

108TH CONGRESS
1ST SESSION

S. 1047

AN ACT

To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Defense
5 Authorization Act for Fiscal Year 2004”.

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1 **SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.**

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

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

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

9 **TITLE I—PROCUREMENT**
10 **Subtitle A—Authorization of**
11 **Appropriations**

12 **SEC. 101. ARMY.**

13 Funds are hereby authorized to be appropriated for
14 fiscal year 2004 for procurement for the Army as follows:

15 (1) For aircraft, \$2,158,485,000.

16 (2) For missiles, \$1,553,462,000.

17 (3) For weapons and tracked combat vehicles,
18 \$1,658,504,000.

19 (4) For ammunition, \$1,363,305,000.

20 (5) For other procurement, \$4,266,027,000.

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

22 (a) NAVY.—Funds are hereby authorized to be appro-
23 priated for fiscal year 2004 for procurement for the Navy
24 as follows:

25 (1) For aircraft, \$8,996,948,000.

1 (2) For weapons, including missiles and tor-
2 pedoes, \$2,046,821,000.

3 (3) For shipbuilding and conversion,
4 \$11,707,984,000.

5 (4) For other procurement, \$4,744,443,000.

6 (b) MARINE CORPS.—Funds are hereby authorized to
7 be appropriated for fiscal year 2004 for procurement for
8 the Marine Corps in the amount of \$1,089,599,000.

9 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
10 are hereby authorized to be appropriated for fiscal year
11 2004 for procurement of ammunition for the Navy and
12 the Marine Corps in the amount of \$924,355,000.

13 **SEC. 103. AIR FORCE.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2004 for procurement for the Air Force as fol-
16 lows:

17 (1) For aircraft, \$12,082,760,000.

18 (2) For ammunition, \$1,284,725,000.

19 (3) For missiles, \$4,394,439,000.

20 (4) For other procurement, \$11,630,659,000.

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

22 Funds are hereby authorized to be appropriated for
23 fiscal year 2004 for Defense-wide procurement in the
24 amount of \$3,884,106,000.

1 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2004 for procurement for the Inspector General
4 of the Department of Defense in the amount of
5 \$2,100,000.

6 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUC-**
7 **TION, DEFENSE.**

8 There is hereby authorized to be appropriated for the
9 Office of the Secretary of Defense for fiscal year 2004
10 the amount of \$1,530,261,000 for—

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

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

18 **SEC. 107. DEFENSE HEALTH PROGRAMS.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 2004 for the Department of Defense for pro-
21 curement for carrying out health care programs, projects,
22 and activities of the Department of Defense in the total
23 amount of \$327,826,000.

24 **SEC. 108. REDUCTION IN AUTHORIZATION.1**

25 The total amount authorized to be appropriated
26 under section 104 is hereby reduced by \$3,300,000, with

1 \$2,100,000 of the reduction to be allocated to Special Op-
2 erations Forces rotary upgrades and \$1,200,000 to be al-
3 located to Special Operations Forces operational enhance-
4 ments.

5 **Subtitle B—Army Programs**

6 **SEC. 111. CH-47 HELICOPTER PROGRAM.**

7 (a) REQUIREMENT FOR STUDY.—The Secretary of
8 the Army shall study the feasibility and the costs and ben-
9 efits of providing for the participation of a second source
10 in the production of gears for the helicopter transmissions
11 incorporated into CH-47 helicopters being procured by
12 the Army with funds authorized to be appropriated by this
13 Act.

14 (b) REPORT.—Not later than 90 days after the date
15 of the enactment of this Act, the Secretary shall submit
16 a report on the results of the study to Congress.

17 **SEC. 112. RAPID INFUSION PUMPS.**

18 (a) AVAILABILITY OF FUNDS.—(1) Of the amount
19 authorized to be appropriated by section 101(5) for other
20 procurement, Army, \$2,000,000 may be available for med-
21 ical equipment for the procurement of rapid infusion (IV)
22 pumps.

23 (2) The total amount authorized to be appropriated
24 under section 101(5) is hereby increased by \$2,000,000.

1 (b) OFFSET.—Of the amount authorized to be appro-
2 priated by section 301(1) for operation and maintenance,
3 Army, the amount available is hereby reduced by
4 \$2,000,000.

5 **Subtitle C—Navy Programs**

6 **SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR** 7 **NAVY PROGRAMS.**

8 (a) AUTHORITY.—Beginning with the fiscal year
9 2004 program year, the Secretary of the Navy may, in
10 accordance with section 2306b of title 10, United States
11 Code, enter into a multiyear contract for procurement for
12 the following programs:

13 (1) The F/A–18 aircraft program.

14 (2) The E–2C aircraft program.

15 (3) The Tactical Tomahawk Cruise Missile pro-
16 gram, subject to subsection (b).

17 (4) The Virginia class submarine, subject to
18 subsection (c).

19 (5) The Phalanx Close In Weapon System pro-
20 gram, Block 1B.

21 (b) TACTICAL TOMAHAWK CRUISE MISSILES.—The
22 Secretary may not enter into a multiyear contract for the
23 procurement of Tactical Tomahawk Cruise Missiles under
24 subsection (a)(3) until the Secretary determines on the

1 basis of operational testing that the Tactical Tomahawk
2 Cruise Missile is effective for fleet use.

3 (c) VIRGINIA CLASS SUBMARINES.—Paragraphs
4 (2)(A), (3), and (4) of section 121(b) of the National De-
5 fense Authorization Act for Fiscal Year 1998 (Public Law
6 105–85; 111 Stat. 1648) shall apply in the exercise of au-
7 thority to enter into a multiyear contract for the procure-
8 ment of Virginia class submarines under subsection (a)(4).

9 **SEC. 122. PILOT PROGRAM FOR FLEXIBLE FUNDING OF**
10 **NAVAL VESSEL CONVERSIONS AND OVER-**
11 **HAULS.**

12 (a) ESTABLISHMENT.—The Secretary of the Navy
13 may carry out a pilot program of flexible funding of con-
14 versions and overhauls of cruisers of the Navy in accord-
15 ance with this section.

16 (b) AUTHORITY.—Under the pilot program the Sec-
17 retary of the Navy may, subject to subsection (d), transfer
18 appropriated funds described in subsection (c) to the ap-
19 propriation for the Navy for procurement for shipbuilding
20 and conversion for any fiscal year to continue to fund any
21 conversion or overhaul of a cruiser of the Navy that was
22 initially funded with the appropriation to which trans-
23 ferred.

24 (c) FUNDS AVAILABLE FOR TRANSFER.—The appro-
25 priations available for transfer under this section are the

1 appropriations to the Navy for any fiscal year after fiscal
2 year 2003 and before fiscal year 2013 for the following
3 purposes:

4 (1) For procurement, as follows:

5 (A) For shipbuilding and conversion.

6 (B) For weapons procurement.

7 (C) For other procurement.

8 (2) For operation and maintenance.

9 (d) LIMITATIONS.—(1) A transfer may be made with
10 respect to a cruiser under this section only to meet the
11 following requirements:

12 (A) Any increase in the size of the workload for
13 conversion or overhaul to meet existing requirements
14 for the cruiser.

15 (B) Any new conversion or overhaul require-
16 ment resulting from a revision of the original base-
17 line conversion or overhaul program for the cruiser.

18 (2) A transfer may not be made under this section
19 before the date that is 30 days after the date on which
20 the Secretary of the Navy transmits to the congressional
21 defense committees a written notification of the intended
22 transfer. The notification shall include the following mat-
23 ters:

24 (A) The purpose of the transfer.

25 (B) The amounts to be transferred.

1 (C) Each account from which the funds are to
2 be transferred.

3 (D) Each program, project, or activity from
4 which the funds are to be transferred.

5 (E) Each account to which the funds are to be
6 transferred.

7 (F) A discussion of the implications of the
8 transfer for the total cost of the cruiser conversion
9 or overhaul program for which the transfer is to be
10 made.

11 (e) MERGER OF FUNDS.—Amounts transferred to an
12 appropriation with respect to the conversion or overhaul
13 of a cruiser under this section shall be credited to and
14 merged with other funds in the appropriation to which
15 transferred and shall be available for the conversion or
16 overhaul of such cruiser for the same period as the appro-
17 priation with which merged.

18 (f) RELATIONSHIP TO OTHER TRANSFER AUTHOR-
19 ITY.—The authority to transfer funds under this section
20 is in addition to any other authority provided by law to
21 transfer appropriated funds and is not subject to any re-
22 striction, limitation, or procedure that is applicable to the
23 exercise of any such other authority.

24 (g) FINAL REPORT.—Not later than October 1,
25 2011, the Secretary of the Navy shall submit to the con-

1 gressional defense committees a report containing the Sec-
2 retary's evaluation of the efficacy of the authority provided
3 under this section.

4 (h) **TERMINATION OF PROGRAM.**—No transfer may
5 be made under this section after September 30, 2012.

6 **Subtitle D—Air Force Programs**

7 **SEC. 131. ELIMINATION OF QUANTITY LIMITATIONS ON** 8 **MULTIYEAR PROCUREMENT AUTHORITY FOR** 9 **C-130J AIRCRAFT.**

10 Section 131(a) of the Bob Stump National Defense
11 Authorization Act for Fiscal Year 2003 (Public Law 107–
12 314; 116 Stat. 2475) is amended by striking “up to 40
13 C-130J aircraft in the CC-130J configuration and up to
14 24 C-130J aircraft in the KC-130J configuration” and
15 inserting “C-130J aircraft in the CC-130J and KC-130J
16 configurations”.

17 **SEC. 132. B-1B BOMBER AIRCRAFT.**

18 (a) **AMOUNT FOR AIRCRAFT.**—(1) Of the amount au-
19 thorized to be appropriated under section 103(1),
20 \$20,300,000 may be available to reconstitute the fleet of
21 B-1B bomber aircraft through modifications of 23 B-1B
22 bomber aircraft otherwise scheduled to be retired in fiscal
23 year 2003 that extend the service life of such aircraft and
24 maintain or, as necessary, improve the capabilities of such
25 aircraft for mission performance.

1 (2) The Secretary of the Air Force shall submit to
2 the congressional defense committees a report that speci-
3 fies the amounts necessary to be included in the future-
4 years defense program to reconstitute the B-1B bomber
5 aircraft fleet of the Air Force.

6 (b) ADJUSTMENT.—(1) The total amount authorized
7 to be appropriated under section 103(1) is hereby in-
8 creased by \$20,300,000.

9 (2) The total amount authorized to be appropriated
10 under section 104 is hereby reduced by \$20,300,000, with
11 the amount of the reduction to be allocated to Special Op-
12 erations Forces operational enhancements.

13 **TITLE II—RESEARCH, DEVELOP-**
14 **MENT, TEST, AND EVALUA-**
15 **TION**

16 **Subtitle A—Authorization of**
17 **Appropriations**

18 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

19 Funds are hereby authorized to be appropriated for
20 fiscal year 2004 for the use of the Department of Defense
21 for research, development, test, and evaluation as follows:

22 (1) For the Army, \$9,012,500,000.

23 (2) For the Navy, \$14,590,284,000.

24 (3) For the Air Force, \$20,382,407,000.

1 (4) For Defense-wide activities,
2 \$19,135,679,000, of which \$286,661,000 is author-
3 ized for the Director of Operational Test and Eval-
4 uation.

5 **SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.**

6 (a) AMOUNT FOR PROJECTS.—Of the total amount
7 authorized to be appropriated by section 201,
8 \$10,705,561,000 shall be available for science and tech-
9 nology projects.

10 (b) SCIENCE AND TECHNOLOGY DEFINED.—In this
11 section, the term “science and technology project” means
12 work funded in program elements for defense research, de-
13 velopment, test, and evaluation under Department of De-
14 fense budget activities 1, 2, or 3.

15 **SEC. 203. DEFENSE INSPECTOR GENERAL.**

16 Funds are hereby authorized to be appropriated for
17 fiscal year 2004 for research, development, test, and eval-
18 uation for the Inspector General of the Department of De-
19 fense in the amount of \$300,000.

20 **SEC. 204. DEFENSE HEALTH PROGRAMS.**

21 Funds are hereby authorized to be appropriated for
22 fiscal year 2004 for the Department of Defense for re-
23 search, development, test, and evaluation for carrying out
24 health care programs, projects, and activities of the De-
25 partment of Defense in the total amount of \$65,796,000.

1 **Subtitle B—Program Requirements, Restrictions, and Limitations**
2
3

4 **SEC. 211. PROHIBITION ON TRANSFER OF CERTAIN PROGRAMS OUTSIDE THE OFFICE OF THE SECRETARY OF DEFENSE.**
5
6

7 The Secretary of Defense may not designate any official outside the Office of the Secretary of Defense to exercise authority for programming or budgeting for any of
8
9 the following programs:
10

11 (1) Explosive demilitarization technology (program element 0603104D8Z).
12

13 (2) High energy laser research initiative (program element 0601108D8Z).
14

15 (3) High energy laser research (program element 0602890D8Z).
16

17 (4) High energy laser advanced development (program element 0603924D8Z).
18

19 (5) University research initiative (program element 0601103D8Z).
20

21 **SEC. 212. OBJECTIVE FORCE INDIRECT FIRES PROGRAM.**

22 (a) **DISTINCT PROGRAM ELEMENT.**—The Secretary
23 of Defense shall ensure that, not later than October 1,
24 2003, the Objective Force Indirect Fires Program is being
25 planned, programmed, and budgeted for as a distinct pro-

1 gram element and that funds available for such program
2 are being administered consistent with the budgetary sta-
3 tus of the program as a distinct program element.

4 (b) PROHIBITION.—Effective on October 1, 2003, the
5 Objective Force Indirect Fires Program may not be
6 planned, programmed, and budgeted for, and funds avail-
7 able for such program may not be administered, in one
8 program element in combination with the Armored Sys-
9 tems Modernization program.

10 (c) CERTIFICATION REQUIREMENT.—At the same
11 time that the President submits the budget for fiscal year
12 2005 to Congress under section 1105(a) of title 31,
13 United States Code, the Secretary of Defense shall submit
14 to the Committees on Armed Services of the Senate and
15 the House of Representatives a written certification that
16 the Objective Force Indirect Fires Program is being
17 planned, programmed, and budgeted for, and funds avail-
18 able for such program are being administered, in accord-
19 ance with the requirement in subsection (a) and the prohi-
20 bition in subsection (b).

21 **SEC. 213. AMOUNT FOR JOINT ENGINEERING DATA MAN-**
22 **AGEMENT INFORMATION AND CONTROL SYS-**
23 **TEM.**

24 (a) NAVY RDT&E.—The amount authorized to be ap-
25 propriated under section 201(2) is hereby increased by

1 \$2,500,000. Such amount may be available for the Joint
2 Engineering Data Management Information and Control
3 System (JEDMICS).

4 (b) NAVY PROCUREMENT.—The amount authorized
5 to be appropriated under section 102(a)(4) is hereby re-
6 duced by \$2,500,000, to be derived from the amount pro-
7 vided for the Joint Engineering Data Management Infor-
8 mation and Control System (JEDMICS).

9 **SEC. 214. HUMAN TISSUE ENGINEERING.**

10 (a) AMOUNT.—Of the amount authorized to be ap-
11 propriated under section 201(1), \$1,700,000 may be avail-
12 able in PE 0602787 for human tissue engineering. The
13 total amount authorized to be appropriated under section
14 201(1) is hereby increased by \$1,700,000.

15 (b) OFFSETS.—Of the amount authorized to be ap-
16 propriated under section 301(4) for Operations and Main-
17 tenance, Air Force is hereby reduced by \$1,700,000.

18 **SEC. 215. NON-THERMAL IMAGING SYSTEMS.**

19 (a) AVAILABILITY OF FUNDS.—Of the amount au-
20 thorized to be appropriated by section 201(2) for research,
21 development, test, and evaluation for the Navy and avail-
22 able for Power Projection Applied Research
23 (PE 602114N), \$2,000,000 may be available for research
24 and development of non-thermal imaging systems. The

1 total amount authorized to be appropriated under section
2 201(2) is hereby increased by \$2,000,000

3 (b) OFFSETS.—The amount authorized to be appro-
4 priated by section 301(4) for Operation and Maintenance,
5 Air Force is hereby reduced by \$1,000,000 and the
6 amount authorized to be appropriated by section 104 for
7 Defense-wide activities, is hereby reduced by \$1,000,000
8 for Special Operations Forces rotary wing upgrades.

9 **SEC. 216. MAGNETIC LEVITATION.**

10 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
11 TIONS.—The amount authorized to be appropriated by
12 section 201(3) for research, development, test, and evalua-
13 tion for the Air Force is hereby increased by \$2,100,000,
14 with the amount of the increase to be allocated to Major
15 Test and Evaluation Investment (PE 0604759F).

16 (b) AVAILABILITY.—(1) Of the amount authorized to
17 be appropriated by section 201(3) for research, develop-
18 ment, test, and evaluation for the Air Force and available
19 for Major Test and Evaluation Investment, as increased
20 by subsection (a), \$2,100,000 may be available for re-
21 search and development on magnetic levitation tech-
22 nologies at the high speed test track at Holloman Air
23 Force Base, New Mexico.

1 (2) The amount available under paragraph (1) for the
2 purpose specified in that paragraph is in addition to any
3 other amounts available under this Act for that purpose.

4 (c) **OFFSET.**—The amount authorized to be appro-
5 priated by section 301(4) for Operation and Maintenance,
6 Air Force, is hereby reduced by \$2,100,000.

7 **SEC. 217. COMPOSITE SAIL TEST ARTICLES.**

8 (a) **AVAILABILITY OF FUNDS.**—The total amount au-
9 thorized to be appropriated under section 201(2) for Vir-
10 ginia-class submarine development, may be increased by
11 \$2,000,000 for the development and fabrication of com-
12 posite sail test articles for incorporation into designs for
13 future submarines.

14 (b) **OFFSET.**—The amount authorized to be appro-
15 priated under section 104 may be reduced by \$2,000,000,
16 to be derived from the amount provided for Special Oper-
17 ations Forces operational enhancements.

18 **SEC. 218. PORTABLE MOBILE EMERGENCY BROADBAND**
19 **SYSTEMS.**

20 (a) **AVAILABILITY OF FUNDS.**—(1) Of the amount
21 authorized to be appropriated by section 201(1) for re-
22 search, development, test, and evaluation for the Army,
23 \$2,000,000 may be available for the development of Port-
24 able Mobile Emergency Broadband Systems (MEBS).

1 (2) The total amount authorized to be appropriated
2 under section 201(1) is hereby increased by \$2,000,000.

3 (b) OFFSET.—The amount authorized to be appro-
4 priated by section 104 for procurement, Defense-wide ac-
5 tivities, Special Operations Forces operational enhance-
6 ments is hereby reduced by \$2,000,000.

7 **SEC. 219. BORON ENERGY CELL TECHNOLOGY.**

8 (a) INCREASE IN RDT&E, AIR FORCE.—The amount
9 authorized to be appropriated by section 201(3) for re-
10 search, development, test, and evaluation for the Air Force
11 is hereby increased by \$5,000,000.

12 (b) AVAILABILITY FOR BORON ENERGY CELL TECH-
13 NOLOGY.—(1) of the amount authorized to be appro-
14 priated by section 201(3) for research, development, test,
15 and evaluation for the Air Force, as increased by sub-
16 section (a), \$5,000,000 may be available for research, de-
17 velopment, test, and evaluation on boron energy cell tech-
18 nology.

19 (2) The amount available under paragraph (1) for the
20 purpose specified in that paragraph is in addition to any
21 other amounts available under this Act for that purpose.

22 (c) OFFSET FROM OPERATION AND MAINTENANCE,
23 ARMY.—The amount authorized to be appropriated by
24 section 301(1), for operation and maintenance for the
25 Army is hereby reduced by \$5,000,000.

1 **SEC. 220. MODIFICATION OF PROGRAM ELEMENT OF**
2 **SHORT RANGE AIR DEFENSE RADAR PRO-**
3 **GRAM OF THE ARMY.**

4 The program element of the short range air defense
5 radar program of the Army may be modified from Pro-
6 gram Element 602303A (Missile Technology) to Program
7 Element 603772A (Advanced Tactical Computer Science
8 and Sensor Technology).

9 **SEC. 221. AMOUNT FOR NETWORK CENTRIC OPERATIONS.**

10 Of the amount authorized to be appropriated under
11 section 201(1) for historically Black colleges and univer-
12 sities, \$1,000,000 may be used for funding the initiation
13 of a capability in such institutions to support the network
14 centric operations of the Department of Defense.

15 **Subtitle C—Ballistic Missile**
16 **Defense**

17 **SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CA-**
18 **PABILITIES.**

19 Funds authorized to be appropriated under section
20 201(4) for the Missile Defense Agency may be used for
21 the development and fielding of an initial set of ballistic
22 missile defense capabilities.

1 **SEC. 222. REPEAL OF REQUIREMENT FOR CERTAIN PRO-**
2 **GRAM ELEMENTS FOR MISSILE DEFENSE**
3 **AGENCY ACTIVITIES.**

4 Section 223 of title 10, United States Code is
5 amended—

6 (1) by striking subsection (a);

7 (2) by redesignating subsections (b) and (c) as
8 subsections (a) and (b), respectively; and

9 (3) in subsection (b), as so redesignated, by
10 striking “specified in subsection (a)”.

11 **SEC. 223. OVERSIGHT OF PROCUREMENT, PERFORMANCE**
12 **CRITERIA, AND OPERATIONAL TEST PLANS**
13 **FOR BALLISTIC MISSILE DEFENSE PRO-**
14 **GRAMS.**

15 (a) **PROCUREMENT.**—(1) Chapter 9 of title 10,
16 United States Code, is amended by inserting after section
17 223 the following new section:

18 **“§ 223a. Ballistic missile defense programs: procure-**
19 **ment**

20 “(a) **BUDGET JUSTIFICATION MATERIALS.**—(1) In
21 the budget justification materials submitted to Congress
22 in support of the Department of Defense budget for any
23 fiscal year (as submitted with the budget of the President
24 under section 1105(a) of title 31), the Secretary of De-
25 fense shall specify, for each ballistic missile defense system
26 element, the following information:

1 “(A) For each ballistic missile defense element
2 for which the Missile Defense Agency is engaged in
3 planning for production and initial fielding, the fol-
4 lowing information:

5 “(i) The production rate capabilities of the
6 production facilities planned to be used.

7 “(ii) The potential date of availability of
8 the element for initial fielding.

9 “(iii) The expected costs of the initial pro-
10 duction and fielding planned for the element.

11 “(iv) The estimated date on which the ad-
12 ministration of the acquisition of the element is
13 to be transferred to the Secretary of a military
14 department.

15 “(B) The performance criteria prescribed under
16 subsection (b).

17 “(2) The information provided under paragraph (1)
18 shall be submitted in an unclassified form, but may in-
19 clude a classified annex as necessary.

20 “(b) PERFORMANCE CRITERIA.—(1) The Director of
21 the Missile Defense Agency shall prescribe measurable
22 performance criteria for all planned development phases
23 (known as “blocks”) of the ballistic missile defense system
24 and each of its elements. The performance criteria may

1 be updated as necessary while the program and any follow-
2 on program remain in development.

3 “(2) The performance criteria prescribed for a block
4 under paragraph (1) shall include one or more criteria
5 that specifically describe, in relation to that block, the in-
6 tended effectiveness against foreign adversary capabilities,
7 including a description of countermeasures, for which the
8 system is being designed as a defense.

9 “(c) OPERATIONAL TEST PLANS.—The Director of
10 Operational Test and Evaluation, in consultation with the
11 Director of the Missile Defense Agency, shall establish and
12 approve for each ballistic missile defense system element
13 appropriate plans and schedules for operational testing.
14 The test plans shall include an estimate of when successful
15 performance of the element in accordance with each per-
16 formance criterion is to be verified by operational testing.
17 The test plans for a program may be updated as necessary
18 while the program and any follow-on program remain in
19 development.

20 “(d) ANNUAL TESTING PROGRESS.— The annual re-
21 port of the Director of Operational Test and Evaluation
22 required under section 232(h) of the National Defense Au-
23 thorization Act for Fiscal Year 2002 (Public Law 107–
24 107; 10 U.S.C. 2431 note) shall include the following:

1 “(1) The test plans established under sub-
2 section (c); and

3 “(2) An assessment of the progress being made
4 toward verifying through operational testing the per-
5 formance of the system under a missile defense sys-
6 tem program as measured by the performance cri-
7 teria prescribed for the program under subsection
8 (b).

9 “(e) FUTURE-YEARS DEFENSE PROGRAM.—The fu-
10 ture-years defense program submitted to Congress each
11 year under section 221 of this title shall include an esti-
12 mate of the amount necessary for procurement for each
13 ballistic missile defense system element, together with a
14 discussion of the underlying factors and reasoning justi-
15 fying the estimate.”.

16 (2) The table of contents at the beginning of such
17 chapter 9 is amended by inserting after the item relating
18 to section 223 the following new item:

 “223a. Ballistic missile defense programs: procurement.”.

19 (b) EXCEPTION FOR FIRST ASSESSMENT.—The first
20 assessment required under subsection (d) of section 223a
21 of title 10, United States Code (as added by subsection
22 (a)), shall be an interim assessment submitted to the Com-
23 mittees on Armed Services of the Senate and the House
24 of Representatives not later than July 31, 2004.

1 **SEC. 224. RENEWAL OF AUTHORITY TO ASSIST LOCAL COM-**
2 **MUNITIES IMPACTED BY BALLISTIC MISSILE**
3 **DEFENSE SYSTEM TEST BED.**

4 Section 235(b) of the National Defense Authorization
5 Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat.
6 1041) is amended—

7 (1) in paragraph (1), by inserting “, 2004,
8 2005, or 2006” after “for fiscal year 2002”; and

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

11 “(3) In the budget justification materials for the De-
12 partment of Defense that the Secretary of Defense sub-
13 mits to Congress in connection with the submission of the
14 budget for fiscal year 2004, the budget for fiscal year
15 2005, and the budget for fiscal year 2006 under section
16 1105(a) of title 31, United States Code, the Secretary
17 shall include a description of the community assistance
18 projects that are to be supported in such fiscal year under
19 this subsection and an estimate of the total cost of each
20 such project.”.

21 **SEC. 225. REQUIREMENT FOR SPECIFIC AUTHORIZATION**
22 **OF CONGRESS FOR DESIGN, DEVELOPMENT,**
23 **OR DEPLOYMENT OF HIT-TO-KILL BALLISTIC**
24 **MISSILE INTERCEPTORS.**

25 (a) No amount authorized to be appropriated by this
26 Act for research, development, test, and evaluation, De-

1 fense-wide, and available for Ballistic Missile Defense Sys-
 2 tem Interceptors (PE 060886C), may be obligated or ex-
 3 pended to design, develop, or deploy hit-to-kill interceptors
 4 or other weapons for placement in space unless specifically
 5 authorized by Congress.

6 (b) Of the amounts authorized to be appropriated for
 7 fiscal year 2004 for Ballistic Missile Defense System
 8 Interceptors, \$14,000,000 is available for research and
 9 concept definition for the space based test bed.

10 **SEC. 226. PROHIBITION ON USE OF FUNDS FOR NUCLEAR**
 11 **ARMED INTERCEPTORS IN MISSILE DEFENSE**
 12 **SYSTEMS.**

13 No funds authorized to be appropriated for the De-
 14 partment of Defense by this Act may be obligated or ex-
 15 pended for research, development, test, and evaluation,
 16 procurement, or deployment of nuclear armed interceptors
 17 in a missile defense system.

18 **Subtitle D—Other Matters**

19 **SEC. 231. GLOBAL RESEARCH WATCH PROGRAM IN THE OF-**
 20 **FICE OF THE DIRECTOR OF DEFENSE RE-**
 21 **SEARCH AND ENGINEERING.**

22 Section 139a of title 10, United States Code, is
 23 amended by adding at the end the following new sub-
 24 section:

1 “(c)(1) The Director shall carry out a Global Re-
2 search Watch program.

3 “(2) The goals of the program are as follows:

4 “(A) To monitor and analyze the basic and ap-
5 plied research activities and capabilities of foreign
6 nations in areas of military interest, including allies
7 and competitors.

8 “(B) To provide standards for comparison and
9 comparative analysis of research capabilities of for-
10 eign nations in relation to the research capabilities
11 of the United States.

12 “(C) To assist Congress and Department of
13 Defense officials in making investment decisions for
14 research in technical areas where the United States
15 may not be the global leader.

16 “(D) To identify areas where significant oppor-
17 tunities for cooperative research may exist.

18 “(E) To coordinate and promote the inter-
19 national cooperative research and analysis activities
20 of each of the armed forces and Defense Agencies.

21 “(F) To establish and maintain an electronic
22 database on international research capabilities, com-
23 parative assessments of capabilities, cooperative re-
24 search opportunities, and ongoing cooperative pro-
25 grams.

1 “(3) The program shall be focused on research and
2 technologies at a technical maturity level equivalent to De-
3 partment of Defense basic and applied research programs.

4 “(4) The Director shall coordinate the program with
5 the international cooperation and analysis activities of the
6 military departments and Defense Agencies.

7 “(5) Information in electronic databases of the Global
8 Research Watch program shall be maintained in unclassi-
9 fied form and, as determined necessary by the Director,
10 in classified form in such databases.”.

11 **SEC. 232. DEFENSE ADVANCED RESEARCH PROJECTS**

12 **AGENCY BIENNIAL STRATEGIC PLAN.**

13 (a) REQUIREMENT FOR PLAN.—(1) Subchapter II of
14 chapter 8 of title 10, United States Code, is amended by
15 inserting after section 201 the following new section:

16 **“§ 202. Defense Advanced Research Projects Agency:**
17 **biennial strategic plan**

18 “(a) REQUIREMENT FOR STRATEGIC PLAN.—(1)
19 Every other year, and in time for submission to Congress
20 under subsection (b), the Director of the Defense Ad-
21 vanced Research Projects Agency shall prepare a strategic
22 plan for the activities of the agency.

23 “(2) The strategic plan shall include the following
24 matters:

1 “(A) The long-term strategic goals of the agen-
2 cy.

3 “(B) Identification of the research programs
4 that support—

5 “(i) achievement of the strategic goals; and

6 “(ii) exploitation of opportunities that hold
7 the potential for yielding significant military
8 benefits.

9 “(C) The connection of agency activities and
10 programs to activities and missions of the armed
11 forces.

12 “(D) A technology transition strategy for agen-
13 cy programs.

14 “(E) An assessment of agency policies on the
15 management, organization, and personnel of the
16 agency.

17 “(b) SUBMISSION OF PLAN TO CONGRESS.—The Sec-
18 retary of Defense shall submit the latest biennial strategic
19 plan of the Defense Advanced Research Projects Agency
20 to Congress at the same time that the President submits
21 the budget for an even-numbered year to Congress under
22 section 1105(a) of title 31.

23 “(c) REVIEW PANEL.—(1) The Secretary of Defense
24 shall establish a panel to advise the Director of the De-

1 fense Research Projects Agency on the preparation, con-
2 tent, and execution of the biennial strategic plan.

3 “(2) The panel shall be composed of members ap-
4 pointed by the Secretary of Defense from among persons
5 who are experienced and knowledgeable in research activi-
6 ties of potential military value, as follows:

7 “(A) The principal staff assistant to the Direc-
8 tor of the Defense Advanced Research Projects
9 Agency, who shall serve as chairman of the panel.

10 “(B) Three senior officers of the armed forces.

11 “(C) Three persons who are representative of—

12 “(i) private industry;

13 “(ii) academia; and

14 “(iii) federally funded research and devel-
15 opment centers or similar nongovernmental or-
16 ganizations.

17 “(3) The members appointed under subparagraphs
18 (B) and (C) of paragraph (2) shall be appointed for a term
19 of two years. The members may be reappointed, except
20 that every two years the Secretary of Defense shall ap-
21 point a replacement for at least one of the members ap-
22 pointed under such subparagraph (B) and a replacement
23 for at least one of the members appointed under such sub-
24 paragraph (C). Any vacancy in the membership of the

1 panel shall be filled in the same manner as the original
2 appointment.

3 “(4) The panel shall meet at the call of the Chair-
4 man.

5 “(5) The panel shall provide the Director of the De-
6 fense Advanced Research Projects Agency with the fol-
7 lowing support:

8 “(A) Objective advice on—

9 “(i) the strategic plan; and

10 “(ii) the appropriate mix of agency sup-
11 ported research activities in technologies, in-
12 cluding system-level technologies, to address
13 new and evolving national security requirements
14 and interests, and to fulfill the technology de-
15 velopment mission of the agency.

16 “(B) An assessment of the extent to which the
17 agency is successful in—

18 “(i) supporting missions of the armed
19 forces; and

20 “(ii) achieving the transition of tech-
21 nologies into acquisition programs of the mili-
22 tary departments.

23 “(C) An assessment of agency policies on the
24 management, organization, and personnel of the
25 agency, together with recommended modifications of

1 such policies that could improve the mission per-
2 formance of the agency.

3 “(D) Final approval of the biennial strategic
4 plan.

5 “(6) Members of the panel who are not officers or
6 employees of the United States shall serve without pay by
7 reason of their work on the panel, and their services as
8 members may be accepted without regard to section 1342
9 of title 31. However, such members shall be allowed travel
10 expenses, including per diem in lieu of subsistence, at
11 rates authorized for employees of agencies under sub-
12 chapter I of chapter 57 of title 5 while away from their
13 homes or regular places of business in the performance
14 of services for the panel.

15 “(7) The Federal Advisory Committee Act (5 U.S.C.
16 App.) shall not apply to the panel.”

17 (2) The table of sections at the beginning of such sub-
18 chapter is amended by inserting after the item relating
19 to section 201 the following new item:

“202. Defense Advanced Research Projects Agency: biennial strategic plan.”

20 (b) INITIAL APPOINTMENTS TO REVIEW PANEL.—
21 The Secretary of Defense shall appoint the panel under
22 subsection (c) of section 202 of title 10, United States
23 Code (as added by subsection (a)), not later than 60 days
24 after the date of the enactment of this Act.

1 **SEC. 233. ENHANCEMENT OF AUTHORITY OF SECRETARY**
2 **OF DEFENSE TO SUPPORT SCIENCE, MATHE-**
3 **MATICS, ENGINEERING, AND TECHNOLOGY**
4 **EDUCATION.**

5 Section 2192 of title 10, United States Code, is
6 amended—

7 (1) by redesignating subsection (b) as sub-
8 section (c); and

9 (2) by inserting after subsection (a) the fol-
10 lowing new subsection (b):

11 “(b)(1) In furtherance of the authority of the Sec-
12 retary of Defense under this chapter or any other provi-
13 sion of law to support educational programs in science,
14 mathematics, engineering, and technology, the Secretary
15 of Defense may—

16 “(A) enter into contracts and cooperative agree-
17 ments with eligible persons;

18 “(B) make grants of financial assistance to eli-
19 gible persons;

20 “(C) provide cash awards and other items to el-
21 igible persons; and

22 “(D) accept voluntary services from eligible per-
23 sons.

24 “(2) In this subsection:

25 “(A) The term ‘eligible person’ includes a de-
26 partment or agency of the Federal Government, a

1 State, a political subdivision of a State, an indi-
2 vidual, and a not-for-profit or other organization in
3 the private sector.

4 “(B) The term ‘State’ means any State of the
5 United States, the District of Columbia, the Com-
6 monwealth of Puerto Rico, Guam, the United States
7 Virgin Islands, the Commonwealth of the Northern
8 Mariana Islands, American Samoa, and any other
9 territory or possession of the United States.”.

10 **SEC. 234. DEPARTMENT OF DEFENSE HIGH-SPEED NET-**
11 **WORK-CENTRIC AND BANDWIDTH EXPANSION**
12 **PROGRAM.**

13 (a) **IN GENERAL.**—The Secretary of Defense shall
14 carry out a program of research and development to pro-
15 mote greater bandwidth capability with high-speed net-
16 work-centric communications.

17 (b) **PURPOSES OF ACTIVITIES.**—The purposes of ac-
18 tivities required by subsection (a) are as follows:

19 (1) To facilitate the acceleration of the net-
20 work-centric operational capabilities of the Armed
21 Forces, including more extensive utilization of un-
22 manned vehicles, satellite communications, and sen-
23 sors, through the promotion of research and develop-
24 ment, and the focused coordination of programs, to

1 fully achieve high-bandwidth connectivity to military
2 assets.

3 (2) To provide for the development of equip-
4 ment and technologies for military high-bandwidth
5 network-centric communications facilities.

6 (c) RESEARCH AND DEVELOPMENT PROGRAM.—(1)

7 In carrying out the program of research and development
8 required by subsection (a)(1), the Secretary shall—

9 (A) identify areas of advanced wireless commu-
10 nications in which research and development, or the
11 leveraging of emerging technologies, has significant
12 potential to improve the performance, efficiency,
13 cost, and flexibility of advanced network-centric com-
14 munications systems;

15 (B) develop a coordinated plan for research and
16 development on—

17 (i) improved spectrum access through spec-
18 trum-efficient network-centric communications
19 systems;

20 (ii) networks, including complex ad hoc
21 adaptive network structures;

22 (iii) end user devices, including efficient re-
23 ceivers and transmitter devices;

24 (iv) applications, including robust security
25 and encryption; and

1 (v) any other matters that the Secretary
2 considers appropriate for purposes of this sec-
3 tion;

4 (C) ensure joint research and development, and
5 promote joint systems acquisition and deployment,
6 among the various services and Defense Agencies,
7 including the development of common cross-service
8 technology requirements and doctrines, so as to en-
9 hance interoperability among the various services
10 and Defense Agencies;

11 (D) conduct joint experimentation among the
12 various Armed Forces, and coordinate with the Joint
13 Forces Command, on experimentation to support
14 network-centric warfare capabilities to small units of
15 the Armed Forces; and

16 (E) develop, to the extent practicable and in
17 consultation with other Federal entities and private
18 industry, cooperative research and development ef-
19 forts.

20 (2) The Secretary shall carry out the program of re-
21 search and development through the Director of Defense
22 Research and Engineering, in full coordination with the
23 Secretaries of the military departments, the heads of ap-
24 propriate Defense Agencies, and the heads of other appro-
25 priate elements of the Department of Defense.

1 (d) REPORT.—(1) The Secretary shall, acting
2 through the Director of Defense Research and Engineer-
3 ing, submit to the congressional defense committees a re-
4 port on the activities undertaken under this section as of
5 the date of such report. The report shall be submitted to-
6 gether with the budget justification materials submitted
7 to Congress in support of the Department of Defense
8 budget for fiscal year 2005 (as submitted with the budget
9 of the President under section 1105(a) of title 31, United
10 States Code).

11 (2) The report under paragraph (1) shall include—

12 (A) a description of the research and develop-
13 ment activities carried out under subsection (a), in-
14 cluding particular activities under subsection
15 (c)(1)(B);

16 (B) an assessment of current and proposed
17 funding for the activities set forth in each of clauses
18 (i) through (v) of subsection (c)(1)(B), including the
19 adequacy of such funding to support such activities;

20 (C) an assessment of the extent and success of
21 any joint research and development activities under
22 subsection (c)(1)(C);

23 (D) a description of any joint experimentation
24 activities under subsection (c)(1)(D);

1 (E) an assessment of the effects of limited com-
2 munications bandwidth, and of limited access to
3 electromagnetic spectrum, on recent military oper-
4 ations; and

5 (F) such recommendations for additional activi-
6 ties under this section as the Secretary considers ap-
7 propriate to meet the purposes of this section.

8 **SEC. 235. DEPARTMENT OF DEFENSE STRATEGY FOR MAN-**
9 **AGEMENT OF ELECTROMAGNETIC SPEC-**
10 **TRUM.**

11 (a) IN GENERAL.—The Secretary of Defense shall—

12 (1) in accordance with subsection (b), develop a
13 strategy for the Department of Defense for the man-
14 agement of the electromagnetic spectrum to improve
15 spectrum access and high-bandwidth connectivity to
16 military assets; and

17 (2) in accordance with subsection (c), commu-
18 nicate with civilian departments and agencies of the
19 Federal Government in the development of the strat-
20 egy identified in paragraph (1).

21 (b) STRATEGY FOR DEPARTMENT OF DEFENSE
22 SPECTRUM MANAGEMENT.—(1) Not later than September
23 1, 2004, the Board shall develop a strategy for the De-
24 partment of Defense for the management of the electro-
25 magnetic spectrum in order to ensure the development and

1 use of spectrum-efficient technologies to facilitate the
2 availability of adequate spectrum for network-centric war-
3 fare. The strategy shall include specific timelines, metrics,
4 plans for implementation, including the implementation of
5 technologies for the efficient use of spectrum, and pro-
6 posals for program funding.

7 (2) In developing the strategy, the Board shall con-
8 sider and take into account the research and development
9 program carried out under section 234.

10 (3) The Board shall assist in updating the strategy
11 developed under paragraph (1) on a biennial basis to ad-
12 dress changes in circumstances.

13 (4) The Board shall communicate with other depart-
14 ments and agencies of the Federal Government in the de-
15 velopment of the strategy described in subsection (a)(1),
16 including representatives of the military departments, the
17 Federal Communications Commission, the National Tele-
18 communications and Information Administration, the De-
19 partment of Homeland Security, the Federal Aviation Ad-
20 ministration, and other appropriate departments and
21 agencies of the Federal Government.

22 (c) BOARD DEFINED.—In this section, the term
23 “Board” means the board of senior acquisition officials
24 as defined in section 822.

1 **SEC. 236. AMOUNT FOR COLLABORATIVE INFORMATION**
 2 **WARFARE NETWORK.**

3 (a) AVAILABILITY OF FUNDS.—(1) Of the amount
 4 authorized to be appropriated by section 201(2), for re-
 5 search and development, Navy, \$8,000,000 may be avail-
 6 able for the Collaborative Information Warfare Network.

7 (2) The total amount authorized to be appropriated
 8 under section 201(2) is hereby increased by \$8,000,000.

9 (b) OFFSET.—Of the amount authorized to be appro-
 10 priated by section 301(4) for operation and maintenance,
 11 Air Force, the amount is hereby reduced by \$8,000,000.

12 **SEC. 237. COPRODUCTION OF ARROW BALLISTIC MISSILE**
 13 **DEFENSE SYSTEM.**

14 Of the total amount authorized to be appropriated
 15 under section 201 for ballistic missile defense,
 16 \$115,000,000 may be available for coproduction of the
 17 Arrow ballistic missile defense system.

18 **TITLE III—OPERATION AND**
 19 **MAINTENANCE**

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

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

23 Funds are hereby authorized to be appropriated for
 24 fiscal year 2004 for the use of the Armed Forces and other
 25 activities and agencies of the Department of Defense for

1 expenses, not otherwise provided for, for operation and
2 maintenance, in amounts as follows:

3 (1) For the Army, \$24,668,004,000.

4 (2) For the Navy, \$28,051,390,000.

5 (3) For the Marine Corps, \$3,416,356,000.

6 (4) For the Air Force, \$26,975,231,000.

7 (5) For Defense-wide activities,
8 \$15,739,047,000.

9 (6) For the Army Reserve, \$1,952,009,000.

10 (7) For the Naval Reserve, \$1,170,421,000.

11 (8) For the Marine Corps Reserve,
12 \$173,452,000.

13 (9) For the Air Force Reserve, \$2,178,688,000.

14 (10) For the Army National Guard,
15 \$4,227,331,000.

16 (11) For the Air National Guard,
17 \$4,405,646,000.

18 (12) For the Defense Inspector General,
19 \$160,049,000.

20 (13) For the United States Court of Appeals
21 for the Armed Forces, \$10,333,000.

22 (14) For Environmental Restoration, Army,
23 \$396,018,000.

24 (15) For Environmental Restoration, Navy,
25 \$256,153,000.

1 (16) For Environmental Restoration, Air Force,
2 \$384,307,000.

3 (17) For Environmental Restoration, Defense-
4 wide, \$24,081,000.

5 (18) For Environmental Restoration, Formerly
6 Used Defense Sites, \$252,619,000.

7 (19) For Overseas Humanitarian, Disaster, and
8 Civic Aid programs, \$59,000,000.

9 (20) For Drug Interdiction and Counter-drug
10 Activities, Defense-wide, \$817,371,000.

11 (21) For Defense Health Program,
12 \$14,862,900,000.

13 (22) For Cooperative Threat Reduction pro-
14 grams, \$450,800,000.

15 **SEC. 302. WORKING CAPITAL FUNDS.**

16 Funds are hereby authorized to be appropriated for
17 fiscal year 2004 for the use of the Armed Forces and other
18 activities and agencies of the Department of Defense for
19 providing capital for working capital and revolving funds
20 in amounts as follows:

21 (1) For the Defense Working Capital Funds,
22 \$1,661,307,000.

23 (2) For the National Defense Sealift Fund,
24 \$1,062,762,000.

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

2 There is hereby authorized to be appropriated for fis-
3 cal year 2004 from the Armed Forces Retirement Home
4 Trust Fund the sum of \$65,279,000 for the operation of
5 the Armed Forces Retirement Home, including the Armed
6 Forces Retirement Home—Washington and the Armed
7 Forces Retirement Home—Gulfport.

8 **Subtitle B—Program Require-**
9 **ments, Restrictions, and Limita-**
10 **tions**

11 **SEC. 311. EMERGENCY AND MORALE COMMUNICATIONS**
12 **PROGRAMS.**

13 (a) ARMED FORCES EMERGENCY SERVICES.—Of the
14 amount authorized to be appropriated by section 301(5)
15 for operation and maintenance for Defense-wide activities,
16 \$5,000,000 shall be made available to the American Red
17 Cross to fund the Armed Forces Emergency Services.

18 (b) DEPARTMENT OF DEFENSE MORALE TELE-
19 COMMUNICATIONS PROGRAM.—(1) As soon as possible
20 after the date of enactment of this Act, the Secretary of
21 Defense shall establish and carry out a program to pro-
22 vide, wherever practicable, prepaid phone cards, or an
23 equivalent telecommunications benefit which includes ac-
24 cess to telephone service, to members of the Armed Forces
25 stationed outside the United States who are directly sup-
26 porting military operations in Iraq or Afghanistan (as de-

1 terminated by the Secretary) to enable them to make tele-
2 phone calls to family and friends in the United States
3 without cost to the member.

4 (2) The value of the benefit provided by paragraph
5 (1) shall not exceed \$40 per month per person.

6 (3) The program established by paragraph (1) shall
7 terminate on September 30, 2004.

8 (4) In carrying out the program under this sub-
9 section, the Secretary shall maximize the use of existing
10 Department of Defense telecommunications programs and
11 capabilities, private entities free or reduced-cost services,
12 and programs to enhance morale and welfare. In addition,
13 and notwithstanding any limitation on the expenditure or
14 obligation of appropriated amounts, the Secretary may use
15 available funds appropriated to or for the use of the De-
16 partment of Defense that are not otherwise obligated or
17 expended to carry out the program.

18 (5) The Secretary may accept gifts and donations in
19 order to defray the costs of the program. Such gifts and
20 donations may be accepted from foreign governments;
21 foundations or other charitable organizations, including
22 those organized or operating under the laws of a foreign
23 country; and any source in the private sector of the United
24 States or a foreign country.

1 (6) The Secretary shall work with telecommuni-
2 cations providers to facilitate the deployment of additional
3 telephones for use in calling the United States under the
4 program as quickly as practicable, consistent with the
5 timely provision of telecommunications benefits of the pro-
6 gram, the Secretary should carry out this subsection in
7 a manner that allows for competition in the provision of
8 such benefits.

9 (7) The Secretary shall not take any action under this
10 subsection that would compromise the military objectives
11 or mission of the Department of Defense.

12 **SEC. 312. COMMERCIAL IMAGERY INDUSTRIAL BASE.**

13 (a) LIMITATION.—Not less than ninety percent of the
14 total amount authorized to be appropriated under this title
15 for the acquisition, processing, and licensing of commer-
16 cial imagery, including amounts authorized to be appro-
17 priated under this title for experimentation related to com-
18 mercial imagery, shall be used for the following purposes:

19 (1) To acquire space-based imagery from com-
20 mercial sources.

21 (2) To support the development of next-genera-
22 tion commercial imagery satellites.

23 (b) REPORT.—(1) Not later than March 1, 2004, the
24 Secretary of Defense shall submit to the Committees on
25 Armed Services of the Senate and the House of Represent-

1 atives a report on the actions taken and to be taken by
2 the Secretary to implement the President's commercial re-
3 mote sensing policy. The Secretary shall consult with the
4 Director of Central Intelligence in preparing the report.

5 (2) The report under paragraph (1) shall include an
6 assessment of the following matters:

7 (A) The sufficiency of the policy, the funding
8 for fiscal year 2004 for the procurement of imagery
9 from commercial sources, and the funding planned
10 in the future-years defense program for the procure-
11 ment of imagery from commercial sources to sustain
12 a viable commercial imagery industrial base in the
13 United States.

14 (B) The extent to which the United States pol-
15 icy and programs relating to the procurement of im-
16 agery from commercial sources are sufficient to en-
17 sure that imagery is available to the Department of
18 Defense from United States commercial firms to
19 timely meet the needs of the Department of Defense
20 for the imagery.

21 **SEC. 313. INFORMATION OPERATIONS SUSTAINMENT FOR**
22 **LAND FORCES READINESS OF ARMY RE-**
23 **SERVE.**

24 (a) INCREASE IN AUTHORIZATION OF APPROPRIA-
25 TIONS FOR ARMY RESERVE.—The amount authorized to

1 be appropriated by section 301(6) for operation and main-
2 tenance for the Army Reserve is hereby increased by
3 \$3,000,000.

4 (b) AVAILABILITY FOR INFORMATION OPERATIONS
5 SUSTAINMENT.—(1) Of the amount authorized to be ap-
6 propriated by section 301(6) for operation and mainte-
7 nance for the Army Reserve, as increased by subsection
8 (a), \$3,000,000 may be available for Information Oper-
9 ations (Account #19640) for Land Forces Readiness–In-
10 formation Operations Sustainment.

11 (2) The amount available under paragraph (1) for the
12 purpose specified in that paragraph is in addition to any
13 other amounts available under this Act for that purpose.

14 (c) OFFSET.—The amount authorized to be appro-
15 priated by section 301(4) for operation and maintenance
16 for the Air Force is hereby reduced by \$3,000,000.

17 **SEC. 314. SUBMITTAL OF SURVEY ON PERCHLORATE CON-**
18 **TAMINATION AT DEPARTMENT OF DEFENSE**
19 **SITES.**

20 (a) SUBMITTAL OF PERCHLORATE SURVEY.—Not
21 later than 30 days after the date of the enactment of this
22 Act, the Secretary of Defense shall submit to the appro-
23 priate committees of Congress the 2001 survey to identify
24 the potential for perchlorate contamination at all active
25 and closed Department of Defense sites that was prepared

1 by the United States Air Force Research Laboratory,
 2 Aerospace Expeditionary Force Technologies Division,
 3 Tyndall Air Force Base and Applied Research Associates.

4 (b) APPROPRIATE COMMITTEES OF CONGRESS DE-
 5 FINED.—In this section, the term “appropriate commit-
 6 tees of Congress” means—

7 (1) the Committee on Environment and Public
 8 Works of the Senate; and

9 (2) the Committee on Energy and Commerce of
 10 the House of Representatives.

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

13 **SEC. 321. GENERAL DEFINITIONS APPLICABLE TO FACILI-** 14 **TIES AND OPERATIONS.**

15 (a) GENERAL DEFINITIONS APPLICABLE TO FACILI-
 16 TIES AND OPERATIONS.—Section 101 of title 10, United
 17 States Code, is amended—

18 (1) by redesignating subsections (e) and (f) as
 19 subsections (f) and (g), respectively; and

20 (2) by inserting after subsection (d) the fol-
 21 lowing new subsection (e):

22 “(e) FACILITIES AND OPERATIONS.—The following
 23 definitions relating to facilities and operations shall apply
 24 in this title:

1 “(1)(A) The term ‘military munitions’ means
2 all ammunition products and components produced
3 for or used by the armed forces for national defense
4 and security, including ammunition products or com-
5 ponents under the control of the Department of De-
6 fense, the Coast Guard, the Department of Energy,
7 and the National Guard. The term includes confined
8 gaseous, liquid, and solid propellants, explosives, py-
9 rotechnics, chemical and riot control agents, smokes,
10 and incendiaries, including bulk explosives and
11 chemical warfare agents, chemical munitions, rock-
12 ets, guided and ballistic missiles, bombs, warheads,
13 mortar rounds, artillery ammunition, small arms
14 ammunition, grenades, mines, torpedoes, depth
15 charges, cluster munitions and dispensers, demoli-
16 tion charges, and devices and components thereof.

17 “(B) The term does not include wholly inert
18 items, improvised explosive devices, and nuclear
19 weapons, nuclear devices, and nuclear components,
20 except that the term does include nonnuclear compo-
21 nents of nuclear devices that are managed under the
22 nuclear weapons program of the Department of En-
23 ergy after all required sanitization operations under
24 the Atomic Energy Act of 1954 (42 U.S.C. 2011 et
25 seq.) have been completed.

1 “(2) The term ‘operational range’ means a
2 range under the jurisdiction, custody, or control of
3 the Secretary concerned that—

4 “(A) is used for range activities; or

5 “(B) is not currently used for range activi-
6 ties, but is still considered by the Secretary con-
7 cerned to be a range and has not been put to
8 a new use that is incompatible with range ac-
9 tivities.

10 “(3) The term ‘range’ means a designated land
11 or water area that is set aside, managed, and used
12 for range activities. The term includes firing lines
13 and positions, maneuver areas, firing lanes, test
14 pads, detonation pads, impact areas, electronic scor-
15 ing sites, and buffer zones with restricted access and
16 exclusionary areas. The term also includes airspace
17 areas designated for military use according to regu-
18 lations and procedures established by the Federal
19 Aviation Administration such as special use airspace
20 areas, military training routes, and other associated
21 airspace.

22 “(4) The term ‘range activities’ means—

23 “(A) research, development, testing, and
24 evaluation of military munitions, other ord-
25 nance, and weapons systems; and

1 “(B) the training of military personnel in
2 the use and handling of military munitions,
3 other ordnance, and weapons systems.

4 “(5) The term ‘unexploded ordnance’ means
5 military munitions that—

6 “(A) have been primed, fused, armed, or
7 otherwise prepared for action;

8 “(B) have been fired, dropped, launched,
9 projected, or placed in such a manner as to con-
10 stitute a hazard to operations, installations,
11 personnel, or material; and

12 “(C) remain unexploded either by malfunc-
13 tion, design, or any other cause.”.

14 (b) CONFORMING AMENDMENTS.—Section 2710(e)
15 of such title is amended by striking paragraphs (3), (5),
16 and (9) and redesignating paragraphs (4), (6), (7), (8),
17 and (10) as paragraphs (3), (4), (5), (6), and (7), respec-
18 tively.

19 **SEC. 322. MILITARY READINESS AND CONSERVATION OF**
20 **PROTECTED SPECIES.**

21 (a) IN GENERAL.—Part III of subtitle A of title 10,
22 United States Code, is amended by inserting after chapter
23 101 the following new chapter:

1 **“CHAPTER 101A—READINESS AND RANGE**
2 **PRESERVATION**

“Sec.

“2020. Military readiness and conservation of protected species.

3 **“§ 2020. Military readiness and conservation of pro-**
4 **tected species**

5 “(a) LIMITATION ON DESIGNATION OF CRITICAL
6 HABITAT.—The Secretary of the Interior may not des-
7 ignate as critical habitat any lands or other geographical
8 areas owned or controlled by the Department of Defense,
9 or designated for its use, that are subject to an integrated
10 natural resources management plan prepared under sec-
11 tion 101 of the Sikes Act (16 U.S.C. 670a), if the Sec-
12 retary of the Interior determines in writing that—

13 “(1) the management activities identified in the
14 plan will effectively conserve the threatened species
15 and endangered species within the lands or areas
16 covered by the plan; and

17 “(2) the plan provides assurances that adequate
18 funding will be provided for such management ac-
19 tivities.

20 “(b) CONSTRUCTION WITH CONSULTATION RE-
21 QUIREMENT.—Nothing in subsection (a) may be construed
22 to affect the requirement to consult under section 7(a)(2)
23 of the Endangered Species Act (16 U.S.C. 1536(a)(2))

1 with respect to an agency action (as that term is defined
2 in that section).”.

3 (b) CLERICAL AMENDMENTS.—The table of chapters
4 at the beginning of subtitle A of title 10, United States
5 Code, and at the beginning of part III of such subtitle,
6 are each amended by inserting after the item relating to
7 chapter 101 the following new item:

“101A. Readiness and Range Preservation 2020”.

8 **SEC. 323. ARCTIC AND WESTERN PACIFIC ENVIRONMENTAL**
9 **TECHNOLOGY COOPERATION PROGRAM.**

10 (a) IN GENERAL.—Subchapter II of chapter 138 of
11 title 10, United States Code, is amended by adding at the
12 end the following new section:

13 **“§ 2350m. Arctic and Western Pacific Environmental**
14 **Technology Cooperation Program**

15 “(a) AUTHORITY TO CONDUCT PROGRAM.—The Sec-
16 retary of Defense may, with the concurrence of the Sec-
17 retary of State, conduct on a cooperative basis with coun-
18 tries located in the Arctic and Western Pacific regions a
19 program of environmental activities provided for in sub-
20 section (b) in such regions. The program shall be known
21 as the ‘Arctic and Western Pacific Environmental Tech-
22 nology Cooperation Program’.

23 “(b) PROGRAM ACTIVITIES.—(1) Except as provided
24 in paragraph (3), activities under the program under sub-
25 section (a) may include cooperation and assistance among

1 elements of the Department of Defense and military de-
2 partments or relevant agencies of other countries on ac-
3 tivities that contribute to the demonstration of environ-
4 mental technology.

5 “(2) Activities under the program shall be consistent
6 with the requirements of the Cooperative Threat Reduc-
7 tion program.

8 “(3) Activities under the program may not include
9 activities for purposes prohibited under section 1403 of
10 the National Defense Authorization Act for Fiscal Year
11 1998 (Public Law 105–85; 111 Stat. 1960).

12 “(c) LIMITATION ON FUNDING FOR PROJECTS
13 OTHER THAN RADIOLOGICAL PROJECTS.—Not more than
14 10 percent of the amount made available for the program
15 under subsection (a) in any fiscal year may be available
16 for projects under the program other than projects on ra-
17 diological matters.

18 “(d) ANNUAL REPORT.—(1) Not later than March
19 1, 2004, and each year thereafter, the Secretary of De-
20 fense shall submit to Congress a report on activities under
21 the program under subsection (a) during the preceding fis-
22 cal year.

23 “(2) The report on the program for a fiscal year
24 under paragraph (1) shall include the following:

1 “(A) A description of the activities carried out
2 under the program during that fiscal year, including
3 a separate description of each project under the pro-
4 gram.

5 “(B) A statement of the amounts obligated and
6 expended for the program during that fiscal year,
7 set forth in aggregate and by project.

8 “(C) A statement of the life cycle costs of each
9 project, including the life cycle costs of such project
10 as of the end of that fiscal year and an estimate of
11 the total life cycle costs of such project upon comple-
12 tion of such project.

13 “(D) A statement of the participants in the ac-
14 tivities carried out under the program during that
15 fiscal year, including the elements of the Depart-
16 ment of Defense and the military departments or
17 agencies of other countries.

18 “(E) A description of the contributions of the
19 military departments and agencies of other countries
20 to the activities carried out under the program dur-
21 ing that fiscal year, including any financial or other
22 contributions to such activities.”.

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

“2350m. Arctic and Western Pacific Environmental Technology Cooperation Program.”.

1 **SEC. 324. PARTICIPATION IN WETLAND MITIGATION BANKS**
2 **IN CONNECTION WITH MILITARY CONSTRU-**
3 **CTION PROJECTS.**

4 (a) **AUTHORITY TO PARTICIPATE.**—Chapter 159 of
5 title 10, United States Code, is amended by adding at the
6 end the following new section:

7 **“§ 2697. Participation in wetland mitigation banks**

8 “(a) **AUTHORITY TO PARTICIPATE.**—In the case of
9 a military construction project that results, or may result,
10 in the destruction of or impacts to wetlands, the Secretary
11 concerned may make one or more payments to a wetland
12 mitigation banking program or consolidated user site (also
13 referred to as an ‘in-lieu-fee’ program) meeting the re-
14 quirement of subsection (b) in lieu of creating a wetland
15 on Federal property as mitigation for the project.

16 “(b) **APPROVAL OF PROGRAM OR SITE REQUIRED.**—
17 The Secretary concerned may make a payment to a pro-
18 gram or site under subsection (a) only if the program or
19 site is approved in accordance with the Federal Guidance
20 for the Establishment, Use, and Operation of Mitigation
21 Banks or the Federal Guidance on the Use of In-Lieu-
22 Fee Arrangements for Compensatory Mitigation under
23 section 404 of the Federal Water Pollution Control Act

1 (33 U.S.C. 1344) or section 10 of the Rivers and Harbors
 2 Appropriations Act of 1899 (33 U.S.C. 403).

3 “(c) AVAILABILITY OF FUNDS.—Amounts authorized
 4 to be appropriated for a military construction project for
 5 which a payment is authorized by subsection (a) may be
 6 utilized for purposes of making the payment.”.

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

“2697. Participation in wetland mitigation banks.”.

10 **SEC. 325. EXTENSION OF AUTHORITY TO USE ENVIRON-**
 11 **MENTAL RESTORATION ACCOUNT FUNDS**
 12 **FOR RELOCATION OF A CONTAMINATED FA-**
 13 **CILITY.**

14 Section 2703(c)(2) of title 10, United States Code,
 15 is amended by striking “September 30, 2003” and insert-
 16 ing “September 30, 2006”.

17 **SEC. 326. APPLICABILITY OF CERTAIN PROCEDURAL AND**
 18 **ADMINISTRATIVE REQUIREMENTS TO RES-**
 19 **TORATION ADVISORY BOARDS.**

20 Section 2705(d)(2) of title 10, United States Code,
 21 is amended by adding at the end the following new sub-
 22 paragraph:

23 “(C)(i) Section 10(a)(2) of the Federal Advisory
 24 Committee Act (5 U.S.C. App.), relating to publication in
 25 the Federal Register of notices of meetings of advisory

1 committees, shall not apply to any meeting of a restoration
 2 advisory board under this subsection, but a restoration ad-
 3 visory board shall publish timely notice of each meeting
 4 of the restoration advisory board in a local newspaper of
 5 general circulation.

6 “(ii) No limitation under any provision of law or reg-
 7 ulations on the total number of advisory committees (as
 8 that term is defined in section 3(2) of the Federal Advi-
 9 sory Committee Act) in existence at any one time shall
 10 operate to limit the number of restoration advisory boards
 11 in existence under this subsection at any one time.”.

12 **SEC. 327. EXPANSION OF AUTHORITIES ON USE OF VES-**
 13 **SELS STRICKEN FROM THE NAVAL VESSEL**
 14 **REGISTER FOR EXPERIMENTAL PURPOSES.**

15 (a) EXPANSION OF AUTHORITIES.—Subsection (b) of
 16 section 7306a of title 10, United States Code, is amended
 17 to read as follows:

18 “(b) STRIPPING AND ENVIRONMENTAL REMEDI-
 19 ATION OF VESSELS.—(1) Before using a vessel for experi-
 20 mental purposes pursuant to subsection (a), the Secretary
 21 shall carry out such stripping of the vessel as is practicable
 22 and such environmental remediation of the vessel as is re-
 23 quired for the use of the vessel for experimental purposes.

1 “(2) Material and equipment stripped from a vessel
2 under paragraph (1) may be sold by the contractor or by
3 a sales agent approved by the Secretary.

4 “(3) Amounts received as proceeds from the stripping
5 of a vessel pursuant to this subsection shall be credited
6 to funds available for stripping and environmental remedi-
7 ation of other vessels for use for experimental purposes.”.

8 (b) INCLUSION OF CERTAIN PURPOSES IN USE FOR
9 EXPERIMENTAL PURPOSES.—That section is further
10 amended by adding at the end the following new sub-
11 section:

12 “(c) USE FOR EXPERIMENTAL PURPOSES.—For pur-
13 poses of this section, the term ‘use for experimental pur-
14 poses’, in the case of a vessel, includes use of the vessel
15 by the Navy in sink exercises and as a target.”.

16 **SEC. 328. TRANSFER OF VESSELS STRICKEN FROM THE**
17 **NAVAL VESSEL REGISTER FOR USE AS ARTI-**
18 **FICIAL REEFS.**

19 (a) AUTHORITY TO MAKE TRANSFER.—Chapter 633
20 of title 10, United States Code, is amended by inserting
21 after section 7306a the following new section:

1 **“§ 7306b. Vessels stricken from Naval Vessel Register;**
2 **transfer by gift or otherwise for use as**
3 **artificial reefs**

4 “(a) AUTHORITY TO MAKE TRANSFER.—Subject to
5 subsection (b), the Secretary of the Navy may transfer,
6 by gift or otherwise, any vessel stricken from the Naval
7 Vessel Register to any State, Commonwealth, or posses-
8 sion of the United States or any municipal corporation
9 or political subdivision thereof.

10 “(b) INAPPLICABILITY TO CERTAIN VESSELS.—The
11 authority in subsection (a) shall not apply to vessels trans-
12 ferable to the Maritime Administration for disposal under
13 section 548 of title 40.

14 “(c) VESSEL TO BE USED AS ARTIFICIAL REEF.—
15 An agreement for the transfer of a vessel under subsection
16 (a) shall require that—

17 “(1) the recipient use, site, construct, monitor,
18 and manage the vessel only as an artificial reef in
19 accordance with the requirements of the National
20 Fishing Enhancement Act of 1984 (title II of Public
21 Law 98–623; 33 U.S.C. 2101 et seq.), except that
22 the recipient may use the artificial reef to enhance
23 diving opportunities if such use does not have an ad-
24 verse effect on fishery resources (as that term is de-
25 fined in section 2(14) of the Magnuson-Stevens

1 Fishery Conservation and Management Act (16
2 U.S.C. 1802(14)); and

3 “(2) the recipient obtain, and bear all responsi-
4 bility for complying with, applicable Federal, State,
5 interstate, and local permits for using, siting, con-
6 structing, monitoring, and managing the vessel as
7 an artificial reef.

8 “(d) PREPARATION OF VESSEL FOR USE AS ARTIFI-
9 CIAL REEF.—The Secretary shall ensure that the prepara-
10 tion of a vessel transferred under subsection (a) for use
11 as an artificial reef is conducted in accordance with—

12 “(1) the environmental best management prac-
13 tices developed pursuant to section 3504(b) of the
14 Bob Stump National Defense Authorization Act for
15 Fiscal Year 2003 (Public Law 107–314; 16 U.S.C.
16 1220 note); and

17 “(2) any applicable environmental laws.

18 “(e) COST SHARING.—The Secretary may share with
19 the recipient of a vessel transferred under subsection (a)
20 any costs associated with transferring the vessel under
21 that subsection, including costs of the preparation of the
22 vessel under subsection (d).

23 “(f) NO LIMITATION ON NUMBER OF VESSELS
24 TRANSFERABLE TO PARTICULAR RECIPIENT.—A State,
25 Commonwealth, or possession of the United States, or any

1 municipal corporation or political subdivision thereof, may
 2 be the recipient of more than one vessel transferred under
 3 subsection (a).

4 “(g) **ADDITIONAL TERMS AND CONDITIONS.**—The
 5 Secretary may require such additional terms and condi-
 6 tions in connection with a transfer authorized by sub-
 7 section (a) as the Secretary considers appropriate.

8 “(h) **CONSTRUCTION.**—Nothing in this section shall
 9 be construed to establish a preference for the use as artifi-
 10 cial reefs of vessels stricken from the Naval Vessel Reg-
 11 ister in lieu of other authorized uses of such vessels, in-
 12 cluding the domestic scrapping of such vessels, or other
 13 disposals of such vessels, under this chapter or other appli-
 14 cable authority.”.

15 (b) **CLERICAL AMENDMENT.**—The table of sections
 16 at the beginning of such chapter is amended by inserting
 17 after the item relating to section 7306a the following new
 18 item:

“7306b. Vessels stricken from Naval Vessel Register; transfer by gift or other-
 wise for use as artificial reefs.”.

19 **SEC. 329. SALVAGE FACILITIES.**

20 (a) **FACILITIES TO INCLUDE ENVIRONMENTAL PRO-**
 21 **TECTION EQUIPMENT.**—Section 7361(a) of title 10,
 22 United States Code, is amended—

23 (1) by inserting “(1)” before “The Secretary”;
 24 and

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

3 “(2) For purposes of this section, salvage facilities
4 shall include equipment and gear utilized to prevent,
5 abate, or minimize damage to the environment arising
6 from salvage activities.”.

7 (b) CLAIMS TO INCLUDE COMPENSATION FOR ENVI-
8 RONMENTAL PROTECTION.—Section 7363 of such title is
9 amended—

10 (1) by inserting “(a) AUTHORITY TO SETTLE
11 CLAIMS.—” before “The Secretary”; and

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

14 “(b) ENVIRONMENTAL PROTECTION SERVICES.—A
15 claim for salvage services covered by subsection (a) may
16 include, in addition to a claim for such salvage services,
17 a claim for compensation for services to prevent, abate,
18 or minimize damage to the environment arising from such
19 salvage services.”.

20 **SEC. 330. TASK FORCE ON RESOLUTION OF CONFLICT BE-**
21 **TWEEN MILITARY TRAINING AND ENDAN-**
22 **GERED SPECIES PROTECTION AT BARRY M.**
23 **GOLDWATER RANGE, ARIZONA.**

24 (a) PURPOSE.—The purpose of this section is to fa-
25 cilitate the determination of effective means of resolving

1 the current conflict between the dual objectives at Barry
2 M. Goldwater Range, Arizona, of the full utilization of live
3 ordnance delivery areas for military training and the pro-
4 tection of endangered species.

5 (b) TASK FORCE.—The Secretary of Defense shall
6 establish a task force to determine and assess various
7 means of enabling full use of the live ordnance delivery
8 areas at Barry M. Goldwater Range while also protecting
9 endangered species that are present at Barry M. Gold-
10 water Range.

11 (c) COMPOSITION.—(1) The task force established
12 under subsection (b) shall be composed of the following:

13 (A) The Air Force range officer, who shall serve
14 as chair of the task force.

15 (B) The range officer at Barry M. Goldwater
16 Range.

17 (C) The commander of Luke Air Force Base,
18 Arizona.

19 (D) The commander of Marine Corps Air Sta-
20 tion, Yuma, Arizona.

21 (E) The Director of the United States Fish and
22 Wildlife Service.

23 (F) The manager of the Cabeza Prieta National
24 Wildlife Refuge, Arizona.

1 (G) A representative of the Department of
2 Game and Fish of the State of Arizona, as selected
3 by the Secretary in consultation with the Governor
4 of the State of Arizona.

5 (H) A representative of a wildlife interest group
6 in the State of Arizona, as selected by the Secretary
7 in consultation with wildlife interest groups in the
8 State of Arizona.

9 (I) A representative of an environmental inter-
10 est group (other than a wildlife interest group) in
11 the State of Arizona, as selected by the Secretary in
12 consultation with environmental interest groups in
13 the State of Arizona.

14 (2) The chair of the task force may secure for the
15 task force the services of such experts with respect to the
16 duties of the task force under subsection (d) as the chair
17 considers advisable to carry out such duties.

18 (d) DUTIES.—The task force established under sub-
19 section (b) shall—

20 (1) assess the effects of the presence of endan-
21 gered species on military training activities in the
22 live ordnance delivery areas at Barry M. Goldwater
23 Range and in any other areas of the range that are
24 adversely effected by the presence of endangered
25 species;

1 (2) determine various means of addressing any
2 significant adverse effects on military training activi-
3 ties on Barry M. Goldwater Range that are identi-
4 fied pursuant to paragraph (1); and

5 (3) determine the benefits and costs associated
6 with the implementation of each means identified
7 under paragraph (2).

8 (e) REPORT.—Not later than February 28, 2005, the
9 task force under subsection (b) shall submit to Congress
10 a report on its activities under this section. The report
11 shall include—

12 (1) a description of the assessments and deter-
13 minations made under subsection (d);

14 (2) such recommendations for legislative and
15 administrative action as the task force considers ap-
16 propriate; and

17 (3) an evaluation of the utility of task force
18 proceedings as a means of resolving conflicts be-
19 tween military training objectives and protection of
20 endangered species at other military training and
21 testing ranges.

22 **SEC. 331. PUBLIC HEALTH ASSESSMENT OF EXPOSURE TO**
23 **PERCHLORATE.**

24 (a) EPIDEMIOLOGICAL STUDY OF EXPOSURE TO
25 PERCHLORATE.—

1 (1) IN GENERAL.—The Secretary of Defense
2 shall provide for an independent epidemiological
3 study of exposure to perchlorate in drinking water.

4 (2) PERFORMANCE OF STUDY.—The Secretary
5 shall provide for the performance of the study under
6 this subsection through the Centers for Disease Con-
7 trol, the National Institutes of Health, or another
8 Federal entity with experience in environmental toxico-
9 logy selected by the Secretary for purposes of the
10 study.

11 (3) MATTERS TO BE INCLUDED IN STUDY.—In
12 providing for the study under this subsection, the
13 Secretary shall require the Federal entity conducting
14 the study—

15 (A) to assess the incidence of thyroid dis-
16 ease and measurable effects of thyroid function
17 in relation to exposure to perchlorate;

18 (B) to ensure that the study is of sufficient
19 scope and scale to permit the making of mean-
20 ingful conclusions of the measurable public
21 health threat associated with exposure to per-
22 chlorate, especially the threat to sensitive sub-
23 populations; and

24 (C) to study thyroid function, including
25 measurements of urinary iodine and thyroid

1 hormone levels, in a sufficient number of preg-
2 nant women, neonates, and infants exposed to
3 perchlorate in drinking water and match meas-
4 urements of perchlorate levels in the drinking
5 water of each study participant in order to per-
6 mit the development of meaningful conclusions
7 on the public health threat to individuals ex-
8 posed to perchlorate.

9 (4) REPORT ON STUDY.—The Secretary shall
10 require the Federal entity conducting the study
11 under this subsection to submit to the Secretary a
12 report on the study not later than June 1, 2005.

13 (b) REVIEW OF EFFECTS OF PERCHLORATE ON EN-
14 DOCRINE SYSTEM.—

15 (1) IN GENERAL.—The Secretary shall provide
16 for an independent review of the effects of per-
17 chlorate on the human endocrine system.

18 (2) PERFORMANCE OF REVIEW.—The Secretary
19 shall provide for the performance of the review
20 under this subsection through the Centers for Dis-
21 ease Control, the National Institutes of Health, or
22 another appropriate Federal research entity with ex-
23 perience in human endocrinology selected by the Sec-
24 retary for purposes of the review. The Secretary
25 shall ensure that the panel conducting the review is

1 composed of individuals with expertise in human en-
2 docrinology.

3 (3) MATTERS TO BE INCLUDED IN REVIEW.—

4 In providing for the review under this subsection,
5 the Secretary shall require the Federal entity con-
6 ducting the review to assess—

7 (A) available data on human exposure to
8 perchlorate, including clinical data and data on
9 exposure of sensitive subpopulations, and the
10 levels at which health effects were observed; and

11 (B) available data on other substances that
12 have endocrine effects similar to perchlorate to
13 which the public is frequently exposed.

14 (4) REPORT ON REVIEW.—The Secretary shall
15 require the Federal entity conducting the review
16 under this subsection to submit to the Secretary a
17 report on the review not later than June 1, 2005.

1 **Subtitle D—Reimbursement**
2 **Authorities**

3 **SEC. 341. REIMBURSEMENT OF RESERVE COMPONENT**
4 **MILITARY PERSONNEL ACCOUNTS FOR PER-**
5 **SONNEL COSTS OF SPECIAL OPERATIONS RE-**
6 **SERVE COMPONENT PERSONNEL ENGAGED**
7 **IN LANDMINES CLEARANCE.**

8 (a) REIMBURSEMENT.—Funds authorized to be ap-
9 propriated under section 301 for Overseas Humanitarian,
10 Disaster, and Civic Aid programs shall be available for
11 transfer to reserve component military personnel accounts
12 in reimbursement of such accounts for the pay and allow-
13 ances paid to reserve component personnel under the
14 United States Special Operations Command for duty per-
15 formed by such personnel in connection with training and
16 other activities relating to the clearing of landmines for
17 humanitarian purposes.

18 (b) MAXIMUM AMOUNT.—Not more than \$5,000,000
19 may be transferred under subsection (a).

20 (c) MERGER OF TRANSFERRED FUNDS.—Funds
21 transferred to an account under this section shall be
22 merged with other sums in the account and shall be avail-
23 able for the same period and purposes as the sums with
24 which merged.

1 (d) RELATIONSHIP TO OTHER TRANSFER AUTHOR-
 2 ITY.—The transfer authority under this section is in addi-
 3 tion to the transfer authority provided under section 1001.

4 **SEC. 342. REIMBURSEMENT OF RESERVE COMPONENT AC-**
 5 **COUNTS FOR COSTS OF INTELLIGENCE AC-**
 6 **TIVITIES SUPPORT PROVIDED BY RESERVE**
 7 **COMPONENT PERSONNEL.**

8 (a) IN GENERAL.—Chapter 1805 of title 10, United
 9 States Code, is amended by inserting after section 18502
 10 the following new section:

11 **“§ 18503. Reserve components: reimbursement for**
 12 **costs of intelligence support provided by**
 13 **reserve component personnel**

14 “(a) REIMBURSEMENT REQUIREMENT.—The Sec-
 15 retary of Defense or the Secretary concerned shall transfer
 16 to the appropriate reserve component military personnel
 17 account or operation and maintenance account the amount
 18 necessary to reimburse such account for the costs charged
 19 that account for military pay and allowances or operation
 20 and maintenance associated with the performance of duty
 21 described in subsection (b) by reserve component per-
 22 sonnel.

23 “(b) REIMBURSABLE COSTS.—The transfer require-
 24 ment under subsection (a) applies with respect to the per-
 25 formance of duty in providing intelligence support, coun-

1 terintelligence support, or intelligence and counterintel-
2 lligence support to a combatant command, Defense Agen-
3 cy, or joint intelligence activity, including any activity or
4 program within the National Foreign Intelligence Pro-
5 gram, the Joint Military Intelligence Program, or the Tac-
6 tical Intelligence and Related Activities Program.

7 “(c) SOURCES OF REIMBURSEMENTS.—Funds avail-
8 able for operation and maintenance for the Army, Navy,
9 Air Force, or Marine Corps, for a combatant command,
10 or for a Defense Agency shall be available for transfer
11 under this section to military personnel accounts and oper-
12 ation and maintenance accounts of the reserve compo-
13 nents.

14 “(d) DISTRIBUTION TO UNITS.—Amounts reim-
15 bursed to an account for duty performed by reserve com-
16 ponent personnel shall be distributed to the lowest level
17 unit or other organization of such personnel that admin-
18 isters and is accountable for the appropriated funds
19 charged the costs that are being reimbursed.

20 “(e) MERGER OF TRANSFERRED FUNDS.—Funds
21 transferred to an account under this section shall be
22 merged with other sums in the account and shall be avail-
23 able for the same period and purposes as the sums with
24 which merged.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 at the beginning of such chapter is amended inserting
3 after the item relating to section 18502 the following new
4 item:

“18503. Reserve components: reimbursement for costs of intelligence support
provided by reserve component personnel.”.

5 **SEC. 343. REIMBURSEMENT RATE FOR SERVICES PRO-**
6 **VIDED TO THE DEPARTMENT OF STATE.**

7 (a) AUTHORITY.—Subsection (a) of section 2642 of
8 title 10, United States Code, is amended—

9 (1) by striking “(a) AUTHORITY” and all that
10 follows through “the Department of Defense” and
11 inserting the following:

12 “(a) AUTHORITY.—The Secretary of Defense may
13 authorize the use of the Department of Defense reim-
14 bursement rate for military airlift services provided by a
15 component of the Department of Defense as follows:

16 “(1) Military airlift services provided”; and

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

19 “(2) Military airlift services provided to the De-
20 partment of State for the transportation of armored
21 motor vehicles to a foreign country to meet
22 unfulfilled requirements of the Department of State
23 for armored motor vehicles in such foreign coun-
24 try.”.

1 (b) CONFORMING AND CLERICAL AMENDMENTS.—

2 (1) The heading for such section is amended to read as
3 follows:

4 **“§ 2642. Reimbursement rate for airlift services pro-**
5 **vided to Central Intelligence Agency or**
6 **Department of State”.**

7 (2) The item relating to such section in the table of
8 sections at the beginning of chapter 157 of such title is
9 amended to read as follows:

“2642. Reimbursement rate for airlift services provided to Central Intelligence
Agency or Department of State.”.

10 (c) COSTS OF GOODS AND SERVICES PROVIDED TO
11 DEPARTMENT OF STATE.—For any fee charged to the De-
12 partment of Defense by the Department of State during
13 any year for the maintenance, upgrade, or construction
14 of United States diplomatic facilities, the Secretary of De-
15 fense may remit to the Department of State only that por-
16 tion, if any, of the total amount of the fee charged for
17 such year that exceeds the total amount of the costs in-
18 curred by the Department of Defense for providing goods
19 and services to the Department of State during such year.

1 **Subtitle E—Defense Dependents**
2 **Education**

3 **SEC. 351. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES**
4 **THAT BENEFIT DEPENDENTS OF MEMBERS**
5 **OF THE ARMED FORCES AND DEPARTMENT**
6 **OF DEFENSE CIVILIAN EMPLOYEES.**

7 (a) CONTINUATION OF DEPARTMENT OF DEFENSE
8 PROGRAM FOR FISCAL YEAR 2004.—Of the amount au-
9 thorized to be appropriated pursuant to section 301(5) for
10 operation and maintenance for Defense-wide activities,
11 \$30,000,000 shall be available only for the purpose of pro-
12 viding educational agencies assistance to local educational
13 agencies.

14 (b) NOTIFICATION.—Not later than June 30, 2004,
15 the Secretary of Defense shall notify each local edu-
16 cational agency that is eligible for educational agencies as-
17 sistance for fiscal year 2004 of—

- 18 (1) that agency’s eligibility for the assistance;
19 and
20 (2) the amount of the assistance for which that
21 agency is eligible.

22 (c) DISBURSEMENT OF FUNDS.—The Secretary of
23 Defense shall disburse funds made available under sub-
24 section (a) not later than 30 days after the date on which

1 notification to the eligible local educational agencies is
2 provided pursuant to subsection (b).

3 (d) AVAILABILITY OF FUNDS FOR LOCAL EDU-
4 CATIONAL AGENCIES AFFECTED BY THE BROOKS AIR
5 FORCE BASE DEMONSTRATION PROJECT.—(1) Up to
6 \$500,000 of the funds made available under subsection
7 (a) may (notwithstanding the limitation in such sub-
8 section) also be used for making basic support payments
9 for fiscal year 2004 to a local educational agency that re-
10 ceived a basic support payment for fiscal year 2003, but
11 whose payment for fiscal year 2004 would be reduced be-
12 cause of the conversion of Federal property to non-Federal
13 ownership under the Department of Defense infrastruc-
14 ture demonstration project at Brooks Air Force Base,
15 Texas, and the amounts of such basic support payments
16 for fiscal year 2004 shall be computed as if the converted
17 property were Federal property for purposes of receiving
18 the basic support payments for the period in which the
19 demonstration project is ongoing, as documented by the
20 local educational agency to the satisfaction of the Sec-
21 retary.

22 (2) If funds are used as authorized under paragraph
23 (1), the Secretary shall reduce the amount of any basic
24 support payment for fiscal year 2004 for a local edu-
25 cational agency described in paragraph (1) by the amount

1 of any revenue that the agency received during fiscal year
2 2002 from the Brooks Development Authority as a result
3 of the demonstration project described in paragraph (1).

4 (e) DEFINITIONS.—In this section:

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

10 (2) The term “local educational agency” has
11 the meaning given that term in section 8013(9) of
12 the Elementary and Secondary Education Act of
13 1965 (20 U.S.C. 7713(9)).

14 (3) The term “basic support payment” means
15 a payment authorized under section 8003(b(1)) of
16 the Elementary and Secondary Education Act of
17 1965 (20 U.S.C. 7703(b)(1)).

18 **SEC. 352. IMPACT AID FOR CHILDREN WITH SEVERE DIS-**
19 **ABILITIES.**

20 Of the amount authorized to be appropriated pursu-
21 ant to section 301(5) for operation and maintenance for
22 Defense-wide activities, \$5,000,000 shall be available for
23 payments under section 363 of the Floyd D. Spence Na-
24 tional Defense Authorization Act for Fiscal Year 2001 (as

1 enacted into law by Public Law 106–398; 114 Stat.
2 1654A–77; 20 U.S.C. 7703a).

3 **Subtitle F—Other Matters**

4 **SEC. 361. SALE OF DEFENSE INFORMATION SYSTEMS AGEN-** 5 **CY SERVICES TO CONTRACTORS PER-** 6 **FORMING THE NAVY-MARINE CORPS** 7 **INTRANET CONTRACT.**

8 (a) **AUTHORITY.**—The Secretary of Defense may sell
9 working-capital funded services of the Defense Informa-
10 tion Systems Agency to a person outside the Department
11 of Defense for use by that person in the performance of
12 the Navy-Marine Corps Intranet contract.

13 (b) **REIMBURSEMENT.**—The Secretary shall require
14 reimbursement of each working-capital fund for the costs
15 of services sold under subsection (a) that were paid for
16 out of such fund. The sources of the reimbursement shall
17 be the appropriation or appropriations funding the Navy-
18 Marine Corps Intranet contract or any cash payments re-
19 ceived by the Secretary for the services.

20 (c) **NAVY-MARINE CORPS INTRANET CONTRACT DE-**
21 **FINED.**—In this section, the term “Navy-Marine Corps
22 Intranet contract” has the meaning given such term in
23 section 814 of the Floyd D. Spence National Defense Au-
24 thorization Act for Fiscal Year 2001 (as enacted into law
25 by Public Law 106–398 (114 Stat. 1654A–217)).

1 **SEC. 362. USE OF THE DEFENSE MODERNIZATION ACCOUNT**
2 **FOR LIFE CYCLE COST REDUCTION INITIA-**
3 **TIVES.**

4 (a) FUNDS AVAILABLE FOR DEFENSE MODERNIZA-
5 TION ACCOUNT.—Section 2216 of title 10, United States
6 Code is amended—

7 (1) by striking subsection (c);

8 (2) by redesignating subsection (b) as sub-
9 section (c); and

10 (3) by inserting after subsection (a) the fol-
11 lowing new subsection (b):

12 “(b) FUNDS AVAILABLE FOR ACCOUNT.—The De-
13 fense Modernization Account shall consist of the following:

14 “(1) Amounts appropriated to the Defense
15 Modernization Account for the costs of commencing
16 projects described in subsection (d)(1), and amounts
17 reimbursed to the Defense Modernization Account
18 under subsections (c)(1)(B)(iii) out of savings de-
19 rived from such projects.

20 “(2) Amounts transferred to the Defense Mod-
21 ernization Account under subsection (c).”.

22 (b) START-UP FUNDING.—Subsection (d) of such
23 section is amended—

24 (1) by striking “available from the Defense
25 Modernization Account pursuant to subsection (f) or

1 (g)” and inserting “in the Defense Modernization
2 Account”;

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

5 (3) by inserting after “purposes:” the following
6 new paragraph (1):

7 “(1) For paying the costs of commencing any
8 project that, in accordance with criteria prescribed
9 by the Secretary of Defense, is undertaken by the
10 Secretary of a military department or the head of a
11 Defense Agency or other element of the Department
12 of Defense to reduce the life cycle cost of a new or
13 existing system.”.

14 (c) REIMBURSEMENT OF ACCOUNT OUT OF SAV-
15 INGS.—(1) Paragraph (1)(B) of subsection (c) of such sec-
16 tion, as redesignated by subsection (a)(2), is amended by
17 adding at the end the following new clause:

18 “(iii) Unexpired funds in appropriations ac-
19 counts that are available for procurement or oper-
20 ation and maintenance of a system, if and to the ex-
21 tent that savings are achieved for such accounts
22 through reductions in life cycle costs of such system
23 that result from one or more projects undertaken
24 with respect to such systems with funds made avail-

1 able from the Defense Modernization Account under
2 subsection (b)(1).”.

3 (2) Paragraph (2) of such subsection is amended by
4 inserting “, other than funds referred to in paragraph sub-
5 paragraph (B)(iii) of such paragraph,” after “Funds re-
6 ferred to in paragraph (1)”.

7 (d) REGULATIONS.—Subsection (h) of such section is
8 amended—

9 (1) by inserting “(1)” after “COMPTROL-
10 LER.—”; and

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

13 “(2) The regulations prescribed under paragraph (1)
14 shall, at a minimum, provide for—

15 “(A) the submission of proposals by the Secre-
16 taries concerned or heads of Defense Agencies or
17 other elements of the Department of Defense to the
18 Comptroller for the use of Defense Modernization
19 Account funds for purposes set forth in subsection
20 (d);

21 “(B) the use of a competitive process for the
22 evaluation of such proposals and the selection of
23 programs, projects, and activities to be funded out
24 of the Defense Modernization Account from among
25 those proposed for such funding; and

1 “(C) the calculation of—

2 “(i) the savings to be derived from projects
3 described in subsection (d)(1) that are to be
4 funded out of the Defense Modernization Ac-
5 count; and

6 “(ii) the amounts to be reimbursed to the
7 Defense Modernization Account out of such
8 savings pursuant to subsection (c)(1)(B)(iii).”.

9 (e) ANNUAL REPORT.—Subsection (i) of such section
10 is amended—

11 (1) by striking “(i) QUARTERLY REPORTS.—(1)
12 Not later than 15 days after the end of each cal-
13 endar quarter,” and inserting “(i) ANNUAL RE-
14 PORT.—(1) Not later than 15 days after the end of
15 each fiscal year,”; and

16 (2) in paragraph (1), by striking “quarter” in
17 subparagraphs (A), (B), and (C), and inserting “fis-
18 cal year”.

19 (f) EXTENSION OF AUTHORITY.—Section 912(e)(1)
20 of the National Defense Authorization Act for Fiscal Year
21 1996 is amended—

22 (1) by striking “section 2216(b)” and inserting
23 “section 2216(c)”; and

24 (2) by striking “September 30, 2003” and in-
25 serting “September 30, 2006”.

1 **SEC. 363. EXEMPTION OF CERTAIN FIREFIGHTING SERVICE**
2 **CONTRACTS FROM PROHIBITION ON CON-**
3 **TRACTS FOR PERFORMANCE OF FIRE-**
4 **FIGHTING FUNCTIONS.**

5 Section 2465(b) of title 10, United States Code, is
6 amended—

7 (1) in paragraph (2), by striking “or” at the
8 end;

9 (2) in paragraph (3), by striking the period and
10 inserting “; or”; and

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

13 “(4) to a contract for the performance for fire-
14 fighting functions if the contract is—

15 “(A) for a period of one year or less; and

16 “(B) for the performance of firefighting
17 functions that would otherwise be performed by
18 military firefighters who are otherwise de-
19 ployed.”.

20 **SEC. 364. TECHNICAL AMENDMENT RELATING TO TERMI-**
21 **NATION OF SACRAMENTO ARMY DEPOT, SAC-**
22 **RAMENTO, CALIFORNIA.**

23 Section 2466 of title 10, United States Code, is
24 amended by striking subsection (d).

1 **SEC. 365. EXCEPTION TO COMPETITION REQUIREMENT**
2 **FOR WORKLOADS PREVIOUSLY PERFORMED**
3 **BY DEPOT-LEVEL ACTIVITIES.**

4 Section 2469 of title 10, United States Code, is
5 amended—

6 (1) in subsection (b), by inserting “, except as
7 provided in subsection (c)” before the period at the
8 end;

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

11 (3) by inserting after subsection (b) the fol-
12 lowing new subsection (c):

13 “(c) EXCEPTION.—Subsection (a) does not apply to
14 any depot-level maintenance and repair workload that is
15 performed by a public-private partnership under section
16 2474(b) of this title consisting of a depot-level activity and
17 a private entity.”.

18 **SEC. 366. SUPPORT FOR TRANSFERS OF DECOMMISSIONED**
19 **VESSELS AND SHIPBOARD EQUIPMENT.**

20 (a) IN GENERAL.—Chapter 633 of title 10, United
21 States Code, is amended by adding at the end the fol-
22 lowing new section:

23 **“§ 7316. Support for transfers of decommissioned ves-**
24 **sels and shipboard equipment**

25 “(a) AUTHORITY TO PROVIDE ASSISTANCE.—The
26 Secretary of the Navy may provide an entity described in

1 subsection (b) with assistance in support of a transfer of
2 a vessel or shipboard equipment described in such sub-
3 section that is being executed under section 2572, 7306,
4 7307, or 7545 of this title, or under any other authority.

5 “(b) COVERED VESSELS AND EQUIPMENT.—The au-
6 thority under this section applies—

7 “(1) in the case of a decommissioned vessel
8 that—

9 “(A) is owned and maintained by the
10 Navy, is located at a Navy facility, and is not
11 in active use; and

12 “(B) is being transferred to an entity des-
13 igned by the Secretary of the Navy or by law
14 to receive transfer of the vessel; and

15 “(2) in the case of any shipboard equipment
16 that—

17 “(A) is on a vessel described in paragraph
18 (1)(A); and

19 “(B) is being transferred to an entity des-
20 igned by the Secretary of the Navy or by law
21 to receive transfer of the equipment.

22 “(c) REIMBURSEMENT.—The Secretary may require
23 a recipient of assistance under subsection (a) to reimburse
24 the Navy for amounts expended by the Navy in providing
25 the assistance.

1 “(d) DEPOSIT OF FUNDS RECEIVED.—Funds re-
 2 ceived in a fiscal year under subsection (c) shall be cred-
 3 ited to the appropriation available for such fiscal year for
 4 operation and maintenance for the office of the Navy man-
 5 aging inactive ships, shall be merged with other sums in
 6 the appropriation that are available for such office, and
 7 shall be available for the same purposes and period as the
 8 sums with which merged.”.

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

“7316. Support for transfers of decommissioned vessels and shipboard equip-
 ment.”.

12 **SEC. 367. AIRCRAFT FOR PERFORMANCE OF AERIAL RE-**
 13 **FUELING MISSION.**

14 (a) RESTRICTION ON RETIREMENT OF KC-135E
 15 AIRCRAFT.—The Secretary of the Air Force shall ensure
 16 that the number of KC-135E aircraft of the Air Force
 17 that are retired in fiscal year 2004, if any, does not exceed
 18 12 such aircraft.

19 (b) REQUIRED ANALYSIS.—Not later than March 1,
 20 2004, the Secretary of the Air Force shall submit to the
 21 congressional defense committees an analysis of alter-
 22 natives for meeting the aerial refueling requirements that
 23 the Air Force has the mission to meet. The Secretary shall
 24 provide for the analysis to be performed by a federally

1 funded research and development center or another entity
2 independent of the Department of Defense.

3 **SEC. 368. CONTRACTING WITH EMPLOYERS OF PERSONS**
4 **WITH DISABILITIES.**

5 (a) INAPPLICABILITY OF RANDOLPH-SHEPPARD
6 ACT.—The Randolph-Sheppard Act does not apply to any
7 contract described in subsection (b) for so long as the con-
8 tract is in effect, including for any period for which the
9 contract is extended pursuant to an option provided in the
10 contract.

11 (b) JAVITS-WAGNER-O'DAY CONTRACTS.—Sub-
12 section (a) applies to any contract for the operation of a
13 Department of Defense facility described in subsection (c)
14 that was entered into before the date of the enactment
15 of this Act with a nonprofit agency for the blind or an
16 agency for other severely handicapped in compliance with
17 section 3 of the Javits-Wagner-O'Day Act (41 U.S.C. 48)
18 and is in effect on such date.

19 (c) COVERED FACILITIES.—The Department of De-
20 fense facilities referred to in subsection (b) are as follows:

21 (1) A military troop dining facility.

22 (2) A military mess hall.

23 (3) Any similar dining facility operated for the
24 purpose of providing meals to members of the
25 Armed Forces.

1 (d) ENACTMENT OF POPULAR NAME AS SHORT
2 TITLE.—The Act entitled “An Act to authorize the oper-
3 ation of stands in Federal buildings by blind persons, to
4 enlarge the economic opportunities of the blind, and for
5 other purposes”, approved June 20, 1936 (commonly
6 known as the “Randolph-Sheppard Act”) (20 U.S.C. 107
7 et seq.), is amended by adding at the end the following
8 new section:

9 “SEC. 11. This Act may be cited as the ‘Randolph-
10 Sheppard Act’.”.

11 (e) DEMONSTRATION PROJECTS FOR CONTRACTORS
12 EMPLOYING PERSONS WITH DISABILITIES.—(1) The Sec-
13 retary of Defense may carry out two demonstration
14 projects for the purpose of providing opportunities for par-
15 ticipation by severely disabled individuals in the industries
16 of manufacturing and information technology.

17 (2) Under each demonstration project, the Secretary
18 may enter into one or more contracts with an eligible con-
19 tractor for each of fiscal years 2004 and 2005 for the ac-
20 quisition of—

21 (A) aerospace end items or components; or

22 (B) information technology products or services.

23 (3) The items, components, products, or services au-
24 thorized to be procured under paragraph (2) include—

1 (A) computer numerically-controlled machining
2 and metal fabrication;

3 (B) computer application development, testing,
4 and support in document management, microfilming,
5 and imaging; and

6 (C) any other items, components, products, or
7 services described in paragraph (2) that are not de-
8 scribed in subparagraph (A) or (B).

9 (4) In this subsection:

10 (A) The term “eligible contractor” means a
11 business entity operated on a for-profit or nonprofit
12 basis that—

13 (i) employs not more than 500 individuals;

14 (ii) employs severely disabled individuals at
15 a rate that averages not less than 33 percent of
16 its total workforce over a period prescribed by
17 the Secretary;

18 (iii) employs each severely disabled indi-
19 vidual in its workforce generally on the basis of
20 40 hours per week;

21 (iv) pays not less than the minimum wage
22 prescribed pursuant to section 6 of the Fair
23 Labor Standards Act of 1938 (29 U.S.C. 206)
24 to the employees who are severely disabled indi-
25 viduals;

1 (v) provides for its employees health insur-
2 ance and a retirement plan comparable to those
3 provided for employees by business entities of
4 similar size in its industrial sector or geo-
5 graphic region; and

6 (vi) has or can acquire a security clearance
7 as necessary.

8 (B) The term “severely disabled individual”
9 means an individual with a disability (as defined in
10 section 3 of the Americans with Disabilities Act of
11 1990 (42 U.S.C. 12102)) who has a severe physical
12 or mental impairment that seriously limits one or
13 more functional capacities.

14 **SEC. 369. REPEAL OF CALENDAR YEAR LIMITATIONS ON**
15 **USE OF COMMISSARY STORES BY CERTAIN**
16 **RESERVES AND OTHERS.**

17 (a) MEMBERS OF THE READY RESERVE.—Section
18 1063(a) of title 10, United States Code, is amended by
19 striking the period at the end of the first sentence and
20 all that follows and inserting “in that calendar year.”.

21 (b) CERTAIN OTHER PERSONS.—Section 1064 of
22 such title is amended by striking “for 24 days each cal-
23 endar year”.

1 **TITLE IV—MILITARY**
2 **PERSONNEL AUTHORIZATIONS**
3 **Subtitle A—Active Forces**

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

5 The Armed Forces are authorized strengths for active
6 duty personnel as of September 30, 2004, as follows:

- 7 (1) The Army, 480,000.
8 (2) The Navy, 373,800.
9 (3) The Marine Corps, 175,000.
10 (4) The Air Force, 359,300.

11 **SEC. 402. INCREASED MAXIMUM PERCENTAGE OF GEN-**
12 **ERAL AND FLAG OFFICERS ON ACTIVE DUTY**
13 **AUTHORIZED TO BE SERVING IN GRADES**
14 **ABOVE BRIGADIER GENERAL AND REAR AD-**
15 **MIRAL (LOWER HALF).**

16 Section 525(a) of title 10, United States Code, is
17 amended by striking “50 percent” both places it appears
18 and inserting “55 percent”.

19 **SEC. 403. EXTENSION OF CERTAIN AUTHORITIES RELAT-**
20 **ING TO MANAGEMENT OF NUMBERS OF GEN-**
21 **ERAL AND FLAG OFFICERS IN CERTAIN**
22 **GRADES.**

23 (a) SENIOR JOINT OFFICER POSITIONS.—Section
24 604(c) of title 10, United States Code, is amended by

1 striking “December 31, 2004” and inserting “December
2 31, 2005”.

3 (b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY
4 IN GENERAL AND FLAG OFFICER GRADES.—Section
5 525(b)(5)(C) of such title is amended by striking “Decem-
6 ber 31, 2004” and inserting “December 31, 2005”.

7 (c) AUTHORIZED STRENGTH FOR GENERAL AND
8 FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b)(3) of
9 such title is amended by striking “December 31, 2004”
10 and inserting “December 31, 2005”.

11 **Subtitle B—Reserve Forces**

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

13 (a) IN GENERAL.—The Armed Forces are authorized
14 strengths for Selected Reserve personnel of the reserve
15 components as of September 30, 2004, as follows:

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

18 (2) The Army Reserve, 205,000.

19 (3) The Naval Reserve, 85,900.

20 (4) The Marine Corps Reserve, 39,600.

21 (5) The Air National Guard of the United
22 States, 107,030.

23 (6) The Air Force Reserve, 75,800.

24 (7) The Coast Guard Reserve, 10,000.

1 (b) ADJUSTMENTS.—The end strengths prescribed by
2 subsection (a) for the Selected Reserve of any reserve com-
3 ponent shall be proportionately reduced by—

4 (1) the total authorized strength of units orga-
5 nized to serve as units of the Selected Reserve of
6 such component which are on active duty (other
7 than for training) at the end of the fiscal year; and

8 (2) the total number of individual members not
9 in units organized to serve as units of the Selected
10 Reserve of such component who are on active duty
11 (other than for training or for unsatisfactory partici-
12 pation in training) without their consent at the end
13 of the fiscal year.

14 Whenever such units or such individual members are re-
15 leased from active duty during any fiscal year, the end
16 strength prescribed for such fiscal year for the Selected
17 Reserve of such reserve component shall be proportion-
18 ately increased by the total authorized strengths of such
19 units and by the total number of such individual members.

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

22 Within the end strengths prescribed in section
23 411(a), the reserve components of the Armed Forces are
24 authorized, as of September 30, 2004, the following num-
25 ber of Reserves to be serving on full-time active duty or

1 full-time duty, in the case of members of the National
2 Guard, for the purpose of organizing, administering, re-
3 cruiting, instructing, or training the reserve components:

4 (1) The Army National Guard of the United
5 States, 25,599.

6 (2) The Army Reserve, 14,374.

7 (3) The Naval Reserve, 14,384.

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

9 (5) The Air National Guard of the United
10 States, 12,191.

11 (6) The Air Force Reserve, 1,660.

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

14 The minimum number of military technicians (dual
15 status) as of the last day of fiscal year 2004 for the re-
16 serve components of the Army and the Air Force (notwith-
17 standing section 129 of title 10, United States Code) shall
18 be the following:

19 (1) For the Army Reserve, 6,699.

20 (2) For the Army National Guard of the United
21 States, 24,589.

22 (3) For the Air Force Reserve, 9,991.

23 (4) For the Air National Guard of the United
24 States, 22,806.

1 **SEC. 414. FISCAL YEAR 2004 LIMITATIONS ON NON-DUAL**
2 **STATUS TECHNICIANS.**

3 (a) LIMITATIONS.—(1) Within the limitation pro-
4 vided in section 10217(c)(2) of title 10, United States
5 Code, the number of non-dual status technicians employed
6 by the National Guard as of September 30, 2004, may
7 not exceed the following:

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

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

12 (2) The number of non-dual status technicians em-
13 ployed by the Army Reserve as of September 30, 2004,
14 may not exceed 895.

15 (3) The number of non-dual status technicians em-
16 ployed by the Air Force Reserve as of September 30,
17 2004, may not exceed 90.

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

1 **Subtitle C—Other Matters Relating**
2 **to Personnel Strengths**

3 **SEC. 421. REVISION OF PERSONNEL STRENGTH AUTHOR-**
4 **IZATION AND ACCOUNTING PROCESS.**

5 (a) ANNUAL AUTHORIZATION OF STRENGTHS.—Sub-
6 section (a) of section 115 of title 10, United States Code,
7 is amended to read as follows:

8 “(a) Congress shall authorize personnel strength lev-
9 els for each fiscal year for each of the following:

10 “(1) The average strength for each of the
11 armed forces (other than the Coast Guard) for ac-
12 tive-duty personnel who are to be paid from funds
13 appropriated for active-duty personnel.

14 “(2) The average strength for each of the
15 armed forces (other than the Coast Guard) for ac-
16 tive-duty personnel and full-time National Guard
17 duty personnel who are to be paid from funds appro-
18 priated for reserve personnel.

19 “(3) The average strength for the Selected Re-
20 serve of each reserve component of the armed
21 forces.”.

22 (b) LIMITATION ON USE OF FUNDS.—Subsection (b)
23 of such section is amended by striking “end strength” in
24 paragraphs (1) and (2) and inserting “strength”.

1 (c) AUTHORITY OF SECRETARY OF DEFENSE TO
2 VARY STRENGTHS.—Subsection (c) of such section is
3 amended—

4 (1) by striking “end strength” each place it ap-
5 pears and inserting “strength”;

6 (2) in paragraph (1), by striking “subsection
7 (a)(1)(A)” and inserting “subsection (a)(1)”;

8 (3) in paragraph (2), by striking “subsection
9 (a)(1)(B)” and inserting “subsection (a)(2)”; and

10 (4) in paragraph (3), by striking “subsection
11 (a)(2)” and inserting “subsection (a)(3)”.

12 (d) COUNTING PERSONNEL.—Subsection (d) of such
13 section is amended—

14 (1) by striking “end-strengths authorized pur-
15 suant to subsection (a)(1)” and inserting “strengths
16 authorized pursuant to paragraphs (1) and (2) of
17 subsection (a)”; and

18 (2) in paragraph (9)(B), by striking “sub-
19 section (a)(1)(A)” and inserting “subsection (a)(1)”.

20 (e) NAVY STRENGTH WHEN AUGMENTED BY COAST
21 GUARD.—Subsection (e) of such section is amended by
22 striking “subsection (a)(1)” and inserting “paragraphs
23 (1) and (2) of subsection (a)”.

1 (f) AUTHORITY OF SECRETARIES OF MILITARY DE-
2 PARTMENTS TO VARY STRENGTHS.—Subsection (f) of
3 such section is amended—

4 (1) by striking “end strength” both places it
5 appears and inserting “strength”; and

6 (2) by striking “subsection (a)(1)(A)” in the
7 first sentence and inserting “subsection (a)(1)”.

8 (g) AUTHORIZATION OF STRENGTHS FOR DUAL STA-
9 TUS MILITARY TECHNICIANS.—Subsection (g) of such
10 section is amended by striking “end strength” both places
11 it appears and inserting “strength”.

12 (h) CONFORMING AMENDMENTS.—(1) Section
13 168(f)(1)(A) of title 10, United States Code, is amended
14 by striking “end strength for active-duty personnel au-
15 thorized pursuant to section 115(a)(1)” and inserting
16 “strengths for active-duty personnel authorized pursuant
17 to paragraphs (1) and (2) of section 115(a)”.

18 (2) Section 691(f) of such title is amended by striking
19 “section 115(a)(1)” and inserting “paragraphs (1) and
20 (2) of section 115(a)”.

21 (3) Section 3201(b) of such title is amended by strik-
22 ing “section 115(a)(1)” and inserting “paragraphs (1)
23 and (2) of section 115(a)”.

24 (4)(A) Section 10216 of such title is amended—

1 (i) by striking “end strengths” in subsections
2 (b)(1) and (c)(1) and inserting “strengths”; and

3 (ii) by striking “end strength” each place it ap-
4 pears in subsection (c)(2)(A) and inserting
5 “strength”.

6 (B) The heading for subsection (c) is amended by
7 striking “END”.

8 (5) Section 12310(e)(4) of such title is amended by
9 striking “end strength authorizations required by section
10 115(a)(1)(B) and 115(a)(2)” and inserting “strength au-
11 thorizations required by paragraphs (2) and (3) of section
12 115(a)”.

13 (6) Section 16132(d) of such title is amended by
14 striking “end strength required to be authorized each year
15 by section 115(a)(1)(B)” in the second sentence and in-
16 serting “strength required to be authorized each year by
17 section 115(a)(2)”.

18 (7) Section 112 of title 32, United States Code, is
19 amended—

20 (A) in subsection (e)—

21 (i) in the heading, by striking “END-
22 STRENGTH” and inserting “STRENGTH”; and

23 (ii) by striking “end strength” and insert-
24 ing “strength”;

25 (B) in subsection (f)—

- 1 (i) in the heading, by striking “END
2 STRENGTH” and inserting “STRENGTH”; and
3 (ii) in paragraph (2), by striking “end
4 strength” and inserting “strength”; and
5 (C) in subsection (g)(1), by striking “end
6 strengths” and inserting “strengths”.

7 **SEC. 422. EXCLUSION OF RECALLED RETIRED MEMBERS**
8 **FROM CERTAIN STRENGTH LIMITATIONS**
9 **DURING PERIOD OF WAR OR NATIONAL**
10 **EMERGENCY.**

11 (a) ANNUAL AUTHORIZED END STRENGTHS.—Sec-
12 tion 115(d) of title 10, United States Code, is amended
13 by adding at the end the following new paragraph:

14 “(12) Members of the armed forces ordered to
15 active duty under section 688 of this title during any
16 period of war declared by Congress or any period of
17 national emergency declared by Congress or the
18 President in which members of a reserve component
19 are serving on active duty pursuant to an order to
20 active duty under section 12301 or 12302 of this
21 title, for so long as the members ordered to active
22 duty under such section 688 continue to serve on ac-
23 tive duty during the period of the war or national
24 emergency and the one-year period beginning on the

1 date of the termination of the war or national emer-
2 gency, as the case may be.”

3 (b) STRENGTH LIMITATIONS FOR OFFICERS IN PAY
4 GRADES O-4 THROUGH O-6.—Section 523(b) of such
5 title is amended by adding at the end the following new
6 paragraph:

7 “(8) Officers ordered to active duty under sec-
8 tion 688 of this title during any period of war de-
9 clared by Congress or any period of national emer-
10 gency declared by Congress or the President in
11 which members of a reserve component are serving
12 on active duty pursuant to an order to active duty
13 under section 12301 or 12302 of this title, for so
14 long as the members ordered to active duty under
15 such section 688 continue to serve on active duty
16 during the period of the war or national emergency
17 and the one-year period beginning on the date of the
18 termination of the war or national emergency, as the
19 case may be.”.

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

22 **SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILI-**
23 **TARY PERSONNEL.**

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

1 year 2004 a total of \$99,194,206,000. The authorization
 2 in the preceding sentence supersedes any other authoriza-
 3 tion of appropriations (definite or indefinite) for such pur-
 4 pose for fiscal year 2004.

5 **TITLE V—MILITARY PERSONNEL**
 6 **POLICY**

7 **Subtitle A—Officer Personnel**
 8 **Policy**

9 **SEC. 501. RETENTION OF HEALTH PROFESSIONS OFFI-**
 10 **CERS TO FULFILL ACTIVE DUTY SERVICE OB-**
 11 **LIGATIONS FOLLOWING FAILURE OF SELEC-**
 12 **TION FOR PROMOTION.**

13 (a) IN GENERAL.—Subsection (a) of section 632 of
 14 title 10, United States Code, is amended—

15 (1) by striking “or” at the end of paragraph

16 (2);

17 (2) by striking the period at the end of para-
 18 graph (3) and inserting “; or”; and

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

21 “(4) if the officer is a health professions officer
 22 described in subsection (c) who, as of the date of
 23 discharge determined for the officer under para-
 24 graph (1), has not completed an active duty service
 25 obligation incurred by the officer under section

1 2005, 2114, 2123, or 2603 of this title, be retained
2 on active duty until the officer completes the active
3 duty service for which obligated, unless the Sec-
4 retary concerned determines that the completion of
5 the service obligation by the officer is not in the best
6 interest of the Army, Navy, Air Force, or Marine
7 Corps, as the case may be.”.

8 (b) COVERED HEALTH PROFESSIONS OFFICERS.—
9 Section 632 of such title is amended by adding at the end
10 the following new subsection:

11 “(c) HEALTH PROFESSIONS OFFICERS.—Subsection
12 (a)(4) applies to the following officers:

13 “(1) A medical officer.

14 “(2) A dental officer.

15 “(3) Any other officer appointed in a medical
16 skill (as defined in regulations prescribed by the Sec-
17 retary of Defense).”.

18 (c) TECHNICAL AMENDMENT.—Subsection (a)(3) of
19 such section is amended by striking “clause (1)” and in-
20 serting “paragraph (1)”.

21 **SEC. 502. ELIGIBILITY FOR APPOINTMENT AS CHIEF OF**
22 **ARMY VETERINARY CORPS.**

23 (a) APPOINTMENT FROM AMONG MEMBERS OF THE
24 CORPS.—Section 3084 of title 10, United States Code, is
25 amended by inserting after “The Chief of the Veterinary

1 Corps of the Army” the following: “shall be appointed
2 from among officers of the Veterinary Corps. The Chief
3 of the Veterinary Corps”.

4 (b) **APPLICABILITY.**—The amendment made by sub-
5 section (a) shall apply to appointments of the Chief of the
6 Veterinary Corps of the Army that are made on or after
7 the date of the enactment of this Act.

8 **Subtitle B—Reserve Component** 9 **Personnel Policy**

10 **SEC. 511. EXPANDED AUTHORITY FOR USE OF READY RE-** 11 **SERVE IN RESPONSE TO TERRORISM.**

12 Section 12304(b)(2) of title 10, United States Code,
13 is amended by striking “catastrophic”.

14 **SEC. 512. STREAMLINED PROCESS FOR CONTINUING OFFI-** 15 **CERS ON THE RESERVE ACTIVE-STATUS LIST.**

16 (a) **CONTINUATION.**—Section 14701 of title 10,
17 United States Code, is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (1), by striking “by a se-
20 lection board convened under section 14101(b)
21 of this title” and inserting “under regulations
22 prescribed under subsection (b)”;

23 (B) in paragraph (6), by striking “as a re-
24 sult of the convening of a selection board under
25 section 14101(b) of this title”;

1 (2) by striking subsections (b) and (c); and
2 (3) by redesignating subsection (d) as sub-
3 section (b).

4 (b) CONFORMING AMENDMENTS.—Subsection (b) of
5 section 14101 of such title is amended—

6 (1) by striking paragraph (1); and

7 (2) by redesignating paragraphs (2) and (3) as
8 paragraphs (1) and (2), respectively.

9 **SEC. 513. NATIONAL GUARD OFFICERS ON ACTIVE DUTY IN**
10 **COMMAND OF NATIONAL GUARD UNITS.**

11 (a) CONTINUATION IN STATE STATUS.—Subsection
12 (a) of section 325 of title 32, United States Code, is
13 amended—

14 (1) by striking “(a) Each” and inserting “(a)
15 RELIEF REQUIRED.—(1) Except as provided in
16 paragraph (2), each”; and

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

19 “(2) An officer of the Army National Guard of the
20 United States or the Air National Guard of the United
21 States is not relieved from duty in the National Guard
22 of his State or Territory, or of Puerto Rico or the District
23 of Columbia, under paragraph (1) while serving on active
24 duty in command of a National Guard unit if—

1 “(A) the President authorizes such service in
2 both duty statuses; and

3 “(B) the Governor of his State or Territory or
4 Puerto Rico, or the Commanding General of the
5 District of Columbia National Guard, as the case
6 may be, consents to such service in both duty
7 statuses.”.

8 (b) **FORMAT AMENDMENT.**—Subsection (b) of such
9 section is amended by inserting “**RETURN TO STATE STA-**
10 **TUS.—**” after “(b)”.

11 **Subtitle C—Revision of Retirement** 12 **Authorities**

13 **SEC. 521. PERMANENT AUTHORITY TO REDUCE THREE-**
14 **YEAR TIME-IN-GRADE REQUIREMENT FOR**
15 **RETIREMENT IN GRADE FOR OFFICERS IN**
16 **GRADES ABOVE MAJOR AND LIEUTENANT**
17 **COMMANDER.**

18 Section 1370(a)(2)(A) of title 10, United States
19 Code, is amended by striking “during the period beginning
20 on October 1, 2002, and ending on December 31, 2003”
21 and inserting “after September 30, 2002”.

1 **Subtitle D—Education and**
2 **Training**

3 **SEC. 531. INCREASED FLEXIBILITY FOR MANAGEMENT OF**
4 **SENIOR LEVEL EDUCATION AND POST-EDU-**
5 **CATION ASSIGNMENTS.**

6 (a) REPEAL OF POST-EDUCATION JOINT DUTY AS-
7 SIGNMENTS REQUIREMENT.—Subsection (d) of section
8 663 of title 10, United States Code, is repealed.

9 (b) REPEAL OF MINIMUM DURATION REQUIREMENT
10 FOR PRINCIPAL COURSE OF INSTRUCTION AT THE JOINT
11 FORCES STAFF COLLEGE.—Subsection (e) of such section
12 is repealed.

13 **SEC. 532. EXPANDED EDUCATIONAL ASSISTANCE AUTHOR-**
14 **ITY FOR CADETS AND MIDSHIPMEN RECEIV-**
15 **ING ROTC SCHOLARSHIPS.**

16 (a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE
17 ON ACTIVE DUTY.—Section 2107(c) of title 10, United
18 States Code, is amended—

19 (1) in paragraph (1), by striking the first sen-
20 tence and inserting the following: “The Secretary
21 concerned may provide financial assistance described
22 in paragraph (3) for a student appointed as a cadet
23 or midshipman by the Secretary under subsection
24 (a).”;

1 (2) in paragraph (2), by striking “as described
2 in paragraph (1)” and inserting “as described in
3 paragraph (3)”; and

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

6 “(3)(A) The financial assistance provided for a stu-
7 dent under this subsection shall be the payment of one
8 of the two sets of expenses selected by the Secretary, as
9 follows:

10 “(i) Tuition, fees, books, and laboratory ex-
11 penses.

12 “(ii) Expenses for room and board and any
13 other necessary expenses imposed by the student’s
14 educational institution for the academic program in
15 which the student is enrolled, which may include any
16 of the expenses described in clause (i).

17 “(B) The total amount of the financial assistance
18 provided for a student for an academic year under clause
19 (ii) of subparagraph (A) may not exceed the total amount
20 of the financial assistance that would otherwise have been
21 provided for the student for that academic year under
22 clause (i) of such subparagraph.

23 “(4) The Secretary of the military department con-
24 cerned may provide for the payment of all expenses in the
25 Secretary’s department of administering the financial as-

1 sistance program under this section, including the pay-
2 ment of expenses described in paragraph (3).”.

3 (b) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE
4 IN TROOP PROGRAM UNITS.—Section 2107a(c) of such
5 title is amended to read as follows:

6 “(c)(1) The Secretary of the Army may provide fi-
7 nancial assistance described in paragraph (2) for a stu-
8 dent appointed as a cadet by the Secretary under sub-
9 section (a).

10 “(2)(A) The financial assistance provided for a stu-
11 dent under this subsection shall be the payment of one
12 of the two sets of expenses selected by the Secretary con-
13 cerned, as follows:

14 (i) Tuition, fees, books, and laboratory ex-
15 penses.

16 (ii) Expenses for room and board and any
17 other necessary expenses imposed by the student’s
18 educational institution for the academic program in
19 which the student is enrolled, which may include any
20 of the expenses described in clause (i).

21 (B) The total amount of the financial assistance
22 provided for a student for an academic year under clause
23 (ii) of subparagraph (A) may not exceed the total amount
24 of the financial assistance that would otherwise have been

1 provided for the student for that academic year under
2 clause (i) of such subparagraph.

3 “(3) The Secretary may provide for the payment of
4 all expenses in the Department of the Army for admin-
5 istering the financial assistance program under this sec-
6 tion, including the payment of expenses described in para-
7 graph (2).”.

8 **SEC. 533. ELIGIBILITY AND COST REIMBURSEMENT RE-**
9 **QUIREMENTS FOR PERSONNEL TO RECEIVE**
10 **INSTRUCTION AT THE NAVAL POST-**
11 **GRADUATE SCHOOL.**

12 (a) EXPANDED ELIGIBILITY FOR ENLISTED PER-
13 SONNEL.—Subsection (a)(2) of section 7045 of title 10,
14 United States Code, is amended—

15 (1) by inserting “(A)” after “(2)”;

16 (2) by striking “this paragraph” in the second
17 sentence and inserting “this subparagraph”; and

18 (3) by adding at the end the following new sub-
19 paragraphs:

20 “(B) The Secretary may permit an enlisted member
21 of the armed forces to receive instruction in an executive
22 level seminar at the Naval Postgraduate School.

23 “(C) The Secretary may permit an eligible enlisted
24 member of the armed forces to receive instruction in con-
25 nection with pursuit of a program of education in informa-

1 tion assurance as a participant in the Information Secu-
2 rity Scholarship program under chapter 112 of this title.
3 To be eligible for instruction under this subparagraph, the
4 enlisted member must have been awarded a baccalaureate
5 degree by an institution of higher education.”.

6 (b) PAYMENT OF COSTS FOR PARTICIPANTS IN IN-
7 FORMATION SECURITY SCHOLARSHIP PROGRAM.—Sub-
8 section (b) of such section is amended—

9 (1) by inserting “(1)” after “(b)”; and

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

12 “(2) The requirements for payment of costs and fees
13 under paragraph (1) shall be subject to such exceptions
14 as the Secretary of Defense may prescribe for members
15 of the armed forces who receive instruction at the Post-
16 graduate School in connection with pursuit of a degree or
17 certification as participants in the Information Security
18 Scholarship program under chapter 112 of this title.”.

19 “(3) The Department of the Army, the Department
20 of the Navy, and the Department of Transportation shall
21 bear the cost of the instruction at the Air Force Institute
22 of Technology that is received by officers detailed for that
23 instruction by the Secretaries of the Army, Navy, and
24 Transportation, respectively. In the case of an enlisted
25 member permitted to receive instruction at the Institute,

1 the Secretary of the Air Force shall charge that member
2 only for such costs and fees as the Secretary considers
3 appropriate (taking into consideration the admission of
4 enlisted members on a space-available basis).

5 (c) CONFORMING AMENDMENTS.—Paragraph (1) of
6 such subsection (b), as redesignated by subsection (b)(1)
7 of this section, is amended—

8 (A) in the first sentence, by striking “officers”
9 and inserting “members of the armed forces who
10 are”; and

11 (B) in the second sentence—

12 (i) by inserting “under subsection
13 (a)(2)(A)” after “at the Postgraduate School”;
14 and

15 (ii) by striking “(taking into consideration
16 the admission of enlisted members on a space-
17 available basis)”.

18 **SEC. 534. ACTIONS TO ADDRESS SEXUAL MISCONDUCT AT**

19 **THE SERVICE ACADEMIES.**

20 (a) POLICY ON SEXUAL MISCONDUCT.—(1) The Sec-
21 retary of the Army, the Secretary of the Navy, and the
22 Secretary of the Air Force shall, under guidance pre-
23 scribed by the Secretary of Defense, direct the Super-
24 intendent of the United States Military Academy, the Su-
25 perintendent of the United States Naval Academy, and the

1 Superintendent of the United States Air Force Academy,
2 respectively, to prescribe a policy on sexual misconduct ap-
3 plicable to the personnel of the United States Military
4 Academy, the United States Naval Academy, and the
5 United States Air Force Academy, respectively.

6 (2) The policy on sexual misconduct prescribed for
7 an academy shall specify the following:

8 (A) Programs to promote awareness of the inci-
9 dence of rape, acquaintance rape, and other sexual
10 offenses of a criminal nature that involve academy
11 personnel.

12 (B) Procedures that a cadet or midshipman, as
13 the case may be, should follow in the case of an oc-
14 currence of sexual misconduct, including—

15 (i) a specification of the person or persons
16 to whom the alleged offense should be reported;

17 (ii) a specification of any other person
18 whom the victim should contact; and

19 (iii) procedures on the preservation of evi-
20 dence potentially necessary for proof of criminal
21 sexual assault.

22 (C) Procedures for disciplinary action in cases
23 of alleged criminal sexual assault involving academy
24 personnel.

1 (D) Any other sanctions authorized to be im-
2 posed in a substantiated case of misconduct involv-
3 ing academy personnel in rape, acquaintance rape,
4 or any other criminal sexual offense, whether fore-
5 ible or nonforcible.

6 (E) Required training on the policy for all acad-
7 emy personnel, including the specific training re-
8 quired for personnel who process allegations of sex-
9 ual misconduct involving academy personnel.

10 (b) ANNUAL ASSESSMENT.—(1) The Secretary of
11 Defense, through the Secretaries of the military depart-
12 ments, shall direct each Superintendent to conduct at the
13 academy under the jurisdiction of the Superintendent an
14 assessment in each academy program year to determine
15 the effectiveness of the academy’s policies, training, and
16 procedures on sexual misconduct to prevent criminal sex-
17 ual misconduct involving academy personnel.

18 (2) For the assessment for each of the 2004, 2005,
19 2006, 2007, and 2008 academy program years, the Super-
20 intendent of the academy shall conduct a survey of all
21 academy personnel—

22 (A) to measure—

23 (i) the incidence, in such program year, of
24 sexual misconduct events, on or off the academy

1 reservation, that have been reported to officials
2 of the academy; and

3 (ii) the incidence, in such program year, of
4 sexual misconduct events, on or off the academy
5 reservation, that have not been reported to offi-
6 cials of the academy; and

7 (B) to assess the perceptions of academy per-
8 sonnel on—

9 (i) the policies, training, and procedures on
10 sexual misconduct involving academy personnel;

11 (ii) the enforcement of such policies;

12 (iii) the incidence of sexual misconduct in-
13 volving academy personnel in such program
14 year; and

15 (iv) any other issues relating to sexual mis-
16 conduct involving academy personnel.

17 (c) ANNUAL REPORT.—(1) The Secretary of the
18 Army, the Secretary of the Navy, and the Secretary of
19 the Air Force shall direct the Superintendent of the
20 United States Military Academy, the Superintendent of
21 the United States Naval Academy, and the Super-
22 intendent of the United States Air Force Academy, respec-
23 tively, to submit to the Secretary a report on sexual mis-
24 conduct involving academy personnel for each of the 2004,
25 2005, 2006, 2007, and 2008 academy program years.

1 (2) The annual report for an academy under para-
2 graph (1) shall contain, for the academy program year
3 covered by the report, the following matters:

4 (A) The number of sexual assaults, rapes, and
5 other sexual offenses involving academy personnel
6 that have been reported to academy officials during
7 the program year, and the number of the reported
8 cases that have been substantiated.

9 (B) The policies, procedures, and processes im-
10 plemented by the Secretary of the military depart-
11 ment concerned and the leadership of the academy
12 in response to sexual misconduct involving academy
13 personnel during the program year.

14 (C) In the report for the 2004 academy pro-
15 gram year, a discussion of the survey conducted
16 under subsection (b), together with an analysis of
17 the results of the survey and a discussion of any ini-
18 tiatives undertaken on the basis of such results and
19 analysis.

20 (D) In the report for each of the subsequent
21 academy program years, the results of the annual
22 survey conducted in such program year under sub-
23 section (b).

24 (E) A plan for the actions that are to be taken
25 in the following academy program year regarding

1 prevention of and response to sexual misconduct in-
2 volving academy personnel.

3 (3) The Secretary of a military department shall
4 transmit the annual report on an academy under this sub-
5 section, together with the Secretary's comments on the re-
6 port, to the Secretary of Defense and the Board of Visitors
7 of the academy.

8 (4) The Secretary of Defense shall transmit the an-
9 nual report on each academy under this subsection, to-
10 gether with the Secretary's comments on the report to,
11 the Committees on Armed Services of the Senate and the
12 House of Representatives.

13 (5) The report for the 2004 academy program year
14 for an academy shall be submitted to the Secretary of the
15 military department concerned not later than one year
16 after the date of the enactment of this Act.

17 (6) In this subsection, the term "academy program
18 year" with respect to a year, means the academy program
19 year that ends in that year.

1 **SEC. 535. FUNDING OF EDUCATION ASSISTANCE ENLIST-**
2 **MENT INCENTIVES TO FACILITATE NATIONAL**
3 **SERVICE THROUGH DEPARTMENT OF DE-**
4 **FENSE EDUCATION BENEFITS FUND.**

5 (a) IN GENERAL.—Subsection (j) of section 510 of
6 title 10, United States Code, is amended to read as fol-
7 lows:

8 “(j) FUNDING.—(1) Amounts for the payment of in-
9 centives under paragraphs (1) and (2) of subsection (e)
10 shall be derived from amounts available to the Secretary
11 of the military department concerned for the payment of
12 pay, allowances and other expenses of the members of the
13 armed force concerned.

14 “(2) Amounts for the payment of incentives under
15 paragraphs (3) and (4) of subsection (e) shall be derived
16 from the Department of Defense Education Benefits Fund
17 under section 2006 of this title.”.

18 (b) CONFORMING AMENDMENTS.—Section 2006(b)
19 of such title is amended—

20 (1) in paragraph (1), by inserting “paragraphs
21 (3) and (4) of section 510(e) and” after “Depart-
22 ment of Defense benefits under”; and

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

25 “(E) The present value of future benefits
26 payable from the Fund for educational assist-

1 ance under paragraphs (3) and (4) of section
2 510(e) of this title to persons who during such
3 period become entitled to such assistance.”.

4 **Subtitle E—Military Justice**

5 **SEC. 551. EXTENDED LIMITATION PERIOD FOR PROSECU-** 6 **TION OF CHILD ABUSE CASES IN COURTS-** 7 **MARTIAL.**

8 Section 843(b) of title 10, United States Code (article
9 43 of the Uniform Code of Military Justice) is amended—

10 (1) by redesignating paragraph (2) as para-
11 graph (3); and

12 (2) by inserting after paragraph (1) the fol-
13 lowing new paragraph (2):

14 “(2)(A) A person charged with having committed a
15 child abuse offense against a child is liable to be tried by
16 court-martial if the sworn charges and specifications are
17 received before the child reaches the age of 25 years by
18 an officer exercising summary court-martial jurisdiction
19 with respect to that person.

20 “(B) In subparagraph (A), the term ‘child abuse of-
21 fense’ means an act that involves sexual or physical abuse
22 of a person under 16 years of age and constitutes any
23 of the following offenses:

24 “(i) Rape or carnal knowledge in violation of
25 section 920 of this title (article 120).

1 “(ii) Maiming in violation of section 924 of this
2 title (article 124).

3 “(iii) Sodomy in violation of section 925 of this
4 title (article 126).

5 “(iv) Aggravated assault or assault con-
6 summated by a battery in violation of section 928 of
7 this title (article 128).

8 “(v) Indecent assault, assault with intent to
9 commit murder, voluntary manslaughter, rape, or
10 sodomy, or indecent acts or liberties with a child in
11 violation of section 934 of this title (article 134).”.

12 **SEC. 552. CLARIFICATION OF BLOOD ALCOHOL CONTENT**
13 **LIMIT FOR THE OFFENSE UNDER THE UNI-**
14 **FORM CODE OF MILITARY JUSTICE OF**
15 **DRUNKEN OPERATION OF A VEHICLE, AIR-**
16 **CRAFT, OR VESSEL.**

17 Section 911 of title 10, United States Code (article
18 111 of the Uniform Code of Military Justice), is
19 amended—

20 (1) in subsection (a)(2), by striking “is in ex-
21 cess of” and inserting “is equal to or exceeds”; and

22 (2) in subsection (b)—

23 (A) in paragraph (1), by striking subpara-
24 graph (A) and inserting the following:

1 “(A) In the case of the operation or control of
2 a vehicle, aircraft, or vessel in the United States,
3 such limit is the lesser of—

4 “(i) the blood alcohol content limit under
5 the law of the State in which the conduct oc-
6 curred, except as may be provided under para-
7 graph (2) for conduct on a military installation
8 that is in more than one State; or

9 “(ii) the blood alcohol content limit speci-
10 fied in paragraph (3).”; and

11 (B) by striking “maximum” in paragraphs
12 (1)(B) and (3).

13 **Subtitle F—Other Matters**

14 **SEC. 561. HIGH-TEMPO PERSONNEL MANAGEMENT AND** 15 **ALLOWANCE.**

16 (a) DEPLOYMENT MANAGEMENT.—Section 991(a) of
17 title 10, United States Code, is amended to read as fol-
18 lows:

19 “(a) MANAGEMENT RESPONSIBILITIES.—(1) The de-
20 ployment (or potential deployment) of a member of the
21 armed forces shall be managed to ensure that the member
22 is not deployed, or continued in a deployment, on any day
23 on which the total number of days on which the member
24 has been deployed out of the preceding 365 days would
25 exceed the maximum number of deployment days pre-

1 scribed for the purposes of this section by the Under Sec-
2 retary of Defense for Personnel and Readiness. The max-
3 imum number of deployment days so prescribed may not
4 exceed 220 days.

5 “(2) A member may be deployed, or continued in a
6 deployment, without regard to paragraph (1) if such de-
7 ployment, or continued deployment, is approved by—

8 “(A) a member of the Senior Executive Service
9 designated by the Secretary of Defense to do so; or

10 “(B) the first officer in the member’s chain of
11 command who is—

12 “(i) a general officer or, in the case of the
13 Navy, an officer in a grade above captain; or

14 “(ii) a colonel or, in the case of the Navy,
15 a captain who is recommended for promotion to
16 brigadier general or rear admiral, respectively,
17 in a report of a selection board convened under
18 section 611(a) or 14101(a) of this title that has
19 been approved by the President.”.

20 (b) HIGH-TEMPO ALLOWANCE.—(1) Subsection (a)
21 of section 436 of title 37, United States Code, is amended
22 to read as follows:

23 “(a) MONTHLY ALLOWANCE.—The Secretary of the
24 military department concerned shall pay a high-tempo al-

1 lowance to a member of the armed forces under the Sec-
2 retary's jurisdiction for the following months:

3 “(1) Each month during which the member is
4 deployed and has, as of any day during that month,
5 been deployed—

6 “(A) for at least the number of days out
7 of the preceding 730 days that is prescribed for
8 the purpose of this subparagraph by the Under
9 Secretary of Defense for Personnel and Readiness,
10 except that the number of days so pre-
11 scribed may not be more than 401 days; or

12 “(B) at least the number of consecutive
13 days that is prescribed for the purpose of this
14 subparagraph by the Under Secretary of De-
15 fense for Personnel and Readiness, except that
16 the number of days so prescribed may not be
17 more than 191 days.

18 “(2) Each month that includes a day on which
19 the member serves on active duty pursuant to a call
20 or order to active duty for a period of more than 30
21 days under a provision of law referred to in section
22 101(a)(13)(B) of title 10, if such period begins with-
23 in one year after the date on which the member was
24 released from previous service on active duty for a

1 period of more than 30 days under a call or order
2 issued under such a provision of law.”.

3 (2) Subsection (c) of such section is amended to read
4 as follows:

5 “(c) MONTHLY AMOUNT.—The Secretary of Defense
6 shall prescribe the amount of the monthly allowance pay-
7 able to a member under this section. The amount may
8 not exceed \$1,000.”.

9 (3) Such section is further amended by adding at the
10 end the following new subsection:

11 “(g) SERVICE IN EXEMPTED DUTY POSITIONS.—(1)
12 Except as provided in paragraph (2), a member is not eli-
13 gible for the high-tempo allowance under this section while
14 serving in a duty position designated as exempt for the
15 purpose of this subsection by the Secretary concerned with
16 the approval of the Under Secretary of Defense for Per-
17 sonnel and Readiness.

18 “(2) A designation of a duty position as exempt
19 under paragraph (1) does not terminate the eligibility for
20 the high-tempo allowance under this section of a member
21 serving in the duty position at the time the designation
22 is made.

23 “(h) PAYMENT FROM OPERATION AND MAINTENANCE FUNDS.—The monthly allowance payable to a
24 member under this section shall be paid from appropria-
25

1 tions available for operation and maintenance for the
2 armed force in which the member serves.”.

3 (4) Such section is further amended—

4 (A) in subsections (d) and (e), by striking
5 “high-deployment per diem” and inserting “high-
6 tempo allowance”; and

7 (B) in subsection (f)—

8 (i) by striking “per diem” and inserting
9 “allowance”; and

10 (ii) by striking “day on which” and insert-
11 ing “month during which”.

12 (5)(A) The heading of such section is amended to
13 read as follows:

14 **“§ 436. High-tempo allowance: lengthy or numerous**
15 **deployments; frequent mobilizations”.**

16 (B) The item relating to such section in the table of
17 sections at the beginning of chapter 7 of such title is
18 amended to read as follows:

“436. High-tempo allowance: lengthy or numerous deployments; frequent mobi-
lizations.”.

19 (c) MODIFIED REPORTING REQUIREMENT.—Section
20 487(b)(5) of title 10, United States Code, is amended to
21 read as follows:

22 “(5) For each of the armed forces, the descrip-
23 tion shall indicate the number of members who re-
24 ceived the high-tempo allowance under section 436

1 of title 37, the total number of months for which the
2 allowance was paid to members, and the total
3 amount spent on the allowance.”.

4 **SEC. 562. ALTERNATE INITIAL MILITARY SERVICE OBLIGA-**
5 **TION FOR PERSONS ACCESSED UNDER DI-**
6 **RECT ENTRY PROGRAM.**

7 (a) **REQUIREMENT FOR PROGRAM.**—The Secretary of
8 Defense shall carry out a direct entry program for persons
9 with critical military skills who enter the Armed Forces
10 for an initial period of service in the Armed Forces.

11 (b) **ELIGIBLE PERSONS.**—The Secretary shall pre-
12 scribe the eligibility requirements for entering the Armed
13 Forces under the direct entry program carried out under
14 this section. The Secretary may limit eligibility as the Sec-
15 retary determines appropriate to meet the needs of the
16 Armed Forces.

17 (c) **CRITICAL MILITARY SKILLS.**—The Secretary
18 shall designate the military skills that are critical military
19 skills for the purposes of this section.

20 (d) **INITIAL SERVICE OBLIGATION.**—(1) The Sec-
21 retary shall prescribe the period of initial service in the
22 Armed Forces that is to be required of a person entering
23 the Armed Forces under the direct entry program. The
24 period may not be less than three years.

1 (2) Section 651(a) of title 10, United States Code,
2 shall not apply to a person who enters the Armed Forces
3 under the direct entry program.

4 (e) REPORTS.—(1) Not later than 30 days after the
5 direct entry program commences under this section, the
6 Secretary shall submit a report on the establishment of
7 the program to the Committees on Armed Services of the
8 Senate and the House of Representatives. The report shall
9 include the following:

10 (A) A list of the military skills designated as
11 critical military skills for the purposes of this sec-
12 tion.

13 (B) The eligibility requirements for entering the
14 Armed Forces under the program.

15 (C) A detailed discussion of the other features
16 of the program.

17 (2) Whenever the list of critical military skills is re-
18 vised, the Secretary shall promptly submit the revised list
19 to the committees referred to in paragraph (1).

20 (3) The Secretary shall submit a final report on the
21 program to Congress not later than 180 days after the
22 date on which the direct entry program terminates under
23 subsection (f). The report shall include the Secretary's as-
24 sessment of the effectiveness of the direct entry program

1 for recruiting personnel with critical military skills for the
2 Armed Forces.

3 (f) PERIOD OF PROGRAM.—The direct entry program
4 under this section shall commence on October 1, 2003,
5 and shall terminate on September 30, 2005.

6 **SEC. 563. POLICY ON CONCURRENT DEPLOYMENT TO**
7 **COMBAT ZONES OF BOTH MILITARY SPOUSES**
8 **OF MILITARY FAMILIES WITH MINOR CHIL-**
9 **DREN.**

10 (a) PUBLICATION OF POLICY.—Not later than 180
11 days after the date of the enactment of this Act, the Sec-
12 retary of Defense shall—

13 (1) prescribe the policy of the Department of
14 Defense on concurrent deployment to a combat zone
15 of both spouses of a dual-military family with one or
16 more minor children; and

17 (2) transmit the policy to the Committees on
18 Armed Services of the Senate and the House of Rep-
19 resentatives.

20 (b) DUAL-MILITARY FAMILY DEFINED.—In this sec-
21 tion, the term “dual-military family” means a family in
22 which both spouses are members of the Armed Forces.

1 **SEC. 564. ENHANCEMENT OF VOTING RIGHTS OF MEM-**
 2 **BERS OF THE UNIFORMED SERVICES.**

3 (a) STANDARD FOR INVALIDATION OF BALLOTS
 4 CAST BY ABSENT UNIFORMED SERVICES VOTERS IN
 5 FEDERAL ELECTIONS.—(1) Section 102 of the Uni-
 6 formed and Overseas Citizens Absentee Voting Act (42
 7 U.S.C. 1973ff-1) is amended—

8 (A) by redesignating subsections (c) and (d) as
 9 subsections (d) and (e), respectively; and

10 (B) by inserting after subsection (b) the fol-
 11 lowing new subsection (c):

12 “(c) STANDARDS FOR INVALIDATION OF CERTAIN
 13 BALLOTS.—

14 “(1) IN GENERAL.—A State may not refuse to
 15 count a ballot submitted in an election for Federal
 16 office by an absent uniformed services voter—

17 “(A) solely on the grounds that the ballot
 18 lacked—

19 “(i) a notarized witness signature;

20 “(ii) an address (other than on a Fed-
 21 eral write-in absentee ballot, commonly
 22 known as ‘SF186’);

23 “(iii) a postmark if there are any
 24 other indicia that the vote was cast in a
 25 timely manner; or

26 “(iv) an overseas postmark; or

1 “(B) solely on the basis of a comparison of
2 signatures on ballots, envelopes, or registration
3 forms unless there is a lack of reasonable simi-
4 larity between the signatures.

5 “(2) NO EFFECT ON FILING DEADLINES UNDER
6 STATE LAW.—Nothing in this subsection may be
7 construed to affect the application to ballots sub-
8 mitted by absent uniformed services voters of any
9 ballot submission deadline applicable under State
10 law.”.

11 (2) The amendments made by paragraph (1) shall
12 apply with respect to ballots described in section 102(c)
13 of the Uniformed and Overseas Citizens Absentee Voting
14 Act, as added by paragraph (1), that are submitted with
15 respect to elections that occur after the date of the enact-
16 ment of this Act.

17 (b) MAXIMIZATION OF ACCESS OF RECENTLY SEPA-
18 RATED UNIFORMED SERVICES VOTERS TO THE POLLS.—

19 (1) Section 102(a) of the Uniformed and Overseas Citi-
20 zens Absentee Voting Act (42 U.S.C. 1973ff-1) is
21 amended—

22 (A) in paragraph (4), by striking “and” at the
23 end;

24 (B) in paragraph (5), by striking the period at
25 the end and inserting a semicolon; and

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

3 “(6) in addition to using the postcard form for
4 the purpose described in paragraph (4), accept and
5 process any otherwise valid voter registration appli-
6 cation submitted by a uniformed service voter for
7 the purpose of voting in an election for Federal of-
8 fice; and

9 “(7) permit each recently separated uniformed
10 services voter to vote in any election for which a
11 voter registration application has been accepted and
12 processed under this section if that voter—

13 “(A) has registered to vote under this sec-
14 tion; and

15 “(B) is eligible to vote in that election
16 under State law.”.

17 (2) The amendments made by paragraph (1) shall
18 apply with respect to elections for Federal office that
19 occur after the date of the enactment of this Act.

20 (c) DEFINITIONS.—Section 107 of the Uniformed
21 and Overseas Citizens Absentee Voting Act (42 U.S.C.
22 1973ff–6) is amended—

23 (1) by redesignating paragraphs (7) and (8) as
24 paragraphs (9) and (11), respectively;

1 (2) by inserting after paragraph (6) the fol-
2 lowing new paragraph:

3 “(7) ‘recently separated uniformed services
4 voter’ means any individual who was a uniformed
5 services voter on the date that is 60 days before the
6 date on which the individual seeks to vote and
7 who—

8 “(A) presents to the election official De-
9 partment of Defense form 214 evidencing the
10 individual’s former status as such a voter, or
11 any other official proof of such status;

12 “(B) is no longer such a voter; and

13 “(C) is otherwise qualified to vote in that
14 election;” and

15 (3) by inserting after paragraph (9), as so re-
16 designated, the following new paragraph:

17 “(10) ‘uniformed services voter’ means—

18 “(A) a member of a uniformed service in
19 active service;

20 “(B) a member of the merchant marine;
21 and

22 “(C) a spouse or dependent of a member
23 referred to in subparagraph (A) or (B) who is
24 qualified to vote; and”.

1 **SEC. 565. CERTAIN TRAVEL AND TRANSPORTATION AL-**
2 **LOWANCES FOR DEPENDENTS OF MEMBERS**
3 **OF THE ARMED FORCES WHO HAVE COM-**
4 **MITTED DEPENDENT ABUSE.**

5 Section 406(h) of title 37, United States Code, is
6 amended by adding at the end the following new para-
7 graph:

8 “(4)(A) If the Secretary concerned makes a deter-
9 mination described in subparagraph (B) with respect to
10 the spouse or a dependent of a member described in that
11 subparagraph and a request described in subparagraph
12 (C) has been by the spouse or on behalf of such dependent,
13 the Secretary may provide any benefit authorized for a
14 member under paragraph (1) or (3) to the spouse or such
15 dependent in lieu of providing such benefit to the member.

16 “(B) A determination described in this subparagraph
17 is a determination by the commanding officer of a member
18 that—

19 “(i) the member has committed a dependent-
20 abuse offense against the spouse or a dependent of
21 the member;

22 “(ii) a safety plan and counseling have been
23 provided to the spouse or such dependent;

24 “(iii) the safety of the spouse or such depend-
25 ent is at risk; and

1 “(iv) the relocation of the spouse or such de-
2 pendent is advisable.

3 “(C) A request described in this subparagraph is a
4 request by the spouse of a member, or by the parent of
5 a dependent child in the case of a dependent child of a
6 member, for relocation.

7 “(D) Transportation may be provided under this
8 paragraph for household effects or a motor vehicle only
9 if a written agreement of the member, or an order of a
10 court of competent jurisdiction, gives possession of the ef-
11 fects or vehicle to the spouse or dependent of the member
12 concerned.

13 “(E) In this paragraph, the term ‘dependent-abuse
14 offense’ means an offense described in section 1059(c) of
15 title 10.”.

16 **TITLE VI—COMPENSATION AND**
17 **OTHER PERSONNEL BENEFITS**
18 **Subtitle A—Pay and Allowances**

19 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.**

20 (a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—The
21 adjustment to become effective during fiscal year 2004 re-
22 quired by section 1009 of title 37, United States Code,
23 in the rates of monthly basic pay authorized members of
24 the uniformed services shall not be made.

1 (b) INCREASE IN BASIC PAY.—Effective on January
 2 1, 2004, the rates of monthly basic pay for members of
 3 the uniformed services within each pay grade are as fol-
 4 lows:

COMMISSIONED OFFICERS¹

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 ...	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30
O-7 ...	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40
O-6 ...	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70
O-5 ...	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80
O-4 ...	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30
O-3 ³	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10
O-2 ³	2,608.20	2,970.60	3,421.50	3,537.00	3,609.90
O-1 ³	2,264.40	2,356.50	2,848.50	2,848.50	2,848.50
	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 ...	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90
O-7 ...	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90
O-6 ...	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30
O-5 ...	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60
O-4 ...	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60
O-3 ³	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30
O-2 ³	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90
O-1 ³	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,524.70	\$12,586.20	\$12,847.80	\$13,303.80
O-9 ...	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O-8 ...	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O-7 ...	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O-6 ...	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O-5 ...	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O-4 ...	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O-3 ³	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O-2 ³	3,609.50	3,609.50	3,609.50	3,609.50	3,609.50
O-1 ³	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50

¹Notwithstanding 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.

²Subject to the preceding footnote, the rate of basic pay for an officer in this grade 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, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(e) of title 10, United States Code) is \$14,634.20, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This 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	\$4,027.20	\$4,220.10
O-2E	0.00	0.00	0.00	3,537.00	3,609.90
O-1E	0.00	0.00	0.00	2,848.50	3,042.30
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	\$4,431.60	\$4,568.70	\$4,794.30	\$4,984.20	\$5,092.80
O-2E	3,724.80	3,918.60	4,068.60	4,180.20	4,180.20
O-1E	3,154.50	3,269.40	3,382.20	3,537.00	3,537.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$5,241.30	\$5,241.30	\$5,241.30	\$5,241.30	\$5,241.30
O-2E	4,180.20	4,180.20	4,180.20	4,180.20	4,180.20
O-1E	3,537.00	3,537.00	3,537.00	3,537.00	3,537.00

WARRANT OFFICERS¹

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 ..	3,119.40	3,355.80	3,452.40	3,547.20	3,710.40
W-3 ..	2,848.80	2,967.90	3,089.40	3,129.30	3,257.10
W-2 ..	2,505.90	2,649.00	2,774.10	2,865.30	2,943.30
W-1 ..	2,212.80	2,394.00	2,515.20	2,593.50	2,802.30
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,871.50	4,035.00	4,194.30	4,359.00	4,617.30
W-3 ..	3,403.20	3,595.80	3,786.30	3,988.80	4,140.60
W-2 ..	3,157.80	3,321.60	3,443.40	3,562.20	3,643.80
W-1 ..	2,928.30	3,039.90	3,164.70	3,247.20	3,321.90
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	\$5,360.70	\$5,544.30	\$5,728.80	\$5,914.20
W-4 ..	4,782.60	4,944.30	5,112.00	5,277.00	5,445.90
W-3 ..	4,291.80	4,356.90	4,424.10	4,570.20	4,716.30
W-2 ..	3,712.50	3,843.00	3,972.60	4,103.70	4,103.70
W-1 ..	3,443.70	3,535.80	3,535.80	3,535.80	3,535.80

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 MEMBERS¹

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 ...	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10
E-6 ...	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00
E-5 ...	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60
E-4 ...	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50
E-3 ...	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 ³	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,769.20	\$3,854.70	\$3,962.40	\$4,089.30
E-8 ...	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50
E-7 ...	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60
E-6 ...	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90
E-5 ...	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90
E-4 ...	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3 ...	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 ³	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$4,216.50	\$4,421.10	\$4,594.20	\$4,776.60	\$5,054.70
E-8 ...	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E-7 ...	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E-6 ...	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E-5 ...	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E-4 ...	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E-3 ...	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E-2 ...	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E-1 ³	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40

¹Notwithstanding 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.

²Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade 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, is \$6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In 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 \$1,104.00.

1 SEC. 602. REVISED ANNUAL PAY ADJUSTMENT PROCESS.

2 (a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—

3 Subsection (a) of section 1009 of title 37, United States
4 Code, is amended to read as follows:

5 “(a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—

6 Effective on January 1 of each year, the rates of basic

1 pay for members of the uniformed services under section
2 203(a) of this title shall be increased under this section.”.

3 (b) EFFECTIVENESS OF ADJUSTMENT.—Subsection
4 (b) of such section is amended by striking “shall—” and
5 all that follows and inserting “shall have the force and
6 effect of law.”.

7 (c) PERCENTAGE OF ADJUSTMENT.—Subsection (c)
8 of such section is amended to read as follow:

9 “(c) EQUAL PERCENTAGE INCREASE FOR ALL MEM-
10 BERS.—(1) An adjustment made under this section in a
11 year shall provide all eligible members with an increase
12 in the monthly basic pay that is the percentage (rounded
13 to the nearest one-tenth of 1 percent) by which the ECI
14 for the base quarter of the year before the preceding year
15 exceeds the ECI for the base quarter of the second year
16 before the preceding calendar year (if at all).

17 “(2) Notwithstanding paragraph (1), but subject to
18 subsection (d), the percentage of the adjustment taking
19 effect under this section during each of fiscal years 2004,
20 2005, and 2006, shall be one-half of 1 percentage point
21 higher than the percentage that would otherwise be appli-
22 cable under such paragraph.”.

23 (d) REPEAL OF ALLOCATION AUTHORITY.—Such
24 section is further amended—

25 (1) by striking subsections (d), (e), and (g); and

1 (2) redesignating subsection (f) as subsection
2 (d).

3 (e) PRESIDENTIAL DETERMINATION OF NEED FOR
4 ALTERNATIVE PAY ADJUSTMENT.—Such section, as
5 amended by subsection (d), is further amended adding at
6 the end the following new subsection:

7 “(e) PRESIDENTIAL DETERMINATION OF NEED FOR
8 ALTERNATIVE PAY ADJUSTMENT.—(1) If, because of na-
9 tional emergency or serious economic conditions affecting
10 the general welfare, the President considers the pay ad-
11 justment which would otherwise be required by this section
12 in any year to be inappropriate, the President shall pre-
13 pare and transmit to Congress before September 1 of the
14 preceding year a plan for such alternative pay adjustments
15 as the President considers appropriate, together with the
16 reasons therefor.

17 “(2) In evaluating an economic condition affecting
18 the general welfare under this subsection, the President
19 shall consider pertinent economic measures including the
20 Indexes of Leading Economic Indicators, the Gross Na-
21 tional Product, the unemployment rate, the budget deficit,
22 the Consumer Price Index, the Producer Price Index, the
23 Employment Cost Index, and the Implicit Price Deflator
24 for Personal Consumption Expenditures.

1 “(3) The President shall include in the plan sub-
 2 mitted to Congress under paragraph (1) an assessment
 3 of the impact that the alternative pay adjustments pro-
 4 posed in the plan would have on the Government’s ability
 5 to recruit and retain well-qualified persons for the uni-
 6 formed services.”.

7 (f) DEFINITIONS.—Such section, as amended by sub-
 8 section (e), is further amended by adding at the end the
 9 following:

10 “(f) DEFINITIONS.—In this section:

11 “(1) The term ‘ECI’ means the Employment
 12 Cost Index (wages and salaries, private industry
 13 workers) published quarterly by the Bureau of
 14 Labor Statistics.

15 “(2) The term ‘base quarter’ for any year is the
 16 3-month period ending on September 30 of such
 17 year.”.

18 **SEC. 603. COMPUTATION OF BASIC PAY RATE FOR COM-**
 19 **MISSIONED OFFICERS WITH PRIOR ENLISTED**
 20 **OR WARRANT OFFICER SERVICE.**

21 Section 203(d)(2) of title 37, United States Code, is
 22 amended—

23 (1) in subparagraph (A), by striking “enlisted
 24 member,” and all that follows through the period
 25 and inserting “enlisted member.”; and

1 (2) by striking subparagraph (B) and inserting
2 the following new subparagraph:

3 “(B) Service as a warrant officer, as an enlisted
4 member, or as a warrant officer and an enlisted
5 member, for which at least 1,460 points have been
6 credited to the officer for the purposes of section
7 12732(a)(2) of title 10.”.

8 **SEC. 604. PILOT PROGRAM OF MONTHLY SUBSISTENCE AL-**
9 **LOWANCE FOR NON-SCHOLARSHIP SENIOR**
10 **ROTC MEMBERS COMMITTING TO CONTINUE**
11 **ROTC PARTICIPATION AS SOPHOMORES.**

12 (a) **AUTHORITY.**—Section 209 of title 37, United
13 States Code, is amended by adding at the end the fol-
14 lowing new subsection:

15 “(e) **NON-SCHOLARSHIP SENIOR ROTC MEMBERS**
16 **NOT IN ADVANCED TRAINING.**—(1) A member of the Sen-
17 ior Reserve Officers’ Training Corps described in sub-
18 section (b) is entitled to a monthly subsistence allowance
19 at a rate prescribed under subsection (a).

20 “(2) To be entitled to receive a subsistence allowance
21 under this subsection, a member must—

22 “(A) be a citizen of the United States;

23 “(B) enlist in an armed force under the juris-
24 diction of the Secretary of the military department
25 concerned for the period prescribed by the Secretary;

1 “(C) contract, with the consent of his parent or
2 guardian if he is a minor, with the Secretary of the
3 military department concerned, or his designated
4 representative, to serve for the period required by
5 the program;

6 “(D) agree in writing that he will accept an ap-
7 pointment, if offered, as a commissioned officer in
8 the Army, Navy, Air Force, or Marine Corps, as the
9 case may be, and that he will serve in the armed
10 forces for the period prescribed by the Secretary;

11 “(E) successfully complete the first year of a
12 four-year Senior Reserve Officers’ Training Corps
13 course;

14 “(F) not be eligible for advanced training under
15 section 2104 of title 10;

16 “(G) not be appointed under section 2107 of
17 title 10; and

18 “(H) execute a certificate of loyalty in such
19 form as the Secretary of Defense prescribes or take
20 a loyalty oath as prescribed by the Secretary.

21 “(3) The first month for which a monthly subsistence
22 allowance is payable to a member under this subsection
23 shall be a month designated by the Secretary of the mili-
24 tary department concerned that begins after the member
25 satisfies the condition in subparagraph (E) of paragraph

1 (2). Payment of the subsistence allowance shall continue
 2 for as long as the member continues to meet the conditions
 3 in such paragraph and the member's obligations under the
 4 enlistment, contract, and agreement entered into as de-
 5 scribed in such paragraph. In no event, however, may a
 6 member receive the monthly subsistence allowance for
 7 more than 20 months.

8 “(4) In this subsection, the term ‘program’ means the
 9 Senior Reserve Officers’ Training Corps of an armed
 10 force.

11 “(5) No subsistence allowance may be paid under this
 12 subsection with respect to a contract that is entered into
 13 as described in paragraph (2)(C) after December 31,
 14 2006.”

15 (b) EFFECTIVE DATE.—Subsection (e) of section 209
 16 of title 37, United States Code (as added by subsection
 17 (a)), shall take effect on January 1, 2004.

18 **SEC. 605. BASIC ALLOWANCE FOR HOUSING FOR EACH**
 19 **MEMBER MARRIED TO ANOTHER MEMBER**
 20 **WITHOUT DEPENDENTS WHEN BOTH**
 21 **SPOUSES ARE ON SEA DUTY.**

22 (a) ENTITLEMENT.—Section 403(f)(2)(C) of title 37,
 23 United States Code, is amended—

24 (1) in the first sentence, by striking “are jointly
 25 entitled to one basic allowance for housing” and in-

1 serting “are each entitled to a basic allowance for
2 housing”; and

3 (2) by striking “The amount of the allowance”
4 and all that follows and inserting “The amount of
5 the allowance payable to a member under the pre-
6 ceding sentence shall be based on the without de-
7 pendents rate for the pay grade of the member.”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 subsection (a) shall take effect on October 1, 2003.

10 **SEC. 606. INCREASED RATE OF FAMILY SEPARATION AL-**
11 **LOWANCE.**

12 (a) RATE.—Section 427(a)(1) of title 37, United
13 States Code, is amended by striking “\$100” and inserting
14 “\$250”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall take effect on October 1, 2003.

17 **Subtitle B—Bonuses and Special**
18 **and Incentive Pays**

19 **SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND**
20 **SPECIAL PAY AUTHORITIES FOR RESERVE**
21 **FORCES.**

22 (a) SELECTED RESERVE REENLISTMENT BONUS.—
23 Section 308b(f) of title 37, United States Code, is amend-
24 ed by striking “December 31, 2003” and inserting “De-
25 cember 31, 2004”.

1 (b) SELECTED RESERVE ENLISTMENT BONUS.—Sec-
2 tion 308c(e) of such title is amended by striking “Decem-
3 ber 31, 2003” and inserting “December 31, 2004”.

4 (c) SPECIAL PAY FOR ENLISTED MEMBERS AS-
5 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section
6 308d(e) of such title is amended by striking “December
7 31, 2003” and inserting “December 31, 2004”.

8 (d) SELECTED RESERVE AFFILIATION BONUS.—Sec-
9 tion 308e(e) of such title is amended by striking “Decem-
10 ber 31, 2003” and inserting “December 31, 2004”.

11 (e) READY RESERVE ENLISTMENT AND REENLIST-
12 MENT BONUS.—Section 308h(g) of such title is amended
13 by striking “December 31, 2003” and inserting “Decem-
14 ber 31, 2004”.

15 (f) PRIOR SERVICE ENLISTMENT BONUS.—Section
16 308i(f) of such title is amended by striking “December
17 31, 2003” and inserting “December 31, 2004”.

18 **SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND**
19 **SPECIAL PAY AUTHORITIES FOR CERTAIN**
20 **HEALTH CARE PROFESSIONALS.**

21 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
22 GRAM.—Section 2130a(a)(1) of title 10, United States
23 Code, is amended by striking “December 31, 2003” and
24 inserting “December 31, 2004”.

1 (b) REPAYMENT OF EDUCATION LOANS FOR CER-
2 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
3 LECTED RESERVE.—Section 16302(d) of such title is
4 amended by striking “January 1, 2004” and inserting
5 “January 1, 2005”.

6 (c) ACCESSION BONUS FOR REGISTERED NURSES.—
7 Section 302d(a)(1) of title 37, United States Code, is
8 amended by striking “December 31, 2003” and inserting
9 “December 31, 2004”.

10 (d) INCENTIVE SPECIAL PAY FOR NURSE ANES-
11 THETISTS.—Section 302e(a)(1) of such title is amended
12 by striking “December 31, 2003” and inserting “Decem-
13 ber 31, 2004”.

14 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH
15 PROFESSIONALS IN CRITICALLY SHORT WARTIME SPE-
16 CIALTIES.—Section 302g(f) of such title is amended by
17 striking “December 31, 2003” and inserting “December
18 31, 2004”.

19 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
20 Section 302h(a)(1) of such title is amended by striking
21 “December 31, 2003” and inserting “December 31,
22 2004”.

1 **SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND**
2 **BONUS AUTHORITIES FOR NUCLEAR OFFI-**
3 **CERS.**

4 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
5 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
6 312(e) of title 37, United States Code, is amended by
7 striking “December 31, 2003” and inserting “December
8 31, 2004”.

9 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
10 312b(c) of such title is amended by striking “December
11 31, 2003” and inserting “December 31, 2004”.

12 (c) NUCLEAR CAREER ANNUAL INCENTIVE
13 BONUS.—Section 312c(d) of such title is amended by
14 striking “December 31, 2003” and inserting “December
15 31, 2004”.

16 **SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND**
17 **SPECIAL PAY AUTHORITIES.**

18 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
19 tion 301b(a) of title 37, United States Code, is amended
20 by striking “December 31, 2003” and inserting “Decem-
21 ber 31, 2004”.

22 (b) REENLISTMENT BONUS FOR ACTIVE MEM-
23 BERS.—Section 308(g) of such title is amended by strik-
24 ing “December 31, 2003” and inserting “December 31,
25 2004”.

1 (c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—
2 Section 309(e) of such title is amended by striking “De-
3 cember 31, 2003” and inserting “December 31, 2004”.

4 (d) RETENTION BONUS FOR MEMBERS WITH CRIT-
5 ICAL MILITARY SKILLS.—Section 323(i) of such title is
6 amended by striking “December 31, 2003” and inserting
7 “December 31, 2004”.

8 (e) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
9 ICAL SKILLS.—Section 324(g) of such title is amended by
10 striking “December 31, 2003” and inserting “December
11 31, 2004”.

12 **SEC. 615. SPECIAL PAY FOR RESERVE OFFICERS HOLDING**
13 **POSITIONS OF UNUSUAL RESPONSIBILITY**
14 **AND OF CRITICAL NATURE.**

15 (a) ELIGIBILITY.—Section 306 of title 37, United
16 States Code, is amended—

17 (1) in subsection (a), by inserting “under sec-
18 tion 201 of this title, or the compensation under sec-
19 tion 206 of this title,” after “is entitled to the basic
20 pay”;

21 (2) by redesignating subsections (b) through (e)
22 as subsections (c) through (f), respectively; and

23 (3) by inserting after subsection (a) the fol-
24 lowing new subsection (b):

1 “(b) In the case of an officer who is a member of
 2 a reserve component, special pay under subsection (a)
 3 shall be paid at the rate of $\frac{1}{30}$ of the monthly rate author-
 4 ized by that subsection for each day of the performance
 5 of duties described in that subsection.”.

6 (b) LIMITATION.—Subsection (d) of such section, as
 7 redesignated by subsection (a)(2) of this section, is
 8 amended—

9 (1) by inserting “(1)” after “(d)”; and

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

12 “(2) Of the number of officers in the Selected Re-
 13 serve of the Ready Reserve of an armed force who are
 14 not on active duty (other than for training), not more than
 15 5 percent of the number of such officers in each of the
 16 pay grades O–3 and below, and not more than 10 percent
 17 of the number of such officers in pay grade O–4, O–5,
 18 or O–6, may be paid special pay under subsection (b).”.

19 **SEC. 616. ASSIGNMENT INCENTIVE PAY FOR SERVICE IN**
 20 **KOREA.**

21 (a) AUTHORITY.—(1) Chapter 5 of title 37, United
 22 States Code, is amended by inserting after section 307a
 23 the following new section:

1 **“§ 307b. Special pay: Korea service incentive pay**

2 “(a) **AUTHORITY.**—The Secretary concerned shall
3 pay monthly incentive pay under this section to a member
4 of a uniformed service for the period that the member per-
5 forms service in Korea while entitled to basic pay.

6 “(b) **RATE.**—The monthly rate of incentive pay pay-
7 able to a member under this section is \$100.

8 “(c) **RELATIONSHIP TO OTHER PAY AND ALLOW-**
9 **ANCES.**—Incentive pay paid to a member under this sec-
10 tion is in addition to any other pay and allowances to
11 which the member is entitled.

12 “(d) **STATUS NOT AFFECTED BY TEMPORARY DUTY**
13 **OR LEAVE.**—The service of a member in an assignment
14 referred to in subsection (a) shall not be considered dis-
15 continued during any period that the member is not per-
16 forming service in the assignment by reason of temporary
17 duty performed by the member pursuant to orders or ab-
18 sence of the member for authorized leave.

19 “(e) **TERMINATION OF AUTHORITY.**—Special pay
20 may not be paid under this section for months beginning
21 after December 31, 2005.”.

22 (2) The table of sections at the beginning of such
23 chapter is amended by inserting after the item relating
24 to section 307a the following new item:

“307b. Special pay: Korea service incentive pay.”.

1 (b) EFFECTIVE DATE.—Section 307(b) of title 37,
 2 United States Code (as added by subsection (a)), shall
 3 take effect on October 1, 2003.

4 **SEC. 617. INCREASED MAXIMUM AMOUNT OF REENLIST-**
 5 **MENT BONUS FOR ACTIVE MEMBERS.**

6 (a) MAXIMUM AMOUNT.—Section 308(a)(2)(B) of
 7 title 37, United States Code, is amended by striking
 8 “\$60,000” and inserting “\$70,000”.

9 (b) EFFECTIVE DATE.—The amendment made by
 10 subsection (a) shall take effect on October 1, 2003, and
 11 shall apply with respect to reenlistments and extensions
 12 of enlistments that take effect on or after that date.

13 **SEC. 618. PAYMENT OF SELECTED RESERVE REENLIST-**
 14 **MENT BONUS TO MEMBERS OF SELECTED RE-**
 15 **SERVE WHO ARE MOBILIZED.**

16 Section 308b of title 37, United States Code, is
 17 amended—

18 (1) by redesignating subsections (d), (e), and
 19 (f) as subsections (e), (f), and (g), respectively; and

20 (2) by inserting after subsection (c) the fol-
 21 lowing new subsection (d):

22 “(d) PAYMENT TO MOBILIZED MEMBERS.—In the
 23 case of a member entitled to a bonus under this section
 24 who is called or ordered to active duty, any amount of
 25 such bonus that is payable to the member during the pe-

1 riod of active duty of the member shall be paid the mem-
 2 ber during that period of active duty without regard to
 3 the fact that the member is serving on active duty pursu-
 4 ant to such call or order to active duty.”.

5 **SEC. 619. INCREASED RATE OF HOSTILE FIRE AND IMMI-**
 6 **NENT DANGER SPECIAL PAY.**

7 (a) **RATE.**—Section 310(a) of title 37, United States
 8 Code, is amended by striking “\$150” and inserting
 9 “\$225”.

10 (b) **EFFECTIVE DATE.**—The amendment made by
 11 subsection (a) shall take effect on October 1, 2003.

12 **SEC. 620. AVAILABILITY OF HOSTILE FIRE AND IMMINENT**
 13 **DANGER SPECIAL PAY FOR RESERVE COMPO-**
 14 **NENT MEMBERS ON INACTIVE DUTY.**

15 (a) **EXPANSION AND CLARIFICATION OF CURRENT**
 16 **LAW.**—Section 310 of title 37, United States Code, is
 17 amended—

18 (1) by redesignating subsections (b) and (c) as
 19 subsections (c) and (d), respectively; and

20 (2) by striking subsection (a) and inserting the
 21 following new subsections:

22 “(a) **ELIGIBILITY AND SPECIAL PAY AMOUNT.**—
 23 Under regulations prescribed by the Secretary of Defense,
 24 a member of a uniformed service may be paid special pay
 25 at the rate of \$150 for any month in which—

1 “(1) the member was entitled to basic pay or
2 compensation under section 204 or 206 of this title;
3 and

4 “(2) the member—

5 “(A) was subject to hostile fire or explo-
6 sion of hostile mines;

7 “(B) was on duty in an area in which the
8 member was in imminent danger of being ex-
9 posed to hostile fire or explosion of hostile
10 mines and in which, during the period the mem-
11 ber was on duty in the area, other members of
12 the uniformed services were subject to hostile
13 fire or explosion of hostile mines;

14 “(C) was killed, injured, or wounded by
15 hostile fire, explosion of a hostile mine, or any
16 other hostile action; or

17 “(D) was on duty in a foreign area in
18 which the member was subject to the threat of
19 physical harm or imminent danger on the basis
20 of civil insurrection, civil war, terrorism, or
21 wartime conditions.

22 “(b) CONTINUATION DURING HOSPITALIZATION.—A
23 member covered by subsection (a)(2)(C) who is hospital-
24 ized for the treatment of the injury or wound may be paid
25 special pay under this section for not more than three ad-

1 ditional months during which the member is so hospital-
2 ized.”.

3 (b) CLERICAL AMENDMENTS.—Such section is fur-
4 ther amended—

5 (1) in subsection (c), as redesignated by sub-
6 section (a)(1), by inserting “LIMITATIONS AND AD-
7 MINISTRATION.—” before “(1)”; and

8 (2) in subsection (d), as redesignated by sub-
9 section (a)(1), by inserting “DETERMINATIONS OF
10 FACT.—” before “Any”.

11 (c) EFFECTIVE DATE.—Subsections (a) and (b) of
12 section 310 of title 37, United States Code, as added by
13 subsection (a)(2), shall take effect as of September 11,
14 2001.

15 **SEC. 621. EXPANSION OF OVERSEAS TOUR EXTENSION IN-**
16 **CENTIVE PROGRAM TO OFFICERS.**

17 (a) SPECIAL PAY OR BONUS FOR EXTENDING OVER-
18 SEAS TOUR OF DUTY.—(1) Subsections (a) and (b) of sec-
19 tion 314 of title 37, United States Code, are amended by
20 striking “an enlisted member” and inserting “a member”.

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

1 **“§ 314. Special pay or bonus: qualified members ex-**
 2 **tending duty at designated locations**
 3 **overseas”.**

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

“314. Special pay or bonus: qualified members extending duty at designated lo-
 cations overseas.”.

7 (b) REST AND RECUPERATIVE ABSENCE IN LIEU OF
 8 PAY OR BONUS.—(1) Subsection (a) of section 705 of title
 9 10, United States Code, is amended by striking “an en-
 10 listed member” and inserting “a member”.

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

13 **“§ 705. Rest and recuperation absence: qualified**
 14 **members extending duty at designated lo-**
 15 **cations overseas”.**

16 (B) The item relating to such section in the table of
 17 sections at the beginning of chapter 40 of such title is
 18 amended to read as follows:

“705. Rest and recuperation absence: qualified members extending duty at des-
 ignated locations overseas.”.

1 **SEC. 622. ELIGIBILITY OF WARRANT OFFICERS FOR AC-**
 2 **CESSION BONUS FOR NEW OFFICERS IN CRIT-**
 3 **ICAL SKILLS.**

4 (a) **ELIGIBILITY.**—Section 324 of title 37, United
 5 States Code, is amended in subsections (a) and (f)(1) by
 6 inserting “or an appointment” after “commission”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
 8 subsection (a) shall take effect on October 1, 2003.

9 **SEC. 623. INCENTIVE BONUS FOR CONVERSION TO MILI-**
 10 **TARY OCCUPATIONAL SPECIALTY TO EASE**
 11 **PERSONNEL SHORTAGE.**

12 (a) **IN GENERAL.**—Chapter 5 of title 37, United
 13 States Code, is amended by adding at the end the fol-
 14 lowing new section:

15 **“§ 326. Incentive bonus: conversion to military occu-**
 16 **pational specialty to ease personnel**
 17 **shortage**

18 “(a) **INCENTIVE BONUS AUTHORIZED.**—The Sec-
 19 retary concerned may pay a bonus under this section to
 20 an eligible member of the armed forces who executes a
 21 written agreement to convert to, and serve for a period
 22 of not less than four years in, a military occupational spe-
 23 cialty for which there is a shortage of trained and qualified
 24 personnel.

25 “(b) **ELIGIBLE MEMBERS.**—A member is eligible for
 26 a bonus under this section if—

1 “(1) the member is entitled to basic pay; and

2 “(2) at the time the agreement under sub-
3 section (a) is executed, the member is serving in—

4 “(A) pay grade E–6 with not more than 10
5 years of service computed under section 205 of
6 this title; or

7 “(B) pay grade E–5 or below, regardless of
8 years of service.

9 “(c) AMOUNT AND PAYMENT OF BONUS.—(1) A
10 bonus under this section may not exceed \$4,000.

11 “(2) A bonus payable under this section shall be dis-
12 bursed in one lump sum when the member’s conversion
13 to the military occupational specialty is approved by the
14 chief personnel officer of the member’s armed force.

15 “(d) RELATIONSHIP TO OTHER PAY AND ALLOW-
16 ANCES.—A bonus paid to a member under this section is
17 in addition to any other pay and allowances to which the
18 member is entitled.

19 “(e) REPAYMENT OF BONUS.—(1) A member who re-
20 ceives a bonus for conversion to a military occupational
21 specialty under this section and who, voluntarily or be-
22 cause of misconduct, fails to serve in such military occupa-
23 tional specialty for the period specified in the agreement
24 shall refund to the United States an amount that bears
25 the same ratio to the bonus amount paid to the member

1 as the unserved part of such period bears to the total pe-
2 riod agreed to be served.

3 “(2) An obligation to reimburse the United States
4 imposed under paragraph (1) is, for all purposes, a debt
5 owed to the United States.

6 “(3) A discharge in bankruptcy under title 11 that
7 is entered less than five years after the termination of the
8 agreement for which a bonus was paid under this section
9 shall not discharge the person signing such agreement
10 from the debt arising under paragraph (1).

11 “(4) Under regulations prescribed pursuant to sub-
12 section (f), the Secretary concerned may waive, in whole
13 or in part, a refund required under paragraph (1) if the
14 Secretary determines that recovery would be against eq-
15 uity and good conscience or would be contrary to the best
16 interests of the United States.

17 “(f) REGULATIONS.—The Secretaries concerned shall
18 prescribe regulations to carry out this section. Regulations
19 prescribed by the Secretary of a military department shall
20 be subject to the approval of the Secretary of Defense.

21 “(g) TERMINATION OF AUTHORITY.—No agreement
22 under this section may be entered into after December 31,
23 2006.”

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

“326. Incentive bonus: conversion to military occupational specialty to ease personnel shortage.”.

4 **Subtitle C—Travel and**
 5 **Transportation Allowances**

6 **SEC. 631. SHIPMENT OF PRIVATELY OWNED MOTOR VEHI-**
 7 **CLE WITHIN CONTINENTAL UNITED STATES.**

8 (a) AUTHORITY TO PROCURE CONTRACT FOR
 9 TRANSPORTATION OF MOTOR VEHICLE.—Section 2634 of
 10 title 10, United States Code, is amended—

11 (1) by redesignating subsection (h) as sub-
 12 section (i); and

13 (2) by inserting after subsection (g) the fol-
 14 lowing new subsection (h):

15 “(h) In the case of a member’s change of permanent
 16 station described in subparagraph (A) or (B) of subsection
 17 (i)(1), the Secretary concerned may authorize the member
 18 to arrange for the shipment of the motor vehicle in lieu
 19 of transportation at the expense of the United States
 20 under this section. The Secretary concerned may pay the
 21 member a monetary allowance in lieu of transportation,
 22 as established under section 404(d)(1) of title 37, and the
 23 member shall be responsible for any transportation costs
 24 in excess of such allowance.”.

1 (b) ALLOWANCE FOR SELF-PROCUREMENT OF
 2 TRANSPORTATION OF MOTOR VEHICLE.—Section
 3 406(b)(1)(B) of title 37, United States Code, is amended
 4 by adding at the end the following new sentence: “In the
 5 case of the transportation of a motor vehicle arranged by
 6 the member under section 2634(h) of title 10, the Sec-
 7 retary concerned may pay the member, upon presentation
 8 of proof of shipment, a monetary allowance in lieu of
 9 transportation, as established under section 404(d)(1) of
 10 this title.”.

11 **SEC. 632. PAYMENT OR REIMBURSEMENT OF STUDENT**
 12 **BAGGAGE STORAGE COSTS FOR DEPENDENT**
 13 **CHILDREN OF MEMBERS STATIONED OVER-**
 14 **SEAS.**

15 Section 430(b)(2) of title 37, United States Code, is
 16 amended in the first sentence by inserting before the pe-
 17 riod at the end the following: “or during a different period
 18 in the same fiscal year selected by the member”.

19 **SEC. 633. CONTRACTS FOR FULL REPLACEMENT VALUE**
 20 **FOR LOSS OR DAMAGE TO PERSONAL PROP-**
 21 **ERTY TRANSPORTED AT GOVERNMENT EX-**
 22 **PENSE.**

23 (a) AUTHORITY.—Chapter 157 of title 10, United
 24 States Code, is amended by inserting after section 2636
 25 the following new section:

1 **“§ 2636a. Loss or damage to personal property trans-**
2 **ported at Government expense: full re-**
3 **placement value; deduction from**
4 **amounts due carriers**

5 “(a) PROCUREMENT OF COVERAGE.—The Secretary
6 of Defense may include in a contract for the transpor-
7 tation of baggage and household effects for members of
8 the armed forces at Government expense a clause that re-
9 quires the carrier under the contract to pay the full re-
10 placement value for loss or damage to the baggage or
11 household effects transported under the contract.

12 “(b) DEDUCTION UPON FAILURE OF CARRIER TO
13 SETTLE.—In the case of a loss or damage of baggage or
14 household effects transported under a contract with a car-
15 rier that includes a clause described in subsection (a), the
16 amount equal to the full replacement value for the bag-
17 gage or household effects may be deducted from the
18 amount owed by the United States to the carrier under
19 the contract upon a failure of the carrier to settle a claim
20 for such loss or total damage within a reasonable time.
21 The amount so deducted shall be remitted to the claimant,
22 notwithstanding section 2636 of this title.

23 “(c) INAPPLICABILITY OF RELATED LIMITS.—The
24 limitations on amounts of claims that may be settled
25 under section 3721(b) of title 31 do not apply to a car-

1 rier’s contractual obligation to pay full replacement value
2 under this section.

3 “(d) REGULATIONS.—The Secretary of Defense shall
4 prescribe regulations for administering this section. The
5 regulations shall include policies and procedures for vali-
6 dating and evaluating claims, validating proper claimants,
7 and determining reasonable time for settlement.

8 “(e) TRANSPORTATION DEFINED.—In this section,
9 the terms ‘transportation’ and ‘transport’, with respect to
10 baggage or household effects, includes packing, crating,
11 drayage, temporary storage, and unpacking of the baggage
12 or household effects.”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 at the beginning of such chapter is amended by inserting
15 after the item relating to section 2636 the following new
16 item:

“2636a. Loss or damage to personal property transported at Government ex-
pense: full replacement value; deduction from amounts due car-
riers.”.

17 **SEC 634. TRANSPORTATION OF DEPENDENTS TO PRES-**
18 **ENCE OF MEMBERS OF THE ARMED FORCES**
19 **WHO ARE RETIRED FOR ILLNESS OR INJURY**
20 **INCURRED IN ACTIVE DUTY.**

21 Section 411h(a) of title 37, United States Code, is
22 amended—

23 (1) in paragraph (1), by striking “paragraph
24 (2)” and inserting “paragraph (3)”;

1 (2) by redesignating paragraph (2) as para-
2 graph (3);

3 (3) by inserting after paragraph (1) the fol-
4 lowing new paragraph (2):

5 “(2) Under the regulations prescribed under para-
6 graph (1), transportation described in subsection (c) may
7 be provided for not more than two family members of a
8 member otherwise described in paragraph (3) who is re-
9 tired for an illness or injury described in that paragraph
10 if the attending physician or surgeon and the commander
11 or head of the military medical facility exercising control
12 over the member determine that the presence of the family
13 member would be in the best interests of the family mem-
14 ber.”; and

15 (4) in paragraph (3), as so redesignated, by
16 striking “paragraph (1)” and inserting “paragraph
17 (1) or (2)”.

18 **Subtitle D—Retired Pay and**
19 **Survivor Benefits**

20 **SEC. 641. SPECIAL RULE FOR COMPUTATION OF RETIRED**
21 **PAY BASE FOR COMMANDERS OF COMBAT-**
22 **ANT COMMANDS.**

23 (a) TREATMENT EQUIVALENT TO CHIEFS OF SERV-
24 ICE.—Subsection (i) of section 1406 of title 10, United
25 States Code, is amended by inserting “as a commander

1 of a unified or specified combatant command (as defined
2 in section 161(c) of this title),” after “Chief of Service,”.

3 (b) CONFORMING AMENDMENT.—The heading for
4 such subsection is amended by inserting “COMMANDERS
5 OF COMBATANT COMMANDS,” after “CHIEFS OF SERV-
6 ICE,”.

7 (c) EFFECTIVE DATE AND APPLICABILITY.—The
8 amendments made by this section shall take effect on the
9 date of the enactment of this Act and shall apply with
10 respect to officers who first become entitled to retired pay
11 under title 10, United States Code, on or after such date.

12 **SEC. 642. SURVIVOR BENEFIT PLAN ANNUITIES FOR SUR-**
13 **VIVING SPOUSES OF RESERVES NOT ELIGI-**
14 **BLE FOR RETIREMENT WHO DIE FROM A**
15 **CAUSE INCURRED OR AGGRAVATED WHILE**
16 **ON INACTIVE-DUTY TRAINING.**

17 (a) SURVIVING SPOUSE ANNUITY.—Paragraph (1) of
18 section 1448(f) of title 10, United States Code, is amend-
19 ed to read as follows:

20 “(1) SURVIVING SPOUSE ANNUITY.—The Sec-
21 retary concerned shall pay an annuity under this
22 subchapter to the surviving spouse of—

23 “(A) a person who is eligible to provide a
24 reserve-component annuity and who dies—

1 “(i) before being notified under sec-
2 tion 12731(d) of this title that he has com-
3 pleted the years of service required for eli-
4 gibility for reserve-component retired pay;
5 or

6 “(ii) during the 90-day period begin-
7 ning on the date he receives notification
8 under section 12731(d) of this title that he
9 has completed the years of service required
10 for eligibility for reserve-component retired
11 pay if he had not made an election under
12 subsection (a)(2)(B) to participate in the
13 Plan; or

14 “(B) a member of a reserve component not
15 described in subparagraph (A) who dies from
16 an injury or illness incurred or aggravated in
17 the line of duty during inactive-duty training.”.

18 (b) CONFORMING AMENDMENT.—The heading for
19 subsection (f) of section 1448 of such title is amended by
20 inserting “OR BEFORE” after “DYING WHEN”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall take effect as of September 10, 2001,
23 and shall apply with respect to performance of inactive-
24 duty training (as defined in section 101(d) of title 10,
25 United States Code) on or after that date.

1 **SEC. 643. INCREASE IN DEATH GRATUITY PAYABLE WITH**
2 **RESPECT TO DECEASED MEMBERS OF THE**
3 **ARMED FORCES.**

4 (a) **AMOUNT OF DEATH GRATUITY.**—Section
5 1478(a) of title 10, United States Code, is amended by
6 striking “\$6,000” and inserting “\$12,000”.

7 (b) **EFFECTIVE DATE.**—The amendment made by
8 subsection (a) shall take effect as of September 11, 2001,
9 and shall apply with respect to deaths occurring on or
10 after that date.

11 (c) **DEATH BENEFITS STUDY.**—(1) It is the sense of
12 Congress that—

13 (A) the sacrifices made by the members of the
14 United States Armed Forces are significant and are
15 worthy of meaningful expressions of gratitude by the
16 Government of the United States, especially in cases
17 of sacrifice through loss of life;

18 (B) the tragic events of September 11, 2001,
19 and subsequent worldwide combat operations in the
20 Global War on Terrorism and in Operation Iraqi
21 Freedom have highlighted the significant disparity
22 between the financial benefits for survivors of de-
23 ceased members of the Armed Forces and the finan-
24 cial benefits for survivors of civilian victims of ter-
25 rorism;

1 (C) the death benefits system composed of the
2 death gratuity paid by the Department of Defense to
3 survivors of members of the Armed Forces, the sub-
4 sequently established Servicemembers' Group Life
5 Insurance (SGLI) program, and other benefits for
6 survivors of deceased members has evolved over
7 time, but there are increasing indications that the
8 evolution of such benefits has failed to keep pace
9 with the expansion of indemnity and compensation
10 available to segments of United States society out-
11 side the Armed Forces, a failure that is especially
12 apparent in a comparison of the benefits for sur-
13 vivors of deceased members with the compensation
14 provided to families of civilian victims of terrorism;
15 and

16 (D) while Servicemembers' Group Life Insur-
17 ance (SGLI) provides an assured source of life in-
18 surance for members of the Armed Forces that ben-
19 efits the survivors of such members upon death, the
20 SGLI program requires the members to pay for that
21 life insurance coverage and does not provide an as-
22 sured minimum benefit.

23 (2) The Secretary of Defense shall carry out a study
24 of the totality of all current and projected death benefits
25 for survivors of deceased members of the Armed Forces

1 to determine the adequacy of such benefits. In carrying
2 out the study, the Secretary shall—

3 (A) compare the Federal Government death
4 benefits for survivors of deceased members of the
5 Armed Forces with commercial and other private
6 sector death benefits plans for segments of United
7 States society outside the Armed Forces, and also
8 with the benefits available under Public Law 107–
9 37 (115 Stat. 219) (commonly known as the “Public
10 Safety Officer Benefits Bill”);

11 (B) assess the personnel policy effects that
12 would result from a revision of the death gratuity
13 benefit to provide a stratified schedule of entitlement
14 amounts that places a premium on deaths resulting
15 from participation in combat or from acts of ter-
16 rorism;

17 (C) assess the adequacy of the current system
18 of Survivor Benefit Plan annuities and Dependency
19 and Indemnity Compensation and the anticipated ef-
20 fects of an elimination of the offset of Survivor Ben-
21 efit Plan annuities by Dependency and Indemnity
22 Compensation;

23 (D) examine the commercial insurability of
24 members of the Armed Forces in high risk military
25 occupational specialties; and

1 (E) examine the extent to which private trusts
2 and foundations engage in fundraising or otherwise
3 provide financial benefits for survivors of deceased
4 members of the Armed Forces.

5 (3) Not later than March 1, 2004, the Secretary shall
6 submit a report on the results of the study under para-
7 graph (2) to the Committees on Armed Services of the
8 Senate and the House of Representatives. The report shall
9 include the following:

10 (A) The assessments, analyses, and conclusions
11 resulting from the study.

12 (B) Proposed legislation to address the defi-
13 ciencies in the system of Federal Government death
14 benefits for survivors of deceased members of the
15 Armed Forces that are identified in the course of
16 the study.

17 (C) An estimate of the costs of the system of
18 death benefits provided for in the proposed legisla-
19 tion.

20 (4) The Comptroller General shall conduct a study
21 to identify the death benefits that are payable under Fed-
22 eral, State, and local laws for employees of the Federal
23 Government, State governments, and local governments.
24 Not later than November 1, 2003, the Comptroller Gen-
25 eral shall submit a report containing the results of the

1 study to the Committees on Armed Services of the Senate
2 and the House of Representatives.

3 **SEC. 644. FULL PAYMENT OF BOTH RETIRED PAY AND COM-**
4 **PENSATION TO DISABLED MILITARY RETIR-**
5 **EES.**

6 (a) RESTORATION OF FULL RETIRED PAY BENE-
7 FITS.—Section 1414 of title 10, United States Code, is
8 amended to read as follows:

9 **“§ 1414. Members eligible for retired pay who have**
10 **service-connected disabilities: payment of**
11 **retired pay and veterans’ disability com-**
12 **ensation**

13 “(a) PAYMENT OF BOTH RETIRED PAY AND COM-
14 PENSATION.—Except as provided in subsection (b), a
15 member or former member of the uniformed services who
16 is entitled to retired pay (other than as specified in sub-
17 section (c)) and who is also entitled to veterans’ disability
18 compensation is entitled to be paid both without regard
19 to sections 5304 and 5305 of title 38.

20 “(b) SPECIAL RULE FOR CHAPTER 61 CAREER RE-
21 TIREES.—The retired pay of a member retired under
22 chapter 61 of this title with 20 years or more of service
23 otherwise creditable under section 1405 of this title at the
24 time of the member’s retirement is subject to reduction
25 under sections 5304 and 5305 of title 38, but only to the

1 extent that the amount of the member's retired pay under
 2 chapter 61 of this title exceeds the amount of retired pay
 3 to which the member would have been entitled under any
 4 other provision of law based upon the member's service
 5 in the uniformed services if the member had not been re-
 6 tired under chapter 61 of this title.

7 “(c) EXCEPTION.—Subsection (a) does not apply to
 8 a member retired under chapter 61 of this title with less
 9 than 20 years of service otherwise creditable under section
 10 1405 of this title at the time of the member's retirement.

11 “(d) DEFINITIONS.—In this section:

12 “(1) The term ‘retired pay’ includes retainer
 13 pay, emergency officers’ retirement pay, and naval
 14 pension.

15 “(2) The term ‘veterans’ disability compensa-
 16 tion’ has the meaning given the term ‘compensation’
 17 in section 101(13) of title 38.”.

18 (b) REPEAL OF SPECIAL COMPENSATION PRO-
 19 GRAMS.—Sections 1413 and 1413a of such title are re-
 20 pealed.

21 (c) CLERICAL AMENDMENT.—The table of sections
 22 at the beginning of such chapter is amended by striking
 23 the items relating to sections 1413, 1413a, and 1414 and
 24 inserting the following:

“1414. Members eligible for retired pay who have service-connected disabilities:
 payment of retired pay and veterans’ disability compensation.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on—

3 (1) the first day of the first month that begins
4 after the date of the enactment of this Act; or

5 (2) the first day of the fiscal year that begins
6 in the calendar year in which this Act is enacted, if
7 later than the date specified in paragraph (1).

8 (e) PROHIBITION ON RETROACTIVE BENEFITS.—No
9 benefits may be paid to any person by reason of section
10 1414 of title 10, United States Code, as amended by sub-
11 section (a), for any period before the effective date appli-
12 cable under subsection (d).

13 **Subtitle E—Other Matters**

14 **SEC. 651. RETENTION OF ACCUMULATED LEAVE.**

15 (a) HIGHER MAXIMUM LIMITATION ASSOCIATED
16 WITH CERTAIN SERVICE.—Section 701(f) of title 10,
17 United States Code, is amended to read as follows:

18 “(f)(1) The Secretary of Defense may authorize a
19 member eligible under paragraph (2) to retain 120 days’
20 leave accumulated by the end of the fiscal year described
21 in such paragraph.

22 “(2) Paragraph (1) applies to a member who—

23 “(A) during a fiscal year—

24 “(i) serves on active duty for a continuous
25 period of at least 120 days in an area in which

1 the member is entitled to special pay under sec-
2 tion 310(a) of title 37; or

3 “(ii) is assigned to a deployable ship, to a
4 mobile unit, to duty in support of a contingency
5 operation, or to other duty designated for the
6 purpose of this section; and

7 “(B) except for paragraph (1), would lose any
8 accumulated leave in excess of 60 days at the end
9 of the fiscal year.

10 “(3) Leave in excess of 60 days accumulated under
11 this subsection is lost unless it is used by the member be-
12 fore the end of the third fiscal year after the fiscal year
13 in which the service described in paragraph (2) termi-
14 nated.”.

15 (b) SAVINGS PROVISIONS.—Regulations in effect
16 under subsection (f) of section 701 of title 10, United
17 States Code, on the day before the date of the enactment
18 of this Act shall remain in effect until revised or super-
19 seded by regulations prescribed to implement the authority
20 under the amendment made by subsection (a).

21 (c) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall take effect on October 1, 2003.

23 **SEC. 652. GAO STUDY.**

24 Not later than April 1, 2004, the Comptroller Gen-
25 eral shall submit a report regarding the adequacy of spe-

1 cial pays and allowances for service members who experi-
 2 ence frequent deployments away from their permanent
 3 duty stations for periods less than 30 days. The policies
 4 regarding eligibility for family separation allowance, in-
 5 cluding those relating to required duration of absences
 6 from the permanently assigned duty station, should be as-
 7 sessed.

8 **Subtitle F—Naturalization and**
 9 **Family Protection for Military**
 10 **Members**

11 **SEC. 661. SHORT TITLE.**

12 This subtitle may be cited as the “Naturalization and
 13 Family Protection for Military Members Act of 2003”.

14 **SEC. 662. REQUIREMENTS FOR NATURALIZATION**
 15 **THROUGH SERVICE IN THE ARMED FORCES**
 16 **OF THE UNITED STATES.**

17 (a) REDUCTION OF PERIOD FOR REQUIRED SERV-
 18 ICE.—Section 328(a) of the Immigration and Nationality
 19 Act (8 U.S.C. 1439(a)) is amended by striking “three
 20 years” and inserting “2 years”.

21 (b) PROHIBITION ON IMPOSITION OF FEES RELAT-
 22 ING TO NATURALIZATION.—Title III of the Immigration
 23 and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

24 (1) in section 328(b)—

25 (A) in paragraph (3)—

1 (i) by striking “honorable. The” and
2 inserting “honorable (the”;

3 (ii) by striking “discharge.” and in-
4 sserting “discharge); and”;

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

6 “(4) notwithstanding any other provision of
7 law, no fee shall be charged or collected from the ap-
8 plicant for filing a petition for naturalization or for
9 the issuance of a certificate of naturalization upon
10 citizenship being granted to the applicant, and no
11 clerk of any State court shall charge or collect any
12 fee for such services unless the laws of the State re-
13 quire such charge to be made, in which case nothing
14 more than the portion of the fee required to be paid
15 to the State shall be charged or collected.”; and

16 (2) in section 329(b)—

17 (A) in paragraph (2), by striking “and” at
18 the end;

19 (B) in paragraph (3), by striking the pe-
20 riod at the end and inserting “; and”;

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

22 “(4) notwithstanding any other provision of
23 law, no fee shall be charged or collected from the ap-
24 plicant for filing a petition for naturalization or for
25 the issuance of a certificate of naturalization upon

1 citizenship being granted to the applicant, and no
2 clerk of any State court shall charge or collect any
3 fee for such services unless the laws of the State re-
4 quire such charge to be made, in which case nothing
5 more than the portion of the fee required to be paid
6 to the State shall be charged or collected.”.

7 (c) NATURALIZATION PROCEEDINGS OVERSEAS FOR
8 MEMBERS OF THE ARMED FORCES.—Notwithstanding
9 any other provision of law, the Secretary of Homeland Se-
10 curity, the Secretary of State, and the Secretary of De-
11 fense shall ensure that any applications, interviews, filings,
12 oaths, ceremonies, or other proceedings under title III of
13 the Immigration and Nationality Act (8 U.S.C. 1401 et
14 seq.) relating to naturalization of members of the Armed
15 Forces are available through United States embassies,
16 consulates, and as practicable, United States military in-
17 stallations overseas.

18 (d) FINALIZATION OF NATURALIZATION PRO-
19 CEEDINGS FOR MEMBERS OF THE ARMED FORCES.—Not
20 later than 90 days after the date of enactment of this Act,
21 the Secretary of Defense shall prescribe a policy that fa-
22 cilitates the opportunity for a member of the Armed
23 Forces to finalize naturalization for which the member has
24 applied. The policy shall include, for such purpose, the fol-
25 lowing:

1 (1) A high priority for grant of emergency
2 leave.

3 (2) A high priority for transportation on air-
4 craft of, or chartered by, the Armed Forces.

5 (e) TECHNICAL AND CONFORMING AMENDMENT.—
6 Section 328(b)(3) of the Immigration and Nationality Act
7 (8 U.S.C. 1439(b)(3)) is amended by striking “Attorney
8 General” and inserting “Secretary of Homeland Secu-
9 rity”.

10 **SEC. 663. NATURALIZATION BENEFITS FOR MEMBERS OF**
11 **THE SELECTED RESERVE OF THE READY RE-**
12 **SERVE.**

13 Section 329(a) of the Immigration and Nationality
14 Act (8 U.S.C. 1440(a)) is amended by inserting “as a
15 member of the Selected Reserve of the Ready Reserve or”
16 after “has served honorably”.

17 **SEC. 664. EXTENSION OF POSTHUMOUS BENEFITS TO SUR-**
18 **VIVING SPOUSES, CHILDREN, AND PARENTS.**

19 (a) TREATMENT AS IMMEDIATE RELATIVES.—

20 (1) SPOUSES.—Notwithstanding the second
21 sentence of section 201(b)(2)(A)(i) of the Immigra-
22 tion and Nationality Act (8 U.S.C.
23 1151(b)(2)(A)(i)), in the case of an alien who was
24 the spouse of a citizen of the United States at the
25 time of the citizen’s death and was not legally sepa-

1 rated from the citizen at the time of the citizen's
2 death, if the citizen served honorably in an active
3 duty status in the military, air, or naval forces of
4 the United States and died as a result of injury or
5 disease incurred in or aggravated by combat, the
6 alien (and each child of the alien) shall be consid-
7 ered, for purposes of section 201(b) of such Act, to
8 remain an immediate relative after the date of the
9 citizen's death, but only if the alien files a petition
10 under section 204(a)(1)(A)(ii) of such Act within 2
11 years after such date and only until the date the
12 alien remarries. For purposes of such section
13 204(a)(1)(A)(ii), an alien granted relief under the
14 preceding sentence shall be considered an alien
15 spouse described in the second sentence of section
16 201(b)(2)(A)(i) of such Act.

17 (2) CHILDREN.—

18 (A) IN GENERAL.—In the case of an alien
19 who was the child of a citizen of the United
20 States at the time of the citizen's death, if the
21 citizen served honorably in an active duty sta-
22 tus in the military, air, or naval forces of the
23 United States and died as a result of injury or
24 disease incurred in or aggravated by combat,
25 the alien shall be considered, for purposes of

1 section 201(b) of the Immigration and Nation-
2 ality Act (8 U.S.C. 1151(b)), to remain an im-
3 mediate relative after the date of the citizen's
4 death (regardless of changes in age or marital
5 status thereafter), but only if the alien files a
6 petition under subparagraph (B) within 2 years
7 after such date.

8 (B) PETITIONS.—An alien described in
9 subparagraph (A) may file a petition with the
10 Secretary of Homeland Security for classifica-
11 tion of the alien under section 201(b)(2)(A)(i)
12 of the Immigration and Nationality Act (8
13 U.S.C. 1151(b)(2)(A)(i)). For purposes of such
14 Act, such a petition shall be considered a peti-
15 tion filed under section 204(a)(1)(A) of such
16 Act (8 U.S.C. 1154(a)(1)(A)).

17 (3) PARENTS.—

18 (A) IN GENERAL.—In the case of an alien
19 who was the parent of a citizen of the United
20 States at the time of the citizen's death, if the
21 citizen served honorably in an active duty sta-
22 tus in the military, air, or naval forces of the
23 United States and died as a result of injury or
24 disease incurred in or aggravated by combat,
25 the alien shall be considered, for purposes of

1 section 201(b) of the Immigration and Nation-
2 ality Act (8 U.S.C. 1151(b)), to remain an im-
3 mediate relative after the date of the citizen's
4 death (regardless of changes in age or marital
5 status thereafter), but only if the alien files a
6 petition under subparagraph (B) within 2 years
7 after such date.

8 (B) PETITIONS.—An alien described in
9 subparagraph (A) may file a petition with the
10 Secretary of Homeland Security for classifica-
11 tion of the alien under section 201(b)(2)(A)(i)
12 of the Immigration and Nationality Act (8
13 U.S.C. 1151(b)(2)(A)(i)). For purposes of such
14 Act, such a petition shall be considered a peti-
15 tion filed under section 204(a)(1)(A) of such
16 Act (8 U.S.C. 1154(a)(1)(A)).

17 (C) EXCEPTION.—Notwithstanding section
18 201(b)(2)(A)(i) of the Immigration and Nation-
19 ality Act (8 U.S.C. 1151(b)(2)(A)(i)), for pur-
20 poses of this paragraph, a citizen described in
21 subparagraph (A) does not have to be 21 years
22 of age for a parent to benefit under this para-
23 graph.

24 (b) APPLICATIONS FOR ADJUSTMENT OF STATUS BY
25 SURVIVING SPOUSES, CHILDREN, AND PARENTS.—

1 (1) IN GENERAL.—Notwithstanding subsections
2 (a) and (c) of section 245 of the Immigration and
3 Nationality Act (8 U.S.C. 1255), any alien who was
4 the spouse, child, or parent of an alien described in
5 paragraph (2), and who applied for adjustment of
6 status prior to the death described in paragraph
7 (2)(B), may have such application adjudicated as if
8 such death had not occurred.

9 (2) ALIEN DESCRIBED.—An alien is described
10 in this paragraph if the alien—

11 (A) served honorably in an active duty sta-
12 tus in the military, air, or naval forces of the
13 United States;

14 (B) died as a result of injury or disease in-
15 curred in or aggravated by combat; and

16 (C) was granted posthumous citizenship
17 under section 329A of the Immigration and Na-
18 tionality Act (8 U.S.C. 1440–1).

19 (c) SPOUSES AND CHILDREN OF LAWFUL PERMA-
20 NENT RESIDENT ALIENS.—

21 (1) TREATMENT AS IMMEDIATE RELATIVES.—

22 (A) IN GENERAL.—A spouse or child of an
23 alien described in paragraph (3) who is included
24 in a petition for classification as a family-spon-
25 sored immigrant under section 203(a)(2) of the

1 Immigration and Nationality Act (8 U.S.C.
2 1153(a)(2)) that was filed by such alien, shall
3 be considered (if the spouse or child has not
4 been admitted or approved for lawful perma-
5 nent residence by such date) a valid petitioner
6 for immediate relative status under section
7 201(b)(2)(A)(i) of the Immigration and Nation-
8 ality Act (8 U.S.C. 1151(b)(2)(A)(i)). Such
9 spouse or child shall be eligible for deferred ac-
10 tion, advance parole, and work authorization.

11 (B) PETITIONS.—An alien spouse or child
12 described in subparagraph (A) may file a peti-
13 tion with the Secretary of Homeland Security
14 for classification of the alien under section
15 201(b)(2)(A)(i) of the Immigration and Nation-
16 ality Act (8 U.S.C. 1151(b)(2)(A)(i)). For pur-
17 poses of such Act, such a petition shall be con-
18 sidered a petition filed under section
19 204(a)(1)(A) of such Act (8 U.S.C.
20 1154(a)(1)(A)).

21 (2) SELF-PETITIONS.—Any spouse or child of
22 an alien described in paragraph (3) who is not a
23 beneficiary of a petition for classification as a fam-
24 ily-sponsored immigrant may file a petition for such
25 classification under section 201(b)(2)(A)(i) of the

1 Immigration and Nationality Act (8 U.S.C.
2 1151(b)(2)(A)(i)) with the Secretary of Homeland
3 Security, but only if the spouse or child files a peti-
4 tion within 2 years after such date. Such spouse or
5 child shall be eligible for deferred action, advance
6 parole, and work authorization.

7 (3) ALIEN DESCRIBED.—An alien is described
8 in this paragraph if the alien—

9 (A) served honorably in an active duty sta-
10 tus in the military, air, or naval forces of the
11 United States;

12 (B) died as a result of injury or disease in-
13 curred in or aggravated by combat; and

14 (C) was granted posthumous citizenship
15 under section 329A of the Immigration and Na-
16 tionality Act (8 U.S.C. 1440–1).

17 (d) PARENTS OF LAWFUL PERMANENT RESIDENT
18 ALIENS.—

19 (1) SELF-PETITIONS.—Any parent of an alien
20 described in paragraph (2) may file a petition for
21 classification under section 201(b)(2)(A)(i) of the
22 Immigration and Nationality Act (8 U.S.C.
23 1151(b)(2)(A)(i)), but only if the parent files a peti-
24 tion within 2 years after such date. For purposes of
25 such Act, such petition shall be considered a petition

1 filed under section 204(a)(1)(A) of such Act (8
2 U.S.C. 1154(a)(1)(A)). Such parent shall be eligible
3 for deferred action, advance parole, and work au-
4 thorization.

5 (2) ALIEN DESCRIBED.—An alien is described
6 in this paragraph if the alien—

7 (A) served honorably in an active duty sta-
8 tus in the military, air, or naval forces of the
9 United States;

10 (B) died as a result of injury or disease in-
11 curred in or aggravated by combat; and

12 (C) was granted posthumous citizenship
13 under section 329A of the Immigration and Na-
14 tionality Act (8 U.S.C. 1440–1).

15 (e) ADJUSTMENT OF STATUS.—Notwithstanding
16 subsections (a) and (c) of section 245 of the Immigration
17 and Nationality Act (8 U.S.C. 1255), an alien physically
18 present in the United States who is the beneficiary of a
19 petition under paragraph (1), (2)(B), or (3)(B) of sub-
20 section (a), paragraph (1)(B) or (2) of subsection (c), or
21 subsection (d)(1) of this section, may apply to the Sec-
22 retary of Homeland Security for adjustment of status to
23 that of an alien lawfully admitted for permanent residence.

24 (f) WAIVER OF CERTAIN GROUNDS OF INADMIS-
25 SIBILITY.—In determining the admissibility of any alien

1 accorded an immigration benefit under this section, the
2 ground for inadmissibility specified in section 212(a)(4)
3 of the Immigration and Nationality Act (8 U.S.C.
4 1182(a)(4)) shall not apply, and notwithstanding any
5 other provision of law, the Secretary of Homeland Security
6 may waive paragraph (6)(A), (7), and (9)(B) of section
7 212(a) of the Immigration and Nationality Act (8 U.S.C.
8 1182(a)) with respect to such an alien if the alien estab-
9 lishes exceptional and extremely unusual hardship to the
10 alien or the alien’s spouse, parent, or child, who is a cit-
11 izen of the United States or an alien lawfully admitted
12 for permanent residence. Any such waiver by the Secretary
13 of Homeland Security shall be in writing and shall be
14 granted only on an individual basis following an investiga-
15 tion.

16 (g) BENEFITS TO SURVIVORS; TECHNICAL AMEND-
17 MENT.—Section 329A of the Immigration and Nationality
18 Act (8 U.S.C. 1440–1) is amended—

19 (1) by striking subsection (e); and

20 (2) by striking “Attorney General” each place
21 that term appears and inserting “Secretary of
22 Homeland Security”.

23 (h) TECHNICAL AND CONFORMING AMENDMENTS.—
24 Section 319(d) of the Immigration and Nationality Act (8
25 U.S.C. 1430(d)) is amended—

1 (1) by inserting “, child, or parent” after “sur-
2 viving spouse”;

3 (2) by inserting “, parent, or child” after
4 “whose citizen spouse”; and

5 (3) by striking “who was living” and inserting
6 “who, in the case of a surviving spouse, was living”.

7 **SEC. 665. EFFECTIVE DATE.**

8 This subtitle and the amendments made by this sub-
9 title shall take effect as if enacted on September 11, 2001.

10 **TITLE VII—HEALTH CARE**

11 **SEC. 701. MEDICAL AND DENTAL SCREENING FOR MEM-**
12 **BERS OF SELECTED RESERVE UNITS ALERT-**
13 **ED FOR MOBILIZATION.**

14 Section 1074a of title 10, United States Code, is
15 amended by adding at the end the following new sub-
16 section:

17 “(f)(1) At any time after the Secretary concerned no-
18 tifies members of the Ready Reserve that the members
19 are to be called or ordered to active duty, the admin-
20 istering Secretaries may provide to each such member any
21 medical and dental screening and care that is necessary
22 to ensure that the member meets the applicable medical
23 and dental standards for deployment.

24 “(2) The screening and care authorized under para-
25 graph (1) shall include screening and care under

1 TRICARE, pursuant to eligibility under paragraph (3),
2 and continuation of care benefits under paragraph (4).

3 “(3)(A) Members of the Selected Reserve of the
4 Ready Reserve and members of the Individual Ready Re-
5 serve described in section 10144(b) of this title are eligi-
6 ble, subject to subparagraph (I), to enroll in TRICARE.

7 “(B) A member eligible under subparagraph (A) may
8 enroll for either of the following types of coverage:

9 “(i) Self alone coverage.

10 “(ii) Self and family coverage.

11 “(C) An enrollment by a member for self and family
12 covers the member and the dependents of the member who
13 are described in subparagraph (A), (D), or (I) of section
14 1072(2) of this title.

15 “(D) The Secretary of Defense shall provide for at
16 least one open enrollment period each year. During an
17 open enrollment period, a member eligible under subpara-
18 graph (A) may enroll in the TRICARE program or change
19 or terminate an enrollment in the TRICARE program.

20 “(E) A member and the dependents of a member en-
21 rolled in the TRICARE program under this paragraph
22 shall be entitled to the same benefits under this chapter
23 as a member of the uniformed services on active duty or
24 a dependent of such a member, respectively. Section

1 1074(c) of this title shall apply with respect to a member
2 enrolled in the TRICARE program under this section.

3 “(F)(i) An enlisted member of the armed forces en-
4 rolled in the TRICARE program under this section shall
5 pay an annual premium of \$330 for self-only coverage and
6 \$560 for self and family coverage for which enrolled under
7 this section.

8 “(ii) An officer of the armed forces enrolled in the
9 TRICARE program under this section shall pay an annual
10 premium of \$380 for self-only coverage and \$610 for self
11 and family coverage for which enrolled under this section.

12 “(iii) The premiums payable by a member under this
13 subparagraph may be deducted and withheld from basic
14 pay payable to the member under section 204 of title 37
15 or from compensation payable to the member under sec-
16 tion 206 of such title. The Secretary shall prescribe the
17 requirements and procedures applicable to the payment of
18 premiums by members not entitled to such basic pay or
19 compensation.

20 “(iv) Amounts collected as premiums under this sub-
21 paragraph shall be credited to the appropriation available
22 for the Defense Health Program Account under section
23 1100 of this title, shall be merged with sums in such Ac-
24 count that are available for the fiscal year in which col-

1 lected, and shall be available under subparagraph (B) of
2 such section for such fiscal year.

3 “(G) A person who receives health care pursuant to
4 an enrollment in a TRICARE program option under this
5 paragraph, including a member who receives such health
6 care, shall be subject to the same deductibles, copayments,
7 and other nonpremium charges for health care as apply
8 under this chapter for health care provided under the
9 same TRICARE program option to dependents described
10 in subparagraph (A), (D), or (I) of section 1072(2) of this
11 title.

12 “(H) A member enrolled in the TRICARE program
13 under this paragraph may terminate the enrollment only
14 during an open enrollment period provided under subpara-
15 graph (D), except as provided in subparagraph (I). An en-
16 rollment of a member for self alone or for self and family
17 under this paragraph shall terminate on the first day of
18 the first month beginning after the date on which the
19 member ceases to be eligible under subparagraph (A). The
20 enrollment of a member under this paragraph may be ter-
21 minated on the basis of failure to pay the premium
22 charged the member under this paragraph.

23 “(I) A member may not enroll in the TRICARE pro-
24 gram under this paragraph while entitled to transitional
25 health care under subsection (a) of section 1145 of this

1 title or while authorized to receive health care under sub-
2 section (e) of such section. A member who enrolls in the
3 TRICARE program under this paragraph within 90 days
4 after the date of the termination of the member's entitle-
5 ment or eligibility to receive health care under subsection
6 (a) or (c) of section 1145 of this title may terminate the
7 enrollment at any time within one year after the date of
8 the enrollment.

9 “(J) The Secretary of Defense, in consultation with
10 the other administering Secretaries, shall prescribe regula-
11 tions for the administration of this paragraph.

12 “(4)(A) The Secretary concerned shall pay the appli-
13 cable premium to continue in force any qualified health
14 benefits plan coverage for an eligible reserve component
15 member for the benefits coverage continuation period if
16 timely elected by the member in accordance with regula-
17 tions prescribed under subparagraph (J).

18 “(B) A member of a reserve component is eligible for
19 payment of the applicable premium for continuation of
20 qualified health benefits plan coverage under subpara-
21 graph (A) while serving on active duty pursuant to a call
22 or order issued under a provision of law referred to in sec-
23 tion 101(a)(13)(B) of this title during a war or national
24 emergency declared by the President or Congress.

1 “(C) For the purposes of this paragraph, health bene-
2 fits plan coverage for a member called or ordered to active
3 duty is qualified health benefits plan coverage if—

4 “(i) the coverage was in force on the date on
5 which the Secretary notified the member that
6 issuance of the call or order was pending or, if no
7 such notification was provided, the date of the call
8 or order;

9 “(ii) on such date, the coverage applied to the
10 member and dependents of the member described in
11 subparagraph (A), (D), or (I) of section 1072(2) of
12 this title; and

13 “(iii) the coverage has not lapsed.

14 “(D) The applicable premium payable under this
15 paragraph for continuation of health benefits plan cov-
16 erage in the case of a member is the amount of the pre-
17 mium payable by the member for the coverage of the mem-
18 ber and dependents.

19 “(E) The total amount that the Department of De-
20 fense may pay for the applicable premium of a health ben-
21 efits plan for a member under this paragraph in a fiscal
22 year may not exceed the amount determined by
23 multiplying—

1 “(i) the sum of one plus the number of the
2 member’s dependents covered by the health benefits
3 plan, by

4 “(ii) the per capita cost of providing TRICARE
5 coverage and benefits for dependents under this
6 chapter for such fiscal year, as determined by the
7 Secretary of Defense.

8 “(F) The benefits coverage continuation period under
9 this paragraph for qualified health benefits plan coverage
10 in the case of a member called or ordered to active duty
11 is the period that—

12 “(i) begins on the date of the call or order; and

13 “(ii) ends on the earlier of the date on which
14 the member’s eligibility for transitional health care
15 under section 1145(a) of this title terminates under
16 paragraph (3) of such section, or the date on which
17 the member elects to terminate the continued quali-
18 fied health benefits plan coverage of the dependents
19 of the member.

20 “(G) Notwithstanding any other provision of law—

21 “(i) any period of coverage under a COBRA
22 continuation provision (as defined in section
23 9832(d)(1) of the Internal Revenue Code of 1986)
24 for a member under this paragraph shall be deemed

1 to be equal to the benefits coverage continuation pe-
2 riod for such member under this paragraph; and

3 “(ii) with respect to the election of any period
4 of coverage under a COBRA continuation provision
5 (as so defined), rules similar to the rules under sec-
6 tion 4980B(f)(5)(C) of such Code shall apply.

7 “(H) A dependent of a member who is eligible for
8 benefits under qualified health benefits plan coverage paid
9 on behalf of a member by the Secretary concerned under
10 this paragraph is not eligible for benefits under the
11 TRICARE program during a period of the coverage for
12 which so paid.

13 “(I) A member who makes an election under subpara-
14 graph (A) may revoke the election. Upon such a revoca-
15 tion, the member’s dependents shall become eligible for
16 benefits under the TRICARE program as provided for
17 under this chapter.

18 “(J) The Secretary of Defense shall prescribe regula-
19 tions for carrying out this paragraph. The regulations
20 shall include such requirements for making an election of
21 payment of applicable premiums as the Secretary con-
22 siders appropriate.

23 “(5) For the purposes of this section, all members
24 of the Ready Reserve who are to be called or ordered to
25 active duty include all members of the Ready Reserve.

1 “(6) The Secretary concerned shall promptly notify
2 all members of the Ready Reserve that they are eligible
3 for screening and care under this section.

4 “(7) A member provided medical or dental screening
5 or care under paragraph (1) may not be charged for the
6 screening or care.”.

7 **SEC. 702. TRICARE BENEFICIARY COUNSELING AND AS-**
8 **SISTANCE COORDINATORS FOR RESERVE**
9 **COMPONENT BENEFICIARIES.**

10 Section 1095e(a)(1) of title 10, United States Code,
11 is amended—

12 (1) by striking “and” at the end of subpara-
13 graph (A);

14 (2) by redesignating subparagraph (B) as sub-
15 paragraph (C); and

16 (3) by inserting after subparagraph (A) the fol-
17 lowing new subparagraph (B):

18 “(B) designate for each of the TRICARE
19 program regions at least one person (other than
20 a person designated under subparagraph (A))
21 to serve full-time as a beneficiary counseling
22 and assistance coordinator solely for members
23 of the reserve components and their dependents
24 who are beneficiaries under the TRICARE pro-
25 gram; and”.

1 **SEC. 703. EXTENSION OF AUTHORITY TO ENTER INTO PER-**
2 **SONAL SERVICES CONTRACTS FOR HEALTH**
3 **CARE SERVICES TO BE PERFORMED AT LO-**
4 **CATIONS OUTSIDE MEDICAL TREATMENT FA-**
5 **CILITIES.**

6 Section 1091(a)(2) of title 10, United States Code,
7 is amended by striking “December 31, 2003” and insert-
8 ing “December 31, 2008”.

9 **SEC. 704. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE**
10 **RETIREE HEALTH CARE FUND VALUATIONS**
11 **AND CONTRIBUTIONS.**

12 (a) SEPARATE PERIODIC ACTUARIAL VALUATION
13 FOR SINGLE UNIFORMED SERVICE.—Section 1115(c) of
14 title 10, United States Code, is amended by adding at the
15 end the following new paragraph:

16 “(6) The Secretary of Defense may determine a sin-
17 gle level dollar amount under subparagraph (A) or (B) of
18 paragraph (1) for each or any of the participating uni-
19 formed services separately from the other participating
20 uniformed services if the Secretary determines that a more
21 accurate and appropriate actuarial valuation under such
22 subparagraph would be achieved by doing so.”

23 (b) ASSOCIATED CALCULATIONS OF PAYMENTS INTO
24 THE FUND.—Section 1116 of such title is amended—

25 (1) in subsection (a), by striking “the amount
26 that” in the matter preceding paragraph (1) and in-

1 serting “the amount that, subject to subsection
2 (b),”;

3 (2) by redesignating subsections (b) and (c) as
4 subsections (c) and (d), respectively; and

5 (3) by inserting after subsection (a) the fol-
6 lowing new subsection (b):

7 “(b) If an actuarial valuation referred to in para-
8 graph (1) or (2) of subsection (a) has been calculated in
9 a single level dollar amount for a participating uniformed
10 service separately from the other participating uniformed
11 services under section 1115(c)(6) of this title, the admin-
12 istering Secretary for the department in which such uni-
13 formed service is operating shall calculate the amount
14 under such paragraph separately for such uniformed serv-
15 ice. If the administering Secretary is not the Secretary of
16 Defense, the administering Secretary shall notify the Sec-
17 retary of Defense of the amount so calculated. To deter-
18 mine a single amount for the purpose of paragraph (1)
19 or (2) of subsection (a), as the case may be, the Secretary
20 of Defense shall aggregate the amount calculated under
21 this subsection for a uniformed service for the purpose of
22 such paragraph with the amount or amounts calculated
23 (whether separately or otherwise) for the other uniformed
24 services for the purpose of such paragraph.”.

1 (c) TECHNICAL CORRECTION.—Section
2 1115(c)(1)(B) of such title is amended by striking “and
3 other than members” and inserting “(other than mem-
4 bers”

5 (d) CONFORMING AMENDMENT.—Subsections (a)
6 and (c)(5) of section 1115 of such title are amended by
7 striking “section 1116(b) of this title” and inserting sec-
8 tion “1116(c) of this title”.

9 **SEC. 705. SURVEYS ON CONTINUED VIABILITY OF TRICARE**
10 **STANDARD.**

11 (a) REQUIREMENT FOR SURVEYS.—(1) The Sec-
12 retary of Defense shall conduct surveys in the TRICARE
13 Standard market areas in the continental United States
14 to determine how many health care providers are accept-
15 ing new patients under TRICARE Standard in each such
16 market area.

17 (2) The Secretary shall carry out the surveys in at
18 least 20 TRICARE market areas in the continental
19 United States each fiscal year after fiscal year 2003 until
20 all such market areas in the continental United States
21 have been surveyed. The Secretary shall complete six of
22 the fiscal year 2004 surveys not later than March 31,
23 2004.

24 (3) In prioritizing the market areas for the sequence
25 in which market areas are to be surveyed under this sub-

1 section, the Secretary shall consult with representatives of
2 TRICARE beneficiaries and health care providers to iden-
3 tify locations where TRICARE Standard beneficiaries are
4 experiencing significant levels of access-to-care problems
5 under TRICARE Standard and shall give a high priority
6 to surveying health care providers in such areas.

7 (b) SUPERVISION.—(1) The Secretary shall designate
8 a senior official of the Department of Defense to take the
9 actions necessary for achieving and maintaining participa-
10 tion of health care providers in TRICARE Standard in
11 each TRICARE market area in a number that is adequate
12 to ensure the viability of TRICARE Standard for
13 TRICARE beneficiaries in that market area.

14 (2) The official designated under paragraph (1) shall
15 have the following duties:

16 (A) To educate health care providers about
17 TRICARE Standard.

18 (B) To encourage health care providers to ac-
19 cept patients under TRICARE Standard.

20 (C) To ensure that TRICARE beneficiaries
21 have the information necessary to locate TRICARE
22 Standard providers readily.

23 (D) To recommend adjustments in TRICARE
24 Standard provider payment rates that the official
25 considers necessary to ensure adequate availability

1 of TRICARE Standard providers for TRICARE
2 Standard beneficiaries.

3 (c) GAO REVIEW.—(1) The Comptroller General
4 shall, on an ongoing basis, review—

5 (A) the processes, procedures, and analysis used
6 by the Department of Defense to determine the ade-
7 quacy of the number of health care providers accept-
8 ing TRICARE Standard beneficiaries as patients
9 under TRICARE Standard in each TRICARE mar-
10 ket area; and

11 (B) the actions taken by the Department of De-
12 fense to ensure ready access of TRICARE Standard
13 beneficiaries to health care under TRICARE Stand-
14 ard in each TRICARE market area.

15 (2)(A) The Comptroller General shall submit to the
16 Committees on Armed Services of the Senate and the
17 House of Representatives a semiannual report on the re-
18 sults of the review under paragraph (1). The first semi-
19 annual report shall be submitted not later than June 30,
20 2004.

21 (B) The semiannual report under subparagraph (A)
22 shall include the following:

23 (i) An analysis of the adequacy of the surveys
24 under subsection (a).

1 (ii) The adequacy of existing statutory author-
2 ity to address inadequate levels of participation by
3 health care providers in TRICARE Standard.

4 (iii) Identification of policy-based obstacles to
5 achieving adequacy of availability of TRICARE
6 Standard health care in the TRICARE Standard
7 market areas.

8 (iv) An assessment of the adequacy of Depart-
9 ment of Defense education programs to inform
10 health care providers about TRICARE Standard.

11 (v) An assessment of the adequacy of Depart-
12 ment of Defense initiatives to encourage health care
13 providers to accept patients under TRICARE Stand-
14 ard.

15 (vi) An assessment of the adequacy of informa-
16 tion to TRICARE Standard beneficiaries to facili-
17 tate access by such beneficiaries to health care
18 under TRICARE Standard.

19 (vii) Any need for adjustment of health care
20 provider payment rates to attract participation in
21 TRICARE Standard by appropriate numbers of
22 health care providers.

23 (d) DEFINITION.—In this section, the term
24 “TRICARE Standard” means the option of the
25 TRICARE program that is also known as the Civilian

1 Health and Medical Program of the Uniformed Services,
2 as defined in section 1072(4) of title 10, United States
3 Code.

4 **SEC. 706. ELIMINATION OF LIMITATION ON COVERED**
5 **BENEFICIARIES' ELIGIBILITY TO RECEIVE**
6 **HEALTH CARE SERVICES FROM FORMER**
7 **PUBLIC HEALTH SERVICE TREATMENT FA-**
8 **CILITIES.**

9 Section 724(d) of the National Defense Authorization
10 Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C.
11 1073 note) is amended by striking “who—” and all that
12 follows through “(2) are enrolled” and inserting “who are
13 enrolled”.

14 **SEC. 707. MODIFICATION OF STRUCTURE AND DUTIES OF**
15 **DEPARTMENT OF VETERANS AFFAIRS-DE-**
16 **PARTMENT OF DEFENSE HEALTH EXECUTIVE**
17 **COMMITTEE.**

18 (a) IN GENERAL.—Subsection (c) of section 8111 of
19 title 38, United States Code, is amended to read as fol-
20 lows:

21 “(c) DOD–VA JOINT EXECUTIVE COMMITTEE.—(1)
22 There is established an interagency committee to be
23 known as the Department of Veterans Affairs-Department
24 of Defense Joint Executive Committee (hereinafter in this
25 section referred to as the ‘Committee’).

1 “(2) The Committee shall be composed of—

2 “(A) the Deputy Secretary of Veterans Affairs
3 and such other officers and employees of the Depart-
4 ment as the Secretary may designate; and

5 “(B) the Under Secretary of Defense for Per-
6 sonnel and Readiness and such other officers and
7 employees of the Department of Defense as the Sec-
8 retary of Defense may designate.

9 “(3)(A) The Deputy Secretary and the Under Sec-
10 retary shall determine the size and structure of the Com-
11 mittee, except that the Committee shall have subordinate
12 committees as follows:

13 “(i) A Health Executive Committee.

14 “(ii) A Benefits Executive Committee.

15 “(iii) Such other subordinate committees as the
16 Deputy Secretary and the Under Secretary consider
17 appropriate.

18 “(B) The Deputy Secretary and the Under Secretary
19 shall establish the administrative and procedural guide-
20 lines for the operation of the Committee.

21 “(C) The two Departments shall supply staff and re-
22 sources to the Committee in order to provide such admin-
23 istrative support and services for the Committee as are
24 necessary for the efficient operation of the Committee.

1 “(4) The Committee shall recommend to the Secre-
2 taries strategic direction for the joint coordination and
3 sharing of efforts between and within the two Depart-
4 ments under this section, and shall oversee implementa-
5 tion of such coordination and efforts.

6 “(5) In order to enable the Committee to make rec-
7 ommendations under paragraph (4) in its annual report
8 under paragraph (6), the Committee shall—

9 “(A) review existing policies, procedures, and
10 practices relating to the coordination and sharing of
11 health care resources and other resources between
12 the two Departments;

13 “(B) identify changes in policies, procedures,
14 and practices that, in the judgment of the Com-
15 mittee, would promote mutually beneficial coordina-
16 tion, use, or exchange of use of services and health
17 care resources and other resources of the two De-
18 partments in order to achieve the goal of improving
19 the quality, efficiency, and effectiveness of the deliv-
20 ery of benefits and services to veterans, members of
21 the Armed Forces, military retirees, and their fami-
22 lies through an enhanced partnership between the
23 two Departments;

24 “(C) identify and assess further opportunities
25 for coordination and collaboration between the two

1 Departments that, in the judgment of the Com-
2 mittee, would not adversely affect the range of serv-
3 ices, the quality of care, or the established priorities
4 for benefits provided by either Department;

5 “(D) review the plans of both agencies for the
6 acquisition of additional health care resources and
7 other resources, especially new facilities and major
8 equipment and technology, in order to assess the po-
9 tential effect of such plans on further opportunities
10 for the coordination and sharing of such resources;
11 and

12 “(E) review the implementation of activities de-
13 signed to promote the coordination and sharing of
14 health care resources and other resources between
15 the two Departments.

16 “(6) The Committee shall submit to the Secretaries,
17 and to Congress, each year a report containing such rec-
18 ommendations as the Committee considers appropriate,
19 including recommendations in light of activities under
20 paragraph (5).”.

21 (b) CONFORMING AMENDMENT.—Subsection (e)(1)
22 of such section is amended by striking “subsection (c)(2)”
23 and inserting “subsection (c)(4)”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on October 1, 2003, as if in-

1 cluded in the amendments to section 8111 of title 38,
2 United States Code, made by section 721 of the Bob
3 Stump National Defense Authorization Act for Fiscal
4 Year 2003 (Public Law 107–314; 116 Stat. 2589), to
5 which the amendments made by this section relate.

6 (d) INTEGRATED HEALING CARE PRACTICES.—(1)
7 The Secretary of Defense and the Secretary of Veterans
8 Affairs may, acting through the Department of Veterans
9 Affairs-Department of Defense Joint Executive Com-
10 mittee, conduct a program to develop and evaluate inte-
11 grated healing care practices for members of the Armed
12 Forces and veterans.

13 (2) Amounts authorized to be appropriated by section
14 301(21) for the Defense Health Program may be available
15 for the program under paragraph (1).

16 **SEC. 708. ELIGIBILITY OF RESERVE OFFICERS FOR**
17 **HEALTH CARE PENDING ORDERS TO ACTIVE**
18 **DUTY FOLLOWING COMMISSIONING.**

19 Section 1074(a) of title 10, United States Code, is
20 amended—

21 (1) by inserting “(1)” after “(a)”;

22 (2) by striking “who is on active duty” and in-
23 serting “described in paragraph (2)”; and

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

1 “(2) Members of the uniformed services referred to
2 in paragraph (1) are as follows:

3 “(A) A member of a uniformed service on active
4 duty.

5 “(B) A member of a reserve component of a
6 uniformed service who has been commissioned as an
7 officer if—

8 “(i) the member has requested orders to
9 active duty for the member’s initial period of
10 active duty following the commissioning of the
11 member as an officer;

12 “(ii) the request for orders has been ap-
13 proved;

14 “(iii) the orders are to be issued but have
15 not been issued; and

16 “(iv) the member does not have health care
17 insurance and is not covered by any other
18 health benefits plan.”.

19 **SEC. 709. REIMBURSEMENT OF COVERED BENEFICIARIES**
20 **FOR CERTAIN TRAVEL EXPENSES RELATING**
21 **TO SPECIALIZED DENTAL CARE.**

22 Section 1074i of title 10, United States Code, is
23 amended—

24 (1) by inserting “(a) IN GENERAL.—” before
25 “In any case”; and

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

3 “(b) SPECIALTY CARE PROVIDERS.—For purposes of
4 subsection (a), the term ‘specialty care provider’ includes
5 a dental specialist (including an oral surgeon, ortho-
6 dontist, prosthodontist, periodontist, endodontist, or pedi-
7 atric dentist).”.

8 **TITLE VIII—ACQUISITION POL-**
9 **ICY, ACQUISITION MANAGE-**
10 **MENT, AND RELATED MAT-**
11 **TERS**

12 **Subtitle A—Acquisition Policy and**
13 **Management**

14 **SEC. 801. TEMPORARY EMERGENCY PROCUREMENT AU-**
15 **THORITY TO FACILITATE DEFENSE AGAINST**
16 **OR RECOVERY FROM TERRORISM OR NU-**
17 **CLEAR, BIOLOGICAL, CHEMICAL, OR RADIO-**
18 **LOGICAL ATTACK.**

19 (a) EXTENSION OF AUTHORITY.—Section 836(a) of
20 the National Defense Authorization Act for Fiscal Year
21 2002 (Public Law 107–107; 115 Stat. 1192; 10 U.S.C.
22 2302 note) is amended by striking “fiscal year 2002 and
23 2003” and inserting “fiscal years 2002, 2003, 2004, and
24 2005”.

1 (b) EXPANDED SCOPE.—Such section 836(a) is fur-
2 ther amended—

3 (1) in paragraph (1), by striking “the defense
4 against terrorism or biological or chemical attack”
5 and inserting “defense against or recovery from ter-
6 rorism or nuclear, biological, chemical, or radio-
7 logical attack”; and

8 (2) in paragraph (2), by striking “the defense
9 against terrorism or biological attack” and inserting
10 “defense against or recovery from terrorism or nu-
11 clear, biological, chemical, or radiological attack”.

12 (c) CONFORMING AMENDMENT.—The heading for
13 such section is amended to read as follows:

14 **“SEC. 836. TEMPORARY EMERGENCY PROCUREMENT AU-**
15 **THORITY TO FACILITATE DEFENSE AGAINST**
16 **OR RECOVERY FROM TERRORISM OR NU-**
17 **CLEAR, BIOLOGICAL, CHEMICAL, OR RADIO-**
18 **LOGICAL ATTACK.”**

19 **SEC. 802. SPECIAL TEMPORARY CONTRACT CLOSEOUT AU-**
20 **THORITY.**

21 (a) AUTHORITY.—The Secretary of Defense may set-
22 tle any financial account for a contract entered into by
23 the Secretary or the Secretary of a military department
24 before October 1, 1996, that is administratively complete

1 if the financial account has an unreconciled balance, either
2 positive or negative, that is less than \$100,000.

3 (b) FINALITY OF DECISION.—A settlement under
4 this section shall be final and conclusive upon the account-
5 ing officers of the United States.

6 (c) REGULATIONS.—The Secretary of Defense shall
7 prescribe regulations for the administration of the author-
8 ity under this section.

9 (d) TERMINATION OF AUTHORITY.—A financial ac-
10 count may not be settled under this section after Sep-
11 tember 30, 2006.

12 **SEC. 803. DEFENSE ACQUISITION PROGRAM MANAGEMENT**
13 **FOR USE OF RADIO FREQUENCY SPECTRUM.**

14 (a) REVISION OF DEPARTMENT OF DEFENSE DIREC-
15 TIVE.—Not later than one year after the date of the enact-
16 ment of this Act, the Secretary of Defense shall revise and
17 reissue Department of Defense Directive 4650.1, relating
18 to management and use of the radio frequency spectrum,
19 last issued on June 24, 1987, to update the procedures
20 applicable to Department of Defense management and use
21 of the radio frequency spectrum.

22 (b) ACQUISITION PROGRAM REQUIREMENTS.—The
23 Secretary of Defense shall—

24 (1) require that each military department or
25 Defense Agency carrying out a program for the ac-

1 quisition of a system that is to use the radio fre-
2 quency spectrum consult with the official or board
3 designated under subsection (c) on the usage of the
4 spectrum by the system as early as practicable dur-
5 ing the concept exploration and technology develop-
6 ment phases of the acquisition program;

7 (2) prohibit the program from proceeding into
8 system development and demonstration, or otherwise
9 obtaining production or procuring any unit of the
10 system, until—

11 (A) an evaluation of the proposed radio
12 frequency spectrum usage by the system is com-
13 pleted in accordance with requirements pre-
14 scribed by the Secretary; and

15 (B) the designated official or board reviews
16 and approves the proposed usage of the spec-
17 trum by the system; and

18 (3) prescribe a procedure for waiving the prohi-
19 bition imposed under paragraph (2) in any case in
20 which it is determined necessary to do so in the na-
21 tional security interests of the United States.

22 (c) DESIGNATION OF OFFICIAL OR BOARD.—The
23 Secretary of Defense shall designate an appropriate offi-
24 cial or board of the Department of Defense to perform

1 the functions described for the official or board in sub-
2 section (b).

3 **SEC. 804. NATIONAL SECURITY AGENCY MODERNIZATION**
4 **PROGRAM.**

5 (a) RESPONSIBILITIES OF UNDER SECRETARY OF
6 DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGIS-
7 TICS.—The Secretary of Defense, acting through the
8 Under Secretary of Defense for Acquisition, Technology,
9 and Logistics, shall—

10 (1) direct and manage the acquisitions under
11 the National Security Agency Modernization Pro-
12 gram; and

13 (2) designate the projects under such program
14 as major defense acquisition programs.

15 (b) PROJECTS COMPRISING PROGRAM.—The Na-
16 tional Security Agency Modernization Program includes
17 the following projects of the National Security Agency:

18 (1) The Trailblazer project.

19 (2) The Groundbreaker project.

20 (3) Each cryptological mission management
21 project.

22 (4) Each other project that—

23 (A) meets either of the dollar threshold re-
24 quirements set forth in subsection (a)(2) of sec-
25 tion 2430 of title 10, United States Code (as

1 adjusted under subsection (b) of such section);
2 and

3 (B) is determined by the Under Secretary
4 of Defense for Acquisition, Technology, and Lo-
5 gistics as being a modernization project of the
6 National Security Agency.

7 (c) MILESTONE DECISION AUTHORITY.—(1) In the
8 administration of subsection (a), the Under Secretary of
9 Defense for Acquisition, Technology, and Logistics shall
10 exercise the milestone decision authority for—

11 (A) each major defense acquisition program
12 under the National Security Agency Modernization
13 Program, as designated under subsection (a)(2); and

14 (B) the acquisition of each major system under
15 the National Security Agency Modernization Pro-
16 gram, as described in subsection (d).

17 (2) The Under Secretary may not delegate the mile-
18 stone decision authority to any other official before Octo-
19 ber 1, 2006.

20 (3) The Under Secretary may delegate the milestone
21 decision authority to the Director of the National Security
22 Agency at any time after the later of September 30, 2006,
23 or the date on which the following conditions are satisfied:

24 (A) The Under Secretary has determined that
25 the Director has implemented acquisition manage-

1 ment policies, procedures, and practices that are suf-
2 ficiently mature to ensure that National Security
3 Agency acquisitions are conducted in a manner con-
4 sistent with a sound, efficient acquisition enterprise.

5 (B) The Under Secretary has consulted with
6 the Under Secretary of Defense for Intelligence and
7 the Deputy Director of Central Intelligence for Com-
8 munity Management on the delegation.

9 (C) The Secretary of Defense has approved the
10 delegation.

11 (D) The Under Secretary has transmitted to
12 the Committees on Armed Services of the Senate
13 and the House of Representatives, the Select Com-
14 mittee on Intelligence of the Senate, and the Perma-
15 nent Select Committee on Intelligence of the House
16 of Representatives a notification of the intention to
17 delegate the authority, together with a detailed dis-
18 cussion of the justification for the delegation of au-
19 thority.

20 (d) MAJOR SYSTEM DEFINED.—In this section, the
21 term “major system” means a system that meets either
22 of the dollar threshold requirements set forth in paragraph
23 (1) or (2) of subsection (a) of section 2302d of title 10,
24 United States Code (as adjusted under subsection (c) of
25 such section).

1 **SEC. 805. QUALITY CONTROL IN PROCUREMENT OF AVIA-**
2 **TION CRITICAL SAFETY ITEMS AND RELATED**
3 **SERVICES.**

4 (a) **QUALITY CONTROL POLICY.**—The Secretary of
5 Defense shall prescribe a quality control policy for the pro-
6 curement of aviation critical safety items and the procure-
7 ment of modifications, repair, and overhaul of such items.

8 (b) **CONTENT OF POLICY.**—The policy shall include
9 the following requirements:

10 (1) That the head of the design control activity
11 for aviation critical safety items establish processes
12 to identify and manage aviation critical safety items
13 and modifications, repair, and overhaul of such
14 items.

15 (2) That the head of the contracting activity for
16 an aviation critical safety item enter into a contract
17 for such item only with a source approved by the de-
18 sign control activity in accordance with section 2319
19 of title 10, United States Code.

20 (3) That the aviation critical safety items deliv-
21 ered, and the services performed with respect to
22 aviation critical safety items, meet all technical and
23 quality requirements specified by the design control
24 activity, except for any requirement determined un-
25 necessary by the Secretary of Defense in writing.

1 (c) DEFINITIONS.—In this section, the terms “avia-
2 tion critical safety item” and “design control activity”
3 have the meanings given such terms in section 2319(g)
4 of title 10, United States Code, as amended by subsection
5 (d).

6 (d) CONFORMING AMENDMENT TO TITLE 10.—Sec-
7 tion 2319 of title 10, United States Code, is amended—

8 (1) in subsection (c)(3), by inserting after “the
9 contracting officer” the following: “(or, in the case
10 of a contract for the procurement of an aviation crit-
11 ical item, the head of the design control activity for
12 such item)”; and

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

15 “(g) DEFINITIONS.—In this section:

16 “(1) The term ‘aviation critical safety item’
17 means a part, an assembly, installation equipment,
18 launch equipment, recovery equipment, or support
19 equipment for an aircraft or aviation weapon system
20 if the part, assembly, or equipment contains a char-
21 acteristic any failure, malfunction, or absence of
22 which could cause a catastrophic or critical failure
23 resulting in the loss of or serious damage to the air-
24 craft or weapon system, an unacceptable risk of per-
25 sonal injury or loss of life, an uncommanded engine

1 shutdown that jeopardizes safety, or the failure of a
2 military mission.

3 “(2) The term ‘design control activity’, with re-
4 spect to an aviation critical safety item, means the
5 systems command of a military department that is
6 specifically responsible for ensuring the airworthi-
7 ness of an aviation system or equipment in which
8 the item is to be used.”.

9 **Subtitle B—Procurement of** 10 **Services**

11 **SEC. 811. EXPANSION AND EXTENSION OF INCENTIVE FOR** 12 **USE OF PERFORMANCE-BASED CONTRACTS** 13 **IN PROCUREMENTS OF SERVICES.**

14 (a) INCREASED MAXIMUM AMOUNT OF PROCURE-
15 MENT ELIGIBLE FOR COMMERCIAL ITEMS TREATMENT.—
16 Paragraph (1)(A) of section 821(b) of the Floyd D.
17 Spence National Defense Authorization Act for Fiscal
18 Year 2001 (as enacted into law by Public Law 106–398;
19 114 Stat. 1654A–218; 10 U.S.C. 2302 note) is amended
20 by striking “\$5,000,000” and inserting “\$10,000,000”.

21 (b) EXTENSION OF AUTHORITY.—Paragraph (4) of
22 such section 821(b) is amended by striking “more than
23 3 years after the date of the enactment of this Act” and
24 inserting “after October 30, 2006”.

1 **SEC. 812. PUBLIC-PRIVATE COMPETITIONS FOR THE PER-**
2 **FORMANCE OF DEPARTMENT OF DEFENSE**
3 **FUNCTIONS.**

4 (a) PILOT PROGRAM FOR BEST VALUE SOURCE SE-
5 LECTION FOR THE PERFORMANCE OF INFORMATION
6 TECHNOLOGY SERVICES.—

7 (1) AUTHORITY.—The Secretary of Defense
8 may carry out a pilot program for use of a best
9 value criterion in the selection of sources for per-
10 formance of information technology services for the
11 Department of Defense.

12 (2) CONVERSION TO PRIVATE SECTOR PER-
13 FORMANCE.—(A) Under the pilot program, an anal-
14 ysis of the performance of an information technology
15 services function for the Department of Defense
16 under section 2461(b)(3) of title 10, United States
17 Code, shall include an examination of the perform-
18 ance of the function by Department of Defense civil-
19 ian employees and by one or more private contrac-
20 tors to demonstrate whether change to performance
21 by the private sector will result in the best value to
22 the Government over the life of the contract, includ-
23 ing in the examination the following:

24 (i) The cost to the Government, estimated
25 by the Secretary of Defense (based on offers re-

1 ceived), for performance of the function by the
2 private sector.

3 (ii) The estimated cost to the Government
4 of Department of Defense civilian employees
5 performing the function.

6 (iii) Benefits in addition to price that war-
7 rant performance of the function by a par-
8 ticular source at a cost higher than that of per-
9 formance by Department of Defense civilian
10 employees.

11 (iv) In addition to the cost referred to in
12 clause (i), an estimate of all other costs and ex-
13 penditures that the Government would incur be-
14 cause of the award of such a contract.

15 (B) Under the pilot program, subparagraph (A)
16 of such section 2461(b)(3) shall not apply to an
17 analysis of the performance of an information tech-
18 nology services function for the Department of De-
19 fense.

20 (3) CONTRACTING FOR INFORMATION TECH-
21 NOLOGY SERVICES.—(A) Under the pilot program,
22 except as otherwise provided by law, the Secretary
23 shall procure information technology services nec-
24 essary for or beneficial to the accomplishment of the
25 authorized functions of the Department of Defense

1 (other than functions which the Secretary of Defense
2 determines must be performed by military or Gov-
3 ernment personnel) from a source in the private sec-
4 tor if performance by that source represents the best
5 value to the United States, determined in accordance
6 with the competition requirements of Office of Man-
7 agement and Budget Circular A-76.

8 (B) Under the pilot program, section 2462(a)
9 of title 10, United States Code, shall not apply to
10 a procurement described in paragraph (1).

11 (4) DURATION OF PILOT PROGRAM.—(A) The
12 period for which the pilot program may be carried
13 out under this subsection shall be fiscal years 2004
14 through 2008.

15 (B) An analysis commenced under the pilot pro-
16 gram in accordance with paragraph (2), and a pro-
17 curement for which a solicitation has been issued in
18 accordance with paragraph (3), before the end of the
19 pilot program period may be continued in accord-
20 ance with paragraph (2) or (3), respectively, after
21 the end of such period.

22 (5) GAO REVIEW.—(A) The Comptroller Gen-
23 eral shall review the administration of any pilot pro-
24 gram carried out under this subsection to assess the
25 extent to which the program is effective and is equi-

1 table for the potential public sources and the poten-
2 tial private sources of information technology serv-
3 ices for the Department of Defense.

4 (B) Not later than February 1, 2008, the
5 Comptroller General shall submit to the congres-
6 sional defense committees a report on the review of
7 the program under subparagraph (A). The report
8 shall include the Comptroller General's assessment
9 of the matters required under that subparagraph
10 and any other conclusions resulting from the review.

11 (6) INFORMATION TECHNOLOGY SERVICES DE-
12 FINED.—In this subsection, the term “information
13 technology service” means any service performed in
14 the operation or maintenance of information tech-
15 nology (as defined in section 11101 of title 40,
16 United States Code).

17 (b) RESOURCES-BASED SCHEDULES FOR COMPLE-
18 TION OF PUBLIC-PRIVATE COMPETITIONS.—

19 (1) APPLICATION OF TIMEFRAMES.—Any in-
20 terim or final deadline or other schedule-related
21 milestone for the completion of a Department of De-
22 fense public-private competition shall be established
23 solely on the basis of considered research and sound
24 analysis regarding the availability of sufficient per-
25 sonnel, training, and technical resources to the De-

1 partment of Defense to carry out such competition
2 in a timely manner.

3 (2) EXTENSION OF TIMEFRAMES.—Any interim
4 or final deadline or other schedule-related milestone
5 established (consistent with paragraph (1)) for the
6 completion of a Department of Defense public-pri-
7 vate competition shall be extended if the Department
8 of Defense official responsible for managing the
9 competition determines under procedures prescribed
10 by the Secretary of Defense that the personnel,
11 training, or technical resources available to the De-
12 partment of Defense to carry out such competition
13 timely are insufficient.

14 **SEC. 813. AUTHORITY TO ENTER INTO PERSONAL SERV-**
15 **ICES CONTRACTS.**

16 (a) AUTHORITY.—Chapter 141 of title 10, United
17 States Code, is amended by inserting after section 2396
18 the following new section:

19 **“§ 2397. Personal services: procurement by certain**
20 **elements of the Department of Defense**

21 “(a) AUTHORITY.—The head of an element of the
22 Department of Defense referred to in subsection (b) may
23 enter into a contract for the procurement of services de-
24 scribed in section 3109 of title 5 that are necessary to
25 carry out a mission of that element without regard to the

1 limitations in such section if the head of that element de-
 2 termines in writing that the services to be procured are
 3 unique and that it would not be practicable to obtain such
 4 services by other means.

5 “(b) APPLICABILITY.—Subsection (a) applies to—

6 “(1) any element of the Department of Defense
 7 within the intelligence community, as defined in sec-
 8 tion 3(4) of the National Security Act of 1947 (50
 9 U.S.C. 401a(4)); and

10 “(2) the United States Special Operations Com-
 11 mand, with respect to special operations activities
 12 described in paragraphs (1), (2), (3), and (4) of sec-
 13 tion 167(j) of this title.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 at the beginning of such chapter is amended by inserting
 16 after the item relating to section 2396 the following new
 17 item:

“2397. Personal services: procurement by certain elements of the Department
 of Defense.”.

18 **Subtitle C—Major Defense**
 19 **Acquisition Programs**

20 **SEC. 821. CERTAIN WEAPONS-RELATED PROTOTYPE**
 21 **PROJECTS.**

22 (a) EXTENSION OF AUTHORITY.—Subsection (g) of
 23 section 845 of the National Defense Authorization Act for
 24 Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by

1 striking “September 30, 2004” and inserting “September
2 30, 2007”.

3 (b) INCREASED SCOPE OF AUTHORITY.—Subsection
4 (a) of such section is amended by inserting before the pe-
5 riod at the end the following: “, or to improvement of
6 weapons or weapon systems in use by the Armed Forces”.

7 (c) PILOT PROGRAM FOR TRANSITION TO FOLLOW-
8 ON CONTRACTS.—Such section, as amended by subsection
9 (a), is further amended—

10 (1) by redesignating subsections (e), (f), and
11 (g) as subsections (f), (g), and (h), respectively; and

12 (2) by inserting after subsection (d) the fol-
13 lowing new subsection (e):

14 “(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-
15 ON CONTRACTS.—(1) The Secretary of Defense is author-
16 ized to carry out a pilot program for follow-on contracting
17 for the production of items or processes that are developed
18 by nontraditional defense contractors under prototype
19 projects carried out under this section.

20 “(2) Under the pilot program—

21 “(A) a qualifying contract for the procurement
22 of such an item or process, or a qualifying sub-
23 contract under a contract for the procurement of
24 such an item or process, may be treated as a con-
25 tract or subcontract, respectively, for the procure-

1 ment of commercial items, as defined in section
2 4(12) of the Office of Federal Procurement Policy
3 Act (41 U.S.C. 403(12)); and

4 “(B) the item or process may be treated as an
5 item or process, respectively, that is developed in
6 part with Federal funds and in part at private ex-
7 pense for the purposes of section 2320 of title 10,
8 United States Code.

9 “(3) For the purposes of the pilot program, a quali-
10 fying contract or subcontract is a contract or subcontract,
11 respectively, with a nontraditional defense contractor
12 that—

13 “(A) does not exceed \$50,000,000; and

14 “(B) is either—

15 “(i) a firm, fixed-price contract or sub-
16 contract; or

17 “(ii) a fixed-price contract or subcontract
18 with economic price adjustment.

19 “(4) The authority to conduct a pilot program under
20 this subsection shall terminate on September 30, 2007.
21 The termination of the authority shall not affect the valid-
22 ity of contracts or subcontracts that are awarded or modi-
23 fied during the period of the pilot program, without regard
24 to whether the contracts or subcontracts are performed
25 during the period.”.

1 **SEC. 822. APPLICABILITY OF CLINGER-COHEN ACT POLI-**
2 **CIES AND REQUIREMENTS TO EQUIPMENT**
3 **INTEGRAL TO A WEAPON OR WEAPON SYS-**
4 **TEM.**

5 (a) IN GENERAL.—(1) Chapter 131 of title 10,
6 United States Code, is amended by inserting after section
7 2223 the following:

8 **“§ 2223a. Acquisition of equipment integral to a**
9 **weapon or a weapon system: applicability**
10 **of certain acquisition reform authorities**
11 **and information technology-related re-**
12 **quirements**

13 “(a) BOARD OF SENIOR ACQUISITION OFFICIALS.—
14 (1) The Secretary of Defense shall establish a board of
15 senior acquisition officials to administer the implementa-
16 tion of the policies and requirements of chapter 113 of
17 title 40 in procurements of information technology equip-
18 ment determined by the Secretary as being an integral
19 part of a weapon or a weapon system.

20 “(2) The Board shall be composed of the following
21 officials:

22 “(A) Under Secretary of Defense for Acquisi-
23 tion, Technology, and Logistics, who shall be the
24 Chairman.

25 “(B) The acquisition executive of each of the
26 military departments.

1 “(C) The Chief Information Officer of the De-
2 partment of Defense.

3 “(c) RESPONSIBILITIES OF BOARD.—The Board
4 shall be responsible for ensuring that—

5 “(1) the acquisition of information technology
6 equipment determined by the Secretary of Defense
7 as being an integral part of a weapon or a weapon
8 system is conducted in a manner that is consistent
9 with the capital planning, investment control, and
10 performance and results-based management proc-
11 esses and requirements provided under sections
12 11302, 11303, 11312, and 11313 of title 40, to the
13 extent that such processes requirements are applica-
14 ble to the acquisition of such equipment;

15 “(2) issues of spectrum availability, interoper-
16 ability, and information security are appropriately
17 addressed in the development of weapons and weap-
18 on systems; and

19 “(3) in the case of information technology
20 equipment that is to be incorporated into a weapon
21 or a weapon system under a major defense acquisi-
22 tion program, the information technology equipment
23 is incorporated in a manner that is consistent
24 with—

1 “(A) the planned approach to applying cer-
2 tain provisions of law to major defense acquisi-
3 tion programs following the evolutionary acqui-
4 sition process that the Secretary of Defense re-
5 ported to Congress under section 802 of the
6 Bob Stump National Defense Authorization Act
7 for Fiscal Year 2003 (Public Law 107–314;
8 116 Stat. 2602);

9 “(B) the acquisition policies that apply to
10 spiral development programs under section 803
11 of such Act (116 Stat. 2603; 10 U.S.C. 2430
12 note); and

13 “(C) the software acquisition processes of
14 the military department or Defense Agency con-
15 cerned under section 804 of such Act (116
16 Stat. 2604; 10 U.S.C. 2430 note).

17 “(d) INAPPLICABILITY OF OTHER LAWS.—The fol-
18 lowing provisions of law do not apply to information tech-
19 nology equipment that is determined by the Secretary of
20 Defense as being an integral part of a weapon or a weapon
21 system:

22 “(1) Section 11315 of title 40.

23 “(2) The policies and procedures established
24 under section 11316 of title 40.

1 “(3) Subsections (d) and (e) of section 811 of
2 the Floyd D. Spence National Defense Authorization
3 Act for Fiscal Year 2001 (as enacted into law by
4 Public Law 106–398; 114 Stat. 1654A–211), and
5 the requirements and prohibitions that are imposed
6 by Department of Defense Directive 5000.1 pursu-
7 ant to subsections (b) and (c) of such section.

8 “(4) Section 351 of the Bob Stump National
9 Defense Authorization Act for Fiscal Year 2003
10 (Public Law 107–314; 116 Stat. 2516; 10 U.S.C.
11 221 note).

12 “(e) DEFINITIONS.—In this section:

13 “(1) The term ‘acquisition executive’, with re-
14 spect to a military department, means the official
15 who is designated as the senior procurement execu-
16 tive of the military department under section 16(3)
17 of the Office of Federal Procurement Policy Act (41
18 U.S.C. 414(3)).

19 “(2) The term ‘information technology’ has the
20 meaning given such term in section 11101 of title
21 40.

22 “(3) The term ‘major defense acquisition pro-
23 gram’ has the meaning given such term in section
24 2430 of this title.”.

1 (2) The table of sections at the beginning of such
2 chapter is amended by inserting after the item relating
3 to section 2223 the following new item:

“2223a. Acquisition of equipment integral to a weapon or a weapon system: applicability of certain acquisition reform authorities and information technology-related requirements.”.

4 (b) CONFORMING AMENDMENT.—Section 2223 of
5 such title is amended by adding at the end the following
6 new subsection:

7 “(c) EQUIPMENT INTEGRAL TO A WEAPON OR WEAPON
8 ON SYSTEM.—(1) In the case of information technology
9 equipment determined by the Secretary of Defense as
10 being an integral part of a weapon or a weapon system,
11 the responsibilities under this section shall be performed
12 by the board of senior acquisition officials established pursuant
13 to section 2223a of this title.

14 “(2) In this subsection, the term ‘information technology’
15 has the meaning given such term in section 11101
16 of title 40.”.

17 **SEC. 823. APPLICABILITY OF REQUIREMENT FOR REPORTS ON MATURITY OF TECHNOLOGY AT**
18 **INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAMS.**

21 Section 804(a) of the National Defense Authorization
22 Act for Fiscal Year 2003 (Public Law 107–107; 115 Stat.
23 1180) is amended by striking “, as in effect on the date
24 of enactment of this Act,” and inserting “(as in effect on

1 the date of the enactment of this Act), and the cor-
2 responding provision of any successor to such Instruc-
3 tion,”.

4 **Subtitle D—Domestic Source** 5 **Requirements**

6 **SEC. 831. EXCEPTIONS TO BERRY AMENDMENT FOR CON-** 7 **TINGENCY OPERATIONS AND OTHER URGENT** 8 **SITUATIONS.**

9 Section 2533a(d) of title 10, United States Code, is
10 amended—

11 (1) in paragraph (1), by inserting “or contin-
12 gency operations” after “in support of combat oper-
13 ations”; and

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

16 “(4) Procurements for which the use of proce-
17 dures other than competitive procedures has been
18 approved on the basis of section 2304(c)(2) of this
19 title, relating to unusual and compelling urgency of
20 need.”.

1 **SEC. 832. INAPPLICABILITY OF BERRY AMENDMENT TO**
2 **PROCUREMENTS OF WASTE AND BYPROD-**
3 **UCTS OF COTTON AND WOOL FIBER FOR USE**
4 **IN THE PRODUCTION OF PROPELLANTS AND**
5 **EXPLOSIVES.**

6 Section 2533a(f) of title 10, United States Code, is
7 amended—

8 (1) by striking “(f) EXCEPTION” and all that
9 follows through “the procurement of” and inserting
10 the following:

11 “(f) EXCEPTIONS FOR CERTAIN OTHER COMMOD-
12 ITIES AND ITEMS.—Subsection (a) does not preclude the
13 procurement of the following:

14 “(1)”;

15 (2) by capitalizing the initial letter of the word
16 following “(1)”, as added by paragraph (1); and

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

19 “(2) Waste and byproducts of cotton and wool
20 fiber for use in the production of propellants and ex-
21 plosives.”.

22 **SEC. 833. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR**
23 **CONTENT REQUIREMENTS.**

24 (a) AUTHORITY.—Subchapter V of chapter 148 of
25 title 10, United States Code, is amended by adding at the
26 end the following new section:

1 **“§ 2539c. Waiver of domestic source or content re-**
2 **quirements**

3 “(a) **AUTHORITY.**—Except as provided in subsection
4 (f), the Secretary of Defense may waive the application
5 of any domestic source requirement or domestic content
6 requirement referred to in subsection (b) and thereby au-
7 thorize the procurement of items that are grown, repro-
8 cessed, reused, produced, or manufactured—

9 “(1) in a foreign country that has a Declaration
10 of Principles with the United States;

11 “(2) in a foreign country that has a Declaration
12 of Principles with the United States substantially
13 from components and materials grown, reprocessed,
14 reused, produced, or manufactured in the United
15 States or any foreign country that has a Declaration
16 of Principles with the United States; or

17 “(3) in the United States substantially from
18 components and materials grown, reprocessed, re-
19 used, produced, or manufactured in the United
20 States or any foreign country that has a Declaration
21 of Principles with the United States.

22 “(b) **COVERED REQUIREMENTS.**—For purposes of
23 this section:

24 “(1) A domestic source requirement is any re-
25 quirement under law that the Department of De-
26 fense satisfy its requirements for an item by pro-

1 curing an item that is grown, reprocessed, reused,
2 produced, or manufactured in the United States or
3 by a manufacturer that is a part of the national
4 technology and industrial base (as defined in section
5 2500(1) of this title).

6 “(2) A domestic content requirement is any re-
7 quirement under law that the Department of De-
8 fense satisfy its requirements for an item by pro-
9 curing an item produced or manufactured partly or
10 wholly from components and materials grown, re-
11 processed, reused, produced, or manufactured in the
12 United States.

13 “(c) APPLICABILITY.—The authority of the Secretary
14 to waive the application of a domestic source or content
15 requirements under subsection (a) applies to the procure-
16 ment of items for which the Secretary of Defense deter-
17 mines that—

18 “(1) application of the requirement would im-
19 pede the reciprocal procurement of defense items
20 under a Declaration of Principles with the United
21 States; and

22 “(2) such country does not discriminate against
23 defense items produced in the United States to a
24 greater degree than the United States discriminates
25 against defense items produced in that country.

1 “(d) LIMITATION ON DELEGATION.—The authority
2 of the Secretary to waive the application of domestic
3 source or content requirements under subsection (a) may
4 not be delegated to any officer or employee other than the
5 Under Secretary of Defense for Acquisition, Technology
6 and Logistics.

7 “(e) CONSULTATIONS.—The Secretary may grant a
8 waiver of the application of a domestic source or content
9 requirement under subsection (a) only after consultation
10 with the United States Trade Representative, the Sec-
11 retary of Commerce, and the Secretary of State.

12 “(f) LAWS NOT WAIVABLE.—The Secretary of De-
13 fense may not exercise the authority under subsection (a)
14 to waive any domestic source or content requirement con-
15 tained in any of the following laws:

16 “(1) The Small Business Act (15 U.S.C. 631 et
17 seq.).

18 “(2) The Javits-Wagner-O’Day Act (41 U.S.C.
19 46 et seq.).

20 “(3) Sections 7309 and 7310 of this title.

21 “(4) Section 2533a of this title.

22 “(g) RELATIONSHIP TO OTHER WAIVER AUTHOR-
23 ITY.—The authority under subsection (a) to waive a do-
24 mestic source requirement or domestic content require-

1 ment is in addition to any other authority to waive such
2 requirement.

3 “(h) CONSTRUCTION WITH RESPECT TO LATER EN-
4 ACTED LAWS.—This section may not be construed as
5 being inapplicable to a domestic source requirement or do-
6 mestic content requirement that is set forth in a law en-
7 acted after the enactment of this section solely on the
8 basis of the later enactment.

9 “(i) DECLARATION OF PRINCIPLES.—(1) In this sec-
10 tion, the term ‘Declaration of Principles’ means a written
11 understanding between the Department of Defense and its
12 counterpart in a foreign country signifying a cooperative
13 relationship between the Department and its counterpart
14 to standardize or make interoperable defense equipment
15 used by the armed forces and the armed forces of the for-
16 eign country across a broad spectrum of defense activities,
17 including—

18 “(A) harmonization of military requirements
19 and acquisition processes;

20 “(B) security of supply;

21 “(C) export procedures;

22 “(D) security of information;

23 “(E) ownership and corporate governance;

24 “(F) research and development;

25 “(G) flow of technical information; and

1 “(H) defense trade.

2 “(2) A Declaration of Principles is underpinned by
3 a memorandum of understanding or other agreement pro-
4 viding for the reciprocal procurement of defense items be-
5 tween the United States and the foreign country con-
6 cerned without unfair discrimination in accordance with
7 section 2531 of this title.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of such subchapter is amended by insert-
10 ing after the item relating to section 2539b the following
11 new item:

“2539c. Waiver of domestic source or content requirements.”.

12 **SEC. 834. BUY AMERICAN EXCEPTION FOR BALL BEARINGS**
13 **AND ROLLER BEARINGS USED IN FOREIGN**
14 **PRODUCTS.**

15 Section 2534(a)(5) of title 10, United States Code,
16 is amended by inserting before the period at the end the
17 following: “, except ball bearings and roller bearings being
18 procured for use in an end product manufactured by a
19 manufacturer that does not satisfy the requirements of
20 subsection (b) or in a component part manufactured by
21 such a manufacturer”.

1 **Subtitle E—Defense Acquisition**
2 **and Support Workforce**

3 **SEC. 841. FLEXIBILITY FOR MANAGEMENT OF THE DE-**
4 **FENSE ACQUISITION AND SUPPORT WORK-**
5 **FORCE.**

6 (a) MANAGEMENT STRUCTURE.—(1) Sections 1703,
7 1705, 1706, and 1707 of title 10, United States Code,
8 are repealed.

9 (2) Section 1724(d) of such title is amended—

10 (A) in the first sentence, by striking “The ac-
11 quisition career program board concerned” and all
12 that follows through “if the board certifies” and in-
13 sserting “The Secretary of Defense may waive any or
14 all of the requirements of subsections (a) and (b)
15 with respect to an employee of the Department of
16 Defense or member of the armed forces if the Sec-
17 retary determines”;

18 (B) in the second sentence, by striking “the
19 board” and inserting “the Secretary”; and

20 (C) by striking the third sentence.

21 (3) Section 1732(b) of such title is amended—

22 (A) in paragraph (1)(C), by striking “, as vali-
23 dated by the appropriate career program manage-
24 ment board”; and

1 (B) in paragraph (2)(A)(ii), by striking “has
2 been certified by the acquisition career program
3 board of the employing military department as pos-
4 sessing” and inserting “possess”.

5 (4) Section 1732(d) of such title is amended—

6 (A) in paragraph (1)—

7 (i) in the first sentence, by striking “the
8 acquisition career program board of a military
9 department” and all that follows through “if
10 the board certifies” and inserting “The Sec-
11 retary of Defense may waive any or all of the
12 requirements of subsection (b) with respect to
13 an employee if the Secretary determines”;

14 (ii) in the second sentence, by striking “the
15 board” and inserting “the Secretary”; and

16 (iii) by striking the third sentence; and

17 (B) in paragraph (2), by striking “The acquisi-
18 tion career program board of a military department”
19 and inserting “The Secretary”.

20 (5) Section 1734(d) of such title is amended—

21 (A) in subsection (d)—

22 (i) by striking paragraph (2); and

23 (ii) in paragraph (3), by striking the sec-
24 ond sentence; and

1 (B) in subsection (e)(2), by striking “, by the
2 acquisition career program board of the department
3 concerned,”.

4 (6) Section 1737(c) of such title is amended—

5 (A) by striking paragraph (2); and

6 (B) by striking “(1) The Secretary” and insert-
7 ing “The Secretary”.

8 (b) ELIMINATION OF ROLE OF OFFICE OF PER-
9 SONNEL MANAGEMENT.—(1) Section 1725 of such title
10 is repealed.

11 (2) Section 1731 of such title is amended by striking
12 subsection (c).

13 (3) Section 1732(c)(2) of such title is amended by
14 striking the second and third sentences.

15 (4) Section 1734(g) of such title is amended—

16 (A) by striking paragraph (2); and

17 (B) in paragraph (1) by striking “(1) The Sec-
18 retary” and inserting “The Secretary”.

19 (5) Section 1737 of such title is amended by striking
20 subsection (d).

21 (6) Section 1744(c)(3)(A)(i) of such title is amended
22 by striking “and such other requirements as the Office
23 of Personnel Management may prescribe”.

24 (c) SINGLE ACQUISITION CORPS.—(1) Section 1731
25 of such title is amended—

1 (A) in subsection (a)—

2 (i) by striking “each of the military depart-
3 ments and one or more Corps, as he considers
4 appropriate, for the other components of” in
5 the first sentence; and

6 (ii) by striking the second sentence; and

7 (B) in subsection (b), by striking “an Acquisi-
8 tion Corps” and inserting “the Acquisition Corps”.

9 (2) Sections 1732(a), 1732(e)(1), 1732(e)(2),
10 1733(a), 1734(e)(1), and 1737(a)(1) of such title are
11 amended by striking “an Acquisition Corps” and inserting
12 “the Acquisition Corps”.

13 (3) Section 1734 of such title is amended—

14 (A) in subsection (g), by striking “each Acquisi-
15 tion Corps, a test program in which members of a
16 Corps” and inserting “the Acquisition Corps, a test
17 program in which members of the Corps”; and

18 (B) in subsection (h), by striking “making as-
19 signments of civilian and military members of the
20 Acquisition Corps of that military department” and
21 inserting “making assignments of civilian and mili-
22 tary personnel of that military department who are
23 members of the Acquisition Corps”.

1 (d) CONSOLIDATION OF CERTAIN EDUCATION AND
2 TRAINING PROGRAM REQUIREMENTS.—(1) Section 1742
3 of such title is amended to read as follows:

4 **“§ 1742. Internship, cooperative education, and**
5 **scholarship programs**

6 “The Secretary of Defense shall conduct the following
7 education and training programs:

8 “(1) An intern program for purposes of pro-
9 viding highly qualified and talented individuals an
10 opportunity for accelerated promotions, career
11 broadening assignments, and specified training to
12 prepare them for entry into the Acquisition Corps.

13 “(2) A cooperative education credit program
14 under which the Secretary arranges, through cooper-
15 ative arrangements entered into with one or more
16 accredited institutions of higher education, for such
17 institutions to grant undergraduate credit for work
18 performed by students who are employed by the De-
19 partment of Defense in acquisition positions.

20 “(3) A scholarship program for the purpose of
21 qualifying personnel for acquisition positions in the
22 Department of Defense.”.

23 (2) Sections 1743 and 1744 of such title are repealed.

24 (e) GENERAL MANAGEMENT PROVISIONS.—Sub-
25 chapter V of chapter 87 of such title is amended—

1 (1) by striking section 1763; and

2 (2) by adding at the end the following new sec-
3 tion 1764:

4 **“§ 1764. Authority to establish different minimum re-
5 quirements**

6 “(a) AUTHORITY.—(1) The Secretary of Defense may
7 prescribe a different minimum number of years of experi-
8 ence, different minimum education qualifications, and dif-
9 ferent tenure of service qualifications to be required for
10 eligibility for appointment or advancement to an acquisi-
11 tion position referred to in subsection (b) than is required
12 for such position under or pursuant to any provision of
13 this chapter.

14 “(2) Any requirement prescribed under paragraph
15 (1) for a position referred to in any paragraph of sub-
16 section (b) shall be applied uniformly to all positions re-
17 ferred to in such paragraph.

18 “(b) APPLICABILITY.—This section applies to the fol-
19 lowing acquisition positions in the Department of Defense:

20 “(1) Contracting officer, except a position re-
21 ferred to in paragraph (5).

22 “(2) Program executive officer.

23 “(3) Senior contracting official.

24 “(4) Program manager.

1 “(5) A position in the contract contingency
2 force of an armed force that is filled by a member
3 of that armed force.

4 “(c) DEFINITION.—In this section, the term ‘contract
5 contingency force’, with respect to an armed force, has the
6 meaning given such term in regulations prescribed by the
7 Secretary concerned.”.

8 (f) CLERICAL AMENDMENTS.—(1) The table of sec-
9 tions at the beginning of subchapter I of chapter 87 of
10 title 10, United States Code, is amended by striking the
11 items relating to sections 1703, 1705, 1706, and 1707.

12 (2) The table of sections at the beginning of sub-
13 chapter II of such chapter is amended by striking the item
14 relating to section 1725.

15 (3) The table of sections at the beginning of sub-
16 chapter IV of such chapter is amended by striking the
17 items relating to sections 1742, 1743, and 1744 and in-
18 serting the following:

 “1742. Internship, cooperative education, and scholarship programs.”.

19 (4) The table of sections at the beginning of sub-
20 chapter V of such chapter is amended by striking the item
21 relating to section 1763 and inserting the following:

 “1764. Authority to establish different minimum requirements.”.

1 **SEC. 842. LIMITATION AND REINVESTMENT AUTHORITY**
2 **RELATING TO REDUCTION OF THE DEFENSE**
3 **ACQUISITION AND SUPPORT WORKFORCE.**

4 (a) **LIMITATION.**—Notwithstanding any other provi-
5 sion of law, the defense acquisition and support workforce
6 may not be reduced, during fiscal years 2004, 2005, and
7 2006, below the level of that workforce as of September
8 30, 2002, determined on the basis of full-time equivalent
9 positions, except as may be necessary to strengthen the
10 defense acquisition and support workforce in higher pri-
11 ority positions in accordance with this section.

12 (b) **WORKFORCE FLEXIBILITY.**—During fiscal years
13 2004, 2005, and 2006, the Secretary of Defense may re-
14 align any part of the defense acquisition and support
15 workforce to support reinvestment in other, higher priority
16 positions in such workforce.

17 (c) **HIGHER PRIORITY POSITIONS.**—For the purposes
18 of this section, higher priority positions in the defense ac-
19 quisition and support workforce include the following posi-
20 tions:

21 (1) Positions the responsibilities of which in-
22 clude drafting performance-based work statements
23 for services contracts and overseeing the perform-
24 ance of contracts awarded pursuant to such work
25 statements.

1 (2) Positions the responsibilities of which in-
2 clude conducting spending analyses, negotiating
3 company-wide pricing agreements, and taking other
4 measures to reduce contract costs.

5 (3) Positions the responsibilities of which in-
6 clude reviewing contractor quality control systems,
7 assessing and analyzing quality deficiency reports,
8 and taking other measures to improve product qual-
9 ity.

10 (4) Positions the responsibilities of which in-
11 clude effectively conducting public-private competi-
12 tions in accordance with Office of Management and
13 Budget Circular A-76.

14 (5) Any other positions in the defense acquisi-
15 tion and support workforce that the Secretary iden-
16 tifies as being higher priority positions that are
17 staffed at levels not likely to ensure efficient and ef-
18 fective performance of all of the responsibilities of
19 those positions.

20 (d) DEFENSE ACQUISITION AND SUPPORT WORK-
21 FORCE DEFINED.—In this section, the term “defense ac-
22 quisition and support workforce” means members of the
23 Armed Forces and civilian personnel who are assigned to,
24 or are employed in, an organization of the Department

1 of Defense that has acquisition as its predominant mis-
2 sion, as determined by the Secretary of Defense.

3 **SEC. 843. CLARIFICATION AND REVISION OF AUTHORITY**
4 **FOR DEMONSTRATION PROJECT RELATING**
5 **TO CERTAIN ACQUISITION PERSONNEL MAN-**
6 **AGEMENT POLICIES AND PROCEDURES.**

7 Section 4308 of the National Defense Authorization
8 Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is
9 amended—

10 (1) in subsection (b), by striking paragraph (3)
11 and inserting the following:

12 “(3) CONDITIONS.—Paragraph (2) shall not
13 apply with respect to a demonstration project
14 unless—

15 “(A) for each organization or team partici-
16 pating in the demonstration project—

17 “(i) at least one-third of the workforce
18 participating in the demonstration project
19 consists of members of the acquisition
20 workforce; and

21 “(ii) at least two-thirds of the work-
22 force participating in the demonstration
23 project consists of members of the acquisi-
24 tion workforce and supporting personnel

1 assigned to work directly with the acquisi-
2 tion workforce; and

3 “(B) the demonstration project commences
4 before October 1, 2007.”;

5 (2) in subsection (d), by striking “95,000” in
6 subsection (d) and inserting “120,000”;

7 (3) by redesignating subsection (e) as sub-
8 section (f); and

9 (4) by inserting after subsection (d) the fol-
10 lowing:

11 “(e) EFFECT OF REORGANIZATIONS.—The applica-
12 bility of paragraph (2) of subsection (b) to an organization
13 or team shall not terminate by reason that the organiza-
14 tion or team, after having satisfied the conditions in para-
15 graph (3) of such subsection when it began to participate
16 in a demonstration project under this section, ceases to
17 meet one or both of the conditions set forth in subpara-
18 graph (A) of such paragraph (3) as a result of a reorga-
19 nization, restructuring, realignment, consolidation, or
20 other organizational change.”.

1 **Subtitle F—Federal Support for**
2 **Procurement of Anti-Terrorism**
3 **Technologies and Services by**
4 **State and Local Governments**

5 **SEC. 851. APPLICATION OF INDEMNIFICATION AUTHORITY**
6 **TO STATE AND LOCAL GOVERNMENT CON-**
7 **TRACTORS.**

8 (a) **AUTHORITY.**—Subject to the limitations of sub-
9 section (b), the President may exercise the discretionary
10 authority under Public Law 85–804 (50 U.S.C. 1431 et
11 seq.) so as to provide under such law for indemnification
12 of contractors and subcontractors in procurements by
13 States or units of local government of an anti-terrorism
14 technology or an anti-terrorism service for the purpose of
15 preventing, detecting, identifying, otherwise deterring, or
16 recovering from acts of terrorism.

17 (b) **LIMITATIONS.**—Any authority that is delegated
18 by the President under subsection (a) to the head of a
19 Federal agency to provide for the indemnification of con-
20 tractors and subcontractors under Public Law 85–804 (50
21 U.S.C. 1431 et seq.) for procurements by States or units
22 of local government may be exercised only—

23 (1) in the case of a procurement by a State or
24 unit of local government that—

1 (A) is made under a contract awarded pur-
2 suant to section 852; and

3 (B) is approved, in writing, for the provi-
4 sion of indemnification by the President or the
5 official designated by the President under sec-
6 tion 852(a); and

7 (2) with respect to—

8 (A) amounts of losses or damages not fully
9 covered by private liability insurance and State
10 or local government-provided indemnification;
11 and

12 (B) liabilities of a contractor or subcon-
13 tractor not arising out of willful misconduct or
14 lack of good faith on the part of the contractor
15 or subcontractor, respectively.

16 **SEC. 852. FEDERAL SUPPORT FOR ENHANCEMENT OF**
17 **STATE AND LOCAL ANTI-TERRORISM RE-**
18 **SPONSE CAPABILITIES.**

19 (a) **PROCUREMENTS OF ANTI-TERRORISM TECH-**
20 **NOLOGIES AND SERVICES BY STATE AND LOCAL GOVERN-**
21 **MENTS THROUGH FEDERAL CONTRACTS.—**

22 (1) **ESTABLISHMENT OF PROGRAM.—**The Presi-
23 dent shall designate an officer or employee of the
24 United States—

1 (A) to establish, and the designated official
2 shall establish, a program under which States
3 and units of local government may procure
4 through contracts entered into by the des-
5 ignated official anti-terrorism technologies or
6 anti-terrorism services for the purpose of pre-
7 venting, detecting, identifying, otherwise deter-
8 ring, or recovering from acts of terrorism; and

9 (B) to carry out the SAFER grant pro-
10 gram provided for under subsection (f).

11 (2) DESIGNATED FEDERAL PROCUREMENT OF-
12 FICIAL FOR PROGRAM.—In this section, the officer
13 or employee designated by the President under para-
14 graph (1) shall be referred to as the “designated
15 Federal procurement official”.

16 (3) AUTHORITIES.—Under the program, the
17 designated Federal procurement official—

18 (A) may, but shall not be required to,
19 award contracts using the same authorities as
20 are provided to the Administrator of General
21 Services under section 309(b)(3) of the Federal
22 Property and Administrative Services Act (41
23 U.S.C. 259(b)(3)); and

24 (B) may make SAFER grants in accord-
25 ance with subsection (f).

1 (4) OFFERS NOT REQUIRED TO STATE AND
2 LOCAL GOVERNMENTS.—A contractor that sells anti-
3 terrorism technology or anti-terrorism services to the
4 Federal Government may not be required to offer
5 such technology or services to a State or unit of
6 local government under the program.

7 (b) RESPONSIBILITIES OF THE CONTRACTING OFFI-
8 CIAL.—In carrying out the program established under this
9 section, the designated Federal procurement official
10 shall—

11 (1) produce and maintain a catalog of anti-ter-
12 rorism technologies and anti-terrorism services suit-
13 able for procurement by States and units of local
14 government under this program; and

15 (2) establish procedures in accordance with sub-
16 section (c) to address the procurement of anti-ter-
17 rorism technologies and anti-terrorism services by
18 States and units of local government under contracts
19 awarded by the designated official.

20 (c) REQUIRED PROCEDURES.—The procedures re-
21 quired by subsection (b)(2) shall implement the following
22 requirements and authorities:

23 (1) SUBMISSIONS BY STATES.—

24 (A) REQUESTS AND PAYMENTS.—Except
25 as provided in subparagraph (B), each State

1 desiring to participate in a procurement of anti-
2 terrorism technologies or anti-terrorism services
3 through a contract entered into by the des-
4 ignated Federal procurement official under this
5 section shall submit to that official in such form
6 and manner and at such times as such official
7 prescribes, the following:

8 (i) REQUEST.—A request consisting of
9 an enumeration of the technologies or serv-
10 ices, respectively, that are desired by the
11 State and units of local government within
12 the State.

13 (ii) PAYMENT.—Advance payment for
14 each requested technology or service in an
15 amount determined by the designated offi-
16 cial based on estimated or actual costs of
17 the technology or service and administra-
18 tive costs incurred by such official.

19 (B) OTHER CONTRACTS.—The designated
20 Federal procurement official may award and
21 designate contracts under which States and
22 units of local government may procure anti-ter-
23 rorism technologies and anti-terrorism services
24 directly from the contractors. No indemnifica-
25 tion may be provided under Public Law 85–804

1 pursuant to an exercise of authority under sec-
2 tion 851 for procurements that are made di-
3 rectly between contractors and States or units
4 of local government.

5 (2) PERMITTED CATALOG TECHNOLOGIES AND
6 SERVICES.—A State may include in a request sub-
7 mitted under paragraph (1) only a technology or
8 service listed in the catalog produced under sub-
9 section (b)(1).

10 (3) COORDINATION OF LOCAL REQUESTS WITH-
11 IN STATE.—The Governor of a State may establish
12 such procedures as the Governor considers appro-
13 priate for administering and coordinating requests
14 for anti-terrorism technologies or anti-terrorism
15 services from units of local government within the
16 State.

17 (4) SHIPMENT AND TRANSPORTATION COSTS.—
18 A State requesting anti-terrorism technologies or
19 anti-terrorism services shall be responsible for ar-
20 ranging and paying for any shipment or transpor-
21 tation of the technologies or services, respectively, to
22 the State and localities within the State.

23 (d) REIMBURSEMENT OF ACTUAL COSTS.—In the
24 case of a procurement made by or for a State or unit of
25 local government under the procedures established under

1 this section, the designated Federal procurement official
2 shall require the State or unit of local government to reim-
3 burse the Department for the actual costs it has incurred
4 for such procurement.

5 (e) TIME FOR IMPLEMENTATION.—The catalog and
6 procedures required by subsection (b) of this section shall
7 be completed as soon as practicable and no later than 210
8 days after the enactment of this Act.

9 (f) SAFER GRANT PROGRAM.—

10 (1) AUTHORITY.—The designated Federal pro-
11 curement official, in cooperation with the Secretary
12 of the Department of Homeland Security or his des-
13 ignee, is authorized to make grants to eligible enti-
14 ties for the purpose of supporting increases in the
15 number of permanent positions for firefighters in
16 fire services to ensure staffing at levels and with
17 skill mixes that are adequate emergency response to
18 incidents or threats of terrorism.

19 (2) USE OF FUNDS.—The proceeds of a
20 SAFER grant to an eligible entity may be used only
21 for the purpose specified in paragraph (1).

22 (3) DURATION.—A SAFER grant to an eligible
23 entity shall provide funding for a period of 4 years.
24 The proceeds of the grant shall be disbursed to the
25 eligible entity in 4 equal annual installments.

1 (4) NON-FEDERAL SHARE.—

2 (A) REQUIREMENT.—An eligible entity
3 may receive a SAFER grant only if the entity
4 enters into an agreement with the designated
5 Federal procurement official to contribute non-
6 Federal funds to achieve the purpose of the
7 grant in the following amounts:

8 (i) During the second year in which
9 funds of a SAFER grant are received, an
10 amount equal to 25 percent of the amount
11 of the SAFER grant funds received that
12 year.

13 (ii) During the third year in which
14 funds of a SAFER grant are received, an
15 amount equal to 50 percent of the amount
16 of the SAFER grant funds received that
17 year.

18 (iii) During the fourth year in which
19 funds of a SAFER grant are received, an
20 amount equal to 75 percent of the amount
21 of the SAFER grant funds received that
22 year.

23 (B) WAIVER.—The designated Federal
24 procurement official may waive the requirement

1 for a non-Federal contribution described in sub-
2 paragraph (A) in the case of any eligible entity.

3 (C) ASSET FORFEITURE FUNDS.—An eligi-
4 ble entity may use funds received from the dis-
5 posal of property transferred to the eligible en-
6 tity pursuant to section 9703(h) of title 31,
7 United States Code, section 981(e) of title 18,
8 United States Code, or section 616 of the Tar-
9 iff Act of 1930 (19 U.S.C. 1616a) to provide
10 the non-Federal share required under para-
11 graph (1).

12 (D) BIA FUNDS.—Funds appropriated for
13 the activities of any agency of a tribal organiza-
14 tion or for the Bureau of Indian Affairs to per-
15 form firefighting functions on any Indian lands
16 may be used to provide the share required
17 under subparagraph (A), and such funds shall
18 be deemed to be non-Federal funds for such
19 purpose.

20 (5) APPLICATIONS.—

21 (A) REQUIREMENT.—To receive a SAFER
22 grant, an eligible entity shall submit an applica-
23 tion for the grant to the designated Federal
24 procurement official.

1 (B) CONTENT.—Each application for a
2 SAFER grant shall contain, for each fire serv-
3 ice covered by the application, the following in-
4 formation:

5 (i) A long-term strategy for increasing
6 the force of firefighters in the fire service
7 to ensure readiness for appropriate and ef-
8 fective emergency response to incidents or
9 threats of terrorism.

10 (ii) A detailed plan for implementing
11 the strategy that reflects consultation with
12 community groups, consultation with ap-
13 propriate private and public entities, and
14 consideration of any master plan that ap-
15 plies to the eligible entity.

16 (iii) An assessment of the ability of
17 the eligible entity to increase the force of
18 firefighters in the fire service without Fed-
19 eral assistance.

20 (iv) An assessment of the levels of
21 community support for increasing that
22 force, including financial and in-kind con-
23 tributions and any other available commu-
24 nity resources.

1 (v) Specific plans for obtaining nec-
2 essary support and continued funding for
3 the firefighter positions proposed to be
4 added to the fire service with SAFER
5 grant funds.

6 (vi) An assurance that the eligible en-
7 tity will, to the extent practicable, seek to
8 recruit and employ (or accept the vol-
9 untary services of) firefighters who are
10 members of racial and ethnic minority
11 groups or women.

12 (vii) Any additional information that
13 the designated Federal procurement offi-
14 cial considers appropriate.

15 (C) SPECIAL RULE FOR SMALL COMMU-
16 NITIES.—The designated Federal procurement
17 official may authorize an eligible entity respon-
18 sible for a population of less than 50,000 to
19 submit an application without information re-
20 quired under subparagraph (B), and may other-
21 wise make special provisions to facilitate the ex-
22 pedited submission, processing, and approval of
23 an application by such an entity.

24 (D) PREFERENTIAL CONSIDERATION.—
25 The designated Federal procurement official

1 may give preferential consideration, to the ex-
2 tent feasible, to an application submitted by an
3 eligible entity that agrees to contribute a non-
4 Federal share higher than the share required
5 under paragraph (4)(A).

6 (E) ASSISTANCE WITH APPLICATIONS.—

7 The designated Federal procurement official is
8 authorized to provide technical assistance to an
9 eligible entity for the purpose of assisting with
10 the preparation of an application for a SAFER
11 grant.

12 (6) SPECIAL RULES ON USE OF FUNDS.—

13 (A) SUPPLEMENT NOT SUPPLANT.—The
14 proceeds of a SAFER grant made to an eligible
15 entity shall be used to supplement and not sup-
16 plant other Federal funds, State funds, or
17 funds from a subdivision of a State, or, in the
18 case of a tribal organization, funds supplied by
19 the Bureau of Indian Affairs, that are available
20 for salaries or benefits for firefighters.

21 (B) LIMITATION RELATING TO COMPENSA-
22 TION OF FIREFIGHTERS.—

23 (i) IN GENERAL.—The proceeds of a
24 SAFER grant may not be used to fund the
25 pay and benefits of a full-time firefighter if

1 the total annual amount of the pay and
2 benefits for that firefighter exceeds
3 \$100,000. The designated Federal procure-
4 ment official may waive the prohibition in
5 the proceeding sentence in any particular
6 case.

7 (ii) ADJUSTMENT FOR INFLATION.—

8 Effective on October 1 of each year, the
9 total annual amount applicable under sub-
10 paragraph (A) shall be increased by the
11 percentage (rounded to the nearest one-
12 tenth of one percent) by which the Con-
13 sumer Price Index for all-urban consumers
14 published by the Department of Labor for
15 July of such year exceeds the Consumer
16 Price Index for all-urban consumers pub-
17 lished by the Department of Labor for
18 July of the preceding year. The first ad-
19 justment shall be made on October 1,
20 2004.

21 (7) PERFORMANCE EVALUATION.—

22 (A) REQUIREMENT FOR INFORMATION.—

23 The designated Federal procurement official
24 shall evaluate, each year, whether an entity re-
25 ceiving SAFER grant funds in such year is

1 substantially complying with the terms and con-
2 ditions of the grant. The entity shall submit to
3 the designated Federal procurement official any
4 information that the designated Federal pro-
5 curement official requires for that year for the
6 purpose of the evaluation.

7 (B) REVOCATION OR SUSPENSION OF
8 FUNDING.—If the designated Federal procure-
9 ment official determines that a recipient of a
10 SAFER grant is not in substantial compliance
11 with the terms and conditions of the grant the
12 designated Federal procurement official may re-
13 voke or suspend funding of the grant.

14 (8) ACCESS TO DOCUMENTS.—

15 (A) AUDITS BY DESIGNATED FEDERAL
16 PROCUREMENT OFFICIAL.—The designated
17 Federal procurement official shall have access
18 for the purpose of audit and examination to any
19 pertinent books, documents, papers, or records
20 of an eligible entity that receives a SAFER
21 grant.

22 (B) AUDITS BY THE COMPTROLLER GEN-
23 ERAL.—Subparagraph (A) shall also apply with
24 respect to audits and examinations conducted
25 by the Comptroller General of the United

1 States or by an authorized representative of the
2 Comptroller General.

3 (9) TERMINATION OF SAFER GRANT AUTHOR-
4 ITY.—

5 (A) IN GENERAL.—The authority to award
6 a SAFER grant shall terminate at the end of
7 September 30, 2010.

8 (B) REPORT TO CONGRESS.—Not later
9 than two years after the date of the enactment
10 of this Act, the designated Federal procurement
11 official shall submit to Congress a report on the
12 SAFER grant program under this section. The
13 report shall include an assessment of the effec-
14 tiveness of the program for achieving its pur-
15 pose, and may include any recommendations
16 that the designated Federal procurement offi-
17 cial has for increasing the forces of firefighters
18 in fire services.

19 (10) DEFINITIONS.—In this subsection:

20 (A) ELIGIBLE ENTITY.—The term “eligible
21 entity” means—

- 22 (i) a State;
23 (ii) a subdivision of a State;
24 (iii) a tribal organization;

1 (iv) any other public entity that the
2 designated Federal procurement official de-
3 termines appropriate for eligibility under
4 this section; and

5 (v) a multijurisdictional or regional
6 consortium of the entities described in
7 clauses (i) through (iv).

8 (B) FIREFIGHTER.—The term “fire-
9 fighter” means an employee or volunteer mem-
10 ber of a fire service, including a firefighter,
11 paramedic, emergency medical technician, res-
12 cue worker, ambulance personnel, or hazardous
13 materials worker, who—

14 (i) is trained in fire suppression and
15 has the legal authority and responsibility
16 to engage in fire suppression; or

17 (ii) is engaged in the prevention, con-
18 trol, and extinguishment of fires or re-
19 sponse to emergency situations where life,
20 property, or the environment is at risk.

21 (C) FIRE SERVICE.—The term “fire serv-
22 ice” includes an organization described in sec-
23 tion 4(5) of the Federal Fire Prevention and
24 Control Act of 1974 that is under the jurisdic-
25 tion of a tribal organization.

1 (D) MASTER PLAN.—The term “master
2 plan” has the meaning given the term in sec-
3 tion 10 of the Federal Fire Prevention and
4 Control Act of 1974.

5 (E) SAFER GRANT.—The term ‘SAFER
6 grant’ means a grant of financial assistance
7 under this subsection.

8 (F) TRIBAL ORGANIZATION.—The term
9 “tribal organization” has the meaning given the
10 term in section 4 of the Indian Self-Determina-
11 tion and Education Assistance Act (25 U.S.C.
12 450b).

13 (11) AUTHORIZATION OF APPROPRIATIONS.—
14 There are authorized to be appropriated for the pur-
15 pose of carrying out this section such sums as may
16 be necessary from the Department of Homeland Se-
17 curity, up to—

18 (A) \$1,000,000,000 for fiscal year 2004;

19 (B) \$1,030,000,000 for fiscal year 2005;

20 and

21 (C) \$1,061,000,000 for fiscal year 2006.

22 **SEC. 853. DEFINITIONS.**

23 In this subtitle:

24 (1) ANTI-TERRORISM TECHNOLOGY AND SERV-
25 ICE.—The terms “anti-terrorism technology” and

1 “anti-terrorism service” mean any product, equip-
2 ment, or device, including information technology,
3 and any service, system integration, or other kind of
4 service (including a support service), respectively,
5 that is related to technology and is designed, devel-
6 oped, modified, or procured for the purpose of pre-
7 venting, detecting, identifying, otherwise deterring,
8 or recovering from acts of terrorism.

9 (2) INFORMATION TECHNOLOGY.—The term
10 “information technology” has the meaning given
11 such term in section 11101(6) of title 40, United
12 States Code.

13 (3) STATE.—The term “State” includes the
14 District of Columbia, the Commonwealth of Puerto
15 Rico, the Commonwealth of the Northern Mariana
16 Islands, and any territory or possession of the
17 United States.

18 (4) UNIT OF LOCAL GOVERNMENT.—The term
19 “unit of local government” means any city, county,
20 township, town, borough, parish, village, or other
21 general purpose political subdivision of a State; an
22 Indian tribe which performs law enforcement func-
23 tions as determined by the Secretary of the Interior;
24 or any agency of the District of Columbia Govern-
25 ment or the United States Government performing

1 law enforcement functions in and for the District of
2 Columbia or the Trust Territory of the Pacific Is-
3 lands.

4 **Subtitle G—General Contracting**
5 **Authorities, Procedures, and**
6 **Limitations, and Other Matters**

7 **SEC. 861. LIMITED ACQUISITION AUTHORITY FOR COM-**
8 **MANDER OF UNITED STATES JOINT FORCES**
9 **COMMAND.**

10 Section 164 of title 10, United States Code, is
11 amended by adding at the end the following new sub-
12 section:

13 “(h) LIMITED ACQUISITION AUTHORITY FOR COM-
14 MANDER OF CERTAIN UNIFIED COMBATANT COMMAND.—

15 (1) The Secretary of Defense shall delegate to the com-
16 mander of the unified combatant command referred to in
17 paragraph (2) authority of the Secretary under chapter
18 137 of this title sufficient to enable the commander to de-
19 velop and acquire equipment described in paragraph (3).
20 The exercise of authority so delegated is subject to the
21 authority, direction, and control of the Secretary.

22 “(2) The commander to which authority is delegated
23 under paragraph (1) is the commander of the unified com-
24 batant command that has the mission for joint warfighting
25 experimentation, as assigned by the Secretary of Defense.

1 “(3) The equipment referred to in paragraph (1) is
2 as follows:

3 “(A) Battlefield command, control, communica-
4 tions, and intelligence equipment.

5 “(B) Any other equipment that the commander
6 referred to in that paragraph determines necessary
7 and appropriate for—

8 “(i) facilitating the use of joint forces in
9 military operations; or

10 “(ii) enhancing the interoperability of
11 equipment used by the various components of
12 joint forces on the battlefield.

13 “(4) The authority delegated under paragraph (1)
14 does not apply to the development or acquisition of a sys-
15 tem for which—

16 “(A) the total expenditure for research, develop-
17 ment, test, and evaluation is estimated to be
18 \$10,000,000 or more; or

19 “(B) the total expenditure for procurement of
20 the system is estimated to be \$50,000,000 or more.

21 “(5) The commander of the unified combatant com-
22 mand referred to in paragraph (1) shall require the inspec-
23 tor general of the command to conduct internal audits and
24 inspections of purchasing and contracting administered by

1 the commander under the authority delegated under sub-
2 section (a).”.

3 **SEC. 862. OPERATIONAL TEST AND EVALUATION.**

4 (a) LEADERSHIP AND DUTIES OF DEPARTMENT OF
5 DEFENSE TEST RESOURCE MANAGEMENT CENTER.—(1)
6 Subsection (b)(1) of section 196 of title 10, United States
7 Code, is amended—

8 (A) by striking “on active duty. The Director”
9 and inserting “on active duty or from among senior
10 civilian officers and employees of the Department of
11 Defense. A commissioned officer serving as the Di-
12 rector”; and

13 (B) by adding at the end the following: “A civil-
14 ian officer or employee serving as the Director shall
15 serve in a pay level equivalent in rank to lieutenant
16 general.”.

17 (2)(A) Subsection (c)(1)(B) of such section is amend-
18 ed by inserting after “Department of Defense” the fol-
19 lowing: “other than budgets and expenditures for activities
20 described in section 139(i) of this title”.

21 (B) Subsection (e)(1) of such section is amended—

22 (i) by striking “, the Director of Operational
23 Test and Evaluation,”; and

24 (ii) by striking “, Director’s”.

1 (b) DEPLOYMENT BEFORE COMPLETION OF
2 OT&E.—Section 806(e) of the Bob Stump National De-
3 fense Authorization Act for Fiscal Year 2003 (Public Law
4 107–314; 116 Stat. 2607; 10 U.S.C. 2302 note) is amend-
5 ed by adding at the end the following new paragraph:

6 “(3) If items are deployed under the rapid acquisition
7 and deployment procedures prescribed pursuant to this
8 section, or under any other authority, before the comple-
9 tion of operational test and evaluation of the items, the
10 Director of Operational Test and Evaluation shall have
11 access to operational records and data relevant to such
12 items in accordance with section 139(e)(3) of title 10,
13 United States Code, for the purpose of completing oper-
14 ational test and evaluation of the items. The access to the
15 operational records and data shall be provided in a time
16 and manner determined by the Secretary of Defense con-
17 sistent with requirements of operational security and other
18 relevant operational requirements.”.

19 **SEC. 863. MULTIYEAR TASK AND DELIVERY ORDER CON-**
20 **TRACTS.**

21 (a) REPEAL OF APPLICABILITY OF EXISTING AU-
22 THORITY AND LIMITATIONS.—Section 2306c of title 10,
23 United States Code, is amended—

24 (1) by striking subsection (g); and

1 (2) by redesignating paragraphs (8) and (9) as
2 paragraphs (7) and (8), respectively.

3 **SEC. 865. REESTABLISHMENT OF AUTHORITY FOR SHORT-**
4 **TERM LEASES OF REAL OR PERSONAL PROP-**
5 **ERTY ACROSS FISCAL YEARS.**

6 (a) REESTABLISHMENT OF AUTHORITY.—Subsection
7 (a) of section 2410a of title 10, United States Code, is
8 amended—

9 (1) by inserting “(1)” before “The Secretary of
10 Defense”;

11 (2) by striking “for procurement of severable
12 services” and inserting “for a purpose described in
13 paragraph (2)”; and

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

16 “(2) The purpose of a contract described in this para-
17 graph is as follows:

18 “(A) The procurement of severable services.

19 “(B) The lease of real or personal property, in-
20 cluding the maintenance of such property when con-
21 tracted for as part of the lease agreement.”.

22 (b) CONFORMING AND CLERICAL AMENDMENTS.—

23 (1) The heading of such section is amended to read as
24 follows:

1 **“§ 2410a. Contracts for periods crossing fiscal years:**
2 **severable service contracts; leases of real**
3 **or personal property”.**

4 (2) The table of sections at the beginning of chapter
5 141 of such title is amended by striking the item relating
6 to section 2410a and inserting the following new item:

“2410a. Contracts for periods crossing fiscal years: severable service contracts;
leases of real or personal property.”.

7 **SEC. 866. CONSOLIDATION OF CONTRACT REQUIREMENTS.**

8 (a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of
9 title 10, United States Code, is amended by inserting after
10 section 2381 the following new section:

11 **“§ 2382. Consolidation of contract requirements: pol-**
12 **icy and restrictions**

13 “(a) POLICY.—The Secretary of Defense shall re-
14 quire the Secretary of each military department, the head
15 of each Defense Agency, and the head of each Department
16 of Defense Field Activity to ensure that the decisions
17 made by that official regarding consolidation of contract
18 requirements of the department, agency, or field activity,
19 as the case may be, are made with a view to providing
20 small business concerns with appropriate opportunities to
21 participate in Department of Defense procurements as
22 prime contractors and appropriate opportunities to par-
23 ticipate in such procurements as subcontractors.

1 “(b) LIMITATION ON USE OF ACQUISITION STRATE-
2 GIES INVOLVING CONSOLIDATION.—(1) An official of a
3 military department, Defense Agency, or Department of
4 Defense Field Activity may not execute an acquisition
5 strategy that includes a consolidation of contract require-
6 ments of the military department, agency, or activity with
7 a total value in excess of \$5,000,000, unless the senior
8 procurement executive concerned first—

9 “(A) conducts market research;

10 “(B) identifies any alternative contracting ap-
11 proaches that would involve a lesser degree of con-
12 solidation of contract requirements; and

13 “(C) determines that the consolidation is nec-
14 essary and justified.

15 “(2) A senior procurement executive may determine
16 that an acquisition strategy involving a consolidation of
17 contract requirements is necessary and justified for the
18 purposes of paragraph (1) if the benefits of the acquisition
19 strategy substantially exceed the benefits of each of the
20 possible alternative contracting approaches identified
21 under subparagraph (B) of that paragraph. However, sav-
22 ings in administrative or personnel costs alone do not con-
23 stitute, for such purposes, a sufficient justification for a
24 consolidation of contract requirements in a procurement
25 unless the total amount of the cost savings is expected

1 to be substantial in relation to the total cost of the pro-
2 curement.

3 “(3) Benefits considered for the purposes of para-
4 graphs (1) and (2) may include cost and, regardless of
5 whether quantifiable in dollar amounts—

6 “(A) quality;

7 “(B) acquisition cycle;

8 “(C) terms and conditions; and

9 “(D) any other benefit.

10 “(c) DEFINITIONS.—In this section:

11 “(1) The terms ‘consolidation of contract re-
12 quirements’ and ‘consolidation’, with respect to con-
13 tract requirements of a military department, De-
14 fense Agency, or Department of Defense Field Activ-
15 ity, mean a use of a solicitation to obtain offers for
16 a single contract or a multiple award contract to sat-
17 isfy two or more requirements of that department,
18 agency, or activity for goods or services that have
19 previously been provided to, or performed for, that
20 department, agency, or activity under two or more
21 separate contracts smaller in cost than the total cost
22 of the contract for which the offers are solicited.

23 “(2) The term “multiple award contract”
24 means—

1 “(A) a contract that is entered into by the
2 Administrator of General Services under the
3 multiple award schedule program referred to in
4 section 2302(2)(C) of this title;

5 “(B) a multiple award task order contract
6 or delivery order contract that is entered into
7 under the authority of sections 2304a through
8 2304d of this title or sections 303H through
9 303K of the Federal Property and Administra-
10 tive Services Act of 1949 (41 U.S.C. 253h
11 through 253k); and

12 “(C) any other indeterminate delivery, in-
13 determinate quantity contract that is entered
14 into by the head of a Federal agency with two
15 or more sources pursuant to the same solicita-
16 tion.

17 “(3) The term ‘senior procurement executive
18 concerned’ means—

19 “(A) with respect to a military department,
20 the official designated under section 16(3) of
21 the Office of Federal Procurement Policy Act
22 (41 U.S.C. 414(3)) as the senior procurement
23 executive for the military department; or

24 “(B) with respect to a Defense Agency or
25 a Department of Defense Field Activity, the of-

1 ficial so designated for the Department of De-
2 fense.

3 “(4) The term ‘small business concern’ means
4 a business concern that is determined by the Admin-
5 istrator of the Small Business Administration to be
6 a small-business concern by application of the stand-
7 ards prescribed under section 3(a) of the Small
8 Business Act (15 U.S.C. 632(a)).”.

9 (2) The table of sections at the beginning of such
10 chapter is amended by inserting after the item relating
11 to section 2381 the following new item:

 “2382. Consolidation of contract requirements: policy and restrictions.”.

12 (b) DATA REVIEW.—(1) The Secretary of Defense
13 shall revise the data collection systems of the Department
14 of Defense to ensure that such systems are capable of
15 identifying each procurement that involves a consolidation
16 of contract requirements within the department with a
17 total value in excess of \$5,000,000.

18 (2) The Secretary shall ensure that appropriate offi-
19 cials of the Department of Defense periodically review the
20 information collected pursuant to paragraph (1) in co-
21 operation with the Small Business Administration—

22 (A) to determine the extent of the consolidation
23 of contract requirements in the Department of De-
24 fense; and

1 (B) to assess the impact of the consolidation of
2 contract requirements on the availability of opportu-
3 nities for small business concerns to participate in
4 Department of Defense procurements, both as prime
5 contractors and as subcontractors.

6 (3) In this subsection:

7 (A) The term “consolidation of contract re-
8 quirements” has the meaning given that term in sec-
9 tion 2382(c)(1) of title 10, United States Code, as
10 added by subsection (a).

11 (B) The term “small business concern” means
12 a business concern that is determined by the Admin-
13 istrator of the Small Business Administration to be
14 a small-business concern by application of the stand-
15 ards prescribed under section 3(a) of the Small
16 Business Act (15 U.S.C. 632(a)).

17 (c) **APPLICABILITY.**—This section applies only with
18 respect to contracts entered into with funds authorized to
19 be appropriated by this Act.

1 **TITLE IX—DEPARTMENT OF DE-**
2 **FENSE ORGANIZATION AND**
3 **MANAGEMENT**

4 **Subtitle A—Department Officers**
5 **and Agencies**

6 **SEC. 901. CLARIFICATION OF RESPONSIBILITY OF MILI-**
7 **TARY DEPARTMENTS TO SUPPORT COMBAT-**
8 **ANT COMMANDS.**

9 Sections 3013(c)(4), 5013(c)(4), and 8013(3)(c)(4)
10 of title 10, United States Code, are amended by striking
11 “(to the maximum extent practicable)”.

12 **SEC. 902. REDESIGNATION OF NATIONAL IMAGERY AND**
13 **MAPPING AGENCY AS NATIONAL**
14 **GEOSPATIAL-INTELLIGENCE AGENCY.**

15 (a) REDESIGNATION.—The National Imagery and
16 Mapping Agency (NIMA) is hereby redesignated as the
17 National Geospatial-Intelligence Agency (NGA).

18 (b) CONFORMING AMENDMENTS.—

19 (1) TITLE 10, UNITED STATES CODE.—(A)
20 Chapter 22 of title 10, United States Code, is
21 amended by striking “National Imagery and Map-
22 ping Agency” each place it appears (other than the
23 penultimate place it appears in section 461(b) of
24 such title) and inserting “National Geospatial-Intel-
25 ligence Agency”.

1 (B) Section 453(b) of such title is amended by
2 striking “NIMA” each place it appears and inserting
3 “NGA”.

4 (C)(i) Subsection (b)(3) of section 424 of such
5 title is amended by striking “National Imagery and
6 Mapping Agency” and inserting “National
7 Geospatial-Intelligence Agency”.

8 (ii) The heading for such section is amended to
9 read as follows:

10 **“§ 424. Disclosure of organizational and personnel in-**
11 **formation: exemption for Defense Intel-**
12 **ligence Agency, National Reconnaissance**
13 **Office, and National Geospatial Intel-**
14 **ligence Agency”.**

15 (iii) The table of sections at the beginning of
16 subchapter I of chapter 21 of such title is amended
17 in the item relating to section 424 by striking “Na-
18 tional Imagery and Mapping Agency” and inserting
19 “National Geospatial-Intelligence Agency”.

20 (D) Section 425(a) of such title is amended—

21 (i) by redesignating paragraphs (3) and
22 (4) as paragraphs (4) and (5), respectively; and

23 (ii) by inserting after paragraph (2) the
24 following new paragraph (3):

1 “(3) The words ‘National Geospatial-Intel-
2 ligence Agency’, the initials ‘NGA’, or the seal of the
3 National Geospatial-Intelligence Agency.’”.

4 (E) Section 1614(2)(C) of such title is amended
5 by striking “National Imagery and Mapping Agen-
6 cy” and inserting “National Geospatial-Intelligence
7 Agency”.

8 (F)(i) The heading for chapter 22 of such title
9 is amended to read as follows:

10 **“CHAPTER 22—NATIONAL GEOSPATIAL-**
11 **INTELLIGENCE AGENCY.”**

12 (ii) The table of chapters at the beginning of
13 subtitle A of such title, and at the beginning of part
14 I of such subtitle, are each amended by striking the
15 item relating to chapter 22 and inserting the fol-
16 lowing new item:

“22. National Geospatial-Intelligence Agency 441”.

17 (2) NATIONAL SECURITY ACT OF 1947.—(A)
18 Section 3(4)(E) of the National Security Act of
19 1947 (50 U.S.C. 401a(4)(E)) is amended by striking
20 “National Imagery and Mapping Agency” and in-
21 serting “National Geospatial-Intelligence Agency”.

22 (B) That Act is further amended by striking
23 “National Imagery and Mapping Agency” each place
24 it appears in sections 105, 105A, 105C, 106, and
25 110 (50 U.S.C. 403–5, 403–5a, 403–5c, 403–6,

1 404e) and inserting “National Geospatial-Intel-
2 ligence Agency”.

3 (C) Section 105C of that Act (50 U.S.C. 403–
4 5c) is further amended—

5 (i) by striking “NIMA” each place it ap-
6 pears and inserting “NGA”; and

7 (ii) in subsection (a)(6)(B)(iv)(II), by
8 striking “NIMA’s” and inserting “NGA’s”.

9 (D) The heading for section 105C of that Act
10 (50 U.S.C. 403–5c) is amended to read as follows:

11 “PROTECTION OF OPERATIONAL FILES OF THE NATIONAL
12 GEOSPATIAL-INTELLIGENCE AGENCY”.

13 (E) The heading for section 110 of that Act (50
14 U.S.C. 404e) is amended to read as follows:

15 “NATIONAL MISSION OF NATIONAL GEOSPATIAL-
16 INTELLIGENCE AGENCY”.

17 (F) The table of contents for that Act is
18 amended—

19 (i) by striking the item relating to section
20 105C and inserting the following new item:

“Sec. 105C. Protection of operational files of the National Geospatial-Intel-
ligence Agency.”; and

21 (ii) by striking the item relating to section
22 110 and inserting the following new item:

“Sec. 110. National mission of National Geospatial-Intelligence Agency.”.

1 (c) REPORT ON UTILIZATION OF CERTAIN DATA EX-
2 TRACTION AND EXPLOITATION CAPABILITIES.—(1) Not
3 later than 60 days after the date of the enactment of this
4 Act, the Director of the National Geospatial-Intelligence
5 Agency shall submit to the appropriate committees of Con-
6 gress a report on the status of the efforts of the Agency
7 to incorporate within the Commercial Joint Mapping Tool
8 Kit (C/JMTK) applications for the rapid extraction and
9 exploitation of three-dimensional geospatial data from re-
10 connaissance imagery.

11 (2) In this subsection, the term “appropriate commit-
12 tees of Congress” means—

13 (A) the Committee on Armed Services, the Sub-
14 committee on Defense of the Committee on Appro-
15 priations, and the Select Committee on Intelligence
16 of the Senate; and

17 (B) the Committee on Armed Services, the Sub-
18 committee on Defense of the Committee on Appro-
19 priations, and the Permanent Select Committee on
20 Intelligence of the House of Representatives.

21 (d) REFERENCES.—Any reference to the National
22 Imagery and Mapping Agency or NIMA in any law, regu-
23 lation, document, paper, or other record of the United
24 States shall be deemed to be a reference to the National
25 Geospatial-Intelligence Agency or NGA, respectively.

1 (e) MATTERS RELATING TO GEOSPATIAL INTEL-
2 LIGENCE.—(1) Section 442(a)(2) of title 10, United
3 States Code, is amended by striking “Imagery, intel-
4 ligence, and information” and inserting “Geospatial intel-
5 ligence”.

6 (2) Section 467 of such title is amended by adding
7 at the end the following new paragraph:

8 “(5) The term ‘geospatial intelligence’ means
9 the exploitation and analysis of imagery and
10 geospatial information to describe, assess, and vis-
11 ually depict physical features and geographically ref-
12 erenced activities on the earth, and includes im-
13 agery, imagery intelligence, and geospatial informa-
14 tion.”.

15 (3) Section 110(a) of the National Security Act of
16 1947 (50 U.S.C. 404e(a)) is amended by striking “im-
17 agery requirements” and inserting “geospatial intelligence
18 requirements”.

19 **SEC. 903. STANDARDS OF CONDUCT FOR MEMBERS OF**
20 **THE DEFENSE POLICY BOARD AND THE DE-**
21 **FENSE SCIENCE BOARD.**

22 (a) STANDARDS REQUIRED.—Not later than 30 days
23 after the date of the enactment of this Act, the Secretary
24 of Defense shall promulgate standards of conduct for
25 members of the Defense Policy Board and the Defense

1 Science Board. The purpose of the standards of conduct
2 shall be to ensure public confidence in the Defense Policy
3 Board and the Defense Science Board.

4 (b) ISSUES TO BE ADDRESSED.—The standards of
5 conduct promulgated pursuant to subsection (a) shall ad-
6 dress, at a minimum, the following:

7 (1) Conditions governing the access of Board
8 members to classified information and other con-
9 fidential information about the plans and operations
10 of the Department of Defense and appropriate limi-
11 tations on any use of such information for private
12 gain.

13 (2) Guidelines for addressing conflicting finan-
14 cial interests and recusal from participation in mat-
15 ters affecting such interests.

16 (3) Guidelines regarding the lobbying of De-
17 partment of Defense officials or other contacts with
18 Department of Defense officials regarding matters
19 in which Board members may have financial inter-
20 ests.

21 (c) REPORT TO CONGRESS.—The Secretary of De-
22 fense shall provide the Committees on Armed Services of
23 the Senate and the House of Representatives with a copy
24 of the standards of conduct promulgated pursuant to sub-

1 section (a) immediately upon promulgation of the stand-
2 ards.

3 **Subtitle B—Space Activities**

4 **SEC. 911. COORDINATION OF SPACE SCIENCE AND TECH-** 5 **NOLOGY ACTIVITIES OF THE DEPARTMENT** 6 **OF DEFENSE.**

7 (a) SPACE SCIENCE AND TECHNOLOGY STRATEGY.—

8 (1) The Under Secretary of the Air Force, in consultation
9 with the Director of Defense Research and Engineering,
10 shall develop a space science and technology strategy and
11 shall review and, as appropriate, revise the strategy annu-
12 ally.

13 (2) The strategy shall, at a minimum, address the
14 following issues:

15 (A) Short-term and long-term goals of the
16 space science and technology programs of the De-
17 partment of Defense.

18 (B) The process for achieving the goals, includ-
19 ing an implementation plan.

20 (C) The process for assessing progress made to-
21 ward achieving the goals.

22 (3) Not later than March 15, 2004, the Under Sec-
23 retary shall submit a report on the space science and tech-
24 nology strategy to the Committees on Armed Services of
25 the Senate and the House of Representatives.

1 (b) REQUIRED COORDINATION.—In executing the
2 space science and technology strategy, the directors of the
3 research laboratories of the Department of Defense, the
4 heads of other Department of Defense research compo-
5 nents, and the heads of all other appropriate organizations
6 identified jointly by the Under Secretary of the Air Force
7 and the Director of Defense Research and Engineering—

8 (1) shall identify research laboratory projects
9 that make contributions pertaining directly and
10 uniquely to the development of space technology; and

11 (2) may execute the identified projects only
12 with the concurrence of the Under Secretary of the
13 Air Force.

14 (c) GENERAL ACCOUNTING OFFICE REVIEW.—(1)
15 The Comptroller General shall review and assess the space
16 science and technology strategy developed under sub-
17 section (a) and the effectiveness of the coordination proc-
18 ess required under subsection (b).

19 (2) Not later than September 1, 2004, the Comp-
20 troller General shall submit a report containing the find-
21 ings and assessment under paragraph (1) to the commit-
22 tees on Armed Services of the Senate and the House of
23 Representatives.

24 (d) DEFINITIONS.—In this section:

1 (1) The term “research laboratory of the De-
2 partment of Defense” means the following:

3 (A) The Air Force Research Laboratory.

4 (B) The Naval Research Laboratory.

5 (C) The Office of Naval Research.

6 (D) The Army Research Laboratory.

7 (2) The term “other Department of Defense re-
8 search component” means the following:

9 (A) The Defense Advanced Research
10 Projects Agency.

11 (B) The National Reconnaissance Office.

12 **SEC. 912. SPACE PERSONNEL CADRE.**

13 (a) STRATEGY REQUIRED.—(1) The Secretary of De-
14 fense shall develop a human capital resources strategy for
15 space personnel of the Department of Defense.

16 (2) The strategy shall be designed to ensure that the
17 space career fields of the military departments are inte-
18 grated to the maximum extent practicable.

19 (b) REPORT.—Not later than February 1, 2004, the
20 Secretary shall submit a report on the strategy to the
21 Committees on Armed Services of the Senate and the
22 House of Representatives. The report shall contain the fol-
23 lowing information:

24 (1) The strategy.

1 (2) An assessment of the progress made in inte-
2 grating the space career fields of the military de-
3 partments.

4 (3) A comprehensive assessment of the ade-
5 quacy of the establishment of the Air Force officer
6 career field for space under section 8084 of title 10,
7 United States Code, as a solution for correcting defi-
8 ciencies identified by the Commission To Assess
9 United States National Security Space Management
10 and Organization (established under section 1621 of
11 Public Law 106–65; 113 Stat. 813; 10 U.S.C. 111
12 note).

13 (c) GENERAL ACCOUNTING OFFICE REVIEW.—(1)
14 The Comptroller General shall review the strategy devel-
15 oped under subsection (a) the space career fields of the
16 military departments and the plans of the military depart-
17 ments for developing space career fields. The review shall
18 include an assessment of how effective the strategy and
19 the space career fields and plans, when implemented, are
20 likely to be for developing the necessary cadre of personnel
21 who are expert in space systems development and space
22 systems operations.

23 (2) Not later than June 15, 2004, the Comptroller
24 General shall submit to the Committees referred to in sub-
25 section (a)(2) a report on the results of the review under

1 paragraph (1), including the assessment required by such
2 paragraph.

3 **SEC. 913. POLICY REGARDING ASSURED ACCESS TO SPACE**
4 **FOR UNITED STATES NATIONAL SECURITY**
5 **PAYLOADS.**

6 (a) **POLICY.**—It is the policy of the United States for
7 the President to undertake actions appropriate to ensure,
8 to the maximum extent practicable, that the United States
9 has the capabilities necessary to launch and insert United
10 States national security payloads into space whenever such
11 payloads are needed in space.

12 (b) **INCLUDED ACTIONS.**—The appropriate actions
13 referred to in subsection (a) shall include, at a minimum,
14 providing resources and policy guidance to sustain—

15 (1) the availability of at least two space launch
16 vehicles or families of space launch vehicles capable
17 of delivering into space all payloads designated as
18 national security payloads by the Secretary of De-
19 fense and the Director of Central Intelligence; and

20 (2) a robust space launch infrastructure and in-
21 dustrial base.

22 (c) **COORDINATION.**—The Secretary of Defense shall,
23 to the maximum extent practicable, pursue the attainment
24 of the capabilities described in subsection (a) in coordina-

1 tion with the Administrator of the National Space and
2 Aeronautics Administration.

3 **SEC. 914. PILOT PROGRAM TO PROVIDE SPACE SURVEIL-**
4 **LANCE NETWORK SERVICES TO ENTITIES**
5 **OUTSIDE THE UNITED STATES GOVERNMENT.**

6 (a) **ESTABLISHMENT.**—The Secretary of Defense
7 shall carry out a pilot program to provide eligible entities
8 outside the Federal Government with satellite tracking
9 services using assets owned or controlled by the Depart-
10 ment of Defense.

11 (b) **ELIGIBLE ENTITIES.**—The Secretary shall pre-
12 scribe the requirements for eligibility to obtain services
13 under the pilot program. The requirements shall, at a min-
14 imum, provide eligibility for the following entities:

15 (1) The governments of States.

16 (2) The governments of political subdivisions of
17 States.

18 (3) United States commercial entities.

19 (4) The governments of foreign countries.

20 (5) Foreign commercial entities.

21 (c) **SALE OF SERVICES.**—Services under the pilot
22 program may be provided by sale, except in the case of
23 services provided to a government described in paragraph
24 (1) or (2) of subsection (b).

1 (d) CONTRACTOR INTERMEDIARIES.—Services under
2 the pilot program may be provided either directly to an
3 eligible entity or through a contractor of the United States
4 or a contractor of an eligible entity.

5 (e) SATELLITE DATA AND RELATED ANALYSES.—
6 The services provided under the pilot program may include
7 satellite tracking data or any analysis of satellite data if
8 the Secretary determines that it is in the national security
9 interests of the United States for the services to include
10 such data or analysis, respectively.

11 (f) REIMBURSEMENT OF COSTS.—The Secretary may
12 require an entity purchasing services under the pilot pro-
13 gram to reimburse the Department of Defense for the
14 costs incurred by the Department in entering into the sale.

15 (g) CREDITING TO CHARGED ACCOUNTS.—(1) The
16 proceeds of a sale of services under the pilot program, to-
17 gether with any amounts reimbursed under subsection (f)
18 in connection with the sale, shall be credited to the appro-
19 priation for the fiscal year in which collected that is or
20 corresponds to the appropriation charged the costs of such
21 services.

22 (2) Amounts credited to an appropriation under para-
23 graph (1) shall be merged with other sums in the appro-
24 priation and shall be available for the same period and
25 the same purposes as the sums with which merged.

1 (h) NONTRANSFERABILITY AGREEMENT.—The Sec-
2 retary shall require a recipient of services under the pilot
3 program to enter into an agreement not to transfer any
4 data or technical information, including any analysis of
5 satellite tracking data, to any other entity without the ex-
6 pressed approval of the Secretary.

7 (i) PROHIBITION CONCERNING INTELLIGENCE AS-
8 SETS OR DATA.—Services and information concerning, or
9 derived from, United States intelligence assets or data
10 may not be provided under the pilot program.

11 (j) DEFINITIONS.—In this section:

12 (1) The term “United States commercial enti-
13 ty” means an entity that is involved in commerce
14 and is organized under laws of a State, the District
15 of Columbia, the Commonwealth of Puerto Rico,
16 Guam, the United States Virgin Islands, the Com-
17 monwealth of the Northern Mariana Islands, or
18 American Samoa.

19 (2) The term “foreign commercial entity”
20 means an entity that is involved in commerce and is
21 organized under laws of a foreign country.

22 (k) DURATION OF PILOT PROGRAM.—The pilot pro-
23 gram under this section shall be conducted for three years
24 beginning on a date designated by the Secretary of De-

1 fense, but not later than 180 days after the date of the
2 enactment of this Act.

3 **SEC. 915. CONTENT OF BIENNIAL GLOBAL POSITIONING**
4 **SYSTEM REPORT.**

5 (a) REVISED CONTENT.—Paragraph (1) of section
6 2281(d) of title 10, United States Code, is amended—

7 (1) by striking subparagraph (C);

8 (2) in subparagraph (E), by striking “Any
9 progress made toward” and inserting “Progress and
10 challenges in”;

11 (3) by striking subparagraph (F), and inserting
12 the following:

13 “(F) Progress and challenges in protecting
14 GPS from jamming, disruption, and interference.”;

15 (4) by redesignating subparagraphs (D), (E),
16 and (F), as subparagraphs (C), (D), and (E), re-
17 spectively; and

18 (5) by inserting after subparagraph (E), as so
19 redesignated, the following new subparagraph (F):

20 “(F) Progress and challenges in developing the
21 enhanced Global Positioning System required by sec-
22 tion 218(b) of Public Law 105–261 (112 Stat. 1951;
23 10 U.S.C. 2281 note).”.

1 (b) CONFORMING AMENDMENT.—Paragraph (2) of
 2 such section 2281(d) is amended by inserting “(C),” after
 3 “under subparagraphs”.

4 **Subtitle C—Other Matters**

5 **SEC. 921. COMBATANT COMMANDER INITIATIVE FUND.**

6 (a) REDESIGNATION OF CINC INITIATIVE FUND.—

7 (1) The CINC Initiative Fund administered under section
 8 166a of title 10, United States Code, is redesignated as
 9 the “Combatant Commander Initiative Fund”.

10 (2) Section 166a of title 10, United States Code, is
 11 amended—

12 (A) by striking the heading for subsection (a)
 13 and inserting “COMBATANT COMMANDER INITIA-
 14 TIVE FUND.—“; and

15 (B) by striking “CINC Initiative Fund” in sub-
 16 sections (a), (c), and (d), and inserting “Combatant
 17 Commander Initiative Fund”.

18 (3) Any reference to the CINC Initiative Fund in any
 19 other provision of law or in any regulation, document,
 20 record, or other paper of the United States shall be consid-
 21 ered to be a reference to the Combatant Commander Ini-
 22 tiative Fund.

23 (b) AUTHORIZED ACTIVITIES.—Subsection (b) of sec-
 24 tion 166a of title 10, United States Code, is amended by
 25 adding at the end the following new paragraph:

1 “(10) Joint warfighting capabilities.”.

2 (c) INCREASED MAXIMUM AMOUNTS AUTHORIZED
3 FOR USE.—Subsection (e)(1) of such section is
4 amended—

5 (1) in subparagraph (A), by striking
6 “\$7,000,000” and inserting “\$15,000,000”;

7 (2) in subparagraph (B), by striking
8 “\$1,000,000” and inserting “\$10,000,000”; and

9 (3) in subparagraph (C), by striking
10 “\$2,000,000” and inserting “\$10,000,000”.

11 **SEC. 922. AUTHORITY FOR THE MARINE CORPS UNIVER-**
12 **SITY TO AWARD THE DEGREE OF MASTER OF**
13 **OPERATIONAL STUDIES.**

14 Section 7102(b) of title 10, United States Code, is
15 amended—

16 (1) by striking “MARINE CORPS WAR COL-
17 LEGE.—” and inserting “AWARDING OF DE-
18 GREES.—(1)”; and

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

21 “(2) Upon the recommendation of the Director and
22 faculty of the Command and Staff College of the Marine
23 Corps University, the President of the Marine Corps Uni-
24 versity may confer the degree of master of operational
25 studies upon graduates of the School of Advanced

1 Warfighting of the Command and Staff College who fulfill
2 the requirements for that degree.”.

3 **SEC. 923. REPORT ON CHANGING ROLES OF UNITED**
4 **STATES SPECIAL OPERATIONS COMMAND.**

5 (a) REPORT REQUIRED.—Not later than 180 days
6 after the date of the enactment of this Act, the Secretary
7 of Defense shall submit to the Committees on Armed Serv-
8 ices of the Senate and the House of Representatives a re-
9 port on the changing roles of the United States Special
10 Operations Command.

11 (b) CONTENT OF REPORT.—(1) The report shall spe-
12 cifically discuss in detail the following matters:

13 (A) The expanded role of the United States
14 Special Operations Command in the global war on
15 terrorism.

16 (B) The reorganization of the United States
17 Special Operations Command to function as a sup-
18 ported combatant command for planning and exe-
19 cuting operations.

20 (C) The role of the United States Special Oper-
21 ations Command as a supporting combatant com-
22 mand.

23 (2) The report shall also include, in addition to the
24 matters discussed pursuant to paragraph (1), a discussion
25 of the following matters:

1 (A) The military strategy to employ the United
2 States Special Operations Command to fight the war
3 on terrorism and how that strategy contributes to
4 the overall national security strategy with regard to
5 the global war on terrorism.

6 (B) The scope of the authority granted to the
7 commander of the United States Special Operations
8 Command to act as a supported commander and to
9 prosecute the global war on terrorism.

10 (C) The operational and legal parameters with-
11 in which the commander of the United States Spe-
12 cial Operations Command is to exercise command
13 authority in foreign countries when taking action
14 against foreign and United States citizens engaged
15 in terrorist activities.

16 (D) The decisionmaking procedures for author-
17 izing, planning, and conducting individual missions,
18 including procedures for consultation with Congress.

19 (E) The procedures for the commander of the
20 United States Special Operations Command to use
21 to coordinate with commanders of other combatant
22 commands, especially geographic commands.

23 (F) Future organization plans and resource re-
24 quirements for conducting the global
25 counterterrorism mission.

1 (G) The impact of the changing role of the
2 United States Special Operations Command on other
3 special operations missions, including foreign inter-
4 nal defense, psychological operations, civil affairs,
5 unconventional warfare, counterdrug activities, and
6 humanitarian activities.

7 (c) FORMS OF REPORT.—The report shall be sub-
8 mitted in unclassified form and, as necessary, in classified
9 form.

10 **SEC. 924. INTEGRATION OF DEFENSE INTELLIGENCE, SUR-**
11 **VEILLANCE, AND RECONNAISSANCE CAPA-**
12 **BILITIES**

13 (a) FINDINGS.—Congress makes the following find-
14 ings:

15 (1) As part of transformation efforts within the
16 Department of Defense, each of the Armed Forces
17 is developing intelligence, surveillance, and recon-
18 naissance capabilities that best support future war
19 fighting as envisioned by the leadership of the mili-
20 tary department concerned.

21 (2) Concurrently, intelligence agencies of the
22 Department of Defense outside the military depart-
23 ments are developing transformation roadmaps to
24 best support the future decisionmaking and war
25 fighting needs of their principal customers, but are

1 not always closely coordinating those efforts with the
2 intelligence, surveillance, and reconnaissance devel-
3 opment efforts of the military departments.

4 (3) A senior official of each military department
5 has been designated as the integrator of intelligence,
6 surveillance, and reconnaissance for each of the
7 Armed Forces in such military department, but
8 there is not currently a well-defined forum where the
9 integrators of intelligence, surveillance, and recon-
10 naissance capabilities for each of the Armed Forces
11 can routinely interact with each other and with sen-
12 ior representatives of Department of Defense intel-
13 ligence agencies, as well as with other members of
14 the intelligence community, to ensure unity of effort
15 and to preclude unnecessary duplication of effort.

16 (4) The current funding structure of a National
17 Foreign Intelligence Program (NFIP), Joint Mili-
18 tary Intelligence Program (JMIP), and Tactical In-
19 telligence and Related Activities Program (TIARA)
20 might not be the best approach for supporting the
21 development of an intelligence, surveillance, and re-
22 connaissance structure that is integrated to meet the
23 national security requirements of the United States
24 in the 21st century.

1 (5) The position of Under Secretary of Defense
2 for Intelligence was established in 2002 by Public
3 Law 107–314 in order to facilitate resolution of the
4 challenges to achieving an integrated intelligence,
5 surveillance, and reconnaissance structure in the De-
6 partment of Defense to meet such 21st century re-
7 quirements.

8 (b) GOAL.—It shall be a goal of the Department of
9 Defense to fully coordinate and integrate the intelligence,
10 surveillance, and reconnaissance capabilities and develop-
11 mental activities of the military departments, intelligence
12 agencies of the Department of Defense, and relevant com-
13 batant commands as those departments, agencies, and
14 commands transform their intelligence, surveillance, and
15 reconnaissance systems to meet current and future needs.

16 (c) REQUIREMENT.—(1) The Under Secretary of De-
17 fense for Intelligence shall establish an Intelligence, Sur-
18 veillance, and Reconnaissance Integration Council to pro-
19 vide a permanent forum for the discussion and arbitration
20 of issues relating to the integration of intelligence, surveil-
21 lance, and reconnaissance capabilities.

22 (2) The Council shall be composed of the senior intel-
23 ligence officers of the Armed Forces and the United States
24 Special Operations Command, the Director of Operations

1 of the Joint Staff, and the directors of the intelligence
2 agencies of the Department of Defense.

3 (3) The Under Secretary of Defense for Intelligence
4 shall invite the participation of the Director of Central In-
5 telligence or his representative in the proceedings of the
6 Council.

7 (d) ISR INTEGRATION ROADMAP.—The Under Sec-
8 retary of Defense for Intelligence, in consultation with the
9 Intelligence, Surveillance, and Reconnaissance Integration
10 Council and the Director of Central Intelligence, shall de-
11 velop a comprehensive Defense Intelligence, Surveillance,
12 and Reconnaissance Integration Roadmap to guide the de-
13 velopment and integration of the Department of Defense
14 intelligence, surveillance, and reconnaissance capabilities
15 for 15 years.

16 (e) REPORT.—(1) Not later than September 30,
17 2004, the Under Secretary of Defense for Intelligence
18 shall submit to the committees of Congress specified in
19 paragraph (2) a report on the Defense Intelligence, Sur-
20 veillance, and Reconnaissance Integration Roadmap devel-
21 oped under subsection (d). The report shall include the
22 following matters:

23 (A) The fundamental goals established in the
24 roadmap.

1 (B) An overview of the intelligence, surveillance,
2 and reconnaissance integration activities of the mili-
3 tary departments and the intelligence agencies of the
4 Department of Defense.

5 (C) An investment strategy for achieving—

6 (i) an integration of Department of De-
7 fense intelligence, surveillance, and reconnais-
8 sance capabilities that ensures sustainment of
9 needed tactical and operational efforts; and

10 (ii) efficient investment in new intelligence,
11 surveillance, and reconnaissance capabilities.

12 (D) A discussion of how intelligence gathered
13 and analyzed by the Department of Defense can en-
14 hance the role of the Department of Defense in ful-
15 filling its homeland security responsibilities.

16 (E) A discussion of how counterintelligence ac-
17 tivities of the Armed Forces and the Department of
18 Defense intelligence agencies can be better inte-
19 grated.

20 (F) Recommendations on how annual funding
21 authorizations and appropriations can be optimally
22 structured to best support the development of a fully
23 integrated Department of Defense intelligence, sur-
24 veillance, and reconnaissance architecture.

1 (2) The committees of Congress referred to in para-
2 graph (1) are as follows:

3 (A) The Committee on Armed Services, the
4 Committee on Appropriations, and the Select Com-
5 mittee on Intelligence of the Senate.

6 (B) The Committee on Armed Services, the
7 Committee on Appropriations, and the Permanent
8 Select Committee on Intelligence of the House of
9 Representatives.

10 **SEC. 925. ESTABLISHMENT OF THE NATIONAL GUARD OF**
11 **THE NORTHERN MARIANA ISLANDS.**

12 (a) ESTABLISHMENT.—The Secretary of Defense
13 may cooperate with the Governor of the Northern Mariana
14 Islands to establish the National Guard of the Northern
15 Mariana Islands, and may integrate into the Army Na-
16 tional Guard of the United States and the Air National
17 Guard of the United States the members of the National
18 Guard of the Northern Mariana Islands who are granted
19 Federal recognition under title 32, United States Code.

20 (b) AMENDMENTS TO TITLE 10.—(1) Section 101 of
21 title 10, United States Code, is amended—

22 (A) in subsection (c), by inserting “the North-
23 ern Mariana Islands,” after “Puerto Rico,” in para-
24 graphs (2) and (4); and

1 (B) in subsection (d)(5), by inserting “the
2 Commonwealth of the Northern Mariana Islands,”
3 after “the Commonwealth of Puerto Rico,”.

4 (2) Section 10001 of such title is amended by insert-
5 ing “the Commonwealth of the Northern Mariana Is-
6 lands,” after “the Commonwealth of Puerto Rico,”.

7 (c) AMENDMENTS TO TITLE 32.—Title 32, United
8 States Code, is amended as follows:

9 (1) Section 101 is amended—

10 (A) in paragraphs (4) and (6), by inserting
11 “, the Northern Mariana Islands,” after “Puer-
12 to Rico”; and

13 (B) in paragraph (19), by inserting “the
14 Commonwealth of the Northern Mariana Is-
15 lands,” after “the Commonwealth of Puerto
16 Rico,”.

17 (2) Section 103 is amended by inserting “, the
18 Northern Mariana Islands,” after “Puerto Rico”.

19 (3) Section 104 is amended—

20 (A) in subsection (a), by striking “and
21 Puerto Rico” and inserting “, Puerto Rico, and
22 the Northern Mariana Islands”; and

23 (B) in subsections (c) and (d), by inserting
24 “, the Northern Mariana Islands,” after “Puer-
25 to Rico”.

1 (4) Section 107(b) is amended by inserting “,
2 the Northern Mariana Islands,” after “Puerto
3 Rico”.

4 (5) Section 109 is amended by inserting “the
5 Northern Mariana Islands” in subsections (a), (b),
6 and (c) after “Puerto Rico,”.

7 (6) Section 112(i)(3) is amended by inserting
8 “the Commonwealth of the Northern Mariana Is-
9 lands,” after “the Commonwealth of Puerto Rico,”.

10 (7) Section 304 is amended by inserting “, the
11 Northern Mariana Islands,” after “or of Puerto
12 Rico” in the sentence following the oath.

13 (8) Section 314 is amended by inserting “, the
14 Northern Mariana Islands,” after “Puerto Rico” in
15 subsections (a) and (d).

16 (9) Section 315 is amended by inserting “, the
17 Northern Mariana Islands,” after “Puerto Rico”
18 each place it appears.

19 (10) Section 325(a) is amended by inserting “,
20 the Northern Mariana Islands,” after “Puerto
21 Rico”.

22 (11) Section 501(b) is amended by inserting “,
23 the Northern Mariana Islands,” after “Puerto
24 Rico”.

1 (12) Section 503(b) is amended by inserting “,
2 the Northern Mariana Islands,” after “Puerto
3 Rico”.

4 (13) Section 504(b) is amended by inserting “,
5 the Northern Mariana Islands,” after “Puerto
6 Rico”.

7 (14) Section 505 is amended by inserting “or
8 the Northern Mariana Islands,” after “Puerto
9 Rico,” in the first sentence.

10 (15) Section 509(l)(1) is amended by inserting
11 “the Commonwealth of the Northern Mariana Is-
12 lands,” after “the Commonwealth of Puerto Rico,”.

13 (16) Section 702 is amended—

14 (A) in subsection (a), by inserting “, or the
15 Northern Mariana Islands,” after “Puerto
16 Rico”; and

17 (B) in subsections (b), (c), and (d), by in-
18 serting “, the Northern Mariana Islands,” after
19 “Puerto Rico”.

20 (17) Section 703 is amended by inserting “, the
21 Northern Mariana Islands,” after “Puerto Rico” in
22 subsections (a) and (b).

23 (18) Section 704 is amended by inserting “, the
24 Northern Mariana Islands,” after “Puerto Rico” in
25 subsections (a) and (b).

1 (19) Section 708 is amended—

2 (A) in subsection (a), by striking “and
3 Puerto Rico,” and inserting “Puerto Rico, and
4 the Northern Mariana Islands,”; and

5 (B) in subsection (d), by inserting “, the
6 Northern Mariana Islands,” after “Puerto
7 Rico”.

8 (20) Section 710 is amended by inserting “, the
9 Northern Mariana Islands,” after “Puerto Rico”
10 each place it appears in subsections (c), (d)(3), (e),
11 and (f)(1).

12 (21) Section 711 is amended by inserting “, the
13 Northern Mariana Islands,” after “Puerto Rico”.

14 (22) Section 712(1) is amended by inserting “,
15 the Northern Mariana Islands,” after “Puerto
16 Rico”.

17 (23) Section 715(c) is amended by striking “or
18 the District of Columbia or Puerto Rico,” and in-
19 serting “, the District of Columbia, Puerto Rico, or
20 the Northern Mariana Islands”.

21 (d) AMENDMENTS TO TITLE 37.—Section 101 of title
22 37, United States Code, is amended by striking “the Canal
23 Zone,” in paragraphs (7) and (9) and inserting “the
24 Northern Mariana Islands,”.

1 (e) OTHER REFERENCES.—Any reference that is
2 made in any other provision of law or in any regulation
3 of the United States to a State, or to the Governor of
4 a State, in relation to the National Guard (as defined in
5 section 101(3) of title 32, United States Code) shall be
6 considered to include a reference to the Commonwealth
7 of the Northern Mariana Islands or to the Governor of
8 the Northern Mariana Islands, respectively.

9 **TITLE X—GENERAL PROVISIONS**

10 **Subtitle A—Financial Matters**

11 **SEC. 1001. TRANSFER AUTHORITY.**

12 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

13 (1) Upon determination by the Secretary of Defense that
14 such action is necessary in the national interest, the Sec-
15 retary may transfer amounts of authorizations made avail-
16 able to the Department of Defense in this division for fis-
17 cal year 2004 between any such authorizations for that
18 fiscal year (or any subdivisions thereof). Amounts of au-
19 thorizations so transferred shall be merged with and be
20 available for the same purposes as the authorization to
21 which transferred.

22 (2) The total amount of authorizations that the Sec-
23 retary may transfer under the authority of this section
24 may not exceed \$3,000,000,000.

1 (b) LIMITATIONS.—The authority provided by this
2 section to transfer authorizations—

3 (1) may only be used to provide authority for
4 items that have a higher priority than the items
5 from which authority is transferred; and

6 (2) may not be used to provide authority for an
7 item that has been denied authorization by Con-
8 gress.

9 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
10 transfer made from one account to another under the au-
11 thority of this section shall be deemed to increase the
12 amount authorized for the account to which the amount
13 is transferred by an amount equal to the amount trans-
14 ferred.

15 (d) NOTICE TO CONGRESS.—The Secretary shall
16 promptly notify Congress of each transfer made under
17 subsection (a).

18 **SEC. 1002. UNITED STATES CONTRIBUTION TO NATO COM-**
19 **MON-FUNDED BUDGETS IN FISCAL YEAR 2004.**

20 (a) FISCAL YEAR 2004 LIMITATION.—The total
21 amount contributed by the Secretary of Defense in fiscal
22 year 2004 for the common-funded budgets of NATO may
23 be any amount up to, but not in excess of, the amount
24 specified in subsection (b) (rather than the maximum

1 amount that would otherwise be applicable to those con-
 2 tributions under the fiscal year 1998 baseline limitation).

3 (b) TOTAL AMOUNT.—The amount of the limitation
 4 applicable under subsection (a) is the sum of the following:

5 (1) The amounts of unexpended balances, as of
 6 the end of fiscal year 2003, of funds appropriated
 7 for fiscal years before fiscal year 2004 for payments
 8 for those budgets.

9 (2) The amount specified in subsection (c)(1).

10 (3) The amount specified in subsection (c)(2).

11 (4) The total amount of the contributions au-
 12 thorized to be made under section 2501.

13 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
 14 be appropriated by titles II and III of this Act are avail-
 15 able for contributions for the common-funded budgets of
 16 NATO as follows:

17 (1) Of the amount provided in section 201(1),
 18 \$853,000 for the Civil Budget.

19 (2) Of the amount provided in section 301(1),
 20 \$207,125,000 for the Military Budget.

21 (d) DEFINITIONS.—For purposes of this section:

22 (1) COMMON-FUNDED BUDGETS OF NATO.—
 23 The term “common-funded budgets of NATO”
 24 means the Military Budget, the Security Investment
 25 Program, and the Civil Budget of the North Atlantic

1 Treaty Organization (and any successor or addi-
2 tional account or program of NATO).

3 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—

4 The term “fiscal year 1998 baseline limitation”
5 means the maximum annual amount of Department
6 of Defense contributions for common-funded budgets
7 of NATO that is set forth as the annual limitation
8 in section 3(2)(C)(ii) of the resolution of the Senate
9 giving the advice and consent of the Senate to the
10 ratification of the Protocols to the North Atlantic
11 Treaty of 1949 on the Accession of Poland, Hun-
12 gary, and the Czech Republic (as defined in section
13 4(7) of that resolution), approved by the Senate on
14 April 30, 1998.

15 **SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
16 **PRIATIONS FOR FISCAL YEAR 2003.**

17 (a) DOD AND DOE AUTHORIZATIONS.—Amounts
18 authorized to be appropriated to the Department of De-
19 fense and the Department of Energy for fiscal year 2003
20 in the Bob Stump National Defense Authorization Act for
21 Fiscal Year 2003 (Public Law 107–314) are hereby ad-
22 justed, with respect to any such authorized amount, by
23 the amount by which appropriations pursuant to such au-
24 thorization are increased (by a supplemental appropria-
25 tion) or decreased (by a rescission), or both, or are in-

1 creased by a transfer of funds, pursuant to title I of Public
2 Law 108–11.

3 (b) REPORT ON FISCAL YEAR 2003 TRANSFERS.—

4 Not later than 30 days after the end of each fiscal quarter
5 for which unexpended balances of funds appropriated
6 under title I of Public Law 108–11 are available for the
7 Department of Defense, the Secretary of Defense shall
8 submit to the congressional defense committees a report
9 stating, for each transfer of such funds during such fiscal
10 quarter of an amount provided for the Department of De-
11 fense through a so-called “transfer account”, including the
12 Iraqi Freedom Fund or any other similar account—

13 (1) the amount of the transfer;

14 (2) the appropriation account to which the
15 transfer was made; and

16 (3) the specific purpose for which the trans-
17 ferred funds were used or are to be used.

18 **Subtitle B—Improvement of Travel** 19 **Card Management**

20 **SEC. 1011. MANDATORY DISBURSEMENT OF TRAVEL AL-** 21 **LOWANCES DIRECTLY TO TRAVEL CARD** 22 **CREDITORS.**

23 Section 2784a(a) of title 10, United States Code, is
24 amended—

1 (1) in paragraph (1), by striking “The Sec-
2 retary of Defense may require” and inserting “The
3 Secretary of Defense shall require”;

4 (2) by redesignating paragraph (2) as para-
5 graph (3); and

6 (3) by inserting after paragraph (1) the fol-
7 lowing new paragraph (2):

8 “(2) The Secretary of Defense may waive the require-
9 ment for a direct payment to a travel care issuer under
10 paragraph (1) in any case in which it is determined under
11 regulations prescribed by the Secretary that the direct
12 payment would be against equity and good conscience or
13 would be contrary to the best interests of the United
14 States.”.

15 **SEC. 1012. DETERMINATIONS OF CREDITWORTHINESS FOR**
16 **ISSUANCE OF DEFENSE TRAVEL CARD.**

17 Section 2784a of title 10, United States Code, is
18 amended—

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

21 (2) by inserting after subsection (c) the fol-
22 lowing new subsection (d):

23 “(d) DETERMINATIONS OF CREDITWORTHINESS FOR
24 ISSUANCE OF DEFENSE TRAVEL CARD.—(1) The Sec-
25 retary of Defense shall require that the creditworthiness

1 of an individual be evaluated before a Defense travel card
2 is issued to the individual. The evaluation may include an
3 examination of the individual's credit history in available
4 credit records.

5 “(2) An individual may not be issued a Defense travel
6 card if the individual is found not creditworthy as a result
7 of the evaluation required under paragraph (1).”.

8 **SEC. 1013. DISCIPLINARY ACTIONS AND ASSESSING PEN-**
9 **ALTIES FOR MISUSE OF DEFENSE TRAVEL**
10 **CARDS.**

11 (a) **REQUIREMENT FOR GUIDANCE.**—The Secretary
12 of Defense shall prescribe guidelines and procedures for
13 making determinations regarding the taking of discipli-
14 nary action, including assessment of penalties, against De-
15 partment of Defense personnel for improper, fraudulent,
16 or abusive use of Defense travel cards by such personnel.

17 (b) **ACTIONS COVERED.**—The disciplinary actions
18 and penalties covered by the guidance and procedures pre-
19 scribed under subsection (a) may include the following:

20 (1) Civil actions for false claims under sections
21 3729 through 3731 of title 31, United States Code.

22 (2) Administrative remedies for false claims and
23 statements provided under chapter 38 of title 31,
24 United States Code.

1 (3) In the case of civilian personnel, adverse
2 personnel actions under chapter 75 of title 5, United
3 States Code, and any other disciplinary actions
4 available under law for employees of the United
5 States.

6 (4) In the case of members of the Armed
7 Forces, disciplinary actions and penalties under
8 chapter 47 of title 10, United States Code (the Uni-
9 form Code of Military Justice).

10 (c) REPORT.—Not later than February 1, 2004, the
11 Secretary of Defense shall submit to the Committees on
12 Armed Services of the Senate and the House of Represent-
13 atives a report on the guidelines and penalties prescribed
14 under subsection (a). The report shall include the fol-
15 lowing:

16 (1) The guidelines and penalties.

17 (2) A discussion of the implementation of the
18 guidelines and penalties.

19 (3) A discussion of any additional administra-
20 tive action, or any recommended legislation, that the
21 Secretary considers necessary to effectively take dis-
22 ciplinary action against and penalize Department of
23 Defense personnel for improper, fraudulent, or abu-
24 sive use of Defense travel cards by such personnel.

1 (d) DEFENSE TRAVEL CARD DEFINED.—In this sec-
2 tion, the term “Defense travel card” has the meaning
3 given such term in section 2784a(d)(1) of title 10, United
4 States Code.

5 **Subtitle C—Reports**

6 **SEC. 1021. ELIMINATION AND REVISION OF VARIOUS RE-** 7 **PORTING REQUIREMENTS APPLICABLE TO** 8 **THE DEPARTMENT OF DEFENSE.**

9 (a) PROVISIONS OF TITLE 10.—Title 10, United
10 States Code, is amended as follows:

11 (1) Section 128 is amended by striking sub-
12 section (d).

13 (2) Section 437 is amended—

14 (A) by striking subsection (b); and

15 (B) in subsection (c)—

16 (i) by striking “and” at the end of
17 paragraph (2);

18 (ii) by striking the period at the end
19 of paragraph (3) and inserting “; and”;
20 and

21 (iii) by adding at the end the fol-
22 lowing new paragraph:

23 “(4) a description of each corporation, partner-
24 ship, and other legal entity that was established dur-
25 ing such fiscal year.”.

1 (3)(A) Section 520c is amended—

2 (i) by striking subsection (b);

3 (ii) by striking “(a) PROVISION OF MEALS
4 AND REFRESHMENTS.—”; and

5 (iii) by striking the heading for such sec-
6 tion and inserting the following:

7 **“§ 520c. Provision of meals and refreshments for re-
8 cruiting purposes”.**

9 (B) The item relating to such section in the
10 table of sections at the beginning of chapter 31 of
11 such title is amended to read as follow:

“520c. Provision of meals and refreshments for recruiting purposes.”.

12 (4) Section 986 is amended by striking sub-
13 section (e).

14 (5) Section 1060 is amended by striking sub-
15 section (d).

16 (6) Section 2212 is amended by striking sub-
17 sections (d) and (e).

18 (7) Section 2224 is amended by striking sub-
19 section (e).

20 (8) Section 2255(b) is amended—

21 (A) by striking paragraph (2);

22 (B) by striking “(b) EXCEPTION.—(1)”

23 and inserting “(b) EXCEPTION.—”;

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

4 (D) by redesignating clauses (i), (ii), and
5 (iii) as subparagraphs (A), (B), and (C), re-
6 spectively.

7 (9) Section 2323(i) is amended by striking
8 paragraph (3).

9 (10) Section 2350a is amended by striking sub-
10 section (f).

11 (11) Section 2350b(d) is amended—

12 (A) by striking paragraphs (1) and (2) and
13 inserting the following new paragraph:

14 “(1) Not later than 90 days after the end of each
15 fiscal year in which the Secretary of Defense has authority
16 delegated as described in subsection (a), the Secretary
17 shall submit to Congress a report on the administration
18 of such authority under this section. The report for a fiscal
19 year shall include the following information:

20 “(A) Each prime contract that the Secretary re-
21 quired to be awarded to a particular prime con-
22 tractor during such fiscal year, and each subcontract
23 that the Secretary required be awarded to a par-
24 ticular subcontractor during such fiscal year, to
25 comply with a cooperative agreement, together with

1 the reasons that the Secretary exercised authority to
2 designate a particular contractor or subcontractor,
3 as the case may be.

4 “(B) Each exercise of the waiver authority
5 under subsection (c) during such fiscal year, includ-
6 ing the particular provision or provisions of law that
7 were waived.”; and

8 (B) by redesignating paragraph (3) as
9 paragraph (2).

10 (12) Section 2371(h) is amended by adding at
11 the end the following new paragraph:

12 “(3) No report is required under this section for fis-
13 cal years after fiscal year 2006.”.

14 (13) Section 2515(d) is amended—

15 (A) by striking “ANNUAL REPORT.—” and
16 inserting “BIENNIAL REPORT.—”; and

17 (B) in paragraph (1)—

18 (i) in the second sentence, by striking
19 “each year” and inserting “each even-num-
20 bered year”; and

21 (ii) in the third sentence, by striking
22 “during the fiscal year” and inserting
23 “during the two fiscal years”.

24 (14) Section 2541d is amended—

25 (A) by striking subsection (b); and

1 (B) by striking “(a) REPORT BY COMMER-
2 CIAL FIRMS TO SECRETARY OF DEFENSE.—”.

3 (15) Section 2645(d) is amended—

4 (A) by striking “to Congress” and all that
5 follows through “notification of the loss” in
6 paragraph (1) and inserting “to Congress noti-
7 fication of the loss”;

8 (B) by striking “loss; and” and inserting
9 “loss.”; and

10 (C) by striking paragraph (2).

11 (16) Section 2680 is amended by striking sub-
12 section (e).

13 (17) Section 2688(e) is amended to read as fol-
14 lows:

15 “(e) QUARTERLY REPORT.—(1) Not later than 30
16 days after the end of each quarter of a fiscal year, the
17 Secretary shall submit to the congressional defense com-
18 mittees a report on the conveyances made under sub-
19 section (a) during such fiscal quarter. The report shall in-
20 clude, for each such conveyance, an economic analysis
21 (based upon accepted life-cycle costing procedures ap-
22 proved by the Secretary of Defense) demonstrating that—

23 “(A) the long-term economic benefit of the con-
24 veyance to the United States exceeds the long-term

1 economic cost of the conveyance to the United
2 States; and

3 “(B) the conveyance will reduce the long-term
4 costs of the United States for utility services pro-
5 vided by the utility system concerned.

6 “(2) In this section, the term ‘congressional defense
7 committees’ means the following:

8 “(A) The Committee on Armed Services and
9 the Committee on Appropriations of the Senate.

10 “(B) The Committee on Armed Services and
11 the Committee on Appropriations of the House of
12 Representatives.”.

13 (18) Section 2807(b) is amended by striking
14 “\$500,000” and inserting “\$1,000,000”.

15 (19) Section 2827 is amended—

16 (A) by striking subsection (b); and

17 (B) by striking “(a) Subject to subsection
18 (b), the Secretary” and inserting “The Sec-
19 retary”.

20 (20) Section 2902(g) is amended—

21 (A) by striking paragraph (2); and

22 (B) by striking “(g)(1)” and inserting
23 “(g)”.

24 (21) Section 9514 is amended—

25 (A) in subsection (c)—

1 (i) by striking “to Congress” and all
2 that follows through “notification of the
3 loss” in paragraph (1) and inserting “to
4 Congress notification of the loss”;

5 (ii) by striking “loss; and” and insert-
6 ing “loss.”; and

7 (iii) by striking paragraph (2); and

8 (B) by striking subsection (f).

9 (b) NATIONAL DEFENSE AUTHORIZATION ACT FOR
10 FISCAL YEARS 1992 AND 1993.—Section 734 of the Na-
11 tional Defense Authorization Act for Fiscal Years 1992
12 and 1993 (Public Law 102–190; 105 Stat. 1411; 10
13 U.S.C. 1074 note) is amended by striking subsection (c).

14 (c) NATIONAL DEFENSE AUTHORIZATION ACT FOR
15 FISCAL YEAR 1993.—Section 324 of the National Defense
16 Authorization Act for Fiscal Year 1993 (Public Law 102–
17 484; 106 Stat. 2367; 10 U.S.C. 2701 note) is amended—

18 (1) by striking subsection (b); and

19 (2) in subsection (a), by striking “(a) SENSE
20 OF CONGRESS.—”.

21 (d) NATIONAL DEFENSE AUTHORIZATION ACT FOR
22 FISCAL YEAR 1995.—Section 721 of the National Defense
23 Authorization Act for Fiscal Year 1995 (Public Law 103–
24 337; 108 Stat. 2804; 10 U.S.C. 1074 note) is amended
25 by striking subsection (h).

1 (e) NATIONAL DEFENSE AUTHORIZATION ACT FOR
2 FISCAL YEAR 1997.—Section 324(c) of the National De-
3 fense Authorization Act for Fiscal Year 1997 (Public Law
4 104–201; 110 Stat. 2480; 10 U.S.C. 2706 note) is amend-
5 ed by inserting “before 2006” after “submitted to Con-
6 gress”.

7 (f) STROM THURMOND NATIONAL DEFENSE AU-
8 THORIZATION ACT FOR FISCAL YEAR 1999.—The Strom
9 Thurmond National Defense Authorization Act for Fiscal
10 Year 1999 (Public Law 105–261) is amended—

11 (1) in section 745(e) (112 Stat. 2078; 10
12 U.S.C. 1071 note)—

13 (A) by striking paragraph (2); and

14 (B) by striking “TRICARE.—(1) The”
15 and inserting “TRICARE.—The” ; and

16 (2) effective on January 1, 2004, by striking
17 section 1223 (112 Stat. 2154; 22 U.S.C. 1928
18 note).

19 (g) NATIONAL DEFENSE AUTHORIZATION ACT FOR
20 FISCAL YEAR 2000.—The National Defense Authoriza-
21 tion Act for Fiscal Year 2000 (Public Law 106–65) is
22 amended—

23 (1) by striking section 1025 (113 Stat. 748; 10
24 U.S.C. 113 note);

1 (2) in section 1039 (113 Stat. 756; 10 U.S.C.
2 113 note), by striking subsection (b); and

3 (3) in section 1201 (113 Stat. 779; 10 U.S.C.
4 168 note) by striking subsection (d).

5 (h) DEPARTMENT OF DEFENSE AND EMERGENCY
6 SUPPLEMENTAL APPROPRIATIONS FOR RECOVERY FROM
7 AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED
8 STATES ACT, 2002.—Section 8009 of the Department of
9 Defense and Emergency Supplemental Appropriations for
10 Recovery from and Response to Terrorist Attacks on the
11 United States Act, 2002 (Public Law 107–117; 115 Stat.
12 2249) is amended by striking “, and these obligations
13 shall be reported to the Congress as of September 30 of
14 each year”.

15 **SEC. 1022. GLOBAL STRIKE PLAN.**

16 (a) INTEGRATED PLAN FOR PROMPT GLOBAL
17 STRIKE.—The Secretary of Defense shall prescribe an in-
18 tegrated plan for developing, deploying, and sustaining a
19 prompt global strike capability in the Armed Forces. The
20 Secretary shall update the plan annually.

21 (b) REPORTS REQUIRED.—(1) Not later than April
22 1 of each of 2004, 2005, and 2006, the Secretary shall
23 submit to the congressional defense committees a report
24 on the plan prescribed under subsection (a).

1 (2) Each report required under paragraph (1) shall
2 include the following:

3 (A) A description and assessment of the targets
4 against which long-range strike assets might be di-
5 rected and the conditions under which the assets
6 might be used.

7 (B) The role of, and plans for ensuring,
8 sustainment and modernization of current long-
9 range strike assets, including bombers, interconti-
10 nental ballistic missiles, and submarine launched
11 ballistic missiles.

12 (C) A description of the capabilities desired for
13 advanced long-range strike assets and plans to
14 achieve those capabilities.

15 (D) A description of the capabilities desired for
16 advanced conventional munitions and the plans to
17 achieve those capabilities.

18 (E) An assessment of advanced nuclear con-
19 cepts that could contribute to the prompt global
20 strike mission.

21 (F) An assessment of the command, control,
22 and communications capabilities necessary to sup-
23 port prompt global strike capabilities.

1 (G) An assessment of intelligence, surveillance,
2 and reconnaissance capabilities necessary to support
3 prompt global strike capabilities.

4 (H) A description of how prompt global strike
5 capabilities are to be integrated with theater strike
6 capabilities.

7 (I) An estimated schedule for achieving the de-
8 sired prompt global strike capabilities.

9 (J) The estimated cost of achieving the desired
10 prompt global strike capabilities.

11 (K) A description of ongoing and future studies
12 necessary for updating the plan appropriately.

13 **SEC. 1023. REPORT ON THE CONDUCT OF OPERATION**
14 **IRAQI FREEDOM.**

15 (a) REPORT REQUIRED.—(1) The Secretary of De-
16 fense shall submit to the congressional defense commit-
17 tees, not later than March 31, 2004, a report on the con-
18 duct of military operations under Operation Iraqi Free-
19 dom.

20 (2) The report shall be prepared in consultation with
21 the Chairman of the Joint Chiefs of Staff, the Commander
22 of the United States Central Command, and such other
23 officials as the Secretary considers appropriate.

24 (b) CONTENT.—(1) The report shall include a discus-
25 sion of the matters described in paragraph (2), with a par-

1 ticular emphasis on accomplishments and shortcomings
2 and on near-term and long-term corrective actions to ad-
3 dress the shortcomings.

4 (2) The matters to be discussed in the report are as
5 follows:

6 (A) The military objectives of the international
7 coalition conducting Operation Iraqi Freedom, the
8 military strategy selected to achieve the objectives,
9 and an assessment of the execution of the military
10 strategy.

11 (B) The deployment process, including the
12 adaptability of the process to unforeseen contin-
13 gencies and changing requirements.

14 (C) The reserve component mobilization proc-
15 ess, including the timeliness of notification, training,
16 and subsequent demobilization.

17 (D) The use and performance of major items of
18 United States military equipment, weapon systems,
19 and munitions (including items classified under spe-
20 cial access procedures and items drawn from
21 prepositioned stocks) and any expected effects of the
22 experience with the use and performance of those
23 items on the doctrinal and tactical employment of
24 such items and on plans for continuing the acquisi-
25 tion of such items.

1 (E) Any additional identified requirements for
2 military equipment, weapon systems, and munitions,
3 including mix and quantity for future contingencies.

4 (F) The effectiveness of joint air operations, in-
5 cluding the doctrine for the employment of close air
6 support in the varied environments of Operation
7 Iraqi Freedom, and the effectiveness of attack heli-
8 copter operations.

9 (G) The use of special operations forces, includ-
10 ing operational and intelligence uses.

11 (H) The scope of logistics support, including
12 support from other nations.

13 (I) The incidents of accidental fratricide, to-
14 gether with a discussion of the effectiveness of the
15 tracking of friendly forces and of the combat identi-
16 fication systems in mitigating friendly fire incidents.

17 (J) The adequacy of spectrum and bandwidth
18 to transmit all necessary information to operational
19 forces and assets, including unmanned aerial vehi-
20 cles, ground vehicles, and individual soldiers.

21 (K) The effectiveness of information operations,
22 including the effectiveness of Commando Solo and
23 other psychological operations assets, in achieving
24 established objectives, together with a description of

1 technological and other restrictions on the use of
2 psychological operations capabilities.

3 (L) The effectiveness of the reserve component
4 forces used in Operation Iraqi Freedom.

5 (M) The adequacy of intelligence support to the
6 warfighter before, during, and after combat oper-
7 ations, including the adequacy of such support to fa-
8 cilitate searches for weapons of mass destruction.

9 (N) The rapid insertion and integration, if any,
10 of developmental but mission-essential equipment
11 during all phases of the operation.

12 (O) The most critical lessons learned that could
13 lead to long-term doctrinal, organizational, and tech-
14 nological changes, and the probable effects that an
15 implementation of those changes would have on cur-
16 rent visions, goals, and plans for transformation of
17 the Armed Forces.

18 (P) The results of a study, carried out by the
19 Secretary of Defense, regarding the availability of
20 family support services provided to the dependents
21 of members of the National Guard and other reserve
22 components of the Armed Forces who are called or
23 ordered to active duty (hereinafter in this subpara-
24 graph referred to as “mobilized members”), includ-
25 ing, at a minimum, the following matters:

1 (i) A discussion of the extent to which co-
2 operative agreements are in place or need to be
3 entered into to ensure that dependents of mobi-
4 lized members receive adequate family support
5 services from within existing family readiness
6 groups at military installations without regard
7 to the members' armed force or component of
8 an armed force.

9 (ii) A discussion of what additional family
10 support services, and what additional family
11 support agreements between and among the
12 Armed Forces (including the Coast Guard), are
13 necessary to ensure that adequate family sup-
14 port services are provided to the families of mo-
15 bilized members.

16 (iii) A discussion of what additional re-
17 sources are necessary to ensure that adequate
18 family support services are available to the de-
19 pendents of each mobilized member at the mili-
20 tary installation nearest the residence of the de-
21 pendents.

22 (iv) The additional outreach programs that
23 should be established between families of mobi-
24 lized members and the sources of family sup-

1 port services at the military installations in
2 their respective regions.

3 (v) A discussion of the procedures in place
4 for providing information on availability of fam-
5 ily support services to families of mobilized
6 members at the time the members are called or
7 ordered to active duty.

8 (c) FORMS OF REPORT.—The report shall be sub-
9 mitted in unclassified form, but may also be submitted in
10 classified form if necessary.

11 (d) REPORTING REQUIREMENT RELATING TO NON-
12 COMPETITIVE CONTRACTING FOR THE RECONSTRUCTION
13 OF INFRASTRUCTURE OF IRAQ.—(1) If a contract for the
14 maintenance, rehabilitation, construction, or repair of in-
15 frastructure in Iraq is entered into under the oversight
16 and direction of the Secretary of Defense or the Office
17 of Reconstruction and Humanitarian Assistance in the Of-
18 fice of the Secretary of Defense without full and open com-
19 petition, the Secretary shall publish in the Federal Reg-
20 ister or Commerce Business Daily and otherwise make
21 available to the public, not later than 30 days after the
22 date on which the contract is entered into, the following
23 information:

24 (i) The amount of the contract.

1 (ii) A brief description of the scope of the con-
2 tract.

3 (iii) A discussion of how the executive agency
4 identified, and solicited offers from, potential con-
5 tractors to perform the contract, together with a list
6 of the potential contractors that were issued solicita-
7 tions for the offers.

8 (iv) The justification and approval documents
9 on which was based the determination to use proce-
10 dures other than procedures that provide for full and
11 open competition.

12 (B) Subparagraph (A) does not apply to a contract
13 entered into more than one year after date of enactment.

14 (2)(A) The head of an executive agency may—

15 (i) withhold from publication and disclosure
16 under paragraph (1) any document that is classified
17 for restricted access in accordance with an Executive
18 order in the interest of national defense or foreign
19 policy; and

20 (ii) redact any part so classified that is in a
21 document not so classified before publication and
22 disclosure of the document under paragraph (1).

23 (B) In any case in which the head of an executive
24 agency withholds information under subparagraph (A),
25 the head of such executive agency shall make available an

1 unredacted version of the document containing that infor-
2 mation to the chairman and ranking member of each of
3 the following committees of Congress:

4 (i) The Committee on Governmental Affairs of
5 the Senate and the Committee on Government Re-
6 form of the House of Representatives.

7 (ii) The Committees on Appropriations of the
8 Senate and the House of Representatives.

9 (iii) Each committee that the head of the execu-
10 tive agency determines has legislative jurisdiction for
11 the operations of such department or agency to
12 which the information relates.

13 (3) This subsection shall apply to contracts entered
14 into on or after October 1, 2002, except that, in the case
15 of a contract entered into before the date of the enactment
16 of this Act, paragraph (1) shall be applied as if the con-
17 tract had been entered into on the date of the enactment
18 of this Act.

19 (4) Nothing in this subsection shall be construed as
20 affecting obligations to disclose United States Government
21 information under any other provision of law.

22 (5) In this subsection, the terms “executive agency”
23 and “full and open competition” have the meanings given
24 such terms in section 4 of the Office of Federal Procure-
25 ment Policy Act (41 U.S.C. 403).

1 **SEC. 1024. REPORT ON MOBILIZATION OF THE RESERVES.**

2 (a) REQUIREMENT FOR REPORT.—Not later than 90
3 days after the date of the enactment of this Act, the Sec-
4 retary of Defense shall submit to the Committees on
5 Armed Services of the Senate and the House of Represent-
6 atives a report on the mobilization of reserve component
7 forces during fiscal years 2002 and 2003.

8 (b) CONTENT.—The report under subsection (a) shall
9 include, for the period covered by the report, the following
10 information:

11 (1) The number of Reserves who were called or
12 ordered to active duty under a provision of law re-
13 ferred to in section 101(a)(13)(B) of title 10, United
14 States Code.

15 (2) The number of such Reserves who were
16 called or ordered to active duty for one year or
17 more, including any extensions on active duty.

18 (3) The military specialties of the Reserves
19 counted under paragraph (2).

20 (4) The number of Reserves who were called or
21 ordered to active duty more than once under a provi-
22 sion of law referred to in section 101(a)(13)(B) of
23 title 10, United States Code.

24 (5) The military specialties of the Reserves
25 counted under paragraph (4).

1 (6) The known effects on the reserve compo-
2 nents, including the effects on recruitment and re-
3 tention of personnel for the reserve components, that
4 have resulted from—

5 (A) the calls and orders of Reserves to ac-
6 tive duty; and

7 (B) the tempo of the service of the Re-
8 serves on the active duty to which called or or-
9 dered.

10 (7) The changes in the Armed Forces, including
11 any changes in the allocation of roles and missions
12 between the active components and the reserve com-
13 ponents of the Armed Forces, that are envisioned by
14 the Secretary of Defense on the basis of—

15 (A) the effects discussed under paragraph
16 (6); or

17 (B) the experienced need for calling and
18 ordering Reserves to active duty during the pe-
19 riod.

20 (8) An assessment of how necessary it would be
21 to call or order Reserves to active duty in the event
22 of a war or contingency operation (as defined in sec-
23 tion 101(a)(13) of title 10, United States Code) if
24 such changes were implemented.

1 (9) On the basis of the experience of calling and
2 ordering Reserves to active duty during the period,
3 an assessment of the process for calling and order-
4 ing Reserves to active duty, preparing such Reserves
5 for the active duty, processing the Reserves into the
6 force upon entry onto active duty, and deploying the
7 Reserves, including an assessment of the adequacy
8 of the alert and notification process from the per-
9 spectives of the individual Reserves, reserve compo-
10 nent units, and employers of Reserves.

11 **SEC. 1025. STUDY OF BERYLLIUM INDUSTRIAL BASE.**

12 (a) **REQUIREMENT FOR STUDY.**—The Secretary of
13 Defense shall conduct a study of the adequacy of the in-
14 dustrial base of the United States to meet defense require-
15 ments of the United States for beryllium.

16 (b) **REPORT.**—Not later than January 30, 2004, the
17 Secretary shall submit a report on the results of the study
18 to Congress. The report shall contain, at a minimum, the
19 following information:

20 (1) A discussion of the issues identified with re-
21 spect to the long-term supply of beryllium.

22 (2) An assessment of the need, if any, for mod-
23 ernization of the primary sources of production of
24 beryllium.

1 (3) A discussion of the advisability of, and con-
2 cepts for, meeting the future defense requirements
3 of the United States for beryllium and maintaining
4 a stable domestic industrial base of sources of beryl-
5 lium through—

6 (A) cooperative arrangements commonly
7 referred to as public-private partnerships;

8 (B) the administration of the National De-
9 fense Stockpile under the Strategic and Critical
10 Materials Stock Piling Act; and

11 (C) any other means that the Secretary
12 identifies as feasible.

13 **Subtitle D—Other Matters**

14 **SEC. 1031. BLUE FORCES TRACKING INITIATIVE.**

15 (a) FINDINGS.—Congress makes the following find-
16 ings:

17 (1) For military commanders, a principal pur-
18 pose of technology is to enable the commanders to
19 ascertain the location of the units in their commands
20 in near real time.

21 (2) Each of the Armed Forces is developing and
22 testing a variety of technologies for tracking friendly
23 forces (known as “blue forces”).

24 (3) Situational awareness of blue forces has
25 been much improved since the 1991 Persian Gulf

1 War, but blue forces tracking remains a complex
2 problem characterized by information that is incom-
3 plete, not fully accurate, or untimely.

4 (4) Casualties in recent warfare have declined,
5 but casualties associated with friendly fire incidents
6 have remained relatively constant.

7 (5) Despite significant investment, a coordi-
8 nated, interoperable plan for tracking blue forces
9 throughout a United States or coalition forces the-
10 ater of operations has not been developed.

11 (b) GOAL.—It shall be a goal of the Department of
12 Defense to fully coordinate the various efforts of the Joint
13 Staff, the commanders of the combatant commands, and
14 the military departments to develop an effective blue
15 forces tracking system.

16 (c) JOINT BLUE FORCES TRACKING EXPERIMENT.—

17 (1) The Secretary of Defense, through the Commander of
18 the United States Joint Forces Command, shall carry out
19 a joint experiment in fiscal year 2004 to demonstrate and
20 evaluate available joint blue forces tracking technologies.

21 (2) The objectives of the experiment are as follows:

22 (A) To explore various options for tracking
23 United States and other friendly forces during com-
24 bat operations.

1 (B) To determine an optimal, achievable, and
2 ungradable solution for the development, acquisition,
3 and fielding of a system for tracking all United
4 States military forces that is coordinated and inter-
5 operable and also accommodates the participation of
6 military forces of allied nations with United States
7 forces in combat operations.

8 (d) REPORT.—Not later than 60 days after the con-
9 clusion of the experiment under subsection (c), but not
10 later than December 1, 2004, the Secretary shall submit
11 to the congressional defense committees a report on the
12 results of the experiment, together with a comprehensive
13 plan for the development, acquisition, and fielding of a
14 functional, near real time blue forces tracking system.

15 **SEC. 1032. LOAN, DONATION, OR EXCHANGE OF OBSOLETE**
16 **OR SURPLUS PROPERTY.**

17 During fiscal years 2004 and 2005, the Secretary of
18 the military department concerned may exchange for an
19 historical artifact any obsolete or surplus property held by
20 such military department in accordance with section 2572
21 of title 10, United States Code, without regard to whether
22 the property is described in subsection (c) of such section.

1 **SEC. 1033. ACCEPTANCE OF GIFTS AND DONATIONS.**

2 (a) AUTHORIZED SOURCES OF GIFTS AND DONA-
3 TIONS.—Subsection (a) of section 2611 of title 10, United
4 States Code, is amended—

5 (1) in paragraph (1), by striking “foreign gifts
6 and donations” and inserting “gifts and donations
7 from sources described in paragraph (2)”;

8 (2) by redesignating paragraph (2) as para-
9 graph (3); and

10 (3) by inserting after paragraph (1) the fol-
11 lowing new paragraph (2):

12 “(2) The sources from which gifts and donations may
13 be accepted under paragraph (1) are as follows:

14 “(A) A department or agency of the Federal
15 Government.

16 “(B) The government of a State or of a polit-
17 ical subdivision of a State.

18 “(C) The government of a foreign country.

19 “(D) A foundation or other charitable organiza-
20 tion, including a foundation or charitable organiza-
21 tion that is organized or operates under the laws of
22 a foreign country.

23 “(E) Any source in the private sector of the
24 United States or a foreign country.”.

1 (b) CONFORMING AMENDMENTS.—(1) The headings
2 for subsections (a) and (f) of such section are amended
3 by striking “FOREIGN”.

4 (2) Subsection (c) is amended by striking “foreign”.

5 (3) Subsection (f) is amended—

6 (A) by striking “foreign”; and

7 (B) by striking “faculty services)” and all that
8 follows and inserting “faculty services).”.

9 (4)(A) The heading of such section is amended to
10 read as follows:

11 **“§ 2611. Asia-Pacific Center for Security Studies: ac-**
12 **ceptance of gifts and donations”.**

13 (B) The item relating to such section in the table of
14 sections at the beginning of chapter 155 is amended to
15 read as follows:

“2611. Asia-Pacific Center for Security Studies: acceptance of gifts and dona-
tions.”.

16 (c) ACCEPTANCE OF GUARANTEES WITH GIFTS IN
17 DEVELOPMENT OF MARINE CORPS HERITAGE CENTER,
18 MARINE CORPS BASE, QUANTICO, VIRGINIA.—(1) The
19 Secretary of the Navy may utilize the authority in section
20 6975 of title 10, United States Code, for purposes of the
21 project to develop the Marine Corps Heritage Center at
22 Marine Corps Base, Quantico, Virginia, authorized by sec-
23 tion 2884 of the Military Construction Authorization Act
24 for Fiscal Year 2001 (division B of the Floyd D. Spence

1 National Defense Authorization Act for Fiscal Year 2001;
2 as enacted into law by Public Law 106–398; 114 Stat.
3 1654A–440).

4 (2) The authority in paragraph (1) shall expire on
5 December 31, 2006.

6 (3) The expiration under paragraph (2) of the au-
7 thority in paragraph (1) shall not effect any qualified
8 guarantee accepted pursuant to such authority for pur-
9 poses of the project referred to in paragraph (1) before
10 the date of the expiration of such authority under para-
11 graph (2).

12 **SEC. 1034. PROVISION OF LIVING QUARTERS FOR CERTAIN**
13 **STUDENTS WORKING AT NATIONAL SECUR-**
14 **ITY AGENCY LABORATORY.**

15 Section 2195 of title 10, United States Code, is
16 amended by adding at the end the following new sub-
17 section:

18 “(d)(1) The Director of the National Security Agency
19 may provide living quarters to a student in the Student
20 Educational Employment Program or similar program (as
21 prescribed by the Office of Personnel Management) while
22 the student is employed at the laboratory of the Agency.

23 “(2) Notwithstanding section 5911(c) of title 5, living
24 quarters may be provided under paragraph (1) without

1 charge, or at rates or charges specified in regulations pre-
2 scribed by the Director.”.

3 **SEC. 1035. PROTECTION OF OPERATIONAL FILES OF THE**
4 **NATIONAL SECURITY AGENCY.**

5 (a) CONSOLIDATION OF CURRENT PROVISIONS ON
6 PROTECTION OF OPERATIONAL FILES.—The National Se-
7 curity Act of 1947 (50 U.S.C. 401 et seq.) is amended
8 by transferring sections 105C and 105D to the end of title
9 VII and redesignating such sections, as so transferred, as
10 sections 703 and 704, respectively.

11 (b) PROTECTION OF OPERATIONAL FILES OF
12 NSA.—Title VII of such Act, as amended by subsection
13 (a), is further amended by adding at the end the following
14 new section:

15 “OPERATIONAL FILES OF THE NATIONAL SECURITY
16 AGENCY

17 “SEC. 705. (a) EXEMPTION OF CERTAIN OPER-
18 ATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION,
19 OR DISCLOSURE.—(1) Operational files of the National
20 Security Agency (hereafter in this section referred to as
21 ‘NSA’) may be exempted by the Director of NSA, in co-
22 ordination with the Director of Central Intelligence, from
23 the provisions of section 552 of title 5, United States
24 Code, which require publication, disclosure, search, or re-
25 view in connection therewith.

1 “(2)(A) In this section, the term ‘operational files’
2 means—

3 “(i) files of the Signals Intelligence Directorate,
4 and its successor organizations, which document the
5 means by which foreign intelligence or counterintel-
6 ligence is collected through technical systems; and

7 “(ii) files of the Research Associate Directorate,
8 and its successor organizations, which document the
9 means by which foreign intelligence or counterintel-
10 ligence is collected through scientific and technical
11 systems.

12 “(B) Files which are the sole repository of dissemi-
13 nated intelligence, and files that have been accessioned
14 into NSA Archives, or its successor organizations, are not
15 operational files.

16 “(3) Notwithstanding paragraph (1), exempted oper-
17 ational files shall continue to be subject to search and re-
18 view for information concerning—

19 “(A) United States citizens or aliens lawfully
20 admitted for permanent residence who have re-
21 quested information on themselves pursuant to the
22 provisions of section 552 or 552a of title 5, United
23 States Code;

1 “(B) any special activity the existence of which
2 is not exempt from disclosure under the provisions
3 of section 552 of title 5, United States Code; or

4 “(C) the specific subject matter of an investiga-
5 tion by any of the following for any impropriety, or
6 violation of law, Executive order, or Presidential di-
7 rective, in the conduct of an intelligence activity:

8 “(i) The Committee on Armed Services
9 and the Permanent Select Committee on Intel-
10 ligence of the House of Representatives.

11 “(ii) The Committee on Armed Services
12 and the Select Committee on Intelligence of the
13 Senate.

14 “(iii) The Intelligence Oversight Board.

15 “(iv) The Department of Justice.

16 “(v) The Office of General Counsel of
17 NSA.

18 “(vi) The Office of the Inspector General
19 of the Department of Defense.

20 “(vii) The Office of the Director of NSA.

21 “(4)(A) Files that are not exempted under paragraph
22 (1) which contain information derived or disseminated
23 from exempted operational files shall be subject to search
24 and review.

1 “(B) The inclusion of information from exempted
2 operational files in files that are not exempted under para-
3 graph (1) shall not affect the exemption under paragraph
4 (1) of the originating operational files from search, review,
5 publication, or disclosure.

6 “(C) The declassification of some of the information
7 contained in exempted operational files shall not affect the
8 status of the operational file as being exempt from search,
9 review, publication, or disclosure.

10 “(D) Records from exempted operational files which
11 have been disseminated to and referenced in files that are
12 not exempted under paragraph (1), and which have been
13 returned to exempted operational files for sole retention
14 shall be subject to search and review.

15 “(5) The provisions of paragraph (1) may not be su-
16 perseded except by a provision of law which is enacted
17 after the date of the enactment of the National Defense
18 Authorization Act for Fiscal Year 2004, and which specifi-
19 cally cites and repeals or modifies such provisions.

20 “(6)(A) Except as provided in subparagraph (B),
21 whenever any person who has requested agency records
22 under section 552 of title 5, United States Code, alleges
23 that NSA has withheld records improperly because of fail-
24 ure to comply with any provision of this section, judicial

1 review shall be available under the terms set forth in sec-
2 tion 552(a)(4)(B) of title 5, United States Code.

3 “(B) Judicial review shall not be available in the
4 manner provided for under subparagraph (A) as follows:

5 “(i) In any case in which information specifi-
6 cally authorized under criteria established by an Ex-
7 ecutive order to be kept secret in the interests of na-
8 tional defense or foreign relations is filed with, or
9 produced for, the court by NSA, such information
10 shall be examined ex parte, in camera by the court.

11 “(ii) The court shall determine, to the fullest
12 extent practicable, the issues of fact based on sworn
13 written submissions of the parties.

14 “(iii) When a complainant alleges that re-
15 quested records are improperly withheld because of
16 improper placement solely in exempted operational
17 files, the complainant shall support such allegation
18 with a sworn written submission based upon per-
19 sonal knowledge or otherwise admissible evidence.

20 “(iv)(I) When a complainant alleges that re-
21 quested records were improperly withheld because of
22 improper exemption of operational files, NSA shall
23 meet its burden under section 552(a)(4)(B) of title
24 5, United States Code, by demonstrating to the
25 court by sworn written submission that exempted

1 operational files likely to contain responsible records
2 currently perform the functions set forth in para-
3 graph (2).

4 “(II) The court may not order NSA to review
5 the content of any exempted operational file or files
6 in order to make the demonstration required under
7 subclause (I), unless the complainant disputes
8 NSA’s showing with a sworn written submission
9 based on personal knowledge or otherwise admissible
10 evidence.

11 “(v) In proceedings under clauses (iii) and (iv),
12 the parties may not obtain discovery pursuant to
13 rules 26 through 36 of the Federal Rules of Civil
14 Procedure, except that requests for admissions may
15 be made pursuant to rules 26 and 36.

16 “(vi) If the court finds under this paragraph
17 that NSA has improperly withheld requested records
18 because of failure to comply with any provision of
19 this subsection, the court shall order NSA to search
20 and review the appropriate exempted operational file
21 or files for the requested records and make such
22 records, or portions thereof, available in accordance
23 with the provisions of section 552 of title 5, United
24 States Code, and such order shall be the exclusive
25 remedy for failure to comply with this subsection.

1 “(vii) If at any time following the filing of a
2 complaint pursuant to this paragraph NSA agrees to
3 search the appropriate exempted operational file or
4 files for the requested records, the court shall dis-
5 miss the claim based upon such complaint.

6 “(viii) Any information filed with, or produced
7 for the court pursuant to clauses (i) and (iv) shall
8 be coordinated with the Director of Central Intel-
9 ligence before submission to the court.

10 “(b) DECENNIAL REVIEW OF EXEMPTED OPER-
11 ATIONAL FILES.—(1) Not less than once every 10 years,
12 the Director of the National Security Agency and the Di-
13 rector of Central Intelligence shall review the exemptions
14 in force under subsection (a)(1) to determine whether such
15 exemptions may be removed from a category of exempted
16 files or any portion thereof. The Director of Central Intel-
17 ligence must approve any determination to remove such
18 exemptions.

19 “(2) The review required by paragraph (1) shall in-
20 clude consideration of the historical value or other public
21 interest in the subject matter of a particular category of
22 files or portions thereof and the potential for declassifying
23 a significant part of the information contained therein.

24 “(3) A complainant that alleges that NSA has im-
25 properly withheld records because of failure to comply with

1 this subsection may seek judicial review in the district
2 court of the United States of the district in which any
3 of the parties reside, or in the District of Columbia. In
4 such a proceeding, the court's review shall be limited to
5 determining the following:

6 “(A) Whether NSA has conducted the review
7 required by paragraph (1) before the expiration of
8 the 10-year period beginning on the date of the en-
9 actment of the National Defense Authorization Act
10 for Fiscal Year 2004 or before the expiration of the
11 10-year period beginning on the date of the most re-
12 cent review.

13 “(B) Whether NSA, in fact, considered the cri-
14 teria set forth in paragraph (2) in conducting the re-
15 quired review.”.

16 (c) CONFORMING AMENDMENTS.—(1) Section 701(b)
17 of the National Security Act of 1947 (50 U.S.C. 431(b))
18 is amended by striking “For purposes of this title” and
19 inserting “In this section and section 702,”.

20 (2) Section 702(c) of such Act (50 U.S.C. 432(c))
21 is amended by striking “enactment of this title” and in-
22 serting “October 15, 1984,”.

23 (3)(A) The title heading for title VII of such Act is
24 amended to read as follows:

1 “TITLE VII—PROTECTION OF OPERATIONAL
2 FILES”.

3 (B) The section heading for section 701 of such Act
4 is amended to read as follows:

5 “PROTECTION OF OPERATIONAL FILES OF THE CENTRAL
6 INTELLIGENCE AGENCY”.

7 (C) The section heading for section 702 of such Act
8 is amended to read as follows:

9 “DECENNIAL REVIEW OF EXEMPTED CENTRAL
10 INTELLIGENCE AGENCY OPERATIONAL FILES”.

11 (d) CLERICAL AMENDMENTS.—The table of contents
12 for the National Security Act of 1947 is amended—

13 (1) by striking the items relating to sections
14 105C and 105D; and

15 (2) by striking the items relating to title VII
16 and inserting the following new items:

“TITLE VII—PROTECTION OF OPERATIONAL FILES

“Sec. 701. Protection of operational files of the Central Intelligence Agency.

“Sec. 702. Decennial review of exempted Central Intelligence Agency operational files.

“Sec. 703. Protection of operational files of the National Imagery and Mapping Agency.

“Sec. 704. Protection of operational files of the National Reconnaissance Office.

“Sec. 705. Protection of operational files of the National Security Agency.”.

1 **SEC. 1036. TRANSFER OF ADMINISTRATION OF NATIONAL**
2 **SECURITY EDUCATION PROGRAM TO DIREC-**
3 **TOR OF CENTRAL INTELLIGENCE.**

4 (a) IN GENERAL.—Section 802 of the David L.
5 Boren National Security Education Act of 1991 (title VIII
6 of Public Law 102–183; 50 U.S.C. 1902) is amended—

7 (1) in subsection (a), by striking “Secretary of
8 Defense” and inserting “Director of Central Intel-
9 ligence”; and

10 (2) by striking “Secretary” each place it ap-
11 pears (other than in subsection (h)) and inserting
12 “Director”.

13 (b) AWARDS TO ATTEND FOREIGN LANGUAGE CEN-
14 TER.—Section 802(h) of such Act (50 U.S.C. 1902(h)) is
15 amended by inserting “of Defense” after “Secretary” each
16 place it appears.

17 (c) NATIONAL SECURITY EDUCATION BOARD.—(1)
18 Section 803 of such Act (50 U.S.C. 1903) is amended—

19 (A) in subsection (a), by striking “Secretary of
20 Defense” and inserting “Director”;

21 (B) in subsection (b)—

22 (i) in paragraph (1), by striking “Sec-
23 retary of Defense” and inserting “Director”;

24 (ii) by redesignating paragraphs (2)
25 through (7) as paragraphs (3) through (8), re-
26 spectively; and

1 (iii) by inserting after paragraph (1), as so
2 amended, the following new paragraph (2):

3 “(2) The Secretary of Defense.”;

4 (C) in subsection (c), by striking “subsection
5 (b)(6)” and inserting “subsection (b)(8)”; and

6 (D) in subsection (d), by striking “Secretary”
7 each place it appears and inserting “Director”.

8 (2) Section 806(d) of such Act (50 U.S.C. 1906(d))
9 is amended by striking “paragraphs (1) through (7)” and
10 inserting “paragraphs (2) through (8)”.

11 (d) ADMINISTRATIVE PROVISIONS.—Section 805 of
12 such Act (50 U.S.C. 1905) is amended by striking “Sec-
13 retary” each place it appears and inserting “Director”.

14 (e) ANNUAL REPORT.—Section 806 of such Act (50
15 U.S.C. 1906) is amended by striking “Secretary” each
16 place it appears and inserting “Director”.

17 (f) AUDITS.—Section 807 of such Act (50 U.S.C.
18 1907) is amended by striking “Department of Defense”
19 and inserting “Central Intelligence Agency”.

20 (g) DEFINITION.—Section 808 of such Act (50
21 U.S.C. 1908) is amended—

22 (1) by redesignating paragraphs (1) through
23 (4) as paragraphs (2) through (5), respectively; and

24 (2) by inserting before paragraph (2) the fol-
25 lowing new paragraph (1):

1 “(1) The term ‘Director’ means the Director of
2 Central Intelligence.”.

3 (h) MATTERS RELATING TO NATIONAL FLAGSHIP
4 LANGUAGE INITIATIVE.—(1) Effective as if included
5 therein as enacted by section 333(a) of the Intelligence
6 Authorization Act for Fiscal Year 2003 (Public Law 107–
7 306; 116 Stat. 2396), section 802(i)(1) of the David L.
8 Boren National Security Education Act of 1991 is amend-
9 ed by striking “Secretary” and inserting “Director”.

10 (2) Effective as if included therein as enacted by sec-
11 tion 333(b) of the Intelligence Authorization Act for Fis-
12 cal Year 2003 (116 Stat. 2397), section 811(a) of the
13 David L. Boren National Security Education Act of 1991
14 is amended by striking “Secretary” each place it appears
15 and inserting “Director”.

16 (i) EFFECT OF TRANSFER OF ADMINISTRATION ON
17 SERVICE AGREEMENTS.—(1) The transfer to the Director
18 of Central Intelligence of the administration of the Na-
19 tional Security Education Program as a result of the
20 amendments made by this section shall not affect the
21 force, validity, or terms of any service agreement entered
22 into under section 802(b) of the David L. Boren National
23 Security Education Act of 1991 (title VIII of Public Law
24 102–183; 50 U.S.C. 1902(b)) before the date of the enact-
25 ment of this Act that is in force as of that date, except

1 that the Director shall administer such service agreement
2 in lieu of the Secretary of Defense.

3 (2) Notwithstanding any other provision of law, the
4 Director of Central Intelligence may, for purposes of the
5 implementation of any service agreement referred to in
6 paragraph (1), adopt regulations for the implementation
7 of such service agreement that were prescribed by the Sec-
8 retary of Defense under the David L. Boren National Se-
9 curity Education Act of 1991 before the date of the enact-
10 ment of this Act.

11 (j) REPEAL OF SATISFIED REQUIREMENTS.—Section
12 802(g) of the David L. Boren National Security Edu-
13 cation Act of 1991 (title VIII of Public Law 102–183; 50
14 U.S.C. 1902(g)) is amended—

15 (1) in paragraph (1)—

16 (A) by striking “(1)”; and

17 (B) by striking the second sentence; and

18 (2) by striking paragraph (2).

19 (k) TECHNICAL AMENDMENT.—Paragraph (5)(A) of
20 section 808 of such Act, as redesignated by subsection
21 (g)(1) of this section, is further amended by striking “a
22 agency” and inserting “an agency”.

1 **SEC. 1037. REPORT ON USE OF UNMANNED AERIAL VEHI-**
2 **CLES FOR SUPPORT OF HOMELAND SECU-**
3 **RITY MISSIONS.**

4 (a) **REQUIREMENT FOR REPORT.**—Not later than
5 April 1, 2004, the President shall submit to Congress a
6 report on the potential uses of unmanned aerial vehicles
7 for support of the performance of homeland security mis-
8 sions.

9 (b) **CONTENT.**—The report shall, at a minimum, in-
10 clude the following matters:

11 (1) An assessment of the potential for using un-
12 manned aerial vehicles for monitoring activities in
13 remote areas along the northern and southern bor-
14 ders of the United States.

15 (2) An assessment of the potential for using
16 long-endurance, land-based unmanned aerial vehicles
17 for supporting the Coast Guard in the performance
18 of its homeland security missions, drug interdiction
19 missions, and other maritime missions along the ap-
20 proximately 95,000 miles of inland waterways in the
21 United States.

22 (3) An assessment of the potential for using un-
23 manned aerial vehicles for monitoring the safety and
24 integrity of critical infrastructure within the terri-
25 tory of the United States, including the following:

26 (A) Oil and gas pipelines.

1 (B) Dams.

2 (C) Hydroelectric power plants.

3 (D) Nuclear power plants.

4 (E) Drinking water utilities.

5 (F) Long-distance power transmission
6 lines.

7 (4) An assessment of the potential for using un-
8 manned aerial vehicles for monitoring the transpor-
9 tation of hazardous cargo.

10 (5) A discussion of the safety issues involved
11 in—

12 (A) the use of unmanned aerial vehicles by
13 agencies other than the Department of Defense;
14 and

15 (B) the operation of unmanned aerial vehi-
16 cles over populated areas of the United States.

17 (6) A discussion of—

18 (A) the effects on privacy and civil liberties
19 that could result from the monitoring uses of
20 unmanned aerial vehicles operated over the ter-
21 ritory of the United States; and

22 (B) any restrictions on the domestic use of
23 unmanned aerial vehicles that should be im-
24 posed, or any other actions that should be
25 taken, to prevent any adverse effect of such a

1 use of unmanned aerial vehicles on privacy or
2 civil liberties.

3 (7) A discussion of what, if any, legislation and
4 organizational changes may be necessary to accom-
5 modate the use of unmanned aerial vehicles of the
6 Department of Defense in support of the perform-
7 ance of homeland security missions, including any
8 amendment of section 1385 of title 18, United
9 States Code (popularly referred to as the “Posse
10 Comitatus Act”).

11 (8) An evaluation of the capabilities of manu-
12 facturers of unmanned aerial vehicles to produce
13 such vehicles at higher rates if necessary to meet
14 any increased requirements for homeland security
15 and homeland defense missions.

16 (c) REFERRAL TO COMMITTEES.—The report under
17 subsection (a) shall be referred—

18 (1) upon receipt in the Senate, to the Com-
19 mittee on Armed Services of the Senate; and

20 (2) upon receipt in the House of Representa-
21 tives, to the Committee on Armed Services of the
22 House of Representatives.

1 **SEC. 1038. CONVEYANCE OF SURPLUS T-37 AIRCRAFT TO**
2 **AIR FORCE AVIATION HERITAGE FOUNDA-**
3 **TION, INCORPORATED.**

4 (a) **AUTHORITY.**—The Secretary of the Air Force
5 may convey, without consideration, to the Air Force Avia-
6 tion Heritage Foundation, Incorporated, of Georgia (in
7 this section referred to as the “Foundation”), all right,
8 title, and interest of the United States in and to one sur-
9 plus T-37 “Tweet” aircraft. The conveyance shall be
10 made by means of a conditional deed of gift.

11 (b) **CONDITION OF AIRCRAFT.**—The Secretary may
12 not convey ownership of the aircraft under subsection (a)
13 until the Secretary determines that the Foundation has
14 altered the aircraft in such manner as the Secretary deter-
15 mines necessary to ensure that the aircraft does not have
16 any capability for use as a platform for launching or re-
17 leasing munitions or any other combat capability that it
18 was designed to have. The Secretary is not required to
19 repair or alter the condition of the aircraft before con-
20 veying ownership of the aircraft.

21 (c) **CONDITIONS FOR CONVEYANCE.**—(1) The convey-
22 ance of a T-37 aircraft under this section shall be subject
23 to the following conditions:

24 (A) That the Foundation not convey any owner-
25 ship interest in, or transfer possession of, the air-

1 craft to any other party without the prior approval
2 of the Secretary of the Air Force.

3 (B) That the operation and maintenance of the
4 aircraft comply with all applicable limitations and
5 maintenance requirements imposed by the Adminis-
6 trator of the Federal Aviation Administration.

7 (C) That if the Secretary of the Air Force de-
8 termines at any time that the Foundation has con-
9 veyed an ownership interest in, or transferred pos-
10 session of, the aircraft to any other party without
11 the prior approval of the Secretary, or has failed to
12 comply with the condition set forth in subparagraph
13 (B), all right, title, and interest in and to the air-
14 craft, including any repair or alteration of the air-
15 craft, shall revert to the United States, and the
16 United States shall have the right of immediate pos-
17 session of the aircraft.

18 (2) The Secretary shall include the conditions under
19 paragraph (1) in the instrument of conveyance of the T-
20 37 aircraft.

21 (d) CONVEYANCE AT NO COST TO THE UNITED
22 STATES.—Any conveyance of a T-37 aircraft under this
23 section shall be made at no cost to the United States. Any
24 costs associated with such conveyance, costs of deter-
25 mining compliance by the Foundation with the conditions

1 in subsection (b), and costs of operation and maintenance
2 of the aircraft conveyed shall be borne by the Foundation.

3 (e) **ADDITIONAL TERMS AND CONDITIONS.**—The
4 Secretary of the Air Force may require such additional
5 terms and conditions in connection with the conveyance
6 under this section as the Secretary considers appropriate
7 to protect the interests of the United States.

8 (f) **CLARIFICATION OF LIABILITY.**—Notwithstanding
9 any other provision of law, upon the conveyance of owner-
10 ship of a T-37 aircraft to the Foundation under sub-
11 section (a), the United States shall not be liable for any
12 death, injury, loss, or damage that results from any use
13 of that aircraft by any person other than the United
14 States.

15 **SEC. 1039. SENSE OF SENATE ON REWARD FOR INFORMA-**
16 **TION LEADING TO RESOLUTION OF STATUS**
17 **OF MEMBERS OF THE ARMED FORCES WHO**
18 **REMAIN MISSING IN ACTION.**

19 (a) **FINDINGS.**—The Senate makes the following
20 findings:

21 (1) The Department of Defense estimates that
22 there are more than 10,000 members of the Armed
23 Forces and others who as a result of activities dur-
24 ing the Korean War or the Vietnam War were
25 placed in a missing status or a prisoner of war sta-

1 tus, or who were determined to have been killed in
2 action although the body was not recovered, and who
3 remain unaccounted for.

4 (2) One member of the Armed Forces, Navy
5 Captain Michael Scott Speicher, remains missing in
6 action from the first Persian Gulf War, and there
7 have been credible reports of him being seen alive in
8 Iraq in the years since his plane was shot down on
9 January 16, 1991.

10 (3) The United States should always pursue
11 every lead and leave no stone unturned to completely
12 account for the fate of its missing members of the
13 Armed Forces.

14 (4) The Secretary of Defense has the authority
15 to disburse funds as a reward to individuals who
16 provide information leading to the conclusive resolu-
17 tion of cases of missing members of the Armed
18 Forces.

19 (b) SENSE OF SENATE.—It is the sense of the
20 Senate—

21 (1) that the Secretary of Defense should use
22 the authority available to the Secretary to disburse
23 funds rewarding individuals who provide information
24 leading to the conclusive resolution of the status of
25 any missing member of the Armed Forces; and

1 (2) to encourage the Secretary to authorize and
2 publicize a reward of \$1,000,000 for information re-
3 solving the fate of those members of the Armed
4 Forces, such as Michael Scott Speicher, who the
5 Secretary has reason to believe may yet be alive in
6 captivity.

7 **SEC. 1040. ADVANCED SHIPBUILDING ENTERPRISE.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) The President’s budget for fiscal year 2004,
11 as submitted to Congress, includes \$10,300,000 for
12 the Advanced Shipbuilding Enterprise of the Na-
13 tional Shipbuilding Research Program.

14 (2) The Advanced Shipbuilding Enterprise is an
15 innovative program to encourage greater efficiency
16 among shipyards in the defense industrial base.

17 (3) The leaders of the Nation’s shipbuilding in-
18 dustry have embraced the Advanced Shipbuilding
19 Enterprise as a method of exploring and collabo-
20 rating on innovation in shipbuilding and ship repair
21 that collectively benefits all manufacturers in the in-
22 dustry.

23 (b) SENSE OF THE SENATE.—It is the sense of the
24 Senate that—

1 (1) the Senate strongly supports the innovative
2 Advanced Shipbuilding Enterprise of the National
3 Shipbuilding Research Program that has yielded new
4 processes and techniques to reduce the cost of build-
5 ing and repairing ships in the United States;

6 (2) the Senate is concerned that the future-
7 years defense program submitted to Congress for fis-
8 cal year 2004 does not reflect any funding for the
9 Advanced Shipbuilding Enterprise after fiscal year
10 2004; and

11 (3) the Secretary of Defense and the Secretary
12 of the Navy should continue funding the Advanced
13 Shipbuilding Enterprise at a sustaining level
14 through the future-years defense program to support
15 subsequent rounds of research that reduce the cost
16 of designing, building, and repairing ships.

17 **SEC. 1041. AIR FARES FOR MEMBERS OF ARMED FORCES.**

18 It is the sense of the Senate that each United States
19 air carrier should—

20 (1) make every effort to allow active duty mem-
21 bers of the armed forces to purchase tickets, on a
22 space-available basis, for the lowest fares offered for
23 the flights desired, without regard to advance pur-
24 chase requirements and other restrictions; and

1 (2) offer flexible terms that allow members of
2 the armed forces on active duty to purchase, modify,
3 or cancel tickets without time restrictions, fees, or
4 penalties.

5 **SEC. 1042. SENSE OF SENATE ON DEPLOYMENT OF AIR-**
6 **BORNE CHEMICAL AGENT MONITORING SYS-**
7 **TEMS AT CHEMICAL STOCKPILE DISPOSAL**
8 **SITES IN THE UNITED STATES.**

9 (a) FINDINGS.—The Senate makes the following
10 findings:

11 (1) Millions of assembled chemical weapons are
12 stockpiled at chemical agent disposal facilities and
13 depot sites across the United States.

14 (2) Some of these weapons are filled with nerve
15 agents, such as GB and VX and blister agents such
16 as HD (mustard agent).

17 (3) Hundreds of thousands of United States
18 citizens live in the vicinity of these chemical weapons
19 stockpile sites and depots.

20 (4) The airborne chemical agent monitoring
21 systems at these sites are inefficient or outdated
22 compared to newer and advanced technologies on the
23 market.

24 (b) SENSE OF SENATE.—It is the sense of the Senate
25 that the Secretary of the Army should develop and deploy

1 a program to upgrade the airborne chemical agent moni-
2 toring systems at all chemical stockpile disposal sites
3 across the United States in order to achieve the broadest
4 possible protection of the general public, personnel in-
5 volved in the chemical demilitarization program, and the
6 environment.

7 **SEC. 1043. FEDERAL ASSISTANCE FOR STATE PROGRAMS**
8 **UNDER THE NATIONAL GUARD CHALLENGE**
9 **PROGRAM.**

10 (a) **MAXIMUM FEDERAL SHARE.**—Section 509(d) of
11 title 32, United States Code, is amended—

12 (1) by striking paragraphs (1), (2), and (3);

13 (2) by redesignating paragraph (4) as para-
14 graph (1);

15 (3) in paragraph (1), as so redesignated, by
16 striking the period at the end and inserting “; and”;
17 and

18 (4) by adding at the end the following new
19 paragraph (2);

20 “(2) for fiscal year 2004 (notwithstanding para-
21 graph (1)), 65 percent of the costs of operating the
22 State program during that year.”.

23 (b) **STUDY.**—(1) The Secretary of Defense shall
24 carry out a study to evaluate (A) the adequacy of the re-
25 quirement under section 509(d) of title 32, United States

1 Code, for the United States to fund 60 percent of the costs
2 of operating a State program of the National Guard Chal-
3 lenge Program and the State to fund 40 percent of such
4 costs, and (B) the value of the Challenge program to the
5 Department of Defense.

6 (2) In carrying out the study under paragraph (1),
7 the Secretary should identify potential alternatives to the
8 matching funds structure provided for the National Guard
9 Challenge Program under section 509(d) of title 32,
10 United States Code, such as a range of Federal-State
11 matching ratios, that would provide flexibility in the man-
12 agement of the program to better respond to temporary
13 fiscal conditions.

14 (3) The Secretary shall include the results of the
15 study, including findings, conclusions, and recommenda-
16 tions, in the next annual report to Congress under section
17 509(k) of title 32, United States Code, that is submitted
18 to Congress after the date of the enactment of this Act.

19 (c) AMOUNT FOR FEDERAL ASSISTANCE.—(1) The
20 amount authorized to be appropriated under section
21 301(10) is hereby increased by \$3,000,000.

22 (2) Of the total amount authorized to be appropriated
23 under section 301(10), \$68,216,000 shall be available for
24 the National Guard Challenge Program under section 509
25 of title 32, United States Code.

1 (3) The total amount authorized to be appropriated
2 under section 301(4) is hereby reduced by \$3,000,000.

3 **SEC. 1044. SENSE OF SENATE ON RECONSIDERATION OF**
4 **DECISION TO TERMINATE BORDER SEAPORT**
5 **INSPECTION DUTIES OF NATIONAL GUARD**
6 **UNDER NATIONAL GUARD DRUG INTERDIC-**
7 **TION AND COUNTER-DRUG MISSION.**

8 (a) FINDINGS.—The Senate makes the following
9 findings:

10 (1) The counter-drug inspection mission of the
11 National Guard is highly important to preventing
12 the infiltration of illegal narcotics across United
13 States borders.

14 (2) The expertise of members of the National
15 Guard in vehicle inspections at United States bor-
16 ders have made invaluable contributions to the iden-
17 tification and seizure of illegal narcotics being smug-
18 gled across United States borders.

19 (3) The support provided by the National
20 Guard to the Customs Service and the Border Patrol
21 has greatly enhanced the capability of the Customs
22 Service and the Border Patrol to perform counter-
23 terrorism surveillance and other border protection
24 duties.

1 (b) SENSE OF SENATE.—It is the sense of the Senate
 2 that the Secretary of Defense should reconsider the deci-
 3 sion of the Department of Defense to terminate the border
 4 inspection and seaport inspection duties of the National
 5 Guard as part of the drug interdiction and counter-drug
 6 mission of the National Guard.

7 **TITLE XI—DEPARTMENT OF DE-**
 8 **FENSE CIVILIAN PERSONNEL**
 9 **POLICY**

10 **SEC. 1101. AUTHORITY TO EMPLOY CIVILIAN FACULTY**
 11 **MEMBERS AT THE WESTERN HEMISPHERE**
 12 **INSTITUTE FOR SECURITY COOPERATION.**

13 Section 1595(c) of title 10, United States Code, is
 14 amended by adding at the end the following new para-
 15 graph:

16 “(6) The Western Hemisphere Institute for Se-
 17 curity Cooperation.”.

18 **SEC. 1102. PAY AUTHORITY FOR CRITICAL POSITIONS.**

19 (a) AUTHORITY.—Chapter 81 of title 10, United
 20 States Code, is amended by adding at the end the fol-
 21 lowing new section:

22 **“§ 1599e. Pay authority for critical positions**

23 “(a) AUTHORITY GENERALLY.—(1) When the Sec-
 24 retary of Defense seeks a grant of authority under section
 25 5377 of title 5 for critical pay for one or more positions

1 within the Department of Defense, the Director of the Of-
2 fice of Management and Budget may fix the rate of basic
3 pay, notwithstanding sections 5377(d)(2) and 5307 of
4 such title, at any rate up to the salary set in accordance
5 with section 104 of title 3.

6 “(2) Notwithstanding section 5307 of title 5, no al-
7 lowance, differential, bonus, award, or similar cash pay-
8 ment may be paid to any employee receiving critical pay
9 at a rate fixed under paragraph (1), in any calendar year
10 if, or to the extent that, the employee’s total annual com-
11 pensation will exceed the maximum amount of total an-
12 nual compensation payable at the salary set in accordance
13 with section 104 of title 3.

14 “(b) TEMPORARY STREAMLINED CRITICAL PAY AU-
15 THORITY.—(1) The Secretary of Defense may establish,
16 fix the compensation of, and appoint persons to positions
17 designated as critical administrative, technical, or profes-
18 sional positions needed to carry out the functions of the
19 Department of Defense, subject to paragraph (2).

20 “(2) The authority under paragraph (1) may be exer-
21 cised with respect to a position only if—

22 “(A) the position—

23 “(i) requires expertise of an extremely high
24 level in an administrative, technical, or profes-
25 sional field; and

1 “(ii) is critical to the successful accom-
2 plishment of an important mission by the De-
3 partment of Defense;

4 “(B) the exercise of the authority is necessary
5 to recruit or retain a person exceptionally well quali-
6 fied for the position;

7 “(C) the number of all positions covered by the
8 exercise of the authority does not exceed 40 at any
9 one time;

10 “(D) in the case of a position designated as a
11 critical administrative, technical, or professional po-
12 sition by an official other than the Secretary of De-
13 fense, the designation is approved by the Secretary;

14 “(E) the term of appointment to the position is
15 limited to not more than four years;

16 “(F) the appointee to the position was not a
17 Department of Defense employee before the date of
18 the enactment of the National Defense Authoriza-
19 tion Act for Fiscal Year 2004;

20 “(G) the total annual compensation for the ap-
21 pointee to the position does not exceed the highest
22 total annual compensation payable at the rate deter-
23 mined under section 104 of title 3; and

24 “(H) the position is excluded from collective
25 bargaining units.

1 “(3) The authority under this subsection may be ex-
2 ercised without regard to—

3 “(A) subsection (a);

4 “(B) the provisions of title 5 governing appoint-
5 ments in the competitive service or the Senior Exec-
6 utive Service; and

7 “(C) chapters 51 and 53 of title 5, relating to
8 classification and pay rates.

9 “(4) The authority under this subsection may not be
10 exercised after the date that is 10 years after the date
11 of the enactment of the National Defense Authorization
12 Act for Fiscal Year 2004.

13 “(5) For so long as a person continues to serve with-
14 out a break in service in a position to which appointed
15 under this subsection, the expiration of authority under
16 this subsection does not terminate the position, terminate
17 the person’s appointment in the position before the end
18 of the term for which appointed under this subsection, or
19 affect the compensation fixed for the person’s service in
20 the position under this subsection during such term of ap-
21 pointment.

22 “(6) Subchapter II of chapter 75 of title 5 does not
23 apply to an employee during a term of service in a critical
24 administrative, technical, or professional position to which
25 the employee is appointed under this subsection.”.

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

“1599e. Pay authority for critical positions.”.

4 **SEC. 1103. EXTENSION, EXPANSION, AND REVISION OF AU-**
5 **THORITY FOR EXPERIMENTAL PERSONNEL**
6 **PROGRAM FOR SCIENTIFIC AND TECHNICAL**
7 **PERSONNEL.**

8 (a) EXTENSION OF PROGRAM.—Subsection (e)(1) of
9 section 1101 of the Strom Thurmond National Defense
10 Authorization Act for Fiscal Year 1999 (Public Law 105–
11 261; 112 Stat. 2139; 5 U.S.C. 3104 note) is amended by
12 striking “October 16, 2005” and inserting “September 30,
13 2008”.

14 (b) INCREASED LIMITATION ON NUMBER OF AP-
15 POINTMENTS.—Subsection (b)(1)(A) of such section is
16 amended by striking “40” and inserting “50”.

17 (c) COMMENSURATE EXTENSION OF REQUIREMENT
18 FOR ANNUAL REPORT.—Subsection (g) of such section is
19 amended by striking “2006” and inserting “2009”.

20 **SEC. 1104. TRANSFER OF PERSONNEL INVESTIGATIVE**
21 **FUNCTIONS AND RELATED PERSONNEL OF**
22 **THE DEPARTMENT OF DEFENSE.**

23 (a) TRANSFER OF FUNCTIONS.—(1) With the con-
24 sent of the Director of the Office of Personnel Manage-
25 ment, the Secretary of Defense may transfer to the Office

1 of Personnel Management the personnel security inves-
2 tigations functions that, as of the date of the enactment
3 of this Act, are performed by the Defense Security Service
4 of the Department of Defense.

5 (2) The Director of the Office of Personnel Manage-
6 ment may accept a transfer of functions under paragraph
7 (1).

8 (3) Any transfer of a function under this subsection
9 is a transfer of function within the meaning of section
10 3503 of title 5, United States Code.

11 (b) TRANSFER OF PERSONNEL.—(1) If the Director
12 of the Office of Personnel Management accepts a transfer
13 of functions under subsection (a), the Secretary of De-
14 fense shall also transfer to the Office of Personnel Man-
15 agement, and the Director shall accept—

16 (A) the Defense Security Service employees who
17 perform those functions immediately before the
18 transfer of functions; and

19 (B) the Defense Security Service employees
20 who, as of such time, are first level supervisors of
21 employees transferred under subparagraph (A).

22 (2) The Secretary may also transfer to the Office of
23 Personnel Management any Defense Security Service em-
24 ployees (including higher level supervisors) who provide
25 support services for the performance of the functions

1 transferred under subsection (a) or for the personnel (in-
2 cluding supervisors) transferred under paragraph (1) if
3 the Director—

4 (A) determines that the transfer of such addi-
5 tional employees and the positions of such employees
6 to the Office of Personnel Management is necessary
7 in the interest of effective performance of the trans-
8 ferred functions; and

9 (B) accepts the transfer of the additional em-
10 ployees.

11 (3) In the case of an employee transferred to the Of-
12 fice of Personnel Management under paragraph (1) or (2),
13 whether a full-time or part-time employee—

14 (A) subsections (b) and (c) of section 5362 of
15 title 5, United States Code, relating to grade reten-
16 tion, shall apply to the employee, except that—

17 (i) the grade retention period shall be the
18 one-year period beginning on the date of the
19 transfer; and

20 (ii) paragraphs (1), (2), and (3) of such
21 subsection (c) shall not apply to the employee;
22 and

23 (B) the employee may not be separated, other
24 than pursuant to chapter 75 of title 5, United States
25 Code, during such one-year period.

1 (c) ACTIONS AFTER TRANSFER.—(1) Not later than
2 one year after a transfer of functions to the Office of Per-
3 sonnel Management under subsection (a), the Secretary
4 of Defense shall review all functions performed by per-
5 sonnel of the Defense Security Service at the time of the
6 transfer and make a written determination regarding
7 whether each such function is inherently governmental or
8 is otherwise inappropriate for performance by contractor
9 personnel.

10 (2) A function performed by Defense Security Service
11 employees as of the date of the enactment of this Act may
12 not be converted to contractor performance by the Direc-
13 tor of the Office of Personnel Management until—

14 (A) the Secretary of Defense reviews the func-
15 tion in accordance with the requirements of para-
16 graph (1) and makes a written determination that
17 the function is not inherently governmental and is
18 not otherwise inappropriate for contractor perform-
19 ance; and

20 (B) the Director conducts a public-private com-
21 petition regarding the performance of that function
22 in accordance with the requirements of the Office of
23 Management and Budget Circular A-76.

1 **TITLE XII—MATTERS RELATING**
2 **TO OTHER NATIONS**

3 **SEC. 1201. AUTHORITY TO USE FUNDS FOR PAYMENT OF**
4 **COSTS OF ATTENDANCE OF FOREIGN VISI-**
5 **TORS UNDER REGIONAL DEFENSE COUNTER-**
6 **TERRORISM FELLOWSHIP PROGRAM.**

7 (a) **AUTHORITY TO USE FUNDS.**—(1) Subchapter I
8 of chapter 134 of title 10, United States Code, is amended
9 by adding at the end the following new section:

10 **“§ 2249c. Authority to use appropriated funds for**
11 **costs of attendance of foreign visitors**
12 **under Regional Defense Counterterror-**
13 **ism Fellowship Program**

14 “(a) **AUTHORITY TO USE FUNDS.**—Under regula-
15 tions prescribed by the Secretary of Defense, funds appro-
16 priated to the Department of Defense may be used to pay
17 any costs associated with the attendance of foreign mili-
18 tary officers, ministry of defense officials, or security offi-
19 cials at United States military educational institutions, re-
20 gional centers, conferences, seminars, or other training
21 programs conducted under the Regional Defense
22 Counterterrorism Fellowship Program, including costs of
23 transportation and travel and subsistence costs.

1 “(b) LIMITATION.—The total amount of funds used
2 under the authority in subsection (a) in any fiscal year
3 may not exceed \$20,000,000.

4 “(c) ANNUAL REPORT.—Not later than December 1
5 of each year, the Secretary of Defense shall submit to Con-
6 gress a report on the administration of this section during
7 the fiscal year ended in such year. The report shall include
8 the following matters:

9 “(1) A complete accounting of the expenditure
10 of appropriated funds for purposes authorized under
11 subsection (a), including—

12 “(A) the countries of the foreign officers
13 and officials for whom costs were paid; and

14 “(B) for each such country, the total
15 amount of the costs paid.

16 “(2) The training courses attended by the for-
17 eign officers and officials, including a specification
18 of which, if any, courses were conducted in foreign
19 countries.

20 “(3) An assessment of the effectiveness of the
21 Regional Defense Counterterrorism Fellowship Pro-
22 gram in increasing the cooperation of the govern-
23 ments of foreign countries with the United States in
24 the global war on terrorism.

1 “(4) A discussion of any actions being taken to
2 improve the program.”.

3 (2) The table of sections at the beginning of such sub-
4 chapter is amended by adding at the end the following
5 new item:

 “2249c. Authority to use appropriated funds for costs of attendance of foreign
 visitors under Regional Defense Counterterrorism Fellowship
 Program.”.

6 (b) NOTIFICATION OF CONGRESS.—Not later than
7 December 1, 2003, the Secretary of Defense shall—

8 (1) promulgate the final regulations for car-
9 rying out section 2249c of title 10, United States
10 Code, as added by subsection (a); and

11 (2) notify the congressional defense committees
12 of the promulgation of such regulations.

13 **SEC. 1202. AVAILABILITY OF FUNDS TO RECOGNIZE SUPE-**
14 **RIOR NONCOMBAT ACHIEVEMENTS OR PER-**
15 **FORMANCE OF MEMBERS OF FRIENDLY FOR-**
16 **EIGN FORCES AND OTHER FOREIGN NATION-**
17 **ALS.**

18 (a) IN GENERAL.—Chapter 53 of title 10, United
19 States Code, is amended by inserting the following new
20 section:

1 **“§ 1051a. Bilateral or regional cooperation programs:**
2 **availability of funds to recognize supe-**
3 **rior noncombat achievements or perform-**
4 **ance**

5 “(a) IN GENERAL.—The Secretary of Defense may
6 expend amounts available to the Department of Defense
7 or the military departments for operation and mainte-
8 nance for the purpose of recognizing superior noncombat
9 achievements or performance of members of friendly for-
10 eign forces, or other foreign nationals, that significantly
11 enhance or support the national security strategy of the
12 United States.

13 “(b) COVERED ACHIEVEMENTS OR PERFORMANCE.—
14 The achievements or performance that may be recognized
15 under subsection (a) include achievements or performance
16 that—

17 “(1) play a crucial role in shaping the inter-
18 national security environment in a manner that pro-
19 tects and promotes the interests of the United
20 States;

21 “(2) support or enhance the United States
22 presence overseas or support or enhance United
23 States peacetime engagement activities such as de-
24 fense cooperation initiatives, security assistance
25 training and programs, or training and exercises
26 with the armed forces of the United States;

1 “(3) help deter aggression and coercion, build
2 coalitions, or promote regional stability; or

3 “(4) serve as models for appropriate conduct
4 for military forces in emerging democracies.

5 “(c) LIMITATION ON VALUE OF MEMENTOS.—The
6 value of any memento procured or produced under sub-
7 section (a) may not exceed the minimal value in effect
8 under section 7342(a)(5) of title 5.”.

9 (b) CLERICAL AMENDMENT.—The table of sections
10 at the beginning of such chapter is amended by inserting
11 after the item relating to section 1051 the following new
12 item:

 “1051a. Bilateral or regional cooperation programs: availability of funds to recognize superior noncombat achievements or performance.”.

13 **SEC. 1203. CHECK CASHING AND EXCHANGE TRANS-**
14 **ACTIONS FOR FOREIGN PERSONNEL IN ALLI-**
15 **ANCE OR COALITION FORCES.**

16 Section 3342(b) of title 31, United States Code, is
17 amended—

18 (1) by striking “or” at the end of paragraph
19 (6);

20 (2) by striking the period at the end of para-
21 graph (7) and inserting “; or”; and

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

1 “(8) a member of the armed forces of a foreign
2 nation who is participating in a combined operation,
3 combined exercise, or combined humanitarian or
4 peacekeeping mission that is carried out with armed
5 forces of the United States pursuant to an alliance
6 or coalition of the foreign nation with the United
7 States if—

8 “(A) the senior commander of the armed
9 forces of the United States participating in the
10 operation, exercise, or mission has authorized
11 the action under paragraph (1) or (2) of sub-
12 section (a);

13 “(B) the government of the foreign nation
14 has guaranteed payment for any deficiency re-
15 sulting from such action; and

16 “(C) in the case of an action on a nego-
17 tiable instrument, the negotiable instrument is
18 drawn on a financial institution located in the
19 United States or on a foreign branch of such an
20 institution.”.

21 **SEC. 1204. CLARIFICATION AND EXTENSION OF AUTHOR-**
22 **ITY TO PROVIDE ASSISTANCE FOR INTER-**
23 **NATIONAL NONPROLIFERATION ACTIVITIES.**

24 (a) **LIMITATION ON AMOUNT OF ASSISTANCE IN FIS-**
25 **CAL YEAR 2004.**—The total amount of the assistance for

1 fiscal year 2004 that is provided by the Secretary of De-
2 fense under section 1505 of the Weapons of Mass Destruc-
3 tion Control Act of 1992 (22 U.S.C. 5859a), including
4 funds used for activities of the Department of Defense in
5 support of the United Nations Monitoring, Verification
6 and Inspection Commission, shall not exceed \$15,000,000.

7 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
8 ANCE.—Subsection (f) of section 1505 of the Weapons of
9 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
10 is amended by striking “fiscal year 2003” and inserting
11 “fiscal year 2004”.

12 (c) REFERENCES TO UNITED NATIONS SPECIAL
13 COMMISSION ON IRAQ.—Section 1505 of the Weapons of
14 Mass Destruction Control Act of 1992 (22 U.S.C. 5859a)
15 is further amended—

16 (1) in subsection (b)(2), by striking “United
17 Nations Special Commission on Iraq (or any suc-
18 cessor organization)” and inserting “United Nations
19 Monitoring, Verification and Inspection Commis-
20 sion”; and

21 (2) in subsection (d)(4)(A), by striking “United
22 Nations Special Commission on Iraq (or any suc-
23 cessor organization)” and inserting “United Nations
24 Monitoring, Verification and Inspection Commis-
25 sion”.

1 **SEC. 1205. REIMBURSABLE COSTS RELATING TO NA-**
2 **TIONAL SECURITY CONTROLS ON SATELLITE**
3 **EXPORT LICENSING.**

4 (a) **DIRECT COSTS OF MONITORING FOREIGN**
5 **LAUNCHES OF SATELLITES.**—Section 1514(a)(1)(A) of
6 the Strom Thurmond National Defense Authorization Act
7 for Fiscal Year 1999 (Public Law 105–261; 22 U.S.C.
8 2778 note) is amended by striking “The costs of such
9 monitoring services” in the second sentence and inserting
10 the following: “The Department of Defense costs that are
11 directly related to monitoring the launch, including trans-
12 portation and per diem costs,”.

13 (b) **GAO STUDY.**—(1) The Comptroller General shall
14 conduct a study of the Department of Defense costs of
15 monitoring launches of satellites in a foreign country
16 under section 1514 of Public Law 105–261.

17 (2) Not later than April 1, 2004, the Comptroller
18 General shall submit a report on the study to the Commit-
19 tees on Armed Services of the Senate and the House of
20 Representatives. The report shall include the following:

21 (A) An assessment of the Department of De-
22 fense costs of monitoring the satellite launches de-
23 scribed in paragraph (1).

24 (B) A review of the costs reimbursed to the De-
25 partment of Defense by each person or entity receiv-
26 ing the satellite launch monitoring services, includ-

1 ing the extent to which indirect costs have been in-
2 cluded.

3 **SEC. 1206. ANNUAL REPORT ON THE NATO PRAGUE CAPA-**
4 **BILITIES COMMITMENT AND THE NATO RE-**
5 **SPONSE FORCE.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) At the meeting of the North Atlantic Coun-
9 cil held in Prague in November 2002, the heads of
10 states and governments of the North Atlantic Treaty
11 Organization (NATO) launched a Prague Capabili-
12 ties Commitment and decided to create a NATO Re-
13 sponse Force.

14 (2) The Prague Capabilities Commitment is
15 part of the continuing NATO effort to improve and
16 develop new military capabilities for modern warfare
17 in a high-threat environment. As part of this com-
18 mitment, individual NATO allies have made firm
19 and specific political commitments to improve their
20 capabilities in the areas of—

21 (A) chemical, biological, radiological, and
22 nuclear defense;

23 (B) intelligence, surveillance, and target
24 acquisition;

25 (C) air-to-ground surveillance;

1 (D) command, control, and communica-
2 tions;

3 (E) combat effectiveness, including preci-
4 sion guided munitions and suppression of
5 enemy air defenses;

6 (F) strategic air and sea lift;

7 (G) air-to-air refueling; and

8 (H) deployable combat support and combat
9 service support units.

10 (3) The NATO Response Force is envisioned to
11 be a technologically advanced, flexible, deployable,
12 interoperable, and sustainable force that includes
13 land, sea, and air elements ready to move quickly to
14 wherever needed, as determined by the North Atlan-
15 tic Council. The NATO Response Force is also in-
16 tended to be a catalyst for focusing and promoting
17 improvements in NATO's military capabilities. It is
18 expected to have initial operational capability by Oc-
19 tober 2004, and full operational capability by Octo-
20 ber 2006.

21 (b) ANNUAL REPORT.—(1) Not later than January
22 31 of each year, the Secretary of Defense shall submit
23 to the Committees on Armed Services and Foreign Rela-
24 tions of the Senate and the Committees on Armed Services
25 and International Relations of the House of Representa-

1 tives a report, to be prepared in consultation with the Sec-
2 retary of State, on implementation of the Prague Capabili-
3 ties Commitment and development of the NATO Response
4 Force by the member nations of NATO. The report shall
5 include the following matters:

6 (A) A description of the actions taken by
7 NATO as a whole and by each member nation of
8 NATO other than the United States to further the
9 Prague Capabilities Commitment, including any ac-
10 tions taken to improve capability shortfalls in the
11 areas identified for improvement.

12 (B) A description of the actions taken by
13 NATO as a whole and by each member nation of
14 NATO, including the United States, to create the
15 NATO Response Force.

16 (C) A discussion of the relationship between
17 NATO's efforts to improve capabilities through the
18 Prague Capabilities Commitment and those of the
19 European Union to enhance European capabilities
20 through the European Capabilities Action Plan, in-
21 cluding the extent to which they are mutually rein-
22 forcing.

23 (D) A discussion of NATO decisionmaking on
24 the implementation of the Prague Capabilities Com-

1 mitment and the development of the NATO Re-
2 sponse Force, including—

3 (i) an assessment of whether the Prague
4 Capabilities Commitment and the NATO Re-
5 sponse Force are the sole jurisdiction of the De-
6 fense Planning Committee, the North Atlantic
7 Council, or the Military Committee;

8 (ii) a description of the circumstances
9 which led to the defense, military, security, and
10 nuclear decisions of NATO on matters such as
11 the Prague Capabilities Commitment and the
12 NATO Response Force being made in bodies
13 other than the Defense Planning Committee;

14 (iii) a description of the extent to which
15 any member that does not participate in the in-
16 tegrated military structure of NATO contrib-
17 utes to each of the component committees of
18 NATO, including any and all committees rel-
19 evant to the Prague Capabilities Commitment
20 and the NATO Response Force;

21 (iv) a description of the extent to which
22 any member that does not participate in the in-
23 tegrated military structure of NATO partici-
24 pates in deliberations and decisions of NATO
25 on resource policy, contribution ceilings, infra-

1 structure, force structure, modernization, threat
2 assessments, training, exercises, deployments,
3 and other issues related to the Prague Capabili-
4 ties Commitment or the NATO Response
5 Force;

6 (v) a description and assessment of the im-
7 pediments, if any, that would preclude or limit
8 NATO from conducting deliberations and mak-
9 ing decisions on matters such as the Prague
10 Capabilities Commitment or the NATO Re-
11 sponse Force solely in the Defense Planning
12 Committee;

13 (vi) the recommendations of the Secretary
14 of Defense on streamlining defense, military,
15 and security decisionmaking within NATO re-
16 lating to the Prague Capabilities Commitment,
17 and NATO Response Force, and other matters,
18 including an assessment of the feasibility and
19 advisability of the greater utilization of the De-
20 fense Planning Committee for such purposes;
21 and

22 (vii) if a report under this subparagraph is
23 a report other than the first report under this
24 subparagraph, the information submitted in
25 such report under any of clauses (i) through

1 (vi) may consist solely of an update of any in-
2 formation previously submitted under the appli-
3 cable clause in a preceding report under this
4 subparagraph.

5 (2) The report shall be submitted in unclassified
6 form, but may also be submitted in classified form if nec-
7 essary.

8 **SEC. 1207. EXPANSION AND EXTENSION OF AUTHORITY TO**
9 **PROVIDE ADDITIONAL SUPPORT FOR**
10 **COUNTER-DRUG ACTIVITIES.**

11 (a) GENERAL EXTENSION OF AUTHORITY.—Section
12 1033 of the National Defense Authorization Act for Fiscal
13 Year 1998 (Public Law 105–85; 111 Stat. 1881), as
14 amended by section 1021 of the Floyd D. Spence National
15 Defense Authorization Act for Fiscal Year 2001 (as en-
16 acted into law by Public Law 106–398; 114 Stat. 1654A–
17 255), is further amended—

18 (1) in subsection (a)—

19 (A) by inserting after “subsection (f),” the
20 following: “during fiscal years 1998 through
21 2006 in the case of the foreign governments
22 named in paragraphs (1) and (2) of subsection
23 (b), and fiscal years 2004 through 2006 in the
24 case of the foreign governments named in para-
25 graphs (3) through (9) of subsection (b),”; and

1 (B) by striking “either or both” and in-
2 serting “any”; and

3 (2) in subsection (b)—

4 (A) in paragraph (1), by striking “, for fis-
5 cal years 1998 through 2002”; and

6 (B) in paragraph (2), by striking “, for fis-
7 cal years 1998 through 2006”.

8 (b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RE-
9 CEIVE SUPPORT.—Subsection (b) of such section 1033 is
10 further amended by adding at the end the following new
11 paragraphs:

12 “(3) The Government of Afghanistan.

13 “(4) The Government of Bolivia.

14 “(5) The Government of Ecuador.

15 “(6) The Government of Pakistan.

16 “(7) The Government of Tajikistan.

17 “(8) The Government of Turkmenistan.

18 “(9) The Government of Uzbekistan.”.

19 (c) TYPES OF SUPPORT.—Subsection (c) of such sec-
20 tion 1033 is amended—

21 (1) in paragraph (2), by striking “riverine”;

22 and

23 (2) in paragraph (3), by inserting “or upgrade”
24 after “maintenance and repair”.

1 (d) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Sub-
2 section (e)(2) of such section 1033, as amended by such
3 section 1021, is further amended by striking
4 “\$20,000,000 during any of the fiscal years 1999 through
5 2006” and inserting “\$20,000,000 during any of fiscal
6 years 1999 through 2003, or \$40,000,000 during any of
7 fiscal years 2004 through 2006”.

8 (e) COUNTER-DRUG PLAN.—(1) Subsection (h) of
9 such section 1033 is amended—

10 (A) in the subsection caption, by striking
11 “RIVERINE”;

12 (B) in the matter preceding paragraph (1)—

13 (i) by inserting “in the case of the govern-
14 ments named in paragraphs (1) and (2) of sub-
15 section (b) and for fiscal year 2004 in the case
16 of the governments named in paragraphs (3)
17 through (9) of subsection (b)”;

18 (ii) by striking “riverine”; and

19 (C) by striking “riverine” each place it appears
20 in paragraphs (2), (7), (8), and (9).

21 (2) Subsection (f)(2)(A) of such section 1033 is
22 amended by striking “riverine”.

23 (f) CLERICAL AMENDMENT.—The heading for such
24 section 1033 is amended by striking “**PERU AND CO-**
25 **LOMBIA**” and inserting “**OTHER COUNTRIES**”.

1 **SEC. 1208. USE OF FUNDS FOR UNIFIED COUNTERDRUG**
2 **AND COUNTERTERRORISM CAMPAIGN IN CO-**
3 **LOMBIA.**

4 (a) **AUTHORITY.**—(1) In fiscal years 2004 and 2005,
5 the Secretary of Defense may use funds available for as-
6 sistance to the Government of Colombia to support a uni-
7 fied campaign against narcotics trafficking and against
8 activities by organizations designated as terrorist organi-
9 zations such as the Revolutionary Armed Forces of Colom-
10 bia (FARC), the National Liberation Army (ELN), and
11 the United Self-Defense Forces of Colombia (AUC).

12 (2) The authority to provide assistance for a cam-
13 paign under this subsection includes authority to take ac-
14 tions to protect human health and welfare in emergency
15 circumstances, including the undertaking of rescue oper-
16 ations.

17 (b) **APPLICABILITY OF CERTAIN LAWS AND LIMITA-**
18 **TIONS.**—The use of funds pursuant to the authority in
19 subsection (a) shall be subject to the following:

20 (1) Sections 556, 567, and 568 of the Foreign
21 Operations, Export Financing, and Related Pro-
22 grams Appropriations Act, 2002 (Public Law 107–
23 115; 115 Stat. 2160, 2165, and 2166).

24 (2) Section 8093 of the Department of Defense
25 Appropriations Act, 2002 (division A of Public Law
26 107–117; 115 Stat. 2267).

1 (3) The numerical limitations on the number of
2 United States military personnel and United States
3 individual civilian contractors in section 3204(b)(1)
4 of the Emergency Supplemental Act, 2000 (division
5 B of Public Law 106–246; 114 Stat. 575).

6 (c) LIMITATION ON PARTICIPATION OF UNITED
7 STATES PERSONNEL.—No United States Armed Forces
8 personnel or United States civilian contractor personnel
9 employed by the United States may participate in any
10 combat operation in connection with assistance using
11 funds pursuant to the authority in subsection (a), except
12 for the purpose of acting in self defense or of rescuing
13 any United States citizen (including any United States
14 Armed Forces personnel, United States civilian employee,
15 or civilian contractor employed by the United States).

16 (d) CONSTRUCTION WITH OTHER AUTHORITY.—The
17 authority in subsection (a) to use funds to provide assist-
18 ance to the Government of Colombia is in addition to any
19 other authority in law to provide assistance to the Govern-
20 ment of Colombia.

21 **SEC. 1209. COMPETITIVE AWARD OF CONTRACTS FOR IRAQI**

22 **RECONSTRUCTION.**

23 (a) REQUIREMENT.—The Department of Defense
24 shall fully comply with the Competition in Contracting Act
25 (10 U.S.C. 2304 et seq.) for any contract awarded for re-

1 construction activities in Iraq and shall conduct a full and
2 open competition for performing work needed for the re-
3 construction of the Iraqi oil industry.

4 (b) REPORT TO CONGRESS.—If the Department of
5 Defense does not have a fully competitive contract in place
6 to replace the March 8, 2003 contract for the reconstruc-
7 tion of the Iraqi oil industry by August 31, 2003, the Sec-
8 retary of Defense shall submit a report to Congress by
9 September 30, 2003, detailing the reasons for allowing
10 this sole-source contract to continue. A follow-up report
11 shall be submitted to Congress each 60 days thereafter
12 until a competitive contract is in place.

13 **TITLE XIII—COOPERATIVE**
14 **THREAT REDUCTION WITH**
15 **STATES OF THE FORMER SO-**
16 **VIET UNION**

17 **SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT RE-**
18 **DUCTION PROGRAMS AND FUNDS.**

19 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
20 poses of section 301 and other provisions of this Act, Co-
21 operative Threat Reduction programs are the programs
22 specified in section 1501(b) of the National Defense Au-
23 thorization Act for Fiscal Year 1997 (Public Law 104-
24 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

1 (b) FISCAL YEAR 2004 COOPERATIVE THREAT RE-
2 DUCTION FUNDS DEFINED.—As used in this title, the
3 term “fiscal year 2004 Cooperative Threat Reduction
4 funds” means the funds appropriated pursuant to the au-
5 thorization of appropriations in section 301 for Coopera-
6 tive Threat Reduction programs.

7 (c) AVAILABILITY OF FUNDS.—Funds appropriated
8 pursuant to the authorization of appropriations in section
9 301 for Cooperative Threat Reduction programs shall be
10 available for obligation for three fiscal years.

11 **SEC. 1302. FUNDING ALLOCATIONS.**

12 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
13 \$450,800,000 authorized to be appropriated to the De-
14 partment of Defense for fiscal year 2004 in section
15 301(22) for Cooperative Threat Reduction programs, not
16 more than the following amounts may be obligated for the
17 purposes specified:

18 (1) For strategic offensive arms elimination in
19 Russia, \$57,600,000.

20 (2) For strategic nuclear arms elimination in
21 Ukraine, \$3,900,000.

22 (3) For nuclear weapons transportation security
23 in Russia, \$23,200,000.

24 (4) For weapons storage security in Russia,
25 \$48,000,000.

1 (5) For weapons of mass destruction prolifera-
2 tion prevention activities in the states of the former
3 Soviet Union, \$39,400,000.

4 (6) For chemical weapons destruction in Rus-
5 sia, \$200,300,000.

6 (7) For biological weapons proliferation preven-
7 tion activities in the former Soviet Union,
8 \$54,200,000.

9 (8) For defense and military contacts,
10 \$11,000,000.

11 (9) For activities designated as Other Assess-
12 ments/Administrative Support, \$13,100,000.

13 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
14 FUNDS FOR OTHER PURPOSES.—No fiscal year 2004 Co-
15 operative Threat Reduction funds may be obligated or ex-
16 pended for a purpose other than a purpose listed in para-
17 graphs (1) through (9) of subsection (a) until 30 days
18 after the date that the Secretary of Defense submits to
19 Congress a report on the purpose for which the funds will
20 be obligated or expended and the amount of funds to be
21 obligated or expended. Nothing in the preceding sentence
22 shall be construed as authorizing the obligation or expend-
23 iture of fiscal year 2004 Cooperative Threat Reduction
24 funds for a purpose for which the obligation or expendi-

1 ture of such funds is specifically prohibited under this title
2 or any other provision of law.

3 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
4 AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any
5 case in which the Secretary of Defense determines that
6 it is necessary to do so in the national interest, the Sec-
7 retary may obligate amounts appropriated for fiscal year
8 2004 for a purpose listed in any of the paragraphs in sub-
9 section (a) in excess of the amount specifically authorized
10 for such purpose.

11 (2) An obligation of funds for a purpose stated in
12 any of the paragraphs in subsection (a) in excess of the
13 specific amount authorized for such purpose may be made
14 using the authority provided in paragraph (1) only after—

15 (A) the Secretary submits to Congress notifica-
16 tion of the intent to do so together with a complete
17 discussion of the justification for doing so; and

18 (B) 15 days have elapsed following the date of
19 the notification.

20 (3) The Secretary may not, under the authority pro-
21 vided in paragraph (1), obligate amounts for a purpose
22 stated in any of paragraphs (6) through (9) of subsection
23 (a) in excess of 125 percent of the specific amount author-
24 ized for such purpose.

1 **SEC. 1303. ANNUAL CERTIFICATIONS ON USE OF FACILI-**
2 **TIES BEING CONSTRUCTED FOR COOPERA-**
3 **TIVE THREAT REDUCTION PROJECTS OR AC-**
4 **TIVITIES.**

5 (a) CERTIFICATION ON USE OF FACILITIES BEING
6 CONSTRUCTED.—Not later than the first Monday of Feb-
7 ruary each year, the Secretary of Defense shall submit to
8 the congressional defense committees a certification for
9 each facility for a Cooperative Threat Reduction project
10 or activity for which construction occurred during the pre-
11 ceding fiscal year on matters as follows:

12 (1) Whether or not such facility will be used for
13 its intended purpose by the country in which the fa-
14 cility is constructed.

15 (2) Whether or not the country remains com-
16 mitted to the use of such facility for its intended
17 purpose.

18 (b) APPLICABILITY.—Subsection (a) shall apply to—

19 (1) any facility the construction of which com-
20 mences on or after the date of the enactment of this
21 Act; and

22 (2) any facility the construction of which is on-
23 going as of that date.

1 **SEC. 1304. AUTHORITY TO USE COOPERATIVE THREAT RE-**
2 **DUCTION FUNDS OUTSIDE THE FORMER SO-**
3 **VIET UNION.**

4 (a) **AUTHORITY.**—The President may obligate and
5 expend Cooperative Threat Reduction funds for a fiscal
6 year, and any Cooperative Threat Reduction funds for a
7 fiscal year before such fiscal year that remain available
8 for obligation, for a proliferation threat reduction project
9 or activity outside the states of the former Soviet Union
10 if the President determines that such project or activity
11 will—

12 (1) assist the United States in the resolution of
13 a critical emerging proliferation threat; or

14 (2) permit the United States to take advantage
15 of opportunities to achieve long-standing non-
16 proliferation goals.

17 (b) **SCOPE OF AUTHORITY.**—The authority in sub-
18 section (a) to obligate and expend funds for a project or
19 activity includes authority to provide equipment, goods,
20 and services for the project or activity utilizing such funds,
21 but does not include authority to provide cash directly to
22 the project or activity.

23 (c) **LIMITATION.**—The amount that may be obligated
24 in a fiscal year under the authority in subsection (a) may
25 not exceed \$50,000,000.

1 (d) ADDITIONAL LIMITATIONS AND REQUIRE-
2 MENTS.—Except as otherwise provided in subsections (a)
3 and (b), the exercise of the authority in subsection (a)
4 shall be subject to any requirement or limitation under
5 another provision of law as follows:

6 (1) Any requirement for prior notice or other
7 reports to Congress on the use of Cooperative
8 Threat Reduction funds or on Cooperative Threat
9 Reduction projects or activities.

10 (2) Any limitation on the obligation or expendi-
11 ture of Cooperative Threat Reduction funds.

12 (3) Any limitation on Cooperative Threat Re-
13 duction projects or activities.

14 **SEC. 1305. ONE-YEAR EXTENSION OF INAPPLICABILITY OF**
15 **CERTAIN CONDITIONS ON USE OF FUNDS**
16 **FOR CHEMICAL WEAPONS DESTRUCTION.**

17 Section 8144 of Public Law 107–248 (116 Stat.
18 1571) is amended—

19 (1) in subsection (a), by striking “and 2003”
20 and inserting “2003, and 2004”; and

1 (2) in subsection (b), by striking “September
2 30, 2003” and inserting “September 30, 2004”.

Passed the Senate May 22, 2003.

Attest:

Secretary.

108TH CONGRESS
1ST SESSION

S. 1047

AN ACT

To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.