facility Base (MRTFB) at the installa-
8 tion level. With respect to the MRTFB structure, the term
9 “funds made available” includes both direct appropriated
10 funds and funds provided by MRTFB customers.”.

11 **Subtitle B—Reserve Component** 12 **Matters**

13 **SEC. 511. INDIVIDUAL READY RESERVE ACTIVATION AU-** 14 **THORITY.**

15 (a) IRR MEMBERS SUBJECT TO ORDER TO ACTIVE
16 DUTY OTHER THAN DURING WAR OR NATIONAL EMER-
17 GENCY.—Section 10144 of title 10, United States Code,
18 is amended—

19 (1) by inserting “(a)” before “Within the Ready
20 Reserve”; and

21 (2) by adding at the end the following:

22 “(b)(1) Within the Individual Ready Reserve of each
23 reserve component there is a mobilization category of
24 members, as designated by the Secretary concerned, who
25 are subject to being ordered to active duty involuntarily

1 in accordance with section 12304 of this title. A member
2 may not be placed in that mobilization category unless—

3 “(A) the member volunteers for that category;

4 and

5 “(B) the member is selected for that category
6 by the Secretary concerned, based upon the needs of
7 the service and the grade and military skills of that
8 member.

9 “(2) A member of the Individual Ready Reserve may
10 not be carried in the mobilization category of members
11 under paragraph (1) after the end of the 24-month period
12 beginning on the date of the separation of the member
13 from active service.

14 “(3) The Secretary shall designate the grades and
15 critical military skills or specialities of members to be eligi-
16 ble for placement in such mobilization category.

17 “(4) A member in such mobilization category shall
18 be eligible for benefits (other than pay and training) as
19 are normally available to members of the Selected Reserve,
20 as determined by the Secretary of Defense.”.

21 (b) CRITERIA FOR ORDERING TO ACTIVE DUTY.—
22 Subsection (a) of section 12304 of title 10, United States
23 Code, is amended by inserting after “of this title),” the
24 following: “or any member in the Individual Ready Re-

1 serve mobilization category and designated as essential
2 under regulations prescribed by the Secretary concerned.”.

3 (c) MAXIMUM NUMBER.—Subsection (c) of such sec-
4 tion is amended—

5 (1) by inserting “and the Individual Ready Re-
6 serve” after “Selected Reserve”; and

7 (2) by inserting “, of whom not more than
8 30,000 may be members of the Individual Ready Re-
9 serve” before the period at the end.

10 (d) CONFORMING AMENDMENTS.—Such section is
11 further amended—

12 (1) in subsection (f), by inserting “or Individual
13 Ready Reserve” after “Selected Reserve”;

14 (2) in subsection (g), by inserting “, or member
15 of the Individual Ready Reserve,” after “to serve as
16 a unit”; and

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

19 “(i) For purposes of this section, the term ‘Individual
20 Ready Reserve mobilization category’ means, in the case
21 of any reserve component, the category of the Individual
22 Ready Reserve described in section 10144(b) of this
23 title.”.

24 (e) CLERICAL AMENDMENTS.—(1) The heading of
25 such section is amended to read as follows:

1 **“§ 12304. Selected Reserve and certain Individual**
2 **Ready Reserve members; order to active**
3 **duty other than during war or national**
4 **emergency”.**

5 (2) The item relating to section 12304 in the table
6 of sections at the beginning of chapter 1209 of such title
7 is amended to read as follows:

“12304. Selected Reserve and certain Individual Ready Reserve members; order
to active duty other than during war or national emergency”.

8 **SEC. 512. TRAINING FOR RESERVES ON ACTIVE DUTY IN**
9 **SUPPORT OF THE RESERVES.**

10 Subsection (b) of section 12310 of title 10, United
11 States Code, is amended to read as follows:

12 “(b) A Reserve on active duty as described in sub-
13 section (a) may be provided training and professional de-
14 velopment opportunities consistent with those provided to
15 other members on active duty, as the Secretary concerned
16 sees fit.”.

17 **SEC. 513. CLARIFICATION TO DEFINITION OF ACTIVE STA-**
18 **TUS.**

19 Section 101(d)(4) of title 10, United States Code, is
20 amended by striking out “a reserve commissioned officer,
21 other than a commissioned warrant officer” and inserting
22 in lieu thereof “a member of a reserve component”.

1 **SEC. 514. APPOINTMENT ABOVE GRADE OF 0-2 IN THE**
2 **NAVAL RESERVE.**

3 Paragraph (3) of section 12205(b) of title 10, United
4 States Code, is amended by inserting “or the Seaman to
5 Admiral Program” before the period at the end.

6 **SEC. 515. REPORT ON NUMBER OF ADVISERS IN ACTIVE**
7 **COMPONENT SUPPORT OF RESERVES PILOT**
8 **PROGRAM.**

9 (a) **REPORT ON NUMBER OF ACTIVE COMPONENT**
10 **ADVISERS.**—Not later than six months after the date of
11 the enactment of this Act, the Secretary of Defense shall
12 submit to the Committee on Armed Services of the Senate
13 and the Committee on National Security of the House of
14 Representatives a report setting forth the Secretary’s de-
15 termination as to the appropriate number of active compo-
16 nent personnel to be assigned to serve as advisers to re-
17 serve components under section 414 of the National De-
18 fense Authorization Act for Fiscal Years 1992 and 1993
19 (10 U.S.C. 12001 note). If the Secretary’s determination
20 is that such number should be a number other than the
21 required minimum number in effect under subsection (c)
22 of such section, the Secretary shall include in the report
23 an explanation providing the Secretary’s justification for
24 the number recommended.

25 (b) **TECHNICAL AMENDMENT.**—Section 414(a) of the
26 National Defense Authorization Act for Fiscal Years 1992

1 and 1993 (10 U.S.C. 12001 note) is amended by striking
2 out “During fiscal years 1992 and 1993, the Secretary
3 of the Army shall institute” and inserting in lieu thereof
4 “The Secretary of the Army shall carry out”.

5 **SEC. 516. SENSE OF CONGRESS AND REPORT REGARDING**
6 **REEMPLOYMENT RIGHTS FOR MOBILIZED**
7 **RESERVISTS EMPLOYED IN FOREIGN COUN-**
8 **TRIES.**

9 (a) SENSE OF CONGRESS.—Congress is concerned
10 about the lack of reemployment rights afforded Reserve
11 component members who reside in foreign countries and
12 either work for United States companies that maintain of-
13 fices or operations in foreign countries or work for foreign
14 employers. Being outside the jurisdiction of the United
15 States, these employers are not subject to the provisions
16 of chapter 43 of title 38, United States Code, known as
17 the Uniformed Services Employment and Reemployment
18 Rights Act (USERRA). The purpose of that Act is to pro-
19 vide statutory employment protections that include rein-
20 statement, seniority, status, and rate of pay coverage for
21 Reservists who are ordered to active duty for a specified
22 period of time, including involuntary active duty in sup-
23 port of an operational contingency. While most Reserve
24 members are afforded the protections of that Act (which
25 covers reemployment rights in their civilian jobs upon

1 completion of military service), approximately 2,000 mem-
2 bers of the Selected Reserve reside outside the United
3 States and its territories and, not being guaranteed the
4 job protection envisioned by the USERRA, are potentially
5 subject to reemployment problems after release from ac-
6 tive duty. During Operation Joint Endeavor, a number of
7 Reservists who are currently living and working abroad
8 and who were involuntarily ordered to active duty in sup-
9 port of that operation did in fact face reemployment prob-
10 lems with their civilian employers. This situation poses a
11 continuing personnel management challenge for the re-
12 serve components.

13 (b) RECOGNITION OF PROBLEM.—Congress, while
14 recognizing that foreign governments and companies lo-
15 cated abroad, not being within the jurisdiction of the Unit-
16 ed States, cannot be required to comply with the provi-
17 sions of the Uniformed Services Employment and Reem-
18 ployment Rights Act, also recognizes that there is a need
19 to provide assistance to Reservists in the situation de-
20 scribed in subsection (a), both in the near term and the
21 long term.

22 (c) REPORT REQUIREMENT.—Not later than April 1,
23 1997, the Secretary of Defense shall submit to the Com-
24 mittee on Armed Services of the Senate and the Commit-
25 tee on National Security of the House of Representatives

1 a report that sets forth recommended actions to help alle-
2 viate reemployment problems for Reservists who are em-
3 ployed outside the United States and its territories by
4 United States companies that maintain offices or oper-
5 ations in foreign countries or by foreign employers. The
6 report shall include recommendations on the assistance
7 and support that may be required by other organizations
8 of the Government, including the Defense Attaché Offices,
9 the Department of Labor, and the Department of State.
10 The report shall be prepared in consultation with the Sec-
11 retary of State and the Secretary of Labor.

12 **SEC. 517. ELIGIBILITY FOR ENROLLMENT IN READY RE-**
13 **SERVE MOBILIZATION INCOME INSURANCE**
14 **PROGRAM.**

15 Section 12524 of title 10, United States Code, is
16 amended by adding at the end the following new sub-
17 section:

18 “(g) MEMBERS OF INDIVIDUAL READY RESERVE.—
19 Notwithstanding any other provision of this section, and
20 pursuant to regulations issued by the Secretary, a member
21 of the Individual Ready Reserve who becomes a member
22 of the Selected Reserve shall not be denied eligibility to
23 purchase insurance under this chapter upon becoming a
24 member of the Selected Reserve unless the member pre-
25 viously declined to enroll in the program of insurance

1 under this chapter while a member of the Selected Re-
2 serve.”.

3 **Subtitle C—Jurisdiction and Pow-**
4 **ers of Courts-Martial for the Na-**
5 **tional Guard When Not in Fed-**
6 **eral Service**

7 **SEC. 531. COMPOSITION, JURISDICTION, AND PROCEDURES**
8 **OF COURTS-MARTIAL.**

9 Section 326 of title 32, United States Code, is
10 amended—

11 (1) by inserting “(a)” at the beginning of the
12 text of the section;

13 (2) by striking out the second sentence and in-
14 serting in lieu thereof the following: “They shall fol-
15 low substantially the forms and procedures provided
16 for those courts and shall provide accused members
17 of the National Guard the rights and protections
18 provided in those courts.”; and

19 (3) by adding at the end the following:

20 “(b) Courts-martial of the National Guard not in
21 Federal service do not have jurisdiction over those persons
22 who are subject to the jurisdiction of a court-martial pur-
23 suant to section 802 of title 10.

24 “(c) A court-martial of the National Guard not in
25 Federal service shall have such jurisdiction and powers,

1 consistent with the provisions of this chapter, as may be
2 provided by the law of the State or Territory, Puerto Rico,
3 or District of Columbia in which the court-martial is con-
4 vened.”.

5 **SEC. 532. GENERAL COURTS-MARTIAL.**

6 (a) CONVENING AUTHORITY.—Subsection (a) of sec-
7 tion 327 of title 32, United States Code, is amended by
8 inserting “or adjutant general” after “governor”.

9 (b) PUNISHMENTS.—Subsection (b) of such section
10 is amended to read as follows:

11 “(b) A general court-martial may sentence an ac-
12 cused, upon conviction, to any of the following punish-
13 ments:

14 “(1) A fine of not more than \$500 for a single
15 offense.

16 “(2) Forfeiture of pay and allowances in an
17 amount of not more than \$500 for a single offense
18 or any forfeiture of pay for not more than six
19 months.

20 “(3) A reprimand.

21 “(4) Dismissal, bad conduct discharge, or dis-
22 honorable discharge.

23 “(5) In the case of an enlisted member, reduc-
24 tion to a lower grade.

25 “(6) Confinement for not more than 180 days.

1 “(7) Any combination of the punishments speci-
2 fied in paragraphs (1) through (6).”.

3 (c) **LIMITATION ON PUNITIVE DISCHARGES.**—Such
4 section is further amended by adding at the end the fol-
5 lowing new subsection:

6 “(c)(1) A dismissal or bad conduct or dishonorable
7 discharge may not be adjudged unless counsel was detailed
8 to represent the accused and a military judge was detailed
9 to the trial.

10 “(2) In a case in which the sentence adjudged in-
11 cludes dismissal or a bad conduct or dishonorable dis-
12 charge, a verbatim record of the proceedings shall be
13 made.”.

14 **SEC. 533. SPECIAL COURTS-MARTIAL.**

15 (a) **CONVENING AUTHORITY.**—Subsection (a) of sec-
16 tion 328 of title 32, United States Code, is amended by
17 inserting “, if a National Guard officer,” after “the com-
18 manding officer”.

19 (b) **PUNISHMENTS.**—Subsection (b) of such section
20 is amended to read as follows:

21 “(b) A special court-martial may sentence an ac-
22 cused, upon conviction, to any of the following punish-
23 ments:

24 “(1) A fine of not more than \$300 for a single
25 offense.

1 “(2) Forfeiture of pay and allowances in an
2 amount of not more than \$300 for a single offense,
3 but adjudged forfeiture of pay may not exceed two-
4 thirds pay per month and forfeitures may not extend
5 for more than six months.

6 “(3) A reprimand.

7 “(4) Bad conduct discharge.

8 “(5) In the case of an enlisted member, reduc-
9 tion to a lower grade.

10 “(6) Confinement for not more than 100 days.

11 “(7) Any combination of the punishments speci-
12 fied in paragraphs (1) through (6).”.

13 (c) LIMITATION ON BAD CONDUCT DISCHARGES.—

14 Subsection (c) of such section is amended to read as fol-
15 lows:

16 “(c)(1) A bad conduct discharge may not be adjudged
17 unless counsel was detailed to represent the accused and
18 a military judge was detailed to the trial.

19 “(2) In a case in which the sentence adjudged in-
20 cludes a bad conduct discharge, a verbatim record of the
21 proceedings shall be made.”.

22 **SEC. 534. SUMMARY COURTS-MARTIAL.**

23 (a) CONVENING AUTHORITY.—Subsection (a) of sec-
24 tion 329 of title 32, United States Code, is amended—

1 (1) by inserting “, if a National Guard officer,”
2 after “the commanding officer”; and

3 (2) by inserting after the first sentence the fol-
4 lowing new sentence: “Summary courts-martial may
5 also be convened by superior authority.”.

6 (b) JURISDICTION.—Subsection (a) of such section is
7 further amended—

8 (1) by inserting “(1)” after “(a)”; and

9 (2) by adding at the end the following:

10 “(2) A summary court-martial may not try a commis-
11 sioned officer.”.

12 (c) PUNISHMENTS.—Subsection (b) of such section is
13 amended to read as follows:

14 “(b) A summary court-martial may sentence an ac-
15 cused, upon conviction, to any of the following punish-
16 ments:

17 “(1) A fine of not more than \$200 for a single
18 offense.

19 “(2) Forfeiture of pay and allowances in an
20 amount of not more than \$200 for a single offense,
21 but not to exceed two-thirds of one month’s pay.

22 “(3) Reduction to a lower grade.

23 “(4) Any combination of the punishments speci-
24 fied in paragraphs (1) through (3).”.

1 (d) CONSENT OF ACCUSED FOR SUMMARY COURT-
2 MARTIAL.—Such section is further amended by adding at
3 the end the following new subsection:

4 “(c) An accused with respect to whom summary
5 courts-martial have jurisdiction may not be brought to
6 trial before a summary court-martial if the accused objects
7 thereto. If an accused so objects to trial by summary
8 court-martial, the convening authority may order trial by
9 special or general court-martial, as may be appropriate.”.

10 **SEC. 535. REPEAL OF AUTHORITY FOR CONFINEMENT IN**
11 **LIEU OF FINE.**

12 Section 330 of title 32, United States Code, is re-
13 pealed.

14 **SEC. 536. APPROVAL OF SENTENCE OF BAD CONDUCT DIS-**
15 **CHARGE OR CONFINEMENT.**

16 (a) IN GENERAL.—Section 331 of title 32, United
17 States Code, is amended by striking out “or dishonorable
18 discharge” and inserting in lieu thereof “, bad conduct
19 discharge, dishonorable discharge, or confinement for
20 three months or more”.

21 (b) CONFORMING AMENDMENT.—The heading of
22 such section is amended to read as follows:

1 **“§ 331. Sentences requiring approval of governor”.**

2 **SEC. 537. AUTHORITY OF MILITARY JUDGES.**

3 Section 332 of title 32, United States Code, is
4 amended by inserting “or military judge” after “the presi-
5 dent”.

6 **SEC. 538. STATUTORY REORGANIZATION.**

7 (a) **NEW TITLE 32 CHAPTER.**—(1) Title 32, United
8 States Code, is amended by inserting after section 325 the
9 following:

10 **“CHAPTER 4—COURTS-MARTIAL FOR THE**
11 **NATIONAL GUARD WHEN NOT IN FED-**
12 **ERAL SERVICE**

“Sec.

“401. Courts-martial: composition, jurisdiction, and procedures.

“402. General courts-martial.

“403. Special courts-martial.

“404. Summary courts-martial.

“405. Sentences requiring approval of governor.

“406. Compelling attendance of accused and witnesses.

“407. Execution of process and sentence.”.

13 (2) The table of chapters at the beginning of such
14 title is amended by inserting after the item relating to
15 chapter 3 the following new item:

“4. Courts-Martial for the National Guard When not in Federal Service 401”.

16 (3) The table of sections at the beginning of chapter
17 3 of such title is amended by striking out the items relat-
18 ing to sections 326 through 333.

1 (b) REDESIGNATION OF SECTIONS.—The following
 2 sections of title 32, United States Code (as amended by
 3 this subtitle), are redesignated as follows:

Section	Redesignated section
326	401
327	402
328	403
329	404
331	405
332	406
333	407

4 (c) SECTION HEADINGS.—The headings for sections
 5 401, 402, 403, and 404 of title 32, United States Code,
 6 as redesignated by subsection (b), are amended by striking
 7 out “**of National Guard not in Federal service**”.

8 **SEC. 539. EFFECTIVE DATE.**

9 The amendments made by this subtitle shall take ef-
 10 fect on the date of the enactment of this Act, except that
 11 for an offense committed before that date the maximum
 12 punishment shall be the maximum punishment in effect
 13 at the time of the commission of the offense.

14 **SEC. 540. CONFORMING AMENDMENTS TO UNIFORM CODE**
 15 **OF MILITARY JUSTICE.**

16 (a) ARTICLE 20.—Section 820 of title 10, United
 17 States Code, is amended—

- 18 (1) by inserting “(a)” before “Subject to”;
- 19 (2) by striking out the second and third sen-
 20 tences and inserting in lieu thereof the following:

1 “(b) An accused with respect to whom summary
 2 courts-martial have jurisdiction may not be brought to
 3 trial before a summary court-martial if the accused objects
 4 thereto. If an accused so objects to trial by summary
 5 court-martial, the convening authority may order trial by
 6 special or general court-martial, as may be appropriate.”;
 7 and

8 (3) by designating as subsection (c) the sen-
 9 tence beginning “Summary courts-martial may,”.

10 (b) ARTICLE 54.—Section 854(c)(1) of such title is
 11 amended by striking out “complete record of the proceed-
 12 ings and testimony” and inserting in lieu thereof “ver-
 13 batim record of the proceedings”.

14 **Subtitle D—Education and** 15 **Training Programs**

16 **SEC. 551. EXTENSION OF MAXIMUM AGE FOR APPOINT-**
 17 **MENT AS A CADET OR MIDSHIPMAN IN THE**
 18 **SENIOR RESERVE OFFICERS’ TRAINING**
 19 **CORPS AND THE SERVICE ACADEMIES.**

20 (a) SENIOR RESERVE OFFICERS’ TRAINING
 21 CORPS.—Sections 2107(a) and 2107a(a) of title 10, Unit-
 22 ed States Code, are amended—

23 (1) by striking out “25 years of age” and in-
 24 serting in lieu thereof “27 years of age”; and

1 (2) by striking out “29 years of age” and in-
2 serting in lieu thereof “30 years of age”.

3 (b) UNITED STATES MILITARY ACADEMY.—Section
4 4346(a) of such title is amended by striking out “twenty-
5 second birthday” and inserting in lieu thereof “twenty-
6 third birthday”.

7 (c) UNITED STATES NAVAL ACADEMY.—Section
8 6958(a)(1) of such title is amended by striking out “twen-
9 ty-second birthday” and inserting in lieu thereof “twenty-
10 third birthday”.

11 (d) UNITED STATES AIR FORCE ACADEMY.—Section
12 9346(a) of such title is amended by striking out “twenty-
13 second birthday” and inserting in lieu thereof “twenty-
14 third birthday”.

15 **SEC. 552. OVERSIGHT AND MANAGEMENT OF SENIOR RE-**
16 **SERVE OFFICERS’ TRAINING CORPS PRO-**
17 **GRAM.**

18 (a) ENROLLMENT PRIORITY TO BE CONSISTENT
19 WITH PURPOSE OF PROGRAM.—(1) Section 2103 of title
20 10, United States Code, is amended by adding at the end
21 the following new subsection:

22 “(e) An educational institution at which a unit of the
23 program has been established shall give priority for enroll-
24 ment in the program to students who are eligible for ad-
25 vanced training under section 2104 of this title.”.

1 (2) Section 2109 of such title is amended by adding
2 at the end the following new subsection:

3 “(c)(1) A person who is not qualified for, and (as de-
4 termined by the Secretary concerned) will not be able to
5 become qualified for, advanced training by reason of one
6 or more of the requirements prescribed in paragraphs (1)
7 through (3) of section 2104(b) of this title shall not be
8 permitted to participate in—

9 “(A) field training or a practice cruise under
10 section 2106(b)(6) of this title; or

11 “(B) practical military training under sub-
12 section (a).

13 “(2) The Secretary of the military department con-
14 cerned may waive the limitation in paragraph (1) under
15 procedures prescribed by the Secretary.”.

16 (b) WEAR OF THE MILITARY UNIFORM.—Section
17 772(h) of such title is amended by inserting before the
18 period at the end the following: “if the wear of such uni-
19 form is specifically authorized under regulations pre-
20 scribed by the Secretary of the military department con-
21 cerned”.

1 **SEC. 553. ROTC SCHOLARSHIP STUDENT PARTICIPATION IN**
2 **SIMULTANEOUS MEMBERSHIP PROGRAM.**

3 Section 2103 of title 10, United States Code, is
4 amended by adding after subsection (e), as added by sec-
5 tion 552, the following new subsection:

6 “(f) The Secretary of Defense shall ensure that, in
7 carrying out the program, the Secretaries of the military
8 departments permit any person who is receiving financial
9 assistance under section 2107 of this title simultaneously
10 to be a member of the Selected Reserve.”.

11 **SEC. 554. EXPANSION OF ROTC ADVANCED TRAINING PRO-**
12 **GRAM TO INCLUDE GRADUATE STUDENTS.**

13 (a) IN GENERAL.—Section 2107(c) of title 10, Unit-
14 ed States Code, is amended by inserting before the last
15 sentence the following new sentence: “The Secretary of the
16 military department concerned may provide similar finan-
17 cial assistance to a student enrolled in an advanced edu-
18 cation program beyond the baccalaureate degree level if
19 the student also is a cadet or midshipman in an advanced
20 training program.”.

21 (b) DEFINITIONAL CHANGE.—Paragraph (3) of sec-
22 tion 2101 of title 10, United States Code, is amended by
23 inserting “students enrolled in an advanced education pro-
24 gram beyond the baccalaureate degree level or to” after
25 “instruction offered in the Senior Reserve Officers’ Train-
26 ing Corps to”.

1 **SEC. 555. RESERVE CREDIT FOR MEMBERS OF ARMED**
2 **FORCES HEALTH PROFESSIONS SCHOLAR-**
3 **SHIP AND FINANCIAL ASSISTANCE PROGRAM.**

4 (a) SERVICE CREDIT.—Section 2126 of title 10,
5 United States Code, is amended—

6 (1) by striking out “Service performed” and in-
7 serting in lieu thereof “(a) GENERAL RULE AGAINST
8 PROVISION OF SERVICE CREDIT.—Except as pro-
9 vided in subsection (b), service performed”; and

10 (2) by adding at the end the following:

11 “(b) SERVICE CREDIT FOR CERTAIN PURPOSES.—

12 (1) This subsection applies with respect to a member of
13 the Selected Reserve who—

14 “(A) completed a course of study under this
15 subchapter as a member of the program;

16 “(B) completed the active duty obligation im-
17 posed under section 2123(a) of this title; and

18 “(C) possesses a specialty designated by the
19 Secretary concerned as critically needed in wartime.

20 “(2) Upon satisfactory completion of a year of service
21 in the Selected Reserve by a member of the Selected Re-
22 serve described in paragraph (1), the Secretary concerned
23 may credit the member with a maximum of 50 points cred-
24 itable toward the computation of the member’s years of
25 service under section 12732(a)(2) of this title for one year
26 of participation in a course of study under this subchapter.

1 Not more than four years of participation in a course of
2 study under this subchapter may be considered under this
3 paragraph.

4 “(3) In the case of a member of the Selected Reserve
5 described in paragraph (1), the Secretary concerned may
6 also credit the service of the member while pursuing a
7 course of study under this subchapter, but not to exceed
8 a total of four years, for purposes of computing years of
9 service creditable under section 205 of title 37.

10 “(c) LIMITATIONS.—(1) A member of the Selected
11 Reserve relieved of any portion of the minimum active
12 duty obligation imposed under section 2123(a) of this title
13 may not receive any point or service credit under sub-
14 section (b).

15 “(2) A member of the Selected Reserve awarded
16 points or service credit under subsection (b) shall not be
17 considered to have been in an active status, by reason of
18 the award of the points or credit, while pursuing a course
19 of study under this subchapter for purposes of any provi-
20 sion of law other than section 12732(a)(2) of this title
21 and section 205 of title 37.”

22 (b) RETROACTIVITY BARRED.—A member of the Se-
23 lected Reserve is not entitled to any retroactive award or
24 increase in pay or allowances as a result of the amend-
25 ments made by subsection (a).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to individuals receiving financial
3 assistance under section 2107 of title 10, United States
4 Code, after September 30, 1996.

5 **SEC. 556. EXPANSION OF ELIGIBILITY FOR EDUCATION**
6 **BENEFITS TO INCLUDE CERTAIN RESERVE**
7 **OFFICERS' TRAINING CORPS (ROTC) PARTICI-**
8 **PANTS.**

9 (a) ACTIVE DUTY SERVICE.—Section 3011(c) of title
10 38, United States Code, is amended—

11 (1) by striking out “or upon completion of a
12 program of educational assistance under section
13 2107 of title 10” in paragraph (2); and

14 (2) by adding at the end the following:

15 “(3) An individual who after December 31, 1976, re-
16 ceives a commission as an officer in the Armed Forces
17 upon completion of a program of educational assistance
18 under section 2107 of title 10 is not eligible for edu-
19 cational assistance under this section if the individual en-
20 ters on active duty—

21 “(A) before October 1, 1996; or

22 “(B) after September 30, 1996, and while par-
23 ticipating in such program received more than
24 \$2,000 for each year of such participation.”.

1 (b) SELECTED RESERVE.—Section 3012(d) of title
2 38, United States Code, is amended—

3 (1) by striking out “or upon completion of a
4 program of educational assistance under section
5 2107 of title 10” in paragraph (2); and

6 (2) by adding at the end the following:

7 “(3) An individual who after December 31, 1976, re-
8 ceives a commission as an officer in the Armed Forces
9 upon completion of a program of educational assistance
10 under section 2107 of title 10 is not eligible for edu-
11 cational assistance under this section if the individual en-
12 ters on active duty—

13 “(A) before October 1, 1996; or

14 “(B) after September 30, 1996, and while par-
15 ticipating in such program received more than
16 \$2,000 for each year of such participation.”.

17 **SEC. 557. COMPTROLLER GENERAL REPORT ON COST AND**
18 **POLICY IMPLICATIONS OF PERMITTING UP**
19 **TO FIVE PERCENT OF SERVICE ACADEMY**
20 **GRADUATES TO BE ASSIGNED DIRECTLY TO**
21 **RESERVE DUTY UPON GRADUATION.**

22 (a) REPORT REQUIRED.—The Comptroller General
23 of the United States shall submit to the Committee on
24 Armed Services of the Senate and the Committee on Na-
25 tional Security of the House of Representatives a report

1 providing an analysis of the cost implications, and the pol-
2 icy implications, of permitting up to 5 percent of each
3 graduating class of each of the service academies to be
4 placed, upon graduation and commissioning, in an active
5 status in the appropriate reserve component (without a
6 minimum period of obligated active duty service), with a
7 corresponding increase in the number of ROTC graduates
8 each year who are permitted to serve on active duty upon
9 commissioning.

10 (b) INFORMATION ON CURRENT ACADEMY GRAD-
11 UATES IN RESERVE COMPONENTS.—The Comptroller
12 General shall include in the report information (shown in
13 the aggregate and separately for each of the Armed Forces
14 and for graduates of each service academy) on—

15 (1) the number of academy graduates who at
16 the time of the report are serving in an active status
17 in a reserve component; and

18 (2) within the number under paragraph (1), the
19 number for each reserve component and, of those,
20 the number within each reserve component who are
21 on active duty under section 12301(d) of title 10,
22 United States Code, for the purpose of organizing,
23 administering, recruiting, instructing, or training the
24 reserve components.

1 (c) SUBMISSION OF REPORT.—The report shall be
2 submitted not later than six months after the date of the
3 enactment of this Act.

4 (d) SERVICE ACADEMIES.—For purposes of this sec-
5 tion, the term “service academies” means—

6 (1) the United States Military Academy;

7 (2) the United States Naval Academy; and

8 (3) the United States Air Force Academy.

9 **Subtitle E—Other Matters**

10 **SEC. 561. HATE CRIMES IN THE MILITARY.**

11 (a) HUMAN RELATIONS TRAINING.—(1) The Sec-
12 retary of Defense shall ensure that the Secretary of each
13 military department conducts ongoing programs for
14 human relations training for all members of the Armed
15 Forces under the jurisdiction of the Secretary. Matters to
16 be covered by such training include race relations, equal
17 opportunity, opposition to gender discrimination, and sen-
18 sitivity to “hate group” activity. Such training shall be
19 provided during basic training (or other initial military
20 training) and on a regular basis thereafter.

21 (2) The Secretary of Defense shall also ensure that
22 unit commanders are aware of their responsibilities in en-
23 suring that impermissible activity based upon discrimina-
24 tory motives does not occur in units under their command.

1 (b) INFORMATION TO BE PROVIDED TO PROSPEC-
2 TIVE RECRUITS.—The Secretary of Defense shall ensure
3 that each individual preparing to enter an officer accession
4 program or to execute an original enlistment agreement
5 is provided information concerning the meaning of the
6 oath of office or oath of enlistment for service in the
7 Armed Forces in terms of the equal protection and civil
8 liberties guarantees of the Constitution, and each such in-
9 dividual shall be informed that if supporting those guaran-
10 tees is not possible personally for that individual, then that
11 individual should decline to enter the Armed Forces.

12 (c) ANNUAL SURVEY.—(1) Section 451 of title 10,
13 United States Code, is amended to read as follows:

14 **“§ 451. Race relations, gender discrimination, and**
15 **hate group activity: annual survey and**
16 **report**

17 “(a) ANNUAL SURVEY.—The Secretary of Defense
18 shall carry out an annual survey to measure the state of
19 racial, ethnic, and gender issues and discrimination among
20 members of the armed forces serving on active duty and
21 the extent (if any) of activity among such members that
22 may be seen as so-called ‘hate group’ activity. The survey
23 shall solicit information on the race relations and gender
24 relations climate in the armed forces, including—

1 “(1) indicators of positive and negative trends
2 of relations among all racial and ethnic groups and
3 between the sexes;

4 “(2) the effectiveness of Department of Defense
5 policies designed to improve race, ethnic, and gender
6 relations; and

7 “(3) the effectiveness of current processes for
8 complaints on and investigations into racial, ethnic,
9 and gender discrimination.

10 “(b) IMPLEMENTING ENTITY.—The Secretary shall
11 carry out each annual survey through the entity in the
12 Department of Defense known as the Armed Forces Sur-
13 vey on Race/Ethnic Issues.

14 “(c) REPORTS TO CONGRESS.—Upon completion of
15 biennial survey under subsection (a), the Secretary shall
16 submit to Congress a report containing the results of the
17 survey.”.

18 (2) The item relating to such section in the table of
19 sections at the beginning of chapter 22 of such title is
20 amended to read as follows:

“451. Race relations, gender discrimination, and hate group activity: annual sur-
vey and report.”.

1 **SEC. 562. AUTHORITY OF A RESERVE JUDGE ADVOCATE TO**
2 **ACT AS A NOTARY PUBLIC.**

3 (a) NOTARY PUBLIC AUTHORITY TO INCLUDE RE-
4 SERVE LAWYERS OF THE ARMED FORCES.—Section
5 1044a(b) of title 10, United States Code, is amended—

6 (1) in paragraph (1), by striking out “on active
7 duty or performing inactive-duty training” and in-
8 serting in lieu thereof “, including reserve judge ad-
9 vocates not on active duty”;

10 (2) in paragraph (3), by striking out “adjutants
11 on active duty or performing inactive-duty training”
12 and inserting in lieu thereof “adjutants, including
13 reserve members not on active duty”; and

14 (3) in paragraph (4), by striking out “persons
15 on active duty or performing inactive-duty training”
16 and inserting in lieu thereof “members of the armed
17 forces, including reserve members not on active
18 duty,”.

19 (b) RATIFICATION OF PRIOR NOTARIAL ACTS.—Any
20 notarial act performed before the enactment of this Act,
21 the validity of which has not been challenged or negated
22 in a case pending before or decided by a court or adminis-
23 trative agency of competent jurisdiction, on or before the
24 date of the enactment of this Act, is hereby confirmed,
25 ratified, and approved with full effect as if such act was
26 performed after the enactment of this Act.

1 **SEC. 563. AUTHORITY TO PROVIDE LEGAL ASSISTANCE TO**
2 **PUBLIC HEALTH SERVICE OFFICERS.**

3 (a) **LEGAL ASSISTANCE AVAILABLE.**—Subsection (a)
4 of section 1044 of title 10, United States Code, is amend-
5 ed by striking out paragraph (3) and inserting in lieu
6 thereof the following:

7 “(3) Officers of the commissioned corps of the
8 Public Health Service who are on active duty or en-
9 titled to retired or equivalent pay.

10 “(4) Dependents of members and former mem-
11 bers described in paragraphs (1), (2), and (3).”.

12 (b) **LIMITATION ON ASSISTANCE.**—Subsection (c) of
13 such section is amended—

14 (1) by striking out “armed forces” and insert-
15 ing in lieu thereof “uniformed services described in
16 subsection (a)”; and

17 (2) by inserting “such” after “dependent of”.

18 (c) **CLARIFYING AMENDMENTS.**—Subsection (a) of
19 such section is further amended by striking out “under
20 his jurisdiction” in paragraphs (1) and (2).

21 (d) **STYLISTIC AMENDMENTS.**—Subsection (a) of
22 such section is further amended—

23 (1) in the matter preceding paragraph (1), by
24 striking out “to—” and inserting in lieu thereof “to
25 the following persons:”;

1 (2) by capitalizing the first letter of the first
2 word of paragraphs (1) and (2);

3 (3) by striking out the semicolon at the end of
4 paragraph (1) and inserting in lieu thereof a period;
5 and

6 (4) by striking out “; and” at the end of para-
7 graph (2) and inserting in lieu thereof a period.

8 **SEC. 564. EXCEPTED APPOINTMENT OF CERTAIN JUDICIAL**
9 **NON-ATTORNEY STAFF IN THE UNITED**
10 **STATES COURT OF APPEALS FOR THE ARMED**
11 **FORCES.**

12 Section 943(c) of title 10, United States Code, is
13 amended—

14 (1) in the heading for the subsection, by insert-
15 ing “AND CERTAIN OTHER” after “ATTORNEY”; and

16 (2) in paragraph (1), by inserting “and non-at-
17 torney positions on the personal staff of a judge”
18 after “Court of Appeals for the Armed Forces”.

19 **SEC. 565. REPLACEMENT OF CERTAIN AMERICAN THEATER**
20 **CAMPAIGN RIBBONS.**

21 (a) REPLACEMENT RIBBONS.—The Secretary of the
22 Army, pursuant to section 3751 of title 10, United States
23 Code, may replace any World War II decoration known
24 as the American Theater Campaign Ribbon that was

1 awarded to a person listed in the order described in sub-
2 section (b).

3 (b) RIBBONS PROPERLY AWARDED.—Any person
4 listed in the document titled “General Order Number 1”,
5 issued by the Third Auxiliary Surgical Group, APO 647,
6 United States Army, dated February 1, 1943, shall be
7 considered to have been properly awarded the American
8 Theater Campaign Ribbon for service during World War
9 II.

10 **SEC. 566. RESTORATION OF REGULATIONS PROHIBITING**
11 **SERVICE OF HOMOSEXUALS IN THE ARMED**
12 **FORCES.**

13 (a) TERMINATION OF EXISTING ADMINISTRATIVE
14 POLICY.—Effective on the date of the enactment of this
15 Act, the following measures of the executive branch are
16 rescinded and shall cease to be effective:

17 (1) The memorandum of the Secretary of De-
18 fense to the Secretaries of the military departments
19 and the Chairman of the Joint Chiefs of Staff dated
20 July 19, 1993, that stated its subject to be: “Policy
21 on Homsexual Conduct in the Armed Forces”.

22 (2) The four-page document entitled “Policy
23 Guidelines on Homsexual Conduct in the Armed
24 Forces” that was issued by the Secretary of Defense

1 as an attachment to the memorandum referred to
2 in paragraph (1).

3 (3) The revisions to Department of Defense di-
4 rectives 1332.30, 1332.14, and 1304.26 that were
5 directed to be made by the General Counsel of the
6 Department of Defense by memorandum dated Feb-
7 ruary 28, 1994, to the Director of Administration
8 and Management of the Department of Defense.

9 (b) REINSTATEMENT OF FORMER REGULATIONS.—
10 Immediately upon the enactment of this Act and effective
11 as of the date of the enactment of this Act—

12 (1) the Secretary of Defense shall reinstate the
13 regulations (including Department of Defense direc-
14 tives) of the Department of Defense regarding serv-
15 ice of homosexuals in the Armed Forces that were
16 in effect on January 19, 1993; and

17 (2) the Secretary of each military department
18 shall reinstate the regulations of that military de-
19 partment regarding service of homosexuals in the
20 Armed Forces that were in effect on January 19,
21 1993.

22 (c) REVISION PROHIBITED.—The regulations (in-
23 cluding Department of Defense directives) reinstated pur-
24 suant to subsection (b), insofar as they relate to the serv-
25 ice of homosexuals in the Armed Forces, may not be re-

1 vised except as specifically provided by a law enacted after
2 the enactment of this Act.

3 (d) **RULE OF CONSTRUCTION.**—In the case of a con-
4 flict between the regulations required to be prescribed by
5 subsection (b) and the provisions of section 654 of title
6 10, United States Code, or any other provision of law, the
7 requirements of such provision of law shall be given effect.

8 (e) **RESTORATION OF QUESTIONING OF NEW EN-**
9 **TRANTS INTO MILITARY SERVICE.**—(1) Not later than 90
10 days after the date of the enactment of this Act, the Sec-
11 retary of Defense shall issue instructions for the resump-
12 tion of questioning of potential new entrants into the
13 Armed Forces as to homosexuality in accordance with the
14 policy and practices of the Department of Defense as of
15 January 19, 1993 (as reinstated pursuant to subsection
16 (b)).

17 (2) Section 571(d) of the National Defense Author-
18 ization Act for Fiscal Year 1994 (Public Law 103–160;
19 107 Stat. 1673; 10 U.S.C. 654 note) is repealed.

20 **SEC. 567. REENACTMENT AND MODIFICATION OF MANDA-**
21 **TORY SEPARATION FROM SERVICE FOR MEM-**
22 **BERS DIAGNOSED WITH HIV-1 VIRUS.**

23 (a) **REENACTMENT AND MODIFICATION.**—(1) Chap-
24 ter 59 of title 10, United States Code, is amended by in-
25 serting after section 1176 the following:

1 **“§ 1177. Members infected with HIV-1 virus: manda-**
2 **tory discharge or retirement**

3 “(a) MANDATORY SEPARATION.—(1) A member of
4 the Army, Navy, Air Force, or Marine Corps who is HIV-
5 positive and who on the date on which the medical deter-
6 mination is made that the member is HIV-positive has less
7 than 15 years of creditable service shall be separated.
8 Such separation shall be made on a date determined by
9 the Secretary concerned, which shall be as soon as prac-
10 ticable after the date on which the medical determination
11 is made that the member is HIV-positive and not later
12 than the last day of the second month beginning after such
13 date.

14 “(2) In determining the years of creditable service of
15 a member for purposes of paragraph (1)—

16 “(A) in the case of a member on active duty or
17 full-time National Guard duty, the member’s years
18 of creditable service are the number of years of serv-
19 ice of the member as computed for the purpose of
20 determining the member’s eligibility for retirement
21 under any provision of law (other than chapter 61
22 or 1223 of this title); and

23 “(B) in the case of a member in an active sta-
24 tus, the member’s years of creditable service are the
25 number of years of service creditable to the member
26 under section 12732 of this title.

1 “(b) FORM OF SEPARATION.—The characterization
2 of the service of the member shall be determined without
3 regard to the determination that the member is HIV-posi-
4 tive.

5 “(c) SEPARATION TO BE CONSIDERED INVOLUN-
6 TARY.—A separation under this section shall be consid-
7 ered to be an involuntary separation for purposes of any
8 other provision of law.

9 “(d) COUNSELING ABOUT AVAILABLE MEDICAL
10 CARE.—A member to be separated under this section shall
11 be provided information, in writing, before such separation
12 of the available medical care (through the Department of
13 Veterans Affairs and otherwise) to treat the member’s
14 condition. Such information shall include identification of
15 specific medical locations near the member’s home of
16 record or point of discharge at which the member may
17 seek necessary medical care.

18 “(e) HIV-POSITIVE MEMBERS.—A member shall be
19 considered to be HIV-positive for purposes of this section
20 if there is serologic evidence that the member is infected
21 with the virus known as Human Immunodeficiency Virus—
22 1 (HIV–1), the virus most commonly associated with the
23 acquired immune deficiency syndrome (AIDS) in the Unit-
24 ed States. Such serologic evidence shall be considered to
25 exist if there is a reactive result given by an enzyme-linked

1 immunosorbent assay (ELISA) serologic test that is con-
2 firmed by a reactive and diagnostic immunoelectrophoresis
3 test (Western blot) on two separate samples. Any such se-
4 rologic test must be one that is approved by the Food and
5 Drug Administration.”.

6 (2) The table of sections at the beginning of chapter
7 59 of such title is amended by inserting after the item
8 relating to section 1176 the following new item:

“1177. Members infected with HIV-1 virus: mandatory discharge or retire-
ment.”.

9 (b) EFFECTIVE DATE.—Section 1177 of title 10,
10 United States Code, as added by subsection (a), applies
11 with respect to members of the Army, Navy, Air Force,
12 and Marine Corps determined to be HIV-positive before,
13 on, or after the date of the enactment of this Act. In the
14 case of a member of the Army, Navy, Air Force, or Marine
15 Corps determined to be HIV-positive before such date, the
16 deadline for separation of the member under subsection
17 (a) of such section shall be determined from the date of
18 the enactment of this Act (rather than from the date of
19 such determination), except that no such member shall be
20 separated by reason of such section (without the consent
21 of the member) before October 1, 1996.

1 **TITLE VI—COMPENSATION AND**
2 **OTHER PERSONNEL BENEFITS**
3 **Subtitle A—Pay and Allowances**

4 **SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1997.**

5 (a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any
6 adjustment required by section 1009 of title 37, United
7 States Code, in elements of compensation of members of
8 the uniformed services to become effective during fiscal
9 year 1997 shall not be made.

10 (b) INCREASE IN BASIC PAY AND BAS.—Effective on
11 January 1, 1997, the rates of basic pay and basic allow-
12 ance for subsistence of members of the uniformed services
13 are increased by 3 percent.

14 (c) INCREASE IN BAQ.—Effective on January 1,
15 1997, the rates of basic allowance for quarters of members
16 of the uniformed services are increased by 4.6 percent.

17 **SEC. 602. AVAILABILITY OF BASIC ALLOWANCE FOR QUAR-**
18 **TERS FOR CERTAIN MEMBERS WITHOUT DE-**
19 **PENDENTS WHO SERVE ON SEA DUTY.**

20 (a) AVAILABILITY OF ALLOWANCE.—Section
21 403(c)(2) of title 37, United States Code, is amended—

22 (1) by striking out “A member” in the first
23 sentence and inserting in lieu thereof “(A) Except as
24 provided in subparagraph (B) or (C), a member”;

25 (2) by striking out the second sentence; and

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

3 “(B) Under regulations prescribed by the Secretary
4 concerned, the Secretary may authorize the payment of
5 a basic allowance for quarters to a member of a uniformed
6 service under the jurisdiction of the Secretary when the
7 member is without dependents, is serving in pay grade E-
8 5, and is assigned to sea duty. In prescribing regulations
9 under this subparagraph, the Secretary concerned shall
10 consider the availability of quarters for members serving
11 in pay grade E-5.

12 “(C) Notwithstanding section 421 of this title, two
13 members of the uniformed services in a pay grade below
14 pay grade E-5 who are married to each other, have no
15 other dependents, and are simultaneously assigned to sea
16 duty are entitled to a single basic allowance for quarters
17 during the period of such simultaneous sea duty. The
18 amount of the allowance shall be based on the without de-
19 pendents rate for the pay grade of the senior member.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall take effect on July 1, 1997.

1 **SEC. 603. ESTABLISHMENT OF MINIMUM MONTHLY**
2 **AMOUNT OF VARIABLE HOUSING ALLOW-**
3 **ANCE FOR HIGH HOUSING COST AREAS.**

4 (a) MINIMUM MONTHLY AMOUNT OF ALLOWANCE.—

5 Subsection (c) of section 403a of title 37, United States
6 Code, is amended by striking out paragraph (1) and in-
7 serting in lieu thereof the following new paragraph:

8 “(1) The monthly amount of a variable housing allow-
9 ance under this section for a member of a uniformed serv-
10 ice with respect to an area is equal to the greater of the
11 following amounts:

12 “(A) An amount equal to the difference be-
13 tween—

14 “(i) the median monthly cost of housing in
15 that area for members of the uniformed services
16 serving in the same pay grade and with the
17 same dependency status as that member; and

18 “(ii) 80 percent of the median monthly
19 cost of housing in the United States for mem-
20 bers of the uniformed services serving in the
21 same pay grade and with the same dependency
22 status as that member.

23 “(B) An amount equal to the difference be-
24 tween—

25 “(i) the adequate housing allowance floor
26 determined by the Secretary of Defense for all

1 members of the uniformed services in that area
2 entitled to a variable housing allowance under
3 this section; and

4 “(ii) the monthly basic allowance for quar-
5 ters for members of the uniformed services
6 serving in the same pay grade and with the
7 same dependency status as that member.”.

8 (b) ADEQUATE HOUSING ALLOWANCE FLOOR.—

9 Such subsection is further amended by adding at the end
10 the following new paragraph:

11 “(7)(A) For purposes of paragraph (1)(B)(i), the
12 Secretary of Defense shall establish an adequate housing
13 allowance floor for members of the uniformed services in
14 an area as a selected percentage, not to exceed 85 percent,
15 of the cost of adequate housing in that area based on an
16 index of housing costs selected by the Secretary of Defense
17 from among the following:

18 “(i) The fair market rentals established annu-
19 ally by the Secretary of Housing and Urban Devel-
20 opment under section 8(e)(1) of the United States
21 Housing Act of 1937 (42 U.S.C. 1437f(e)(1)).

22 “(ii) An index developed in the private sector
23 that the Secretary of Defense determines is com-
24 parable to the fair market rentals referred to in

1 clause (i) and is appropriate for use to determine
2 the adequate housing allowance floor.

3 “(B) The Secretary of Defense shall carry out this
4 paragraph in consultation with the Secretary of Transpor-
5 tation, the Secretary of Commerce, and the Secretary of
6 Health and Human Services.”.

7 (c) EFFECT ON TOTAL AMOUNT AVAILABLE FOR AL-
8 LOWANCE.—Subsection (d)(3) of such section is amended
9 in the second sentence by striking out “the second sen-
10 tence of subsection (c)(3)” and inserting in lieu thereof
11 “paragraph (1)(B) of subsection (c) and the second sen-
12 tence of paragraph (3) of that subsection”.

13 (d) CONFORMING AMENDMENTS.—Subsection (c) of
14 such section is further amended—

15 (1) in paragraph (3), by striking out “this sub-
16 section” in the first sentence and inserting lieu
17 thereof “paragraph (1)(A) or the minimum amount
18 of a variable housing allowance under paragraph
19 (1)(B)”;

20 (2) in paragraph (5), by inserting “or minimum
21 amount of a variable housing allowance” after “costs
22 of housing”.

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on January 1, 1997, except
25 that the Secretary of Defense may delay implementation

1 of the requirements imposed by the amendments to such
2 later date as the Secretary considers appropriate upon
3 publication of notice to that effect in the Federal Register.

4 **Subtitle B—Bonuses and Special**
5 **and Incentive Pays**

6 **SEC. 611. EXTENSION OF CERTAIN BONUSES FOR RESERVE**
7 **FORCES.**

8 (a) **SELECTED RESERVE REENLISTMENT BONUS.**—
9 Section 308b(f) of title 37, United States Code, is amend-
10 ed by striking out “September 30, 1997” and inserting
11 in lieu thereof “September 30, 1998”.

12 (b) **SELECTED RESERVE ENLISTMENT BONUS.**—Sec-
13 tion 308c(e) of title 37, United States Code, is amended
14 by striking out “September 30, 1997” and inserting in
15 lieu thereof “September 30, 1998”.

16 (c) **SELECTED RESERVE AFFILIATION BONUS.**—Sec-
17 tion 308e(e) of title 37, United States Code, is amended
18 by striking out “September 30, 1997” and inserting in
19 lieu thereof “September 30, 1998”.

20 (d) **READY RESERVE ENLISTMENT AND REENLIST-**
21 **MENT BONUS.**—Section 308h(g) of title 37, United States
22 Code, is amended by striking out “September 30, 1997”
23 and inserting in lieu thereof “September 30, 1998”.

24 (e) **PRIOR SERVICE ENLISTMENT BONUS.**—Section
25 308i(i) of title 37, United States Code, is amended by

1 striking out “September 30, 1997” and inserting in lieu
2 thereof “September 30, 1998”.

3 **SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL**
4 **PAY FOR NURSE OFFICER CANDIDATES, REG-**
5 **ISTERED NURSES, AND NURSE ANES-**
6 **THETISTS.**

7 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
8 GRAM.—Section 2130a(a)(1) of title 10, United States
9 Code, is amended by striking out “September 30, 1997”
10 and inserting in lieu thereof “September 30, 1998”.

11 (b) ACCESSION BONUS FOR REGISTERED NURSES.—
12 Section 302d(a)(1) of title 37, United States Code, is
13 amended by striking out “September 30, 1997” and in-
14 serting in lieu thereof “September 30, 1998”.

15 (c) INCENTIVE SPECIAL PAY FOR NURSE ANES-
16 THETISTS.—Section 302e(a)(1) of title 37, United States
17 Code, is amended by striking out “September 30, 1997”
18 and inserting in lieu thereof “September 30, 1998”.

19 **SEC. 613. EXTENSION OF AUTHORITY RELATING TO PAY-**
20 **MENT OF OTHER BONUSES AND SPECIAL**
21 **PAYS.**

22 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
23 tion 301b(a) of title 37, United States Code, is amended
24 by striking out “September 30, 1997” and inserting in
25 lieu thereof “September 30, 1998,”.

1 (b) SPECIAL PAY FOR HEALTH CARE PROFES-
2 SIONALS WHO SERVE IN THE SELECTED RESERVE IN
3 CRITICALLY SHORT WARTIME SPECIALTIES.—Section
4 302g(f) of title 37, United States Code, is amended by
5 striking out “September 30, 1997” and inserting in lieu
6 thereof “September 30, 1998”.

7 (c) REENLISTMENT BONUS FOR ACTIVE MEM-
8 BERS.—Section 308(g) of title 37, United States Code, is
9 amended by striking out “September 30, 1997” and in-
10 serting in lieu thereof “September 30, 1998”.

11 (d) ENLISTMENT BONUSES FOR CRITICAL SKILLS.—
12 Sections 308a(e) and 308f(e) of title 37, United States
13 Code, are each amended by striking out “September 30,
14 1997” and inserting in lieu thereof “September 30,
15 1998”.

16 (e) SPECIAL PAY FOR ENLISTED MEMBERS OF THE
17 SELECTED RESERVE ASSIGNED TO CERTAIN HIGH PRI-
18 ORITY UNITS.—Section 308d(c) of title 37, United States
19 Code, is amended by striking out “September 30, 1997”
20 and inserting in lieu thereof “September 30, 1998”.

21 (f) SPECIAL PAY FOR NUCLEAR QUALIFIED OFFI-
22 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
23 312(e) of title 37, United States Code, is amended by
24 striking out “September 30, 1997” and inserting in lieu
25 thereof “September 30, 1998”.

1 (g) NUCLEAR CAREER ACCESSION BONUS.—Section
2 312b(c) of title 37, United States Code, is amended by
3 striking out “September 30, 1997” and inserting in lieu
4 thereof “September 30, 1998”.

5 (h) NUCLEAR CAREER ANNUAL INCENTIVE
6 BONUS.—Section 312c(d) of title 37, United States Code,
7 is amended by striking out “October 1, 1997” and insert-
8 ing in lieu thereof “October 1, 1998”.

9 (i) REPAYMENT OF EDUCATION LOANS FOR CERTAIN
10 HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED
11 RESERVE.—Section 16302(d) of title 10, United States
12 Code, is amended by striking out “October 1, 1997” and
13 inserting in lieu thereof “October 1, 1998”.

14 **SEC. 614. SPECIAL INCENTIVES TO RECRUIT AND RETAIN**
15 **DENTAL OFFICERS.**

16 (a) VARIABLE, ADDITIONAL, AND BOARD CERTIFIED
17 SPECIAL PAYS FOR ACTIVE DUTY DENTAL OFFICERS.—
18 Section 302b(a) of title 37, United States Code is amend-
19 ed—

20 (1) in paragraph (2)—

21 (A) in subparagraph (A), by striking out
22 “\$1,200” and inserting in lieu thereof
23 “\$3,000”;

1 (B) in subparagraph (B), by striking out
2 “\$2,000” and inserting in lieu thereof
3 “\$7,000”; and

4 (C) in subparagraph (C), by striking out
5 “\$4,000” and inserting in lieu thereof
6 “\$7,000”;

7 (2) in paragraph (4), by striking out subpara-
8 graphs (A), (B), and (C) and inserting in lieu there-
9 of the following:

10 “(A) \$4,000 per year, if the officer has less
11 than three years of creditable service.

12 “(B) \$6,000 per year, if the officer has at least
13 three but less than 14 years of creditable service.

14 “(C) \$8,000 per year, if the officer has at least
15 14 but less than 18 years of creditable service.

16 “(D) \$10,000 per year, if the officer has at
17 least 18 or more years of creditable service.”; and

18 (3) in paragraph (5), by striking out subpara-
19 graphs (A), (B), and (C) and inserting in lieu there-
20 of the following:

21 “(A) \$2,500 per year, if the officer has less
22 than 10 years of creditable service.

23 “(B) \$3,500 per year, if the officer has at least
24 10 but less than 12 years of creditable service.

1 “(C) \$4,000 per year, if the officer has at least
2 12 but less than 14 years of creditable service.

3 “(D) \$5,000 per year, if the officer has at least
4 14 but less than 18 years of creditable service.

5 “(E) \$6,000 per year, if the officer has 18 or
6 more years of creditable service.”.

7 (b) RESERVE DENTAL OFFICERS SPECIAL PAY.—
8 Section 302b of title 37, United States Code, is amended
9 by adding at the end the following new subsection:

10 “(h) RESERVE DENTAL OFFICERS SPECIAL PAY.—

11 (1) A reserve dental officer described in paragraph (2) is
12 entitled to special pay at the rate of \$350 a month for
13 each month of active duty, including active duty in the
14 form of annual training, active duty for training, and ac-
15 tive duty for special work.

16 “(2) A reserve dental officer referred to in paragraph
17 (1) is a reserve officer who—

18 “(A) is an officer of the Dental Corps of the
19 Army or the Navy or an officer of the Air Force des-
20 ignated as a dental officer; and

21 “(B) is on active duty under a call or order to
22 active duty for a period of less than one year.”.

23 (c) ACCESSION BONUS FOR DENTAL SCHOOL GRAD-
24 UATES WHO ENTER THE ARMED FORCES.—(1) Chapter

1 5 of title 37, United States Code, is amended by inserting
2 after section 302g the following new section:

3 **“§ 302h. Special pay: accession bonus for dental offi-**
4 **cers**

5 “(a) ACCESSION BONUS AUTHORIZED.—(1) A person
6 who is a graduate of an accredited dental school and who,
7 during the period beginning on the date of the enactment
8 of this section, and ending on September 30, 2002, exe-
9 cutes a written agreement described in subsection (c) to
10 accept a commission as an officer of the armed forces and
11 remain on active duty for a period of not less than four
12 years may, upon the acceptance of the agreement by the
13 Secretary concerned, be paid an accession bonus in an
14 amount determined by the Secretary concerned.

15 “(2) The amount of an accession bonus under para-
16 graph (1) may not exceed \$30,000.

17 “(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A
18 person may not be paid a bonus under subsection (a) if—

19 “(1) the person, in exchange for an agreement
20 to accept an appointment as an officer, received fi-
21 nancial assistance from the Department of Defense
22 to pursue a course of study in dentistry; or

23 “(2) the Secretary concerned determines that
24 the person is not qualified to become and remain
25 certified and licensed as a dentist.

1 “(c) AGREEMENT.—The agreement referred to in
2 subsection (a) shall provide that, consistent with the needs
3 of the armed service concerned, the person executing the
4 agreement will be assigned to duty, for the period of obli-
5 gated service covered by the agreement, as an officer of
6 the Dental Corps of the Army or the Navy or an officer
7 of the Air Force designated as a dental officer.

8 “(d) REPAYMENT.—(1) An officer who receives a
9 payment under subsection (a) and who fails to become and
10 remain certified or licensed as a dentist during the period
11 for which the payment is made shall refund to the United
12 States an amount equal to the full amount of such pay-
13 ment.

14 “(2) An officer who voluntarily terminates service on
15 active duty before the end of the period agreed to be
16 served under subsection (a) shall refund to the United
17 States an amount that bears the same ratio to the amount
18 paid to the officer as the unserved part of such period
19 bears to the total period agreed to be served.

20 “(3) An obligation to reimburse the United States
21 imposed under paragraph (1) or (2) is for all purposes
22 a debt owed to the United States.

23 “(4) A discharge in bankruptcy under title 11 that
24 is entered less than five years after the termination of an
25 agreement under this section does not discharge the per-

1 son signing such agreement from a debt arising under
2 such agreement or this subsection. This paragraph applies
3 to any case commenced under title 11 after the date of
4 the enactment of this section.”.

5 (2) The table of sections at the beginning of such
6 chapter is amended by inserting after the item relating
7 to section 302g the following new item:

“302h. Special pay: accession bonus for dental officers.”.

8 (3) Section 303a of title 37, United States Code, is
9 amended by striking out “302g” each place it appears and
10 inserting in lieu thereof “302h”.

11 (d) REPORT ON ADDITIONAL ACTIVITIES TO IN-
12 CREASE RECRUITMENT OF DENTISTS.—Not later than
13 April 1, 1997, the Secretary of Defense shall submit to
14 Congress a report describing the feasibility of increasing
15 the number of persons enrolled in the Armed Forces
16 Health Professions Scholarship and Financial Assistance
17 program who are pursuing a course of study in dentistry
18 in anticipation of service as an officer of the Dental Corps
19 of the Army or the Navy or an officer of the Air Force
20 designated as a dental officer.

21 (e) STYLISTIC AMENDMENTS.—Section 302b of title
22 37, United States Code, is amended—

23 (1) in subsection (a), by inserting “VARIABLE,
24 ADDITIONAL, AND BOARD CERTIFICATION SPECIAL
25 PAY.—” after “(a)”;

1 (2) in subsection (b), by inserting “ACTIVE-
2 DUTY AGREEMENT.—” after “(b)”;

3 (3) in subsection (c), by inserting “REGULA-
4 TIONS.—” after “(c)”;

5 (4) in subsection (d), by inserting “FREQUENCY
6 OF PAYMENTS.—” after “(d)”;

7 (5) in subsection (e), by inserting “REFUND
8 FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—
9 ” after “(e)”;

10 (6) in subsection (f), by inserting “EFFECT OF
11 DISCHARGE IN BANKRUPTCY.—” after “(f)”;

12 (7) in subsection (g), by inserting “DETER-
13 MINATION OF CREDITABLE SERVICE.—” after
14 “(g)”.

15 **Subtitle C—Travel and** 16 **Transportation Allowances**

17 **SEC. 621. TEMPORARY LODGING EXPENSES OF MEMBER IN** 18 **CONNECTION WITH FIRST PERMANENT** 19 **CHANGE OF STATION.**

20 (a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—
21 Section 404a(a) of title 37, United States Code, is amend-
22 ed—

23 (1) by striking out “or” at the end of para-
24 graph (1);

1 (2) in paragraph (2), by inserting “or” after
2 “Alaska;”; and

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

5 “(3) from home of record or initial technical
6 school to first duty station;”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall take effect on January 1, 1997.

9 **SEC. 622. ALLOWANCE IN CONNECTION WITH SHIPPING**
10 **MOTOR VEHICLE AT GOVERNMENT EXPENSE.**

11 (a) ALLOWANCE AUTHORIZED.—Section
12 406(b)(1)(B) of title 37, United States Code, is amended
13 by adding at the end the following: “If clause (i)(I) applies
14 to the transportation by the member of a motor vehicle
15 from the old duty station, the monetary allowance under
16 this subparagraph shall also cover return travel to the old
17 duty station by the member or other person transporting
18 the vehicle. In the case of transportation described in
19 clause (ii), the monetary allowance shall also cover travel
20 from the new duty station to the port of debarkation to
21 pick up the vehicle.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall take effect on January 1, 1997.

1 **SEC. 623. DISLOCATION ALLOWANCE AT A RATE EQUAL TO**
2 **TWO AND ONE-HALF MONTHS BASIC ALLOW-**
3 **ANCE FOR QUARTERS.**

4 (a) Section 407(a) of title 37, United States Code,
5 is amended in the matter preceding the paragraphs by
6 striking out “two months” and inserting in lieu thereof
7 “two and one-half months”.

8 (b) **EFFECTIVE DATE.**—The amendment made by
9 subsection (a) shall take effect on January 1, 1997.

10 **SEC. 624. ALLOWANCE FOR TRAVEL PERFORMED IN CON-**
11 **NECTION WITH LEAVE BETWEEN CONSECU-**
12 **TIVE OVERSEAS TOURS.**

13 (a) **ADDITIONAL DEFERRAL.**—Section 411b(a)(2) of
14 title 37, United States Code, is amended by adding at the
15 end the following: “If the member is unable to undertake
16 the travel before the end of such one-year period as a re-
17 sult of the participation of the member in a critical oper-
18 ational mission, as determined by the Secretary concerned,
19 the member may defer the travel, under the regulations
20 referred to in paragraph (1), for a period not to exceed
21 one year after the date on which the member’s participa-
22 tion in the critical operational mission ends.”.

23 (b) **APPLICATION OF AMENDMENT.**—The amendment
24 made by subsection (a) shall apply to members of the uni-
25 formed services participating, on or after November 1,

1 1995, in critical operational missions designated by the
2 Secretary of Defense.

3 **Subtitle D—Retired Pay, Survivor**
4 **Benefits, and Related Matters**

5 **SEC. 631. INCREASE IN ANNUAL LIMIT ON DAYS OF INAC-**
6 **TIVE DUTY TRAINING CREDITABLE TOWARDS**
7 **RESERVE RETIREMENT.**

8 (a) INCREASE IN LIMIT.—Section 12733(3) is
9 amended by inserting before the period at the end the fol-
10 lowing: “before the year in which the date of the enact-
11 ment of the National Defense Authorization Act for Fiscal
12 Year 1997 occurs and not more than 75 days in any sub-
13 sequent year”.

14 (b) TRACKING SYSTEM FOR AWARD OF RETIREMENT
15 POINTS.—To better enable the Secretary of Defense and
16 Congress to assess the cost and the effect on readiness
17 of the amendment made by subsection (a) and of other
18 potential changes to the Reserve retirement system under
19 chapter 1223 of title 10, United States Code, the Sec-
20 retary of Defense shall require the Secretary of each mili-
21 tary department to implement a system to monitor the
22 award of retirement points for purposes of that chapter
23 by categories in accordance with the recommendation set
24 forth in the August 1988 report of the Sixth Quadrennial
25 Review of Military Compensation.

1 (c) RECOMMENDATIONS TO CONGRESS.—The Sec-
2 retary shall submit to Congress, not later than one year
3 after the date of the enactment of this Act, the rec-
4 ommendations of the Secretary with regard to the adop-
5 tion of the following Reserve retirement initiatives rec-
6 ommended in the August 1988 report of the Sixth Quad-
7 rennial Review of Military Compensation:

8 (1) Elimination of membership points under
9 subparagraph (C) of section 12732(a)(2) of title 10,
10 United States Code, in conjunction with a decrease
11 from 50 to 35 in the number of points required for
12 a satisfactory year under that section.

13 (2) Limitation to 60 in any year on the number
14 of points that may be credited under subparagraph
15 (B) of section 12732(a)(2) of such title at two
16 points per day.

17 (3) Limitation to 360 in any year on the total
18 number of retirement points countable for purposes
19 of section 12733 of such title.

20 **SEC. 632. AUTHORITY FOR RETIREMENT IN GRADE IN**
21 **WHICH A MEMBER HAS BEEN SELECTED FOR**
22 **PROMOTION WHEN A PHYSICAL DISABILITY**
23 **INTERVENES.**

24 Section 1372 of title 10, United States Code, is
25 amended by striking out “his physical examination for

1 promotion” in paragraphs (3) and (4) and inserting in lieu
2 thereof “a physical examination”.

3 **SEC. 633. ELIGIBILITY FOR RESERVE DISABILITY RETIRE-**
4 **MENT FOR RESERVES INJURED WHILE AWAY**
5 **FROM HOME OVERNIGHT FOR INACTIVE-**
6 **DUTY TRAINING.**

7 Section 1204(2) of title 10, United States Code, is
8 amended by inserting before the semicolon at the end the
9 following: “or is incurred in line of duty while remaining
10 overnight, between successive periods of inactive-duty
11 training, at or in the vicinity of the site of the inactive-
12 duty training, if the site is outside reasonable commuting
13 distance from the member’s residence”.

14 **SEC. 634. RETIREMENT OF RESERVE ENLISTED MEMBERS**
15 **WHO QUALIFY FOR ACTIVE DUTY RETIRE-**
16 **MENT AFTER ADMINISTRATIVE REDUCTION**
17 **IN ENLISTED GRADE.**

18 (a) ARMY.—(1) Chapter 369 of title 10, United
19 States Code, is amended by inserting after section 3962
20 the following new section:

21 **“§ 3963. Highest grade held satisfactorily: Reserve en-**
22 **listed members reduced in grade not as a**
23 **result of the member’s misconduct**

24 “(a) A Reserve enlisted member of the Army de-
25 scribed in subsection (b) who is retired under section 3914

1 of this title shall be retired in the highest enlisted grade
2 in which the member served on active duty satisfactorily
3 (or, in the case of a member of the National Guard, in
4 which the member served on full-time duty satisfactorily),
5 as determined by the Secretary of the Army.

6 “(b) This section applies to a Reserve enlisted mem-
7 ber who—

8 “(1) at the time of retirement is serving on ac-
9 tive duty (or, in the case of a member of the Na-
10 tional Guard, on full-time National Guard duty) in
11 a grade lower than the highest enlisted grade held
12 by the member while on active duty (or full-time Na-
13 tional Guard duty); and

14 “(2) was previously administratively reduced in
15 grade not as a result of the member’s own mis-
16 conduct, as determined by the Secretary of the
17 Army.

18 “(c) This section applies with respect to Reserve en-
19 listed members who are retired under section 3914 of this
20 title after September 30, 1996.”.

21 (2) The table of sections at the beginning of such
22 chapter is amended by inserting after the item relating
23 to section 3962 the following new item:

“3963. Highest grade held satisfactorily: Reserve enlisted members reduced in
grade not as a result of the member’s misconduct.”.

1 (b) NAVY AND MARINE CORPS.—(1) Chapter 571 of
2 title 10, United States Code, is amended by adding at the
3 end the following new section:

4 **“§ 6336. Highest grade held satisfactorily: Reserve en-**
5 **listed members reduced in grade not as a**
6 **result of the member’s misconduct**

7 “(a) A member of the Naval Reserve or Marine Corps
8 Reserve described in subsection (b) who is transferred to
9 the Fleet Reserve or the Fleet Marine Corps Reserve
10 under section 6330 of this title shall be transferred in the
11 highest enlisted grade in which the member served on ac-
12 tive duty satisfactorily, as determined by the Secretary of
13 the Navy.

14 “(b) This section applies to a Reserve enlisted mem-
15 ber who—

16 “(1) at the time of transfer to the Fleet Re-
17 serve or Fleet Marine Corps Reserve is serving on
18 active duty in a grade lower than the highest en-
19 listed grade held by the member while on active
20 duty; and

21 “(2) was previously administratively reduced in
22 grade not as a result of the member’s own mis-
23 conduct, as determined by the Secretary of the
24 Navy.

1 “(c) This section applies with respect to enlisted
 2 members of the Naval Reserve and Marine Corps Reserve
 3 who are transferred to the Fleet Reserve or the Fleet Ma-
 4 rine Corps Reserve after September 30, 1996.”.

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:

“6336. Highest grade held satisfactorily: Reserve enlisted members reduced in
 grade not as a result of the member’s misconduct.”.

8 (c) AIR FORCE.—(1) Chapter 869 of title 10, United
 9 States Code, is amended by inserting after section 8962
 10 the following new section:

11 **“§ 8963. Highest grade held satisfactorily: Reserve en-**
 12 **listed members reduced in grade not as a**
 13 **result of the member’s misconduct**

14 “(a) A Reserve enlisted member of the Air Force de-
 15 scribed in subsection (b) who is retired under section 8914
 16 of this title shall be retired in the highest enlisted grade
 17 in which the member served on active duty satisfactorily
 18 (or, in the case of a member of the National Guard, in
 19 which the member served on full-time duty satisfactorily),
 20 as determined by the Secretary of the Air Force.

21 “(b) This section applies to a Reserve enlisted mem-
 22 ber who—

23 “(1) at the time of retirement is serving on ac-
 24 tive duty (or, in the case of a member of the Na-

1 tional Guard, on full-time National Guard duty) in
2 a grade lower than the highest enlisted grade held
3 by the member while on active duty (or full-time Na-
4 tional Guard duty); and

5 “(2) was previously administratively reduced in
6 grade not as a result of the member’s own mis-
7 conduct, as determined by the Secretary of the Air
8 Force.

9 “(c) This section applies with respect to Reserve en-
10 listed members who are retired under section 8914 of this
11 title after September 30, 1996.”.

12 (2) The table of sections at the beginning of such
13 chapter is amended by inserting after the item relating
14 to section 8962 the following new item:

“8963. Highest grade held satisfactorily: Reserve enlisted members reduced in
grade not as a result of the member’s misconduct.”.

15 (d) COMPUTATION OF RETIRED AND RETAINER PAY
16 BASED UPON RETIRED GRADE.—(1) Section 3991 of
17 such title is amended by adding at the end the following
18 new subsection:

19 “(c) SPECIAL RULE FOR RETIRED RESERVE EN-
20 LISTED MEMBERS COVERED BY SECTION 3963.—In the
21 case of a Reserve enlisted member retired under section
22 3914 of this title whose retired grade is determined under
23 section 3963 of this title and who first became a member
24 of a uniformed service before October 1, 1980, the retired

1 pay base of the member (notwithstanding section
2 1406(a)(1) of this title) is the amount of the monthly basic
3 pay of the member's retired grade (determined based upon
4 the rates of basic pay applicable on the date of the mem-
5 ber's retirement), and that amount shall be used for the
6 purposes of subsection (a)(1)(A) rather than the amount
7 computed under section 1406(c) of this title.”.

8 (2) Section 6333 of such title is amended by adding
9 at the end the following new subsection:

10 “(c) In the case of a Reserve enlisted member whose
11 grade upon transfer to the Fleet Reserve or Fleet Marine
12 Corps Reserve is determined under section 6336 of this
13 title and who first became a member of a uniformed serv-
14 ice before October 1, 1980, the retainer pay base of the
15 member (notwithstanding section 1406(a)(1) of this title)
16 is the amount of the monthly basic pay of the grade in
17 which the member is so transferred (determined based
18 upon the rates of basic pay applicable on the date of the
19 member's transfer), and that amount shall be used for the
20 purposes of the table in subsection (a) rather than the
21 amount computed under section 1406(d) of this title.”.

22 (3) Section 8991 of such title is amended by adding
23 at the end the following new subsection:

24 “(c) SPECIAL RULE FOR RETIRED RESERVE EN-
25 LISTED MEMBERS COVERED BY SECTION 8963.—In the

1 case of a Reserve enlisted member retired under section
2 8914 of this title whose retired grade is determined under
3 section 8963 of this title and who first became a member
4 of a uniformed service before October 1, 1980, the retired
5 pay base of the member (notwithstanding section
6 1406(a)(1) of this title) is the amount of the monthly basic
7 pay of the member's retired grade (determined based upon
8 the rates of basic pay applicable on the date of the mem-
9 ber's retirement), and that amount shall be used for the
10 purposes of subsection (a)(1)(A) rather than the amount
11 computed under section 1406(e) of this title.”

12 **SEC. 635. CLARIFICATION OF INITIAL COMPUTATION OF**
13 **RETIREE COLAS AFTER RETIREMENT.**

14 (a) IN GENERAL.—Section 1401a of title 10, United
15 States Code, is amended by striking out subsections (c)
16 and (d) and inserting in lieu thereof the following new sub-
17 sections:

18 “(c) FIRST COLA ADJUSTMENT FOR MEMBERS
19 WITH RETIRED PAY COMPUTED USING FINAL BASIC
20 PAY.—

21 “(1) FIRST ADJUSTMENT WITH INTERVENING
22 INCREASE IN BASIC PAY.—Notwithstanding sub-
23 section (b), if a person described in paragraph (3)
24 becomes entitled to retired pay based on rates of
25 monthly basic pay that became effective after the

1 last day of the calendar quarter of the base index,
2 the retired pay of the member or former member
3 shall be increased on the effective date of the next
4 adjustment of retired pay under subsection (b) only
5 by the percent (adjusted to the nearest one-tenth of
6 1 percent) by which—

7 “(A) the price index for the base quarter
8 of that year, exceeds

9 “(B) the price index for the calendar quar-
10 ter immediately before the calendar quarter in
11 which the rates of monthly basic pay on which
12 the retired pay is based became effective.

13 “(2) FIRST ADJUSTMENT WITH NO INTERVEN-
14 ING INCREASE IN BASIC PAY.—If a person described
15 in paragraph (3) becomes entitled to retired pay on
16 or after the effective date of an adjustment in re-
17 tired pay under subsection (b) but before the effec-
18 tive date of the next increase in the rates of monthly
19 basic pay, the retired pay of the member or former
20 member shall be increased, effective on the date the
21 member becomes entitled to that pay, by the percent
22 (adjusted to the nearest one-tenth of 1 percent) by
23 which—

24 “(A) the base index, exceeds

1 “(B) the price index for the calendar quar-
2 ter immediately before the calendar quarter in
3 which the rates of monthly basic pay on which
4 the retired pay is based became effective.

5 “(3) MEMBERS COVERED.—Paragraphs (1) and
6 (2) apply to a member or former member of an
7 armed force who first became a member of a uni-
8 formed service before August 1, 1986, and whose re-
9 tired pay base is determined under section 1406 of
10 this title.

11 “(d) FIRST COLA ADJUSTMENT FOR MEMBERS
12 WITH RETIRED PAY COMPUTED USING HIGH-THREE.—
13 Notwithstanding subsection (b), the retired pay of a mem-
14 ber or former member of an armed force who first became
15 a member of a uniformed service before August 1, 1986,
16 and whose retired pay base is determined under section
17 1407 of this title shall be increased on the effective date
18 of the first adjustment of retired pay under subsection (b)
19 after the member or former member becomes entitled to
20 retired pay by the percent (adjusted to the nearest one-
21 tenth of 1 percent) equal to the difference between the
22 percent by which—

23 “(1) the price index for the base quarter of that
24 year, exceeds

1 “(2) the price index for the calendar quarter
2 immediately before the calendar quarter during
3 which the member became entitled to retired pay.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 subsection (a) shall apply only to adjustments of retired
6 and retainer pay effective after the date of the enactment
7 of this Act.

8 **SEC. 636. TECHNICAL CORRECTION TO PRIOR AUTHORITY**
9 **FOR PAYMENT OF BACK PAY TO CERTAIN**
10 **PERSONS.**

11 Section 634 of the National Defense Authorization
12 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
13 366) is amended—

14 (1) in subsection (b)(1), by striking out “Island
15 of Bataan” and inserting in lieu thereof “peninsula
16 of Bataan or island of Corregidor”; and

17 (2) in subsection (c), by inserting after the first
18 sentence the following: “For the purposes of this
19 subsection, the Secretary of War shall be deemed to
20 have determined that conditions in the Philippines
21 during the specified period justified payment under
22 applicable regulations of quarters and subsistence al-
23 lowances at the maximum special rate for duty
24 where emergency conditions existed.”.

1 **SEC. 637. AMENDMENTS TO THE UNIFORMED SERVICES**
2 **FORMER SPOUSES' PROTECTION ACT.**

3 (a) MANNER OF SERVICE OF PROCESS.—Subsection
4 (b)(1)(A) of section 1408 of title 10, United States Code,
5 is amended by striking out “certified or registered mail,
6 return receipt requested” and inserting in lieu thereof
7 “facsimile or electronic transmission or by mail”.

8 (b) SUBSEQUENT COURT ORDER FROM ANOTHER
9 STATE.—Subsection (d) of such section is amended by
10 adding at the end the following new paragraph:

11 “(6)(A) The Secretary concerned may not accept
12 service of a court order that is an out-of State modifica-
13 tion, or comply with the provisions of such a court order,
14 unless the court issuing that order has jurisdiction in the
15 manner specified in subsection (c)(4) over both the mem-
16 ber and the spouse or former spouse involved.

17 “(B) A court order shall be considered to be an out-
18 of-State modification for purposes of this paragraph if the
19 order—

20 “(i) modifies a previous court order under this
21 section upon which payments under this subsection
22 are based; and

23 “(ii) is issued by a court of a State other than
24 the State of the court that issued the previous court
25 order.”.

1 **SEC. 638. ADMINISTRATION OF BENEFITS FOR SO-CALLED**
2 **MINIMUM INCOME WIDOWS.**

3 (a) PAYMENTS TO BE MADE BY SECRETARY OF VET-
4 ERANS AFFAIRS.—Section 4 of Public Law 92–425 (10
5 U.S.C. 1448 note) is amended by adding at the end the
6 following new subsection:

7 “(e)(1) Payment of annuities under this section shall
8 be made by the Secretary of Veterans Affairs. If appro-
9 priate for administrative convenience (or otherwise deter-
10 mined appropriate by the Secretary of Veterans Affairs),
11 that Secretary may combine a payment to any person for
12 any month under this section with any other payment for
13 that month under laws administered by the Secretary so
14 as to provide that person with a single payment for that
15 month.

16 “(2) The Secretary concerned shall annually transfer
17 to the Secretary of Veterans Affairs such amounts as may
18 be necessary for payments by the Secretary of Veterans
19 Affairs under this section and for costs of the Secretary
20 of Veterans Affairs in administering this section. Such
21 transfers shall be made from amounts that would other-
22 wise be used for payment of annuities by the Secretary
23 concerned under this section. The authority to make such
24 a transfer is in addition to any other authority of the Sec-
25 retary concerned to transfer funds for a purpose other
26 than the purpose for which the funds were originally made

1 available. In the case of a transfer by the Secretary of
 2 a military department, the provisions of section 2215 of
 3 this title do not apply.

4 “(3) The Secretary concerned shall promptly notify
 5 the Secretary of Veterans Affairs of any change in bene-
 6 ficiaries under this section.”.

7 (b) EFFECTIVE DATE.—Subsection (e) of section 4
 8 of Public Law 92–425, as added by subsection (a), shall
 9 apply with respect to payments of benefits for any month
 10 after June 1997.

11 **SEC. 639. NONSUBSTANTIVE RESTATEMENT OF SURVIVOR**
 12 **BENEFIT PLAN STATUTE.**

13 Subchapter II of chapter 73 of title 10, United States
 14 Code, is amended to read as follows:

15 “SUBCHAPTER II—SURVIVOR BENEFIT PLAN

“Sec.

“1447. Definitions.

“1448. Application of Plan.

“1449. Mental incompetency of member.

“1450. Payment of annuity: beneficiaries.

“1451. Amount of annuity.

“1452. Reduction in retired pay.

“1453. Recovery of amounts erroneously paid.

“1454. Correction of administrative errors.

“1455. Regulations.

16 “§ 1447. **Definitions**

17 “In this subchapter:

18 “(1) PLAN.—The term ‘Plan’ means the Survi-
 19 vor Benefit Plan established by this subchapter.

1 “(2) STANDARD ANNUITY.—The term ‘standard
2 annuity’ means an annuity provided by virtue of eli-
3 gibility under section 1448(a)(1)(A) of this title.

4 “(3) RESERVE-COMPONENT ANNUITY.—The
5 term ‘reserve-component annuity’ means an annuity
6 provided by virtue of eligibility under section
7 1448(a)(1)(B) of this title.

8 “(4) RETIRED PAY.—The term ‘retired pay’ in-
9 cludes retainer pay paid under section 6330 of this
10 title.

11 “(5) RESERVE-COMPONENT RETIRED PAY.—
12 The term ‘reserve-component retired pay’ means re-
13 tired pay under chapter 1223 of this title (or under
14 chapter 67 of this title as in effect before the effec-
15 tive date of the Reserve Officer Personnel Manage-
16 ment Act).

17 “(6) BASE AMOUNT.—The term ‘base amount’
18 means the following:

19 “(A) FULL AMOUNT UNDER STANDARD
20 ANNUITY.—In the case of a person who dies
21 after becoming entitled to retired pay, such
22 term means the amount of monthly retired pay
23 (determined without regard to any reduction
24 under section 1409(b)(2) of this title) to which
25 the person—

1 “(i) was entitled when he became eli-
2 gible for that pay; or

3 “(ii) later became entitled by being
4 advanced on the retired list, performing ac-
5 tive duty, or being transferred from the
6 temporary disability retired list to the per-
7 manent disability retired list.

8 “(B) FULL AMOUNT UNDER RESERVE-
9 COMPONENT ANNUITY.—In the case of a person
10 who would have become eligible for reserve-com-
11 ponent retired pay but for the fact that he died
12 before becoming 60 years of age, such term
13 means the amount of monthly retired pay for
14 which the person would have been eligible—

15 “(i) if he had been 60 years of age on
16 the date of his death, for purposes of an
17 annuity to become effective on the day
18 after his death in accordance with a des-
19 ignation made under section 1448(e) of
20 this title.

21 “(ii) upon becoming 60 years of age
22 (if he had lived to that age), for purposes
23 of an annuity to become effective on the
24 60th anniversary of his birth in accordance

1 with a designation made under section
2 1448(e) of this title.

3 “(C) REDUCED AMOUNT.—Such term
4 means any amount less than the amount other-
5 wise applicable under subparagraph (A) or (B)
6 with respect to an annuity provided under the
7 Plan but which is not less than \$300 and which
8 is designated by the person (with the concu-
9 rence of the person’s spouse, if required under
10 section 1448(a)(3) of this title) providing the
11 annuity on or before—

12 “(i) the first day for which he be-
13 comes eligible for retired pay, in the case
14 of a person providing a standard annuity,
15 or

16 “(ii) the end of the 90-day period be-
17 ginning on the date on which he receives
18 the notification required by section
19 12731(d) of this title that he has com-
20 pleted the years of service required for eli-
21 gibility for reserve-component retired pay,
22 in the case of a person providing a reserve-
23 component annuity.

24 “(7) WIDOW.—The term ‘widow’ means the
25 surviving wife of a person who, if not married to the

1 person at the time he became eligible for retired
2 pay—

3 “(A) was married to the person for at least
4 one year immediately before the person’s death;
5 or

6 “(B) is the mother of issue by that mar-
7 riage.

8 “(8) WIDOWER.—The term ‘widower’ means
9 the surviving husband of a person who, if not mar-
10 ried to the person at the time she became eligible for
11 retired pay—

12 “(A) was married to her for at least one
13 year immediately before her death; or

14 “(B) is the father of issue by that mar-
15 riage.

16 “(9) SURVIVING SPOUSE.—The term ‘surviving
17 spouse’ means a widow or widower.

18 “(10) FORMER SPOUSE.—The term ‘former
19 spouse’ means the surviving former husband or wife
20 of a person who is eligible to participate in the Plan.

21 “(11) DEPENDENT CHILD.—

22 “(A) IN GENERAL.—The term ‘dependent
23 child’ means a person who—

24 “(i) is unmarried;

1 “(ii) is (I) under 18 years of age, (II)
2 at least 18, but under 22, years of age and
3 pursuing a full-time course of study or
4 training in a high school, trade school,
5 technical or vocational institute, junior col-
6 lege, college, university, or comparable rec-
7 ognized educational institution, or (III) in-
8 capable of self support because of a mental
9 or physical incapacity existing before the
10 person’s eighteenth birthday or incurred on
11 or after that birthday, but before the per-
12 son’s twenty-second birthday, while pursu-
13 ing such a full-time course of study or
14 training; and

15 “(iii) is the child of a person to whom
16 the Plan applies, including (I) an adopted
17 child, and (II) a stepchild, foster child, or
18 recognized natural child who lived with
19 that person in a regular parent-child rela-
20 tionship.

21 “(B) SPECIAL RULES FOR COLLEGE STU-
22 DENTS.—For the purpose of subparagraph (A),
23 a child whose twenty-second birthday occurs be-
24 fore July 1 or after August 31 of a calendar
25 year, and while regularly pursuing such a

1 course of study or training, is considered to
2 have become 22 years of age on the first day
3 of July after that birthday. A child who is a
4 student is considered not to have ceased to be
5 a student during an interim between school
6 years if the interim is not more than 150 days
7 and if the child shows to the satisfaction of the
8 Secretary of Defense that the child has a bona
9 fide intention of continuing to pursue a course
10 of study or training in the same or a different
11 school during the school semester (or other pe-
12 riod into which the school year is divided) im-
13 mediately after the interim.

14 “(C) FOSTER CHILDREN.—A foster child,
15 to qualify under this paragraph as the depend-
16 ent child of a person to whom the Plan applies,
17 must, at the time of the death of that person,
18 also reside with, and receive over one-half of his
19 support from, that person, and not be cared for
20 under a social agency contract. The temporary
21 absence of a foster child from the residence of
22 that person, while a student as described in this
23 paragraph, shall not be considered to affect the
24 residence of such a foster child.

1 “(12) COURT.—The term ‘court’ has the mean-
2 ing given that term by section 1408(a)(1) of this
3 title.

4 “(13) COURT ORDER.—

5 “(A) IN GENERAL.—The term ‘court order’
6 means a court’s final decree of divorce, dissolu-
7 tion, or annulment or a court ordered, ratified,
8 or approved property settlement incident to
9 such a decree (including a final decree modify-
10 ing the terms of a previously issued decree of
11 divorce, dissolution, annulment, or legal separa-
12 tion, or of a court ordered, ratified, or approved
13 property settlement agreement incident to such
14 previously issued decree).

15 “(B) FINAL DECREE.—The term ‘final de-
16 cree’ means a decree from which no appeal may
17 be taken or from which no appeal has been
18 taken within the time allowed for the taking of
19 such appeals under the laws applicable to such
20 appeals, or a decree from which timely appeal
21 has been taken and such appeal has been finally
22 decided under the laws applicable to such ap-
23 peals.

24 “(C) REGULAR ON ITS FACE.—The term
25 ‘regular on its face’, when used in connection

1 with a court order, means a court order that
2 meets the conditions prescribed in section
3 1408(b)(2) of this title.

4 **“§ 1448. Application of plan**

5 “(a) GENERAL RULES FOR PARTICIPATION IN THE
6 PLAN.—

7 “(1) NAME OF PLAN; ELIGIBLE PARTICI-
8 PANTS.—The program established by this sub-
9 chapter shall be known as the Survivor Benefit Plan.
10 The following persons are eligible to participate in
11 the Plan:

12 “(A) Persons entitled to retired pay.

13 “(B) Persons who would be eligible for re-
14 serve-component retired pay but for the fact
15 that they are under 60 years of age.

16 “(2) PARTICIPANTS IN THE PLAN.—The Plan
17 applies to the following persons, who shall be partici-
18 pants in the Plan:

19 “(A) STANDARD ANNUITY PARTICI-
20 PANTS.—A person who is eligible to participate
21 in the Plan under paragraph (1)(A) and who is
22 married or has a dependent child when he be-
23 comes entitled to retired pay, unless he elects
24 (with his spouse’s concurrence, if required
25 under paragraph (3)) not to participate in the

1 Plan before the first day for which he is eligible
2 for that pay.

3 “(B) RESERVE-COMPONENT ANNUITY PAR-
4 TICIPANTS.—A person who (i) is eligible to par-
5 ticipate in the Plan under paragraph (1)(B),
6 (ii) is married or has a dependent child when
7 he is notified under section 12731(d) of this
8 title that he has completed the years of service
9 required for eligibility for reserve-component re-
10 tired pay, and (iii) elects to participate in the
11 Plan (and makes a designation under sub-
12 section (e)) before the end of the 90-day period
13 beginning on the date he receives such notifica-
14 tion.

15 A person described in clauses (i) and (ii) of subpara-
16 graph (B) who does not elect to participate in the
17 Plan before the end of the 90-day period referred to
18 in that clause remains eligible, upon reaching 60
19 years of age and otherwise becoming entitled to re-
20 tired pay, to participate in the Plan in accordance
21 with eligibility under paragraph (1)(A).

22 “(3) ELECTIONS.—

23 “(A) SPOUSAL CONSENT FOR CERTAIN
24 ELECTIONS RESPECTING STANDARD ANNU-
25 ITY.—A married person who is eligible to pro-

1 vide a standard annuity may not without the
2 concurrence of the person's spouse elect—

3 “(i) not to participate in the Plan;

4 “(ii) to provide an annuity for the
5 person's spouse at less than the maximum
6 level; or

7 “(iii) to provide an annuity for a de-
8 pendent child but not for the person's
9 spouse.

10 “(B) SPOUSAL CONSENT FOR CERTAIN
11 ELECTIONS RESPECTING RESERVE-COMPONENT
12 ANNUITY.—A married person who elects to pro-
13 vide a reserve-component annuity may not with-
14 out the concurrence of the person's spouse
15 elect—

16 “(i) to provide an annuity for the per-
17 son's spouse at less than the maximum
18 level; or

19 “(ii) to provide an annuity for a de-
20 pendent child but not for the person's
21 spouse.

22 “(C) EXCEPTION WHEN SPOUSE UNAVAIL-
23 ABLE.—A person may make an election de-
24 scribed in subparagraph (A) or (B) without the
25 concurrence of the person's spouse if the person

1 establishes to the satisfaction of the Secretary
2 concerned—

3 “(i) that the spouse’s whereabouts
4 cannot be determined; or

5 “(ii) that, due to exceptional cir-
6 cumstances, requiring the person to seek
7 the spouse’s consent would otherwise be in-
8 appropriate.

9 “(D) CONSTRUCTION WITH FORMER
10 SPOUSE ELECTION PROVISIONS.—This para-
11 graph does not affect any right or obligation to
12 elect to provide an annuity for a former spouse
13 (or for a former spouse and dependent child)
14 under subsection (b)(2).

15 “(E) NOTICE TO SPOUSE OF ELECTION TO
16 PROVIDE FORMER SPOUSE ANNUITY.—If a mar-
17 ried person who is eligible to provide a standard
18 annuity elects to provide an annuity for a
19 former spouse (or for a former spouse and de-
20 pendent child) under subsection (b)(2), that
21 person’s spouse shall be notified of that elec-
22 tion.

23 “(4) IRREVOCABILITY OF ELECTIONS.—

24 “(A) STANDARD ANNUITY.—An election
25 under paragraph (2)(A) not to participate in

1 the Plan is irrevocable if not revoked before the
2 date on which the person first becomes entitled
3 to retired pay.

4 “(B) RESERVE-COMPONENT ANNUITY.—
5 An election under paragraph (2)(B) to partici-
6 pate in the Plan is irrevocable if not revoked
7 before the end of the 90-day period referred to
8 in that paragraph.

9 “(5) PARTICIPATION BY PERSON MARRYING
10 AFTER RETIREMENT, ETC.—

11 “(A) ELECTION TO PARTICIPATE IN
12 PLAN.—A person who is not married and has
13 no dependent child upon becoming eligible to
14 participate in the Plan but who later marries or
15 acquires a dependent child may elect to partici-
16 pate in the Plan.

17 “(B) MANNER AND TIME OF ELECTION.—
18 Such an election must be written, signed by the
19 person making the election, and received by the
20 Secretary concerned within one year after the
21 date on which that person marries or acquires
22 that dependent child.

23 “(C) LIMITATION ON REVOCATION OF
24 ELECTION.—Such an election may not be re-

1 voked except in accordance with subsection
2 (b)(3).

3 “(D) EFFECTIVE DATE OF ELECTION.—
4 The election is effective as of the first day of
5 the first calendar month following the month in
6 which the election is received by the Secretary
7 concerned.

8 “(E) DESIGNATION IF RCSBP ELECTION.—
9 In the case of a person providing a reserve-com-
10 ponent annuity, such an election shall include a
11 designation under subsection (e).

12 “(6) ELECTION OUT OF PLAN BY PERSON WITH
13 SPOUSE COVERAGE WHO REMARRIES.—

14 “(A) GENERAL RULE.—A person—
15 “(i) who is a participant in the Plan
16 and is providing coverage under the Plan
17 for a spouse (or a spouse and child);

18 “(ii) who does not have an eligible
19 spouse beneficiary under the Plan; and

20 “(iii) who remarries,
21 may elect not to provide coverage under the
22 Plan for the person’s spouse.

23 “(B) EFFECT OF ELECTION ON RETIRED
24 PAY.—If such an election is made, reductions in

1 the retired pay of that person under section
2 1452 of this title shall not be made.

3 “(C) TERMS AND CONDITIONS OF ELEC-
4 TION.—An election under this paragraph—

5 “(i) is irrevocable;

6 “(ii) shall be made within one year
7 after the person’s remarriage; and

8 “(iii) shall be made in such form and
9 manner as may be prescribed in regula-
10 tions under section 1455 of this title.

11 “(D) NOTICE TO SPOUSE.—If a person
12 makes an election under this paragraph—

13 “(i) not to participate in the Plan;

14 “(ii) to provide an annuity for the
15 person’s spouse at less than the maximum
16 level; or

17 “(iii) to provide an annuity for a de-
18 pendent child but not for the person’s
19 spouse,

20 the person’s spouse shall be notified of that
21 election.

22 “(E) CONSTRUCTION WITH FORMER
23 SPOUSE ELECTION PROVISIONS.—This para-
24 graph does not affect any right or obligation to

1 elect to provide an annuity to a former spouse
2 under subsection (b).

3 “(b) INSURABLE INTEREST AND FORMER SPOUSE
4 COVERAGE.—

5 “(1) COVERAGE FOR PERSON WITH INSURABLE
6 INTEREST.—

7 “(A) GENERAL RULE.—A person who is
8 not married and does not have a dependent
9 child upon becoming eligible to participate in
10 the Plan may elect to provide an annuity under
11 the Plan to a natural person with an insurable
12 interest in that person. In the case of a person
13 providing a reserve-component annuity, such an
14 election shall include a designation under sub-
15 section (e).

16 “(B) TERMINATION OF COVERAGE.—An
17 election under subparagraph (A) for a bene-
18 ficiary who is not the former spouse of the per-
19 son providing the annuity may be terminated.
20 Any such termination shall be made by a par-
21 ticipant by the submission to the Secretary con-
22 cerned of a request to discontinue participation
23 in the Plan, and such participation in the Plan
24 shall be discontinued effective on the first day
25 of the first month following the month in which

1 the request is received by the Secretary con-
2 cerned. Effective on such date, the Secretary
3 concerned shall discontinue the reduction being
4 made in such person's retired pay on account
5 of participation in the Plan or, in the case of
6 a person who has been required to make depos-
7 its in the Treasury on account of participation
8 in the Plan, such person may discontinue mak-
9 ing such deposits effective on such date.

10 “(C) FORM FOR DISCONTINUATION.—A re-
11 quest under subparagraph (B) to discontinue
12 participation in the Plan shall be in such form
13 and shall contain such information as may be
14 required under regulations prescribed by the
15 Secretary of Defense.

16 “(D) WITHDRAWAL OF REQUEST FOR DIS-
17 CONTINUATION.—The Secretary concerned shall
18 furnish promptly to each person who submits a
19 request under subparagraph (B) to discontinue
20 participation in the Plan a written statement of
21 the advantages and disadvantages of participat-
22 ing in the Plan and the possible disadvantages
23 of discontinuing participation. A person may
24 withdraw the request to discontinue participa-

1 tion if withdrawn within 30 days after having
2 been submitted to the Secretary concerned.

3 “(E) CONSEQUENCES OF DISCONTINU-
4 ATION.—Once participation is discontinued,
5 benefits may not be paid in conjunction with
6 the earlier participation in the Plan and pre-
7 miums paid may not be refunded. Participation
8 in the Plan may not later be resumed except
9 through a qualified election under paragraph
10 (5) of subsection (a).

11 “(2) FORMER SPOUSE COVERAGE UPON BECOM-
12 ING A PARTICIPANT IN THE PLAN.—

13 “(A) GENERAL RULE.—A person who has
14 a former spouse upon becoming eligible to par-
15 ticipate in the Plan may elect to provide an an-
16 nuity to that former spouse.

17 “(B) EFFECT OF FORMER SPOUSE ELEC-
18 TION ON SPOUSE OR DEPENDENT CHILD.—In
19 the case of a person with a spouse or a depend-
20 ent child, such an election prevents payment of
21 an annuity to that spouse or child (other than
22 a child who is a beneficiary under an election
23 under paragraph (4)), including payment under
24 subsection (d).

1 “(C) DESIGNATION IF MORE THAN ONE
2 FORMER SPOUSE.—If there is more than one
3 former spouse, the person shall designate which
4 former spouse is to be provided the annuity.

5 “(D) DESIGNATION IF RCSBP ELECTION.—
6 In the case of a person providing a reserve-com-
7 ponent annuity, such an election shall include a
8 designation under subsection (e).

9 “(3) FORMER SPOUSE COVERAGE BY PERSONS
10 ALREADY PARTICIPATING IN PLAN.—

11 “(A) ELECTION OF COVERAGE.—

12 “(i) AUTHORITY FOR ELECTION.—A
13 person—

14 “(I) who is a participant in the
15 Plan and is providing coverage for a
16 spouse or a spouse and child (even
17 though there is no beneficiary cur-
18 rently eligible for such coverage), and

19 “(II) who has a former spouse
20 who was not that person’s former
21 spouse when that person became eligi-
22 ble to participate in the Plan,
23 may (subject to subparagraph (B)) elect to
24 provide an annuity to that former spouse.

1 “(ii) TERMINATION OF PREVIOUS COV-
2 ERAGE.—Any such election terminates any
3 previous coverage under the Plan.

4 “(iii) MANNER AND TIME OF ELEC-
5 TION.—Any such election must be written,
6 signed by the person making the election,
7 and received by the Secretary concerned
8 within one year after the date of the decree
9 of divorce, dissolution, or annulment.

10 “(B) LIMITATION ON ELECTION.—A per-
11 son may not make an election under subpara-
12 graph (A) to provide an annuity to a former
13 spouse who that person married after becoming
14 eligible for retired pay unless—

15 “(i) the person was married to that
16 former spouse for at least one year, or

17 “(ii) that former spouse is the parent
18 of issue by that marriage.

19 “(C) IRREVOCABILITY, EFFECTIVE DATE,
20 ETC.—An election under this paragraph may
21 not be revoked except in accordance with sec-
22 tion 1450(f) of this title. Such an election is ef-
23 fective as of the first day of the first calendar
24 month following the month in which it is re-
25 ceived by the Secretary concerned. This para-

1 graph does not provide the authority to change
2 a designation previously made under subsection
3 (e).

4 “(D) NOTICE TO SPOUSE.—If a person
5 who is married makes an election to provide an
6 annuity to a former spouse under this para-
7 graph, that person’s spouse shall be notified of
8 the election.

9 “(4) FORMER SPOUSE AND CHILD COVERAGE.—
10 A person who elects to provide an annuity for a
11 former spouse under paragraph (2) or (3) may, at
12 the time of the election, elect to provide coverage
13 under that annuity for both the former spouse and
14 a dependent child, if the child resulted from the per-
15 son’s marriage to that former spouse.

16 “(5) DISCLOSURE OF WHETHER ELECTION OF
17 FORMER SPOUSE COVERAGE IS REQUIRED.—A per-
18 son who elects to provide an annuity to a former
19 spouse under paragraph (2) or (3) shall, at the time
20 of making the election, provide the Secretary con-
21 cerned with a written statement (in a form to be
22 prescribed by that Secretary and signed by such per-
23 son and the former spouse) setting forth—

1 “(A) whether the election is being made
2 pursuant to the requirements of a court order;
3 or

4 “(B) whether the election is being made
5 pursuant to a written agreement previously en-
6 tered into voluntarily by such person as a part
7 of, or incident to, a proceeding of divorce, dis-
8 solution, or annulment and (if so) whether such
9 voluntary written agreement has been incor-
10 porated in, or ratified or approved by, a court
11 order.

12 “(c) PERSONS ON TEMPORARY DISABILITY RETIRED
13 LIST.—The application of the Plan to a person whose
14 name is on the temporary disability retired list terminates
15 when his name is removed from that list and he is no
16 longer entitled to disability retired pay.

17 “(d) COVERAGE FOR SURVIVORS OF RETIREMENT-
18 ELIGIBLE MEMBERS WHO DIE ON ACTIVE DUTY.—

19 “(1) SURVIVING SPOUSE ANNUITY.—The Sec-
20 retary concerned shall pay an annuity under this
21 subchapter to the surviving spouse of a member who
22 dies on active duty after—

23 “(A) becoming eligible to receive retired
24 pay;

1 “(B) qualifying for retired pay except that
2 he has not applied for or been granted that pay;
3 or

4 “(C) completing 20 years of active service
5 but before he is eligible to retire as a commis-
6 sioned officer because he has not completed 10
7 years of active commissioned service.

8 “(2) DEPENDENT CHILD ANNUITY.—The Sec-
9 retary concerned shall pay an annuity under this
10 subchapter to the dependent child of a member de-
11 scribed in paragraph (1) if there is no surviving
12 spouse or if the member’s surviving spouse subse-
13 quently dies.

14 “(3) MANDATORY FORMER SPOUSE ANNUITY.—
15 If a member described in paragraph (1) is required
16 under a court order or spousal agreement to provide
17 an annuity to a former spouse upon becoming eligi-
18 ble to be a participant in the Plan or has made an
19 election under subsection (b) to provide an annuity
20 to a former spouse, the Secretary—

21 “(A) may not pay an annuity under para-
22 graph (1) or (2); but

23 “(B) shall pay an annuity to that former
24 spouse as if the member had been a participant
25 in the Plan and had made an election under

1 subsection (b) to provide an annuity to the
2 former spouse, or in accordance with that elec-
3 tion, as the case may be, if the Secretary re-
4 ceives a written request from the former spouse
5 concerned that the election be deemed to have
6 been made in the same manner as provided in
7 section 1450(f)(3) of this title.

8 “(4) PRIORITY.—An annuity that may be pro-
9 vided under this subsection shall be provided in pref-
10 erence to an annuity that may be provided under
11 any other provision of this subchapter on account of
12 service of the same member.

13 “(5) COMPUTATION.—The amount of an annu-
14 ity under this subsection is computed under section
15 1451(e) of this title.

16 “(e) DESIGNATION FOR COMMENCEMENT OF RE-
17 SERVE-COMPONENT ANNUITY.—In any case in which a
18 person electing to participate in the Plan is required to
19 make a designation under this subsection, the person mak-
20 ing such election shall designate whether, in the event he
21 dies before becoming 60 years of age, the annuity provided
22 shall become effective on—

23 “(1) the day after the date of his death; or

24 “(2) the 60th anniversary of his birth.

1 “(f) COVERAGE OF SURVIVORS OF PERSONS DYING
2 WHEN ELIGIBLE TO ELECT RESERVE-COMPONENT AN-
3 NUITY.—

4 “(1) SURVIVING SPOUSE ANNUITY.—The Sec-
5 retary concerned shall pay an annuity under this
6 subchapter to the surviving spouse of a person who
7 is eligible to provide a reserve-component annuity
8 and who dies—

9 “(A) before being notified under section
10 12731(d) of this title that he has completed the
11 years of service required for eligibility for re-
12 serve-component retired pay; or

13 “(B) during the 90-day period beginning
14 on the date he receives notification under sec-
15 tion 12731(d) of this title that he has com-
16 pleted the years of service required for eligi-
17 bility for reserve-component retired pay if he
18 had not made an election under subsection
19 (a)(2)(B) to participate in the Plan.

20 “(2) DEPENDENT CHILD ANNUITY.—The Sec-
21 retary concerned shall pay an annuity under this
22 subchapter to the dependent child of a person de-
23 scribed in paragraph (1) if there is no surviving
24 spouse or if the person’s surviving spouse subse-
25 quently dies.

1 “(3) MANDATORY FORMER SPOUSE ANNUITY.—

2 If a person described in paragraph (1) is required
3 under a court order or spousal agreement to provide
4 an annuity to a former spouse upon becoming eligi-
5 ble to be a participant in the Plan or has made an
6 election under subsection (b) to provide an annuity
7 to a former spouse, the Secretary—

8 “(A) may not pay an annuity under para-
9 graph (1) or (2); but

10 “(B) shall pay an annuity to that former
11 spouse as if the person had been a participant
12 in the Plan and had made an election under
13 subsection (b) to provide an annuity to the
14 former spouse, or in accordance with that elec-
15 tion, as the case may be, if the Secretary re-
16 ceives a written request from the former spouse
17 concerned that the election be deemed to have
18 been made in the same manner as provided in
19 section 1450(f)(3) of this title.

20 “(4) COMPUTATION.—The amount of an annu-
21 ity under this subsection is computed under section
22 1451(e) of this title.

23 “(g) ELECTION TO INCREASE COVERAGE UPON RE-
24 MARRIAGE.—

25 “(1) ELECTION.—A person—

1 “(A) who is a participant in the Plan and
2 is providing coverage under subsection (a) for a
3 spouse or a spouse and child, but at less than
4 the maximum level; and

5 “(B) who remarries,
6 may elect, within one year of such remarriage, to in-
7 crease the level of coverage provided under the Plan
8 to a level not in excess of the current retired pay of
9 that person.

10 “(2) PAYMENT REQUIRED.—Such an election
11 shall be contingent on the person paying to the
12 United States the amount determined under para-
13 graph (3) plus interest on such amount at a rate de-
14 termined under regulations prescribed by the Sec-
15 retary of Defense.

16 “(3) AMOUNT TO BE PAID.—The amount re-
17 ferred to in paragraph (2) is the amount equal to
18 the difference between—

19 “(A) the amount that would have been
20 withheld from such person’s retired pay under
21 section 1452 of this title if the higher level of
22 coverage had been in effect from the time the
23 person became a participant in the Plan; and

24 “(B) the amount of such person’s retired
25 pay actually withheld.

1 “(4) MANNER OF MAKING ELECTION.—An elec-
2 tion under paragraph (1) shall be made in such
3 manner as the Secretary shall prescribe and shall
4 become effective upon receipt of the payment re-
5 quired by paragraph (2).

6 “(5) DISPOSITION OF PAYMENTS.—A payment
7 received under this subsection by the Secretary of
8 Defense shall be deposited into the Department of
9 Defense Military Retirement Fund. Any other pay-
10 ment received under this subsection shall be depos-
11 ited in the Treasury as miscellaneous receipts.

12 **“§ 1449. Mental incompetency of member**

13 “(a) ELECTION BY SECRETARY CONCERNED ON BE-
14 HALF OF MENTALLY INCOMPETENT MEMBER.—If a per-
15 son to whom section 1448 of this title applies is deter-
16 mined to be mentally incompetent by medical officers of
17 the armed force concerned or of the Department of Veter-
18 ans Affairs, or by a court of competent jurisdiction, an
19 election described in subsection (a)(2) or (b) of section
20 1448 of this title may be made on behalf of that person
21 by the Secretary concerned.

22 “(b) REVOCATION OF ELECTION BY MEMBER.—

23 “(1) AUTHORITY UPON SUBSEQUENT DETER-
24 MINATION OF MENTAL COMPETENCE.—If a person
25 for whom the Secretary has made an election under

1 subsection (a) is later determined to be mentally
2 competent by an authority named in that subsection,
3 that person may, within 180 days after that deter-
4 mination, revoke that election.

5 “(2) DEDUCTIONS FROM RETIRED PAY NOT TO
6 BE REFUNDED.—Any deduction made from retired
7 pay by reason of such an election may not be re-
8 funded.

9 **“§ 1450. Payment of annuity: beneficiaries**

10 “(a) IN GENERAL.—Effective as of the first day after
11 the death of a person to whom section 1448 of this title
12 applies (or on such other day as that person may provide
13 under subsection (j)), a monthly annuity under section
14 1451 of this title shall be paid to the person’s beneficiaries
15 under the Plan, as follows:

16 “(1) SURVIVING SPOUSE OR FORMER
17 SPOUSE.—The eligible surviving spouse or the eligi-
18 ble former spouse.

19 “(2) SURVIVING CHILDREN.—The surviving de-
20 pendent children in equal shares, if the eligible sur-
21 viving spouse or the eligible former spouse is dead,
22 dies, or otherwise becomes ineligible under this sec-
23 tion.

24 “(3) DEPENDENT CHILDREN.—The dependent
25 children in equal shares if the person to whom sec-

1 tion 1448 of this title applies (with the concurrence
2 of the person's spouse, if required under section
3 1448(a)(3) of this title) elected to provide an annu-
4 ity for dependent children but not for the spouse or
5 former spouse.

6 “(4) NATURAL PERSON DESIGNATED UNDER
7 ‘INSURABLE INTEREST’ COVERAGE.—The natural
8 person designated under section 1448(b)(1) of this
9 title, unless the election to provide an annuity to the
10 natural person has been changed as provided in sub-
11 section (f).

12 “(b) TERMINATION OF ANNUITY FOR DEATH, RE-
13 MARRIAGE BEFORE AGE 55, ETC.—

14 “(1) GENERAL RULE.—An annuity payable to
15 the beneficiary terminates effective as of the first
16 day of the month in which eligibility is lost.

17 “(2) TERMINATION OF SPOUSE ANNUITY UPON
18 DEATH OR REMARRIAGE BEFORE AGE 55.—An annu-
19 ity for a surviving spouse or former spouse shall be
20 paid to the surviving spouse or former spouse while
21 the surviving spouse or former spouse is living or, if
22 the surviving spouse or former spouse remarries be-
23 fore reaching age 55, until the surviving spouse or
24 former spouse remarries.

1 “(3) EFFECT OF TERMINATION OF SUBSE-
2 QUENT MARRIAGE BEFORE AGE 55.—If the surviving
3 spouse or former spouse remarries before reaching
4 age 55 and that marriage is terminated by death,
5 annulment, or divorce, payment of the annuity shall
6 be resumed effective as of the first day of the month
7 in which the marriage is so terminated. However, if
8 the surviving spouse or former spouse is also entitled
9 to an annuity under the Plan based upon the mar-
10 riage so terminated, the surviving spouse or former
11 spouse may not receive both annuities but must elect
12 which to receive.

13 “(c) OFFSET FOR AMOUNT OF DEPENDENCY AND
14 INDEMNITY COMPENSATION.—

15 “(1) REQUIRED OFFSET.—If, upon the death of
16 a person to whom section 1448 of this title applies,
17 the surviving spouse or former spouse of that person
18 is also entitled to dependency and indemnity com-
19 pensation under section 1311(a) of title 38, the sur-
20 viving spouse or former spouse may be paid an an-
21 nuity under this section, but only in the amount that
22 the annuity otherwise payable under this section
23 would exceed that compensation.

24 “(2) EFFECTIVE DATE OF OFFSET.—A reduc-
25 tion in an annuity under this section required by

1 paragraph (1) shall be effective on the date of the
2 commencement of the period of payment of such de-
3 pendency and indemnity compensation under title
4 38.

5 “(d) LIMITATION ON PAYMENT OF ANNUITIES WHEN
6 COVERAGE UNDER CIVIL SERVICE RETIREMENT ELECT-
7 ED.—If, upon the death of a person to whom section 1448
8 of this title applies, that person had in effect a waiver of
9 that person’s retired pay for the purposes of subchapter
10 III of chapter 83 of title 5, an annuity under this section
11 shall not be payable unless, in accordance with section
12 8339(j) of title 5, that person notified the Office of Per-
13 sonnel Management that he did not desire any spouse sur-
14 viving him to receive an annuity under section 8341(b)
15 of that title.

16 “(e) REFUND OF AMOUNTS DEDUCTED FROM RE-
17 TIRE D PAY WHEN DIC OFFSET IS APPLICABLE.—

18 “(1) FULL REFUND WHEN DIC GREATER THAN
19 SBP ANNUITY.—If an annuity under this section is
20 not payable because of subsection (c), any amount
21 deducted from the retired pay of the deceased under
22 section 1452 of this title shall be refunded to the
23 surviving spouse or former spouse.

24 “(2) PARTIAL REFUND WHEN SBP ANNUITY RE-
25 DUCED BY DIC.—If, because of subsection (c), the

1 annuity payable is less than the amount established
2 under section 1451 of this title, the annuity payable
3 shall be recalculated under that section. The amount
4 of the reduction in the retired pay required to pro-
5 vide that recalculated annuity shall be computed
6 under section 1452 of this title, and the difference
7 between the amount deducted before the computa-
8 tion of that recalculated annuity and the amount
9 that would have been deducted on the basis of that
10 recalculated annuity shall be refunded to the surviv-
11 ing spouse or former spouse.

12 “(f) CHANGE IN ELECTION OF INSURABLE INTEREST
13 OR FORMER SPOUSE BENEFICIARY.—

14 “(1) AUTHORIZED CHANGES.—

15 “(A) ELECTION IN FAVOR OF SPOUSE OR
16 CHILD.—A person who elects to provide an an-
17 nuity to a person designated by him under sec-
18 tion 1448(b) of this title may, subject to para-
19 graph (2), change that election and provide an
20 annuity to his spouse or dependent child.

21 “(B) NOTICE.—The Secretary concerned
22 shall notify the former spouse or other natural
23 person previously designated under section
24 1448(b) of this title of any change of election
25 under subparagraph (A).

1 “(C) PROCEDURES, EFFECTIVE DATE,
2 ETC.—Any such change of election is subject to
3 the same rules with respect to execution, rev-
4 ocation, and effectiveness as are set forth in
5 section 1448(a)(5) of this title (without regard
6 to the eligibility of the person making the
7 change of election to make such an election
8 under that section).

9 “(2) LIMITATION ON CHANGE IN BENEFICIARY
10 WHEN FORMER SPOUSE COVERAGE IN EFFECT.—A
11 person who, incident to a proceeding of divorce, dis-
12 solution, or annulment, is required by a court order
13 to elect under section 1448(b) of this title to provide
14 an annuity to a former spouse (or to both a former
15 spouse and child), or who enters into a written
16 agreement (whether voluntary or required by a court
17 order) to make such an election, and who makes an
18 election pursuant to such order or agreement, may
19 not change that election under paragraph (1) unless,
20 of the following requirements, whichever are applica-
21 ble in a particular case are satisfied:

22 “(A) In a case in which the election is re-
23 quired by a court order, or in which an agree-
24 ment to make the election has been incor-

1 porated in or ratified or approved by a court
2 order, the person—

3 “(i) furnishes to the Secretary con-
4 cerned a certified copy of a court order
5 which is regular on its face and which
6 modifies the provisions of all previous
7 court orders relating to such election, or
8 the agreement to make such election, so as
9 to permit the person to change the elec-
10 tion; and

11 “(ii) certifies to the Secretary con-
12 cerned that the court order is valid and in
13 effect.

14 “(B) In a case of a written agreement that
15 has not been incorporated in or ratified or ap-
16 proved by a court order, the person—

17 “(i) furnishes to the Secretary con-
18 cerned a statement, in such form as the
19 Secretary concerned may prescribe, signed
20 by the former spouse and evidencing the
21 former spouse’s agreement to a change in
22 the election under paragraph (1); and

23 “(ii) certifies to the Secretary con-
24 cerned that the statement is current and in
25 effect.

1 “(3) REQUIRED FORMER SPOUSE ELECTION TO
2 BE DEEMED TO HAVE BEEN MADE.—

3 “(A) DEEMED ELECTION UPON REQUEST
4 BY FORMER SPOUSE.—If a person described in
5 paragraph (2) or (3) of section 1448(b) of this
6 title is required (as described in subparagraph
7 (B)) to elect under section 1448(b) of this title
8 to provide an annuity to a former spouse and
9 such person then fails or refuses to make such
10 an election, such person shall be deemed to
11 have made such an election if the Secretary
12 concerned receives the following:

13 “(i) REQUEST FROM FORMER
14 SPOUSE.—A written request, in such man-
15 ner as the Secretary shall prescribe, from
16 the former spouse concerned requesting
17 that such an election be deemed to have
18 been made.

19 “(ii) COPY OF COURT ORDER OR
20 OTHER OFFICIAL STATEMENT.—Either—

21 “(I) a copy of the court order,
22 regular on its face, which requires
23 such election or incorporates, ratifies,
24 or approves the written agreement of
25 such person; or

1 “(II) a statement from the clerk
2 of the court (or other appropriate offi-
3 cial) that such agreement has been
4 filed with the court in accordance with
5 applicable State law.

6 “(B) PERSONS REQUIRED TO MAKE ELEC-
7 TION.—A person shall be considered for pur-
8 poses of subparagraph (A) to be required to
9 elect under section 1448(b) of this title to pro-
10 vide an annuity to a former spouse if—

11 “(i) the person enters, incident to a
12 proceeding of divorce, dissolution, or an-
13 nulment, into a written agreement to make
14 such an election and the agreement (I) has
15 been incorporated in or ratified or ap-
16 proved by a court order, or (II) has been
17 filed with the court of appropriate jurisdic-
18 tion in accordance with applicable State
19 law; or

20 “(ii) the person is required by a court
21 order to make such an election.

22 “(C) TIME LIMIT FOR REQUEST BY
23 FORMER SPOUSE.—An election may not be
24 deemed to have been made under subparagraph
25 (A) in the case of any person unless the Sec-

1 retary concerned receives a request from the
2 former spouse of the person within one year of
3 the date of the court order or filing involved.

4 “(D) EFFECTIVE DATE OF DEEMED ELEC-
5 TION.—An election deemed to have been made
6 under subparagraph (A) shall become effective
7 on the first day of the first month which begins
8 after the date of the court order or filing in-
9 volved.

10 “(4) FORMER SPOUSE COVERAGE MAY BE RE-
11 QUIRED BY COURT ORDER.—A court order may re-
12 quire a person to elect (or to enter into an agree-
13 ment to elect) under section 1448(b) of this title to
14 provide an annuity to a former spouse (or to both
15 a former spouse and child).

16 “(g) LIMITATION ON CHANGING OR REVOKING ELEC-
17 TIONS.—

18 “(1) IN GENERAL.—An election under this sec-
19 tion may not be changed or revoked.

20 “(2) EXCEPTIONS.—Paragraph (1) does not
21 apply to—

22 “(A) a revocation of an election under sec-
23 tion 1449(b) of this title; or

24 “(B) a change in an election under sub-
25 section (f).

1 “(h) TREATMENT OF ANNUITIES UNDER OTHER
2 LAWS.—Except as provided in section 1451 of this title,
3 an annuity under this section is in addition to any other
4 payment to which a person is entitled under any other pro-
5 vision of law. Such annuity shall be considered as income
6 under laws administered by the Secretary of Veterans Af-
7 fairs.

8 “(i) ANNUITIES EXEMPT FROM CERTAIN LEGAL
9 PROCESS.—Except as provided in subsection (l)(3)(B), an
10 annuity under this section is not assignable or subject to
11 execution, levy, attachment, garnishment, or other legal
12 process.

13 “(j) EFFECTIVE DATE OF RESERVE-COMPONENT
14 ANNUITIES.—

15 “(1) PERSONS MAKING SECTION 1448(e) DES-
16 IGNATION.—An annuity elected by a person provid-
17 ing a reserve-component annuity shall be effective in
18 accordance with the designation made by such per-
19 son under section 1448(e) of this title.

20 “(2) PERSONS DYING BEFORE MAKING SECTION
21 1448(e) DESIGNATION.—An annuity payable under
22 section 1448(f) of this title shall be effective on the
23 day after the date of the death of the person upon
24 whose service the right to the annuity is based.

1 “(k) ADJUSTMENT OF SPOUSE OR FORMER SPOUSE
2 ANNUITY UPON LOSS OF DEPENDENCY AND INDEMNITY
3 COMPENSATION.—

4 “(1) READJUSTMENT IF BENEFICIARY 55 YEARS
5 OF AGE OR MORE.—If a surviving spouse or former
6 spouse whose annuity has been adjusted under sub-
7 section (c) subsequently loses entitlement to depend-
8 ency and indemnity compensation under section
9 1311(a) of title 38 because of the remarriage of the
10 surviving spouse, or former spouse, and if at the
11 time of such remarriage the surviving spouse or
12 former spouse is 55 years of age or more, the
13 amount of the annuity of the surviving spouse or
14 former spouse shall be readjusted, effective on the
15 effective date of such loss of dependency and indem-
16 nity compensation, to the amount of the annuity
17 which would be in effect with respect to the surviv-
18 ing spouse or former spouse if the adjustment under
19 subsection (c) had never been made.

20 “(2) REPAYMENT OF AMOUNTS PREVIOUSLY
21 REFUNDED.—

22 “(A) GENERAL RULE.—A surviving spouse
23 or former spouse whose annuity is readjusted
24 under paragraph (1) shall repay any amount re-

1 funded under subsection (e) by reason of the
2 adjustment under subsection (c).

3 “(B) INTEREST REQUIRED IF REPAYMENT
4 NOT A LUMP SUM.—If the repayment is not
5 made in a lump sum, the surviving spouse or
6 former spouse shall pay interest on the amount
7 to be repaid. Such interest shall commence on
8 the date on which the first such payment is due
9 and shall be applied over the period during
10 which any part of the repayment remains to be
11 paid.

12 “(C) MANNER OF REPAYMENT; RATE OF
13 INTEREST.—The manner in which such repay-
14 ment shall be made, and the rate of any such
15 interest, shall be prescribed in regulations
16 under section 1455 of this title.

17 “(D) DEPOSIT OF AMOUNTS REPAID.—An
18 amount repaid under this paragraph (including
19 any such interest) received by the Secretary of
20 Defense shall be deposited into the Department
21 of Defense Military Retirement Fund. Any
22 other amount repaid under this paragraph shall
23 be deposited into the Treasury as miscellaneous
24 receipts.

1 “(1) PARTICIPANTS IN THE PLAN WHO ARE MISS-
2 ING.—

3 “(1) AUTHORITY TO PRESUME DEATH OF MISS-
4 ING PARTICIPANT.—

5 “(A) IN GENERAL.—Upon application of
6 the beneficiary of a participant in the Plan who
7 is missing, the Secretary concerned may deter-
8 mine for purposes of this subchapter that the
9 participant is presumed dead.

10 “(B) PARTICIPANT WHO IS MISSING.—A
11 participant in the Plan is considered to be miss-
12 ing for purposes of this subsection if—

13 “(i) the retired pay of the participant
14 has been suspended on the basis that the
15 participant is missing; or

16 “(ii) in the case of a participant in
17 the Plan who would be eligible for reserve-
18 component retired pay but for the fact that
19 he is under 60 years of age, his retired
20 pay, if he were entitled to retired pay,
21 would be suspended on the basis that he is
22 missing.

23 “(C) REQUIREMENTS APPLICABLE TO PRE-
24 SUMPTION OF DEATH.—Any such determination
25 shall be made in accordance with regulations

1 prescribed under section 1455 of this title. The
2 Secretary concerned may not make a deter-
3 mination for purposes of this subchapter that a
4 participant who is missing is presumed dead
5 unless the Secretary finds that—

6 “(i) the participant has been missing
7 for at least 30 days; and

8 “(ii) the circumstances under which
9 the participant is missing would lead a rea-
10 sonably prudent person to conclude that
11 the participant is dead.

12 “(2) COMMENCEMENT OF ANNUITY.—Upon a
13 determination under paragraph (1) with respect to a
14 participant in the Plan, an annuity otherwise pay-
15 able under this subchapter shall be paid as if the
16 participant died on the date as of which the retired
17 pay of the participant was suspended.

18 “(3) EFFECT OF PERSON NOT BEING DEAD.—

19 “(A) TERMINATION OF ANNUITY.—If,
20 after a determination under paragraph (1), the
21 Secretary concerned determines that the partic-
22 ipant is alive—

23 “(i) any annuity being paid under this
24 subchapter by reason of this subsection
25 shall be terminated; and

1 “(ii) the total amount of any annuity
2 payments made by reason of this sub-
3 section shall constitute a debt to the Unit-
4 ed States.

5 “(B) COLLECTION FROM PARTICIPANT OF
6 ANNUITY AMOUNTS ERRONEOUSLY PAID.—A
7 debt under subparagraph (A)(ii) may be col-
8 lected or offset—

9 “(i) from any retired pay otherwise
10 payable to the participant;

11 “(ii) if the participant is entitled to
12 compensation under chapter 11 of title 38,
13 from that compensation; or

14 “(iii) if the participant is entitled to
15 any other payment from the United States,
16 from that payment.

17 “(C) COLLECTION FROM BENEFICIARY.—If
18 the participant dies before the full recovery of
19 the amount of annuity payments described in
20 subparagraph (A)(ii) has been made by the
21 United States, the remaining amount of such
22 annuity payments may be collected from the
23 participant’s beneficiary under the Plan if that
24 beneficiary was the recipient of the annuity
25 payments made by reason of this subsection.

1 **“§ 1451. Amount of annuity**

2 “(a) COMPUTATION OF ANNUITY FOR A SPOUSE,
3 FORMER SPOUSE, OR CHILD.—

4 “(1) STANDARD ANNUITY.—In the case of a
5 standard annuity provided to a beneficiary under
6 section 1450(a) of this title (other than under sec-
7 tion 1450(a)(4)), the monthly annuity payable to the
8 beneficiary shall be determined as follows:

9 “(A) BENEFICIARY UNDER 62 YEARS OF
10 AGE.—If the beneficiary is under 62 years of
11 age or is a dependent child when becoming enti-
12 tled to the annuity, the monthly annuity shall
13 be the amount equal to 55 percent of the base
14 amount.

15 “(B) BENEFICIARY 62 YEARS OF AGE OR
16 OLDER.—

17 “(i) GENERAL RULE.—If the bene-
18 ficiary (other than a dependent child) is 62
19 years of age or older when becoming enti-
20 tled to the annuity, the monthly annuity
21 shall be the amount equal to 35 percent of
22 the base amount.

23 “(ii) RULE IF BENEFICIARY ELIGIBLE
24 FOR SOCIAL SECURITY OFFSET COMPUTA-
25 TION.—If the beneficiary is eligible to have
26 the annuity computed under subsection (e)

1 and if, at the time the beneficiary becomes
2 entitled to the annuity, computation of the
3 annuity under that subsection is more fa-
4 vorable to the beneficiary than computa-
5 tion under clause (i), the annuity shall be
6 computed under that subsection rather
7 than under clause (i).

8 “(2) RESERVE-COMPONENT ANNUITY—In the
9 case of a reserve-component annuity provided to a
10 beneficiary under section 1450(a) of this title (other
11 than under section 1450(a)(4)), the monthly annuity
12 payable to the beneficiary shall be determined as fol-
13 lows:

14 “(A) BENEFICIARY UNDER 62 YEARS OF
15 AGE.—If the beneficiary is under 62 years of
16 age or is a dependent child when becoming enti-
17 tled to the annuity, the monthly annuity shall
18 be the amount equal to a percentage of the base
19 amount that—

20 “(i) is less than 55 percent; and

21 “(ii) is determined under subsection
22 (f).

23 “(B) BENEFICIARY 62 YEARS OF AGE OR
24 OLDER.—

1 “(i) GENERAL RULE.—If the bene-
2 ficiary (other than a dependent child) is 62
3 years of age or older when becoming enti-
4 tled to the annuity, the monthly annuity
5 shall be the amount equal to a percentage
6 of the base amount that—

7 “(I) is less than 35 percent; and

8 “(II) is determined under sub-
9 section (f).

10 “(ii) RULE IF BENEFICIARY ELIGIBLE
11 FOR SOCIAL SECURITY OFFSET COMPUTA-
12 TION.—If the beneficiary is eligible to have
13 the annuity computed under subsection (e)
14 and if, at the time the beneficiary becomes
15 entitled to the annuity, computation of the
16 annuity under that subsection is more fa-
17 vorable to the beneficiary than computa-
18 tion under clause (i), the annuity shall be
19 computed under that subsection rather
20 than under clause (i).

21 “(b) INSURABLE INTEREST BENEFICIARY.—

22 “(1) STANDARD ANNUITY.—In the case of a
23 standard annuity provided to a beneficiary under
24 section 1450(a)(4) of this title, the monthly annuity
25 payable to the beneficiary shall be the amount equal

1 to 55 percent of the retired pay of the person who
2 elected to provide the annuity after the reduction in
3 that pay in accordance with section 1452(c) of this
4 title.

5 “(2) RESERVE-COMPONENT ANNUITY.—In the
6 case of a reserve-component annuity provided to a
7 beneficiary under section 1450(a)(4) of this title, the
8 monthly annuity payable to the beneficiary shall be
9 the amount equal to a percentage of the retired pay
10 of the person who elected to provide the annuity
11 after the reduction in such pay in accordance with
12 section 1452(c) of this title that—

13 “(A) is less than 55 percent; and

14 “(B) is determined under subsection (f).

15 “(3) COMPUTATION OF RESERVE-COMPONENT
16 ANNUITY WHEN PARTICIPANT DIES BEFORE AGE
17 60.—For the purposes of paragraph (2), a person—

18 “(A) who provides an annuity that is de-
19 termined in accordance with that paragraph;

20 “(B) who dies before becoming 60 years of
21 age; and

22 “(C) who at the time of death is otherwise
23 entitled to retired pay,

24 shall be considered to have been entitled to retired
25 pay at the time of death. The retired pay of such

1 person for the purposes of such paragraph shall be
2 computed on the basis of the rates of basic pay in
3 effect on the date on which the annuity provided by
4 such person is to become effective in accordance
5 with the designation of such person under section
6 1448(e) of this title.

7 “(c) ANNUITIES FOR SURVIVORS OF CERTAIN PER-
8 SONS DYING DURING A PERIOD OF SPECIAL ELIGIBILITY
9 FOR SBP.—

10 “(1) IN GENERAL.—In the case of an annuity
11 provided under section 1448(d) or 1448(f) of this
12 title, the amount of the annuity shall be determined
13 as follows:

14 “(A) BENEFICIARY UNDER 62 YEARS OF
15 AGE.—If the person receiving the annuity is
16 under 62 years of age or is a dependent child
17 when the member or former member dies, the
18 monthly annuity shall be the amount equal to
19 55 percent of the retired pay to which the mem-
20 ber or former member would have been entitled
21 if the member or former member had been enti-
22 tled to that pay based upon his years of active
23 service when he died.

24 “(B) BENEFICIARY 62 YEARS OF AGE OR
25 OLDER.—

1 “(i) GENERAL RULE.—If the person
2 receiving the annuity (other than a de-
3 pendent child) is 62 years of age or older
4 when the member or former member dies,
5 the monthly annuity shall be the amount
6 equal to 35 percent of the retired pay to
7 which the member or former member
8 would have been entitled if the member or
9 former member had been entitled to that
10 pay based upon his years of active service
11 when he died.

12 “(ii) RULE IF BENEFICIARY ELIGIBLE
13 FOR SOCIAL SECURITY OFFSET COMPUTA-
14 TION.—If the beneficiary is eligible to have
15 the annuity computed under subsection (e)
16 and if, at the time the beneficiary becomes
17 entitled to the annuity, computation of the
18 annuity under that subsection is more fa-
19 vorable to the beneficiary than computa-
20 tion under clause (i), the annuity shall be
21 computed under that subsection rather
22 than under clause (i).

23 “(2) DIC OFFSET.—An annuity computed
24 under paragraph (1) that is paid to a surviving
25 spouse shall be reduced by the amount of depend-

1 ency and indemnity compensation to which the sur-
2 viving spouse is entitled under section 1311(a) of
3 title 38. Any such reduction shall be effective on the
4 date of the commencement of the period of payment
5 of such compensation under title 38.

6 “(3) OFFICER WITH ENLISTED SERVICE WHO IS
7 NOT YET ELIGIBLE TO RETIRE AS AN OFFICER.—In
8 the case of an annuity provided by reason of the
9 service of a member described in section
10 1448(d)(1)(B) or 1448(d)(1)(C) of this title who
11 first became a member of a uniformed service before
12 September 8, 1980, the retired pay to which the
13 member would have been entitled when he died shall
14 be determined for purposes of paragraph (1) based
15 upon the rate of basic pay in effect at the time of
16 death for the grade in which the member was serv-
17 ing at the time of death, unless (as determined by
18 the Secretary concerned) the member would have
19 been entitled to be retired in a higher grade.

20 “(4) RATE OF PAY TO BE USED IN COMPUTING
21 ANNUITY.—In the case of an annuity paid under
22 section 1448(f) of this title by reason of the service
23 of a person who first became a member of a uni-
24 formed service before September 8, 1980, the retired
25 pay of the person providing the annuity shall for the

1 purposes of paragraph (1) be computed on the basis
2 of the rates of basic pay in effect on the effective
3 date of the annuity.

4 “(d) REDUCTION OF ANNUITIES AT AGE 62.—

5 “(1) REDUCTION REQUIRED.—The annuity of a
6 person whose annuity is computed under subpara-
7 graph (A) of subsection (a)(1), (a)(2), or (c)(1) shall
8 be reduced on the first day of the month after the
9 month in which the person becomes 62 years of age.

10 “(2) AMOUNT OF ANNUITY AS REDUCED.—

11 “(A) 35 PERCENT ANNUITY.—Except as
12 provided in subparagraph (B), the reduced
13 amount of the annuity shall be the amount of
14 the annuity that the person would be receiving
15 on that date if the annuity had initially been
16 computed under subparagraph (B) of that sub-
17 section.

18 “(B) SAVINGS PROVISION FOR BENE-
19 FICIARIES ELIGIBLE FOR SOCIAL SECURITY
20 OFFSET COMPUTATION.—In the case of a per-
21 son eligible to have an annuity computed under
22 subsection (e) and for whom, at the time the
23 person becomes 62 years of age, the annuity
24 computed with a reduction under subsection
25 (e)(3) is more favorable than the annuity with

1 a reduction described in subparagraph (A), the
2 reduction in the annuity shall be computed in
3 the same manner as a reduction under sub-
4 section (e)(3).

5 “(e) SAVINGS PROVISION FOR CERTAIN BENE-
6 FICIARIES.—

7 “(1) PERSONS COVERED.—The following bene-
8 ficiaries under the Plan are eligible to have an annu-
9 ity under the Plan computed under this subsection:

10 “(A) A beneficiary receiving an annuity
11 under the Plan on October 1, 1985, as the sur-
12 viving spouse or former spouse of the person
13 providing the annuity.

14 “(B) A spouse or former spouse bene-
15 ficiary of a person who on October 1, 1985—

16 “(i) was a participant in the Plan;

17 “(ii) was entitled to retired pay or
18 was qualified for that pay except that he
19 had not applied for and been granted that
20 pay; or

21 “(iii) would have been eligible for re-
22 serve-component retired pay but for the
23 fact that he was under 60 years of age.

1 “(2) AMOUNT OF ANNUITY.—Subject to para-
2 graph (3), an annuity computed under this sub-
3 section is determined as follows:

4 “(A) STANDARD ANNUITY.—In the case of
5 the beneficiary of a standard annuity, the annu-
6 ity shall be the amount equal to 55 percent of
7 the base amount.

8 “(B) RESERVE COMPONENT ANNUITY.—In
9 the case of the beneficiary of a reserve-compo-
10 nent annuity, the annuity shall be the percent-
11 age of the base amount that—

12 “(i) is less than 55 percent; and

13 “(ii) is determined under subsection
14 (f).

15 “(C) BENEFICIARIES OF PERSONS DYING
16 DURING A PERIOD OF SPECIAL ELIGIBILITY FOR
17 SBP.—In the case of the beneficiary of an annu-
18 ity under section 1448(d) or 1448(f) of this
19 title, the annuity shall be the amount equal to
20 55 percent of the retired pay of the person pro-
21 viding the annuity (as that pay is determined
22 under subsection (c)).

23 “(3) SOCIAL SECURITY OFFSET.—An annuity
24 computed under this subsection shall be reduced by
25 the lesser of the following:

1 “(A) SOCIAL SECURITY COMPUTATION.—

2 The amount of the survivor benefit, if any, to
3 which the surviving spouse (or the former
4 spouse, in the case of a former spouse bene-
5 ficiary who became a former spouse under a di-
6 vorce that became final after November 29,
7 1989) would be entitled under title II of the So-
8 cial Security Act (42 U.S.C. 401 et seq.) based
9 solely upon service by the person concerned as
10 described in section 210(l)(1) of such Act (42
11 U.S.C. 410(l)(1)) and calculated assuming that
12 the person concerned lives to age 65.

13 “(B) MAXIMUM AMOUNT OF REDUC-
14 TION.—40 percent of the amount of the month-
15 ly annuity as determined under paragraph (2).

16 “(4) SPECIAL RULES FOR SOCIAL SECURITY
17 OFFSET COMPUTATION.—

18 “(A) TREATMENT OF DEDUCTIONS MADE
19 ON ACCOUNT OF WORK.—For the purpose of
20 paragraph (3), a surviving spouse (or a former
21 spouse, in the case of a person who becomes a
22 former spouse under a divorce that becomes
23 final after November 29, 1989) shall not be
24 considered as entitled to a benefit under title II
25 of the Social Security Act (42 U.S.C. 401 et

1 seq.) to the extent that such benefit has been
2 offset by deductions under section 203 of such
3 Act (42 U.S.C. 403) on account of work.

4 “(B) TREATMENT OF CERTAIN PERIODS
5 FOR WHICH SOCIAL SECURITY REFUNDS ARE
6 MADE.—In the computation of any reduction
7 made under paragraph (3), there shall be ex-
8 cluded any period of service described in section
9 210(l)(1) of the Social Security Act (42 U.S.C.
10 410(l)(1))—

11 “(i) which was performed after De-
12 cember 1, 1980; and

13 “(ii) which involved periods of service
14 of less than 30 continuous days for which
15 the person concerned is entitled to receive
16 a refund under section 6413(c) of the In-
17 ternal Revenue Code of 1986 of the social
18 security tax which the person had paid.

19 “(f) DETERMINATION OF PERCENTAGES APPLICA-
20 BLE TO COMPUTATION OF RESERVE-COMPONENT ANNU-
21 ITIES.—The percentage to be applied in determining the
22 amount of an annuity computed under subsection (a)(2),
23 (b)(2), or (e)(2)(B) shall be determined under regulations
24 prescribed by the Secretary of Defense. Such regulations
25 shall be prescribed taking into consideration the following:

1 “(1) The age of the person electing to provide
2 the annuity at the time of such election.

3 “(2) The difference in age between such person
4 and the beneficiary of the annuity.

5 “(3) Whether such person provided for the an-
6 nuity to become effective (in the event he died before
7 becoming 60 years of age) on the day after his death
8 or on the 60th anniversary of his birth.

9 “(4) Appropriate group annuity tables.

10 “(5) Such other factors as the Secretary consid-
11 ers relevant.

12 “(g) ADJUSTMENTS TO ANNUITIES.—

13 “(1) PERIODIC ADJUSTMENTS FOR COST-OF-
14 LIVING.—

15 “(A) INCREASES IN ANNUITIES WHEN RE-
16 TIRE D PAY INCREASED.—Whenever retired pay
17 is increased under section 1401a of this title (or
18 any other provision of law), each annuity that
19 is payable under the Plan shall be increased at
20 the same time.

21 “(B) PERCENTAGE OF INCREASE.—The in-
22 crease shall, in the case of any annuity, be by
23 the same percent as the percent by which the
24 retired pay of the person providing the annuity
25 would have been increased at such time if the

1 person were alive (and otherwise entitled to
2 such pay).

3 “(C) CERTAIN REDUCTIONS TO BE DIS-
4 REGARDED.—The amount of the increase shall
5 be based on the monthly annuity payable before
6 any reduction under section 1450(c) of this title
7 or under subsection (c)(2).

8 “(2) ROUNDING DOWN.—The monthly amount
9 of an annuity payable under this subchapter, if not
10 a multiple of \$1, shall be rounded to the next lower
11 multiple of \$1.

12 “(h) ADJUSTMENTS TO BASE AMOUNT.—

13 “(1) PERIODIC ADJUSTMENTS FOR COST-OF-
14 LIVING.—

15 “(A) INCREASES IN BASE AMOUNT WHEN
16 RETIRED PAY INCREASED.—Whenever retired
17 pay is increased under section 1401a of this
18 title (or any other provision of law), the base
19 amount applicable to each participant in the
20 Plan shall be increased at the same time.

21 “(B) PERCENTAGE OF INCREASE.—The in-
22 crease shall be by the same percent as the per-
23 cent by which the retired pay of the participant
24 is so increased.

1 “(2) RECOMPUTATION AT AGE 62.—When the
2 retired pay of a person who first became a member
3 of a uniformed service on or after August 1, 1986,
4 and who is a participant in the Plan is recomputed
5 under section 1410 of this title upon the person’s
6 becoming 62 years of age, the base amount applica-
7 ble to that person shall be recomputed (effective on
8 the effective date of the recomputation of such re-
9 tired pay under section 1410 of this title) so as to
10 be the amount equal to the amount of the base
11 amount that would be in effect on that date if in-
12 creases in such base amount under paragraph (1)
13 had been computed as provided in paragraph (2) of
14 section 1401a(b) of this title (rather than under
15 paragraph (3) of that section).

16 “(3) DISREGARDING OF RETIRED PAY REDUC-
17 TIONS FOR RETIREMENT BEFORE 30 YEARS OF
18 SERVICE.—Computation of a member’s retired pay
19 for purposes of this section shall be made without
20 regard to any reduction under section 1409(b)(2) of
21 this title.

22 “(i) RECOMPUTATION OF ANNUITY FOR CERTAIN
23 BENEFICIARIES.—In the case of an annuity under the
24 Plan which is computed on the basis of the retired pay
25 of a person who would have been entitled to have that re-

1 tired pay recomputed under section 1410 of this title upon
2 attaining 62 years of age, but who dies before attaining
3 that age, the annuity shall be recomputed, effective on the
4 first day of the first month beginning after the date on
5 which the member or former member would have attained
6 62 years of age, so as to be the amount equal to the
7 amount of the annuity that would be in effect on that date
8 if increases under subsection (h)(1) in the base amount
9 applicable to that annuity to the time of the death of the
10 member or former member, and increases in such annuity
11 under subsection (g)(1), had been computed as provided
12 in paragraph (2) of section 1401a(b) of this title (rather
13 than under paragraph (3) of that section).

14 **“§ 1452. Reduction in retired pay**

15 “(a) SPOUSE AND FORMER SPOUSE ANNUITIES.—

16 “(1) REQUIRED REDUCTION IN RETIRED PAY.—

17 Except as provided in subsection (b), the retired pay
18 of a participant in the Plan who is providing spouse
19 coverage (as described in paragraph (5)) shall be re-
20 duced as follows:

21 “(A) STANDARD ANNUITY.—If the annuity
22 coverage being providing is a standard annuity,
23 the reduction shall be as follows:

24 “(i) DISABILITY AND NONREGULAR
25 SERVICE RETIREES.—In the case of a per-

1 son who is entitled to retired pay under
2 chapter 61 or chapter 1223 of this title,
3 the reduction shall be in whichever of the
4 alternative reduction amounts is more fa-
5 vorable to that person.

6 “(ii) MEMBERS AS OF ENACTMENT OF
7 FLAT-RATE REDUCTION.—In the case of a
8 person who first became a member of a
9 uniformed service before March 1, 1990,
10 the reduction shall be in whichever of the
11 alternative reduction amounts is more fa-
12 vorable to that person.

13 “(iii) NEW ENTRANTS AFTER ENACT-
14 MENT OF FLAT-RATE REDUCTION.—In the
15 case of a person who first becomes a mem-
16 ber of a uniformed service on or after
17 March 1, 1990, and who is entitled to re-
18 tired pay under a provision of law other
19 than chapter 61 or chapter 1223 of this
20 title, the reduction shall be in an amount
21 equal to 6½ percent of the base amount.

22 “(iv) ALTERNATIVE REDUCTION
23 AMOUNTS.—For purposes of clauses (i)
24 and (ii), the alternative reduction amounts
25 are the following:

1 “(I) FLAT-RATE REDUCTION.—
2 An amount equal to 6½ percent of
3 the base amount.

4 “(II) AMOUNT UNDER PRE-FLAT-
5 RATE REDUCTION.—An amount equal
6 to 2½ percent of the first \$421 (as
7 adjusted under paragraph (4)) of the
8 base amount plus 10 percent of the
9 remainder of the base amount.

10 “(B) RESERVE-COMPONENT ANNUITY.—If
11 the annuity coverage being provided is a re-
12 serve-component annuity, the reduction shall be
13 in whichever of the following amounts is more
14 favorable to that person:

15 “(i) FLAT-RATE REDUCTION.—An
16 amount equal to 6½ percent of the base
17 amount plus an amount determined in ac-
18 cordance with regulations prescribed by the
19 Secretary of Defense as a premium for the
20 additional coverage provided through re-
21 serve-component annuity coverage under
22 the Plan.

23 “(ii) AMOUNT UNDER PRE-FLAT-RATE
24 REDUCTION.—An amount equal to 2½
25 percent of the first \$421 (as adjusted

1 under paragraph (4)) of the base amount
2 plus 10 percent of the remainder of the
3 base amount plus an amount determined
4 in accordance with regulations prescribed
5 by the Secretary of Defense as a premium
6 for the additional coverage provided
7 through reserve-component annuity cov-
8 erage under the Plan.

9 “(2) ADDITIONAL REDUCTION FOR CHILD COV-
10 ERAGE.—If there is a dependent child as well as a
11 spouse or former spouse, the amount prescribed
12 under paragraph (1) shall be increased by an
13 amount prescribed under regulations of the Sec-
14 retary of Defense.

15 “(3) NO REDUCTION WHEN NO BENEFICIARY.—
16 The reduction in retired pay prescribed by para-
17 graph (1) shall not be applicable during any month
18 in which there is no eligible spouse or former spouse
19 beneficiary.

20 “(4) PERIODIC ADJUSTMENTS.—

21 “(A) ADJUSTMENTS FOR INCREASES IN
22 RATES OF BASIC PAY.—Whenever there is an
23 increase in the rates of basic pay of members
24 of the uniformed services effective after Janu-
25 ary 1, 1996, the amounts under paragraph (1)

1 with respect to which the percentage factor of
2 2½ is applied shall be increased by the overall
3 percentage of such increase in the rates of basic
4 pay. The increase under the preceding sentence
5 shall apply only with respect to persons whose
6 retired pay is computed based on the rates of
7 basic pay in effect on or after the date of such
8 increase in rates of basic pay.

9 “(B) ADJUSTMENTS FOR RETIRED PAY
10 COLAS.—In addition to the increase under sub-
11 paragraph (A), the amounts under paragraph
12 (1) with respect to which the percentage factor
13 of 2½ is applied shall be further increased at
14 the same time and by the same percentage as
15 an increase in retired pay under section 1401a
16 of this title effective after January 1, 1996.
17 Such increase under the preceding sentence
18 shall apply only with respect to a person who
19 initially participates in the Plan on a date
20 which is after both the effective date of such in-
21 crease under section 1401a and the effective
22 date of the rates of basic pay upon which that
23 person’s retired pay is computed.

24 “(5) SPOUSE COVERAGE DESCRIBED.—For the
25 purposes of paragraph (1), a participant in the Plan

1 who is providing spouse coverage is a participant
2 who—

3 “(A) has (i) a spouse or former spouse, or
4 (ii) a spouse or former spouse and a dependent
5 child; and

6 “(B) has not elected to provide an annuity
7 to a person designated by him under section
8 1448(b)(1) of this title or, having made such an
9 election, has changed his election in favor of his
10 spouse under section 1450(f) of this title.

11 “(b) CHILD-ONLY ANNUITIES.—

12 “(1) REQUIRED REDUCTION IN RETIRED PAY.—
13 The retired pay of a participant in the Plan who is
14 providing child-only coverage (as described in para-
15 graph (4)) shall be reduced by an amount prescribed
16 under regulations by the Secretary of Defense.

17 “(2) NO REDUCTION WHEN NO CHILD.—There
18 shall be no reduction in retired pay under paragraph
19 (1) for any month during which the participant has
20 no eligible dependent child.

21 “(3) SPECIAL RULE FOR CERTAIN RCSBP PAR-
22 TICIPANTS.—In the case of a participant in the Plan
23 who is participating in the Plan under an election
24 under section 1448(a)(2)(B) of this title and who
25 provided child-only coverage during a period before

1 the participant becomes entitled to receive retired
2 pay, the retired pay of the participant shall be re-
3 duced by an amount prescribed under regulations by
4 the Secretary of Defense to reflect the coverage pro-
5 vided under the Plan during the period before the
6 participant became entitled to receive retired pay. A
7 reduction under this paragraph is in addition to any
8 reduction under paragraph (1) and is made without
9 regard to whether there is an eligible dependent
10 child during a month for which the reduction is
11 made.

12 “(4) CHILD-ONLY COVERAGE DEFINED.—For
13 the purposes of this subsection, a participant in the
14 Plan who is providing child-only coverage is a partic-
15 ipant who has a dependent child and who—

16 “(A) does not have an eligible spouse or
17 former spouse; or

18 “(B) has a spouse or former spouse but
19 has elected to provide an annuity for dependent
20 children only.

21 “(c) REDUCTION FOR INSURABLE INTEREST COV-
22 ERAGE.—

23 “(1) REQUIRED REDUCTION IN RETIRED PAY.—
24 The retired pay of a person who has elected to pro-
25 vide an annuity to a person designated by him under

1 section 1450(a)(4) of this title shall be reduced as
2 follows:

3 “(A) STANDARD ANNUITY.—In the case of
4 a person providing a standard annuity, the re-
5 duction shall be by 10 percent plus 5 percent
6 for each full five years the individual designated
7 is younger than that person.

8 “(B) RESERVE COMPONENT ANNUITY.—In
9 the case of a person providing a reserve-compo-
10 nent annuity, the reduction shall be by an
11 amount prescribed under regulations of the Sec-
12 retary of Defense.

13 “(2) LIMITATION ON TOTAL REDUCTION.—The
14 total reduction under paragraph (1) may not exceed
15 40 percent.

16 “(3) DURATION OF REDUCTION.—The reduc-
17 tion in retired pay prescribed by this subsection shall
18 continue during the lifetime of the person designated
19 under section 1450(a)(4) of this title or until the
20 person receiving retired pay changes his election
21 under section 1450(f) of this title.

22 “(4) RULE FOR COMPUTATION.—Computation
23 of a member’s retired pay for purposes of this sub-
24 section shall be made without regard to any reduc-
25 tion under section 1409(b)(2) of this title.

1 “(d) DEPOSITS TO COVER PERIODS WHEN RETIRED
2 PAY NOT PAID.—

3 “(1) REQUIRED DEPOSITS.—If a person who
4 has elected to participate in the Plan has been
5 awarded retired pay and is not entitled to that pay
6 for any period, that person must deposit in the
7 Treasury the amount that would otherwise have
8 been deducted from his pay for that period.

9 “(2) DEPOSITS NOT REQUIRED WHEN PARTICI-
10 PANT ON ACTIVE DUTY.—Paragraph (1) does not
11 apply to a person with respect to any period when
12 that person is on active duty under a call or order
13 to active duty for a period of more than 30 days.

14 “(e) DEPOSITS NOT REQUIRED FOR CERTAIN PAR-
15 TICIPANTS IN CSRS.—When a person who has elected to
16 participate in the Plan waives that person’s retired pay
17 for the purposes of subchapter III of chapter 83 of title
18 5, that person shall not be required to make the deposit
19 otherwise required by subsection (d) as long as that waiver
20 is in effect unless, in accordance with section 8339(i) of
21 title 5, that person has notified the Office of Personnel
22 Management that he does not desire a spouse surviving
23 him to receive an annuity under section 8331(b) of title
24 5.

25 “(f) REFUNDS OF DEDUCTIONS NOT ALLOWED.—

1 “(1) GENERAL RULE.—A person is not entitled
2 to refund of any amount deducted from retired pay
3 under this section.

4 “(2) EXCEPTIONS.—Paragraph (1) does not
5 apply—

6 “(A) in the case of a refund authorized by
7 section 1450(e) of this title; or

8 “(B) in case of a deduction made through
9 administrative error.

10 “(g) DISCONTINUATION OF PARTICIPATION BY PAR-
11 TICIPANTS WHOSE SURVIVING SPOUSES WILL BE ENTI-
12 TLED TO DIC.—

13 “(1) DISCONTINUATION.—

14 “(A) CONDITIONS.—Notwithstanding any
15 other provision of this subchapter but subject to
16 paragraphs (2) and (3), a person who has elect-
17 ed to participate in the Plan and who is suffer-
18 ing from a service-connected disability rated by
19 the Secretary of Veterans Affairs as totally dis-
20 abling and has suffered from such disability
21 while so rated for a continuous period of 10 or
22 more years (or, if so rated for a lesser period,
23 has suffered from such disability while so rated
24 for a continuous period of not less than 5 years
25 from the date of such person’s last discharge or

1 release from active duty) may discontinue par-
2 ticipation in the Plan by submitting to the Sec-
3 retary concerned a request to discontinue par-
4 ticipation in the Plan.

5 “(B) EFFECTIVE DATE.—Participation in
6 the Plan of a person who submits a request
7 under subparagraph (A) shall be discontinued
8 effective on the first day of the first month fol-
9 lowing the month in which the request under
10 subparagraph (A) is received by the Secretary
11 concerned. Effective on such date, the Secretary
12 concerned shall discontinue the reduction being
13 made in such person’s retired pay on account of
14 participation in the Plan or, in the case of a
15 person who has been required to make deposits
16 in the Treasury on account of participation in
17 the Plan, such person may discontinue making
18 such deposits effective on such date.

19 “(C) FORM FOR REQUEST FOR DIS-
20 CONTINUATION.—Any request under this para-
21 graph to discontinue participation in the Plan
22 shall be in such form and shall contain such in-
23 formation as the Secretary concerned may re-
24 quire by regulation.

1 “(2) CONSENT OF BENEFICIARIES REQUIRED.—

2 A person described in paragraph (1) may not dis-
3 continue participation in the Plan under such para-
4 graph without the written consent of the beneficiary
5 or beneficiaries of such person under the Plan.

6 “(3) INFORMATION ON PLAN TO BE PROVIDED
7 BY SECRETARY CONCERNED.—

8 “(A) INFORMATION TO BE PROVIDED
9 PROMPTLY TO PARTICIPANT.—The Secretary
10 concerned shall furnish promptly to each person
11 who files a request under paragraph (1) to dis-
12 continue participation in the Plan a written
13 statement of the advantages of participating in
14 the Plan and the possible disadvantages of dis-
15 continuing participation.

16 “(B) RIGHT TO WITHDRAW DISCONTINU-
17 ATION REQUEST.—A person may withdraw a re-
18 quest made under paragraph (1) if it is with-
19 drawn within 30 days after having been submit-
20 ted to the Secretary concerned.

21 “(4) REFUND OF DEDUCTIONS FROM RETIRED
22 PAY.—Upon the death of a person described in para-
23 graph (1) who discontinued participation in the Plan
24 in accordance with this subsection, any amount de-
25 ducted from the retired pay of that person under

1 this section shall be refunded to the person's surviv-
2 ing spouse.

3 “(5) RESUMPTION OF PARTICIPATION IN
4 PLAN.—

5 “(A) CONDITIONS FOR RESUMPTION.—A
6 person described in paragraph (1) who discon-
7 tinued participation in the Plan may elect to
8 participate again in the Plan if—

9 “(i) after having discontinued partici-
10 pation in the Plan the Secretary of Veter-
11 ans Affairs reduces that person's service-
12 connected disability rating to a rating of
13 less than total; and

14 “(ii) that person applies to the Sec-
15 retary concerned, within such period of
16 time after the reduction in such person's
17 service-connected disability rating has been
18 made as the Secretary concerned may pre-
19 scribe, to again participate in the Plan and
20 includes in such application such informa-
21 tion as the Secretary concerned may re-
22 quire.

23 “(B) EFFECTIVE DATE OF RESUMED COV-
24 ERAGE.—Such person's participation in the
25 Plan under this paragraph is effective begin-

1 ning on the first day of the month after the
2 month in which the Secretary concerned re-
3 ceives the application for resumption of partici-
4 pation in the Plan.

5 “(C) RESUMPTION OF CONTRIBUTIONS.—
6 When a person elects to participate in the Plan
7 under this paragraph, the Secretary concerned
8 shall begin making reductions in that person’s
9 retired pay, or require such person to make de-
10 posits in the Treasury under subsection (d), as
11 appropriate, effective on the effective date of
12 such participation under subparagraph (B).

13 “(h) INCREASES IN REDUCTION WITH INCREASES IN
14 RETIRE PAY.—Whenever retired pay is increased under
15 section 1401a of this title (or any other provision of law),
16 the amount of the reduction to be made under subsection
17 (a) or (b) in the retired pay of any person shall be in-
18 creased at the same time and by the same percentage as
19 such retired pay is so increased.

20 “(i) RECOMPUTATION OF REDUCTION UPON RECOM-
21 PUTATION OF RETIRE PAY.—When the retired pay of
22 a person who first became a member of a uniformed serv-
23 ice on or after August 1, 1986, and who is a participant
24 in the Plan is recomputed under section 1410 of this title
25 upon the person’s becoming 62 years of age, the amount

1 of the reduction in such retired pay under this section
2 shall be recomputed (effective on the effective date of the
3 recomputation of such retired pay under section 1410 of
4 this title) so as to be the amount equal to the amount
5 of such reduction that would be in effect on that date if
6 increases in such retired pay under section 1401a(b) of
7 this title, and increases in reductions in such retired pay
8 under subsection (h), had been computed as provided in
9 paragraph (2) of section 1401a(b) of this title (rather than
10 under paragraph (3) of that section).

11 **“§ 1453. Recovery of amounts erroneously paid**

12 “(a) RECOVERY.—In addition to any other method
13 of recovery provided by law, the Secretary concerned may
14 authorize the recovery of any amount erroneously paid to
15 a person under this subchapter by deduction from later
16 payments to that person.

17 “(b) AUTHORITY TO WAIVE RECOVERY.—Recovery
18 of an amount erroneously paid to a person under this sub-
19 chapter is not required if, in the judgment of the Secretary
20 concerned and the Comptroller General—

21 “(1) there has been no fault by the person to
22 whom the amount was erroneously paid; and

23 “(2) recovery of such amount would be contrary
24 to the purposes of this subchapter or against equity
25 and good conscience.

1 **“§ 1454. Correction of administrative errors**

2 “(a) AUTHORITY.—The Secretary concerned may,
3 under regulations prescribed under section 1455 of this
4 title, correct or revoke any election under this subchapter
5 when the Secretary considers it necessary to correct an
6 administrative error.

7 “(b) FINALITY.—Except when procured by fraud, a
8 correction or revocation under this section is final and con-
9 clusive on all officers of the United States.

10 **“§ 1455. Regulations**

11 “(a) IN GENERAL.—The President shall prescribe
12 regulations to carry out this subchapter. Those regulations
13 shall, so far as practicable, be uniform for the uniformed
14 services.

15 “(b) NOTICE OF ELECTIONS.—Regulations pre-
16 scribed under this section shall provide that before the
17 date on which a member becomes entitled to retired pay—

18 “(1) if the member is married, the member and
19 the member’s spouse shall be informed of the elec-
20 tions available under section 1448(a) of this title
21 and the effects of such elections; and

22 “(2) if the notification referred to in section
23 1448(a)(3)(E) of this title is required, any former
24 spouse of the member shall be informed of the elec-
25 tions available and the effects of such elections.

1 “(c) PROCEDURE FOR DEPOSITING CERTAIN RE-
2 CEIPTS.—Regulations prescribed under this section shall
3 establish procedures for depositing the amounts referred
4 to in sections 1448(g), 1450(k)(2), and 1452(d) of this
5 title.

6 “(d) PAYMENTS TO GUARDIANS AND FIDUCIARIES.—

7 “(1) IN GENERAL.—Regulations prescribed
8 under this section shall provide procedures for the
9 payment of an annuity under this subchapter in the
10 case of—

11 “(A) a person for whom a guardian or
12 other fiduciary has been appointed; and

13 “(B) a minor, mentally incompetent, or
14 otherwise legally disabled person for whom a
15 guardian or other fiduciary has not been ap-
16 pointed.

17 “(2) AUTHORIZED PROCEDURES.—The regula-
18 tions under paragraph (1) may include provisions for
19 the following:

20 “(A) In the case of an annuitant referred
21 to in paragraph (1)(A), payment of the annuity
22 to the appointed guardian or other fiduciary.

23 “(B) In the case of an annuitant referred
24 to in paragraph (1)(B), payment of the annuity
25 to any person who, in the judgment of the Sec-

1 retary concerned, is responsible for the care of
2 the annuitant.

3 “(C) Subject to subparagraphs (D) and
4 (E), a requirement for the payee of an annuity
5 to spend or invest the amounts paid on behalf
6 of the annuitant solely for benefit of the annu-
7 itant.

8 “(D) Authority for the Secretary concerned
9 to permit the payee to withhold from the annu-
10 ity payment such amount, not in excess of 4
11 percent of the annuity, as the Secretary con-
12 cerned considers a reasonable fee for the fidu-
13 ciary services of the payee when a court ap-
14 pointment order provides for payment of such a
15 fee to the payee for such services or the Sec-
16 retary concerned determines that payment of a
17 fee to such payee is necessary in order to obtain
18 the fiduciary services of the payee.

19 “(E) Authority for the Secretary concerned
20 to require the payee to provide a surety bond in
21 an amount sufficient to protect the interests of
22 the annuitant and to pay for such bond out of
23 the annuity.

24 “(F) A requirement for the payee of an
25 annuity to maintain and, upon request, to pro-

1 vide to the Secretary concerned an accounting
2 of expenditures and investments of amounts
3 paid to the payee.

4 “(G) In the case of an annuitant referred
5 to in paragraph (1)(B)—

6 “(i) procedures for determining in-
7 competency and for selecting a payee to
8 represent the annuitant for the purposes of
9 this section, including provisions for notify-
10 ing the annuitant of the actions being
11 taken to make such a determination and to
12 select a representative payee, an oppor-
13 tunity for the annuitant to review the evi-
14 dence being considered, and an opportunity
15 for the annuitant to submit additional evi-
16 dence before the determination is made;
17 and

18 “(ii) standards for determining incom-
19 petency, including standards for determin-
20 ing the sufficiency of medical evidence and
21 other evidence.

22 “(H) Provisions for any other matter that
23 the President considers appropriate in connec-
24 tion with the payment of an annuity in the case
25 of a person referred to in paragraph (1).

1 “(3) LEGAL EFFECT OF PAYMENT TO GUARD-
2 IAN OR FIDUCIARY.—An annuity paid to a person on
3 behalf of an annuitant in accordance with the regu-
4 lations prescribed pursuant to paragraph (1) dis-
5 charges the obligation of the United States for pay-
6 ment to the annuitant of the amount of the annuity
7 so paid.”.

8 **Subtitle E—Other Matters**

9 **SEC. 651. TECHNICAL CORRECTION CLARIFYING ABILITY** 10 **OF CERTAIN MEMBERS TO ELECT NOT TO OC-** 11 **CUPY GOVERNMENT QUARTERS.**

12 Effective July 1, 1996, section 403(b)(3) of title 37,
13 United States Code, is amended by striking out “A mem-
14 ber” and inserting in lieu thereof “Subject to the provi-
15 sions of subsection (j), a member”.

16 **SEC. 652. TECHNICAL CORRECTION CLARIFYING LIMITA-** 17 **TION ON FURNISHING CLOTHING OR ALLOW-** 18 **ANCES FOR ENLISTED NATIONAL GUARD** 19 **TECHNICIANS.**

20 Section 418(e) of title 37, United States Code, is
21 amended by striking out “for which a uniform allowance
22 is paid under section 415 or 416 of this title”, and insert-
23 ing in lieu thereof “for which clothing is furnished or a
24 uniform allowance is paid under this section”.

1 **TITLE VII—HEALTH CARE**
2 **PROVISIONS**
3 **Subtitle A—Health Care Services**

4 **SEC. 701. MEDICAL AND DENTAL CARE FOR RESERVE COM-**
5 **PONENT MEMBERS IN A DUTY STATUS.**

6 (a) AVAILABILITY OF MEDICAL AND DENTAL
7 CARE.—(1) Section 1074a of title 10, United States Code,
8 is amended to read as follows:

9 **“§ 1074a. Medical and dental care: reserve component**
10 **members in a duty status**

11 “(a) HEALTH CARE DESCRIBED.—A person de-
12 scribed in subsection (b) is entitled to the medical and
13 dental care appropriate for the treatment of the injury,
14 illness, or disease of the person until the person completes
15 treatment and is physically able to resume the military
16 duties of the person or has completed processing in ac-
17 cordance with chapter 61 of this title.

18 “(b) MEMBERS ENTITLED TO CARE.—Under joint
19 regulations prescribed by the administering Secretaries,
20 the following persons are entitled to the benefits described
21 in this section:

22 “(1) Each member of a reserve component who
23 incurs or aggravates an injury, illness, or disease in
24 the line of duty while performing—

1 “(A) active duty, including active duty for
2 training and annual training duty, or full-time
3 National Guard duty; or

4 “(B) inactive-duty training, regardless of
5 whether the member is in a pay or nonpay sta-
6 tus.

7 “(2) Each member of a reserve component who
8 incurs or aggravates an injury, illness, or disease
9 while traveling directly to or from the place at which
10 that member is to perform or has performed—

11 “(A) active duty, including active duty for
12 training and annual training duty, or full-time
13 National Guard duty, or

14 “(B) inactive-duty training, regardless of
15 whether the member is in a pay or nonpay sta-
16 tus.

17 “(3) Each member of a reserve component who
18 incurs or aggravates an injury, illness, or disease in
19 the line of duty while remaining overnight, between
20 successive periods of inactive-duty training, at or in
21 the vicinity of the site of the inactive-duty training,
22 if the site of inactive-duty training is outside reason-
23 able commuting distance from the member’s resi-
24 dence.

1 “(c) ADDITIONAL BENEFITS.—(1) At the request of
2 a person described in paragraph (1)(A) or (2)(A) of sub-
3 section (b), the person may continue on active duty or full-
4 time National Guard duty during any period of hos-
5 pitalization resulting from the injury, illness, or disease.

6 “(2) A person described in subsection (b) is entitled
7 to the pay and allowances authorized in accordance with
8 subsections (g) and (h) of section 204 of title 37.

9 “(d) LIMITATION.—A person described in subsection
10 (b) is not entitled to benefits under this section if the in-
11 jury, illness, or disease, or aggravation of the injury, ill-
12 ness, or disease, is the result of the gross negligence or
13 misconduct of the person.”.

14 (2) The item relating to such section in the table of
15 sections at the beginning of chapter 55 of title 10, United
16 States Code, is amended to read as follows:

“1074a. Medical and dental care: reserve component members in a duty sta-
tus.”.

17 (b) ANNUAL MEDICAL AND DENTAL SCREENINGS
18 AND CARE FOR CERTAIN SELECTED RESERVE MEM-
19 BERS.—Section 10206 of title 10, United States Code, is
20 amended by adding at the end the following new sub-
21 section:

22 “(c)(1) The Secretary of the Army shall provide to
23 members of the Selected Reserve of the Army who are as-
24 signed to units scheduled for deployment within 75 days

1 after mobilization the following medical and dental serv-
2 ices:

3 “(A) An annual medical screening.

4 “(B) For members who are over 40 years of
5 age, a full physical examination not less often than
6 once every two years.

7 “(C) An annual dental screening.

8 “(D) The dental care identified in an annual
9 dental screening as required to ensure that a mem-
10 ber meets the dental standards required for deploy-
11 ment in the event of mobilization.

12 “(2) The services provided under this subsection shall
13 be provided at no cost to the member.”.

14 **SEC. 702. PREVENTIVE HEALTH CARE SCREENING FOR**
15 **COLON AND PROSTATE CANCER.**

16 (a) MEMBERS AND FORMER MEMBERS.—(1) Sub-
17 section (a) of section 1074d of title 10, United States
18 Code, is amended—

19 (A) by inserting “(1)” before “Female”; and

20 (B) by adding at the end the following new
21 paragraph:

22 “(2) Male members and former members of the uni-
23 formed services entitled to medical care under section
24 1074 or 1074a of this title shall also be entitled to preven-
25 tive health care screening for colon or prostate cancer at

1 such intervals and using such screening methods as the
2 administering Secretaries consider appropriate.”.

3 (2)(A) The heading of such section is amended to
4 read as follows:

5 **“§ 1074d. Primary and preventive health care serv-**
6 **ices**

7 (B) The item relating to such section in the table of
8 sections at the beginning of chapter 55 of such title is
9 amended to read as follows:

“1074d. Primary and preventive health care services.”.

10 (b) DEPENDENTS.—(1) Section 1077(a) of such title
11 is amended by adding at the end the following new para-
12 graph:

13 “(14) Preventive health care screening for colon
14 or prostate cancer at the intervals and using the
15 screening methods prescribed under section
16 1074d(a)(2) of this title.”.

17 (2) Section 1079(a)(2) of such title is amended—

18 (A) in the matter preceding subparagraph (A),
19 by inserting “the schedule and method of colon and
20 prostate cancer screenings,” after “pap smears and
21 mammograms,”; and

22 (B) in subparagraph (B), by inserting “or colon
23 and prostate cancer screenings” after “pap smears
24 and mammograms”.

1 aged care programs of the TRICARE program. The uni-
2 form interface shall provide for a full electronic two-way
3 exchange of health care information between the military
4 treatment facilities and contractor information systems,
5 including enrollment information, information regarding
6 eligibility determinations, provider network information,
7 appointment information, and information regarding the
8 existence of third-party payers.

9 (b) AMENDMENT OF EXISTING CONTRACTS.—To as-
10 sure a single consistent source of information throughout
11 the health care delivery system of the uniformed services,
12 the Secretary of Defense shall amend each TRICARE pro-
13 gram contract, with the consent of the TRICARE pro-
14 gram contractor and notwithstanding any requirement for
15 competition, to require the contractor—

16 (1) to use software furnished under the Com-
17 posite Health Care System to record military treat-
18 ment facility provider appointments; and

19 (2) to record TRICARE program enrollment
20 through direct use of the Composite Health Care
21 System software or through the uniform two-way
22 interface between the contractor and military treat-
23 ment facilities systems, where applicable.

24 (c) PHASED IMPLEMENTATION.—The Secretary of
25 Defense shall test the uniform version of the Composite

1 Health Care System required under subsection (a) in one
2 region of the TRICARE program for six months before
3 deploying the information system throughout the health
4 care delivery system of the uniformed services.

5 **Subtitle C—Uniformed Services**
6 **Treatment Facilities**

7 **SEC. 721. DEFINITIONS.**

8 In this subtitle:

9 (1) The term “administering Secretaries”
10 means the Secretary of Defense, the Secretary of
11 Transportation, and the Secretary of Health and
12 Human Services.

13 (2) The term “agreement” means the agree-
14 ment required under section 722(b) between the Sec-
15 retary of Defense and a designated provider.

16 (3) The term “capitation payment” means an
17 actuarially sound payment for a defined set of health
18 care services that is established on a per enrollee per
19 month basis.

20 (4) The term “covered beneficiary” means a
21 beneficiary under chapter 55 of title 10, United
22 States Code, other than a beneficiary under section
23 1074(a) of such title.

24 (5) The term “designated provider” means a
25 public or nonprofit private entity that was a trans-

1 feree of a Public Health Service hospital or other
2 station under section 987 of the Omnibus Budget
3 Reconciliation Act of 1981 (Public Law 97–35; 95
4 Stat. 603) and that, before the date of the enact-
5 ment of this Act, was deemed to be a facility of the
6 uniformed services for the purposes of chapter 55 of
7 title 10, United States Code. The term includes any
8 legal successor in interest of the transferee.

9 (6) The term “enrollee” means a covered bene-
10 ficiary who enrolls with a designated provider.

11 (7) The term “health care services” means the
12 health care services provided under the health plan
13 known as the TRICARE PRIME option under the
14 TRICARE program.

15 (8) The term “Secretary” means the Secretary
16 of Defense.

17 (9) The term “TRICARE program” means the
18 managed health care program that is established by
19 the Secretary of Defense under the authority of
20 chapter 55 of title 10, United States Code, prin-
21 cipally section 1097 of such title, and includes the
22 competitive selection of contractors to financially un-
23 derwrite the delivery of health care services under
24 the Civilian Health and Medical Program of the
25 Uniformed Services.

1 **SEC. 722. INCLUSION OF DESIGNATED PROVIDERS IN UNI-**
2 **FORMED SERVICES HEALTH CARE DELIVERY**
3 **SYSTEM.**

4 (a) INCLUSION IN SYSTEM.—The health care delivery
5 system of the uniformed services shall include the des-
6 ignated providers.

7 (b) AGREEMENTS TO PROVIDE MANAGED HEALTH
8 CARE SERVICES.—(1) After consultation with the other
9 administering Secretaries, the Secretary of Defense shall
10 negotiate and enter into an agreement with each des-
11 ignated provider, under which the designated provider will
12 provide managed health care services to covered bene-
13 ficiaries who enroll with the designated provider.

14 (2) The agreement shall be entered into on a sole
15 source basis. The Federal Acquisition Regulation, except
16 for those requirements regarding competition, issued pur-
17 suant to section 25(c) of the Office of Federal Procure-
18 ment Policy Act (41 U.S.C. 421(c)) shall apply to the
19 agreements as acquisitions of commercial items.

20 (3) The implementation of an agreement is subject
21 to availability of funds for such purpose.

22 (c) EFFECTIVE DATE OF AGREEMENTS.—(1) Unless
23 an earlier effective date is agreed upon by the Secretary
24 and the designated provider, the agreement shall take ef-
25 fect upon the later of the following:

1 (A) The date on which a managed care support
2 contract under the TRICARE program is imple-
3 mented in the service area of the designated pro-
4 vider.

5 (B) October 1, 1997.

6 (2) Notwithstanding paragraph (1), the designated
7 provider whose service area includes Seattle, Washington,
8 shall implement its agreement as soon as the agreement
9 permits.

10 (d) TEMPORARY CONTINUATION OF EXISTING PAR-
11 TICIPATION AGREEMENTS.—The Secretary shall extend
12 the participation agreement of a designated provider in ef-
13 fect immediately before the date of the enactment of this
14 Act under section 718(c) of the National Defense Author-
15 ization Act for Fiscal Year 1991 (Public Law 101–510;
16 104 Stat. 1587) until the agreement required by this sec-
17 tion takes effect under subsection (c).

18 (e) SERVICE AREA.—The Secretary may not reduce
19 the size of the service area of a designated provider below
20 the size of the service area in effect as of September 30,
21 1996.

22 (f) COMPLIANCE WITH ADMINISTRATIVE REQUIRE-
23 MENTS.—(1) Unless otherwise agreed upon by the Sec-
24 retary and a designated provider, the designated provider
25 shall comply with necessary and appropriate administra-

1 tive requirements established by the Secretary for other
2 providers of health care services and requirements estab-
3 lished by the Secretary of Health and Human Services for
4 risk-sharing contractors under section 1876 of the Social
5 Security Act (42 U.S.C. 1395mm). The Secretary and the
6 designated provider shall determine and apply only such
7 administrative requirements as are minimally necessary
8 and appropriate. A designated provider shall not be re-
9 quired to comply with a law or regulation of a State gov-
10 ernment requiring licensure as a health insurer or health
11 maintenance organization.

12 (2) A designated provider may not contract out more
13 than five percent of its primary care enrollment without
14 the approval of the Secretary, except in the case of pri-
15 mary care contracts between a designated provider and a
16 primary care contractor in force on the date of the enact-
17 ment of this Act.

18 **SEC. 723. PROVISION OF UNIFORM BENEFIT BY DES-**
19 **IGNATED PROVIDERS.**

20 (a) **UNIFORM BENEFIT REQUIRED.**—A designated
21 provider shall offer to enrollees the health benefit option
22 prescribed and implemented by the Secretary under sec-
23 tion 731 of the National Defense Authorization Act for
24 Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 1073
25 note), including accompanying cost-sharing requirements.

1 (b) TIME FOR IMPLEMENTATION OF BENEFIT.—A
2 designated provider shall offer the health benefit option
3 described in subsection (a) to enrollees upon the later of
4 the following:

5 (1) The date on which health care services with-
6 in the health care delivery system of the uniformed
7 services are rendered through the TRICARE pro-
8 gram in the region in which the designated provider
9 operates.

10 (2) October 1, 1997.

11 (c) ADJUSTMENTS.—The Secretary may establish a
12 later date under subsection (b)(2) or prescribe reduced
13 cost-sharing requirements for enrollees.

14 **SEC. 724. ENROLLMENT OF COVERED BENEFICIARIES.**

15 (a) FISCAL YEAR 1997 LIMITATION.—(1) During fis-
16 cal year 1997, the number of covered beneficiaries who
17 are enrolled in managed care plans offered by designated
18 providers may not exceed the number of such enrollees as
19 of October 1, 1995.

20 (2) The Secretary may waive the limitation under
21 paragraph (1) if the Secretary determines that additional
22 enrollment authority for a designated provider is required
23 to accommodate covered beneficiaries who are dependents
24 of members of the uniformed services entitled to health
25 care under section 1074(a) of title 10, United States Code.

1 (b) PERMANENT LIMITATION.—For each fiscal year
2 after fiscal year 1997, the number of enrollees in managed
3 care plans offered by designated providers may not exceed
4 110 percent of the number of such enrollees as of the first
5 day of the immediately preceding fiscal year. The Sec-
6 retary may waive this limitation as provided in subsection
7 (a)(2).

8 (c) RETENTION OF CURRENT ENROLLEES.—An en-
9 rollee in the managed care program of a designated pro-
10 vider as of September 30, 1997, or such earlier date as
11 the designated provider and the Secretary may agree
12 upon, shall continue receiving services from the designated
13 provider pursuant to the agreement entered into under
14 section 722 unless the enrollee disenrolls from the des-
15 ignated provider. Except as provided in subsection (e), the
16 administering Secretaries may not disenroll such an en-
17 rollee unless the disenrollment is agreed to by the Sec-
18 retary and the designated provider.

19 (d) ADDITIONAL ENROLLMENT AUTHORITY.—Other
20 covered beneficiaries may also receive health care services
21 from a designated provider, except that the designated
22 provider may market such services to, and enroll, only
23 those covered beneficiaries who—

24 (1) do not have other primary health insurance
25 coverage (other than medicare coverage) covering

1 basic primary care and inpatient and outpatient
2 services; or

3 (2) are enrolled in the direct care system under
4 the TRICARE program, regardless of whether the
5 covered beneficiaries were users of the health care
6 delivery system of the uniformed services in prior
7 years.

8 (e) SPECIAL RULE FOR MEDICARE-ELIGIBLE BENE-
9 FICIARIES.—If a covered beneficiary who desires to enroll
10 in the managed care program of a designated provider is
11 also entitled to hospital insurance benefits under part A
12 of title XVIII of the Social Security Act (42 U.S.C. 1395c
13 et seq.), the covered beneficiary shall elect whether to re-
14 ceive health care services as an enrollee or under part A
15 of title XVIII of the Social Security Act. The Secretary
16 may disenroll an enrollee who subsequently violates the
17 election made under this subsection and receives benefits
18 under part A of title XVIII of the Social Security Act.

19 (f) INFORMATION REGARDING ELIGIBLE COVERED
20 BENEFICIARIES.—The Secretary shall provide, in a timely
21 manner, a designated provider with an accurate list of cov-
22 ered beneficiaries within the marketing area of the des-
23 ignated provider to whom the designated provider may
24 offer enrollment.

1 **SEC. 725. APPLICATION OF CHAMPUS PAYMENT RULES.**

2 (a) APPLICATION OF PAYMENT RULES.—Subject to
3 subsection (b), the Secretary shall require a private facility
4 or health care provider that is a health care provider under
5 the Civilian Health and Medical Program of the Uni-
6 formed Services to apply the payment rules described in
7 section 1074(c) of title 10, United States Code, in impos-
8 ing charges for health care that the private facility or pro-
9 vider provides to enrollees of a designated provider.

10 (b) AUTHORIZED ADJUSTMENTS.—The payment
11 rules imposed under subsection (a) shall be subject to such
12 modifications as the Secretary considers appropriate. The
13 Secretary may authorize a lower rate than the maximum
14 rate that would otherwise apply under subsection (a) if
15 the lower rate is agreed to by the designated provider and
16 the private facility or health care provider.

17 (c) REGULATIONS.—The Secretary shall prescribe
18 regulations to implement this section after consultation
19 with the other administering Secretaries.

20 (d) CONFORMING AMENDMENT.—Section 1074 of
21 title 10, United States Code, is amended by striking out
22 subsection (d).

23 **SEC. 726. PAYMENTS FOR SERVICES.**

24 (a) FORM OF PAYMENT.—Unless otherwise agreed to
25 by the Secretary and a designated provider, the form of
26 payment for services provided by a designated provider

1 shall be full risk capitation. The capitation payments shall
2 be negotiated and agreed upon by the Secretary and the
3 designated provider. In addition to such other factors as
4 the parties may agree to apply, the capitation payments
5 shall be based on the utilization experience of enrollees
6 and competitive market rates for equivalent health care
7 services for a comparable population to such enrollees in
8 the area in which the designated provider is located.

9 (b) LIMITATION ON TOTAL PAYMENTS.—Total capi-
10 tation payments to a designated provider shall not exceed
11 an amount equal to the cost that would have been incurred
12 by the Government if the enrollees had received their care
13 through a military treatment facility, the TRICARE pro-
14 gram, or the medicare program, as the case may be.

15 (c) ESTABLISHMENT OF PAYMENT RATES ON AN-
16 NUAL BASIS.—The Secretary and a designated provider
17 shall establish capitation payments on an annual basis,
18 subject to periodic review for actuarial soundness and to
19 adjustment for any adverse or favorable selection reason-
20 ably anticipated to result from the design of the program.

21 (d) ALTERNATIVE BASIS FOR CALCULATING PAY-
22 MENTS.—After September 30, 1999, the Secretary and a
23 designated provider may mutually agree upon a new basis
24 for calculating capitation payments.

1 **SEC. 727. REPEAL OF SUPERSEDED AUTHORITIES.**

2 (a) REPEALS.—The following provisions of law are
3 repealed:

4 (1) Section 911 of the Military Construction
5 Authorization Act, 1982 (42 U.S.C. 248e).

6 (2) Section 1252 of the Department of Defense
7 Authorization Act, 1984 (42 U.S.C. 248d).

8 (3) Section 718(e) of the National Defense Au-
9 thorization Act for Fiscal year 1991 (Public Law
10 101–510; 42 U.S.C. 248e note).

11 (4) Section 726 of the National Defense Au-
12 thorization Act for Fiscal Year 1996 (Public Law
13 104–106; 42 U.S.C. 248e note).

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on October 1, 1997.

16 **Subtitle D—Other Changes to Ex-**
17 **isting Laws Regarding Health**
18 **Care Management**

19 **SEC. 731. AUTHORITY TO WAIVE CHAMPUS EXCLUSION RE-**
20 **GARDING NONMEDICALLY NECESSARY**
21 **TREATMENT IN CONNECTION WITH CERTAIN**
22 **CLINICAL TRIALS.**

23 (a) WAIVER AUTHORITY.—Paragraph (13) of section
24 1079(a) of title 10, United States Code, is amended—

25 (1) by striking out “any service” and inserting
26 in lieu thereof “Any service”;

1 (2) by striking out the semicolon at the end and
2 inserting in lieu thereof a period; and

3 (3) by adding at the end the following: “Pursu-
4 ant to an agreement with the Secretary of Health
5 and Human Services and under such regulations as
6 the Secretary of Defense may prescribe, the Sec-
7 retary of Defense may waive the operation of this
8 paragraph in connection with clinical trials spon-
9 sored or approved by the National Institutes of
10 Health if the Secretary of Defense determines that
11 such a waiver will promote access by covered bene-
12 ficiaries to promising new treatments and contribute
13 to the development of such treatments.”.

14 (b) CLERICAL AMENDMENTS.—Such section is fur-
15 ther amended—

16 (1) in the matter preceding paragraph (1), by
17 striking out “except that—” and inserting in lieu
18 thereof “except as follows:”;

19 (2) by capitalizing the first letter of the first
20 word of each of paragraphs (1) through (17);

21 (3) by striking out the semicolon at the end of
22 each of paragraphs (1) through (15) and inserting
23 in lieu thereof a period; and

24 (4) in paragraph (16), by striking out “; and”
25 and inserting in lieu thereof a period.

1 **SEC. 732. AUTHORITY TO WAIVE OR REDUCE CHAMPUS DE-**
2 **DUCTIBLE AMOUNTS FOR RESERVISTS**
3 **CALLED TO ACTIVE DUTY IN SUPPORT OF**
4 **CONTINGENCY OPERATIONS.**

5 Section 1079(b) of title 10, United States Code, is
6 amended—

7 (1) by redesignating paragraphs (1) through
8 (5) as subparagraphs (A) through (E), respectively;

9 (2) by inserting “(1)” after “(b)”;

10 (3) in subparagraph (B), as so redesignated, by
11 striking out “clause (3)” and inserting in lieu there-
12 of “subparagraph (C)”;

13 (4) in subparagraph (D), as so redesignated—

14 (A) by striking out “this clause” and in-
15 serting in lieu thereof “this subparagraph”; and

16 (B) by striking out “clauses (2) and (3)”
17 and inserting in lieu thereof “subparagraphs
18 (B) and (C)”;

19 (5) by adding at the end the following new
20 paragraph:

21 “(2) The Secretary of Defense may waive or reduce
22 the deductible amounts required by subparagraphs (B)
23 and (C) of paragraph (1) in the case of the dependents
24 of a member of a reserve component of the uniformed
25 services who serves on active duty in support of a contin-

1 gency operation under a call or order to active duty of
2 less than one year.”.

3 **SEC. 733. EXCEPTION TO MAXIMUM ALLOWABLE PAYMENTS**
4 **TO INDIVIDUAL HEALTH-CARE PROVIDERS**
5 **UNDER CHAMPUS.**

6 Section 1079(h) of title 10, United States Code, is
7 amended—

8 (1) by redesignating paragraph (5) as para-
9 graph (6); and

10 (2) by inserting after paragraph (4) the follow-
11 ing new paragraph:

12 “(5) Except in an area in which the Secretary of De-
13 fense has entered into an at-risk contract for the provision
14 of health care services, the Secretary may authorize the
15 commander of a facility of the uniformed services, the lead
16 agent (if other than the commander), and the health care
17 contractor to modify the payment limitations under para-
18 graph (1) for certain health care providers when necessary
19 to ensure both the availability of certain services for cov-
20 ered beneficiaries and costs lower than standard
21 CHAMPUS for the required services.”.

1 **SEC. 734. CODIFICATION OF ANNUAL AUTHORITY TO CRED-**
2 **IT CHAMPUS REFUNDS TO CURRENT YEAR**
3 **APPROPRIATION.**

4 (a) CODIFICATION.—(1) Chapter 55 of title 10, Unit-
5 ed States Code, is amended by inserting after section 1079
6 the following new section:

7 **“§ 1079a. CHAMPUS: treatment of refunds and other**
8 **amounts collected**

9 “All refunds and other amounts collected in the ad-
10 ministration of the Civilian Health and Medical Program
11 of the Uniformed Services shall be credited to the appro-
12 priation supporting the program in the year in which the
13 amount is collected.”.

14 (2) The table of sections at the beginning of such
15 chapter is amended by inserting after the item relating
16 to section 1079 the following new item:

“1079a. CHAMPUS: treatment of refunds and other amounts collected.”.

17 (b) CONFORMING REPEAL.—Section 8094 of the De-
18 partment of Defense Appropriations Act, 1996 (Public
19 Law 104–61; 109 Stat. 671), is repealed.

20 **SEC. 735. EXCEPTIONS TO REQUIREMENTS REGARDING OB-**
21 **TAINING NONAVAILABILITY-OF-HEALTH-**
22 **CARE STATEMENTS.**

23 (a) REFERENCE TO INPATIENT MEDICAL CARE.—(1)
24 Section 1080(a) of title 10, United States Code, is amend-

1 ed by inserting “inpatient” before “medical care” in the
2 first sentence.

3 (2) Section 1086(e) of such title is amended in the
4 first sentence by striking out “benefits” and inserting in
5 lieu thereof “inpatient medical care”.

6 (b) WAIVERS AND EXCEPTIONS TO REQUIRE-
7 MENTS.—(1) Section 1080 of such title is amended by
8 adding at the end the following new subsection:

9 “(c) WAIVERS AND EXCEPTIONS TO REQUIRE-
10 MENTS.—(1) A covered beneficiary enrolled in a managed
11 care plan offered pursuant to any contract or agreement
12 under this chapter for the provision of health care services
13 shall not be required to obtain a nonavailability-of-health-
14 care statement as a condition for the receipt of health
15 care.

16 “(2) The Secretary of Defense may waive the require-
17 ment to obtain nonavailability-of-health-care statements
18 following an evaluation of the effectiveness of such state-
19 ments in optimizing the use of facilities of the uniformed
20 services.”.

21 (2) Section 1086(e) of such title is amended in the
22 last sentence by striking out “section 1080(b)” and insert-
23 ing in lieu thereof “subsections (b) and (c) of section
24 1080”.

1 (c) CONFORMING AMENDMENT.—Section 1080(b) of
2 such title is amended—

3 (1) by striking out “NONAVAILABILITY OF
4 HEALTH CARE STATEMENTS” and inserting in lieu
5 thereof “NONAVAILABILITY-OF-HEALTH-CARE
6 STATEMENTS; and

7 (2) by striking out “nonavailability of health
8 care statement” and inserting in lieu thereof “non-
9 availability of health care statement”.

10 **SEC. 736. EXPANSION OF COLLECTION AUTHORITIES FROM**
11 **THIRD-PARTY PAYERS.**

12 (a) EXPANSION OF COLLECTION AUTHORITIES.—
13 Section 1095 of title 10, United States Code, is amend-
14 ed—

15 (1) in subsection (g)(1), by inserting “or
16 through” after “provided at”;

17 (2) in subsection (h)(1), by inserting before the
18 period at the end of the first sentence the following:
19 “and a workers’ compensation program or plan”;
20 and

21 (3) in subsection (h)(2)—

22 (A) by striking “organization and” and in-
23 serting in lieu thereof “organization,”; and

24 (B) by inserting before the period at the
25 end the following: “, and personal injury protec-

1 tion or medical payments benefits in cases in-
 2 volving personal injuries resulting from oper-
 3 ation of a motor vehicle”.

4 (b) INCLUSION OF THIRD PARTY PAYER IN COLLEC-
 5 TION EFFORTS.—Section 1079(j)(1) of such title is
 6 amended by inserting after “or health plan” the following:
 7 “(including any plan offered by a third-party payer (as
 8 defined in section 1095(h)(1) of this title))”.

9 **Subtitle E—Other Matters**

10 **SEC. 741. ALTERNATIVES TO ACTIVE DUTY SERVICE OBLI-** 11 **GATION UNDER ARMED FORCES HEALTH** 12 **PROFESSIONS SCHOLARSHIP AND FINANCIAL** 13 **ASSISTANCE PROGRAM AND UNIFORMED** 14 **SERVICES UNIVERSITY OF THE HEALTH** 15 **SCIENCES.**

16 (a) ARMED FORCES HEALTH PROFESSIONS SCHOL-
 17 ARSHIP AND FINANCIAL ASSISTANCE PROGRAM.—Sub-
 18 section (e) of section 2123 of title 10, United States Code,
 19 is amended to read as follows:

20 “(e)(1) A member of the program who is relieved of
 21 the member’s active duty obligation under this subchapter
 22 before the completion of that active duty obligation may
 23 be given, with or without the consent of the member, any
 24 of the following alternative obligations, as determined by
 25 the Secretary of the military department concerned:

1 “(A) A service obligation in a component of the
2 Selected Reserve for a period not less than twice as
3 long as the member’s remaining active duty service
4 obligation.

5 “(B) A service obligation as a civilian employee
6 employed as a health care professional in a facility
7 of the uniformed services for a period of time equal
8 to the member’s remaining active duty service obli-
9 gation.

10 “(C) With the concurrence of the Secretary of
11 Health and Human Services, transfer of the active
12 duty service obligation to an obligation equal in time
13 in the National Health Service Corps under section
14 338C of the Public Health Service Act (42 U.S.C.
15 254m) and subject to all requirements and proce-
16 dures applicable to obligated members of the Na-
17 tional Health Service Corps.

18 “(D) Repayment to the Secretary of Defense of
19 a percentage of the total cost incurred by the Sec-
20 retary under this subchapter on behalf of the mem-
21 ber equal to the percentage of the member’s total ac-
22 tive duty service obligation being relieved, plus inter-
23 est.

1 “(2) The Secretary of Defense shall prescribe regula-
2 tions describing the manner in which an alternative obliga-
3 tion may be given under paragraph (1).”.

4 (b) UNIFORMED SERVICES UNIVERSITY OF THE
5 HEALTH SCIENCES.—Section 2114 of title 10, United
6 States Code is amended by adding at the end the following
7 new subsection:

8 “(h) A graduate of the University who is relieved of
9 the graduate’s active-duty service obligation under sub-
10 section (b) before the completion of that active-duty serv-
11 ice obligation may be given, with or without the consent
12 of the graduate, an alternative obligation comparable to
13 the alternative obligations authorized in subparagraphs
14 (A) and (B) of section 2123(e)(1) of this title for members
15 of the Armed Forces Health Professions Scholarship and
16 Financial Assistance program.”.

17 (c) APPLICATION OF AMENDMENTS.—The amend-
18 ments made by this section shall apply with respect to in-
19 dividuals who first become members of the Armed Forces
20 Health Professions Scholarship and Financial Assistance
21 program or students of the Uniformed Services University
22 of the Health Sciences on or after October 1, 1996.

23 (d) TRANSITION PROVISION.—(1) In the case of any
24 member of the Armed Forces Health Professions Scholar-
25 ship and Financial Assistance program who, as of October

1 1, 1996, is serving an active duty obligation under the pro-
2 gram or is incurring an active duty obligation as a partici-
3 pant in the program, and who is subsequently relieved of
4 the active duty obligation before the completion of the obli-
5 gation, the alternative obligations authorized by the
6 amendment made by subsection (a) may be used by the
7 Secretary of the military department concerned with the
8 agreement of the member.

9 (2) In the case of any person who, as of October 1,
10 1996, is serving an active-duty service obligation as a
11 graduate of the Uniformed Services University of the
12 Health Sciences or is incurring an active-duty service obli-
13 gation as a student of the University, and who is subse-
14 quently relieved of the active-duty service obligation before
15 the completion of the obligation, the alternative obligations
16 authorized by the amendment made by subsection (b) may
17 be implemented by the Secretary of Defense with the
18 agreement of the person.

19 **SEC. 742. EXCEPTION TO STRENGTH LIMITATIONS FOR**
20 **PUBLIC HEALTH SERVICE OFFICERS AS-**
21 **SIGNED TO DEPARTMENT OF DEFENSE.**

22 Section 206 of the Public Health Service Act (42
23 U.S.C. 207) is amended by adding at the end the following
24 new subsection:

1 “(f) In computing the maximum number of commis-
2 sioned officers of the Public Health Service authorized by
3 law or administrative determination to serve on active
4 duty, there may be excluded from such computation offi-
5 cers who are assigned to duty in the Department of De-
6 fense.”.

7 **SEC. 743. CONTINUED OPERATION OF UNIFORMED SERV-**
8 **ICES UNIVERSITY OF THE HEALTH SCIENCES.**

9 (a) CLOSURE PROHIBITED.—In light of the impor-
10 tant role of the Uniformed Services University of the
11 Health Sciences in providing trained health care providers
12 for the uniformed services, Congress reaffirms the require-
13 ment contained in section 922 of the National Defense Au-
14 thorization Act for Fiscal Year 1995 (Public Law 103–
15 337; 108 Stat 2829) that the Uniformed Services Univer-
16 sity of the Health Sciences may not be closed.

17 (b) BUDGETARY COMMITMENT TO CONTINUATION.—
18 It is the sense of Congress that the Secretary of Defense
19 should budget for the operation of the Uniformed Services
20 University of the Health Sciences during fiscal year 1998
21 at a level at least equal to the level of operations conducted
22 at the University during fiscal year 1995.

1 **SEC. 744. SENSE OF CONGRESS REGARDING TAX TREAT-**
2 **MENT OF ARMED FORCES HEALTH PROFES-**
3 **SIONS SCHOLARSHIP AND FINANCIAL ASSIST-**
4 **ANCE PROGRAM.**

5 It is the sense of Congress that the Secretary of De-
6 fense should work with the Secretary of the Treasury to
7 interpret section 117 of the Internal Revenue Code of
8 1986 so that the limitation on the amount of a qualified
9 scholarship or qualified tuition reduction excluded from
10 gross income does not apply to any portion of a scholar-
11 ship or financial assistance provided by the Secretary of
12 Defense to a person enrolled in the Armed Forces Health
13 Professions Scholarship and Financial Assistance program
14 under subchapter I of chapter 105 of title 10, United
15 States Code.

16 **SEC. 745. REPORT REGARDING SPECIALIZED TREATMENT**
17 **FACILITY PROGRAM.**

18 Not later than April 1, 1997, the Secretary of De-
19 fense shall submit to Congress a report evaluating the im-
20 pact on the military health care system of limiting the
21 service area of a facility designated as part of the special-
22 ized treatment facility program under section 1105 of title
23 10, United States Code, to not more than 100 miles from
24 the facility.

1 **TITLE VIII—ACQUISITION POL-**
2 **ICY, ACQUISITION MANAGE-**
3 **MENT, AND RELATED MAT-**
4 **TERS**

5 **Subtitle A—Acquisition**
6 **Management**

7 **SEC. 801. AUTHORITY TO WAIVE CERTAIN REQUIREMENTS**
8 **FOR DEFENSE ACQUISITION PILOT PRO-**
9 **GRAMS.**

10 (a) **AUTHORITY.**—The Secretary of Defense may
11 waive sections 2399, 2403, 2432, and 2433 of title 10,
12 United States Code, in accordance with this section for
13 any defense acquisition program designated by the Sec-
14 retary of Defense for participation in the defense acquisi-
15 tion pilot program authorized by section 809 of the Na-
16 tional Defense Authorization Act for Fiscal Year 1991
17 (Public Law 101–510; 10 U.S.C. 2340 note).

18 (b) **OPERATIONAL TEST AND EVALUATION.**—The
19 Secretary of Defense may waive the requirements for oper-
20 ational test and evaluation for such a defense acquisition
21 program as set forth in section 2399 of title 10, United
22 States Code, if the Secretary—

23 (1) determines (without delegation) that such
24 test would be unreasonably expensive or impractical;

1 (2) develops a suitable alternate operational test
2 program for the system concerned;

3 (3) describes in the test and evaluation master
4 plan, as approved by the Director of Operational
5 Test and Evaluation, the method of evaluation that
6 will be used to evaluate whether the system will be
7 effective and suitable for combat; and

8 (4) submits to the congressional defense com-
9 mittees a report containing the determination that
10 was made under paragraph (1), a justification for
11 that determination, and a copy of the plan required
12 by paragraph (3).

13 (c) CONTRACTOR GUARANTEES FOR MAJOR WEAP-
14 ONS SYSTEMS.—The Secretary of Defense may waive the
15 requirements of section 2403 of title 10, United States
16 Code, for such a defense acquisition program if an alter-
17 native guarantee is used that ensures high quality weap-
18 ons systems.

19 (d) SELECTED ACQUISITION REPORTS.—The Sec-
20 retary of Defense may waive the requirements of sections
21 2432 and 2433 of title 10, United States Code, for such
22 a defense acquisition program if the Secretary provides a
23 single annual report to Congress at the end of each fiscal
24 year that describes the status of the program in relation

1 to the baseline description for the program established
2 under section 2435 of such title.

3 **SEC. 802. EXCLUSION FROM CERTAIN POST-EDUCATION**
4 **DUTY ASSIGNMENTS FOR MEMBERS OF AC-**
5 **QUISITION CORPS.**

6 Section 663(d) of title 10, United States Code, is
7 amended by adding at the end the following new para-
8 graph:

9 “(3) The Secretary of Defense may exclude from the
10 requirements of paragraph (1) or (2) an officer who is
11 a member of an Acquisition Corps established pursuant
12 to 1731 of this title if the officer—

13 “(A) has graduated from a senior level course
14 of instruction designed for personnel serving in criti-
15 cal acquisition positions; and

16 “(B) is assigned, upon graduation, to a critical
17 acquisition position designated pursuant to section
18 1733 of this title.”.

19 **SEC. 803. EXTENSION OF AUTHORITY TO CARRY OUT CER-**
20 **TAIN PROTOTYPE PROJECTS.**

21 (a) **AUTHORITY.**—Section 845(a) of the National De-
22 fense Authorization Act for Fiscal Year 1994 (Public Law
23 103–160; 107 Stat. 1721) is amended by inserting after
24 “Agency” the following: “, the Secretary of a military de-

1 partment, or any other official designated by the Secretary
2 of Defense”.

3 (b) PERIOD OF AUTHORITY.—Section 845(c) of such
4 Act is amended by striking out “3 years after the date
5 of the enactment of this Act” and inserting in lieu thereof
6 “on September 30, 1999”.

7 (c) CONFORMING AND TECHNICAL AMENDMENTS.—
8 Section 845 of such Act is further amended—

9 (1) in subsection (b)—

10 (A) in paragraph (1), by striking out
11 “(e)(2) and (e)(3) of such section 2371, as re-
12 designated by section 827(b)(1)(B),” and in-
13 serting in lieu thereof “(e)(2) and (e)(3) of such
14 section 2371”; and

15 (B) in paragraph (2), by inserting after
16 “Director” the following: “, Secretary, or other
17 official”; and

18 (2) in subsection (c), by striking out “of the Di-
19 rector”.

20 **SEC. 804. INCREASE IN THRESHOLD AMOUNTS FOR MAJOR**
21 **SYSTEMS.**

22 Section 2302(5) of title 10, United States Code, is
23 amended—

24 (1) by striking out “\$75,000,000 (based on fis-
25 cal year 1980 constant dollars)” and inserting in

1 lieu thereof “\$115,000,000 (based on fiscal year
2 1990 dollars)”;

3 (2) by striking out “\$300,000,000 (based on
4 fiscal year 1980 constant dollars)” and inserting in
5 lieu thereof “\$540,000,000 (based on fiscal year
6 1990 constant dollars)”;

7 (3) by adding at the end the following: “The
8 Secretary of Defense may adjust the amounts and
9 the base fiscal year provided in clause (A) on the
10 basis of Department of Defense escalation rates. An
11 adjustment under this paragraph shall be effective
12 after the Secretary transmits to the Committee on
13 Armed Services of the Senate and the Committee on
14 National Security of the House of Representatives a
15 written notification of the adjustment.”.

16 **SEC. 805. REVISIONS IN INFORMATION REQUIRED TO BE**
17 **INCLUDED IN SELECTED ACQUISITION RE-**
18 **PORTS.**

19 Section 2432 of title 10, United States Code, is
20 amended—

21 (1) in subsection (c)—

22 (A) by striking out “and” at the end of
23 subparagraph (B);

24 (B) by redesignating subparagraph (C) as
25 subparagraph (D); and

1 (C) by inserting after subparagraph (B)
2 the following new subparagraph (C):

3 “(C) the current procurement unit cost for each
4 major defense acquisition program included in the
5 report and the history of that cost from the date the
6 program was first included in a Selected Acquisition
7 Report to the end of the quarter for which the cur-
8 rent report is submitted; and”;

9 (2) in subsection (e), by striking out paragraph
10 (8) and redesignating paragraph (9) as paragraph
11 (8).

12 **SEC. 806. INCREASE IN SIMPLIFIED ACQUISITION THRESH-**
13 **OLD FOR HUMANITARIAN OR PEACEKEEPING**
14 **OPERATIONS.**

15 Section 2302(7) of title 10, United States Code, is
16 amended—

17 (1) by inserting “(A)” after “(7)”;

18 (2) by inserting after “contingency operation”
19 the following: “or a humanitarian or peacekeeping
20 operation”; and

21 (3) by adding at the end the following:

22 “(B) In subparagraph (A), the term ‘humani-
23 tarian or peacekeeping operation’ means a military
24 operation in support of the provision of humani-
25 tarian or foreign disaster assistance or in support of

1 a peacekeeping operation under chapter VI or VII of
2 the Charter of the United Nations. The term does
3 not include routine training, force rotation, or sta-
4 tioning.”.

5 **SEC. 807. EXPANSION OF AUDIT RECIPROCITY AMONG FED-**
6 **ERAL AGENCIES TO INCLUDE POST-AWARD**
7 **AUDITS.**

8 (a) **ARMED SERVICES ACQUISITIONS.**—Subsection
9 (d) of section 2313 of title 10, United States Code, is
10 amended to read as follows:

11 “(d) **LIMITATION ON AUDITS RELATING TO INDI-**
12 **RECT COSTS.**—The head of an agency may not perform
13 an audit of indirect costs under a contract, subcontract,
14 or modification before or after entering into the contract,
15 subcontract, or modification in any case in which the con-
16 tracting officer determines that the objectives of the audit
17 can reasonably be met by accepting the results of an audit
18 that was conducted by any other department or agency
19 of the Federal Government within one year preceding the
20 date of the contracting officer’s determination.”.

21 (b) **CIVILIAN AGENCY ACQUISITIONS.**—Subsection
22 (d) of section 304C of the Federal Property and Adminis-
23 trative Services Act of 1949 (41 U.S.C. 254d) is amended
24 to read as follows:

1 “(d) LIMITATION ON AUDITS RELATING TO INDI-
2 RECT COSTS.—An executive agency may not perform an
3 audit of indirect costs under a contract, subcontract, or
4 modification before or after entering into the contract,
5 subcontract, or modification in any case in which the con-
6 tracting officer determines that the objectives of the audit
7 can reasonably be met by accepting the results of an audit
8 that was conducted by any other department or agency
9 of the Federal Government within one year preceding the
10 date of the contracting officer’s determination.”.

11 (c) GUIDELINES FOR ACCEPTANCE OF AUDITS BY
12 STATE AND LOCAL GOVERNMENTS RECEIVING FEDERAL
13 ASSISTANCE.—The Director of the Office and Manage-
14 ment and Budget shall issue guidelines to ensure that an
15 audit of indirect costs performed by the Federal Govern-
16 ment is accepted by State and local governments that re-
17 ceive Federal funds under contracts, grants, or other Fed-
18 eral assistance programs.

19 **SEC. 808. EXTENSION OF PILOT MENTOR-PROTEGE PRO-**
20 **GRAM.**

21 Paragraphs (1) and (2) of section 831(j) of the Na-
22 tional Defense Authorization Act for Fiscal Year 1991 (10
23 U.S.C. 2302 note) are each amended by striking out
24 “1996” and inserting in lieu thereof “1997”.

1 **Subtitle B—Other Matters**

2 **SEC. 821. AMENDMENT TO DEFINITION OF NATIONAL SECUR-**
3 **RITY SYSTEM UNDER INFORMATION TECH-**
4 **NOLOGY MANAGEMENT REFORM ACT OF 1995.**

5 Section 5142(a) of the Information Technology Man-
6 agement Reform Act of 1996 (division E of Public Law
7 104–106; 110 Stat. 689; 40 U.S.C. 1452) is amended—

8 (1) by striking out “or” at the end of para-
9 graph (4);

10 (2) by striking out the period at the end of
11 paragraph (5) and inserting in lieu thereof “; or”;
12 and

13 (3) by adding at the end the following new
14 paragraph:

15 “(6) involves the storage, processing, or for-
16 warding of classified information and is protected at
17 all times by procedures established for the handling
18 of classified information.”.

19 **SEC. 822. PROHIBITION ON RELEASE OF CONTRACTOR**
20 **PROPOSALS UNDER FREEDOM OF INFORMA-**
21 **TION ACT.**

22 (a) ARMED SERVICES ACQUISITIONS.—Section 2305
23 of title 10, United States Code, is amended by adding at
24 the end the following new subsection:

1 “(g) PROHIBITION ON RELEASE OF CONTRACTOR
2 PROPOSALS.—(1) A proposal in the possession or control
3 of the Department of Defense may not be made available
4 to any person under section 552 of title 5.

5 “(2) In this subsection, the term ‘proposal’ means
6 any proposal, including a technical, management, or cost
7 proposal, submitted by a contractor in response to the re-
8 quirements of a solicitation for a competitive proposal.”.

9 (b) CIVILIAN AGENCY ACQUISITIONS.—Section 303B
10 of the Federal Property and Administrative Services Act
11 of 1949 (41 U.S.C. 253b) is amended by adding at the
12 end the following new subsection:

13 “(m) PROHIBITION ON RELEASE OF CONTRACTOR
14 PROPOSALS.—(1) A proposal in the possession or control
15 of an executive agency may not be made available to any
16 person under section 552 of title 5.

17 “(2) In this subsection, the term ‘proposal’ means
18 any proposal, including a technical, management, or cost
19 proposal, submitted by a contractor in response to the re-
20 quirements of a solicitation for a competitive proposal.”.

21 **SEC. 823. REPEAL OF ANNUAL REPORT BY ADVOCATE FOR**
22 **COMPETITION.**

23 Section 20(b) of the Office of Federal Procurement
24 Policy Act (41 U.S.C. 418(b)) is amended—

1 (1) by striking out “and” at the end of para-
2 graph (3)(B);

3 (2) by striking out paragraph (4); and

4 (3) by redesignating paragraphs (5), (6), and
5 (7) as paragraphs (4), (5), and (6), respectively.

6 **SEC. 824. REPEAL OF BIENNIAL REPORT ON PROCURE-**
7 **MENT REGULATORY ACTIVITY.**

8 Subsection (g) of section 25 of the Office of Federal
9 Procurement Policy Act (41 U.S.C. 421) is repealed.

10 **SEC. 825. REPEAL OF MULTIYEAR LIMITATION ON CON-**
11 **TRACTS FOR INSPECTION, MAINTENANCE,**
12 **AND REPAIR.**

13 Paragraph (14) of section 210(a) of the Federal
14 Property and Administrative Services Act of 1949 (40
15 U.S.C. 490(a)) is amended by striking out “for periods
16 not exceeding three years”.

17 **SEC. 826. STREAMLINED NOTICE REQUIREMENTS TO CON-**
18 **TRACTORS AND EMPLOYEES REGARDING**
19 **TERMINATION OR SUBSTANTIAL REDUCTION**
20 **IN CONTRACTS UNDER MAJOR DEFENSE**
21 **PROGRAMS.**

22 (a) **ELIMINATION OF UNNECESSARY REQUIRE-**
23 **MENTS.**—Section 4471 of the Defense Conversion, Rein-
24 vestment, and Transition Assistance Act of 1992 (division

1 D of Public Law 102–484; 10 U.S.C. 2501 note) is
2 amended—

3 (1) by striking out subsection (a);

4 (2) by striking out subsection (f), except para-
5 graph (4);

6 (3) by redesignating subsections (b), (c), (d),
7 (e), and (g) as subsections (a), (b), (c), (d), and (f),
8 respectively; and

9 (4) by redesignating such paragraph (4) as sub-
10 section (e).

11 (b) NOTICE TO CONTRACTORS.—Subsection (a) of
12 such section, as redesignated by subsection (a)(3), is
13 amended by striking out paragraphs (1) and (2) and in-
14 serting in lieu thereof the following:

15 “(1) shall identify each contract (if any) under
16 major defense programs of the Department of De-
17 fense that will be terminated or substantially re-
18 duced as a result of the funding levels provided in
19 that Act; and

20 “(2) shall ensure that notice of the termination
21 of, or substantial reduction in, the funding of the
22 contract is provided—

23 “(A) directly to the prime contractor under
24 the contract; and

25 “(B) directly to the Secretary of Labor.”.

1 (c) NOTICE TO SUBCONTRACTORS.—Subsection (b)
2 of such section, as redesignated by subsection (a)(3), is
3 amended—

4 (1) by striking out “As soon as” and all that
5 follows through “that program,” in the matter pre-
6 ceding paragraph (1) and inserting in lieu thereof
7 “Not later than 60 days after the date on which the
8 prime contractor for a contract under a major de-
9 fense program receives notice under subsection (a),”;

10 (2) in paragraph (1)—

11 (A) by striking out “for that program
12 under a contract” and inserting in lieu thereof
13 “for that prime contract for subcontracts”; and

14 (B) by striking out “for the program”; and

15 (3) in paragraph (2)(A), by striking out “for
16 the program under a contract” and inserting in lieu
17 thereof “for subcontracts”.

18 (d) NOTICE TO EMPLOYEES AND STATE DISLOCATED
19 WORKER UNIT.—Subsection (c) of such section, as redesi-
20 gnated by subsection (a)(3), is amended by striking out
21 “under subsection (a)(1)” and all that follows through “a
22 defense program,” in the matter preceding paragraph (1)
23 and inserting in lieu thereof “under subsection (a),”.

1 (e) CROSS REFERENCES AND CONFORMING AMEND-
2 MENTS.—(1) Subsection (d) of such section, as redesign-
3 nated by subsection (a)(3), is amended—

4 (A) by striking out “a major defense program
5 provided under subsection (d)(1)” and inserting in
6 lieu thereof “a defense contract provided under sub-
7 section (c)(1)”; and

8 (B) by striking out “the program” and insert-
9 ing in lieu thereof “the contract”.

10 (2) Subsection (e) of such section, as redesignated by
11 subsection (a)(4), is amended—

12 (A) by striking out “ELIGIBILITY” and inserting
13 in lieu thereof “ELIGIBILITY”; and

14 (B) by striking out “under paragraph (3)” and
15 inserting in lieu thereof “or cancellation of the ter-
16 mination of, or substantial reduction in, contract
17 funding”.

18 (3) Subsection (f) of such section, as redesignated by
19 subsection (a)(3), is amended in paragraph (2)—

20 (A) by inserting “a defense contract under” be-
21 fore “a major defense program”; and

22 (B) by striking out “contracts under the pro-
23 gram” and inserting in lieu thereof “the funds obli-
24 gated by the contract”.

1 **SEC. 827. REPEAL OF NOTICE REQUIREMENTS FOR SUB-**
2 **STANTIALLY OR SERIOUSLY AFFECTED PAR-**
3 **TIES IN DOWNSIZING EFFORTS.**

4 Sections 4101 and 4201 of the National Defense Au-
5 thorization Act for Fiscal Year 1991 (Public Law 101-
6 510; 104 Stat. 1850, 1851; 10 U.S.C. 2391 note) are re-
7 pealed.

8 **SEC. 828. TESTING OF DEFENSE ACQUISITION PROGRAMS.**

9 (a) IN GENERAL.—Section 2366 of title 10, United
10 States Code, is amended—

11 (1) by striking out “survivability” each place it
12 appears (including in the section heading) and in-
13 serting in lieu thereof “vulnerability”; and

14 (2) in subsection (b)—

15 (A) by striking out “Survivability” and in-
16 serting in lieu thereof “Vulnerability”; and

17 (B) by inserting after paragraph (2) the
18 following new paragraph:

19 “(3) Testing should begin at the component, sub-
20 system, and subassembly level, culminating with tests of
21 the complete system configured for combat.”

22 (b) CLERICAL AMENDMENT.—The item relating to
23 such section in the table of sections at the beginning of
24 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.”

1 **SEC. 829. DEPENDENCY OF NATIONAL TECHNOLOGY AND**
2 **INDUSTRIAL BASE ON SUPPLIES AVAILABLE**
3 **ONLY FROM FOREIGN COUNTRIES.**

4 (a) NATIONAL SECURITY OBJECTIVES FOR NA-
5 TIONAL TECHNOLOGY AND INDUSTRIAL BASE.—Section
6 2501(a) of title 10, United States Code, is amended by
7 adding at the end the following:

8 “(5) Providing for the development, manufac-
9 ture, and supply of items and technologies critical to
10 the production and sustainment of advanced military
11 weapon systems with minimal reliance on items for
12 which the source of supply, manufacture, or tech-
13 nology is outside of the United States and Canada
14 and for which there is no immediately available
15 source in the United States or Canada.”.

16 (b) ASSESSMENT OF EXTENT OF UNITED STATES
17 DEPENDENCY ON FOREIGN SOURCE ITEMS.—Subsection
18 (c) of section 2505 of such title is amended to read as
19 follows:

20 “(c) ASSESSMENT OF EXTENT OF DEPENDENCY ON
21 FOREIGN SOURCE ITEMS.—Each assessment under sub-
22 section (a) shall include a separate discussion and presen-
23 tation regarding the extent to which the national tech-
24 nology and industrial base is dependent on items for which
25 the source of supply, manufacture, or technology is outside
26 of the United States and Canada and for which there is

1 no immediately available source in the United States or
2 Canada. The discussion and presentation shall include the
3 following:

4 “(1) An assessment of the overall degree of de-
5 pendence by the national technology and industrial
6 base on such foreign items, including a comparison
7 with the degree of dependence identified in the pre-
8 ceding assessment.

9 “(2) Identification of major systems (as defined
10 in section 2302 of this title) under development or
11 production containing such foreign items, including
12 an identification of all such foreign items for each
13 system.

14 “(3) An analysis of the production or develop-
15 ment risks resulting from the possible disruption of
16 access to such foreign items, including consideration
17 of both peacetime and wartime scenarios.

18 “(4) An analysis of the importance of retaining
19 domestic production sources for the items specified
20 in section 2534 of this title.

21 “(5) A discussion of programs and initiatives in
22 place to reduce dependence by the national tech-
23 nology and industrial base on such foreign items.

24 “(6) A discussion of proposed policy or legisla-
25 tive initiatives recommended to reduce the depend-

1 ence of the national technology and industrial base
2 on such foreign items.”.

3 (c) TIME FOR COMPLETION OF NEXT DEFENSE CA-
4 PABILITY ASSESSMENT.—Notwithstanding the schedule
5 prescribed by the Secretary of Defense under subsection
6 (d) of section 2505 of title 10, United States Code, the
7 National Defense Technology and Industrial Base Council
8 shall complete the next defense capability assessment re-
9 quired under such section not later than March 1, 1997.

10 **SEC. 830. SENSE OF CONGRESS REGARDING TREATMENT**
11 **OF DEPARTMENT OF DEFENSE CABLE TELE-**
12 **VISION FRANCHISE AGREEMENTS.**

13 It is the sense of Congress that the United States
14 Court of Federal Claims should transmit to Congress the
15 report required by section 823 of Public Law 104–106
16 (110 Stat. 399) on or before the date specified in that
17 section.

18 **SEC. 831. EXTENSION OF DOMESTIC SOURCE LIMITATION**
19 **FOR VALVES AND MACHINE TOOLS.**

20 Subparagraph (C) of section 2534(e)(2) is amended
21 by striking out “1996” and inserting in lieu thereof
22 “2001”.

1 **SEC. 832. DEMONSTRATION PROJECT FOR PURCHASE OF**
2 **FIRE, SECURITY, POLICE, PUBLIC WORKS,**
3 **AND UTILITY SERVICES FROM LOCAL GOV-**
4 **ERNMENT AGENCIES.**

5 (a) **EXTENSION OF DEMONSTRATION PROJECT.**—
6 Section 816 of the National Defense Authorization Act for
7 Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820)
8 is amended by adding at the end the following new sub-
9 section:

10 “(c) **DURATION OF PROJECT.**—The authority to pur-
11 chase services under the demonstration project shall expire
12 on September 30, 1998.”.

13 (b) **REPORTING REQUIREMENTS.**—Subsection (b) of
14 such section is amended by striking out “, 1996” and in-
15 serting in lieu thereof “of each of the years 1997 and
16 1998”.

17 **SEC. 833. STUDY OF EFFECTIVENESS OF DEFENSE MERG-**
18 **ERS.**

19 (a) **STUDY.**—The Secretary of Defense shall conduct
20 a study on mergers and acquisitions in the defense sector.
21 The study shall address the following:

22 (1) The effectiveness of defense mergers and
23 acquisitions in eliminating excess capacity within the
24 defense industry.

1 (2) The degree of change in the dependence by
2 defense contractors on defense-related Federal con-
3 tracts within their overall business after mergers.

4 (3) The effect on defense industry employment
5 resulting from defense mergers and acquisitions oc-
6 curring during the three years preceding the date of
7 the enactment of this Act.

8 (b) REPORT.—Not later than six months after the
9 date of the enactment of this Act, the Secretary of Defense
10 shall submit to Congress a report on the results of the
11 study conducted under subsection (a).

12 **TITLE IX—DEPARTMENT OF DE-**
13 **FENSE ORGANIZATION AND**
14 **MANAGEMENT**

15 **SEC. 901. ADDITIONAL REQUIRED REDUCTION IN DEFENSE**
16 **ACQUISITION WORKFORCE.**

17 Section 906(d) of the National Defense Authorization
18 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
19 405) is amended—

20 (1) in paragraph (1), by striking out “during
21 fiscal year 1996” and all that follows and inserting
22 in lieu thereof “so that—

23 “(A) the total number of such positions as of
24 October 1, 1996, is less than the baseline number by
25 at least 15,000; and

1 “(B) the total number of such positions as of
2 October 1, 1997, is less than the baseline number by
3 at least 40,000.”; and

4 (2) by adding at the end the following new
5 paragraph:

6 “(3) For purposes of this subsection, the term ‘base-
7 line number’ means the total number of defense acquisi-
8 tion personnel positions as of October 1, 1995.”.

9 **SEC. 902. REDUCTION OF PERSONNEL ASSIGNED TO OF-**
10 **FICE OF THE SECRETARY OF DEFENSE.**

11 (a) **PERMANENT LIMITATION ON OSD PERSON-**
12 **NEL.**—Effective October 1, 1999, the number of OSD per-
13 sonnel may not exceed 75 percent of the baseline number.

14 (b) **PHASED REDUCTION.**—The number of OSD per-
15 sonnel—

16 (1) as of October 1, 1997, may not exceed 85
17 percent of the baseline number; and

18 (2) as of October 1, 1998, may not exceed 80
19 percent of the baseline number.

20 (c) **BASELINE NUMBER.**—For purposes of this sec-
21 tion, the term “baseline number” means the number of
22 OSD personnel as of October 1, 1994.

23 (d) **OSD PERSONNEL DEFINED.**—For purposes of
24 this section, the term “OSD personnel” means military
25 and civilian personnel of the Department of Defense who

1 are assigned to, or employed in, functions in the Office
2 of the Secretary of Defense (including Direct Support Ac-
3 tivities of that Office and the Washington Headquarters
4 Services of the Department of Defense).

5 (e) LIMITATION ON REASSIGNMENT OF FUNC-
6 TIONS.—In carrying out reductions in the number of per-
7 sonnel assigned to, or employed in, the Office of the De-
8 partment of Defense in order to comply with this section,
9 the Secretary of Defense may not reassign functions solely
10 in order to evade the requirements contained in this sec-
11 tion.

12 (f) FLEXIBILITY.—If the Secretary of Defense deter-
13 mines, and certifies to Congress, that the limitation in
14 subsection (b) with respect to any fiscal year would ad-
15 versely affect United States national security, the limita-
16 tion under that subsection with respect to that fiscal year
17 may be waived. If the Secretary of Defense determines,
18 and certifies to Congress, that the limitation in subsection
19 (a) during fiscal year 1999 would adversely affect United
20 States national security, the limitation under that sub-
21 section with respect to that fiscal year may be waived. The
22 authority under this subsection may be used only once,
23 with respect to a single fiscal year.

24 (g) REPEAL OF PRIOR REQUIREMENT.—Section
25 901(d) of the National Defense Authorization Act for Fis-

1 cal Year 1996 (Public Law 104–106; 110 Stat. 410) is
2 repealed.

3 **SEC. 903. REPORT ON MILITARY DEPARTMENT HEAD-**
4 **QUARTERS STAFFS.**

5 (a) REVIEW BY SECRETARY OF DEFENSE.—The Sec-
6 retary of Defense shall conduct a review of the size, mis-
7 sion, organization, and functions of the military depart-
8 ment headquarters staffs. This review shall include the fol-
9 lowing:

10 (1) An assessment on the adequacy of the
11 present organization structure to efficiently and ef-
12 fectively support the mission of the military depart-
13 ments.

14 (2) An assessment of options to reduce the
15 number of personnel assigned to the military depart-
16 ment headquarters staffs.

17 (3) An assessment of the extent of unnecessary
18 duplication of functions between the Office of the
19 Secretary of Defense and the military department
20 headquarters staffs.

21 (4) An assessment of the possible benefits that
22 could be derived from further functional consolida-
23 tion between the civilian secretariat of the military
24 departments and the staffs of the military service
25 chiefs.

1 (5) An assessment of the possible benefits that
2 could be derived from reducing the number of civil-
3 ian officers in the military departments who are ap-
4 pointed by and with the advice and consent of the
5 Senate.

6 (b) REPORT.—Not later than March 1, 1997, the
7 Secretary of Defense shall submit to the congressional de-
8 fense committees a report containing—

9 (1) the findings and conclusions of the Sec-
10 retary resulting from the review under subsection
11 (a); and

12 (2) a plan for implementing resulting rec-
13 ommendations, including proposals for legislation
14 (with supporting rationale) that would be required
15 as result of the review.

16 (c) REDUCTION IN TOTAL NUMBER OF PERSONNEL
17 ASSIGNED.—In developing the plan under subsection
18 (b)(2), the Secretary shall make every effort to provide
19 for significant reductions in the overall number of military
20 and civilian personnel assigned to or serving in the mili-
21 tary department headquarters staffs.

22 (d) MILITARY DEPARTMENT HEADQUARTERS
23 STAFFS DEFINED.—For the purposes of this section, the
24 term “military department headquarters staffs” means

1 the offices, organizations, and other elements of the De-
2 partment of Defense comprising the following:

3 (1) The Office of the Secretary of the Army.

4 (2) The Army Staff.

5 (3) The Office of the Secretary of the Air
6 Force.

7 (4) The Air Staff.

8 (5) The Office of the Secretary of the Navy.

9 (6) The Office of the Chief of Naval Oper-
10 ations.

11 (7) Headquarters, Marine Corps.

12 **SEC. 904. EXTENSION OF EFFECTIVE DATE FOR CHARTER**
13 **FOR JOINT REQUIREMENTS OVERSIGHT**
14 **COUNCIL.**

15 Section 905(b) of the National Defense Authorization
16 Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat.
17 404) is amended by striking out “January 31, 1997” and
18 inserting in lieu thereof “January 31, 1998”.

19 **SEC. 905. REMOVAL OF SECRETARY OF THE ARMY FROM**
20 **MEMBERSHIP ON THE FOREIGN TRADE ZONE**
21 **BOARD.**

22 The first section of the Act of June 18, 1934 (Public
23 Law Numbered 397, Seventy-third Congress; 48 Stat.
24 998) (19 U.S.C. 81a), popularly known as the “Foreign
25 Trade Zones Act”, is amended—

1 (1) in subsection (b), by striking out “the Sec-
2 retary of the Treasury, and the Secretary of War”
3 and inserting in lieu thereof “and the Secretary of
4 the Treasury”; and

5 (2) in subsection (c), by striking out “Alaska,
6 Hawaii,”.

7 **SEC. 906. MEMBERSHIP OF THE AMMUNITION STORAGE**
8 **BOARD.**

9 Section 172(a) of title 10, United States Code, is
10 amended by striking out “a joint board of officers selected
11 by them” and inserting in lieu thereof “a joint board se-
12 lected by them composed of officers, civilian officers and
13 employees of the Department of Defense, or both”.

14 **SEC. 907. DEPARTMENT OF DEFENSE DISBURSING OFFI-**
15 **CIAL CHECK CASHING AND EXCHANGE**
16 **TRANSACTIONS.**

17 Section 3342(b) of title 31, United States Code, is
18 amended—

19 (1) by striking out the period at the end of
20 paragraph (3) and inserting in lieu thereof a semi-
21 colon;

22 (2) by striking out “and” at the end of para-
23 graph (5);

1 (3) by striking out the period at the end of
2 paragraph (6) and inserting in lieu thereof “; or”;
3 and

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

6 “(7) a Federal credit union that at the request
7 of the Secretary of Defense is operating on a United
8 States military installation in a foreign country, but
9 only if that country does not permit contractor-oper-
10 ated military banking facilities to operate on such
11 installations.”.

12 **TITLE X—GENERAL PROVISIONS**

13 **Subtitle A—Financial Matters**

14 **SEC. 1001. TRANSFER AUTHORITY.**

15 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

16 (1) Upon determination by the Secretary of Defense that
17 such action is necessary in the national interest, the Sec-
18 retary may transfer amounts of authorizations made avail-
19 able to the Department of Defense in this division for fis-
20 cal year 1997 between any such authorizations for that
21 fiscal year (or any subdivisions thereof). Amounts of au-
22 thorizations so transferred shall be merged with and be
23 available for the same purposes as the authorization to
24 which transferred.

1 (2) The total amount of authorizations that the Sec-
2 retary of Defense may transfer under the authority of this
3 section may not exceed \$2,000,000,000.

4 (b) LIMITATIONS.—The authority provided by this
5 section to transfer authorizations—

6 (1) may only be used to provide authority for
7 items that have a higher priority than the items
8 from which authority is transferred; and

9 (2) may not be used to provide authority for an
10 item that has been denied authorization by Con-
11 gress.

12 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
13 transfer made from one account to another under the au-
14 thority of this section shall be deemed to increase the
15 amount authorized for the account to which the amount
16 is transferred by an amount equal to the amount trans-
17 ferred.

18 (d) NOTICE TO CONGRESS.—The Secretary shall
19 promptly notify Congress of each transfer made under
20 subsection (a).

21 **SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.**

22 (a) STATUS OF CLASSIFIED ANNEX.—The Classified
23 Annex prepared by the Committee on National Security
24 of the House of Representatives to accompany the bill
25 H.R. 3230 of the One Hundred Fourth Congress and

1 transmitted to the President is hereby incorporated into
2 this Act.

3 (b) CONSTRUCTION WITH OTHER PROVISIONS OF
4 ACT.—The amounts specified in the Classified Annex are
5 not in addition to amounts authorized to be appropriated
6 by other provisions of this Act.

7 (c) LIMITATION ON USE OF FUNDS.—Funds appro-
8 priated pursuant to an authorization contained in this Act
9 that are made available for a program, project, or activity
10 referred to in the Classified Annex may only be expended
11 for such program, project, or activity in accordance with
12 such terms, conditions, limitations, restrictions, and re-
13 quirements as are set out for that program, project, or
14 activity in the Classified Annex.

15 (d) DISTRIBUTION OF CLASSIFIED ANNEX.—The
16 President shall provide for appropriate distribution of the
17 Classified Annex, or of appropriate portions of the annex,
18 within the executive branch of the Government.

19 **SEC. 1003. AUTHORITY FOR OBLIGATION OF CERTAIN UN-**
20 **AUTHORIZED FISCAL YEAR 1996 DEFENSE AP-**
21 **PROPRIATIONS.**

22 (a) AUTHORITY.—The amounts described in sub-
23 section (b) may be obligated and expended for programs,
24 projects, and activities of the Department of Defense in
25 accordance with fiscal year 1996 defense appropriations.

1 (b) COVERED AMOUNTS.—The amounts referred to
2 in subsection (a) are the amounts provided for programs,
3 projects, and activities of the Department of Defense in
4 fiscal year 1996 defense appropriations that are in excess
5 of the amounts provided for such programs, projects, and
6 activities in fiscal year 1996 defense authorizations.

7 (c) DEFINITIONS.—For the purposes of this section:

8 (1) FISCAL YEAR 1996 DEFENSE APPROPRIA-
9 TIONS.—The term “fiscal year 1996 defense appro-
10 priations” means amounts appropriated or otherwise
11 made available to the Department of Defense for fis-
12 cal year 1996 in the Department of Defense Appro-
13 priations Act, 1996 (Public Law 104–61).

14 (2) FISCAL YEAR 1996 DEFENSE AUTHORIZA-
15 TIONS.—The term “fiscal year 1996 defense author-
16 izations” means amounts authorized to be appro-
17 priated for the Department of Defense for fiscal
18 year 1996 in the National Defense Authorization
19 Act for Fiscal Year 1996 (Public Law 104–106).

20 **SEC. 1004. AUTHORIZATION OF PRIOR EMERGENCY SUP-**
21 **PLEMENTAL APPROPRIATIONS FOR FISCAL**
22 **YEAR 1996.**

23 Amounts authorized to be appropriated to the De-
24 partment of Defense for fiscal year 1996 in the National
25 Defense Authorization Act for Fiscal Year 1996 (Public

1 Law 104–106) are hereby adjusted, with respect to any
2 such authorized amount, by the amount by which appro-
3 priations pursuant to such authorization were increased
4 (by a supplemental appropriation) or decreased (by a re-
5 scission), or both, in the Omnibus Consolidated Rescis-
6 sions and Appropriations Act of 1996 (Public Law 104–
7 134).

8 **SEC. 1005. FORMAT FOR BUDGET REQUESTS FOR NAVY/
9 MARINE CORPS AND AIR FORCE AMMUNI-
10 TION ACCOUNTS.**

11 Section 114 of title 10, United States Code, is
12 amended by adding at the end the following new sub-
13 section:

14 “(f) In each budget submitted by the President to
15 Congress under section 1105 of title 31, amounts re-
16 quested for procurement of ammunition for the Navy and
17 Marine Corps, and for procurement of ammunition for the
18 Air Force, shall be set forth separately from other
19 amounts requested for procurement.”.

20 **SEC. 1006. FORMAT FOR BUDGET REQUESTS FOR DEFENSE
21 AIRBORNE RECONNAISSANCE PROGRAM.**

22 (a) REQUIREMENT.—The Secretary of Defense shall
23 ensure that in the budget justification documents for any
24 fiscal year there is set forth separately amounts requested
25 for each program, project, or activity within the Defense

1 Airborne Reconnaissance Program, with a unique program
2 element provided for funds requested for research, devel-
3 opment, test, and evaluation for each such program,
4 project, or activity and a unique procurement line item
5 provided for funds requested for procurement for each
6 such program, project, or activity.

7 (b) DEFENSE BUDGET.—For purposes of subsection
8 (a), the term “budget justification documents” means the
9 supporting budget documentation submitted to the con-
10 gressional defense committees in support of the budget of
11 the Department of Defense for a fiscal year as included
12 in the budget of the President submitted under section
13 1105 of title 31, United States Code, for that fiscal year.

14 **Subtitle B—Reports and Studies**

15 **SEC. 1021. ANNUAL REPORT ON OPERATION PROVIDE COM-** 16 **FORT AND OPERATION ENHANCED SOUTH-** 17 **ERN WATCH.**

18 (a) ANNUAL REPORT.—Not later than March 1 of
19 each year, the Secretary of Defense shall submit to Con-
20 gress a report on Operation Provide Comfort and Oper-
21 ation Enhanced Southern Watch.

22 (b) MATTERS RELATING TO OPERATION PROVIDE
23 COMFORT.—Each report under subsection (a) shall in-
24 clude, with respect to Operation Provide Comfort, the fol-
25 lowing:

1 (1) A detailed presentation of the projected
2 costs to be incurred by the Department of Defense
3 for that operation during the fiscal year in which the
4 report is submitted and projected for the following
5 fiscal year, together with a discussion of missions
6 and functions expected to be performed by the De-
7 partment as part of that operation during each of
8 those fiscal years.

9 (2) A detailed presentation of the projected
10 costs to be incurred by other departments and agen-
11 cies of the Federal Government participating in or
12 providing support to that operation during each of
13 those fiscal years.

14 (3) A discussion of options being pursued to re-
15 duce the involvement of the Department of Defense
16 in those aspects of that operation that are not di-
17 rectly related to the military mission of the Depart-
18 ment of Defense.

19 (4) A discussion of the exit strategy for United
20 States involvement in, and support for, that oper-
21 ation.

22 (5) A description of alternative approaches to
23 accomplishing the mission of that operation that are
24 designed to limit the scope and cost to the Depart-

1 ment of Defense of accomplishing that mission while
2 maintaining mission success.

3 (6) The contributions (both in-kind and actual)
4 by other nations to the costs of conducting that op-
5 eration.

6 (7) A detailed presentation of significant Iraqi
7 military activity (including specific violations of the
8 no-fly zone) determined to jeopardize the security of
9 the Kurdish population in northern Iraq.

10 (c) MATTERS RELATING TO OPERATION ENHANCED
11 SOUTHERN WATCH.—Each report under subsection (a)
12 shall include, with respect to Operation Enhanced South-
13 ern Watch, the following:

14 (1) The expected duration and annual costs of
15 the various elements of that operation.

16 (2) The political and military objectives associ-
17 ated with that operation.

18 (3) The contributions (both in-kind and actual)
19 by other nations to the costs of conducting that op-
20 eration.

21 (4) A description of alternative approaches to
22 accomplishing the mission of that operation that are
23 designed to limit the scope and cost of accomplishing
24 that mission while maintaining mission success.

1 (5) A comprehensive discussion of the political
2 and military objectives and initiatives that the De-
3 partment of Defense has pursued, and intends to
4 pursue, in order to reduce United States involvement
5 in that operation.

6 (6) A detailed presentation of significant Iraqi
7 military activity (including specific violations of the
8 no-fly zone) determined to jeopardize the security of
9 the Shiite population in southern Iraq.

10 (d) TERMINATION OF REPORT REQUIREMENT.—The
11 requirement under subsection (a) shall cease to apply with
12 respect to an operation named in that subsection upon the
13 termination of United States involvement in that oper-
14 ation.

15 (e) DEFINITIONS.—For purposes of this section:

16 (1) OPERATION ENHANCED SOUTHERN
17 WATCH.—The term “Operation Enhanced Southern
18 Watch” means the operation of the Department of
19 Defense that as of October 30, 1995, is designated
20 as Operation Enhanced Southern Watch.

21 (2) OPERATION PROVIDE COMFORT.—The term
22 “Operation Provide Comfort” means the operation
23 of the Department of Defense that as of October 30,
24 1995, is designated as Operation Provide Comfort.

1 **SEC. 1022. REPORT ON PROTECTION OF NATIONAL INFOR-**
2 **MATION INFRASTRUCTURE.**

3 (a) REPORT REQUIREMENT.—Not later than 180
4 days after the date of the enactment of this Act, the Presi-
5 dent shall submit to Congress a report setting forth the
6 national policy on protecting the national information in-
7 frastructure against strategic attacks.

8 (b) MATTERS TO BE INCLUDED.—The report shall
9 include the following:

10 (1) A description of the national policy and
11 plans to meet essential Government and civilian
12 needs during a national security emergency associ-
13 ated with a strategic attack on elements of the na-
14 tional infrastructure the functioning of which depend
15 on networked computer systems.

16 (2) The identification of information infrastruc-
17 ture functions that must be performed during such
18 an emergency.

19 (3) The assignment of responsibilities to Fed-
20 eral departments and agencies, and a description of
21 the roles of Government and industry, relating to in-
22 dications and warning of, assessment of, response to,
23 and reconstitution after, potential strategic attacks
24 on the critical national infrastructures described
25 under paragraph (1).

1 (c) OUTSTANDING ISSUES.—The report shall also
2 identify any outstanding issues in need of further study
3 and resolution, such as technology and funding shortfalls,
4 and legal and regulatory considerations.

5 **SEC. 1023. REPORT ON WITNESS INTERVIEW PROCEDURES**
6 **FOR DEPARTMENT OF DEFENSE CRIMINAL**
7 **INVESTIGATIONS.**

8 (a) SURVEY OF MILITARY DEPARTMENT POLICIES
9 AND PRACTICES.—The Comptroller General of the United
10 States shall conduct a survey of the policies and practices
11 of the military criminal investigative organizations with re-
12 spect to the manner in which interviews of suspects and
13 witnesses are conducted in connection with criminal inves-
14 tigation. The purpose of the survey shall be to ascertain
15 whether or not investigators and agents from those organi-
16 zations engage in illegal, unnecessary, or inappropriate
17 harassment and intimidation of individuals being inter-
18 viewed.

19 (b) REPORT.—Not later than 180 days after the date
20 of the enactment of this Act, the Comptroller General shall
21 submit to the Committee on National Security of the
22 House of Representatives and the Committee on Armed
23 Services of the Senate a report concerning the survey
24 under subsection (a). The report shall specifically address
25 the following:

1 (1) The extent to which investigators of the
2 military criminal investigative organizations engage
3 in illegal or inappropriate practices in connection
4 with interviews of suspects in or witnesses to crimes.

5 (2) The extent to which the interview policies
6 established by the Department of Defense directive
7 or service regulation are adequate to instruct and
8 guide investigators in the proper conduct of subject
9 and witness interviews.

10 (3) The desirability and feasibility of requiring
11 the video and audio recording of all interviews.

12 (4) The desirability and feasibility of making
13 such recordings or written transcriptions of inter-
14 views, or both, available on demand to the subject or
15 witness interviewed.

16 (5) The extent to which existing directives or
17 regulations specify a prohibition against the display
18 by agents of those organizations of weapons during
19 interviews and the extent to which agents conducting
20 interviews inappropriately display weapons during
21 interviews.

22 (6) The extent to which existing directives or
23 regulations forbid agents of those organizations from
24 making judgmental statements during interviews re-
25 garding the guilt of the interviewee or the con-

1 sequences of failing to cooperate with investigators,
2 and the extent to which agents conducting interviews
3 nevertheless engage in such practices.

4 (7) Any recommendation for legislation to en-
5 sure that investigators and agents of the military
6 criminal investigative organizations use legal and
7 proper tactics during interviews in connection with
8 Department of Defense criminal investigations.

9 (c) RESULTS OF INTERVIEWS AND SURVEYS.—The
10 Comptroller General shall include in the report under sub-
11 section (b) the results of interviews and surveys conducted
12 under subsection (a) with persons who were witnesses or
13 subjects in investigations conducted by military criminal
14 investigative organizations.

15 (d) DEFINITION.—For the purposes of this section,
16 the term “military criminal investigative organization”
17 means any of the following:

18 (1) The Army Criminal Investigation Com-
19 mand.

20 (2) The Air Force Office of Special Investiga-
21 tions.

22 (3) The Naval Criminal Investigative Service.

23 (4) The Defense Criminal Investigative Service.

1 **Subtitle C—Other Matters**

2 **SEC. 1031. INFORMATION SYSTEMS SECURITY PROGRAM.**

3 (a) **ALLOCATION.**—Of the amounts appropriated for
4 the Department of Defense for the Defense Information
5 Infrastructure for each of fiscal years 1998 through 2001,
6 the Secretary of Defense shall allocate to an information
7 systems security program, under a separate program ele-
8 ment, amounts as follows:

9 (1) For fiscal year 1998, 2.5 percent.

10 (2) For fiscal year 1999, 3.0 percent.

11 (3) For fiscal year 2000, 3.5 percent.

12 (4) For fiscal year 2001, 4.0 percent.

13 (b) **RELATIONSHIP TO OTHER AMOUNTS.**—Amounts
14 allocated under subsection (a) are in addition to amounts
15 appropriated to the National Security Agency and the De-
16 fense Advanced Research Projects Agency for information
17 security development, acquisition, and operations.

18 (c) **ANNUAL REPORT.**—The Secretary of Defense
19 shall submit to the congressional defense committee and
20 congressional intelligence committees a report not later
21 than April 15 of each year from 1998 through 2002 that
22 describes information security objectives of the Depart-
23 ment of Defense, the progress made during the previous
24 year in meeting those objectives, and plans of the Sec-

1 retary with respect to meeting those objectives for the next
2 fiscal year.

3 **SEC. 1032. AVIATION AND VESSEL WAR RISK INSURANCE.**

4 (a) AVIATION RISK INSURANCE.—(1) Chapter 931 of
5 title 10, United States Code, is amended by adding at the
6 end the following new section:

7 **“§ 9514. Indemnification of Department of Transpor-**
8 **tation for losses covered by defense-relat-**
9 **ed aviation insurance**

10 “(a) PROMPT INDEMNIFICATION REQUIRED.—In the
11 event of a loss that is covered by defense-related aviation
12 insurance, the Secretary of Defense shall promptly indem-
13 nify the Secretary of Transportation for the amount of
14 the loss. The Secretary of Defense shall make such indem-
15 nification—

16 “(1) in the case of a claim for the loss of an
17 aircraft hull, not later than 30 days following the
18 date of the presentment of the claim to the Sec-
19 retary of Transportation; and

20 “(2) in the case of any other claim, not later
21 than 180 days after the date on which the claim is
22 determined by the Secretary of Transportation to be
23 payable.

24 “(b) SOURCE OF FUNDS FOR PAYMENT OF INDEM-
25 NITY.—The Secretary may pay an indemnity described in

1 subsection (a) from any funds available to the Department
2 of Defense for operation and maintenance, and such sums
3 as may be necessary for payment of such indemnity are
4 hereby authorized to be transferred to the Secretary of
5 Transportation for such purpose.

6 “(c) NOTICE TO CONGRESS.—In the event of a loss
7 that is covered by defense-related aviation insurance in the
8 case of an incident in which the covered loss is (or is ex-
9 pected to be) in an amount in excess of \$1,000,000, the
10 Secretary of Defense shall submit to Congress—

11 “(1) notification of the loss as soon after the
12 occurrence of the loss as possible and in no event
13 more than 30 days after the date of the loss; and

14 “(2) semiannual reports thereafter updating the
15 information submitted under paragraph (1) and
16 showing with respect to losses arising from such in-
17 cident the total amount expended to cover such
18 losses, the source of those funds, pending litigation,
19 and estimated total cost to the Government.

20 “(d) IMPLEMENTING MATTERS.—(1) Payment of in-
21 demnification under this section is not subject to section
22 2214 or 2215 of this title or any other provision of law
23 requiring notification to Congress before funds may be
24 transferred.

1 “(2) Consolidation of claims arising from the same
2 incident is not required before indemnification of the Sec-
3 retary of Transportation for payment of a claim may be
4 made under this section.

5 “(e) CONSTRUCTION WITH OTHER TRANSFER AU-
6 THORITY.—Authority to transfer funds under this section
7 is in addition to any other authority provided by law to
8 transfer funds (whether enacted before, on, or after the
9 date of the enactment of this section) and is not subject
10 to any dollar limitation or notification requirement con-
11 tained in any other such authority to transfer funds.

12 “(f) DEFINITIONS.—In this section:

13 “(1) DEFENSE-RELATED AVIATION INSUR-
14 ANCE.—The term ‘defense-related aviation insur-
15 ance’ means aviation insurance and reinsurance pro-
16 vided through policies issued by the Secretary of
17 Transportation under chapter 443 of title 49 that
18 pursuant to section 44305(b) of that title is provided
19 by that Secretary without premium at the request of
20 the Secretary of Defense and is covered by an in-
21 demnity agreement between the Secretary of Trans-
22 portation and the Secretary of Defense.

23 “(2) LOSS.—The term ‘loss’ includes damage to
24 or destruction of property, personal injury or death,

1 and other liabilities and expenses covered by the de-
2 fense-related aviation insurance.”.

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:

“9514. Indemnification of Department of Transportation for losses covered by
defense-related aviation insurance.”.

6 (b) VESSEL WAR RISK INSURANCE.—(1) Chapter
7 157 of title 10, United States Code, is amended by adding
8 after section 2644, as added by section 364(a), the follow-
9 ing new section:

10 **“§ 2645. Indemnification of Department of Transpor-**
11 **tation for losses covered by vessel war**
12 **risk insurance**

13 “(a) PROMPT INDEMNIFICATION REQUIRED.—In the
14 event of a loss that is covered by vessel war risk insurance,
15 the Secretary of Defense shall promptly indemnify the
16 Secretary of Transportation for the amount of the loss.
17 The Secretary of Defense shall make such indemnifica-
18 tion—

19 “(1) in the case of a claim for a loss to a vessel,
20 not later than 90 days following the date of the ad-
21 judication or settlement of the claim by the Sec-
22 retary of Transportation; and

23 “(2) in the case of any other claim, not later
24 than 180 days after the date on which the claim is

1 determined by the Secretary of Transportation to be
2 payable.

3 “(b) SOURCE OF FUNDS FOR PAYMENT OF INDEM-
4 NITY.—The Secretary may pay an indemnity described in
5 subsection (a) from any funds available to the Department
6 of Defense for operation and maintenance, and such sums
7 as may be necessary for payment of such indemnity are
8 hereby authorized to be transferred to the Secretary of
9 Transportation for such purpose.

10 “(c) DEPOSIT OF FUNDS.—(1) Any amount trans-
11 ferred to the Secretary of Transportation under this sec-
12 tion shall be deposited in, and merged with amounts in,
13 the Vessel War Risk Insurance Fund as provided in the
14 second sentence of section 1208(a) of the Merchant Ma-
15 rine Act, 1936 (46 U.S.C. App. 1288(a)).

16 “(2) In this subsection, the term ‘Vessel War Risk
17 Insurance Fund’ means the insurance fund referred to in
18 the first sentence of section 1208(a) of the Merchant Ma-
19 rine Act, 1936 (46 U.S.C. App. 1288(a)).

20 “(d) NOTICE TO CONGRESS.—In the event of a loss
21 that is covered by vessel war risk insurance in the case
22 of an incident in which the covered loss is (or is expected
23 to be) in an amount in excess of \$1,000,000, the Secretary
24 of Defense shall submit to Congress—

1 “(1) notification of the loss as soon after the
2 occurrence of the loss as possible and in no event
3 more than 30 days after the date of the loss; and

4 “(2) semiannual reports thereafter updating the
5 information submitted under paragraph (1) and
6 showing with respect to losses arising from such in-
7 cident the total amount expended to cover such
8 losses, the source of such funds, pending litigation,
9 and estimated total cost to the Government.

10 “(e) IMPLEMENTING MATTERS.—(1) Payment of in-
11 demnification under this section is not subject to section
12 2214 or 2215 of this title or any other provision of law
13 requiring notification to Congress before funds may be
14 transferred.

15 “(2) Consolidation of claims arising from the same
16 incident is not required before indemnification of the Sec-
17 retary of Transportation for payment of a claim may be
18 made under this section.

19 “(f) CONSTRUCTION WITH OTHER TRANSFER AU-
20 THORITY.—Authority to transfer funds under this section
21 is in addition to any other authority provided by law to
22 transfer funds (whether enacted before, on, or after the
23 date of the enactment of this section) and is not subject
24 to any dollar limitation or notification requirement con-
25 tained in any other such authority to transfer funds.

1 “(g) DEFINITIONS.—In this section:

2 “(1) VESSEL WAR RISK INSURANCE.—The term
3 ‘vessel war risk insurance’ means insurance and re-
4 insurance provided through policies issued by the
5 Secretary of Transportation under title XII of the
6 Merchant Marine Act, 1936 (46 U.S.C. App. 1281
7 et seq.), that is provided by that Secretary without
8 premium at the request of the Secretary of Defense
9 and is covered by an indemnity agreement between
10 the Secretary of Transportation and the Secretary of
11 Defense.

12 “(2) LOSS.—The term ‘loss’ includes damage to
13 or destruction of property, personal injury or death,
14 and other liabilities and expenses covered by the ves-
15 sel war risk insurance.”.

16 (2) The table of sections at the beginning of such
17 chapter is amended by adding after the item relating to
18 section 2644, as added by section 364(c)(3), the following
19 new item:

“2645. Indemnification of Department of Transportation for losses covered by
vessel war risk insurance.”.

20 **SEC. 1033. AIRCRAFT ACCIDENT INVESTIGATION BOARDS.**

21 (a) INDEPENDENCE AND OBJECTIVITY OF
22 BOARDS.—(1) Chapter 134 of title 10, United States
23 Code, is amended by adding at the end the following new
24 section:

1 **“§ 2255. Aircraft accident investigation boards: inde-**
2 **pendence and objectivity**

3 “(a) REQUIRED MEMBERSHIP OF BOARDS.—When-
4 ever the Secretary of a military department convenes a
5 aircraft accident investigation board to conduct an acci-
6 dent investigation of an accident involving an aircraft
7 under the jurisdiction of the Secretary, the Secretary shall
8 select the membership of the board so that—

9 “(1) a majority of the voting members of the
10 board are selected from units outside the chain of
11 command of the mishap unit; and

12 “(2) at least one voting member of the board is
13 an officer or an employee assigned to the relevant
14 service safety center.

15 “(b) DETERMINATION OF UNITS OUTSIDE SAME
16 CHAIN OF COMMAND.—For purposes of this section, a
17 unit shall be considered to be outside the chain of com-
18 mand of another unit if the two units do not have a com-
19 mon commander in their respective chains of command
20 below a position for which the authorized grade is major
21 general or rear admiral.

22 “(c) MISHAP UNIT DEFINED.—In this section, the
23 term ‘mishap unit’, with respect to an aircraft accident
24 investigation, means the unit of the armed forces (at the
25 squadron level or equivalent) to which was assigned the

1 flight crew of the aircraft that sustained the accident that
2 is the subject of the investigation.

3 “(d) SERVICE SAFETY CENTER.—For purposes of
4 this section, a service safety center is the single office or
5 separate operating agency of a military department that
6 has responsibility for the management of aviation safety
7 matters for that military department.”.

8 (2) The table of sections at the beginning of sub-
9 chapter II of such chapter is amended by adding at the
10 end the following new item:

“2255. Aircraft accident investigation boards: independence and objectivity.”.

11 (b) EFFECTIVE DATE.—Section 2255 of title 10,
12 United States Code, as added by subsection (a), shall
13 apply with respect to any aircraft accident investigation
14 board convened by the Secretary of a military department
15 after the end of the six-month period beginning on the
16 date of the enactment of this Act.

17 **SEC. 1034. AUTHORITY FOR USE OF APPROPRIATED FUNDS**
18 **FOR RECRUITING FUNCTIONS.**

19 (a) AUTHORITY.—Chapter 31 of title 10, United
20 States Code, is amended by adding at the end the follow-
21 ing new section:

22 **“§ 520c. Recruiting functions: use of funds**

23 “Under regulations prescribed by the Secretary con-
24 cerned, funds appropriated to the Department of Defense

1 may be expended for small meals and snacks during re-
2 cruiting functions for the following persons:

3 “(1) Persons who have entered the Delayed
4 Entry Program under section 513 of this title and
5 other persons who are the subject of recruiting ef-
6 forts.

7 “(2) Persons in communities who assist the
8 military departments in recruiting efforts.

9 “(3) Military or civilian personnel whose attend-
10 ance at such functions is mandatory.

11 “(4) Other persons whose presence at recruiting
12 functions will contribute to recruiting efforts.”.

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

“520e. Recruiting functions: use of funds.”.

16 **SEC. 1035. AUTHORITY FOR AWARD OF MEDAL OF HONOR**
17 **TO CERTAIN AFRICAN AMERICAN SOLDIERS**
18 **WHO SERVED DURING WORLD WAR II.**

19 (a) INAPPLICABILITY OF TIME LIMITATIONS.—Not-
20 withstanding the time limitations in section 3744(b) of
21 title 10, United States Code, or any other time limitation,
22 the President may award the Medal of Honor to the per-
23 sons specified in subsection (b), each of whom has been
24 found by the Secretary of the Army to have distinguished
25 himself conspicuously by gallantry and intrepidity at the

1 risk of his life above and beyond the call of duty while
2 serving in the United States Army during World War II.

3 (b) PERSONS ELIGIBLE TO RECEIVE THE MEDAL OF
4 HONOR.—The persons referred to in subsection (a) are
5 the following:

6 (1) Vernon J. Baker, who served as a first lieu-
7 tenant in the 370th Infantry Regiment, 92nd Infan-
8 try Division.

9 (2) Edward A. Carter, who served as a staff
10 sergeant in the 56th Armored Infantry Battalion,
11 Twelfth Armored Division.

12 (3) John R. Fox, who served as a first lieuten-
13 ant in the 366th Infantry Regiment, 92nd Infantry
14 Division.

15 (4) Willy F. James, Jr., who served as a private
16 first class in 413th Infantry Regiment, 104th Infan-
17 try Division.

18 (5) Ruben Rivers, who served as a staff ser-
19 geant in the 761st Tank Battalion.

20 (6) Charles L. Thomas, who served as a first
21 lieutenant in the 614th Tank Destroyer Battalion.

22 (7) George Watson, who served as a private in
23 the 29th Quartermaster Regiment.

1 (c) POSTHUMOUS AWARD.—The Medal of Honor may
2 be awarded under this section posthumously, as provided
3 in section 3752 of title 10, United States Code.

4 (d) PRIOR AWARD.—The Medal of Honor may be
5 awarded under this section for service for which a Distin-
6 guished-Service Cross, or other award, has been awarded.

7 **SEC. 1036. COMPENSATION FOR PERSONS AWARDED PRIS-**
8 **ONER OF WAR MEDAL WHO DID NOT PRE-**
9 **VIOUSLY RECEIVE COMPENSATION AS A**
10 **PRISONER OF WAR.**

11 (a) AUTHORITY TO MAKE PAYMENTS.—The Sec-
12 retary of the military department concerned shall make
13 payments in the manner provided in section 6 of the War
14 Claims Act of 1948 (50 U.S.C. App. 2005) to (or on be-
15 half of) any person described in subsection (b) who sub-
16 mits an application for such payment in accordance with
17 subsection (d).

18 (b) ELIGIBLE PERSONS.—This section applies with
19 respect to a member or former member of the Armed
20 Forces who—

21 (1) has received the prisoner of war medal
22 under section 1128 of title 10, United States Code;
23 and

24 (2) has not previously received a payment under
25 section 6 of the War Claims Act of 1948 (50 U.S.C.

1 App. 2005) with respect to the period of internment
2 for which the person received the prisoner of war
3 medal.

4 (c) AMOUNT OF PAYMENT.—The amount of the pay-
5 ment to any person under this section shall be determined
6 based upon the provisions of section 6 of the War Claims
7 Act of 1948 that are applicable with respect to the period
8 of time during which the internment occurred for which
9 the person received the prisoner of war medal.

10 (d) ONE-YEAR PERIOD FOR SUBMISSION OF APPLI-
11 CATIONS.—A payment may be made by reason of this sec-
12 tion only in the case of a person who submits an applica-
13 tion to the Secretary concerned for such payment during
14 the one-year period beginning on the date of the enact-
15 ment of this Act. Any such application shall be submitted
16 in such form and manner as the Secretary may require.

17 **SEC. 1037. GEORGE C. MARSHALL EUROPEAN CENTER FOR**
18 **STRATEGIC SECURITY STUDIES.**

19 (a) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-
20 retary of Defense may accept, on behalf of the George C.
21 Marshall European Center for Security Studies, from any
22 foreign nation any contribution of money or services made
23 by such nation to defray the cost of, or enhance the oper-
24 ations of, the George C. Marshall European Center for
25 Security Studies. Such contributions may include guest

1 lecturers, faculty services, research materials, and other
2 donations through foundations or similar sources.

3 (b) NOTICE TO CONGRESS.—The Secretary of De-
4 fense shall notify Congress if total contributions of money
5 under subsection (a) exceed \$2,000,000 in any fiscal year.
6 Any such notice shall list the nations and the amounts
7 of each such contribution.

8 (c) MARSHALL CENTER ATTENDANCE AND REPORT-
9 ING REQUIREMENT.—(1) The Secretary of Defense may
10 authorize participation by a European or Eurasian nation
11 in Marshall Center programs if—

12 (A) the Secretary determines, after consultation
13 with the Secretary of State, that such participation
14 is in the national interest of the United States; and

15 (B) the Secretary determines that such partici-
16 pation (notwithstanding any other provision of law)
17 by that nation in Marshall Center programs will ma-
18 terially contribute to the reform of the electoral
19 process or development of democratic institutions or
20 democratic political parties in that nation.

21 (2) The Secretary of Defense shall notify Congress
22 of such determination not less than 90 days in advance
23 of any such participation by such nation pursuant to the
24 determination concerning that nation.

1 (3) The Secretary of Defense shall submit to Con-
2 gress an annual report on the participation of European
3 and Eurasian nations in programs of the Marshall Center.

4 (d) MARSHALL CENTER BOARD OF VISITORS.—(1)
5 In the case of any United States citizen invited to serve
6 without compensation on the Marshall Center Board of
7 Visitors, the Secretary of Defense may waive any require-
8 ment for financial disclosure that would otherwise be ap-
9 plicable to that person by reason of service on such Board
10 of Visitors.

11 (2) Notwithstanding section 219 of title 18, United
12 States Code, a non-United States citizen may serve on the
13 Board even though registered as a foreign agent.

14 **SEC. 1038. PARTICIPATION OF MEMBERS, DEPENDENTS,**
15 **AND OTHER PERSONS IN CRIME PREVENTION**
16 **EFFORTS AT INSTALLATIONS.**

17 (a) CRIME PREVENTION.—The Secretary of Defense
18 shall prescribe regulations intended to require members of
19 the Armed Forces, dependents of members, civilian em-
20 ployees of the Department of Defense, and employees of
21 defense contractors performing work at military installa-
22 tions to report to an appropriate military law enforcement
23 agency any crime or criminal activity that the person rea-
24 sonably believes occurred on a military installation.

1 (b) SANCTIONS.—As part of the regulations, the Sec-
2 retary shall consider the feasibility of imposing sanctions
3 against a person described in subsection (a), particularly
4 a member of the Armed Forces, who fails to report the
5 occurrence of a crime or criminal activity as required by
6 the regulations.

7 (c) REPORT REGARDING IMPLEMENTATION.—Not
8 later than February 1, 1997, the Secretary shall submit
9 to Congress a report describing the plans of the Secretary
10 to implement this section.

11 **SEC. 1039. TECHNICAL AND CLERICAL AMENDMENTS.**

12 (a) CORRECTIONS IN STATUTORY REFERENCES.—

13 (1) REFERENCE TO COMMAND FORMERLY
14 KNOWN AS THE NORTH AMERICAN AIR DEFENSE
15 COMMAND.—Section 162(a) of title 10, United
16 States Code, is amended by striking out “North
17 American Air Defense Command” in paragraphs
18 (1), (2), and (3) and inserting in lieu thereof “North
19 American Aerospace Defense Command”.

20 (2) REFERENCES TO FORMER NAVAL RECORDS
21 AND HISTORY OFFICE AND FUND.—(A) Section
22 7222 of title 10, United States Code, is amended in
23 subsections (a) and (c) by striking out “Office of
24 Naval Records and History” each place it appears

1 and inserting in lieu thereof “Naval Historical Cen-
2 ter”.

3 (B)(i) The heading of such section is amended
4 to read as follows:

5 **“§ 7222. Naval Historical Center Fund”.**

6 (ii) The item relating to such section in the
7 table of sections at the beginning of chapter 631 of
8 title 10, United States Code, is amended to read as
9 follows:

“7222. Naval Historical Center Fund.”.

10 (C) Section 2055(g) of the Internal Revenue
11 Code of 1986 is amended by striking out paragraph
12 (4) and inserting in lieu thereof the following:

**“(4) For treatment of gifts and bequests for the
benefit of the Naval Historical Center as gifts or be-
quests to or for the use of the United States, see sec-
tion 7222 of title 10, United States Code.”.**

13 (3) CHEMICAL DEMILITARIZATION CITIZENS
14 ADVISORY COMMISSIONS.—Section 172 of the Na-
15 tional Defense Authorization Act for Fiscal Year
16 1993 (Public Law 102–484; 106 Stat. 2341; 50
17 U.S.C. 1521 note) is amended by striking out “As-
18 sistant Secretary of the Army (Installations, Logis-
19 tics, and Environment)” in subsections (b) and (f)
20 and inserting in lieu thereof “Assistant Secretary of
21 the Army (Research, Development and Acquisi-
22 tion)”.

1 (b) MISCELLANEOUS AMENDMENTS TO TITLE 10,
2 United States Code.—Title 10, United States Code, is
3 amended as follows:

4 (1) Section 129(a) is amended by striking out
5 “the date of the enactment of the National Defense
6 Authorization Act for Fiscal Year 1996” and insert-
7 ing in lieu thereof “February 10, 1996,”.

8 (2) Section 401 is amended—

9 (A) in subsection (a)(4), by striking out
10 “Armed Forces” both places it appears and in-
11 serting in lieu thereof “armed forces”; and

12 (B) in subsection (e), by inserting “any of
13 the following” after “means”.

14 (3) Section 528(b) is amended by striking out
15 “(1)” after “(b)” and inserting “(1)” before “The
16 limitation”.

17 (4) Section 1078a(a) is amended by striking
18 out “Beginning on October 1, 1994, the” and insert-
19 ing in lieu thereof “The”.

20 (5) Section 1161(b)(2) is amended by striking
21 out “section 1178” and inserting in lieu thereof
22 “section 1167”.

23 (6) Section 1167 is amended by striking out
24 “person” and inserting in lieu thereof “member”.

1 (7) The table of sections at the beginning of
2 chapter 81 is amended by striking out “Sec.” in the
3 item relating to section 1599a.

4 (8) Section 1588(d)(1)(C) is amended by strik-
5 ing out “Section 522a” and inserting in lieu thereof
6 “Section 552a”.

7 (9) Chapter 87 is amended—

8 (A) in section 1723(a), by striking out the
9 second sentence;

10 (B) in section 1724, by striking out “, be-
11 ginning on October 1, 1993,” in subsections (a)
12 and (b);

13 (C) in section 1733(a), by striking out “On
14 and after October 1, 1993, a” and inserting in
15 lieu thereof “A”; and

16 (D) in section 1734—

17 (i) in subsection (a)(1), by striking
18 out “, on and after October 1, 1993,”; and

19 (ii) in subsection (b)(1)(A), by strik-
20 ing out “, on and after October 1, 1991,”.

21 (10) Section 2216, as added by section 371 of
22 the National Defense Authorization Act for Fiscal
23 Year 1996 (Public Law 104–106; 107 Stat. 277), is
24 redesignated as section 2216a, and the item relating
25 to that section in the table of sections at the begin-

1 ning of chapter 131 is revised so as to reflect such
2 redesignation.

3 (11) Section 2305(b)(6) is amended—

4 (A) in subparagraph (B), by striking out
5 “of this section” and “of this paragraph”;

6 (B) in subparagraph (C), by striking out
7 “this subsection” and inserting in lieu thereof
8 “subparagraph (A)”; and

9 (C) in subparagraph (D), by striking out
10 “pursuant to this subsection” and inserting in
11 lieu thereof “under subparagraph (A)”.

12 (12) Section 2306a(h)(3) is amended by insert-
13 ing “(41 U.S.C. 403(12))” before the period at the
14 end.

15 (13) Section 2323a(a) is amended by striking
16 out “section 1207 of the National Defense Author-
17 ization Act for Fiscal Year 1987 (10 U.S.C. 2301
18 note)” and inserting in lieu thereof “section 2323 of
19 this title”.

20 (14) Section 2534(c)(4) is amended by striking
21 out “the date occurring two years after the date of
22 the enactment of the National Defense Authoriza-
23 tion Act for Fiscal Year 1996” and inserting in lieu
24 thereof “February 10, 1998”.

1 (15) The table of sections at the beginning of
2 chapter 155 is amended by striking out the item re-
3 lating to section 2609.

4 (16) Section 2610(e) is amended by striking
5 out “two years after the date of the enactment of
6 the National Defense Authorization Act for Fiscal
7 Year 1996” and inserting in lieu thereof “on Feb-
8 ruary 10, 1998”.

9 (17) Sections 2824(c) and 2826(i)(1) are
10 amended by striking out “the date of the enactment
11 of the National Defense Authorization Act for Fiscal
12 Year 1996” and inserting in lieu thereof “February
13 10, 1996”.

14 (18) Section 3036(d) is amended by striking
15 out “For purposes of this subsection,” and inserting
16 in lieu thereof “In this subsection,”.

17 (19) The table of sections at the beginning of
18 chapter 641 is amended by striking out the item re-
19 lating to section 7434.

20 (20) Section 10542(b)(21) is amended by strik-
21 ing out “261” and inserting in lieu thereof “12001”.

22 (21) Section 12205(a) is amended by striking
23 out “After September 30, 1995, no person” and in-
24 serting in lieu thereof “No person”.

1 (c) AMENDMENTS TO PUBLIC LAW 104–106.—The
2 National Defense Authorization Act for Fiscal Year 1996
3 (Public Law 104–106; 110 Stat. 186 et seq.) is amended
4 as follows:

5 (1) Section 561(d)(1) (110 Stat. 322) is
6 amended by inserting “of such title” after “Section
7 1405(e)”.

8 (2) Section 903(e)(1) (110 Stat. 402) is amend-
9 ed—

10 (A) in subparagraph (A), by striking out
11 “paragraphs (6) and (8)” and inserting in lieu
12 thereof “paragraph (6)”; and

13 (B) in subparagraph (B), by inserting
14 “(8),” after “(7),” and by striking out “and
15 (9),” and inserting in lieu thereof “(9), and
16 (10),”.

17 (3) Section 1092(b)(2) (110 Stat. 460) is
18 amended by striking out the period at the end and
19 inserting in lieu thereof “; and”.

20 (4) Section 4301(a)(1) (110 Stat. 656) is
21 amended by inserting “of subsection (a)” after “in
22 paragraph (2)”.

23 (5) Section 5601 (110 Stat. 699) is amended—

1 (A) in subsection (a), by inserting “of title
2 10, United States Code,” before “is amended”;
3 and

4 (B) in subsection (c), by striking out “use
5 of equipment or services, if” in the second
6 quoted matter therein and inserting in lieu
7 thereof “use of the equipment or services”.

8 (d) PROVISIONS EXECUTED BEFORE ENACTMENT OF
9 PUBLIC LAW 104–106.—

10 (1) Section 533(b) of the National Defense Au-
11 thorization Act for Fiscal Year 1996 (Public Law
12 104–106; 110 Stat. 315) shall apply as if enacted as
13 of December 31, 1995.

14 (2) The authority provided under section 942(f)
15 of title 10, United States Code, shall be effective as
16 if section 1142 of the National Defense Authoriza-
17 tion Act for Fiscal Year 1996 (Public Law 104–106;
18 110 Stat. 467) had been enacted on September 29,
19 1995.

20 (e) AMENDMENTS TO OTHER ACTS.—

21 (1) The last section of the Office of Federal
22 Procurement Policy Act (41 U.S.C. 434), as added
23 by section 5202 of Public Law 104–106 (110 Stat.
24 690), is redesignated as section 38, and the item ap-
25 pearing after section 34 in the table of contents in

1 the first section of that Act is transferred to the end
2 of such table of contents and revised so as to reflect
3 such redesignation.

4 (2) Section 1412(g)(2) of the Department of
5 Defense Authorization Act, 1986 (50 U.S.C.
6 1521(g)(2)), is amended—

7 (A) in the matter preceding subparagraph
8 (A), by striking out “shall contain—” and in-
9 serting in lieu thereof “shall include the follow-
10 ing:”;

11 (B) in subparagraph (A)—

12 (i) by striking out “a” before “site-by-
13 site” and inserting in lieu thereof “A”; and

14 (ii) by striking out the semicolon at
15 the end and inserting in lieu thereof a pe-
16 riod; and

17 (C) in subparagraphs (B) and (C), by
18 striking out “an” at the beginning of the sub-
19 paragraph and and inserting in lieu thereof
20 “An”.

21 (f) COORDINATION WITH OTHER AMENDMENTS.—

22 For purposes of applying amendments made by provisions
23 of this Act other than provisions of this section, this sec-
24 tion shall be treated as having been enacted immediately
25 before the other provisions of this Act.

1 **SEC. 1040. PROHIBITION ON CARRYING OUT SR-71 STRATE-**
2 **GIC RECONNAISSANCE PROGRAM DURING**
3 **FISCAL YEAR 1997.**

4 The Secretary of Defense may not carry out any aer-
5 ial reconnaissance program during fiscal year 1997 using
6 the SR-71 aircraft.

7 **SEC. 1041. DEFENSE BURDENSARING.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) Although the Cold War has ended, the
11 United States continues to spend billions of dollars
12 to promote regional security and to make prepara-
13 tions for regional contingencies.

14 (2) United States defense expenditures pri-
15 marily promote United States national security in-
16 terests; however, they also significantly contribute to
17 the defense of our allies.

18 (3) In 1993, the gross domestic product of the
19 United States equaled \$6,300,000,000,000, while
20 the gross domestic product of other NATO member
21 countries totaled \$7,200,000,000,000.

22 (4) Over the course of 1993, the United States
23 spent 4.7 percent of its gross domestic product on
24 defense, while other NATO members collectively
25 spent 2.5 percent of their gross domestic product on
26 defense.

1 (5) In addition to military spending, foreign as-
2 sistance plays a vital role in the establishment and
3 maintenance of stability in other nations and in im-
4 plementing the United States national security strat-
5 egy.

6 (6) This assistance has often prevented the out-
7 break of conflicts which otherwise would have re-
8 quired costly military interventions by the United
9 States and our allies.

10 (7) From 1990–1993, the United States spent
11 \$59,000,000,000 in foreign assistance, a sum which
12 represents an amount greater than any other nation
13 in the world.

14 (8) In 1995, the United States spent over
15 \$10,000,000,000 to promote European security,
16 while European NATO nations only contributed
17 \$2,000,000,000 toward this effort.

18 (9) With a smaller gross domestic product and
19 a larger defense budget than its European NATO
20 allies, the United States shoulders an unfair share
21 of the burden of the common defense.

22 (10) Because of this unfair burden, the Con-
23 gress previously voted to require United States allies
24 to bear a greater share of the costs incurred for

1 keeping United States military forces permanently
2 assigned in their countries.

3 (11) As a result of this action, for example,
4 Japan now pays over 75 percent of the nonpersonnel
5 costs incurred by United States military forces per-
6 manently assigned there, while our European allies
7 pay for less than 25 percent of these same costs.
8 Japan signed a new Special Measures Agreement
9 this year which will increase Japan's contribution to-
10 ward the cost of stationing United States troops in
11 Japan by approximately \$30,000,000 a year over the
12 next five years.

13 (12) These increased contributions help to rec-
14 tify the imbalance in the burden shouldered by the
15 United States for the common defense.

16 (13) The relative share of the burden of the
17 common defense still falls too heavily on the United
18 States, and our allies should dedicate more of their
19 own resources to defending themselves.

20 (b) EFFORTS TO INCREASE ALLIED
21 BURDENSARING.—The President shall seek to have each
22 nation that has cooperative military relations with the
23 United States (including security agreements, basing ar-
24 rangements, or mutual participation in multinational mili-

1 tary organizations or operations) take one or more of the
2 following actions:

3 (1) For any nation in which United States mili-
4 tary personnel are assigned to permanent duty
5 ashore, increase its financial contributions to the
6 payment of the nonpersonnel costs incurred by the
7 United States Government for stationing United
8 States military personnel in that nation, with a goal
9 of achieving the following percentages of such costs:

10 (A) By September 30, 1997, 37.5 percent.

11 (B) By September 30, 1998, 50 percent.

12 (C) By September 30, 1999, 62.5 percent.

13 (D) By September 30, 2000, 75 percent.

14 An increase in financial contributions by any nation
15 under this paragraph may include the elimination of
16 taxes, fees, or other charges levied on United States
17 military personnel, equipment, or facilities stationed
18 in that nation.

19 (2) Increase its annual budgetary outlays for
20 national defense as a percentage of its gross domes-
21 tic product by 10 percent or at least to a level com-
22 mensurate to that of the United States by Septem-
23 ber 30, 1997.

24 (3) Increase its annual budgetary outlays for
25 foreign assistance (to promote democratization, eco-

1 nomic stabilization, transparency arrangements, de-
2 fense economic conversion, respect for the rule of
3 law, and internationally recognized human rights) by
4 10 percent or at least to a level commensurate to
5 that of the United States by September 30, 1997.

6 (4) Increase the amount of military assets (in-
7 cluding personnel, equipment, logistics, support and
8 other resources) that it contributes, or would be pre-
9 pared to contribute, to multinational military activi-
10 ties worldwide, including United Nations or regional
11 peace operations.

12 (c) AUTHORITIES TO ENCOURAGE ACTIONS BY UNIT-
13 ED STATES ALLIES.—In seeking the actions described in
14 subsection (b) with respect to any nation, or in response
15 to a failure by any nation to undertake one or more of
16 such actions, the President may take any of the following
17 measures:

18 (1) Reduce the end strength level of members
19 of the Armed Forces assigned to permanent duty
20 ashore in that nation.

21 (2) Impose on that nation taxes, fees, or other
22 charges similar to those that such nation imposes on
23 United States forces stationed in that nation.

24 (3) Reduce (through rescission, impoundment,
25 or other appropriate procedures as authorized by

1 law) the amount the United States contributes to
2 the NATO Civil Budget, Military Budget, or Secu-
3 rity Investment Program.

4 (4) Suspend, modify, or terminate any bilateral
5 security agreement the United States has with that
6 nation.

7 (5) Reduce (through rescission, impoundment
8 or other appropriate procedures as authorized by
9 law) any United States bilateral assistance appro-
10 priated for that nation.

11 (6) Take any other action the President deter-
12 mines to be appropriate as authorized by law.

13 (d) REPORT ON PROGRESS IN INCREASING ALLIED
14 BURDENSARING.—Not later than March 1, 1997, the
15 Secretary of Defense shall submit to Congress a report
16 on—

17 (1) steps taken by other nations to complete the
18 actions described in subsection (b);

19 (2) all measures taken by the President, includ-
20 ing those authorized in subsection (c), to achieve the
21 actions described in subsection (b); and

22 (3) the budgetary savings to the United States
23 that are expected to accrue as a result of the steps
24 described under paragraph (1).

1 (e) REPORT ON NATIONAL SECURITY BASES FOR
2 FORWARD DEPLOYMENT AND BURDENSARING RELA-
3 TIONSHIPS.—(1) In order to ensure the best allocation of
4 budgetary resources, the President shall undertake a re-
5 view of the status of elements of the United States Armed
6 Forces that are permanently stationed outside the United
7 States. The review shall include an assessment of the fol-
8 lowing:

9 (A) The alliance requirements that are to be
10 found in agreements between the United States and
11 other countries.

12 (B) The national security interests that support
13 permanently stationing elements of the United
14 States Armed Forces outside the United States.

15 (C) The stationing costs associated with the
16 forward deployment of elements of the United States
17 Armed Forces.

18 (D) The alternatives available to forward de-
19 ployment (such as material prepositioning, enhanced
20 airlift and sealift, or joint training operations) to
21 meet such alliance requirements or national security
22 interests, with such alternatives identified and de-
23 scribed in detail.

1 (E) The costs and force structure configura-
2 tions associated with such alternatives to forward
3 deployment.

4 (F) The financial contributions that allies of
5 the United States make to common defense efforts
6 (to promote democratization, economic stabilization,
7 transparency arrangements, defense economic con-
8 version, respect for the rule of law, and internation-
9 ally recognized human rights).

10 (G) The contributions that allies of the United
11 States make to meeting the stationing costs associ-
12 ated with the forward deployment of elements of the
13 United States Armed Forces.

14 (H) The annual expenditures of the United
15 States and its allies on national defense, and the rel-
16 ative percentages of each nation's gross domestic
17 product constituted by those expenditures.

18 (2) The President shall submit to Congress a report
19 on the review under paragraph (1). The report shall be
20 submitted not later than March 1, 1997, in classified and
21 unclassified form.

1 **SEC. 1042. AUTHORITY TO TRANSPORT HEALTH PROFES-**
2 **SIONALS SEEKING TO PROVIDE HEALTH-RE-**
3 **LATED HUMANITARIAN RELIEF SERVICES.**

4 Section 402 of title 10, United States Code, is
5 amended by adding at the end the following new sub-
6 section:

7 “(e)(1) Notwithstanding any other provision of law,
8 and subject to paragraph (2), the Secretary of Defense
9 may transport to any country, without charge, health pro-
10 fessionals who are traveling in order to furnish health-care
11 related services as part of a humanitarian relief activity.
12 Such transportation may be provided only on an invita-
13 tional space-required noninterference basis.

14 “(2) Any expenses incurred as a direct result of pro-
15 viding such transportation shall be paid out of funds spe-
16 cifically appropriated to the Department of Defense for
17 Overseas Humanitarian, Disaster, and Civic Aid
18 (OHDACA) programs of the Department.”.

19 **SEC. 1043. TREATMENT OF EXCESS DEFENSE ARTICLES OF**
20 **COAST GUARD UNDER FOREIGN ASSISTANCE**
21 **ACT OF 1961.**

22 (a) DEFINITION OF EXCESS DEFENSE ARTICLE.—
23 Section 644(g) of the Foreign Assistance Act of 1961 (22
24 U.S.C. 2403(g)) is amended by adding at the end the fol-
25 lowing new sentence: “Such term includes excess property
26 of the Coast Guard.”.

1 (b) CONFORMING AMENDMENT.—Section 517 of
2 such Act (22 U.S.C. 2321k) is amended by striking out
3 subsection (k).

4 **SEC. 1044. FORFEITURE OF RETIRED PAY OF MEMBERS**
5 **WHO ARE ABSENT FROM THE UNITED STATES**
6 **TO AVOID PROSECUTION.**

7 (a) DEVELOPMENT OF FORFEITURE PROCEDURES.—
8 Not later than 30 days after the date of the enactment
9 of this Act, the Secretary of Defense shall develop uniform
10 procedures under which the Secretary of a military depart-
11 ment may cause to be forfeited the retired pay of a mem-
12 ber or former member of the uniformed services who will-
13 fully remains outside the United States to avoid criminal
14 prosecution or civil liability. The types of offenses for
15 which the procedures shall be used shall include the of-
16 fenses specified in section 8312 of title 5, United States
17 Code, and such other criminal offenses and civil proceed-
18 ings as the Secretary of Defense considers to be appro-
19 priate.

20 (b) REPORT TO CONGRESS.—The Secretary of De-
21 fense shall submit to Congress a report describing the pro-
22 cedures developed under subsection (a). The report shall
23 include recommendations regarding changes to existing
24 law, including section 8313 of title 5, United States Code,

1 that the Secretary determines are necessary to fully imple-
2 ment the procedures.

3 (c) **RETIRED PAY DEFINED.**—In this section, the
4 term “retired pay” means retired pay, retirement pay, re-
5 tainer pay, or equivalent pay, payable under a statute to
6 a member or former member of a uniformed service.

7 **SEC. 1045. CHEMICAL STOCKPILE EMERGENCY PREPARED-**
8 **NESS PROGRAM.**

9 (a) **REPORT.**—Not later than 120 days after the date
10 of the enactment of this Act, the Secretary of the Army
11 shall submit to the Committee on Armed Services of the
12 Senate and the Committee on National Security of the
13 House of Representatives a report assessing the imple-
14 mentation and success of the establishment of site-specific
15 Integrated Product and Process Teams as a management
16 tool for the Chemical Stockpile Emergency Preparedness
17 Program.

18 (b) **CONTINGENT MANDATED REFORMS.**—If at the
19 end of the 120-day period beginning on the date of the
20 enactment of this Act the Secretary of the Army and the
21 Director of the Federal Emergency Management Agency
22 have been unsuccessful in implementing a site-specific In-
23 tegrated Product and Process Team with each of the af-
24 fected States, the Secretary of the Army shall—

1 (1) assume full control and responsibility for
2 the Chemical Stockpile Emergency Preparedness
3 Program (eliminating the role of the Director of the
4 Federal Emergency Management Agency as joint
5 manager of the program);

6 (2) establish programmatic agreement with
7 each of the affected States regarding program re-
8 quirements, implementation schedules, training and
9 exercise requirements, and funding (to include direct
10 grants for program support);

11 (3) clearly define the goals of the program; and

12 (4) establish fiscal constraints for the program.

13 **SEC. 1046. QUARTERLY REPORTS REGARDING COPRODUC-**
14 **TION AGREEMENTS.**

15 (a) QUARTERLY REPORTS ON COPRODUCTION
16 AGREEMENTS.—Section 36(a) of the Arms Export Con-
17 trol Act (22 U.S.C. 2776(a)) is amended—

18 (1) by striking out “and” at the end of para-
19 graph (10);

20 (2) by striking out the period at the end of
21 paragraph (11) and inserting in lieu thereof “; and”;
22 and

23 (3) by inserting after paragraph (11) the fol-
24 lowing new paragraph:

1 “(12) a report on all concluded government-to-
2 government agreements regarding foreign coproduc-
3 tion of defense articles of United States origin and
4 all other concluded agreements involving coproduc-
5 tion or licensed production outside of the United
6 States of defense articles of United States origin (in-
7 cluding coproduction memoranda of understanding
8 or agreement) that have not been previously re-
9 ported under this subsection, which shall include—

10 “(A) the identity of the foreign countries,
11 international organizations, or foreign firms in-
12 volved;

13 “(B) a description and the estimated value
14 of the articles authorized to be produced, and
15 an estimate of the quantity of the articles au-
16 thorized to be produced;

17 “(C) a description of any restrictions on
18 third party transfers of the foreign-manufac-
19 tured articles; and

20 “(D) if any such agreement does not pro-
21 vide for United States access to and verification
22 of quantities of articles produced overseas and
23 their disposition in the foreign country, a de-
24 scription of alternative measures and controls
25 incorporated in the coproduction or licensing

1 program to ensure compliance with restrictions
2 in the agreement on production quantities and
3 third party transfers.”.

4 (b) EFFECTIVE DATE.—Paragraph (12) of section
5 36(a) of the Arms Export Control Act, as added by sub-
6 section (a)(3), does not apply with respect to an agreement
7 described in such paragraph entered into before the date
8 of the enactment of this Act.

9 **SEC. 1047. FAILURE TO COMPLY WITH VETERANS’ PREF-**
10 **ERENCE REQUIREMENTS TO BE TREATED AS**
11 **A PROHIBITED PERSONNEL PRACTICE.**

12 (a) IN GENERAL.—An employee of the Department
13 of Defense who has authority to take, direct others to
14 take, recommend, or approve any personnel action, shall
15 not, with respect to such authority, take or fail to take
16 any personnel action with respect to an employee or appli-
17 cant for employment if the taking of or failure to take
18 such action would violate any law, rule, or regulation im-
19 plementing, or directly concerning, veterans’ preference.

20 (b) EFFECT OF NONCOMPLIANCE.—A failure to com-
21 ply with subsection (a) shall be treated as a prohibited
22 personnel practice.

23 (c) REPORTING REQUIREMENT.—The Secretary of
24 Defense shall, not later than 6 months after the date of

1 the enactment of this Act, submit a written report to each
2 House of Congress with respect to—

3 (1) the implementation of this section; and

4 (2) the administration of veterans' preference
5 requirements by the Department of Defense gen-
6 erally.

7 (d) DEFINITIONS.—For the purpose of this section,
8 the terms “personnel action” and “prohibited personnel
9 practice” shall have the respective meanings given them
10 by section 2302 of title 5, United States Code.

11 **SEC. 1048. SENSE OF CONGRESS AND PRESIDENTIAL RE-**
12 **PORT REGARDING NUCLEAR WEAPONS PRO-**
13 **LIFERATION AND POLICIES OF THE PEOPLE'S**
14 **REPUBLIC OF CHINA.**

15 (a) FINDINGS.—The Congress finds that—

16 (1) intelligence investigations by the United
17 States have revealed transfers from the People's Re-
18 public of China to Pakistan of sophisticated equip-
19 ment important to the development of nuclear weap-
20 ons;

21 (2) the People's Republic of China acceded to
22 the Treaty on the Non-Proliferation of Nuclear
23 Weapons (hereafter in this section referred to as the
24 “NPT”) as a nuclear-weapon state on March 9,
25 1992;

1 (3) Article I of the NPT stipulates that a nu-
2 clear-weapon state party to the treaty shall not in
3 any way encourage, assist, or induce any non-nu-
4 clear-weapon state to manufacture or otherwise ac-
5 quire nuclear weapons;

6 (4) the NPT establishes a non-nuclear-weapon
7 state as one which has not manufactured and ex-
8 ploded a nuclear weapon by January 1, 1967;

9 (5) Pakistan had not manufactured and ex-
10 ploded a nuclear weapon by January 1, 1967;

11 (6) Article III of the NPT requires each party
12 to the treaty not to provide to any non-nuclear-
13 weapon state equipment or material designed or pre-
14 pared for the processing, use, or production of spe-
15 cial fissionable material, unless the material is sub-
16 ject to the safeguards stipulated in the treaty;

17 (7) Pakistan has not acceded to the NPT, and
18 nuclear-related equipment and material provided to
19 Pakistan is not subject to international safeguards;

20 (8) under the NPT, assisting a non-nuclear-
21 weapon state to acquire unsafeguarded nuclear ma-
22 terial important to the manufacture of nuclear weap-
23 ons is a violation of Articles I and III of the NPT;

24 (9) this transfer constitutes the latest example
25 in a consistent pattern of nuclear weapon-related ex-

1 ports by the People’s Republic of China to non-nu-
2 clear-weapon states in violation of international trea-
3 ties and agreements and United States laws relating
4 to the nonproliferation of nuclear weapons;

5 (10) failure to enforce the applicable sanctions
6 available under United States law in this case com-
7 promises vital security interests and undermines the
8 credibility of United States and international efforts
9 to discourage commerce in nuclear-related equip-
10 ment, technology, and materials;

11 (11) recent claims by senior Chinese officials
12 that the Government of the People’s Republic of
13 China was unaware of any transfers of ring magnets
14 by a government-owned entity, if true, call into ques-
15 tion the reliability and effectiveness of Chinese ex-
16 port controls; and

17 (12) recent exports of sophisticated nuclear-re-
18 lated technologies reduce the credibility of previous
19 assurances by the People’s Republic of China con-
20 cerning its nonproliferation policies since the ratifi-
21 cation of the NPT.

22 (b) SENSE OF CONGRESS.—It is the sense of the
23 Congress that in responding to the transfer from the Peo-
24 ple’s Republic of China to Pakistan of equipment impor-
25 tant to the development of a nuclear weapons program—

1 (1) the President should not have decided that
2 there was not a sufficient basis to warrant a deter-
3 mination that sanctionable activity occurred under
4 section 2(b)(4) of the Export-Import Bank Act of
5 1945, as amended by section 825 of the Nuclear
6 Proliferation Prevention Act of 1994; and

7 (2) the President should have imposed the
8 strongest possible sanctions available under United
9 States law on all Chinese official and commercial en-
10 tities associated directly or indirectly with the re-
11 search, development, sale, transportation, or financ-
12 ing of any nuclear or military industrial product or
13 service made available for export since March 9,
14 1992.

15 (c) REPORT.—Not later than 60 days after the date
16 of the enactment of this Act, the President shall submit
17 to the Congress a report on the response of the United
18 States to the transfer from the People’s Republic of China
19 to Pakistan of equipment important to the development
20 of a nuclear weapons program. The President shall include
21 in the report the following:

22 (1) The specific justification of the Secretary of
23 State for determining that there was not sufficient
24 basis for imposing sanctions under section 2(b)(4) of
25 the Export-Import Bank Act of 1945, as amended

1 by section 825 of the Nuclear Proliferation Preven-
2 tion Act of 1994, by reason of such transfer from
3 the People's Republic of China to Pakistan.

4 (2) What commitment the United States Gov-
5 ernment is seeking from the People's Republic of
6 China to ensure that the People's Republic of China
7 establishes a fully effective export control system
8 that will prevent transfers (such as the Pakistan
9 sale) from taking place in the future.

10 (3) Whether, in light of the recent assurances
11 provided by the People's Republic of China, the
12 President intends to make the certification and sub-
13 mit the report required by section 902(a)(6)(B) of
14 the Foreign Relations Authorization Act, Fiscal
15 Years 1990 and 1991 (22 U.S.C. 2151 note), and
16 make the certification and submit the report re-
17 quired by Public Law 99-183, relating to the ap-
18 proval and implementation of the agreement for nu-
19 clear cooperation between the United States and the
20 People's Republic of China, and, if not, why not.

21 (4) Whether the Secretary of State considers
22 the recent assurances and clarifications provided by
23 the People's Republic of China to have provided suf-
24 ficient information to allow the United States to de-
25 termine that the People's Republic of China is not

1 in violation of paragraph (2) of section 129 of the
2 Atomic Energy Act of 1954, as required by Public
3 Law 99–183.

4 (5) If the President is unable or unwilling to
5 make the certifications and reports referred to in
6 paragraph (3), a description of what the President
7 considers to be the significance of the clarifications
8 and assurances provided by the People’s Republic of
9 China in the course of the recent discussions regard-
10 ing the transfer by the People’s Republic of China
11 of nuclear-weapon-related equipment to Pakistan.

12 **SEC. 1049. TRANSFER OF U.S.S. DRUM TO CITY OF VALLEJO,**
13 **CALIFORNIA.**

14 (a) **TRANSFER.**—The Secretary of the Navy shall
15 transfer the U.S.S. Drum (SSN–677) to the city of
16 Vallejo, California, in accordance with this section and
17 upon satisfactory completion of a ship donation applica-
18 tion. Before making such transfer, the Secretary of the
19 Navy shall remove from the vessel the reactor compart-
20 ment and other classified and sensitive military equip-
21 ment.

22 (b) **FUNDING.**—As provided in section 7306(c) of
23 title 10, United States Code, the transfer of the vessel au-
24 thorized by this section shall be made at no cost to the
25 United States (beyond the cost which the United States

1 would otherwise incur for dismantling and recycling of the
2 vessel).

3 (c) APPLICABLE LAW.—The transfer under this sec-
4 tion shall be subject to subsection (b) of section 7306 of
5 title 10, United States Code, but the provisions of sub-
6 section (d) of such section shall not be applicable to such
7 transfer.

8 **SEC. 1050. EVALUATION OF DIGITAL VIDEO NETWORK**
9 **EQUIPMENT USED IN OLYMPIC GAMES.**

10 (a) EVALUATION.—The Secretary of Defense shall
11 evaluate the digital video network equipment used in the
12 1996 Olympic games to determine whether such equip-
13 ment would be appropriate for use as a test bed for the
14 military application of commercial off-the-shelf advanced
15 technology linking multiple continents, multiple satellites,
16 and multiple theaters of operations by compressed digital
17 audio and visual broadcasting technology.

18 (b) REPORT.—Not later than December 31, 1996,
19 the Secretary of Defense shall submit to Congress a report
20 on the results of the evaluation conducted under sub-
21 section (a).

22 **SEC. 1051. MISSION OF THE WHITE HOUSE COMMUNICA-**
23 **TIONS AGENCY.**

24 The Secretary of Defense shall ensure that the activi-
25 ties of the White House Communications Agency (or any

1 successor agency) in providing support services for the
2 President from funds appropriated for the Department of
3 Defense for any fiscal year (beginning with fiscal year
4 1997) are limited to the provision of telecommunications
5 support to the President and Vice President and related
6 elements (as defined in regulations of that agency and
7 specified by the President with respect to particular indi-
8 viduals within those related elements).

9 **SEC. 1052. TRANSFER OF NAVAL VESSELS TO CERTAIN FOR-**
10 **EIGN COUNTRIES.**

11 (a) **AUTHORITY TO TRANSFER NAVAL VESSELS.—**
12 The Secretary of the Navy is authorized to transfer to
13 other nations and instrumentalities vessels as follows:

14 (1) **EGYPT.—**To the Government of Egypt, the
15 Oliver Hazard Perry class frigate Gallery.

16 (2) **MEXICO.—**To the Government of Mexico,
17 the Knox class frigates Stein (FF 1065) and Marvin
18 Shields (FF 1066).

19 (3) **NEW ZEALAND.—**To the Government of
20 New Zealand, the Stalwart class ocean surveillance
21 ship Tenacious.

22 (4) **PORTUGAL.—**To the Government of Por-
23 tugal, the Stalwart class ocean surveillance ship Au-
24 dacious.

1 (5) TAIWAN.—To the Taipei Economic and
2 Cultural Representative Office in the United States
3 (the Taiwan instrumentality designated pursuant to
4 section 10(a) of the Taiwan Relations Act)—

5 (A) the Knox class frigates Aylwin (FF
6 1081), Pharris (FF 1094), and Valdez (FF
7 1096); and

8 (B) the Newport class tank landing ship
9 Newport (LST 1179).

10 (6) THAILAND.—To the Government of Thai-
11 land, the Knox class frigate Ouellet (FF 1077).

12 (b) FORM OF TRANSFER.—(1) Except as provided in
13 paragraphs (2) and (3), each transfer authorized by this
14 section shall be made on a sales basis under section 21
15 of the Arms Export Control Act (22 U.S.C. 2761), relat-
16 ing to the foreign military sales program.

17 (2) The transfer authorized by subsection (a)(4) shall
18 be made on a grant basis under section 516 of the Foreign
19 Assistance Act of 1961 (22 U.S.C. 2321j), relating to
20 transfers of excess defense articles.

21 (3) The transfer authorized by subsection (a)(5)(B)
22 shall be made on a lease basis under section 61 of the
23 Arms Export Control Act (22 U.S.C. 2796).

1 (c) COSTS OF TRANSFERS.—Any expense of the
2 United States in connection with a transfer authorized by
3 this section shall be charged to the recipient.

4 (d) EXPIRATION OF AUTHORITY.—The authority
5 granted by subsection (a) shall expire at the end of the
6 two-year period beginning on the date of the enactment
7 of this Act.

8 (e) REPAIR AND REFURBISHMENT OF VESSELS IN
9 UNITED STATES SHIPYARDS.—The Secretary of the Navy
10 shall require, to the maximum extent possible, as a condi-
11 tion of a transfer of a vessel under this section, that the
12 country to which the vessel is transferred have such repair
13 or refurbishment of the vessel as is needed, before the ves-
14 sel joins the naval forces of that country, performed at
15 a shipyard located in the United States, including a Unit-
16 ed States Navy shipyard.

17 **SEC. 1053. ANNUAL REPORT RELATING TO BUY AMERICAN**
18 **ACT.**

19 The Secretary of Defense shall submit to Congress,
20 not later than 60 days after the end of each fiscal year,
21 a report on the amount of purchases by the Department
22 of Defense from foreign entities in that fiscal year. Such
23 report shall separately indicate the dollar value of items
24 for which the Buy American Act (41 U.S.C. 10a et seq.)
25 was waived pursuant to any of the following:

1 (1) Any reciprocal defense procurement memo-
2 randum of understanding described in section
3 849(c)(2) of Public Law 103–160 (41 U.S.C. 10b–
4 2 note).

5 (2) The Trade Agreements Act of 1979 (19
6 U.S.C. 2501 et seq.)

7 (3) Any international agreement to which the
8 United States is a party.

9 **SEC. 1054. SENSE OF CONGRESS CONCERNING ASSISTING**
10 **OTHER COUNTRIES TO IMPROVE SECURITY**
11 **OF FISSILE MATERIAL.**

12 (a) FINDINGS.—Congress finds the following:

13 (1) With the end of the Cold War, the world is
14 faced with the need to manage the dismantling of
15 vast numbers of nuclear weapons and the disposition
16 of the fissile materials that they contain.

17 (2) If recently agreed reductions in nuclear
18 weapons are fully implemented, tens of thousands of
19 nuclear weapons, containing a hundred tons or more
20 of plutonium and many hundreds of tons of highly
21 enriched uranium, will no longer be needed for mili-
22 tary purposes.

23 (3) Plutonium and highly enriched uranium are
24 the essential ingredients of nuclear weapons.

1 (4) Limits on access to plutonium and highly
2 enriched uranium are the primary technical barrier
3 to acquiring nuclear weapons capability in the world
4 today.

5 (5) Several kilograms of plutonium, or several
6 times that amount of highly enriched uranium, are
7 sufficient to make a nuclear weapons.

8 (6) Plutonium and highly enriched uranium will
9 continue to pose a potential threat for as long as
10 they exist.

11 (7) Action is required to secure and account for
12 plutonium and highly enriched uranium.

13 (8) It is in the national interest of the United
14 States to—

15 (A) minimize the risk that fissile materials
16 could be obtained by unauthorized parties;

17 (B) minimize the risk that fissile materials
18 could be reintroduced into the arsenals from
19 which they came, halting or reversing the arms
20 reduction process; and

21 (C) strengthen the national and inter-
22 national control mechanisms and incentives de-
23 signed to ensure continued arms reductions and
24 prevent the spread of nuclear weapons.

1 (b) SENSE OF CONGRESS.—In light of the findings
2 contained in subsection (a), it is the sense of Congress
3 that the United States has a national security interest in
4 assisting other countries to improve the security of their
5 stocks of fissile material.

6 **SEC. 1055. SOUTHWEST BORDER STATES ANTI-DRUG INFOR-**
7 **MATION SYSTEM.**

8 It is the sense of Congress that the Federal Govern-
9 ment should support and encourage the full utilization of
10 the Southwest Border States Anti-Drug Information Sys-
11 tem.

12 **TITLE XI—COOPERATIVE**
13 **THREAT REDUCTION WITH**
14 **STATES OF FORMER SOVIET**
15 **UNION**

16 **SEC. 1101. SPECIFICATION OF COOPERATIVE THREAT RE-**
17 **DUCTION PROGRAMS.**

18 (a) IN GENERAL.—For purposes of section 301 and
19 other provisions of this Act, Cooperative Threat Reduction
20 programs are the programs specified in subsection (b).

21 (b) SPECIFIED PROGRAMS.—The programs referred
22 to in subsection (a) are the following programs with re-
23 spect to states of the former Soviet Union:

24 (1) Programs to facilitate the elimination, and
25 the safe and secure transportation and storage, of

1 nuclear, chemical, and other weapons and their de-
2 livery vehicles.

3 (2) Programs to facilitate the safe and secure
4 storage of fissile materials derived from the elimi-
5 nation of nuclear weapons.

6 (3) Programs to prevent the proliferation of
7 weapons, weapons components, and weapons-related
8 technology and expertise.

9 (4) Programs to expand military-to-military and
10 defense contacts.

11 **SEC. 1102. FISCAL YEAR 1997 FUNDING ALLOCATIONS.**

12 Of the amount appropriated pursuant to the author-
13 ization of appropriations in section 301 for Cooperative
14 Threat Reduction programs, not more than the following
15 amounts may be obligated for the purposes specified:

16 (1) For planning and design of a chemical
17 weapons destruction facility in Russia, \$74,500,000.

18 (2) For elimination of strategic offensive weap-
19 ons in Russia, Ukraine, Belarus, and Kazakhstan,
20 \$52,000,000.

21 (3) For nuclear infrastructure elimination in
22 Ukraine, Belarus, and Kazakhstan, \$47,000,000.

23 (4) For planning and design of a storage facil-
24 ity for Russian fissile material, \$46,000,000.

1 (5) For fissile material containers in Russia,
2 \$38,500,000.

3 (6) For weapons storage security in Russia,
4 \$15,000,000.

5 (7) For activities designated as Defense and
6 Military-to-Military Contacts in Russia, Ukraine,
7 Belarus, and Kazakhstan, \$10,000,000.

8 (8) For activities designated as Other Assess-
9 ments/Administrative Support \$19,900,000.

10 **SEC. 1103. PROHIBITION ON USE OF FUNDS FOR SPECIFIED**
11 **PURPOSES.**

12 (a) IN GENERAL.—None of the funds appropriated
13 pursuant to the authorization in section 301 for Coopera-
14 tive Threat Reduction programs, or appropriated for such
15 programs for any prior fiscal year and remaining available
16 for obligation, may be obligated or expended for any of
17 the following purposes:

18 (1) Conducting with Russia any peacekeeping
19 exercise or other peacekeeping-related activity.

20 (2) Provision of housing.

21 (3) Provision of assistance to promote environ-
22 mental restoration.

23 (4) Provision of assistance to promote job re-
24 training.

1 (b) LIMITATION WITH RESPECT TO DEFENSE CON-
2 VERSION ASSISTANCE.—None of the funds appropriated
3 pursuant to this or any other Act may be obligated or ex-
4 pended for the provision of assistance to Russia or any
5 other state of the former Soviet Union to promote defense
6 conversion, including assistance through the Defense En-
7 terprise Fund.

8 **SEC. 1104. LIMITATION ON USE OF FUNDS UNTIL SPECI-**
9 **FIED REPORTS ARE SUBMITTED.**

10 None of the funds appropriated pursuant to the au-
11 thorization in section 301 for Cooperative Threat Reduc-
12 tion programs may be obligated or expended until 15 days
13 after the date which is the latest of the following:

14 (1) The date on which the President submits to
15 Congress the determinations required under sub-
16 section (c) of section 211 of Public Law 102–228
17 (22 U.S.C. 2551 note) with respect to any certifi-
18 cation transmitted to Congress under subsection (b)
19 of that section before the date of the enactment of
20 this Act.

21 (2) The date on which the Secretary of Defense
22 submits to Congress the first report under section
23 1206(a) of the National Defense Authorization Act
24 for Fiscal Year 1996 (Public Law 104–106; 110
25 Stat. 471).

1 (3) The date on which the Secretary of Defense
2 submits to Congress the report for fiscal year 1997
3 required under section 1205(c) of the National De-
4 fense Authorization Act for Fiscal Year 1995 (Pub-
5 lic Law 103-337; 108 Stat. 2883).

6 **SEC. 1105. AVAILABILITY OF FUNDS.**

7 Funds appropriated pursuant to the authorization of
8 appropriations in section 301 for Cooperative Threat Re-
9 duction programs shall be available for obligation for three
10 fiscal years.

11 **TITLE XII—RESERVE FORCES**
12 **REVITALIZATION**

13 **SEC. 1201. SHORT TITLE.**

14 This title may be cited as the “Reserve Forces Revi-
15 talization Act of 1996”.

16 **SEC. 1202. PURPOSE.**

17 The purpose of this title is to revise the basic statu-
18 tory authorities governing the organization and adminis-
19 tration of the reserve components of the Armed Forces
20 in order to recognize the realities of reserve component
21 partnership in the Total Force and to better prepare the
22 American citizen-soldier, sailor, airman, and Marine in
23 time of peace for duties in war.

1 **Subtitle A—Reserve Component**
2 **Structure**

3 **SEC. 1211. RESERVE COMPONENT COMMANDS.**

4 (a) ESTABLISHMENT.—(1) Part I of subtitle E of
5 title 10, United States Code, is amended by inserting after
6 chapter 1005 the following new chapter:

7 **“CHAPTER 1006—RESERVE COMPONENT**
8 **COMMANDS**

“Sec.

“10171. Army Reserve Command.

“10172. Naval Reserve Force.

“10173. Marine Forces Reserve.

“10174. Air Force Reserve Command.

9 **“§ 10171. Army Reserve Command**

10 “(a) ESTABLISHMENT OF COMMAND.—The Secretary
11 of the Army, with the advice and assistance of the Chief
12 of Staff of the Army, shall establish a United States Army
13 Reserve Command. The Army Reserve Command shall be
14 operated as a separate command of the Army.

15 “(b) COMMANDER.—The Chief of Army Reserve is
16 the commander of the Army Reserve Command. The com-
17 mander of the Army Reserve Command reports directly
18 to the Chief of Staff of the Army.

19 “(c) ASSIGNMENT OF FORCES.—The Secretary of the
20 Army—

21 “(1) shall assign to the Army Reserve Com-
22 mand all forces of the Army Reserve stationed in the

1 continental United States other than forces assigned
2 to the unified combatant command for special oper-
3 ations forces established pursuant to section 167 of
4 this title; and

5 “(2) except as otherwise directed by the Sec-
6 retary of Defense in the case of forces assigned to
7 carry out functions of the Secretary of the Army
8 specified in section 3013 of this title, shall assign all
9 such forces assigned to the Army Reserve Command
10 under paragraph (1) to the commanders of the com-
11 batant commands in the manner specified by the
12 Secretary of Defense.

13 **“§ 10172. Naval Reserve Force**

14 “(a) ESTABLISHMENT OF COMMAND.—The Secretary
15 of the Navy, with the advice and assistance of the Chief
16 of Naval Operations, shall establish a Naval Reserve
17 Force. The Naval Reserve Force shall be operated as a
18 separate command of the Navy.

19 “(b) COMMANDER.—The Chief of Naval Reserve shall
20 be the commander of the Naval Reserve Force. The com-
21 mander of the Naval Reserve Force reports directly to the
22 Chief of Naval Operations.

23 “(c) ASSIGNMENT OF FORCES.—The Secretary of the
24 Navy—

1 “(1) shall assign to the Naval Reserve Force
2 specified portions of the Naval Reserve other than
3 forces assigned to the unified combatant command
4 for special operations forces established pursuant to
5 section 167 of this title; and

6 “(2) except as otherwise directed by the Sec-
7 retary of Defense in the case of forces assigned to
8 carry out functions of the Secretary of the Navy
9 specified in section 5013 of this title, shall assign to
10 the combatant commands all such forces assigned to
11 the Naval Reserve Force under paragraph (1) in the
12 manner specified by the Secretary of Defense.

13 **“§ 10173. Marine Forces Reserve**

14 “(a) ESTABLISHMENT.—The Secretary of the Navy,
15 with the advice and assistance of the Commandant of the
16 Marine Corps, shall establish in the Marine Corps a com-
17 mand known as the Marine Forces Reserve.

18 “(b) COMMANDER.—The Marine Forces Reserve is
19 commanded by the Commander, Marine Forces Reserve.
20 The Commander, Marine Forces Reserve, reports directly
21 to the Commandant of the Marine Corps.

22 “(c) ASSIGNMENT OF FORCES.—The Commandant of
23 the Marine Corps—

24 “(1) shall assign to the Marine Forces Reserve
25 the forces of the Marine Corps Reserve stationed in

1 the continental United States other than forces as-
2 signed to the unified combatant command for special
3 operations forces established pursuant to section 167
4 of this title; and

5 “(2) except as otherwise directed by the Sec-
6 retary of Defense in the case of forces assigned to
7 carry out functions of the Secretary of the Navy
8 specified in section 5013 of this title, shall assign to
9 the combatant commands (through the Marine
10 Corps component commander for each such com-
11 mand) all such forces assigned to the Marine Forces
12 Reserve under paragraph (1) in the manner speci-
13 fied by the Secretary of Defense.

14 **“§ 10174. Air Force Reserve Command**

15 “(a) ESTABLISHMENT OF COMMAND.—The Secretary
16 of the Air Force, with the advice and assistance of the
17 Chief of Staff of the Air Force, shall establish an Air
18 Force Reserve Command. The Air Force Reserve Com-
19 mand shall be operated as a separate command of the Air
20 Force.

21 “(b) COMMANDER.—The Chief of Air Force Reserve
22 is the Commander of the Air Force Reserve Command.
23 The commander of the Air Force Reserve Command re-
24 ports directly to the Chief of Staff of the Air Force.

1 “(c) ASSIGNMENT OF FORCES.—The Secretary of the
2 Air Force—

3 “(1) shall assign to the Air Force Reserve Com-
4 mand all forces of the Air Force Reserve stationed
5 in the continental United States other than forces
6 assigned to the unified combatant command for spe-
7 cial operations forces established pursuant to section
8 167 of this title; and

9 “(2) except as otherwise directed by the Sec-
10 retary of Defense in the case of forces assigned to
11 carry out functions of the Secretary of the Air Force
12 specified in section 8013 of this title, shall assign to
13 the combatant commands all such forces assigned to
14 the Air Force Reserve Command under paragraph
15 (1) in the manner specified by the Secretary of De-
16 fense.”.

17 (2) The tables of chapters at the beginning of part
18 I of such subtitle and at the beginning of such subtitle
19 are each amended by inserting after the item relating to
20 chapter 1005 the following new item:

“1006. Reserve Component Commands10171”.

21 (b) CONFORMING REPEAL.—Section 903 of the Na-
22 tional Defense Authorization Act for Fiscal Year 1991 (10
23 U.S.C. 3074 note) is repealed.

1 (c) IMPLEMENTATION SCHEDULE.—Implementation
2 of chapter 1006 of title 10, United States Code, as added
3 by subsection (a), shall begin not later than 90 days after
4 the date of the enactment of this Act and shall be com-
5 pleted not later than one year after such date.

6 **SEC. 1212. RESERVE COMPONENT CHIEFS.**

7 (a) CHIEF OF ARMY RESERVE.—Section 3038 of title
8 10, United States Code, is amended by adding at the end
9 the following new subsections:

10 “(d) BUDGET.—The Chief of Army Reserve is the of-
11 ficial within the executive part of the Department of the
12 Army who, subject to the authority, direction, and control
13 of the Secretary of the Army and the Chief of Staff, is
14 responsible for justification and execution of the person-
15 nel, operation and maintenance, and construction budgets
16 for the Army Reserve. As such, the Chief of Army Reserve
17 is the director and functional manager of appropriations
18 made for the Army Reserve in those areas.

19 “(e) FULL-TIME SUPPORT PROGRAM.—The Chief of
20 Army Reserve manages, with respect to the Army Reserve,
21 the personnel program of the Department of Defense
22 known as the Full Time Support Program.

23 “(f) ANNUAL REPORT.—(1) The Chief of Army Re-
24 serve shall submit to the Secretary of Defense, through
25 the Secretary of the Army, an annual report on the state

1 of the Army Reserve and the ability of the Army Reserve
2 to meet its missions. The report shall be prepared in con-
3 junction with the Chief of Staff of the Army and may be
4 submitted in classified and unclassified versions.

5 “(2) The Secretary of Defense shall transmit the an-
6 nual report of the Chief of Army Reserve under paragraph
7 (1) to Congress, together with such comments on the re-
8 port as the Secretary considers appropriate. The report
9 shall be transmitted at the same time each year that the
10 annual report of the Secretary under section 113 of this
11 title is submitted to Congress.”.

12 (b) CHIEF OF NAVAL RESERVE.—(1) Chapter 513
13 of such title is amended by inserting after section 5142a
14 the following new section:

15 **“§ 5143. Office of Naval Reserve: appointment of**
16 **Chief**

17 “(a) ESTABLISHMENT OF OFFICE: CHIEF OF NAVAL
18 RESERVE.—There is in the executive part of the Depart-
19 ment of the Navy, on the staff of the Chief of Naval Oper-
20 ations, an Office of the Naval Reserve, which is headed
21 by a Chief of Naval Reserve. The Chief of Naval Re-
22 serve—

23 “(1) is the principal adviser on Naval Reserve
24 matters to the Chief of Naval Operations; and

1 “(2) is the commander of the Naval Reserve
2 Force.

3 “(b) APPOINTMENT.—The President, by and with the
4 advice and consent of the Senate, shall appoint the Chief
5 of Naval Reserve from officers who—

6 “(1) have had at least 10 years of commis-
7 sioned service;

8 “(2) are in a grade above captain; and

9 “(3) have been recommended by the Secretary
10 of the Navy.

11 “(c) GRADE.—(1) The Chief of Naval Reserve holds
12 office for a term determined by the Chief of Naval Oper-
13 ations, normally four years, but may be removed for cause
14 at any time. He is eligible to succeed himself.

15 “(2) The Chief of Naval Reserve, while so serving,
16 has a grade above rear admiral (lower half), without
17 vacating the officer’s permanent grade.

18 “(d) BUDGET.—The Chief of Naval Reserve is the
19 official within the executive part of the Department of the
20 Navy who, subject to the authority, direction, and control
21 of the Secretary of the Navy and the Chief of Naval Oper-
22 ations, is responsible for preparation, justification, and
23 execution of the personnel, operation and maintenance,
24 and construction budgets for the Naval Reserve. As such,
25 the Chief of Naval Reserve is the director and functional

1 manager of appropriations made for the Naval Reserve in
2 those areas.

3 “(e) ANNUAL REPORT.—(1) The Chief of Naval Re-
4 serve shall submit to the Secretary of Defense, through
5 the Secretary of the Navy, an annual report on the state
6 of the Naval Reserve and the ability of the Naval Reserve
7 to meet its missions. The report shall be prepared in con-
8 junction with the Chief of Naval Operations and may be
9 submitted in classified and unclassified versions.

10 “(2) The Secretary of Defense shall transmit the an-
11 nual report of the Chief of Naval Reserve under paragraph
12 (1) to Congress, together with such comments on the re-
13 port as the Secretary considers appropriate. The report
14 shall be transmitted at the same time each year that the
15 annual report of the Secretary under section 113 of this
16 title is submitted to Congress.”.

17 (2) The table of sections at the beginning of such
18 chapter is amended by inserting after the item relating
19 to section 5142a the following new item:

“5143. Office of Naval Reserve: appointment of Chief.”.

20 (c) CHIEF OF MARINE FORCES RESERVE.—(1)
21 Chapter 513 of such title is amended by inserting after
22 section 5143 (as added by subsection (b)) the following
23 new section:

1 **“§ 5144. Office of Marine Forces Reserve: appoint-**
2 **ment of Commander**

3 “(a) ESTABLISHMENT OF OFFICE; COMMANDER, MA-
4 RINE FORCES RESERVE.—There is in the executive part
5 of the Department of the Navy an Office of the Marine
6 Forces Reserve, which is headed by the Commander, Ma-
7 rine Forces Reserve. The Commander, Marine Forces Re-
8 serve is the principal adviser to the Commandant on Ma-
9 rine Forces Reserve matters.

10 “(b) APPOINTMENT.—The President, by and with the
11 advice and consent of the Senate, shall appoint the Com-
12 mander, Marine Forces Reserve, from officers of the Ma-
13 rine Corps who—

14 “(1) have had at least 10 years of commis-
15 sioned service;

16 “(2) are in a grade above colonel; and

17 “(3) have been recommended by the Secretary
18 of the Navy.

19 “(c) TERM OF OFFICE; GRADE.—(1) The Com-
20 mander, Marine Forces Reserve, holds office for a term
21 determined by the Commandant of the Marine Corps, nor-
22 mally four years, but may be removed for cause at any
23 time. He is eligible to succeed himself.

24 “(2) The Commander, Marine Forces Reserve, while
25 so serving, has a grade above brigadier general, without
26 vacating the officer’s permanent grade.

1 “(d) ANNUAL REPORT.—(1) The Commander, Ma-
2 rine Forces Reserve, shall submit to the Secretary of De-
3 fense, through the Secretary of the Navy, an annual report
4 on the state of the Marine Corps Reserve and the ability
5 of the Marine Corps Reserve to meet its missions. The
6 report shall be prepared in conjunction with the Com-
7 mandant of the Marine Corps and may be submitted in
8 classified and unclassified versions.

9 “(2) The Secretary of Defense shall transmit the an-
10 nual report of the Commander, Marine Forces Reserve,
11 under paragraph (1) to Congress, together with such com-
12 ments on the report as the Secretary considers appro-
13 priate. The report shall be transmitted at the same time
14 each year that the annual report of the Secretary under
15 section 113 of this title is submitted to Congress.”.

16 (2) The table of sections at the beginning of such
17 chapter is amended by inserting after the item relating
18 to section 5143 (as added by subsection (b)) the following
19 new item:

“5144. Office of Marine Forces Reserve: appointment of Commander.”.

20 (d) CHIEF OF AIR FORCE RESERVE.—Section 8038
21 of such title is amended by adding at the end the following
22 new subsections:

23 “(d) BUDGET.—The Chief of Air Force Reserve is
24 the official within the executive part of the Department
25 of the Air Force who, subject to the authority, direction,

1 and control of the Secretary of the Air Force and the Chief
2 of Staff, is responsible for preparation, justification, and
3 execution of the personnel, operation and maintenance,
4 and construction budgets for the Air Force Reserve. As
5 such, the Chief of Air Force Reserve is the director and
6 functional manager of appropriations made for the Air
7 Force Reserve in those areas.

8 “(e) FULL TIME SUPPORT PROGRAM.—(1) The Chief
9 of Air Force Reserve manages, with respect to the Air
10 Force Reserve, the personnel program of the Department
11 of Defense known as the Full Time Support Program.

12 “(f) ANNUAL REPORT.—(1) The Chief of Air Force
13 Reserve shall submit to the Secretary of Defense, through
14 the Secretary of the Air Force, an annual report on the
15 state of the Air Force Reserve and the ability of the Air
16 Force Reserve to meet its missions. The report shall be
17 prepared in conjunction with the Chief of Staff of the Air
18 Force and may be submitted in classified and unclassified
19 versions.

20 “(2) The Secretary of Defense shall transmit the an-
21 nual report of the Chief of Air Force Reserve under para-
22 graph (1) to Congress, together with such comments on
23 the report as the Secretary considers appropriate. The re-
24 port shall be transmitted at the same time each year that

1 the annual report of the Secretary under section 113 of
2 this title is submitted to Congress.”.

3 (e) CONFORMING AMENDMENT.—Section 641(1)(B)
4 of such title is amended by inserting “5143, 5144,” after
5 “3038,”.

6 **SEC. 1213. REVIEW OF ACTIVE DUTY AND RESERVE GEN-**
7 **ERAL AND FLAG OFFICER AUTHORIZATIONS.**

8 (a) REPORT TO CONGRESS.—Not later than six
9 months after the date of the enactment of this Act, the
10 Secretary of Defense shall submit to Congress a report
11 containing any recommendations of the Secretary (to-
12 gether with the rationale of the Secretary for the rec-
13 ommendations) concerning the following:

14 (1) Revision of the limitations on general and
15 flag officer grade authorizations and distribution in
16 grade prescribed by sections 525, 526, and 12004 of
17 title 10, United States Code.

18 (2) Statutory designation of the positions and
19 grades of any additional general and flag officers in
20 the commands and offices created by sections 1211
21 and 1212.

22 (b) MATTERS TO BE INCLUDED.—The Secretary
23 shall include in the report under subsection (a) the Sec-
24 retary’s views on whether current limitations referred to
25 in subsection (a)—

1 (1) permit the Secretaries of the military de-
2 partments, in view of increased requirements for as-
3 signment of general and flag officers in positions ex-
4 ternal to their organic services, to meet adequately
5 both internal and external requirements for general
6 and flag officers;

7 (2) adequately recognize the significantly in-
8 creased role of the reserve components in both serv-
9 ice-specific and joint operations; and

10 (3) permit the Secretaries of the military de-
11 partments and reserve components to assign general
12 and flag officers to active and reserve component po-
13 sitions with grades commensurate with the scope of
14 duties and responsibilities of the position.

15 (c) EXEMPTIONS FROM ACTIVE-DUTY CEILINGS.—

16 (1) The Secretary shall include in the report under sub-
17 section (a) the Secretary's recommendations regarding the
18 merits of exempting from any active-duty ceiling (estab-
19 lished by law or administrative action) the following offi-
20 cers:

21 (A) Reserve general and flag officers assigned
22 to positions specified in the organizations created by
23 this title.

1 (B) Reserve general and flag officers serving on
2 active duty, but who are excluded from the active-
3 duty list.

4 (2) If the Secretary determines under paragraph (1)
5 that any Reserve general or flag officers should be exempt
6 from active duty limits, the Secretary shall include in the
7 report under subsection (a) the Secretary's recommenda-
8 tions for—

9 (A) the effective management of those Reserve
10 general and flag officers; and

11 (B) revision of active duty ceilings so as to pre-
12 vent an increase in the numbers of active general
13 and flag officers authorizations due solely to the re-
14 moval of Reserve general and flag officers from
15 under the active duty authorizations.

16 (3) If the Secretary determines under paragraph (1)
17 that active and reserve general officers on active duty
18 should continue to be managed under a common ceiling,
19 the Secretary shall make recommendations for the appro-
20 priate apportionment of numbers for general and flag offi-
21 cers among active and reserve officers.

22 (d) RESERVE FORCES POLICY BOARD PARTICIPA-
23 TION.—The Secretary of Defense shall ensure that the Re-
24 serve Forces Policy Board participates in the internal De-
25 partment of Defense process for development of the rec-

1 ommendations of the Secretary contained in the report
2 under subsection (a). If the Board submits to the Sec-
3 retary any comments or recommendations for inclusion in
4 the report, the Secretary shall transmit them to Congress,
5 with the report, in the same form as that in which they
6 were submitted to the Secretary.

7 (e) GAO REVIEW.—The Comptroller General of the
8 United States shall assess the criteria used by the Sec-
9 retary of Defense to develop recommendations for pur-
10 poses of the report under this section and shall submit
11 to Congress, not later than 30 days after the date on
12 which the report of the Secretary under this section is sub-
13 mitted, a report setting forth the Comptroller General’s
14 conclusions concerning the adequacy and completeness of
15 the recommendations made by the Secretary in the report.

16 **SEC. 1214. GUARD AND RESERVE TECHNICIANS.**

17 (a) IN GENERAL.—Section 10216 of title 10, United
18 States Code, as amended by section 413, is amended—

19 (1) by redesignating subsections (a), (b), and
20 (c) as subsections (b), (c), and (d), respectively;

21 (2) by inserting after the section heading the
22 following new subsection (a):

23 “(a) IN GENERAL.—Military technicians are Federal
24 civilian employees hired under title 5 and title 32 who are
25 required to maintain dual-status as drilling reserve compo-

1 nent members as a condition of their Federal civilian em-
2 ployment. Such employees shall be authorized and ac-
3 counted for as a separate category of dual-status civilian
4 employees, exempt as specified in subsection (b)(3) from
5 any general or regulatory requirement for adjustments in
6 Department of Defense civilian personnel.”; and

7 (3) in paragraph (3) of subsection (b), as redес-
8 igned by paragraph (1), by striking out “in high-
9 priority units and organizations specified in para-
10 graph (1)”.

11 **Subtitle B—Reserve Component**

12 **Accessibility**

13 **SEC. 1231. REPORT TO CONGRESS ON MEASURES TO IM-**

14 **PROVE NATIONAL GUARD AND RESERVE**

15 **ABILITY TO RESPOND TO EMERGENCIES.**

16 (a) REPORT.—Not later than six months after the
17 date of the enactment of this Act, the Secretary of Defense
18 shall submit to Congress a report regarding reserve com-
19 ponent responsiveness to both domestic emergencies and
20 national contingency operations. The report shall set forth
21 the measures taken, underway, and projected to be taken
22 to improve the timeliness, adequacy, and effectiveness of
23 reserve component responses to such emergencies and op-
24 erations.

1 (b) MATTERS RELATED TO RESPONSIVENESS TO DO-
2 MESTIC EMERGENCIES.—The report shall address the fol-
3 lowing:

4 (1) The need to expand the time period set by
5 section 12301(b) of title 10, United States Code,
6 which permits the involuntary recall at any time to
7 active duty of units and individuals for up to 15
8 days per year.

9 (2) The recommendations of the 1995 report of
10 the RAND Corporation entitled “Assessing the State
11 and Federal Missions of the National Guard”, as
12 follows:

13 (A) That Federal law be clarified and
14 amended to authorize Presidential use of the
15 Federal reserves of all military services for do-
16 mestic emergencies and disasters without any
17 time constraint.

18 (B) That the Secretary of Defense develop
19 and support establishment of an appropriate
20 national level compact for interstate sharing of
21 resources, including the domestic capabilities of
22 the national guards of the States, during emer-
23 gencies and disasters.

1 (C) That Federal level contingency stocks
2 be created to support the National Guard in do-
3 mestic disasters.

4 (D) That Federal funding and regulatory
5 support be provided for Federal-State disaster
6 emergency response planning exercises.

7 (c) MATTERS RELATED TO PRESIDENTIAL RESERVE
8 CALL-UP AUTHORITY.—The report under this section
9 shall specifically address matters related to the authority
10 of the President to activate for service on active duty units
11 and members of reserve components under sections 12301,
12 12302, and 12304 of title 10, United States Code, includ-
13 ing—

14 (1) whether such authority is adequate to meet
15 the full range of reserve component missions for the
16 21st century, particularly with regard to the time
17 periods for which such units and members may be
18 on active duty under those authorities and the abil-
19 ity to activate both units and individual members;
20 and

21 (2) whether the three-tiered set of statutory au-
22 thorities (under such sections 12301, 12302, and
23 12304) should be consolidated, modified, or in part
24 eliminated in order to facilitate current and future
25 use of Reserve units and individual reserve compo-

1 nent members for a broader range of missions, and,
2 if so, in what manner.

3 (d) MATTERS RELATED TO RELEASE FROM ACTIVE
4 DUTY.—The report under this section shall include find-
5 ings and recommendations (based upon a review of cur-
6 rent policies and procedures) concerning procedures for re-
7 lease from active duty of units and members of reserve
8 components who have been involuntarily called or ordered
9 to active duty under section 12301, 12302, or 12304 of
10 title 10, United States Code, with specific recommenda-
11 tions concerning the desirability of statutory provisions
12 to—

13 (1) establish specific guidelines for when it is
14 appropriate (or inappropriate) to retain on active
15 duty such reserve component units when active com-
16 ponent units are available to perform the mission
17 being performed by the reserve component unit;

18 (2) minimize the effects of frequent mobiliza-
19 tion of the civilian employers, as well as the effects
20 of frequent mobilization on recruiting and retention
21 in the reserve components; and

22 (3) address other matters relating to the needs
23 of such members of reserve components, their em-
24 ployers, and (in the case of such members who own

1 businesses) their employees, while such members are
2 on active duty.

3 (e) RESERVE FORCES POLICY BOARD PARTICIPA-
4 TION.—The Secretary of Defense shall ensure that the Re-
5 serve Forces Policy Board participates in the internal De-
6 partment of Defense process for development of the rec-
7 ommendations of the Secretary contained in the report
8 under subsection (a). If the Board submits to the Sec-
9 retary any comments or recommendations for inclusion in
10 the report, the Secretary shall transmit them to Congress,
11 with the report, in the same form as that in which they
12 were submitted to the Secretary.

13 (f) GAO REVIEW.—The Comptroller General of the
14 United States shall assess the criteria used by the Sec-
15 retary of Defense to develop recommendations for pur-
16 poses of the report under this section and shall submit
17 to Congress, not later than 30 days after the date on
18 which the report of the Secretary under this section is sub-
19 mitted, a report setting forth the Comptroller General's
20 conclusions concerning the adequacy and completeness of
21 the recommendations made by the Secretary in the report.

1 **SEC. 1232. REPORT TO CONGRESS CONCERNING TAX IN-**
2 **CENTIVES FOR EMPLOYERS OF MEMBERS OF**
3 **RESERVE COMPONENTS.**

4 Not later than 180 days after the date of the enact-
5 ment of this Act, the Secretary of Defense shall submit
6 to Congress a report setting forth a draft of legislation
7 to provide tax incentives to employers of members of re-
8 serve components in order to compensate employers for
9 absences of those employees due to required training and
10 for absences due to performance of active duty.

11 **SEC. 1233. REPORT TO CONGRESS CONCERNING INCOME**
12 **INSURANCE PROGRAM FOR ACTIVATED RE-**
13 **SERVISTS.**

14 Not later than 180 days after the date of the enact-
15 ment of this Act, the Secretary of Defense shall submit
16 to Congress a report setting forth legislative recommenda-
17 tions for changes to chapter 1214 of title 10, United
18 States Code. Such recommendations shall in particular
19 provide, in the case of a mobilized member who owns a
20 business, income replacement for that business and for
21 employees of that member or business who have a loss of
22 income during the period of such activation attributable
23 to the activation of the member.

1 **SEC. 1234. REPORT TO CONGRESS CONCERNING SMALL**
2 **BUSINESS LOANS FOR MEMBERS RELEASED**
3 **FROM RESERVE SERVICE DURING CONTIN-**
4 **GENCY OPERATIONS.**

5 Not later than 180 days after the date of the enact-
6 ment of this Act, the Secretary of Defense shall submit
7 to Congress a report setting forth a draft of legislation
8 to establish a small business loan program to provide
9 members of reserve components who are ordered to active
10 duty or active Federal service (other than for training)
11 during a contingency operation (as defined in section 101
12 of title 10, United States Code) low-cost loans to assist
13 those members in retaining or rebuilding businesses that
14 were affected by their service on active duty or in active
15 Federal service.

16 **Subtitle C—Reserve Forces**
17 **Sustainment**

18 **SEC. 1251. REPORT CONCERNING TAX DEDUCTIBILITY OF**
19 **NONREIMBURSABLE EXPENSES.**

20 Not later than 180 days after the date of the enact-
21 ment of this Act, the Secretary of Defense shall submit
22 to Congress a report setting forth a draft of legislation
23 to restore the tax deductibility of nonreimbursable ex-
24 penses incurred by members of reserve components in con-
25 nection with military service.

1 **SEC. 1252. CODIFICATION OF ANNUAL AUTHORITY TO PAY**
2 **TRANSIENT HOUSING CHARGES OR PROVIDE**
3 **LODGING IN KIND FOR MEMBERS PERFORM-**
4 **ING ACTIVE DUTY FOR TRAINING OR INAC-**
5 **TIVE-DUTY TRAINING.**

6 (a) CODIFICATION.—Section 404(j) of title 37, Unit-
7 ed States Code, is amended—

8 (1) in paragraph (1)—

9 (A) by striking out “annual training duty”
10 and inserting in lieu thereof “active duty for
11 training”; and

12 (B) by striking out “the Secretary con-
13 cerned may” and all that follows through the
14 period and inserting in lieu thereof the follow-
15 ing “the Secretary concerned—

16 “(A) may reimburse the member for housing
17 service charge expenses incurred by the member in
18 occupying transient government housing during the
19 performance of such duty; or

20 “(B) if transient government quarters are un-
21 available, may provide the member with contract
22 quarters as lodging in kind as if the member were
23 entitled to such an allowance under subsection (a).”;
24 and

1 (2) in paragraph (3), by inserting “and ex-
2 penses for contract quarters” after “service charge
3 expenses”.

4 (b) CONFORMING REPEAL.—Section 8057 of the De-
5 partment of Defense Appropriations Act, 1996 (Public
6 Law 104–61; 109 Stat. 663), is repealed.

7 **SEC. 1253. SENSE OF CONGRESS CONCERNING QUARTERS**
8 **ALLOWANCE DURING SERVICE ON ACTIVE**
9 **DUTY FOR TRAINING.**

10 It is the sense of Congress that the United States
11 should continue to pay members of reserve components ap-
12 propriate quarters allowances during periods of service on
13 active duty for training.

14 **SEC. 1254. SENSE OF CONGRESS CONCERNING MILITARY**
15 **LEAVE POLICY.**

16 It is the sense of Congress that military leave policies
17 in effect as of the date of the enactment of this Act with
18 respect to members of the reserve components should not
19 be changed.

20 **SEC. 1255. COMMENDATION OF RESERVE FORCES POLICY**
21 **BOARD.**

22 (a) COMMENDATION.—The Congress commends the
23 Reserve Forces Policy Board, created by the Armed
24 Forces Reserve Act of 1952 (Public Law 82–476), for its
25 fine work in the past as an independent source of advice

1 to the Secretary of Defense on all matters pertaining to
2 the reserve components.

3 (b) SENSE OF CONGRESS.—It is the sense of Con-
4 gress that the Reserve Forces Policy Board and the re-
5 serve forces policy committees for the individual branches
6 of the Armed Forces should continue to perform the vital
7 role of providing the civilian leadership of the Department
8 of Defense with independent advice on matters pertaining
9 to the reserve components.

10 **SEC. 1256. REPORT ON PARITY OF BENEFITS FOR ACTIVE**
11 **DUTY SERVICE AND RESERVE SERVICE.**

12 No later than six months after the date of the enact-
13 ment of this Act, the Secretary of Defense shall submit
14 to Congress a report providing recommendations for
15 changes in law that the Secretary considers necessary, fea-
16 sible, and affordable to reduce the disparities in pay and
17 benefits that occur between active component members of
18 the Armed Forces and reserve component members as a
19 result of eligibility based on length of time on active duty.

1 **TITLE XIII—ARMS CONTROL AND**
2 **RELATED MATTERS**

3 **Subtitle A—Miscellaneous Matters**

4 **SEC. 1301. ONE-YEAR EXTENSION OF COUNTER-**
5 **PROLIFERATION AUTHORITIES.**

6 Section 1505 of the Weapons of Mass Destruction
7 Control Act of 1992 (title XV of Public Law 102-484;
8 22 U.S.C. 5859a) is amended—

9 (1) in subsection (d)(3), by striking out “or”
10 after “fiscal year 1995,” and by inserting “, or
11 \$15,000,000 for fiscal year 1997” before the period
12 at the end; and

13 (2) in subsection (f), by striking out “1996”
14 and inserting in lieu thereof “1997”.

15 **SEC. 1302. LIMITATION ON RETIREMENT OR DISMANTLE-**
16 **MENT OF STRATEGIC NUCLEAR DELIVERY**
17 **SYSTEMS.**

18 (a) **LIMITATION ON USE OF FUNDS.**—Funds avail-
19 able to the Department of Defense may not be obligated
20 or expended during fiscal year 1997 for retiring or dis-
21 mantling, or for preparing to retire or dismantle, any of
22 the strategic nuclear delivery systems specified in sub-
23 section (b).

24 (b) **SPECIFIED SYSTEMS.**—Subsection (a) applies
25 with respect to the following systems:

- 1 (1) B-52H bomber aircraft.
- 2 (2) Trident ballistic missile submarines.
- 3 (3) Minuteman III intercontinental ballistic
- 4 missiles.
- 5 (4) Peacekeeper intercontinental ballistic mis-
- 6 siles.

7 **SEC. 1303. CERTIFICATION REQUIRED BEFORE OBSERV-**
8 **ANCE OF MORATORIUM ON USE BY ARMED**
9 **FORCES OF ANTIPERSONNEL LANDMINES.**

10 Any moratorium imposed by law (whether enacted be-
11 fore, on, or after the date of the enactment of this Act)
12 on the use of antipersonnel landmines by the Armed
13 Forces may be implemented only if (and after) the Sec-
14 retary of Defense, after consultation with the Chairman
15 of the Joint Chiefs of Staff, certifies to Congress that—

16 (1) the moratorium will not adversely affect the
17 ability of United States forces to defend against at-
18 tack on land by hostile forces; and

19 (2) the Armed Forces have systems that are ef-
20 fective substitutes for antipersonnel landmines.

21 **SEC. 1304. DEPARTMENT OF DEFENSE DEMINING PRO-**
22 **GRAM.**

23 Section 401(e) of title 10, United States Code, is
24 amended—

1 (1) by redesignating paragraph (2) as para-
2 graph (3); and

3 (2) by inserting after paragraph (1) the follow-
4 ing new paragraph (2):

5 “(2) In the case of assistance described in subsection
6 (e)(5), expenses that may be paid out of funds appro-
7 priated pursuant to paragraph (1) include—

8 “(A) expenses for travel, transportation, and
9 subsistence of members of the armed forces partici-
10 pating in activities described in that subsection; and

11 “(B) the cost of equipment, supplies, and serv-
12 ices acquired for the purpose of carrying out or di-
13 rectly supporting activities described in that sub-
14 section.”.

15 **SEC. 1305. REPORT ON MILITARY CAPABILITIES OF PEO-**
16 **PLE’S REPUBLIC OF CHINA.**

17 (a) **REPORT.**—The Secretary of Defense shall pre-
18 pare a report, in both classified and unclassified form, on
19 the future pattern of military modernization of the Peo-
20 ple’s Republic of China. The report shall address both the
21 probable course of military-technological development in
22 the People’s Liberation Army and the development of Chi-
23 nese military strategy and operational concepts.

24 (b) **MATTERS TO BE INCLUDED.**—The report shall
25 include analyses and forecasts of the following:

1 (1) Trends that would lead the People’s Repub-
2 lic of China toward the development of advanced in-
3 telligence, surveillance, and reconnaissance capabili-
4 ties, including gaining access to commercial or third-
5 party systems with military significance.

6 (2) Efforts by the People’s Republic of China to
7 develop highly accurate and stealthy ballistic and
8 cruise missiles, particularly in numbers sufficient to
9 conduct attacks capable of overwhelming projected
10 defense capabilities in the region.

11 (3) Development by the People’s Republic of
12 China of command and control networks, particu-
13 larly those capable of battle management of long-
14 range precision strikes.

15 (4) Programs of the People’s Republic of China
16 involving unmanned aerial vehicles, particularly
17 those with extended ranges or loitering times.

18 (5) Exploitation by the People’s Republic of
19 China of the Global Positioning System or other
20 similar systems for military purposes, including com-
21 mercial land surveillance satellites, particularly those
22 signs indicative of an attempt to increase accuracy
23 of weapons or situational awareness of operating
24 forces.

1 (6) Development by the People's Republic of
2 China of capabilities for denial of sea control, such
3 as advanced sea mines or improved submarine capa-
4 bilities.

5 (7) Continued development by the People's Re-
6 public of China of follow-on forces, particularly those
7 capable of rapid air or amphibious assault.

8 (c) SUBMISSION OF REPORT.—The report shall be
9 submitted to Congress not later than February 1, 1997.

10 **SEC. 1306. UNITED STATES-PEOPLE'S REPUBLIC OF CHINA**

11 **JOINT DEFENSE CONVERSION COMMISSION.**

12 None of the funds appropriated or otherwise available
13 for the Department of Defense for fiscal year 1997 or any
14 prior fiscal year may be obligated or expended for any ac-
15 tivity associated with the United States-People's Republic
16 of China Joint Defense Conversion Commission until 15
17 days after the date on which the first semiannual report
18 required by section 1343 of the National Defense Author-
19 ization Act for Fiscal Year 1996 (Public Law 104–106;
20 110 Stat. 487) is received by Congress.

21 **SEC. 1307. AUTHORITY TO ACCEPT SERVICES FROM FOR-**

22 **EIGN GOVERNMENTS AND INTERNATIONAL**
23 **ORGANIZATIONS FOR DEFENSE PURPOSES.**

24 Section 2608(a) of title 10, United States Code, is
25 amended by inserting before the period at the end the fol-

1 lowing: “and may accept from any foreign government or
2 international organization any contribution of services
3 made by such foreign government or international organi-
4 zation for use by the Department of Defense”.

5 **SEC. 1308. REVIEW BY DIRECTOR OF CENTRAL INTEL-**
6 **LIGENCE OF NATIONAL INTELLIGENCE ESTI-**
7 **MATE 95-19**

8 (a) REVIEW.—The Director of Central Intelligence
9 shall conduct a review of the underlying assumptions and
10 conclusions of the National Intelligence Estimate des-
11 igned as NIE 95-19 and entitled “Emerging Missile
12 Threats to North America During the Next 15 Years”,
13 released by the Director in November 1995.

14 (b) METHODOLOGY FOR REVIEW.—The Director
15 shall carry out the review under subsection (a) through
16 a panel of independent, nongovernmental individuals with
17 appropriate expertise and experience. Such a panel shall
18 be convened by the Director not later than 45 days after
19 the date of the enactment of this Act.

20 (c) REPORT.—The Director shall submit the findings
21 resulting from the review under subsection (a), together
22 with any comments of the Director on the review and the
23 findings, to Congress not later than three months after
24 the appointment of the Commission under section 1321.

1 **Subtitle B—Commission to Assess**
2 **the Ballistic Missile Threat to**
3 **the United States**

4 **SEC. 1321. ESTABLISHMENT OF COMMISSION.**

5 (a) ESTABLISHMENT.—There is hereby established a
6 commission to be known as the “Commission to Assess
7 the Ballistic Missile Threat to the United States” (herein-
8 after in this subtitle referred to as the “Commission”).

9 (b) COMPOSITION.—The Commission shall be com-
10 posed of nine members appointed by the Director of
11 Central Intelligence. In selecting individuals for appoint-
12 ment to the Commission, the Director should consult
13 with—

14 (1) the Speaker of the House of Representa-
15 tives concerning the appointment of three of the
16 members of the Commission;

17 (2) the majority leader of the Senate concerning
18 the appointment of three of the members of the
19 Commission; and

20 (3) minority leader of the House of Representa-
21 tives and the minority leader of the Senate concern-
22 ing the appointment of three of the members of the
23 Commission.

24 (c) QUALIFICATIONS.—Members of the Commission
25 shall be appointed from among private United States citi-

1 zens with knowledge and expertise in the political and mili-
2 tary aspects of proliferation of ballistic missiles and the
3 ballistic missile threat to the United States.

4 (d) CHAIRMAN.—The Speaker of the House of Rep-
5 resentatives, after consultation with the majority leader of
6 the Senate and the minority leaders of the House of Rep-
7 resentatives and the Senate, shall designate one of the
8 members of the Commission to serve as chairman of the
9 Commission.

10 (e) PERIOD OF APPOINTMENT; VACANCIES.—Mem-
11 bers shall be appointed for the life of the Commission. Any
12 vacancy in the Commission shall be filled in the same man-
13 ner as the original appointment.

14 (f) SECURITY CLEARANCES.—All members of the
15 Commission shall hold appropriate security clearances.

16 (g) INITIAL ORGANIZATION REQUIREMENTS.—(1) All
17 appointments to the Commission shall be made not later
18 than 45 days after the date of the enactment of this Act.

19 (2) The Commission shall convene its first meeting
20 not later than 30 days after the date as of which all mem-
21 bers of the Commission have been appointed, but not ear-
22 lier than October 15, 1996.

23 **SEC. 1322. DUTIES OF COMMISSION.**

24 (a) REVIEW OF BALLISTIC MISSILE THREAT.—The
25 Commission shall assess the nature and magnitude of the

1 existing and emerging ballistic missile threat to the United
2 States.

3 (b) COOPERATION FROM GOVERNMENT OFFI-
4 CIALS.—In carrying out its duties, the Commission should
5 receive the full and timely cooperation of the Secretary
6 of Defense, the Director of Central Intelligence, and any
7 other United States Government official responsible for
8 providing the Commission with analyses, briefings, and
9 other information necessary for the fulfillment of its re-
10 sponsibilities.

11 **SEC. 1323. REPORT.**

12 The Commission shall, not later than six months
13 after the date of its first meeting, submit to the Congress
14 a report on its findings and conclusions.

15 **SEC. 1324. POWERS.**

16 (a) HEARINGS.—The Commission or, at its direction,
17 any panel or member of the Commission, may, for the pur-
18 pose of carrying out the provisions of this subtitle, hold
19 hearings, sit and act at times and places, take testimony,
20 receive evidence, and administer oaths to the extent that
21 the Commission or any panel or member considers advis-
22 able.

23 (b) INFORMATION.—The Commission may secure di-
24 rectly from the Department of Defense, the Central Intel-
25 ligence Agency, and any other Federal department or

1 agency information that the Commission considers nec-
2 essary to enable the Commission to carry out its respon-
3 sibilities under this subtitle.

4 **SEC. 1325. COMMISSION PROCEDURES.**

5 (a) MEETINGS.—The Commission shall meet at the
6 call of the Chairman.

7 (b) QUORUM.—(1) Five members of the Commission
8 shall constitute a quorum other than for the purpose of
9 holding hearings.

10 (2) The Commission shall act by resolution agreed
11 to by a majority of the members of the Commission.

12 (c) COMMISSION.—The Commission may establish
13 panels composed of less than full membership of the Com-
14 mission for the purpose of carrying out the Commission's
15 duties. The actions of each such panel shall be subject to
16 the review and control of the Commission. Any findings
17 and determinations made by such a panel shall not be con-
18 sidered the findings and determinations of the Commis-
19 sion unless approved by the Commission.

20 (d) AUTHORITY OF INDIVIDUALS TO ACT FOR COM-
21 MISSION.—Any member or agent of the Commission may,
22 if authorized by the Commission, take any action which
23 the Commission is authorized to take under this subtitle.

1 **SEC. 1326. PERSONNEL MATTERS.**

2 (a) PAY OF MEMBERS.—Members of the Commission
3 shall serve without pay by reason of their work on the
4 Commission.

5 (b) TRAVEL EXPENSES.—The members of the Com-
6 mission shall be allowed travel expenses, including per
7 diem in lieu of subsistence, at rates authorized for employ-
8 ees of agencies under subchapter I of chapter 57 of title
9 5, United States Code, while away from their homes or
10 regular places of business in the performance of services
11 for the Commission.

12 (c) STAFF.—(1) The chairman of the Commission
13 may, without regard to the provisions of title 5, United
14 States Code, governing appointments in the competitive
15 service, appoint a staff director and such additional per-
16 sonnel as may be necessary to enable the Commission to
17 perform its duties. The appointment of a staff director
18 shall be subject to the approval of the Commission.

19 (2) The chairman of the Commission may fix the pay
20 of the staff director and other personnel without regard
21 to the provisions of chapter 51 and subchapter III of chap-
22 ter 53 of title 5, United States Code, relating to classifica-
23 tion of positions and General Schedule pay rates, except
24 that the rate of pay fixed under this paragraph for the
25 staff director may not exceed the rate payable for level
26 V of the Executive Schedule under section 5316 of such

1 title and the rate of pay for other personnel may not ex-
2 ceed the maximum rate payable for grade GS-15 of the
3 General Schedule.

4 (d) **DETAIL OF GOVERNMENT EMPLOYEES.**—Upon
5 request of the chairman of the Commission, the head of
6 any Federal department or agency may detail, on a non-
7 reimbursable basis, any personnel of that department or
8 agency to the Commission to assist it in carrying out its
9 duties.

10 (e) **PROCUREMENT OF TEMPORARY AND INTERMIT-**
11 **TENT SERVICES.**—The chairman of the Commission may
12 procure temporary and intermittent services under section
13 3109(b) of title 5, United States Code, at rates for individ-
14 uals which do not exceed the daily equivalent of the annual
15 rate of basic pay payable for level V of the Executive
16 Schedule under section 5316 of such title.

17 **SEC. 1327. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.**

18 (a) **POSTAL AND PRINTING SERVICES.**—The Com-
19 mission may use the United States mails and obtain print-
20 ing and binding services in the same manner and under
21 the same conditions as other departments and agencies of
22 the Federal Government.

23 (b) **MISCELLANEOUS ADMINISTRATIVE AND SUP-**
24 **PORT SERVICES.**—The Director of Central Intelligence
25 shall furnish the Commission, on a reimbursable basis,

1 any administrative and support services requested by the
2 Commission.

3 **SEC. 1328. FUNDING.**

4 Funds for activities of the Commission shall be pro-
5 vided from amounts appropriated for the Department of
6 Defense for operation and maintenance for Defense-wide
7 activities for fiscal year 1997. Upon receipt of a written
8 certification from the Chairman of the Commission speci-
9 fying the funds required for the activities of the Commis-
10 sion, the Secretary of Defense shall promptly disburse to
11 the Commission, from such amounts, the funds required
12 by the Commission as stated in such certification.

13 **SEC. 1329. TERMINATION OF THE COMMISSION.**

14 The Commission shall terminate 60 days after the
15 date of the submission of its report.

16 **TITLE XIV—SIKES ACT**
17 **IMPROVEMENT**

18 **SEC. 1401. SHORT TITLE.**

19 This title may be cited as the “Sikes Act Improve-
20 ment Amendments of 1996”.

21 **SEC. 1402. DEFINITION OF SIKES ACT FOR PURPOSES OF**
22 **AMENDMENTS.**

23 In this title, the term “Sikes Act” means the Act en-
24 titled “An Act to promote effectual planning, development,
25 maintenance, and coordination of wildlife, fish, and game

1 conservation and rehabilitation in military reservations”,
2 approved September 15, 1960 (16 U.S.C. 670a et seq.),
3 commonly referred to as the “Sikes Act”.

4 **SEC. 1403. CODIFICATION OF SHORT TITLE OF ACT.**

5 The Sikes Act (16 U.S.C. 670a et seq.) is amended
6 by inserting before title I the following new section:

7 **“SECTION 1. SHORT TITLE.**

8 “This Act may be cited as the ‘Sikes Act’.”

9 **SEC. 1404. INTEGRATED NATURAL RESOURCE MANAGE-**
10 **MENT PLANS.**

11 (a) **PLANS REQUIRED.**—Section 101(a) of the Sikes
12 Act (16 U.S.C. 670a(a)) is amended—

13 (1) by striking out “is authorized to” and in-
14 serting in lieu thereof “shall”;

15 (2) by striking out “in each military reservation
16 in accordance with a cooperative plan” and inserting
17 in lieu thereof the following: “on military installa-
18 tions. Under the program, the Secretary shall pre-
19 pare and implement for each military installation in
20 the United States an integrated natural resource
21 management plan”;

22 (3) by inserting after “reservation is located”
23 the following: “, except that the Secretary is not re-
24 quired to prepare such a plan for a military installa-
25 tion if the Secretary determines that preparation of

1 such a plan for the installation is not appropriate”;
2 and

3 (4) by inserting “(1)” after “(a)” and adding
4 at the end the following new paragraph:

5 “(2) Consistent with essential military requirements
6 to enhance the national security of the United States, the
7 Secretary of Defense shall manage each military installa-
8 tion to provide—

9 “(A) for the conservation of fish and wildlife on
10 the military installation and sustained multipurpose
11 uses of those resources, including hunting, fishing,
12 and trapping; and

13 “(B) public access that is necessary or appro-
14 priate for those uses.”.

15 (b) CONFORMING AMENDMENTS.—Title I of the
16 Sikes Act is amended—

17 (1) in section 101(b) (16 U.S.C. 670a(b)), in
18 the matter preceding paragraph (1) by striking out
19 “cooperative plan” and inserting in lieu thereof “in-
20 tegrated natural resource management plan”;

21 (2) in section 101(b)(4) (16 U.S.C.
22 670a(b)(4)), by striking out “cooperative plan” each
23 place it appears and inserting in lieu thereof “inte-
24 grated natural resource management plan”;

1 (3) in section 101(c) (16 U.S.C. 670a(c)), in
2 the matter preceding paragraph (1) by striking out
3 “a cooperative plan” and inserting in lieu thereof
4 “an integrated natural resource management plan”;

5 (4) in section 101(d) (16 U.S.C. 670a(d)), in
6 the matter preceding paragraph (1) by striking out
7 “cooperative plans” and inserting in lieu thereof “in-
8 tegrated natural resource management plans”;

9 (5) in section 101(e) (16 U.S.C. 670a(e)), by
10 striking out “Cooperative plans” and inserting in
11 lieu thereof “Integrated natural resource manage-
12 ment plans”;

13 (6) in section 102 (16 U.S.C. 670b), by striking
14 out “a cooperative plan” and inserting in lieu there-
15 of “an integrated natural resource management
16 plan”;

17 (7) in section 103 (16 U.S.C. 670c), by striking
18 out “a cooperative plan” and inserting in lieu there-
19 of “an integrated natural resource management
20 plan”;

21 (8) in section 106(a) (16 U.S.C. 670f(a)), by
22 striking out “cooperative plans” and inserting in lieu
23 thereof “integrated natural resource management
24 plans”; and

1 (9) in section 106(c) (16 U.S.C. 670f(e)), by
2 striking out “cooperative plans” and inserting in lieu
3 thereof “integrated natural resource management
4 plans”.

5 (c) CONTENTS OF PLANS.—Section 101(b) of the
6 Sikes Act (16 U.S.C. 670a(b)) is amended—

7 (1) in paragraph (1)—

8 (A) in subparagraph (C), by striking out
9 “and” after the semicolon;

10 (B) in subparagraph (D), by striking out
11 the semicolon at the end and inserting in lieu
12 thereof a comma; and

13 (C) by adding at the end the following new
14 subparagraphs:

15 “(E) wetland protection and restoration,
16 and wetland creation where necessary, for sup-
17 port of fish or wildlife,

18 “(F) consideration of conservation needs
19 for all biological communities, and

20 “(G) the establishment of specific natural
21 resource management goals, objectives, and
22 time-frames for proposed actions;”;

23 (2) by striking out paragraph (3);

24 (3) by redesignating paragraph (2) as para-
25 graph (3);

1 (4) by inserting after paragraph (1) the follow-
2 ing new paragraph:

3 “(2) shall for the military installation for which
4 it is prepared—

5 “(A) address the needs for fish and wildlife
6 management, land management, forest manage-
7 ment, and wildlife-oriented recreation,

8 “(B) ensure the integration of, and con-
9 sistency among, the various activities conducted
10 under the plan,

11 “(C) ensure that there is no net loss in the
12 capability of installation lands to support the
13 military mission of the installation,

14 “(D) provide for sustained use by the pub-
15 lic of natural resources, to the extent that such
16 use is not inconsistent with the military mission
17 of the installation or the needs of fish and wild-
18 life management,

19 “(E) provide the public access to the in-
20 stallation that is necessary or appropriate for
21 that use, to the extent that access is not incon-
22 sistent with the military mission of the installa-
23 tion, and

24 “(F) provide for professional enforcement
25 of natural resource laws and regulations;” and

1 (5) in paragraph (4)(A), by striking out “collect
2 the fees therefor,” and inserting in lieu thereof “col-
3 lect, spend, administer, and account for fees there-
4 for.”.

5 (d) PUBLIC COMMENT.—Section 101 of the Sikes Act
6 (16 U.S.C. 670a) is amended by adding at the end the
7 following new subsection:

8 “(f) PUBLIC COMMENT.—The Secretary of Defense
9 shall provide an opportunity for public comment on each
10 integrated natural resource management plan prepared
11 under subsection (a).”.

12 **SEC. 1405. REVIEW FOR PREPARATION OF INTEGRATED**
13 **NATURAL RESOURCE MANAGEMENT PLANS.**

14 (a) REVIEW OF MILITARY INSTALLATIONS.—

15 (1) REVIEW.—The Secretary of each military
16 department shall, by not later than nine months
17 after the date of the enactment of this Act—

18 (A) review each military installation in the
19 United States that is under the jurisdiction of
20 that Secretary to determine the military instal-
21 lations for which the preparation of an inte-
22 grated natural resource management plan
23 under section 101 of the Sikes Act, as amended
24 by this title, is appropriate; and

1 (B) submit to the Secretary of Defense a
2 report on those determinations.

3 (2) REPORT TO CONGRESS.—The Secretary of
4 Defense shall, by not later than 12 months after the
5 date of the enactment of this Act, submit to the
6 Congress a report on the reviews conducted under
7 paragraph (1). The report shall include—

8 (A) a list of those military installations re-
9 viewed under paragraph (1) for which the Sec-
10 retary of Defense determines the preparation of
11 an integrated natural resource management
12 plan is not appropriate; and

13 (B) for each of the military installations
14 listed under subparagraph (A), an explanation
15 of the reasons such a plan is not appropriate.

16 (b) DEADLINE FOR INTEGRATED NATURAL RE-
17 SOURCE MANAGEMENT PLANS.—Not later than two years
18 after the date of the submission of the report required
19 under subsection (a)(2), the Secretary of Defense shall,
20 for each military installation for which the Secretary has
21 not determined under subsection (a)(2)(A) that prepara-
22 tion of an integrated natural resource management plan
23 is not appropriate—

24 (1) prepare and begin implementing such a plan
25 mutually agreed to by the Secretary of the Interior

1 and the head of the appropriate State agencies
2 under section 101(a) of the Sikes Act, as amended
3 by this title; or

4 (2) in the case of a military installation for
5 which there is in effect a cooperative plan under sec-
6 tion 101(a) of the Sikes Act on the day before the
7 date of the enactment of this Act, complete negotia-
8 tions with the Secretary of the Interior and the
9 heads of the appropriate State agencies regarding
10 changes to that plan that are necessary for the plan
11 to constitute an integrated natural resource plan
12 that complies with that section, as amended by this
13 title.

14 (c) PUBLIC COMMENT.—The Secretary of Defense
15 shall provide an opportunity for the submission of public
16 comments on—

17 (1) integrated natural resource management
18 plans proposed pursuant to subsection (b)(1); and

19 (2) changes to cooperative plans proposed pur-
20 suant to subsection (b)(2).

21 **SEC. 1406. ANNUAL REVIEWS AND REPORTS.**

22 Section 101 of the Sikes Act (16 U.S.C. 670a) is
23 amended by adding after subsection (f) (as added by sec-
24 tion 1404(d)) the following new subsection:

25 “(g) REVIEWS AND REPORTS.—

1 “(1) SECRETARY OF DEFENSE.—The Secretary
2 of Defense shall, by not later than March 1 of each
3 year, review the extent to which integrated natural
4 resource management plans were prepared or in ef-
5 fect and implemented in accordance with this Act in
6 the preceding year, and submit a report on the find-
7 ings of that review to the committees. Each report
8 shall include—

9 “(A) the number of integrated natural re-
10 source management plans in effect in the year
11 covered by the report, including the date on
12 which each plan was issued in final form or
13 most recently revised;

14 “(B) the amount of moneys expended on
15 conservation activities conducted pursuant to
16 those plans in the year covered by the report,
17 including amounts expended under the Legacy
18 Resource Management Program established
19 under section 8120 of the Act of November 5,
20 1990 (Public Law 101–511; 104 Stat. 1905);
21 and

22 “(C) an assessment of the extent to which
23 the plans comply with the requirements of sub-
24 section (b)(1) and (2), including specifically the
25 extent to which the plans ensure in accordance

1 with subsection (b)(2)(C) that there is no net
2 loss of lands to support the military missions of
3 military installations.

4 “(2) SECRETARY OF THE INTERIOR.—The Sec-
5 retary of the Interior, by not later than March 1 of
6 each year and in consultation with State agencies re-
7 sponsible for conservation or management of fish or
8 wildlife, shall submit a report to the committees on
9 the amount of moneys expended by the Department
10 of the Interior and those State agencies in the year
11 covered by the report on conservation activities con-
12 ducted pursuant to integrated natural resource man-
13 agement plans.

14 “(3) COMMITTEES DEFINED.—For purposes of
15 this subsection, the term ‘committees’ means the
16 Committee on Resources and the Committee on Na-
17 tional Security of the House of Representatives and
18 the Committee on Armed Services and the Commit-
19 tee on Environment and Public Works of the Sen-
20 ate.”.

21 **SEC. 1407. TRANSFER OF WILDLIFE CONSERVATION FEES**
22 **FROM CLOSED MILITARY INSTALLATIONS.**

23 Section 101(b)(4)(B) of the Sikes Act (16 U.S.C.
24 670a(b)(4)(B)) is amended by inserting before the period
25 at the end the following: “, unless that military installation

1 is subsequently closed, in which case the fees may be
2 transferred to another military installation to be used for
3 the same purposes”.

4 **SEC. 1408. FEDERAL ENFORCEMENT OF INTEGRATED NAT-**
5 **URAL RESOURCE MANAGEMENT PLANS AND**
6 **ENFORCEMENT OF OTHER LAWS.**

7 Title I of the Sikes Act (16 U.S.C. 670a et seq.) is
8 amended—

9 (1) by redesignating section 106, as amended
10 by section 1404(b), as section 109; and

11 (2) by inserting after section 105 the following
12 new section:

13 **“SEC. 106. FEDERAL ENFORCEMENT OF OTHER LAWS.**

14 “All Federal laws relating to the conservation of nat-
15 ural resources on Federal lands may be enforced by the
16 Secretary of Defense with respect to violations of those
17 laws which occur on military installations within the Unit-
18 ed States.”.

19 **SEC. 1409. NATURAL RESOURCE MANAGEMENT SERVICES.**

20 Title I of the Sikes Act (16 U.S.C. 670a et seq.) is
21 amended by inserting after section 106 (as added by sec-
22 tion 1408) the following new section:

23 **“SEC. 107. NATURAL RESOURCE MANAGEMENT SERVICES.**

24 “The Secretary of each military department shall en-
25 sure that sufficient numbers of professionally trained nat-

1 ural resource management personnel and natural resource
2 law enforcement personnel are available and assigned re-
3 sponsibility to perform tasks necessary to comply with this
4 Act, including the preparation and implementation of inte-
5 grated natural resource management plans.”.

6 **SEC. 1410. DEFINITIONS.**

7 Title I of the Sikes Act (16 U.S.C. 670a et seq.) is
8 amended by inserting after section 107 (as added by sec-
9 tion 1409) the following new section:

10 **“SEC. 108. DEFINITIONS.**

11 “In this title:

12 “(1) **MILITARY INSTALLATION.**—The term
13 ‘military installation’—

14 “(A) means any land or interest in land
15 owned by the United States and administered
16 by the Secretary of Defense or the Secretary of
17 a military department; and

18 “(B) includes all public lands withdrawn
19 from all forms of appropriation under public
20 land laws and reserved for use by the Secretary
21 of Defense or the Secretary of a military de-
22 partment.

23 “(2) **STATE FISH AND WILDLIFE AGENCY.**—The
24 term ‘State fish and wildlife agency’ means an agen-

1 cy of State government that is responsible under
2 State law for managing fish or wildlife resources.

3 “(3) UNITED STATES.—The term ‘United
4 States’ means the States, the District of Columbia,
5 and the territories and possessions of the United
6 States.”.

7 **SEC. 1411. COOPERATIVE AGREEMENTS.**

8 (a) COST SHARING.—Section 103a(b) of the Sikes
9 Act (16 U.S.C. 670c–1(b)) is amended by striking out
10 “matching basis” each place it appears and inserting in
11 lieu thereof “cost-sharing basis”.

12 (b) ACCOUNTING.—Section 103a(c) of the Sikes Act
13 (16 U.S.C. 670c–1(c)) is amended by inserting before the
14 period at the end the following: “, and shall not be subject
15 to section 1535 of that title”.

16 **SEC. 1412. REPEAL OF SUPERSEDED PROVISION.**

17 Section 2 of the Act of October 27, 1986 (Public Law
18 99–651; 16 U.S.C. 670a–1), is repealed.

19 **SEC. 1413. CLERICAL AMENDMENTS.**

20 Title I of the Sikes Act, as amended by this title,
21 is amended—

22 (1) in the heading for the title by striking out
23 “MILITARY RESERVATIONS” and inserting in lieu
24 thereof “MILITARY INSTALLATIONS”;

1 (2) in section 101(a) (16 U.S.C. 670a(a)), by
2 striking out “the reservation” and inserting in lieu
3 thereof “the installation”;

4 (3) in section 101(b)(4) (16 U.S.C.
5 670a(b)(4))—

6 (A) in subparagraph (A), by striking out
7 “the reservation” and inserting in lieu thereof
8 “the installation”; and

9 (B) in subparagraph (B), by striking out
10 “the military reservation” and inserting in lieu
11 thereof “the military installation”;

12 (4) in section 101(c) (16 U.S.C. 670a(c))—

13 (A) in paragraph (1), by striking out “a
14 military reservation” and inserting in lieu
15 thereof “a military installation”; and

16 (B) in paragraph (2), by striking out “the
17 reservation” and inserting in lieu thereof “the
18 installation”;

19 (5) in section 102 (16 U.S.C. 670b), by striking
20 out “military reservations” and inserting in lieu
21 thereof “military installations”; and

22 (6) in section 103 (16 U.S.C. 670c)—

23 (A) by striking out “military reservations”
24 and inserting in lieu thereof “military installa-
25 tions”; and

1 (B) by striking out “such reservations”
2 and inserting in lieu thereof “such installa-
3 tions”.

4 **SEC. 1414. AUTHORIZATIONS OF APPROPRIATIONS.**

5 (a) PROGRAMS ON MILITARY INSTALLATIONS.—Sub-
6 sections (b) and (c) of section 109 of the Sikes Act (as
7 redesignated by section 1408) are each amended by strik-
8 ing out “1983” and all that follows through “1993,” and
9 inserting in lieu thereof “1983 through 1998,”.

10 (b) PROGRAMS ON PUBLIC LANDS.—Section 209 of
11 the Sikes Act (16 U.S.C. 670o) is amended—

12 (1) in subsection (a), by striking out “the sum
13 of \$10,000,000” and all that follows through “to en-
14 able the Secretary of the Interior” and inserting in
15 lieu thereof “\$4,000,000 for each of fiscal years
16 1997 and 1998, to enable the Secretary of the Inte-
17 rior”; and

18 (2) in subsection (b), by striking out “the sum
19 of \$12,000,000” and all that follows through “to en-
20 able the Secretary of Agriculture” and inserting in
21 lieu thereof “\$5,000,000 for each of fiscal years
22 1997 and 1998, to enable the Secretary of Agri-
23 culture”.

1 **TITLE XV—DEFENSE AND**
2 **SECURITY ASSISTANCE**
3 **Subtitle A—Military and Related**
4 **Assistance**

5 **SEC. 1501. TERMS OF LOANS UNDER THE FOREIGN MILI-**
6 **TARY FINANCING PROGRAM.**

7 Section 31(c) of the Arms Export Control Act (22
8 U.S.C. 2771(c)) is amended to read as follows:

9 “(c) Loans available under section 23 shall be pro-
10 vided at rates of interest that are not less than the current
11 average market yield on outstanding marketable obliga-
12 tions of the United States of comparable maturities.”.

13 **SEC. 1502. ADDITIONAL REQUIREMENTS UNDER THE FOR-**
14 **EIGN MILITARY FINANCING PROGRAM.**

15 (a) **AUDIT OF CERTAIN PRIVATE FIRMS.**—Section 23
16 of the Arms Export Control Act (22 U.S.C. 2763) is
17 amended by adding at the end the following new sub-
18 section:

19 “(f) For each fiscal year, the Secretary of Defense,
20 as requested by the Director of the Defense Security As-
21 sistance Agency, shall conduct audits on a nonreimburs-
22 able basis of private firms that have entered into contracts
23 with foreign governments under which defense articles, de-
24 fense services, or design and construction services are to

1 be procured by such firms for such governments from fi-
2 nancing under this section.”.

3 (b) NOTIFICATION REQUIREMENT WITH RESPECT
4 TO CASH FLOW FINANCING.—Section 23 of such Act (22
5 U.S.C. 2763), as amended by subsection (a), is further
6 amended by adding at the end the following new sub-
7 section:

8 “(g)(1) For each country and international organiza-
9 tion that has been approved for cash flow financing under
10 this section, any letter of offer and acceptance or other
11 purchase agreement, or any amendment thereto, for a pro-
12 curement of defense articles, defense services, or design
13 and construction services in excess of \$100,000,000 that
14 is to be financed in whole or in part with funds made avail-
15 able under this Act or the Foreign Assistance Act of 1961
16 shall be submitted to the congressional committees speci-
17 fied in section 634A(a) of the Foreign Assistance Act of
18 1961 in accordance with the procedures applicable to re-
19 programming notifications under that section.

20 “(2) For purposes of this subsection, the term ‘cash
21 flow financing’ has the meaning given such term in the
22 second subsection (d) of section 25.”.

23 (c) LIMITATIONS ON USE OF FUNDS FOR DIRECT
24 COMMERCIAL CONTRACTS.—Section 23 of such Act (22
25 U.S.C. 2763), as amended by subsection (b), is further

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

3 “(h) Of the amounts made available for a fiscal year
4 to carry out this section, not more than \$100,000,000 for
5 such fiscal year may be made available for countries other
6 than Israel and Egypt for the purpose of financing the
7 procurement of defense articles, defense services, and de-
8 sign and construction services that are not sold by the
9 United States Government under this Act.”.

10 (d) ANNUAL ESTIMATE AND JUSTIFICATION FOR
11 SALES PROGRAM.—Section 25(a) of such Act (22 U.S.C.
12 2765(a)) is amended—

13 (1) by striking “and” at the end of paragraph
14 (11);

15 (2) by redesignating paragraph (12) as para-
16 graph (13); and

17 (3) by inserting after paragraph (11) the fol-
18 lowing new paragraph:

19 “(12)(A) a detailed accounting of all articles,
20 services, credits, guarantees, or any other form of
21 assistance furnished by the United States to each
22 country and international organization, including
23 payments to the United Nations, during the preced-
24 ing fiscal year for the detection and clearance of
25 landmines, including activities relating to the fur-

1 nishing of education, training, and technical assist-
2 ance for the detection and clearance of landmines;
3 and

4 “(B) for each provision of law making funds
5 available or authorizing appropriations for demining
6 activities described in subparagraph (A), an analysis
7 and description of the objectives and activities un-
8 dertaken during the preceding fiscal year, including
9 the number of personnel involved in performing such
10 activities; and”.

11 **SEC. 1503. DRAWDOWN SPECIAL AUTHORITIES.**

12 (a) UNFORESEEN EMERGENCY DRAWDOWN.—Sec-
13 tion 506(a)(1) of the Foreign Assistance Act of 1961 (22
14 U.S.C. 2318(a)(1)) is amended by striking “\$75,000,000”
15 and inserting “\$100,000,000”.

16 (b) ADDITIONAL DRAWDOWN.—Section 506 of such
17 Act (22 U.S.C. 2318) is amended—

18 (1) in subsection (a)(2)(A), by striking “defense
19 articles from the stocks” and all that follows and in-
20 serting the following: “articles and services from the
21 inventory and resources of any agency of the United
22 States Government and military education and
23 training from the Department of Defense, the Presi-
24 dent may direct the drawdown of such articles, serv-
25 ices, and military education and training—

1 “(i) for the purposes and under the au-
2 thorities of—

3 “(I) chapter 8 of part I (relating to
4 international narcotics control assistance);

5 “(II) chapter 9 of part I (relating to
6 international disaster assistance); or

7 “(III) the Migration and Refugee As-
8 sistance Act of 1962; or

9 “(ii) for the purpose of providing such arti-
10 cles, services, and military education and train-
11 ing to Vietnam, Cambodia, and Laos as the
12 President determines are necessary—

13 “(I) to support cooperative efforts to
14 locate and repatriate members of the Unit-
15 ed States Armed Forces and civilians em-
16 ployed directly or indirectly by the United
17 States Government who remain unac-
18 counted for from the Vietnam War; and

19 “(II) to ensure the safety of United
20 States Government personnel engaged in
21 such cooperative efforts and to support De-
22 partment of Defense-sponsored humani-
23 tarian projects associated with such ef-
24 forts.”;

1 (2) in subsection (a)(2)(B), by striking
2 “\$75,000,000” and all that follows and inserting
3 “\$150,000,000 in any fiscal year of such articles,
4 services, and military education and training may be
5 provided pursuant to subparagraph (A) of this para-
6 graph—

7 “(i) not more than \$75,000,000 of which
8 may be provided from the drawdown from the
9 inventory and resources of the Department of
10 Defense;

11 “(ii) not more than \$75,000,000 of which
12 may be provided pursuant to clause (i)(I) of
13 such subparagraph; and

14 “(iii) not more than \$15,000,000 of which
15 may be provided to Vietnam, Cambodia, and
16 Laos pursuant to clause (ii) of such subpara-
17 graph.”; and

18 (3) in subsection (b)(1), by adding at the end
19 the following: “In the case of drawdowns authorized
20 by subclauses (I) and (III) of subsection
21 (a)(2)(A)(i), notifications shall be provided to those
22 committees at least 15 days in advance of the
23 drawdowns in accordance with the procedures appli-
24 cable to reprogramming notifications under section
25 634A.”.

1 (c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL
2 AUTHORITIES.—Section 652 of such Act (22 U.S.C.
3 2411) is amended by striking “prior to the date” and in-
4 serting “before”.

5 **SEC. 1504. TRANSFER OF EXCESS DEFENSE ARTICLES.**

6 (a) IN GENERAL.—Section 516 of the Foreign Assist-
7 ance Act of 1961 (22 U.S.C. 2321j) is amended to read
8 as follows:

9 **“SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE AR-**
10 **TICLES.**

11 “(a) AUTHORIZATION.—The President is authorized
12 to transfer excess defense articles under this section to
13 countries for which receipt of such articles was justified
14 pursuant to the annual congressional presentation docu-
15 ments for military assistance programs, or for programs
16 under chapter 8 of part I of this Act, submitted under
17 section 634 of this Act, or for which receipt of such arti-
18 cles was separately justified to the Congress, for the fiscal
19 year in which the transfer is authorized.

20 “(b) LIMITATIONS ON TRANSFERS.—The President
21 may transfer excess defense articles under this section
22 only if—

23 “(1) such articles are drawn from existing
24 stocks of the Department of Defense;

1 “(2) funds available to the Department of De-
2 fense for the procurement of defense equipment are
3 not expended in connection with the transfer;

4 “(3) the transfer of such articles will not have
5 an adverse impact on the military readiness of the
6 United States;

7 “(4) with respect to a proposed transfer of such
8 articles on a grant basis, such a transfer is pref-
9 erable to a transfer on a sales basis, after taking
10 into account the potential proceeds from, and likeli-
11 hood of, such sales, and the comparative foreign pol-
12 icy benefits that may accrue to the United States as
13 the result of a transfer on either a grant or sales
14 basis;

15 “(5) the President determines that the transfer
16 of such articles will not have an adverse impact on
17 the national technology and industrial base and, par-
18 ticularly, will not reduce the opportunities of entities
19 in the national technology and industrial base to sell
20 new or used equipment to the countries to which
21 such articles are transferred; and

22 “(6) the transfer of such articles is consistent
23 with the policy framework for the Eastern Medi-
24 terranean established under section 620C of this
25 Act.

1 “(c) TERMS OF TRANSFERS.—

2 “(1) NO COST TO RECIPIENT COUNTRY.—Ex-
3 cess defense articles may be transferred under this
4 section without cost to the recipient country.

5 “(2) PRIORITY.—Notwithstanding any other
6 provision of law, the delivery of excess defense arti-
7 cles under this section to member countries of the
8 North Atlantic Treaty Organization (NATO) on the
9 southern and southeastern flank of NATO and to
10 major non-NATO allies on such southern and south-
11 eastern flank shall be given priority to the maximum
12 extent feasible over the delivery of such excess de-
13 fense articles to other countries.

14 “(d) WAIVER OF REQUIREMENT FOR REIMBURSE-
15 MENT OF DEPARTMENT OF DEFENSE EXPENSES.—Sec-
16 tion 632(d) shall not apply with respect to transfers of
17 excess defense articles (including transportation and relat-
18 ed costs) under this section.

19 “(e) TRANSPORTATION AND RELATED COSTS.—

20 “(1) IN GENERAL.—Except as provided in para-
21 graph (2), funds available to the Department of De-
22 fense may not be expended for crating, packing,
23 handling, and transportation of excess defense arti-
24 cles transferred under the authority of this section.

1 “(2) EXCEPTION.—The President may provide
2 for the transportation of excess defense articles with-
3 out charge to a country for the costs of such trans-
4 portation if—

5 “(A) it is determined that it is in the na-
6 tional interest of the United States to do so;

7 “(B) the recipient is a developing country
8 receiving less than \$10,000,000 of assistance
9 under chapter 5 of part II of this Act (relating
10 to international military education and train-
11 ing) or section 23 of the Arms Export Control
12 Act (22 U.S.C. 2763; relating to the Foreign
13 Military Financing program) in the fiscal year
14 in which the transportation is provided;

15 “(C) the total weight of the transfer does
16 not exceed 25,000 pounds; and

17 “(D) such transportation is accomplished
18 on a space available basis.

19 “(f) ADVANCE NOTIFICATION TO CONGRESS FOR
20 TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

21 “(1) IN GENERAL.—The President may not
22 transfer excess defense articles that are significant
23 military equipment (as defined in section 47(9) of
24 the Arms Export Control Act) or excess defense arti-
25 cles valued (in terms of original acquisition cost) at

1 \$7,000,000 or more, under this section or under the
2 Arms Export Control Act (22 U.S.C. 2751 et seq.)
3 until 15 days after the date on which the President
4 has provided notice of the proposed transfer to the
5 congressional committees specified in section
6 634A(a) in accordance with procedures applicable to
7 reprogramming notifications under that section.

8 “(2) CONTENTS.—Such notification shall in-
9 clude—

10 “(A) a statement outlining the purposes
11 for which the article is being provided to the
12 country, including whether such article has
13 been previously provided to such country;

14 “(B) an assessment of the impact of the
15 transfer on the military readiness of the United
16 States;

17 “(C) an assessment of the impact of the
18 transfer on the national technology and indus-
19 trial base and, particularly, the impact on op-
20 portunities of entities in the national technology
21 and industrial base to sell new or used equip-
22 ment to the countries to which such articles are
23 to be transferred; and

1 “(D) a statement describing the current
2 value of such article and the value of such arti-
3 cle at acquisition.

4 “(g) AGGREGATE ANNUAL LIMITATION.—

5 “(1) IN GENERAL.—The aggregate value of ex-
6 cess defense articles transferred to countries under
7 this section in any fiscal year may not exceed
8 \$350,000,000.

9 “(2) EFFECTIVE DATE.—The limitation con-
10 tained in paragraph (1) shall apply only with respect
11 to fiscal years beginning after fiscal year 1996.

12 “(h) CONGRESSIONAL PRESENTATION DOCU-
13 MENTS.—Documents described in subsection (a) justifying
14 the transfer of excess defense articles shall include an ex-
15 planation of the general purposes of providing excess de-
16 fense articles as well as a table which provides an aggre-
17 gate annual total of transfers of excess defense articles
18 in the preceding year by country in terms of offers and
19 actual deliveries and in terms of acquisition cost and cur-
20 rent value. Such table shall indicate whether such excess
21 defense articles were provided on a grant or sale basis.

22 “(i) EXCESS COAST GUARD PROPERTY.—For pur-
23 poses of this section, the term ‘excess defense articles’
24 shall be deemed to include excess property of the Coast
25 Guard, and the term ‘Department of Defense’ shall be

1 deemed, with respect to such excess property, to include
2 the Coast Guard.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) ARMS EXPORT CONTROL ACT.—Section
5 21(k) of the Arms Export Control Act (22 U.S.C.
6 2761(k)) is amended by striking “the President
7 shall” and all that follows and inserting the follow-
8 ing: “the President shall determine that the sale of
9 such articles will not have an adverse impact on the
10 national technology and industrial base and, particu-
11 larly, will not reduce the opportunities of entities in
12 the national technology and industrial base to sell
13 new or used equipment to the countries to which
14 such articles are transferred.”.

15 (2) REPEALS.—The following provisions of law
16 are hereby repealed:

17 (A) Section 502A of the Foreign Assist-
18 ance Act of 1961 (22 U.S.C. 2303).

19 (B) Sections 517 through 520 of the For-
20 eign Assistance Act of 1961 (22 U.S.C. 2321k
21 through 2321n).

22 (C) Section 31(d) of the Arms Export Con-
23 trol Act (22 U.S.C. 2771(d)).

1 **SEC. 1505. EXCESS DEFENSE ARTICLES FOR CERTAIN EU-**
2 **ROPEAN COUNTRIES.**

3 Notwithstanding section 516(e) of the Foreign As-
4 sistance Act of 1961, during each of the fiscal years 1996
5 and 1997, funds available to the Department of Defense
6 may be expended for crating, packing, handling, and
7 transportation of excess defense articles transferred under
8 the authority of section 516 of such Act to countries that
9 are eligible to participate in the Partnership for Peace and
10 that are eligible for assistance under the Support for East
11 European Democracy (SEED) Act of 1989.

12 **Subtitle B—International Military**
13 **Education and Training**

14 **SEC. 1511. ASSISTANCE FOR INDONESIA.**

15 Funds made available for fiscal years 1996 and 1997
16 to carry out chapter 5 of part II of the Foreign Assistance
17 Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated
18 for Indonesia only for expanded military and education
19 training that meets the requirements of clauses (i)
20 through (iv) of the second sentence of section 541 of such
21 Act (22 U.S.C. 2347).

22 **SEC. 1512. ADDITIONAL REQUIREMENTS.**

23 (a) **GENERAL AUTHORITY.**—Section 541 of the For-
24 eign Assistance Act of 1961 (22 U.S.C. 2347) is amended
25 in the second sentence in the matter preceding clause (i)

1 by inserting “and individuals who are not members of the
2 government” after “legislators”.

3 (b) EXCHANGE TRAINING.—Section 544 of such Act
4 (22 U.S.C. 2347c) is amended—

5 (1) by striking “In carrying out this chapter”
6 and inserting “(a) In carrying out this chapter”; and

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

9 “(b) The President may provide for the attendance
10 of foreign military and civilian defense personnel at flight
11 training schools and programs (including test pilot
12 schools) in the United States without charge, and without
13 charge to funds available to carry out this chapter (not-
14 withstanding section 632(d) of this Act), if such attend-
15 ance is pursuant to an agreement providing for the ex-
16 change of students on a one-for-one basis each fiscal year
17 between those United States flight training schools and
18 programs (including test pilot schools) and comparable
19 flight training schools and programs of foreign coun-
20 tries.”.

21 (c) ASSISTANCE FOR CERTAIN HIGH-INCOME FOR-
22 EIGN COUNTRIES.—

23 (1) AMENDMENT TO THE FOREIGN ASSISTANCE
24 ACT OF 1961.—Chapter 5 of part II of such Act (22

1 U.S.C. 2347 et seq.) is amended by adding at the
2 end the following new section:

3 **“SEC. 546. PROHIBITION ON GRANT ASSISTANCE FOR CER-**
4 **TAIN HIGH INCOME FOREIGN COUNTRIES.**

5 “(a) IN GENERAL.—None of the funds made avail-
6 able for a fiscal year for assistance under this chapter may
7 be made available for assistance on a grant basis for any
8 of the high-income foreign countries described in sub-
9 section (b) for military education and training of military
10 and related civilian personnel of such country.

11 “(b) HIGH-INCOME FOREIGN COUNTRIES DE-
12 SCRIBED.—The high-income foreign countries described in
13 this subsection are Austria, Finland, the Republic of
14 Korea, Singapore, and Spain.”.

15 (2) AMENDMENT TO THE ARMS EXPORT CON-
16 TROL ACT.—Section 21(a)(1)(C) of the Arms Export
17 Control Act (22 U.S.C. 2761) is amended by insert-
18 ing “or to any high-income foreign country (as de-
19 scribed in that chapter)” after “Foreign Assistance
20 Act of 1961”.

21 **Subtitle C—Antiterrorism**
22 **Assistance**

23 **SEC. 1521. ANTITERRORISM TRAINING ASSISTANCE.**

24 (a) IN GENERAL.—Section 571 of the Foreign Assist-
25 ance Act of 1961 (22 U.S.C. 2349aa) is amended by strik-

1 ing “Subject to the provisions of this chapter” and insert-
2 ing “Notwithstanding any other provision of law that re-
3 stricts assistance to foreign countries (other than sections
4 502B and 620A of this Act)”.

5 (b) LIMITATIONS.—Section 573 of such Act (22
6 U.S.C. 2349aa–2) is amended—

7 (1) in the heading, by striking “SPECIFIC AU-
8 THORITIES AND”;

9 (2) by striking subsection (a);

10 (3) by redesignating subsections (b) through (f)
11 as subsections (a) through (e), respectively; and

12 (4) in subsection (c) (as redesignated)—

13 (A) by striking paragraphs (1) and (2);

14 (B) by redesignating paragraphs (3)
15 through (5) as paragraphs (1) through (3), re-
16 spectively; and

17 (C) by amending paragraph (2) (as reded-
18 igned) to read as follows:

19 “(2)(A) Except as provided in subparagraph (B),
20 funds made available to carry out this chapter shall not
21 be made available for the procurement of weapons and am-
22 munition.

23 “(B) Subparagraph (A) shall not apply to small arms
24 and ammunition in categories I and III of the United
25 States Munitions List that are integrally and directly re-

1 lated to antiterrorism training provided under this chapter
2 if, at least 15 days before obligating those funds, the
3 President notifies the appropriate congressional commit-
4 tees specified in section 634A of this Act in accordance
5 with the procedures applicable to reprogramming notifica-
6 tions under such section.

7 “(C) The value (in terms of original acquisition cost)
8 of all equipment and commodities provided under this
9 chapter in any fiscal year may not exceed 25 percent of
10 the funds made available to carry out this chapter for that
11 fiscal year.”.

12 (c) ANNUAL REPORT.—Section 574 of such Act (22
13 U.S.C. 2349aa–3) is hereby repealed.

14 (d) TECHNICAL CORRECTIONS.—Section 575 (22
15 U.S.C. 2349aa–4) and section 576 (22 U.S.C. 2349aa–
16 5) of such Act are redesignated as sections 574 and 575,
17 respectively.

18 **SEC. 1522. RESEARCH AND DEVELOPMENT EXPENSES.**

19 Funds made available for fiscal years 1996 and 1997
20 to carry out chapter 8 of part II of the Foreign Assistance
21 Act of 1961 (22 U.S.C. 2349aa et seq.; relating to
22 antiterrorism assistance) may be made available to the
23 Technical Support Working Group of the Department of
24 State for research and development expenses related to
25 contraband detection technologies or for field demonstra-

1 tions of such technologies (whether such field demonstra-
2 tions take place in the United States or outside the United
3 States).

4 **Subtitle D—Narcotics Control** 5 **Assistance**

6 **SEC. 1531. ADDITIONAL REQUIREMENTS.**

7 (a) POLICY AND GENERAL AUTHORITIES.—Section
8 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a))
9 is amended—

10 (1) in paragraph (1)—

11 (A) by redesignating subparagraphs (D)
12 through (F) as subparagraphs (E) through (G),
13 respectively; and

14 (B) by inserting after subparagraph (C)
15 the following new subparagraph:

16 “(D) International criminal activities, particu-
17 larly international narcotics trafficking, money laun-
18 dering, and corruption, endanger political and eco-
19 nomic stability and democratic development, and as-
20 sistance for the prevention and suppression of inter-
21 national criminal activities should be a priority for
22 the United States.”; and

23 (2) in paragraph (4), by adding before the pe-
24 riod at the end the following: “, or for other
25 anticrime purposes”.

1 (b) CONTRIBUTIONS AND REIMBURSEMENT.—Sec-
2 tion 482(c) of that Act (22 U.S.C. 2291a(c)) is amend-
3 ed—

4 (1) by striking “CONTRIBUTION BY RECIPIENT
5 COUNTRY.—To” and inserting “CONTRIBUTIONS
6 AND REIMBURSEMENT.—(1) To”; and

7 (2) by adding at the end the following new
8 paragraphs:

9 “(2)(A) The President is authorized to accept con-
10 tributions from foreign governments to carry out the pur-
11 poses of this chapter. Such contributions shall be depos-
12 ited as an offsetting collection to the applicable appropria-
13 tion account and may be used under the same terms and
14 conditions as funds appropriated pursuant to this chapter.

15 “(B) At the time of submission of the annual congres-
16 sional presentation documents required by section 634(a),
17 the President shall provide a detailed report on any con-
18 tributions received in the preceding fiscal year, the amount
19 of such contributions, and the purposes for which such
20 contributions were used.

21 “(3) The President is authorized to provide assist-
22 ance under this chapter on a reimbursable basis. Such re-
23 imbursements shall be deposited as an offsetting collection
24 to the applicable appropriation and may be used under the

1 same terms and conditions as funds appropriated pursu-
2 ant to this chapter.”.

3 (c) IMPLEMENTATION OF LAW ENFORCEMENT AS-
4 SISTANCE.—Section 482 of such Act (22 U.S.C. 2291a)
5 is amended by adding at the end the following new sub-
6 sections:

7 “(f) TREATMENT OF FUNDS.—Funds transferred to
8 and consolidated with funds appropriated pursuant to this
9 chapter may be made available on such terms and condi-
10 tions as are applicable to funds appropriated pursuant to
11 this chapter. Funds so transferred or consolidated shall
12 be apportioned directly to the bureau within the Depart-
13 ment of State responsible for administering this chapter.

14 “(g) EXCESS PROPERTY.—For purposes of this chap-
15 ter, the Secretary of State may use the authority of section
16 608, without regard to the restrictions of such section, to
17 receive nonlethal excess property from any agency of the
18 United States Government for the purpose of providing
19 such property to a foreign government under the same
20 terms and conditions as funds authorized to be appro-
21 priated for the purposes of this chapter.”.

22 **SEC. 1532. NOTIFICATION REQUIREMENT.**

23 (a) IN GENERAL.—The authority of section 1003(d)
24 of the National Narcotics Control Leadership Act of 1988
25 (21 U.S.C. 1502(d)) may be exercised with respect to

1 funds authorized to be appropriated pursuant to the For-
2 eign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and
3 with respect to the personnel of the Department of State
4 only to the extent that the appropriate congressional com-
5 mittees have been notified 15 days in advance in accord-
6 ance with the reprogramming procedures applicable under
7 section 634A of that Act (22 U.S.C. 2394).

8 (b) DEFINITION.—For purposes of this section, the
9 term “appropriate congressional committees” means the
10 Committee on International Relations and the Committee
11 on Appropriations of the House of Representatives and the
12 Committee on Foreign Relations and the Committee on
13 Appropriations of the Senate.

14 **SEC. 1533. WAIVER OF RESTRICTIONS FOR NARCOTICS-RE-**
15 **LATED ECONOMIC ASSISTANCE.**

16 For each of the fiscal years 1996 and 1997, narcot-
17 ics-related assistance under part I of the Foreign Assist-
18 ance Act of 1961 (22 U.S.C. 2151 et seq.) may be pro-
19 vided notwithstanding any other provision of law that re-
20 stricts assistance to foreign countries (other than section
21 490(e) or section 502B of that Act (22 U.S.C. 2291j(e)
22 and 2304)) if, at least 15 days before obligating funds
23 for such assistance, the President notifies the appropriate
24 congressional committees (as defined in section 481(e) of
25 that Act (22 U.S.C. 2291(e))) in accordance with the pro-

1 cedures applicable to reprogramming notifications under
2 section 634A of that Act (22 U.S.C. 2394).

3 **Subtitle E—Other Provisions**

4 **SEC. 1541. STANDARDIZATION OF CONGRESSIONAL REVIEW**

5 **PROCEDURES FOR ARMS TRANSFERS.**

6 (a) **THIRD COUNTRY TRANSFERS UNDER FMS**
7 **SALES.**—Section 3(d)(2) of the Arms Export Control Act
8 (22 U.S.C. 2753(d)(2)) is amended—

9 (1) in subparagraph (A), by striking “, as pro-
10 vided for in sections 36(b)(2) and 36(b)(3) of this
11 Act”;

12 (2) in subparagraph (B), by striking “law” and
13 inserting “joint resolution”; and

14 (3) by adding at the end the following:

15 “(C) If the President states in his certification under
16 subparagraph (A) or (B) that an emergency exists which
17 requires that consent to the proposed transfer become ef-
18 fective immediately in the national security interests of the
19 United States, thus waiving the requirements of that sub-
20 paragraph, the President shall set forth in the certification
21 a detailed justification for his determination, including a
22 description of the emergency circumstances which neces-
23 sitate immediate consent to the transfer and a discussion
24 of the national security interests involved.

1 “(D)(i) Any joint resolution under this paragraph
2 shall be considered in the Senate in accordance with the
3 provisions of section 601(b) of the International Security
4 Assistance and Arms Export Control Act of 1976.

5 “(ii) For the purpose of expediting the consideration
6 and enactment of joint resolutions under this paragraph,
7 a motion to proceed to the consideration of any such joint
8 resolution after it has been reported by the appropriate
9 committee shall be treated as highly privileged in the
10 House of Representatives.”.

11 (b) THIRD COUNTRY TRANSFERS UNDER COMMER-
12 CIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C.
13 2753(d)(3)) is amended—

14 (1) by inserting “(A)” after “(3)”;

15 (2) in the first sentence—

16 (A) by striking “at least 30 calendar
17 days”; and

18 (B) by striking “report” and inserting
19 “certification”; and

20 (3) by striking the last sentence and inserting
21 the following: “Such certification shall be submit-
22 ted—

23 “(i) at least 15 calendar days before such con-
24 sent is given in the case of a transfer to a country

1 which is a member of the North Atlantic Treaty Or-
2 ganization or Australia, Japan, or New Zealand; and

3 “(ii) at least 30 calendar days before such con-
4 sent is given in the case of a transfer to any other
5 country,

6 unless the President states in his certification that an
7 emergency exists which requires that consent to the pro-
8 posed transfer become effective immediately in the na-
9 tional security interests of the United States. If the Presi-
10 dent states in his certification that such an emergency ex-
11 ists (thus waiving the requirements of clause (i) or (ii),
12 as the case may be, and of subparagraph (B)) the Presi-
13 dent shall set forth in the certification a detailed justifica-
14 tion for his determination, including a description of the
15 emergency circumstances which necessitate that consent
16 to the proposed transfer become effective immediately and
17 a discussion of the national security interests involved.

18 “(B) Consent to a transfer subject to subparagraph
19 (A) shall become effective after the end of the 15-day or
20 30-day period specified in subparagraph (A)(i) or (ii), as
21 the case may be, only if the Congress does not enact, with-
22 in that period, a joint resolution prohibiting the proposed
23 transfer.

24 “(C)(i) Any joint resolution under this paragraph
25 shall be considered in the Senate in accordance with the

1 provisions of section 601(b) of the International Security
2 Assistance and Arms Export Control Act of 1976.

3 “(ii) For the purpose of expediting the consideration
4 and enactment of joint resolutions under this paragraph,
5 a motion to proceed to the consideration of any such joint
6 resolution after it has been reported by the appropriate
7 committee shall be treated as highly privileged in the
8 House of Representatives.”.

9 (c) COMMERCIAL SALES.—Section 36(c)(2) of such
10 Act (22 U.S.C. 2776(c)(2)) is amended by amending sub-
11 paragraphs (A) and (B) to read as follows:

12 “(A) in the case of a license for an export to
13 the North Atlantic Treaty Organization, any mem-
14 ber country of that Organization or Australia,
15 Japan, or New Zealand, shall not be issued until at
16 least 15 calendar days after the Congress receives
17 such certification, and shall not be issued then if the
18 Congress, within that 15-day period, enacts a joint
19 resolution prohibiting the proposed export; and

20 “(B) in the case of any other license, shall not
21 be issued until at least 30 calendar days after the
22 Congress receives such certification, and shall not be
23 issued then if the Congress, within that 30-day pe-
24 riod, enacts a joint resolution prohibiting the pro-
25 posed export.”.

1 (d) COMMERCIAL MANUFACTURING AGREEMENTS.—
2 Section 36(d) of such Act (22 U.S.C. 2776(d)) is amend-
3 ed—

4 (1) by inserting “(1)” after “(d)”;

5 (2) by striking “for or in a country not a mem-
6 ber of the North Atlantic Treaty Organization”; and

7 (3) by adding at the end the following:

8 “(2) A certification under this subsection shall be
9 submitted—

10 “(A) at least 15 days before approval is given
11 in the case of an agreement for or in a country
12 which is a member of the North Atlantic Treaty Or-
13 ganization or Australia, Japan, or New Zealand; and

14 “(B) at least 30 days before approval is given
15 in the case of an agreement for or in any other
16 country;

17 unless the President states in his certification that an
18 emergency exists which requires the immediate approval
19 of the agreement in the national security interests of the
20 United States.

21 “(3) If the President states in his certification that
22 an emergency exists which requires the immediate ap-
23 proval of the agreement in the national security interests
24 of the United States, thus waiving the requirements of
25 paragraph (4), he shall set forth in the certification a de-

1 tailed justification for his determination, including a de-
2 scription of the emergency circumstances which neces-
3 sitate the immediate approval of the agreement and a dis-
4 cussion of the national security interests involved.

5 “(4) Approval for an agreement subject to paragraph
6 (1) may not be given under section 38 if the Congress,
7 within the 15-day or 30-day period specified in paragraph
8 (2)(A) or (B), as the case may be, enacts a joint resolution
9 prohibiting such approval.

10 “(5)(A) Any joint resolution under paragraph (4)
11 shall be considered in the Senate in accordance with the
12 provisions of section 601(b) of the International Security
13 Assistance and Arms Export Control Act of 1976.

14 “(B) For the purpose of expediting the consideration
15 and enactment of joint resolutions under paragraph (4),
16 a motion to proceed to the consideration of any such joint
17 resolution after it has been reported by the appropriate
18 committee shall be treated as highly privileged in the
19 House of Representatives.”.

20 (e) GOVERNMENT-TO-GOVERNMENT LEASES.—

21 (1) CONGRESSIONAL REVIEW PERIOD.—Section
22 62 of such Act (22 U.S.C. 2796a) is amended—

23 (A) in subsection (a), by striking “Not less
24 than 30 days before” and inserting “Before”;

25 (B) in subsection (b)—

1 (i) by striking “determines, and im-
2 mediately reports to the Congress” and in-
3 serting “states in his certification”; and

4 (ii) by adding at the end of the sub-
5 section the following: “If the President
6 states in his certification that such an
7 emergency exists, he shall set forth in the
8 certification a detailed justification for his
9 determination, including a description of
10 the emergency circumstances which neces-
11 sitate that the lease be entered into imme-
12 diately and a discussion of the national se-
13 curity interests involved.”; and

14 (C) by adding at the end of the section the
15 following:

16 “(c) The certification required by subsection (a) shall
17 be transmitted—

18 “(1) not less than 15 calendar days before the
19 agreement is entered into or renewed in the case of
20 an agreement with the North Atlantic Treaty Orga-
21 nization, any member country of that Organization
22 or Australia, Japan, or New Zealand; and

23 “(2) not less than 30 calendar days before the
24 agreement is entered into or renewed in the case of

1 an agreement with any other organization or coun-
2 try.”.

3 (2) CONGRESSIONAL DISAPPROVAL.—Section
4 63(a) of such Act (22 U.S.C. 2796b(a)) is amend-
5 ed—

6 (A) by striking “(a)(1)” and inserting
7 “(a)”;

8 (B) by striking out the “30 calendar days
9 after receiving the certification with respect to
10 that proposed agreement pursuant to section
11 62(a),” and inserting in lieu thereof “the 15-
12 day or 30-day period specified in section 62(c)
13 (1) or (2), as the case may be,”; and

14 (C) by striking paragraph (2).

15 (f) EFFECTIVE DATE.—The amendments made by
16 this section apply with respect to certifications required
17 to be submitted on or after the date of the enactment of
18 this Act.

19 **SEC. 1542. INCREASED STANDARDIZATION, RATIONALIZA-**
20 **TION, AND INTEROPERABILITY OF ASSIST-**
21 **ANCE AND SALES PROGRAMS.**

22 Paragraph (6) of section 515(a) of the Foreign As-
23 sistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended
24 by striking “among members of the North Atlantic Treaty

1 Organization and with the Armed Forces of Japan, Aus-
2 tralia, and New Zealand”.

3 **SEC. 1543. DEFINITION OF SIGNIFICANT MILITARY EQUIP-**
4 **MENT.**

5 Section 47 of the Arms Export Control Act (22
6 U.S.C. 2794) is amended—

7 (1) in paragraph (7), by striking “and” at the
8 end;

9 (2) in paragraph (8), by striking the period at
10 the end and inserting “; and”; and

11 (3) by adding at the end the following new
12 paragraph:

13 “(9) ‘significant military equipment’ means articles—

14 “(A) for which special export controls are war-
15 ranted because of the capacity of such articles for
16 substantial military utility or capability; and

17 “(B) identified on the United States Munitions
18 List.”.

19 **SEC. 1544. ELIMINATION OF ANNUAL REPORTING REQUIRE-**
20 **MENT RELATING TO THE SPECIAL DEFENSE**
21 **ACQUISITION FUND.**

22 (a) IN GENERAL.—Section 53 of the Arms Export
23 Control Act (22 U.S.C. 2795b) is hereby repealed.

24 (b) CONFORMING AMENDMENT.—Section 51(a)(4) of
25 such Act (22 U.S.C. 2795(a)(4)) is amended—

1 (1) by striking “(a)”; and

2 (2) by striking subparagraph (B).

3 **SEC. 1545. COST OF LEASED DEFENSE ARTICLES THAT**
4 **HAVE BEEN LOST OR DESTROYED.**

5 Section 61(a)(4) of the Arms Export Control Act (22
6 U.S.C. 2796(a)(4)) is amended by striking “and the re-
7 placement cost” and all that follows and inserting the fol-
8 lowing: “and, if the articles are lost or destroyed while
9 leased—

10 “(A) in the event the United States in-
11 tends to replace the articles lost or destroyed,
12 the replacement cost (less any depreciation in
13 the value) of the articles; or

14 “(B) in the event the United States does
15 not intend to replace the articles lost or de-
16 stroyed, an amount not less than the actual
17 value (less any depreciation in the value) speci-
18 fied in the lease agreement.”.

19 **SEC. 1546. DESIGNATION OF MAJOR NON-NATO ALLIES.**

20 (a) DESIGNATION.—

21 (1) NOTICE TO CONGRESS.—Chapter 2 of part
22 II of the Foreign Assistance Act of 1961 (22 U.S.C.
23 2311 et seq.), as amended by this title, is further
24 amended by adding at the end the following new sec-
25 tion:

1 **“SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.**

2 “(a) NOTICE TO CONGRESS.—The President shall no-
3 tify the Congress in writing at least 30 days before—

4 “(1) designating a country as a major non-
5 NATO ally for purposes of this Act and the Arms
6 Export Control Act (22 U.S.C. 2751 et seq.); or

7 “(2) terminating such a designation.

8 “(b) INITIAL DESIGNATIONS.—Australia, Egypt, Is-
9 rael, Japan, the Republic of Korea, and New Zealand shall
10 be deemed to have been so designated by the President
11 as of the effective date of this section, and the President
12 is not required to notify the Congress of such designation
13 of those countries.”.

14 (2) DEFINITION.—Section 644 of such Act (22
15 U.S.C. 2403) is amended by adding at the end the
16 following:

17 “(q) ‘Major non-NATO ally’ means a country which
18 is designated in accordance with section 517 as a major
19 non-NATO ally for purposes of this Act and the Arms Ex-
20 port Control Act (22 U.S.C. 2751 et seq.).”.

21 (3) EXISTING DEFINITIONS.—(A) The last sen-
22 tence of section 21(g) of the Arms Export Control
23 Act (22 U.S.C. 2761(g)) is repealed.

24 (B) Section 65(d) of such Act (22 U.S.C.
25 2796d(d)) is amended—

26 (i) by striking “or major non-NATO”; and

1 (ii) by striking out “or a” and all that fol-
2 lows through “Code”.

3 (b) COOPERATIVE TRAINING AGREEMENTS.—Section
4 21(g) of the Arms Export Control Act (22 U.S.C.
5 2761(g)) is amended in the first sentence by striking
6 “similar agreements” and all that follows through “other
7 countries” and inserting “similar agreements with coun-
8 tries”.

9 **SEC. 1547. CERTIFICATION THRESHOLDS.**

10 (a) INCREASE IN DOLLAR THRESHOLDS.—The Arms
11 Export Control Act (22 U.S.C. 2751 et seq.) is amended—

12 (1) in section 3(d) (22 U.S.C. 2753(d))—

13 (A) in paragraphs (1) and (3), by striking
14 “\$14,000,000” each place it appears and in-
15 serting “\$25,000,000”; and

16 (B) in paragraphs (1) and (3), by striking
17 “\$50,000,000” each place it appears and in-
18 serting “\$75,000,000”;

19 (2) in section 36 (22 U.S.C. 2776)—

20 (A) in subsections (b)(1), (b)(5)(C), and
21 (c)(1), by striking “\$14,000,000” each place it
22 appears and inserting “\$25,000,000”;

23 (B) in subsections (b)(1), (b)(5)(C), and
24 (c)(1), by striking “\$50,000,000” each place it
25 appears and inserting “\$75,000,000”; and

1 (C) in subsections (b)(1) and (b)(5)(C), by
2 striking “\$200,000,000” each place it appears
3 and inserting “\$300,000,000”; and
4 (3) in section 63(a) (22 U.S.C. 2796b(a))—

5 (A) by striking “\$14,000,000” and insert-
6 ing “\$25,000,000”; and

7 (B) by striking “\$50,000,000” and insert-
8 ing “\$75,000,000”.

9 (b) **EFFECTIVE DATE.**—The amendments made by
10 subsection (a) apply with respect to certifications submit-
11 ted on or after the date of the enactment of this Act.

12 **SEC. 1548. DEPLETED URANIUM AMMUNITION.**

13 Chapter 1 of part III of the Foreign Assistance Act
14 of 1961 (22 U.S.C. 2370 et seq.), as amended by this title,
15 is further amended by adding at the end the following new
16 section:

17 **“SEC. 620G. DEPLETED URANIUM AMMUNITION.**

18 “(a) **PROHIBITION.**—Except as provided in sub-
19 section (b), none of the funds made available to carry out
20 this Act or any other Act may be made available to facili-
21 tate in any way the sale of M–833 antitank shells or any
22 comparable antitank shells containing a depleted uranium
23 penetrating component to any country other than—

24 “(1) a country that is a member of the North
25 Atlantic Treaty Organization;

1 “(2) a country that has been designated as a
2 major non-NATO ally (as defined in section 644(q));
3 or

4 “(3) Taiwan.

5 “(b) EXCEPTION.—The prohibition contained in sub-
6 section (a) shall not apply with respect to the use of funds
7 to facilitate the sale of antitank shells to a country if the
8 President determines that to do so is in the national secu-
9 rity interest of the United States.”.

10 **SEC. 1549. END-USE MONITORING OF DEFENSE ARTICLES**
11 **AND DEFENSE SERVICES.**

12 (a) IN GENERAL.—The Arms Export Control Act (22
13 U.S.C. 2751 et seq.) is amended by inserting after chapter
14 3 the following new chapter:

15 **“CHAPTER 3A—END-USE MONITORING OF**
16 **DEFENSE ARTICLES AND DEFENSE**
17 **SERVICES**

18 **“SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES**
19 **AND DEFENSE SERVICES.**

20 “(a) ESTABLISHMENT OF MONITORING PROGRAM.—

21 “(1) IN GENERAL.—In order to improve ac-
22 countability with respect to defense articles and de-
23 fense services sold, leased, or exported under this
24 Act or the Foreign Assistance Act of 1961 (22
25 U.S.C. 2151 et seq.), the President shall establish a

1 program which provides for the end-use monitoring
2 of such articles and services.

3 “(2) REQUIREMENTS OF PROGRAM.—To the ex-
4 tent practicable, such program—

5 “(A) shall provide for the end-use monitor-
6 ing of defense articles and defense services in
7 accordance with the standards that apply for
8 identifying high-risk exports for regular end-use
9 verification developed under section 38(g)(7) of
10 this Act (commonly referred to as the ‘Blue
11 Lantern’ program); and

12 “(B) shall be designed to provide reason-
13 able assurance that—

14 “(i) the recipient is complying with
15 the requirements imposed by the United
16 States Government with respect to use,
17 transfers, and security of defense articles
18 and defense services; and

19 “(ii) such articles and services are
20 being used for the purposes for which they
21 are provided.

22 “(b) CONDUCT OF PROGRAM.—In carrying out the
23 program established under subsection (a), the President
24 shall ensure that the program—

1 “(1) provides for the end-use verification of de-
2 fense articles and defense services that incorporate
3 sensitive technology, defense articles and defense
4 services that are particularly vulnerable to diversion
5 or other misuse, or defense articles or defense serv-
6 ices whose diversion or other misuse could have sig-
7 nificant consequences; and

8 “(2) prevents the diversion (through reverse en-
9 gineering or other means) of technology incorporated
10 in defense articles.

11 “(c) REPORT TO CONGRESS.—Not later than 6
12 months after the date of the enactment of this section,
13 and annually thereafter as a part of the annual congres-
14 sional presentation documents submitted under section
15 634 of the Foreign Assistance Act of 1961, the President
16 shall transmit to the Congress a report describing the ac-
17 tions taken to implement this section, including a detailed
18 accounting of the costs and number of personnel associ-
19 ated with the monitoring program.

20 “(d) THIRD COUNTRY TRANSFERS.—For purposes of
21 this section, defense articles and defense services sold,
22 leased, or exported under this Act or the Foreign Assist-
23 ance Act of 1961 (22 U.S.C. 2151 et seq.) includes de-
24 fense articles and defense services that are transferred to
25 a third country or other third party.”.

1 (b) EFFECTIVE DATE.—Section 40A of the Arms Ex-
2 port Control Act, as added by subsection (a), applies with
3 respect to defense articles and defense services provided
4 before or after the date of the enactment of this Act.

5 **SEC. 1550. BROKERING ACTIVITIES RELATING TO COMMER-**
6 **CIAL SALES OF DEFENSE ARTICLES AND**
7 **SERVICES.**

8 (a) IN GENERAL.—Section 38(b)(1)(A) of the Arms
9 Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amend-
10 ed—

11 (1) in the first sentence, by striking “As pre-
12 scribed in regulations” and inserting “(i) As pre-
13 scribed in regulations”; and

14 (2) by adding at the end the following new
15 clause:

16 “(ii)(I) As prescribed in regulations issued under this
17 section, every person (other than an officer or employee
18 of the United States Government acting in official capac-
19 ity) who engages in the business of brokering activities
20 with respect to the manufacture, export, import, or trans-
21 fer of any defense article or defense service designated by
22 the President under subsection (a)(1), or in the business
23 of brokering activities with respect to the manufacture, ex-
24 port, import, or transfer of any foreign defense article or
25 defense service (as defined in subclause (IV)), shall reg-

1 ister with the United States Government agency charged
2 with the administration of this section, and shall pay a
3 registration fee which shall be prescribed by such regula-
4 tions.

5 “(II) Such brokering activities shall include the fi-
6 nancing, transportation, freight forwarding, or taking of
7 any other action that facilitates the manufacture, export,
8 or import of a defense article or defense service.

9 “(III) No person may engage in the business of
10 brokering activities described in subclause (I) without a
11 license, issued in accordance with this Act, except that no
12 license shall be required for such activities undertaken by
13 or for an agency of the United States Government—

14 “(aa) for use by an agency of the United States
15 Government; or

16 “(bb) for carrying out any foreign assistance or
17 sales program authorized by law and subject to the
18 control of the President by other means.

19 “(IV) For purposes of this clause, the term ‘foreign
20 defense article or defense service’ includes any non-United
21 States defense article or defense service of a nature de-
22 scribed on the United States Munitions List regardless of
23 whether such article or service is of United States origin
24 or whether such article or service contains United States
25 origin components.”.

1 (b) EFFECTIVE DATE.—Section 38(b)(1)(A)(ii) of
2 the Arms Export Control Act, as added by subsection (a),
3 shall apply with respect to brokering activities engaged in
4 beginning on or after 120 days after the enactment of this
5 Act.

6 **SEC. 1551. RETURN AND EXCHANGES OF DEFENSE ARTI-**
7 **CLES PREVIOUSLY TRANSFERRED PURSUANT**
8 **TO THE ARMS EXPORT CONTROL ACT.**

9 (a) REPAIR OF DEFENSE ARTICLES.—Section 21 of
10 the Arms Export Control Act (22 U.S.C. 2761) is amend-
11 ed by adding at the end the following new subsection:

12 “(l) REPAIR OF DEFENSE ARTICLES.—

13 “(1) IN GENERAL.—The President may acquire
14 a repairable defense article from a foreign country
15 or international organization if such defense arti-
16 cle—

17 “(A) previously was transferred to such
18 country or organization under this Act;

19 “(B) is not an end item; and

20 “(C) will be exchanged for a defense article
21 of the same type that is in the stocks of the De-
22 partment of Defense.

23 “(2) LIMITATION.—The President may exercise
24 the authority provided in paragraph (1) only to the
25 extent that the Department of Defense—

1 “(A)(i) has a requirement for the defense
2 article being returned; and

3 “(ii) has available sufficient funds author-
4 ized and appropriated for such purpose; or

5 “(B)(i) is accepting the return of the de-
6 fense article for subsequent transfer to another
7 foreign government or international organiza-
8 tion pursuant to a letter of offer and acceptance
9 implemented in accordance with this Act; and

10 “(ii) has available sufficient funds provided
11 by or on behalf of such other foreign govern-
12 ment or international organization pursuant to
13 a letter of offer and acceptance implemented in
14 accordance with this Act.

15 “(3) REQUIREMENT.—(A) The foreign govern-
16 ment or international organization receiving a new
17 or repaired defense article in exchange for a repair-
18 able defense article pursuant to paragraph (1) shall,
19 upon the acceptance by the United States Govern-
20 ment of the repairable defense article being re-
21 turned, be charged the total cost associated with the
22 repair and replacement transaction.

23 “(B) The total cost charged pursuant to sub-
24 paragraph (A) shall be the same as that charged the
25 United States Armed Forces for a similar repair and

1 replacement transaction, plus an administrative sur-
2 charge in accordance with subsection (e)(1)(A) of
3 this section.

4 “(4) RELATIONSHIP TO CERTAIN OTHER PROVI-
5 SIONS OF LAW.—The authority of the President to
6 accept the return of a repairable defense article as
7 provided in subsection (a) shall not be subject to
8 chapter 137 of title 10, United States Code, or any
9 other provision of law relating to the conclusion of
10 contracts.”.

11 (b) RETURN OF DEFENSE ARTICLES.—Section 21 of
12 such Act (22 U.S.C. 2761), as amended by subsection (a),
13 is further amended by adding at the end the following new
14 subsection:

15 “(m) RETURN OF DEFENSE ARTICLES.—

16 “(1) IN GENERAL.—The President may accept
17 the return of a defense article from a foreign coun-
18 try or international organization if such defense arti-
19 cle—

20 “(A) previously was transferred to such
21 country or organization under this Act;

22 “(B) is not significant military equipment
23 (as defined in section 47(9) of this Act); and

24 “(C) is in fully functioning condition with-
25 out need of repair or rehabilitation.

1 “(2) LIMITATION.—The President may exercise
2 the authority provided in paragraph (1) only to the
3 extent that the Department of Defense—

4 “(A)(i) has a requirement for the defense
5 article being returned; and

6 “(ii) has available sufficient funds author-
7 ized and appropriated for such purpose; or

8 “(B)(i) is accepting the return of the de-
9 fense article for subsequent transfer to another
10 foreign government or international organiza-
11 tion pursuant to a letter of offer and acceptance
12 implemented in accordance with this Act; and

13 “(ii) has available sufficient funds provided
14 by or on behalf of such other foreign govern-
15 ment or international organization pursuant to
16 a letter of offer and acceptance implemented in
17 accordance with this Act.

18 “(3) CREDIT FOR TRANSACTION.—Upon acqui-
19 sition and acceptance by the United States Govern-
20 ment of a defense article under paragraph (1), the
21 appropriate Foreign Military Sales account of the
22 provider shall be credited to reflect the transaction.

23 “(4) RELATIONSHIP TO CERTAIN OTHER PROVI-
24 SIONS OF LAW.—The authority of the President to
25 accept the return of a defense article as provided in

1 paragraph (1) shall not be subject to chapter 137 of
2 title 10, United States Code, or any other provision
3 of law relating to the conclusion of contracts.”.

4 (c) REGULATIONS.—Under the direction of the Presi-
5 dent, the Secretary of Defense shall promulgate regula-
6 tions to implement subsections (l) and (m) of section 21
7 of the Arms Export Control Act, as added by this section.

8 **SEC. 1552. NATIONAL SECURITY INTEREST DETERMINA-**
9 **TION TO WAIVE REIMBURSEMENT OF DEPRE-**
10 **CIATION FOR LEASED DEFENSE ARTICLES.**

11 (a) IN GENERAL.—Section 61(a) of the Arms Export
12 Control Act (22 U.S.C. 2796(a)) is amended—

13 (1) in the second sentence, by striking “, or to
14 any defense article which has passed three-quarters
15 of its normal service life”; and

16 (2) by inserting after the second sentence the
17 following new sentence: “The President may waive
18 the requirement of paragraph (4) for reimbursement
19 of depreciation for any defense article which has
20 passed three-quarters of its normal service life if the
21 President determines that to do so is important to
22 the national security interest of the United States.”.

23 (b) EFFECTIVE DATE.—The third sentence of section
24 61(a) of the Arms Export Control Act, as added by sub-
25 section (a)(2), shall apply only with respect to a defense

1 article leased on or after the date of the enactment of this
2 Act.

3 **SEC. 1553. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT**
4 **CONTROL ACT.**

5 The Government of the Republic of Panama shall be
6 eligible to purchase defense articles and defense services
7 under the Arms Export Control Act (22 U.S.C. 2751 et
8 seq.), except as otherwise specifically provided by law.

9 **DIVISION B—MILITARY CON-**
10 **STRUCTION AUTHORIZA-**
11 **TIONS**

12 **SEC. 2001. SHORT TITLE.**

13 This division may be cited as the “Military Construc-
14 tion Authorization Act for Fiscal Year 1997”.

15 **TITLE XXI—ARMY**

16 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**
17 **ACQUISITION PROJECTS.**

18 (a) **INSIDE THE UNITED STATES.**—Using amounts
19 appropriated pursuant to the authorization of appropria-
20 tions in section 2104(a)(1), the Secretary of the Army
21 may acquire real property and carry out military construc-
22 tion projects for the installations and locations inside the
23 United States, and in the amounts, set forth in the follow-
24 ing table:

Army: Inside the United States

State	Installation or location	Total
Arizona	Fort Huachuca	\$21,000,000
California	Army project, Naval Weapons Station, Concord	\$27,000,000
	Camp Roberts	\$5,500,000
	Fort Irwin	\$7,000,000
Colorado	Fort Carson	\$17,550,000
District of Columbia	Fort McNair	\$6,900,000
Georgia	Fort Benning	\$53,400,000
	Fort McPherson	\$9,100,000
	Fort Stewart, Hunter Army Air Field	\$6,000,000
Kansas	Fort Riley	\$26,000,000
Kentucky	Fort Campbell	\$51,100,000
	Fort Knox	\$20,500,000
New Jersey	Picatinny Arsenal	\$7,500,000
New Mexico	White Sands Missile Range	\$10,000,000
New York	Fort Drum	\$11,400,000
North Carolina	Fort Bragg	\$14,000,000
Texas	Fort Hood	\$52,700,000
Virginia	Fort Eustis	\$3,550,000
Washington	Fort Lewis	\$54,600,000
CONUS Classified	Classified Location	\$4,600,000
	Total	\$409,400,000

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	Total
Germany	Lincoln Village	\$7,300,000
	Spinelli Barracks	\$8,100,000
	Taylor Barracks	\$9,300,000
Italy	Camp Ederle, Vincenza	\$3,100,000
Korea	Camp Casey	\$16,000,000
	Camp Red Cloud	\$14,000,000
Overseas Classified	Classified Location	\$64,000,000
	Total	\$121,800,000

7 SEC. 2102. FAMILY HOUSING.

8 (a) CONSTRUCTION AND ACQUISITION.—Using
9 amounts appropriated pursuant to the authorization of ap-

1 appropriations in section 2104(a)(6)(A), the Secretary of the
 2 Army may construct or acquire family housing units (in-
 3 cluding land acquisition) at the installations, for the pur-
 4 poses, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation	Purpose	Total
Alabama	Redstone Arsenal	70 Units	\$8,000,000
Hawaii	Schofield Barracks	54 Units	\$10,000,000
North Carolina	Fort Bragg	88 Units	\$9,800,000
Pennsylvania	Tobyhanna Army Depot	200 Units	\$890,000
Texas	Fort Bliss	85 Units	\$12,000,000
	Fort Hood	140 Units	\$18,500,000
		Total:	\$59,190,000

5 (b) PLANNING AND DESIGN.—Using amounts appro-
 6 priated pursuant to the authorization of appropriations in
 7 section 2104(a)(6)(A), the Secretary of the Army may
 8 carry out architectural and engineering services and con-
 9 struction design activities with respect to the construction
 10 or improvement of family housing units in an amount not
 11 to exceed \$2,963,000.

12 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
 13 **UNITS.**

14 Subject to section 2825 of title 10, United States
 15 Code, and using amounts appropriated pursuant to the
 16 authorization of appropriations in sections 2104(a)(6)(A),
 17 the Secretary of the Army may improve existing military
 18 family housing units in an amount not to exceed
 19 \$114,450,000.

1 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

2 (a) IN GENERAL.—Funds are hereby authorized to
3 be appropriated for fiscal years beginning after September
4 30, 1996, for military construction, land acquisition, and
5 military family housing functions of the Department of the
6 Army in the total amount of \$2,037,653,000 as follows:

7 (1) For military construction projects inside the
8 United States authorized by section 2101(a),
9 \$409,400,000.

10 (2) For military construction projects outside
11 the United States authorized by section 2101(b),
12 \$121,800,000.

13 (3) For unspecified minor military construction
14 projects authorized by section 2805 of title 10, Unit-
15 ed States Code, \$8,000,000.

16 (4) For architectural and engineering services
17 and construction design under section 2807 of title
18 10, United States Code, \$54,384,000.

19 (5) For demolition of excess facilities under sec-
20 tion 2814 of title 10, United States Code, as added
21 by section 2802, \$10,000,000.

22 (6) For military family housing functions:

23 (A) For construction and acquisition, plan-
24 ning and design, and improvement of military
25 family housing and facilities, \$176,603,000.

1 (B) For support of military family housing
2 (including the functions described in section
3 2833 of title 10, United States Code),
4 \$1,257,466,000.

5 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
6 PROJECTS.—Notwithstanding the cost variations author-
7 ized by section 2853 of title 10, United States Code, and
8 any other cost variation authorized by law, the total cost
9 of all projects carried out under section 2101 of this Act
10 may not exceed the total amount authorized to be appro-
11 priated under paragraphs (1) and (2) of subsection (a).

12 **SEC. 2105. CORRECTION IN AUTHORIZED USES OF FUNDS,**
13 **FORT IRWIN, CALIFORNIA.**

14 In the case of amounts appropriated pursuant to the
15 authorization of appropriations in section 2104(a)(1) of
16 the Military Construction Authorization Act for Fiscal
17 Year 1995 (division B of Public Law 103–337) and sec-
18 tion 2104(a)(1) of the Military Construction Authorization
19 Act for Fiscal Year 1996 (division B of Public Law 104–
20 106) for a military construction project for Fort Irwin,
21 California, involving the construction of an air field for
22 the National Training Center at Barstow-Daggett, Cali-
23 fornia, the Secretary of the Army may use such amounts
24 for the construction of a heliport at the same location.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Navy Detachment, Camp Navajo	\$3,920,000
	Marine Corps Air Station, Yuma	\$14,600,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	\$4,020,000
	Marine Corps Air Station, Camp Pendleton	\$6,240,000
	Marine Corps Base, Camp Pendleton	\$51,630,000
	Naval Air Station, North Island	\$86,502,000
	Naval Facility, San Clemente Island	\$17,000,000
	Naval Station, San Diego	\$7,050,000
	Naval Command Control & Ocean Surveillance Center, San Diego	\$1,960,000
Connecticut	Naval Submarine Base, New London	\$13,830,000
District of Columbia	Naval District, Washington	\$19,300,000
Florida	Naval Air Station, Key West	\$2,250,000
	Naval Station, Mayport	\$2,800,000
Georgia	Marine Corps Logistics Base, Albany	\$1,630,000
	Naval Submarine Base, Kings Bay	\$1,550,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	\$20,080,000
	Naval Station, Pearl Harbor	\$19,600,000
	Naval Submarine Base, Pearl Harbor	\$35,890,000
Idaho	Naval Surface Warfare Center, Bayview	\$7,150,000
Illinois	Naval Hospital, Great Lakes	\$15,200,000
	Naval Training Center, Great Lakes	\$22,900,000
Indiana	Naval Surface Warfare Center, Crane	\$5,000,000
Maryland	Naval Air Warfare Center, Patuxent River	\$1,270,000
Nevada	Naval Air Station, Fallon	\$16,200,000
North Carolina	Marine Corps Air Station, Cherry Point	\$1,630,000
	Marine Corps Air Station, New River	\$20,290,000
	Marine Corps Base, Camp LeJeune	\$20,750,000
Pennsylvania	Philadelphia Naval Shipyard	\$8,300,000
South Carolina	Marine Corps Recruit Detachment, Parris Island	\$4,990,000
Texas	Naval Station, Ingleside	\$16,850,000
	Naval Air Station, Kingsville	\$1,810,000
Virginia	Armed Forces Staff College, Norfolk	\$12,900,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
Washington	Fleet Combat Training Command, Dam Neck	\$7,000,000
	Marine Corps Combat Development Command, Quantico	\$14,570,000
	Naval Station, Norfolk	\$56,120,000
	Naval Surface Warfare Center, Dahlgren	\$8,030,000
	Naval Station, Everett	\$25,740,000
	Naval Undersea Warfare Center	\$6,800,000
CONUS Various	Defense access roads	\$300,000
	Total	\$583,652,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropri-
3 ations 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
Bahrain	Administrative Support Unit, Bahrain	\$5,980,000
Greece	Naval Support Activity, Souda Bay	\$11,050,000
Italy	Naval Air Station, Sigonella	\$15,700,000
United Kingdom	Naval Support Activity, Naples	\$8,620,000
	Joint Maritime Communications Center, St. Mawgan	\$4,700,000
	Total	\$46,050,000

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)(6)(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
Arizona	Marine Corps Air Station, Yuma	Ancillary Facility ...	\$709,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	Ancillary Facility ...	\$2,938,000
	Marine Corps Base, Camp Pendleton ...	202 Units	\$29,483,000
	Naval Air Station, Lemoore	276 Units	\$39,837,000
	Navy Public Works Center, San Diego	466 Units	\$63,429,000
Florida	Naval Station, Mayport	100 Units	\$10,000,000
Hawaii	Marine Corps Air Station, Kaneohe Bay	54 Units	\$11,676,000
	Navy Public Works Center, Pearl Harbor	264 Units	\$52,586,000
Maine	Naval Air Station, Brunswick	92 Units	\$10,925,000
Maryland	Naval Air Warfare Center, Patuxent River	Ancillary Facility ...	\$1,233,000
North Carolina	Marine Corps Base, Camp LeJeune	Ancillary Facility ...	\$845,000
	Marine Corps Base, Camp LeJeune	125 Units	\$13,360,000
South Carolina	Marine Corps Air Station, Beaufort	200 Units	\$19,110,000
Texas	Corpus Christi Naval Complex	156 Units	\$17,425,000
	Naval Air Station, Kingsville	48 Units	\$7,550,000
Virginia	AEGIS Combat Systems Center, Wallops Island	20 Units	\$2,975,000
	Naval Security Group Activity, Northwest	Ancillary Facility ...	\$741,000
Washington	Naval Station, Everett	100 Units	\$15,015,000
	Naval Submarine Base, Bangor	Ancillary Facility ...	\$934,000
		Total	\$300,771,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2204(a)(6)(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

1 or improvement of military family housing units in an
2 amount not to exceed \$22,552,000.

3 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
4 **UNITS.**

5 Subject to section 2825 of title 10, United States
6 Code, and using amounts appropriated pursuant to the
7 authorization of appropriations in section 2204(a)(6)(A),
8 the Secretary of the Navy may improve existing military
9 family housing units in an amount not to exceed
10 \$209,133,000.

11 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

12 (a) IN GENERAL.—Funds are hereby authorized to
13 be appropriated for fiscal years beginning after September
14 30, 1996, for military construction, land acquisition, and
15 military family housing functions of the Department of the
16 Navy in the total amount of \$2,309,273,000 as follows:

17 (1) For military construction projects inside the
18 United States authorized by section 2201(a),
19 \$583,652,000.

20 (2) For military construction projects outside
21 the United States authorized by section 2201(b),
22 \$46,050,000.

23 (3) For unspecified minor construction projects
24 authorized by section 2805 of title 10, United States
25 Code, \$8,115,000.

1 (4) For architectural and engineering services
2 and construction design under section 2807 of title
3 10, United States Code, \$50,959,000.

4 (5) For demolition of excess facilities under sec-
5 tion 2814 of title 10, United States Code, as added
6 by section 2802, \$10,000,000.

7 (6) For military family housing functions:

8 (A) For construction and acquisition, plan-
9 ning and design, and improvement of military
10 family housing and facilities, \$532,456,000.

11 (B) For support of military housing (in-
12 cluding functions described in section 2833 of
13 title 10, United States Code), \$1,058,241,000.

14 (7) For the construction of a bachelor enlisted
15 quarters at the Naval Construction Battalion Center,
16 Port Hueneme, California, authorized by section
17 2201(a) of the Military Construction Authorization
18 Act for Fiscal Year 1996 (division B of Public Law
19 104–106; 110 Stat. 525), \$7,700,000.

20 (8) For the construction of a Strategic Mari-
21 time Research Center at the Naval War College,
22 Newport, Rhode Island, authorized by section
23 2201(a) of the Military Construction Authorization
24 Act for Fiscal Year 1995 (division B of Public Law
25 103–337; 108 Stat. 3031), \$8,000,000.

1 (9) For the construction of the large anechoic
2 chamber facility at the Patuxent River Naval War-
3 fare Center, Aircraft Division, Maryland, authorized
4 by section 2201(a) of the Military Construction Au-
5 thorization Act for Fiscal Year 1993 (division B of
6 Public Law 102-484; 106 Stat. 2590), \$10,000,000.

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 (c) ADJUSTMENT.—The total amount authorized to
15 be appropriated pursuant to paragraphs (1) through (9)
16 of subsection (a) is the sum of the amounts authorized
17 to be appropriated in such paragraphs, reduced by
18 \$12,000,000, which represents the combination of project
19 savings resulting from favorable bids, reduced overhead
20 costs, and cancellations due to force structure changes.

21 **SEC. 2205. BEACH REPLENISHMENT, NAVAL AIR STATION,**
22 **NORTH ISLAND, CALIFORNIA.**

23 (a) COST-SHARING AGREEMENT.—With regard to
24 the portion of the military construction project for Naval
25 Air Station, North Island, California, authorized by sec-

1 tion 2201(a) and involving on-shore and near-shore beach
2 replenishment, the Secretary of the Navy shall endeavor
3 to enter into an agreement with the State of California
4 and local governments in the vicinity of the project, under
5 which the State and local governments agree to cover not
6 less than 50 percent of the cost incurred by the Secretary
7 to carry out the beach replenishment portion of the
8 project.

9 (b) **ACTIVITIES PENDING AGREEMENT.**—The Sec-
10 retary shall not delay commencement of, or activities
11 under, the construction project described in subsection (a),
12 including the beach replenishment portion of the project,
13 pending the execution of the cost-sharing agreement, ex-
14 cept that, within amounts appropriated for the project,
15 Federal expenditures may not exceed \$9,630,000 for
16 beach replenishment.

17 **SEC. 2206. LEASE TO FACILITATE CONSTRUCTION OF RE-**
18 **SERVE CENTER, NAVAL AIR STATION, MERID-**
19 **IAN, MISSISSIPPI.**

20 (a) **LEASE OF PROPERTY FOR CONSTRUCTION OF**
21 **RESERVE CENTER.**—(1) The Secretary of the Navy may
22 lease, without reimbursement, to the State of Mississippi
23 (in this section referred to as the “State”), approximately
24 five acres of real property located at Naval Air Station,
25 Meridian, Mississippi. The State shall use the property to

1 construct a reserve center of approximately 22,000 square
2 feet and ancillary supporting facilities.

3 (2) The term of the lease under this subsection shall
4 expire on the same date that the lease authorized by sub-
5 section (b) expires.

6 (b) LEASEBACK OF RESERVE CENTER.—(1) The
7 Secretary may lease from the State the property and im-
8 provements constructed pursuant to subsection (a) for a
9 five-year period. The term of the lease shall begin on the
10 date on which the improvements are available for occu-
11 pancy, as determined by the Secretary.

12 (2) Rental payments under the lease under paragraph
13 (1) may not exceed \$200,000 per year, and the total
14 amount of the rental payments for the entire period may
15 not exceed 20 percent of the total cost of constructing the
16 reserve center and ancillary supporting facilities.

17 (3) Subject to the availability of appropriations for
18 this purpose, the Secretary may use funds appropriated
19 pursuant to an authorization of appropriations for the op-
20 eration and maintenance of the Naval Reserve to make
21 rental payments required under this subsection.

22 (c) EFFECT OF TERMINATION OF LEASES.—At the
23 end of the lease term under subsection (b), the State shall
24 convey, without reimbursement, to the United States all

1 right, title, and interest of the State in the reserve center
2 and ancillary supporting facilities subject to the lease.

3 (d) **ADDITIONAL TERMS AND CONDITIONS.**—The
4 Secretary may require such additional terms and condi-
5 tions in connection with the leases under this section as
6 the Secretary considers appropriate to protect the inter-
7 ests of the United States.

8 **TITLE XXIII—AIR FORCE**

9 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND** 10 **LAND ACQUISITION PROJECTS.**

11 (a) **INSIDE THE UNITED STATES.**—Using amounts
12 appropriated pursuant to the authorization of appropria-
13 tions in section 2304(a)(1), the Secretary of the Air Force
14 may acquire real property and carry out military construc-
15 tion projects for the installations and locations inside the
16 United States, and in the amounts, set forth in the follow-
17 ing table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	\$7,875,000
Alaska	Elmendorf Air Force Base	\$21,530,000
Arizona	Davis–Monthan Air Force Base	\$9,920,000
	Luke Air Force Base	\$6,700,000
Arkansas	Little Rock Air Force Base	\$18,105,000
California	Beale Air Force Base	\$14,425,000
	Edwards Air Force Base	\$20,080,000
	Travis Air Force Base	\$16,230,000
	Vandenberg Air Force Base	\$3,290,000
Colorado	Buckley Air National Guard Base ...	\$17,960,000
	Falcon Air Force Station	\$2,095,000
	Peterson Air Force Base	\$20,720,000
	United States Air Force Academy ...	\$12,165,000
Delaware	Dover Air Force Base	\$7,980,000
Florida	Eglin Air Force Base	\$4,590,000
	Eglin Auxiliary Field 9	\$6,825,000
	Patrick Air Force Base	\$2,595,000
	Tyndall Air Force Base	\$3,600,000
Georgia	Robins Air Force Base	\$22,645,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Idaho	Mountain Home Air Force Base	\$15,845,000
Kansas	McConnell Air Force Base	\$15,580,000
Louisiana	Barksdale Air Force Base	\$4,890,000
Maryland	Andrews Air Force Base	\$5,990,000
Mississippi	Keesler Air Force Base	\$14,465,000
Nevada	Indian Springs Air Force Auxiliary Air Field	\$4,690,000
New Jersey	McGuire Air Force Base	\$8,080,000
North Carolina	Pope Air Force Base	\$5,915,000
	Seymour Johnson Air Force Base ...	\$11,280,000
North Dakota	Grand Forks Air Force Base	\$12,470,000
	Minot Air Force Base	\$3,940,000
Ohio	Wright–Patterson Air Force Base ...	\$7,400,000
Oklahoma	Tinker Air Force Base	\$9,880,000
South Carolina	Charleston Air Force Base	\$37,410,000
	Shaw Air Force Base	\$5,665,000
Tennessee	Arnold Engineering Development Center	\$12,481,000
Texas	Brooks Air Force Base	\$5,400,000
	Dyess Air Force Base	\$12,295,000
	Kelly Air Force Base	\$3,250,000
	Lackland Air Force Base	\$9,413,000
	Sheppard Air Force Base	\$9,400,000
Utah	Hill Air Force Base	\$3,690,000
Virginia	Langley Air Force Base	\$8,005,000
Washington	Fairchild Air Force Base	\$18,155,000
	McChord Air Force Base	\$57,065,000
Wyoming	F. E. Warren Air Force Base	\$3,700,000
	Total	\$525,684,000

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 carry out military construc-
5 tion projects for the installations and locations outside the
6 United States, and in the amounts, set forth in the follow-
7 ing table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Force Base	\$5,370,000
	Spangdahlem Air Base	\$1,890,000
Italy	Aviano Air Base	\$10,060,000
Korea	Osan Air Base	\$9,780,000
Turkey	Incirlik Air Base	\$7,160,000
United Kingdom	Croughton Royal Air Force Base	\$1,740,000
	Lakenheath Royal Air Force Base ...	\$17,525,000
	Mildenhall Royal Air Force Base	\$6,195,000

Air Force: Outside the United States—Continued

Country	Installation or location	Amount
Overseas Classified	Classified Locations	\$18,395,000
	Total	\$78,115,000

1 SEC. 2302. FAMILY HOUSING.

2 (a) CONSTRUCTION AND ACQUISITION.—Using
3 amounts appropriated pursuant to the authorization of ap-
4 propriations in section 2304(a)(6)(A), the Secretary of the
5 Air Force may construct or acquire family housing units
6 (including land acquisition) at the installations, for the
7 purposes, and in the amounts set forth in the following
8 table:

Air Force: Family Housing

State	Installation	Purpose	Amount
Alaska	Eielson Air Force Base.	72 Units	\$21,127,000
	Eielson Air Force Base.	Ancillary Facility ...	\$2,950,000
California	Beale Air Force Base	56 Units	\$8,893,000
	Los Angeles Air Force Base.	25 Units	\$6,425,000
	Travis Air Force Base.	70 Units	\$8,631,000
	Vandenberg Air Force Base	112 Units	\$20,891,000
District of Columbia	Bolling Air Force Base.	40 Units	\$5,000,000
Florida	Eglin Auxiliary Field 9.	1 Unit	\$249,000
	MacDill Air Force Base.	56 Units	\$8,822,000
	Patrick Air Force Base.	Ancillary Facility ...	\$2,430,000
	Tyndall Air Force Base.	42 Units	\$6,000,000
Georgia	Robins Air Force Base	46 Units	\$5,252,000
Louisiana	Barksdale Air Force Base	80 Units	\$9,570,000
Maryland	Hanscom Air Force Base.	32 Units	\$5,100,000
Missouri	Whiteman Air Force Base	68 Units	\$9,600,000
Nevada	Nellis Air Force Base	50 Units	\$7,955,000
New Mexico	Kirtland Air Force Base	50 Units	\$5,450,000

Air Force: Family Housing—Continued

State	Installation	Purpose	Amount
North Dakota	Grand Forks Air Force Base	66 Units	\$7,784,000
	Minot Air Force Base	46 Units	\$8,740,000
Texas	Lackland Air Force Base	132 Units	\$11,500,000
	Lackland Air Force Base	Ancillary Facility ...	\$800,000
Washington	McChord Air Force Base	50 Units	\$5,659,000
		Total	\$168,828,000

1 (b) **PLANNING AND DESIGN.**—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2304(a)(6)(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 \$9,590,000.

8 **SEC. 2303. 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
12 authorization of appropriations in section 2304(a)(6)(A),
13 the Secretary of the Air Force may improve existing mili-
14 tary family housing units in an amount not to exceed
15 \$125,650,000.

16 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
17 **FORCE.**

18 (a) **IN GENERAL.**—Funds are hereby authorized to
19 be appropriated for fiscal years beginning after September

1 30, 1996, for military construction, land acquisition, and
2 military family housing functions of the Department of the
3 Air Force in the total amount of \$1,823,456,000 as fol-
4 lows:

5 (1) For military construction projects inside the
6 United States authorized by section 2301(a),
7 \$525,684,000.

8 (2) For military construction projects outside
9 the United States authorized by section 2301(b),
10 \$78,115,000.

11 (3) For unspecified minor construction projects
12 authorized by section 2805 of title 10, United States
13 Code, \$12,328,000.

14 (4) For architectural and engineering services
15 and construction design under section 2807 of title
16 10, United States Code, \$47,387,000.

17 (5) For demolition of excess facilities under sec-
18 tion 2814 of title 10, United States Code, as added
19 by section 2802, \$10,000,000.

20 (6) For military housing functions:

21 (A) For construction and acquisition, plan-
22 ning and design, and improvement of military
23 family housing and facilities, \$304,068,000.

24 (B) For support of military family housing
25 (including the functions described in section

1 2833 of title 10, United States Code),
2 \$840,474,000.

3 (7) For the construction of a corrosion control
4 facility at Tinker Air Force Base, Oklahoma, au-
5 thorized by section 2301(a) of the Military Construc-
6 tion Authorization Act for Fiscal Year 1996 (divi-
7 sion B of Public Law 104–106; 110 Stat. 530),
8 \$5,400,000.

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 2301 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 XXIV—DEFENSE** 17 **AGENCIES**

18 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUC-**
19 **TION AND LAND ACQUISITION PROJECTS.**

20 (a) INSIDE THE UNITED STATES.—Using amounts
21 appropriated pursuant to the authorization of appropria-
22 tions in section 2406(a)(1), and, in the case of the projects
23 described in paragraphs (2) and (3) of section 2406(b),
24 other amounts appropriated pursuant to authorizations
25 enacted after this Act for such projects, the Secretary of

- 1 Defense may acquire real property and carry out military
 2 construction projects for the installations and locations in-
 3 side the United States, and in the amounts, set forth in
 4 the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitarization Program	Pueblo Chemical Activity, Colorado	\$179,000,000
Defense Finance & Accounting Service	Charleston, South Carolina	\$6,200,000
	Gentile Air Force Station, Ohio	\$11,400,000
	Griffiss Air Force Base, New York	\$10,200,000
	Loring Air Force Base, Maine	\$6,900,000
	Naval Training Center, Orlando, Florida	\$2,600,000
	Norton Air Force Base, California	\$13,800,000
	Offutt Air Force Base, Nebraska	\$7,000,000
	Rock Island Arsenal, Illinois	\$14,400,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	\$6,790,000
Defense Logistics Agency	Altus Air Force Base, Oklahoma	\$3,200,000
	Andrews Air Force Base, Maryland	\$12,100,000
	Barksdale Air Force Base, Louisiana	\$4,300,000
	Defense Construction Supply Center, Columbus, Ohio	\$600,000
	Defense Distribution, San Diego, California	\$15,700,000
	Elmendorf Air Force Base, Alaska	\$18,000,000
	McConnell Air Force Base, Kansas	\$2,200,000
	Naval Air Facility, El Centro, California	\$5,700,000
	Naval Air Station, Fallon, Nevada	\$2,100,000
	Naval Air Station, Oceana, Virginia	\$1,500,000
	Shaw Air Force Base, South Carolina	\$2,900,000
	Travis Air Force Base, California	\$15,200,000
Defense Medical Facility Office	Andrews Air Force Base, Maryland	\$15,500,000
	Charleston Air Force Base, South Carolina	\$1,300,000
	Fort Bliss, Texas	\$6,600,000
	Fort Bragg, North Carolina	\$11,400,000
	Fort Hood, Texas	\$1,950,000
	Marine Corps Base, Camp Pendleton, California	\$3,300,000
	Maxwell Air Force Base, Alabama ...	\$25,000,000
	Naval Air Station, Key West, Florida	\$15,200,000
	Naval Air Station, Norfolk, Virginia	\$1,250,000
	Naval Air Station, Lemoore, California	\$38,000,000
Special Operations Command	Fort Bragg, North Carolina	\$14,000,000
	Fort Campbell, Kentucky	\$4,200,000
	MacDill Air Force Base, Florida	\$9,600,000
	Naval Amphibious Base, Coronado, California	\$7,700,000

Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
	Naval Station, Ford Island, Pearl Harbor, Hawaii	\$12,800,000
	Total	\$509,590,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2406(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	Installation or location	Amount
Defense Logistics Agency	Moron Air Base, Spain	\$12,958,000
	Naval Air Station, Sigonella, Italy ...	\$6,100,000
Defense Medical Facility Of- fice	Administrative Support Unit, Bah- rain, Bahrain	\$4,600,000
	Total	\$23,658,000

8 **SEC. 2402. MILITARY HOUSING PLANNING AND DESIGN.**

9 Using amounts appropriated pursuant to the author-
10 ization of appropriation in section 2406(a)(14)(A), the
11 Secretary of Defense may carry out architectural and en-
12 gineering services and construction design activities with
13 respect to the construction or improvement of military
14 family housing units in an amount not to exceed
15 \$500,000.

1 **SEC. 2403. 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 appropriation in section 2406(a)(14)(A),
6 the Secretary of Defense may improve existing military
7 family housing units in an amount not to exceed
8 \$3,871,000.

9 **SEC. 2404. MILITARY HOUSING IMPROVEMENT PROGRAM.**

10 (a) AVAILABILITY OF FUNDS FOR CREDIT TO FAM-
11 ILY HOUSING IMPROVEMENT FUND.—(1) Of the amount
12 authorized to be appropriated pursuant to section
13 2406(a)(14)(C), \$35,000,000 shall be available for credit
14 to the Department of Defense Family Housing Improve-
15 ment Fund established by section 2883(a)(1) of title 10,
16 United States Code.

17 (2) Of the amount authorized to be appropriated pur-
18 suant to section 2406(a)(14)(D), \$10,000,000 shall be
19 available for credit to the Department of Defense Military
20 Unaccompanied Housing Improvement Fund established
21 by section 2883(a)(2) of such title.

22 (b) USE OF FUNDS.—(1) The Secretary of Defense
23 may use funds credited to the Department of Defense
24 Family Housing Improvement Fund under subsection
25 (a)(1) to carry out any activities authorized by subchapter

1 IV of chapter 169 of such title with respect to military
2 family housing.

3 (2) The Secretary of Defense may use funds credited
4 to the Department of Defense Military Unaccompanied
5 Housing Improvement Fund under subsection (a)(2) to
6 carry out any activities authorized by subchapter IV of
7 chapter 169 of such title with respect to military unaccom-
8 panied housing.

9 **SEC. 2405. ENERGY CONSERVATION PROJECTS.**

10 Using amounts appropriated pursuant to the author-
11 ization of appropriations in section 2406(a)(12), the Sec-
12 retary of Defense may carry out energy conservation
13 projects under section 2865 of title 10, United States
14 Code.

15 **SEC. 2406. AUTHORIZATION OF APPROPRIATIONS, DE-**
16 **FENSE AGENCIES.**

17 (a) IN GENERAL.—Funds are hereby authorized to
18 be appropriated for fiscal years beginning after September
19 30, 1996, for military construction, land acquisition, and
20 military family housing functions of the Department of
21 Defense (other than the military departments), in the total
22 amount of \$3,431,670,000 as follows:

23 (1) For military construction projects inside the
24 United States authorized by section 2401(a),
25 \$346,487,000.

1 (2) For military construction projects outside
2 the United States authorized by section 2401(b),
3 \$23,658,000.

4 (3) For military construction projects at Naval
5 Hospital, Portsmouth, Virginia, hospital replace-
6 ment, authorized by section 2401(a) of the Military
7 Construction Authorization Act for Fiscal Years
8 1990 and 1991 (division B of Public Law 101–189;
9 103 Stat. 1640), \$24,000,000.

10 (4) For military construction projects at Walter
11 Reed Army Institute of Research, Maryland, hospital
12 replacement, authorized by section 2401(a) of the
13 Military Construction Authorization Act for Fiscal
14 Year 1993 (division B of Public Law 102–484; 106
15 Stat. 2599), \$72,000,000.

16 (5) For military construction projects at Fort
17 Bragg, North Carolina, hospital replacement, au-
18 thorized by section 2401(a) of the Military Construc-
19 tion Authorization Act for Fiscal Year 1993 (106
20 Stat. 2599), \$89,000,000.

21 (6) For military construction projects at Pine
22 Bluff Arsenal, Arkansas, authorized by section
23 2401(a) of the Military Construction Authorization
24 Act for Fiscal Year 1995 (division B of the Public
25 Law 103–337; 108 Stat. 3040), \$46,000,000.

1 (7) For military construction projects at
2 Umatilla Army Depot, Oregon, authorized by section
3 2401(a) of the Military Construction Authorization
4 Act for Fiscal Year 1995 (108 Stat. 3040),
5 \$64,000,000.

6 (8) For military construction projects at De-
7 fense Finance and Accounting Service, Columbus,
8 Ohio, authorized by section 2401(a) of the Military
9 Construction Authorization Act of Fiscal Year 1996
10 (division B of Public Law 104–106; 110 Stat. 535),
11 \$20,822,000.

12 (9) For contingency construction projects of the
13 Secretary of Defense under section 2804 of title 10,
14 United States Code, \$16,874,000.

15 (10) For unspecified minor construction
16 projects under section 2805 of title 10, United
17 States Code, \$9,500,000.

18 (11) For architectural and engineering services
19 and construction design under section 2807 of title
20 10, United States Code, \$12,239,000.

21 (12) For energy conservation projects under
22 section 2865 of title 10, United States Code,
23 \$47,765,000.

24 (13) For base closure and realignment activities
25 as authorized by the Defense Base Closure and Re-

1 alignment Act of 1990 (part A of title XXIX of
2 Public Law 101–510; 10 U.S.C. 2687 note),
3 \$2,507,476,000.

4 (14) For military family housing functions:

5 (A) For improvement and planning of mili-
6 tary family housing and facilities, \$4,371,000.

7 (B) For support of military housing (in-
8 cluding functions described in section 2833 of
9 title 10, United States Code), \$30,963,000, of
10 which not more than \$25,637,000 may be obli-
11 gated or expended for the leasing of military
12 family housing units worldwide.

13 (C) For credit to the Department of De-
14 fense Family Housing Improvement Fund as
15 authorized by section 2404(a)(1) of this Act,
16 \$35,000,000.

17 (D) For credit to the Department of De-
18 fense Military Unaccompanied Housing Im-
19 provement Fund as authorized by section
20 2404(a)(2) of this Act, \$10,000,000.

21 (E) For the Homeowners Assistance Pro-
22 gram as authorized by section 2832 of title 10,
23 United States Code, \$36,181,000, to remain
24 available until expended.

1 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
2 PROJECTS.—Notwithstanding the cost variation author-
3 ized by section 2853 of title 10, United States Code, and
4 any other cost variations authorized by law, the total cost
5 of all projects carried out under section 2401 of this Act
6 may not exceed—

7 (1) the total amount authorized to be appro-
8 priated under paragraphs (1) and (2) of subsection
9 (a);

10 (2) \$161,503,000 (the balance of the amount
11 authorized under section 2401(a) of this Act for the
12 construction of a chemical demilitarization facility at
13 Pueblo Army Depot, Colorado); and

14 (3) \$1,600,000 (the balance of the amount au-
15 thorized under section 2401(a) of this Act for the
16 construction of a replacement facility for the medical
17 and dental clinic, Key West Naval Air Station, Flor-
18 ida).

1 **TITLE XXV—NORTH ATLANTIC**
2 **TREATY ORGANIZATION SE-**
3 **CURITY INVESTMENT PRO-**
4 **GRAM**

5 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**
6 **ACQUISITION PROJECTS.**

7 The Secretary of Defense may make contributions for
8 the North Atlantic Treaty Organization Security Invest-
9 ment Program as provided in section 2806 of title 10,
10 United States Code, in an amount not to exceed the sum
11 of the amount authorized to be appropriated for this pur-
12 pose in section 2502 and the amount collected from the
13 North Atlantic Treaty Organization as a result of con-
14 struction previously financed by the United States.

15 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

16 Funds are hereby authorized to be appropriated for
17 fiscal years beginning after September 30, 1996, for con-
18 tributions by the Secretary of Defense under section 2806
19 of title 10, United States Code, for the share of the United
20 States of the cost of projects for the North Atlantic Treaty
21 Security Investment Program as authorized by section
22 2501, in the amount of \$177,000,000.

1 **TITLE XXVI—GUARD AND**
2 **RESERVE FORCES FACILITIES**

3 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**
4 **TION AND LAND ACQUISITION PROJECTS.**

5 There are authorized to be appropriated for fiscal
6 years beginning after September 30, 1996, for the costs
7 of acquisition, architectural and engineering services, and
8 construction of facilities for the Guard and Reserve
9 Forces, and for contributions therefor, under chapter
10 1803 of title 10, United States Code (including the cost
11 of acquisition of land for those facilities), the following
12 amounts:

- 13 (1) For the Department of the Army—
14 (A) for the Army National Guard of the
15 United States, \$41,316,000; and
16 (B) for the Army Reserve, \$50,159,000.
17 (2) For the Department of the Navy, for the
18 Naval and Marine Corps Reserve, \$33,169,000.
19 (3) For the Department of the Air Force—
20 (A) for the Air National Guard of the
21 United States, \$118,394,000; and
22 (B) for the Air Force Reserve,
23 \$51,655,000.

1 **SEC. 2602. NAMING OF RANGE AT CAMP SHELBY, MIS-**
2 **SISSIPPI.**

3 (a) NAME.—The Multi Purpose Range Complex
4 (Heavy) at Camp Shelby, Mississippi, shall after the date
5 of the enactment of this Act be known and designated as
6 the “G.V. (Sonny) Montgomery Range”. Any reference to
7 such range in any law, regulation, map, document, record,
8 or other paper of the United States shall be considered
9 to be a reference to the G. V. (Sonny) Montgomery Range.

10 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
11 fect at noon on January 3, 1997, or the first day on which
12 G. V. (Sonny) Montgomery otherwise ceases to be a Mem-
13 ber of the House of Representatives.

14 **TITLE XXVII—EXPIRATION AND**
15 **EXTENSION OF AUTHORIZA-**
16 **TIONS**

17 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**
18 **AMOUNTS REQUIRED TO BE SPECIFIED BY**
19 **LAW.**

20 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE
21 YEARS.—Except as provided in subsection (b), all author-
22 izations contained in titles XXI through XXVI for military
23 construction projects, land acquisition, family housing
24 projects and facilities, and contributions to the North At-
25 lantic Treaty Organization Infrastructure program (and

1 authorizations of appropriations therefor) shall expire on
2 the later of—

3 (1) October 1, 1999; or

4 (2) the date of the enactment of an Act author-
5 izing funds for military construction for fiscal year
6 2000.

7 (b) EXCEPTION.—Subsection (a) shall not apply to
8 authorizations for military construction projects, land ac-
9 quisition, family housing projects and facilities, and con-
10 tributions to the North Atlantic Treaty Organization In-
11 frastructure program (and authorizations of appropria-
12 tions therefor), for which appropriated funds have been
13 obligated before the later of—

14 (1) October 1, 1999; or

15 (2) the date of the enactment of an Act author-
16 izing funds for fiscal year 2000 for military con-
17 struction projects, land acquisition, family housing
18 projects and facilities, or contributions to the North
19 Atlantic Treaty Organization Infrastructure pro-
20 gram.

21 **SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN**
22 **FISCAL YEAR 1994 PROJECTS.**

23 (a) EXTENSIONS.—Notwithstanding section 2701 of
24 the Military Construction Authorization Act for Fiscal
25 Year 1994 (division B of Public Law 103–160; 107 Stat.

1 1880), authorizations for the projects set forth in the ta-
 2 bles in subsection (b), as provided in section 2101, 2102,
 3 2201, 2301, or 2601 of that Act, shall remain in effect
 4 until October 1, 1997, or the date of the enactment of
 5 an Act authorizing funds for military construction for fis-
 6 cal year 1998, whichever is later.

7 (b) TABLES.—The tables referred to in subsection (a)
 8 are as follows:

Army: Extension of 1994 Project Authorizations

State	Installation or location	Project	Amount
New Jersey	Picatiny Arsenal	Advance Warhead Development Facility	\$4,400,000
North Carolina	Fort Bragg	Land Acquisition	\$15,000,000
Wisconsin	Fort McCoy	Family Housing Construction (16 units)	\$2,950,000

Navy: Extension of 1994 Project Authorizations

State or Location	Installation or location	Project	Amount
California	Camp Pendleton Marine Corps Base	Sewage Facility	\$7,930,000
Connecticut	New London Naval Submarine Base	Hazardous Waste Transfer Facility	\$1,450,000
New Jersey	Earle Naval Weapons Station	Explosives Holding Yard	\$1,290,000
Virginia	Oceana Naval Air Station	Jet Engine Test Cell Replacement	\$5,300,000
Various Locations	Various Locations	Land Acquisition Inside the United States	\$540,000
Various Locations	Various Locations	Land Acquisition Outside the United States	\$800,000

Air Force: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Eielson Air Force Base.	Upgrade Water Treatment Plant	\$3,750,000
	Elmendorf Air Force Base	Corrosion Control Facility	\$5,975,000
California	Beale Air Force Base	Educational Center	\$3,150,000
Florida	Tyndall Air Force Base.	Base Supply Logistics Center	\$2,600,000
Mississippi	Keesler Air Force Base.	Upgrade Student Dormitory	\$4,500,000
North Carolina	Pope Air Force Base	Add To and Alter Dormitories	\$4,300,000
Virginia	Langley Air Force Base	Fire Station	\$3,850,000

Army National Guard: Extension of 1994 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Birmingham	Aviation Support Facility	\$4,907,000
Arizona	Marana	Organizational Maintenance Shop	\$553,000
	Marana	Dormitory/Dining Facility	\$2,919,000
California	Fresno	Organizational Maintenance Shop Modification	\$905,000
	Van Nuys	Armory Addition ...	\$6,518,000
New Mexico	White Sands Missile Range	Organizational Maintenance Shop	\$2,940,000
		Tactical Site	\$1,995,000
		MATES	\$3,570,000
Pennsylvania	Indiantown Gap	State Military Building	\$9,200,000
	Johnstown	Armory Addition/ Flight Facility ...	\$5,004,000
	Johnstown	Armory	\$3,000,000

1 **SEC. 2703. 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-

bles in subsection (b), as provided in section 2101, 2301,
 or 1601 of that Act and extended by section 2702 of the
 Military Construction Authorization Act for Fiscal Year
 1996 (division B of Public Law 104–106; 110 Stat. 541),
 shall remain in effect until October 1, 1997, or the date
 of the enactment of an Act authorizing funds for military
 construction for fiscal year 1998, whichever is later.

(b) TABLES.—The tables referred to in subsection (a)
 are as follows:

Army: Extension of 1993 Project Authorization

State	Installation or location	Project	Amount
Arkansas	Pine Bluff Arsenal	Ammunition Demilitariza- tion Support Facility	\$15,000,000

Air Force: Extension of 1993 Project Authorization

Country	Installation or location	Project	Amount
Portugal	Lajes Field	Water Wells	\$865,000

Army National Guard: Extension of 1993 Project Authorizations

State	Installation or Location	Project	Amount
Alabama	Tuscaloosa	Armory	\$2,273,000
	Union Springs	Armory	\$813,000

**SEC. 2704. EXTENSION OF AUTHORIZATIONS OF CERTAIN
 FISCAL YEAR 1992 PROJECTS.**

(a) EXTENSIONS.—Notwithstanding section 2701 of
 the Military Construction Authorization Act for Fiscal
 Year 1992 (division B of Public Law 102–190; 105 Stat.
 1535), authorizations for the projects set forth in the table
 in subsection (b), as provided in section 2201 of that Act

1 and extended by section 2702(a) of the Military Construc-
 2 tion Authorization Act for Fiscal Year 1995 (division B
 3 of Public Law 103–337; 108 Stat. 3047) and section
 4 2703(a) of the Military Construction Authorization Act
 5 for Fiscal Year 1996 (division B of Public Law 104–106;
 6 110 Stat. 543), shall remain in effect until October 1,
 7 1997, or the date of the enactment of an Act authorizing
 8 funds for military construction for fiscal year 1998, which-
 9 ever is later.

10 (b) TABLE.—The table referred to in subsection (a)
 11 is as follows:

Army: Extension of 1992 Project Authorizations

State	Installation or location	Project	Amount
Oregon	Umatilla Army Depot	Ammunition Demilitariza- tion Support Facility	\$3,600,000
	Umatilla Army Depot	Ammunition Demilitariza- tion Utilities	\$7,500,000

12 **SEC. 2705. EFFECTIVE DATE.**

13 Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI
 14 shall take effect on the later of—

15 (1) October 1, 1996; or

16 (2) the date of the enactment of this Act.

1 **TITLE XXVIII—GENERAL**
2 **PROVISIONS**
3 **Subtitle A—Military Construction**
4 **and Military Family Housing**

5 **SEC. 2801. NORTH ATLANTIC TREATY ORGANIZATION SECURITY**
6 **INVESTMENT PROGRAM.**

7 (a) CHANGE IN REFERENCE TO EARLIER PROGRAM.—(1) Section 2806(b) of title 10, United States
8 GRAM.—(1) Section 2806(b) of title 10, United States
9 Code, is amended by striking out “North Atlantic Treaty
10 Organization Infrastructure program” and inserting in
11 lieu thereof “North Atlantic Treaty Organization Security
12 Investment Program”.

13 (2) Section 2861(b)(3) of such title is amended by
14 striking out “North Atlantic Treaty Organization Infra-
15 structure program” and inserting in lieu thereof “North
16 Atlantic Treaty Organization Security Investment Pro-
17 gram”.

18 (b) CLERICAL AMENDMENTS.—(1) The heading of
19 section 2806 of such title is amended to read as follows:

20 **“§ 2806. Contributions for North Atlantic Treaty Or-**
21 **ganization Security Investment Pro-**
22 **gram”.**

23 (2) The item relating to such section in the table of
24 sections at the beginning of subchapter I of chapter 169
25 of such title is amended to read as follows:

“2806. Contributions for North Atlantic Treaty Organization Security Investment Program.”.

1 **SEC. 2802. AUTHORITY TO DEMOLISH EXCESS FACILITIES.**

2 (a) DEMOLITION AUTHORIZED.—Subchapter I of
3 chapter 169 of title 10, United States Code, is amended
4 by adding at the end the following new section:

5 **“§ 2814. Demolition of excess facilities**

6 “(a) DEMOLITION USING MILITARY CONSTRUCTION
7 APPROPRIATIONS.—Within an amount equal to 125 per-
8 cent of the amount appropriated for such purpose in the
9 military construction account, the Secretary concerned
10 may carry out the demolition of a facility on a military
11 installation when the facility is determined by the Sec-
12 retary concerned to be—

13 “(1) excess to the needs of the military depart-
14 ment or Defense Agency concerned; and

15 “(2) not suitable for reuse.

16 “(b) DEMOLITIONS USING OPERATIONS AND MAIN-
17 TENANCE FUNDS.—Using funds available to the Secretary
18 concerned for operation and maintenance, the Secretary
19 concerned may carry out a demolition project involving an
20 excess facility described in subsection (a), except that the
21 amount obligated on the project may not exceed the maxi-
22 mum amount authorized for a minor construction project
23 under section 2805(c)(1) of this title.

1 “(c) ADVANCE APPROVAL OF CERTAIN PROJECTS.—

2 (1) A demolition project under this section that would cost
3 more than \$500,000 may not be carried out under this
4 section unless approved in advance by the Secretary con-
5 cerned.

6 “(2) When a decision is made to demolish a facility
7 covered by paragraph (1), the Secretary concerned shall
8 submit a report in writing to the appropriate committees
9 of Congress on that decision. Each such report shall in-
10 clude—

11 “(A) the justification for the demolition and the
12 current estimate of its costs, and

13 “(B) the justification for carrying out the
14 project under this section.

15 “(3) The demolition project may be carried out only
16 after the end of the 21-day period beginning on the date
17 the notification is received by such committees.

18 “(d) CERTAIN PROJECTS PROHIBITED.—(1) A demo-
19 lition project involving military family housing may not be
20 carried out under the authority of this section.

21 “(2) A demolition project required as a result of a
22 base closure action authorized by title II of the Defense
23 Authorization Amendments and Base Closure and Re-
24 alignment Act (Public Law 100–526; 10 U.S.C. 2687
25 note) or the Defense Base Closure and Realignment Act

1 of 1990 (part A of title XXIX of Public Law 101–510;
2 10 U.S.C. 2687 note) may not be carried out under the
3 authority of this section.

4 “(3) A demolition project required as a result of envi-
5 ronmental contamination shall be carried out under the
6 authority of the environmental restoration program under
7 section 2701(b)(3) of this title.

8 “(e) DEMOLITION INCLUDED IN SPECIFIC MILITARY
9 CONSTRUCTION PROJECT.—Nothing in this section is in-
10 tended to preclude the inclusion of demolition of facilities
11 as an integral part of a specific military construction
12 project when the demolition is required for accomplish-
13 ment of the intent of that construction project.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 at the beginning of such subchapter is amended by adding
16 at the end the following new item:

“2814. Demolition of excess facilities.”.

17 **SEC. 2803. IMPROVEMENTS TO FAMILY HOUSING UNITS.**

18 (a) AUTHORIZED IMPROVEMENTS.—Subsection
19 (a)(2) of section 2825 of title 10, United States Code, is
20 amended—

21 (1) by inserting “major” before “maintenance”;
22 and

23 (2) by adding at the end the following: “Such
24 term does not include day-to-day maintenance and
25 repair.”.

1 (b) LIMITATION.—Subsection (b) of such is amended
2 by striking out paragraph (2) and inserting in lieu thereof
3 the following new paragraph:

4 “(2) In determining the applicability of the limitation
5 contained in paragraph (1), the Secretary concerned shall
6 include as part of the cost of the improvement the follow-
7 ing:

8 “(A) The cost of major maintenance or repair
9 work (excluding day-to-day maintenance and repair)
10 undertaken in connection with the improvement.

11 “(B) Any cost, beyond the five-foot line of a
12 housing unit, in connection with—

13 “(i) the furnishing of electricity, gas,
14 water, and sewage disposal;

15 “(ii) the construction or repair of roads,
16 drives, and walks; and

17 “(iii) grading and drainage work.”.

18 **Subtitle B—Defense Base Closure**
19 **and Realignment**

20 **SEC. 2811. RESTORATION OF AUTHORITY FOR CERTAIN**
21 **INTRAGOVERNMENT TRANSFERS UNDER 1988**
22 **BASE CLOSURE LAW.**

23 Section 204(b)(2) of the Defense Authorization
24 Amendments and Base Closure and Realignment Act

1 (Public Law 100–526; 10 U.S.C. 2687 note), is amend-
2 ed—

3 (1) by redesignating subparagraphs (D) and
4 (E) as subparagraphs (E) and (F), respectively; and

5 (2) by inserting after subparagraph (C) the fol-
6 lowing new subparagraph:

7 “(D) The Secretary of Defense may transfer real
8 property or facilities located at a military installation to
9 be closed or realigned under this title, with or without re-
10 imbursement, to a military department or other entity (in-
11 cluding a nonappropriated fund instrumentality) within
12 the Department of Defense or the Coast Guard.”.

13 **SEC. 2812. CONTRACTING FOR CERTAIN SERVICES AT FA-**
14 **CILITIES REMAINING ON CLOSED INSTALLA-**
15 **TIONS.**

16 (a) 1988 LAW.—Section 204(b)(8)(A) of the Defense
17 Authorization Amendments and Base Closure and Re-
18 alignment Act (title II of Public Law 100–526; 10 U.S.C.
19 2687 note), is amended by inserting “or at facilities re-
20 maining on installations closed under this title” after
21 “under this title”.

22 (b) 1990 LAW.—Section 2905(b)(8)(A) of the De-
23 fense Base Closure and Realignment Act of 1990 (part
24 A of title XXIX of Public Law 101–510; 10 U.S.C. 2687
25 note), is amended by inserting “or at facilities remaining

1 on installations closed under this part” after “under this
2 part”.

3 **SEC. 2813. AUTHORITY TO COMPENSATE OWNERS OF MAN-**
4 **UFACTURED HOUSING.**

5 (a) 1988 LAW.—Section 204 of the Defense Author-
6 ization Amendments and Base Closure and Realignment
7 Act (title II of Public Law 100–526; 10 U.S.C. 2687
8 note), is amended by adding at the end the following new
9 subsection:

10 “(f) ACQUISITION OF MANUFACTURED HOUSING.—

11 (1) In closing or realigning any military installation under
12 this title, the Secretary may purchase any or all right,
13 title, and interest of a member of the Armed Forces and
14 any spouse of the member in manufactured housing lo-
15 cated at a manufactured housing park established at an
16 installation closed or realigned under this title, or make
17 a payment to the member to relocate the manufactured
18 housing to a suitable new site, if the Secretary determines
19 that—

20 “(A) it is in the best interests of the Federal
21 Government to eliminate or relocate the manufac-
22 tured housing park; and

23 “(B) the elimination or relocation of the manu-
24 factured housing park would result in an unreason-

1 able financial hardship to the owners of the manu-
2 factured housing.

3 “(2) Any payment made under this subsection shall
4 not exceed 90 percent of the purchase price of the manu-
5 factured housing, as paid by the member or any spouse
6 of the member, plus the cost of any permanent improve-
7 ments subsequently made to the manufactured housing by
8 the member or spouse of the member.

9 “(3) The Secretary shall dispose of manufactured
10 housing acquired under this subsection through resale, do-
11 nation, trade or otherwise within one year of acquisition.”.

12 (b) 1990 LAW.—Section 2905 of the Defense Base
13 Closure and Realignment Act of 1990 (part A of title
14 XXIX of Public Law 101–510; 10 U.S.C. 2687 note), is
15 amended by adding at the end the following new sub-
16 section:

17 “(g) ACQUISITION OF MANUFACTURED HOUSING.—
18 (1) In closing or realigning any military installation under
19 this part, the Secretary may purchase any or all right,
20 title, and interest of a member of the Armed Forces and
21 any spouse of the member in manufactured housing lo-
22 cated at a manufactured housing park established at an
23 installation closed or realigned under this part, or make
24 a payment to the member to relocate the manufactured

1 housing to a suitable new site, if the Secretary determines
2 that—

3 “(A) it is in the best interests of the Federal
4 Government to eliminate or relocate the manufac-
5 tured housing park; and

6 “(B) the elimination or relocation of the manu-
7 factured housing park would result in an unreason-
8 able financial hardship to the owners of the manu-
9 factured housing.

10 “(2) Any payment made under this subsection shall
11 not exceed 90 percent of the purchase price of the manu-
12 factured housing, as paid by the member or any spouse
13 of the member, plus the cost of any permanent improve-
14 ments subsequently made to the manufactured housing by
15 the member or spouse of the member.

16 “(3) The Secretary shall dispose of manufactured
17 housing acquired under this subsection through resale, do-
18 nation, trade or otherwise within one year of acquisition.”.

19 **SEC. 2814. ADDITIONAL PURPOSE FOR WHICH ADJUST-**
20 **MENT AND DIVERSIFICATION ASSISTANCE IS**
21 **AUTHORIZED.**

22 Section 2391(b)(5) of title 10, United States Code,
23 is amended—

24 (1) by inserting “(A)” after “(5)”; and

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

3 “(B) The Secretary of Defense may also make
4 grants, conclude cooperative agreements, and supplement
5 other Federal funds in order to assist a State in enhancing
6 its capacities—

7 “(i) to assist communities, businesses, and
8 workers adversely affected by an action described in
9 paragraph (1);

10 “(ii) to support local adjustment and diver-
11 sification initiatives; and

12 “(iii) to stimulate cooperation between state-
13 wide and local adjustment and diversification ef-
14 forts.”.

15 **SEC. 2815. PAYMENT OF STIPULATED PENALTIES ASSESSED**
16 **UNDER CERCLA IN CONNECTION WITH**
17 **LORING AIR FORCE BASE, MAINE.**

18 From amounts in the Department of Defense Base
19 Closure Account 1990 established by section 2906(a)(1)
20 of the Defense Base Closure and Realignment Act of 1990
21 (part A of title XXIX of Public Law 101–510; 10 U.S.C.
22 2687 note), the Secretary of Defense may expend not
23 more than \$50,000 to pay stipulated civil penalties as-
24 sessed under the Comprehensive Environmental Response,

1 Compensation, and Liability Act of 1980 (42 U.S.C. 9601
2 et seq.) against Loring Air Force Base, Maine.

3 **SEC. 2816. PLAN FOR UTILIZATION, REUTILIZATION, OR**
4 **DISPOSAL OF MISSISSIPPI ARMY AMMUNI-**
5 **TION PLANT.**

6 Not later than 180 days after the date of the enact-
7 ment of this Act, the Secretary of the Army shall submit
8 to Congress a plan for the utilization, reutilization, or dis-
9 posal of the Mississippi Army Ammunition Plant, Han-
10 cock County, Mississippi.

11 **Subtitle C—Land Conveyances**

12 **PART I—ARMY CONVEYANCES**

13 **SEC. 2821. TRANSFER AND EXCHANGE OF JURISDICTION,**
14 **ARLINGTON NATIONAL CEMETERY, ARLING-**
15 **TON, VIRGINIA.**

16 (a) TRANSFER OF CERTAIN SECTION 29 LANDS.—

17 (1) The Secretary of the Interior shall transfer to the Sec-
18 retary of the Army administrative jurisdiction over the fol-
19 lowing lands located in section 29 of the unit of the Na-
20 tional Park System known as Arlington National Ceme-
21 tery, Virginia:

22 (A) The lands known as the Arlington National
23 Cemetery Interment Zone.

24 (B) The lands known as the Robert E. Lee Me-
25 morial Preservation Zone, except those lands in the

1 preservation zone that the Secretary of the Interior
2 determines to retain because of the historical signifi-
3 cance of the lands.

4 (2) The transfer of lands under paragraph (1) shall
5 be carried out in accordance with the Interagency Agree-
6 ment entered into by the Secretary of the Army and the
7 Secretary of the Interior on February 22, 1995.

8 (b) EXCHANGE OF ADDITIONAL LAND.—(1) The Sec-
9 retary of the Interior shall transfer to the Secretary of
10 the Army administrative jurisdiction over a parcel of land,
11 including any improvements thereon, consisting of ap-
12 proximately 2.43 acres, located in the Memorial Drive en-
13 trance area to Arlington National Cemetery.

14 (2) In exchange for the transfer under paragraph (1),
15 the Secretary of the Army shall transfer to the Secretary
16 of the Interior administrative jurisdiction over a parcel of
17 land, including any improvements thereon, consisting of
18 approximately 0.17 acres, located at Arlington National
19 Cemetery, and known as the Old Administrative Building
20 site. The Secretary of the Army shall grant to the Sec-
21 retary of the Interior a perpetual right of ingress and
22 egress to the parcel transferred this paragraph.

23 (c) LEGAL DESCRIPTION.—The exact acreage and
24 legal descriptions of the lands to be transferred pursuant
25 to this section shall be determined by surveys satisfactory

1 to the Secretary of the Interior and the Secretary of the
2 Army. The costs of the surveys shall be borne by the Sec-
3 retary of the Army.

4 **SEC. 2822. LAND CONVEYANCE, ARMY RESERVE CENTER,**
5 **RUSHVILLE, INDIANA.**

6 (a) CONVEYANCE AUTHORIZED.—The Secretary of
7 the Army may convey, without consideration, to the City
8 of Rushville, Indiana (in this section referred to as the
9 “City”), all right, title, and interest of the United States
10 in and to a parcel of excess real property, including im-
11 provements thereon, that is located in Rushville, Indiana,
12 and contains the Rushville Army Reserve Center.

13 (b) CONDITION OF CONVEYANCE.—The conveyance
14 authorized under subsection (a) shall be subject to the
15 condition that the City retain the conveyed property for
16 the use and benefit of the Rushville Police 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 the survey shall be
21 borne by the City.

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. 2823. LAND CONVEYANCE, ARMY RESERVE CENTER,**
4 **ANDERSON, SOUTH CAROLINA.**

5 (a) CONVEYANCE AUTHORIZED.—The Secretary of
6 the Army may convey, without consideration, to the Coun-
7 ty of Anderson, South Carolina (in this section referred
8 to as the “County”), all right, title, and interest of the
9 United States in and to a parcel of real property, including
10 improvements thereon, that is located at 805 East
11 Whitner Street in Anderson, South Carolina, and contains
12 an Army Reserve Center.

13 (b) CONDITION OF CONVEYANCE.—The conveyance
14 authorized under subsection (a) shall be subject to the
15 condition that the County retain the conveyed property for
16 the use and benefit of the Anderson County Department
17 of Education.

18 (c) 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 the survey shall be
22 borne by the County.

23 (d) 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. 2824. REAFFIRMATION OF LAND CONVEYANCES, FORT**
4 **SHERIDAN, ILLINOIS.**

5 As soon as practicable after the date of the enactment
6 of this Act, the Secretary of the Army shall complete the
7 land conveyances involving Fort Sheridan, Illinois, re-
8 quired or authorized under section 125 of the Military
9 Construction Appropriations Act, 1996 (Public Law 104-
10 32; 109 Stat. 290).

11 **PART II—NAVY CONVEYANCES**

12 **SEC. 2831. RELEASE OF CONDITION ON RECONVEYANCE OF**
13 **TRANSFERRED LAND, GUAM.**

14 (a) IN GENERAL.—Section 818(b)(2) of the Military
15 Construction Authorization Act, 1981 (Public Law 96-
16 418; 94 Stat. 1782), relating to a condition on disposal
17 by Guam of lands conveyed to Guam by the United States,
18 shall have no force or effect and is repealed.

19 (b) EXECUTION OF INSTRUMENTS.—The Secretary
20 of the Navy and the Administrator of General Services
21 shall execute all instruments necessary to implement this
22 section.

1 **SEC. 2832. LAND EXCHANGE, ST. HELENA ANNEX, NORFOLK**
2 **NAVAL SHIPYARD, VIRGINIA.**

3 (a) CONVEYANCE AUTHORIZED.—(1) The Secretary
4 of the Navy may convey to such private person as the Sec-
5 retary considers appropriate (in this section referred to as
6 the “transferee”) all right, title, and interest of the United
7 States in and to a parcel of real property that is located
8 at the Norfolk Naval Shipyard, Virginia, and, as of the
9 date of the enactment of this Act, is a portion of the prop-
10 erty leased to the Norfolk Shipbuilding and Drydock Com-
11 pany pursuant to the Department of the Navy lease
12 N00024–84–L–0004, effective October 1, 1984, as ex-
13 tended.

14 (2) Pending completion of the conveyance authorized
15 by paragraph (1), the Secretary may lease the real prop-
16 erty to the transferee upon such terms as the Secretary
17 considers appropriate.

18 (b) CONSIDERATION.—As consideration for the con-
19 veyance under subsection (a), including any interim lease
20 authorized by such subsection, the transferee shall—

21 (1) convey to the United States all right, title,
22 and interest to a parcel or parcels of real property,
23 together with any improvements thereon, located in
24 the area of Portsmouth, Virginia, which are deter-
25 mined to be acceptable to the Secretary; and

1 (2) pay to the Secretary an amount equal to the
2 amount, if any, by which the fair market value of
3 the parcel conveyed by the Secretary under sub-
4 section (a) exceeds the fair market value of the par-
5 cel conveyed to the United States under paragraph
6 (1).

7 (c) USE OF RENTAL AMOUNTS.—The Secretary may
8 use the amounts received as rent from any lease entered
9 into under the authority of subsection (a)(2) to fund envi-
10 ronmental studies of the parcels of real property to be con-
11 veyed under this section.

12 (d) IN-KIND CONSIDERATION.—The Secretary and
13 the transferee may agree that, in lieu of all or any part
14 of the consideration required by subsection (b)(2), the
15 transferee may provide and the Secretary may accept the
16 improvement, maintenance, protection, repair, or restora-
17 tion of real property under the control of the Secretary
18 in the area of Hampton Roads, Virginia.

19 (e) DETERMINATION OF FAIR MARKET VALUE AND
20 PROPERTY DESCRIPTION.—The Secretary shall determine
21 the fair market value of the parcels of real property to
22 be conveyed under subsections (a) and (b)(1). The exact
23 acreage and legal description of the parcels shall be deter-
24 mined by a survey satisfactory to the Secretary. The cost
25 of the survey shall be borne by the transferee.

1 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
2 retary may require such additional terms and conditions
3 in connection with the conveyances under this section as
4 the Secretary considers appropriate to protect the inter-
5 ests of the United States.

6 **SEC. 2833. LAND CONVEYANCE, CALVERTON PINE**
7 **BARRENS, NAVAL WEAPONS INDUSTRIAL RE-**
8 **SERVE PLANT, CALVERTON, NEW YORK.**

9 (a) CONVEYANCE AUTHORIZED.—The Secretary of
10 the Navy may convey, without consideration, to the De-
11 partment of Environmental Conservation of the State of
12 New York (in this section referred to as the “Depart-
13 ment”), all right, title, and interest of the United States
14 in and to the Calverton Pine Barrens located at the Naval
15 Weapons Industrial Reserve Plant, Calverton, New York.

16 (b) EFFECT ON OTHER CONVEYANCE AUTHORITY.—
17 The conveyance authorized by this subsection shall not af-
18 fect the transfer of jurisdiction of a portion of the
19 Calverton Pine Barrens authorized by section 2865 of the
20 Military Construction Authorization Act for Fiscal Year
21 1996 (division B of Public Law 104–106; 110 Stat. 576).

22 (c) CONDITION OF CONVEYANCE.—The conveyance
23 under subsection (a) shall be subject to the condition that
24 the Department agree—

1 (1) to maintain the conveyed property as a na-
2 ture preserve, as required by section 2854 of the
3 Military Construction Authorization Act for Fiscal
4 Year 1993 (division B of Public Law 102–484; 106
5 Stat. 2626), as amended by section 2823 of the Mili-
6 tary Construction Authorization Act for Fiscal Year
7 1995 (division B of Public Law 103–337; 108 Stat.
8 3058);

9 (2) to designate the conveyed property as the
10 “Otis G. Pike Preserve”; and

11 (3) to continue to allow the level of sporting ac-
12 tivities on the conveyed property as permitted at the
13 time of the conveyance.

14 (d) DESCRIPTION OF PROPERTY.—The exact acreage
15 and legal description of the real property to be conveyed
16 under subsection (a) shall be determined by a survey satis-
17 factory to the Secretary. The cost of the survey shall be
18 borne by the Department.

19 (e) ADDITIONAL TERMS AND CONDITIONS.—The
20 Secretary may require such additional terms and condi-
21 tions in connection with the conveyance under subsection
22 (a) as the Secretary considers appropriate to protect the
23 interests of the United States.

24 (f) CALVERTON PINE BARRENS DEFINED.—In this
25 section, the term “Calverton Pine Barrens” has the mean-

1 ing given that term in section 2854(d)(1) of the Military
2 Construction Authorization Act for Fiscal Year 1993 (di-
3 vision B of Public Law 102–484; 106 Stat. 2626).

4 **PART III—AIR FORCE CONVEYANCES**

5 **SEC. 2841. CONVEYANCE OF PRIMATE RESEARCH COM-**
6 **PLEX, HOLLOMAN AIR FORCE BASE, NEW**
7 **MEXICO.**

8 (a) CONVEYANCE AUTHORIZED.—Notwithstanding
9 any other provision of law, the Secretary of the Air Force
10 may dispose of all right, title, and interest of the United
11 States in and to the primate research complex at
12 Holloman Air Force Base, New Mexico. The conveyance
13 may include the colony of chimpanzees owned by the Air
14 Force that are housed at or managed from the primate
15 research complex. The conveyance may not include the
16 real property on which the primate research complex is
17 located.

18 (b) COMPETITIVE PROCEDURES REQUIRED.—The
19 Secretary shall use competitive procedures in making the
20 conveyance authorized by subsection (a).

21 (c) CARE AND USE STANDARDS.—As part of the so-
22 licitation of bids for the conveyance authorized by sub-
23 section (a), the Secretary shall develop standards for the
24 care and use of the primate research complex, and of
25 chimpanzees. The Secretary shall develop the standards

1 in consultation with the Secretary of Agriculture and the
2 Director of the National Institutes of Health.

3 (d) CONDITIONS OF CONVEYANCE.—The conveyance
4 authorized by subsection (a) shall be subject to the
5 followings conditions:

6 (1) That the recipient of the primate research
7 complex—

8 (A) utilize any chimpanzees included in the
9 conveyance for scientific research or medical re-
10 search purposes; or

11 (B) retire and provide adequate care for
12 such chimpanzees.

13 (2) That the recipient of the primate research
14 complex assume from the Secretary any leases at the
15 primate research complex that are in effect at the
16 time of the conveyance.

17 (e) DESCRIPTION OF COMPLEX.—The exact legal de-
18 scription of the primate research complex to be conveyed
19 under subsection (a) shall be determined by a survey or
20 other means satisfactory to the Secretary. The cost of any
21 survey or other services performed at the direction of the
22 Secretary under the authority in the preceding sentence
23 shall be borne by the recipient of the primate research
24 complex.

1 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
2 retary may require such additional terms and conditions
3 in connection with the conveyance under subsection (a) as
4 the Secretary considers appropriate to protect the inter-
5 ests of the United States.

6 **SEC. 2842. LAND CONVEYANCE, RADAR BOMB SCORING**
7 **SITE, BELLE FOURCHE, SOUTH DAKOTA.**

8 (a) CONVEYANCE AUTHORIZED.—The Secretary of
9 the Air Force may convey, without consideration, to the
10 Belle Fourche School District, Belle Fourche, South Da-
11 kota (in this section referred to as the “District”), all
12 right, title, and interest of the United States in and to
13 a parcel of real property, together with any improvements
14 thereon, consisting of approximately 37 acres located in
15 Belle Fourche, South Dakota, which has served as the lo-
16 cation of a support complex and housing facilities for De-
17 tachment 21 of the 554th Range Squadron, an Air Force
18 Radar Bomb Scoring Site located in Belle Fourche, South
19 Dakota. The conveyance may not include any portion of
20 the radar bomb scoring site located in the State of Wyo-
21 ming.

22 (b) CONDITION OF CONVEYANCE.—The conveyance
23 authorized under subsection (a) shall be subject to the
24 condition that the District—

1 (1) use the property and facilities conveyed
2 under such subsection for education, economic devel-
3 opment, and housing purposes; or

4 (2) enter into an agreement with an appro-
5 priate public or private entity to sell or lease the
6 property and facilities to such entity for such pur-
7 poses.

8 (c) DESCRIPTION OF PROPERTY.—The exact acreage
9 and legal description of the property conveyed under this
10 section shall be determined by a survey satisfactory to the
11 Secretary. The cost of the survey shall be borne by the
12 District.

13 (d) ADDITIONAL TERMS AND CONDITIONS.—The
14 Secretary may require such additional terms and condi-
15 tions in connection with the conveyance under this section
16 as the Secretary considers appropriate to protect the inter-
17 ests of the United States.

18 **PART IV—OTHER CONVEYANCES**

19 **SEC. 2851. LAND CONVEYANCE, TATUM SALT DOME TEST**
20 **SITE, MISSISSIPPI.**

21 (a) TRANSFER.—The Secretary of Energy may con-
22 vey, without compensation, to the State of Mississippi (in
23 this section referred to as the “State”) the property known
24 as the Tatum Salt Dome Test Site, as generally depicted

1 on the map of the Department of Energy numbered
2 301913.104.02 and dated June 25, 1993.

3 (b) CONDITION ON CONVEYANCE.—The conveyance
4 under this section shall be subject to the condition that
5 the State use the conveyed property as a wilderness area
6 and working demonstration forest.

7 (c) DESIGNATION.—The property to be conveyed is
8 hereby designated as the “Jamie Whitten Wilderness
9 Area”.

10 (d) RETAINED RIGHTS.—The conveyance under this
11 section shall be subject to each of the following rights to
12 be retained by the United States:

13 (1) Retention by the United States of the sub-
14 surface estate below a specified depth. The specified
15 depth shall be 1000 feet below sea level unless a
16 lesser depth is agreed upon by the Secretary and the
17 State.

18 (2) Retention by the United States of rights of
19 access, by easement or otherwise, for such purposes
20 as the Secretary considers appropriate, including ac-
21 cess to monitoring wells for sampling.

22 (3) Retention by the United States of the right
23 to install wells additional to those identified in the
24 remediation plan for the property to the extent such
25 additional wells are considered necessary by the Sec-

1 retary to monitor potential pathways of contaminant
2 migration. Such wells shall be in such locations as
3 specified by the Secretary.

4 (e) **ADDITIONAL TERMS AND CONDITIONS.**—The
5 Secretary may require such additional terms and condi-
6 tions in connection with the conveyance under this section
7 as the Secretary determines appropriate to protect the in-
8 terests of the United States.

9 **SEC. 2852. LAND CONVEYANCE, WILLIAM LANGER JEWEL**
10 **BEARING PLANT, ROLLA, NORTH DAKOTA.**

11 (a) **AUTHORITY TO CONVEY.**—The Administrator of
12 General Services may convey, without consideration, to the
13 Job Development Authority of the City of Rolla, North
14 Dakota (in this section referred to as the “Authority”),
15 all right, title, and interest of the United States in and
16 to a parcel of real property, with improvements thereon
17 and all associated personal property, consisting of approxi-
18 mately 9.77 acres and comprising the William Langer
19 Jewel Bearing Plant in Rolla, North Dakota.

20 (b) **CONDITION OF CONVEYANCE.**—The conveyance
21 authorized under subsection (a) shall be subject to the
22 condition that the Authority—

23 (1) use the real and personal property and im-
24 provements conveyed under that subsection for eco-

1 nomic development relating to the jewel bearing
2 plant;

3 (2) enter into an agreement with an appro-
4 priate public or private entity or person to lease
5 such property and improvements to that entity or
6 person for such economic development; or

7 (3) enter into an agreement with an appro-
8 priate public or private entity or person to sell such
9 property and improvements to that entity or person
10 for such economic development.

11 (c) PREFERENCE FOR DOMESTIC DISPOSAL OF
12 JEWEL BEARINGS.—(1) In offering to enter into agree-
13 ments pursuant to any provision of law for the disposal
14 of jewel bearings from the National Defense Stockpile, the
15 President shall give a right of first refusal on all such of-
16 fers to the Authority or to the appropriate public or pri-
17 vate entity or person with which the Authority enters into
18 an agreement under subsection (b).

19 (2) For the purposes of this section, the term “Na-
20 tional Defense Stockpile” means the stockpile provided for
21 in section 4 of the Strategic and Critical Materials Stock
22 Piling Act (50 U.S.C. 98(c)).

23 (d) AVAILABILITY OF FUNDS FOR MAINTENANCE
24 AND CONVEYANCE OF PLANT.—Notwithstanding any
25 other provision of law, funds available in fiscal year 1995

1 for the maintenance of the William Langer Jewel Bearing
2 Plant in Public Law 103–335 shall be available for the
3 maintenance of that plant in fiscal year 1996, pending
4 conveyance, and for the conveyance of that plant under
5 this section.

6 (e) DESCRIPTION OF PROPERTY.—The exact acreage
7 and legal description of the property conveyed under this
8 section shall be determined by a survey satisfactory to the
9 Administrator. The cost of the survey shall be borne by
10 the Administrator.

11 (f) ADDITIONAL TERMS AND CONDITIONS.—The Ad-
12 ministrator may require such additional terms and condi-
13 tions in connection with the conveyance under this section
14 as the Administrator determines appropriate to protect
15 the interests of the United States.

16 **Subtitle D—Other Matters**

17 **SEC. 2861. EASEMENTS FOR RIGHTS-OF-WAY.**

18 Section 2668(a) of title 10, United States Code, is
19 amended—

20 (1) by striking out “and” at the end of para-
21 graph (9);

22 (2) by redesignating paragraph (10) as para-
23 graph (12);

1 (3) in paragraph (12), as so redesignated, by
2 striking out “or by the Act of March 4, 1911 (43
3 U.S.C. 961)”;

4 (4) by inserting after paragraph (9) the follow-
5 ing new paragraph:

6 “(10) poles and lines for the transmission and
7 distribution of electrical power;

8 “(11) poles and lines for communication pur-
9 poses, and for radio, television, and other forms of
10 communication transmitting, relay, and receiving
11 structures and facilities; and”.

12 **SEC. 2862. AUTHORITY TO ENTER INTO COOPERATIVE**
13 **AGREEMENTS FOR THE MANAGEMENT OF**
14 **CULTURAL RESOURCES ON MILITARY IN-**
15 **STALLATIONS.**

16 (a) **AGREEMENTS AUTHORIZED.**—Chapter 159 of
17 title 10, United States Code, is amended by inserting after
18 section 2683 the following new section:

19 **“§ 2684. Cooperative agreements for management of**
20 **cultural resources**

21 “(a) **AUTHORITY.**—The Secretary of Defense or the
22 Secretary of a military department may enter into a coop-
23 erative agreement with a State, local government, or other
24 entity for the preservation, management, maintenance,
25 and improvement of cultural resources on military instal-

1 lations and for the conducting of research regarding the
2 cultural resources. Activities under the cooperative agree-
3 ment shall be subject to the availability of funds to carry
4 out the cooperative agreement.

5 “(b) APPLICATION OF OTHER LAWS.—Section 1535
6 and chapter 63 of title 31 shall not apply to a cooperative
7 agreement entered into under this section.

8 “(c) CULTURAL RESOURCE DEFINED.—In this sec-
9 tion, the term ‘cultural resource’ means any of the follow-
10 ing:

11 “(1) Any building, structure, site, district, or
12 object included in or eligible for inclusion in the Na-
13 tional Register of Historic Places under section 101
14 of the National Historic Preservation Act (16 U.S.C.
15 470a).

16 “(2) Cultural items, as defined in section 2(3)
17 of the Native American Graves Protection and Repa-
18 triation Act (25 U.S.C. 3001(3)).

19 “(3) An archaeological resource, as defined in
20 section 3(1) of the Archaeological Resources Protec-
21 tion Act of 1979 (16 U.S.C. 470bb(1)).

22 “(4) Archaeological artifact collections and as-
23 sociated records, as defined in section 79 of title 36,
24 Code of Federal Regulations.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of such chapter is amended by inserting
3 after the item relating to section 2683 the following new
4 item:

“2684. Cooperative agreements for management of cultural resources.”.

5 **SEC. 2863. DEMONSTRATION PROJECT FOR INSTALLATION**
6 **AND OPERATION OF ELECTRIC POWER DIS-**
7 **TRIBUTION SYSTEM AT YOUNGSTOWN AIR**
8 **RESERVE STATION, OHIO.**

9 (a) AUTHORITY.—The Secretary of the Air Force
10 may carry out a demonstration project to assess the fea-
11 sibility and advisability of permitting private entities to
12 install, operate, and maintain electric power distribution
13 systems at military installations. The Secretary shall carry
14 out the demonstration project through an agreement
15 under subsection (b).

16 (b) AGREEMENT.—(1) In order to carry out the dem-
17 onstration project, the Secretary shall enter into an agree-
18 ment with an electric utility or other company in the
19 Youngstown, Ohio, area, consistent with State law, under
20 which the utility or company installs, operates, and main-
21 tains (in a manner satisfactory to the Secretary and the
22 utility or company) an electric power distribution system
23 at Youngstown Air Reserve Station, Ohio.

24 (2) The Secretary may not enter into an agreement
25 under this subsection until—

1 (A) the Secretary submits to the congressional
2 defense committees a report on the agreement to be
3 entered into, including the costs to be incurred by
4 the United States under the agreement; and

5 (B) a period of 30 days has elapsed from the
6 date of the receipt of the report by the committees.

7 (c) LICENSES AND EASEMENTS.—In order to facili-
8 tate the installation, operation, and maintenance of the
9 electric power distribution system under the agreement
10 under subsection (b), the Secretary may grant the utility
11 or company with which the Secretary enters into the
12 agreement such licenses, easements, and rights-of-way,
13 consistent with State law, as the Secretary and the utility
14 or company jointly determine necessary for such purposes.

15 (d) OWNERSHIP OF SYSTEM.—The agreement be-
16 tween the Secretary and the utility or company under sub-
17 section (b) may provide that the utility or company shall
18 own the electric power distribution system installed under
19 the agreement.

20 (e) RATE.—The rate charged by the utility or com-
21 pany for providing and distributing electric power at
22 Youngstown Air Reserve Station through the electric
23 power distribution system installed under the agreement
24 under subsection (b) shall be the rate established by the
25 appropriate Federal or State regulatory authority.

1 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
2 retary may require such additional terms and conditions
3 in the agreement under subsection (b) as the Secretary
4 considers appropriate to protect the interests of the Unit-
5 ed States.

6 **SEC. 2864. DESIGNATION OF MICHAEL O'CALLAGHAN MILI-**
7 **TARY HOSPITAL.**

8 (a) DESIGNATION.—The Nellis Federal Hospital, a
9 Federal building located at 4700 North Las Vegas Boule-
10 vard, Las Vegas, Nevada, shall be known and designated
11 as the “Michael O’Callaghan Military Hospital”.

12 (b) REFERENCES.—Any reference in a law, map, reg-
13 ulation, document, paper, or other record of the United
14 States to the Federal building referred to in subsection
15 (a) shall be deemed to be a reference to the “Michael
16 O’Callaghan Military Hospital”.

17 **TITLE XXIX—MILITARY LAND**
18 **WITHDRAWALS**
19 **Subtitle A—Fort Carson-Pinon**
20 **Canyon Military Lands Withdrawal**

21 **SEC. 2901. SHORT TITLE.**

22 This subtitle may be cited as the “Fort Carson-Pinon
23 Canyon Military Lands Withdrawal Act”.

1 **SEC. 2902. WITHDRAWAL AND RESERVATION OF LANDS AT**
2 **FORT CARSON MILITARY RESERVATION.**

3 (a) WITHDRAWAL.—Subject to valid existing rights
4 and except as otherwise provided in this subtitle, the lands
5 at the Fort Carson Military Reservation, Colorado, that
6 are described in subsection (c) are hereby withdrawn from
7 all forms of appropriation under the public land laws, in-
8 cluding the mining laws, the mineral and geothermal leas-
9 ing laws, and the mineral materials disposal laws.

10 (b) RESERVATION.—The lands withdrawn under sub-
11 section (a) are reserved for use by the Secretary of the
12 Army—

13 (1) for military maneuvering, training and
14 weapons firing; and

15 (2) for other defense related purposes consist-
16 ent with the uses specified in paragraph (1).

17 (c) LAND DESCRIPTION.—The lands referred to in
18 subsection (a) comprise 3,133.02 acres of public land and
19 11,415.16 acres of federally-owned minerals in El Paso,
20 Pueblo, and Fremont Counties, Colorado, as generally de-
21 picted on the map entitled “Fort Carson Proposed With-
22 drawal—Fort Carson Base”, dated February 6, 1992, and
23 published in accordance with section 4.

1 **SEC. 2903. WITHDRAWAL AND RESERVATION OF LANDS AT**
2 **PINON CANYON MANEUVER SITE.**

3 (a) WITHDRAWAL.—Subject to valid existing rights
4 and except as otherwise provided in this subtitle, the lands
5 at the Pinon Canyon Maneuver Site, Colorado, that are
6 described in subsection (c) are hereby withdrawn from all
7 forms of appropriation under the public land laws, includ-
8 ing the mining laws, the mineral and geothermal leasing
9 laws, and the mineral materials disposal laws.

10 (b) RESERVATION.—The lands withdrawn under sub-
11 section (a) are reserved for use by the Secretary of the
12 Army—

13 (1) for military maneuvering and training; and

14 (2) for other defense related purposes consist-
15 ent with the uses specified in paragraph (1).

16 (c) LAND DESCRIPTION.—The lands referred to in
17 subsection (a) comprise 2,517.12 acres of public lands and
18 130,139 acres of federally-owned minerals in Las Animas
19 County, Colorado, as generally depicted on the map enti-
20 tled “Fort Carson Proposed Withdrawal—Fort Carson
21 Maneuver Area—Pinon Canyon site”, dated February 6,
22 1992, and published in accordance with section 2904.

23 **SEC. 2904. MAPS AND LEGAL DESCRIPTIONS.**

24 (a) PREPARATION OF MAPS AND LEGAL DESCRIP-
25 TION.—As soon as practicable after the date of the enact-
26 ment of this subtitle, the Secretary of the Interior shall

1 prepare maps depicting the lands withdrawn and reserved
2 by this subtitle and publish in the Federal Register a no-
3 tice containing the legal description of such lands.

4 (b) **LEGAL EFFECT.**—Such maps and legal descrip-
5 tions shall have the same force and effect as if they were
6 included in this subtitle, except that the Secretary of the
7 Interior may correct clerical and typographical errors in
8 such maps and legal descriptions.

9 (c) **AVAILABILITY OF MAPS AND LEGAL DESCRIP-**
10 **TION.**—Copies of such maps and legal descriptions shall
11 be available for public inspection in the offices of the Colo-
12 rado State Director and the Canon City District Manager
13 of the Bureau of Land Management and in the offices of
14 the Commander of Fort Carson, Colorado.

15 (d) **COSTS.**—The Secretary of the Army shall reim-
16 burse the Secretary of the Interior for the costs of imple-
17 menting this section.

18 **SEC. 2905. MANAGEMENT OF WITHDRAWN LANDS.**

19 (a) **MANAGEMENT GUIDELINES.**—

20 (1) **MANAGEMENT BY SECRETARY OF THE**
21 **ARMY.**—Except as provided in section 6, during the
22 period of withdrawal, the Secretary of the Army
23 shall manage for military purposes the lands covered
24 by this subtitle and may authorize use of the lands
25 by the other military departments and agencies of

1 the Department of Defense, and the National
2 Guard, as appropriate.

3 (2) ACCESS RESTRICTIONS.—When military op-
4 erations, public safety, or national security, as deter-
5 mined by the Secretary of the Army, require the clo-
6 sure of roads and trails on the lands withdrawn by
7 this subtitle commonly in public use, the Secretary
8 of the Army is authorized to take such action, except
9 that such closures shall be limited to the minimum
10 areas and periods required for the purposes specified
11 in this subsection. Appropriate warning notices shall
12 be kept posted during closures.

13 (3) SUPPRESSION OF FIRES.—The Secretary of
14 the Army shall take necessary precautions to prevent
15 and suppress brush and range fires occurring within
16 and outside the lands as a result of military activi-
17 ties and may seek assistance from the Bureau of
18 Land Management in suppressing such fires. The
19 memorandum of understanding required by this sec-
20 tion shall provide for Bureau of Land Management
21 assistance in the suppression of such fires, and for
22 a transfer of funds from the Department of the
23 Army to the Bureau of Land Management as com-
24 pensation for such assistance.

25 (b) MANAGEMENT PLAN.—

1 (1) DEVELOPMENT REQUIRED.—The Secretary
2 of the Army, with the concurrence of the Secretary
3 of the Interior, shall develop a plan for the manage-
4 ment of acquired lands and lands withdrawn under
5 sections 2902 and 2903 for the period of with-
6 drawal. The plan shall—

7 (A) be consistent with applicable law;

8 (B) include such provisions as may be nec-
9 essary for proper resource management and
10 protection of the natural, cultural, and other re-
11 sources and values of such lands; and

12 (C) identify those withdrawn and acquired
13 lands, if any, which are to be open to mining
14 or mineral and geothermal leasing, including
15 mineral materials disposal.

16 (2) TIME FOR DEVELOPMENT.—The manage-
17 ment plan required by this subsection shall be devel-
18 oped not later than 5 years after the date of the en-
19 actment of this subtitle.

20 (c) IMPLEMENTATION OF MANAGEMENT PLAN.—

21 (1) MEMORANDUM OF UNDERSTANDING RE-
22 QUIRED.—The Secretary of the Army and the Sec-
23 retary of the Interior shall enter into a memoran-
24 dum of understanding to implement the manage-
25 ment plan developed under subsection (b).

1 (2) DURATION.—The duration of any such
2 memorandum of understanding shall be the same as
3 the period of withdrawal specified in section 8(a).

4 (3) AMENDMENT.—The memorandum of under-
5 standing may be amended by agreement of both Sec-
6 retaries.

7 (d) USE OF CERTAIN RESOURCES.—The Secretary of
8 the Army is authorized to utilize sand, gravel, or similar
9 mineral or mineral material resources from the lands with-
10 drawn by this subtitle when the use of such resources is
11 required for construction needs of the Fort Carson Res-
12 ervation or Pinon Canyon Maneuver Site.

13 **SEC. 2906. MANAGEMENT OF WITHDRAWN AND ACQUIRED**
14 **MINERAL RESOURCES.**

15 Except as provided in section 2905(d), the Secretary
16 of the Interior shall manage all withdrawn and acquired
17 mineral resources within the boundaries of the Fort Car-
18 son Military Reservation and Pinon Canyon Maneuver
19 Site in the same manner as provided in section 12 of the
20 Military Lands Withdrawal Act of 1986 (Public Law 99–
21 606; 100 Stat. 3466) for mining and mineral leasing on
22 certain lands withdrawn by that Act from all forms of ap-
23 propriation under the public land laws.

1 **SEC. 2907. HUNTING, FISHING, AND TRAPPING.**

2 All hunting, fishing, and trapping on the lands with-
3 drawn and reserved by this subtitle shall be conducted in
4 accordance with section 2671 of title 10, United States
5 Code.

6 **SEC. 2908. TERMINATION OF WITHDRAWAL AND RESERVA-**
7 **TION.**

8 (a) **TERMINATION DATE.**—The withdrawal and res-
9 ervation made by this subtitle shall terminate 15 years
10 after the date of the enactment of this subtitle.

11 (b) **DETERMINATION OF CONTINUING MILITARY**
12 **NEED.**—

13 (1) **DETERMINATION REQUIRED.**—At least
14 three years before the termination under subsection
15 (a) of the withdrawal and reservation established by
16 this subtitle, the Secretary of the Army shall advise
17 the Secretary of the Interior as to whether or not
18 the Department of the Army will have a continuing
19 military need for any of the lands after the termi-
20 nation date.

21 (2) **METHOD OF MAKING DETERMINATION.**—If
22 the Secretary of the Army concludes under para-
23 graph (1) that there will be a continuing military
24 need for any of the lands after the termination date
25 established by subsection (a), the Secretary of the
26 Army, in accordance with applicable law, shall—

1 (A) evaluate the environmental effects of
2 renewal of such withdrawal and reservation;

3 (B) hold at least one public hearing in Col-
4 orado concerning such evaluation; and

5 (C) file, after completing the requirements
6 of subparagraphs (A) and (B), an application
7 for extension of the withdrawal and reservation
8 of such lands in accordance with the regulations
9 and procedures of the Department of the Inte-
10 rior applicable to the extension of withdrawals
11 for military uses.

12 (3) NOTIFICATION.—The Secretary of the Inte-
13 rior shall notify the Congress concerning a filing
14 under paragraph (3)(C).

15 (c) EARLY RELINQUISHMENT OF WITHDRAWAL.—If
16 the Secretary of the Army concludes under subsection (b)
17 that before the termination date established by subsection
18 (a) there will be no military need for all or any part of
19 the lands withdrawn and reserved by this subtitle, or if,
20 during the period of withdrawal, the Secretary of the
21 Army otherwise decides to relinquish any or all of the
22 lands withdrawn and reserved under this subtitle, the Sec-
23 retary of the Army shall file with the Secretary of the Inte-
24 rior a notice of intention to relinquish such lands.

1 (d) ACCEPTANCE OF LANDS PROPOSED FOR RELIN-
2 QUISHMENT.—Notwithstanding any other provision of
3 law, the Secretary of the Interior, upon deciding that it
4 is in the public interest to accept jurisdiction over the
5 lands proposed for relinquishment, may revoke the with-
6 drawal and reservation established by this subtitle as it
7 applies to the lands proposed for relinquishment. Should
8 the decision be made to revoke the withdrawal and res-
9 ervation, the Secretary of the Interior shall publish in the
10 Federal Register an appropriate order which shall—

- 11 (1) terminate the withdrawal and reservation;
- 12 (2) constitute official acceptance of full jurisdic-
13 tion over the lands by the Secretary of the Interior;
14 and
- 15 (3) state the date upon which the lands will be
16 opened to the operation of the public land laws, in-
17 cluding the mining laws if appropriate.

18 **SEC. 2909. DETERMINATION OF PRESENCE OF CONTAMINA-**
19 **TION AND EFFECT OF CONTAMINATION.**

20 (a) DETERMINATION OF PRESENCE OF CONTAMINA-
21 TION.—

- 22 (1) BEFORE RELINQUISHMENT NOTICE.—Be-
23 fore filing a relinquishment notice under section
24 2908(c), the Secretary of the Army shall prepare a
25 written determination as to whether and to what ex-

1 tent the lands to be relinquished are contaminated
2 with explosive, toxic, or other hazardous materials. A
3 copy of the determination made by the Secretary of
4 the Army shall be supplied with the relinquishment
5 notice. Copies of both the relinquishment notice and
6 the determination under this subsection shall be
7 published in the Federal Register by the Secretary
8 of the Interior.

9 (2) UPON TERMINATION OF WITHDRAWAL.—At
10 the expiration of the withdrawal period made by this
11 Act, the Secretary of the Interior shall determine
12 whether and to what extent the lands withdrawn by
13 this subtitle are contaminated to an extent which
14 prevents opening such contaminated lands to oper-
15 ation of the public land laws.

16 (b) PROGRAM OF DECONTAMINATION.—

17 (1) IN GENERAL.—Throughout the duration of
18 the withdrawal and reservation made by this sub-
19 title, the Secretary of the Army, to the extent funds
20 are made available, shall maintain a program of de-
21 contamination of the lands withdrawn by this sub-
22 title at least at the level of effort carried out during
23 fiscal year 1992.

24 (2) DECONTAMINATION OF LANDS TO BE RE-
25 LINQUISHED.—In the case of lands subject to a re-

1 linquishment notice under section 2908(c) that are
2 contaminated, the Secretary of the Army shall de-
3 contaminate the land to the extent that funds are
4 appropriated for such purpose if the Secretary of the
5 Interior, in consultation with the Secretary of the
6 Army, determines that—

7 (A) decontamination of the lands is prac-
8 ticable and economically feasible, taking into
9 consideration the potential future use and value
10 of the land; and

11 (B) upon decontamination, the land could
12 be opened to the operation of some or all of the
13 public land laws, including the mining laws.

14 (c) **AUTHORITY OF SECRETARY OF THE INTERIOR TO**
15 **REFUSE CONTAMINATED LANDS.**—The Secretary of the
16 Interior shall not be required to accept lands proposed for
17 relinquishment if the Secretary of the Army and the Sec-
18 retary of the Interior conclude that—

19 (1) decontamination of any or all of the lands
20 proposed for relinquishment is not practicable or
21 economically feasible;

22 (2) the lands cannot be decontaminated suffi-
23 ciently to allow them to be opened to the operation
24 of the public land laws; or

1 (3) insufficient funds are appropriated for the
2 purpose of decontaminating the lands.

3 (d) EFFECT OF CONTINUED CONTAMINATION.—If
4 the Secretary of the Interior declines under subsection (c)
5 to accept jurisdiction of lands proposed for relinquishment
6 or if the Secretary of the Interior determines under sub-
7 section (a)(2) that some of the lands withdrawn by this
8 subtitle are contaminated to an extent that prevents open-
9 ing the contaminated lands to operation of the public land
10 laws—

11 (1) the Secretary of the Army shall take appro-
12 priate steps to warn the public of the contaminated
13 state of such lands and any risks associated with
14 entry onto such lands;

15 (2) after the expiration of the withdrawal, the
16 Secretary of the Army shall undertake no activities
17 on such lands except in connection with decon-
18 tamination of such lands; and

19 (3) the Secretary of the Army shall report to
20 the Secretary of the Interior and to the Congress
21 concerning the status of such lands and all actions
22 taken under paragraphs (1) and (2).

23 (e) EFFECT OF SUBSEQUENT DECONTAMINATION.—
24 If the lands described in subsection (d) are subsequently
25 decontaminated, upon certification by the Secretary of the

1 Army that the lands are safe for all nonmilitary uses, the
2 Secretary of the Interior shall reconsider accepting juris-
3 diction over the lands.

4 (f) EFFECT ON OTHER LAWS.—Nothing in this sub-
5 title shall affect, or be construed to affect, the obligations
6 of the Secretary of the Army, if any, to decontaminate
7 lands withdrawn by this subtitle pursuant to applicable
8 law, including the Comprehensive Environmental Re-
9 sponse Compensation and Liability Act of 1980 (42
10 U.S.C. 9601 et seq.) and the Solid Waste Disposal Act
11 (42 U.S.C. 6901 et seq.).

12 **SEC. 2910. DELEGATION.**

13 The functions of the Secretary of the Army under
14 this subtitle may be delegated. The functions of the Sec-
15 retary of the Interior under this subtitle may be delegated,
16 except that the order referred to in section 2908(d) may
17 be approved and signed only by the Secretary of the Inte-
18 rior, the Deputy Secretary of the Interior, or an Assistant
19 Secretary of the Department of the Interior.

20 **SEC. 2911. HOLD HARMLESS.**

21 Any party conducting any mining, mineral, or geo-
22 thermal leasing activity on lands comprising the Fort Car-
23 son Reservation or Pinon Canyon Maneuver Site shall in-
24 demnify the United States against any costs, fees, dam-
25 ages, or other liabilities (including costs of litigation) in-

1 curred by the United States and arising from or relating
2 to such mining activities, including costs of mineral mate-
3 rials disposal, whether arising under the Comprehensive
4 Environmental Response Compensation and Liability Act
5 of 1980, the Solid Waste Disposal Act, or otherwise.

6 **SEC. 2912. AMENDMENT TO MILITARY LANDS WITHDRAWAL**
7 **ACT OF 1986.**

8 (a) **USE OF CERTAIN RESOURCES.**—Section 3(f) of
9 the Military Lands Withdrawal Act of 1986 (Public Law
10 99–606; 100 Stat. 3461) is amended by adding at the end
11 the following new paragraph:

12 “(2) Subject to valid existing rights, the Secretary
13 of the military department concerned may utilize sand,
14 gravel, or similar mineral or material resources when the
15 use of such resources is required for construction needs
16 on the respective lands withdrawn by this Act.”.

17 (b) **TECHNICAL CORRECTION.**—Section 9(b) of the
18 Military Lands Withdrawal Act of 1986 (Public Law 99–
19 606; 100 Stat. 3466) is amended by striking “section
20 7(f)” and inserting in lieu thereof “section 8(f)”.

21 **SEC. 2913. AUTHORIZATION OF APPROPRIATIONS.**

22 There are hereby authorized to be appropriated such
23 sums as may be necessary to carry out the purposes of
24 this subtitle.

1 **Subtitle B—El Centro Naval Air**
2 **Facility Ranges Withdrawal**

3 **SEC. 2921. SHORT TITLE AND DEFINITIONS.**

4 (a) **SHORT TITLE.**—This subtitle may be cited as the
5 “El Centro Naval Air Facility Ranges Withdrawal Act”.

6 (b) **DEFINITIONS.**—In this subtitle:

7 (1) The term “El Centro” means the Naval Air
8 Facility, El Centro, California.

9 (2) The term “cooperative agreement” means
10 the cooperative agreement entered into between the
11 Bureau of Land Management, the Bureau of Rec-
12 lamation, and the Department of the Navy, dated
13 June 29, 1987, with regard to the defense-related
14 uses of Federal lands to further the mission of El
15 Centro.

16 (3) The term “relinquishment notice” means a
17 notice of intention by the Secretary of the Navy
18 under section 2928(a) to relinquish, before the ter-
19 mination date specified in section 2925, the with-
20 drawal and reservation of certain lands withdrawn
21 under this subtitle.

22 **SEC. 2922. WITHDRAWAL AND RESERVATION OF LANDS FOR**
23 **EL CENTRO.**

24 (a) **WITHDRAWALS.**—Subject to valid existing rights,
25 and except as otherwise provided in this subtitle, the Fed-

1 eral lands utilized in the mission of the Naval Air Facility,
2 El Centro, California, that are described in subsection (c)
3 are hereby withdrawn from all forms of appropriation
4 under the public land laws, including the mining laws, but
5 not the mineral leasing or geothermal leasing laws or the
6 mineral materials sales laws.

7 (b) RESERVATION.—The lands withdrawn under sub-
8 section (a) are reserved for the use by the Secretary of
9 the Navy—

10 (1) for defense-related purposes in accordance
11 with the cooperative agreement; and

12 (2) subject to notice to the Secretary of the In-
13 terior under section 2924(e), for other defense-relat-
14 ed purposes determined by the Secretary of the
15 Navy.

16 (c) DESCRIPTION OF WITHDRAWN LANDS.—The
17 lands withdrawn and reserved under subsection (a) are—

18 (1) the Federal lands comprising approximately
19 46,600 acres in Imperial County, California, as gen-
20 erally depicted in part on a map entitled “Exhibit A,
21 Naval Air Facility, El Centro, California, Land Ac-
22 quisition Map, Range 2510 (West Mesa)” and dated
23 March 1993 and in part on a map entitled “Exhibit
24 B, Naval Air Facility, El Centro, California, Land

1 Acquisition Map Range 2512 (East Mesa)” and
2 dated March 1993; and

3 (2) and all other areas within the boundaries of
4 such lands as depicted on such maps that may be-
5 come subject to the operation of the public land
6 laws.

7 **SEC. 2923. MAPS AND LEGAL DESCRIPTIONS.**

8 (a) PUBLICATION AND FILING REQUIREMENTS.—As
9 soon as practicable after the date of the enactment of this
10 subtitle, the Secretary of the Interior shall—

11 (1) publish in the Federal Register a notice
12 containing the legal description of the lands with-
13 drawn and reserved under this subtitle; and

14 (2) file maps and the legal description of the
15 lands withdrawn and reserved under this subtitle
16 with the Committee on Energy and Natural Re-
17 sources of the Senate and with the Committee on
18 Resources of the House of Representatives.

19 (b) LEGAL EFFECT.—The maps and legal description
20 prepared under subsection (a) shall have the same force
21 and effect as if they were included in this subtitle, except
22 that the Secretary of the Interior may correct clerical and
23 typographical errors in the maps and legal description.

1 (c) AVAILABILITY FOR PUBLIC INSPECTION.—Copies
2 of the maps and legal description prepared under sub-
3 section (a) shall be available for public inspection in—

4 (1) the Office of the State Director, California
5 State Office of the Bureau of Land Management,
6 Sacramento, California;

7 (2) the Office of the District Manager, Califor-
8 nia Desert District of the Bureau of Land Manage-
9 ment, Riverside, California; and

10 (3) the Office of the Commanding Officer, Ma-
11 rine Corps Air Station, Yuma, Arizona.

12 (d) REIMBURSEMENT.—The Secretary of Navy shall
13 reimburse the Secretary of the Interior for the cost of im-
14 plementing this section.

15 **SEC. 2924. MANAGEMENT OF WITHDRAWN LANDS.**

16 (a) MANAGEMENT CONSISTENT WITH COOPERATIVE
17 AGREEMENT.—The lands and resources shall be managed
18 in accordance with the cooperative agreement, revised as
19 necessary to conform to the provisions of this subtitle. The
20 parties to the cooperative agreement shall review the coop-
21 erative agreement for conformance with this subtitle and
22 amend the cooperative agreement, if appropriate, within
23 120 days after the date of the enactment of this subtitle.
24 The term of the cooperative agreement shall be amended
25 so that its duration is at least equal to the duration of

1 the withdrawal made by section 2925. The cooperative
2 agreement may be reviewed and amended by the managing
3 agencies as necessary.

4 (b) MANAGEMENT BY SECRETARY OF THE INTE-
5 RIOR.—

6 (1) GENERAL MANAGEMENT AUTHORITY.—Dur-
7 ing the period of withdrawal, the Secretary of the
8 Interior shall manage the lands withdrawn and re-
9 served under this subtitle pursuant to the Federal
10 Land Policy and Management Act of 1976 (43
11 U.S.C. 1701 et seq.) and other applicable laws, in-
12 cluding this subtitle.

13 (2) SPECIFIC AUTHORITIES.—To the extent
14 consistent with applicable laws, Executive orders,
15 and the cooperative agreement, the lands withdrawn
16 and reserved under this subtitle may be managed in
17 a manner permitting—

18 (A) protection of wildlife and wildlife habi-
19 tat;

20 (B) control of predatory and other ani-
21 mals;

22 (C) the prevention and appropriate sup-
23 pression of brush and range fires resulting from
24 nonmilitary activities; and

1 (D) geothermal leasing and development
2 and related power production, mineral leasing
3 and development, and mineral material sales.

4 (3) EFFECT OF WITHDRAWAL.—The Secretary
5 of the Interior shall manage the lands withdrawn
6 and reserved under this subtitle, in coordination
7 with the Secretary of the Navy, such that all non-
8 military use of such lands, including the uses de-
9 scribed in paragraph (2), shall be subject to such
10 conditions and restrictions as may be necessary to
11 permit the military use of such lands for the pur-
12 poses specified in the cooperative agreement or au-
13 thorized pursuant to this subtitle.

14 (c) CERTAIN ACTIVITIES SUBJECT TO CONCURRENCE
15 OF NAVY.—The Secretary of the Interior may issue a
16 lease, easement, right-of-way, or other authorization with
17 respect to the nonmilitary use of the withdrawn lands only
18 with the concurrence of the Secretary of the Navy and
19 under the terms of the cooperative agreement.

20 (d) ACCESS RESTRICTIONS.—If the Secretary of the
21 Navy determines that military operations, public safety,
22 or national security require the closure to public use of
23 any road, trail, or other portion of the lands withdrawn
24 under this subtitle, the Secretary may take such action
25 as the Secretary determines necessary or desirable to ef-

1 fect and maintain such closure. Any such closure shall be
2 limited to the minimum areas and periods which the Sec-
3 retary of the Navy determines are required to carry out
4 this subsection. Before and during any closure under this
5 subsection, the Secretary of the Navy shall keep appro-
6 priate warning notices posted and take appropriate steps
7 to notify the public concerning such closures.

8 (e) **ADDITIONAL MILITARY USES.**—Lands withdrawn
9 under this subtitle may be used for defense-related uses
10 other than those specified in the cooperative agreement.
11 The Secretary of the Navy shall promptly notify the Sec-
12 retary of the Interior in the event that the lands with-
13 drawn under this subtitle will be used for additional de-
14 fense-related purposes. Such notification shall indicate the
15 additional use or uses involved, the proposed duration of
16 such uses, and the extent to which such additional military
17 uses of the withdrawn lands will require that additional
18 or more stringent conditions or restrictions be imposed on
19 otherwise-permitted nonmilitary uses of all or any portion
20 of the withdrawn lands.

21 **SEC. 2925. DURATION OF WITHDRAWAL AND RESERVATION.**

22 The withdrawal and reservation made under this sub-
23 title shall terminate 25 years after the date of the enact-
24 ment of this subtitle.

1 **SEC. 2926. CONTINUATION OF ONGOING DECONTAMINA-**
2 **TION ACTIVITIES.**

3 Throughout the duration of the withdrawal and res-
4 ervation made under this subtitle, and subject to the avail-
5 ability of funds, the Secretary of the Navy shall maintain
6 a program of decontamination of the lands withdrawn
7 under this subtitle at least at the level of decontamination
8 activities performed on such lands in fiscal year 1995.
9 Such activities shall be subject to applicable laws, such
10 as the amendments made by the Federal Facility Compli-
11 ance Act of 1992 (Public Law 102–386; 106 Stat. 1505)
12 and the Defense Environmental Restoration Program es-
13 tablished under section 2701 of title 10, United States
14 Code.

15 **SEC. 2927. REQUIREMENTS FOR EXTENSION.**

16 (a) NOTICE OF CONTINUED MILITARY NEED.—Not
17 later than five years before the termination date specified
18 in section 2925, the Secretary of the Navy shall advise
19 the Secretary of the Interior as to whether or not the Navy
20 will have a continuing military need for any or all of the
21 lands withdrawn and reserved under this subtitle after the
22 termination date.

23 (b) APPLICATION FOR EXTENSION.—If the Secretary
24 of the Navy determines that there will be a continuing
25 military need for any or all of the withdrawn lands after
26 the termination date specified in section 2925, the Sec-

1 retary of the Navy shall file an application for extension
2 of the withdrawal and reservation of the lands in accord-
3 ance with the then existing regulations and procedures of
4 the Department of the Interior applicable to extension of
5 withdrawal of lands for military purposes and that are
6 consistent with this subtitle. Such application shall be filed
7 with the Department of the Interior not later than four
8 years before the termination date.

9 (c) EXTENSION PROCESS.—The withdrawal and res-
10 ervation established by this subtitle may not be extended
11 except by an Act or Joint Resolution of Congress.

12 **SEC. 2928. EARLY RELINQUISHMENT OF WITHDRAWAL.**

13 (a) FILING OF RELINQUISHMENT NOTICE.—If, dur-
14 ing the period of withdrawal and reservation specified in
15 section 2925, the Secretary of the Navy decides to relin-
16 quish all or any portion of the lands withdrawn and re-
17 served under this subtitle, the Secretary of the Navy shall
18 file a notice of intention to relinquish with the Secretary
19 of the Interior.

20 (b) DETERMINATION OF PRESENCE OF CONTAMINA-
21 TION.—Before transmitting a relinquishment notice under
22 subsection (a), the Secretary of the Navy, in consultation
23 with the Secretary of the Interior, shall prepare a written
24 determination concerning whether and to what extent the
25 lands to be relinquished are contaminated with explosive,

1 toxic, or other hazardous wastes and substances. A copy
2 of such determination shall be transmitted with the relin-
3 quishment notice.

4 (c) DECONTAMINATION AND REMEDIATION.—In the
5 case of contaminated lands which are the subject of a re-
6 linquishment notice, the Secretary of the Navy shall de-
7 contaminate or remediate the land to the extent that funds
8 are appropriated for such purpose if the Secretary of the
9 Interior, in consultation with the Secretary of the Navy,
10 determines that—

11 (1) decontamination or remediation of the lands
12 is practicable and economically feasible, taking into
13 consideration the potential future use and value of
14 the land; and

15 (2) upon decontamination or remediation, the
16 land could be opened to the operation of some or all
17 of the public land laws, including the mining laws.

18 (d) DECONTAMINATION AND REMEDIATION ACTIVI-
19 TIES SUBJECT TO OTHER LAWS.—The activities of the
20 Secretary of the Navy under subsection (c) are subject to
21 applicable laws and regulations, including the Defense En-
22 vironmental Restoration Program established under sec-
23 tion 2701 of title 10, United States Code, the Comprehen-
24 sive Environmental Response Compensation and Liability

1 Act of 1980 (42 U.S.C. 9601 et seq.), and the Solid Waste
2 Disposal Act (42 U.S.C. 6901 et seq.).

3 (e) AUTHORITY OF SECRETARY OF THE INTERIOR TO
4 REFUSE CONTAMINATED LANDS.—The Secretary of the
5 Interior shall not be required to accept lands specified in
6 a relinquishment notice if the Secretary of the Interior,
7 after consultation with the Secretary of the Navy, con-
8 cludes that—

9 (1) decontamination or remediation of any land
10 subject to the relinquishment notice is not prac-
11 ticable or economically feasible;

12 (2) the land cannot be decontaminated or reme-
13 diated sufficiently to be opened to operation of some
14 or all of the public land laws; or

15 (3) a sufficient amount of funds are not appro-
16 priated for the decontamination of the land.

17 (f) STATUS OF CONTAMINATED LANDS.—If, because
18 of the condition of the lands, the Secretary of the Interior
19 declines to accept jurisdiction of lands proposed for relin-
20 quishment or, if at the expiration of the withdrawal made
21 under this subtitle, the Secretary of the Interior deter-
22 mines that some of the lands withdrawn under this sub-
23 title are contaminated to an extent which prevents opening
24 such contaminated lands to operation of the public land
25 laws—

1 (1) the Secretary of the Navy shall take appro-
2 priate steps to warn the public of the contaminated
3 state of such lands and any risks associated with
4 entry onto such lands;

5 (2) after the expiration of the withdrawal, the
6 Secretary of the Navy shall retain jurisdiction over
7 the withdrawn lands, but shall undertake no activi-
8 ties on such lands except in connection with the de-
9 contamination or remediation of such lands; and

10 (3) the Secretary of the Navy shall report to
11 the Secretary of the Interior and to the Congress
12 concerning the status of such lands and all actions
13 taken under paragraphs (1) and (2).

14 (g) SUBSEQUENT DECONTAMINATION OR REMEDI-
15 ATION.—If lands covered by subsection (f) are subse-
16 quently decontaminated or remediated and the Secretary
17 of the Navy certifies that the lands are safe for non-
18 military uses, the Secretary of the Interior shall reconsider
19 accepting jurisdiction over the lands.

20 (h) REVOCATION AUTHORITY.—Notwithstanding any
21 other provision of law, upon deciding that it is in the pub-
22 lic interest to accept jurisdiction over lands specified in
23 a relinquishment notice, the Secretary of the Interior may
24 revoke the withdrawal and reservation made under this
25 subtitle as it applies to such lands. If the decision be made

1 to accept the relinquishment and to revoke the withdrawal
2 and reservation, the Secretary of the Interior shall publish
3 in the Federal Register an appropriate order which shall—

4 (1) terminate the withdrawal and reservation;

5 (2) constitute official acceptance of full jurisdic-
6 tion over the lands by the Secretary of the Interior;
7 and

8 (3) state the date upon which the lands will be
9 opened to the operation of the public land laws, in-
10 cluding the mining laws, if appropriate.

11 **SEC. 2929. DELEGATION OF AUTHORITY.**

12 (a) DEPARTMENT OF THE NAVY.—The functions of
13 the Secretary of the Navy under this subtitle may be dele-
14 gated.

15 (b) DEPARTMENT OF INTERIOR.—The functions of
16 the Secretary of the Interior under this subtitle may be
17 delegated, except that an order described in section
18 2928(h) may be approved and signed only by the Sec-
19 retary of the Interior, the Deputy Secretary of the Inte-
20 rior, or an Assistant Secretary of the Department of the
21 Interior.

22 **SEC. 2930. HUNTING, FISHING, AND TRAPPING.**

23 All hunting, fishing, and trapping on the lands with-
24 drawn under this subtitle shall be conducted in accordance
25 with section 2671 of title 10, United States Code.

1 **SEC. 2931. HOLD HARMLESS.**

2 Any party conducting any mining, mineral, or geo-
3 thermal leasing activity on lands withdrawn and reserved
4 under this subtitle shall indemnify the United States
5 against any costs, fees, damages, or other liabilities (in-
6 cluding costs of litigation) incurred by the United States
7 and arising from or relating to such mining activities, in-
8 cluding costs of mineral materials disposal, whether aris-
9 ing under the Comprehensive Environmental Response
10 Compensation and Liability Act of 1980, the Solid Waste
11 Disposal Act, or otherwise.

12 **DIVISION C—DEPARTMENT OF**
13 **ENERGY NATIONAL**
14 **SECURITY AUTHORIZATIONS**
15 **AND OTHER AUTHORIZATIONS**
16 **TITLE XXXI—DEPARTMENT OF**
17 **ENERGY NATIONAL SECURITY**
18 **PROGRAMS**
19 **Subtitle A—National Security**
20 **Programs Authorizations**

21 **SEC. 3101. WEAPONS ACTIVITIES.**

22 (a) STOCKPILE STEWARDSHIP.—Funds are hereby
23 authorized to be appropriated to the Department of En-
24 ergy for fiscal year 1997 for stockpile stewardship in car-
25 rying out weapons activities necessary for national secu-

1 rity programs in the amount of \$1,676,767,000, to be allo-
2 cated as follows:

3 (1) For core stockpile stewardship,
4 \$1,250,907,000 for fiscal year 1997, to be allocated
5 as follows:

6 (A) For operation and maintenance,
7 \$1,162,570,000.

8 (B) For plant projects (including mainte-
9 nance, restoration, planning, construction, ac-
10 quisition, modification of facilities, and the con-
11 tinuation of projects authorized in prior years,
12 and land acquisition related thereto),
13 \$88,337,000, to be allocated as follows:

14 Project 96–D–102, stockpile steward-
15 ship facilities revitalization, Phase VI, var-
16 ious locations, \$19,250,000.

17 Project 96–D–103, ATLAS, Los Ala-
18 mos National Laboratory, Los Alamos,
19 New Mexico, \$15,100,000.

20 Project 96–D–104, processing and en-
21 vironmental technology laboratory
22 (PETL), Sandia National Laboratories,
23 Albuquerque, New Mexico, \$14,100,000.

24 Project 96–D–105, contained firing
25 facility addition, Lawrence Livermore Na-

1 tional Laboratory, Livermore, California,
2 \$17,100,000.

3 Project 95–D–102, Chemical and
4 Metallurgy Research Building upgrades
5 project, Los Alamos National Laboratory,
6 Los Alamos, New Mexico, \$15,000,000.

7 Project 94–D–102, nuclear weapons
8 research, development, and testing facili-
9 ties revitalization, Phase V, various loca-
10 tions, \$7,787,000.

11 (2) For inertial fusion, \$366,460,000, to be al-
12 located as follows:

13 (A) For operation and maintenance,
14 \$234,560,000.

15 (B) For plant projects (including mainte-
16 nance, restoration, planning, construction, ac-
17 quisition, modification of facilities, and the con-
18 tinuation of projects authorized in prior years,
19 and land acquisition related thereto),
20 \$131,900,000 to be allocated as follows:

21 Project 96–D–111, national ignition
22 facility, TBD, \$131,900,000.

23 (3) For technology transfer and education,
24 \$59,400,000.

1 (b) STOCKPILE MANAGEMENT.—Funds are hereby
2 authorized to be appropriated to the Department of En-
3 ergy for fiscal year 1997 for stockpile management in car-
4 rying out weapons activities necessary for national secu-
5 rity programs in the amount of \$1,923,831,000, to be allo-
6 cated as follows:

7 (1) For operation and maintenance,
8 \$1,829,470,000.

9 (2) For plant projects (including maintenance,
10 restoration, planning, construction, acquisition,
11 modification of facilities, and the continuation of
12 projects authorized in prior years, and land acquisi-
13 tion related thereto), \$94,361,000, to be allocated as
14 follows:

15 Project 97–D–121, consolidation pit pack-
16 aging system, Pantex Plant, Amarillo, Texas,
17 \$870,000.

18 Project 97–D–122, nuclear materials stor-
19 age facility renovation, LANL, Los Alamos,
20 New Mexico, \$4,000,000.

21 Project 97–D–123, structural upgrades,
22 Kansas City Plant, Kansas City, Missouri,
23 \$1,400,000.

1 Project 97–D–124, steam plant wastewater
2 treatment facility upgrade, Y–12 plant, Oak
3 Ridge, Tennessee, \$600,000.

4 Project 96–D–122, sewage treatment qual-
5 ity upgrade (STQU), Pantex Plant, Amarillo,
6 Texas, \$100,000.

7 Project 96–D–123, retrofit HVAC and
8 chillers for ozone protection, Y–12 Plant, Oak
9 Ridge, Tennessee, \$7,000,000.

10 Project 96–D–125, Washington measure-
11 ments operations facility, Andrews Air Force
12 Base, Camp Springs, Maryland, \$3,825,000.

13 Project 95–D–122, sanitary sewer up-
14 grade, Y–12 Plant, Oak Ridge, Tennessee,
15 \$10,900,000.

16 Project 94–D–124, hydrogen fluoride sup-
17 ply system, Y–12 Plant, Oak Ridge, Tennessee,
18 \$4,900,000.

19 Project 94–D–125, upgrade life safety,
20 Kansas City Plant, Kansas City, Missouri,
21 \$5,200,000.

22 Project 94–D–127, emergency notification
23 system, Pantex Plant, Amarillo, Texas,
24 \$2,200,000.

1 to the uranium enrichment decontamination and decom-
2 missioning fund.

3 (b) WASTE MANAGEMENT.—Subject to subsection
4 (i), funds are hereby authorized to be appropriated to the
5 Department of Energy for fiscal year 1997 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 \$1,536,653,000, to be allo-
9 cated as follows:

10 (1) For operation and maintenance,
11 \$1,448,326,000.

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), \$88,327,000, to be allocated as
17 follows:

18 Project 97–D–402, tank farm restoration
19 and safe operations, Richland, Washington,
20 \$7,584,000.

21 Project 96–D–408, waste management up-
22 grades, various locations, \$11,246,000.

23 Project 95–D–402, install permanent elec-
24 trical service for the Waste Isolation Pilot
25 Plant, Carlsbad, New Mexico, \$752,000.

1 Project 95–D–405, industrial landfill V
2 and construction/demolition landfill VII, Y–12
3 Plant, Oak Ridge, Tennessee, \$200,000.

4 Project 94–D–404, Melton Valley storage
5 tank capacity increase, Oak Ridge National
6 Laboratory, Oak Ridge, Tennessee, \$6,345,000.

7 Project 94–D–407, initial tank retrieval
8 systems, Richland, Washington, \$12,600,000.

9 Project 93–D–182, replacement of cross-
10 site transfer system, Richland, Washington,
11 \$8,100,000.

12 Project 93–D–187, high-level waste re-
13 moval from filled waste tanks, Savannah River
14 Site, Aiken, South Carolina, \$20,000,000.

15 Project 89–D–174, replacement high-level
16 waste evaporator, Savannah River Site, Aiken,
17 South Carolina, \$11,500,000.

18 Project 86–D–103, decontamination and
19 waste treatment facility, Lawrence Livermore
20 National Laboratory, Livermore, California,
21 \$10,000,000.

22 (c) NUCLEAR MATERIALS AND FACILITIES STA-
23 BILIZATION.—Subject to subsection (i), funds are hereby
24 authorized to be appropriated to the Department of En-
25 ergy for fiscal year 1997 for nuclear materials and facili-

1 ties stabilization in carrying out environmental restoration
2 and waste management activities necessary for national
3 security programs in the amount of \$1,269,290,000 to be
4 allocated as follows:

5 (1) For operation and maintenance,
6 \$1,151,718,000.

7 (2) For plant projects (including maintenance,
8 restoration, planning, construction, acquisition,
9 modification of facilities, and the continuation of
10 projects authorized in prior years, and land acquisi-
11 tion related thereto), \$117,572,000, to be allocated
12 as follows:

13 Project 97–D–450, Actinide packaging and
14 storage facility, Savannah River Site, Aiken,
15 South Carolina, \$7,900,000.

16 Project 97–D–451, B-Plant safety class
17 ventilation upgrades, Richland, Washington,
18 \$1,500,000.

19 Project 97–D–470, environmental monitor-
20 ing laboratory, Savannah River, Aiken, South
21 Carolina, \$2,500,000.

22 Project 97–D–473, health physics site sup-
23 port facility, Savannah River, Aiken, South
24 Carolina, \$2,000,000.

1 Project 96–D–406, spent nuclear fuels
2 canister storage and stabilization facility, Rich-
3 land, Washington, \$60,672,000.

4 Project 96–D–461, electrical distribution
5 upgrade, Idaho National Engineering Labora-
6 tory, Idaho, \$6,790,000.

7 Project 96–D–464, electrical and utility
8 systems upgrade, Idaho Chemical Processing
9 Plant, Idaho National Engineering Laboratory,
10 Idaho, \$10,440,000.

11 Project 96–D–471, CFC HVAC/chiller ret-
12 rofit, Savannah River Site, Aiken, South Caro-
13 lina, \$8,541,000.

14 Project 95–E–600, hazardous materials
15 management and emergency response training
16 center, Richland, Washington, \$7,900,000.

17 Project 95–D–155, upgrade site road in-
18 frastructure, Savannah River, South Carolina,
19 \$4,137,000.

20 Project 95–D–456, security facilities con-
21 solidation, Idaho Chemical Processing Plant,
22 Idaho National Engineering Laboratory, Idaho,
23 \$4,645,000.

1 Project 94–D–401, emergency response fa-
2 cility, Idaho National Engineering Laboratory,
3 Idaho, \$547,000.

4 (d) PROGRAM DIRECTION.—Subject to subsection (i),
5 funds are hereby authorized to be appropriated to the De-
6 partment of Energy for fiscal year 1997 for program di-
7 rection in carrying out environmental restoration and
8 waste management activities necessary for national secu-
9 rity programs in the amount of \$375,511,000.

10 (e) TECHNOLOGY DEVELOPMENT.—Subject to sub-
11 section (i), funds are hereby authorized to be appropriated
12 to the Department of Energy for fiscal year 1997 for tech-
13 nology development in carrying out environmental restora-
14 tion and waste management activities necessary for na-
15 tional security programs in the amount of \$303,771,000.

16 (f) POLICY AND MANAGEMENT.—Subject to sub-
17 section (i), funds are hereby authorized to be appropriated
18 to the Department of Energy for fiscal year 1997 for pol-
19 icy and management in carrying out environmental res-
20 toration and waste management activities necessary for
21 national security programs in the amount of \$23,155,000.

22 (g) ENVIRONMENTAL SCIENCE PROGRAM.—Subject
23 to subsection (i), funds are hereby authorized to be appro-
24 priated to the Department of Energy for fiscal year 1997
25 for the environmental science program in carrying out en-

1 vironmental restoration and waste management activities
2 necessary for national security programs in the amount
3 of \$62,136,000.

4 (h) ENVIRONMENTAL MANAGEMENT PRIVATIZA-
5 TION.—Subject to subsection (i), funds are hereby author-
6 ized to be appropriated to the Department of Energy for
7 fiscal year 1997 for environmental management privatiza-
8 tion in carrying out environmental restoration and waste
9 management activities necessary for national security pro-
10 grams in the amount of \$185,000,000.

11 (i) ADJUSTMENTS.—The total amount authorized to
12 be appropriated pursuant to this section is the sum of the
13 amounts specified in subsections (a) through (h) reduced
14 by the sum of—

15 (1) \$150,400,000, for use of prior year bal-
16 ances; and

17 (2) \$8,000,000 for Savannah River Pension Re-
18 fund.

19 **SEC. 3103. DEFENSE FIXED ASSET ACQUISITION.**

20 Funds are hereby authorized to be appropriated to
21 the Department of Energy for fiscal year 1997 for the
22 defense fixed asset acquisition/privatization program in
23 the amount of \$182,000,000.

1 **SEC. 3104. OTHER DEFENSE ACTIVITIES.**

2 (a) IN GENERAL.—Funds are hereby authorized to
3 be appropriated to the Department of Energy for fiscal
4 year 1997 for other defense activities in carrying out pro-
5 grams necessary for national security in the amount of
6 \$1,487,800,000, to be allocated as follows:

7 (1) For verification and control technology,
8 \$399,648,000, to be allocated as follows:

9 (A) For nonproliferation and verification
10 research and development, \$194,919,000.

11 (B) For arms control, \$169,544,000.

12 (C) For intelligence, \$35,185,000.

13 (2) For nuclear safeguards and security,
14 \$47,208,000.

15 (3) For security investigations, \$22,000,000.

16 (4) For emergency management, \$16,794,000.

17 (5) For program direction, nonproliferation,
18 and national security, \$95,622,000.

19 (6) For environment, safety, and health, de-
20 fense, \$63,800,000.

21 (7) For worker and community transition as-
22 sistance, \$67,000,000.

23 (8) For fissile materials disposition,
24 \$93,796,000, to be allocated as follows:

25 (A) For operations and maintenance,
26 \$76,796,000.

1 (B) For the following plant project (includ-
2 ing maintenance, restoration, planning, con-
3 struction, acquisition, modification of facilities,
4 and the continuation of projects authorized in
5 prior years, and land acquisition related there-
6 to):

7 Project 97–D–140, consolidated spe-
8 cial nuclear materials storage facility, site
9 to be determined, \$17,000,000.

10 (9) For nuclear security/Russian production re-
11 actor shutdown, \$6,000,000.

12 (10) For naval reactors development,
13 \$681,932,000, to be allocated as follows:

14 (A) For operation and infrastructure,
15 \$649,330,000.

16 (B) For program direction, \$18,902,000.

17 (C) For plant projects (including mainte-
18 nance, restoration, planning, construction, ac-
19 quisition, modification of facilities, and the con-
20 tinuation of projects authorized in prior years,
21 and land acquisition related thereto),
22 \$13,700,000, to be allocated as follows:

23 Project 97–D–201, advanced test re-
24 actor secondary coolant refurbishment,

1 Idaho National Engineering Laboratory,
2 Idaho, \$400,000.

3 Project 95–D–200, laboratory systems
4 and hot cell upgrades, various locations,
5 \$4,800,000.

6 Project 95–D–201, advanced test re-
7 actor radioactive waste system upgrades,
8 Idaho National Engineering Laboratory,
9 Idaho, \$500,000.

10 Project 90–N–102, expended core fa-
11 cility dry cell project, Naval Reactors facil-
12 ity, Idaho, \$8,000,000.

13 (b) ADJUSTMENT.—The total amount authorized to
14 be appropriated pursuant to this section is the sum of the
15 amounts specified in subsection (a) reduced by \$6,000,000
16 for use of prior year balances.

17 **SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.**

18 Funds are hereby authorized to be appropriated to
19 the Department of Energy for fiscal year 1997 for pay-
20 ment to the Nuclear Waste Fund established in section
21 302(c) of the Nuclear Waste Policy Act of 1982 (42
22 U.S.C. 10222(c)) in the amount of \$200,000,000.

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 section 3101, 3102, or 3103, 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 period as the authoriza-
12 tions 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 period as
21 the authorization to which the amounts are transferred.

22 (2) Not more than five 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 five 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 relating to weapons activities necessary for national
7 security programs that have a higher priority than
8 the items from which the funds are transferred; and

9 (B) may not be used to provide authority for an
10 item that has been denied funds by Congress.

11 (c) NOTICE TO CONGRESS.—The Secretary of Energy
12 shall promptly notify the Committee on Armed Services
13 of the Senate and the Committee on National Security of
14 the House of Representatives of any transfer of funds to
15 or from authorizations under this title.

16 **SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.**
17

18 (a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1)
19 Subject to paragraph (2) and except as provided in para-
20 graph (3), before submitting to Congress a request for
21 funds for a construction project that is in support of a
22 national security program of the Department of Energy,
23 the Secretary of Energy shall complete a conceptual de-
24 sign for that project.

1 (2) If the estimated cost of completing a conceptual
2 design for a construction project exceeds \$3,000,000, the
3 Secretary shall submit to Congress a request for funds for
4 the conceptual design before submitting a request for
5 funds for the construction project.

6 (3) The requirement in paragraph (1) does not apply
7 to a request for funds—

8 (A) for a construction project the total esti-
9 mated cost of which is less than \$2,000,000; or

10 (B) for emergency planning, design, and con-
11 struction activities under section 3126.

12 (b) **AUTHORITY FOR CONSTRUCTION DESIGN.**—(1)
13 Within the amounts authorized by this title, the Secretary
14 of Energy may carry out construction design (including
15 architectural and engineering services) in connection with
16 any proposed construction project if the total estimated
17 cost for such design does not exceed \$600,000.

18 (2) If the total estimated cost for construction design
19 in connection with any construction project exceeds
20 \$600,000, funds for such design must be specifically au-
21 thorized by law.

22 **SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DE-**
23 **SIGN, AND CONSTRUCTION ACTIVITIES.**

24 (a) **AUTHORITY.**—The Secretary of Energy may use
25 any funds available to the Department of Energy pursuant

1 to an authorization in this title, including those funds au-
2 thorized to be appropriated for advance planning and con-
3 struction design under sections 3101, 3102, and 3103, to
4 perform planning, design, and construction activities for
5 any Department of Energy national security program con-
6 struction project that, as determined by the Secretary,
7 must proceed expeditiously in order to protect public
8 health and safety, to meet the needs of national defense,
9 or to protect property.

10 (b) LIMITATION.—The Secretary may not exercise
11 the authority under subsection (a) in the case of any con-
12 struction project until the Secretary has submitted to the
13 congressional defense committees a report on the activities
14 that the Secretary intends to carry out under this section
15 and the circumstances making such activities necessary.

16 (c) SPECIFIC AUTHORITY.—The requirement of sec-
17 tion 3125(b)(2) does not apply to emergency planning, de-
18 sign, and construction activities conducted under this sec-
19 tion.

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, amounts appropriated pursuant to this title
25 for management and support activities and for general

1 plant projects are available for use, when necessary, in
2 connection with all national security programs of the De-
3 partment of Energy.

4 **SEC. 3128. AVAILABILITY OF FUNDS.**

5 When so specified in an appropriation Act, amounts
6 appropriated for operation and maintenance or for plant
7 projects may remain available until expended.

8 **Subtitle C—Program Authoriza-**
9 **tions, Restrictions, and Limita-**
10 **tions**

11 **SEC. 3131. STOCKPILE STEWARDSHIP PROGRAM.**

12 (a) FUNDING.—Of the funds authorized to be appro-
13 priated to the Department of Energy pursuant to section
14 3101, \$100,000,000 shall be available to carry out the fol-
15 lowing activities within the stockpile stewardship program:

16 (1) \$20,000,000 for enhanced surveillance in-
17 volving the nuclear production plants and the nu-
18 clear weapons design laboratories.

19 (2) \$15,000,000 for a production capability as-
20 surance program for critical non-nuclear compo-
21 nents.

22 (3) \$25,000,000 for an accelerated capability to
23 produce prototype war reserve-quality plutonium
24 pits.

1 (4) \$20,000,000 for dual revalidation of war-
2 heads in the nuclear weapons stockpile.

3 (5) \$20,000,000 for the stockpile life extension
4 program.

5 (b) REPORT.—Not later than October 15, 1996, the
6 Secretary of Energy shall submit to the congressional de-
7 fense committees a report on the obligations the Secretary
8 has incurred, and plans to incur, during fiscal year 1997
9 for the stockpile stewardship program.

10 **SEC. 3132. MANUFACTURING INFRASTRUCTURE FOR NU-**
11 **CLEAR WEAPONS STOCKPILE.**

12 (a) FUNDING.—Of the funds authorized to be appro-
13 priated to the Department of Energy pursuant to section
14 3101, \$125,000,000 shall be available to carry out the
15 stockpile manufacturing infrastructure program.

16 (b) REQUIRED CAPABILITIES.—The manufacturing
17 infrastructure established under the program shall include
18 the capabilities listed in subsection (b) of section 3137 of
19 Public Law 104–106 (110 Stat. 620).

20 (c) REPORT.—Not later than October 15, 1996, the
21 Secretary of Energy shall submit to the congressional de-
22 fense committees a report on the obligations the Secretary
23 has incurred, and plans to incur, during fiscal year 1997
24 for the stockpile manufacturing infrastructure program.

1 (d) STOCKPILE MANUFACTURING INFRASTRUCTURE
2 PROGRAM.—In this section, the term “stockpile manufac-
3 turing infrastructure program” means the program car-
4 ried out pursuant to section 3137 of the National Defense
5 Authorization Act for Fiscal Year 1996 (Public Law 104–
6 106; 110 Stat. 620).

7 **SEC. 3133. PRODUCTION OF HIGH EXPLOSIVES.**

8 The manufacture and fabrication of high explosives
9 and energetic materials for use as components in nuclear
10 weapons systems shall be carried out at the Pantex Plant,
11 Amarillo, Texas. No funds appropriated or otherwise made
12 available to the Department of Energy may be used to
13 move, or prepare to move, the manufacture and fabrica-
14 tion of high explosives and energetic materials for use as
15 components in nuclear weapons systems from the Pantex
16 Plant to any other site or facility of the Department of
17 Energy.

18 **SEC. 3134. LIMITATION ON USE OF FUNDS BY LABORA-**
19 **TORIES FOR LABORATORY-DIRECTED RE-**
20 **SEARCH AND DEVELOPMENT.**

21 (a) REDUCTION OF FUNDING.—Section 3132(c) of
22 Public Law 101–510 (104 Stat. 1832) is amended by
23 striking out “6 percent” and inserting in lieu thereof “2
24 percent”.

1 (b) LIMITATION.—None of the funds provided in a
2 fiscal year, beginning with fiscal year 1997, by the Sec-
3 retary of Energy to be used by laboratories for laboratory-
4 directed research and development pursuant to section
5 3132(c) of Public Law 101–510 (42 U.S.C. 7257a(e))
6 may be obligated or expended by such laboratories until
7 a period of 15 days has expired after the Secretary of En-
8 ergy submits to the congressional defense committees a
9 report setting forth in detail information about the man-
10 ner in which such funds are planned to be used during
11 that fiscal year. The report shall include a description and
12 justification of the planned uses of the funds.

13 **SEC. 3135. PROHIBITION ON FUNDING NUCLEAR WEAPONS**
14 **ACTIVITIES WITH PEOPLE’S REPUBLIC OF**
15 **CHINA.**

16 (a) FUNDING PROHIBITION.—Funds authorized to be
17 appropriated to, or otherwise available to, the Department
18 of Energy for fiscal year 1997 may not be obligated or
19 expended for any activity associated with the conduct of
20 cooperative programs relating to nuclear weapons or nu-
21 clear weapons technology, including stockpile stewardship,
22 safety, and use control, with the People’s Republic of
23 China.

24 (b) REPORT.—(1) The Secretary of Energy shall pre-
25 pare, in consultation with the Secretary of Defense, a re-

1 port containing a description of all discussions and activi-
2 ties between the United States and the People's Republic
3 of China regarding nuclear weapons matters that have oc-
4 curred before the date of the enactment of this Act and
5 that are planned to occur after such date. For each such
6 discussion or activity, the report shall include—

7 (A) the authority under which the discussion or
8 activity took or will take place;

9 (B) the subject of the discussion or activity;

10 (C) participants or likely participants;

11 (D) the source and amount of funds used or to
12 be used to pay for the discussion or activity; and

13 (E) a description of the actions taken or to be
14 taken to ensure that no classified or restricted data
15 were or will be revealed, and a determination of
16 whether classified or restricted data was revealed in
17 previous discussions.

18 (2) The report shall be submitted to the Committee
19 on Armed Services of the Senate and the Committee on
20 National Security of the House of Representatives not
21 later than October 15, 1996.

22 **SEC. 3136. INTERNATIONAL COOPERATIVE STOCKPILE**
23 **STEWARDSHIP PROGRAMS.**

24 (a) **FUNDING PROHIBITION.**—Funds authorized to be
25 appropriated to, or otherwise available to, the Department

1 of Energy for fiscal year 1997 may not be obligated or
2 expended to conduct any activities associated with inter-
3 national cooperative stockpile stewardship.

4 (b) EXCEPTION.—Subsection (a) does not apply with
5 respect to such activities conducted between the United
6 States and the United Kingdom, and between the United
7 States and France.

8 **SEC. 3137. TEMPORARY AUTHORITY RELATING TO TRANS-**
9 **FERS OF DEFENSE ENVIRONMENTAL MAN-**
10 **AGEMENT FUNDS.**

11 (a) TRANSFER AUTHORITY FOR DEFENSE ENVIRON-
12 MENTAL MANAGEMENT FUNDS.—The Secretary of En-
13 ergy shall provide the manager of each field office of the
14 Department of Energy with the authority to transfer de-
15 fense environmental management funds from a program
16 or project under the jurisdiction of the office to another
17 such program or project. Any such transfer may be done
18 only one time in a fiscal year to or from each program
19 or project, and the amount transferred to or from the pro-
20 gram or project may not exceed \$5,000,000 in a fiscal
21 year.

22 (b) DETERMINATION.—A transfer may not be carried
23 out by a manager of a field office pursuant to the author-
24 ity provided under subsection (a) unless the manager de-
25 termines that such transfer is necessary to address a risk

1 to health, safety, or the environment or to assure the most
2 efficient use of defense environmental management funds
3 at that field office.

4 (c) EXEMPTION FROM REPROGRAMMING REQUIRE-
5 MENTS.—The requirements of section 3121 shall not
6 apply to transfers of funds pursuant to subsection (a).

7 (d) NOTIFICATION.—The Secretary of Energy, acting
8 through the Assistant Secretary of Energy for Environ-
9 mental Management, shall notify Congress of any transfer
10 of funds pursuant to subsection (a) not later than 30 days
11 after such a transfer occurs.

12 (e) LIMITATION.—Funds transferred pursuant to
13 subsection (a) may not be used for an item for which Con-
14 gress has specifically denied funds or for a new program
15 or project that has not been authorized by Congress.

16 (f) DEFINITIONS.—In this section:

17 (1) The term “program or project” means, with
18 respect to a field office of the Department of En-
19 ergy, any of the following:

20 (A) A project listed in subsection (b) or (c)
21 of section 3102 being carried out by the office.

22 (B) A program referred to in subsection
23 (a), (b), (c), (e), (g), or (h) of section 3102
24 being carried out by the office.

1 (C) A project or program not described in
2 subparagraph (A) or (B) that is for environ-
3 mental restoration or waste management activi-
4 ties necessary for national security programs of
5 the Department of Energy, that is being carried
6 out by the office, and for which defense envi-
7 ronmental management funds have been au-
8 thorized and appropriated before the date of the
9 enactment of this Act.

10 (2) The term “defense environmental manage-
11 ment funds” means funds appropriated to the De-
12 partment of Energy pursuant to an authorization for
13 carrying out environmental restoration and waste
14 management activities necessary for national secu-
15 rity programs.

16 (g) DURATION OF AUTHORITY.—The authority pro-
17 vided under subsection (a) to a manager of a field office
18 shall be in effect from the date of the enactment of this
19 Act to September 30, 1997.

20 **SEC. 3138. MANAGEMENT STRUCTURE FOR NUCLEAR**
21 **WEAPONS PRODUCTION FACILITIES AND NU-**
22 **CLEAR WEAPONS LABORATORIES.**

23 (a) LIMITATION ON DELEGATION OF AUTHORITY.—

24 (1) The Secretary of Energy, in carrying out national se-
25 curity programs, may delegate specific management and

1 planning authority over matters relating to site operation
2 of the facilities and laboratories covered by this section
3 only to the Assistant Secretary of Energy for Defense Pro-
4 grams. Such Assistant Secretary may redelegate such au-
5 thority only to managers of area offices of the Department
6 of Energy located at such facilities and laboratories.

7 (2) Nothing in this section may be construed as af-
8 fecting the delegation by the Secretary of Energy of au-
9 thority relating to reporting, management, and oversight
10 of matters relating to the Department of Energy gen-
11 erally, or safety, environment, and health at such facilities
12 and laboratories.

13 (b) REQUIREMENT TO CONSULT WITH AREA OF-
14 FICES.—The Assistant Secretary of Energy for Defense
15 Programs, in exercising any delegated authority to oversee
16 management of matters relating to site operation of a fa-
17 cility or laboratory, shall exercise such authority only after
18 direct consultation with the manager of the area office of
19 the Department of Energy located at the facility or labora-
20 tory.

21 (c) REQUIREMENT FOR DIRECT COMMUNICATION
22 FROM AREA OFFICES.—The Secretary of Energy, acting
23 through the Assistant Secretary of Energy for Defense
24 Programs, shall require the head of each area office of
25 the Department of Energy located at each facility and lab-

1 oratory covered by this section to report on matters relat-
2 ing to site operation other than those matters set forth
3 in subsection (a)(2) directly to the Assistant Secretary of
4 Energy for Defense Programs, without obtaining the ap-
5 proval or concurrence of any other official within the De-
6 partment of Energy.

7 (d) DEFENSE PROGRAMS REORGANIZATION PLAN
8 AND REPORT.—(1) The Secretary of Energy shall develop
9 a plan to reorganize the field activities and management
10 of the national security functions of the Department of
11 Energy.

12 (2) Not later than 120 days after the date of the en-
13 actment of this Act, the Secretary shall submit to Con-
14 gress a report on the plan developed under paragraph (1).
15 The report shall specifically identify all significant func-
16 tions performed by the operations offices relating to any
17 of the facilities and laboratories covered by this section
18 and which of those functions could be performed—

19 (A) by the area offices of the Department of
20 Energy located at the facilities and laboratories cov-
21 ered by this section; or

22 (B) by the Assistant Secretary of Energy for
23 Defense Programs.

24 (3) The report also shall address and make rec-
25 ommendations with respect to other internal streamlining

1 and reorganization initiatives that the Department could
2 pursue with respect to military or national security pro-
3 grams.

4 (e) DEFENSE PROGRAMS MANAGEMENT COUNCIL.—
5 The Secretary of Energy shall establish a Defense Pro-
6 grams Management Council to advise the Secretary on
7 policy matters, operational concerns, strategic planning,
8 and development of priorities relating to the national secu-
9 rity functions of the Department of Energy. The Council
10 shall be composed of the directors of the facilities and lab-
11 oratories and shall report directly to the Assistant Sec-
12 retary of Energy for Defense Programs.

13 (f) COVERED SITE OPERATIONS.—For purposes of
14 this section, matters relating to site operation of a facility
15 or laboratory include matters relating to personnel, budg-
16 et, and procurement in national security programs.

17 (g) COVERED FACILITIES AND LABORATORIES.—
18 This section applies to the following facilities and labora-
19 tories of the Department of Energy:

20 (1) The Kansas City Plant, Kansas City, Mis-
21 souri.

22 (2) The Pantex Plant, Amarillo, Texas.

23 (3) The Y-12 Plant, Oak Ridge, Tennessee.

24 (4) The Savannah River Site, Aiken, South
25 Carolina.

1 (5) Los Alamos National Laboratory, Los Ala-
2 mos, New Mexico.

3 (6) Sandia National Laboratories, Albuquerque,
4 New Mexico.

5 (7) Lawrence Livermore National Laboratory,
6 Livermore, California.

7 (8) The Nevada Test Site, Nevada.

8 **Subtitle D—Other Matters**

9 **SEC. 3141. REPORT ON NUCLEAR WEAPONS STOCKPILE** 10 **MEMORANDUM.**

11 (a) SUBMISSION OF COPY OF MEMORANDUM.—Not
12 less than 15 days after the date of the enactment of this
13 Act, the President shall submit to the congressional de-
14 fense committees a copy of the Nuclear Weapons Stockpile
15 Memorandum approved by the President in April 1996.

16 (b) SUBMISSION OF COPY OF MEMORANDUM AND
17 REPORT.—Not less than 30 days after the President has
18 approved any update to the Nuclear Weapons Stockpile
19 Memorandum, the President shall submit to the congres-
20 sional defense committees a copy of that Memorandum,
21 together with a report describing the changes to the
22 Memorandum compared to the previous submission.

23 (c) FORM.—The submissions required by this section
24 shall be in classified and unclassified form.

1 **SEC. 3142. REPORT ON PLUTONIUM PIT PRODUCTION AND**
2 **REMANUFACTURING PLANS.**

3 (a) REPORT REQUIREMENT.—The Secretary of En-
4 ergy shall submit to the congressional defense committees
5 a report on plans for achieving the capability to produce
6 and remanufacture plutonium pits. The report shall in-
7 clude a description of the baseline plan of the Department
8 of Energy for achieving such capability, including the fol-
9 lowing:

10 (1) The funding necessary, by fiscal year, to
11 achieve the capability.

12 (2) The schedule necessary to achieve the capa-
13 bility, including important technical and pro-
14 grammatic milestones.

15 (3) Siting, capacity for expansion, and other is-
16 sues included in the baseline plan.

17 (b) DEADLINE.—The report required by subsection
18 (a) shall be submitted not later than 60 days after the
19 date of the enactment of this Act.

20 **SEC. 3143. AMENDMENTS RELATING TO BASELINE ENVI-**
21 **RONMENTAL MANAGEMENT REPORTS.**

22 Section 3153 of the National Defense Authorization
23 Act for Fiscal Year 1994 (Public Law 103–160;107 Stat.
24 1950) is amended—

25 (1) in subsection (b)—

1 (A) by striking out the first word in the
2 heading and inserting in lieu thereof “BIEN-
3 NIAL”; and

4 (B) in paragraph (2)(B), by inserting be-
5 fore “year after 1995” the following: “odd-
6 numbered”; and

7 (2) in subsection (d)—

8 (A) by striking out the first word in the
9 heading and inserting in lieu thereof “BIEN-
10 NIAL”; and

11 (B) in paragraph (1)(B), by striking out
12 “in each year thereafter” and inserting in lieu
13 thereof “in each odd-numbered year there-
14 after”.

15 **SEC. 3144. REQUIREMENT TO DEVELOP FUTURE USE PLANS**
16 **FOR ENVIRONMENTAL MANAGEMENT PRO-**
17 **GRAM.**

18 (a) **AUTHORITY TO DEVELOP FUTURE USE**
19 **PLANS.**—The Secretary may develop future use plans for
20 any defense nuclear facility at which environmental res-
21 toration and waste management activities are occurring.

22 (b) **REQUIREMENT TO DEVELOP FUTURE USE**
23 **PLANS.**—The Secretary of Energy shall develop a future
24 use plan for each of the following defense nuclear facilities:

25 (1) Hanford Site, Richland, Washington.

1 (2) Rocky Flats Plant, Golden, Colorado.

2 (3) Savannah River Site, Aiken, South Caro-
3 lina.

4 (4) Idaho National Engineering Laboratory,
5 Idaho.

6 (c) FUTURE USE ADVISORY BOARD.—(1) At a de-
7 fense nuclear facility where the Secretary of Energy in-
8 tends to develop a future use plan and no citizen advisory
9 board has been established, the Secretary shall establish
10 a future use advisory board.

11 (2) The Secretary may prescribe regulations regard-
12 ing the establishment, characteristics, composition, and
13 funding of future use advisory boards pursuant to this
14 subsection.

15 (3) The Secretary may authorize the manager of a
16 defense nuclear facility for which a future use plan is de-
17 veloped (or, if there is no such manager, an appropriate
18 official of the Department of Energy designated by the
19 Secretary) to pay routine administrative expenses of a fu-
20 ture use advisory board established for that site. Such
21 payments shall be made from funds available to the Sec-
22 retary for program direction in carrying out environmental
23 restoration and waste management activities necessary for
24 national security programs.

1 (d) REQUIREMENT TO CONSULT WITH FUTURE USE
2 ADVISORY BOARD.—In developing a future use plan under
3 this section with respect to a defense nuclear facility, the
4 Secretary of Energy shall consult with a future use advi-
5 sory board established pursuant to subsection (c) or a
6 similar advisory board already in existence as of the date
7 of the enactment of this Act for such facility, affected local
8 governments (including any local future use redevelopment
9 authorities), and other appropriate State agencies.

10 (e) 50-YEAR PLANNING PERIOD.—A future use plan
11 developed under this section shall cover a period of at least
12 50 years.

13 (f) DEADLINES.—For each site listed in subsection
14 (b), the Secretary shall develop a draft plan by October
15 1, 1997, and a final plan by March 15, 1998.

16 (g) REPORT.—Not later than 60 days after complet-
17 ing development of a final plan for a site listed in sub-
18 section (b), the Secretary of Energy shall submit to Con-
19 gress a report on the plan. The report shall describe the
20 plan and contain such findings and recommendations with
21 respect to the site as the Secretary considers appropriate.

22 (h) SAVINGS PROVISIONS.—(1) Nothing in this sec-
23 tion or in a future use plan developed under this section
24 with respect to a defense nuclear facility shall be construed
25 as requiring any modification to a future use plan that

1 was developed before the date of the enactment of this
2 Act.

3 (2) Nothing in this section may be construed to affect
4 statutory requirements for an environmental restoration
5 or waste management activity or project or to modify or
6 otherwise affect applicable statutory or regulatory environ-
7 mental restoration and waste management requirements,
8 including substantive standards intended to protect public
9 health and the environment, nor shall anything in this sec-
10 tion be construed to preempt or impair any local land use
11 planning or zoning authority or State authority.

12 **SEC. 3145. WORKER HEALTH AND SAFETY IMPROVEMENTS**

13 **AT DEFENSE NUCLEAR COMPLEX,**
14 **MIAMISBURG, OHIO.**

15 (a) **WORKER HEALTH AND SAFETY ACTIVITIES.—**

16 The Secretary of Energy shall carry out the following ac-
17 tivities at the defense nuclear complex at Miamisburg,
18 Ohio:

19 (1) Within 12 months after the date of the en-
20 actment of this Act, completion of the evaluation of
21 pre-1989 internal radiation dose assessments for
22 workers who may have received a dose greater than
23 20 rem.

24 (2) Installation of state-of-the-art automated
25 personnel contamination monitors at appropriate ra-

1 radiation control points and facility exits, and pur-
2 chase and installation of an automated personnel ac-
3 cess control system.

4 (3) Upgrading of the radiological records soft-
5 ware and integration with a radiation work permit
6 system.

7 (4) Implementation of a program that will char-
8 acterize the radiological conditions of the site and
9 facilities prior to decontamination so that radiologi-
10 cal hazards are clearly identified and results of the
11 characterization validated.

12 (5) Review and improvement of the evaluation
13 of continuous air monitoring and implementation of
14 a personal air sampling program within 60 days
15 after the date of the enactment of this Act.

16 (6) Upgrading of bioassay analytical procedures
17 to ensure that contract laboratories are properly se-
18 lected and independently validated by the Depart-
19 ment of Energy and that quality control is assured.

20 (7) Implementation of bioassay and internal
21 dose calculation methods that are specific to the ra-
22 diological hazards identified at the site.

23 (b) FUNDING.—Of the funds authorized in section
24 3102(e), \$5,000,000 shall be available to the Secretary of
25 Energy to perform the activities required by subsection (a)

1 and such other activities to improve worker health and
2 safety at the defense nuclear complex at Miamisburg,
3 Ohio, as the Secretary considers appropriate.

4 (c) SAVINGS PROVISION.—Nothing in this section
5 shall be construed as affecting applicable statutory or reg-
6 ulatory requirements relating to worker health and safety.

7 **Subtitle E—Defense Nuclear Envi-**
8 **ronmental Cleanup and Man-**
9 **agement**

10 **SEC. 3151. PURPOSE.**

11 The purpose of this subtitle is to provide for the expe-
12 dited environmental restoration and waste management of
13 Department of Energy defense nuclear facilities through
14 the use of cost-effective management mechanisms and in-
15 novative technologies.

16 **SEC. 3152. COVERED DEFENSE NUCLEAR FACILITIES.**

17 (a) APPLICABILITY.—This subtitle applies to any de-
18 fense nuclear facility of the Department of Energy for
19 which the fiscal year 1996 environmental management
20 budget was \$350,000,000 or more.

21 (b) DEFENSE NUCLEAR FACILITY DEFINED.—In
22 this subtitle, the term “defense nuclear facility” means a
23 former or current defense nuclear production facility that
24 is owned and managed by the Department of Energy.

1 **SEC. 3153. SITE MANAGER.**

2 (a) APPOINTMENT.—The Secretary of Energy shall
3 expeditiously appoint a Site Manager for each Department
4 of Energy defense nuclear facility (in this subtitle referred
5 to as the “Site Manager”).

6 (b) SCOPE.—(1) In addition to other authorities pro-
7 vided for in this Act, the Secretary of Energy may delegate
8 to the Site Manager of a defense nuclear facility authority
9 to oversee and direct environmental management oper-
10 ations at the facility, including the authority to—

11 (A) enter into and modify contractual agree-
12 ments to enhance environmental restoration and
13 waste management at the facility;

14 (B) request that the Department of Energy
15 headquarters submit to Congress a reprogramming
16 package shifting funds among accounts in order to
17 facilitate the most efficient and timely environmental
18 restoration and waste management of the facility,
19 and, in the event that the Department headquarters
20 does not act upon the request within 60 days, sub-
21 mit such request to the appropriate congressional
22 committees for review;

23 (C) subject to paragraph (2), negotiate amend-
24 ments to environmental agreements for the Depart-
25 ment of Energy;

1 (D) manage Department of Energy personnel
2 at the facility;

3 (E) consider the costs, risk reduction benefits,
4 and other benefits for the purposes of ensuring pro-
5 tection of human health and the environment or
6 safety, with respect to any environmental remedi-
7 ation activity the cost of which exceeds \$25,000,000;
8 and

9 (F) have assessments prepared for environ-
10 mental restoration activities (in several documents or
11 a single document, as determined by the Site Man-
12 ager).

13 (2) In using the authority described in paragraph
14 (1)(C), a Site Manager may not negotiate an amendment
15 that is expected to result in additional significant life cycle
16 costs to the Department of Energy without the approval
17 of the Secretary of Energy.

18 (3) In using any authority described in paragraph
19 (1), a Site Manager of a facility shall consult with the
20 State where the facility is located and the advisory board
21 for the facility.

22 (4) The delegation of any authority pursuant to this
23 subsection shall not be construed as restricting the Sec-
24 retary of Energy's authority to delegate other authorities
25 as necessary.

1 (c) INFORMATION TO SECRETARY OF ENERGY.—The
2 Site Manager of a defense nuclear facility shall regularly
3 inform the Secretary of Energy, Congress, and the advisory
4 board for the facility of the progress made by the
5 Site Manager to achieve the expedited environmental restoration
6 and waste management of the facility.

7 **SEC. 3154. DEPARTMENT OF ENERGY ORDERS.**

8 An order imposed after the date of the enactment of
9 this Act relating to the execution of environmental restoration,
10 waste management, or technology development activities at a defense
11 nuclear facility under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) may be imposed
12 by the Secretary of Energy at the defense nuclear facility
13 only if the Secretary finds that the order is necessary for
14 the protection of human health and the environment or
15 safety, or the fulfillment of current legal requirements.

17 **SEC. 3155. DEPLOYMENT OF TECHNOLOGY FOR REMEDIATION OF DEFENSE NUCLEAR WASTE.**

18
19 (a) IN GENERAL.—The Secretary of Energy shall encourage the Site Manager of each defense nuclear facility
20 to promote the deployment of innovative environmental technologies for remediation of defense nuclear waste at
21 the facility.

22
23 (b) CRITERIA.—To carry out subsection (a), the Secretary shall encourage the Site Manager of a defense nuclear

1 clear facility to establish a program at the facility to en-
2 hance the deployment of innovative environmental tech-
3 nologies at the facility. The Secretary may require the Site
4 Manager, in establishing such a program—

5 (1) to establish a simplified, standardized, and
6 timely process for the acceptance and deployment of
7 environmental technologies;

8 (2) to solicit applications to deploy environ-
9 mental technologies suitable for environmental res-
10 toration and waste management activities at the fa-
11 cility, including prevention, control, characterization,
12 treatment, and remediation of contamination;

13 (3) to enter into contracts and other agree-
14 ments with other public and private entities to de-
15 ploy environmental technologies at the facility; and

16 (4) to include incentives, such as product per-
17 formance specifications, in contracts to encourage
18 the implementation of innovative environmental
19 technologies.

20 **SEC. 3156. PERFORMANCE-BASED CONTRACTING.**

21 (a) PROGRAM.—The Secretary of Energy shall de-
22 velop and implement a program for performance-based
23 contracting for contracts entered into for environmental
24 remediation at defense nuclear facilities. The program

1 shall ensure that, to the maximum extent practicable and
2 appropriate, such contracts include the following:

3 (1) Clearly stated and results oriented perform-
4 ance criteria and measures.

5 (2) Appropriate incentives for contractors to
6 meet and exceed the performance criteria effectively
7 and efficiently.

8 (3) Appropriate criteria and incentives for con-
9 tractors to seek and engage subcontractors who may
10 more effectively and efficiently perform either unique
11 and technologically challenging tasks or routine and
12 interchangeable services.

13 (4) Specific incentives for cost savings.

14 (5) Financial accountability.

15 (6) When appropriate, allocation of fee or profit
16 reduction for failure to meet minimum performance
17 criteria and standards.

18 (b) CRITERIA AND MEASURES.—Performance criteria
19 and measures should take into consideration, at a mini-
20 mum, the following: managerial control; elimination or re-
21 duction of risk to public health and the environment;
22 workplace safety; financial control; goal-oriented work
23 scope; use of innovative and alternative technologies and
24 techniques that result in cleanups being performed less ex-

1 pensively, more quickly, and within quality parameters;
2 and performing within benchmark cost estimates.

3 (c) CONSULTATION.—In implementing this section,
4 the Secretary of Energy shall consult with interested par-
5 ties.

6 (d) DEADLINE.—The Secretary of Energy shall im-
7 plement this section not later than October 1, 1997, unless
8 the Secretary submits to Congress before that date a re-
9 port with a schedule for completion of action under this
10 section.

11 **SEC. 3157. DESIGNATION OF DEFENSE NUCLEAR FACILI-**
12 **TIES AS NATIONAL ENVIRONMENTAL CLEAN-**
13 **UP DEMONSTRATION AREAS.**

14 (a) DESIGNATION.—The Secretary of Energy, upon
15 receipt of a request from a Governor of a State in which
16 a defense nuclear facility is situated, may designate the
17 facility as a “National Environmental Cleanup Dem-
18 onstration Area” to carry out the purposes of this subtitle.

19 (b) SENSE OF CONGRESS.—It is the sense of Con-
20 gress that Federal and State regulatory agencies, mem-
21 bers of the community surrounding the facilities des-
22 igned under subsection (a), and other affected parties
23 should work to develop expedited and streamlined proc-
24 esses and systems for cleaning up the facilities, to elimi-

1 nate unnecessary bureaucratic delay, and to proceed expe-
2 ditiously with environmental restoration activities.

3 **TITLE XXXII—DEFENSE NU-**
4 **CLEAR FACILITIES SAFETY**
5 **BOARD**

6 **SEC. 3201. AUTHORIZATION.**

7 There are authorized to be appropriated for fiscal
8 year 1997, \$17,000,000 for the operation of the Defense
9 Nuclear Facilities Safety Board under chapter 21 of the
10 Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

11 **TITLE XXXIII—NATIONAL**
12 **DEFENSE STOCKPILE**
13 **Subtitle A—Authorization of**
14 **Disposals and Use of Funds**

15 **SEC. 3301. DEFINITIONS.**

16 In this title:

17 (1) The term “National Defense Stockpile”
18 means the stockpile provided for in section 4 of the
19 Strategic and Critical Materials Stock Piling Act (50
20 U.S.C. 98c).

21 (2) The term “National Defense Stockpile
22 Transaction Fund” means the fund in the Treasury
23 of the United States established under section 9(a)
24 of the Strategic and Critical Materials Stock Piling
25 Act (50 U.S.C. 98h(a)).

1 **SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.**

2 (a) OBLIGATION OF STOCKPILE FUNDS.—During fis-
3 cal year 1997, the National Defense Stockpile Manager
4 may obligate up to \$60,000,000 of the funds in the Na-
5 tional Defense Stockpile Transaction Fund for the author-
6 ized uses of such funds under section 9(b)(2) of the Stra-
7 tegic and Critical Materials Stock Piling Act (50 U.S.C.
8 98h(b)(2)).

9 (b) ADDITIONAL OBLIGATIONS.—The National De-
10 fense Stockpile Manager may obligate amounts in excess
11 of the amount specified in subsection (a) if the National
12 Defense Stockpile Manager notifies Congress that extraor-
13 dinary or emergency conditions necessitate the additional
14 obligations. The National Defense Stockpile Manager may
15 make the additional obligations described in the notifica-
16 tion after the end of the 45-day period beginning on the
17 date Congress receives the notification.

18 (c) LIMITATIONS.—The authorities provided by this
19 section shall be subject to such limitations as may be pro-
20 vided in appropriations Acts.

21 **Subtitle B—Programmatic Change**

22 **SEC. 3311. BIENNIAL REPORT ON STOCKPILE REQUIRE-**
23 **MENTS.**

24 (a) NATIONAL EMERGENCY PLANNING ASSUMP-
25 TIONS.—Section 14 of the Strategic and Critical Materials
26 Stock Piling Act (50 U.S.C. 98h–5) is amended—

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

3 (2) by striking out subsection (b) and inserting
4 in lieu thereof the following new subsection:

5 “(b) Each report under this section shall set forth
6 the national emergency planning assumptions used by the
7 Secretary in making the Secretary’s recommendations
8 under subsection (a)(1) with respect to stockpile require-
9 ments. The Secretary shall base the national emergency
10 planning assumptions on a military conflict scenario con-
11 sistent with the scenario used by the Secretary in budget-
12 ing and defense planning purposes. The assumptions to
13 be set forth include assumptions relating to each of the
14 following:

15 “(1) The length and intensity of the assumed
16 military conflict.

17 “(2) The military force structure to be mobi-
18 lized.

19 “(3) The losses anticipated from enemy action.

20 “(4) The military, industrial, and essential civil-
21 ian requirements to support the national emergency.

22 “(5) The availability of supplies of strategic and
23 critical materials from foreign sources during the
24 mobilization period, the military conflict, and the

1 subsequent period of replenishment, taking into con-
2 sideration possible shipping losses.

3 “(6) The domestic production of strategic and
4 critical materials during the mobilization period, the
5 military conflict, and the subsequent period of re-
6 plenishment, taking into consideration possible ship-
7 ping losses.

8 “(7) Civilian austerity measures required dur-
9 ing the mobilization period and military conflict.

10 “(c) The stockpile requirements shall be based on
11 those strategic and critical materials necessary for the
12 United States to replenish or replace, within three years
13 of the end of the military conflict scenario required under
14 subsection (b), all munitions, combat support items, and
15 weapons systems that would be consumed or exhausted
16 during such a military conflict.

17 “(d) The Secretary shall also include in each report
18 under this section an examination of the effect that alter-
19 native mobilization periods under the military conflict sce-
20 nario required under subsection (b), as well as a range
21 of other military conflict scenarios addressing potentially
22 more serious threats to national security, would have on
23 the Secretary’s recommendations under subsection (a)(1)
24 with respect to stockpile requirements.”.

1 (b) CONFORMING AMENDMENT.—Section 2 of such
2 Act (50 U.S.C. 98a) is amended by striking out subsection
3 (c) and inserting in lieu thereof the following new sub-
4 section:

5 “(c) The purpose of the National Defense Stockpile
6 is to serve the interest of national defense only. The Na-
7 tional Defense Stockpile is not to be used for economic
8 or budgetary purposes.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on October 1, 1996.

11 **SEC. 3312. NOTIFICATION REQUIREMENTS.**

12 (a) PROPOSED CHANGES IN STOCKPILE QUAN-
13 TITIES.—Section 3(c)(2) of the Strategic and Critical Ma-
14 terials Stock Piling Act (50 U.S.C. 98b(c)(2)) is amend-
15 ed—

16 (1) by striking out “effective on or after the
17 30th legislative day following” and inserting in lieu
18 thereof “after the end of the 45-day period begin-
19 ning on”; and

20 (2) by striking out the last sentence.

21 (b) WAIVER OF ACQUISITION AND DISPOSAL RE-
22 QUIREMENTS.—Section 6(d)(1) of such Act (50 U.S.C.
23 98e(d)(1)) is amended by striking out “thirty days” and
24 inserting in lieu thereof “45 days”.

1 (c) TIME TO BEGIN DISPOSAL.—Section 6(d)(2) of
2 such Act (50 U.S.C. 98e(d)(2)) is amended by striking
3 out “thirty days” and inserting in lieu thereof “45 days”.

4 **SEC. 3313. IMPORTATION OF STRATEGIC AND CRITICAL MA-**
5 **TERIALS.**

6 Section 13 of the Strategic and Critical Materials
7 Stock Piling Act (50 U.S.C. 98h-4) is amended—

8 (1) by striking out “as a Communist-dominated
9 country or area”; and

10 (2) by striking out “such Communist-dominated
11 countries or areas” and inserting in lieu thereof “a
12 country or area listed in such general note”.

13 **TITLE XXXIV—NAVAL**
14 **PETROLEUM RESERVES**

15 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

16 There is hereby authorized to be appropriated to the
17 Secretary of Energy \$149,500,000 for fiscal year 1997 for
18 the purpose of carrying out activities under chapter 641
19 of title 10, United States Code, relating to the naval petro-
20 leum reserves (as defined in section 7420(2) of such title).
21 Funds appropriated pursuant to such authorization shall
22 remain available until expended.

1 **SEC. 3402. PRICE REQUIREMENT ON SALE OF CERTAIN PE-**
2 **TROLEUM DURING FISCAL YEAR 1997.**

3 Notwithstanding section 7430(b)(2) of title 10, Unit-
4 ed States Code, during fiscal year 1997, any sale of any
5 part of the United States share of petroleum produced
6 from Naval Petroleum Reserves Numbered 1, 2, and 3
7 shall be made at a price not less than 90 percent of the
8 current sales price, as estimated by the Secretary of En-
9 ergy, of comparable petroleum in the same area.

10 **TITLE XXXV—PANAMA CANAL**
11 **COMMISSION**
12 **Subtitle A—Authorization of**
13 **Appropriations**

14 **SEC. 3501. SHORT TITLE.**

15 This subtitle may be cited as the “Panama Canal
16 Commission Authorization Act, Fiscal Year 1997”.

17 **SEC. 3502. AUTHORIZATION OF EXPENDITURES.**

18 (a) IN GENERAL.—Subject to subsection (b), the
19 Panama Canal Commission is authorized to use amounts
20 in the Panama Canal Commission Revolving Fund to
21 make such expenditures within the limits of funds and
22 borrowing authority available to it in accordance with law,
23 and to make such contracts and commitments, as may be
24 necessary under the Panama Canal Act of 1979 (22
25 U.S.C. 3601 et seq.) for the operation, maintenance, im-

1 provement, and administration of the Panama Canal for
2 fiscal year 1997.

3 (b) LIMITATIONS.—For fiscal year 1997, the Panama
4 Canal Commission may expend funds in the Panama
5 Canal Commission Revolving Fund not more than
6 \$73,000 for reception and representation expenses, of
7 which—

8 (1) not more than \$18,000 may be used for of-
9 ficial reception and representation expenses of the
10 Supervisory Board of the Commission;

11 (2) not more than \$10,000 may be used for of-
12 ficial reception and representation expenses of the
13 Secretary of the Commission; and

14 (3) not more than \$45,000 may be used for of-
15 ficial reception and representation expenses of the
16 Administrator of the Commission.

17 **SEC. 3503. PURCHASE OF VEHICLES.**

18 Notwithstanding any other provisions of law, the
19 funds available to the Commission shall be available for
20 the purchase and transportation to the Republic of Pan-
21 ama, of passenger motor vehicles built in the United
22 States, including large, heavy-duty vehicles.

1 **SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH**
2 **TREATIES.**

3 Expenditures authorized under this subtitle may be
4 made only in accordance with the Panama Canal Treaties
5 of 1977 and any law of the United States implementing
6 those treaties.

7 **Subtitle B—Amendments to**
8 **Panama Canal Act of 1979**

9 **SEC. 3521. SHORT TITLE; REFERENCES.**

10 (a) **SHORT TITLE.**—This subtitle may be cited as the
11 “Panama Canal Act Amendments of 1996”.

12 (b) **REFERENCES.**—Except as otherwise expressly
13 provided, whenever in this subtitle an amendment or re-
14 peal is expressed in terms of an amendment to, or repeal
15 of, a section or other provision, the reference shall be con-
16 sidered to be made to a section or other provision of the
17 Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

18 **SEC. 3522. DEFINITIONS AND RECOMMENDATION FOR LEG-**
19 **ISLATION.**

20 (a) **IN GENERAL.**—In section 3 (22 U.S.C. 3602)—

21 (1) the heading is amended to read as follows:

22 “DEFINITIONS

23 (2) in subsection (b), by inserting “and” after
24 the semicolon at the end of paragraph (4), by strik-
25 ing the semicolon at the end of paragraph (5) and

1 inserting a period, and striking paragraphs (6) and
2 (7); and

3 (3) by striking subsection (d).

4 (b) CLERICAL AMENDMENT.—The table of contents
5 in section 1 is amended in the item relating to section 3
6 by striking “and recommendation for legislation”.

7 **SEC. 3523. ADMINISTRATOR.**

8 (a) IN GENERAL.—Section 1103 (22 U.S.C. 3613)
9 is amended to read as follows:

10 “ADMINISTRATOR

11 “SEC. 1103. (a) There shall be an Administrator of
12 the Commission who shall be appointed by the President,
13 by and with the advice and consent of the Senate, and
14 shall hold office at the pleasure of the President.

15 “(b) The Administrator shall be paid compensation
16 in an amount, established by the Board, not to exceed level
17 III of the Executive Schedule.”.

18 (b) SAVINGS PROVISIONS.—Nothing in this section
19 (or section 3549(3)) shall be considered to affect—

20 (1) the tenure of the individual serving as Ad-
21 ministrator of the Commission on the day before
22 subsection (a) takes effect; or

23 (2) until modified under section 1103(b) of the
24 Panama Canal Act of 1979, as amended by sub-
25 section (a), the compensation of the individual so
26 serving.

1 **SEC. 3524. DEPUTY ADMINISTRATOR AND CHIEF ENGINEER.**

2 (a) IN GENERAL.—Section 1104 (22 U.S.C. 3614)
3 is amended to read as follows:

4 “DEPUTY ADMINISTRATOR

5 “SEC. 1104. (a) There shall be a Deputy Adminis-
6 trator of the Commission who shall be appointed by the
7 President. The Deputy Administrator shall perform such
8 duties as may be prescribed by the Board.

9 “(b) The Deputy Administrator shall be paid com-
10 pensation at a rate of pay, established by the Board, which
11 does not exceed the rate of basic pay in effect for level
12 IV of the Executive Schedule, and, if eligible, shall be paid
13 the overseas recruitment and retention difference provided
14 for in section 1217 of this Act.”.

15 (b) CLERICAL AMENDMENT.—The table of contents
16 in section 1 is amended in the item relating to section
17 1104 by striking “and Chief Engineer”.

18 (c) SAVINGS PROVISIONS.—Nothing in this section
19 shall be considered to affect—

20 (1) the tenure of the individual serving as Dep-
21 uty Administrator of the Commission on the day be-
22 fore subsection (a) takes effect; or

23 (2) until modified under section 1104(b) of the
24 Panama Canal Act of 1979, as amended by sub-
25 section (a), the compensation of the individual so
26 serving.

1 **SEC. 3525. OFFICE OF OMBUDSMAN.**

2 Section 1113 (22 U.S.C. 3623) is amended by strik-
3 ing subsection (d) and redesignating subsection (e) as sub-
4 section (d).

5 **SEC. 3526. APPOINTMENT AND COMPENSATION; DUTIES.**

6 Section 1202 (22 U.S.C. 3642) is amended to read
7 as follows:

8 “APPOINTMENT AND COMPENSATION; DUTIES

9 “SEC. 1202. (a) In accordance with this chapter, the
10 Commission may appoint, fix the compensation of, and de-
11 fine the authority and duties of officers and employees
12 (other than the Administrator and Deputy Administrator)
13 necessary for the management, operation, and mainte-
14 nance of the Panama Canal and its complementary works,
15 installations, and equipment.

16 “(b) Individuals serving in any Executive agency
17 (other than the Commission) or the Smithsonian Institu-
18 tion, including individuals in the uniform services, may,
19 if appointed under this section or section 1104 of this Act,
20 serve as officers or employees of the Commission.”.

21 **SEC. 3527. APPLICABILITY OF CERTAIN BENEFITS.**

22 (a) IN GENERAL.—Section 1209 (22 U.S.C. 3649)
23 is amended to read as follows:

24 “APPLICABILITY OF CERTAIN BENEFITS

25 “SEC. 1209. Chapter 81 of title 5, United States
26 Code, relating to compensation for work injuries, chapters

1 83 and 84 of such title 5, relating to retirement, chapter
2 87 of such title 5, relating to life insurance, and chapter
3 89 of such title 5, relating to health insurance, are applica-
4 ble to Commission employees, except any individual—

5 “(1) who is not a citizen of the United States;

6 “(2) whose initial appointment by the Commis-
7 sion occurs after October 1, 1979; and

8 “(3) who is covered by the Social Security Sys-
9 tem of the Republic of Panama pursuant to any pro-
10 vision of the Panama Canal Treaty of 1977 and re-
11 lated agreements.”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 in section 1 is amended by striking the item relating to
14 section 1209 and inserting the following:

“Sec. 1209. Applicability of certain benefits.”.

15 **SEC. 3528. TRAVEL AND TRANSPORTATION EXPENSES.**

16 Section 1210 (22 U.S.C. 3650) is amended to read
17 as follows:

18 “TRAVEL AND TRANSPORTATION EXPENSES

19 “SEC. 1210. (a) Subject to subsections (b) and (c),
20 the Commission may pay travel and transportation ex-
21 penses for employees in accordance with subchapter II of
22 chapter 57 of title 5, United States Code.

23 “(b) For an employee to whom section 1206 applies,
24 the Commission may pay travel and transportation ex-
25 penses associated with vacation leave for the employee and

1 the immediate family of the employee notwithstanding re-
2 quirements regarding periods of service established by
3 subchapter II of chapter 57 of title 5, United States Code,
4 or the regulations promulgated thereunder.

5 “(c) For an employee to whom section 1206 does not
6 apply, the Commission may pay travel and transportation
7 expenses associated with vacation leave for the employee
8 and the immediate family of the employee notwithstanding
9 requirements regarding a written agreement concerning
10 the duration of a continuing service obligation established
11 by subchapter II of chapter 57 of title 5, United States
12 Code or the regulations promulgated thereunder.”.

13 **SEC. 3529. CLARIFICATION OF DEFINITION OF AGENCY.**

14 Subparagraph (B) of section 1211(1) (22 U.S.C.
15 3651(1)(B)) is amended to read as follows:

16 “(B) any other Executive agency or the
17 Smithsonian Institution, to the extent of any
18 election in effect under section 1212(b) of this
19 Act;”.

20 **SEC. 3530. PANAMA CANAL EMPLOYMENT SYSTEM; MERIT
21 AND OTHER EMPLOYMENT REQUIREMENTS.**

22 (a) IN GENERAL.—Section 1212 (22 U.S.C. 3652)
23 is amended to read as follows:

1 “PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND
2 OTHER EMPLOYMENT REQUIREMENTS

3 “SEC. 1212. (a) The Commission shall establish a
4 Panama Canal Employment System and prescribe the reg-
5 ulations necessary for its administration. The Panama
6 Canal Employment System shall—

7 “(1) be established in accordance with and be
8 subject to the provisions of the Panama Canal Trea-
9 ty of 1977 and related agreements, the provisions of
10 this chapter, and any other applicable provision of
11 law;

12 “(2) be based on the consideration of the merit
13 of each employee or candidate for employment and
14 the qualifications and fitness of the employee to hold
15 the position concerned;

16 “(3) conform, to the extent practicable and con-
17 sistent with the provisions of this Act, to the poli-
18 cies, principles, and standards applicable to the com-
19 petitive service;

20 “(4) in the case of employees who are citizens
21 of the United States, provide for the appropriate
22 interchange of those employees between positions
23 under the Panama Canal Employment System and
24 positions in the competitive service; and

1 “(5) not be subject to the provisions of title 5,
2 United States Code, unless specifically made applica-
3 ble by this Act.

4 “(b)(1) The head of any Executive agency (other
5 than the Commission) and the Smithsonian Institution
6 may elect to have the Panama Canal Employment System
7 made applicable in whole or in part to personnel of that
8 agency in the Republic of Panama.

9 “(2) Any Executive agency (other than the Commis-
10 sion) and the Smithsonian Institution, to the extent of any
11 election under paragraph (1), shall conduct its employ-
12 ment and pay practices relating to employees in accord-
13 ance with the Panama Canal Employment System.

14 “(c) The Commission may exclude any employee or
15 position from coverage under any provision of this sub-
16 chapter, other than the interchange rights extended under
17 subsection (a)(4).”.

18 (b) SAVINGS PROVISIONS.—The Panama Canal Em-
19 ployment System and all elections, rules, regulations, and
20 orders relating thereto, as last in effect before the amend-
21 ment made by subsection (a) takes effect, shall continue
22 in effect, according to their terms, until modified, termi-
23 nated, or superseded under section 1212 of the Panama
24 Canal Act of 1979, as amended by subsection (a).

1 **SEC. 3531. EMPLOYMENT STANDARDS.**

2 Section 1213 (22 U.S.C. 3653) is amended in the
3 first sentence by striking “The head of each agency” and
4 inserting “The Commission”.

5 **SEC. 3532. REPEAL OF OBSOLETE PROVISION REGARDING**
6 **INTERIM APPLICATION OF CANAL ZONE**
7 **MERIT SYSTEM.**

8 (a) REPEAL.—Section 1214 (22 U.S.C. 3654) is re-
9 pealed.

10 (b) CLERICAL AMENDMENT.—The table of contents
11 in section 1 is amended by striking the item relating to
12 section 1214.

13 **SEC. 3533. REPEAL OF PROVISION RELATING TO RECRUIT-**
14 **MENT AND RETENTION REMUNERATION.**

15 Section 1217(d) (22 U.S.C. 3657(d)) is repealed.

16 **SEC. 3534. BENEFITS BASED ON BASIC PAY.**

17 Section 1218(2) (22 U.S.C. 3658(2)) is amended to
18 read as follows:

19 “(2) benefits under subchapter III of chapter
20 83 and subchapter II of chapter 84 of title 5, United
21 States Code, relating to retirement;”.

22 **SEC. 3535. VESTING OF GENERAL ADMINISTRATIVE AU-**
23 **THORITY OF COMMISSION.**

24 (a) IN GENERAL.—Section 1223 (22 U.S.C. 3663)
25 is amended to read as follows:

1 “CENTRAL EXAMINING OFFICE

2 “SEC. 1223. The Commission shall establish a
3 Central Examining Office. The purpose of the office shall
4 be to implement the provisions of the Panama Canal Trea-
5 ty of 1977 and related agreements with respect to recruit-
6 ment, examination, determination of qualification stand-
7 ards, and similar matters relating to employment of the
8 Commission.”.

9 (b) CLERICAL AMENDMENT.—The table of contents
10 in section 1 is amended by striking the item relating to
11 section 1223 and inserting the following:

“Sec. 1223. Central Examining Office.”.

12 **SEC. 3536. APPLICABILITY OF CERTAIN LAWS.**

13 (a) IN GENERAL.—Section 1224 (22 U.S.C. 3664)
14 is amended to read as follows:

15 “APPLICABILITY OF TITLE 5, UNITED STATES CODE

16 “SEC. 1224. The following provisions of title 5, Unit-
17 ed States Code, apply to the Panama Canal Commission:

18 “(1) Part I of title 5 (relating to agencies gen-
19 erally).

20 “(2) Chapter 21 (relating to employee defini-
21 tions).

22 “(3) Section 2302(b)(8) (relating to whistle-
23 blower protection) and all provisions of title 5 relat-
24 ing to the administration or enforcement or any
25 other aspect thereof, as identified in regulations pre-

1 scribed by the Commission in consultation with the
2 Office of Personnel Management.

3 “(4) All provisions relating to preference eligi-
4 bles.

5 “(5) Section 5514 (relating to offset from sal-
6 ary).

7 “(6) Section 5520a (relating to garnishments).

8 “(7) Sections 5531-5535 (relating to dual pay
9 and employment).

10 “(8) Subchapter VI of chapter 55 (relating to
11 accumulated and accrued leave).

12 “(9) Subchapter IX of chapter 55 (relating to
13 severance and back pay).

14 “(10) Chapter 57 (relating to travel and trans-
15 portation).

16 “(11) Chapter 59 (relating to allowances).

17 “(12) Chapter 63 (relating to leave).

18 “(13) Section 6323 (relating to military leave;
19 Reserves and National Guardsmen).

20 “(14) Chapter 71 (relating to labor relations).

21 “(15) Subchapters II and III of chapter 73 (re-
22 lating to employment limitations and political activi-
23 ties, respectively) and all provisions of title 5 relat-
24 ing to the administration or enforcement or any
25 other aspect thereof, as identified in regulations pre-

1 scribed by the Commission in consultation with the
2 Office of Personnel Management.

3 “(16) Chapter 81 (relating to compensation for
4 work injuries).

5 “(17) Chapters 83 and 84 (relating to retire-
6 ment).

7 “(18) Chapter 85 (relating to unemployment
8 compensation).

9 “(19) Chapter 87 (relating to life insurance).

10 “(20) Chapter 89 (relating to health insur-
11 ance).”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 in section 1 is amended by striking the item relating to
14 section 1224 and inserting the following:

“Sec. 1224. Applicability of title 5, United States Code.”.

15 **SEC. 3537. REPEAL OF PROVISION RELATING TO TRANS-**
16 **FERRED OR REEMPLOYED EMPLOYEES.**

17 Section 1231(a)(3) (22 U.S.C. 3671(a)(3)) is re-
18 pealed.

19 **SEC. 3538. ADMINISTRATION OF SPECIAL DISABILITY BENE-**
20 **FITS.**

21 (a) IN GENERAL.—Section 1245 (22 U.S.C. 3682)
22 is amended by striking so much as precedes subsection
23 (b) and inserting the following:

1 “ADMINISTRATION OF CERTAIN DISABILITY BENEFITS

2 “SEC. 1245. (a)(1) The Commission, or any other
3 United States Government agency or private entity acting
4 pursuant to an agreement with the Commission, under the
5 Act entitled ‘An Act authorizing cash relief for certain em-
6 ployees of the Panama Canal not coming within the provi-
7 sions of the Canal Zone Retirement Act’, approved July
8 8, 1937 (50 Stat. 478; 68 Stat. 17), may continue the
9 payments of cash relief to those individual former employ-
10 ees of the Canal Zone Government or Panama Canal Com-
11 pany or their predecessor agencies not coming within the
12 scope of the former Canal Zone Retirement Act whose
13 services were terminated prior to October 5, 1958, because
14 of unfitness for further useful service by reason of mental
15 or physical disability resulting from age or disease.

16 “(2) Subject to subsection (b), cash relief under this
17 subsection may not exceed \$1.50 per month for each year
18 of service of the employees so furnished relief, with a maxi-
19 mum of \$45 per month, plus the amount of any cost-of-
20 living increases in such cash relief granted before October
21 1, 1979, pursuant to section 181 of title 2 of the Canal
22 Zone Code (as in effect on September 30, 1979), nor be
23 paid to any employee who, at the time of termination for
24 disability prior to October 5, 1958, had less than 10 years’
25 service with the Canal Zone Government, the Panama

1 Canal Company, or their predecessor agencies on the Isth-
2 mus of Panama.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 in section 1 is amended by striking the item relating to
5 section 1245 and inserting the following:

“Sec. 1245. Administration of certain disability benefits.”.

6 **SEC. 3539. PANAMA CANAL REVOLVING FUND.**

7 Section 1302 of the Panama Canal Act of 1979 (22
8 U.S.C. 3712) is amended to read as follows:

9 “PANAMA CANAL REVOLVING FUND

10 “SEC. 1302. (a) There is established in the Treasury
11 of the United States a revolving fund to be known as ‘Pan-
12 ama Canal Revolving Fund’. The Panama Canal Revolv-
13 ing Fund shall, subject to subsection (b), be available to
14 the Commission to carry out the purposes, functions, and
15 powers authorized by this Act, including for—

16 “(1) the hire of passenger motor vehicles and
17 aircraft;

18 “(2) uniforms or allowances therefor;

19 “(3) official receptions and representation ex-
20 penses of the Board, the Secretary of the Commis-
21 sion, and the Administrator;

22 “(4) the operation of guide services;

23 “(5) a residence for the Administrator;

24 “(6) disbursements by the Administrator for
25 employee and community projects;

1 “(7) the procurement of expert and consultant
2 services;

3 “(8) promotional activities, including the prepara-
4 tion, distribution, or use of any kit, pamphlet,
5 booklet, publication, radio, television, film, or other
6 media presentation designed to promote the Panama
7 Canal as a resource of the world shipping industry;
8 and

9 “(9) the purchase and transportation to the Re-
10 public of Panama of passenger motor vehicles built
11 in the United States, including large, heavy-duty ve-
12 hicles.

13 “(b)(1) There shall be deposited in the Panama
14 Canal Revolving Fund, on a continuing basis, toll receipts
15 (other than amounts of toll receipts deposited into the
16 Panama Canal Commission Dissolution Fund under sec-
17 tion 1305) and all other receipts of the Commission. Ex-
18 cept as provided in section 1303, no funds may be obli-
19 gated or expended by the Commission in any fiscal year
20 unless such obligation or expenditure has been specifically
21 authorized by law.

22 “(2) No funds may be authorized for the use of the
23 Commission, or obligated or expended by the Commission
24 in any fiscal year, in excess of—

1 “(A) the amount of revenues deposited in the
2 Panama Canal Revolving Fund and the Panama
3 Canal Dissolution Fund during such fiscal year, plus

4 “(B) the amount of revenues deposited in the
5 Panama Canal Revolving Fund before such fiscal
6 year and remaining unobligated at the beginning of
7 such fiscal year; plus

8 “(C) the \$100,000,000 borrowing authority
9 provided for in section 1304 of this Act.

10 Not later than 30 days after the end of each fiscal year,
11 the Secretary of the Treasury shall report to the Congress
12 the amount of revenues deposited in the Panama Canal
13 Revolving Fund during such fiscal year.

14 “(c) With the approval of the Secretary of the Treas-
15 ury, the Commission may deposit amounts in the Panama
16 Canal Revolving Fund in any Federal Reserve bank, any
17 depository for public funds, or such other place and in
18 such manner as the Commission and the Secretary may
19 agree.

20 “(d)(1) It is the sense of the Congress that the addi-
21 tional costs resulting from the implementation of the Pan-
22 ama Canal Treaty of 1977 and related agreements should
23 be kept to the absolute minimum level. To this end, the
24 Congress declares appropriated costs of implementation to
25 be borne by the taxpayers over the life of such Treaty

1 should be kept to a level no greater than the March 1979
2 estimate of those costs (\$870,700,000) presented to the
3 Congress by the executive branch during consideration of
4 this Act by the Congress, less personnel retirement costs
5 of \$205,000,000, which were subtracted and charged to
6 tolls, therefore resulting in net taxpayer cost of approxi-
7 mately \$665,700,000, plus appropriate adjustments for
8 inflation.

9 “(2) It is further the sense of the Congress that the
10 actual costs of implementation be consistent with the obli-
11 gations of the United States to operate the Panama Canal
12 safely and efficiently and keep it secure.”.

13 **SEC. 3540. PRINTING.**

14 (a) IN GENERAL.—Title I is amended in chapter 3
15 (22 U.S.C. 3711 et seq.) by adding at the end of sub-
16 chapter I the following new section:

17 “PRINTING

18 “SEC. 1306. (a) Section 501 of title 44, United
19 States Code, shall not apply to direct purchase by the
20 Commission for its use of printing, binding, and blank-
21 book work in the Republic of Panama when the Commis-
22 sion determines that such direct purchase is in the best
23 interest of the Government.

24 “(b) This section shall not affect the Commission’s
25 authority, under chapter 5 of title 44, United States Code,
26 to operate a field printing plant.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 in section 1 is amended by inserting after the item relating
3 to section 1305 the following new item:

“Sec. 1306. Printing.”.

4 **SEC. 3541. ACCOUNTING POLICIES.**

5 Section 1311 (22 U.S.C. 3721), the first sentence in
6 subsection (a) is amended to read as follows: “The Com-
7 mission shall establish and maintain its accounts in ac-
8 cordance with chapter 91 of title 31, United States Code,
9 and the provisions of this chapter.”.

10 **SEC. 3542. INTERAGENCY SERVICES; REIMBURSEMENTS.**

11 Section 1321(e) (22 U.S.C. 3731(e)) is amended by
12 adding at the end the following sentence:

13 “Notwithstanding section 5924 of title 5, United States
14 Code, the Commission shall by regulation determine the
15 extent to which costs of educational services may be de-
16 frayed under this subsection.”.

17 **SEC. 3543. POSTAL SERVICE.**

18 Section 1331 (22 U.S.C. 3741) is amended to read
19 as follows:

20 “POSTAL SERVICE

21 “SEC. 1331. (a) The Commission shall take posses-
22 sion of and administer the funds of the Canal Zone postal
23 service and shall assume its obligations.

24 “(b) Effective December 1, 1999, neither the Com-
25 mission nor the United States Government shall be re-

1 sponsible for the distribution of any accumulated unpaid
2 balances relating to Canal Zone postal-savings deposits,
3 postal-savings certificates, and postal money orders.

4 “(c) Mail addressed to the Canal Zone from or
5 through the continental United States may be routed by
6 the United States Postal Service to the military post of-
7 fices of the United States Armed Forces in the Republic
8 of Panama. Such military post offices shall provide the
9 required directory services and shall accept such mail to
10 the extent permitted under the Panama Canal Treaty of
11 1977 and related agreements. The Commission shall fur-
12 nish personnel, records, and other services to such military
13 post offices to assure wherever appropriate the distribu-
14 tion, rerouting, or return of such mail.”.

15 **SEC. 3544. INVESTIGATION OF ACCIDENTS OR INJURY GIV-**
16 **ING RISE TO CLAIM.**

17 Section 1417(1) (22 U.S.C. 3777(1)) is amended to
18 read as follows:

19 “(1) an investigation of the accident or injury
20 giving rise to the claim has been completed, which
21 shall include a hearing by the Board of Local In-
22 spectors of the Commission; and”.

23 **SEC. 3545. OPERATIONS REGULATIONS.**

24 Section 1801 (22 U.S.C. 3811) is amended by strik-
25 ing “President” and inserting “Commission”.

1 **SEC. 3546. MISCELLANEOUS REPEALS.**

2 (a) REPEALS.—The following provisions are repealed:

3 (1) Section 1605 (22 U.S.C. 3795), relating to
4 interim toll adjustment.

5 (2) Section 1701 (22 U.S.C. 3801), relating to
6 the authority of the President to prescribe certain
7 regulations.

8 (3) Section 1702 (22 U.S.C. 3802), relating to
9 the authority of the Panama Canal Commission to
10 prescribe certain regulations.

11 (4) Title II (22 U.S.C. 3841–3852), relating to
12 the Treaty transition period.

13 (5) Chapter 1 of title III (22 U.S.C. 3861), re-
14 lating to cemeteries.

15 (6) Section 1246, relating to appliances for cer-
16 tain injured employees.

17 (7) Section 1251, relating to leave for jury or
18 witness service.

19 (8) Section 1301, relating to Canal Zone Gov-
20 ernment funds.

21 (9) Section 1313(c), relating to audits.

22 (b) CLERICAL AMENDMENTS.—Section 1 is amended
23 in the table of contents by striking each of the items relat-
24 ing to a title, chapter, or section repealed by subsection
25 (a).

1 **SEC. 3547. EXEMPTION.**

2 (a) IN GENERAL.—Section 3302 is amended to read
3 as follows:

4 “EXEMPTION

5 “SEC. 3302. The Commission is exempt from the pro-
6 visions of subchapter II of chapter 6 of title 15, United
7 States Code.”.

8 (b) CLERICAL AMENDMENT.—The table of contents
9 in section 1 is amended by striking the item relating to
10 section 3302 and inserting the following:

“Sec. 3302. Exemption.”.

11 **SEC. 3548. MISCELLANEOUS CONFORMING AMENDMENTS**
12 **TO TITLE 5, UNITED STATES CODE.**

13 Title 5, United States Code, is amended—

14 (1) in section 3401(1) by striking clause (v)
15 and redesignating clauses (vi) through (viii) as
16 clauses (v) through (vii), respectively;

17 (2) in section 5102(a)(1) by striking clause (vi)
18 and redesignating clauses (vii) through (xi) as
19 clauses (vi) through (ix), respectively;

20 (3) in section 5315 by striking “Administrator
21 of the Panama Canal Commission.”;

22 (4) in section 5342(a)(1) by striking subpara-
23 graph (G) and redesignating subparagraphs (H)
24 through (L) as subparagraphs (G) through (K), re-
25 spectively;

1 (5) in section 5343(a)(5) by striking “the areas
2 and installations” and all that follows through “Pan-
3 ama Canal Act of 1979),”;

4 (6) in section 5348—

5 (A) by striking subsection (b) and redesignig-
6 nating subsection (c) as subsection (b); and

7 (B) in subsection (a) by striking “sub-
8 sections (b) and (c)” and inserting “subsection
9 (b)”;

10 (7) in section 5373 by striking paragraph (1)
11 and redesignating paragraphs (2) through (4) as
12 paragraphs (1) through (3), respectively;

13 (8) in section 5537(c) by striking “the United
14 States District Court for the District of the Canal
15 Zone, the District Court of Guam, and the District
16 Court of the Virgin Islands.” and inserting “the Dis-
17 trict Court of Guam and the District Court of the
18 Virgin Islands.”;

19 (9) in section 5541(2)(xii)—

20 (A) by inserting “or” after “Services Ad-
21 ministration,”; and

22 (B) by striking “, or a vessel employee of
23 the Panama Canal Commission”;

24 (10) in section 7901 by amending subsection (f)
25 to read as follows:

1 “(f) The health programs conducted by the Ten-
2 nessee Valley Authority are not affected by this section.”;

3 (11) in section 5102(c) by repealing paragraph
4 (12);

5 (12) in section 5924(3) by striking the last sen-
6 tence thereof; and

7 (13) in section 6322(a) by striking “, or the
8 Republic of Panama”.

9 **SEC. 3549. REPEAL OF PANAMA CANAL CODE.**

10 Section 3303 (22 U.S.C. 3602 note) is amended by
11 adding at the end the following new subsection:

12 “(c) The Panama Canal Code is repealed effective on
13 the date of the enactment of the Panama Canal Act
14 Amendments of 1996.”.

15 **SEC. 3550. MISCELLANEOUS CLERICAL AND CONFORMING**
16 **AMENDMENTS.**

17 (a) CLERICAL AMENDMENTS.—The table of contents
18 in section 1 is amended in the items relating to sections
19 1101, 1102a, 1102b, and 1313 by inserting “Sec.” before
20 the section number.

1 (b) CONFORMING AMENDMENT.—Section 1303 (22
2 U.S.C. 3713) is amended by striking “section 1302(c)(1)”
3 each place it appears and inserting “section 1302(b)(1)”.

Passed the House of Representatives May 15, 1996.

Attest:

Clerk.