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In the Senate of the United States,

June 27, 2002.

Resolved, That the bill from the House of Representatives (H.R. 4546) entitled ''An Act to authorize appropriations for fiscal year 2003 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.'', do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 2003''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical agents and munitions destruction, defense.
Sec. 107. Defense health programs.

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Sec. 122. Extension of multiyear procurement authority for DDG–51 class destroyers.

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Sec. 132. Pathfinder programs.
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Sec. 134. Leasing of tanker aircraft.
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Sec. 136. Sense of Congress regarding assured access to space.
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TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

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Sec. 201. Authorization of appropriations.
Sec. 202. Amount for science and technology.
Sec. 203. Defense health programs.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Basic seismic research program for support of national requirements for monitoring nuclear explosions.
Sec. 212. Advanced SEAL Delivery System.
Sec. 213. Army experimentation program regarding design of the objective force.
Sec. 214. Reallocation of amount available for indirect fire programs.
Sec. 215. Laser welding and cutting demonstration.
Sec. 216. Analysis of emerging threats.
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Sec. 218. Demonstration of renewable energy use.
Sec. 219A. Radar power technology for the Army.
Sec. 219B. Critical infrastructure protection.
Sec. 219C. Theater Aerospace Command and Control Simulation Facility upgrades.
Sec. 219D. DDG optimized manning initiative.
Sec. 219E. Agroterrorist attacks.
Sec. 219F. Very high speed support vessel for the Army.
Sec. 219G. Full-scale high-speed permanent magnet generator.
Sec. 219H. Aviation-shipboard information technology initiative.
Sec. 219I. Aerospace Relay Mirror System (ARMS) Demonstration.
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Subtitle C—Missile Defense Programs

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Sec. 222. Report on Midcourse Defense program.
Sec. 223. Report on Air-based Boost program.
Sec. 224. Report on Theater High Altitude Area Defense program.
Sec. 225. References to new name for Ballistic Missile Defense Organization.
Sec. 226. Limitation on use of funds for nuclear armed interceptors.

Sec. 227. Reports on flight testing of Ground-based Midcourse national missile defense system.

Subtitle D—Improved Management of Department of Defense Test and Evaluation Facilities

Sec. 231. Department of Defense Test and Evaluation Resource Enterprise.
Sec. 232. Transfer of testing funds from program accounts to infrastructure accounts.
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Sec. 234. Uniform financial management system for Department of Defense test and evaluation facilities.
Sec. 235. Test and evaluation workforce improvements.
Sec. 236. Compliance with testing requirements.
Sec. 237. Report on implementation of Defense Science Board recommendations.

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Sec. 242. Technology transition initiative.
Sec. 243. Encouragement of small businesses and nontraditional defense contractors to submit proposals potentially beneficial for combating terrorism.
Sec. 244. Vehicle fuel cell program.
Sec. 245. Defense nanotechnology research and development program.
Sec. 246. Activities and assessment of the Defense Experimental Program to Stimulate Competitive Research.
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Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Range Enhancement Initiative Fund.
Sec. 305. Navy Pilot Human Resources Call Center, Cutler, Maine.
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Sec. 307. Disposal of obsolete vessels of the National Defense Reserve Fleet.

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Sec. 342. Calculation of five-year period of limitation for Navy-Marine Corps Intranet contract.
Sec. 343. Reimbursement for reserve component intelligence support.
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Sec. 347. Two-year extension of authority of the Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.
Sec. 348. Installation and connection policy and procedures regarding Defense Switch Network.
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Sec. 502. Extension of authority to waive requirement for significant joint duty experience for appointment as a chief of a reserve component or a National Guard director.
Sec. 503. Repeal of limitation on authority to grant certain officers a waiver of required sequence for joint professional military education and joint duty assignment.
Sec. 504. Extension of temporary authority for recall of retired aviators.
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Sec. 506. Reinstatement of authority to reduce service requirement for retirement in grades above O–4.

Subtitle B—Reserve Component Personnel Policy

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Sec. 512. Authority for limited extension of medical deferment of mandatory retirement or separation of reserve component officer.
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Subtitle D—Decorations, Awards, and Commendations

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Sec. 532. Korea Defense Service Medal.

Subtitle E—National Call to Service

Sec. 541. Enlistment incentives for pursuit of skills to facilitate national service.
Sec. 542. Military recruiter access to institutions of higher education.

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Sec. 551. Biennial surveys on racial, ethnic, and gender issues.
Sec. 552. Leave required to be taken pending review of a recommendation for removal by a board of inquiry.
Sec. 553. Stipend for participation in funeral honors details.
Sec. 554. Wear of abayas by female members of the Armed Forces in Saudi Arabia.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

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Sec. 602. Rate of basic allowance for subsistence for enlisted personnel occupying single Government quarters without adequate availability of meals.
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Sec. 604. Temporary authority for higher rates of partial basic allowance for housing for certain members assigned to housing under alternative authority for acquisition and improvement of military housing.

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Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
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Sec. 633. Destinations authorized for Government paid transportation of enlisted personnel for rest and recuperation upon extending duty at designated overseas locations.
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Sec. 642. Increased retired pay for enlisted Reserves credited with extraordinary heroism.
Sec. 643. Expanded scope of authority to waive time limitations on claims for military personnel benefits.

Subtitle E—Other Matters

Sec. 651. Additional authority to provide assistance for families of members of the Armed Forces.
Sec. 652. Time limitation for use of Montgomery GI Bill entitlement by members of the Selected Reserve.
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Sec. 823. Extension of contract goal for small disadvantaged businesses and certain institutions of higher education.
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Sec. 1036. Report on efforts to ensure adequacy of fire fighting staffs at military installations.
Sec. 1037. Report on designation of certain Louisiana highway as defense access road.
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Sec. 2106. Modification of authority to carry out certain fiscal year 2000 project.
Sec. 2107. Modification of authority to carry out certain fiscal year 1999 project.
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Sec. 2305. Authority for use of military construction funds for construction of public road near Aviano Air Base, Italy, closed for force protection purposes.
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Sec. 2822. Land conveyance, Fort Campbell, Kentucky.
Sec. 2823. Modification of authority for land transfer and conveyance, Naval Security Group Activity, Winter Harbor, Maine.
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Sec. 2825. Land conveyance, Naval Station Newport, Rhode Island.
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Sec. 3153. Expansion of annual reports on status of nuclear materials protection, control, and accounting programs.
Sec. 3154. Testing of preparedness for emergencies involving nuclear, radiological, chemical, or biological weapons.
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Sec. 3173. One-year extension of authority of Department of Energy to pay voluntary separation incentive payments.
Sec. 3174. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.

Subtitle F—Disposition of Weapons-Usable Plutonium at Savannah River, South Carolina

Sec. 3181. Findings.
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Sec. 3202. Authorization of appropriations for the formerly used sites remedial action program of the Corps of Engineers.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

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

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Army as follows:

(1) For aircraft, $2,144,386,000.

(2) For missiles, $1,653,150,000.

(3) For weapons and tracked combat vehicles, $2,242,882,000.

(4) For ammunition, $1,205,499,000.

(5) For other procurement, $5,513,679,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Navy as follows:

(1) For aircraft, $9,037,209,000.

(2) For weapons, including missiles and torpedoes, $2,505,820,000.

(3) For shipbuilding and conversion, $8,624,160,000.

(4) For other procurement, $4,515,500,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Marine Corps in the amount of $1,341,219,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement of ammunition for the Navy and the Marine Corps in the amount of $1,173,157,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Air Force as follows:

(1) For aircraft, $12,613,605,000.

(2) For ammunition, $1,275,864,000.

(3) For missiles, $3,258,162,000.

(4) For other procurement, $10,477,840,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2003 for Defense-wide procurement in the amount of $3,054,943,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2003 the amount of $1,490,199,000 for—

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

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

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $278,742,000.

Subtitle B—Army Programs

SEC. 111. PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

(a) EXTENSION OF PROGRAM.—Subsection (a) of section 141 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended by striking "through 2002" in the first sentence and inserting "through 2004".

(b) USE OF OVERHEAD FUNDS MADE SURPLUS BY SALES.—Such section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) For each Army industrial facility participating in the pilot program that sells manufactured articles and services in a total amount in excess of $20,000,000 in any fiscal year, the amount equal to one-half of one percent of

such total amount shall be transferred from the sums in the Army Working Capital Fund for unutilized plant capacity to appropriations available for the following fiscal year for the demilitarization of conventional ammunition by the Army.".

(c) UPDATE OF INSPECTOR GENERAL'S REVIEW.—The Inspector General of the Department of Defense shall review the experience under the pilot program carried out under section 141 of Public Law 105–85 and, not later than July 1, 2003, submit to Congress a report on the results of the review. The report shall contain the views, information, and recommendations called for under subsection (d) of such section (as redesignated by subsection (b)(1)). In carrying out the review and preparing the report, the Inspector General shall take into consideration the report submitted to Congress under such subsection (as so redesignated).

Subtitle C—Navy Programs

SEC. 121. INTEGRATED BRIDGE SYSTEM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 102(a)(4), $5,000,000 shall be available for the procurement of the integrated bridge system in items less than $5,000,000.

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 102(a)(4), the

amount available for the integrated bridge system in Aegis support equipment is hereby reduced by $5,000,000.

SEC. 122. EXTENSION OF MULTIYEAR PROCUREMENT AUTHORITY FOR DDG–51 CLASS DESTROYERS.

Section 122(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2446), as amended by section 122 of Public Law 106–65 (113 Stat. 534) and section 122(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–24), is further amended by striking "October 1, 2005" in the first sentence and inserting "October 1, 2007".

SEC. 123. MAINTENANCE OF SCOPE OF CRUISER CONVERSION OF TICONDEROGA CLASS AEGIS CRUISERS.

The Secretary of the Navy should maintain the scope of the cruiser conversion program for the Ticonderoga class of AEGIS cruisers such that the program—

(1) covers all 27 Ticonderoga class AEGIS cruisers; and

(2) modernizes the class of cruisers to include an appropriate mix of upgrades to ships' capabilities for theater missile defense, naval fire support, and air dominance.

SEC. 124. MARINE CORPS LIVE FIRE RANGE IMPROVEMENTS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 102(b) for procurement for the Marine Corps is hereby increased by $1,900,000, with the amount of the increase to be allocated to Training Devices.

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 102(b) for procurement for the Marine Corps, as increased by subsection (a), $1,900,000 shall be available as follows:

(A) For upgrading live fire range target movers.

(B) To bring live fire range radio controls into compliance with Federal Communications Commission narrow band requirements.

(2) Amounts available under paragraph (1) for the purposes set forth in that paragraph are in addition to any other amounts available in this Act for such purposes.

(c) OFFSETTING REDUCTION.—The amount authorized to be appropriated by section 103(1) for the C–17 interim contractor support is reduced by $1,900,000.

Subtitle D—Air Force Programs

SEC. 131. C–130J AIRCRAFT PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—Beginning with the fiscal year 2003 program year, the Secretary of the Air Force may, in accordance with section 2306b of

title 10, United States Code, enter into a multiyear contract for the procurement of C–130J aircraft and variants of the C–130J aircraft, subject to subsection (b), and except that, notwithstanding subsection (k) of such section, such a contract may be for a period of six program years.

(b) LIMITATION.—The Secretary of the Air Force may not enter into a multiyear contract authorized by subsection (a) until the C–130J aircraft has been cleared for worldwide over-water capability.

SEC. 132. PATHFINDER PROGRAMS.

(a) SPIRAL DEVELOPMENT PLAN FOR SELECTED PATHFINDER PROGRAMS.—Not later than February 1, 2003, the Secretary of the Air Force shall—

(1) identify among the pathfinder programs listed in subsection (e) each pathfinder program that the Secretary shall conduct as a spiral development program; and

(2) submit to the Secretary of Defense for each pathfinder program identified under paragraph (1) a spiral development plan that meets the requirements of section 803(c).

(b) APPROVAL OR DISAPPROVAL OF SPIRAL DEVELOPMENT PLANS.—Not later than March 15, 2003, the Secretary of Defense shall—

(1) review each spiral development plan submitted under subsection (a)(2);

(2) approve or disapprove the conduct as a spiral development plan of the pathfinder program covered by each such spiral development plan; and

(3) submit to the congressional defense committees a copy of each spiral development plan approved under paragraph (2).

(c) ASSESSMENT OF PATHFINDER PROGRAMS NOT SELECTED OR APPROVED FOR SPIRAL DEVELOPMENT.—Not later than March 15, 2003, each official of the Department of Defense specified in subsection (d) shall submit to the congressional defense committees the assessment required of such official under that subsection for the acquisition plan for each pathfinder program as follows:

(1) Each pathfinder program that is not identified by the Secretary of the Air Force under subsection (a)(1) as a program that the Secretary shall conduct as a spiral development program.

(2) Each pathfinder program that is disapproved by the Secretary of Defense for conduct as a spiral development program under subsection (b)(2).

(d) OFFICIALS AND REQUIRED ASSESSMENTS FOR PROGRAMS OUTSIDE SPIRAL DEVELOPMENT.—The officials

specified in this subsection, and the assessment required of such officials, are as follows:

(1) The Director of Operational Test and Evaluation, who shall assess the test contents of the acquisition plan for each pathfinder program covered by subsection (c).

(2) The Chairman of the Joint Requirements Oversight Council, who shall assess the extent to which the acquisition plan for each such pathfinder program addresses validated military requirements.

(3) The Under Secretary of Defense (Comptroller), in coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall conduct an independent programmatic evaluation of the acquisition plan for each such pathfinder program, including an analysis of the total cost, schedule, and technical risk associated with development of such program.

(e) PATHFINDER PROGRAMS.—The pathfinder programs listed in this subsection are the program as follows:

(1) Space Based Radar.

(2) Global Positioning System.

(3) Global Hawk.

(4) Combat Search and Rescue.

(5) B–2 Radar.

(6) Predator B.

(7) B–1 Defensive System Upgrade.

(8) Multi Mission Command and Control Constellation.

(9) Unmanned Combat Air Vehicle.

(10) Global Transportation Network.

(11) C–5 Avionics Modernization Program.

(12) Hunter/Killer.

(13) Tanker/Lease.

(14) Small Diameter Bomb.

(15) KC–767.

(16) AC–130 Gunship.

SEC. 133. OVERSIGHT OF ACQUISITION FOR DEFENSE SPACE PROGRAMS.

(a) IN GENERAL.—The Office of the Secretary of Defense shall maintain oversight of acquisition for defense space programs.

(b) REPORT ON OVERSIGHT.—(1) Not later than March 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a detailed plan on how the Office of the Secretary of Defense shall provide oversight of acquisition for defense space programs.

(2) The plan shall set forth the following:

(A) The organizations in the Office of the Secretary of Defense, and the Joint Staff organizations,

to be involved in oversight of acquisition for defense space programs.

(B) The process for the review of defense space programs by the organizations specified under subparagraph (A).

(C) The process for the provision by such organizations of technical, programmatic, scheduling, and budgetary advice on defense space programs to the Deputy Secretary of Defense and the Under Secretary of the Air Force.

(D) The process for the development of independent cost estimates for defense space programs, including the organization responsible for developing such cost estimates and when such cost estimates shall be required.

(E) The process for the development of the budget for acquisition for defense space programs.

(F) The process for the resolution of issues regarding acquisition for defense space programs that are raised by the organizations specified under subparagraph (A).

(c) DEFENSE SPACE PROGRAM DEFINED.—In this section, the term "defense space program" means any major defense acquisition program (as that term is defined in sec-

tion 2430 of title 10, United States Code) for the acquisition of—

(1) space-based assets, space launch assets, or user equipment for such assets; or

(2) earth-based or spaced-based assets dedicated primarily to space surveillance or space control.

SEC. 134. LEASING OF TANKER AIRCRAFT.

The Secretary of the Air Force shall not enter into any lease for tanker aircraft until the Secretary submits the report required by section 8159(c)(6) of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284) and obtains authorization and appropriation of funds necessary to enter into a lease for such aircraft consistent with his publicly stated commitments to the Congress to do so.

SEC. 135. COMPASS CALL PROGRAM.

Of the amount authorized to be appropriated by section 103(1), $12,700,000 shall be available for the Compass Call program within classified projects and not within the Defense Airborne Reconnaissance Program.

SEC. 136. SENSE OF CONGRESS REGARDING ASSURED ACCESS TO SPACE.

(a) FINDINGS.—Congress makes the following findings:

(1) Assured access to space is a vital national security interest of the United States.

(2) The Evolved Expendable Launch Vehicle program of the Department of Defense is a critical element of the Department's plans for assuring United States access to space.

(3) Significant contractions in the commercial space launch marketplace have eroded the overall viability of the United States space launch industrial base and could hamper the ability of the Department of Defense to provide assured access to space in the future.

(4) The continuing viability of the United States space launch industrial base is a critical element of any strategy to ensure the long-term ability of the United States to assure access to space.

(5) The Under Secretary of the Air Force, as acquisition executive for space programs in the Department of Defense, has been authorized to develop a strategy to address United States space launch and assured access to space requirements.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Under Secretary of the Air Force should—

(1) evaluate all options for sustaining the United States space launch industrial base;

(2) develop an integrated, long-range, and adequately funded plan for assuring United States access to space; and

(3) submit to Congress a report on the plan at the earliest opportunity practicable.

SEC. 137. MOBILE EMERGENCY BROADBAND SYSTEM.

(a) AMOUNT FOR PROGRAM.—Of the total amount authorized to be appropriated by section 103(4), $1,000,000 may be available for the procurement of technical communications-electronics equipment for the Mobile Emergency Broadband System.

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 103(4), the amount available under such section for the Navy for other procurement for gun fire control equipment, SPQ–9B solid state transmitter, is hereby reduced by $1,000,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $7,297,033,000.

(2) For the Navy, $12,927,135,000.

(3) For the Air Force, $18,608,684,000.

(4) For Defense-wide activities, $17,543,927,000, of which $361,554,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $10,164,358,000 shall be available for science and technology projects.

(b) SCIENCE AND TECHNOLOGY DEFINED.—In this section, the term "science and technology project" means work funded in program elements for defense research, development, test, and evaluation under Department of Defense budget activities 1, 2, or 3.

SEC. 203. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for research, development, test, and evaluation for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $67,214,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. BASIC SEISMIC RESEARCH PROGRAM FOR SUPPORT OF NATIONAL REQUIREMENTS FOR MONITORING NUCLEAR EXPLOSIONS.

(a) MANAGEMENT OF PROGRAM.—(1) The Secretary of the Air Force shall manage the Department of Defense program of basic seismic research in support of national requirements for monitoring nuclear explosions. The Secretary shall manage the program in the manner necessary to support Air Force mission requirements relating to the national requirements.

(2) The Secretary shall act through the Director of the Air Force Research Laboratory in carrying out paragraph (1).

(c) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(4), $20,000,000 shall be available for the program referred to in subsection (a).

SEC. 212. ADVANCED SEAL DELIVERY SYSTEM.

To the extent provided in appropriations Acts, the Secretary of Defense may use for research, development, test, and evaluation for the Advanced SEAL Delivery System any funds that were authorized to be appropriated to the Department of Defense for fiscal year 2002 for the procurement of that system, were appropriated pursuant to such

authorization of appropriations, and are no longer needed for that purpose.

SEC. 213. ARMY EXPERIMENTATION PROGRAM REGARDING DESIGN OF THE OBJECTIVE FORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 30, 2003, the Secretary of the Army shall submit to Congress a report on the experimentation program regarding design of the objective force that is required by subsection (g) of section 113 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as added by section 113 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1029).

(b) BUDGET DISPLAY.—Amounts provided for the experimentation program in the budget for fiscal year 2004 that is submitted to Congress under section 1105(a) of title 31, United States Code, shall be displayed as a distinct program element in that budget and in the supporting documentation submitted to Congress by the Secretary of Defense.

SEC. 214. REALLOCATION OF AMOUNT AVAILABLE FOR INDIRECT FIRE PROGRAMS.

(a) REDUCTION OF AMOUNT FOR CRUSADER.—Of the amount authorized to be appropriated by section 201(1) for the Army for research, development, test, and evaluation,

the amount available for continued research and development of the Crusader artillery system is hereby reduced by $475,600,000.

(b) INCREASE OF AMOUNT FOR FUTURE COMBAT SYSTEMS.—Of the amount authorized to be appropriated by section 201(1) for the Army for research, development, test, and evaluation, the amount available for research and development for the Objective Force indirect fire systems is hereby increased by $475,600,000. The amount of the increase shall be available only for meeting the needs of the Army for indirect fire capabilities, and may not be used under the authority of this section until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees the report required by subsection (d), together with a notification of the Secretary's plan to use such funds to meet the needs of the Army for indirect fire capabilities.

(c) USE OF FUNDS.—Subject to subsection (b), the Secretary of Defense may use the amount available under such subsection for any program for meeting the needs of the Army for indirect fire capabilities.

(d) REPORTING REQUIREMENT.—(1) Not later than 30 days after the date of the enactment of this Act, the Chief of Staff of the Army shall complete a review of the full range of Army programs that could provide improved indirect fire

for the Army over the next 20 years and shall submit to the Secretary of Defense a report containing the recommendation of the Chief of Staff on which alternative for improving indirect fire for the Army is the best alternative for that purpose. The report shall also include information on each of the following funding matters:

(A) The manner in which the amount available under subsection (b) should be best invested to support the improvement of indirect fire capabilities for the Army.

(B) The manner in which the amount provided for indirect fire programs of the Army in the future-years defense program submitted to Congress with respect to the budget for fiscal year 2003 under section 221 of title 10, United States Code, should be best invested to support improved indirect fire for the Army.

(C) The manner in which the amounts described in subparagraphs (A) and (B) should be best invested to support the improvement of indirect fire capabilities for the Army in the event of a termination of the Crusader artillery system program.

(D) The portion of the amount available under subsection (b) that should be reserved for paying costs associated with a termination of the Crusader artil-

lery system program in the event of such a termination.

(2) The Secretary of Defense shall submit the report, together with any comments and recommendations that the Secretary considers appropriate, to the congressional defense committees.

(e) ANNUAL UPDATES.—(1) The Secretary shall submit to the congressional defense committees, at the same time that the President submits the budget for a fiscal year referred to in paragraph (4) to Congress under section 1105(a) of title 31, United States Code, a report on the investments proposed to be made in indirect fire programs for the Army.

(2) If the Crusader artillery system program has been terminated by the time the annual report is submitted in conjunction with the budget for a fiscal year, the report shall—

(A) identify the amount proposed for expenditure for the Crusader artillery system program for that fiscal year in the future-years defense program that was submitted to Congress in 2002 under section 221 of title 10, United States Code; and

(B) specify—

(i) the manner in which the amount provided in that budget would be expended for im-

proved indirect fire capabilities for the Army; and

(ii) the extent to which the expenditures in that manner would improve indirect fire capabilities for the Army.

(3) The requirement to submit an annual report under paragraph (1) shall apply with respect to budgets for fiscal years 2004, 2005, 2006, 2007, and 2008.

SEC. 215. LASER WELDING AND CUTTING DEMONSTRATION.

(a) AMOUNT FOR PROGRAM.—Of the total amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, $6,000,000 shall be available for the laser welding and cutting demonstration in force protection applied research (PE 0602123N).

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, the amount available for laser welding and cutting demonstration in surface ship and submarine HM&E advanced technology (PE 0603508N) is hereby reduced by $6,000,000.

SEC. 216. ANALYSIS OF EMERGING THREATS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation

for the Navy is hereby increased by $2,000,000 with the amount of the increase to be allocated to Marine Corps Advanced Technology Demonstration (ATD) (PE 0603640M).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $2,000,000 may be available for analysis of emerging threats.

(2) The amount available under paragraph (1) for analysis of emerging threats is in addition to any other amounts available under this Act for analysis of emerging threats.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by $2,000,000, with the amount of the reduction allocated as follows:

(1) $1,000,000 may be allocated to Weapons and Munitions Technology (PE 0602624A) and available for countermobility systems.

(2) $1,000,000 may be allocated to Warfighter Advanced Technology (PE 0603001A) and available for Objective Force Warrior technologies.

SEC. 217. PROHIBITION ON TRANSFER OF MEDICAL FREE ELECTRON LASER PROGRAM.

Notwithstanding any other provision of law, the Medical Free Electron Laser Program (PE 0602227D8Z) may not be transferred from the Department of Defense to the National Institutes of Health, or to any other department or agency of the Federal Government.

SEC. 218. DEMONSTRATION OF RENEWABLE ENERGY USE.

Of the amount authorized to be appropriated by section 201(2), $2,500,000 shall be available for the demonstration of renewable energy use program within the program element for the Navy energy program and not within the program element for facilities improvement.

SEC. 219A. RADAR POWER TECHNOLOGY FOR THE ARMY.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(1) for the Department of Defense for research, development, test, and evaluation for the Army is hereby increased by $4,500,000, with the amount of the increase to be allocated to Army missile defense systems integration (DEM/VAL) (PE 0603308A).

(b) AVAILABILITY FOR RADAR POWER TECHNOLOGY.—(1) Of the amount authorized to be appropriated by section 201(1) for the Department of Defense for research, development, test, and evaluation for the Army, as increased by

subsection (a), $4,500,000 shall be available for radar power technology.

(2) The amount available under paragraph (1) for radar power technology is in addition to any other amounts available under this Act for such technology.

(c) OFFSET.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby reduced by $4,500,000, with the amount of the reduction to be allocated to common picture advanced technology (PE 0603235N).

SEC. 219B. CRITICAL INFRASTRUCTURE PROTECTION.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated in section 201(4), $4,500,000 may be available for critical infrastructure protection (PE 35190D8Z).

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(2), the amount for power projection advanced technology (PE 63114N) is hereby reduced by $4,500,000.

SEC. 219C. THEATER AEROSPACE COMMAND AND CONTROL SIMULATION FACILITY UPGRADES.

(a) AVAILABILITY OF FUNDS.—(1) The amount authorized to be appropriated by section 201(3) for the Air Force for wargaming and simulation centers (PE 0207605F) is increased by $2,500,000. The total amount

of the increase may be available for Theater Aerospace Command and Control Simulation Facility (TACCSF) upgrades.

(2) The amount available under paragraph (1) for Theater Aerospace Command and Control Simulation Facility upgrades is in addition to any other amounts available under this Act for such upgrades.

(b) OFFSET.—The amount authorized to be appropriated by section 201(2) for the Navy for Mine and Expeditionary Warfare Applied Research (PE 0602782N) is reduced by $2,500,000.

SEC. 219D. DDG OPTIMIZED MANNING INITIATIVE.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $2,500,000, with the amount of the increase to be allocated to surface combatant combat system engineering (PE 0604307N).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $2,500,000 may be available for the DDG optimized manning initiative.

(2) The amount available under paragraph (1) for the initiative referred to in that paragraph is in addition to

any other amounts available under this Act for that initiative.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for artillery systems DEM/VAL (PE 0603854A), by $2,500,000.

SEC. 219E. AGROTERRORIST ATTACKS.

(a) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, defense-wide, the amount available for basic research for the Chemical and Biological Defense Program (PE 0601384BP) is hereby increased by $1,000,000, with the amount of such increase to be available for research, analysis, and assessment of efforts to counter potential agroterrorist attacks.

(2) The amount available under paragraph (1) for research, analysis, and assessment described in that paragraph is in addition to any other amounts available in this Act for such research, analysis, and assessment.

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, the amount available for biological terrorism and agroterrorism risk assessment and prediction in the program element relating to the Chemical

and Biological Defense Program (PE 0603384BP) is hereby reduced by $1,000,000.

SEC. 219F. VERY HIGH SPEED SUPPORT VESSEL FOR THE ARMY.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,500,000, with the amount of the increase to be allocated to logistics and engineering equipment–advanced development (PE 0603804A).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $5,500,000 may be available for development of a prototype composite hull design to meet the theater support vessel requirement.

(2) The amount available under paragraph (1) for development of the hull design referred to in that paragraph is in addition to any other amounts available under this Act for development of that hull design.

(c) OFFSET.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby decreased by $5,500,000, with the amount of the decrease to be allocated to submarine tactical warfare system (PE 0604562N) and

amounts available under that program element for upgrades of combat control software to commercial architecture.

SEC. 219G. FULL-SCALE HIGH-SPEED PERMANENT MAGNET GENERATOR.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $1,000,000, with the amount of the increase to be allocated to Force Protection Advanced Technology (PE 0603123N).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $1,000,000 may be available for development and demonstration of a full-scale high-speed permanent magnet generator.

(2) The amount available under paragraph (1) for development and demonstration of the generator described in that paragraph is in addition to any other amounts available in this Act for development and demonstration of that generator.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by

$1,000,000, with the amount of the reduction to be allocated to Artillery Systems–Dem/Val (PE 0603854A).

SEC. 219H. AVIATION-SHIPBOARD INFORMATION TECHNOLOGY INITIATIVE.

Of the amount authorized to be appropriated by section 201(2) for shipboard aviation systems, up to $8,200,000 may be used for the aviation-shipboard information technology initiative.

SEC. 219I. AEROSPACE RELAY MIRROR SYSTEM (ARMS) DEMONSTRATION.

Of the amount authorized to be appropriated by section 201(3) for the Department of Defense for research, development, test, and evaluation for the Air Force, $6,000,000 may be available for the Aerospace Relay Mirror System (ARMS) Demonstration.

SEC. 219J. LITTORAL SHIP PROGRAM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(2) for research and development, test and evaluation, Navy, $4,000,000 may be available for requirements development of a littoral ship in Ship Concept Advanced Design (PE 0603563N).

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 201(2) for research and development, test and evaluation, Navy, the amount available for FORCENET in Tactical Command System

(PE 0604231N), is hereby reduced by an additional $4,000,000.

Subtitle C—Missile Defense Programs

SEC. 221. ANNUAL OPERATIONAL ASSESSMENTS AND REVIEWS OF BALLISTIC MISSILE DEFENSE PROGRAM.

(a) ANNUAL OPERATIONAL ASSESSMENT.—(1)(A) During the first quarter of each fiscal year, the Director of Operational Test and Evaluation shall conduct an operational assessment of the missile defense programs listed in paragraph (3).

(B) The annual assessment shall include—

(i) a detailed, quantitative evaluation of the potential operational effectiveness, reliability, and suitability of the system or systems under each program as the program exists during the fiscal year of the assessment;

(ii) an evaluation of the adequacy of testing through the end of the previous fiscal year to measure and predict the effectiveness of the systems; and

(iii) a determination of the threats, or type of threats, against which the systems would be expected to be effective and those against which the systems would not be expected to be effective.

(C) The first assessment under this paragraph shall be conducted during fiscal year 2003.

(2) Not later than January 15 of each year, the Director of Operational Test and Evaluation shall submit to the Secretary of Defense and the congressional defense committees a report on the assessment conducted during the preceding quarter-year. The report shall include the evaluation of the potential of the system or systems together with a discussion of the basis for the evaluation.

(3) The requirement for an annual operational assessment under paragraph (1) shall apply to programs under the United States Missile Defense Agency as follows:

(A) The Ground-based Midcourse Defense program.

(B) The Sea-based Midcourse Defense program.

(C) The Theater High Altitude Area Defense (THAAD) program.

(D) The Air-based Boost program (formerly known as the Airborne Laser Defense program).

(b) ANNUAL REQUIREMENTS REVIEWS.—(1) During the first quarter of each fiscal year, the Joint Requirements Oversight Council established under section 181 of title 10, United States Code, shall review the cost, schedule, and performance criteria for the missile defense programs under the United States Missile Defense Agency and assess the va-

lidity of the criteria in relation to military requirements. The first review shall be carried out in fiscal year 2003.

(2) Not later than January 15 of each year, the Chairman of the Joint Requirements Oversight Council shall submit to the Secretary of Defense and the congressional defense committees a report on the results of the review carried out under paragraph (1) during the preceding quarter-year.

SEC. 222. REPORT ON MIDCOURSE DEFENSE PROGRAM.

(a) REQUIREMENT FOR REPORT.—Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Midcourse Defense program of the United States Missile Defense Agency. The report shall include the following information:

(1) The development schedule, together with an estimate of the annual costs through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost and the history of acquisition unit costs from the date the program (including its antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procurement cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

(b) SEGREGATION OF GROUND-BASED AND SEA-BASED EFFORTS.—The report under subsection (a) shall separately display the schedules, cost estimates, cost histories, contracts, and test plans for—

(1) the National Missile Defense/Ground-based Midcourse Defense program; and

(2) the Navy TheaterWide/Sea-based Midcourse Defense program.

SEC. 223. REPORT ON AIR-BASED BOOST PROGRAM.

Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Air-based Boost program (formerly known as the Airborne Laser program). The report shall contain the following information:

(1) The development schedule together with the estimated annual costs of the program through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost, and the history of program acquisition unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procure-

ment cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

SEC. 224. REPORT ON THEATER HIGH ALTITUDE AREA DEFENSE PROGRAM.

(a) REQUIREMENT FOR REPORT.—Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Theater High Altitude Area Defense program. The report shall contain the following information:

(1) The development schedule together with the estimated annual costs of the program through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost and the history of program acquisition unit costs

from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procurement cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

(b) FUNDING LIMITATION.—Not more than 50 percent of the amount authorized to be appropriated by this Act for the United States Missile Defense Agency for the Theater High Altitude Area Defense program may be expended until the submission of the report required under subsection (a).

SEC. 225. REFERENCES TO NEW NAME FOR BALLISTIC MISSILE DEFENSE ORGANIZATION.

(a) CONFORMING AMENDMENTS.—The following provisions of law are amended by striking "Ballistic Missile Defense Organization" each place it appears and inserting "United States Missile Defense Agency":

(1) Sections 223 and 224 of title 10, United States Code.

(2) Sections 232, 233, and 235 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107).

(b) OTHER REFERENCES.—Any reference to the Ballistic Missile Defense Organization in any other provision of law or in any regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the United States Missile Defense Agency.

SEC. 226. LIMITATION ON USE OF FUNDS FOR NUCLEAR ARMED INTERCEPTORS.

None of the funds authorized to be appropriated by this or any other Act may be used for research, development, test, evaluation, procurement, or deployment of nuclear armed interceptors of a missile defense system.

SEC. 227. REPORTS ON FLIGHT TESTING OF GROUND-BASED MIDCOURSE NATIONAL MISSILE DEFENSE SYSTEM.

(a) REQUIREMENT.—The Director of the United States Missile Defense Agency shall submit to the congressional defense committees a report on each flight test of the Ground-based Midcourse national missile defense system. The report shall be submitted not later than 120 days after the date of the test.

(b) CONTENT.—A report on a flight test under subsection (a) shall include the following matters:

(1) A thorough discussion of the content and objectives of the test.

(2) For each test objective, a statement regarding whether the objective was achieved.

(3) For any test objective not achieved—

(A) a thorough discussion describing the reasons for not achieving the objective; and

(B) a discussion of any plans for future tests to achieve the objective.

(c) FORMAT.—The reports required under subsection (a) shall be submitted in classified and unclassified form.

Subtitle D—Improved Management of Department of Defense Test and Evaluation Facilities

SEC. 231. DEPARTMENT OF DEFENSE TEST AND EVALUATION RESOURCE ENTERPRISE.

(a) ESTABLISHMENT.—Section 139 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(k)(1) There is a Test and Evaluation Resource Enterprise within the Department of Defense. The head of the Test and Evaluation Resource Enterprise shall report to the Director of Operational Test and Evaluation.

"(2)(A) The head of the Test and Evaluation Resource Enterprise shall manage all funds available to the Department of Defense for the support of investment in, operation and maintenance of, development of, and management of the test and evaluation facilities and resources of the Major Range and Test Facility Base. All such funds shall be transferred to and placed under the control of the head of the Department of Defense Test and Evaluation Resource Enterprise.

"(B) Subparagraph (A) shall not be construed to authorize the head of the Test and Evaluation Enterprise, nor to impair the authority of the Secretary of a military department, to manage the funds available to that military

department for the support of investment in, operation and maintenance of, development of, and management of the training facilities and resources of the Major Range and Test Facility Base.

"(3) The head of the Test and Evaluation Resource Enterprise shall—

"(A) ensure that the planning for and execution of the testing of a system within the Major Range and Test Facility Base is performed by the activity of a military department that is responsible for the testing;

"(B) ensure that the military department operating a facility or resource within the Major Range and Test Facility Base charges an organization using the facility or resource for testing only the incremental cost of the operation of the facility or resource that is attributable to the testing;

"(C) ensure that the military department operating a facility or resource within the Major Range and Test Facility Base comprehensively and consistently applies sound enterprise management practices in the management of the facility or resource;

"(D) make investments that are prudent for ensuring that Department of Defense test and evaluation facilities and resources are adequate to meet the

current and future testing requirements of Department of Defense programs;

"(E) ensure that there is in place a simplified financial management and accounting system for Department of Defense test and evaluation facilities and resources and that the system is uniformly applied to the operation of such facilities and resources throughout the Department; and

"(F) ensure that unnecessary costs of owning and operating Department of Defense test and evaluation resources are not incurred.

"(4) In this section, the term 'Major Range and Test Facility Base' means the test and evaluation facilities and resources that are designated by the Director of Operational Test and Evaluation as facilities and resources comprising the Major Range and Test Facility Base.".

(b) EFFECTIVE DATE AND TRANSITION REQUIREMENTS.—(1) The amendment made by paragraph (1) shall take effect one year after the date of the enactment of this Act.

(2)(A) The Secretary of Defense shall develop a transition plan to ensure that the head of the Test and Evaluation Resource Enterprise is prepared to assume the responsibilities under subsection (k) of section 139 of title 10, United

States Code (as added by subsection (a)), on the effective date provided in paragraph (1).

(B) Until the Test and Evaluation Resource Enterprise has been established, all investments of $500,000 or more in the Major Range and Test Facility Base of the Department of Defense shall be subject to the approval of the Director of Operational Test and Evaluation.

(C) In this paragraph, the term "Major Range and Test Facility Base" has the meaning given that term in section 139(k)(4) of title 10, United States Code, as added by subsection (a).

SEC. 232. TRANSFER OF TESTING FUNDS FROM PROGRAM ACCOUNTS TO INFRASTRUCTURE ACCOUNTS.

(a) TRANSFER OF FUNDS.—Notwithstanding any other provision of this Act, amounts authorized to be appropriated by this title for demonstration and validation, engineering and manufacturing development, and operational systems development shall be transferred to the major test and evaluation investment programs of the military departments and to the Central Test and Evaluation Investment Program of the Department of Defense, as follows:

(1) For transfer to the major test and evaluation investment program of the Army, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Army for demonstra-

tion and validation, engineering and manufacturing development, and operational systems development.

(2) For transfer to the major test and evaluation investment program of the Navy, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Navy for demonstration and validation, engineering and manufacturing development, and operational systems development.

(3) For transfer to the major test and evaluation investment program of the Air Force, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Air Force for demonstration and validation, engineering and manufacturing development, and operational systems development.

(4) For transfer to the Central Test and Evaluation Investment Program of the Department of Defense, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for Defense-wide demonstration and validation, engineering and manufacturing development, and operational systems development.

(b) INSTITUTIONAL FUNDING OF TEST AND EVALUATION FACILITIES.—(1)(A) Chapter 433 of title 10, United States Code, is amended by inserting after the table of sec-

tions at the beginning of such chapter the following new section:

"§ 4531. Test and evaluation: use of facilities

"(a) CHARGES FOR USE.—The Secretary of the Army may charge an entity for using a facility or resource of the Army within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Army of the use of the facility or resource by that user for the testing.

"(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Army that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Army, the Central Test and Evaluation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Army.

"(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

"(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

"(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

"(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

"(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.".

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 7522 the following new item:

"4531. Test and evaluation: use of facilities.".

(2)(A) Chapter 645 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section:

"§ 7521. Test and evaluation: use of facilities

"(a) CHARGES FOR USE.—The Secretary of the Navy may charge an entity for using a facility or resource of the Navy within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Navy of the use of the facility or resource by that user for the testing.

"(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Navy that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Navy, the Central Test and Eval-

uation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Navy.

"(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

"(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

"(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

"(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

"(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.".

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 7522 the following new item:

"7521. Test and evaluation: use of facilities.".

(3)(A) Chapter 933 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section:

"§ 9531. Test and evaluation: use of facilities

"(a) CHARGES FOR USE.—The Secretary of the Air Force may charge an entity for using a facility or resource of the Air Force within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Air Force of the use of the facility or resource by that user for the testing.

"(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Air Force that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Air Force, the Central Test and Evaluation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Air Force.

"(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

"(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

"(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

"(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

"(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.".

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 9532 the following new item:

"9531. Test and evaluation: use of facilities.".

(4) Not later than 30 days after the date of the enactment of this Act, the Under Secretary of Defense (Comptroller) shall review the funding policies of each military department to ensure that the Secretary of the military department has in place the policies necessary to comply with the Secretary's responsibilities under section 4531, 7521, or 9531 of title 10, United States Code (as added by this subsection), as the case may be. The Under Secretary shall consult with the Director of Operational Test and Evaluation in carrying out the review.

SEC. 233. INCREASED INVESTMENT IN TEST AND EVALUATION FACILITIES.

(a) AMOUNT.—Of the amount authorized to be appropriated under section 201(4), $251,276,000 shall be available for the Central Test and Evaluation Investment Program of the Department of Defense.

(b) ADDITIONAL AVAILABLE FUNDING.—In addition to the amount made available under subsection (a), amounts

transferred pursuant to section 232(a)(4) shall be available for the Central Test and Evaluation Investment Program of the Department of Defense.

SEC. 234. UNIFORM FINANCIAL MANAGEMENT SYSTEM FOR DEPARTMENT OF DEFENSE TEST AND EVALUATION FACILITIES.

(a) REQUIREMENT FOR SYSTEM.—Not later than two years after the date of the enactment of this Act, the Secretary of Defense shall implement a single financial management and accounting system for all test and evaluation facilities of the Department of Defense.

(b) SYSTEM FEATURES.—The financial management and accounting system shall be designed to achieve, at a minimum, the following functional objectives:

(1) Enable managers within the Department of Defense to compare the costs of conducting test and evaluation activities in the various facilities of the military departments.

(2) Enable the Secretary of Defense—

(A) to make prudent investment decisions; and

(B) to reduce the extent to which unnecessary costs of owning and operating Department of Defense test and evaluation facilities are incurred.

(3) Enable the Department of Defense to track the total cost of test and evaluation activities.

(4) Comply with the financial management enterprise architecture developed by the Secretary of Defense under section 1006.

SEC. 235. TEST AND EVALUATION WORKFORCE IMPROVEMENTS.

(a) REPORT ON CAPABILITIES.—Not later than March 15, 2003, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress a report on the capabilities of the test and evaluation workforce of the Department of Defense. The Under Secretary shall consult with the Under Secretary of Defense for Personnel and Readiness and the Director of Operational Test and Evaluation in preparing the report.

(b) REQUIREMENT FOR PLAN.—(1) The report shall contain a plan for taking the actions necessary to ensure that the test and evaluation workforce of the Department of Defense is of sufficient size and has the expertise necessary to timely and accurately identify issues of military suitability and effectiveness of Department of Defense systems through testing of the systems.

(2) The plan shall set forth objectives for the size, composition, and qualifications of the workforce, and shall

specify the actions (including recruitment, retention, and training) and milestones for achieving the objectives.

(c) ADDITIONAL MATTERS.—The report shall also include the following matters:

(1) An assessment of the changing size and demographics of the test and evaluation workforce, including the impact of anticipated retirements among the most experienced personnel over the five-year period beginning with 2003, together with a discussion of the management actions necessary to address the changes.

(2) An assessment of the anticipated workloads and responsibilities of the test and evaluation workforce over the ten-year period beginning with 2003, together with the number and qualifications of military and civilian personnel necessary to carry out such workloads and responsibilities.

(3) The Secretary's specific plans for using the demonstration authority provided in section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) and other special personnel management authorities of the Secretary to attract and retain qualified personnel in the test and evaluation workforce.

(4) Any recommended legislation or additional special authority that the Secretary considers appropriate for facilitating the recruitment and retention of qualified personnel for the test and evaluation workforce.

(5) Any other matters that are relevant to the capabilities of the test and evaluation workforce.

SEC. 236. COMPLIANCE WITH TESTING REQUIREMENTS.

(a) ANNUAL OT&E REPORT.—Subsection (g) of section 139 of title 10, United States Code, is amended by inserting after the fourth sentence the following: "The report for a fiscal year shall also include an assessment of the waivers of and deviations from requirements in test and evaluation master plans and other testing requirements that occurred during the fiscal year, any concerns raised by the waivers or deviations, and the actions that have been taken or are planned to be taken to address the concerns.".

(b) REORGANIZATION OF PROVISION.—Subsection (g) of such section, as amended by subsection (a), is further amended—

(1) by inserting "(1)" after "(g)";

(2) by designating the second sentence as paragraph (2);

(3) by designating the third sentence as paragraph (3);

(4) by designating the matter consisting of the fourth and fifth sentences as paragraph (4);

(5) by designating the sixth sentence as paragraph (5); and

(6) by realigning paragraphs (2), (3), (4), and (5), as so designated, two ems from the left margin.

SEC. 237. REPORT ON IMPLEMENTATION OF DEFENSE SCIENCE BOARD RECOMMENDATIONS.

(a) REQUIREMENT.—Not later than March 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the extent of the implementation of the recommendations set forth in the December 2000 Report of the Defense Science Board Task Force on Test and Evaluation Capabilities.

(b) CONTENT.—The report shall include the following:

(1) For each recommendation that is being implemented or that the Secretary plans to implement—

(A) a summary of all actions that have been taken to implement the recommendation; and

(B) a schedule, with specific milestones, for completing the implementation of the recommendation.

(2) For each recommendation that the Secretary does not plan to implement—

(A) the reasons for the decision not to implement the recommendation; and

(B) a summary of any alternative actions the Secretary plans to take to address the purposes underlying the recommendation.

(3) A summary of any additional actions the Secretary plans to take to address concerns raised in the December 2000 Report of the Defense Science Board Task Force on Test and Evaluation Capabilities about the state of the test and evaluation infrastructure of the Department of Defense.

Subtitle E—Other Matters

SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPARTMENT OF DEFENSE LABORATORIES.

(a) ADDITIONAL PILOT PROGRAM.—(1) The Secretary of Defense may carry out a pilot program to demonstrate improved efficiency in the performance of research, development, test, and evaluation functions of the Department of Defense.

(2) Under the pilot program, the Secretary of Defense shall provide the director of one science and technology laboratory, and the director of one test and evaluation laboratory, of each military department with authority for the following:

(A) To use innovative methods of personnel management appropriate for ensuring that the selected laboratories can—

(i) employ and retain a workforce appropriately balanced between permanent and temporary personnel and among workers with appropriate levels of skills and experience; and

(ii) effectively shape workforces to ensure that the workforces have the necessary sets of skills and experience to fulfill their organizational missions.

(B) To develop or expand innovative methods of entering into and expanding cooperative relationships and arrangements with private sector organizations, educational institutions (including primary and secondary schools), and State and local governments to facilitate the training of a future scientific and technical workforce that will contribute significantly to the accomplishment of organizational missions.

(C) To develop or expand innovative methods of establishing cooperative relationships and arrangements with private sector organizations and educational institutions to promote the establishment of the technological industrial base in areas critical for Department of Defense technological requirements.

(D) To waive any restrictions not required by law that apply to the demonstration and implementation of methods for achieving the objectives set forth in subparagraphs (A), (B), and (C).

(3) The Secretary may carry out the pilot program under this subsection at each selected laboratory for a period of three years beginning not later than March 1, 2003.

(b) RELATIONSHIP TO FISCAL YEARS 1999 AND 2000 REVITALIZATION PILOT PROGRAMS.—The pilot program under this section is in addition to, but may be carried out in conjunction with, the fiscal years 1999 and 2000 revitalization pilot programs.

(c) REPORTS.—(1) Not later than January 1, 2003, the Secretary shall submit to Congress a report on the experience under the fiscal years 1999 and 2000 revitalization pilot programs in exercising the authorities provided for the administration of those programs. The report shall include a description of—

(A) barriers to the exercise of the authorities that have been encountered;

(B) the proposed solutions for overcoming the barriers; and

(C) the progress made in overcoming the barriers.

(2) Not later than September 1, 2003, the Secretary of Defense shall submit to Congress a report on the implementation of the pilot program under subsection (a) and the fiscal years 1999 and 2000 revitalization pilot programs. The report shall include, for each such pilot program, the following:

(A) Each laboratory selected for the pilot program.

(B) To the extent practicable, a description of the innovative methods that are to be tested at each laboratory.

(C) The criteria to be used for measuring the success of each method to be tested.

(3) Not later than 90 days after the expiration of the period for the participation of a laboratory in a pilot program referred to in paragraph (2), the Secretary of Defense shall submit to Congress a final report on the participation of that laboratory in the pilot program. The report shall include the following:

(A) A description of the methods tested.

(B) The results of the testing.

(C) The lessons learned.

(D) Any proposal for legislation that the Secretary recommends on the basis of the experience at that laboratory under the pilot program.

(d) EXTENSION OF AUTHORITY FOR OTHER REVITALIZATION PILOT PROGRAMS.—(1) Section 246(a)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1956; 10 U.S.C. 2358 note) is amended by striking "a period of three years" and inserting "up to six years".

(2) Section 245(a)(4) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 553; 10 U.S.C. 2358 note) is amended by striking "a period of three years" and inserting "up to five years".

(e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1) The Secretary of Defense may authorize one or more laboratories and test centers participating in the pilot program under subsection (a) or in one of the fiscal years 1999 and 2000 revitalization pilot programs to enter into a cooperative arrangement (in this subsection referred to as a "public-private partnership") with entities in the private sector and institutions of higher education for the performance of work.

(2) A competitive process shall be used for the selection of entities outside the Government to participate in a public-private partnership.

(3)(A) Not more than one public-private partnership may be established as a limited liability corporation.

(B) An entity participating in a limited liability corporation as a party to a public-private partnership under

the pilot program may contribute funds to the corporation, accept contribution of funds for the corporation, and provide materials, services, and use of facilities for research, technology, and infrastructure of the corporation, if it is determined under regulations prescribed by the Secretary of Defense that doing so will improve the efficiency of the performance of research, test, and evaluation functions of the Department of Defense.

(f) EXCEPTED SERVICE UNDER PILOT PROGRAM.—(1) To facilitate recruitment of experts in science and engineering to improve the performance of research, test, and evaluation functions of the Department of Defense, the Secretary of Defense may—

(A) designate a total of not more than 30 scientific, engineering, and technology positions at the laboratories and test centers participating in the pilot program under subsection (a) or in any of the fiscal years 1999 and 2000 revitalization pilot programs as positions in the excepted service (as defined in section 2103(a) of title 5, United States Code);

(B) appoint individuals to such positions; and

(C) fix the compensation of such individuals.

(2) The maximum rate of basic pay for a position in the excepted service pursuant to a designation made under paragraph (1) may not exceed the maximum rate of basic

pay authorized for senior-level positions under section 5376 of title 5, United States Code, notwithstanding any provision of such title governing the rates of pay or classification of employees in the executive branch.

(g) FISCAL YEARS 1999 AND 2000 REVITALIZATION PILOT PROGRAMS DEFINED.—In this section, the term "fiscal years 1999 and 2000 revitalization pilot programs" means the pilot programs authorized by—

(1) section 246 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1955; 10 U.S.C. 2358 note); and

(2) section 245 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 552; 10 U.S.C. 2358 note).

SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—(1) Chapter 139 of title 10, United States Code, is amended by inserting after section 2359 the following new section:

"§ 2359a. Technology Transition Initiative

"(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a Technology Transition Initiative to facilitate the rapid transition of new technologies from science and technology programs of the Department of De-

fense into acquisition programs for the production of the technologies.

"(b) OBJECTIVES.—The objectives of the Initiative are as follows:

"(1) To accelerate the introduction of new technologies into Department of Defense acquisition programs appropriate for the technologies.

"(2) To successfully demonstrate new technologies in relevant environments.

"(3) To ensure that new technologies are sufficiently mature for production.

"(c) MANAGEMENT.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to manage the Initiative.

"(2) In administering the Initiative, the Initiative Manager shall—

"(A) report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

"(B) obtain advice and other assistance from the Technology Transition Council established under subsection (e).

"(3) The Initiative Manager shall—

"(A) in consultation with the Technology Transition Council established under subsection (e), identify

promising technologies that have been demonstrated in science and technology programs of the Department of Defense;

"(B) develop a list of those technologies that have promising potential for transition into acquisition programs of the Department of Defense and transmit the list to the acquisition executive of each military department and to Congress;

"(C) identify potential sponsors in the Department of Defense to undertake the transition of such technologies into production;

"(D) work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of the technologies into production; and

"(E) provide funding support for selected projects under subsection (d).

"(d) JOINTLY FUNDED PROJECTS.—(1) The acquisition executive of each military department shall select technology projects of the military department to recommend for funding support under the Initiative and shall submit a list of the recommended projects, ranked in order of priority, to the Initiative Manager. The projects shall be selected, in a competitive process, on the basis of the highest

potential benefits in areas of interest identified by the Secretary of that military department.

"(2) The Initiative Manager, in consultation with the Technology Transition Council established under subsection (e), shall select projects for funding support from among the projects on the lists submitted under paragraph (1). The Initiative Manager shall provide funds for each selected project. The total amount provided for a project shall be determined by agreement between the Initiative Manager and the acquisition executive of the military department concerned, but shall not be less than the amount equal to 50 percent of the total cost of the project.

"(3) The Initiative Manager shall not fund any one project under this subsection for more than 3 years.

"(4) The acquisition executive of the military department shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the acquisition executive determines that it is appropriate to do so to achieve the objectives of the project.

"(e) TECHNOLOGY TRANSITION COUNCIL.—(1) There is a Technology Transition Council in the Department of Defense. The Council is composed of the following members:

"(A) The science and technology executives of the military departments and Defense Agencies.

"(B) The acquisition executives of the military departments.

"(C) The members of the Joint Requirements Oversight Council.

"(2) The Technology Transition Council shall provide advice and assistance to the Initiative Manager under this section.

"(f) DEFINITIONS.—In this section:

"(1) The term 'acquisition executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

"(2) The term 'Initiative' means the Technology Transition Initiative carried out under this section.

"(3) The term 'Initiative Manager' means the official designated to manage the Initiative under subsection (c).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2395 the following new item:

"2359a. Technology Transition Initiative.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4), $50,000,000 shall be available for the Technology Transition Initiative under section 2359a of title 10, United States Code (as added by subsection (a)), and for other technology transition activities of the Department of Defense.

SEC. 243. ENCOURAGEMENT OF SMALL BUSINESSES AND NONTRADITIONAL DEFENSE CONTRACTORS TO SUBMIT PROPOSALS POTENTIALLY BENEFICIAL FOR COMBATING TERRORISM.

(a) ESTABLISHMENT OF OUTREACH PROGRAM.—During the 3-year period beginning on the date of the enactment of this Act, the Secretary of Defense shall carry out a program of outreach to small businesses and nontraditional defense contractors for the purpose set forth in subsection (b).

(b) PURPOSE.—The purpose of the outreach program is to provide a process for reviewing and evaluating research activities of, and new technologies being developed by, small businesses and nontraditional defense contractors that have the potential for meeting a defense requirement or technology development goal of the Department of De-

fense that relates to the mission of the Department of Defense to combat terrorism.

(c) GOALS.—The goals of the outreach program are as follows:

(1) To increase efforts within the Department of Defense to survey and identify technologies being developed outside the Department that have the potential described in subsection (b).

(2) To provide the Under Secretary of Defense for Acquisition, Technology, and Logistics with a source of expert advice on new technologies for combating terrorism.

(3) To increase efforts to educate nontraditional defense contractors on Department of Defense acquisition processes, including regulations, procedures, funding opportunities, military needs and requirements, and technology transfer so as to encourage such contractors to submit proposals regarding research activities and technologies described in subsection (b).

(4) To increase efforts to provide timely response by the Department of Defense to acquisition proposals (including unsolicited proposals) submitted to the Department by small businesses and by nontraditional defense contractors regarding research activities and

technologies described in subsection (b), including through the use of electronic transactions to facilitate the processing of proposals.

(d) REVIEW PANEL.—(1) The Secretary shall appoint, under the outreach program, a panel for the review and evaluation of proposals described in subsection (c)(4).

(2) The panel shall be composed of qualified personnel from the military departments, relevant Defense Agencies, industry, academia, and other private sector organizations.

(3) The panel shall review and evaluate proposals that, as determined by the panel, may present a unique and valuable approach for meeting a defense requirement or technology development goal related to combating terrorism. In carrying out duties under this paragraph, the panel may act through representatives designated by the panel.

(4) The panel shall—

(A) within 60 days after receiving such a proposal, transmit to the source of the proposal a notification regarding whether the proposal has been selected for review by the panel;

(B) to the maximum extent practicable, complete the review of each selected proposal within 120 days after the proposal is selected for review by the panel; and

(C) after completing the review, transmit an evaluation of the proposal to the source of the proposal.

(5) The Secretary shall ensure that the panel, in reviewing and evaluating proposals under this subsection, has the authority to obtain assistance, to a reasonable extent, from the appropriate technical resources of the laboratories, research, development, and engineering centers, test and evaluation activities, and other elements of the Department of Defense.

(6) If, after completing the review of a proposal, the panel determines that the proposal represents a unique and valuable approach to meeting a defense requirement or technology development goal related to combating terrorism, the panel shall submit that determination to the Under Secretary of Defense for Acquisition, Technology, and Logistics together with any recommendations that the panel considers appropriate regarding the proposal.

(7) The Secretary of Defense shall ensure that there is no conflict of interest on the part of a member of the panel with respect to the review and evaluation of a proposal by the panel.

(e) DEFINITIONS.—In this section:

(1) The term "nontraditional defense contractor" means an entity that has not, for at least one year

prior to the date of the enactment of this Act, entered into, or performed with respect to, any contract described in paragraph (1) or (2) of section 845(e) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note).

(2) The term "small business" means a business concern that meets the applicable size standards prescribed pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

SEC. 244. VEHICLE FUEL CELL PROGRAM.

(a) PROGRAM.—The Secretary of Defense shall carry out a vehicle fuel cell technology development program in cooperation with the Secretary of Energy, the heads of other Federal agencies appropriate for participation in the program, and industry.

(b) GOALS AND OBJECTIVES.—The goals and objectives of the program shall be as follows:

(1) To identify and support technological advances that are necessary for the development of fuel cell technology for use in vehicles of types to be used by the Department of Defense.

(2) To ensure that critical technology advances are shared among the various fuel cell technology programs within the Federal Government.

(3) To ensure maximum leverage of Federal Government funding for fuel cell technology development.

(c) CONTENT OF PROGRAM.—The program shall include—

(1) development of vehicle propulsion technologies and fuel cell auxiliary power units, together with pilot demonstrations of such technologies, as appropriate; and

(2) development of technologies necessary to address critical issues such as hydrogen storage and the need for a hydrogen fuel infrastructure.

(d) COOPERATION WITH INDUSTRY.—(1) The Secretary shall include the automobile and truck manufacturing industry and its systems and component suppliers in the cooperative involvement of industry in the program.

(2) The Secretary of Defense shall consider whether, in order to facilitate the cooperation of industry in the program, the Secretary and one or more companies in industry should enter into a cooperative agreement that establishes an entity to carry out activities required under subsection (c). An entity established by any such agreement shall be known as a defense industry fuel cell partnership.

(3) The Secretary of Defense shall provide for industry to bear, in cash or in kind, at least one-half of the total cost of carrying out the program.

(e) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(4), $10,000,000 shall be available for the program required by this section.

SEC. 245. DEFENSE NANOTECHNOLOGY RESEARCH AND DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense shall carry out a defense nanotechnology research and development program.

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

(1) To ensure United States global superiority in nanotechnology necessary for meeting national security requirements.

(2) To coordinate all nanoscale research and development within the Department of Defense, and to provide for interagency cooperation and collaboration on nanoscale research and development between the Department of Defense and other departments and agencies of the United States that are involved in nanoscale research and development.

(3) To develop and manage a portfolio of fundamental and applied nanoscience and engineering research initiatives that is stable, consistent, and balanced across scientific disciplines.

(4) To accelerate the transition and deployment of technologies and concepts derived from nanoscale research and development into the Armed Forces, and to establish policies, procedures, and standards for measuring the success of such efforts.

(5) To collect, synthesize, and disseminate critical information on nanoscale research and development.

(c) ADMINISTRATION.—In carrying out the program, the Secretary shall act through the Director of Defense Research and Engineering, who shall supervise the planning, management, and coordination of the program. The Director, in consultation with the Secretaries of the military departments and the heads of participating Defense Agencies and other departments and agencies of the United States, shall—

(1) prescribe a set of long-term challenges and a set of specific technical goals for the program;

(2) develop a coordinated and integrated research and investment plan for meeting the long-term challenges and achieving the specific technical goals; and

(3) develop memoranda of agreement, joint funding agreements, and other cooperative arrangements

necessary for meeting the long-term challenges and achieving the specific technical goals.

(d) ANNUAL REPORT.—Not later than March 1 of each of 2004, 2005, 2006, and 2007, the Director of Defense Research and Engineering shall submit to the congressional defense committees a report on the program. The report shall contain the following matters:

(1) A review of—

(A) the long-term challenges and specific goals of the program; and

(B) the progress made toward meeting the challenges and achieving the goals.

(2) An assessment of current and proposed funding levels, including the adequacy of such funding levels to support program activities.

(3) A review of the coordination of activities within the Department of Defense and with other departments and agencies.

(4) An assessment of the extent to which effective technology transition paths have been established as a result of activities under the program.

(5) Recommendations for additional program activities to meet emerging national security requirements.

SEC. 246. ACTIVITIES AND ASSESSMENT OF THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

(a) AUTHORIZED ACTIVITIES.—Subsection (c) of section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 2358 note), is amended—

(1) in paragraph (1), by striking "research grants" and inserting "grants for research and instrumentation to support such research"; and

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

"(3) Any other activities that are determined necessary to further the achievement of the objectives of the program.".

(b) COORDINATION.—Subsection (e) of such section is amended by adding at the end the following:

"(4) The Secretary shall contract with the National Research Council to assess the effectiveness of the Defense Experimental Program to Stimulate Competitive Research in achieving the program objectives set forth in subsection (b). The assessment provided to the Secretary shall include the following:

"(A) An assessment of the eligibility requirements of the program and the relationship of such requirements to the overall research base in the States,

the stability of research initiatives in the States, and the achievement of the program objectives, together with any recommendations for modification of the eligibility requirements.

"(B) An assessment of the program structure and the effects of that structure on the development of a variety of research activities in the States and the personnel available to carry out such activities, together with any recommendations for modification of program structure, funding levels, and funding strategy.

"(C) An assessment of the past and ongoing activities of the State planning committees in supporting the achievement of the program objectives.

"(D) An assessment of the effects of the various eligibility requirements of the various Federal programs to stimulate competitive research on the ability of States to develop niche research areas of expertise, exploit opportunities for developing interdisciplinary research initiatives, and achieve program objectives.".

SEC. 247. FOUR-YEAR EXTENSION OF AUTHORITY OF DARPA TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXTENSION.—Section 2374a(f) of title 10, United States Code, is amended by striking "September 30, 2003" and inserting "September 30, 2007".

(b) REPORT ON ADMINISTRATION OF PROGRAM.—(1) Not later than December 31, 2002, the Director of the Defense Advanced Research Projects Agency shall submit to the congressional defense committees a report on the proposal of the Director for the administration of the program to award prizes for advanced technology achievements under section 2374a of title 10, United States Code.

(2) The report shall include the following:

(A) A description of the proposed goals of the competition under the program, including the technology areas to be promoted by the competition and the relationship of such area to military missions of the Department of Defense.

(B) The proposed rules of the competition under the program and a description of the proposed management of the competition.

(C) A description of the manner in which funds for cash prizes under the program will be allocated within the accounts of the Agency if a prize is awarded and claimed.

(D) A statement of the reasons why the competition is a preferable means of promoting basic, advanced, and applied research, technology development, or prototype projects than other means of promotion of such activities, including contracts, grants, cooperative agreements, and other transactions.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,180,742,000.

(2) For the Navy, $29,368,961,000.

(3) For the Marine Corps, $3,558,732,000.

(4) For the Air Force, $27,445,764,000.

(5) For Defense-wide activities, $14,492,266,000.

(6) For the Army Reserve, $1,962,610,000.

(7) For the Naval Reserve, $1,233,759,000.

(8) For the Marine Corps Reserve, $190,532,000.

(9) For the Air Force Reserve, $2,165,004,000.

(10) For the Army National Guard, $4,506,267,000.

(11) For the Air National Guard, $4,114,910,000.

(12) For the Defense Inspector General, $155,165,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,614,000.

(14) For Environmental Restoration, Army, $395,900,000.

(15) For Environmental Restoration, Navy, $256,948,000.

(16) For Environmental Restoration, Air Force, $389,773,000.

(17) For Environmental Restoration, Defense-wide, $23,498,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $252,102,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $58,400,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $873,907,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $25,000,000.

(22) For Defense Health Program, $14,202,441,000.

(23) For Cooperative Threat Reduction programs, $416,700,000.

(24) For Overseas Contingency Operations Transfer Fund, $50,000,000.

(25) For Support for International Sporting Competitions, Defense, $19,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to subsection (a) is reduced by—

(1) $159,790,000, which represents savings resulting from reduced travel; and

(2) $615,200,000, which represents savings resulting from foreign currency fluctuations.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $387,156,000.

(2) For the National Defense Sealift Fund, $934,129,000.

(3) For the Defense Commissary Agency Working Capital Fund, $969,200,000.

(4) For the Pentagon Reservation Maintenance Revolving Fund, $328,000,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2003 from the Armed Forces Retirement Home Trust Fund the sum of $69,921,000 for the operation of the Armed Forces Retirement Home, including the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport.

SEC. 304. RANGE ENHANCEMENT INITIATIVE FUND.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 301(a)(5) for operation and maintenance for defense-wide activities, $20,000,000 shall be available for the Range Enhancement Initiative Fund for the purpose specified in subsection (b).

(b) PURPOSE.—Subject to subsection (c), amounts authorized to be appropriated for the Range Enhancement Initiative Fund shall be available to the Secretary of Defense and the Secretaries of the military departments to purchase restrictive easements, including easements that implement agreements entered into under section 2697 of

title 10, United States Code, as added by section 2811 of this Act.

(c) TRANSFER OF AMOUNTS.—(1) Amounts in the Range Enhancement Initiative Fund shall, subject to applicable limitations in appropriations Acts, be made available to the Secretary of a military department under subsection (b) by transfer from the Fund to the applicable operation and maintenance account of the military department, including the operation and maintenance account for the active component, or for a reserve component, of the military department.

(2) Authority to transfer amounts under paragraph (1) is in addition to any other authority to transfer funds under this Act.

SEC. 305. NAVY PILOT HUMAN RESOURCES CALL CENTER, CUTLER, MAINE.

Of the amount authorized to be appropriated by section 301(a)(2) for operation and maintenance for the Navy, $1,500,000 may be available for the Navy Pilot Human Resources Call Center, Cutler, Maine.

SEC. 306. NATIONAL ARMY MUSEUM, FORT BELVOIR, VIRGINIA.

(a) ACTIVATION EFFORTS.—The Secretary of the Army may carry out efforts to facilitate the commencement

of development for the National Army Museum at Fort Belvoir, Virginia.

(b) FUNDING.—(1) The amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army is hereby increased by $100,000.

(2) Of the amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army, as increased by paragraph (1), $100,000 shall be available to carry out the efforts authorized by subsection (a).

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by $100,000.

SEC. 307. DISPOSAL OF OBSOLETE VESSELS OF THE NATIONAL DEFENSE RESERVE FLEET.

Of the amount authorized to be appropriated by section 301(a)(2) for operation and maintenance for the Navy, $20,000,000 may be available, without fiscal year limitation if so provided in appropriations Acts, for expenses related to the disposal of obsolete vessels in the Maritime Administration National Defense Reserve Fleet.

Subtitle B—Environmental Provisions

SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL PURPOSES.

Section 2701(d) of title 10, United States Code, is amended—

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

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) CROSS-FISCAL YEAR AGREEMENTS.—An agreement with an agency under paragraph (1) may be for a period that begins in one fiscal year and ends in another fiscal year if (without regard to any option to extend the period of the agreement) the period of the agreement does not exceed two years.".

SEC. 312. MODIFICATION OF AUTHORITY TO CARRY OUT CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSES.

(a) RESTATEMENT AND MODIFICATION OF AUTHORITY.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2711. Environmental restoration projects for environmental responses

"(a) The Secretary of Defense or the Secretary of a military department may carry out an environmental restoration project if that Secretary determines that the project is necessary to carry out a response under this chapter or CERCLA.

"(b) Any construction, development, conversion, or extension of a structure or installation of equipment that is included in an environmental restoration project may not be considered military construction (as that term is defined in section 2801(a) of this title).

"(c) Funds authorized for deposit in an account established by section 2703(a) of this title shall be the only source of funds to conduct an environmental restoration project under this section.

"(d) In this section, the term 'environmental restoration project' includes construction, development, conversion, or extension of a structure or installation of equipment in direct support of a response.".

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

"2711. Environmental restoration projects for environmental responses.".

(b) REPEAL OF SUPERSEDED PROVISION.—(1) Section 2810 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 169 of that title is amended by striking the item relating to section 2810.

SEC. 313. INCREASED PROCUREMENT OF ENVIRONMENTALLY PREFERABLE PRODUCTS.

(a) PROCUREMENT GOALS.—(1) The Secretary of Defense shall establish goals for the increased procurement by the Department of Defense of procurement items that are environmentally preferable or are made with recovered materials.

(2) The goals established under paragraph (1) shall be consistent with the requirements of section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962).

(3) In establishing goals under paragraph (1), the Secretary shall review the Comprehensive Procurement Guidelines and Guidance on Acquisition of Environmentally Preferable Products and Services developed pursuant to Executive Order 13101 and products identified as environmentally preferable in the Federal Logistics Information System.

(4) In establishing goals under paragraph (1), the Secretary shall establish a procurement goal for each category of procurement items that is environmentally preferable or is made with recovered materials.

(5) The goals established under paragraph (1) shall apply to Department purchases in each category of procurement items designated by the Secretary for purposes of paragraph (4), but shall not apply to—

(A) products or services purchased by Department contractors and subcontractors, even if such products or services are incorporated into procurement items purchased by the Department; or

(B) credit card purchases or other local purchases that are made outside the requisitioning process of the Department.

(b) ASSESSMENT OF TRAINING AND EDUCATION.—The Secretary shall assess the need to establish a program, or enhance existing programs, for training and educating Department of Defense procurement officials and contractors to ensure that they are aware of Department requirements, preferences, and goals for the procurement of items that are environmentally preferable or are made with recovered materials.

(c) TRACKING SYSTEM.—The Secretary shall develop a tracking system to identify the extent to which the Department of Defense is procuring items that are environmentally preferable or are made with recovered materials. The tracking system shall separately track procurement of

each category of procurement items for which a goal has been established under subsection (a)(4).

(d) INITIAL REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report that sets forth—

(1) the initial goals the Secretary plans to establish under subsection (a); and

(2) the findings of the Secretary as a result of the assessment under subsection (b), together with any recommendations of the Secretary as a result of the assessment.

(e) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) establish an initial set of goals in accordance subsection (a);

(2) begin the implementation of any recommendations of the Secretary under subsection (d)(2) as a result of the assessment under subsection (b); and

(3) implement the tracking system required by subsection (c).

(f) ANNUAL REPORT.—Not later than March 1 of each year from 2004 through 2007, the Secretary shall submit

to Congress a report on the progress made in the implementation of this section. Each report shall—

(1) identify each category of procurement items for which a goal has been established under subsection (a) as of the end of such year; and

(2) provide information from the tracking system required by subsection (b) that indicates the extent to which the Department has met the goal for the category of procurement items as of the end of such year.

(g) DEFINITIONS.—In this section:

(1) ENVIRONMENTALLY PREFERABLE.—The term "environmentally preferable", in the case of a procurement item, means that the item has a lesser or reduced effect on human health and the environment when compared with competing procurement items that serve the same purpose. The comparison may be based upon consideration of raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the procurement item, or other appropriate matters.

(2) PROCUREMENT ITEM.—The term "procurement item" has the meaning given that term in section 1004(16) of the Solid Waste Disposal Act (40 U.S.C. 6903(16)).

(3) RECOVERED MATERIALS.—The term "recovered materials" means waste materials and by-products that have been recovered or diverted from solid waste, but does not include materials and by-products generated from, and commonly used within, an original manufacturing process.

SEC. 314. CLEANUP OF UNEXPLODED ORDNANCE ON KAHO'OLAWE ISLAND, HAWAII.

(a) LEVEL OF CLEANUP REQUIRED.—The Secretary of the Navy shall continue activities for the clearance and removal of unexploded ordnance on the Island of Kaho'olawe, Hawaii, and related remediation activities, until the later of the following dates:

(1) The date on which the Kaho'olawe Island access control period expires.

(2) The date on which the Secretary achieves each of the following objectives:

(A) The inspection and assessment of all of Kaho'olawe Island in accordance with current procedures.

(B) The clearance of 75 percent of Kaho'olawe Island to the degree specified in the Tier One standards in the memorandum of understanding.

(C) The clearance of 25 percent of Kaho'olawe Island to the degree specified in the Tier Two standards in the memorandum of understanding.

(b) DEFINITIONS.—In this section:

(1) The term "Kaho'olawe Island access control period" means the period for which the Secretary of the Navy is authorized to retain the control of access to the Island of Kaho'olawe, Hawaii, under title X of the Department of Defense Appropriations Act, 1994 (Public Law 103–139; 107 Stat. 1480).

(2) The term "memorandum of understanding" means the Memorandum of Understanding Between the United States Department of the Navy and the State of Hawaii Concerning the Island of Kaho'olawe, Hawaii.

Subtitle C—Defense Dependents' Education

SEC. 331. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2003.—Of the amount authorized to be appropriated pursuant to section 301(a)(5) for

operation and maintenance for Defense-wide activities, $30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2003, the Secretary of Defense shall notify each local educational agency that is eligible for assistance or a payment under subsection (a) for fiscal year 2003 of—

(1) that agency's eligibility for the assistance or payment; and

(2) the amount of the assistance or payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

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

(2) The term "local educational agency" has the meaning given that term in section 8013(9) of the El-

ementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 332. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated pursuant to section 301(a)(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77; 20 U.S.C. 7703a).

SEC. 333. OPTIONS FOR FUNDING DEPENDENT SUMMER SCHOOL PROGRAMS.

Section 1402(d)(2) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(d)(2)) is amended to read as follows:

"(2) The Secretary shall provide any summer school program under this subsection on the same financial basis as programs offered during the regular school year, except that the Secretary may charge reasonable fees for all or portions of such summer school programs to the extent that the Secretary determines appropriate.".

SEC. 334. COMPTROLLER GENERAL STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) ADDITIONAL CONSIDERATION FOR STUDY.—Subsection (b) of section 354 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1064) is amended by inserting after paragraph (2) the following new paragraph:

"(3) Whether the process for setting teacher compensation is efficient and cost effective.".

(b) EXTENSION OF TIME FOR REPORTING.—Subsection (c) of such section is amended by striking "May 1, 2002" and inserting "December 12, 2002".

Subtitle D—Other Matters

SEC. 341. USE OF HUMANITARIAN AND CIVIC ASSISTANCE FUNDS FOR RESERVE COMPONENT MEMBERS OF SPECIAL OPERATIONS COMMAND ENGAGED IN ACTIVITIES RELATING TO CLEARANCE OF LANDMINES.

Section 401(c) of title 10, United States Code, is amended by adding at the end the following new paragraph (5):

"(5) Up to 10 percent of the amount available for a fiscal year for activities described in subsection (e)(5) may be expended for the pay and allowances of reserve compo-

nent members of the Special Operations Command performing duty in connection with training and activities related to the clearing of landmines for humanitarian purposes.".

SEC. 342. CALCULATION OF FIVE-YEAR PERIOD OF LIMITATION FOR NAVY-MARINE CORPS INTRANET CONTRACT.

(a) COMMENCEMENT OF PERIOD.—The five-year period of limitation that is applicable to the multiyear Navy-Marine Corps Intranet contract under section 2306c of title 10, United States Code, shall be deemed to have begun on the date on which the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Chief Information Officer of the Department of Defense approved the ordering of additional workstations under such contract in accordance with subsection (c) of section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as added by section 362(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1065).

(b) DEFINITION.—In this section, the term "Navy-Marine Corps Intranet contract" has the meaning given such term in section 814(i)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as amend-

ed by section 362(c) of Public Law 107–107 (115 Stat. 1067)).

SEC. 343. REIMBURSEMENT FOR RESERVE COMPONENT INTELLIGENCE SUPPORT.

(a) SOURCE OF FUNDS.—Chapter 1003 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 10115. Reimbursement for reserve component intelligence support

"(a) AUTHORITY.—Funds appropriated or otherwise made available to a military department, Defense Agency, or combatant command for operation and maintenance shall be available for the pay, allowances, and other costs that would be charged to appropriations for a reserve component for the performance of duties by members of that reserve component in providing intelligence or counterintelligence support to—

"(1) such military department, Defense Agency, or combatant command; or

"(2) a joint intelligence activity, including any such activity for which funds are authorized to be appropriated within the National Foreign Intelligence Program, the Joint Military Intelligence Program, or the Tactical Intelligence and Related Activities aggregate (or any successor to such program or aggregate).

"(b) CONSTRUCTION OF PROVISION.—Nothing in this section shall be construed to authorize deviation from established reserve component personnel or training procedures.".

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

"10115. Reimbursement for reserve component intelligence support.".

SEC. 344. REBATE AGREEMENTS UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

(a) APPLICABILITY TO NAVY EXCHANGE MARKETS.—Paragraph (1)(A) of section 1060a(e) of title 10, United States Code, is amended by inserting "or Navy Exchange Markets" after "commissary stores".

(b) INCREASED MAXIMUM PERIOD OF AGREEMENT.—Paragraph (3) of such section 1060a(e) is amended by striking "subsection may not exceed one year" in the first sentence and inserting "subsection, including any period of extension of the contract by modification of the contract, exercise of an option, or other cause, may not exceed three years".

SEC. 345. LOGISTICS SUPPORT AND SERVICES FOR WEAPON SYSTEMS CONTRACTORS.

(a) AUTHORITY.—The Secretary of Defense may make available, in accordance with this section and the regulations prescribed under subsection (e), logistics support and

logistics services to a contractor in support of the performance by the contractor of a contract for the construction, modification, or maintenance of a weapon system that is entered into by an official of the Department of Defense.

(b) SUPPORT CONTRACTS.—Any logistics support and logistics services that is to be provided under this section to a contractor in support of the performance of a contract shall be provided under a separate contract that is entered into by the Director of the Defense Logistics Agency with that contractor.

(c) SCOPE OF SUPPORT AND SERVICES.—The logistics support and logistics services that may be provided under this section in support of the performance of a contract described in subsection (a) are the distribution, disposal, and cataloging of materiel and repair parts necessary for the performance of that contract.

(d) LIMITATIONS.—(1) The number of contracts described in subsection (a) for which the Secretary makes logistics support and logistics services available under the authority of this section may not exceed five contracts. The total amount of the estimated costs of all such contracts for which logistics support and logistics services are made available under this section may not exceed $100,000,000.

(2) No contract entered into by the Director of the Defense Logistics Agency under subsection (b) may be for a

period in excess of five years, including periods for which the contract is extended under options to extend the contract.

(e) REGULATIONS.—Before exercising the authority under this section, the Secretary of Defense shall prescribe in regulations such requirements, conditions, and restrictions as the Secretary determines appropriate to ensure that logistics support and logistics services are provided under this section only when it is in the best interests of the United States to do so. The regulations shall include, at a minimum, the following:

(1) A requirement for the authority under this section to be used only for providing logistics support and logistics services in support of the performance of a contract that is entered into using competitive procedures (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)).

(2) A requirement for the solicitation of offers for a contract described in subsection (a), for which logistics support and logistics services are to be made available under this section, to include—

(A) a statement that the logistics support and logistics services are to be made available under the authority of this section to any contractor awarded the contract, but only on a basis

that does not require acceptance of the support and services; and

(B) a description of the range of the logistics support and logistics services that are to be made available to the contractor.

(3) A requirement for the rates charged a contractor for logistics support and logistics services provided to a contractor under this section to reflect the full cost to the United States of the resources used in providing the support and services, including the costs of resources used, but not paid for, by the Department of Defense.

(4) A requirement to credit to the General Fund of the Treasury amounts received by the Department of Defense from a contractor for the cost of logistics support and logistics services provided to the contractor by the Department of Defense under this section but not paid for out of funds available to the Department of Defense.

(5) With respect to a contract described in subsection (a) that is being performed for a department or agency outside the Department of Defense, a prohibition, in accordance with applicable contracting procedures, on the imposition of any charge on that department or agency for any effort of Department of

Defense personnel or the contractor to correct deficiencies in the performance of such contract.

(6) A prohibition on the imposition of any charge on a contractor for any effort of the contractor to correct a deficiency in the performance of logistics support and logistics services provided to the contractor under this section.

(f) RELATIONSHIP TO TREATY OBLIGATIONS.—The Secretary shall ensure that the exercise of authority under this section does not conflict with any obligation of the United States under any treaty or other international agreement.

(g) TERMINATION OF AUTHORITY.—(1) The authority provided in this section shall expire on September 30, 2007, subject to paragraph (2).

(2) The expiration of the authority under this section does not terminate—

(A) any contract that was entered into by the Director of the Defense Logistics Agency under subsection (b) before the expiration of the authority or any obligation to provide logistics support and logistics services under that contract; or

(B) any authority—

(i) to enter into a contract described in subsection (a) for which a solicitation of offers was

issued in accordance with the regulations prescribed pursuant to subsection (e)(2) before the date of the expiration of the authority; or

(ii) to provide logistics support and logistics services to the contractor with respect to that contract in accordance with this section.

SEC. 346. CONTINUATION OF ARSENAL SUPPORT PROGRAM INITIATIVE.

(a) EXTENSION THROUGH FISCAL YEAR 2004.—Subsection (a) of section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–65) is amended by striking "and 2002" and inserting "through 2004".

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking "2002" and inserting "2004"; and

(2) in paragraph (2), by striking the first sentence and inserting the following new sentence: "Not later than July 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report on the results of the demonstration program since its implementation, including the Secretary's views regarding the benefits of the program for Army

manufacturing arsenals and the Department of the Army and the success of the program in achieving the purposes specified in subsection (b).".

SEC. 347. TWO-YEAR EXTENSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking "December 31, 2002" in the second sentence and inserting "December 31, 2004".

SEC. 348. INSTALLATION AND CONNECTION POLICY AND PROCEDURES REGARDING DEFENSE SWITCH NETWORK.

(a) ESTABLISHMENT OF POLICY AND PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall establish clear and uniform policy and procedures, applicable to the military departments and Defense Agencies, regarding the installation and connection of telecom switches to the Defense Switch Network.

(b) ELEMENTS OF POLICY AND PROCEDURES.—The policy and procedures shall address at a minimum the following:

(1) Clear interoperability and compatibility requirements for procuring, certifying, installing, and connecting telecom switches to the Defense Switch Network.

(2) Current, complete, and enforceable testing, validation, and certification procedures needed to ensure the interoperability and compatibility requirements are satisfied.

(c) EXCEPTIONS.—(1) The Secretary of Defense may specify certain circumstances in which—

(A) the requirements for testing, validation, and certification of telecom switches may be waived; or

(B) interim authority for the installation and connection of telecom switches to the Defense Switch Network may be granted.

(2) Only the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, after consultation with the Chairman of the Joint Chiefs of Staff, may approve a waiver or grant of interim authority under paragraph (1).

(d) INVENTORY OF DEFENSE SWITCH NETWORK.—The Secretary of Defense shall prepare and maintain an inventory of all telecom switches that, as of the date on which the Secretary issues the policy and procedures—

(1) are installed or connected to the Defense Switch Network; but

(2) have not been tested, validated, and certified by the Defense Information Systems Agency (Joint Interoperability Test Center).

(e) INTEROPERABILITY RISKS.—(1) The Secretary of Defense shall, on an ongoing basis—

(A) identify and assess the interoperability risks that are associated with the installation or connection of uncertified switches to the Defense Switch Network and the maintenance of such switches on the Defense Switch Network; and

(B) develop and implement a plan to eliminate or mitigate such risks as identified.

(2) The Secretary shall initiate action under paragraph (1) upon completing the initial inventory of telecom switches required by subsection (d).

(f) TELECOM SWITCH DEFINED.—In this section, the term "telecom switch" means hardware or software designed to send and receive voice, data, or video signals across a network that provides customer voice, data, or video equipment access to the Defense Switch Network or public switched telecommunications networks.

SEC. 349. ENGINEERING STUDY AND ENVIRONMENTAL ANALYSIS OF ROAD MODIFICATIONS IN VICINITY OF FORT BELVOIR, VIRGINIA.

(a) STUDY AND ANALYSIS.—(1) The Secretary of the Army shall conduct a preliminary engineering study and environmental analysis to evaluate the feasibility of establishing a connector road between Richmond Highway (United States Route 1) and Telegraph Road in order to provide an alternative to Beulah Road (State Route 613) and Woodlawn Road (State Route 618) at Fort Belvoir, Virginia, which were closed as a force protection measure.

(2) It is the sense of Congress that the study and analysis should consider as one alternative the extension of Old Mill Road between Richmond Highway and Telegraph Road.

(b) CONSULTATION.—The study required by subsection (a) shall be conducted in consultation with the Department of Transportation of the Commonwealth of Virginia and Fairfax County, Virginia.

(c) REPORT.—The Secretary shall submit to Congress a summary report on the study and analysis required by subsection (a). The summary report shall be submitted together with the budget justification materials in support of the budget of the President for fiscal year 2006 that is submitted to Congress under section 1105(a) of title 31, United States Code.

(d) FUNDING.—Of the amount authorized to be appropriated by section 301(a)(1) for the Army for operation and maintenance, $5,000,000 may be available for the study and analysis required by subsection (a).

SEC. 350. EXTENSION OF WORK SAFETY DEMONSTRATION PROGRAM.

Section 1112 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–313) is amended—

(1) in subsection (d), by striking "September 30, 2002" and inserting "September 30, 2003"; and

(2) in subsection (e)(2), by striking "December 1, 2002" and inserting "December 1, 2003".

SEC. 351. LIFT SUPPORT FOR MINE WARFARE SHIPS AND OTHER VESSELS.

(a) AMOUNT.—Of the amount authorized to be appropriated by section 302(2), $10,000,000 shall be available for implementing the recommendations resulting from the Navy's Non-Self Deployable Watercraft (NDSW) Study and the Joint Chiefs of Staff Focused Logistics Study, which are to determine the requirements of the Navy for providing lift support for mine warfare ships and other vessels.

(b) OFFSETTING REDUCTION.—Of the amount authorized to be appropriated by section 302(2), the amount pro-

vided for the procurement of mine countermeasures ships cradles is hereby reduced by $10,000,000.

SEC. 352. NAVY DATA CONVERSION ACTIVITIES.

(a) AMOUNT FOR ACTIVITIES.—The amount authorized to be appropriated by section 301(a)(2) is hereby increased by $1,500,000. The total amount of such increase may be available for the Navy Data Conversion and Management Laboratory to support data conversion activities for the Navy.

(b) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) is hereby reduced by $1,500,000 to reflect a reduction in the utilities privatization efforts previously planned by the Army.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2003, as follows:

(1) The Army, 485,000.

(2) The Navy, 379,200.

(3) The Marine Corps, 175,000.

(4) The Air Force, 362,500.

SEC. 402. AUTHORITY TO INCREASE STRENGTH AND GRADE LIMITATIONS TO ACCOUNT FOR RESERVE COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) ACTIVE DUTY STRENGTH.—Section 115(c)(1) of title 10, United States Code, is amended to read as follows:

"(1) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by—

"(A) a number equal to not more than 2 percent of that end strength;

"(B) a number equal to the number of members of the reserve components of that armed force on active duty under section 12301(d) of this title in support of a contingency operation in that fiscal year; or

"(C) a number not greater than the sum of the numbers authorized by subparagraphs (A) and (B).".

(b) AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.—Section 517 of such title is amended by adding at the end the following new paragraph:

"(d) The Secretary of Defense may increase the authorized daily average number of enlisted members on active duty in an armed force in pay grades E–8 and E–9 in

a fiscal year under subsection (a) by the number of enlisted members of reserve components of that armed force in pay grades E–8 and E–9, respectively, that are on active duty in that fiscal year under section 12301(d) of this title in support of a contingency operation.".

(c) AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON ACTIVE DUTY.—Section 523 of such title is amended—

(1) in subsection (a), by striking "subsection (c)" in paragraphs (1) and (2) and inserting "subsections (c) and (e)"; and

(2) by adding at the end the following new subsection:

"(e) The Secretary of Defense may increase the authorized total number of commissioned officers serving on active duty in the Army, Navy, Air Force, or Marine Corps in a grade referred to in subsection (c) at the end of any fiscal year under that subsection by the number of commissioned officers of reserve components of the Army, Navy, Air Force, or Marine Corps, respectively, that are then serving on active duty in that grade under section 12301(d) of this title in support of a contingency operation.".

(d) AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of such title is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(2) by striking "LIMITATIONS.—The" and inserting "LIMITATIONS.—(1) Except as provided in paragraph (2), the"; and

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

"(2) The Secretary of Defense may increase the number of general and flag officers authorized to be on active duty in the Army, Navy, Air Force, or Marine Corps under paragraph (1) by the number of reserve general or flag officers of reserve components of the Army, Navy, Air Force, or Marine Corps, respectively, that are on active duty under section 12301(d) of this title in support of a contingency operation.".

SEC. 403. INCREASED ALLOWANCE FOR NUMBER OF MARINE CORPS GENERAL OFFICERS ON ACTIVE DUTY IN GRADES ABOVE MAJOR GENERAL.

Section 525(b)(2)(B) of title 10, United States Code, is amended by striking "16.2 percent" and inserting "17.5 percent".

SEC. 404. INCREASE IN AUTHORIZED STRENGTHS FOR MARINE CORPS OFFICERS ON ACTIVE DUTY IN THE GRADE OF COLONEL.

The table in section 523(a)(1) of title 10, United States Code, is amended by striking the figures under the heading "Colonel" in the portion of the table relating to the Marine Corps and inserting the following:

"571
632
653
673
694
715
735".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2003, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,800.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 106,600.

(6) The Air Force Reserve, 75,600.

(7) The Coast Guard Reserve, 9,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2003, the following number of Reserves to be serving on full-time active duty or full-time duty, in

the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 24,492.

(2) The Army Reserve, 13,888.

(3) The Naval Reserve, 14,572.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,727.

(6) The Air Force Reserve, 1,498.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2003 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,599.

(2) For the Army National Guard of the United States, 24,102.

(3) For the Air Force Reserve, 9,911.

(4) For the Air National Guard of the United States, 22,495.

SEC. 414. FISCAL YEAR 2003 LIMITATIONS ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2003, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.

(B) For the Air National Guard of the United States, 350.

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2003, may not exceed 995.

(3) The Air Force Reserve may not employ any person as a non-dual status technician during fiscal year 2003.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term "non-dual status technician" has the meaning given the term in section 10217(a) of title 10, United States Code.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year

2003 a total of $94,352,208,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2003.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF CERTAIN REQUIREMENTS AND EXCLUSIONS APPLICABLE TO SERVICE OF GENERAL AND FLAG OFFICERS ON ACTIVE DUTY IN CERTAIN JOINT DUTY ASSIGNMENTS.

(a) RECOMMENDATIONS FOR ASSIGNMENT TO SENIOR JOINT OFFICER POSITIONS.—Section 604(c) of title 10, United States Code, is amended by striking "September 30, 2003" and inserting "December 31, 2003".

(b) INAPPLICABILITY OF GRADE DISTRIBUTION REQUIREMENTS.—Section 525(b)(5)(C) of such title is amended by striking "September 30, 2003" and inserting "December 31, 2003".

(c) EXCLUSION FROM STRENGTH LIMITATION.—Section 526(b)(3) of such title is amended by striking "October 1, 2002" and inserting "December 31, 2003".

SEC. 502. EXTENSION OF AUTHORITY TO WAIVE REQUIREMENT FOR SIGNIFICANT JOINT DUTY EXPERIENCE FOR APPOINTMENT AS A CHIEF OF A RESERVE COMPONENT OR A NATIONAL GUARD DIRECTOR.

(a) CHIEF OF ARMY RESERVE.—Section 3038(b)(4) of title 10, United States Code, is amended by striking "October 1, 2003" and inserting "December 31, 2003".

(b) CHIEF OF NAVAL RESERVE.—Section 5143(b)(4) of such title is amended by striking "October 1, 2003" and inserting "December 31, 2003".

(c) COMMANDER, MARINE FORCES RESERVE.—Section 5144(b)(4) of such title is amended by striking "October 1, 2003" and inserting "December 31, 2003".

(d) CHIEF OF AIR FORCE RESERVE.—Section 8038(b)(4) of such title 10, United States Code, is amended by striking "October 1, 2003" and inserting "December 31, 2003".

(e) DIRECTORS OF THE NATIONAL GUARD.—Section 10506(a)(3)(D) of such title is amended by striking "October 1, 2003" and inserting "December 31, 2003".

SEC. 503. REPEAL OF LIMITATION ON AUTHORITY TO GRANT CERTAIN OFFICERS A WAIVER OF REQUIRED SEQUENCE FOR JOINT PROFESSIONAL MILITARY EDUCATION AND JOINT DUTY ASSIGNMENT.

Section 661(c)(3)(D) of title 10, United States Code, is amended by striking "In the case of officers in grades below brigadier general" and all that follows through "selected for the joint specialty during that fiscal year.".

SEC. 504. EXTENSION OF TEMPORARY AUTHORITY FOR RECALL OF RETIRED AVIATORS.

Section 501(e) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 589) is amended by striking "September 30, 2002" and inserting "September 30, 2008".

SEC. 505. INCREASED GRADE FOR HEADS OF NURSE CORPS.

(a) ARMY.—Section 3069(b) of title 10, United States Code, is amended by striking "brigadier general" in the second sentence and inserting "major general".

(b) NAVY.—The first sentence of section 5150(c) of such title is amended—

(1) by inserting "rear admiral (upper half) in the case of an officer in the Nurse Corps or" after "for promotion to the grade of"; and

(2) by inserting "in the case of an officer in the Medical Service Corps" after "rear admiral (lower half)".

(c) AIR FORCE.—Section 8069(b) of such title is amended by striking "brigadier general" in the second sentence and inserting "major general".

SEC. 506. REINSTATEMENT OF AUTHORITY TO REDUCE SERVICE REQUIREMENT FOR RETIREMENT IN GRADES ABOVE O–4.

(a) OFFICERS ON ACTIVE DUTY.—Subsection (a)(2)(A) of section 1370 of title 10, United States Code, is amended—

(1) by striking "may authorize" and all that follows and inserting "may, in the case of retirements effective during the period beginning on September 1, 2002, and ending on December 31, 2004, authorize—"; and

(2) by adding at the end the following:

"(1) the Deputy Under Secretary of Defense for Personnel and Readiness to reduce such 3-year period of required service to a period not less than two years for retirements in grades above colonel or, in the case of the Navy, captain; and

"(2) the Secretary of a military department or the Assistant Secretary of a military department hav-

ing responsibility for manpower and reserve affairs to reduce such 3-year period to a period of required service not less than two years for retirements in grades of lieutenant colonel and colonel or, in the case of the Navy, commander and captain.".

(b) RESERVE OFFICERS.—Subsection (d)(5) of such section is amended—

(1) in the first sentence—

(A) by striking "may authorize" and all that follows and inserting "may, in the case of retirements effective during the period beginning on September 1, 2002, and ending on December 31, 2004, authorize—"; and

(B) by adding at the end the following:

"(A) the Deputy Under Secretary of Defense for Personnel and Readiness to reduce such 3-year period of required service to a period not less than two years for retirements in grades above colonel or, in the case of the Navy, captain; and

"(B) the Secretary of a military department or the Assistant Secretary of a military department having responsibility for manpower and reserve affairs to reduce such 3-year period of required service to a period not less than two years for retirements in grades

of lieutenant colonel and colonel or, in the case of the Navy, commander and captain.";

(2) by designating the second sentence as paragraph (6) and realigning such paragraph, as so redesignated 2 ems from the left margin; and

(3) in paragraph (6), as so redesignated, by striking "this paragraph" and inserting "paragraph (5)".

(c) ADVANCE NOTICE TO THE PRESIDENT AND CONGRESS.—Such section is further amended by adding at the end the following new subsection:

"(e) ADVANCE NOTICE TO CONGRESS.—(1) The Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives of—

"(A) an exercise of authority under paragraph (2)(A) of subsection (a) to reduce the 3-year minimum period of required service on active duty in a grade in the case of an officer to whom such paragraph applies before the officer is retired in such grade under such subsection without having satisfied that 3-year service requirement; and

"(B) an exercise of authority under paragraph (5) of subsection (d) to reduce the 3-year minimum period of service in grade required under paragraph (3)(A) of such subsection in the case of an officer to

whom such paragraph applies before the officer is credited with satisfactory service in such grade under subsection (d) without having satisfied that 3-year service requirement.

"(2) The requirement for a notification under paragraph (1) is satisfied in the case of an officer to whom subsection (c) applies if the notification is included in the certification submitted with respect to such officer under paragraph (1) of such subsection.

"(3) The notification requirement under paragraph (1) does not apply to an officer being retired in the grade of lieutenant colonel or colonel or, in the case of the Navy, commander or captain.".

Subtitle B—Reserve Component Personnel Policy

SEC. 511. TIME FOR COMMENCEMENT OF INITIAL PERIOD OF ACTIVE DUTY FOR TRAINING UPON ENLISTMENT IN RESERVE COMPONENT.

Section 12103(d) of title 10, United States Code, is amended by striking "270 days" in the second sentence and inserting "one year".

SEC. 512. AUTHORITY FOR LIMITED EXTENSION OF MEDICAL DEFERMENT OF MANDATORY RETIREMENT OR SEPARATION OF RESERVE COMPONENT OFFICER.

(a) AUTHORITY.—Chapter 1407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 14519. Deferment of retirement or separation for medical reasons

"(a) AUTHORITY.—If, in the case of an officer required to be retired or separated under this chapter or chapter 1409 of this title, the Secretary concerned determines that the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization or medical observation and that such hospitalization or medical observation cannot be completed with confidence in a manner consistent with the officer's well being before the date on which the officer would otherwise be required to retire or be separated, the Secretary may defer the retirement or separation of the officer.

"(b) PERIOD OF DEFERMENT.—A deferral of retirement or separation under subsection (a) may not extend for more than 30 days after the completion of the evaluation requiring hospitalization or medical observation.".

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

"14519. Deferment of retirement or separation for medical reasons.".

SEC. 513. REPEAL OF PROHIBITION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) REPEAL.—Section 12551 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1215 of such title is amended by striking the item relating to section 12551.

Subtitle C—Education and Training

SEC. 521. INCREASE IN AUTHORIZED STRENGTHS FOR THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4342 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "4,000" in the first sentence and inserting "4,400"; and

(2) in subsection (i), by striking "variance in that limitation" and inserting "variance above that limitation".

(b) UNITED STATES NAVAL ACADEMY.—Section 6954 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "4,000" in the first sentence and inserting "4,400'; and

(2) in subsection (g), by striking "variance in that limitation" and inserting "variance above that limitation".

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9342 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "4,000" in the first sentence and inserting "4,400"; and

(2) in subsection (i), by striking "variance in that limitation" and inserting "variance above that limitation".

Subtitle D—Decorations, Awards, and Commendations

SEC. 531. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED-SERVICE CROSS OF THE ARMY.—Subsection (a) applies to the award of the Distinguished-Service Cross of the Army as follows:

(1) To Henry Johnson of Albany, New York, for extraordinary heroism in France during the period of May 13 to 15, 1918, while serving as a member of the Army.

(2) To Hilliard Carter of Jackson, Mississippi, for extraordinary heroism in actions near Troung Loung, Republic of Vietnam, on September 28, 1966, while serving as a member of the Army.

(3) To Albert C. Welch of Highland Ranch, Colorado, for extraordinary heroism in actions in Ong Thanh, Binh Long Province, Republic of Vietnam, on October 17, 1967, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS OF THE NAVY.—Subsection (a) applies to the award of the Distinguished Flying Cross of the Navy as follows:

(1) To Eduguardo Coppola of Falls Church, Virginia, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

(2) To James Hoisington, Jr., of Stillman Valley, Illinois, for extraordinary achievement while par-

ticipating in aerial flight during World War II, while serving as a member of the Navy.

(3) To William M. Melvin of Lawrenceburg, Tennessee, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

(4) To Vincent Urbank of Tom River, New Jersey, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

SEC. 532. KOREA DEFENSE SERVICE MEDAL.

(a) FINDINGS.—Congress makes the following findings:

(1) More than 40,000 members of the United States Armed Forces have served on the Korean Peninsula each year since the signing of the cease-fire agreement in July 1953 ending the Korean War.

(2) An estimated 1,200 members of the United States Armed Forces died as a direct result of their service in Korea since the cease-fire agreement in July 1953.

(b) ARMY.—(1) Chapter 357 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3755. Korea Defense Service Medal

"(a) The Secretary of the Army shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Army served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Army shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"3755. Korea Defense Service Medal.".

(c) NAVY AND MARINE CORPS.—(1) Chapter 567 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6257. Korea Defense Service Medal

"(a) The Secretary of the Navy shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Navy or Marine Corps served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Navy shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"6257. Korea Defense Service Medal.".

(d) AIR FORCE.—(1) Chapter 857 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8755. Korea Defense Service Medal

"(a) The Secretary of the Air Force shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Air Force served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

"(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

"(c) The Secretary of the Air Force shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.".

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

"8755. Korea Defense Service Medal.".

(e) AWARD FOR SERVICE BEFORE DATE OF ENACTMENT.—The Secretary of the military department concerned shall take appropriate steps to provide in a timely

manner for the issuance of the Korea Defense Service Medal, upon application therefor, to persons whose eligibility for that medal is by reason of service in the Republic of Korea or the waters adjacent thereto before the date of the enactment of this Act.

Subtitle E—National Call to Service

SEC. 541. ENLISTMENT INCENTIVES FOR PURSUIT OF SKILLS TO FACILITATE NATIONAL SERVICE.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 326. Enlistment incentives for pursuit of skills to facilitate national service

"(a) INCENTIVES AUTHORIZED.—The Secretary of Defense may carry out a program in accordance with the provisions of this section under which program a National Call to Service participant described in subsection (b) shall be entitled to an incentive specified in subsection (d).

"(b) NATIONAL CALL TO SERVICE PARTICIPANT.—In this section, the term 'National Call to Service participant' means a person who first enlists in the armed forces pursuant to a written agreement (prescribed by the Secretary of the military department concerned) under which agreement the person shall—

"(1) upon completion of initial entry training (as prescribed by the Secretary of Defense), serve on active duty in the armed forces in a military occupational specialty designated by the Secretary of Defense under subsection (c) for a period of 15 months; and

"(2) upon completion of such service on active duty, and without a break in service, serve the minimum period of obligated service specified in the agreement under this section—

"(A) on active duty in the armed forces;

"(B) in the Selected Reserve;

"(C) in the Individual Ready Reserve;

"(D) in the Peace Corps, Americorps, or another national service program jointly designated by the Secretary of Defense and the head of such program for purposes of this section; or

"(E) in any combination of service referred to in subparagraphs (A) through (D) that is approved by the Secretary of the military department concerned pursuant to regulations prescribed by the Secretary of Defense.

"(c) DESIGNATED MILITARY OCCUPATIONAL SPECIALTIES.—The Secretary of Defense shall designate military occupational specialties for purposes of subsection (b)(1). Such military occupational specialties shall be military oc-

cupational specialties that will facilitate, as determined by the Secretary, pursuit of national service by National Call to Service participants during and after their completion of duty or service under an agreement under subsection (b).

"(d) INCENTIVES.—The incentives specified in this subsection are as follows:

"(1) Payment of a bonus in the amount of $5,000.

"(2) Payment of outstanding principal and interest on qualifying student loans of the National Call to Service participant in an amount not to exceed $18,000.

"(3) Entitlement to an allowance for educational assistance at the monthly rate equal to the monthly rate payable for basic educational assistance allowances under section 3015(a)(1) of title 38 for a total of 12 months.

"(4) Entitlement to an allowance for educational assistance at the monthly rate equal to ⅔ of the monthly rate payable for basic educational assistance allowances under section 3015(b)(1) of title 38 for a total of 36 months.

"(e) ELECTION OF INCENTIVES.—A National Call to Service participant shall elect in the agreement under sub-

section (b) which incentive under subsection (d) to receive. An election under this subsection is irrevocable.

"(f) PAYMENT OF BONUS AMOUNTS.—(1) Payment to a National Call to Service participant of the bonus elected by the National Call to Service participant under subsection (d)(1) shall be made in such time and manner as the Secretary of Defense shall prescribe.

"(2)(A) Payment of outstanding principal and interest on the qualifying student loans of a National Call to Service participant, as elected under subsection (d)(2), shall be made in such time and manner as the Secretary of Defense shall prescribe.

"(B) Payment under this paragraph of the outstanding principal and interest on the qualifying student loans of a National Call to Service participant shall be made to the holder of such student loans, as identified by the National Call to Service participant to the Secretary of the military department concerned for purposes of such payment.

"(3) Payment of a bonus or incentive in accordance with this subsection shall be made by the Secretary of the military department concerned.

"(g) COORDINATION WITH MONTGOMERY GI BILL BENEFITS.—(1) A National Call to Service participant who elects an incentive under paragraph (3) or (4) of sub-

section (d) is not entitled to educational assistance under chapter 1606 of title 10 or basic educational assistance under subchapter II of chapter 30 of title 38.

"(2)(A) The Secretary of Defense shall, to the maximum extent practicable, administer the receipt by National Call to Service participants of incentives under paragraph (3) or (4) of subsection (d) as if such National Call to Service participants were, in receiving such incentives, receiving educational assistance for members of the Selected Reserve under chapter 1606 of title 10.

"(B) The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, prescribe regulations for purposes of subparagraph (A). Such regulations shall, to the maximum extent practicable, take into account the administrative provisions of chapters 30 and 36 of title 38 that are specified in section 16136 of title 10.

"(3) Except as provided in paragraph (1), nothing in this section shall prohibit a National Call to Service participant who satisfies through service under subsection (b) the eligibility requirements for educational assistance under chapter 1606 of title 10 or basic educational assistance under chapter 30 of title 38 from an entitlement to such educational assistance under chapter 1606 of title 10 or basic educational assistance under chapter 30 of title 38, as the case may be.

"(h) REPAYMENT.—(1) If a National Call to Service participant who has entered into an agreement under subsection (b) and received or benefited from an incentive under subsection (d)(1) or (d)(2) fails to complete the total period of service specified in such agreement, the National Call to Service participant shall refund to the United States the amount that bears the same ratio to the amount of the incentive as the uncompleted part of such service bears to the total period of such service.

"(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

"(3) The Secretary concerned may waive, in whole or in part, a reimbursement required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered into less than 5 years after the termination of an agreement entered into under subsection (b) does not discharge the person signing the agreement from a debt arising under the agreement or under paragraph (1).

"(i) FUNDING.—Amounts for payment of incentives under subsection (d), including payment of allowances for educational assistance under that subsection, shall be de-

rived from amounts available to the Secretary of the military department concerned for payment of pay, allowances, and other expenses of the members of the armed force concerned.

"(j) REGULATIONS.—The Secretary of Defense and the Secretaries of the military departments shall prescribe regulations for purposes of the program under this section.

"(k) DEFINITIONS.—In this section:

"(1) The term 'Americorps' means the Americorps program carried out under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

"(2) The term 'qualifying student loan' means a loan, the proceeds of which were used to pay the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll) at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

"(3) The term 'Secretary of a military department' includes the Secretary of Transportation, with respect to matters concerning the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 325 the following new item:

"326. Enlistment incentives for pursuit of skills to facilitate national service.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002. No individual entering into an enlistment before that date may participate in the program under section 326 of title 37, United States Code, as added by that subsection.

SEC. 542. MILITARY RECRUITER ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.

(a) ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.—Section 503 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.—(1) Each institution of higher education receiving assistance under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.)—

"(A) shall provide to military recruiters the same access to students at the institution as is provided generally to prospective employers of those students; and

"(B) shall, upon a request made by military recruiters for military recruiting purposes, provide access to the names, addresses, and telephone listings of students at the institution, notwithstanding section 444(a)(5)(B) of the General Education Provisions Act (20 U.S.C. 1232g(a)(5)(B)).

"(2) An institution of higher education may not release a student's name, address, and telephone listing under paragraph (1)(B) without the prior written consent of the student or the parent of the student (in the case of a student under the age of 18) if the student, or a parent of the student, as appropriate, has submitted a request to the institution of higher education that the student's information not be released for a purpose covered by that subparagraph without prior written consent. Each institution of higher education shall notify students and parents of the rights provided under the preceding sentence.

"(3) In this subsection, the term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).".

(b) NOTIFICATION.—The Secretary of Education shall provide to institutions of higher education notice of the provisions of subsection (d) of section 503 of title 10, United States Code, as amended by subsection (a) of this section. Such notice shall be provided not later than 120 days after

the date of the enactment of this Act, and shall be provided in consultation with the Secretary of Defense.

Subtitle F—Other Matters

SEC. 551. BIENNIAL SURVEYS ON RACIAL, ETHNIC, AND GENDER ISSUES.

(a) DIVISION OF ANNUAL SURVEY INTO TWO BIENNIAL SURVEYS.—Section 481 of title 10, United States Code, is amended to read as follows:

"§ 481. Racial, ethnic, and gender issues: biennial surveys

"(a) IN GENERAL.—The Secretary of Defense shall carry out two separate biennial surveys in accordance with this section to identify and assess racial, ethnic, and gender issues and discrimination among members of the armed forces serving on active duty and the extent (if any) of activity among such members that may be seen as so-called 'hate group' activity.

"(b) BIENNIAL SURVEY ON RACIAL AND ETHNIC ISSUES.—One of the surveys conducted every two years under this section shall solicit information on racial and ethnic issues and the climate in the armed forces for forming professional relationships among members of the armed forces of the various racial and ethnic groups. The information solicited shall include the following:

"(1) Indicators of positive and negative trends for professional and personal relationships among members of all racial and ethnic groups.

"(2) The effectiveness of Department of Defense policies designed to improve relationships among all racial and ethnic groups.

"(3) The effectiveness of current processes for complaints on and investigations into racial and ethnic discrimination.

"(c) BIENNIAL SURVEY ON GENDER ISSUES.—One of the surveys conducted every two years under this section shall solicit information on gender issues, including issues relating to gender-based harassment and discrimination, and the climate in the armed forces for forming professional relationships between male and female members of the armed forces. The information solicited shall include the following:

"(1) Indicators of positive and negative trends for professional and personal relationships between male and female members of the armed forces.

"(2) The effectiveness of Department of Defense policies designed to improve professional relationships between male and female members of the armed forces.

"(3) The effectiveness of current processes for complaints on and investigations into gender-based discrimination.

"(d) SURVEYS TO ALTERNATE EVERY YEAR.—The biennial survey under subsection (b) shall be conducted in odd-numbered years. The biennial survey under subsection (c) shall be conducted in even-numbered years.

"(e) IMPLEMENTING ENTITY.—The Secretary shall carry out the biennial surveys through entities in the Department of Defense as follows:

"(1) The biennial review under subsection (b), through the Armed Forces Survey on Racial and Ethnic Issues.

"(2) The biennial review under subsection (c), through the Armed Forces Survey on Gender Issues.

"(f) REPORTS TO CONGRESS.—Upon the completion of a biennial survey under this section, the Secretary shall submit to Congress a report containing the results of the survey.

"(g) INAPPLICABILITY TO COAST GUARD.—The requirements for surveys under this section do not apply to the Coast Guard.".

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 23 of such title is amended to read as follows:

"481. Racial, ethnic, and gender issues: biennial surveys.".

SEC. 552. LEAVE REQUIRED TO BE TAKEN PENDING REVIEW OF A RECOMMENDATION FOR REMOVAL BY A BOARD OF INQUIRY.

(a) REQUIREMENT.—Section 1182(c) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(c)"; and

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

"(2) Under regulations prescribed by the Secretary concerned, an officer referred to in paragraph (1) may be required to take leave pending the completion of the action under this chapter in the case of that officer. The officer may be required to begin such leave at any time following the officer's receipt of the report of the board of inquiry, including the board's recommendation for removal from active duty, and the expiration of any period allowed for submission by the officer of a rebuttal to that report. The leave may be continued until the date on which action by the Secretary concerned under this chapter is completed in the case of the officer or may be terminated at any earlier time.".

(b) PAYMENT FOR MANDATORY EXCESS LEAVE UPON DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARATION RECOMMENDATIONS.—Chapter 40 of such title is amended by inserting after section 707 the following new section:

"§ 707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken

"(a) An officer—

"(1) who is required to take leave under section 1182(c)(2) of this title, any period of which is charged as excess leave under section 706(a) of this title, and

"(2) whose recommendation for removal from active duty in a report of a board of inquiry is not approved by the Secretary concerned under section 1184 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave.

"(b)(1) An officer entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances for each day of leave required to be taken under section 1182(c)(2) of this title that is charged as excess leave (except any day of accrued leave for which the officer has been paid under section 706(b)(1) of this title and which has been charged as excess leave).

"(2) The officer shall be paid the amount of pay and allowances that is deemed to have accrued to the officer under paragraph (1), reduced by the total amount of his income from wages, salaries, tips, other personal service income, unemployment compensation, and public assistance benefits from any Government agency during the period the

officer is deemed to have accrued pay and allowances. Except as provided in paragraph (3), such payment shall be made within 60 days after the date on which the Secretary concerned decides not to remove the officer from active duty.

"(3) If an officer is entitled to be paid under this section, but fails to provide sufficient information in a timely manner regarding the officer's income when such information is requested under regulations prescribed under subsection (c), the period of time prescribed in paragraph (2) shall be extended until 30 days after the date on which the member provides the information requested.

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. The regulations may provide for the method of determining an officer's income during any period the officer is deemed to have accrued pay and allowances, including a requirement that the officer provide income tax returns and other documentation to verify the amount of the officer's income.".

(c) CONFORMING AMENDMENTS.—(1) Section 706 of such title is amended by inserting "or 1182(c)(2)" after "section 876a" in subsections (a), (b), and (c).

(2) The heading for such section is amended to read as follows:

"§ 706. Administration of required leave".

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 40 of title 10, United States Code, is amended—

(1) by striking the item relating to section 706 and inserting the following:

"706. Administration of required leave.";

and

(2) by inserting after the item relating to section 707 the following new item:

"707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken.".

SEC. 553. STIPEND FOR PARTICIPATION IN FUNERAL HONORS DETAILS.

Section 1491(d) of title 10, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

"(A) For a participant in the funeral honors detail who is a member or former member of the armed forces in a retired status or is not a member of the armed forces (other than a former member in a retired status) and not an employee of the United States, either—

"(i) transportation; or

"(ii) a daily stipend prescribed annually by the Secretary of Defense at a single rate that is designed to defray the costs for transportation and other expenses incurred by the participant in connection with participation in the funeral honors detail.";

(2) by inserting "(1)" after "(d) SUPPORT.—";

(3) by redesignating paragraph (2) as subparagraph (B);

(4) in subparagraph (B), as so redesignated, by inserting "members of the armed forces in a retired status and" after "training for"; and

(5) by adding at the end the following:

"(2) A stipend paid under paragraph (1)(A) to a member or former member of the armed forces in a retired status shall be in addition to any other compensation to which the retired member may be entitled.".

SEC. 554. WEAR OF ABAYAS BY FEMALE MEMBERS OF THE ARMED FORCES IN SAUDI ARABIA.

(a) PROHIBITIONS RELATING TO WEAR OF ABAYAS.—No member of the Armed Forces having authority over a member of the Armed Forces and no officer or employee of the United States having authority over a member of the Armed Forces may—

(1) require or encourage that member to wear the abaya garment or any part of the abaya garment while the member is in the Kingdom of Saudi Arabia pursuant to a permanent change of station or orders for temporary duty; or

(2) take any adverse action, whether formal or informal, against the member for choosing not to wear the abaya garment or any part of the abaya garment while the member is in the Kingdom of Saudi Arabia pursuant to a permanent change of station or orders for temporary duty.

(b) INSTRUCTION.—(1) The Secretary of Defense shall provide each female member of the Armed Forces ordered to a permanent change of station or temporary duty in the Kingdom of Saudi Arabia with instructions regarding the prohibitions in subsection (a) immediately upon the arrival of the member at a United States military installation within the Kingdom of Saudi Arabia. The instructions shall be presented orally and in writing. The written instruction shall include the full text of this section.

(2) In carrying out paragraph (1), the Secretary shall act through the Commander in Chief, United States Central Command and Joint Task Force Southwest Asia, and the commanders of the Army, Navy, Air Force, and Marine

Corps components of the United States Central Command and Joint Task Force Southwest Asia.

(c) PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF ABAYAS.—Funds appropriated or otherwise made available to the Department of Defense may not be used to procure abayas for regular or routine issuance to members of the Armed Forces serving in the Kingdom of Saudi Arabia or for any personnel of contractors accompanying the Armed Forces in the Kingdom of Saudi Arabia in the performance of contracts entered into with such contractors by the United States.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2003 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2003, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	*2 or less*	*Over 2*	*Over 3*	*Over 4*	*Over 6*
O–10 [2]	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
O–9	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
O–8	*7,474.50*	*7,719.30*	*7,881.60*	*7,927.20*	*8,129.40*
O–7	*6,210.90*	*6,499.20*	*6,633.00*	*6,739.20*	*6,930.90*
O–6	*4,603.20*	*5,057.10*	*5,388.90*	*5,388.90*	*5,409.60*
O–5	*3,837.60*	*4,323.00*	*4,622.40*	*4,678.50*	*4,864.80*
O–4	*3,311.10*	*3,832.80*	*4,088.70*	*4,145.70*	*4,383.00*
O–3 [3]	*2,911.20*	*3,300.30*	*3,562.20*	*3,883.50*	*4,069.50*
O–2 [3]	*2,515.20*	*2,864.70*	*3,299.40*	*3,410.70*	*3,481.20*
O–1 [3]	*2,183.70*	*2,272.50*	*2,746.80*	*2,746.80*	*2,746.80*
	Over 8	*Over 10*	*Over 12*	*Over 14*	*Over 16*
O–10 [2]	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
O–9	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
O–8	*8,468.70*	*8,547.30*	*8,868.90*	*8,961.30*	*9,238.20*
O–7	*7,120.80*	*7,340.40*	*7,559.40*	*7,779.00*	*8,468.70*
O–6	*5,641.20*	*5,672.10*	*5,672.10*	*5,994.60*	*6,564.30*
O–5	*4,977.00*	*5,222.70*	*5,403.00*	*5,635.50*	*5,991.90*
O–4	*4,637.70*	*4,954.50*	*5,201.40*	*5,372.70*	*5,471.10*
O–3 [3]	*4,273.50*	*4,405.80*	*4,623.30*	*4,736.10*	*4,736.10*
O–2 [3]	*3,481.20*	*3,481.20*	*3,481.20*	*3,481.20*	*3,481.20*
O–1 [3]	*2,746.80*	*2,746.80*	*2,746.80*	*2,746.80*	*2,746.80*
	Over 18	*Over 20*	*Over 22*	*Over 24*	*Over 26*
O–10 [2]	*$0.00*	*$12,077.70*	*$12,137.10*	*$12,389.40*	*$12,829.20*
O–9	*0.00*	*10,563.60*	*10,715.70*	*10,935.60*	*11,319.60*
O–8	*9,639.00*	*10,008.90*	*10,255.80*	*10,255.80*	*10,255.80*
O–7	*9,051.30*	*9,051.30*	*9,051.30*	*9,051.30*	*9,096.90*
O–6	*6,898.80*	*7,233.30*	*7,423.50*	*7,616.10*	*7,989.90*
O–5	*6,161.70*	*6,329.10*	*6,519.60*	*6,519.60*	*6,519.60*
O–4	*5,528.40*	*5,528.40*	*5,528.40*	*5,528.40*	*5,528.40*
O–3 [3]	*4,736.10*	*4,736.10*	*4,736.10*	*4,736.10*	*4,736.10*
O–2 [3]	*3,481.20*	*3,481.20*	*3,481.20*	*3,481.20*	*3,481.20*
O–1 [3]	*2,746.80*	*2,746.80*	*2,746.80*	*2,746.80*	*2,746.80*

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.*

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,883.50	$4,069.50
O–2E	0.00	0.00	0.00	3,410.70	3,481.20
O–1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,273.50	$4,405.80	$4,623.30	$4,806.30	$4,911.00
O–2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O–1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,054.40	$5,054.40	$5,054.40	$5,054.40	$5,054.40
O–2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O–1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W–3 ...	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W–2 ...	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W–1 ...	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W–3 ...	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W–2 ...	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W–1 ...	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ...	$0.00	$5,169.30	$5,346.60	$5,524.50	$5,703.30
W–4 ...	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W–3 ...	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W–2 ...	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W–1 ...	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.*

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E–6	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E–5	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E–4	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E–3	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1 [3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$3,564.30	$3,645.00	$3,747.00	$3,867.00
E–8	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E–7	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E–6	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E–5	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1 [3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$3,987.30	$4,180.80	$4,344.30	$4,506.30	$4,757.40
E–8	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E–7	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E–6	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E–5	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1 [3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, the rate of basic pay for this grade is $5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,064.70.*

SEC. 602. RATE OF BASIC ALLOWANCE FOR SUBSISTENCE FOR ENLISTED PERSONNEL OCCUPYING SINGLE GOVERNMENT QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.

(a) AUTHORITY TO PAY INCREASED RATE.—Section 402(d) of title 37, United States Code, is amended to read as follows:

"(d) SPECIAL RATE FOR ENLISTED MEMBERS OCCUPYING SINGLE QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.—The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may pay an enlisted member the basic allowance for subsistence under this section at a monthly rate that is twice the amount in effect under subsection (b)(2) while—

"(1) the member is assigned to single Government quarters which have no adequate food storage or preparation facility in the quarters; and

"(2) there is no Government messing facility serving those quarters that is capable of making meals available to the occupants of the quarters.".

(b) EFFECTIVE DATE.—Subsection (a) and the amendment made by such subsection shall take effect on October 1, 2002.

SEC. 603. BASIC ALLOWANCE FOR HOUSING IN CASES OF LOW-COST OR NO-COST MOVES.

Section 403 of title 37, United States Code, is amended—

(1) by transferring paragraph (7) of subsection (b) to the end of the section; and

(2) in such paragraph—

(A) by striking "(7)" and all that follows through "circumstances of which make it necessary that the member be" and inserting "(o) TREATMENT OF LOW-COST AND NO-COST MOVES AS NOT BEING REASSIGNMENTS.—In the case of a member who is assigned to duty at a location or under circumstances that make it necessary for the member to be"; and

(B) by inserting "for the purposes of this section" after "may be treated".

SEC. 604. TEMPORARY AUTHORITY FOR HIGHER RATES OF PARTIAL BASIC ALLOWANCE FOR HOUSING FOR CERTAIN MEMBERS ASSIGNED TO HOUSING UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) AUTHORITY.—The Secretary of Defense may prescribe and, under section 403(n) of title 37, United States Code, pay for members of the Armed Forces (without dependents) in privatized housing higher rates of partial basic allowance for housing than those that are authorized under paragraph (2) of such section 403(n).

(b) MEMBERS IN PRIVATIZED HOUSING.—For the purposes of this section, a member of the Armed Forces (without dependents) is a member of the Armed Forces (without de-

pendents) in privatized housing while the member is assigned to housing that is acquired or constructed under the authority of subchapter IV of chapter 169 of title 10, United States Code.

(c) TREATMENT OF HOUSING AS GOVERNMENT QUARTERS.—For purposes of section 403 of title 37, United States Code, a member of the Armed Forces (without dependents) in privatized housing shall be treated as residing in quarters of the United States or a housing facility under the jurisdiction of the Secretary of a military department while a higher rate of partial allowance for housing is paid for the member under this section.

(d) PAYMENT TO PRIVATE SOURCE.—The partial basic allowance for housing paid for a member at a higher rate under this section may be paid directly to the private sector source of the housing to whom the member is obligated to pay rent or other charge for residing in such housing if the private sector source credits the amount so paid against the amount owed by the member for the rent or other charge.

(e) TERMINATION OF AUTHORITY.—Rates prescribed under subsection (a) may not be paid under the authority of this section in connection with contracts that are entered into after December 31, 2007, for the construction or acquisition of housing under the authority of subchapter IV of chapter 169 of title 10, United States Code.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking "January 1, 2003" and inserting "January 1, 2004".

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIAL-

TIES.—Section 302g(f) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 615. INCREASED MAXIMUM AMOUNT PAYABLE AS MULTIYEAR RETENTION BONUS FOR MEDICAL OFFICERS OF THE ARMED FORCES.

Section 301d(a)(2) of title 37, United States Code, is amended by striking "$14,000" and inserting "$25,000".

SEC. 616. INCREASED MAXIMUM AMOUNT PAYABLE AS INCENTIVE SPECIAL PAY FOR MEDICAL OFFICERS OF THE ARMED FORCES.

Section 302(b)(1) of title 37, United States Code, is amended—

(1) by striking "fiscal year 1992, and" in the second sentence and inserting "fiscal year 1992,"; and

(2) by inserting before the period at the end of such sentence the following: "and before fiscal year 2003, and $50,000 for any twelve-month period beginning after fiscal year 2002".

SEC. 617. ASSIGNMENT INCENTIVE PAY.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

"§ 305b. Special pay: assignment incentive pay

"(a) AUTHORITY.—The Secretary concerned, with the concurrence of the Secretary of Defense, may pay monthly incentive pay under this section to a member of a uniformed service for a period that the member performs service, while entitled to basic pay, in an assignment that is designated by the Secretary concerned.

"(b) MAXIMUM RATE.—The maximum monthly rate of incentive pay payable to a member under this section is $1,500.

"(c) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Incentive pay paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

"(d) STATUS NOT AFFECTED BY TEMPORARY DUTY OR LEAVE.—The service of a member in an assignment referred to in subsection (a) shall not be considered discontinued during any period that the member is not performing service in such assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

"(e) TERMINATION OF AUTHORITY.—No assignment incentive pay may be paid under this section for months beginning more than three years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

"305b. Special pay: assignment incentive pay.".

(b) ANNUAL REPORT.—Not later than February 28 of each of 2004 and 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of the authority under section 305b of title 37, United States Code, as added by subsection (a). The report shall include an assessment of the utility of that authority.

SEC. 618. INCREASED MAXIMUM AMOUNTS FOR PRIOR SERVICE ENLISTMENT BONUS.

Section 308i(b)(1) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking "$5,000" and inserting "$8,000";

(2) in subparagraph (B), by striking "$2,500" and inserting "$4,000"; and

(3) in subparagraph (C), by striking "$2,000" and inserting "$3,500".

Subtitle C—Travel and Transportation Allowances

SEC. 631. DEFERRAL OF TRAVEL IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) DATE TO WHICH TRAVEL MAY BE DEFERRED.—Section 411b(a)(2) of title 37, United States Code, is amended by striking "not more than one year" in the first sentence and all that follows through "operation ends." in the second sentence and inserting the following: "the date on which the member departs the duty station in termination of the consecutive tour of duty at that duty station or reports to another duty station under the order involved, as the case may be.".

(b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendment made by subsection (a) shall take effect on October 1, 2002.

(2) Section 411b(a) of title 37, United States Code, as in effect on September 30, 2002, shall continue to apply with respect to travel described in subsection (a)(2) of such title (as in effect on such date) that commences before October 1, 2002.

SEC. 632. TRANSPORTATION OF MOTOR VEHICLES FOR MEMBERS REPORTED MISSING.

(a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—Subsection (a) of section 554 of title 37, United States Code, is amended by striking "one privately owned motor vehicle" both places it appears and inserting "two privately owned motor vehicles".

(b) PAYMENTS FOR LATE DELIVERY.—Subsection (i) of such section is amended by adding at the end the following: "In a case in which two motor vehicles of a member (or the dependent or dependents of a member) are transported at the expense of the United States, no reimbursement is payable under this subsection unless both motor vehicles do not arrive at the authorized destination of the vehicles by the designated delivery date.".

(c) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to members whose eligi-

bility for benefits under section 554 of title 37, United States Code, commences on or after the date of the enactment of this Act.

SEC. 633. DESTINATIONS AUTHORIZED FOR GOVERNMENT PAID TRANSPORTATION OF ENLISTED PERSONNEL FOR REST AND RECUPERATION UPON EXTENDING DUTY AT DESIGNATED OVERSEAS LOCATIONS.

Section 705(b)(2) of title 10, United States Code, is amended by inserting before the period at the end the following: ", or to an alternative destination at a cost not to exceed the cost of the round-trip transportation from the location of the extended tour of duty to such nearest port and return".

SEC. 634. VEHICLE STORAGE IN LIEU OF TRANSPORTATION TO CERTAIN AREAS OF THE UNITED STATES OUTSIDE CONTINENTAL UNITED STATES.

Section 2634(b) of title 10, United States Code, is amended:

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

(2) by inserting after paragraph (1) the following new paragraph (2):

"(2) In lieu of transportation authorized by this section, if a member is ordered to make a change of permanent

station to Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, Guam, or any territory or possession of the United States and laws, regulations, or other restrictions preclude transportation of a motor vehicle described in subsection (a) to the new station, the member may elect to have the vehicle stored at the expense of the United States at a location approved by the Secretary concerned.''.

Subtitle D—Retirement and Survivor Benefit Matters

SEC. 641. PAYMENT OF RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREES.

(a) IN GENERAL.—Section 1414 of title 10, United States Code, is amended to read as follows:

''§ 1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation

''(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Except as provided in subsection (b), a member or former member of the uniformed services who is entitled to retired pay (other than as specified in subsection (c)) and who is also entitled to veterans' disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38.

"(b) SPECIAL RULE FOR CHAPTER 61 CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

"(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

"(d) DEFINITIONS.—In this section:

"(1) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

"(2) The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.".

(b) REPEAL OF SPECIAL COMPENSATION PROGRAM.—Section 1413 of such title is repealed.

(c) CONFORMING AMENDMENT.—Section 641(d) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1150; 10 U.S.C. 1414 note) is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of title 10, United States Code, is amended by striking the items relating to sections 1413 and 1414 and inserting the following new item:

"1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted, if later than the date specified in paragraph (1).

(f) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as amended by subsection (a), for any period before the effective date specified in subsection (e).

SEC. 642. INCREASED RETIRED PAY FOR ENLISTED RESERVES CREDITED WITH EXTRAORDINARY HEROISM.

(a) AUTHORITY.—Section 12739 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

"(b) If an enlisted member retired under section 12731 of this title has been credited by the Secretary concerned with extraordinary heroism in the line of duty, the member's retired pay shall be increased by 10 percent of the amount determined under subsection (a). The Secretary's determination as to extraordinary heroism is conclusive for all purposes."; and

(3) in subsection (c), as redesignated by paragraph (1), by striking "amount computed under subsection (a)," and inserting "total amount of the monthly retired pay computed under subsections (a) and (b)".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to retired pay for months beginning on or after that date.

SEC. 643. EXPANDED SCOPE OF AUTHORITY TO WAIVE TIME LIMITATIONS ON CLAIMS FOR MILITARY PERSONNEL BENEFITS.

(a) AUTHORITY.—Section 3702(e)(1) of title 31, United States Code, is amended by striking "a claim for pay, allowances, or payment for unused accrued leave under title 37 or a claim for retired pay under title 10" and inserting "a claim referred to in subsection (a)(1)(A)".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to claims presented to the Secretary of Defense under section 3702 of title 31, United States Code, on or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 651. ADDITIONAL AUTHORITY TO PROVIDE ASSISTANCE FOR FAMILIES OF MEMBERS OF THE ARMED FORCES.

(a) AUTHORITY.—(1) Subchapter I of chapter 88 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1788. Additional family assistance

"(a) AUTHORITY.—The Secretary of Defense may provide for the families of members of the armed forces serving on active duty, in addition to any other assistance available for such families, any assistance that the Secretary considers appropriate to ensure that the children of such mem-

bers obtain needed child care, education, and other youth services.

"(b) PRIMARY PURPOSE OF ASSISTANCE.—The assistance authorized by this section should be directed primarily toward providing needed family support, including child care, education, and other youth services, for children of members of the Armed Forces who are deployed, assigned to duty, or ordered to active duty in connection with a contingency operation.".

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

"1788. Additional family assistance.".

(b) EFFECTIVE DATE.—Section 1788 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002.

SEC. 652. TIME LIMITATION FOR USE OF MONTGOMERY GI BILL ENTITLEMENT BY MEMBERS OF THE SELECTED RESERVE.

(a) EXTENSION OF LIMITATION PERIOD.—Section 16133(a)(1) of title 10, United States Code, is amended by striking "10-year" and inserting "14-year".

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to periods of entitlement to educational assistance under chapter 1606 of title

10, United States Code, that begin on or after October 1, 1992.

SEC. 653. STATUS OF OBLIGATION TO REFUND EDUCATIONAL ASSISTANCE UPON FAILURE TO PARTICIPATE SATISFACTORILY IN SELECTED RESERVE.

Section 16135 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) An obligation to pay a refund to the United States under subsection (a)(1)(B) in an amount determined under subsection (b) is, for all purposes, a debt owed to the United States.

"(2) A discharge in bankruptcy under title 11 that is entered for a person less than five years after the termination of the person's enlistment or other service described in subsection (a) does not discharge the person from a debt arising under this section with respect to that enlistment or other service.".

SEC. 654. PROHIBITION ON ACCEPTANCE OF HONORARIA BY PERSONNEL AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) REPEAL OF EXEMPTION.—Section 542 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2413; 10 U.S.C. prec. 2161 note) is repealed.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to appearances made, speeches presented, and articles published on or after that date.

SEC. 655. RATE OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL OF DEPENDENTS TRANSFERRED ENTITLEMENT BY MEMBERS OF THE ARMED FORCES WITH CRITICAL SKILLS.

(a) CLARIFICATION.—Section 3020(h) of title 38, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking "paragraphs (4) and (5)" and inserting "paragraphs (5) and (6)"; and

(B) by striking "and at the same rate";

(2) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(3) by inserting after paragraph (2) the following new paragraph (3):

"(3)(A) Subject to subparagraph (B), the monthly rate of educational assistance payable to a dependent to whom entitlement is transferred under this section shall be the monthly amount payable under sections 3015 and 3022 of this title to the individual making the transfer.

"(B) The monthly rate of assistance payable to a dependent under subparagraph (A) shall be subject to the provisions of section 3032 of this title, except that the provisions of subsection (a)(1) of that section shall not apply even if the individual making the transfer to the dependent under this section is on active duty during all or any part of enrollment period of the dependent in which such entitlement is used.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107), to which such amendments relate.

SEC. 656. PAYMENT OF INTEREST ON STUDENT LOANS.

(a) AUTHORITY.—(1) Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2174. Interest payment program: members on active duty

"(a) AUTHORITY.—(1) The Secretary concerned may pay in accordance with this section the interest and any special allowances that accrue on one or more student loans of an eligible member of the armed forces.

"(2) The Secretary of a military department may exercise the authority under paragraph (1) only if approved

by the Secretary of Defense and subject to such requirements, conditions, and restrictions as the Secretary of Defense may prescribe.

"(b) ELIGIBLE PERSONNEL.—A member of the armed forces is eligible for the benefit under subsection (a) while the member—

"(1) is serving on active duty in fulfillment of the member's first enlistment in the armed forces or, in the case of an officer, is serving on active duty and has not completed more than three years of service on active duty;

"(2) is the debtor on one or more unpaid loans described in subsection (c); and

"(3) is not in default on any such loan.

"(c) STUDENT LOANS.—The authority to make payments under subsection (a) may be exercised with respect to the following loans:

"(1) A loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.).

"(2) A loan made under part D of such title (20 U.S.C. 1087a et seq.).

"(3) A loan made under part E of such title (20 U.S.C. 1087aa et seq.).

"(d) MAXIMUM BENEFIT.—The months for which interest and any special allowance may be paid on behalf of a member of the armed forces under this section are any 36 consecutive months during which the member is eligible under subsection (b).

"(e) FUNDS FOR PAYMENTS.—Appropriations available for the pay and allowances of military personnel shall be available for payments under this section.

"(f) COORDINATION.—(1) The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of Transportation shall consult with the Secretary of Education regarding the administration of the authority under this section.

"(2) The Secretary concerned shall transfer to the Secretary of Education the funds necessary—

"(A) to pay interest and special allowances on student loans under this section (in accordance with sections 428(o) and 464(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(o) and 1087dd(j)); and

"(B) to reimburse the Secretary of Education for any reasonable administrative costs incurred by the Secretary in coordinating the program under this section with the administration of the student loan programs under parts B, D, and E of title IV of the Higher Education Act of 1965.

"(g) SPECIAL ALLOWANCE DEFINED.—In this section, the term 'special allowance' means a special allowance that is payable under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087–1).".

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

"2174. Interest payment program: members on active duty.".

(b) FEDERAL FAMILY EDUCATION LOANS AND DIRECT LOANS.—(1) Subsection (c)(3) of section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(A) in clause (i) of subparagraph (A)—

(i) by striking "or" at the end of subclause (II);

(ii) by inserting "or" at the end of subclause (III); and

(iii) by adding at the end the following new subclause:

"(IV) is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest is being paid on such loan under subsection (o);";

(B) in clause (ii)(II) of subparagraph (A), by inserting "or (i)(IV)" after "clause (i)(II)"; and

(C) by striking subparagraph (C) and inserting the following:

"(C) shall contain provisions that specify that—

"(i) the form of forbearance granted by the lender pursuant to this paragraph, other than subparagraph (A)(i)(IV), shall be temporary cessation of payments, unless the borrower selects forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled; and

"(ii) the form of forbearance granted by the lender pursuant to subparagraph (A)(i)(IV) shall be the temporary cessation of all payments on the loan other than payments of interest on the loan, and payments of any special allowance payable with respect to the loan under section 438 of this Act, that are made under subsection (o); and".

(2) Section 428 of such Act is further amended by adding at the end the following new subsection:

"(o) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

"(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest and any special allowance on a loan to a member of the Armed Forces that is made, insured, or guaranteed under this part, the Secretary shall pay the interest and special allowance on such loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest or any special allowance on such a loan out of any funds other than funds that have been so transferred.

"(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the lender shall grant the borrower forbearance in accordance with the guaranty agreement under subsection (c)(3)(A)(i)(IV).

"(3) SPECIAL ALLOWANCE DEFINED.—For the purposes of this subsection, the term 'special allowance', means a special allowance that is payable with respect to a loan under section 438 of this Act.".

(c) FEDERAL PERKINS LOANS.—Section 464 of the Higher Education Act of 1965 (20 U.S.C. 1087dd) is amended—

(1) in subsection (e)—

(A) by striking "or" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting "; or"; and

(C) by adding at the end the following new paragraph:

"(3) the borrower is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest on such loan is being paid under subsection (j), except that the form of a forbearance under this paragraph shall be a temporary cessation of all payments on the loan other than payments of interest on the loan that are made under subsection (j)."; and

(2) by adding at the end the following new subsection:

"(j) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

"(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 con-

secutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

"(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the institution of higher education shall grant the borrower forbearance in accordance with subsection (e)(3).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to interest, and any special allowance under section 438 of the Higher Education Act of 1965, that accrue for months beginning on or after October 1, 2003, on student loans described in subsection (c) of section 2174 of title 10, United States Code (as added by subsection (a)), that were made before, on, or after such date to members of the Armed Forces who are on active duty (as defined in section 101(d) of title 10, United States Code) on or after that date.

SEC. 657. MODIFICATION OF AMOUNT OF BACK PAY FOR MEMBERS OF NAVY AND MARINE CORPS SELECTED FOR PROMOTION WHILE INTERNED AS PRISONERS OF WAR DURING WORLD WAR II TO TAKE INTO ACCOUNT CHANGES IN CONSUMER PRICE INDEX.

(a) MODIFICATION.—Section 667(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–170) is amended by adding at the end the following new paragraph:

"(3) The amount determined for a person under paragraph (1) shall be increased to reflect increases in cost of living since the basic pay referred to in paragraph (1)(B) was paid to or for that person, calculated on the basis of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.".

(b) RECALCULATION OF PREVIOUS PAYMENTS.—In the case of any payment of back pay made to or for a person under section 667 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 before the date of the enactment of this Act, the Secretary of the Navy shall—

(1) recalculate the amount of back pay to which the person is entitled by reason of the amendment made by subsection (a); and

(2) if the amount of back pay, as so recalculated, exceeds the amount of back pay so paid, pay the person, or the surviving spouse of the person, an amount equal to the excess.

TITLE VII—HEALTH CARE

SEC. 701. ELIGIBILITY OF SURVIVING DEPENDENTS FOR TRICARE DENTAL PROGRAM BENEFITS AFTER DISCONTINUANCE OF FORMER ENROLLMENT.

Section 1076a(k)(2) of title 10, United States Code, is amended by striking "if the dependent is enrolled on the date of the death of the members in a dental benefits plan established under subsection (a)" and inserting "if, on the date of the death of the member, the dependent is enrolled in a dental benefits plan established under subsection (a) or is not enrolled in such a plan by reason of a discontinuance of a former enrollment under subsection (f)".

SEC. 702. ADVANCE AUTHORIZATION FOR INPATIENT MENTAL HEALTH SERVICES.

Section 1079(i)(3) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)";

(2) by striking "Except in the case of an emergency," and inserting "Except as provided in subparagraphs (B) and (C),"; and

(3) by adding at the end the following new subparagraph:

"(B) Preadmission authorization for inpatient mental health services is not required under subparagraph (A) in the case of an emergency.

"(C) Preadmission authorization for inpatient mental health services is not required under subparagraph (A) in a case in which any benefits are payable for such services under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.). The Secretary shall require, however, advance authorization for the continued provision of the inpatient mental health services after benefits cease to be payable for such services under part A of such title in such case.".

SEC. 703. CONTINUED TRICARE ELIGIBILITY OF DEPENDENTS RESIDING AT REMOTE LOCATIONS AFTER DEPARTURE OF SPONSORS FOR UNACCOMPANIED ASSIGNMENTS.

Section 1079(p) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "dependents referred to in subsection (a) of a member of the uniformed services referred to in section 1074(c)(3) of this title who are residing with the member" and inserting "dependents described in paragraph (3)";

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2), the following new paragraph (3):

"(3) This subsection applies with respect to a dependent referred to in subsection (a) who—

"(A) is a dependent of a member of the uniformed services referred to in section 1074(c)(3) of this title and is residing with the member; or

"(B) is a dependent of a member who, after having served in a duty assignment described in section 1074(c)(3) of this title, has relocated without the dependent pursuant to orders for a permanent change of duty station from a remote location described in subparagraph (B)(ii) of such section where the member and the dependent resided together while the member served in such assignment, if the orders do not authorize dependents to accompany the member to the new duty station at the expense of the United States and the dependent continues to reside at the same remote location.".

SEC. 704. APPROVAL OF MEDICARE PROVIDERS AS TRICARE PROVIDERS.

Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(q) A physician or other health care practitioner who is eligible to receive reimbursement for services provided under the Medicare Program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) shall be considered approved to provide medical care under this section and section 1086 of this title.".

SEC. 705. CLAIMS INFORMATION.

(a) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—Section 1095c of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall limit the requirements for information in support of claims for payment for health care items and services provided under the TRICARE program so that the information required under the program is substantially the same as the information that would be required for claims for reimbursement for those items and services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).".

(b) APPLICABILITY.—The Secretary of Defense, in consultation with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, shall apply the limitations required under subsection (d) of sec-

tion 1095c of such title (as added by subsection (a)) with respect to contracts entered into under the TRICARE program on or after October 1, 2002.

SEC. 706. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL PAYMENTS INTO THE FUND.—Section 1116(c) of title 10, United States Code, is amended by striking "health care programs" and inserting "pay of members".

(b) MANDATORY PARTICIPATION OF OTHER UNIFORMED SERVICES.—Section 1111(c) of such title is amended—

(1) in the first sentence, by striking "may enter into an agreement with any other administering Secretary" and inserting "shall enter into an agreement with each other administering Secretary"; and

(2) in the second sentence, by striking "Any such" and inserting "The".

SEC. 707. TECHNICAL CORRECTIONS RELATING TO TRANSITIONAL HEALTH CARE FOR MEMBERS SEPARATED FROM ACTIVE DUTY.

(a) CONTINUED APPLICABILITY TO DEPENDENTS.—Subsection (a)(1) of section 736 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1172) is amended to read as follows:

"(1) in paragraph (1), by striking 'paragraph (2), a member' and all that follows through 'of the member),' and inserting 'paragraph (3), a member of the armed forces who is separated from active duty as described in paragraph (2) (and the dependents of the member)';".

(b) CLARIFICATION REGARDING THE COAST GUARD.—Subsection (b)(2) of such section is amended to read as follows:

"(2) in subsection (e)—

"(A) by striking the first sentence; and

"(B) by striking 'the Coast Guard' in the second sentence and inserting 'the members of the Coast Guard and their dependents'.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of December 28, 2001, and as if included in the National Defense Authorization Act for Fiscal Year 2002 as enacted.

SEC. 708. EXTENSION OF TEMPORARY AUTHORITY FOR ENTERING INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES FOR THE ARMED FORCES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking "December 31, 2002" and inserting "December 31, 2003".

SEC. 709. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking subsection (b); and

(2) in subsection (a), by striking "RESTRICTION ON USE OF FUNDS.—".

SEC. 710. HEALTH CARE UNDER TRICARE FOR TRICARE BENEFICIARIES RECEIVING MEDICAL CARE AS VETERANS FROM THE DEPARTMENT OF VETERANS AFFAIRS.

Section 1097 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) PERSONS RECEIVING MEDICAL CARE FROM THE DEPARTMENT OF VETERANS AFFAIRS.—A covered beneficiary who is enrolled in and seeks care under the

TRICARE program may not be denied such care on the ground that the covered beneficiary is receiving health care from the Department of Veterans Affairs on an ongoing basis if the Department of Veterans Affairs cannot provide the covered beneficiary with the particular care sought by the covered beneficiary within the maximum period provided in the access to care standards that are applicable to that particular care under TRICARE program policy.".

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Major Defense Acquisition Programs

SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.

(a) AUTHORITY.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2228. Buy-to-budget acquisition: end items

"(a) AUTHORITY TO ACQUIRE ADDITIONAL END ITEMS.—Using funds available to the Department of Defense for the acquisition of an end item, the head of agency making the acquisition may acquire a higher quantity of the end item than the quantity specified for the end item

in a law providing for the funding of that acquisition if that head of an agency makes each of the following findings:

"(1) The agency has an established requirement for the end item that is expected to remain substantially unchanged throughout the period of the acquisition.

"(2) It is possible to acquire the higher quantity of the end item without additional funding because of production efficiencies or other cost reductions.

"(3) The amount of the funds used for the acquisition of the higher quantity of the end item will not exceed the amount provided under that law for the acquisition of the end item.

"(4) The amount so provided is sufficient to ensure that each unit of the end item acquired within the higher quantity is fully funded as a complete end item.

"(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of this section. The regulations shall include, at a minimum, the following:

"(1) The level of approval within the Department of Defense that is required for a decision to acquire a higher quantity of an end item under subsection (a).

"(2) Authority to exceed by up to 10 percent the quantity of an end item approved in a justification and approval of the use of procedures other than competitive procedures for the acquisition of the end item under section 2304 of this title, but only to the extent necessary to acquire a quantity of the end item permitted in the exercise of authority under subsection (a).

"(c) NOTIFICATION OF CONGRESS.—The head of an agency is not required to notify Congress in advance regarding a decision under the authority of this section to acquire a higher quantity of an end item than is specified in a law described in subsection (a), but shall notify the congressional defense committees of the decision not later than 30 days after the date of the decision.

"(d) WAIVER BY OTHER LAW.—A provision of law may not be construed as prohibiting the acquisition of a higher quantity of an end item under this section unless that provision of law—

"(1) specifically refers to this section; and

"(2) specifically states that the acquisition of the higher quantity of the end item is prohibited notwithstanding the authority provided in this section.

"(e) DEFINITIONS.—(1) For the purposes of this section, a quantity of an end item shall be considered specified

in a law if the quantity is specified either in a provision of that law or in any related representation that is set forth separately in a table, chart, or explanatory text included in a joint explanatory statement or governing committee report accompanying the law.

"(2) In this section:

"(A) The term 'congressional defense committees' means—

"(i) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(ii) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

"(B) The term 'head of an agency' means the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.".

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

"2228. Buy-to-budget acquisition: end items.".

(b) TIME FOR ISSUANCE OF FINAL REGULATIONS.—The Secretary of Defense shall issue the final regulations under section 2228(b) of title 10, United States Code (as added by subsection (a)), not later than 120 days after the date of the enactment of this Act.

SEC. 802. REPORT TO CONGRESS ON INCREMENTAL ACQUISITION OF MAJOR SYSTEMS.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the approach that the Secretary plans to take to applying the requirements of chapter 144 of title 10, United States Code, sections 139, 181, 2366, 2399, and 2400 of such title, Department of Defense Directive 5000.1, Department of Defense Instruction 5000.2, and Chairman of the Joint Chiefs of Staff Instruction 3170.01B, and other provisions of law and regulations applicable to incremental acquisition programs.

(b) CONTENT OF REPORT.—The report shall, at a minimum, address the following matters:

(1) The manner in which the Secretary plans to establish and approve, for each increment of an incremental acquisition program—

(A) operational requirements; and

(B) cost and schedule goals.

(2) The manner in which the Secretary plans, for each increment of an incremental acquisition program—

(A) to meet requirements for operational testing and live fire testing;

(B) to monitor cost and schedule performance; and

(C) to comply with laws requiring reports to Congress on results testing and on cost and schedule performance.

(3) The manner in which the Secretary plans to ensure that each increment of an incremental acquisition program is designed—

(A) to achieve interoperability within and among United States forces and United States coalition partners; and

(B) to optimize total system performance and minimize total ownership costs by giving appropriate consideration to—

(i) logistics planning;

(ii) manpower, personnel, and training;

(iii) human, environmental, safety, occupational health, accessibility, survivability, operational continuity, and security factors;

(iv) protection of critical program information; and

(v) spectrum management.

(c) DEFINITIONS.—In this section:

(1) The term "incremental acquisition program" means an acquisition program that is to be conducted in discrete phases or blocks, with each phase or block consisting of the planned production and acquisition of one or more units of a major system.

(2) The term "increment" refers to one of the discrete phases or blocks of an incremental acquisition program.

(3) The term "major system" has the meaning given such term in section 2302(5) of title 10, United States Code.

SEC. 803. PILOT PROGRAM FOR SPIRAL DEVELOPMENT OF MAJOR SYSTEMS.

(a) AUTHORITY.—The Secretary of Defense is authorized to conduct a pilot program for the spiral development of major systems and to designate research and development programs of the military departments and Defense Agencies to participate in the pilot program.

(b) DESIGNATION OF PARTICIPATING PROGRAMS.—(1) A research and development program for a major system of a military department or Defense Agency may be conducted as a spiral development program only if the Secretary of Defense approves a spiral development plan submitted by the Secretary of that military department or head of that Defense Agency, as the case may be, and designates

the program as a participant in the pilot program under this section.

(2) The Secretary of Defense shall submit a copy of each spiral development plan approved under this section to the congressional defense committees.

(c) SPIRAL DEVELOPMENT PLANS.—A spiral development plan for a participating program shall, at a minimum, include the following matters:

(1) A rationale for dividing the program into separate spirals, together with a preliminary identification of the spirals to be included.

(2) A program strategy, including overall cost, schedule, and performance goals for the total program.

(3) Specific cost, schedule, and performance parameters, including measurable exit criteria, for the first spiral to be conducted.

(4) A testing plan to ensure that performance goals, parameters, and exit criteria are met.

(5) An appropriate limitation on the number of prototype units that may be produced under the program.

(6) Specific performance parameters, including measurable exit criteria, that must be met before the

program proceeds into production of units in excess of the limitation on the number of prototype units.

(d) GUIDANCE.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance for the implementation of the spiral development pilot program authorized by this section. The guidance shall, at a minimum, include the following matters:

(1) A process for the development, review, and approval of each spiral development plan submitted by the Secretary of a military department or head of a Defense Agency.

(2) A process for establishing and approving specific cost, schedule, and performance parameters, including measurable exit criteria, for spirals to be conducted after the first spiral.

(3) Appropriate planning, testing, reporting, oversight, and other requirements to ensure that the spiral development program—

(A) satisfies realistic and clearly-defined performance standards, cost objectives, and schedule parameters (including measurable exit criteria for each spiral);

(B) achieve interoperability within and among United States forces and United States coalition partners; and

(C) optimize total system performance and minimize total ownership costs by giving appropriate consideration to—

(i) logistics planning;

(ii) manpower, personnel, and training;

(iii) human, environmental, safety, occupational health, accessibility, survivability, operational continuity, and security factors;

(iv) protection of critical program information; and

(v) spectrum management.

(4) A process for independent validation of the satisfaction of exit criteria and other relevant requirements.

(5) A process for operational testing of fieldable prototypes to be conducted before or in conjunction with the fielding of the prototypes.

(e) REPORTING REQUIREMENT.—The Secretary shall submit to Congress at the end of each quarter of a fiscal year a status report on each research and development program that is a participant in the pilot program. The report shall contain information on unit costs that is similar to the information on unit costs under major defense acquisi-

tion programs that is required to be provided to Congress under chapter 144 of title 10, United States Code, except that the information on unit costs shall address projected prototype costs instead of production costs.

(f) APPLICABILITY OF EXISTING LAW.—Nothing in this section shall be construed to exempt any program of the Department of Defense from the application of any provision of chapter 144 of title 10, United States Code, section 139, 181, 2366, 2399, or 2400 of such title, or any requirement under Department of Defense Directive 5000.1, Department of Defense Instruction 5000.2, or Chairman of the Joint Chiefs of Staff Instruction 3170.01B in accordance with the terms of such provision or requirement.

(g) TERMINATION OF PROGRAM PARTICIPATION.—The conduct of a participating program as a spiral development program under the pilot program shall terminate when the decision is made for the participating program to proceed into the production of units in excess of the number of prototype units permitted under the limitation provided in spiral development plan for the program pursuant to subsection (c)(5).

(h) TERMINATION OF PILOT PROGRAM.—(1) The authority to conduct a pilot program under this section shall terminate three years after the date of the enactment of this Act.

(2) The termination of the pilot program shall not terminate the authority of the Secretary of a military department or head of a Defense Agency to continue to conduct, as a spiral development program, any research and development program that was designated to participate in the pilot program before the date on which the pilot program terminates. In the continued conduct of such a research and development program as a spiral development program on and after such date, the spiral development plan approved for the program, the guidance issued under subsection (d), and subsections (e), (f), and (g) shall continue to apply.

(i) DEFINITIONS.—In this section:

(1) The term "spiral development program" means a research and development program that—

(A) is conducted in discrete phases or blocks, each of which will result in the development of fieldable prototypes; and

(B) will not proceed into acquisition until specific performance parameters, including measurable exit criteria, have been met.

(2) The term "spiral" means one of the discrete phases or blocks of a spiral development program.

(3) The term "major system" has the meaning given such term in section 2302(5) of title 10, United States Code.

(4) The term "participating program" means a research and development program that is designated to participate in the pilot program under subsection (b).

SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION PROCESSES.

(a) ESTABLISHMENT OF PROGRAMS.—(1) The Secretary of each military department shall establish a program to improve the software acquisition processes of that military department.

(2) The head of each Defense Agency that manages a major defense acquisition program with a substantial software component shall establish a program to improve the software acquisition processes of that Defense Agency.

(3) The programs required by this subsection shall be established not later than 120 days after the date of the enactment of this Act.

(b) PROGRAM REQUIREMENTS.—A program to improve software acquisition processes under this section shall, at a minimum, include the following:

(1) A documented process for software acquisition planning, requirements development and management, project management and oversight, and risk management.

(2) Efforts to develop systems for performance measurement and continual process improvement.

(3) A system for ensuring that each program office with substantial software responsibilities implements and adheres to established processes and requirements.

(c) DEPARTMENT OF DEFENSE GUIDANCE.—The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, in consultation with the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall—

(1) prescribe uniformly applicable guidance for the administration of all of the programs established under subsection (a) and take such actions as are necessary to ensure that the military departments and Defense Agencies comply with the guidance; and

(2) assist the Secretaries of the military departments and the heads of the Defense Agencies to carry out such programs effectively by identifying, and serving as a clearinghouse for information regarding, best practices in software acquisition processes in both the public and private sectors.

(d) DEFINITIONS.—In this section:

(1) The term "Defense Agency" has the meaning given the term in section 101(a)(11) of title 10, United States Code.

(2) The term "major defense acquisition program" has the meaning given the term in section 2430 of title 10, United States Code.

SEC. 805. INDEPENDENT TECHNOLOGY READINESS ASSESSMENTS.

Section 804(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

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

"(3) identify each case in which an authoritative decision has been made within the Department of Defense not to conduct an independent technology readiness assessment for a critical technology on a major defense acquisition program and explain the reasons for the decision.".

SEC. 806. TIMING OF CERTIFICATION IN CONNECTION WITH WAIVER OF SURVIVABILITY AND LETHALITY TESTING REQUIREMENTS.

(a) CERTIFICATION FOR EXPEDITED PROGRAMS.—Paragraph (1) of subsection (c) of section 2366 of title 10, United States Code, is amended to read as follows:

"(1) The Secretary of Defense may waive the application of the survivability and lethality tests of this section to a covered system, munitions program, missile program, or covered product improvement program if the Secretary determines that live-fire testing of such system or program would be unreasonably expensive and impractical and submits a certification of that determination to Congress—

"(A) before Milestone B approval for the system or program; or

"(B) in the case of a system or program initiated at—

"(i) Milestone B, as soon as is practicable after the Milestone B approval; or

"(ii) Milestone C, as soon as is practicable after the Milestone C approval.".

(b) DEFINITIONS.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

"(8) The term 'Milestone B approval' means a decision to enter into system development and dem-

onstration pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

"(9) The term 'Milestone C approval' means a decision to enter into production and deployment pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.".

Subtitle B—Procurement Policy Improvements

SEC. 811. PERFORMANCE GOALS FOR CONTRACTING FOR SERVICES.

(a) INDIVIDUAL PURCHASES OF SERVICES.—Subsection (a) of section 802 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2330 note) is amended by adding at the end the following new paragraphs:

"(3) To support the attainment of the goals established in paragraph (2), the Department of Defense shall have the following goals:

"(A) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on the basis of dollar value), the volume of the individual purchases of serv-

ices that are made on a competitive basis and involve the receipt of two or more offers from qualified contractors to a percentage as follows:

"(i) For fiscal year 2003, a percentage not less than 50 percent.

"(ii) For fiscal year 2004, a percentage not less than 60 percent.

"(iii) For fiscal year 2011, a percentage not less than 80 percent.

"(B) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on the basis of dollar value), the use of performance-based purchasing specifying firm fixed prices for the specific tasks to be performed to a percentage as follows:

"(i) For fiscal year 2003, a percentage not less than 30 percent.

"(ii) For fiscal year 2004, a percentage not less than 40 percent.

"(iii) For fiscal year 2005, a percentage not less than 50 percent.

"(iv) For fiscal year 2011, a percentage not less than 80 percent.".

(b) EXTENSION AND REVISION OF REPORTING REQUIREMENT.—Subsection (b) of such section is amended—

(1) by striking "March 1, 2006", and inserting "March 1, 2011"; and

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

"(6) Regarding the individual purchases of services that were made by or for the Department of Defense under multiple award contracts in the fiscal year preceding the fiscal year in which the report is required to be submitted, information (determined using the data collection system established under section 2330a of title 10, United States Code) as follows:

"(A) The percentage (calculated on the basis of dollar value) of such purchases that are purchases that were made on a competitive basis and involved receipt of two or more offers from qualified contractors.

"(B) The percentage (calculated on the basis of dollar value) of such purchases that are performance-based purchases specifying firm fixed prices for the specific tasks to be performed.".

(c) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

"(c) DEFINITIONS.—In this section:

"(1) The term 'individual purchase' means a task order, delivery order, or other purchase.

"(2) The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

"(B) a multiple award task order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indefinite delivery, indefinite quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.".

SEC. 812. GRANTS OF EXCEPTIONS TO COST OR PRICING DATA CERTIFICATION REQUIREMENTS AND WAIVERS OF COST ACCOUNTING STANDARDS.

(a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL CIRCUMSTANCES.—(1) Not later than 60 days after the date

of the enactment of this Act, the Secretary of Defense shall issue guidance on the circumstances under which it is appropriate to grant—

(A) an exception pursuant to section 2306a(b)(1)(C) of title 10, United States Code, relating to submittal of certified contract cost and pricing data; or

(B) a waiver pursuant to section 26(f)(5)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(5)(B)), relating to the applicability of cost accounting standards to contracts and subcontracts.

(2) The guidance shall, at a minimum, include a limitation that a grant of an exception or waiver referred to in paragraph (1) is appropriate with respect to a contract or subcontract, or (in the case of submittal of certified cost and pricing data) a modification, only upon a determination that the property or services cannot be obtained under the contract, subcontract, or modification, as the case may be, without the grant of the exception or waiver.

(b) SEMIANNUAL REPORT.—(1) The Secretary of Defense shall transmit to the congressional defense committees promptly after the end of each half of a fiscal year a report on the exceptions to cost or pricing data certification requirements and the waivers of applicability of cost account-

ing standards that, in cases described in paragraph (2), were granted during that half of the fiscal year.

(2) The report for a half of a fiscal year shall include an explanation of—

(A) each decision by the head of a procuring activity within the Department of Defense to exercise the authority under subparagraph (B) or (C) of subsection (b)(1) of section 2306a of title 10, United States Code, to grant an exception to the requirements of such section in the case of a contract, subcontract, or contract or subcontract modification that is expected to have a price of $15,000,000 or more; and

(B) each decision by the Secretary of Defense or the head of an agency within the Department of Defense to exercise the authority under subsection (f)(5)(B) of section 26 of the Office of Federal Procurement Policy Act to waive the applicability of the cost accounting standards under such section in the case of a contract or subcontract that is expected to have a value of $15,000,000 or more.

(c) ADVANCE NOTIFICATION OF CONGRESS.—(1) The Secretary of Defense shall transmit to the congressional defense committees an advance notification of—

(A) any decision by the head of a procuring activity within the Department of Defense to exercise

the authority under subsection (b)(1)(C) of section 2306a of title 10, United States Code, to grant an exception to the requirements of such section in the case of a contract, subcontract, or contract or subcontract modification that is expected to have a price of $75,000,000 or more; or

(B) any decision by the Secretary of Defense or the head of an agency within the Department of Defense to exercise the authority under subsection (f)(5)(B) of section 26 of the Office of Federal Procurement Policy Act to waive the applicability of the cost accounting standards under such section to a contract or subcontract that is expected to have a value of $75,000,000 or more.

(2) The notification under paragraph (1) regarding a decision to grant an exception or waiver shall be transmitted not later than 10 days before the exception or waiver is granted.

(d) CONTENTS OF REPORTS AND NOTIFICATIONS.—A report pursuant to subsection (b) and a notification pursuant to subsection (c) shall include, for each grant of an exception or waiver, the following matters:

(1) A discussion of the justification for the grant of the exception or waiver, including at a minimum—

(A) in the case of an exception granted pursuant to section 2306a(b)(1)(B) of title 10, United States Code, an explanation of the basis for the determination that the products or services to be purchased are commercial items; and

(B) in the case of an exception granted pursuant to section 2306a(b)(1)(C) of such title, or a waiver granted pursuant to section 26(f)(5)(B) of the Office of Federal Procurement Policy Act, an explanation of the basis for the determination that it would not have been possible to obtain the products or services from the offeror without the grant of the exception or waiver.

(2) A description of the specific steps taken or to be taken within the Department of Defense to ensure that the price of each contract, subcontract, or modification covered by the report or notification, as the case may be, is fair and reasonable.

(e) EFFECTIVE DATE.—The requirements of this section shall apply to each exception or waiver that is granted under a provision of law referred to in subsection (a) on or after the date on which the guidance required by that subsection (a) is issued.

SEC. 813. EXTENSION OF REQUIREMENT FOR ANNUAL REPORT ON DEFENSE COMMERCIAL PRICING MANAGEMENT IMPROVEMENT.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is amended by striking "2000, 2001, and 2002," and inserting "2000 through 2006,".

SEC. 814. INTERNAL CONTROLS ON THE USE OF PURCHASE CARDS.

(a) REQUIREMENT FOR ENHANCED INTERNAL CONTROLS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall take action to ensure that appropriate internal controls for the use of purchase cards issued by the Federal Government to Department of Defense personnel are in place throughout the Department of Defense. At a minimum, the internal controls shall include the following:

(1) A requirement that the receipt and acceptance, and the documentation of the receipt and acceptance, of the property or services purchased on a purchase card be verified by a Department of Defense official who is independent of the purchaser.

(2) A requirement that the monthly purchase card statements of purchases on a purchase card be reviewed and certified for accuracy by an official of

the Department of Defense who is independent of the purchaser.

(3) Specific policies limiting the number of purchase cards issued, with the objective of significantly reducing the number of cardholders.

(4) Specific policies on credit limits authorized for cardholders, with the objective of minimizing financial risk to the Federal Government.

(5) Specific criteria for identifying employees eligible to be issued purchase cards, with the objective of ensuring the integrity of cardholders.

(6) Accounting procedures that ensure that purchase card transactions are properly recorded in Department of Defense accounting records.

(7) Requirements for regular internal review of purchase card statements to identify—

(A) potentially fraudulent, improper, and abusive purchases;

(B) any patterns of improper cardholder transactions, such as purchases of prohibited items; and

(C) categories of purchases that should be made through other mechanisms to better aggregate purchases and negotiate lower prices.

(b) TRAINING.—The Secretary of Defense shall ensure that all Department of Defense purchase cardholders are aware of the enhanced internal controls instituted pursuant to subsection (a).

(c) COMPTROLLER GENERAL REVIEW.—Not later than March 1, 2003, the Comptroller General shall—

(1) review the actions that have been taken within the Department of Defense to comply with the requirements of this section; and

(2) submit a report on the actions reviewed to the congressional defense committees.

SEC. 815. ASSESSMENT REGARDING FEES PAID FOR ACQUISITIONS UNDER OTHER AGENCIES' CONTRACTS.

(a) REQUIREMENT FOR ASSESSMENT AND REPORT.—Not later than March 1, 2003, the Secretary of Defense shall carry out an assessment to determine the total amount paid by the Department of Defense as fees for the acquisition of property and services by the Department of Defense under contracts between other departments and agencies of the Federal Government and the sources of the property and services in each of fiscal years 2000, 2001, and 2002, and submit a report on the results of the assessment to Congress.

(b) CONTENT OF REPORT.—The report shall include the Secretary's views on what, if any, actions should be

taken within the Department of Defense to reduce the total amount of the annual expenditures on fees described in subsection (a) and to use the amounts saved for other authorized purposes.

SEC. 816. PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS FOR CERTAIN PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by—

(1) redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(2) inserting after subsection (d) the following new subsection (e):

"(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes that are developed by nontraditional defense contractors under prototype projects carried out under this section.

"(2) Under the pilot program—

"(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or sub-

contract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

"(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

"(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

"(A) does not exceed $20,000,000; and

"(B) is either—

"(i) a firm, fixed-price contract or subcontract; or

"(ii) a fixed-price contract or subcontract with economic price adjustment.

"(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2005. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to

whether the contracts or subcontracts are performed during the period.".

SEC. 817. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2539c. Waiver of domestic source or content requirements

"(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

"(1) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States;

"(2) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal

defense procurement memorandum of understanding or agreement with the United States; or

"(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States.

"(b) COVERED REQUIREMENTS.—For purposes of this section:

"(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

"(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

"(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

"(1) application of the requirement would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items between a foreign country and the United States in accordance with section 2531 of this title; and

"(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

"(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology and Logistics.

"(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation

with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

"(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

"(1) The Small Business Act (15 U.S.C. 631 et seq.).

"(2) The Javits-Wagner-O'Day Act (41 U.S.C. et seq.).

"(3) Sections 7309 and 7310 of this title.

"(4) Section 2533a of this title.

"(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

"(h) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting

after the item relating to section 2539b the following new item:

"2539c. Waiver of domestic source or content requirements.".

Subtitle C—Other Matters

SEC. 821. EXTENSION OF THE APPLICABILITY OF CERTAIN PERSONNEL DEMONSTRATION PROJECT EXCEPTIONS TO AN ACQUISITION WORKFORCE DEMONSTRATION PROJECT.

Section 4308(b)(3)(B) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is amended to read as follows:

"(B) commences before November 18, 2007.".

SEC. 822. MORATORIUM ON REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2003, 2004, and 2005, below the level of that workforce as of September 30, 2002, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the level to

which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(c) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term "defense acquisition and support workforce" means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 823. EXTENSION OF CONTRACT GOAL FOR SMALL DISADVANTAGED BUSINESSES AND CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

Section 2323(k) of title 10, United States Code, is amended by striking "2003" both places it appears and inserting "2006".

SEC. 824. MENTOR-PROTEGE PROGRAM ELIGIBILITY FOR HUBZONE SMALL BUSINESS CONCERNS AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

Section 831(m)(2) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note), is amended—

(1) by striking "or" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(F) a qualified HUBZone small business concern, within the meaning of section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5)); or

"(G) a small business concern owned and controlled by service-disabled veterans, as defined in section 3(q)(2) of the Small Business Act (15 U.S.C. 632(q)(2)).".

SEC. 825. REPEAL OF REQUIREMENTS FOR CERTAIN REVIEWS BY THE COMPTROLLER GENERAL.

The following provisions of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) are repealed:

(1) Section 912(d) (110 Stat. 410; 10 U.S.C. 2216 note), relating to Comptroller General reviews of the administration of the Defense Modernization Account.

(2) Section 5312(e) (110 Stat. 695; 40 U.S.C. 1492), relating to Comptroller General monitoring of a pilot program for solutions-based contracting for acquisition of information technology.

(3) Section 5401(c)(3) (110 Stat. 697; 40 U.S.C. 1501), relating to a Comptroller General review and report regarding a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through multiple award schedules.

SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR PURCHASE OF DINITROGEN TETROXIDE, HYDRAZINE, AND HYDRAZINE-RELATED PRODUCTS.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2410n the following new section:

"§ 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products

"(a) TEN-YEAR CONTRACT PERIOD.—The Secretary of Defense may enter into a contract for a period of up to

10 years for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products for the support of a United States national security program or a United States space program.

"(b) EXTENSIONS.—A contract entered into for more than one year under the authority of subsection (a) may be extended for a total of not more than 10 years pursuant to any option or options set forth in the contract.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 is amended by adding at the end the following item:

"2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.".

SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR ENVIRONMENTAL SERVICES FOR MILITARY INSTALLATIONS.

(a) AUTHORITY.—Subsection (b) of section 2306c of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) Environmental remediation services for—

"(A) an active military installation;

"(B) a military installation being closed or realigned under a base closure law; or

"(C) a site formerly used by the Department of Defense.".

(b) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

"(g) ADDITIONAL DEFINITIONS.—In this section:

"(1) The term 'base closure law' has the meaning given such term in section 2667(h)(2) of this title.

"(2) The term 'military installation' has the meaning given such term in section 2801(c)(2) of this title.".

SEC. 828. INCREASED MAXIMUM AMOUNT OF ASSISTANCE FOR TRIBAL ORGANIZATIONS OR ECONOMIC ENTERPRISES CARRYING OUT PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS IN TWO OR MORE SERVICE AREAS.

Section 2414(a)(4) of title 10, United States Code, is amended by striking "$300,000" and inserting "$600,000".

SEC. 829. AUTHORITY FOR NONPROFIT ORGANIZATIONS TO SELF-CERTIFY ELIGIBILITY FOR TREATMENT AS QUALIFIED ORGANIZATIONS EMPLOYING SEVERELY DISABLED UNDER MENTOR-PROTEGE PROGRAM.

Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended by adding at the end the following new subsection:

"(n) SELF-CERTIFICATION OF NONPROFIT ORGANIZATIONS AS QUALIFIED ORGANIZATIONS EMPLOYING THE SE-

VERELY DISABLED.—(1) The Secretary of Defense may, in accordance with such requirements as the Secretary may establish, permit a business entity operating on a non-profit basis to self-certify its eligibility for treatment as a qualified organization employing the severely disabled under subsection (m)(2)(D).

"(2) The Secretary shall treat any entity described in paragraph (1) that submits a self-certification under that paragraph as a qualified organization employing the severely disabled until the Secretary receives evidence, if any, that such entity is not described by paragraph (1) or does not merit treatment as a qualified organization employing the severely disabled in accordance with applicable provisions of subsection (m).

"(3) Paragraphs (1) and (2) shall cease to be effective on the effective date of regulations prescribed by the Small Business Administration under this section setting forth a process for the certification of business entities as eligible for treatment as a qualified organization employing the severely disabled under subsection (m)(2)(D).".

SEC. 830. REPORT ON EFFECTS OF ARMY CONTRACTING AGENCY.

(a) IN GENERAL.—The Secretary of the Army shall submit a report on the effects of the establishment of an Army Contracting Agency on small business participation

in Army procurements during the first year of operation of such an agency to—

(1) the Committee on Armed Services of the House of Representatives;

(2) the Committee on Armed Services of the Senate;

(3) the Committee on Small Business of the House of Representatives; and

(4) the Committee on Small Business and Entrepreneurship of the Senate.

(b) CONTENT.—The report required under subsection (a) shall include, in detail—

(1) the justification for the establishment of an Army Contracting Agency;

(2) the impact of the creation of an Army Contracting Agency on—

(A) Army compliance with—

(i) Department of Defense Directive 4205.1;

(ii) section 15(g) of the Small Business Act (15 U.S.C. 644(g)); and

(iii) section 15(k) of the Small Business Act (15 U.S.C. 644(k));

(B) small business participation in Army procurement of products and services for affected Army installations, including—

(i) the impact on small businesses located near Army installations, including—

(I) the increase or decrease in the total value of Army prime contracting with local small businesses; and

(II) the opportunities for small business owners to meet and interact with Army procurement personnel; and

(ii) any change or projected change in the use of consolidated contracts and bundled contracts; and

(3) a description of the Army's plan to address any negative impact on small business participation in Army procurement, to the extent such impact is identified in the report.

(c) TIME FOR SUBMISSION.—The report under this section shall be due 15 months after the date of the establishment of the Army Contracting Agency.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. TIME FOR SUBMITTAL OF REPORT ON QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended by striking "not later than September 30 of the year in which the review is conducted" in the second sentence and inserting "in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105(a) of title 31".

SEC. 902. INCREASED NUMBER OF DEPUTY COMMANDANTS AUTHORIZED FOR THE MARINE CORPS.

Section 5045 of title 10, United States Code, is amended by striking "five" and inserting "six".

SEC. 903. BASE OPERATING SUPPORT FOR FISHER HOUSES.

(a) EXPANSION OF REQUIREMENT TO INCLUDE ARMY AND AIR FORCE.—Section 2493(f) of title 10, United States Code, is amended to read as follows:

"(f) BASE OPERATING SUPPORT.—The Secretary of the military department concerned shall provide base operating support for Fisher Houses associated with health care facilities of that military department.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2002.

SEC. 904. PREVENTION AND MITIGATION OF CORROSION.

(a) ESTABLISHMENT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall designate an officer or employee of the Department of Defense as the senior official responsible (after the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology, and Logistics) for the prevention and mitigation of corrosion of the military equipment and infrastructure of the Department. The designated official shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) DUTIES.—The official designated under subsection (a) shall direct and coordinate initiatives throughout the Department of Defense to prevent and mitigate corrosion of the military equipment and infrastructure of the Department, including efforts to facilitate the prevention and mitigation of corrosion through—

(1) development and recommendation of policy guidance on the prevention and mitigation of corrosion which the Secretary of Defense shall issue;

(2) review of the annual budget proposed for the prevention and mitigation of corrosion by the Secretary of each military department and submittal of

recommendations regarding the proposed budget to the Secretary of Defense;

(3) direction and coordination of the efforts within the Department of Defense to prevent or mitigate corrosion during—

(A) the design, acquisition, and maintenance of military equipment; and

(B) the design, construction, and maintenance of infrastructure; and

(4) monitoring of acquisition practices—

(A) to ensure that the use of corrosion prevention technologies and the application of corrosion prevention treatments are fully considered during research and development in the acquisition process; and

(B) to ensure that, to the extent determined appropriate in each acquisition program, such technologies and treatments are incorporated into the program, particularly during the engineering and design phases of the acquisition process.

(c) INTERIM REPORT.—When the President submits the budget for fiscal year 2004 to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report regarding the

actions taken under this section. The report shall include the following matters:

(1) The organizational structure for the personnel carrying out the responsibilities of the official designated under subsection (a) with respect to the prevention and mitigation of corrosion.

(2) An outline and milestones for developing a long-term corrosion prevention and mitigation strategy.

(d) LONG-TERM STRATEGY.—(1) Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a long-term strategy to reduce corrosion and the effects of corrosion on the military equipment and infrastructure of the Department of Defense.

(2) The strategy shall provide for the following actions:

(A) Expanding the emphasis on corrosion prevention and mitigation to include coverage of infrastructure.

(B) Applying uniformly throughout the Department of Defense requirements and criteria for the testing and certification of new technologies for the prevention of corrosion.

(C) Implementing programs, including programs supporting databases, to foster the collection and analysis of—

(i) data useful for determining the extent of the effects of corrosion on the maintenance and readiness of military equipment and infrastructure; and

(ii) data on the costs associated with the prevention and mitigation of corrosion.

(D) Implementing programs, including supporting databases, to ensure that a focused and coordinated approach is taken throughout the Department of Defense to collect, review, validate, and distribute information on proven methods and products that are relevant to the prevention of corrosion of military equipment and infrastructure.

(E) Implementing a program to identify specific funding in future budgets for the total life cycle costs of the prevention and mitigation of corrosion.

(F) Establishing a coordinated research and development program for the prevention and mitigation of corrosion for new and existing military equipment and infrastructure that includes a plan to transition new corrosion prevention technologies into operational systems.

(3) The strategy shall also include, for the actions provided for pursuant to paragraph (2), the following:

(A) Policy guidance.

(B) Performance measures and milestones.

(C) An assessment of the necessary program management resources and necessary financial resources.

(e) GAO REVIEWS.—The Comptroller General shall monitor the implementation of the long-term strategy required under subsection (d) and, not later than 18 months after the date of the enactment of this Act, submit to Congress an assessment of the extent to which the strategy has been implemented.

(f) DEFINITIONS.—In this section:

(1) The term "corrosion" means the deterioration of a substance or its properties due to a reaction with its environment.

(2) The term "military equipment" includes all air, land, and sea weapon systems, weapon platforms, vehicles, and munitions of the Department of Defense, and the components of such items.

(3) The term "infrastructure" includes all buildings, structures, airfields, port facilities, surface and subterranean utility systems, heating and cooling systems, fuel tanks, pavements, and bridges.

(g) TERMINATION.—This section shall cease to be effective on the date that is five years after the date of the enactment of this Act.

SEC. 905. WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

(a) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—Section 2166 of title 10, United States Code, is amended—

(1) by redesignating subsections (f), (g), and (h), as subsections (g), (h), and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—(1) The Secretary of Defense may, on behalf of the Institute, accept foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Institute.

"(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the Institute. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Institute for the same purposes and same period as the appropriations with which merged.

"(3) The Secretary of Defense shall notify Congress if the total amount of money accepted under paragraph (1) exceeds $1,000,000 in any fiscal year. Any such notice shall

list each of the contributors of such money and the amount of each contribution in such fiscal year.

"(4) For the purposes of this subsection, a foreign gift or donation is a gift or donation of funds, materials (including research materials), property, or services (including lecture services and faculty services) from a foreign government, a foundation or other charitable organization in a foreign country, or an individual in a foreign country.".

(b) CONTENT OF ANNUAL REPORT TO CONGRESS.—Subsection (i) of such section, as redesignated by subsection (a)(1), is amended by inserting after the first sentence the following: "The report shall include a copy of the latest report of the Board of Visitors received by the Secretary under subsection (e)(5), together with any comments of the Secretary on the Board's report.".

SEC. 906. VETERINARY CORPS OF THE ARMY.

(a) COMPOSITION AND ADMINISTRATION.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3070 the following new section 3071:

"§ 3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade

"(a) COMPOSITION.—The Veterinary Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

"(b) CHIEF.—The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade may be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

"(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3070 the following new item:

"3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade.".

(b) EFFECTIVE DATE.—Section 3071 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002.

SEC. 907. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE.

(a) ESTABLISHMENT OF POSITION.—Chapter 4 of title 10, United States Code, is amended—

(1) by transferring section 137 within such chapter to appear following section 138;

(2) by redesignating sections 137 and 139 as sections 139 and 139a, respectively; and

(3) by inserting after section 136a the following new section 137:

"§ 137. Under Secretary of Defense for Intelligence

"(a) There is an Under Secretary of Defense for Intelligence, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Intelligence shall perform such duties and exercise such powers as the Secretary of Defense may prescribe in the area of intelligence.

"(c) The Under Secretary of Defense for Personnel and Readiness takes precedence in the Department of Defense after the Under Secretary of Defense for Personnel and Readiness.".

(b) CONFORMING AMENDMENTS.—(1) Section 131 of such title is amended—

(A) by striking paragraphs (2), (3), (4), and (5), and inserting the following:

"(2) The Under Secretaries of Defense, as follows:

"(A) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(B) The Under Secretary of Defense for Policy.

"(C) The Under Secretary of Defense (Comptroller).

"(D) The Under Secretary of Defense for Personnel and Readiness.

"(E) The Under Secretary of Defense for Intelligence."; and

(B) by redesignating paragraphs (6), (7), (8), (9), (10), and (11) as paragraphs (3), (4), (5), (6), (7), and (8), respectively.

(2) The table of sections at the beginning of chapter 4 of such title is amended—

(A) by striking the item relating to section 137 and inserting the following:

"137. Under Secretary of Defense for Intelligence.";

and

(B) by striking the item relating to section 139 and inserting the following:

"139. Director of Research and Engineering.
"139a. Director of Operational Test and Evaluation.".

(c) EXECUTIVE LEVEL III.—Section 5314 of title 5, United States Code, is amended by inserting after "Under

Secretary of Defense for Personnel and Readiness." the following:

"Under Secretary of Defense for Intelligence.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2003 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. REALLOCATION OF AUTHORIZATIONS OF APPROPRIATIONS FROM BALLISTIC MISSILE DEFENSE TO SHIPBUILDING.

(a) AMOUNT.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated under section 201(4) is hereby reduced by $690,000,000, and the amount authorized to be appropriated under section 102(a)(3) is hereby increased by $690,000,000.

(b) SOURCE OF REDUCTION.—The total amount of the reduction in the amount authorized to be appropriated under section 201(4) shall be derived from the amount provided under that section for ballistic missile defense for research, development, test, and evaluation.

(c) ALLOCATION OF INCREASE.—Of the additional amount authorized to be appropriated under section 102(a)(3) pursuant to subsection (a)—

(1) $415,000,000 shall be available for advance procurement of a Virginia class submarine;

(2) $125,000,000 shall be available for advance procurement of a DDG–51 class destroyer; and

(3) $150,000,000 shall be available for advance procurement of an LPD–17 class amphibious transport dock.

SEC. 1003. AUTHORIZATION OF APPROPRIATIONS FOR CONTINUED OPERATIONS FOR THE WAR ON TERRORISM.

(a) AMOUNT.—(1) In addition to the amounts authorized to be appropriated under divisions A and B, funds are hereby authorized to be appropriated for fiscal year 2003 (subject to subsection (b)) in the total amount of $10,000,000,000 for the conduct of operations in continuation of the war on terrorism in accordance with the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note).

(2) The amount authorized to be appropriated under paragraph (1) shall be available for increased operating costs, transportation costs, costs of humanitarian efforts, costs of special pays, costs of enhanced intelligence efforts, increased personnel costs for members of the reserve components ordered to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States

Code, and other costs related to operations referred to in paragraph (1).

(b) AUTHORIZATION CONTINGENT ON BUDGET REQUEST.—The authorization of appropriations in subsection (a) shall be effective only to the extent of the amount provided in a budget request for the appropriation of funds for purposes set forth in subsection (a) that is submitted by the President to Congress after the date of the enactment of this Act and—

(1) includes a designation of the requested amount as being essential to respond to or protect against acts or threatened acts of terrorism; and

(2) specifies a proposed allocation and plan for the use of the appropriation for purposes set forth in subsection (a).

SEC. 1004. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2002.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or

both, in any law making supplemental appropriations for fiscal year 2002 that is enacted during the 107th Congress, second session.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2003.

(a) FISCAL YEAR 2003 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2003 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2002, of funds appropriated for fiscal years before fiscal year 2003 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available

for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $750,000 for the Civil Budget.

(2) Of the amount provided in section 301(a)(1), $205,623,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. DEVELOPMENT AND IMPLEMENTATION OF FINANCIAL MANAGEMENT ENTERPRISE ARCHITECTURE.

(a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE AND TRANSITION PLAN.—Not later than March 15, 2003, the Secretary of Defense shall develop a proposed financial management enterprise architecture for all budgetary, accounting, finance, and data feeder systems of the Department of Defense, together with a transition plan for implementing the proposed enterprise architecture.

(b) COMPOSITION OF ARCHITECTURE.—The proposed financial management enterprise architecture developed under subsection (a) shall describe a system that, at a minimum—

(1) includes data standards and system interface requirements that are to apply uniformly throughout the Department of Defense;

(2) enables the Department of Defense—

(A) to comply with Federal accounting, financial management, and reporting requirements;

(B) to routinely produce timely, accurate, and useful financial information for management purposes;

(C) to integrate budget, accounting, and program information and systems; and

(D) to provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.

(c) COMPOSITION OF TRANSITION PLAN.—The transition plan developed under subsection (a) shall contain specific time-phased milestones for modifying or eliminating existing systems and for acquiring new systems necessary to implement the proposed enterprise architecture.

(d) EXPENDITURES FOR IMPLEMENTATION.—The Secretary of Defense may not obligate more than $1,000,000 for a defense financial system improvement on or after the enterprise architecture approval date unless the Financial Management Modernization Executive Committee determines that the defense financial system improvement is consistent with the proposed enterprise architecture and transition plan.

(e) EXPENDITURES PENDING ARCHITECTURE APPROVAL.—The Secretary of Defense may not obligate more than $1,000,000 for a defense financial system improvement during the enterprise architecture pre-approval period unless the Financial Management Modernization Executive Committee determines that the defense financial system improvement is necessary—

(1) to achieve a critical national security capability or address a critical requirement in an area such as safety or security; or

(2) to prevent a significant adverse effect (in terms of a technical matter, cost, or schedule) on a project that is needed to achieve an essential capability, taking into consideration in the determination the alternative solutions for preventing the adverse effect.

(f) COMPTROLLER GENERAL REVIEW.—Not later than March 1 of each of 2003, 2004, and 2005, the Comptroller General shall submit to the congressional defense committees a report on defense financial management system improvements that have been undertaken during the previous year. The report shall include the Comptroller General's assessment of the extent to which the improvements comply with the requirements of this section.

(g) DEFINITIONS.—In this section:

(1) The term "defense financial system improvement"—

(A) means the acquisition of a new budgetary, accounting, finance, or data feeder system for the Department of Defense, or a modification of an existing budgetary, accounting, finance, or

data feeder system of the Department of Defense; and

(B) does not include routine maintenance and operation of any such system.

(2) The term "enterprise architecture approval date" means the date on which the Secretary of Defense approves a proposed financial management enterprise architecture and a transition plan that satisfy the requirements of this section.

(3) The term "enterprise architecture pre-approval period" means the period beginning on the date of the enactment of this Act and ending on the day before the enterprise architecture approval date.

(4) The term "feeder system" means a data feeder system within the meaning of section 2222(c)(2) of title 10, United States Code.

(5) The term "Financial Management Modernization Executive Committee" means the Financial Management Modernization Executive Committee established pursuant to section 185 of title 10, United States Code.

SEC. 1007. DEPARTMENTAL ACCOUNTABLE OFFICIALS IN THE DEPARTMENT OF DEFENSE.

(a) DESIGNATION AND ACCOUNTABILITY.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773 the following new section:

"§ 2773a. Departmental accountable officials

"(a) DESIGNATION.—The Secretary of Defense may designate, in writing, as a departmental accountable official any employee of the Department of Defense or any member of the armed forces who—

"(1) has a duty to provide a certifying official of the Department of Defense with information, data, or services directly relied upon by the certifying official in the certification of vouchers for payment; and

"(1) is not otherwise accountable under subtitle III of title 31 or any other provision of law for payments made on the basis of the vouchers.

"(b) PECUNIARY LIABILITY.—(1) The Secretary of Defense may, in a designation of a departmental accountable official under subsection (a), subject that official to pecuniary liability, in the same manner and to the same extent as an official accountable under subtitle III of title 31, for an illegal, improper, or incorrect payment made pursuant to a voucher certified by a certifying official of the Department of Defense on the basis of information, data, or services that—

"(A) the departmental accountable official provides to the certifying official in the performance of a duty described in subsection (a)(1); and

"(B) the certifying official directly relies upon in certifying the voucher.

"(2) Any pecuniary liability imposed on a departmental accountable official under this subsection for a loss to the United States resulting from an illegal, improper, or incorrect payment shall be joint and several with that of any other employee or employees of the United States or member or members of the uniformed services who are pecuniarily liable for the loss.

"(c) RELIEF FROM PECUNIARY LIABILITY.—The Secretary of Defense shall relieve a departmental accountable official from pecuniary liability imposed under subsection (b) in the case of a payment if the Secretary determines that the payment was not a result of fault or negligence on the part of the departmental accountable official.

"(d) CERTIFYING OFFICIAL DEFINED.—In this section, the term 'certifying official' means an employee who has the responsibilities specified in section 3528(a) of title 31.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2773 the following new item:

"2773a. Departmental accountable officials.".

SEC. 1008. DEPARTMENT-WIDE PROCEDURES FOR ESTABLISHING AND LIQUIDATING PERSONAL PECUNIARY LIABILITY.

(a) REPORT OF SURVEY PROCEDURES.—(1) Chapter 165 of title 10, United States Code, is amended by inserting after section 2786 the following new section:

"§ 2787. Reports of survey

"(a) REGULATIONS.—Under regulations prescribed pursuant to subsection (c), any officer of the armed forces or any civilian employee of the Department of Defense designated in accordance with the regulations may act upon reports of survey and vouchers pertaining to the loss, spoilage, unserviceability, unsuitability, or destruction of, or damage to, property of the United States under the control of the Department of Defense.

"(b) FINALITY OF ACTION.—(1) Action taken under subsection (a) is final except as provided in paragraph (2).

"(2) An action holding a person pecuniarily liable for loss, spoilage, destruction, or damage is not final until approved by a person designated to do so by the Secretary of a military department, commander of a combatant command, or Director of a Defense Agency, as the case may be, who has jurisdiction of the person held pecuniarily liable. The person designated to provide final approval shall be an officer of an armed force, or a civilian employee,

under the jurisdiction of the official making the designation.

"(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.".

(2) The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2786 the following new item:

"2787. Reports of survey.".

(b) DAMAGE OR REPAIR OF ARMS AND EQUIPMENT.—Section 1007(e) of title 37, United States Code, is amended by striking "Army or the Air Force" and inserting "Army, Navy, Air Force, or Marine Corps".

(c) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sections 4835 and 9835 of title 10, United States Code, are repealed.

(2) The tables of sections at the beginning of chapters 453 and 953 of such title are amended by striking the items relating to sections 4835 and 9835, respectively.

SEC. 1009. TRAVEL CARD PROGRAM INTEGRITY.

(a) AUTHORITY.—Section 2784 of title 10, United States Code, is amended by adding at the end the following new subsections:

"(d) DISBURSEMENT OF ALLOWANCES DIRECTLY TO CREDITORS.—(1) The Secretary of Defense may require that any part of the travel or transportation allowances of an employee of the Department of Defense or a member of

the armed forces be disbursed directly to the issuer of a Defense travel card if the amount is disbursed to the issuer in payment of amounts of expenses of official travel that are charged by the employee or member on the Defense travel card.

"(2) For the purposes of this subsection, the travel and transportation allowances referred to in paragraph (1) are amounts to which an employee of the Department of Defense is entitled under section 5702 of title 5 and or a member of the armed forces is entitled section 404 of title 37.

"(e) OFFSETS FOR DELINQUENT TRAVEL CARD CHARGES.—(1) The Secretary of Defense may require that there be deducted and withheld from any pay payable to an employee of the Department of Defense or a member of the armed forces any amount that is owed by the employee or member to a creditor by reason of one or more charges of expenses of official travel of the employee or member on a Defense travel card issued by the creditor if the employee or member—

"(A) is delinquent in the payment of such amount under the terms of the contract under which the card is issued; and

"(B) does not dispute the amount of the delinquency.

"(2) The amount deducted and withheld from pay under paragraph (1) with respect to a debt owed a creditor as described in that paragraph shall be disbursed to the creditor to reduce the amount of the debt.

"(3) The amount of pay deducted and withheld from the pay owed to an employee or member with respect to a pay period under paragraph (1) may not exceed 15 percent of the disposable pay of the employee or member for that pay period, except that a higher amount may be deducted and withheld with the written consent of the employee or member.

"(4) The Secretary of Defense shall prescribe procedures for deducting and withholding amounts from pay under this subsection. The procedures shall be substantially equivalent to the procedures under section 3716 of title 31.

"(f) UNDER SECRETARY OF DEFENSE (COMPTROLLER).—The Secretary of Defense shall act through the Under Secretary of Defense (Comptroller) in carrying out this section.

"(g) DEFINITIONS.—In this section:

"(1) The term 'Defense travel card' means a charge or credit card that—

"(A) is issued to an employee of the Department of Defense or a member of the armed forces

under a contract entered into by the Department of Defense and the issuer of the card; and

"(B) is to be used for charging expenses incurred by the employee or member in connection with official travel.

"(2) The term 'disposable pay', with respect to a pay period, means the amount equal to the excess of the amount of basic pay payable for the pay period over the total of the amounts deducted and withheld from such pay.".

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking ", acting through the Under Secretary of Defense (Comptroller),".

SEC. 1010. CLEARANCE OF CERTAIN TRANSACTIONS RECORDED IN TREASURY SUSPENSE ACCOUNTS AND RESOLUTION OF CERTAIN CHECK ISSUANCE DISCREPANCIES.

(a) CLEARING OF SUSPENSE ACCOUNTS.—(1) In the case of any transaction that was entered into by or on behalf of the Department of Defense before March 1, 2001, that is recorded in the Department of Treasury Budget Clearing Account (Suspense) designated as account F3875, the Unavailable Check Cancellations and Overpayments (Suspense) designated as account F3880, or an Undistributed Intergovernmental Payments account designated as ac-

count F3885, and for which no appropriation for the Department of Defense has been identified—

(A) any undistributed collection credited to such account in such case shall be deposited to the miscellaneous receipts of the Treasury; and

(B) subject to paragraph (2), any undistributed disbursement recorded in such account in such case shall be canceled.

(2) An undistributed disbursement may not be canceled under paragraph (1) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to demonstrate which appropriation should be charged and further efforts are not in the best interests of the United States.

(b) RESOLUTION OF CHECK ISSUANCE DISCREPANCIES.—(1) In the case of any check drawn on the Treasury that was issued by or on behalf of the Department of Defense before October 31, 1998, for which the Secretary of the Treasury has reported to the Department of Defense a discrepancy between the amount paid and the amount of the check as transmitted to the Department of Treasury, and for which no specific appropriation for the Department of Defense can be identified as being associated with the

check, the discrepancy shall be canceled, subject to paragraph (2).

(2) A discrepancy may not be canceled under paragraph (1) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to demonstrate which appropriation should be charged and further efforts are not in the best interests of the United States.

(c) CONSULTATION.—The Secretary of Defense shall consult the Secretary of the Treasury in the exercise of the authority granted by subsections (a) and (b).

(d) DURATION OF AUTHORITY.—(1) A particular undistributed disbursement may not be canceled under subsection (a) more than 30 days after the date of the written determination made by the Secretary of Defense under such subsection regarding that undistributed disbursement.

(2) A particular discrepancy may not be canceled under subsection (b) more than 30 days after the date of the written determination made by the Secretary of Defense under such subsection regarding that discrepancy.

(3) No authority may be exercised under this section after the date that is two years after the date of the enactment of this Act.

SEC. 1011. ADDITIONAL AMOUNT FOR BALLISTIC MISSILE DEFENSE OR COMBATING TERRORISM IN ACCORDANCE WITH NATIONAL SECURITY PRIORITIES OF THE PRESIDENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to other amounts authorized to be appropriated by other provisions of this division, there is hereby authorized to be appropriated for the Department of Defense for fiscal year 2003, $814,300,000 for whichever of the following purposes the President determines that the additional amount is necessary in the national security interests of the United States:

(1) Research, development, test, and evaluation for ballistic missile defense programs of the Department of Defense.

(2) Activities of the Department of Defense for combating terrorism at home and abroad.

(b) OFFSET.—The total amount authorized to be appropriated under the other provisions of this division is hereby reduced by $814,300,000 to reflect the amounts that the Secretary determines unnecessary by reason of a revision of assumptions regarding inflation that are applied as a result of the midsession review of the budget conducted by the Office of Management and Budget during the spring and early summer of 2002.

(c) PRIORITY FOR ALLOCATING FUNDS.—In the expenditure of additional funds made available by a lower rate of inflation, the top priority shall be the use of such funds for Department of Defense activities for protecting the American people at home and abroad by combating terrorism at home and abroad.

SEC. 1012. AVAILABILITY OF AMOUNTS FOR OREGON ARMY NATIONAL GUARD FOR SEARCH AND RESCUE AND MEDICAL EVACUATION MISSIONS IN ADVERSE WEATHER CONDITIONS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR ARMY PROCUREMENT.—The amount authorized to be appropriated by section 101(1) for procurement for the Army for aircraft is hereby increased by $3,000,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 101(1) for procurement for the Army for aircraft, as increased by subsection (a), $3,000,000 shall be available for the upgrade of three UH–60L Blackhawk helicopters of the Oregon Army National Guard to the capabilities of UH–60Q Search and Rescue model helicopters, including Star Safire FLIR, Breeze-Eastern External Rescue Hoist, and Air Methods COTS Medical Systems upgrades, in order to improve the utility of such UH–60L Blackhawk helicopters in search and res-

cue and medical evacuation missions in adverse weather conditions.

(c) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.—The amount authorized to be appropriated by section 421 for military personnel is hereby increased by $1,800,000.

(d) AVAILABILITY.—Of the amount authorized to be appropriated by section 421 for military personnel, as increased by subsection (d), $1,800,000 shall be available for up to 26 additional personnel for the Oregon Army National Guard.

(e) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army is hereby reduced by $4,800,000, with the amount of the reduction to be allocated to Base Operations Support (Servicewide Support).

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. NUMBER OF NAVY SURFACE COMBATANTS IN ACTIVE AND RESERVE SERVICE.

(a) CONTINGENT REQUIREMENT FOR REPORT.—If, on the date of the enactment of this Act, the total number of Navy ships comprising the force of surface combatants is less than 116, the Secretary of the Navy shall submit a report on the size of that force to the Committees on Armed

Services of the Senate and the House of Representatives. The report shall be submitted not later than 90 days after such date and shall include a risk assessment for such force that is based on the same assumptions as those that were applied in the QDR 2001 current force risk assessment.

(b) LIMITATION ON REDUCTION.—The force of surface combatants may not be reduced at any time after the date of the enactment of this Act from a number of ships (whether above, equal to, or below 116) to a number of ships below 116 before the date that is 90 days after the date on which the Secretary of the Navy submits to the committees referred to in subsection (a) a written notification of the reduction. The notification shall include the following information:

(1) The schedule for the reduction.

(2) The number of ships that are to comprise the reduced force of surface combatants.

(3) A risk assessment for the reduced force that is based on the same assumptions as those that were applied in the QDR 2001 current force risk assessment.

(c) PRESERVATION OF SURGE CAPABILITY.—Whenever the total number of Navy ships comprising the force of surface combatants is less than 116, the Secretary of the Navy shall maintain on the Naval Vessel Register a sufficient number of surface combatant ships to enable the Navy to

regain a total force of 116 surface combatant ships in active and reserve service in the Navy within 120 days after the President decides to increase the force of surface combatants.

(d) DEFINITIONS.—In this section:

(1) The term "force of surface combatants" means the surface combatant ships in active and reserve service in the Navy.

(2) The term "QDR 2001 current force risk assessment" means the risk assessment associated with a force of 116 surface combatant ships in active and reserve service in the Navy that is set forth in the report on the quadrennial defense review submitted to Congress on September 30, 2001, under section 118 of title 10, United States Code.

SEC. 1022. PLAN FOR FIELDING THE 155-MILLIMETER GUN ON A SURFACE COMBATANT.

(a) REQUIREMENT FOR PLAN.—The Secretary of the Navy shall submit to Congress a plan for fielding the 155-millimeter gun on one surface combatant ship in active service in the Navy. The Secretary shall submit the plan at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

(b) FIELDING ON EXPEDITED SCHEDULE.—The plan shall provide for fielding the 155-millimeter gun on an ex-

pedited schedule that is consistent with the achievement of safety of operation and fire support capabilities meeting the fire support requirements of the Marine Corps, but not later than October 1, 2006.

SEC. 1023. REPORT ON INITIATIVES TO INCREASE OPERATIONAL DAYS OF NAVY SHIPS.

(a) REQUIREMENT FOR REPORT ON INITIATIVES.—(1) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on Department of Defense initiatives to increase the number of operational days of Navy ships as described in subsection (b).

(2) The report shall cover the ongoing Department of Defense initiatives as well as potential initiatives that are under consideration within the Department of Defense.

(b) INITIATIVES WITHIN LIMITS OF EXISTING FLEET AND DEPLOYMENT POLICY.—The Under Secretary shall, in the report, assess the feasibility and identify the projected effects of conducting initiatives that have the potential to increase the number of operational days of Navy ships available to the commanders-in-chief of the regional unified combatant commands without increasing the number of Navy ships and without increasing the routine lengths of deployments of Navy ships above six months.

(c) REQUIRED FOCUS AREAS.—The report shall, at a minimum, address the following four focus areas:

(1) Assignment of additional ships, including submarines, to home ports closer to the areas of operation for the ships (known as "forward homeporting").

(2) Assignment of ships to remain in a forward area of operations, together with rotation of crews for each ship so assigned.

(3) Retention of ships for use until the end of the full service life, together with investment of the funds necessary to support retention to that extent.

(4) Prepositioning of additional ships with, under normal circumstances, small crews in a forward area of operations.

(d) TIME FOR SUBMITTAL.—The report shall be submitted at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

SEC. 1024. ANNUAL LONG-RANGE PLAN FOR THE CONSTRUCTION OF SHIPS FOR THE NAVY.

(a) FINDINGS.—Congress makes the following findings:

(1) Navy ships provide a forward presence for the United States that is a key to the national defense of the United States.

(2) The Navy has demonstrated that its ships contribute significantly to homeland defense.

(3) The Navy's ship recapitalization plan is inadequate to maintain the ship force structure that is described as the current force in the 2001 Quadrennial Defense Review.

(4) The Navy is decommissioning ships as much as 10 years earlier than the projected ship life upon which ship replacement rates are based.

(5) The current force was assessed in the 2001 Quadrennial Defense Review as having moderate to high risk, depending on the scenario considered.

(b) ANNUAL SHIP CONSTRUCTION PLAN.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 231. Annual ship construction plan

"(a) ANNUAL SHIP CONSTRUCTION PLAN.—The Secretary of Defense shall include in the defense budget materials for each fiscal year a plan for the construction of combatant and support ships for the Navy that—

"(1) supports the National Security Strategy; or

"(2) if there is no National Security Strategy in effect, supports the ship force structure called for in the report of the latest Quadrennial Defense Review.

"(b) CONTENT.—The ship construction plan included in the defense budget materials for a fiscal year shall provide in detail for the construction of combatant and support ships for the Navy over the 30 consecutive fiscal years beginning with the fiscal year covered by the defense budget materials and shall include the following matters:

"(1) A description of the necessary ship force structure of the Navy.

"(2) The estimated levels of funding necessary to carry out the plan, together with a discussion of the procurement strategies on which such estimated funding levels are based.

"(3) A certification by the Secretary of Defense that both the budget for the fiscal year covered by the defense budget materials and the future-years defense program submitted to Congress in relation to such budget under section 221 of this title provide for funding ship construction for the Navy at a level that is sufficient for the procurement of the ships provided for in the plan on schedule.

"(4) If the budget for the fiscal year provides for funding ship construction at a level that is not sufficient for the recapitalization of the force of Navy ships at the annual rate necessary to sustain the force, an assessment (coordinated with the com-

manders of the combatant commands in advance) that describes and discusses the risks associated with the reduced force structure that will result from funding ship construction at such insufficient level.

"(c) DEFINITIONS.—In this section:

"(1) The term 'budget', with respect to a fiscal year, means the budget for such fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

"(2) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for such fiscal year.

"(3) The term 'Quadrennial Defense Review' means the Quadrennial Defense Review that is carried out under section 118 of this title.".

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

"231. Annual ship construction plan.".

Subtitle C—Reporting Requirements

SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE WITH RESPECT TO THE DEPARTMENT OF DEFENSE.

(a) PROVISIONS OF TITLE 10.—Title 10, United States Code, is amended as follows:

(1)(A) Section 183 is repealed.

(B) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 183.

(2)(A) Sections 226 and 230 are repealed.

(B) The table of sections at the beginning of chapter 9 is amended by striking the items relating to sections 226 and 230.

(3) Effective two years after the date of the enactment of this Act—

(A) section 483 is repealed; and

(B) the table of sections at the beginning of chapter 23 is amended by striking the item relating to section 483.

(4) Section 526 is amended by striking subsection (c).

(5) Section 721(d) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" before "If an officer".

(6) Section 1095(g) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(g)".

(7) Section 1798 is amended by striking subsection (d).

(8) Section 1799 is amended by striking subsection (d).

(9) Section 2220 is amended—

(A) by striking subsections (b) and (c);

(B) by striking "(1)" after "ESTABLISHMENT OF GOALS.—"; and

(C) by striking "(2) The" and inserting "(b) EVALUATION OF COST GOALS.—The".

(10) Section 2350a(g) is amended by striking paragraph (4).

(11) Section 2350f is amended by striking subsection (c).

(12) Section 2350k is amended by striking subsection (d).

(13) Section 2367(d) is amended by striking "EFFORT.—(1) In the" and all that follows through "(2) After the close of" and inserting "EFFORT.—After the close of".

(14) Section 2391 is amended by striking subsection (c).

(15) Section 2486(b)(12) is amended by striking ", except that" and all that follows and inserting the following: ", except that the Secretary shall notify Congress of any addition of, or change in, a merchandise category under this paragraph.".

(16) Section 2492 is amended by striking subsection (c) and inserting the following:

"(c) NOTIFICATION OF CONDITIONS NECESSITATING RESTRICTIONS.—The Secretary of Defense shall notify Congress of any change proposed or made to any of the host nation laws or any of the treaty obligations of the United States, and any changed conditions within host nations, if the change would necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.".

(17)(A) Section 2504 is repealed.

(B) The table of sections at the beginning of subchapter II of chapter 148 is amended by striking the item relating to section 2504.

(18) Section 2506—

(A) is amended by striking subsection (b); and

(B) by striking "(a) DEPARTMENTAL GUIDANCE.—".

(19) Section 2537(a) is amended by striking "$100,000" and inserting "$10,000,000".

(20) Section 2611 is amended by striking subsection (e).

(21) Section 2667(d) is amended by striking paragraph (3).

(22) Section 2813 is amended by striking subsection (c).

(23) Section 2827 is amended—

(A) by striking subsection (b); and

(B) by striking "(a) Subject to subsection (b), the Secretary" and inserting "The Secretary".

(24) Section 2867 is amended by striking subsection (c).

(25) Section 4416 is amended by striking subsection (f).

(26) Section 5721(f) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after the subsection heading.

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the last sentence.

(c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—Section 234 of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 10 U.S.C. 2431 note) is amended by striking subsection (f).

SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT HARDENED AND DEEPLY BURIED TARGETS.

(a) ANNUAL REPORT.—Not later than April 1, 2003, and each year thereafter, the Secretary of Defense, Secretary of Energy, and Director of Central Intelligence shall jointly submit to the congressional defense committees a report on the research and development activities undertaken by their respective agencies during the preceding fiscal year to develop a weapon to defeat hardened and deeply buried targets.

(b) REPORT ELEMENTS.—The report for a fiscal year under subsection (a) shall—

(1) include a discussion of the integration and interoperability of the various programs to develop a weapon referred to in that subsection that were undertaken during such fiscal year, including a discussion of the relevance of such programs to applicable decisions of the Joint Requirements Oversight Council; and

(2) set forth separately a description of the research and development activities, if any, to develop a weapon referred to in that subsection that were undertaken during such fiscal year by each military department, the Department of Energy, and the Central Intelligence Agency.

SEC. 1033. REVISION OF DATE OF ANNUAL REPORT ON COUNTERPROLIFERATION ACTIVITIES AND PROGRAMS.

Section 1503(a) of the National Defense Authorization Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is amended by striking "February 1 of each year" and inserting "May 1 each year".

SEC. 1034. QUADRENNIAL QUALITY OF LIFE REVIEW.

(a) REQUIREMENT FOR REVIEW.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 488. Quadrennial quality of life review

"(a) REVIEW REQUIRED.—(1) The Secretary of Defense shall every four years, two years after the submission of the quadrennial defense review to Congress under section 118 of this title, conduct a comprehensive examination of the quality of life of the members of the armed forces (to be known as the 'quadrennial quality of life review'). The review shall include examination of the programs, projects, and activities of the Department of Defense, including the morale, welfare, and recreation activities.

"(2) The quadrennial review shall be designed to result in determinations, and to foster policies and actions, that reflect the priority given the quality of life of members of the armed forces as a primary concern of the Department of Defense leadership.

"(b) CONDUCT OF REVIEW.—Each quadrennial quality of life review shall be conducted so as—

"(1) to assess quality of life priorities and issues consistent with the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(2) to identify actions that are needed in order to provide members of the armed forces with the quality of life reasonably necessary to encourage the successful execution of the full range of missions that the members are called on to perform under the national security strategy;

"(3) to provide a full accounting of the backlog of installations in need of maintenance and repair, to determine how the disrepair affects performance and quality of life of members and their families, and to identify the budget plan that would be required to provide the resources necessary to remedy the backlog of maintenance and repair; and

"(4) to identify other actions that have the potential for improving the quality of life of the members of the armed forces.

"(c) CONSIDERATIONS.—Among the matters considered by the Secretary in conducting the quadrennial review, the Secretary shall include the following matters:

"(1) Infrastructure.

"(2) Military construction.

"(3) Physical conditions at military installations and other Department of Defense facilities.

"(4) Budget plans.

"(5) Adequacy of medical care for members of the armed forces and their dependents.

"(6) Adequacy of housing and the basic allowance for housing and basic allowance for subsistence.

"(7) Housing-related utility costs.

"(8) Educational opportunities and costs.

"(9) Length of deployments.

"(10) Rates of pay, and pay differentials between the pay of members and the pay of civilians.

"(11) Retention and recruiting efforts.

"(12) Workplace safety.

"(13) Support services for spouses and children.

"(14) Other elements of Department of Defense programs and Federal Government policies and programs that affect the quality of life of members.

"(d) SUBMISSION OF QQLR TO CONGRESSIONAL COMMITTEES.—The Secretary shall submit a report on each

quadrennial quality of life review to the Committees on Armed Services of the Senate and the House of Representatives. The report shall be submitted not later than September 30 of the year in which the review is conducted. The report shall include the following:

"(1) The results of the review, including a comprehensive discussion of how the quality of life of members of the armed forces affects the national security strategy of the United States.

"(2) The long-term quality of life problems of the armed forces, together with proposed solutions.

"(3) The short-term quality of life problems of the armed forces, together with proposed solutions.

"(4) The assumptions used in the review.

"(5) The effects of quality of life problems on the morale of the members of the armed forces.

"(6) The quality of life problems that affect the morale of members of the reserve components in particular, together with solutions.

"(7) The effects of quality of life problems on military preparedness and readiness.

"(8) The appropriate ratio of—

"(A) the total amount expended by the Department of Defense in a fiscal year for programs, projects, and activities designed to im-

prove the quality of life of members of the armed forces, to

"(B) the total amount expended by the Department of Defense in the fiscal year.".

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

"488. Quadrennial quality of life review.".

SEC. 1035. REPORTS ON EFFORTS TO RESOLVE WHEREABOUTS AND STATUS OF CAPTAIN MICHAEL SCOTT SPEICHER, UNITED STATES NAVY.

(a) REPORTS.— Not later than 60 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of Defense shall, in consultation with the Secretary of State and the Director of Central Intelligence, submit to Congress a report on the efforts of the United States Government to determine the whereabouts and status of Captain Michael Scott Speicher, United States Navy.

(b) PERIOD COVERED BY REPORTS.—The first report under subsection (a) shall cover efforts described in that subsection preceding the date of the report, and each subsequent report shall cover efforts described in that subsection during the 90-day period ending on the date of such report.

(c) REPORT ELEMENTS.—Each report under subsection (a) shall describe, for the period covered by such report—

(1) all direct and indirect contacts with the Government of Iraq, or any successor government, regarding the whereabouts and status of Michael Scott Speicher;

(2) any request made to the government of another country, including the intelligence service of such country, for assistance in resolving the whereabouts and status of Michael Scott Speicher, including the response to such request;

(3) each current lead on the whereabouts and status of Michael Scott Speicher, including an assessment of the utility of such lead in resolving the whereabouts and status of Michael Scott Speicher; and

(4) any cooperation with nongovernmental organizations or international organizations in resolving the whereabouts and status of Michael Scott Speicher, including the results of such cooperation.

(d) FORM OF REPORTS.—Each report under subsection (a) shall be submitted in classified form, but may include an unclassified summary.

SEC. 1036. REPORT ON EFFORTS TO ENSURE ADEQUACY OF FIRE FIGHTING STAFFS AT MILITARY INSTALLATIONS.

Not later than Mary 31, 2003, the Secretary of Defense shall submit to Congress a report on the actions being un-

dertaken to ensure that the fire fighting staffs at military installations are adequate under applicable Department of Defense regulations.

SEC. 1037. REPORT ON DESIGNATION OF CERTAIN LOUISIANA HIGHWAY AS DEFENSE ACCESS ROAD.

Not later than March 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report containing the results of a study on the advisability of designating Louisiana Highway 28 between Alexandria, Louisiana, and Leesville, Louisiana, a road providing access to the Joint Readiness Training Center, Louisiana, and to Fort Polk, Louisiana, as a defense access road for purposes of section 210 of title 23, United States Code.

SEC. 1038. PLAN FOR FIVE-YEAR PROGRAM FOR ENHANCEMENT OF MEASUREMENT AND SIGNATURES INTELLIGENCE CAPABILITIES.

(a) FINDING.—Congress finds that the national interest will be served by the rapid exploitation of basic research on sensors for purposes of enhancing the measurement and signatures intelligence (MASINT) capabilities of the Federal Government.

(b) PLAN FOR PROGRAM.—(1) Not later than March 30, 2003, the Director of the Central Measurement and Signatures Intelligence Office shall submit to Congress a plan

for a five-year program of research intended to provide for the incorporation of the results of basic research on sensors into the measurement and signatures intelligence systems fielded by the Federal Government, including the review and assessment of basic research on sensors for that purpose.

(2) Activities under the plan shall be carried out by a consortium consisting of such governmental and non-governmental entities as the Director considers appropriate for purposes of incorporating the broadest practicable range of sensor capabilities into the systems referred to in paragraph (1). The consortium may include national laboratories, universities, and private sector entities.

(3) The plan shall include a proposal for the funding of activities under the plan, including cost-sharing by non-governmental participants in the consortium under paragraph (2).

SEC. 1039. REPORT ON VOLUNTEER SERVICES OF MEMBERS OF THE RESERVE COMPONENTS IN EMERGENCY RESPONSE TO THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

(a) REQUIREMENT FOR REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on volunteer services described in subsection (b) that

were provided by members of the National Guard and other reserve components of the Armed Forces, while not in a duty status pursuant to orders, during the period of September 11 through 14, 2001. The report shall include a discussion of any personnel actions that the Secretary considers appropriate for the members regarding the performance of such services.

(b) COVERED SERVICES.—The volunteer services referred to in subsection (a) are as follows:

(1) Volunteer services provided in the vicinity of the site of the World Trade Center, New York, New York, in support of emergency response to the terrorist attack on the World Trade Center on September 11, 2001.

(2) Volunteer services provided in the vicinity of the Pentagon in support of emergency response to the terrorist attack on the Pentagon on September 11, 2001.

SEC. 1040. BIANNUAL REPORTS ON CONTRIBUTIONS TO PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND DELIVERY SYSTEMS BY COUNTRIES OF PROLIFERATION CONCERN.

(a) REPORTS.—Not later than six months after the date of the enactment of this Act, and every six months thereafter, the President shall submit to Congress a report

identifying each foreign person that, during the six-month period ending on the date of such report, made a material contribution to the development by a country of proliferation concern of—

(1) nuclear, biological, or chemical weapons; or

(2) ballistic or cruise missile systems.

(b) FORM OF SUBMITTAL.—(1) A report under subsection (a) may be submitted in classified form, whether in whole or in part, if the President determines that submittal in that form is advisable.

(2) Any portion of a report under subsection (a) that is submitted in classified form shall be accompanied by an unclassified summary of such portion.

(c) DEFINITIONS.—In this section:

(1) The term "foreign person" means—

(A) a natural person that is an alien;

(B) a corporation, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group that is organized under the laws of a foreign country or has its principal place of business in a foreign country;

(C) any foreign governmental entity operating as a business enterprise; and

(D) any successor, subunit, or subsidiary of any entity described in subparagraph (B) or (C).

(2) The term "country of proliferation concern" means any country identified by the Director of Central Intelligence as having engaged in the acquisition of dual-use and other technology useful for the development or production of weapons of mass destruction (including nuclear, chemical, and biological weapons) and advanced conventional munitions in the most current report under section 721 of the Combatting Proliferation of Weapons of Mass Destruction Act of 1996 (title VII of Public Law 104–293; 50 U.S.C. 2366), or any successor report on the acquisition by foreign countries of dual-use and other technology useful for the development or production of weapons of mass destruction.

Subtitle D—Homeland Defense

SEC. 1041. HOMELAND SECURITY ACTIVITIES OF THE NATIONAL GUARD.

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

"§ 116. Homeland security activities

"(a) USE OF PERSONNEL PERFORMING FULL-TIME NATIONAL GUARD DUTY.—The Governor of a State may,

upon the request by the head of a Federal law enforcement agency and with the concurrence of the Secretary of Defense, order any personnel of the National Guard of the State to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out homeland security activities, as described in subsection (b).

"(b) PURPOSE AND DURATION.—(1) The purpose for the use of personnel of the National Guard of a State under this section is to temporarily provide trained and disciplined personnel to a Federal law enforcement agency to assist that agency in carrying out homeland security activities until that agency is able to recruit and train a sufficient force of Federal employees to perform the homeland security activities.

"(2) The duration of the use of the National Guard of a State under this section shall be limited to a period of 179 days. The Governor of the State may, with the concurrence of the Secretary of Defense, extend the period one time for an additional 90 days to meet extraordinary circumstances.

"(c) RELATIONSHIP TO REQUIRED TRAINING.—A member of the National Guard serving on full-time National Guard duty under orders authorized under subsection (a) shall participate in the training required under section 502(a) of this title in addition to the duty performed

for the purpose authorized under that subsection. The pay, allowances, and other benefits of the member while participating in the training shall be the same as those to which the member is entitled while performing duty for the purpose of carrying out homeland security activities. The member is not entitled to additional pay, allowances, or other benefits for participation in training required under section 502(a)(1) of this title.

"(d) READINESS.—To ensure that the use of units and personnel of the National Guard of a State for homeland security activities does not degrade the training and readiness of such units and personnel, the following requirements shall apply in determining the homeland security activities that units and personnel of the National Guard of a State may perform:

"(1) The performance of the activities may not adversely affect the quality of that training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit.

"(2) National Guard personnel will not degrade their military skills as a result of performing the activities.

"(3) The performance of the activities will not result in a significant increase in the cost of training.

"(4) In the case of homeland security performed by a unit organized to serve as a unit, the activities will support valid unit training requirements.

"(e) PAYMENT OF COSTS.—(1) The Secretary of Defense shall provide funds to the Governor of a State to pay costs of the use of personnel of the National Guard of the State for the performance of homeland security activities under this section. Such funds shall be used for the following costs:

"(A) The pay, allowances, clothing, subsistence, gratuities, travel, and related expenses (including all associated training expenses, as determined by the Secretary), as authorized by State law, of personnel of the National Guard of that State used, while not in Federal service, for the purpose of homeland security activities.

"(B) The operation and maintenance of the equipment and facilities of the National Guard of that State used for the purpose of homeland security activities.

"(2) The Secretary of Defense shall require the head of a law enforcement agency receiving support from the National Guard of a State in the performance of homeland security activities under this section to reimburse the De-

partment of Defense for the payments made to the State for such support under paragraph (1).

"(f) MEMORANDUM OF AGREEMENT.—The Secretary of Defense and the Governor of a State shall enter into a memorandum of agreement with the head of each Federal law enforcement agency to which the personnel of the National Guard of that State are to provide support in the performance of homeland security activities under this section. The memorandum of agreement shall—

"(1) specify how personnel of the National Guard are to be used in homeland security activities;

"(2) include a certification by the Adjutant General of the State that those activities are to be performed at a time when the personnel are not in Federal service;

"(3) include a certification by the Adjutant General of the State that—

"(A) participation by National Guard personnel in those activities is service in addition to training required under section 502 of this title; and

"(B) the requirements of subsection (d) of this section will be satisfied;

"(4) include a certification by the Attorney General of the State (or, in the case of a State with no

position of Attorney General, a civilian official of the State equivalent to a State attorney general), that the use of the National Guard of the State for the activities provided for under the memorandum of agreement is authorized by, and is consistent with, State law;

"(5) include a certification by the Governor of the State or a civilian law enforcement official of the State designated by the Governor that the activities provided for under the memorandum of agreement serve a State law enforcement purpose; and

"(6) include a certification by the head of the Federal law enforcement agency that the agency will have a plan to ensure that the agency's requirement for National Guard support ends not later than 179 days after the commencement of the support.

"(g) EXCLUSION FROM END-STRENGTH COMPUTATION.—Notwithstanding any other provision of law, members of the National Guard on active duty or full-time National Guard duty for the purposes of administering (or during fiscal year 2003 otherwise implementing) this section shall not be counted toward the annual end strength authorized for reserves on active duty in support of the reserve components of the armed forces or toward the strengths authorized in sections 12011 and 12012 of title 10.

"(h) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report regarding any assistance provided and activities carried out under this section during the preceding fiscal year. The report shall include the following:

"(1) The number of members of the National Guard excluded under subsection (g) from the computation of end strengths.

"(2) A description of the homeland security activities conducted with funds provided under this section.

"(3) An accounting of the amount of funds provided to each State.

"(4) A description of the effect on military training and readiness of using units and personnel of the National Guard to perform homeland security activities under this section.

"(i) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed as a limitation on the authority of any unit of the National Guard of a State, when such unit is not in Federal service, to perform law enforcement functions authorized to be performed by the National Guard by the laws of the State concerned.

"(j) DEFINITIONS.—For purposes of this section:

"(1) The term 'Governor of a State' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

"(2) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.".

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

"116. Homeland security activities.".

SEC. 1042. CONDITIONS FOR USE OF FULL-TIME RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION.

Section 12310(c)(3) of title 10, United States Code, is amended by striking "only—" and all that follows through "(B) while assigned" and inserting "only while assigned".

SEC. 1043. WEAPON OF MASS DESTRUCTION DEFINED FOR PURPOSES OF THE AUTHORITY FOR USE OF RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION.

(a) WEAPON OF MASS DESTRUCTION REDEFINED.—Section 12304(i)(2) of title 10, United States Code, is amended to read as follows:

"(2) The term 'weapon of mass destruction' means—

"(A) any weapon that is designed or, through its use, is intended to cause death or serious bodily injury through the release, dissemination, or impact of toxic or poisonous chemicals or their precursors;

"(B) any weapon that involves a disease organism;

"(C) any weapon that is designed to release radiation or radioactivity at a level dangerous to human life; and

"(D) any large conventional explosive that is designed to produce catastrophic loss of life or property.".

(b) CONFORMING AMENDMENT.—Section 12310(c)(1) of such title is amended by striking "section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1))" and inserting "section 12304(i)(2) of this title".

SEC. 1044. REPORT ON DEPARTMENT OF DEFENSE HOMELAND DEFENSE ACTIVITIES.

(a) REPORT REQUIRED.—Not later than February 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on what actions of the

Department of Defense would be necessary to carry out the Secretary's expressed intent—

(1) to place new emphasis on the unique operational demands associated with the defense of the United States homeland; and

(2) to restore the mission of defense of the United States to the position of being the primary mission of the Department of Defense.

(b) CONTENT OF THE REPORT.—The report shall contain, in accordance with the other provisions of this section, the following matters:

(1) HOMELAND DEFENSE CAMPAIGN PLAN.—A homeland defense campaign plan.

(2) INTELLIGENCE.—A discussion of the relationship between—

(A) the intelligence capabilities of—

(i) the Department of Defense; and

(ii) other departments and agencies of the United States; and

(B) the performance of the homeland defense mission.

(3) THREAT AND VULNERABILITY ASSESSMENT.—A compliance-based national threat and vulnerability assessment.

(4) TRAINING AND EXERCISING.—A discussion of the Department of Defense plans for training and exercising for the performance of the homeland defense mission.

(5) BIOTERRORISM INITIATIVE.—An evaluation of the need for a Department of Defense bioterrorism initiative to improve the ability of the department to counter bioterror threats and to assist other agencies to improve the national ability to counter bioterror threats.

(6) CHEMICAL BIOLOGICAL INCIDENT RESPONSE TEAMS.—An evaluation of the need for and feasibility of developing and fielding Department of Defense regional chemical biological incident response teams.

(7) OTHER MATTERS.—Any other matters that the Secretary of Defense considers relevant regarding the efforts necessary to carry out the intent referred to in subsection (a).

(c) HOMELAND DEFENSE CAMPAIGN PLAN.—

(1) ORGANIZATION, PLANNING, AND INTEROPERABILITY.—

(A) IN GENERAL.—The homeland defense campaign plan under subsection (b)(1) shall contain a discussion of the organization and planning of the Department of Defense for homeland

defense, including the expectations for interoperability of the Department of Defense with other departments and agencies of the Federal Government and with State and local governments.

(B) CONTENT.—The plan shall include the following matters:

(i) The duties, definitions, missions, goals, and objectives of organizations in the Department of Defense that apply homeland defense, together with an organizational assessment with respect to the performance of the homeland defense mission and a discussion of any plans for making functional realignments of organizations, authorities, and responsibilities for carrying out that mission.

(ii) The relationships among the leaders of the organizations (including the Secretary of Defense, the Joint Chiefs of Staff, the Commander in Chief of United States Northern Command, the Commanders in Chief of the other regional unified combatant commands, and the reserve components) in the performance of such duties.

(iii) The reviews, evaluations, and standards that are established or are to be established for determining and ensuring the readiness of the organizations to perform such duties.

(2) RESPONSE TO ATTACK ON CRITICAL INFRASTRUCTURE.—

(A) IN GENERAL.—The homeland defense campaign plan shall contain an outline of the duties and capabilities of the Department of Defense for responding to an attack on critical infrastructure of the United States, including responding to an attack on critical infrastructure of the department, by means of a weapon of mass destruction or a CBRNE weapon or by a cyber means.

(B) VARIOUS ATTACK SCENARIOS.—The outline shall specify, for each major category of attack by a means described in subparagraph (A), the variations in the duties, responses, and capabilities of the various Department of Defense organizations that result from the variations in the means of the attack.

(C) DEFICIENCIES.—The outline shall identify any deficiencies in capabilities and set forth a plan for rectifying any such deficiencies.

(D) LEGAL IMPEDIMENTS.—The outline shall identify and discuss each impediment in law to the effective performance of the homeland defense mission.

(3) ROLES AND RESPONSIBILITIES IN INTERAGENCY PROCESS.—

(A) IN GENERAL.—The homeland defense campaign plan shall contain a discussion of the roles and responsibilities of the Department of Defense in the interagency process of policymaking and planning for homeland defense.

(B) INTEGRATION WITH STATE AND LOCAL ACTIVITIES.—The homeland defense campaign plan shall include a discussion of Department of Defense plans to integrate Department of Defense homeland defense activities with the homeland defense activities of other departments and agencies of the United States and the homeland defense activities of State and local governments, particularly with regard to issues relating to CBRNE and cyber attacks.

(d) INTELLIGENCE CAPABILITIES.—The discussion of the relationship between the intelligence capabilities and the performance of the homeland defense mission under subsection (b)(2) shall include the following matters:

(1) ROLES AND MISSIONS.—The roles and missions of the Department of Defense for the employment of the intelligence capabilities of the department in homeland defense.

(2) INTERAGENCY RELATIONSHIPS.—A discussion of the relationship between the Department of Defense and the other departments and agencies of the United States that have duties for collecting or analyzing intelligence in relation to homeland defense, particularly in light of the conflicting demands of duties relating to the collection and analysis of domestic intelligence and duties relating to the collection and analysis of foreign intelligence.

(3) INTELLIGENCE-RELATED CHANGES.—Any changes that are necessary in the Department of Defense in order to provide effective intelligence support for the performance of homeland defense missions, with respect to—

(A) the preparation of threat assessments and other warning products by the Department of Defense;

(B) collection of terrorism-related intelligence through human intelligence sources, signals intelligence sources, and other intelligence sources; and

(C) intelligence policy, capabilities, and practices.

(4) LEGAL IMPEDIMENTS.—Any impediments in law to the effective performance of intelligence missions in support of homeland defense.

(e) THREAT AND VULNERABILITY ASSESSMENT.—

(1) CONTENT.—The compliance-based national threat and vulnerability assessment under subsection (b)(3) shall include a discussion of the following matters:

(A) CRITICAL FACILITIES.—The threat of terrorist attack on critical facilities, programs, and systems of the United States, together with the capabilities of the Department of Defense to deter and respond to any such attack.

(B) DOD VULNERABILITY.—The vulnerability of installations, facilities, and personnel of the Department of Defense to attack by persons using weapons of mass destruction, CBRNE weapons, or cyber means.

(C) BALANCED SURVIVABILITY ASSESSMENT.—Plans to conduct a balanced survivability assessment for use in determining the vulnerabilities of targets referred to in subparagraphs (A) and (B).

(D) PROCESS.—Plans, including timelines and milestones, necessary to develop a process for conducting compliance-based vulnerability assessments for critical infrastructure, together with the standards to be used for ensuring that the process is executable.

(2) DEFINITION OF COMPLIANCE-BASED.—In subsection (b)(3) and paragraph (1)(D) of this subsection, the term "compliance-based", with respect to an assessment, means that the assessment is conducted under policies and procedures that require correction of each deficiency identified in the assessment to a standard set forth in Department of Defense Instruction 2000.16 or another applicable Department of Defense instruction, directive, or policy.

(f) TRAINING AND EXERCISING.—The discussion of the Department of Defense plans for training and exercising for the performance of the homeland defense mission under subsection (b)(4) shall contain the following matters:

(1) MILITARY EDUCATION.—The plans for the training and education of members of the Armed Forces specifically for performance of homeland defense missions, including any anticipated changes in the curriculum in—

(A) the National Defense University, the war colleges of the Armed Forces, graduate education programs, and other senior military schools and education programs; and

(B) the Reserve Officers' Training Corps program, officer candidate schools, enlisted and officer basic and advanced individual training programs, and other entry level military education and training programs.

(2) EXERCISES.—The plans for using exercises and simulation in the training of all components of the Armed Forces, including—

(A) plans for integrated training with departments and agencies of the United States outside the Department of Defense and with agencies of State and local governments; and

(B) plans for developing an opposing force that, for the purpose of developing potential scenarios of terrorist attacks on targets inside the

United States, simulates a terrorist group having the capability to engage in such attacks.

(g) BIOTERRORISM INITIATIVE.—The evaluation of the need for a Department of Defense bioterrorism initiative under subsection (b)(5) shall include a discussion that identifies and evaluates options for potential action in such an initiative, as follows:

(1) PLANNING, TRAINING, EXERCISE, EVALUATION, AND FUNDING.—Options for—

(A) refining the plans of the Department of Defense for biodefense to include participation of other departments and agencies of the United States and State and local governments;

(B) increasing biodefense training, exercises, and readiness evaluations by the Department of Defense, including training, exercises, and evaluations that include participation of other departments and agencies of the United States and State and local governments;

(C) increasing Department of Defense funding for biodefense; and

(D) integrating other departments and agencies of the United States and State and local governments into the plans, training, exercises, evaluations, and resourcing.

(2) DISEASE SURVEILLANCE.—Options for the Department of Defense to develop an integrated disease surveillance detection system and to improve systems for communicating information and warnings of the incidence of disease to recipients within the Department of Defense and to other departments and agencies of the United States and State and local governments.

(3) EMERGENCY MANAGEMENT STANDARD.—Options for broadening the scope of the Revised Emergency Management Standard of the Joint Commission on Accreditation of Healthcare Organizations by including the broad and active participation of Federal, State, and local governmental agencies that are expected to respond in any event of a CBRNE or cyber attack.

(4) LABORATORY RESPONSE NETWORK.—Options for the Department of Defense—

(A) to participate in the laboratory response network for bioterrorism; and

(B) to increase the capacity of Department of Defense laboratories rated by the Secretary of Defense as level D laboratories to facilitate participation in the network.

(h) CHEMICAL BIOLOGICAL INCIDENT RESPONSE TEAMS.—The evaluation of the need for and feasibility of developing and fielding Department of Defense regional chemical biological incident response teams under subsection (b)(6) shall include a discussion and evaluation of the following options:

(1) REGIONAL TEAMS.—Options for the Department of Defense, using the chemical biological incident response force as a model, to develop, equip, train, and provide transportation for five United States based, strategically located, regional chemical biological incident response teams.

(2) RESOURCING.—Options and preferred methods for providing the resources and personnel necessary for developing and fielding any such teams.

(i) DEFINITIONS.—In this section:

(1) CBRNE.—The term "CBRNE" means chemical, biological, radiological, nuclear, or explosive.

(2) WEAPON OF MASS DESTRUCTION.—The term "weapon of mass destruction" has the meaning given such term in section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302).

SEC. 1045. STRATEGY FOR IMPROVING PREPAREDNESS OF MILITARY INSTALLATIONS FOR INCIDENTS INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) COMPREHENSIVE PLAN.—The Secretary of Defense shall develop a comprehensive plan for improving the preparedness of military installations for preventing and responding to incidents involving use or threat of use of weapons of mass destruction.

(b) CONTENT.—The comprehensive plan shall set forth the following:

(1) A strategy that—

(A) identifies—

(i) long-term goals and objectives;

(ii) resource requirements; and

(iii) factors beyond the control of the Secretary that could impede the achievement of the goals and objectives; and

(B) includes a discussion of—

(i) the extent to which local, regional, or national military response capabilities are to be developed and used; and

(ii) how the Secretary will coordinate these capabilities with local, regional, or national civilian capabilities.

(2) A performance plan that—

(A) provides a reasonable schedule, with milestones, for achieving the goals and objectives of the strategy;

(B) performance criteria for measuring progress in achieving the goals and objectives;

(C) a description of the process, together with a discussion of the resources, necessary to achieve the goals and objectives;

(D) a description of the process for evaluating results.

(c) SUBMITTAL TO CONGRESS.—The Secretary shall submit the comprehensive plan to the Committees on Armed Services of the Senate and the House of Representatives not later than 180 days after the date of the enactment of this Act.

(d) COMPTROLLER GENERAL REVIEW AND REPORT.—Not later than 60 days after the Secretary submits the comprehensive plan to Congress under subsection (c), the Comptroller General shall review the plan and submit an assessment of the plan to the committees referred to in that subsection.

(e) ANNUAL REPORT.—(1) In each of 2004, 2005, and 2006, the Secretary of Defense shall include a report on the comprehensive plan in the materials that the Secretary submits to Congress in support of the budget submitted by the

President such year pursuant to section 1105(a) of title 31, United States Code.

(2) The report shall include—

(A) a discussion of any revision that the Secretary has made in the comprehensive plan since the last report; and

(B) an assessment of the progress made in achieving the goals and objectives of the strategy set forth in the plan.

(3) No report is required under this subsection after the Secretary submits under this subsection a report containing a declaration that the goals and objectives set forth in the strategy have been achieved.

Subtitle E—Other Matters

SEC. 1061. CONTINUED APPLICABILITY OF EXPIRING GOVERNMENTWIDE INFORMATION SECURITY REQUIREMENTS TO THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by inserting after section 2224 the following new section:

"§ 2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense

"(a) IN GENERAL.—The provisions of subchapter II of chapter 35 of title 44 shall continue to apply with respect to the Department of Defense, notwithstanding the expiration of authority under section 3536 of such title.

"(b) RESPONSIBILITIES.—In administering the provisions of subchapter II of chapter 35 of title 44 with respect to the Department of Defense after the expiration of authority under section 3536 of such title, the Secretary of Defense shall perform the duties set forth in that subchapter for the Director of the Office of Management and Budget.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2224 the following new item:

"2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense.".

SEC. 1062. ACCEPTANCE OF VOLUNTARY SERVICES OF PROCTORS FOR ADMINISTRATION OF ARMED SERVICES VOCATIONAL APTITUDE BATTERY.

Section 1588(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) Voluntary services as a proctor for the administration of the Armed Services Vocational Aptitude Battery.".

SEC. 1063. EXTENSION OF AUTHORITY FOR SECRETARY OF DEFENSE TO SELL AIRCRAFT AND AIRCRAFT PARTS FOR USE IN RESPONDING TO OIL SPILLS.

(a) FOUR-YEAR EXTENSION.—Subsection (a)(1) of section 740 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Public Law 106–181; 114 Stat. 173; 10 U.S.C. 2576 note) is amended by striking "September 30, 2002" and inserting "September 30, 2006".

(b) ADDITIONAL REPORT.—Subsection (f) of such section is amended by striking "March 31, 2002" and inserting "March 31, 2006".

SEC. 1064. AMENDMENTS TO IMPACT AID PROGRAM.

(a) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—Section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) is amended by adding at the end the following:

"(H) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—

"(i) IN GENERAL.—For any fiscal year beginning with fiscal year 2003, a heavily impacted local educational agency that received a basic support payment under subparagraph (A) for the prior fiscal year, but

is ineligible for such payment for the current fiscal year under subparagraph (B) or (C), as the case may be, by reason of the conversion of military housing units to private housing described in clause (ii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion, and shall be paid under the same provisions of subparagraph (D) or (E) as the agency was paid in the prior fiscal year.

"(ii) CONVERSION OF MILITARY HOUSING UNITS TO PRIVATE HOUSING DESCRIBED.—For purposes of clause (i), 'conversion of military housing units to private housing' means the conversion of military housing units to private housing units pursuant to subchapter IV of chapter 169 of title 10, United States Code, or pursuant to any other related provision of law.".

(b) COTERMINOUS MILITARY SCHOOL DISTRICTS.—Section 8003(a) of the Elementary and Secondary Edu-

cation Act of 1965 (20 U.S.C. 7703(a)) is amended by adding at the end the following:

"(6) COTERMINOUS MILITARY SCHOOL DISTRICTS.—For purposes of computing the amount of a payment for a local educational agency for children described in paragraph (1)(D)(i), the Secretary shall consider such children to be children described in paragraph (1)(B) if the agency is a local educational agency whose boundaries are the same as a Federal military installation.".

SEC. 1065. DISCLOSURE OF INFORMATION ON SHIPBOARD HAZARD AND DEFENSE PROJECT TO DEPARTMENT OF VETERANS AFFAIRS.

(a) PLAN FOR DISCLOSURE OF INFORMATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a comprehensive plan for the review, declassification, and submittal to the Department of Veterans Affairs of all medical records and information of the Department of Defense on the Shipboard Hazard and Defense (SHAD) project of the Navy that are relevant to the provision of benefits by the Secretary of Veterans Affairs to members of the Armed Forces who participated in that project.

(b) PLAN REQUIREMENTS.—(1) The records and information covered by the plan under subsection (a) shall be the records and information necessary to permit the identification of members of the Armed Forces who were or may have been exposed to chemical or biological agents as a result of the Shipboard Hazard and Defense project.

(2) The plan shall provide for completion of all activities contemplated by the plan not later than one year after the date of the enactment of this Act.

(c) REPORTS ON IMPLEMENTATION.—(1) Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter until completion of all activities contemplated by the plan under subsection (a), the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a report on progress in the implementation of the plan during the 90-day period ending on the date of such report.

(2) Each report under paragraph (1) shall include, for the period covered by such report—

(A) the number of records reviewed;

(B) each test, if any, under the Shipboard Hazard and Defense project identified during such review;

(C) for each test so identified—

(i) the test name;

(ii) the test objective;

(iii) the chemical or biological agent or agents involved; and

(iv) the number of members of the Armed Forces, and civilian personnel, potentially effected by such test; and

(D) the extent of submittal of records and information to the Secretary of Veterans Affairs under this section.

SEC. 1066. TRANSFER OF HISTORIC DF–9E PANTHER AIRCRAFT TO WOMEN AIRFORCE SERVICE PILOTS MUSEUM.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey, without consideration, to the Women Airforce Service Pilots Museum in Quartzsite, Arizona (in this section referred to as the "W.A.S.P. museum"), all right, title, and interest of the United States in and to a DF–9E Panther aircraft (Bureau Number 125316). The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The aircraft shall be conveyed under subsection (a) in "as is" condition. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON BREACH OF CONDITIONS.—The Secretary shall include in the instrument of conveyance of the aircraft under subsection (a)—

(1) a condition that the W.A.S.P. museum not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary; and

(2) a condition that if the Secretary determines at any time that the W.A.S.P. museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance of the aircraft under subsection (a) shall be made at no cost to the United States. Any costs associated with the conveyance, costs of determining compliance with subsection (b), and costs of operation and maintenance of the aircraft conveyed shall be borne by the W.A.S.P. museum.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions

in connection with a conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 1067. REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127a the following new section:

"§ 127b. Rewards for assistance in combating terrorism

"(a) AUTHORITY.—The Secretary of Defense may pay a monetary reward to a person for providing United States personnel with information or nonlethal assistance that is beneficial to—

"(1) an operation of the armed forces conducted outside the United States against international terrorism; or

"(2) force protection of the armed forces.

"(b) MAXIMUM AMOUNT.—The amount of a reward paid to a recipient under this section may not exceed $200,000.

"(c) DELEGATION TO COMMANDER OF COMBATANT COMMAND.—(1) The Secretary of Defense may delegate to the commander of a combatant command authority to pay

a reward under this section in an amount not in excess of $50,000.

"(2) A commander to whom authority to pay rewards is delegated under paragraph (1) may further delegate authority to pay a reward under this section in an amount not in excess of $2,500.

"(c) COORDINATION.—(1) The Secretary of Defense, in consultation with the Secretary of State and the Attorney General, shall prescribe policies and procedures for offering and paying rewards under this section, and otherwise for administering the authority under this section, that ensure that the payment of a reward under this section does not duplicate or interfere with the payment of a reward authorized by the Secretary of State or the Attorney General.

"(2) The Secretary of Defense shall coordinate with the Secretary of State regarding any payment of a reward in excess of $100,000 under this section.

"(d) PERSONS NOT ELIGIBLE.—The following persons are not eligible to receive an award under this section:

"(1) A citizen of the United States.

"(2) An employee of the United States.

"(3) An employee of a contractor of the United States.

"(e) ANNUAL REPORT.—(1) Not later than 60 days after the end of each fiscal year, the Secretary of Defense

shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives a report on the administration of the rewards program during that fiscal year.

"(2) The report for a fiscal year shall include information on the total amount expended during that fiscal year to carry out this section, including—

"(A) a specification of the amount, if any, expended to publicize the availability of rewards; and

"(B) with respect to each award paid during that fiscal year—

"(i) the amount of the reward;

"(ii) the recipient of the reward; and

"(iii) a description of the information or assistance for which the reward was paid, together with an assessment of the significance of the information or assistance.

"(3) The Secretary may submit the report in classified form if the Secretary determines that it is necessary to do so.

"(f) DETERMINATIONS BY THE SECRETARY.—A determination by the Secretary under this section shall be final and conclusive and shall not be subject to judicial review.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127a the following new item:

"127b. Rewards for assistance in combating terrorism.".

SEC. 1068. PROVISION OF SPACE AND SERVICES TO MILITARY WELFARE SOCIETIES.

(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—Chapter 152 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2566. Space and services: provision to military welfare societies

"(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—The Secretary of a military department may provide, without charge, space and services under the jurisdiction of that Secretary to a military welfare society.

"(b) DEFINITIONS.—In this section:

"(1) The term 'military welfare society' means the following:

"(A) The Army Emergency Relief Society.

"(B) The Navy-Marine Corps Relief Society.

"(C) The Air Force Aid Society, Inc.

"(2) The term 'services' includes lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone and other information technology services (including installation of

lines and equipment, connectivity, and other associated services), and security systems (including installation and other associated expenses).".

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

"2566. Space and services: provision to military welfare societies.".

SEC. 1069. COMMENDATION OF MILITARY CHAPLAINS.

(a) FINDINGS.—Congress finds the following:

(1) Military chaplains have served with those who fought for the cause of freedom since the founding of the Nation.

(2) Military chaplains and religious support personnel of the Armed Forces have served with distinction as uniformed members of the Armed Forces in support of the Nation's defense missions during every conflict in the history of the United States.

(3) 400 United States military chaplains have died in combat, some as a result of direct fire while ministering to fallen Americans, while others made the ultimate sacrifice as a prisoner of war.

(4) Military chaplains currently serve in humanitarian operations, rotational deployments, and in the war on terrorism.

(5) Religious organizations make up the very fabric of religious diversity and represent unparal-

leled levels of freedom of conscience, speech, and worship that set the United States apart from any other nation on Earth.

(6) Religious organizations have richly blessed the uniformed services by sending clergy to comfort and encourage all persons of faith in the Armed Forces.

(7) During the sinking of the USS Dorchester in February 1943 during World War II, four chaplains (Reverend Fox, Reverend Poling, Father Washington, and Rabbi Goode) gave their lives so that others might live.

(8) All military chaplains aid and assist members of the Armed Forces and their family members with the challenging issues of today's world.

(9) The current war against terrorism has brought to the shores of the United States new threats and concerns that strike at the beliefs and emotions of Americans.

(10) Military chaplains must, as never before, deal with the spiritual well-being of the members of the Armed Forces and their families.

(b) COMMENDATION.—Congress, on behalf of the Nation, expresses its appreciation for the outstanding con-

tribution that all military chaplains make to the members of the Armed Forces and their families.

(c) PRESIDENTIAL PROCLAMATION.—The President is authorized and requested to issue a proclamation calling on the people of the United States to recognize the distinguished service of the Nation's military chaplains.

SEC. 1070. GRANT OF FEDERAL CHARTER TO KOREAN WAR VETERANS ASSOCIATION, INCORPORATED.

(a) GRANT OF CHARTER.—Part B of subtitle II of title 36, United States Code, is amended—

(1) by striking the following:

"CHAPTER 1201—[RESERVED]"*; and*

(2) by inserting the following:

"CHAPTER 1201—KOREAN WAR VETERANS ASSOCIATION, INCORPORATED

"Sec.
"120101. Organization.
"120102. Purposes.
"120103. Membership.
"120104. Governing body.
"120105. Powers.
"120106. Restrictions.
"120107. Duty to maintain corporate and tax-exempt status.
"120108. Records and inspection.
"120109. Service of process.
"120110. Liability for acts of officers and agents.
"120111. Annual report.

"§ 120101. Organization

"(a) FEDERAL CHARTER.—Korean War Veterans Association, Incorporated (in this chapter, the 'corporation'),

incorporated in the State of New York, is a federally chartered corporation.

"(b) EXPIRATION OF CHARTER.—If the corporation does not comply with the provisions of this chapter, the charter granted by subsection (a) expires.

"§ 120102. Purposes

"The purposes of the corporation are as provided in its articles of incorporation and include—

"(1) organizing, promoting, and maintaining for benevolent and charitable purposes an association of persons who have seen honorable service in the Armed Forces during the Korean War, and of certain other persons;

"(2) providing a means of contact and communication among members of the corporation;

"(3) promoting the establishment of, and establishing, war and other memorials commemorative of persons who served in the Armed Forces during the Korean War; and

"(4) aiding needy members of the corporation, their wives and children, and the widows and children of persons who were members of the corporation at the time of their death.

"§ 120103. Membership

"Eligibility for membership in the corporation, and the rights and privileges of members of the corporation, are as provided in the bylaws of the corporation.

"§ 120104. Governing body

"(a) BOARD OF DIRECTORS.—The board of directors of the corporation, and the responsibilities of the board of directors, are as provided in the articles of incorporation of the corporation.

"(b) OFFICERS.—The officers of the corporation, and the election of the officers of the corporation, are as provided in the articles of incorporation.

"§ 120105. Powers

"The corporation has only the powers provided in its bylaws and articles of incorporation filed in each State in which it is incorporated.

"§ 120106. Restrictions

"(a) STOCK AND DIVIDENDS.—The corporation may not issue stock or declare or pay a dividend.

"(b) POLITICAL ACTIVITIES.—The corporation, or a director or officer of the corporation as such, may not contribute to, support, or participate in any political activity or in any manner attempt to influence legislation.

"(c) LOAN.—The corporation may not make a loan to a director, officer, or employee of the corporation.

"(d) CLAIM OF GOVERNMENTAL APPROVAL OR AUTHORITY.—The corporation may not claim congressional approval, or the authority of the United States, for any of its activities.

"§ 120107. Duty to maintain corporate and tax-exempt status

"(a) CORPORATE STATUS.—The corporation shall maintain its status as a corporation incorporated under the laws of the State of New York.

"(b) TAX-EXEMPT STATUS.—The corporation shall maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

"§ 120108. Records and inspection

"(a) RECORDS.—The corporation shall keep—

"(1) correct and complete records of account;

"(2) minutes of the proceedings of its members, board of directors, and committees having any of the authority of its board of directors; and

"(3) at its principal office, a record of the names and addresses of its members entitled to vote on matters relating to the corporation.

"(b) INSPECTION.—A member entitled to vote on matters relating to the corporation, or an agent or attorney

of the member, may inspect the records of the corporation for any proper purpose, at any reasonable time.

"§ 120109. Service of process

"The corporation shall have a designated agent in the District of Columbia to receive service of process for the corporation. Notice to or service on the agent is notice to or service on the Corporation.

"§ 120110. Liability for acts of officers and agents

"The corporation is liable for the acts of its officers and agents acting within the scope of their authority.

"§ 120111. Annual report

"The corporation shall submit an annual report to Congress on the activities of the corporation during the preceding fiscal year. The report shall be submitted at the same time as the report of the audit required by section 10101 of this title. The report may not be printed as a public document.".

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle II of title 36, United States Code, is amended by striking the item relating to chapter 1201 and inserting the following new item:

"1201. Korean War Veterans Association, Incorporated .....120101".

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. EXTENSION OF AUTHORITY TO PAY SEVERANCE PAY IN A LUMP SUM.

Section 5595(i)(4) of title 5, United States Code, is amended by striking "October 1, 2003" and inserting "October 1, 2006".

SEC. 1102. EXTENSION OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY.

Section 5597(e) of title 5, United States Code, is amended by striking "September 30, 2003" and inserting "September 30, 2006".

SEC. 1103. EXTENSION OF COST-SHARING AUTHORITY FOR CONTINUED FEHBP COVERAGE OF CERTAIN PERSONS AFTER SEPARATION FROM EMPLOYMENT.

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

(1) by striking "October 1, 2003" both places it appears and inserting "October 1, 2006"; and

(2) by striking "February 1, 2004" in clause (ii) and inserting "February 1, 2007".

SEC. 1104. ELIGIBILITY OF NONAPPROPRIATED FUNDS EMPLOYEES TO PARTICIPATE IN THE FEDERAL EMPLOYEES LONG-TERM CARE INSURANCE PROGRAM.

Section 9001(1) of title 5, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the comma at the end of subparagraph (C) and inserting "; and"; and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) an employee paid from nonappropriated funds referred to in section 2105(c) of this title;".

SEC. 1105. INCREASED MAXIMUM PERIOD OF APPOINTMENT UNDER THE EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(c)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2140; 5 U.S.C. 3104 note) is amended by striking "4 years" and inserting "5 years".

SEC. 1106. QUALIFICATION REQUIREMENTS FOR EMPLOYMENT IN DEPARTMENT OF DEFENSE PROFESSIONAL ACCOUNTING POSITIONS.

(a) PROFESSIONAL CERTIFICATION.—The Secretary of Defense may prescribe regulations that require a person employed in a professional accounting position within the Department of Defense to be a certified public accountant and that apply the requirement to all such positions or to selected positions, as the Secretary considers appropriate.

(b) WAIVERS AND EXEMPTIONS.—(1) The Secretary may include in the regulations imposing a requirement under subsection (a), as the Secretary considers appropriate—

(A) any exemption from the requirement; and

(B) authority to waive the requirement.

(2) The Secretary shall include in the regulations an exemption for persons employed in positions covered by the requirement before the date of the enactment of this Act.

(c) EXCLUSIVE AUTHORITY.—No requirement imposed under subsection (a), and no waiver or exemption provided in the regulations pursuant to subsection (b), shall be subject to review or approval by the Office of Personnel Management.

(d) DEFINITION.—For the purposes of this section, the term "professional accounting position" means a position

in the GS–510, GS–511, or GS–505 series for which professional accounting duties are prescribed.

(e) EFFECTIVE DATE.—This section shall take effect 120 days after the date of the enactment of this Act.

SEC. 1107. HOUSING BENEFITS FOR UNACCOMPANIED TEACHERS REQUIRED TO LIVE AT GUANTANAMO BAY NAVAL STATION, CUBA.

Section 7(b) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905(b)) is amended—

(1) by inserting "(1)" after "(b)"; and

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

"(2)(A) A teacher assigned to teach at Guantanamo Bay Naval Station, Cuba, who is not accompanied at such station by any dependent—

"(i) shall be offered for lease any available military family housing at such station that is suitable for occupancy by the teacher and is not needed to house members of the armed forces and dependents accompanying them or other civilian personnel and any dependents accompanying them; and

"(ii) for any period for which such housing is leased to the teacher, shall receive a quarters allowance in the amount determined under paragraph (1).

"(B) A teacher is entitled to the quarters allowance in accordance with subparagraph (A)(ii) without regard to whether other Government furnished quarters are available for occupancy by the teacher without charge to the teacher.".

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2003 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2003 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section

301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1202. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $416,700,000 authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(a)(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $70,500,000.

(2) For strategic nuclear arms elimination in Ukraine, $6,500,000.

(3) For weapons of mass destruction infrastructure elimination in Ukraine, $8,800,000.

(4) For weapons of mass destruction infrastructure elimination in Kazakhstan, $9,000,000.

(5) For weapons transportation security in Russia, $19,700,000.

(6) For weapons storage security in Russia, $40,000,000.

(7) For weapons of mass destruction proliferation prevention in the former Soviet Union, $40,000,000.

(8) For biological weapons proliferation prevention activities in the former Soviet Union, $55,000,000.

(9) For chemical weapons destruction in Russia, $133,600,000.

(10) For activities designated as Other Assessments/Administrative Support, $14,700,000.

(11) For defense and military contacts, $18,900,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2003 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraph (2), in any case in

which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2003 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

SEC. 1203. AUTHORIZATION OF USE OF COOPERATIVE THREAT REDUCTION FUNDS FOR PROJECTS AND ACTIVITIES OUTSIDE THE FORMER SOVIET UNION.

(a) COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.—For purposes of this section:

(1) Cooperative Threat Reduction programs are—

(A) the programs specified in section 1501(b) of the National Defense Authorization

Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note); and

(B) any other similar programs, as designated by the Secretary of Defense, to address critical emerging proliferation threats in the states of the former Soviet Union that jeopardize United States national security.

(2) Cooperative Threat Reduction funds, for a fiscal year, are the funds authorized to be appropriated for Cooperative Threat Reduction programs for that fiscal year.

(b) AUTHORIZATION OF USE OF CTR FUNDS FOR THREAT REDUCTION ACTIVITIES OUTSIDE THE FORMER SOVIET UNION.—(1) Notwithstanding any other provision of law and subject to the succeeding provisions of this section, the Secretary of Defense may obligate and expend Cooperative Threat Reduction funds for fiscal year 2003, or Cooperative Threat Reduction funds for a fiscal year before fiscal year 2003 that remain available for obligation as of the date of the enactment of this Act, for proliferation threat reduction projects and activities outside the states of the former Soviet Union if the Secretary determines that such projects and activities will—

(A) assist the United States in the resolution of critical emerging proliferation threats; or

(B) permit the United States to take advantage of opportunities to achieve long-standing United States nonproliferation goals.

(2) The amount that may be obligated under paragraph (1) in any fiscal year for projects and activities described in that paragraph may not exceed $50,000,000.

(c) AUTHORIZED USES OF FUNDS.—The authority under subsection (b) to obligate and expend Cooperative Threat Reduction funds for a project or activity includes authority to provide equipment, goods, and services for the project or activity, but does not include authority to provide cash directly to the project or activity.

(d) SOURCE AND REPLACEMENT OF FUNDS USED.—(1) The Secretary shall, to the maximum extent practicable, ensure that funds for projects and activities under subsection (b) are derived from funds that would otherwise be obligated for a range of Cooperative Threat Reduction programs, so that no particular Cooperative Threat Reduction program is the exclusive or predominant source of funds for such projects and activities.

(2) If the Secretary obligates Cooperative Threat Reduction funds under subsection (b) in a fiscal year, the first budget of the President that is submitted under section 1105(a) of title 31, United States Code, after such fiscal year shall set forth, in addition to any other amounts re-

quested for Cooperative Threat Reduction programs in the fiscal year covered by such budget, a request for Cooperative Threat Reduction funds in the fiscal year covered by such budget in an amount equal to the amount so obligated. The request shall also set forth the Cooperative Threat Reduction program or programs for which such funds would otherwise have been obligated, but for obligation under subsection (b).

(3) Amounts authorized to be appropriated pursuant to a request under paragraph (2) shall be available for the Cooperative Threat Reduction program or programs set forth in the request under the second sentence of that paragraph.

(e) LIMITATION ON OBLIGATION OF FUNDS.—Except as provided in subsection (f), the Secretary may not obligate and expend Cooperative Threat Reduction funds for a project or activity under subsection (b) until 30 days after the date on which the Secretary submits to the congressional defense committees a report on the purpose for which the funds will be obligated and expended, and the amount of the funds to be obligated and expended.

(f) EXCEPTION.—(1) The Secretary may obligate and expend Cooperative Threat Reduction funds for a project or activity under subsection (b) without regard to subsection (e) if the Secretary determines that a critical emerg-

ing proliferation threat warrants immediate obligation and expenditure of such funds.

(2) Not later than 72 hours after first obligating funds for a project or activity under paragraph (1), the Secretary shall submit to the congressional defense committees a report containing a detailed justification for the obligation of funds. The report on a project or activity shall include the following:

(A) A description of the critical emerging proliferation threat to be addressed, or the long-standing United States nonproliferation goal to be achieved, by the project or activity.

(B) A description of the agreement, if any, under which the funds will be used, including whether or not the agreement provides that the funds will not be used for purposes contrary to the national security interests of the United States.

(C) A description of the contracting process, if any, that will be used in the implementation of the project or activity.

(D) An analysis of the effect of the obligation of funds for the project or activity on ongoing Cooperative Threat Reduction programs.

(E) An analysis of the need for additional or follow-up threat reduction assistance, including whether

or not the need for such assistance justifies the establishment of a new cooperative threat reduction program or programs to account for such assistance.

(F) A description of the mechanisms to be used by the Secretary to assure that proper audits and examinations of the project or activity are carried out.

(g) REPORT ON ESTABLISHMENT OF NEW COOPERATIVE THREAT REDUCTION PROGRAMS.—(1) If the Secretary employs the authority in subsection (b) in any two fiscal years, the Secretary shall submit to Congress a report on the advisability of establishing one or more new cooperative threat reduction programs to account for projects and activities funded using such authority.

(2) The report required by paragraph (1) shall be submitted along with the budget justification materials in support of the Department of Defense budget (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) in the first budget submitted after the end of the two consecutive fiscal years referred to in that paragraph.

SEC. 1204. WAIVER OF LIMITATIONS ON ASSISTANCE UNDER PROGRAMS TO FACILITATE COOPERATIVE THREAT REDUCTION AND NONPROLIFERATION.

(a) ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION ACT OF 1993.—Section 1203 of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952) is amended by adding at the end the following new subsection:

"(e) WAIVER OF RESTRICTIONS.—(1) The restrictions in subsection (d) shall cease to apply to a state for a year if the President submits to the Speaker of the House of Representative and the President pro tempore of the Senate a written certification that the waiver of such restrictions in such year is important to the national security interests of the United States, together with a report containing the following:

"(A) A description of the activity or activities that prevent the President from certifying that the state is committed to the matters set forth in subsection (d) in such year as otherwise provided for in that subsection.

"(B) A description of the strategy, plan, or policy of the President for promoting the commitment of the state to such matters, notwithstanding the waiver.

"(2) The matter included in the report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.".

(b) ADMINISTRATION OF RESTRICTIONS ON ASSISTANCE.—Subsection (d) of that section is amended—

(1) by striking "any year" and inserting "any fiscal year"; and

(2) by striking "that year" and inserting "such fiscal year".

(c) ELIGIBILITY REQUIREMENTS UNDER FREEDOM SUPPORT ACT.—Section 502 of the FREEDOM Support Act (Public Law 102–511; 106 Stat. 3338; 22 U.S.C. 5852) is amended—

(1) by striking "Funds" and inserting "(a) ELIGIBILITY.—Except as provided in subsection (b), funds"; and

(2) by adding at the end the following new subsection:

"(b) WAIVER OF ELIGIBILITY REQUIREMENTS.—(1) Funds may be obligated for a fiscal year under subsection (a) for assistance or other programs and activities for an independent state of the former Soviet Union that does not meet one or more of the requirements for eligibility under paragraphs (1) through (4) of that subsection if the President certifies in writing to the Congress that the waiver

of such requirements in such fiscal year is important to the national security interests of the United States.

"(2) At the time of the exercise of the authority in paragraph (1) with respect to an independent state of the former Soviet Union for a fiscal year, the President shall submit to the congressional defense committees a report on the following:

"(A) A description of the activity or activities that prevent the President from certifying that the state is committed to each matter in subsection (a) in such fiscal year to which the waiver under paragraph (1) applies.

"(B) A description of the strategy, plan, or policy of the President for promoting the commitment of the state to each such matter, notwithstanding the waiver.

"(3) In this subsection, the term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 1205. RUSSIAN TACTICAL NUCLEAR WEAPONS.

(a) FINDINGS.—The Congress makes the following findings:

(1) Al Qaeda and other terrorist organizations, in addition to rogue states, are known to be working to acquire weapons of mass destruction, and particularly nuclear warheads.

(2) The largest and least secure potential source of nuclear warheads for terrorists or rogue states is Russia's arsenal of nonstrategic or "tactical" nuclear warheads, which according to unclassified estimates numbers from 7,000 to 12,000 warheads. Security at Russian nuclear weapon storage sites is insufficient, and tactical nuclear warheads are more vulnerable to terrorist or rogue state acquisition due to their smaller size, greater portability, and greater numbers compared to Russian strategic nuclear weapons.

(3) Russia's tactical nuclear warheads were not covered by the START treaties or the recent Moscow Treaty. Russia is not legally bound to reduce its tactical nuclear stockpile and the United States has no inspection rights regarding Russia's tactical nuclear arsenal.

(b) SENSE OF THE SENATE.—(1) One of the most likely nuclear weapon attack scenarios against the United

States would involve detonation of a stolen Russian tactical nuclear warhead smuggled into the country.

(2) It is a top national security priority of the United States to accelerate efforts to account for, secure, and reduce Russia's stockpile of tactical nuclear warheads and associated fissile material.

(3) This imminent threat warrants a special nonproliferation initiative.

(c) REPORT.—Not later than 30 days after enactment of this Act, the President shall report to Congress on efforts to reduce the particular threats associated with Russia's tactical nuclear arsenal and the outlines of a special initiative related to reducing the threat from Russia's tactical nuclear stockpile.

Subtitle B—Other Matters

SEC. 1211. ADMINISTRATIVE SUPPORT AND SERVICES FOR COALITION LIAISON OFFICERS.

(a) AUTHORITY.—Chapter 6 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 169. Administrative support and services for coalition liaison officers

"(a) AUTHORITY.—The Secretary of Defense may provide administrative services and support for the performance of duties by any liaison officer of another nation in-

volved in a coalition while the liaison officer is assigned temporarily to the headquarters of a combatant command, component command, or subordinate operational command of the United States in connection with the planning for or conduct of a coalition operation.

"(b) TRAVEL, SUBSISTENCE, AND OTHER EXPENSES.—The Secretary may pay the travel, subsistence, and similar personal expenses of a liaison officer of a developing country in connection with the assignment of that liaison officer to the headquarters of a combatant command as described in subsection (a) if the assignment is requested by the commander of the combatant command.

"(c) REIMBURSEMENT.—To the extent that the Secretary determines appropriate, the Secretary may provide the services and support authorized under subsections (a) and (b) with or without reimbursement from (or on behalf of) the recipients.

"(d) DEFINITIONS.—In this section:

"(1) The term 'administrative services and support' includes base or installation support services, office space, utilities, copying services, fire and police protection, and computer support.

"(2) The term 'coalition' means an ad hoc arrangement between or among the United States and one or more other nations for common action.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter 6 is amended by adding at the end the following new item:

"169. Administrative support and services for coalition liaison officers.".

SEC. 1212. USE OF WARSAW INITIATIVE FUNDS FOR TRAVEL OF OFFICIALS FROM PARTNER COUNTRIES.

Section 1051(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraphs (2) and (3)";

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following new paragraph (3):

"(3) In the case of defense personnel of a country that is participating in the Partnership for Peace program of the North Atlantic Treaty Organization (NATO), expenses authorized to be paid under subsection (a) may be paid in connection with travel of personnel to the territory of any of the countries participating in the Partnership for Peace program or of any of the NATO member countries.".

SEC. 1213. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2003.—The total amount of the assistance for

fiscal year 2003 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking "2002" and inserting "2003".

SEC. 1214. ARCTIC AND WESTERN PACIFIC ENVIRONMENTAL COOPERATION PROGRAM.

(a) IN GENERAL.—(1) Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2350m. Arctic and Western Pacific Environmental Cooperation Program

"(a) AUTHORITY TO CONDUCT PROGRAM.—The Secretary of Defense may, with the concurrence of the Secretary of State, conduct on a cooperative basis with countries located in the Arctic and Western Pacific regions a program of environmental activities provided for in subsection (b) in such regions. The program shall be known as the 'Arctic and Western Pacific Environmental Cooperation Program'.

"(b) PROGRAM ACTIVITIES.—(1) Except as provided in paragraph (2), activities under the program under sub-

section (a) may include cooperation and assistance on environmental matters in the Arctic and Western Pacific regions among elements of the Department of Defense and the military departments or agencies of countries located in such regions.

"(2) Activities under the program may not include activities relating to the following:

"(A) The conduct of any peacekeeping exercise or other peacekeeping-related activity with the Russian Federation.

"(B) The provision of housing.

"(C) The provision of assistance to promote environmental restoration.

"(D) The provision of assistance to promote job retraining.

"(c) LIMITATION ON FUNDING FOR PROJECTS OTHER THAN RADIOLOGICAL PROJECTS.—Not more than 20 percent of the amount made available for the program under subsection (a) in any fiscal year may be available for projects under the program other than projects on radiological matters.

"(d) ANNUAL REPORT.—(1) Not later than March 1, 2003, and each year thereafter, the Secretary of Defense shall submit to Congress a report on activities under the

program under subsection (a) during the preceding fiscal year.

"(2) The report on the program for a fiscal year under paragraph (1) shall include the following:

"(A) A description of the activities carried out under the program during that fiscal year, including a separate description of each project under the program.

"(B) A statement of the amounts obligated and expended for the program during that fiscal year, set forth in aggregate and by project.

"(C) A statement of the life cycle costs of each project, including the life cycle costs of such project as of the end of that fiscal year and an estimate of the total life cycle costs of such project upon completion of such project.

"(D) A statement of the participants in the activities carried out under the program during that fiscal year, including the elements of the Department of Defense and the military departments or agencies of other countries.

"(E) A description of the contributions of the military departments and agencies of other countries to the activities carried out under the program during

that fiscal year, including any financial or other contributions to such activities.".

(2) The table of sections at the beginning of that subchapter is amended by adding at the end the following new item:

"2350m. Arctic and Western Pacific Environmental Cooperation Program.".

(b) REPEAL OF SUPERSEDED AUTHORITY ON ARCTIC MILITARY COOPERATION PROGRAM.—Section 327 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1965) is repealed.

SEC. 1215. DEPARTMENT OF DEFENSE HIV/AIDS PREVENTION ASSISTANCE PROGRAM.

(a) EXPANSION OF PROGRAM.—The Secretary of Defense is authorized to expand, in accordance with this section, the Department of Defense program of HIV/AIDS prevention educational activities undertaken in connection with the conduct of United States military training, exercises, and humanitarian assistance in sub-Saharan African countries.

(b) ELIGIBLE COUNTRIES.—The Secretary may carry out the program in all eligible countries. A country shall be eligible for activities under the program if the country—

(1) is a country suffering a public health crisis (as defined in subsection (e)); and

(2) participates in the military-to-military contacts program of the Department of Defense.

(c) PROGRAM ACTIVITIES.—The Secretary shall provide for the activities under the program—

(1) to focus, to the extent possible, on military units that participate in peace keeping operations; and

(2) to include HIV/AIDS-related voluntary counseling and testing and HIV/AIDS-related surveillance.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 301(a)(22) to the Department of Defense for operation and maintenance of the Defense Health Program, $30,000,000 may be available for carrying out the program described in subsection (a) as expanded pursuant to this section.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(e) COUNTRY SUFFERING A PUBLIC HEALTH CRISIS DEFINED.—In this section, the term "country suffering a public health crisis" means a country that has rapidly rising rates of incidence of HIV/AIDS or in which HIV/AIDS

is causing significant family, community, or societal disruption.

SEC. 1216. MONITORING IMPLEMENTATION OF THE 1979 UNITED STATES-CHINA AGREEMENT ON COOPERATION IN SCIENCE AND TECHNOLOGY.

(a) RESPONSIBILITIES OF THE OFFICE OF SCIENCE AND TECHNOLOGY COOPERATION.—The Office of Science and Technology Cooperation of the Department of State shall monitor the implementation of the 1979 United States-China Agreement on Cooperation in Science and Technology and its protocols (in this section referred to as the "Agreement"), and keep a systematic account of the protocols thereto. The Office shall coordinate the activities of all agencies of the United States Government that carry out cooperative activities under the Agreement.

(b) GUIDELINES.—The Secretary of State shall ensure that all activities conducted under the Agreement and its protocols comply with applicable laws and regulations concerning the transfer of militarily sensitive and dual-use technologies.

(c) REPORTING REQUIREMENT.—

(1) IN GENERAL.—Not later than April 1, 2004, and every two years thereafter, the Secretary of State, shall submit a report to Congress, in both classified

and unclassified form, on the implementation of the Agreement and activities thereunder.

(2) REPORT ELEMENTS.—Each report under this subsection shall provide an evaluation of the benefits of the Agreement to the Chinese economy, military, and defense industrial base and shall include the following:

(A) An accounting of all activities conducted under the Agreement since the previous report, and a projection of activities to be undertaken in the next two years.

(B) An estimate of the costs to the United States to administer the Agreement within the period covered by the report.

(C) An assessment of how the Agreement has influenced the policies of the People's Republic of China toward scientific and technological cooperation with the United States.

(D) An analysis of the involvement of Chinese nuclear weapons and military missile specialists in the activities of the Joint Commission.

(E) A determination of the extent to which the activities conducted under the Agreement have enhanced the military and industrial base of the People's Republic of China, and an assess-

ment of the impact of projected activities for the next two years, including transfers of technology, on China's economic and military capabilities.

(F) Any recommendations on improving the monitoring of the activities of the Commission by the Secretaries of Defense and State.

(3) CONSULTATION PRIOR TO SUBMISSION OF REPORTS.—The Secretary of State shall prepare the report in consultation with the Secretaries of Commerce, Defense, and Energy, the Directors of the National Science Foundation and the Federal Bureau of Investigation, and the intelligence community.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 2003".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army 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:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$1,900,000
	Fort Rucker	$6,550,000
Alaska	Fort Richardson	$15,000,000
	Fort Wainwright	$111,010,000
Arkansas	Pine Bluff Arsenal	$18,937,000
Colorado	Fort Carson	$1,100,000
District of Columbia	Walter Reed Army Medical Center	$17,500,000
Georgia	Fort Benning	$74,250,000
	Fort Stewart/Hunter Army Air Field	$26,000,000
Hawaii	Schofield Barracks	$191,000,000
Kansas	Fort Leavenworth	$3,150,000
	Fort Riley	$74,000,000
Kentucky	Blue Grass Army Depot	$5,500,000
	Fort Campbell	$99,000,000
	Fort Knox	$6,800,000
Louisiana	Fort Polk	$31,000,000
Maryland	Fort Detrick	$19,700,000
Missouri	Fort Leonard Wood	$15,500,000
New York	Fort Drum	$1,500,000
North Carolina	Fort Bragg	$85,500,000
Oklahoma	Fort Sill	$35,000,000
Pennsylvania	Letterkenny Army Depot	$1,550,000
Texas	Fort Hood	$69,000,000
Washington	Fort Lewis	$53,000,000
	Total	$964,697,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	Chievres Air Base	$13,600,000
Germany	Area Support Group, Bamberg	$17,200,000
	Darmstadt	$3,500,000
	Grafenwoehr	$69,866,000
	Heidelberg	$8,300,000
	Landstuhl	$2,400,000
	Mannheim	$43,350,000
	Schweinfurt	$2,000,000

***Army: Outside the United States**—Continued*

Country	*Installation or location*	*Amount*
Italy	*Vicenza*	*$34,700,000*
Korea	*Camp Carroll*	*$20,000,000*
	Camp Castle	*$6,800,000*
	Camp Hovey	*$25,000,000*
	Camp Humphreys	*$36,000,000*
	Camp Tango	*$12,600,000*
	Camp Henry	*$10,200,000*
	K16 Airfield	*$40,000,000*
Qatar	*Qatar*	*$8,600,000*
	Total	*$354,116,000*

1 *(c) UNSPECIFIED WORLDWIDE.—Using the amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2104(a)(3), the Secretary of the Army may*
4 *acquire real property and carry out military construction*
5 *projects for the installation and location, and in the*
6 *amount, set forth in the following table:*

Army: Unspecified Worldwide

Location	*Installation*	*Amount*
Unspecified Worldwide	*Unspecified Worldwide*	*$4,000,000*

7 ***SEC. 2102. FAMILY HOUSING.***

8 *(a) CONSTRUCTION AND ACQUISITION.—Using*
9 *amounts appropriated pursuant to the authorization of ap-*
10 *propriations in section 2104(a)(6)(A), the Secretary of the*
11 *Army may construct or acquire family housing units (in-*
12 *cluding land acquisition and supporting facilities) at the*
13 *installations, for the purposes, and in the amounts set forth*
14 *in the following table:*

Army: Family Housing

State or Country	*Installation or location*	*Purpose*	*Amount*
Alaska	*Fort Wainwright*	*38 Units*	*$17,752,000*
Arizona	*Yuma Proving Ground*	*33 Units*	*$6,100,000*
Germany	*Stuttgart*	*1 Units*	*$990,000*

***Army: Family Housing**—Continued*

State or Country	*Installation or location*	*Purpose*	*Amount*
Korea	*Yongsan*	*10 Units*	*$3,100,000*
	Total:		*$27,942,000*

1 *(b) PLANNING AND DESIGN.—Using amounts appro-*
2 *priated pursuant to the authorization of appropriations in*
3 *section 2104(a)(6)(A), the Secretary of the Army may carry*
4 *out architectural and engineering services and construction*
5 *design activities with respect to the construction or im-*
6 *provement of family housing units in an amount not to*
7 *exceed $15,653,000.*

8 ***SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING***
9 ***UNITS.***

10 *Subject to section 2825 of title 10, United States Code,*
11 *and using amounts appropriated pursuant to the author-*
12 *ization of appropriations in section 2104(a)(6)(A), the Sec-*
13 *retary of the Army may improve existing military family*
14 *housing units in an amount not to exceed $239,751,000.*

15 ***SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.***

16 *(a) IN GENERAL.—Funds are hereby authorized to be*
17 *appropriated for fiscal years beginning after September 30,*
18 *2002, for military construction, land acquisition, and mili-*
19 *tary family housing functions of the Department of the*
20 *Army in the total amount of $3,007,345,000 as follows:*

(1) For military construction projects inside the United States authorized by section 2101(a), $758,497,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $354,116,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $20,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $148,864,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $283,346,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,122,274,000.

(7) For the construction of phase 4 of an ammunition demilitarization facility at Pueblo Chemical

Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2108 of this Act, $38,000,000.

(8) For the construction of phase 5 of an ammunition demilitarization facility at Newport Army Depot, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $61,494,000.

(9) For the construction of phase 5 of an ammunition demilitarization facility at Aberdeen Proving Ground, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999, as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), $30,600,000.

(10) For the construction of phase 3 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for

Fiscal Year 2000 (113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1298) and section 2106 of this Act, $10,300,000.

(11) For the construction of phase 3 of an ammunition demilitarization support facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000, $8,300,000.

(12) For the construction of phase 2 of Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), $13,000,000.

(13) For the construction of phase 3 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001, $50,000,000.

(14) For the construction of phase 2 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Con-

struction Authorization Act for Fiscal Year 2002 (115 Stat. 1280), $21,000,000.

(15) For the construction of phase 2 of a barracks complex, Nelson Boulevard, at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, as amended by section 2105 of this Act, $42,000,000.

(16) For the construction of phase 2 of a basic combat trainee complex at Fort Jackson, South Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, as amended by section 2105 of this Act, $39,000,000.

(17) For the construction of phase 2 of a barracks complex, 17th and B Streets at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, $50,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $18,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Main Post, at Fort Benning, Georgia);

(3) $100,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Capron Avenue, at Schofield Barracks, Hawaii);

(4) $13,200,000 (the balance of the amount authorized under section 2101(a) for construction of a combined arms collective training facility at Fort Riley, Kansas);

(5) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Range Road, at Fort Campbell, Kentucky); and

(6) $25,000,000 (the balance of the amount authorized under section 2101(a) for construction of a consolidated maintenance complex at Fort Sill, Oklahoma).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (17) of

subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $18,596,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $29,350,000, which represents adjustments for the accounting of civilian personnel benefits.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1281) is amended—

(1) in the item relating to Fort Carson, Colorado, by striking "$66,000,000" in the amount column and inserting "$67,000,000"; and

(2) in the item relating to Fort Jackson, South Carolina, by striking "$65,650,000" in the amount column and inserting "$68,650,000".

(b) CONFORMING AMENDMENTS.—Section 2104(b) of that Act (115 Stat. 1284) is amended—

(1) in paragraph (3), by striking "$41,000,000" and inserting "$42,000,000"; and

(2) in paragraph (4), by striking "$36,000,000" and inserting "$39,000,000".

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298), is further amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Blue Grass Army Depot, Kentucky, by striking "$254,030,000" in the amount column and inserting "$290,325,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$748,245,000".

(b) CONFORMING AMENDMENT.—Section 2405(b)(3) of that Act (113 Stat. 839), as so amended, is further amended by striking "$231,230,000" and inserting "$267,525,000".

SEC. 2107. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year

1999 (division B of Public Law 105–261; 112 Stat. 2193) is amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Newport Army Depot, Indiana, by striking "$191,550,000" in the amount column and inserting "$293,853,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$829,919,000".

(b) CONFORMING AMENDMENT.—Section 2404(b)(2) of that Act (112 Stat. 2196) is amended by striking "$162,050,000" and inserting "$264,353,000".

SEC. 2108. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1997 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), is further amended—

(1) under the agency heading relating to Chemical Demilitarization Program, in the item relating to Pueblo Chemical Activity, Colorado, by striking "$203,500,000" in the amount column and inserting "$261,000,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$607,454,000".

(b) CONFORMING AMENDMENT.—Section 2406(b)(2) of that Act (110 Stat. 2779), as so amended, is further amended by striking "$203,500,000" and inserting "$261,000,000".

SEC. 2109. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–390) is amended by striking "Camp Page" in the installation or location column and inserting "Camp Stanley".

SEC. 2110. PLANNING AND DESIGN FOR ANECHOIC CHAMBER AT WHITE SANDS MISSILE RANGE, NEW MEXICO.

(a) PLANNING AND DESIGN.—The amount authorized to be appropriated by section 2104(a)(5), for planning and design for military construction for the Army is hereby increased by $3,000,000, with the amount of the increase to be available for planning and design for an anechoic chamber at White Sands Missile Range, New Mexico.

(b) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) for the Army for operation and maintenance is hereby reduced by $3,000,000, with the amount of the reduction to be allocated to Base Operations Support (Servicewide Support).

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	Marine Corps Air Station, Yuma	$3,000,000
California	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air Ground Combat Center, Twentynine Palms.	$25,770,000
	Marine Corps Base, Camp Pendleton	$104,200,000
	Naval Air Station, Lemoore	$35,855,000
	Naval Air Station, San Diego	$6,150,000
	Naval Air Warfare Center, Point Mugu	$6,760,000
	Naval Construction Battalion Center, Port Hueneme.	$6,957,000
	Naval PostGraduate School, Monterey	$2,020,000
	Naval Station, San Diego	$12,210,000
Connecticut	Naval Submarine Base, New London	$7,880,000
District of Columbia	Marine Corps Base, Washington	$3,700,000
	Naval District, Washington	$2,690,000
Florida	Eglin Air Force Base	$6,350,000
	Naval Air Station, Jacksonville	$6,770,000
	Naval Air Station, Mayport	$1,900,000
	Naval Air Station, Pensacola	$990,000
	Panama City	$10,700,000
Georgia	Naval Submarine Base, Kings Bay	$1,580,000
Hawaii	Ford Island	$19,400,000
	Marine Corps Base, Hawaii	$9,500,000
	Naval Station, Pearl Harbor	$14,690,000
Illinois	Naval Training Center, Great Lakes	$93,190,000
Maine	Naval Air Station, Brunswick	$9,830,000

***Navy: Inside the United States**—Continued*

State	Installation or location	Amount
	Naval Shipyard, Portsmouth	*$15,200,000*
Maryland	*Andrews Air Force Base*	*$9,680,000*
	Naval Surface Warfare Center, Carderock Division.	*$12,900,000*
Mississippi	*Naval Air Station, Meridian*	*$2,850,000*
	Naval Construction Battalion Center, Gulfport.	*$5,460,000*
	Naval Station, Pascagoula	*$25,305,000*
New Jersey	*Naval Air Warfare Center, Lakehurst*	*$5,200,000*
	Naval Weapons Station, Earle	*$5,600,000*
North Carolina	*Camp LeJeune*	*$5,370,000*
	Marine Corps Air Station, Cherry Point	*$6,040,000*
	Marine Corps Air Station, New River	*$6,920,000*
Rhode Island	*Naval Station, Newport*	*$9,030,000*
South Carolina	*Marine Corps Air Station, Beaufort*	*$13,700,000*
	Marine Corps Recruit Depot, Parris Island	*$10,490,000*
	Naval Weapons Station, Charleston	*$5,740,000*
Texas	*Naval Air Station, Kingsville*	*$6,210,000*
	Naval Station, Ingleside	*$5,480,000*
Virginia	*Marine Corps Combat Development Command, Quantico.*	*$19,554,000*
	Naval Amphibious Base, Little Creek	*$9,770,000*
	Naval Air Station, Norfolk	*$2,260,000*
	Naval Air Station, Oceana	*$16,490,000*
	Naval Ship Yard, Norfolk	*$36,470,000*
	Naval Station, Norfolk	*$168,965,000*
	Naval Surface Warfare Center, Dahlgren	*$15,830,000*
	Naval Weapons Station, Yorktown	*$15,020,000*
Washington	*Naval Air Station, Whidbey Island*	*$17,580,000*
	Naval Magazine, Port Hadlock	*$4,030,000*
	Naval Shipyard, Puget Sound	*$54,132,000*
	Naval Station, Bremerton	*$45,870,000*
	Naval Submarine Base, Bangor	*$22,310,000*
	Strategic Weapons Facility, Bangor	*$7,340,000*
Various Locations	*Host Nation Infrastructure*	*$1,000,000*
	Total	*$988,588,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	*Naval Support Activity, Bahrain*	*$25,970,000*
Cuba	*Naval Station, Guantanamo*	*$4,280,000*
Diego Garcia	*Diego Garcia, Naval Support Facility*	*$11,090,000*
Greece	*Naval Support Activity, Joint Headquarters Command, Larissa.*	*$14,800,000*

***Navy: Outside the United States**—Continued*

Country	*Installation or location*	*Amount*
Guam	*Commander, United States Naval Forces, Guam.*	*$13,400,000*
Iceland	*Naval Air Station, Keflavik*	*$14,920,000*
Italy	*Naval Air Station, Sigonella*	*$66,960,000*
Spain	*Joint Headquarters Command, Madrid*	*$2,890,000*
	Naval Station, Rota	*$18,700,000*
	Total	*$173,010,000*

1 ***SEC. 2202. FAMILY HOUSING.***

2 *(a) CONSTRUCTION AND ACQUISITION.—Using*
3 *amounts appropriated pursuant to the authorization of ap-*
4 *propriations in section 2204(a)(5)(A), the Secretary of the*
5 *Navy may construct or acquire family housing units (in-*
6 *cluding land acquisition and supporting facilities) at the*
7 *installations, for the purposes, and in the amounts set forth*
8 *in the following table:*

Navy: Family Housing

State or Country	*Installation or location*	*Purpose*	*Amount*
California	*Naval Air Station, Lemoore.*	*178 Units*	*$40,981,000*
	Twentynine Palms	*76 Units*	*$19,425,000*
Connecticut	*Naval Submarine Base, New London.*	*100 Units*	*$24,415,000*
Florida	*Naval Station, Mayport*	*1 Unit*	*$329,000*
Hawaii	*Marine Corps Base, Kaneohe Bay.*	*65 Units*	*$24,797,000*
Mississippi	*Naval Air Station, Meridian.*	*56 Units*	*$9,755,000*
North Carolina	*Marine Corps Base, Camp LeJeune.*	*317 Units*	*$43,650,000*
Virginia	*Marine Corps Base, Quantico.*	*290 Units*	*$41,843,000*
Greece	*Naval Support Activity Joint Headquarters Command, Larissa.*	*2 Units*	*$1,232,000*
United Kingdom	*Joint Maritime Facility, St. Mawgan.*	*62 Units*	*$18,524,000*
		Total	*$224,951,000*

9 *(b) PLANNING AND DESIGN.—Using amounts appro-*
10 *priated pursuant to the authorization of appropriation in*

section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,281,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $139,468,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,478,174,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $932,123,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $170,440,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $23,262,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $87,803,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $375,700,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $867,788,000.

(6) For replacement of a pier at Naval Station, Norfolk, Virginia, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287), as amended by section 2205 of this Act, $33,520,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a):

(2) $8,345,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Pascagoula, Mississippi);

(3) $48,120,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Norfolk, Virginia); and

(4) $2,570,000 (the balance of the amount authorized under section 2201(b) for a quality of life support facility, Naval Air Station Sigonella, Italy).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $3,992,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $10,470,000, which represents adjustments for the accounting of civilian personnel benefits.

SEC. 2205. MODIFICATION TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MILITARY CONSTRUCTION PROJECT AT NAVAL STATION, NORFOLK, VIRGINIA.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286) is amended—

(1) in the item relating to Naval Station, Norfolk, Virginia, by striking "$139,270,000" in the amount column and inserting "$139,550,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,059,030,000".

(b) CONFORMING AMENDMENT.—Section 2204(b)(2) of that Act (115 Stat. 1289) is amended by striking "$33,240,000" and inserting "$33,520,000".

(c) MILITARY FAMILY HOUSING AT QUANTICO, VIRGINIA.—The table in section 2202(a) of that Act (115 Stat. 1287) is amended in the item relating to Marine Corps Combat Development Command, Quantico, Virginia, by striking "60 Units" in the purpose column and inserting "39 Units".

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force 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:

Air Force: Inside the United States

State	Installation or location	Amount
Alaska	Clear Air Force Station	$14,400,000
	Eielson Air Force Base	$41,100,000
Arizona	Davis-Monthan Air Force Base	$19,270,000
Arkansas	Little Rock Air Force Base	$25,600,000
California	Beale Air Force Base	$11,740,000
	Travis Air Force Base	$23,900,000
	Vandenberg Air Force Base	$10,500,000
Colorado	Buckley Air Force Base	$17,700,000
	Peterson Air Force Base	$5,500,000
	Schriever Air Force Base	$5,700,000
	United States Air Force Academy	$4,200,000
District of Columbia	Bolling Air Force Base	$5,000,000
Florida	Eglin Air Force Base	$4,250,000
	Hurlburt Field	$15,000,000
	MacDill Air Force Base	$7,000,000
Georgia	Robins Air Force Base	$5,400,000
	Warner-Robins Air Force Base	$24,000,000
Hawaii	Hickam Air Force Base	$1,350,000
Louisiana	Barksdale Air Force Base	$22,900,000
Maryland	Andrews Air Force Base	$9,600,000
Massachusetts	Fourth Cliff, Scituate	$9,500,000
	Hanscom Air Force Base	$7,700,000
Mississippi	Keesler Air Force Base	$22,000,000
Nebraska	Offutt Air Force Base	$11,000,000
Nevada	Nellis Air Force Base	$56,850,000
New Jersey	McGuire Air Force Base	$24,631,000
New Mexico	Cannon Air Force Base	$4,650,000
	Holloman Air Force Base	$4,650,000
	Kirtland Air Force Base	$21,900,000
North Carolina	Pope Air Force Base	$9,700,000
	Seymour Johnson Air Force Base	$10,600,000
North Dakota	Minot Air Force Base	$18,000,000
Ohio	Wright-Patterson Air Force Base	$35,400,000
Oklahoma	Altus Air Force Base	$14,800,000
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$6,500,000
South Dakota	Ellsworth Air Force Base	$13,200,000
Texas	Goodfellow Air Force Base	$10,600,000
	Lackland Air Force Base	$41,500,000

***Air Force: Inside the United States**—Continued*

State	*Installation or location*	*Amount*
	Sheppard Air Force Base	*$16,000,000*
Utah	*Hill Air Force Base*	*$16,500,000*
Virginia	*Langley Air Force Base*	*$71,940,000*
Wyoming	*F.E. Warren Air Force Base*	*$15,000,000*
	Total	*$721,531,000*

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 following*
7 *table:*

Air Force: Outside the United States

Country	*Installation or location*	*Amount*
Germany	*Ramstein Air Base*	*$71,783,000*
Guam	*Andersen Air Force Base*	*$31,000,000*
Italy	*Aviano Air Base*	*$6,600,000*
Japan	*Kadena Air Base*	*$6,000,000*
Korea	*Osan Air Base*	*$15,100,000*
Spain	*Naval Station, Rota*	*$31,818,000*
Turkey	*Incirlik Air Base*	*$1,550,000*
United Kingdom	*Diego Garcia*	*$17,100,000*
	Royal Air Force, Fairford	*$19,000,000*
	Royal Air Force, Lakenheath	*$13,400,000*
Wake Island	*Wake Island*	*$24,900,000*
	Total	*$238,251,000*

8 *(c) UNSPECIFIED WORLDWIDE.—Using the amounts*
9 *appropriated pursuant to the authorization of appropria-*
10 *tions in section 2304(a)(3), the Secretary of the Air Force*
11 *may acquire real property and carry out military construc-*
12 *tion projects for the installation and location, and in the*
13 *amount, set forth in the following table:*

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Locations	$24,993,000

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 and supporting facilities) at
7 the installations, for the purposes, and in the amounts set
8 forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	140 Units	$18,954,000
California	Travis Air Force Base	110 Units	$24,320,000
Colorado	Peterson Air Force Base	2 Units	$959,000
	United States Air Force Academy.	71 Units	$12,424,000
Delaware	Dover Air Force Base	112 Units	$19,615,000
Florida	Eglin Air Force Base	Housing Office	$597,000
	Eglin Air Force Base	134 Units	$15,906,000
	MacDill Air Force Base	96 Units	$18,086,000
Hawaii	Hickam Air Force Base	96 Units	$29,050,000
Idaho	Mountain Home Air Force Base.	95 Units	$24,392,000
Kansas	McConnell Air Force Base.	Housing Maintenance Facility.	$1,514,000
Maryland	Andrews Air Force Base	53 Units	$9,838,000
	Andrews Air Force Base	52 Units	$8,807,000
Mississippi	Columbus Air Force Base.	Housing Office	$412,000
	Keesler Air Force Base	117 Units	$16,605,000
Missouri	Whiteman Air Force Base.	22 Units	$3,977,000
Montana	Malmstrom Air Force Base.	18 Units	$4,717,000
New Mexico	Holloman Air Force Base.	101 Units	$20,161,000
North Carolina	Pope Air Force Base	Housing Maintenance Facility.	$991,000
	Seymour Johnson Air Force Base.	126 Units	$18,615,000
North Dakota	Grand Forks Air Force Base.	150 Units	$30,140,000
	Minot Air Force Base	112 Units	$21,428,000
	Minot Air Force Base	102 Units	$20,315,000

***Air Force: Family Housing**—Continued*

State or Country	*Installation or location*	*Purpose*	*Amount*
Oklahoma	*Vance Air Force Base*	*59 Units*	*$11,423,000*
South Dakota	*Ellsworth Air Force Base.*	*Housing Maintenance Facility.*	*$447,000*
	Ellsworth Air Force Base.	*22 Units*	*$4,794,000*
Texas	*Dyess Air Force Base*	*85 Units*	*$14,824,000*
	Randolph Air Force Base.	*Housing Maintenance Facility.*	*$447,000*
	Randolph Air Force Base.	*112 Units*	*$14,311,000*
Virginia	*Langley Air Force Base*	*Housing Office*	*$1,193,000*
Germany	*Ramstein Air Force Base.*	*19 Units*	*$8,534,000*
Korea	*Osan Air Base*	*113 Units*	*$35,705,000*
	Osan Air Base	*Housing Supply Warehouse.*	*$834,000*
United Kingdom	*Royal Air Force Lakenheath.*	*Housing Office and Maintenance Facility.*	*$2,203,000*
	Total		*$416,438,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $34,188,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Unites States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $226,068,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,597,272,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $709,431,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $238,251,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $24,993,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $81,416,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $676,694,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $874,050,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a);

(2) $7,100,000 (the balance of the amount authorized under section 2301(a) for construction of a consolidated base engineer complex at Altus Air Force Base, Oklahoma); and

(3) $5,000,000 (the balance of the amount authorized under section 2301(a) for construction of a storm drainage system at F.E. Warren Air Force Base, Wyoming).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $19,063,000, which represents savings resulting from adjustments to for-

eign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

SEC. 2305. AUTHORITY FOR USE OF MILITARY CONSTRUCTION FUNDS FOR CONSTRUCTION OF PUBLIC ROAD NEAR AVIANO AIR BASE, ITALY, CLOSED FOR FORCE PROTECTION PURPOSES.

(a) AUTHORITY TO USE FUNDS.—The Secretary of the Air Force may, using amounts authorized to be appropriated by section 2301(b), carry out a project to provide a public road, and associated improvements, to replace a public road adjacent to Aviano Air Base, Italy, that has been closed for force protection purposes.

(b) SCOPE OF AUTHORITY.—(1) The authority of the Secretary to carry out the project referred to in subsection (a) shall include authority as follows:

(A) To acquire property for the project for transfer to a host nation authority.

(B) To provide funds to a host nation authority to acquire property for the project.

(C) To make a contribution to a host nation authority for purposes of carrying out the project.

(D) To provide vehicle and pedestrian access to landowners effected by the project.

(2) The acquisition of property using authority in subparagraph (A) or (B) of paragraph (1) may be made regardless of whether or not ownership of such property will vest in the United States.

(c) INAPPLICABILITY OF CERTAIN REAL PROPERTY MANAGEMENT REQUIREMENT.—Section 2672(a)(1)(B) of title 10, United States Code, shall not apply with respect to any acquisition of interests in land for purposes of the project authorized by subsection (a).

SEC. 2306. ADDITIONAL PROJECT AUTHORIZATION FOR AIR TRAFFIC CONTROL FACILITY AT DOVER AIR FORCE BASE, DELAWARE.

(a) PROJECT AUTHORIZED.—In addition to the projects authorized by section 2301(a), the Secretary of the Air Force may carry out carry out a military construction project, including land acquisition relating thereto, for construction of a new air traffic control facility at Dover Air Force Base, Delaware, in the amount of $7,500,000.

(b) AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2304(a), and by paragraph (1) of that section, is hereby increased by $7,500,000.

(c) OFFSET.—The amount authorized to be appropriated by section 301(a)(10) for operation and maintenance for the Army National Guard is hereby reduced by

$7,500,000, with the amount of the reduction to be allocated to the Classified Network Program.

SEC. 2307. AVAILABILITY OF FUNDS FOR CONSOLIDATION OF MATERIALS COMPUTATIONAL RESEARCH FACILITY AT WRIGHT–PATTERSON AIR FORCE BASE, OHIO.

(a) AVAILABILITY.—Of the amount authorized to be appropriated by section 2304(a), and paragraph (1) of that section, for the Air Force and available for military construction projects at Wright–Patterson Air Force Base, Ohio, $15,200,000 may be available for a military construction project for consolidation of the materials computational research facility at Wright–Patterson Air Force Base (PNZHTV033301A).

(b) OFFSET.—(1) The amount authorized to be appropriated by section 301(a)(4) for the Air Force for operation and maintenance is hereby reduced by $2,800,000, with the amount of the reduction to be allocated to Recruiting and Advertising.

(2) Of the amount authorized to be appropriated by section 2304(a), and paragraph (1) of that section, for the Air Force and available for military construction projects at Wright–Patterson Air Force Base—

(A) the amount available for a dormitory is hereby reduced by $10,400,000; and

(B) the amount available for construction of a Fully Contained Small Arms Range Complex is hereby reduced by $2,000,000.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense 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:

Defense Agencies: Inside the United States

Agency	*Installation or location*	*Amount*
Missile Defense Agency	*Kauai, Hawaii*	*$23,400,000*
Defense Intelligence Agency	*Bolling Air Force Base, District of Columbia.*	*$121,958,000*
Defense Logistics Agency	*Defense Supply Center, Columbus, Ohio.*	*$5,021,000*
	Defense Supply Center, Richmond, Virginia	*$5,500,000*
	Naval Air Station, New Orleans, Louisiana	*$9,500,000*
	Travis Air Force Base, California	*$16,000,000*
Defense Threat Reduction Agency.	*Fort Belvoir, Virginia*	*$76,388,000*
Department of Defense Dependents Schools.	*Fort Bragg, North Carolina*	*$2,036,000*
	Fort Jackson, South Carolina	*$2,506,000*
	Marine Corps Base, Camp LeJeune, North Carolina	*$12,138,000*
	Marine Corps Base, Quantico, Virginia	*$1,418,000*
	United States Military Academy, West Point, New York	*$4,347,000*
Joint Chiefs of Staff	*Conus Various*	*$25,000,000*
National Security Agency	*Fort Meade, Maryland*	*$4,484,000*
Special Operations Command	*Fort Bragg, North Carolina*	*$30,800,000*
	Hurlburt Field, Florida	*$11,100,000*
	Naval Amphibious Base, Little Creek, Virginia	*$14,300,000*
	Stennis Space Center, Mississippi	*$5,000,000*

***Defense Agencies: Inside the United States**—Continued*

Agency	*Installation or location*	*Amount*
TRICARE Management Activity.	*Elmendorf Air Force Base, Alaska*	*$10,400,000*
	Hickam Air Force Base, Hawaii	*$2,700,000*
Washington Headquarters Services.	*Arlington, Virginia*	*$18,000,000*
	Washington Headquarters Services, District of Columbia.	*$2,500,000*
	Total	*$404,496,000*

1 *(b) OUTSIDE THE UNITED STATES.—Using amounts*
2 *appropriated pursuant to the authorization of appropria-*
3 *tions in section 2404(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 following*
7 *table:*

Defense Agencies: Outside the United States

Agency	*Installation or location*	*Amount*
Defense Logistics Agency	*Andersen Air Force Base, Guam*	*$17,586,000*
	Lajes Field, Azores, Portugal	*$19,000,000*
	Naval Forces Marianas Islands, Guam	*$6,000,000*
	Naval Station, Rota, Spain	*$23,400,000*
	Royal Air Force, Fairford, United Kingdom	*$17,000,000*
	Yokota Air Base, Japan	*$23,000,000*
Department of Defense Dependents Schools.	*Kaiserslautern, Germany*	*$957,000*
	Lajes Field, Azores, Portugal	*$1,192,000*
	Seoul, Korea	*$31,683,000*
	Mons, Belgium	*$1,573,000*
	Spangdahlem Air Base, Germany	*$997,000*
	Vicenza, Italy	*$2,117,000*
TRICARE Management Activity.	*Naval Support Activity, Naples, Italy*	*$41,449,000*
	Spangdahlem Air Base, Germany	*$39,629,000*
	Total	*$225,583,000*

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $5,480,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(4), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $50,531,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,316,972,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $367,896,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $225,583,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,293,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $44,232,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $50,531,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $545,138,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $5,480,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $42,432,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For payment of a claim against the Hospital Replacement project at Elmendorf Air Force Base, Alaska, $10,400,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $26,200,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Threat Reduction Center, Fort Belvoir, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (9) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $2,976,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $37,000, which represents adjustments for the accounting of civilian personnel benefits.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for contributions by the Secretary of Defense under section 2806 of title

10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $168,200,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2002, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions there for, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $186,588,000; and

(B) for the Army Reserve, $62,992,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $58,671,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $212,459,000; and

(B) for the Air Force Reserve, $59,883,000.

SEC. 2602. ARMY NATIONAL GUARD RESERVE CENTER, LANE COUNTY, OREGON.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2601(1)(A) for the Army National Guard of the United States is hereby increased by $9,000,000.

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 2601(1)(A) for the Army National Guard of the United States, as increased by subsection (a), $9,000,000 may be available for a military construction project for a Reserve Center in Lane County, Oregon.

(2) The amount available under paragraph (1) for the military construction project referred to in that paragraph is in addition to any other amounts available under this Act for that project.

(c) OFFSET.—(1) The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby reduced by $2,500,000, with the amount of the reduction to be allocated to Warfighter Sustainment Advanced Technology (PE 0603236N).

(2) The amount authorized to be appropriated by section 301(a)(6) for operation and maintenance for the Army Reserve is hereby reduced by $6,000,000, with the amount

of the reduction to be allocated to the Enhanced Secure Communications Program.

SEC. 2603. ADDITIONAL PROJECT AUTHORIZATION FOR COMPOSITE SUPPORT FACILITY FOR ILLINOIS AIR NATIONAL GUARD.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2601(3)(A) for the Air National Guard is hereby increased by $10,000,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 2601(3)(A) for the Air National Guard, as increased by subsection (a), $10,000,000 may be available for a military construction project for a Composite Support Facility for the 183rd Fighter Wing of the Illinois Air National Guard.

(c) OFFSET.—The amount authorized to be appropriated by section 301(a)(5) for operation and maintenance, defense-wide, is hereby reduced by $10,000,000, with the amount of the reduction to be allocated to amounts available for the Information Operations Program.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorized funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units).	$6,000,000
Texas	Lackland Air Force Base	Dormitory	$5,300,000

Army National Guard: Extension of 2000 Project Authorization

State	*Installation or location*	*Project*	*Amount*
Virginia	*Fort Pickett*	*Multi-Purpose Range Complex–Heavy.*	*$13,500,000*

1 ***SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN***
2 ***FISCAL YEAR 1999 PROJECTS.***

3 *(a) EXTENSION.—Notwithstanding section 2701 of the*
4 *Military Construction Authorization Act for Fiscal Year*
5 *1999 (division B of Public Law 105–261; 112 Stat. 2199),*
6 *authorizations set forth in the table in subsection (b), as*
7 *provided in section 2302 of that Act and extended by section*
8 *2702 of the Military Construction Authorization Act for*
9 *Fiscal Year 2002 (division B of Public Law 107–107; 115*
10 *Stat. 1301), shall remain in effect until October 1, 2003,*
11 *or the date of the enactment of an Act authorizing funds*
12 *for military construction for fiscal year 2004, whichever is*
13 *later.*

14 *(b) TABLE.—The table referred to in subsection (a) is*
15 *as follows:*

Air Force: Extension of 1999 Project Authorizations

State	*Installation or location*	*Project*	*Amount*
Delaware	*Dover Air Force Base*	*Replace Family Housing (55 Units).*	*$8,988,000*
Florida	*Patrick Air Force Base*	*Replace Family Housing (46 Units).*	*$9,692,000*
New Mexico	*Kirtland Air Force Base*	*Replace Family Housing (37 Units).*	*$6,400,000*
Ohio	*Wright-Patterson Air Force Base.*	*Replace Family Housing (40 Units).*	*$5,600,000*

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, XXVI, and XXVII of this Act shall take effect on the later of—

(1) October 1, 2002; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. LEASE OF MILITARY FAMILY HOUSING IN KOREA.

(a) INCREASE IN NUMBER OF UNITS AUTHORIZED FOR LEASE AT CURRENT MAXIMUM AMOUNT.—Paragraph (3) of section 2828(e) of title 10, United States Code, is amended by striking "800 units" and inserting "1,175 units".

(b) AUTHORITY TO LEASE ADDITIONAL NUMBER OF UNITS AT INCREASED MAXIMUM AMOUNT.—That section is further amended—

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

(2) by inserting after paragraph (3) the following new paragraph (4):

"(4) In addition to the units of family housing referred to in paragraph (1) for which the maximum lease amount is $25,000 per unit per year, the Secretary of the Army

may lease not more than 2,400 units of family housing in Korea subject to a maximum lease amount of $35,000 per unit per year.";

(3) in paragraph (5), as so redesignated, by striking "and (3)" and inserting "(3), and (4)"; and

(4) in paragraph (6), as so redesignated, by striking "53,000" and inserting "55,775".

SEC. 2802. REPEAL OF SOURCE REQUIREMENTS FOR FAMILY HOUSING CONSTRUCTION OVERSEAS.

Section 803 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 10 U.S.C. 2821 note) is repealed.

SEC. 2803. MODIFICATION OF LEASE AUTHORITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) LEASING OF HOUSING.—Subsection (a) of section 2874 of title 10, United States Code, is amended to read as follows:

"(a) LEASE AUTHORIZED.—(1) The Secretary concerned may enter into contracts for the lease of housing units that the Secretary determines are suitable for use as military family housing or military unaccompanied housing.

"(2) The Secretary concerned shall utilize housing units leased under paragraph (1) as military family housing or military unaccompanied housing, as appropriate.".

(b) REPEAL OF INTERIM LEASE AUTHORITY.—Section 2879 of such title is repealed.

(c) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading for section 2874 of such title is amended to read as follows:

"§ 2874. Leasing of housing".

(2) The table of sections at the beginning of subchapter IV of chapter 169 of such title is amended—

(A) by striking the item relating to section 2874 and inserting the following new item:

"2874. Leasing of housing.";

and

(B) by striking the item relating to section 2879.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AGREEMENTS WITH PRIVATE ENTITIES TO ENHANCE MILITARY TRAINING, TESTING, AND OPERATIONS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2696 the following new section:

"§ 2697. Agreements with private entities to enhance military training, testing, and operations

"(a) AGREEMENTS WITH PRIVATE ENTITIES AUTHORIZED.—The Secretary of Defense or the Secretary of a military department may enter into an agreement with a private entity described in subsection (b) to address the use or development of real property in the vicinity of an installation under the jurisdiction of such Secretary for purposes of—

"(1) limiting any development or use of such property that would otherwise be incompatible with the mission of such installation; or

"(2) preserving habitat on such property in a manner that is compatible with both—

"(A) current or anticipated environmental requirements that would or might otherwise restrict, impede, or otherwise interfere, whether directly or indirectly, with current or anticipated military training, testing, or operations on such installation; and

"(B) current or anticipated military training, testing, or operations on such installation.

"(b) COVERED PRIVATE ENTITIES.—A private entity described in this subsection is any private entity that has as its stated principal organizational purpose or goal the

conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal.

"(c) INAPPLICABILITY OF CERTAIN CONTRACT REQUIREMENTS.—Chapter 63 of title 31 shall not apply to any agreement entered into under this section.

"(d) ACQUISITION AND ACCEPTANCE OF PROPERTY AND INTERESTS.—(1) Subject to the provisions of this subsection, an agreement with a private entity under this section—

"(A) may provide for the private entity to acquire all right, title, and interest in and to any real property, or any lesser interest therein, as may be appropriate for purposes of this section; and

"(B) shall provide for the private entity to transfer to the United States, upon the request of the United States, any property or interest so acquired.

"(2) Property or interests may not be acquired pursuant to an agreement under this section unless the owner of such property or interests, as the case may be, consents to the acquisition.

"(3) An agreement under this section providing for the acquisition of property or interests under paragraph (1)(A) shall provide for the sharing by the United States and the private entity concerned of the costs of the acquisition of such property or interests.

"(4) The Secretary concerned shall identify any property or interests to be acquired pursuant to an agreement under this section. Such property or interests shall be limited to the minimum property or interests necessary to ensure that the property concerned is developed and used in a manner appropriate for purposes of this section.

"(5) The Secretary concerned may accept on behalf of the United States any property or interest to be transferred to the United States under paragraph (1)(B).

"(6) The Secretary concerned may, for purposes of the acceptance of property or interests under this subsection, accept an appraisal or title documents prepared or adopted by a non-Federal entity as satisfying the applicable requirements of section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651) or section 355 of the Revised Statutes (40 U.S.C. 255) if the Secretary finds that such appraisal or title documents substantially comply with such requirements.

"(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in an agreement under this section as such Secretary considers appropriate to protect the interests of the United States.

"(f) FUNDING.—(1) Except as provided in paragraph (2), amounts authorized to be appropriated to the Range Enhancement Initiative Fund of the Department of Defense are available for purposes of any agreement under this section.

"(2) In the case of an installation operated primarily with funds authorized to be appropriated for research, development, test, and evaluation, funds authorized to be appropriated for the Department of Defense, or the military department concerned, for research, development, test, and evaluation are available for purposes of an agreement under this section with respect to such installation.

"(3) Amounts in the Fund that are made available for an agreement of a military department under this section shall be made available by transfer from the Fund to the applicable operation and maintenance account of the military department, including the operation and maintenance account for the active component, or for a reserve component, of the military department.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2696 the following new item:

"2697. Agreements with private entities to enhance military training, testing, and operations.".

SEC. 2812. CONVEYANCE OF SURPLUS REAL PROPERTY FOR NATURAL RESOURCE CONSERVATION.

(a) IN GENERAL.—(1) Chapter 159 of title 10, United States Code, as amended by section 2811 of this Act, is further amended by inserting after section 2697 the following new section:

"§ 2698. Conveyance of surplus real property for natural resource conservation

"(a) AUTHORITY TO CONVEY.—Subject to subsection (c), the Secretary of a military department may, in the sole discretion of such Secretary, convey to any State or local government or instrumentality thereof, or private entity that has as its primary purpose or goal the conservation of open space or natural resources on real property, all right, title, and interest of the United States in and to any real property, including any improvements thereon, under the jurisdiction of such Secretary that is described in subsection (b).

"(b) COVERED REAL PROPERTY.—Real property described in this subsection is any property that—

"(1) is suitable, as determined by the Secretary concerned, for use for the conservation of open space or natural resources;

"(2) is surplus property for purposes of title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.); and

"(3) has been available for public benefit conveyance under that title for a sufficient time, as determined by the Secretary concerned in consultation with the Administrator of General Services, to permit potential claimants to seek public benefit conveyance of such property, but without the submittal during that time of a request for such conveyance.

"(c) CONDITIONS OF CONVEYANCE.—Real property may not be conveyed under this section unless the conveyee of such property agrees that such property—

"(1) shall be used and maintained for the conservation of open space or natural resources in perpetuity, unless otherwise provided for under subsection (e); and

"(2) may be subsequently conveyed only if—

"(A) the Secretary concerned approves in writing such subsequent conveyance;

"(B) the Secretary concerned notifies the appropriate committees of Congress of the subsequent conveyance not later than 21 days before the subsequent conveyance; and

"(C) after such subsequent conveyance, shall be used and maintained for the conservation of open space or natural resources in perpetuity,

unless otherwise provided for under subsection (e).

"(d) USE FOR INCIDENTAL PRODUCTION OF REVENUE.—Real property conveyed under this section may be used for the incidental production of revenue, as determined by the Secretary concerned, if such production of revenue is compatible with the use of such property for the conservation of open space or natural resources, as so determined.

"(e) REVERSION.—If the Secretary concerned determines at any time that real property conveyed under this section is not being used and maintained in accordance with the agreement of the conveyee under subsection (c), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

"(f) PROPERTY UNDER BASE CLOSURE LAWS.—The Secretary concerned may not make a conveyance under this section of any real property to be disposed of under a base closure law in a manner that is inconsistent with the requirements and conditions of such base closure law.

"(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may establish such additional terms and conditions in connection with a conveyance of real property

under this section as such Secretary considers appropriate to protect the interests of the United States.

"(h) DEFINITIONS.—In this section:

"(1) The term 'appropriate committees of Congress' has the meaning given that term in section 2801(c)(4) of this title.

"(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and the territories and possessions of the United States.

"(3) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (10 U.S.C. 2687 note).

"(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(D) Any other similar authority for the closure or realignment of military installations that is enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.".

(2) The table of sections at the beginning of chapter 159 of that title, as amended by section 2811 of this Act, is further amended by inserting after the item relating to section 2687 the following new item:

"2698. Conveyance of surplus real property for natural resource conservation.".

(b) ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE EXPENSES.—Section 2695(b) of that title is amended by adding at the end the following new paragraph:

"(5) The conveyance of real property under section 2698 of this title.".

(c) AGREEMENTS WITH PRIVATE ENTITIES.—Section 2701(d) of that title is amended—

(1) in paragraph (1), by striking "with any State or local government agency, or with any Indian tribe," and inserting "any State or local government agency, any Indian tribe, or, for purposes under section 2697 or 2698 of this title, with any private entity"; and

(2) by striking paragraph (4), as redesignated by section 311(1) of this Act, and inserting the following new paragraph (4):

"(4) DEFINITIONS.—In this subsection:

"(A) The term 'Indian tribe' has the meaning given such term in section 101(36) of Comprehensive Environmental Response, Compensa-

tion, and Liability Act of 1980 (42 U.S.C. 9601(36)).

"(B) The term 'private entity' means any private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal.".

SEC. 2813. MODIFICATION OF DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) ADMINISTRATOR OF PROGRAM.—Subsection (a) of section 2814 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1310; 10 U.S.C. 2809 note) is amended by striking "Secretary of the Army" and inserting "Secretary of Defense or the Secretary of a military department".

(b) CONTRACTS.—Subsection (b) of that section is amended to read as follows:

"(b) CONTRACTS.—(1) Not more than 12 contracts may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

"(2) Except as provided in paragraph (3), the demonstration program may only cover contracts entered into on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.

"(3) The Secretary of the Army shall treat any contract containing requirements referred to in subsection (a) that was entered into under the authority in that subsection during the period beginning on December 28, 2001, and ending on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003 as a contract for the purpose of the demonstration program under that subsection.".

(c) REPORTING REQUIREMENTS.—Subsection (d) of that section is amended by striking "Secretary of the Army" and inserting "Secretary of Defense".

(d) FUNDING.—(1) Subsection (f) of that section is amended by striking "the Army" and inserting "the military departments or defense-wide".

(2) The amendment made by paragraph (1) shall not affect the availability for the purpose of the demonstration program under section 2814 of the Military Construction Authorization Act for Fiscal Year 2002, as amended by this section, of any amounts authorized to be appropriated before the date of the enactment of this Act for the Army for military construction that have been obligated for the demonstration program, but not expended, as of that date.

Subtitle C—Land Conveyances

SEC. 2821. CONVEYANCE OF CERTAIN LANDS IN ALASKA NO LONGER REQUIRED FOR NATIONAL GUARD PURPOSES.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the State of Alaska, or any governmental entity, Native Corporation, or Indian tribe within the State of Alaska, all right, title, and interest of the United States in and to any parcel of real property, including any improvements thereon, described in subsection (b) that the Secretary considers appropriate in the public interest.

(b) COVERED PROPERTY.—Real property described in this subsection is any property located in the State of Alaska that, as determined by the Secretary—

(1) is currently under the jurisdiction of the Department of the Army;

(2) before December 2, 1980, was under the jurisdiction of the Department of the Army for use of the Alaska National Guard;

(3) is located in a unit of the National Wildlife Refuge System designated in the Alaska National Interest Lands Conservation Act (94 Stat. 2371; 16 U.S.C. 1301 note);

(4) is excess to the needs of the Alaska National Guard and the Department of Defense; and

(5) is in such condition that—

(A) the anticipated cost to the United States of retaining such property exceeds the value of such property; or

(B) such property is unsuitable for retention by the United States.

(c) CONSIDERATION.—(1) The conveyance of real property under this section shall, at the election of the Secretary, be for no consideration or for consideration in an amount determined by the Secretary to be appropriate under the circumstances.

(2) If consideration is received under paragraph (1) for property conveyed under subsection (a), the Secretary may use the amounts received, to the extent provided in appropriations Acts, to pay for—

(A) the cost of a survey described in subsection (d) with respect to such property;

(B) the cost of carrying out any environmental assessment, study, or analysis, and any remediation, that may be required under Federal law, or is considered appropriate by the Secretary, in connection with such property or the conveyance of such property; and

(C) any other costs incurred by the Secretary in conveying such property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance of real property under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) DEFINITIONS.—In this section:

(1) The term "Indian tribe" has the meaning given such term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103–454; 108 Stat. 4791; 25 U.S.C. 479a).

(2) The term "Native Corporation" has the meaning given such term in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

SEC. 2822. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Hopkinsville, Kentucky (in this section referred to as the "City"), all right, title, and interest of the United States

in and to a parcel of real property at Fort Campbell, Kentucky, consisting of approximately 50 acres and containing an abandoned railroad spur for the purpose of permitting the City to use the property for storm water management, recreation, transportation, and other public purposes.

(b) REIMBURSEMENT OF TRANSACTION COSTS.—(1) The City shall reimburse the Secretary for any costs incurred by the Secretary in carrying out the conveyance authorized by subsection (a).

(2) Any reimbursement for costs that is received under paragraph (1) shall be credited to the fund or account providing funds for such costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF PROPERTY.—The acreage of the real property to be conveyed under subsection (a) has been determined by the Secretary through a legal description outlining such acreage. No further survey of the property is required before conveyance under that subsection.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as

the Secretary considers appropriate to protect the interests of the United States.

SEC. 2823. MODIFICATION OF AUTHORITY FOR LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) MODIFICATION OF CONVEYANCE AUTHORITY FOR COREA AND WINTER HARBOR PROPERTIES.—Section 2845 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1319) is amended—

(1) by striking subsection (b) and inserting the following new subsection (b):

"(b) CONVEYANCE AND TRANSFER OF COREA AND WINTER HARBOR PROPERTIES AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to parcels of real property, including any improvements thereon and appurtenances thereto, comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, as follows:

"(A) The parcel consisting of approximately 50 acres known as the Corea Operations Site.

"(B) Three parcels consisting of approximately 23 acres and comprising family housing facilities.

"(2) The Secretary of the Navy may transfer to the administrative jurisdiction of the Secretary of the Interior a parcel of real property consisting of approximately 404 acres at the former Naval Security Group Activity, which is the balance of the real property comprising the Corea Operations Site.

"(3) The Secretary of the Interior shall administer the property transferred under paragraph (2) as part of the National Wildlife Refuge System."; and

(2) in subsections (c), (d), (e), (f), (g), and (h), by striking "subsection (b)" each place it appears and inserting "subsection (b)(1)".

(b) EXEMPTION OF MODIFIED CONVEYANCES FROM FEDERAL SCREENING REQUIREMENT.—That section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) EXEMPTION OF CERTAIN CONVEYANCES FROM FEDERAL SCREENING.—Any conveyance authorized by subsection (b)(1) of this section, as amended by section 2823 of the National Defense Authorization Act for Fiscal Year

2003, is exempt from the requirement to screen the property concerned for further Federal use pursuant to section 2696 of title 10, United States Code.".

SEC. 2824. LAND CONVEYANCE, WESTOVER AIR RESERVE BASE, MASSACHUSETTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of Chicopee, Massachusetts (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including 133 housing units and other improvements thereon, consisting of approximately 30.38 acres located at Westover Air Reserve Base in Chicopee, Massachusetts, for the purpose of permitting the City to use the property for economic development and other public purposes.

(b) ADMINISTRATIVE EXPENSES.—(1) The Secretary may require the City to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) Section 2695(c) of title 10, United States Code, shall apply to any amount received under this subsection.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, NAVAL STATION NEWPORT, RHODE ISLAND.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the State of Rhode Island, or any political subdivision thereof, any or all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 34 acres located in Melville, Rhode Island, and known as the Melville Marina site.

(b) CONSIDERATION.—(1) As consideration for the conveyance of real property under subsection (a), the conveyee shall pay the United States an amount equal to the fair market value of the real property, as determined by the Secretary based on an appraisal of the real property acceptable to the Secretary.

(2) Any consideration received under paragraph (1) shall be deposited in the account established under section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)), and shall be available as provided for in that section.

(c) REIMBURSEMENT OF TRANSACTION COSTS.—(1) The Secretary may require the conveyee of the real property under subsection (a) to reimburse the Secretary for any costs incurred by the Secretary in carrying out the conveyance.

(2) Any reimbursement for costs that is received under paragraph (1) shall be credited to the fund or account providing funds for such costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as

the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND EXCHANGE, BUCKLEY AIR FORCE BASE, COLORADO.

(a) EXCHANGE AUTHORIZED.—Subject to subsection (b), the Secretary of the Air Force may convey to the State of Colorado (in this section referred to as the "State") all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of all or part of the Watkins Communications Site in Arapahoe County, Colorado.

(b) LIMITATION.—The Secretary of the Air Force may carry out the conveyance authorized by subsection (a) only with the concurrence of the Secretary of Defense.

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (a) the State shall convey to the United States of all right, title, and interest of the State in and to a parcel of real property, including improvements thereon, consisting of approximately 41 acres that is owned by the State and is contiguous to Buckley Air Force Base, Colorado.

(2) The Secretary shall have jurisdiction over the real property conveyed under paragraph (1).

(3) Upon conveyance to the United States under paragraph (1), the real property conveyed under that paragraph

is withdrawn from all forms of appropriation under the general land laws, including the mining laws and mineral and geothermal leasing laws.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. LAND ACQUISITION, BOUNDARY CHANNEL DRIVE SITE, ARLINGTON, VIRGINIA.

(a) ACQUISITION AUTHORIZED.—The Secretary of Defense may, using amounts authorized to be appropriated to be appropriated by section 2401, acquire all right, title, and interest in and to a parcel of real property, including any improvements thereon, in Arlington County, Virginia, consisting of approximately 7.2 acres and known as the Boundary Channel Drive Site. The parcel is located southeast of Interstate Route 395 at the end of Boundary Channel Drive and was most recently occupied by the Twin Bridges Marriott.

(b) INCLUSION IN PENTAGON RESERVATION.—Upon its acquisition under subsection (a), the parcel acquired under that subsection shall be included in the Pentagon Reservation, as that term is defined in section 2674(f)(1) of title 10, United States Code.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be acquired under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the acquisition under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2828. LAND CONVEYANCES, WENDOVER AIR FORCE BASE AUXILIARY FIELD, NEVADA.

(a) CONVEYANCES AUTHORIZED TO WEST WENDOVER, NEVADA.—(1) The Secretary of the Interior may convey, without consideration, to the City of West Wendover, Nevada, all right, title, and interest of the United States in and to the following:

(A) The lands at Wendover Air Force Base Auxiliary Field, Nevada, identified in Easement No. AFMC–HL–2–00–334 that are determined by the Secretary of the Air Force to be no longer required.

(B) The lands at Wendover Air Force Base Auxiliary Field identified for disposition on the map entitled "West Wendover, Nevada–Excess", dated January 5, 2001, that are determined by the Secretary of the Air Force to be no longer required.

(2) The purposes of the conveyances under this subsection are—

(A) to permit the establishment and maintenance of runway protection zones; and

(B) to provide for the development of an industrial park and related infrastructure.

(3) The map referred to in paragraph (1)(B) shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management and the Elko District Office of the Bureau of Land Management.

(b) CONVEYANCE AUTHORIZED TO TOOELE COUNTY, UTAH.—(1) The Secretary of the Interior may convey, without consideration, to Tooele County, Utah, all right, title, and interest of the United States in and to the lands at Wendover Air Force Base Auxiliary Field identified in Easement No. AFMC–HL–2–00–318 that are determined by the Secretary of the Air Force to be no longer required.

(2) The purpose of the conveyance under this subsection is to permit the establishment and maintenance of runway protection zones and an aircraft accident potential

protection zone as necessitated by continued military aircraft operations at the Utah Test and Training Range.

(c) MANAGEMENT OF CONVEYED LANDS.—The lands conveyed under subsections (a) and (b) shall be managed by the City of West Wendover, Nevada, City of Wendover, Utah, Tooele County, Utah, and Elko County, Nevada—

(1) in accordance with the provisions of an Interlocal Memorandum of Agreement entered into between the Cities of West Wendover, Nevada, and Wendover, Utah, Tooele County, Utah, and Elko County, Nevada, providing for the coordinated management and development of the lands for the economic benefit of both communities; and

(2) in a manner that is consistent with such provisions of the easements referred to subsections (a) and (b) that, as jointly determined by the Secretary of the Air Force and Secretary of the Interior, remain applicable and relevant to the operation and management of the lands following conveyance and are consistent with the provisions of this section.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force and the Secretary of the Interior may jointly require such additional terms and conditions in connection with the conveyances required by subsections

(a) and (b) as the Secretaries consider appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, FORT HOOD, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Veterans Land Board of the State of Texas (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 174 acres at Fort Hood, Texas, for the purpose of permitting the Board to establish a State-run cemetery for veterans.

(b) REVERSIONARY INTEREST.—(1) If at the end of the five-year period beginning on the date of the conveyance authorized by subsection (a), the Secretary determines that the property conveyed under that subsection is not being used for the purpose specified in that subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed

under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCES, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE TO FAIRFAX COUNTY, VIRGINIA, AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to Fairfax County, Virginia, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 135 acres, located in the northwest portion of the Engineer Proving Ground (EPG) at Fort Belvoir, Virginia, in order to permit the County to use such property for park and recreational purposes.

(2) The parcel of real property authorized to be conveyed by paragraph (1) is generally described as that portion of the Engineer Proving Ground located west of Accotink Creek, east of the Fairfax County Parkway, and north of Cissna Road to the northern boundary, but excludes a parcel of land consisting of approximately 15 acres

located in the southeast corner of such portion of the Engineer Proving Ground.

(3) The land excluded under paragraph (2) from the parcel of real property authorized to be conveyed by paragraph (1) shall be reserved for an access road to be constructed in the future.

(b) CONVEYANCE OF BALANCE OF PROPERTY AUTHORIZED.—The Secretary may convey to any competitively selected grantee all right, title, and interest of the United States in and to the real property, including any improvements thereon, at the Engineering Proving Ground, not conveyed under the authority in subsection (a).

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (b), the grantee shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under that subsection.

(2) In-kind consideration under paragraph (1) may include the maintenance, improvement, alteration, repair, remodeling, restoration (including environmental restoration), or construction of facilities for the Department of the Army at Fort Belvoir or at any other site or sites designated by the Secretary.

(3) If in-kind consideration under paragraph (1) includes the construction of facilities, the grantee shall also convey to the United States—

(A) title to such facilities, free of all liens and other encumbrances; and

(B) if the United States does not have fee simple title to the land underlying such facilities, convey to the United States all right, title, and interest in and to such lands not held by the United States.

(4) The Secretary shall deposit any cash received as consideration under this subsection in the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658), as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 568), is repealed.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys

satisfactory to the Secretary. The cost of each such survey shall be borne by the grantee.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2831. MASTER PLAN FOR USE OF NAVY ANNEX, ARLINGTON, VIRGINIA.

(a) REPEAL OF COMMISSION ON NATIONAL MILITARY MUSEUM.—Title XXIX of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 880; 10 U.S.C. 111 note) is repealed.

(b) MODIFICATION OF AUTHORITY FOR TRANSFER FROM NAVY ANNEX.—Section 2881 of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 879) is amended—

(1) in subsection (b)(2), as amended by section 2863(f) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1332), by striking "as a site—" and all that follows and inserting "as a site for such other memorials or museums that the Secretary considers compatible with Arlington National Cemetery and the Air Force Memorial."; and

(2) in subsection (d)—

(A) in paragraph (2), by striking "the recommendation (if any) of the Commission on the National Military Museum to use a portion of the Navy Annex property as the site for the National Military Museum", and inserting "the use of the acres reserved under (b)(2) as a memorial or museum"; and

(B) in paragraph (4), by striking "the date on which the Commission on the National Military Museum submits to Congress its report under section 2903" and inserting "the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003".

(c) CONSTRUCTION OF AMENDMENTS.—The amendments made by subsections (a) and (b) may not be construed to delay the establishment of the United States Air Force Memorial authorized by section 2863 of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1330).

SEC. 2832. LAND CONVEYANCE, SUNFLOWER ARMY AMMUNITION PLANT, KANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army or the Administrator of General Services may convey, without consideration, to the Johnson County Park and

Recreation District, Kansas (in this section referred to as the "District"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, in the State of Kansas consisting of approximately 2,000 acres, a portion of the Sunflower Army Ammunition Plant. The purpose of the conveyance is to permit the District to use the parcel for public recreational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage, location, and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the official making the conveyance. The cost of such legal description, survey, or both shall be borne by the District.

(c) ADDITIONAL TERMS AND CONDITIONS.—The official making the conveyance of real property under subsection (a) may require such additional terms and conditions in connection with the conveyance as that official considers appropriate to protect the interests of the United States.

(d) EFFECTIVE DATE.—This section shall take effect on January 31, 2003.

SEC. 2833. LAND CONVEYANCE, BLUEGRASS ARMY DEPOT, RICHMOND, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to Madison County, Kentucky (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 10 acres at the Bluegrass Army Depot, Richmond, Kentucky, for the purpose of facilitating the construction of a veterans' center on the parcel by the State of Kentucky.

(2) The Secretary may not make the conveyance authorized by this subsection unless the Secretary determines that the State of Kentucky has appropriated adequate funds for the construction of the veterans' center.

(b) REVERSIONARY INTEREST.—If the Secretary determines that the real property conveyed under subsection (a) ceases to be utilized for the sole purpose of a veterans' center or that reasonable progress is not demonstrated in constructing the center and initiating services to veterans, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination under this subsection shall be made on the record after an opportunity for a hearing.

(c) ADMINISTRATIVE EXPENSES.—The Secretary shall apply section 2695 of title 10, United States Code, to the conveyance authorized by subsection (a).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2841. TRANSFER OF FUNDS FOR ACQUISITION OF REPLACEMENT PROPERTY FOR NATIONAL WILDLIFE REFUGE SYSTEM LANDS IN NEVADA.

(a) TRANSFER OF FUNDS AUTHORIZED.—(1) The Secretary of the Air Force may, using amounts authorized to be appropriated by section 2304(a), transfer to the United States Fish and Wildlife Service $15,000,000 to fulfill the obligations of the Air Force under section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999 (title XXX of Public Law 106–65; 113 Stat. 889).

(2) Upon receipt by the Service of the funds transferred under paragraph (1), the obligations of the Air Force referred to in that paragraph shall be considered fulfilled.

(b) CONTRIBUTION TO FOUNDATION.—(1) The United States Fish and Wildlife Service may grant funds received by the Service under subsection (a) in a lump sum to the National Fish and Wildlife Foundation for use in accomplishing the purposes of section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999.

(2) Funds received by the Foundation under paragraph (1) shall be subject to the provisions of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.), other than section 10(a) of that Act (16 U.S.C. 3709(a)).

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,160,043,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities, $5,988,188,000, to be allocated as follows:

(A) For directed stockpile work, $1,218,967,000.

(B) For campaigns, $2,090,528,000, to be allocated as follows:

(i) For operation and maintenance, $1,740,983,000.

(ii) For construction, $349,545,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $13,305,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $35,030,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $7,000,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $70,165,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $224,045,000.

(C) For readiness in technical base and facilities, $1,735,129,000, to be allocated as follows:

(i) For operation and maintenance, $1,464,783,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $270,346,000, to be allocated as follows:

Project 03–D–101, Sandia underground reactor facility (SURF), Sandia National Laboratory, Livermore, California, $2,000,000.

Project 03–D–103, project engineering and design (PED), various locations, $17,839,000.

Project 03–D–121, gas transfer capacity expansion, Kansas City Plant, Kansas City, Missouri, $4,000,000.

Project 03–D–122, purification prototype facility, Y–12 Plant, Oak Ridge, Tennessee, $20,800,000.

Project 03–D–123, special nuclear material component requalification facility, Pantex Plant, Amarillo, Texas, $3,000,000

Project 02–D–103, project engineering and design (PED), various locations, $24,945,000.

Project 02–D–105, engineering technology complex upgrade, Lawrence Livermore National Laboratory, Livermore, California, $10,000,000.

Project 02–D–107, electrical power systems safety communications and bus upgrades, Nevada Test Site, Nevada, $7,500,000.

Project 01–D–103, project engineering and design (PED), various locations, $6,164,000.

Project 01–D–107, Atlas relocation, Nevada Test Site, Nevada, $4,123,000.

Project 01–D–108, microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico, $75,000,000.

Project 01–D–124, HEU storage facility, Y–12 Plant, Oak Ridge, Tennessee, $25,000,000.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $8,650,000.

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $9,611,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,011,000.

Project 99–D–104, protection of real property (roof reconstruction, phase II), Lawrence Livermore National Laboratory, Livermore, California, $5,915,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $29,900,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant, Amarillo, Texas, $407,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $10,481,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $1,000,000.

(C) For secure transportation asset, $157,083,000, to be allocated as follows:

(i) For operation and maintenance, $102,578,000.

(ii) For program direction, $54,505,000.

(D) For safeguards and security, $574,954,000, to be allocated as follows:

(i) For operation and maintenance, $566,054,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $8,900,000, to be allocated as follows:

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,900,000.

(E) For facilities and infrastructure, $242,512,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For defense nuclear nonproliferation activities, $1,129,130,000, to be allocated as follows:

(A) For operation and maintenance, $1,037,130,000, to be allocated as follows:

(i) For nonproliferation and verification research and development, $298,907,000.

(ii) For nonproliferation programs, $446,223,000.

(iii) For fissile materials, $292,000,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years,

and land acquisition related thereto), $156,000,000, to be allocated as follows:

Project 01–D–407, highly enriched uranium blend-down, Savannah River Site, Aiken, South Carolina, $30,000,000.

Project 99–D–141, pit disassembly and conversion facility, Savannah River Site, Aiken, South Carolina, $33,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility, Savannah River Site, Aiken, South Carolina, $93,000,000.

(3) NAVAL REACTORS.—For naval reactors, $707,020,000, to be allocated as follows:

(A) For naval reactors development, $682,590,000, to be allocated as follows:

(i) For operation and maintenance, $671,290,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $11,300,000, to be allocated as follows:

Project 03–D–201, cleanroom technology facility, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $7,200,000.

Project 01–D–200, major office replacement building, Schenectady, New York, $2,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $2,000,000.

(B) For program direction, $24,430,000.

(4) OFFICE OF ADMINISTRATOR FOR NUCLEAR SECURITY.—For the Office of the Administrator for Nuclear Security, and for program direction for the National Nuclear Security Administration (other than for naval reactors and secure transportation asset), $335,705,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for environmental management activities in carrying out programs necessary for national security in the amount of $6,710,774,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the

National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,109,314,000.

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $793,950,000, to be allocated as follows:

(A) For operation and maintenance, $779,706,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,244,000, to be allocated as follows:

Project 02–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $1,119,000.

Project 02–D–420, plutonium stabilization and packaging, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 01–D–414, project engineering and design (PED), various locations, $5,125,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $6,000,000.

(3) POST-2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $2,617,199,000, to be allocated as follows:

(A) For operation and maintenance, $1,704,341,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,870,000, to be allocated as follows:

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $14,870,000.

(C) For the Office of River Protection in carrying out environmental restoration and waste management activities necessary for national security programs, $897,988,000, to be allocated as follows:

(i) For operation and maintenance, $226,256,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $671,732,000, to be allocated as follows:

Project 03–D–403, immobilized high-level waste interim storage facility, Richland, Washington, $6,363,000.

Project 01–D–416, waste treatment and immobilization plant, Richland, Washington, $619,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $25,424,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $20,945,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental management activities necessary for national security programs, $92,000,000.

(5) EXCESS FACILITIES.—For excess facilities in carrying out environmental management activities necessary for national security programs, $1,300,000.

(6) SAFEGUARDS AND SECURITY.—For safeguards and security in carrying out environmental management activities necessary for national security programs, $278,260,000.

(7) URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND.—For contribution to the Uranium Enrichment Decontamination and Decommissioning Fund under chapter 28 of the Atomic Energy Act of 1954 (42 U.S.C. 2297g et seq.), $441,000,000.

(8) ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.—For accelerated environmental restoration and waste management activities, $1,000,000,000.

(9) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and

waste management activities necessary for national security programs, $396,098,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for other defense activities in carrying out programs necessary for national security in the amount of $489,883,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence, $43,559,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence, $48,083,000.

(3) OFFICE OF SECURITY.—For the Office of Security for security, $252,218,000, to be allocated as follows:

(A) For nuclear safeguards and security, $156,102,000.

(B) For security investigations, $45,870,000.

(C) For program direction, $50,246,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance, $22,615,000.

(5) OFFICE OF ENVIRONMENT, SAFETY, AND HEALTH.—For the Office of Environment, Safety, and Health, $104,910,000, to be allocated as follows:

(A) For environment, safety, and health (defense), $86,892,000.

(B) For program direction, $18,018,000.

(6) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $25,774,000, to be allocated as follows:

(A) For worker and community transition, $22,965,000.

(B) For program direction, $2,809,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $3,136,000.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $158,399,000, to be allocated as follows:

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $53,399,000.

Project 97–PVT–2, advanced mixed waste treatment project, Idaho Falls, Idaho, $105,000,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $215,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 115 percent of the amount authorized for that program by this title; or

(B) $5,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON MINOR CONSTRUCTION PROJECTS.

(a) AUTHORITY.—The Secretary of Energy may carry out any minor construction project using operation and maintenance funds, or facilities and infrastructure funds, authorized by this title.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding year. Each report shall provide a brief description of each minor construction project covered by the report.

(c) COST VARIATION REPORTS TO CONGRESSIONAL COMMITTEES.—If, at any time during the construction of any minor construction project authorized by this title, the estimated cost of the project is revised and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately submit to the congressional defense committees a report explaining the reasons for the cost variation.

(d) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term "minor construction project" means any plant project not specifically authorized by law if the approved total estimated cost of the plant project does not exceed $5,000,000.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a minor construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, under sections 3101, 3102, 3103, and 3104 to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2004.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary—

(A) to address a risk to health, safety, or the environment; or

(B) to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102.

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by that office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term "defense environmental management funds" means funds appropriated to the Depart-

ment of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2002, and ending on September 30, 2003.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer—

(A) is necessary to address a risk to health, safety, or the environment; or

(B) will result in cost savings and efficiencies.

(4) A transfer may not be carried out by a manager of a field office under subsection (a) to cover a cost overrun or scheduling delay for any program or project.

(5) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in section 3101(1).

(B) A program or project not described in subparagraph (A) that is for weapons activities

necessary for national security programs of the Department, that is being carried out by that office, and for which weapons activities funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term "weapons activities funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2002, and ending on September 30, 2003.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. AVAILABILITY OF FUNDS FOR ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.

(a) LIMITATION ON AVAILABILITY FOR ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.—None of the funds authorized to be appropriated by section 3102(8) for the Department of Energy for environmental management cleanup reform may be obligated or expended until the Secretary of Energy—

(1) publishes in the Federal Register, and submits to the congressional defense committees, a report setting forth criteria established by the Secretary—

(A) for selecting the projects that will receive funding using such funds; and

(B) for setting priorities among the projects selected under subparagraph (A); or

(2) notifies the congressional defense committees that the criteria described by paragraph (1) will not be established.

(b) REQUIREMENTS REGARDING ESTABLISHMENT OF CRITERIA.—Before establishing criteria, if any, under subsection (a)(1), the Secretary shall publish a proposal for such criteria in the Federal Register, and shall provide a period of 45 days for public notice and comment on the proposal.

(c) AVAILABILITY OF FUNDS IF CRITERIA ARE NOT ESTABLISHED.—(1) If the Secretary exercises the authority under subsection (a)(2), the Secretary shall reallocate the funds referred to in subsection (a) among sites that received funds during fiscal year 2002 for defense environmental restoration and waste management activities under section 3102 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–197; 115 Stat. 1358).

(2) The amount of funds referred to in subsection (a) that are allocated under paragraph (1) to a site described in that paragraph shall bear the same ratio to the amount of funds referred to in subsection (a) as the amount of funds received by such site during fiscal year 2002 under section 3102 of the National Defense Authorization Act for Fiscal Year 2002 bears to the total amount of funds made available to all sites during fiscal year 2002 under that section.

(3) No funds allocated under paragraph (1) may be obligated or expended until 30 days after the Secretary submits to the congressional defense committee a list of the projects at each site allocated funds under that paragraph, and the amount of such funds to be provided to each such project at each such site.

(4) Funds referred to in subsection (a) may not be obligated or expended for any site that was not funded in fiscal year 2002 from amounts available to the Department of Energy under title XXXI of the National Defense Authorization Act for Fiscal Year 2002.

SEC. 3132. ROBUST NUCLEAR EARTH PENETRATOR.

Not later than February 3, 2003, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the Robust Nuclear Earth Penetrator (RNEP). The report shall set forth—

(1) the military requirements for the Robust Nuclear Earth Penetrator;

(2) the nuclear weapons employment policy regarding the Robust Nuclear Earth Penetrator;

(3) a detailed description of the categories or types of targets that the Robust Nuclear Earth Penetrator is designed to hold at risk; and

(4) an assessment of the ability of conventional weapons to address the same categories and types of targets described under paragraph (3).

SEC. 3133. DATABASE TO TRACK NOTIFICATION AND RESOLUTION PHASES OF SIGNIFICANT FINDING INVESTIGATIONS.

(a) AVAILABILITY OF FUNDS FOR DATABASE.—Amounts authorized to be appropriated by section 3101(1) for the National Nuclear Security Administration for weapons activities shall be available to the Deputy Administrator for Nuclear Security for Defense Programs for the development and implementation of a database for all national security laboratories to track the notification and resolution phases of Significant Finding Investigations (SFIs). The purpose of the database is to facilitate the monitoring of the progress and accountability of the national security laboratories in Significant Finding Investigations.

(b) IMPLEMENTATION DEADLINE.—The database required by subsection (a) shall be implemented not later than September 30, 2003.

(c) NATIONAL SECURITY LABORATORY DEFINED.—In this section, the term "national security laboratory" has the meaning given that term in section 3281(1) of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 968; 50 U.S.C. 2471(1)).

SEC. 3134. REQUIREMENTS FOR SPECIFIC REQUEST FOR NEW OR MODIFIED NUCLEAR WEAPONS.

(a) REQUIREMENT FOR REQUEST FOR FUNDS FOR DEVELOPMENT.—(1) In any fiscal year after fiscal year 2002 in which the Secretary of Energy plans to carry out activities described in paragraph (2) relating to the development of a new nuclear weapon or modified nuclear weapon, the Secretary shall specifically request funds for such activities in the budget of the President for that fiscal year under section 1105(a) of title 31, United States Code.

(2) The activities described in this paragraph are as follows:

(A) The conduct, or provision for conduct, of research and development which could lead to the production of a new nuclear weapon by the United States.

(B) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a new nuclear weapon by the United States.

(C) The conduct, or provision for conduct, of research and development which could lead to the production of a modified nuclear weapon by the United States.

(D) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a modified nuclear weapon by the United States.

(b) BUDGET REQUEST FORMAT.—The Secretary shall include in a request for funds under subsection (a) the following:

(1) In the case of funds for activities described in subparagraph (A) or (C) of subsection (a)(2), a dedicated line item for each such activity for a new nuclear weapon or modified nuclear weapons that is in phase 1 or 2A or phase 6.1 or 6.2A, as the case may be, of the nuclear weapons acquisition process.

(2) In the case of funds for activities described in subparagraph (B) or (D) of subsection (a)(2), a dedicated line item for each such activity for a new nuclear weapon or modified nuclear weapon that is in phase 3 or higher or phase 6.3 or higher, as the

case may be, of the nuclear weapons acquisition process.

(c) EXCEPTION.—Subsections (a) shall not apply to funds for purposes of conducting, or providing for the conduct of, research and development, or manufacturing and engineering, determined by the Secretary to be necessary—

(1) for the nuclear weapons life extension program;

(2) to modify an existing nuclear weapon solely to address safety or reliability concerns; or

(3) to address proliferation concerns.

(d) CONSTRUCTION WITH PROHIBITION ON RESEARCH AND DEVELOPMENT ON LOW-YIELD NUCLEAR WEAPONS.—Nothing in this section may be construed to modify, repeal, or in any way affect the provisions of section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note), relating to prohibitions on research and development on low-yield nuclear weapons.

(e) DEFINITIONS.—In this section:

(1) The term "life extension program" means the program to repair or replace non-nuclear components, or to modify the pit or canned subassembly, of nuclear weapons in the nuclear weapons stockpile on the date of the enactment of this Act in order to assure

that such nuclear weapons retain the ability to meet the military requirements applicable to such nuclear weapons when first placed in the nuclear weapons stockpile.

(2) The term "modified nuclear weapon" means a nuclear weapon that contains a pit or canned subassembly, either of which—

(A) is in the nuclear weapons stockpile as of the date of the enactment of this Act; and

(B) is being modified in order to meet a military requirement that is other than the military requirements applicable to such nuclear weapon when first placed in the nuclear weapons stockpile.

(3) The term "new nuclear weapon" means a nuclear weapon that contains a pit or canned subassembly, either of which is neither—

(A) in the nuclear weapons stockpile on the date of the enactment of this Act; nor

(B) in production as of that date.

SEC. 3135. REQUIREMENT FOR AUTHORIZATION BY LAW FOR FUNDS OBLIGATED OR EXPENDED FOR DEPARTMENT OF ENERGY NATIONAL SECURITY ACTIVITIES.

Section 660 of the Department of Energy Organization Act (42 U.S.C. 7270) is amended—

(1) by inserting "(a)" before "Appropriations"; and

(2) by adding at the end the following new subsection:

"(b)(1) No funds for the Department may be obligated or expended for—

"(A) national security programs and activities of the Department; or

"(B) activities under the Atomic Energy Act of 1954 (42 U.S.C. 2012 et seq.);

unless funds therefor have been specifically authorized by law.

"(2) Nothing in paragraph (1) may be construed to preclude the requirement under subsection (a), or under any other provision of law, for an authorization of appropriations for programs and activities of the Department (other than programs and activities covered by that paragraph) as a condition to the obligation and expenditure of funds for programs and activities of the Department (other than programs and activities covered by that paragraph).".

SEC. 3136. LIMITATION ON AVAILABILITY OF FUNDS FOR PROGRAM TO ELIMINATE WEAPONS GRADE PLUTONIUM PRODUCTION IN RUSSIA.

(a) LIMITATION.—Of the amounts authorized to be appropriated by this title for the program to eliminate weapons grade plutonium production, the Administrator for Nuclear Security may not obligate or expend more than $100,000,000 for that program until 30 days after the date on which the Administrator submits to the congressional defense committees a copy of an agreement entered into between the United States Government and the Government of the Russian Federation to shut down the three plutonium-producing reactors in Russia.

(b) AGREEMENT ELEMENTS.—The agreement under subsection (a)—

(1) shall contain—

(A) a commitment to shut down the three plutonium-producing reactors;

(B) the date on which each such reactor will be shut down;

(C) a schedule and milestones for each such reactor to complete the shut down of such reactor by the date specified under subparagraph (B);

(D) an arrangement for access to sites and facilities necessary to meet such schedules and milestones; and

(E) an arrangement for audit and examination procedures in order to evaluate progress in meeting such schedules and milestones; and

(2) may include cost sharing arrangements.

Subtitle D—Proliferation Matters

SEC. 3151. ADMINISTRATION OF PROGRAM TO ELIMINATE WEAPONS GRADE PLUTONIUM PRODUCTION IN RUSSIA.

(a) TRANSFER OF PROGRAM TO DEPARTMENT OF ENERGY.—The program to eliminate weapons grade plutonium production in Russia shall be transferred from the Department of Defense to the Department of Energy.

(b) TRANSFER OF ASSOCIATED FUNDS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in paragraph (2), the Cooperative Threat Reduction funds specified in that paragraph that are available for the program referred to in subsection (a) shall be transferred from the Department of Defense to the Department of Energy.

(2) The Cooperative Threat Reduction funds specified in this paragraph are the following:

(A) Fiscal year 2002 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2002

(Public Law 107–107; 115 Stat. 1254; 22 U.S.C. 5952 note).

(B) Fiscal year 2001 Cooperative Threat Reduction funds, as specified in section 1301(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–339).

(C) Fiscal year 2000 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 792; 22 U.S.C. 5952 note).

(c) AVAILABILITY OF TRANSFERRED FUNDS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in subsection (b)(2), the Cooperative Threat Reduction funds transferred under subsection (b) for the program referred to in subsection (a) shall be available for activities as follows:

(A) To design and construct, refurbish, or both, fossil fuel energy plants in Russia that provide alternative sources of energy to the energy plants in Russia that produce weapons grade plutonium.

(B) To carry out limited safety upgrades of not more than three energy plants in Russia that produce

weapons grade plutonium in order to permit the shutdown of such energy plants and eliminate the production of weapons grade plutonium in such energy plants.

(2) Amounts available under paragraph (1) for activities referred to in that paragraph shall remain available for such activities until expended.

SEC. 3152. REPEAL OF REQUIREMENT FOR REPORTS ON OBLIGATION OF FUNDS FOR PROGRAMS ON FISSILE MATERIALS IN RUSSIA.

Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617; 22 U.S.C. 5952 note) is amended—

(1) in subsection (a), by striking "(a) AUTHORITY.—"; and

(2) by striking subsection (b).

SEC. 3153. EXPANSION OF ANNUAL REPORTS ON STATUS OF NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAMS.

(a) COVERED PROGRAMS.—Subsection (a) of section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–475) is amended by striking "Russia that" and inserting "countries where such materials".

(b) REPORT CONTENTS.—Subsection (b) of that section is amended—

(1) in paragraph (1) by inserting "in each country covered by subsection (a)" after "locations,";

(2) in paragraph (2), by striking "in Russia" and inserting "in each such country";

(3) in paragraph (3), by inserting "in each such country" after "subsection (a)"; and

(4) in paragraph (5), by striking "by total amount and by amount per fiscal year" and inserting "by total amount per country and by amount per fiscal year per country".

SEC. 3154. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, OR BIOLOGICAL WEAPONS.

(a) EXTENSION OF TESTING.—Section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2720; 50 U.S.C. 2315) is amended—

(1) in subsection (a)(2), by striking "of five successive fiscal years beginning with fiscal year 1997" and inserting "of fiscal years 1997 through 2013"; and

(2) in subsection (b)(2), by striking "of five successive fiscal years beginning with fiscal year 1997" and inserting "of fiscal years 1997 through 2013".

(b) CONSTRUCTION OF EXTENSION WITH DESIGNATION OF ATTORNEY GENERAL AS LEAD OFFICIAL.—The amendment made by subsection (a) may not be construed as modifying the designation of the President entitled "Designation of the Attorney General as the Lead Official for the Emergency Response Assistance Program Under Sections 1412 and 1415 of the National Defense Authorization Act for Fiscal Year 1997", dated April 6, 2000, designating the Attorney General to assume programmatic and funding responsibilities for the Emergency Response Assistance Program under sections 1412 and 1415 of the Defense Against Weapons of Mass Destruction Act of 1996.

SEC. 3155. PROGRAM ON RESEARCH AND TECHNOLOGY FOR PROTECTION FROM NUCLEAR OR RADIOLOGICAL TERRORISM.

(a) PROGRAM REQUIRED.—(1) The Administrator for Nuclear Security shall carry out a program on research and technology for protection from nuclear or radiological terrorism, including technology for the detection (particularly as border crossings and ports of entry), identification, assessment, control, disposition, consequence management,

and consequence mitigation of the dispersal of radiological materials or of nuclear terrorism.

(2) The Administrator shall carry out the program as part of the support of the Administrator for homeland security and counterterrorism within the National Nuclear Security Administration

(b) PROGRAM ELEMENTS.—In carrying out the program required by subsection (a), the Administrator shall—

(1) provide for the development of technologies to respond to threats or incidents involving nuclear or radiological terrorism in the United States;

(2) demonstrate applications of the technologies developed under paragraph (1), including joint demonstrations with the Office of Homeland Security and other appropriate Federal agencies;

(3) provide, where feasible, for the development in cooperation with the Russian Federation of technologies to respond to nuclear or radiological terrorism in the former states of the Soviet Union, including the demonstration of technologies so developed;

(4) provide, where feasible, assistance to other countries on matters relating to nuclear or radiological terrorism, including—

(A) the provision of technology and assistance on means of addressing nuclear or radiological incidents;

(B) the provision of assistance in developing means for the safe disposal of radioactive materials;

(C) in coordination with the Nuclear Regulatory Commission, the provision of assistance in developing the regulatory framework for licensing and developing programs for the protection and control of radioactive sources; and

(D) the provision of assistance in evaluating the radiological sources identified as not under current accounting programs in the report of the Inspector General of the Department of Energy entitled "Accounting for Sealed Sources of Nuclear Material Provided to Foreign Countries", and in identifying and controlling radiological sources that represent significant risks; and

(5) in coordination with the Office of Environment, Safety, and Health of the Department of Energy, the Department of Commerce, and the International Atomic Energy Agency, develop consistent

criteria for screening international transfers of radiological materials.

(c) REQUIREMENTS FOR INTERNATIONAL ELEMENTS OF PROGRAM.—(1) In carrying out activities in accordance with paragraphs (3) and (4) of subsection (b), the Administrator shall consult with—

(A) the Secretary of Defense, Secretary of State, and Secretary of Commerce; and

(B) the International Atomic Energy Agency.

(2) The Administrator shall encourage joint leadership between the United States and the Russian Federation of activities on the development of technologies under subsection (b)(4).

(d) INCORPORATION OF RESULTS IN EMERGENCY RESPONSE ASSISTANCE PROGRAM.—To the maximum extent practicable, the technologies and information developed under the program required by subsection (a) shall be incorporated into the program on responses to emergencies involving nuclear and radiological weapons carried out under section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 50 U.S.C. 2315).

(e) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3101(2) for the Department of Energy for the National Nuclear Security Adminis-

tration for defense nuclear nonproliferation and available for the development of a new generation of radiation detectors for homeland defense, up to $15,000,000 shall be available for carrying out this section.

SEC. 3156. EXPANSION OF INTERNATIONAL MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.

(a) EXPANSION OF PROGRAM TO ADDITIONAL COUNTRIES AUTHORIZED.—The Secretary of Energy may expand the International Materials Protection, Control, and Accounting (MPC&A) program of the Department of Energy to encompass countries outside the Russian Federation and the independent states of the former Soviet Union.

(b) NOTICE TO CONGRESS OF USE OF FUNDS FOR ADDITIONAL COUNTRIES.—Not later than 30 days after the Secretary obligates funds for the International Materials Protection, Control, and Accounting program, as expanded under subsection (a), for activities in or with respect to a country outside the Russian Federation and the independent states of the former Soviet Union, the Secretary shall submit to Congress a notice of the obligation of such funds for such activities.

(c) ASSISTANCE TO DEPARTMENT OF STATE FOR NUCLEAR MATERIALS SECURITY PROGRAMS.—(1) As part of the International Materials Protection, Control, and Ac-

counting program, the Secretary of Energy may provide technical assistance to the Secretary of State in the efforts of the Secretary of State to assist other nuclear weapons states to review and improve their nuclear materials security programs.

(2) The technical assistance provided under paragraph (1) may include the sharing of technology or methodologies to the states referred to in that paragraph. Any such sharing shall—

(A) be consistent with the treaty obligations of the United States; and

(B) take into account the sovereignty of the state concerned and its weapons programs, as well the sensitivity of any information involved regarding United States weapons or weapons systems.

(3) The Secretary of Energy may include the Russian Federation in activities under paragraph (1) if the Secretary determines that the experience of the Russian Federation under the International Materials Protection, Control, and Accounting program with the Russian Federation would make the participation of the Russian Federation in such activities useful in providing technical assistance under that paragraph.

(d) PLAN FOR ACCELERATED CONVERSION OR RETURN OF WEAPONS-USABLE NUCLEAR MATERIALS.—(1) The Sec-

retary shall develop a plan to accelerate the conversion or return to the country of origin of all weapons-usable nuclear materials located in research reactors and other facilities outside the country of origin.

(2) The plan under paragraph (1) for nuclear materials of origin in the Soviet Union shall be developed in consultation with the Russian Federation.

(3) As part of the plan under paragraph (1), the Secretary shall identify the funding and schedules required to assist the research reactors and facilities referred to in that paragraph in upgrading their materials protection, control, and accounting procedures until the weapons-usable nuclear materials in such reactors and facilities are converted or returned in accordance with that paragraph.

(4) The provision of assistance under paragraph (3) shall be closely coordinated with ongoing efforts of the International Atomic Energy Agency for the same purpose.

(e) RADIOLOGICAL DISPERSAL DEVICE MATERIALS PROTECTION, CONTROL, AND ACCOUNTING.—(1) The Secretary shall establish within the International Materials Protection, Control, and Accounting program a program on the protection, control, and accounting of materials usable in radiological dispersal devices.

(2) The program under paragraph (1) shall include—

(A) an identification of vulnerabilities regarding radiological materials worldwide;

(B) the mitigation of vulnerabilities so identified through appropriate security enhancements; and

(C) an acceleration of efforts to recover and control diffused radiation sources and 'orphaned'' radiological sources that are of sufficient strength to represent a significant risk.

(3) The program under paragraph (1) shall be known as the Radiological Dispersal Device Materials Protection, Control, and Accounting program.

(f) STUDY OF PROGRAM TO SECURE CERTAIN RADIOLOGICAL MATERIALS.—(1) The Secretary, acting through the Administrator for Nuclear Security, shall require the Office of International Materials Protection, Control, and Accounting of the Department of Energy to conduct a study to determine the feasibility and advisability of developing a program to secure radiological materials outside the United States that pose a threat to the national security of the United States.

(2) The study under paragraph (1) shall include the following:

(A) An identification of the categories of radiological materials that are covered by that paragraph,

including an order of priority for securing each category of such radiological materials.

(B) An estimate of the number of sites at which such radiological materials are present.

(C) An assessment of the effort required to secure such radiological materials at such sites, including—

(i) a description of the security upgrades, if any, that are required at such sites;

(ii) an assessment of the costs of securing such radiological materials at such sites;

(iii) a description of any cost-sharing arrangements to defray such costs;

(iv) a description of any legal impediments to such effort, including a description of means of overcoming such impediments; and

(v) a description of the coordination required for such effort among appropriate United States Government entities (including the Nuclear Regulatory Commission), participating countries, and international bodies (including the International Atomic Energy Agency).

(D) A description of the pilot project undertaken in Russia.

(3) In identifying categories of radiological materials under paragraph (2)(A), the Secretary shall take into ac-

count matters relating to specific activity, half-life, radiation type and energy, attainability, difficulty of handling, and toxicity, and such other matters as the Secretary considers appropriate.

(4) Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under this subsection. The report shall include the matters specified under paragraph (2) and such other matters, including recommendations, as the Secretary considers appropriate as a result of the study.

(5) In this subsection, the term "radiological material" means any radioactive material, other than plutonium (Pu) or uranium enriched above 20 percent uranium–235.

(g) AMENDMENT OF CONVENTION ON PHYSICAL PROTECTION OF NUCLEAR MATERIAL.—(1) It is the sense of Congress that the President should encourage amendment of the Convention on the Physical Protection of Nuclear Materials in order to provide that the Convention shall—

(A) apply to both the domestic and international use and transport of nuclear materials;

(B) incorporate fundamental practices for the physical protection of such materials; and

(C) address protection against sabotage involving nuclear materials.

(2) In this subsection, the term "Convention on the Physical Protection of Nuclear Materials" means the Convention on the Physical Protection of Nuclear Materials, With Annex, done at Vienna on October 26, 1979.

(h) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 shall be available for carrying out this section.

SEC. 3157. ACCELERATED DISPOSITION OF HIGHLY ENRICHED URANIUM AND PLUTONIUM.

(a) SENSE OF CONGRESS ON PROGRAM TO SECURE STOCKPILES OF HIGHLY ENRICHED URANIUM AND PLUTONIUM.—(1) It is the sense of Congress that the Secretary of Energy, in consultation with the Secretary of State and Secretary of Defense, should develop a comprehensive program of activities to encourage all countries with nuclear materials to adhere to, or to adopt standards equivalent to, the International Atomic Energy Agency standard on The Physical Protection of Nuclear Material and Nuclear Facilities (INFCIRC/225/Rev.4), relating to the security of stockpiles of highly enriched uranium (HEU) and plutonium (Pu).

(2) To the maximum extent practicable, the program should be developed in consultation with the Russian Fed-

eration, other Group of 8 countries, and other allies of the United States.

(3) Activities under the program should include specific, targeted incentives intended to encourage countries that cannot undertake the expense of conforming to the standard referred to in paragraph (1) to relinquish their highly enriched uranium (HEU) or plutonium (Pu), including incentives in which a country, group of countries, or international body—

(A) purchase such materials and provide for their security (including by removal to another location);

(B) undertake the costs of decommissioning facilities that house such materials;

(C) in the case of research reactors, convert such reactors to low-enriched uranium reactors; or

(D) upgrade the security of facilities that house such materials in order to meet stringent security standards that are established for purposes of the program based upon agreed best practices.

(b) PROGRAM ON ACCELERATED DISPOSITION OF HEU AUTHORIZED.—(1) The Secretary of Energy may carry out a program to pursue with the Russian Federation, and any other nation that possesses highly enriched uranium, options for blending such uranium so that the

concentration of U–235 in such uranium is below 20 percent.

(2) The options pursued under paragraph (1) shall include expansion of the Material Consolidation and Conversion program of the Department of Energy to include—

(A) additional facilities for the blending of highly enriched uranium; and

(B) additional centralized secure storage facilities for highly enriched uranium designated for blending.

(c) INCENTIVES REGARDING HIGHLY ENRICHED URANIUM IN RUSSIA.—As part of the options pursued under subsection (b) with the Russian Federation, the Secretary may provide financial and other incentives for the removal of all highly enriched uranium from any particular facility in the Russian Federation if the Secretary determines that such incentives will facilitate the consolidation of highly enriched uranium in the Russian Federation to the best-secured facilities.

(d) CONSTRUCTION WITH HEU DISPOSITION AGREEMENT.—Nothing in this section may be construed as terminating, modifying, or otherwise effecting requirements for the disposition of highly enriched uranium under the Agreement Between the Government of the United States of America and the Government of the Russian Federation

Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, signed at Washington on February 18, 1993.

(e) PRIORITY IN BLENDING ACTIVITIES.—In pursuing options under this section, the Secretary shall give priority to the blending of highly enriched uranium from weapons, though highly enriched uranium from sources other than weapons may also be blended.

(f) TRANSFER OF HIGHLY ENRICHED URANIUM AND PLUTONIUM TO UNITED STATES.—(1) As part of the program under subsection (b), the Secretary may, upon the request of any nation—

(A) purchase highly enriched uranium or weapons grade plutonium from the nation at a price determined by the Secretary;

(B) transport any uranium or plutonium so purchased to the United States; and

(C) store any uranium or plutonium so transported in the United States.

(2) The Secretary is not required to blend any highly enriched uranium purchased under paragraph (1)(A) in order to reduce the concentration of U–235 in such uranium to below 20 percent. Amounts authorized to be appropriated by subsection (m) may not be used for purposes of blending such uranium.

(g) TRANSFER OF HIGHLY ENRICHED URANIUM TO RUSSIA.—(1) As part of the program under subsection (b), the Secretary may encourage nations with highly enriched uranium to transfer such uranium to the Russian Federation for disposition under this section.

(2) The Secretary may pay any nation that transfers highly enriched uranium to the Russian Federation under this subsection an amount determined appropriate by the Secretary.

(3) The Secretary may bear the cost of any blending and storage of uranium transferred to the Russian Federation under this subsection, including any costs of blending and storage under a contract under subsection (h). Any site selected for such storage shall have undergone complete materials protection, control, and accounting upgrades before the commencement of such storage.

(h) CONTRACTS FOR BLENDING AND STORAGE OF HIGHLY ENRICHED URANIUM IN RUSSIA.—(1) As part of the program under subsection (b), the Secretary may enter into one or more contracts with the Russian Federation—

(A) to blend in the Russian Federation highly enriched uranium of the Russian Federation and highly enriched uranium transferred to the Russian Federation under subsection (g); or

(B) to store in the Russian Federation highly enriched uranium before blending or the blended material.

(2) Any site selected for the storage of uranium or blended material under paragraph (1)(B) shall have undergone complete materials protection, control, and accounting upgrades before the commencement of such storage.

(i) LIMITATION ON RELEASE FOR SALE OF BLENDED URANIUM.—Uranium blended under this section may not be released for sale until the earlier of—

(1) January 1, 2014; or

(2) the date on which the Secretary certifies that such uranium can be absorbed into the global market without undue disruption to the uranium mining industry in the United States.

(j) PROCEEDS OF SALE OF URANIUM BLENDED BY RUSSIA.—Upon the sale by the Russian Federation of uranium blended under this section by the Russian Federation, the Secretary may elect to receive from the proceeds of such sale an amount not to exceed 75 percent of the costs incurred by the Department of Energy under subsections (c), (g), and (h).

(k) REPORT ON STATUS OF PROGRAM.—Not later than July 1, 2003, the Secretary shall submit to Congress a re-

port on the status of the program carried out under the authority in subsection (b). The report shall include—

(1) a description of international interest in the program;

(2) schedules and operational details of the program; and

(3) recommendations for future funding for the program.

(l) HIGHLY ENRICHED URANIUM DEFINED.—In this section, the term "highly enriched uranium" means uranium with a concentration of U–235 of 20 percent or more.

(m) AMOUNT FOR ACTIVITIES.—Of the amount to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $40,000,000 shall be available for carrying out this section.

SEC. 3158. DISPOSITION OF PLUTONIUM IN RUSSIA.

(a) NEGOTIATIONS WITH RUSSIAN FEDERATION.—(1) The Secretary of Energy is encouraged to continue to support the Secretary of State in negotiations with the Ministry of Atomic Energy of the Russian Federation to finalize the plutonium disposition program of the Russian Federation (as established under the agreement described in subsection (b)).

(2) As part of the negotiations, the Secretary of Energy may consider providing additional funds to the Ministry of Atomic Energy in order to reach a successful agreement.

(3) If such an agreement, meeting the requirements in subsection (c), is reached with the Ministry of Atomic Energy, which requires additional funds for the Russian work, the Secretary shall either seek authority to use funds available for another purpose, or request supplemental appropriations, for such work.

(b) AGREEMENT.—The agreement referred to in subsection (a) is the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Management and Disposition of Plutonium Designated As No Longer Required For Defense Purposes and Related Cooperation, signed August 29, 2000, and September 1, 2000.

(c) REQUIREMENT FOR DISPOSITION PROGRAM.— The plutonium disposition program under subsection (a)—

(1) shall include transparent verifiable steps;

(2) shall proceed at a rate approximately equivalent to the rate of the United States program for the disposition of plutonium;

(3) shall provide for cost-sharing among a variety of countries;

(4) shall provide for contributions by the Russian Federation;

(5) shall include steps over the near term to provide high confidence that the schedules for the disposition of plutonium of the Russian Federation will be achieved; and

(6) may include research on more speculative long-term options for the future disposition of the plutonium of the Russian Federation in addition to the near-term steps under paragraph (5).

SEC. 3159. STRENGTHENED INTERNATIONAL SECURITY FOR NUCLEAR MATERIALS AND SAFETY AND SECURITY OF NUCLEAR OPERATIONS.

(a) REPORT ON OPTIONS FOR INTERNATIONAL PROGRAM TO STRENGTHEN SECURITY AND SAFETY.—(1) Not later than 270 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on options for an international program to develop strengthened security for all nuclear materials and safety and security for current nuclear operations.

(2) The Secretary shall consult with the Office of Nuclear Energy Science and Technology of the Department of Energy in the development of options for purposes of the report.

(3) In evaluating options for purposes of the report, the Secretary shall consult with the Nuclear Regulatory Commission and the International Atomic Energy Agency on the feasibility and advisability of actions to reduce the risks associated with terrorist attacks on nuclear power plants outside the United States.

(4) Each option for an international program under paragraph (1) may provide that the program is jointly led by the United States, the Russian Federation, and the International Atomic Energy Agency.

(5) The Secretary shall include with the report on options for an international program under paragraph (1) a description and assessment of various management alternatives for the international program. If any option requires Federal funding or legislation to implement, the report shall also include recommendations for such funding or legislation, as the case may be.

(b) JOINT PROGRAMS WITH RUSSIA ON PROLIFERATION RESISTANT NUCLEAR ENERGY TECHNOLOGIES.—The Director of the Office of Nuclear Energy Science and Technology Energy shall, in coordination with the Secretary, pursue with the Ministry of Atomic Energy of the Russian Federation joint programs between the United States and the Russian Federation on the development of proliferation

resistant nuclear energy technologies, including advanced fuel cycles.

(c) PARTICIPATION OF INTERNATIONAL TECHNICAL EXPERTS.—In developing options under subsection (a), the Secretary shall, in consultation with the Nuclear Regulatory Commission, the Russian Federation, and the International Atomic Energy Agency, convene and consult with an appropriate group of international technical experts on the development of various options for technologies to provide strengthened security for nuclear materials and safety and security for current nuclear operations, including the implementation of such options.

(d) ASSISTANCE REGARDING HOSTILE INSIDERS AND AIRCRAFT IMPACTS.—(1) The Secretary may, utilizing appropriate expertise of the Department of Energy and the Nuclear Regulatory Commission, provide assistance to nuclear facilities abroad on the interdiction of hostile insiders at such facilities in order to prevent incidents arising from the disablement of the vital systems of such facilities.

(2) The Secretary may carry out a joint program with the Russian Federation and other countries to address and mitigate concerns on the impact of aircraft with nuclear facilities in such countries.

(e) ASSISTANCE TO IAEA IN STRENGTHENING INTERNATIONAL NUCLEAR SAFETY AND SECURITY.—The Sec-

retary may expand and accelerate the programs of the Department of Energy to support the International Atomic Energy Agency in strengthening international nuclear safety and security.

(f) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $35,000,000 shall be available for carrying out this section as follows:

(1) For activities under subsections (a) through (d), $20,000,000, of which—

(A) $5,000,000 shall be available for sabotage protection for nuclear power plants and other nuclear facilities abroad; and

(B) $10,000,000 shall be available for development of proliferation resistant nuclear energy technologies under subsection (b).

(2) For activities under subsection (e), $15,000,000.

SEC. 3160. EXPORT CONTROL PROGRAMS.

(a) AUTHORITY TO PURSUE OPTIONS FOR STRENGTHENING EXPORT CONTROL PROGRAMS.—The Secretary of Energy may pursue in the former Soviet Union and other regions of concern, principally in South Asia, the Middle

East, and the Far East, options for accelerating programs that assist countries in such regions in improving their domestic export control programs for materials, technologies, and expertise relevant to the construction or use of a nuclear or radiological dispersal device.

(b) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 shall be available for carrying out this section.

SEC. 3161. IMPROVEMENTS TO NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM OF THE RUSSIAN FEDERATION.

(a) REVISED FOCUS FOR PROGRAM.—(1) The Secretary of Energy shall work cooperatively with the Russian Federation to update and improve the Joint Action Plan for the Materials Protection, Control, and Accounting programs of the Department and the Russian Federation Ministry of Atomic Energy.

(2) The updated plan shall shift the focus of the upgrades of the nuclear materials protection, control, and accounting program of the Russian Federation in order to assist the Russian Federation in achieving, as soon as practicable but not later than January 1, 2012, a sustainable nuclear materials protection, control, and accounting sys-

tem for the nuclear materials of the Russian Federation that is supported solely by the Russian Federation.

(b) PACE OF PROGRAM.—The Secretary shall work with the Russian Federation, including applicable institutes in Russia, to pursue acceleration of the nuclear materials protection, control, and accounting programs at nuclear defense facilities in the Russian Federation.

(c) TRANSPARENCY OF PROGRAM.—The Secretary shall work with the Russian Federation to identify various alternatives to provide the United States adequate transparency in the nuclear materials protection, control, and accounting program of the Russian Federation to assure that such program is meeting applicable goals for nuclear materials protection, control, and accounting.

(d) SENSE OF CONGRESS.—In furtherance of the activities required under this section, it is the sense of Congress the Secretary should—

(1) enhance the partnership with the Russian Ministry of Atomic Energy in order to increase the pace and effectiveness of nuclear materials accounting and security activities at facilities in the Russian Federation, including serial production enterprises; and

(2) clearly identify the assistance required by the Russian Federation, the contributions anticipated

from the Russian Federation, and the transparency milestones that can be used to assess progress in meeting the requirements of this section.

SEC. 3162. COMPREHENSIVE ANNUAL REPORT TO CONGRESS ON COORDINATION AND INTEGRATION OF ALL UNITED STATES NONPROLIFERATION ACTIVITIES.

Section 1205 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1247) is amended by adding at the end the following new subsection:

"(d) ANNUAL REPORT ON IMPLEMENTATION OF PLAN.—(1) Not later than January 31, 2003, and each year thereafter, the President shall submit to Congress a report on the implementation of the plan required by subsection (a) during the preceding year.

"(2) Each report under paragraph (1) shall include—

"(A) a discussion of progress made during the year covered by such report in the matters of the plan required by subsection (a);

"(B) a discussion of consultations with foreign nations, and in particular the Russian Federation, during such year on joint programs to implement the plan;

"(C) a discussion of cooperation, coordination, and integration during such year in the implementation of the plan among the various departments and agencies of the United States Government, as well as private entities that share objectives similar to the objectives of the plan; and

"(D) any recommendations that the President considers appropriate regarding modifications to law or regulations, or to the administration or organization of any Federal department or agency, in order to improve the effectiveness of any programs carried out during such year in the implementation of the plan.".

SEC. 3163. UTILIZATION OF DEPARTMENT OF ENERGY NATIONAL LABORATORIES AND SITES IN SUPPORT OF COUNTERTERRORISM AND HOMELAND SECURITY ACTIVITIES.

(a) AGENCIES AS JOINT SPONSORS OF LABORATORIES FOR WORK ON ACTIVITIES.—Each department or agency of the Federal Government, or of a State or local government, that carries out work on counterterrorism and homeland security activities at a Department of Energy national laboratory may be a joint sponsor, under a multiple agency sponsorship arrangement with the Department, of such laboratory in the performance of such work.

(b) AGENCIES AS JOINT SPONSORS OF SITES FOR WORK ON ACTIVITIES.—Each department or agency of the Federal Government, or of a State or local government, that carries out work on counterterrorism and homeland security activities at a Department of Energy site may be a joint sponsor of such site in the performance of such work as if such site were a federally funded research and development center and such work were performed under a multiple agency sponsorship arrangement with the Department.

(c) PRIMARY SPONSORSHIP.—The Department of Energy shall be the primary sponsor under a multiple agency sponsorship arrangement required under subsection (a) or (b).

(d) WORK.—(1) The Administrator for Nuclear Security shall act as the lead agent in coordinating the formation and performance of a joint sponsorship agreement between a requesting agency and a Department of Energy national laboratory or site for work on counterterrorism and homeland security.

(2) A request for work may not be submitted to a national laboratory or site under this section unless approved in advance by the Administrator.

(3) Any work performed by a national laboratory or site under this section shall comply with the policy on the use of federally funded research and development centers

under section 35.017(a)(4) of the Federal Acquisition Regulation.

(4) The Administrator shall ensure that the work of a national laboratory or site requested under this section is performed expeditiously and to the satisfaction of the head of the department or agency submitting the request.

(e) FUNDING.—(1) Subject to paragraph (2), a joint sponsor of a Department of Energy national laboratory or site under this section shall provide funds for work of such national laboratory or site, as the case may be, under this section under the same terms and conditions as apply to the primary sponsor of such national laboratory under section 303(b)(1)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(b)(1)(C)) or of such site to the extent such section applies to such site as a federally funded research and development center by reason of subsection (b).

(2) The total amount of funds provided a national laboratory or site in a fiscal year under this subsection by joint sponsors other than the Department of Energy shall not exceed an amount equal to 25 percent of the total funds provided such national laboratory or site, as the case may be, in such fiscal year from all sources.

Subtitle E—Other Matters

SEC. 3171. INDEMNIFICATION OF DEPARTMENT OF ENERGY CONTRACTORS.

Section 170d.(1)(A) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)(1)(A)) is amended by striking "until August 1, 2002," and inserting "until August 1, 2012".

SEC. 3172. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY FACILITIES.

The Atomic Energy Act of 1954 is amended by inserting after section 234B (42 U.S.C. 2282b) the following:

"SEC. 234C. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY NUCLEAR FACILITIES.

"(a) PERSONS SUBJECT TO PENALTY.—

"(1) CIVIL PENALTY.—

"(A) IN GENERAL.—A person (or any subcontractor or supplier of the person) who has entered into an agreement of indemnification under section 2210(d) (or any subcontractor or supplier of the person) that violates (or is the employer of a person that violates) Department of Energy Order No. 440.1A (1998), or any rule or regulation relating to industrial or construction health and safety promulgated by the Secretary of Energy (referred to in this section as the "Secretary") after public notice and oppor-

tunity for comment under section 553 of title 5, United States Code (commonly known as the 'Administrative Procedure Act'), shall be subject to a civil penalty of not more than $100,000 for each such violation.

"(B) CONTINUING VIOLATIONS.—If any violation under this subsection is a continuing violation, each day of the violation shall constitute a separate violation for the purpose of computing the civil penalty under subparagraph (A).

"(2) REGULATIONS.—

"(A) IN GENERAL.—Not later than 270 days after the date of enactment of this section, the Secretary shall promulgate regulations for industrial and construction health and safety that incorporate the provisions and requirements contained in Department of Energy Order No. 440.1A (1998).

"(B) EFFECTIVE DATE.—The regulations promulgated under subparagraph (A) shall take effect on the date that is 1 year after the promulgation date of the regulations.

"(3) VARIANCES OR EXEMPTIONS.—

"(A) IN GENERAL.—The Secretary may provide in the regulations promulgated under

paragraph (2) a procedure for granting variances or exemptions to the extent necessary to avoid serious impairment of the national security of the United States.

"(B) DETERMINATION.—In determining whether to provide a variance or exemption under subparagraph (A), the Secretary of Energy shall assess—

"(i) the impact on national security of not providing a variance or exemption; and

"(ii) the benefits or detriments to worker health and safety of providing a variance or exemption.

"(C) PROCEDURE.—Before granting a variance or exemption, the Secretary of Energy shall—

"(i) notify affected employees;

"(ii) provide an opportunity for a hearing on the record; and

"(iii) notify Congress of any determination to grant a variance at least 60 days before the proposed effective date of the variance or exemption.

"(4) APPLICABILITY.—This subsection does not apply to any facility that is a component of, or any

activity conducted under, the Naval Nuclear Propulsion Program.

"(5) ENFORCEMENT GUIDANCE ON STRUCTURES TO BE DISPOSED OF.—

"(A) IN GENERAL.—In enforcing the regulations under paragraph (2), the Secretary of Energy shall, on a case-by-case basis, evaluate whether a building, facility, structure, or improvement of the Department of Energy that is permanently closed and that is expected to be demolished, or title to which is expected to be transferred to another entity for reuse, should undergo major retrofitting to comply with specific general industry standards.

"(B) NO EFFECT ON HEALTH AND SAFETY ENFORCEMENT.—This subsection does not diminish or otherwise affect—

"(i) the enforcement of any worker health and safety regulations under this section with respect to the surveillance and maintenance or decontamination, decommissioning, or demolition of buildings, facilities, structures, or improvements; or

"(ii) the application of any other law (including regulations), order, or contractual obligation.

"(b) CONTRACT PENALTIES.—

"(1) IN GENERAL.—The Secretary shall include in each contract with a contractor of the Department provisions that provide an appropriate reduction in the fees or amounts paid to the contractor under the contract in the event of a violation by the contractor or contractor employee of any regulation or order relating to industrial or construction health and safety.

"(2) CONTENTS.—The provisions shall specify various degrees of violations and the amount of the reduction attributable to each degree of violation.

"(c) POWERS AND LIMITATIONS.—The powers and limitations applicable to the assessment of civil penalties under section 234A, except for subsection (d) of that section, shall apply to the assessment of civil penalties under this section.

"(d) TOTAL AMOUNT OF PENALTIES.—In the case of an entity described in subsection (d) of section 234A, the total amount of civil penalties under subsection (a) or under subsection (a) of section 234B in a fiscal year may not exceed the total amount of fees paid by the Department of Energy to that entity in that fiscal year.".

SEC. 3173. ONE-YEAR EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 3161(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 5 U.S.C. 5597 note) is amended by striking "January 1, 2004" and inserting "January 1, 2005".

(b) CONSTRUCTION.—The amendment made by subsection (a) may be superseded by another provision of law that takes effect after the date of the enactment of this Act, and before January 1, 2004, establishing a uniform system for providing voluntary separation incentives (including a system for requiring approval of plans by the Office of Management and Budget) for employees of the Federal Government.

SEC. 3174. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT FOR FISCAL YEAR 2003.—From amounts authorized to be appropriated to the Secretary of Energy by this title, $6,900,000 shall be available for payment by the Secretary for fiscal year 2003 to the Los Alamos National Laboratory Foundation, a not-for-profit foundation chartered in accordance with section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052).

(b) USE OF FUNDS.—The foundation referred to in subsection (a) shall—

(1) utilize funds provided under this section as a contribution to the endowment fund for the foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to the payment made under this section to fund programs to support the educational needs of children in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico.

(c) REPEAL OF SUPERSEDED AUTHORITY AND MODIFICATION OF AUTHORITY TO EXTEND CONTRACT.—(1) Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368) is amended to read as follows:

"(b) SUPPORT FOR FISCAL YEARS 2003 THROUGH 2013.—Subject to the availability of appropriations, the Secretary may provide for a contract extension through fiscal year 2013 similar to the contract extension referred to in subsection (a)(2).".

(2) The amendment made by paragraph (1) shall take effect on October 1, 2002.

Subtitle F—Disposition of Weapons-Usable Plutonium at Savannah River, South Carolina

SEC. 3181. FINDINGS.

Congress makes the following findings:

(1) In September 2000, the United States and the Russian Federation signed a Plutonium Management and Disposition Agreement by which each agreed to dispose of 34 metric tons of weapons-grade plutonium.

(2) The agreement with Russia is a significant step toward safeguarding nuclear materials and preventing their diversion to rogue states and terrorists.

(3) The Department of Energy plans to dispose of 34 metric tons of weapons-grade plutonium in the United States before the end of 2019 by converting the plutonium to a mixed-oxide fuel to be used in commercial nuclear power reactors.

(4) The Department has formulated a plan for implementing the agreement with Russia through construction of a mixed-oxide fuel fabrication facility, the so-called MOX facility, and a pit disassembly and conversion facility at the Savannah River Site, Aiken, South Carolina.

(5) The United States and the State of South Carolina have a compelling interest in the safe, proper, and efficient operation of the plutonium disposition facilities at the Savannah River Site. The MOX facility will also be economically beneficial to the State of South Carolina, and that economic benefit will not be fully realized unless the MOX facility is built.

(6) The State of South Carolina desires to ensure that all plutonium transferred to the State of South Carolina is stored safely; that the full benefits of the MOX facility are realized as soon as possible; and, specifically, that all defense plutonium or defense plutonium materials transferred to the Savannah River Site either be processed or be removed expeditiously.

SEC. 3182. DISPOSITION OF WEAPONS-USABLE PLUTONIUM AT SAVANNAH RIVER SITE.

(a) PLAN FOR CONSTRUCTION AND OPERATION OF MOX FACILITY.—(1) Not later than February 1, 2003, the Secretary of Energy shall submit to Congress a plan for the construction and operation of the MOX facility at the Savannah River Site, Aiken, South Carolina.

(2) The plan under paragraph (1) shall include—

(A) a schedule for construction and operations so as to achieve, as of January 1, 2009, and thereafter,

the MOX production objective, and to produce 1 metric ton of mixed oxide fuel by December 31, 2009; and

(B) a schedule of operations of the MOX facility designed so that 34 metric tons of defense plutonium and defense plutonium materials at the Savannah River Site will be processed into mixed oxide fuel by January 1, 2019.

(3)(A) Not later than February 15 each year, beginning in 2004 and continuing for as long as the MOX facility is in use, the Secretary shall submit to Congress a report on the implementation of the plan required by paragraph (1).

(B) Each report under subparagraph (A) for years before 2010 shall include—

(i) an assessment of compliance with the schedules included with the plan under paragraph (2); and

(ii) a certification by the Secretary whether or not the MOX production objective can be met by January 2009.

(C) Each report under subparagraph (A) for years after 2009 shall—

(i) address whether the MOX production objective has been met; and

(ii) assess progress toward meeting the obligations of the United States under the Plutonium Management and Disposition Agreement.

(D) For years after 2017, each report under subparagraph (A) shall also include an assessment of compliance with the MOX production objective and, if not in compliance, the plan of the Secretary for achieving one of the following:

(i) Compliance with such objective.

(ii) Removal of all remaining defense plutonium and defense plutonium materials from the State of South Carolina.

(b) CORRECTIVE ACTIONS.—(1) If a report under subsection (a)(3) indicates that construction or operation of the MOX facility is behind the applicable schedule under subsection (a)(2) by 12 months or more, the Secretary shall submit to Congress, not later than August 15 of the year in which such report is submitted, a plan for corrective actions to be implemented by the Secretary to ensure that the MOX facility project is capable of meeting the MOX production objective by January 1, 2009.

(2) If a plan is submitted under paragraph (1) in any year after 2008, the plan shall include corrective actions to be implemented by the Secretary to ensure that the MOX production objective is met.

(3) Any plan for corrective actions under paragraph (1) or (2) shall include established milestones under such plan for achieving compliance with the MOX production objective.

(4) If, before January 1, 2009, the Secretary determines that there is a substantial and material risk that the MOX production objective will not be achieved by 2009 because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until such risk is addressed and the Secretary certifies that the MOX production objective can be met by 2009.

(5) If, after January 1, 2009, the Secretary determines that the MOX production objective has not been achieved because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until the Secretary certifies that the MOX production objective can be met by 2009.

(6)(A) Upon making a determination under paragraph (4) or (5), the Secretary shall submit to Congress a report on the options for removing from the State of South

Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the State of South Carolina after April 15, 2002.

(B) Each report under subparagraph (A) shall include an analysis of each option set forth in the report, including the cost and schedule for implementation of such option, and any requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) relating to consideration or selection of such option.

(C) Upon submittal of a report under paragraph (A), the Secretary shall commence any analysis that may be required under the National Environmental Policy Act of 1969 in order to select among the options set forth in the report.

(c) CONTINGENT REQUIREMENT FOR REMOVAL OF PLUTONIUM AND MATERIALS FROM SAVANNAH RIVER SITE.—If the MOX production objective is not achieved as of January 1, 2009, the Secretary shall, consistent with the National Environmental Policy Act of 1969 and other applicable laws, remove from the State of South Carolina, for storage or disposal elsewhere—

(1) not later than January 1, 2011, not less than 1 metric ton of defense plutonium or defense plutonium materials; and

(2) not later than January 1, 2017, an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002 and January 1, 2017, but not processed by the MOX facility.

(d) ECONOMIC AND IMPACT ASSISTANCE.—(1) If the MOX production objective is not achieved as of January 1, 2011, the Secretary shall pay to the State of South Carolina each year beginning on or after that date through 2016 for economic and impact assistance an amount equal to $1,000,000 per day until the later of—

(A) the passage of 100 days in such year;

(B) the MOX production objective is achieved in such year; or

(C) the Secretary has removed from the State of South Carolina in such year at least 1 metric ton of defense plutonium or defense plutonium materials.

(2)(A) If the MOX production objective is not achieved as of January 1, 2017, the Secretary shall pay to the State of South Carolina each year beginning on or after that date through 2024 for economic and impact assistance an amount equal to $1,000,000 per day until the later of—

(i) the passage of 100 days in such year;

(ii) the MOX production objective is achieved in such year; or

(iii) the Secretary has removed from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002 and January 1, 2017, but not processed by the MOX facility.

(B) Nothing in this paragraph may be construed to terminate, supersede, or otherwise affect any other requirements of this section.

(3) The Secretary shall make payments, if any, under this subsection, from amounts authorized to be appropriated to the Department of Energy.

(4) If the State of South Carolina obtains an injunction that prohibits the Department from taking any action necessary for the Department to meet any deadline specified by this subsection, that deadline shall be extended for a period of time equal to the period of time during which the injunction is in effect.

(e) FAILURE TO COMPLETE PLANNED DISPOSITION PROGRAM.—If on July 1 each year beginning in 2020 and continuing for as long as the MOX facility is in use, less than 34 metric tons of defense plutonium or defense pluto-

nium materials have been processed by the MOX facility, the Secretary shall submit to Congress a plan for—

(1) completing the processing of 34 metric tons of defense plutonium and defense plutonium material by the MOX facility; or

(2) removing from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site after April 15, 2002, but not processed by the MOX facility.

(f) REMOVAL OF MIXED-OXIDE FUEL UPON COMPLETION OF OPERATIONS OF MOX FACILITY.—If, one year after the date on which operation of the MOX facility permanently ceases any mixed-oxide fuel remains at the Savannah River Site, the Secretary shall submit to Congress—

(1) a report on when such fuel will be transferred for use in commercial nuclear reactors; or

(2) a plan for removing such fuel from the State of South Carolina.

(g) DEFINITIONS.—In this section:

(1) MOX PRODUCTION OBJECTIVE.—The term "MOX production objective" means production at the MOX facility of mixed-oxide fuel from defense pluto-

nium and defense plutonium materials at an average rate equivalent to not less than one metric ton of mixed-oxide fuel per year. The average rate shall be determined by measuring production at the MOX facility from the date the facility is declared operational to the Nuclear Regulatory Commission through the date of assessment.

(2) MOX FACILITY.—The term "MOX facility" means the mixed-oxide fuel fabrication facility at the Savannah River Site, Aiken, South Carolina.

(3) DEFENSE PLUTONIUM; DEFENSE PLUTONIUM MATERIALS.—The terms "defense-plutonium" and "defense plutonium materials" mean weapons-usable plutonium.

SEC. 3183. STUDY OF FACILITIES FOR STORAGE OF PLUTONIUM AND PLUTONIUM MATERIALS AT SAVANNAH RIVER SITE.

(a) STUDY.—The Defense Nuclear Facilities Safety Board shall conduct a study of the adequacy of K-Area Materials Storage facility (KAMS), and related support facilities such as Building 235–F, at the Savannah River Site, Aiken, South Carolina, for the storage of defense plutonium and defense plutonium materials in connection with the disposition program provided in section 3182 and in con-

nection with the amended Record of Decision of the Department of Energy for fissile materials disposition.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Defense Nuclear Facilities Safety Board shall submit to Congress and the Secretary of Energy a report on the study conducted under subsection (a).

(c) REPORT ELEMENTS.—The report under subsection (b) shall—

(1) address—

(A) the suitability of KAMS and related support facilities for monitoring and observing any defense plutonium or defense plutonium materials stored in KAMS;

(B) the adequacy of the provisions made by the Department for remote monitoring of such defense plutonium and defense plutonium materials by way of sensors and for handling of retrieval of such defense plutonium and defense plutonium materials; and

(C) the adequacy of KAMS should such defense plutonium and defense plutonium materials continue to be stored at KAMS after 2019; and

(2) include such recommendations as the Defense Nuclear Facilities Safety Board considers appropriate to enhance the safety, reliability, and functionality of KAMS.

(d) REPORTS ON ACTIONS ON RECOMMENDATIONS.—Not later than 6 months after the date on which the report under subsection (b) is submitted to Congress, and every year thereafter, the Secretary and the Board shall each submit to Congress a report on the actions taken by the Secretary in response to the recommendations, if any, included in the report.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2003, $19,494,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. AUTHORIZATION OF APPROPRIATIONS FOR THE FORMERLY USED SITES REMEDIAL ACTION PROGRAM OF THE CORPS OF ENGINEERS.

There is hereby authorized to be appropriated for fiscal year 2003 for the Department of the Army, $140,000,000

for the formerly used sites remedial action program of the Corps of Engineers.

Attest:

Secretary.

107th CONGRESS
2d Session

H. R. 4546

AMENDMENT