

105TH CONGRESS
2D SESSION

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To maximize the national security of the United States and minimize the cost by providing for increased use of the capabilities of the National Guard and the other reserve components of the United States; to improve the readiness of the reserve components; to ensure that adequate resources are provided for the reserve components; and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 13, 1998

Mr. FORD (for himself, Mr. BOND, Mr. DORGAN, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To maximize the national security of the United States and minimize the cost by providing for increased use of the capabilities of the National Guard and the other reserve components of the United States; to improve the readiness of the reserve components; to ensure that adequate resources are provided for the reserve components; and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “National Guard and
3 Reserve Components Equity Act of 1998”.

4 **TITLE I—STRATEGIC PLANNING**

5 **SEC. 101. FORCE STRUCTURE.**

6 (a) **REQUIREMENT.**—At the same time as the Presi-
7 dent submits the budget to Congress for fiscal year 2000
8 under section 1105(a) of title 31, United States Code, the
9 Secretary of Defense shall submit to Congress a report
10 on the Army reserve component force structure.

11 (b) **CONTENT OF REPORT.**—The report shall include
12 the following:

13 (1) The force structure that the Secretary con-
14 siders appropriate for the Army National Guard and
15 the Army Reserve for meeting threats to the na-
16 tional security that are considered probable for the
17 six fiscal years beginning with fiscal year 2000.

18 (2) Specific wartime missions for the units in
19 that force structure, including missions relating to
20 responses to emergencies involving weapons of mass
21 destruction.

22 (b) **FREEZE ON END STRENGTHS.**—Notwithstanding
23 any other provision of law, the Armed Forces shall main-
24 tain the same strengths for Selected Reserve personnel of
25 the Army National Guard of the United States and the
26 Army Reserve through September 30, 2000, as are au-

1 thORIZED under paragraphs (1) and (2), respectively, of
2 section 411(a) of the National Defense Authorization Act
3 for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
4 1719).

5 **SEC. 102. MODERNIZATION PLAN.**

6 (a) PLAN REQUIRED.—The Secretary of Defense
7 shall develop a master plan that provides for the complete
8 modernization of the National Guard and the other re-
9 serve components of the Armed Forces, including the mod-
10 ernization necessary to ensure the compatibility of the
11 equipment used by the reserve components.

12 (b) SUBMISSION TO CONGRESS.—The Secretary shall
13 submit the plan to Congress not later than six months
14 after the date of the enactment of this Act.

15 **SEC. 103. MILITARY CONSTRUCTION.**

16 (a) PLAN REQUIRED.—The Secretary of Defense
17 shall develop a master plan that provides for meeting the
18 unmet requirements of the National Guard and the other
19 reserve components for military construction.

20 (b) SUBMISSION TO CONGRESS.—The Secretary shall
21 submit the plan to Congress not later than six months
22 after the date of the enactment of this Act.

1 **TITLE II—RESERVE COMPONENT**
2 **LEADERSHIP**

3 **SEC. 201. CHIEF OF THE NATIONAL GUARD BUREAU.**

4 (a) RELATIONSHIP TO THE JOINT CHIEFS OF
5 STAFF.—Section 151 of title 10, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(h) PARTICIPATION BY THE CHIEF OF THE NA-
9 TIONAL GUARD BUREAU.—(1) The Chief of the National
10 Guard Bureau shall identify for the Chairman any matter
11 scheduled for consideration by the Joint Chiefs of Staff
12 that directly concerns the National Guard, domestic secu-
13 rity, or public safety.

14 “(2) Unless, upon request of the Chairman for a de-
15 termination, the Secretary of Defense determines that a
16 matter identified pursuant to paragraph (1) does not con-
17 cern the National Guard, domestic security, or public safe-
18 ty, the Chief of the National Guard Bureau shall meet
19 with the Joint Chiefs of Staff when that matter is under
20 consideration. The Chief of the National Guard Bureau
21 has equal status with the members of the Joint Chiefs of
22 Staff for the consideration of the matter by the Joint
23 Chiefs of Staff.

24 “(3) The Chairman shall provide the Chief of the Na-
25 tional Guard Bureau with all agenda for the meetings of

1 the Joint Chiefs of Staff and any other information that
2 the Chairman considers appropriate to assist the Chief of
3 the National Guard Bureau to carry out his responsibil-
4 ities under this subsection.”.

5 (b) MEMBERSHIP ON THE JOINT REQUIREMENTS
6 OVERSIGHT COUNCIL.—Section 181(c) of such title is
7 amended—

8 (1) in paragraph (1)—

9 (A) in subsection (D), by striking out
10 “and”;

11 (B) in subsection (E), by striking out the
12 period at the end and inserting in lieu thereof
13 “; and”; and

14 (C) by adding at the end the following:

15 “(F) the Chief of the National Guard Bureau.”;

16 and

17 (2) in paragraph (2), by inserting “and the
18 Chief of the National Guard Bureau” after “other
19 than the Chairman of the Joint Chiefs of Staff”.

20 (c) ADDITIONAL ADVISORY FUNCTIONS.—Section
21 10502(c) of title 10, United States Code, is amended to
22 read as follows:

23 “(c) ADVISER ON NATIONAL GUARD MATTERS.—The
24 Chief of the National Guard Bureau is the principal ad-
25 viser to the President, the Secretary of Defense, any other

1 person designated to exercise national command authority,
2 the Secretary of the Army, the Chief of Staff of the Army,
3 the Secretary of the Air Force, and the Chief of Staff of
4 the Air Force on matters relating to—

5 “(1) the National Guard;

6 “(2) the Army National Guard of the United
7 States;

8 “(3) the Air National Guard of the United
9 States;

10 “(4) domestic security; and

11 “(5) public safety.”.

12 (d) RELATIONSHIP TO THE ARMY STAFF AND THE
13 AIR STAFF.—Section 10502 of title 10, United States
14 Code, is amended by adding at the end the following new
15 paragraph:

16 “(e) RELATIONSHIP TO ARMY AND AIR STAFF.—To
17 the extent that it does not impair the independence of the
18 Chief of the National Guard Bureau in the performance
19 of his duties, the Chief of the National Guard Bureau
20 shall serve at the level of the Vice Chief of Staff of the
21 Army in all forums within the Department of the Army,
22 and at the level of the Vice Chief of Staff of the Air Force
23 in all forums within the Department of the Air Force.”.

24 **SEC. 202. GRADES OF RESERVE COMPONENT LEADERS.**

25 (a) NATIONAL GUARD BUREAU LEADERSHIP.—

1 (1) CHIEF.—Section 10502(d) of title 10,
2 United States Code, is amended by striking out
3 “lieutenant general” and inserting in lieu thereof
4 “general”.

5 (2) VICE CHIEF.—Section 10505(c) of such
6 title is amended by striking out “major general” and
7 inserting in lieu thereof “lieutenant general”.

8 (3) OTHER GENERAL OFFICERS.—Section
9 10506(a)(1) of such title is amended by striking out
10 “major general” each place it appears and inserting
11 in lieu thereof “lieutenant general”.

12 (b) CHIEF OF ARMY RESERVE.—Section 3038(c) of
13 such title is amended by striking out “major general” in
14 the third sentence and inserting in lieu thereof “lieutenant
15 general”.

16 (c) CHIEF OF NAVAL RESERVE.—Section 5143 of
17 such title is amended—

18 (1) in subsection (b), by striking out “from offi-
19 cers who—” and inserting in lieu thereof “from
20 among officers of the Naval Reserve who—”; and

21 (2) in subsection (c)(2), by striking out “a
22 grade above rear admiral (lower half)” in the third
23 sentence and inserting in lieu thereof “the grade of
24 vice admiral”.

1 (d) COMMANDER, MARINE FORCES RESERVE.—Sec-
2 tion 5144 of such title is amended—

3 (1) in subsection (b), by striking out “from
4 officers who—” and inserting in lieu thereof “from
5 among officers of the Marine Corps Reserve
6 who—”; and

7 (2) in subsection (c)(2), by striking out “a
8 grade above brigadier general” in the third sentence
9 and inserting in lieu thereof “the grade of lieutenant
10 general”.

11 (e) CHIEF OF AIR FORCE RESERVE.—Section
12 8038(c) of such title is amended by striking out “major
13 general” in the third sentence and inserting in lieu thereof
14 “lieutenant general”.

15 (f) EXCLUSION FROM DISTRIBUTION LIMITS FOR
16 GENERAL OFFICERS ON ACTIVE DUTY.—Section 525(b)
17 of title 10, United States Code, is amended by adding at
18 the end the following:

19 “(6)(A) An officer serving in a position referred to
20 in subparagraph (B) in the grade specified for the position
21 in that subparagraph is in addition to the number that
22 would otherwise be permitted for that officer’s armed force
23 for that grade under paragraph (1).

24 “(B) Subparagraph (A) applies to an officer while
25 serving in any of the following positions:

1 “(i) The Chief of the National Guard Bureau,
2 if serving in the grade of general.

3 “(ii) The Vice Chief of the National Guard Bu-
4 reau, if serving in the grade of lieutenant general.

5 “(iii) The Director of the Army National
6 Guard, if serving in the grade of lieutenant general.

7 “(iv) The Director of the Air National Guard,
8 if serving in the grade of lieutenant general.

9 “(7)(A) An officer while serving in a position referred
10 to in subparagraph (B), if serving in the grade of lieuten-
11 ant general or vice admiral, is in addition to the number
12 that would otherwise be permitted for that officer’s armed
13 force for that grade under paragraph (1) or (2), as appli-
14 cable.

15 “(B) Subparagraph (A) applies to an officer serving
16 in any of the following positions:

17 “(i) The Chief of Army Reserve.

18 “(ii) The Chief of Naval Reserve.

19 “(iii) The Commander, Marine Forces Reserve.

20 “(iv) The Chief of Air Force Reserve.”.

21 (g) EFFECTIVE DATE.—This section and the amend-
22 ments made by this section shall take effect on January
23 1, 1999.

1 **SEC. 203. ADJUTANTS GENERAL OF THE NATIONAL GUARD.**

2 (a) FEDERAL RECOGNITION.—The Secretary of De-
3 fense shall prescribe in regulations a requirement that,
4 whenever a person is appointed to the position of State
5 adjutant general of the National Guard, the board that
6 is to consider the appointee for being extended Federal
7 recognition be convened within 60 days after the date of
8 the appointment.

9 (b) INVESTIGATIONS OF ADJUTANTS GENERAL.—
10 The Secretary of Defense shall prescribe in regulations a
11 requirement that the Inspector General of the Department
12 of Defense be responsible for conducting investigations re-
13 garding appointments of State adjutants general of the
14 National Guard for the Department of Defense.

15 (c) STATE INCLUDES POSSESSIONS, ET CETERA.—
16 For the purposes of this section, the term “State” includes
17 the District of Columbia, Puerto Rico, Guam, and the Vir-
18 gin Islands.

19 **SEC. 204. REVIEW OF PROMOTIONS AND FEDERAL REC-**
20 **OGNITION FOR NATIONAL GUARD OFFICERS.**

21 (a) GAO REVIEW.—The Comptroller General shall
22 review the promotions of, and extensions of Federal rec-
23 ognition to, officers of the National Guard to determine
24 the timeliness and fairness of the processing of such ac-
25 tions.

1 (b) SCOPE OF REVIEW.—The Comptroller General
2 shall determine the period and number of actions that are
3 necessary to be reviewed in order to provide a meaningful
4 basis for making determinations under subsection (a).

5 (c) REPORT.—Not later than one year after the date
6 of the enactment of this Act, the Comptroller General shall
7 submit to Congress a report on the review. The report
8 shall include the Comptroller General’s determinations to-
9 gether with any recommendations that the Comptroller
10 General considers appropriate.

11 **TITLE III—USE OF THE RESERVE**
12 **COMPONENTS FOR EMER-**
13 **GENCIES INVOLVING WEAP-**
14 **ONS OF MASS DESTRUCTION**

15 **SEC. 301. DISASTER RELIEF.**

16 (a) AUTHORITY.—

17 (1) DEFINITIONS.—

18 (A) MAJOR DISASTER.—Paragraph (2) of
19 section 102 of the Robert T. Stafford Disaster
20 Relief and Emergency Assistance Act (42
21 U.S.C. 5122) is amended by striking out “or
22 explosion” and inserting in lieu thereof “explo-
23 sion, or emergency involving a weapon of mass
24 destruction.”.

1 (B) WEAPON OF MASS DESTRUCTION.—

2 Such section is further amended by adding at
3 the end the following:

4 “(9) WEAPON OF MASS DESTRUCTION.—‘Weap-
5 on of mass destruction’ has the meaning given that
6 term in section 1402 of the Defense Against Weap-
7 ons of Mass Destruction Act of 1996 (50 U.S.C.
8 2302(1)).

9 “(10) NATIONAL GUARD.—‘National Guard’
10 has the meaning given that term in section 101(3)
11 of title 32, United States Code.

12 “(11) RESERVE COMPONENTS.—‘Reserve com-
13 ponents of the Armed Forces’ means the reserve
14 components named in section 10101 of title 10,
15 United States Code.”.

16 (2) USE OF RESERVE COMPONENTS.—Section
17 201(a) of such Act (42 U.S.C. 5131) is amended—

18 (A) by striking out the period at the end
19 of paragraph (7) and inserting in lieu thereof “;
20 and”; and

21 (B) by adding at the end the following:

22 “(8) the use of the National Guard or the other
23 reserve components of the Armed Forces to take ac-
24 tions that may be necessary to provide an immediate

1 response to an incident involving a use or threat of
2 use of a weapon of mass destruction.”.

3 (3) REQUESTS BY DIRECTOR OF FEMA.—Sec-
4 tion 611 of such Act (42 U.S.C. 5196) is amended
5 by adding at the end the following:

6 “(1) USE OF THE RESERVE COMPONENTS.—The Di-
7 rector may request the Secretary of Defense to authorize
8 the National Guard or to direct other reserve components
9 of the Armed Forces to conduct training exercises, prepo-
10 sition equipment and other items, and take such other ac-
11 tions that may be necessary to provide an immediate re-
12 sponse to an emergency involving a weapon of mass de-
13 struction. The Secretary of Defense may authorize the Na-
14 tional Guard or direct other reserve components to take
15 actions requested by the Director under the preceding sen-
16 tence.”.

17 (b) REIMBURSEMENT OF STATES.—

18 (1) AUTHORITY.—Chapter 1 of title 32, United
19 States Code, is amended by adding at the end the
20 following new section:

21 “§ 115. Reimbursement for State costs of prepared-
22 ness programs for emergencies involving
23 weapons of mass destruction

24 “(a) REIMBURSEMENT AUTHORIZED.—The Sec-
25 retary of Defense may reimburse a State for expenses in-

1 curred by the State for the National Guard of that State
 2 to participate in emergency preparedness programs to re-
 3 spond to an emergency involving the use of a weapon of
 4 mass destruction. Expenses reimbursable under this sec-
 5 tion may include the costs of the following:

6 “(1) Pay, allowances, clothing, subsistence,
 7 travel, and related expenses of personnel of the Na-
 8 tional Guard.

9 “(2) Operation and maintenance of equipment
 10 and facilities of the National Guard.

11 “(3) Procurement of services and equipment for
 12 the National Guard.

13 “(b) STATE INCLUDES POSSESSIONS, ET CETERA.—
 14 For the purposes of this section, the term ‘State’ includes
 15 the District of Columbia, Puerto Rico, Guam, and the Vir-
 16 gin Islands.

17 “(c) WEAPON OF MASS DESTRUCTION DEFINED.—
 18 In this section, the term ‘weapon of mass destruction’ has
 19 the meaning given that term in section 1402 of the De-
 20 fense Against Weapons of Mass Destruction Act of 1996
 21 (50 U.S.C. 2302(1)).”.

22 (2) CLERICAL AMENDMENT.—The table of sec-
 23 tions at the beginning of such chapter is amended
 24 by adding at the end the following:

“115. Reimbursement for State costs of preparedness programs for emergencies
 involving weapons of mass destruction.”.

1 **SEC. 302. RESERVES ON ACTIVE DUTY.**

2 (a) AUTHORITY.—

3 (1) ORDER TO ACTIVE DUTY.—Section
4 12301(b) of title 10, United States Code, is amend-
5 ed—

6 (A) by inserting “(1)” after “(b)”;

7 (B) by striking out “for not more than 15
8 days a year” in the first sentence; and

9 (C) by adding at the end the following;

10 “(2) The authority under paragraph (1) includes au-
11 thority to order a unit or member to active duty to provide
12 assistance in responding to an emergency involving a
13 weapon of mass destruction (as defined section 1402 of
14 the Defense Against Weapons of Mass Destruction Act of
15 1996 (50 U.S.C. 2302(1))).

16 “(3) A unit or member may not be ordered to active
17 duty under this subsection for more than 15 days a year.
18 Days of service on active duty to provide assistance de-
19 scribed in paragraph (2), up to 15 days a year, shall not
20 be counted toward the limitation on the total number of
21 days set forth in the preceding sentence.”.

22 (2) USE OF ACTIVE GUARD AND RESERVE PER-
23 SONNEL.—Section 12310 of title 10, United States
24 Code, is amended by adding at the end the follow-
25 ing:

1 “(c)(1) A Reserve on active duty as described in sub-
2 section (a), or a Reserve who is a member of the National
3 Guard serving on full-time National Guard duty under
4 section 502(f) of title 32 in connection with functions re-
5 ferred to in subsection (a), may perform any duties in sup-
6 port of emergency preparedness programs to prepare for
7 or to respond to any emergency involving the use of a
8 weapon of mass destruction (as defined in section 1402
9 of the Defense Against Weapons of Mass Destruction Act
10 of 1996 (50 U.S.C. 2302(1))).

11 “(2) The costs of the pay, allowances, clothing, sub-
12 sistence, gratuities, travel, and related expenses for a Re-
13 serve performing duties under the authority of paragraph
14 (1) shall be paid from the appropriation that is available
15 to pay such costs for other members of the reserve compo-
16 nent of that Reserve who are performing duties as de-
17 scribed in subsection (a).”.

18 (b) EXCLUSION FROM STRENGTH LIMITATIONS.—

19 (1) GENERAL LIMITATION.—Section 115(d) of
20 such title is amended by adding at the end the fol-
21 lowing:

22 “(8) Members of the reserve components on ac-
23 tive duty and members of the National Guard on
24 full-time National Guard duty to participate in
25 emergency preparedness programs for responding to

1 emergencies involving a weapon of mass destruction
2 (as defined section 1402 of the Defense Against
3 Weapons of Mass Destruction Act of 1996 (50
4 U.S.C. 2302(1))).”.

5 (2) OFFICER PERSONNEL LIMITATION.—Section
6 12011 of such title is amended by adding at the end
7 the following:

8 “(c) Members of the reserve components on active
9 duty and members of the National Guard on full-time Na-
10 tional Guard duty to participate in emergency prepared-
11 ness programs for responding to emergencies involving a
12 weapon of mass destruction (as defined section 1402 of
13 the Defense Against Weapons of Mass Destruction Act of
14 1996 (50 U.S.C. 2302(1))) shall not be counted for pur-
15 poses of a limitation in subsection (a).”.

16 (3) ENLISTED PERSONNEL LIMITATION.—Sec-
17 tion 12011 of such title is amended by adding at the
18 end the following:

19 “(c) Members of the reserve components on active
20 duty and members of the National Guard on full-time Na-
21 tional Guard duty to participate in emergency prepared-
22 ness programs for responding to emergencies involving a
23 weapon of mass destruction (as defined section 1402 of
24 the Defense Against Weapons of Mass Destruction Act of

1 1996 (50 U.S.C. 2302(1))) shall not be counted for pur-
2 poses of a limitation in subsection (a).”.

3 **TITLE IV—STRENGTHENED RE-**
4 **FORMS FOR ARMY NATIONAL**
5 **GUARD COMBAT READINESS**

6 **SEC. 401. ADEQUATE FUNDING FOR MEETING NCO EDU-**
7 **CATION REQUIREMENTS.**

8 Section 1114(b) of the Army National Guard Combat
9 Readiness Reform Act of 1992 (title XI of Public Law
10 102–484; 10 U.S.C. 10105 note) is amended to read as
11 follows:

12 “(b) AVAILABILITY OF TRAINING.—The Secretary of
13 the Army shall ensure that sufficient training positions
14 and funds are available to enable compliance with sub-
15 section (a) without it being necessary for noncommis-
16 sioned officers to be absent from unit annual training for
17 the units of assignment in order to attend training to meet
18 military education requirements.”.

19 **SEC. 402. COMBAT UNIT TRAINING.**

20 Section 1119 of the Army National Guard Combat
21 Readiness Reform Act of 1992 is amended—

22 (1) by inserting “(a) PROGRAM TO MINIMIZE
23 POST-MOBILIZATION TRAINING NEEDS.—” before
24 “The Secretary”;

1 (2) by inserting “all” before “combat units” in
2 the first sentence;

3 (3) in paragraph (1)—

4 (A) in subparagraph (A), by inserting
5 “and professional development” after “quali-
6 fication”;

7 (B) in subparagraph (B), by striking out
8 “and squad level” and inserting in lieu thereof
9 “squad, and platoon level”; and

10 (C) by striking out subparagraph (C) and
11 inserting in lieu thereof the following:

12 “(C) maneuver training at the platoon level
13 to at least the minimum extent required of all
14 Army units; and”; and

15 (4) by adding at the end the following:

16 “(b) ADEQUACY OF FUNDING.—The Secretary shall
17 ensure that sufficient funds are made available for con-
18 ducting the training required under the program.”.

19 **SEC. 403. USE OF COMBAT SIMULATORS.**

20 The text of section 1120 of such Act is amended to
21 read as follows:

22 “The Secretary of the Army shall—

23 “(1) expand the use of simulations, simulators,
24 and advanced training devices and technologies to

1 fully support the complete integration of Army Na-
2 tional Guard units with active Army units; and

3 “(2) use and distribute combat simulators so as
4 to serve the training of Army National Guard units
5 as well as active Army units.”.

6 **TITLE V—PAY, ALLOWANCES, RE-**
7 **TIREMENT, AND OTHER MON-**
8 **ETARY BENEFITS**

9 **SEC. 501. BASIC ALLOWANCE FOR HOUSING.**

10 (a) RESERVES ON ACTIVE DUTY MORE THAN 100
11 MILES FROM HOME.—Section 403(g)(3) of title 37,
12 United States Code, is amended by adding at the end the
13 following: “A member of a reserve component on active
14 duty may not be denied a basic allowance for housing at
15 that rate on the basis of being provided quarters of the
16 United States if the member is performing duty more than
17 100 miles from the member’s primary residence.”.

18 (b) EFFECTIVE DATE AND APPLICABILITY.—The
19 amendment made by subsection (a) shall take effect on
20 the date of the enactment of this Act and shall apply with
21 respect to active duty performed on or after that date.

22 **SEC. 502. ELIGIBILITY FOR HAZARDOUS OR IMMINENT**
23 **DANGER PAY.**

24 (a) FULL MONTHLY RATE FOR ACTIVE DUTY FOR
25 PARTIAL MONTH.—Section 310(a) of title 37, United

1 States Code, is amended in the matter preceding para-
2 graph (1) by striking out “for any month in which he was
3 entitled to basis pay” and inserting in lieu thereof “for
4 any month in which he was entitled to any basic pay (with-
5 out regard to the number of days of duty performed for
6 the month)”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall take effect on the first day of the first
9 month that begins on or after the date of the enactment
10 of this Act.

11 **SEC. 503. ALLOTMENTS OF PAY.**

12 Section 701(d) of title 37, United States Code, is
13 amended—

14 (1) by inserting “(including a member of a re-
15 serve component of that armed force)” in the first
16 sentence after “a member of the Army, Navy, Air
17 Force, or Marine Corps”; and

18 (2) by inserting “(three allotments, in the case
19 of a member of a reserve component)” in the second
20 sentence after “six allotments”.

21 **SEC. 504. EARLY RETIREMENT FOR PHYSICAL DISABILITY.**

22 (a) PERMANENT AUTHORITY.—Chapter 1223 of title
23 10, United States Code, is amended by inserting after sec-
24 tion 12731a the following:

1 **§ 12731b. Early retirement for physical disability**

2 “(a) RETIREMENT WITH AT LEAST 15 YEARS OF
3 SERVICE.—For the purposes of section 12731 of this title,
4 the Secretary concerned may—

5 “(1) determine to treat a member of the Se-
6 lected Reserve of a reserve component of the armed
7 force under the jurisdiction of that Secretary as hav-
8 ing met the service requirements of subsection (a)(2)
9 of that section and provide the member with the no-
10 tification required by subsection (d) of that section
11 if the member—

12 “(A) has completed at least 15, and less
13 than 20, years of service computed under sec-
14 tion 12732 of this title; and

15 “(B) no longer meets the qualifications for
16 membership in the Selected Reserve solely be-
17 cause the member is unfit because of physical
18 disability; and

19 “(2) upon the request of the member submitted
20 to the Secretary, transfer the member to the Retired
21 Reserve.

22 “(b) EXCLUSION.—This section does not apply to
23 persons referred to in section 12731(c) of this title.”.

24 (b) REPEAL OF SUPERSEDED AUTHORITY.—Section
25 12731(a)(c) of such title is amended by striking out para-
26 graph (3).

1 (c) CLERICAL AMENDMENT.—The table of sections
 2 at the beginning of such chapter is amended by inserting
 3 after the item relating to section 12731a the following:
 “12731b. Early retirement for physical disability.”.

4 **TITLE VI—OTHER BENEFITS**

5 **SEC. 601. REPEAL OF 10-YEAR LIMITATION ON USE OF** 6 **MONTGOMERY GI BILL BENEFITS.**

7 (a) REPEAL.—Subsection (a) of section 16133 of title
 8 10, United States Code, is amended by striking out “(1)”
 9 and all that follows and inserting in lieu thereof “on the
 10 date the person is separated from the Selected Reserve.”.

11 (b) CONFORMING AMENDMENTS.—Subsection (b) of
 12 such section is amended—

13 (1) in paragraph (1)—

14 (A) by striking out “In” in the matter pre-
 15 ceding subparagraph (A) and inserting in lieu
 16 thereof “Subsection (a) does not apply in”; and

17 (B) by striking out the comma at the end
 18 of subparagraph (B) and all that follows and
 19 inserting in lieu thereof a period;

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

21 (3) by redesignating paragraph (4) as para-
 22 graph (3) and, in such paragraph, by striking out
 23 “of this title—” and all that follows through “for
 24 the purposes of clause (2)” and inserting in lieu
 25 thereof “of this title, the member may not be consid-

1 ered to have been separated from the Selected Re-
2 serve for the purposes”.

3 **SEC. 602. DEMONSTRATION PROGRAM ON UNLIMITED USE**
4 **OF COMMISSARY STORES.**

5 (a) PROGRAM REQUIRED.—The Secretary of Defense
6 shall carry out a demonstration program to test the effi-
7 cacy of permitting unlimited use of commissary stores by
8 members and former members of the reserve components
9 who are eligible for limited use of commissary stores under
10 section 1063 and 1064 of title 10, United States Code.

11 (b) PERIOD FOR PROGRAM.—The program shall be
12 carried out for one year beginning on January 1, 1999.

13 (c) REPORT.—Not later than March 31, 2000, the
14 Secretary of Defense shall submit to Congress a report
15 on the results of the demonstration program, together
16 with any comments and recommendations that the Sec-
17 retary considers appropriate.

18 **SEC. 603. SPACE AVAILABLE TRAVEL FOR MEMBERS OF SE-**
19 **LECTED RESERVE.**

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

1 **“§ 2646. Space available travel: members of Selected**
 2 **Reserve**

3 “(a) AVAILABILITY.—The Secretary of Defense shall
 4 prescribe regulations to allow members of the Selected Re-
 5 serve in good standing (as determined by the Secretary
 6 concerned), and dependents of such members, to receive
 7 transportation on aircraft of the Department of Defense
 8 on a space available basis under the same terms and con-
 9 ditions as apply to members of the armed forces on active
 10 duty and dependents of such members.

11 “(b) CONDITION ON DEPENDENT TRANSPOR-
 12 TATION.—A dependent of a member of the Selected Re-
 13 serve may be provided transportation under this section
 14 only when the dependent is actually accompanying the
 15 member on the travel.”.

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

“2646. Space available travel: members of Selected Reserve.”.

19 **SEC. 604. REPEAL OF EXPIRATION OF ELIGIBILITY FOR**
 20 **VETERANS HOUSING BENEFITS BASED ON**
 21 **SERVICE IN THE SELECTED RESERVE.**

22 Section 3702(a)(2)(E) of title 38, United States
 23 Code, is amended by striking out “For the period begin-
 24 ning on October 28, 1992, and ending on October 27,
 25 1999, each” and inserting in lieu thereof “Each”.

1 **TITLE VII—OTHER MATTERS**

2 **SEC. 701. READY RESERVE-NATIONAL GUARD EMPLOYEE**

3 **CREDIT ADDED TO GENERAL BUSINESS**

4 **CREDIT.**

5 (a) READY RESERVE-NATIONAL GUARD CREDIT.—

6 Subpart D of part IV of subchapter A of chapter 1 of

7 the Internal Revenue Code of 1986 (relating to business-

8 related credits) is amended by adding at the end the fol-

9 lowing new section:

10 **“SEC. 45D. READY RESERVE-NATIONAL GUARD EMPLOYEE**

11 **CREDIT.**

12 “(a) GENERAL RULE.—For purposes of section 38,

13 the Ready Reserve-National Guard employee credit deter-

14 mined under this section for the taxable year is an amount

15 equal to 50 percent of the actual compensation amount

16 for the taxable year.

17 “(b) DEFINITION OF ACTUAL COMPENSATION

18 AMOUNT.—For purposes of this section, the term ‘actual

19 compensation amount’ means the amount of compensation

20 paid or incurred by an employer with respect to a Ready

21 Reserve-National Guard employee on any day during a

22 taxable year when the employee was absent from employ-

23 ment for the purpose of performing qualified active duty.

24 “(c) LIMITATIONS.—

1 “(1) MAXIMUM CREDIT.—The maximum credit
2 allowable under subsection (a) shall not exceed
3 \$2,000 in any taxable year with respect to any one
4 Ready Reserve-National Guard employee.

5 “(2) DAYS OTHER THAN WORK DAYS.—No
6 credit shall be allowed with respect to a Ready Re-
7 serve-National Guard employee who performs quali-
8 fied active duty on any day on which the employee
9 was not scheduled to work (for a reason other than
10 to participate in qualified active duty) and ordinarily
11 would not have worked.

12 “(d) DEFINITIONS.—For purposes of this section—

13 “(1) QUALIFIED ACTIVE DUTY.—The term
14 ‘qualified active duty’ means—

15 “(A) active duty, as defined in section
16 101(d)(1) of title 10, United States Code;

17 “(B) full-time National Guard duty, as de-
18 fined in section 1010(d)(5) of such title; and

19 “(C) hospitalization incident to duty re-
20 ferred to in subparagraph (A) or (B).

21 “(2) COMPENSATION.—The term ‘compensa-
22 tion’ means any remuneration for employment,
23 whether in cash or in kind, which is paid or incurred
24 by a taxpayer and which is deductible from the tax-
25 payer’s gross income under section 162(a)(1).

1 “(3) READY RESERVE-NATIONAL GUARD EM-
2 PLOYEE.—The term ‘Ready Reserve-National Guard
3 employee’ means an employee who is a member of
4 the Ready Reserve or of the National Guard.

5 “(4) NATIONAL GUARD.—The term ‘National
6 Guard’ has the meaning given such term by section
7 101(c)(1) of title 10, United States Code.

8 “(5) READY RESERVE.—The term ‘Ready Re-
9 serve’ has the meaning given such term by section
10 10142 of title 10, United States Code.”

11 (b) CREDIT TO BE PART OF GENERAL BUSINESS
12 CREDIT.—Subsection (b) of section 38 of such Code (re-
13 lating to general business credit) is amended by striking
14 “plus” at the end of paragraph (11), by striking the period
15 at the end of paragraph (12) and inserting “, plus”, and
16 by adding at the end the following new paragraph:

17 “(13) the Ready Reserve-National Guard em-
18 ployee credit determined under section 45D(a).”

19 (c) CONFORMING AMENDMENT.—The table of sec-
20 tions for subpart D of part IV of subchapter A of chapter
21 1 of the Internal Revenue Code of 1986 is amended by
22 inserting after the item relating to section 45C the follow-
23 ing new item:

 “Sec. 45D. Ready Reserve-National Guard employee credit.”

1 (d) EFFECTIVE DATE.—The amendments made by
2 this Act shall apply to taxable years beginning after De-
3 cember 31, 1997.

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